

## Statement for the third quarter - consolidated

### The First International Bank of Israel Ltd. and its subsidiaries , Main data, NIS millior

Taken from the quarterly report to 30.09.2004, reported amounts at 30.09.2004 (2003 in adjusted amounts).



Summary consolidated balance sheet	30.09.2004	31.12.2003	Banking group's share of the banking system	
			30.09.2004	31.12.2003
Cash and deposits in banks <sup>(1)</sup>	12,919	11,030	13.2%	10.9%
Securities	6,672	5,328	4.9%	4.4%
Credit to the public	43,701	45,591	7.6%	8.0%
Credit to the government	152	161	3.2%	2.8%
Investments in companies included on an equity basis	14	11	0.4%	0.3%
Buildings and equipment	736	742	7.0%	7.0%
Other assets	1,222	1,722	6.6%	7.1%
<b>Total assets</b>	<b>65,416</b>	<b>64,585</b>	<b>7.8%</b>	<b>7.7%</b>
Deposits of the public	53,739	55,336	7.9%	8.1%
Deposits of banks <sup>(1)</sup>	3,381	949	12.2%	3.9%
Deposits of the government	682	676	4.1%	4.0%
Bonds and subordinated notes	2,662	2,411	6.4%	6.2%
Other liabilities	1,158	1,531	4.8%	5.4%
<b>Total liabilities</b>	<b>61,622</b>	<b>60,903</b>	<b>7.8%</b>	<b>7.7%</b>
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	195	185		
Equity	3,599	3,497	7.7%	7.9%

Summary consolidated profit and loss statement	Nine months to		Banking group's share of the banking system		Three months to
	30.09.2004	30.09.2003	30.09.2004	30.09.2003	
Net interest profit before loan-loss provision	1,069.0	1,004.0	6.8%	7.0%	363.0
Loan-loss provision	360.0	417.0	9.9%	9.2%	177.0
Operating and other income	603.0	589.0	6.7%	7.2%	201.0
Of which: Operating income	525.0	488.0	7.3%	7.3%	170.0
Operating and other expenses	964.0	943.0	6.6%	6.9%	311.0
Of which: Salaries and related expenses	585.0	581.0	6.7%	7.0%	179.0
Ordinary before-tax provision	348.0	263.0	5.4%	5.5%	76.0
Provision for taxes on ordinary profit	168.0	117.0	5.8%	5.1%	40.0
Ordinary after-tax profit	180.0	146.0	5.0%	5.9%	36.0
Bank's share in the profit of subsidiaries	3.0	1.0			1.0
Share of minority shareholders in profit of consolidated companies	-13.0	-16.0			-5.0
Extraordinary after-tax profit	0.0	1.0			1.0
<b>Net profit</b>	<b>170.0</b>	<b>132.0</b>	<b>4.0%</b>	<b>5.5%</b>	<b>33.0</b>

Balances and rates of return on financial items by indexation base consolidated on 30.09.2004	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>(2)</sup>	Total financial items
Balance of financial assets on balance-sheet date	28,549	14,417	20,858	63,824
Balance of financial liabilities on balance-sheet date	31,003	12,580	17,813	61,396
Excess of financial assets over financial liabilities	-2,454	1,837	3,045	2,428
Total indexation balance (incl. forwards <sup>(3)</sup> and options in term of basis assets)	1,679	789	-40	2,428
Rate of income on assets (percent) <sup>(4)</sup>	5.75	6.85	4.41	5.21
Rate of expenditure on liabilities (percent) <sup>(4)</sup>	-3.90	-5.69	-3.87	-4.15
Interest-rate differential	1.86	1.16	0.54	1.06

Problem borrowers	30.09.2004	31.12.2003
Total credit risk dew to problem borrowers	5,783	6,106
Total credit to problem borrowers	5,379	5,676

Main financial ratios - consolidated (percent)	30.09.2004	31.12.2003
Equity/balance-sheet ratio	5.50	5.41
Financial capital/equity ratio	67.46	65.28
Equity/risk-weighted-assets ratio	11.80	10.60
Return on equity (net profit/gross weighted capital ratio) <sup>(5)</sup>	6.50	4.80
Operating income/operating expenses ratio <sup>(6)</sup>	62.55	63.21

(1) See note no. 5.1.4 in the introduction.

(2) Including foreign-currency indexed NIS.

(3) Forwards transactions.

(4) Nine-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.

(5) Annual basis.

(6) For nine months. Comparative data are annual.