

**Table 11**  
**Exposure to changes in the CPI and the exchange rate, the five major banking groups, December 2012 through June 2013**  
(NIS million)

	Leumi			Hapoalim			Discount			Mizrahi-Tefahot			First International			The five groups		
	2012	2013:Q1	2013:Q2	2012	2013:Q1	2013:Q2	2012	2013:Q1	2013:Q2	2012	2013:Q1	2013:Q2	2012	2013:Q1	2013:Q2	2012	2013:Q1	2013:Q2
<b>Unindexed segment</b>																		
Total assets (excluding futures transactions and options)	216,020	214,145	212,873	226,661	219,961	225,605	110,760	111,286	109,454	89,941	93,312	95,670	72,664	71,812	69,841	716,046	710,516	713,443
Total liabilities (excluding futures transactions and options)	177,449	176,151	170,807	202,802	197,415	201,013	100,536	101,297	100,104	92,205	91,478	93,066	63,055	60,714	59,233	636,047	627,055	624,223
Difference between assets and liabilities <u>excluding</u> the effect of futures transactions and options	38,571	37,994	42,066	23,859	22,546	24,592	10,224	9,989	9,350	-2,264	1,834	2,604	9,609	11,098	10,608	79,999	83,461	89,220
Difference between assets and liabilities including the effect of futures transactions and options	19,583	19,146	22,023	13,008	14,107	15,865	717	252	918	-246	1,437	199	3,935	3,137	3,016	36,997	38,079	42,021
The bank's net worth <sup>b</sup>	16,973	16,888	16,697	21,332	22,055	22,601	6,595	6,717	6,658	7,597	7,943	8,215	4,228	4,349	4,309	56,725	57,952	58,480
<b>CPI-indexed segment</b>																		
Total assets (excluding futures transactions and options)	60,341	59,897	58,352	60,780	60,164	60,535	24,810	26,176	25,598	50,540	51,420	52,585	15,776	16,200	16,911	212,247	213,857	231,981
Total liabilities (excluding futures transactions and options)	55,874	55,215	55,744	50,539	49,977	49,844	20,732	20,493	20,271	35,296	36,503	36,292	15,316	15,226	16,240	177,730	177,414	178,391
Effect of futures transactions and options	-6,280	-5,460	-4,975	-1,082	-2,212	-3,603	-867	-1,800	-2,243	-7,286	-8,508	-8,361	29	404	820	-16,206	-17,576	-18,362
Total position in the segment <sup>c</sup>	-1,786	-778	-2,367	8,439	7,975	7,088	3,211	3,883	3,084	7,958	6,409	7,932	489	1,378	1,491	18,311	18,867	17,228
Maximum change in the CPI <sup>d</sup> (percent)	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Loss as a result of the maximum change in the CPI																		
Increase in the CPI	19	9	27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease in the CPI	-	-	-	91	90	80	34	44	35	85	73	90	5	16	17	216	214	195
<b>Foreign currency segment<sup>e</sup></b>																		
Total assets (excluding futures transactions and options)	90,191	85,730	82,223	82,607	83,944	86,089	59,527	56,965	56,334	19,820	18,921	20,449	13,508	12,430	14,508	265,653	257,990	259,603
Total liabilities (excluding futures transactions and options)	116,283	111,518	110,200	95,375	94,622	98,771	67,234	65,920	64,353	25,205	27,730	31,134	19,349	20,153	21,478	323,446	319,943	325,936
Effect of futures transactions and options	25,268	24,308	25,018	12,653	10,651	12,330	103,474	11,537	10,675	5,270	8,906	10,769	5,645	7,557	6,772	59,210	62,959	65,564
Total position in the segment <sup>c</sup>	-824	-1,480	-2,959	-115	-27	-352	2,667	2,582	2,656	-115	97	84	-196	-166	-198	1,417	1,006	-769
Maximum change in the exchange rate <sup>f</sup> (percent)	6.9	7.1	7.1	7.0	7.1	7.1	7.0	7.1	7.1	7.0	7.1	7.1	7.0	7.1	7.1	7.0	7.1	7.1
Loss as a result of the maximum change in the exchange rate <sup>g</sup>																		
Increase in the exchange rate (weaker shekel)	57	105	209	8	2	25	-	-	-	8	-	-	14	12	14	87	-	54
Decrease in the exchange rate (stronger shekel)	-	-	-	-	-	-	185	183	188	-	7	6	-	-	-	185	71	-
<b>Total maximum loss to the bank's net worth as a result of indexation base risk<sup>h</sup></b>	<b>76</b>	<b>114</b>	<b>236</b>	<b>99</b>	<b>92</b>	<b>105</b>	<b>220</b>	<b>227</b>	<b>223</b>	<b>93</b>	<b>80</b>	<b>96</b>	<b>19</b>	<b>27</b>	<b>31</b>	<b>401</b>	<b>285</b>	<b>250</b>
<b>As a percentage of the bank's net worth</b>	<b>0.4</b>	<b>0.7</b>	<b>1.4</b>	<b>0.5</b>	<b>0.4</b>	<b>0.5</b>	<b>3.3</b>	<b>3.4</b>	<b>3.3</b>	<b>1.2</b>	<b>1.0</b>	<b>1.2</b>	<b>0.4</b>	<b>0.6</b>	<b>0.7</b>	<b>0.7</b>	<b>0.5</b>	<b>0.4</b>

<sup>b</sup> The bank's net worth is attributed (by definition) entirely to the unindexed segment, with the result that the nominal exposure to indexation bases occurs in the indexed segment and in the foreign currency segment.

<sup>c</sup> The difference between assets and liabilities includes the effect of futures transactions.

<sup>d</sup> The maximum change in the CPI derived from monthly changes in inflation expectations during the past 7 years, assuming a normal distribution and a confidence level of 99 percent.

<sup>e</sup> Including foreign-currency indexed. The calculation of the banking corporations' exposure to foreign currency in this survey is based on the positions obtained from Note 16 to the financial statements. The positions presented do not take into account taxation effects, which the banking corporations may take into account when managing the exposure.

<sup>f</sup> The maximum change in the nominal shekel-dollar exchange rate, which is derived from monthly changes in the exchange rate over the past 7 years, assuming a normal distribution and a confidence level of 99 percent.

<sup>g</sup> The change that will occur in the bank's position as the result of a maximum change in the shekel-dollar exchange rate.

<sup>h</sup> The total maximum loss as a result of indexation base risk is obtained by simple addition of the maximum losses as a result of risks in the indexed segment and the foreign-currency segment, on the assumption that the maximum change will occur in the direction that causes the bank the maximum loss in each segment.

**SOURCE: Published financial statements, Central Bureau of Statistics data, and Banking Supervision Department calculations.**