



Statement for 31/12/2004 on consolidated basis
United Mizrahi Bank Ltd. and its subsidiaries, Main data, NIS million

Taken from the annual report to 31.12.2004, Reported amounts at 2004 (2002-03 adjusted to CPI for 12.2003)

Summary consolidated balance sheet	End of year			Bank's share of the banking system		
	2004	2003	2002	2004	2003	2002
Cash and deposits in banks ⁽¹⁾	10,537	12,725	10,597	9.9%	13.0%	11.4%
Securities	5,754	3,976	3,930	4.2%	3.3%	3.6%
Credit to the public	63,648	59,909	59,590	11.2%	10.6%	10.4%
Credit to the government	95	111	135	2.2%	2.0%	1.7%
Investments in companies included on an equity basis	120	166	140	3.0%	4.6%	3.9%
Buildings and equipment	1,150	1,107	1,010	10.8%	10.5%	9.9%
Other assets	1,881	1,399	785	8.3%	5.9%	3.8%
Total assets	83,185	79,393	76,187	9.8%	9.6%	9.3%
Deposits of the public	69,769	66,221	64,089	10.1%	9.8%	9.5%
Deposits of banks ⁽¹⁾	2,900	3,227	3,244	12.2%	13.4%	14.7%
Deposits of the government	998	1,261	1,340	6.4%	7.5%	7.4%
Bonds and subordinated notes	3,065	2,706	2,533	7.4%	7.0%	6.9%
Other liabilities	2,314	1,820	1,263	7.7%	6.5%	5.2%
Total liabilities	79,046	75,235	72,469	9.8%	9.6%	9.3%
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Minority shareholders' rights	6	283	273			
Equity	4,133	3,875	3,445	9.0%	8.9%	8.7%

Summary consolidated profit and loss statement	End of year			Bank's share of the banking system		
	2004	2003	2002	2004	2003	2002
Net interest profit before loan-loss provision	1652.0	1439.0	1420.0	8.0%	7.6%	8.0%
Loan-loss provision	359.0	300.0	309.0	6.9%	4.7%	4.0%
Operating and other income	1036.0	955.0	844.0	8.6%	8.6%	8.6%
Of which: Operating income	874.0	852.0	778.0	9.1%	9.6%	9.3%
Operating and other expenses	1679.0	1417.0	1355.0	8.6%	7.6%	7.6%
Of which: Salaries and related expenses	1089.0	882.0	860.0	9.2%	7.8%	7.7%
Inflation adjustments	0.0	37.0	0.0			
Ordinary profit before-tax provision	650.0	714.0	600.0	8.2%	12.4%	24.7%
Provision for taxes on ordinary profit	255.0	342.0	298.0	7.3%	13.4%	27.3%
Ordinary after-tax profit	395.0	372.0	302.0	8.8%	11.6%	21.7%
Bank's share in the profit of subsidiaries	13.0	9.0	-4.0			
Minority shareholders' share in profit of consolidated companies	-19.0	-27.0	-29.0			
Extraordinary after-tax profit	-3.0	-19.0	-1.0			
Net profit	386.0	335.0	268.0	7.4%	10.6%	25.0%

Balances and rates of return on financial items by indexation base on 31.12.2004	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	24,932	35,288	21,355	81,575
Balance of financial liabilities on balance-sheet date	33,064	30,106	15,761	78,931
Excess of financial assets over financial liabilities	-8,132	5,182	5,594	2,644
Total indexation balance(incl. Forwards ⁽³⁾ and options in term of basis assets)	-243	2,872	15	2,644
Options at the money and out of the money (net, capitalized nominal value)	1,233	0	-1,233	0
Rate of income on assets (%) ⁽⁴⁾	5.64	6.44	3.83	5.30
Rate of expenses on liabilities (%) ⁽⁴⁾	-3.66	-5.54	-2.97	-4.03
Interest-rate spread	1.98	0.90	0.86	1.27

Internal rate of return on assets (%)	5.56	5.69	4.17	
Internal rate of return on liabilities (%)	4.21	5.24	3.06	
Difference	1.35	0.45	1.11	
Average duration of assets (years)	0.09	3.45	0.35	1.61
Average duration of liabilities (years)	0.14	3.67	0.22	1.50
Difference	-0.05	-0.22	0.13	0.11

⁽¹⁾ See note 5.1.7. in the introduction.

⁽²⁾ Including foreign-currency indexed NIS.

⁽³⁾ Forwards transactions.

⁽⁴⁾ including hedging, embedded and ALM derivatives.



Statement for 31/12/2004 on consolidated basis
United Mizrahi Bank Ltd., Additional data

(NIS millions, 2004 reported amounts, 2003 adjusted to 12.2003 prices)

Additional data	2004	2003
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Total off-balance-sheet and credit risk

Credit to the public and credit risk	65,027	60,644
Total off-balance-sheet credit risk	20,238	15,954
Total credit risk	85,265	76,598
<i>Of which:</i> Total risk of credit for housing loans	33,050	30,439
Total risk of credit to construction and real estate industry	15,781	15,442

Problem borrowers

Total credit risk dew to problem borrowers	4,642	4,948
<i>Of which:</i> Total credit to problem borrowers	4,115	4,549

Data on derivatives

Notional amount	101,722	80,913
Gross positive fair value	1,466	1,171

Activity with interested and related parties

Total assets on balance-sheet date	575	611
<i>Of which:</i> credit to the public	455	440
Total liabilities on balance-sheet date (including quasi-capital items)	105	59

Branches and personnel

Number of employee posts in Israel, monthly average	3,398	3,302
Number of employee posts abroad, monthly average	77	79
Number of branches in Israel	122	118
Number of branches abroad	3	3

Main financial ratios, in annual terms (%)

Equity/risk-weighted-assets ratio	9.38	9.81
Equity/balance-sheet ratio	4.97	4.88
Financial capital/equity capital ratio	63.97	67.02
Ratio of problem loans to total credit to the public	6.45	7.57
Return on equity (net profit/gross weighted capital ratio)	10.00	9.70
Non-interest income/operating expenses ratio	61.70	67.40
Ratio of loan-loss provision to total credit to the public	0.56	0.50



Statement for 31/12/2004

United Mizrahi Bank Ltd. , Main data, NIS million (Short Version)

Taken from the annual report to 31.12.2004, Reported amounts at 2004 (2003 adjusted to CPI for 12.2003)

Summary balance sheet	End of year	
	2004	2003
Cash and deposits in banks ⁽¹⁾	17,994	18,322
Securities	5,636	3,678
Credit to the public	28,559	27,969
Credit to the government	91	85
Investments in companies included on an equity basis	2,920	2,325
Buildings and equipment	996	978
Other assets	1,639	1,318
Total assets	57,835	54,675
Deposits of the public	48,197	45,878
Deposits of banks ⁽¹⁾	1,055	1,055
Deposits of the government	575	834
Bonds and subordinated notes	1,789	1,385
Other liabilities	2,086	1,648
Total liabilities	53,702	50,800
Quasi-capital items	0	0
Equity	4,133	3,875

Bank's share of the banking system	
2004	2003
16.9%	18.7%
4.1%	3.1%
5.0%	4.9%
2.1%	1.5%
9.4%	9.3%
7.3%	5.5%
6.8%	6.6%
7.0%	6.8%
4.4%	4.4%
3.7%	4.9%
4.3%	3.6%
6.9%	5.9%
6.7%	6.5%
0.0%	0.0%
9.0%	8.9%

Summary profit and loss statement	End of year	
	2004	2003
Net interest profit before loan-loss provision	1147.0	1043.0
Loan-loss provision	234.0	166.0
Operating and other income	662.0	607.0
Of which: Operating income	583.0	539.0
Operating and other expenses	1301.0	1143.0
Of which: Salaries and related expenses	841.0	720.0
Inflation adjustments	0.0	4.0
Ordinary profit before-tax provision	274.0	345.0
Provision for taxes on ordinary profit	98.0	171.0
Ordinary after-tax profit	176.0	174.0
Bank's share in the profit of subsidiaries	213.0	180.0
Minority shareholders' share in profit of consolidated companies	389.0	354.0
Extraordinary after-tax profit	-3.0	-19.0
Net profit	386.0	335.0

Bank's share of the banking system	
2004	2003
5.5%	5.5%
4.5%	2.6%
5.5%	5.5%
6.1%	6.0%
6.6%	6.1%
7.1%	6.4%
3.4%	6.0%
2.8%	6.7%
3.9%	5.4%
7.4%	10.6%

Balances on financial items by indexation base on 31.12.2004	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	22,688	13,078	17,858	53,624
Balance of financial liabilities on balance-sheet date	29,281	9,016	15,375	53,672
Excess of financial assets over financial liabilities	-6,593	4,062	2,483	-48
Total indexation balance(incl.forwards ⁽³⁾ and options in term of basis assets)	-276	428	-200	-48

Additional data	2004	2003
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Personnel

Number of employee posts in Israel, monthly average	2,732	2,680
Number of employee posts abroad, monthly average	61	62

Main financial ratios, in annual terms (%)

Equity/balance-sheet ratio	7.15	7.09
Financial capital/equity capital ratio	-1.16	9.70
Ratio of problem loans to total credit to the public	6.99	9.77
Non-interest income/operating expenses ratio	50.88	53.11
Ratio of loan-loss provision to total credit to the public	0.82	0.59

⁽¹⁾ See note 5.1.7. in the introduction.⁽²⁾ Including foreign-currency indexed NIS.⁽³⁾ Forwards transactions.