

**Table 1.17**  
**Exposure to changes in the CPI and the exchange rate, the five banking groups, December 2013 and December 2014**  
(NIS million)

	Leumi		Hapoalim		Discount		Mizrabi-Tefahot		First International		The five groups	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
<b>Unindexed segment</b>												
Total assets (excluding futures transactions and options)	224,492	234,474	236,852	245,679	112,798	119,097	105,410	119,977	77,436	82,505	756,988	801,732
Total liabilities (excluding futures transactions and options)	179,667	189,987	210,271	222,142	102,447	103,351	102,445	109,086	63,791	67,877	658,621	692,443
Effect of futures transactions and options	-23,045	-18,978	-11,743	-3,487	-6,974	-13,678	-1,113	-9,111	-9,657	-10,308	-52,532	-55,562
Total position in the segment <sup>a</sup>	21,780	25,509	14,838	20,050	3,377	2,068	1,852	1,780	3,988	4,320	45,835	53,727
<b>The bank's total equity<sup>b,c</sup></b>	<b>17,955</b>	<b>19,530</b>	<b>23,143</b>	<b>25,173</b>	<b>7,138</b>	<b>9,161</b>	<b>8,752</b>	<b>9,797</b>	<b>4,743</b>	<b>4,955</b>	<b>91,731</b>	<b>68,616</b>
<b>CPI-indexed segment</b>												
Total assets (excluding futures transactions and options)	57,992	54,203	59,698	55,301	25,032	21,772	53,881	54,521	16,890	15,393	213,493	201,190
Total liabilities (excluding futures transactions and options)	56,606	54,018	46,737	43,111	20,392	16,919	37,513	38,936	16,520	13,887	177,768	166,871
Effect of futures transactions and options	-2,441	-2,177	-4,064	-5,925	-3,420	-759	-9,125	-7,258	490	-841	-18,560	-16,960
Total position in the segment <sup>a</sup>	-1,055	-1,992	8,897	6,265	1,220	4,094	7,243	8,327	860	665	17,165	17,359
Maximum change in the CPI <sup>d</sup> (percent)	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Loss as a result of the maximum change in the CPI												
CPI increase	14	25	-	-	-	-	-	-	-	-	14	25
CPI decline	-	-	117	79	16	52	95	105	11	8	240	244
<b>Foreign currency segment<sup>e</sup></b>												
Total assets (excluding futures transactions and options)	80,522	94,589	76,812	99,570	56,729	61,364	18,413	22,115	13,000	15,154	245,476	292,792
Total liabilities (excluding futures transactions and options)	109,114	121,081	93,211	110,124	64,582	72,802	28,994	38,798	22,272	26,333	318,173	369,138
Effect of futures transactions and options	25,822	22,505	15,807	9,412	10,394	14,437	10,238	16,373	9,167	11,149	71,428	73,876
Total position in the segment <sup>a</sup>	-2,770	-3,987	-592	-1,142	2,541	2,999	-343	-310	-105	-30	-1,269	-2,470
Maximum change in the exchange rate <sup>f</sup> (percent)	6.9	6.6	6.9	6.6	6.9	6.6	6.9	6.6	6.9	6.6	6.9	6.6
Loss as a result of the maximum change in the exchange rate <sup>g</sup>												
Increase in the exchange rate (weakening of the shekel)	191	263	41	75	-	-	24	20	7	2	263	361
Decline in the exchange rate (strengthening of the shekel)	-	-	-	-	176	198	-	-	-	-	176	198
<b>Total maximum loss to the bank's total equity as a result of indexation base risk<sup>h</sup></b>	<b>205</b>	<b>288</b>	<b>158</b>	<b>154</b>	<b>192</b>	<b>250</b>	<b>119</b>	<b>126</b>	<b>19</b>	<b>10</b>	<b>503</b>	<b>605</b>
As a percentage of the bank's total equity	1.1	1.5	0.7	0.6	2.7	2.7	1.4	1.3	0.4	0.2	0.8	0.9

<sup>a</sup> The total position in the segment as the difference between assets and liabilities in the segment, including the effect of futures transactions.

<sup>b</sup> The difference between assets and liabilities in all segments includes the effect of futures transactions (excluding nonmonetary items), per Note 16 to the published financial statements.

<sup>c</sup> The bank's total equity 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>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 significance 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 significance 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, assuming that the maximum change will occur in the direction that causes the bank the maximum loss in each segment.

SOURCE: Banking Supervision Department based on published financial statements and Central Bureau of Statistics data.

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