

Table 1.12
Exposure to changes in interest rates, five major banking groups, 2012 and 2013
(NIS million)

	Leumi		Hapoalim		Discount		Mizrahi-Tefahot		First International		The five groups	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Unindexed segment												
Net position in segment ^a	17,003	18,509	13,428	15,749	1,147	3,749	-612	1,090	3,997	3,973	34,963	43,070
The change in the fair value of the net position in the segment as a result of an interest rate change ^b												
1 percentage point increase	-439	-722	-26	52	-342	-358	291	220	-107	-156	-623	-964
1 percentage point decrease	485	794	81	-63	332	362	-333	-347	117	177	682	923
Maximum change in interest rates ^c (percentage points)	0.73	0.70	0.73	0.70	0.73	0.70	0.73	0.70	0.73	0.70	0.73	0.70
The change in the fair value of the net position in the segment as a result of the maximum change in the interest rate ^d												
Interest rate increase	-319	-504	-19	36	-248	-250	211	153	-78	-109	-452	-672
Interest rate decrease	352	554	59	-44	241	253	-242	-242	85	123	495	644
CPI-indexed segment												
Net position in segment ^a	1,456	3,789	5,885	6,944	1,954	123	7,029	6,447	367	819	16,691	18,122
The change in the fair value of the net position in the segment as a result of an interest rate change ^b												
1 percentage point increase	90	-81	-16	-139	-24	-93	-169	-151	-72	-71	-191	-535
1 percentage point decrease	-181	30	37	145	22	106	424	139	84	80	386	500
Maximum change in interest rates ^c (percentage points)	0.93	0.92	0.93	0.92	0.93	0.92	0.93	0.92	0.93	0.92	0.93	0.92
The change in the fair value of the net position in the segment as a result of the maximum change in the interest rate ^d												
Interest rate increase	84	-74	-15	-128	-22	-85	-157	-139	-67	-65	-178	-491
Interest rate decrease	-169	28	34	133	20	97	395	128	78	73	359	459
Foreign currency segment^e												
Net position in segment ^a	-363	-1,845	28	-409	2,136	2,057	114	100	-253	-104	1,662	-201
The change in the fair value of the net position in the segment as a result of an interest rate change ^b												
1 percentage point increase	-130	-197	-36	-173	-310	-592	-96	-67	-15	-29	-587	-1,058
1 percentage point decrease	125	262	84	262	-38	460	131	70	21	41	323	1,095
Maximum change in interest rates ^c (percentage points)	0.63	0.65	0.63	0.65	0.63	0.65	0.63	0.65	0.63	0.65	0.63	0.65
The change in the fair value of the net position in the segment as a result of the maximum change in the interest rate ^d												
Interest rate increase	-81	-127	-23	-112	-194	-382	-60	-43	-9	-19	-367	-683
Interest rate decrease	78	169	53	169	-24	297	82	45	13	26	202	707
Total												
Total fair value of bank's total equity ^f	18,096	20,453	19,341	22,284	5,237	5,929	6,531	7,637	4,111	4,688	53,316	60,991
The change in the fair value of the bank's total equity as a result of an interest rate change ^b												
1 percentage point increase	-479	-1,000	-78	-260	-676	-1,043	26	2	-194	-256	-1,401	-2,557
1 percentage point decrease	429	1,086	202	344	316	928	222	-138	222	298	1,391	2,518
The change in the fair value of the bank's total equity as a result of the maximum change in interest rates ^d (percentage points)												
Interest rate increase	-316	-705	-56	-203	-465	-717	-6	-28	-154	-193	-997	-1,847
Interest rate decrease	262	751	146	258	238	647	235	-69	176	223	1,056	1,810
As a percent of the fair value of the bank's total equity												
Interest rate increase	-1.7	-3.4	-0.3	-0.9	-8.9	-12.1	-0.1	-0.4	-3.7	-4.1	-1.9	-3.0
Interest rate decrease	1.4	3.7	0.8	1.2	4.5	10.9	3.6	-0.9	4.3	4.8	2.0	3.0

^a The difference between the fair value of assets and the fair value of liabilities, including the effect of futures transactions in each indexing segment.

^b Based on published financial statements - directors report.

^c The maximum change in the yield-to-maturity on *makam* (short term securities) for a year in the unindexed segment, on 3-year CPI-indexed bonds in the indexed segment and on the 1-year LIBOR in the foreign currency segment is derived from monthly changes over the past 7 years, on the assumption of a normal distribution and a significance level of 99 percent. We note that in calculating the maximum change in the yield-to-maturity, the redemption periods of bonds were set according to the average duration of the assets and liabilities in each segment.

^d Based on published financial statements - directors report, and on the Banking Supervision Department's estimate of the maximum change in the interest rate. This calculation is an approximation, as it assumes linear behavior of interest rate risk.

^e Including the foreign-currency-indexed segment.

^f The total of net positions in the three indexing segments.

SOURCE: Banking Supervision Department based on published financial statements.