

Statement for the third quarter - consolidated "Tefahot" Israel Mortgage Bank 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 ⁽¹⁾	98	108	0.1%	0.1%
Securities	2	1	0.0%	0.0%
Credit to the public	32,302	31,792	5.6%	5.6%
Credit to the government	2	2	0.0%	0.0%
Investments in companies included on an equity basis	0	0	0.0%	0.0%
Buildings and equipment	112	104	1.1%	1.0%
Other assets	194	218	1.1%	0.9%
Total assets	32,710	32,225	3.9%	3.9%
Deposits of the public	19,885	20,380	2.9%	3.0%
Deposits of banks ⁽¹⁾	8,664	7,806	11.9%	13.4%
Deposits of the government	408	427	2.5%	2.5%
Bonds and subordinated notes	1,245	1,300	3.0%	3.3%
Other liabilities	312	302	1.3%	1.1%
Total liabilities	30,514	30,215	3.8%	3.8%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	2,196	2,010	4.7%	4.5%

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	378.0	302.0	2.4%	2.1%	102.0
Loan-loss provision	89.0	105.0	2.4%	2.3%	24.0
Operating and other income	215.0	234.0	2.4%	2.9%	72.0
Of which: Operating income	203.0	224.0	2.8%	3.4%	68.0
Operating and other expenses	185.0	170.0	1.3%	1.2%	60.0
Of which: Salaries and related expenses	112.0	100.0	1.3%	1.2%	34.0
Ordinary before-tax provision	319.0	287.0	4.9%	6.0%	90.0
Provision for taxes on ordinary profit	133.0	130.0	4.6%	5.7%	40.0
Ordinary after-tax profit	186.0	157.0	5.2%	6.4%	50.0
Bank's share in the profit of subsidiaries	0.0	0.0			0.0
Share of minority shareholders in profit of consolidated companies	0.0	0.0			0.0
Extraordinary after-tax profit	0.0	1.0			0.0
Net profit	186.0	158.0	4.4%	6.5%	50.0

Balances and rates of return on financial items by indexation base consolidated on 30.09.2004	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	3,062	25,408	4,122	32,592
Balance of financial liabilities on balance-sheet date	4,753	24,645	1,060	30,458
Excess of financial assets over financial liabilities	-1,691	763	3,062	2,134
Total indexation balance (incl. forwards ⁽³⁾ and options in term of basis assets)	-108	2,211	31	2,134
Rate of income on assets (percent) ⁽⁴⁾	5.73	7.25	6.15	6.94
Rate of expenditure on liabilities (percent) ⁽⁴⁾	-4.31	-6.46	-4.76	-6.00
Interest-rate differential	1.43	0.79	1.39	0.95

Problem borrowers	30.09.2004	31.12.2003
Total credit risk dew to problem borrowers	2,247	1,864
Total credit to problem borrowers	1,993	1,803

Main financial ratios - consolidated (percent)	30.09.2004	31.12.2003
Equity/balance-sheet ratio	6.71	6.24
Financial capital/equity ratio	97.18	96.22
Equity/risk-weighted-assets ratio	10.20	10.00
Return on equity (net profit/gross weighted capital ratio) ⁽⁵⁾	12.50	10.00
Operating income/operating expenses ratio ⁽⁶⁾	116.22	131.49

(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.