



Annual Report 2016
Results Presentation
March 30, 2017

 **bank hapoalim**

SAFE HARBOR STATEMENT

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Some of the information in this presentation that does not refer to historical facts constitutes forward-looking information, as defined in the Securities Law. This presentation does not substitute Bank Hapoalim's Annual Financial Statement as at December 31, 2016 which includes the full financial information including Forward-Looking Information. Financial Statements are available on the bank's website: www.bankhapoalim.com - investor relations/financial information.



Continuous Improvement
in Quality of Credit
Portfolio



Growth according to our
Strategy



2016 Highlights



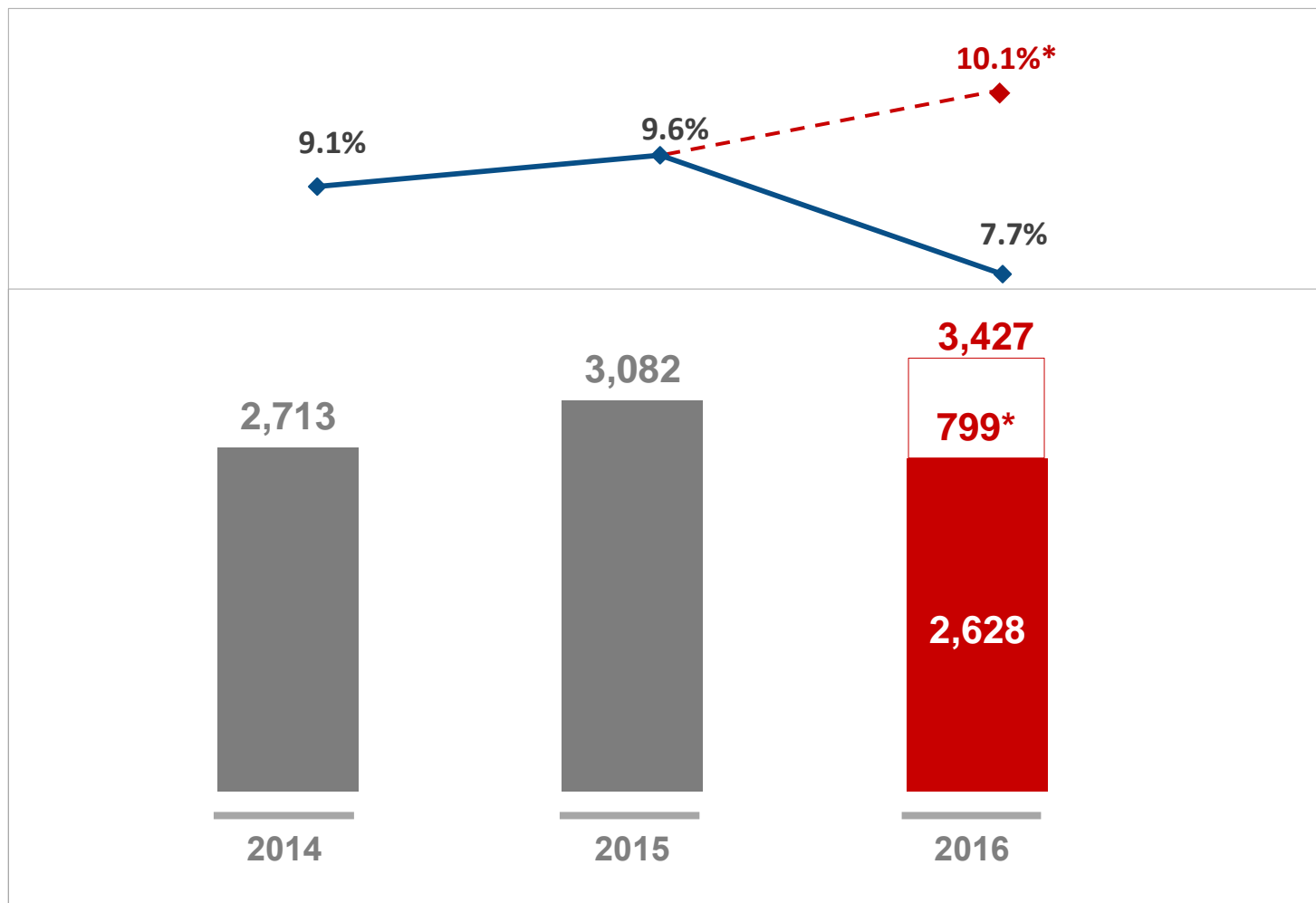
Efficiency as a
Way of Life



Surpassed
Capital Targets
30% Dividend Payout

NET PROFIT AND ROE

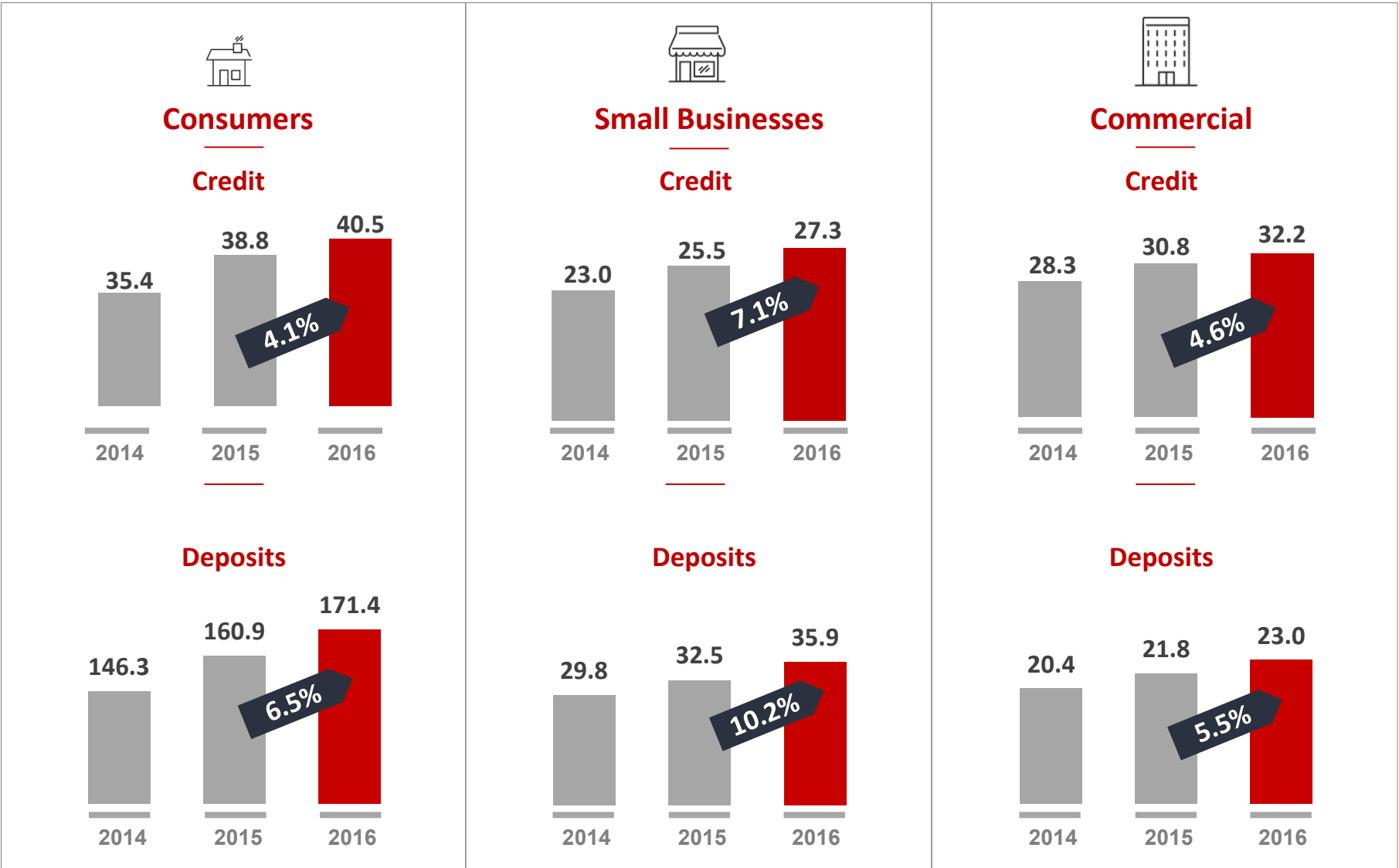
[NIS Millions]



*Excluding Provision with respect to US investigation – NIS 528 m. and effect of change in corporate tax rate -NIS 271 m.

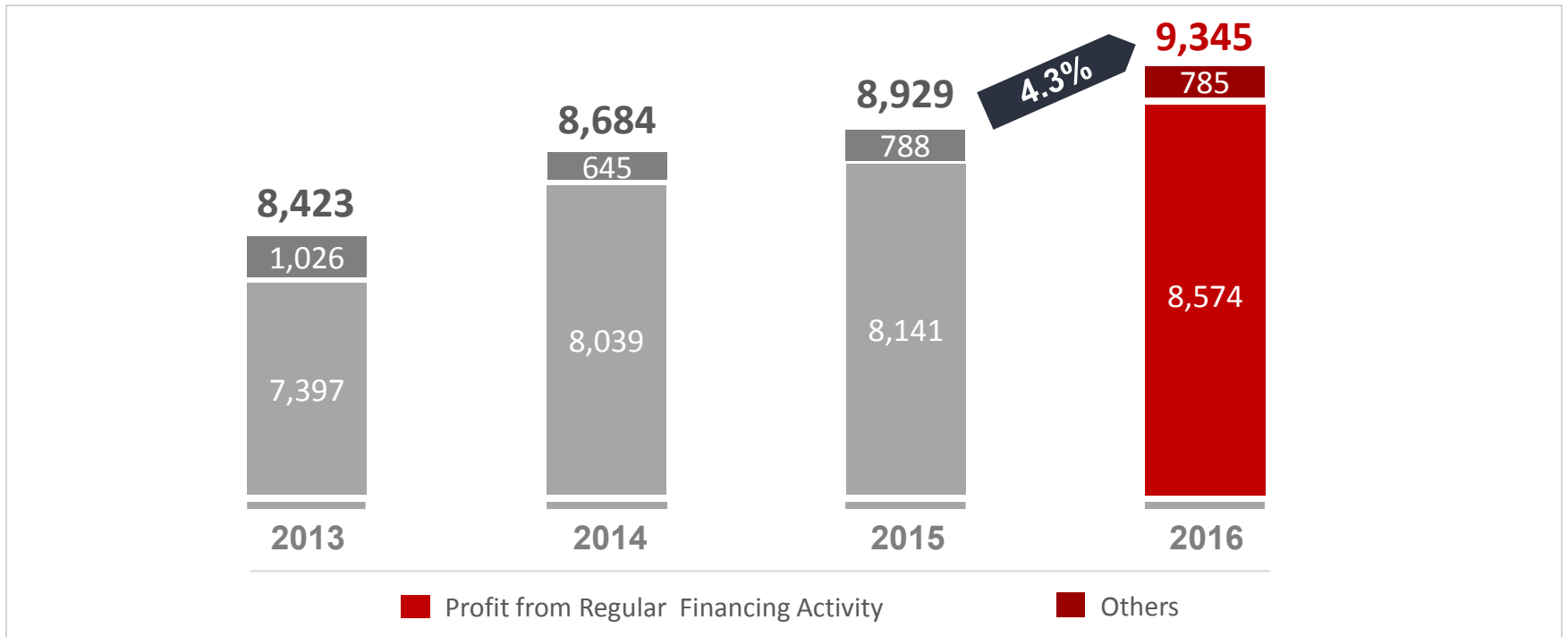
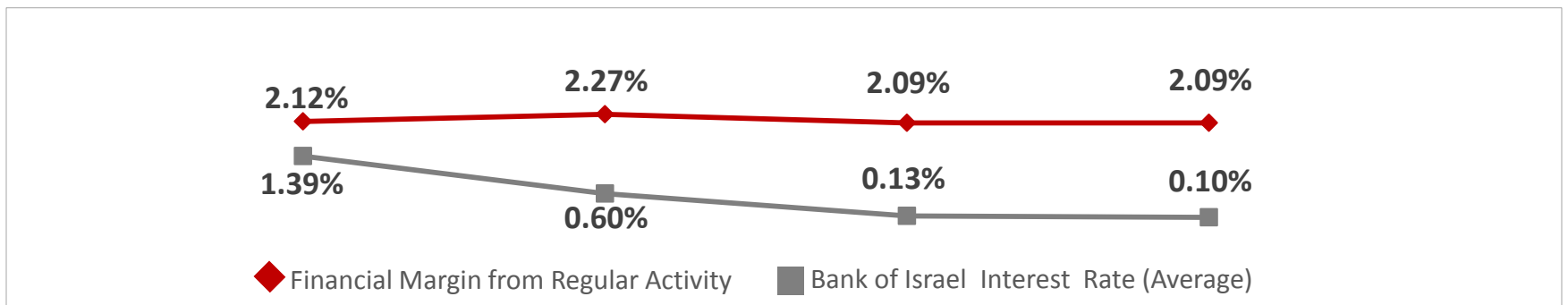
CONTINUED GROWTH IN STRATEGIC SEGMENTS

[NIS Billions]



INCREASED NET FINANCING PROFIT

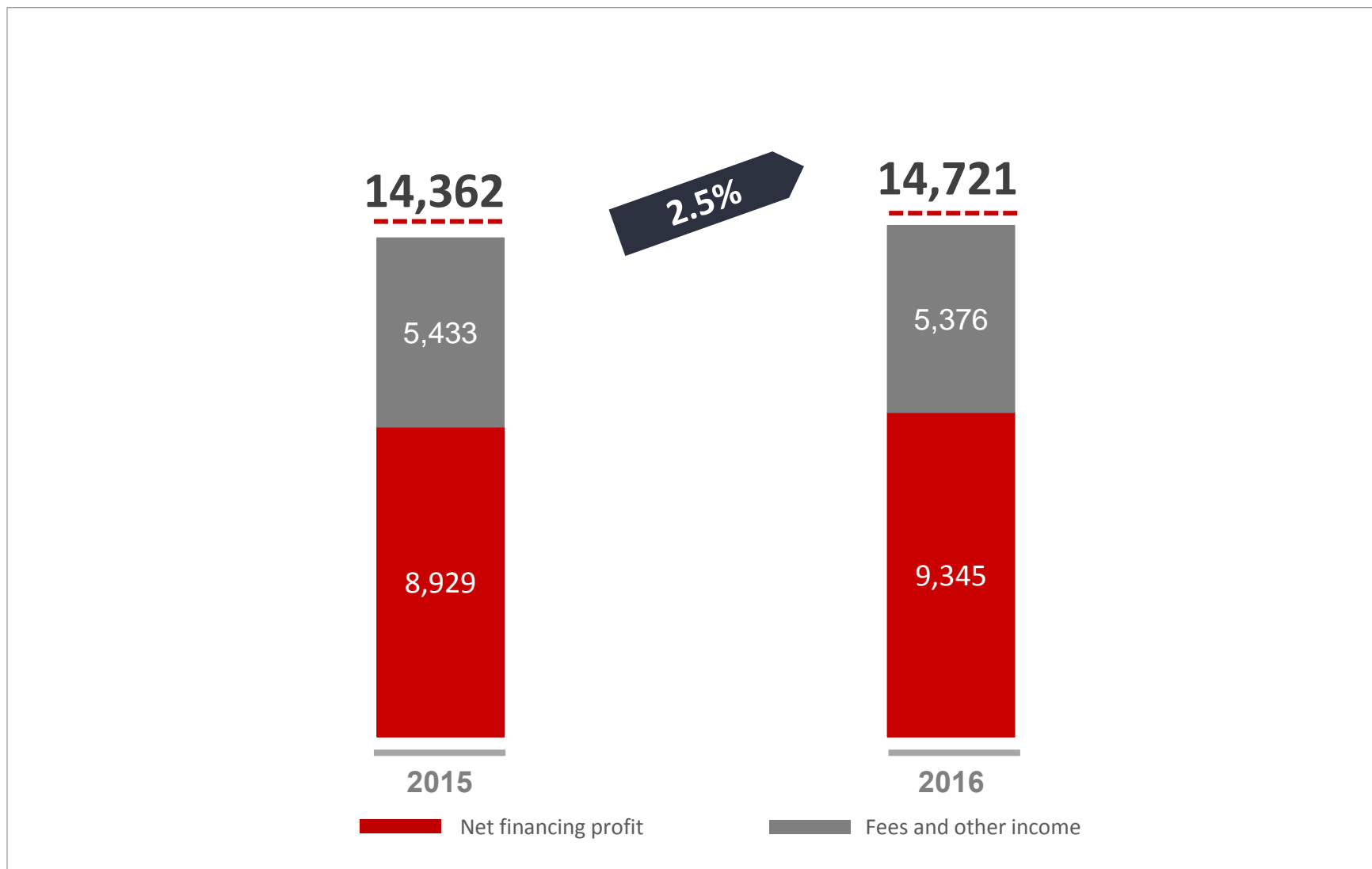
[NIS Millions]



NOTE: Includes net interest income and non-interest financing income

INCREASED TOTAL INCOME

[NIS Millions]

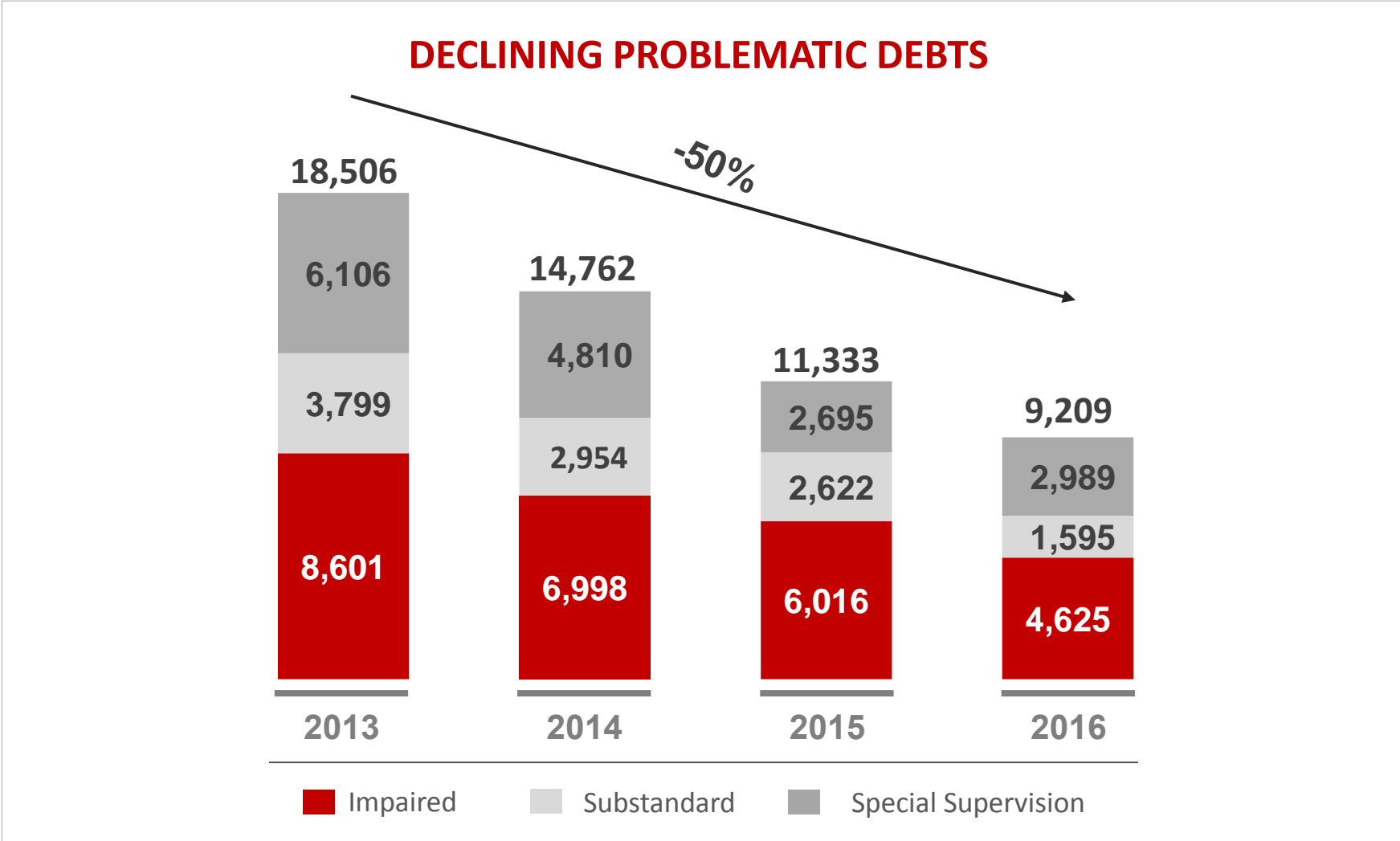




CONTINUOUS IMPROVEMENT IN ASSET QUALITY

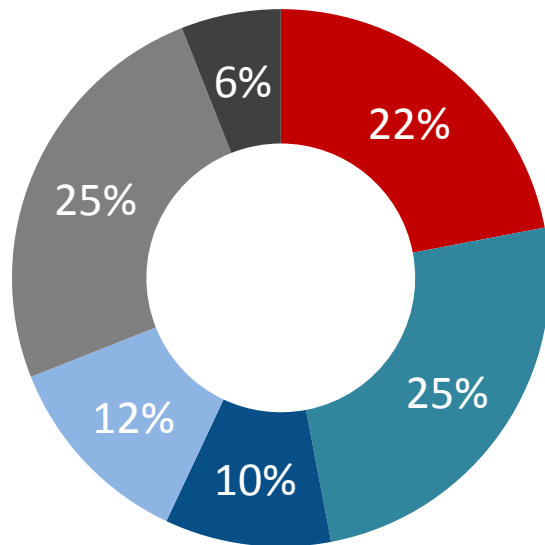
CONTINUOUS IMPROVEMENT IN ASSET QUALITY

[NIS Millions]



CONTINUOUS IMPROVEMENT IN ASSET QUALITY

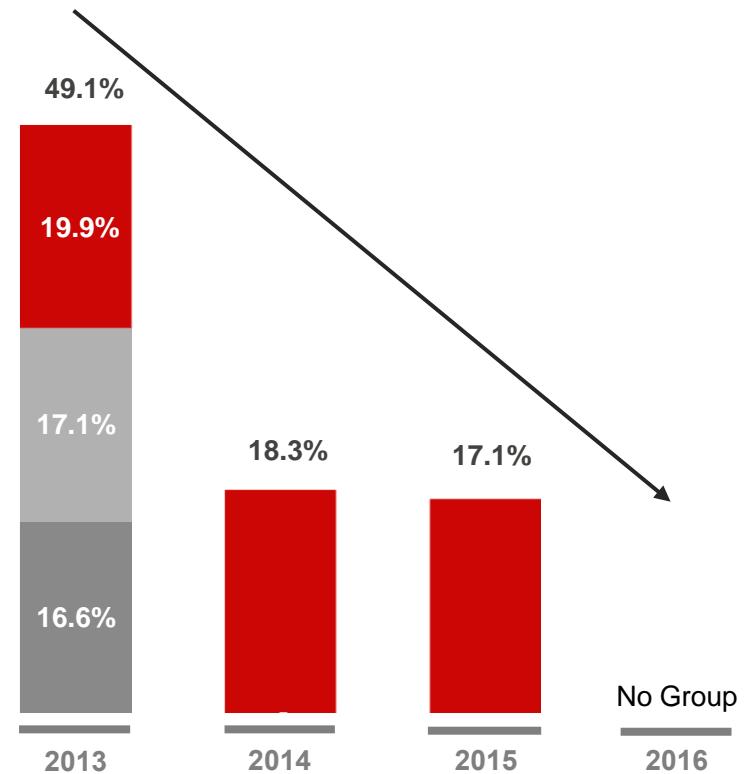
DIVERSIFIED CREDIT PORTFOLIO



■ Individuals ■ Housing ■ Small Businesses
■ Commercial ■ Corporate ■ International

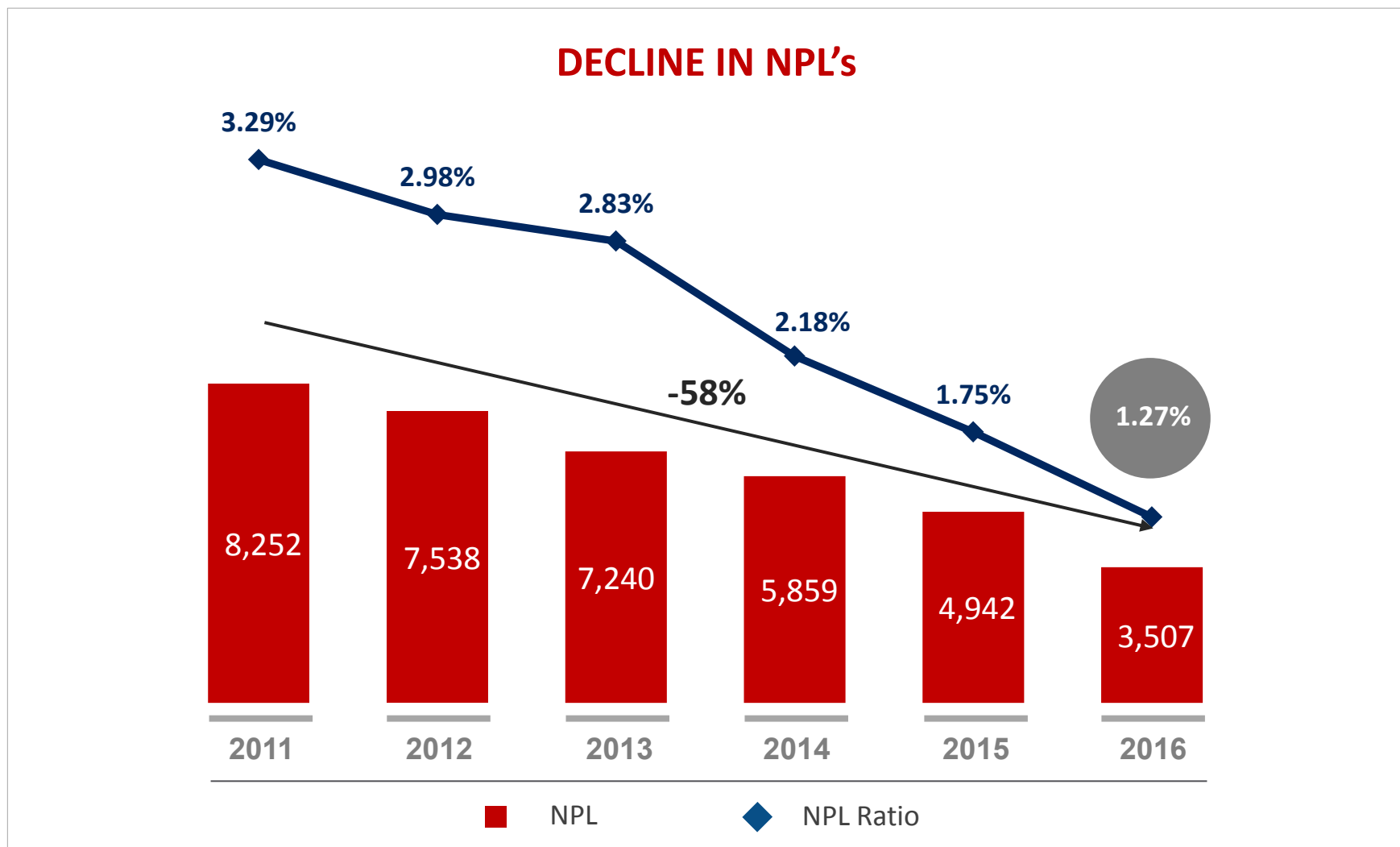
DECREASED EXPOSURE TO BORROWER GROUPS

With indebtedness above 15% of equity



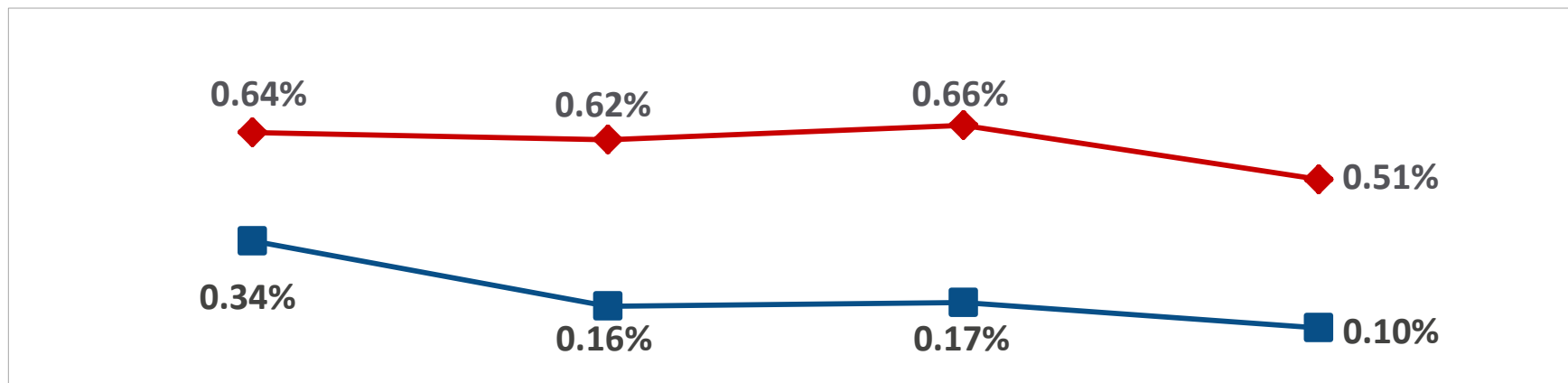
CONTINUOUS IMPROVEMENT IN ASSET QUALITY

[NIS Millions]

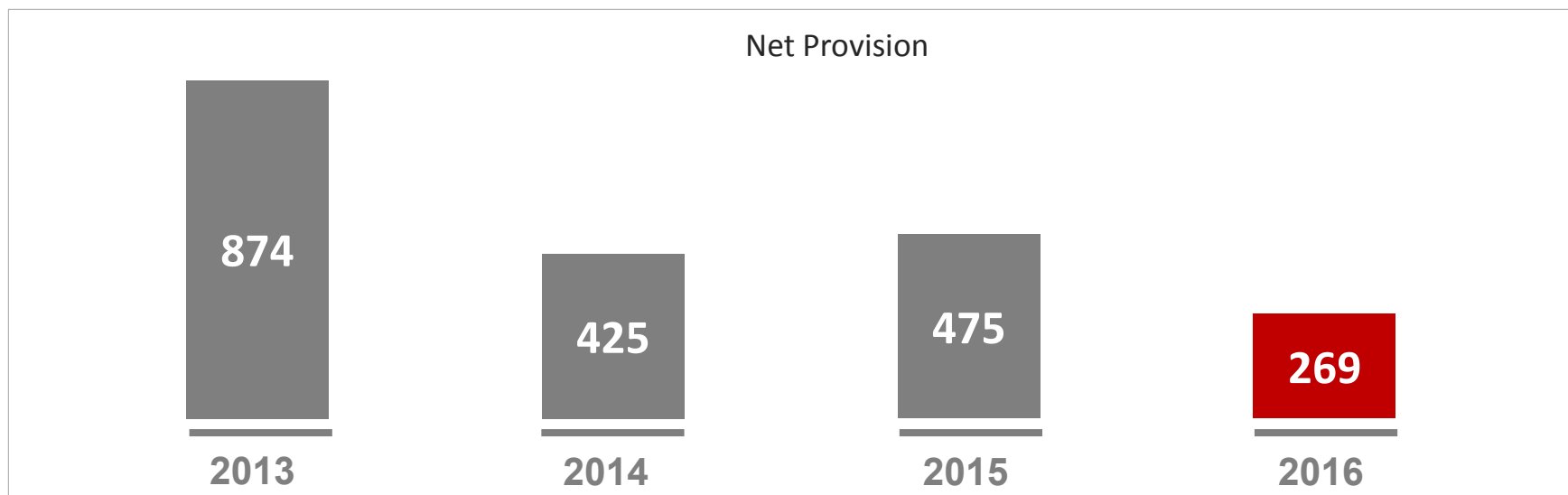


PROVISION FOR CREDIT LOSSES

[NIS Millions]



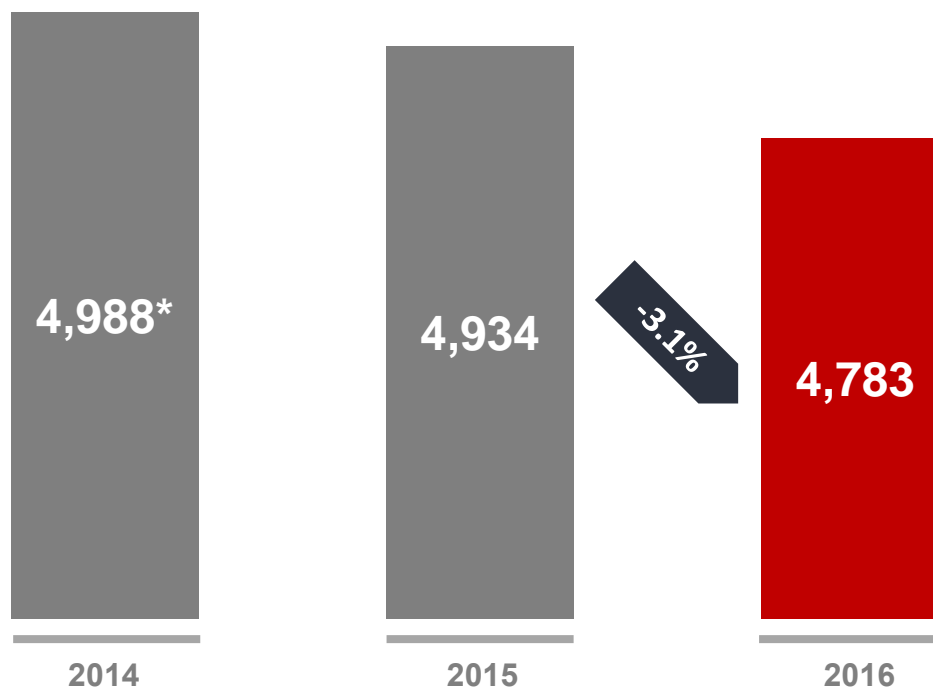
◆ Gross provision as a % of average balance of credit ■ Net provision as a % of average balance of credit





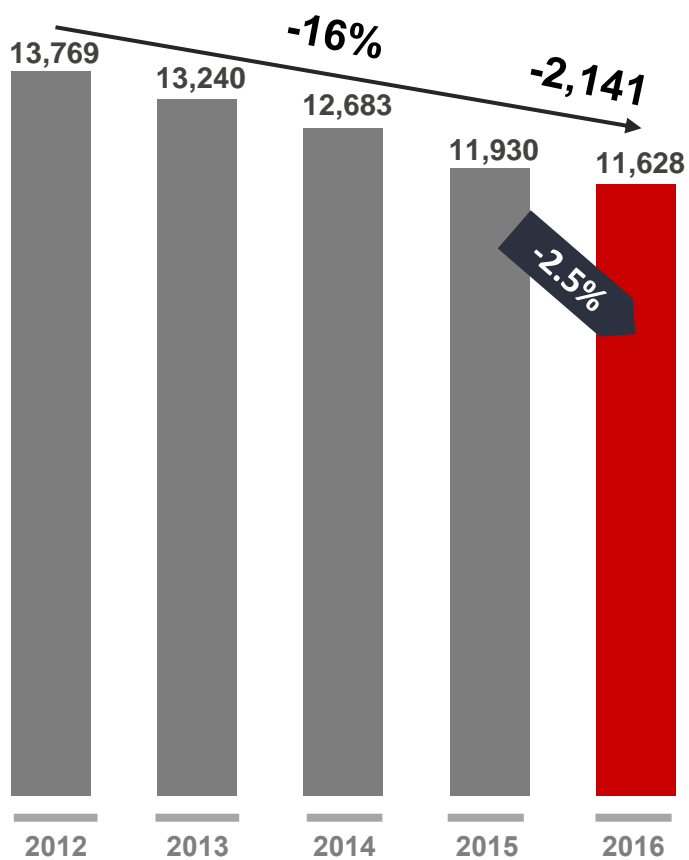
EFFICIENCY AS A WAY OF LIFE

DECREASE IN SALARY EXPENSES

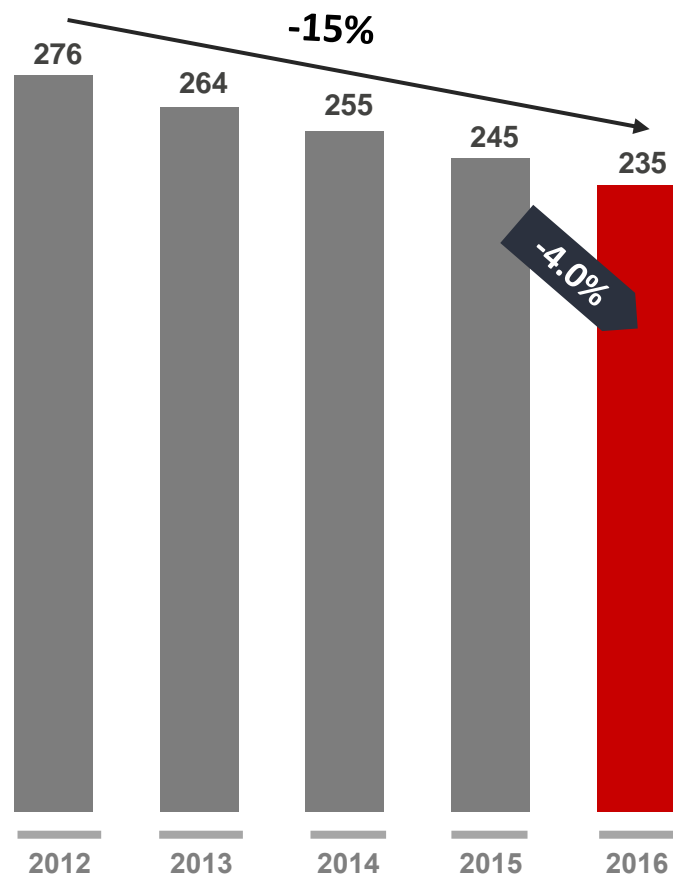


EFFICIENCY AS A WAY OF LIFE

DECLINE IN NUMBER OF EMPLOYEES



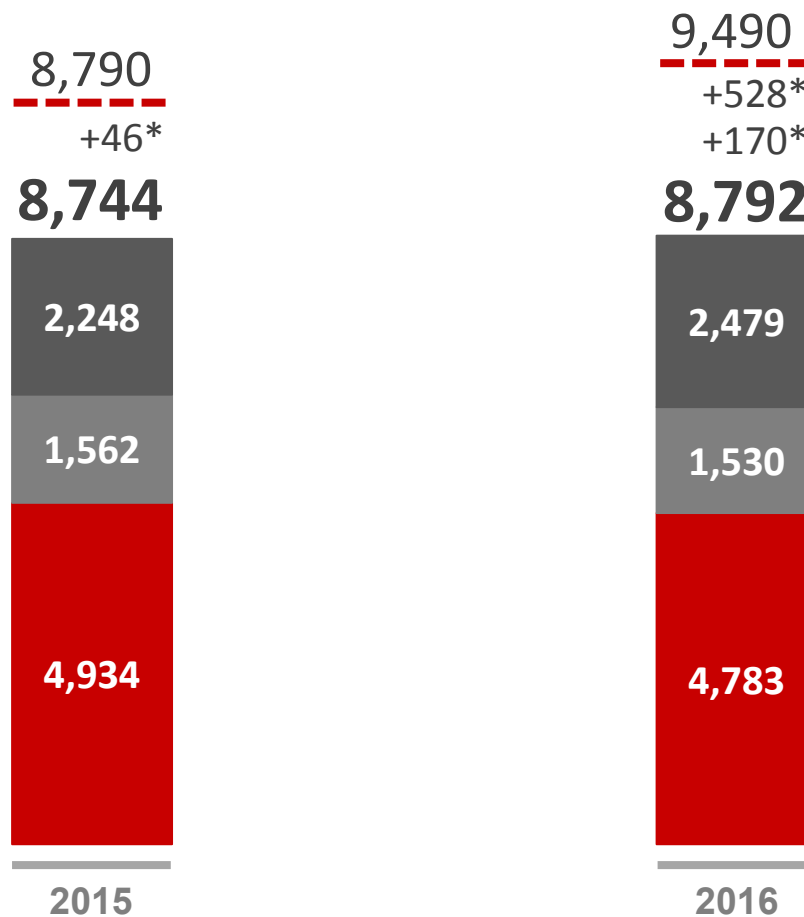
DECREASED NUMBER OF BRANCHES



EFFICIENCY AS A WAY OF LIFE

[NIS Millions]

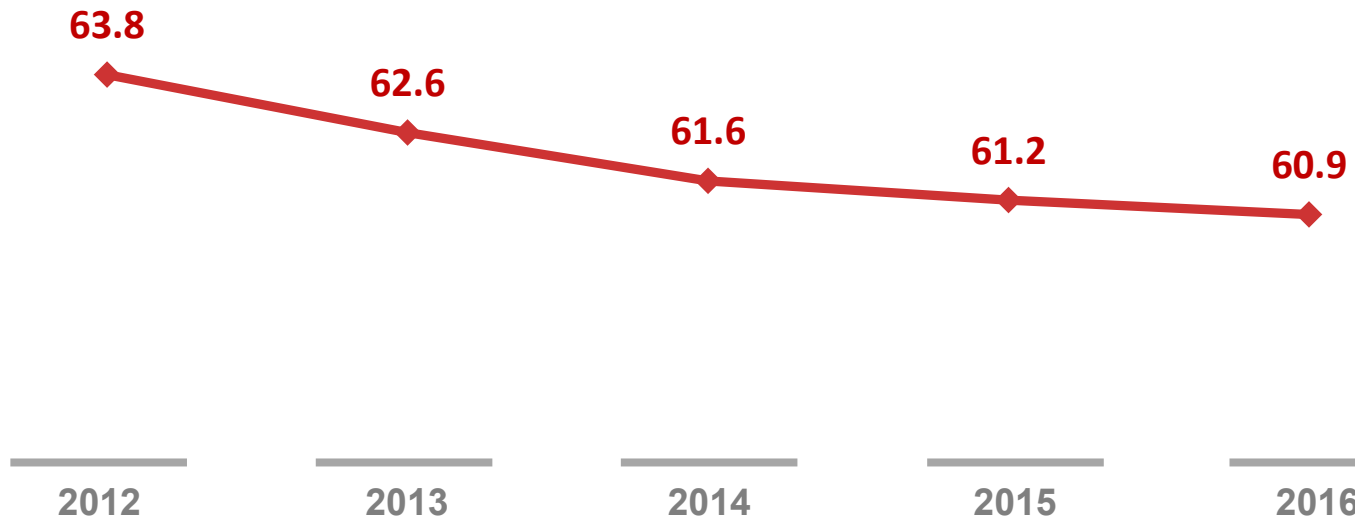
OPERATING AND OTHER EXPENSES



■ Wages and bonuses ■ Other expenses ■ Maintenance and Depreciation *Provision and Expenses due to US Investigation

EFFICIENCY AS A WAY OF LIFE

IMPROVED COST-INCOME RATIO



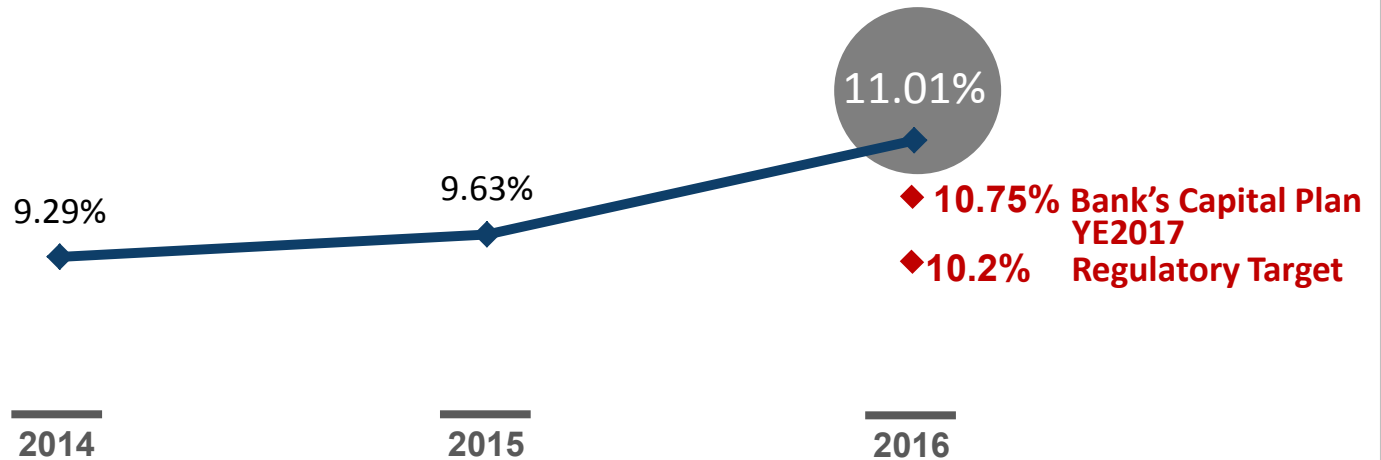
* Excluding Provision with respect to US investigation and Efficiency programs



SURPASSED CAPITAL TARGET

SURPASSED CAPITAL TARGET

TIER 1 CAPITAL RATIO



Total Capital Ratio 15.1%

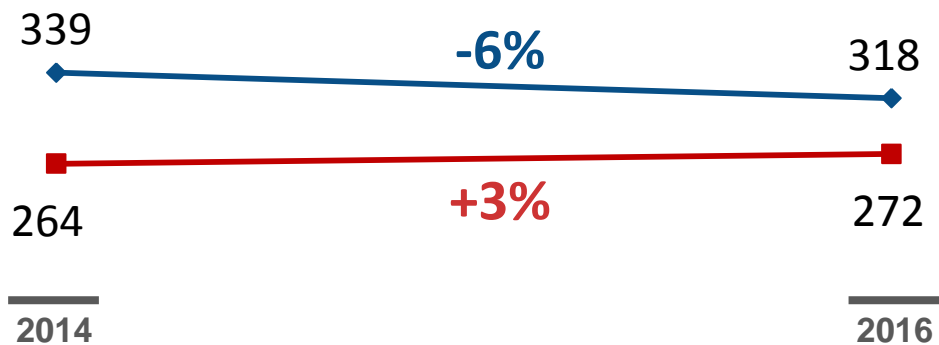
Total Capital Target 13.7%

Leverage Ratio = 7.25%

Among the highest in the world

SURPASSED CAPITAL TARGET

OPTIMIZATION OF CAPITAL USAGE



◆ Risk Weighted Assets ■ Net Credit to the Public

INCREASED DIVIDEND PAYOUT



30%
of net profit
on a quarterly basis

609
NIS millions
in respect of 2016 net profit

Israel's Leading Financial Institution



THANK YOU!

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APPENDIX

MAIN BALANCE SHEET DATA

[NIS Millions]

	2016	2015	▲
Cash on hand and Deposits with Banks	80,378	64,976	23.7%
Securities	71,449	62,884	13.6%
Net Credit to the Public	271,957	278,497	(2.3%)
Deposits from the Public	338,502	321,727	5.2%
Deposits from Banks	4,377	4,773	(8.3%)
Bonds and Subordinated Notes	33,560	34,375	2.7%
Shareholders' Equity	34,047	33,032	3.1%
Total Balance Sheet	448,105	431,638	3.8%

MAIN PROFIT AND LOSS DATA

[NIS Millions]

	2016	2015	▲
Total Net Financing Profit	9,345	8,929	4.7%
Fees and Other Income	5,376	5,433	(1.0%)
Total Income	14,721	14,362	2.5%
Provision for Credit Losses	(269)	(475)	(43.4%)
Operating and Other Expenses	(9,490)	(8,790)	8.0%
Profit before Taxes	4,962	5,097	(2.6%)
Provision for Taxes on Profit	(2,358)	(2,097)	12.4%
Net Profit	2,628	3,082	(14.7%)
Return on Equity (ROE)	7.7%	9.6%	

FEES AND OTHER INCOME

[NIS Millions]

