



Second Quarter 2017 Results Presentation

15 August, 2017

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This presentation does not substitute Bank Hapoalim's Quarterly Financial Statement as at 30 June, 2017 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.

Q2 2017 highlights

Another strong quarter with solid profitability, 9.5% ROE

Growth in credit portfolio, particularly in focus segments

Continuous improvement in asset quality, decline in NPL

Ongoing efficiency measures driving costs down

Strong capital base, 40% dividend payout

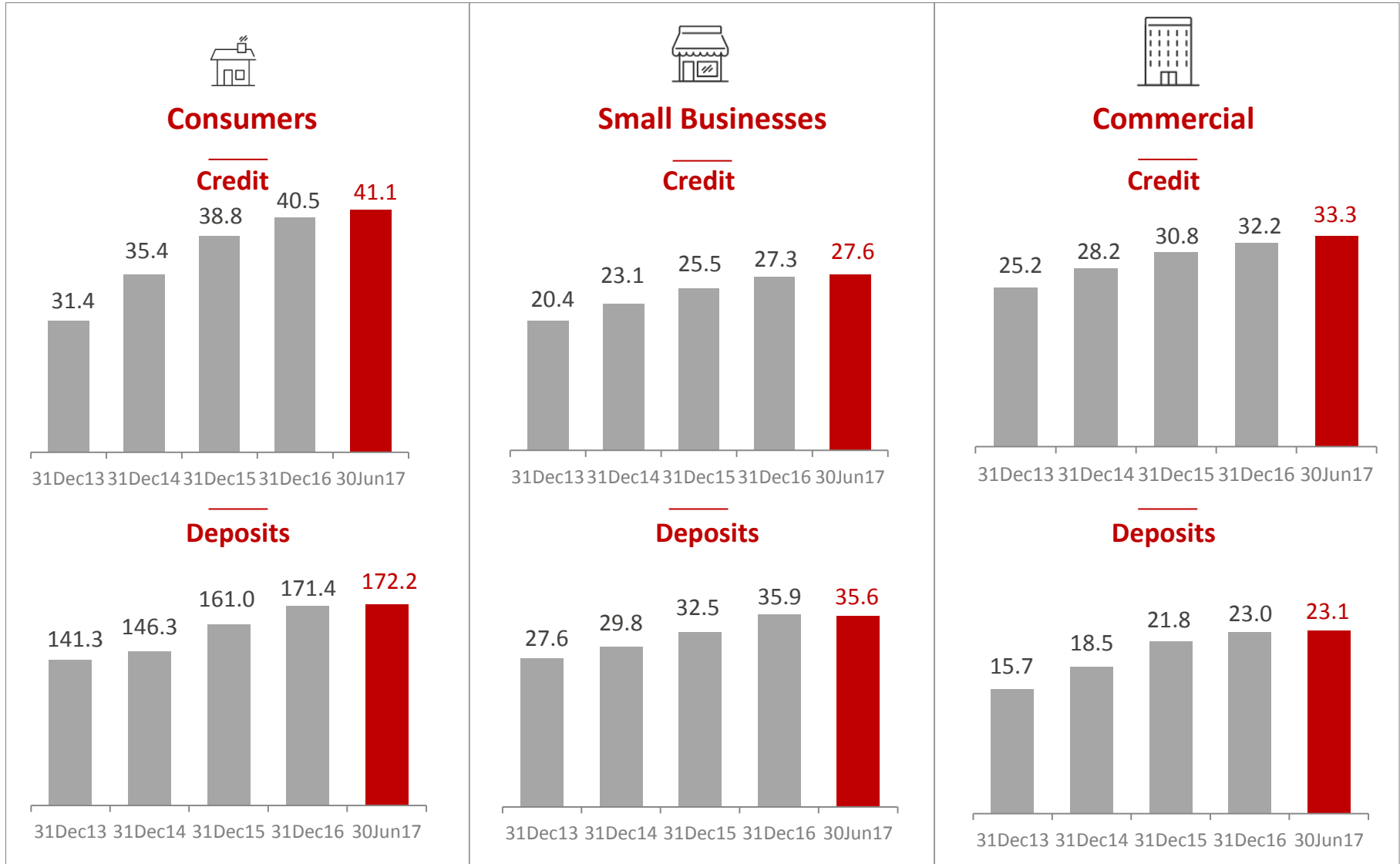
Solid P&L performance

[NIS Millions]

3 months ended:	30.6.16	31.3.17	30.6.17
Total Net Financing Profit	2,586	2,255	2,369
Fees and Other Income	1,319	1,347	1,317
Total Income	3,905	3,602	3,686
Provision for Credit Losses	(128)	107	167
Operating and Other Expenses	2,242	2,217	2,185
Profit Before Taxes	1,791	1,278	1,334
Provision for Taxes on Profit	671	522	524
Net Profit	1,117	767	812
Return on Equity (ROE)	13.9%	9.2%	9.5%

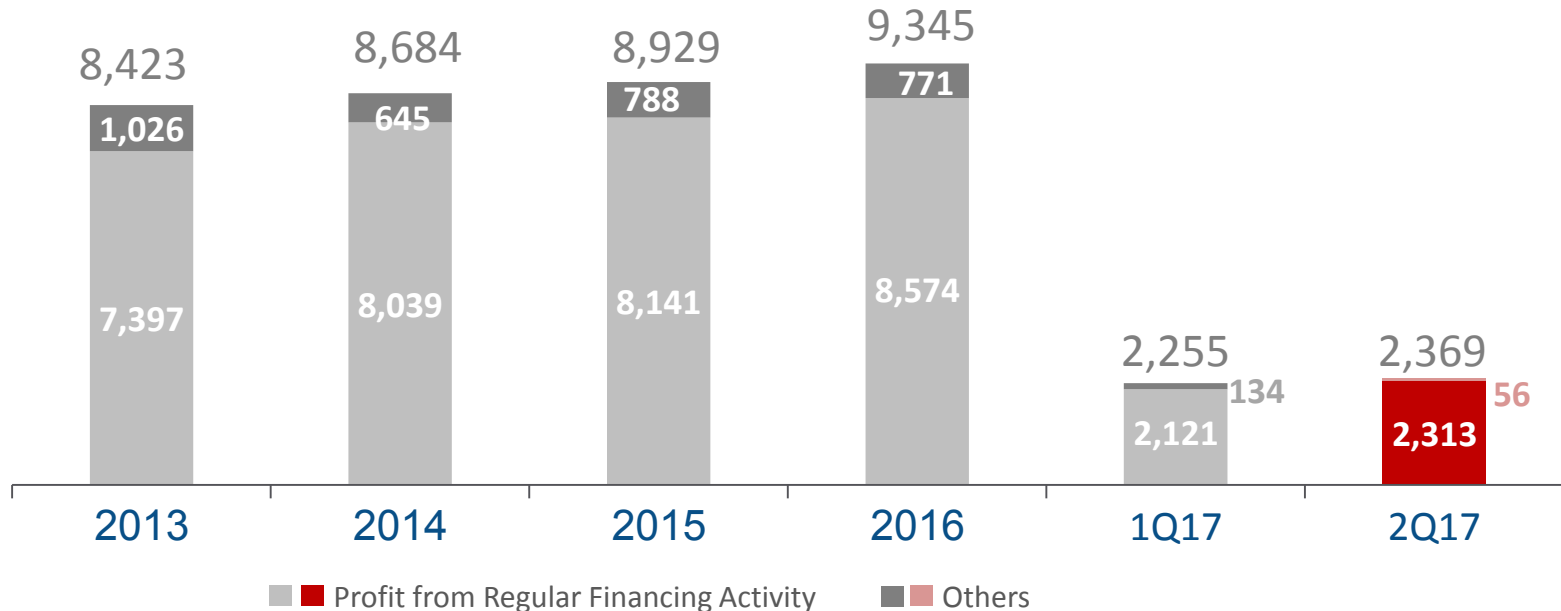
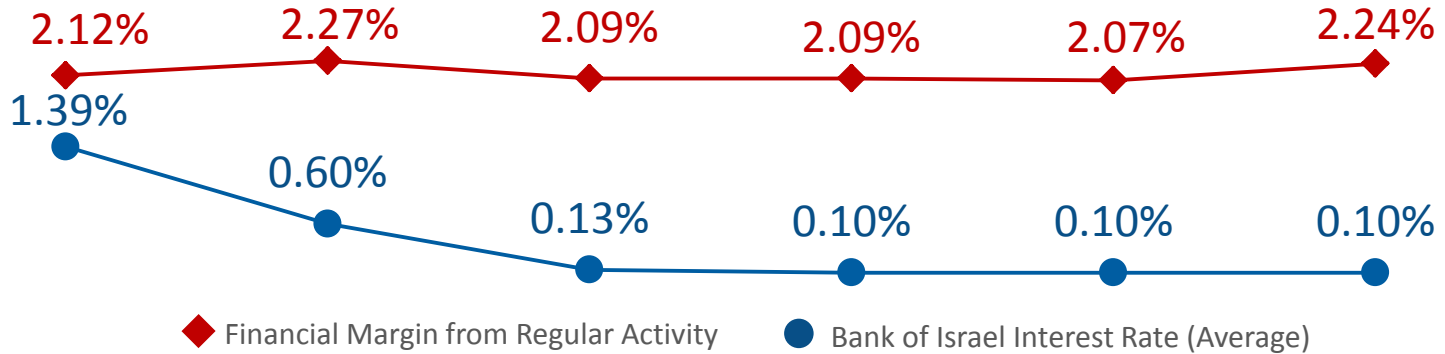
Continued growth in strategic segments

[NIS Billions]



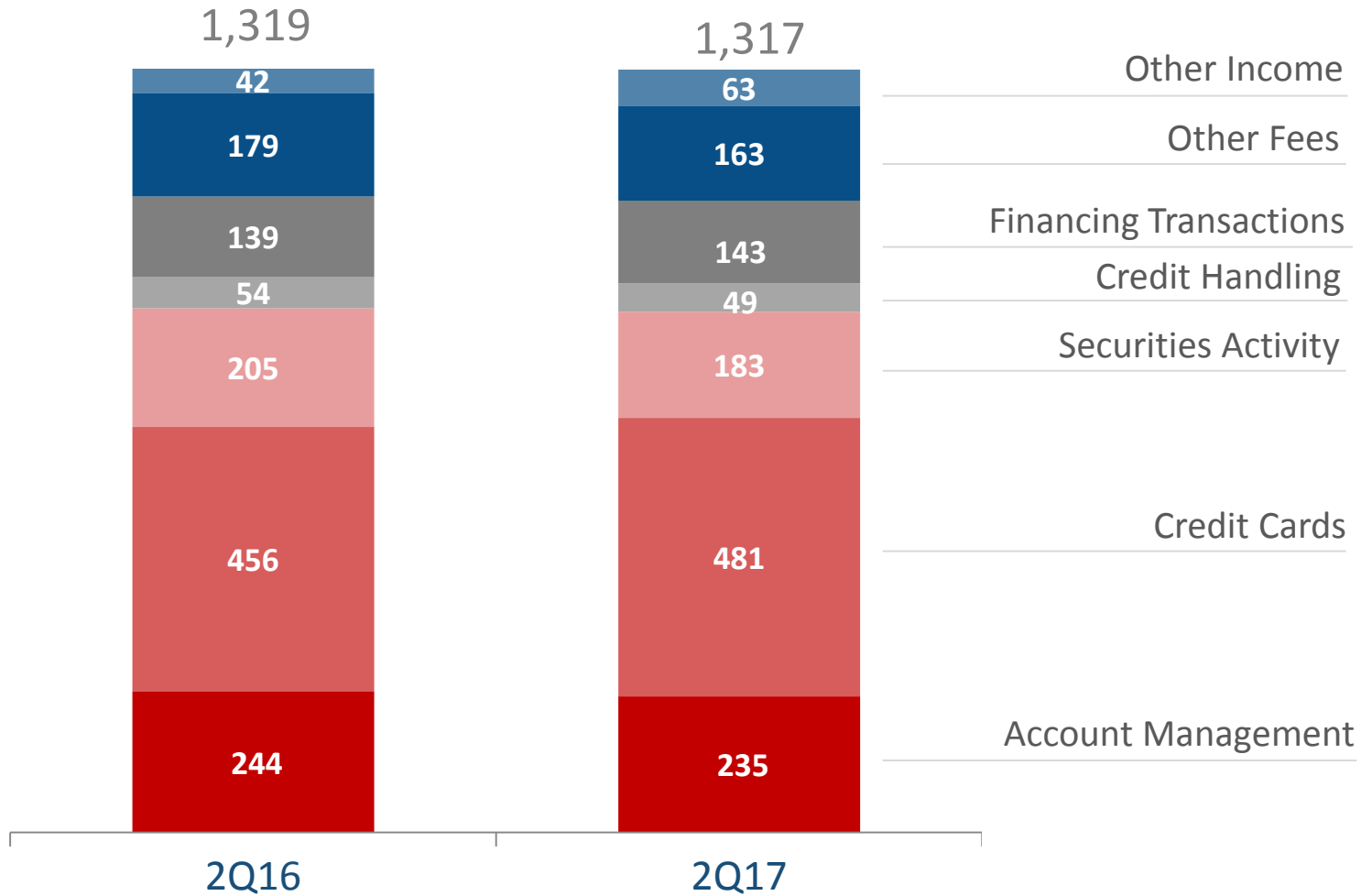
Maintaining high margins in low interest environment

[NIS Millions]



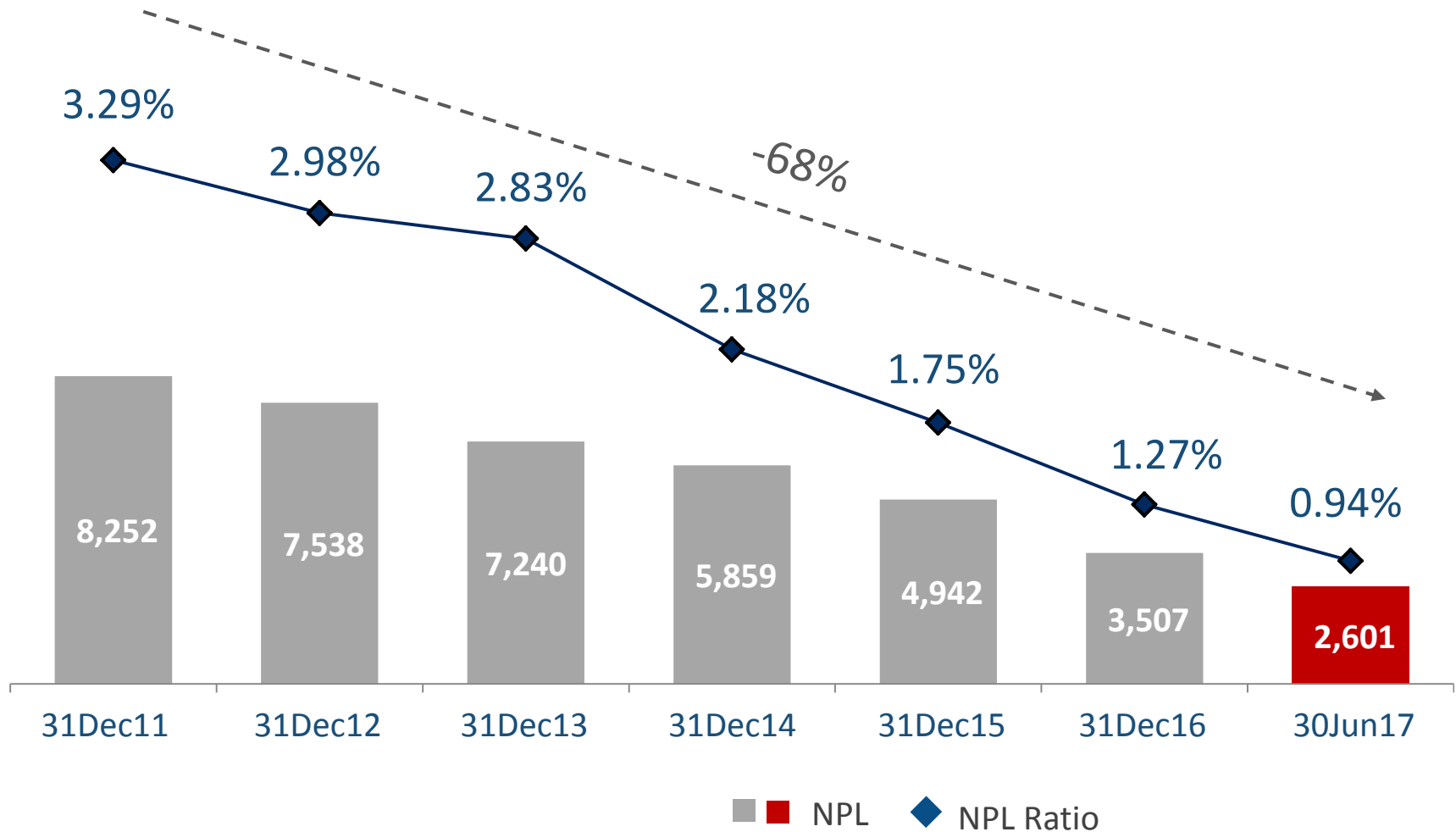
Consistent and diverse fee income

[NIS Millions]



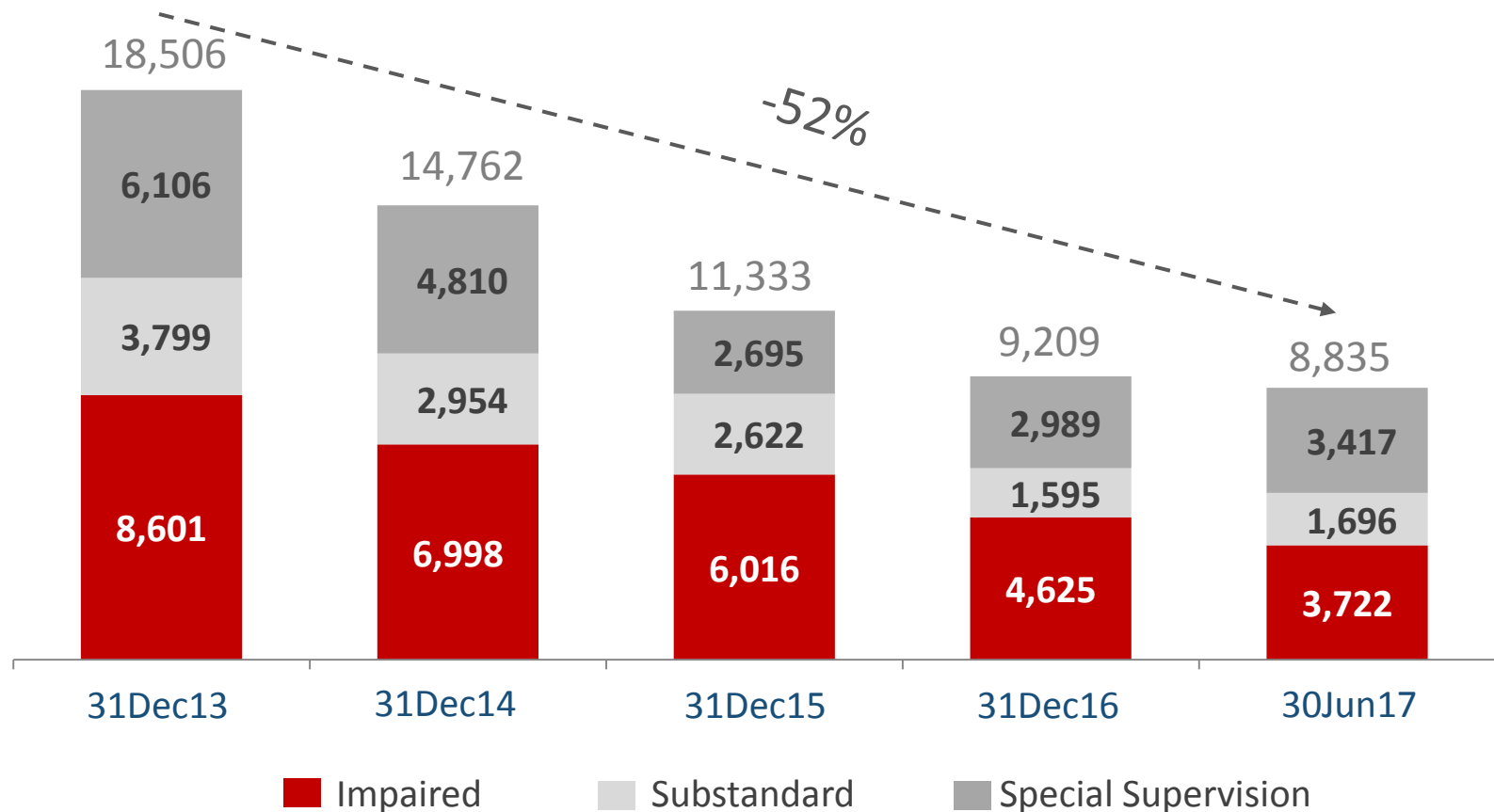
Continuous improvement in loan quality

[NIS Millions]

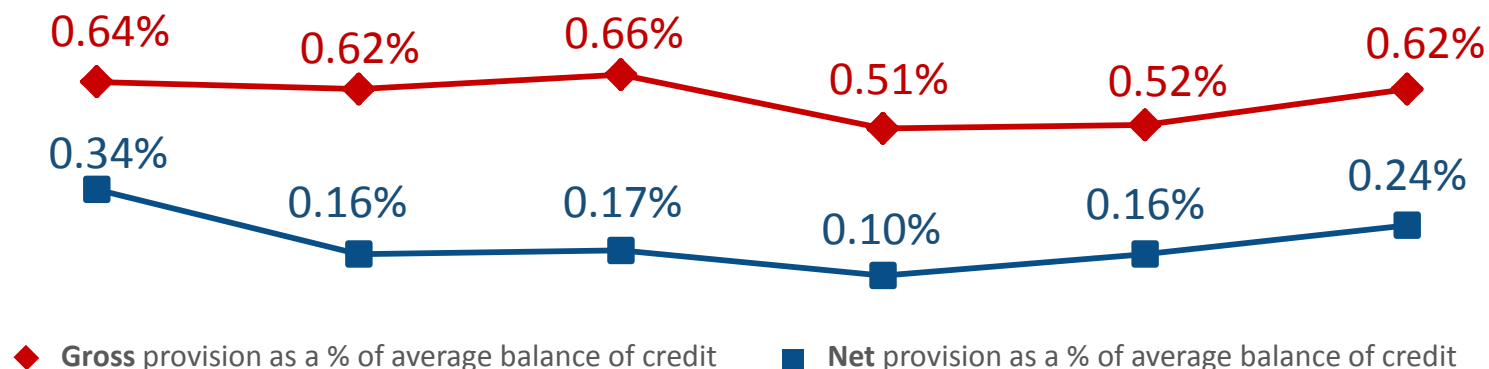


High quality loan book

[NIS Millions]

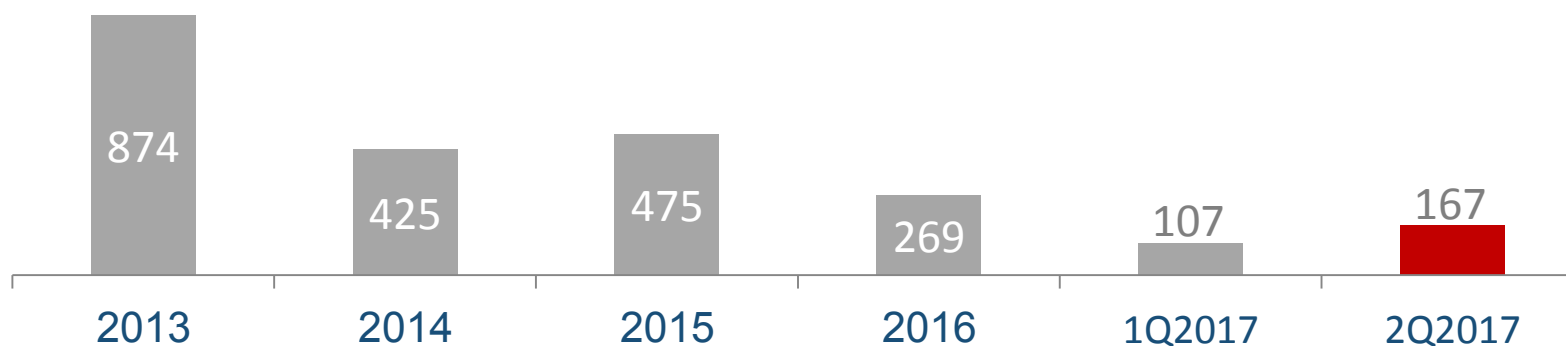


Low provision for credit losses driven by a quality loan book and conservative approach



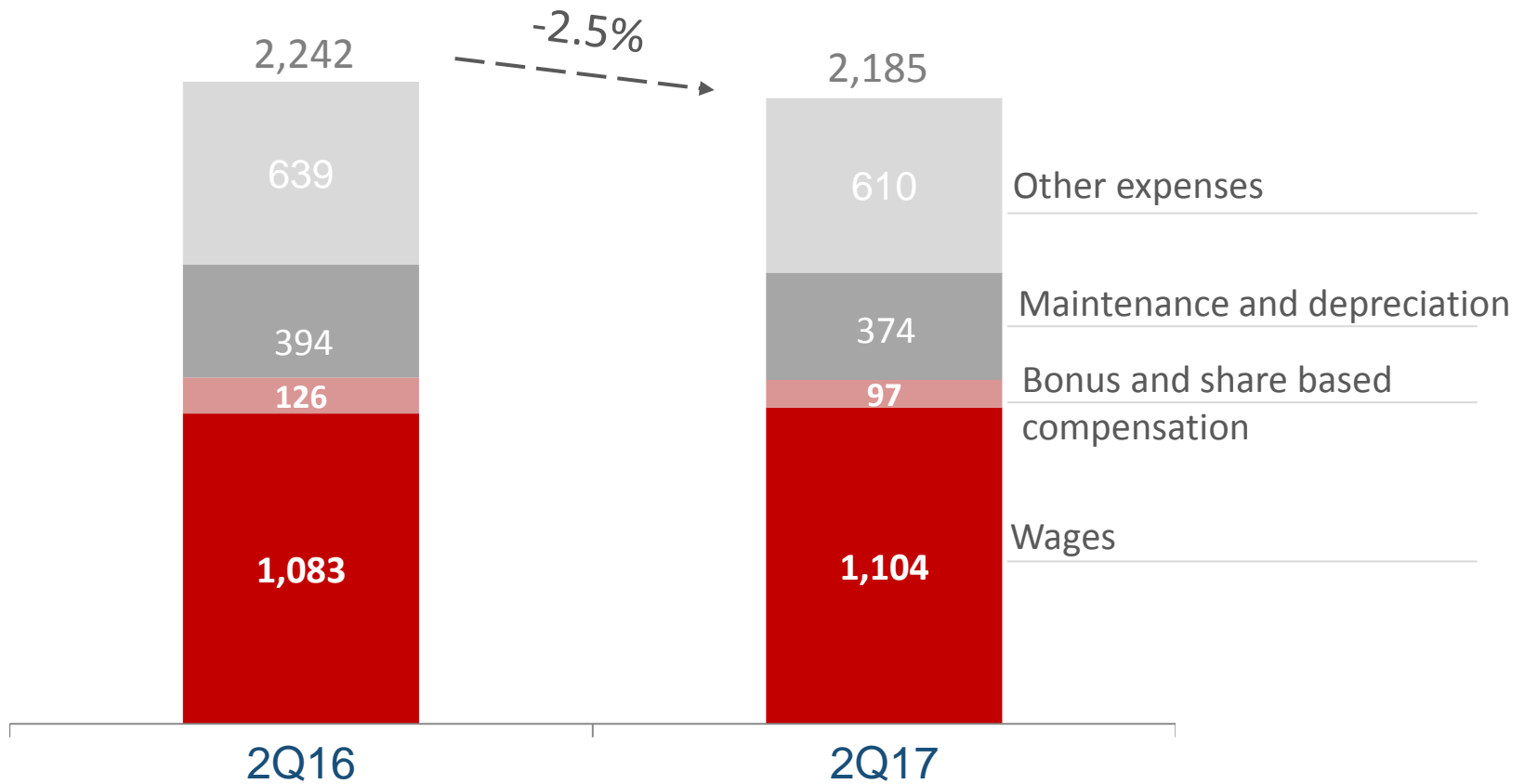
Net Provision for Credit Losses

[NIS Millions]



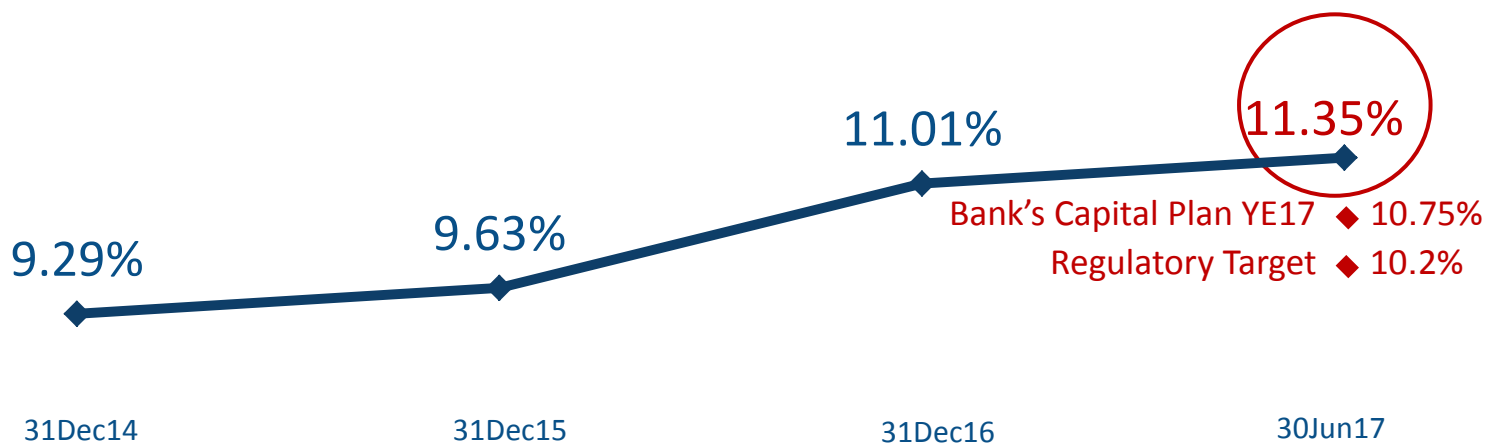
Efficiency measures driving costs down

[NIS Millions]



Surpassed capital targets

➤ Tier 1 Capital Ratio

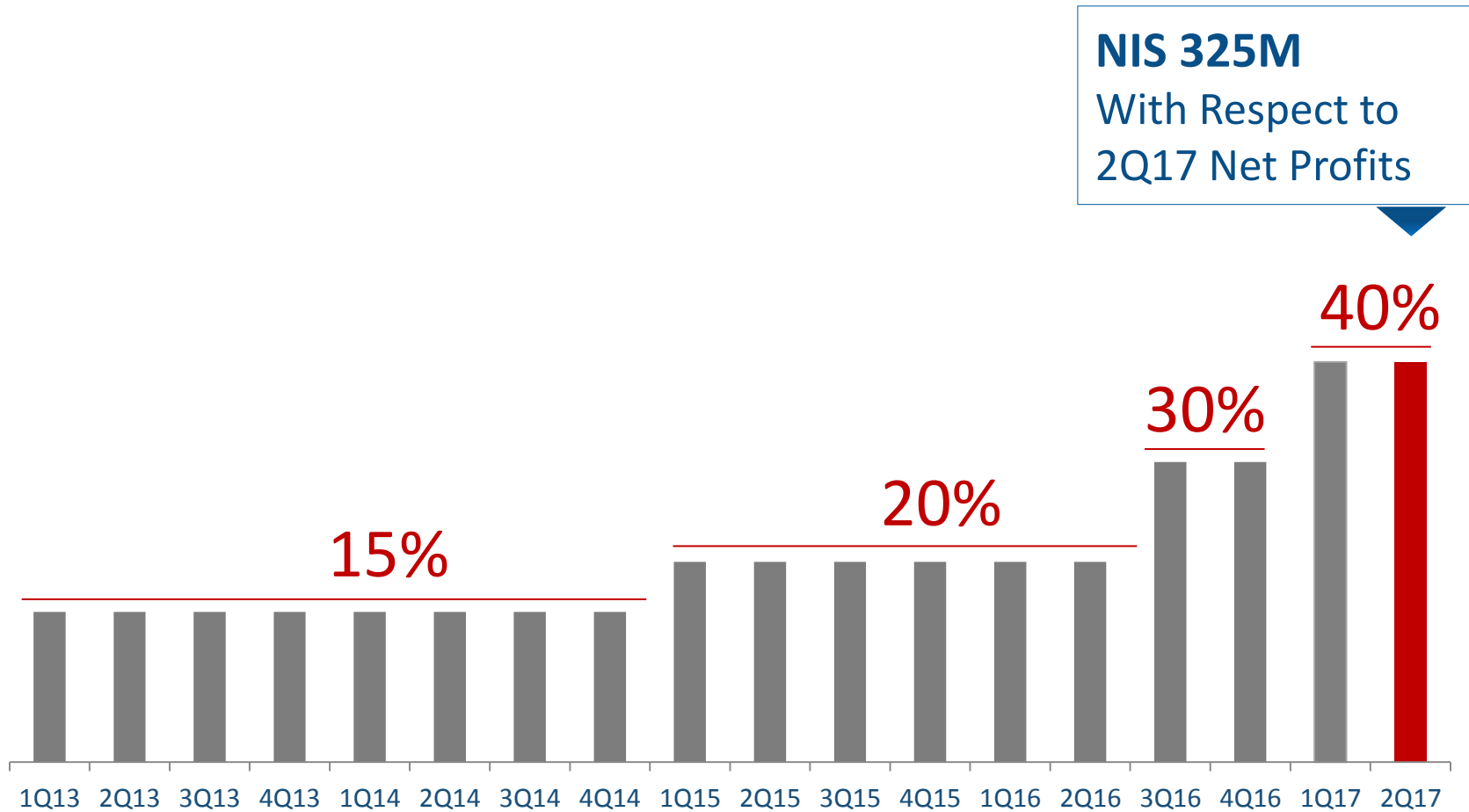


➤ Total Capital Ratio 15.0%

➤ Total Capital Target 13.7%

➤ Leverage Ratio 7.36%

Meaningful dividend yield





For more information, please contact:

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Thank You.



Appendix

Israeli economy - robust macro environment

	2015	2016	2017F
Gross domestic product	2.5%	4.0%	3.2%
Unemployment	5.3%	4.8%	4.4%
Budget deficit (% of GDP)	2.2%	2.1%	2.9%
Inflation	(1.0%)	(0.2%)	0.1%
Bank of Israel interest rate	0.1%	0.1%	0.1%
NIS-USD exchange rate	3.90	3.85	3.55

SOURCE: CBS, Bol, Bank Hapoalim Forecast

Strong and diversified balance sheet

[NIS Millions]

3 months ended:	30.6.16	31.12.16	30.6.17
Cash on hand and Deposits with Banks	68,483	80,378	81,959
Securities	67,720	71,449	70,499
Net Credit to the Public	278,271	271,957	272,949
Deposits from the Public	327,500	338,502	340,768
Deposits from Banks	4,213	4,377	4,329
Bonds and Subordinated Notes	36,081	33,560	30,736
Shareholders' Equity	34,342	34,047	35,458
Total Balance Sheet	440,856	448,105	449,734