

**Statement for the third quarter - consolidated**  
**Mizrahi Tefahot Bank Ltd. and its subsidiaries , Main data, NIS million**

Taken from the quarterly report to 30.09.2005, reported amounts



Summary consolidated balance sheet	30.09.2005	31.12.2004	Bank's share of the banking system	
			30.09.2005	31.12.2004
Cash and deposits in banks <sup>1</sup>	12,547	10,537	11.7%	9.9%
Securities	4,743	5,754	3.2%	4.2%
Credit to the public	64,860	63,648	11.2%	11.2%
Credit to the government	93	95	2.5%	2.2%
Investments in companies included on an equity basis	84	120	1.9%	3.0%
Buildings and equipment	1,155	1,150	10.6%	10.8%
Other assets	1,552	1,881	6.8%	8.3%
<b>Total assets</b>	<b>85,034</b>	<b>83,185</b>	<b>9.7%</b>	<b>9.8%</b>
Deposits of the public	69,434	69,769	9.9%	10.1%
Deposits of banks <sup>1</sup>	3,546	2,900	14.9%	12.2%
Deposits of the government	740	998	5.2%	6.4%
Bonds and subordinated notes	4,449	3,065	8.9%	7.4%
Other liabilities	2,292	2,314	7.2%	7.7%
<b>Total liabilities</b>	<b>80,461</b>	<b>79,046</b>	<b>9.8%</b>	<b>9.8%</b>
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	6	6		
Equity	4,567	4,133	9.0%	9.0%

Summary consolidated profit and loss statement	Nine months to		Bank's share of the banking system		Three months to
			Nine months to		
	30.09.2005	30.09.2004	30.09.2005	30.09.2004	30.09.2005
Net interest profit before loan-loss provision	1,402.0	1,268.0	8.5%	8.2%	489.0
Loan-loss provision	191.0	247.0	6.0%	6.7%	64.0
Operating and other income	826.0	767.0	8.4%	8.6%	283.0
Of which: Operating income	664.0	652.0	8.7%	9.1%	227.0
Operating and other expenses	1,341.0	1,168.0	8.4%	8.1%	452.0
Of which: Salaries and related expenses	852.0	753.0	8.9%	8.6%	286.0
Ordinary before-tax provision	696.0	620.0	9.5%	9.7%	256.0
Provision for taxes on ordinary profit	289.0	246.0	9.6%	8.6%	98.0
Ordinary after-tax profit	407.0	374.0	9.4%	10.6%	158.0
Bank's share in the profit of subsidiaries	-6.0	12.0			-8.0
Share of minority shareholders in profit of consolidated companies	0.0	-19.0			0.0
Extraordinary after-tax profit	-4.0	-1.0			0.0
<b>Net profit</b>	<b>397.0</b>	<b>366.0</b>	<b>7.4%</b>	<b>8.8%</b>	<b>150.0</b>

Balances and rates of return on financial items by indexation base on 30.09.2005	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>2</sup>	Total financial items
Balance of financial assets on balance-sheet date	23,136	35,224	25,055	83,415
Balance of financial liabilities on balance-sheet date	32,828	29,981	17,449	80,258
Excess of financial assets over financial liabilities	-9,692	5,243	7,606	3,157
Total indexation balance (incl. forwards and options in term of basis assets) <sup>3</sup>	-6	3,151	12	3,157
Rate of income on assets (percent) <sup>4</sup>	4.94	7.94	7.83	6.96
Rate of expenditure on liabilities (percent) <sup>4</sup>	-3.15	-7.11	-6.86	-5.73
Interest-rate differential	1.79	0.83	0.97	1.23

Problem borrowers	30.09.2005	31.12.2004
Total credit risk dew to problem borrowers	4,282	4,642
Total credit to problem borrowers	3,866	4,115

Main financial ratios - consolidated (percent)	30.09.2005	31.12.2004
Equity/balance-sheet ratio	5.37	4.97
Financial capital/equity ratio	69.13	63.97
Equity/risk-weighted-assets ratio	9.75	9.38
Return on equity (net profit/gross weighted-capital ratio) <sup>5</sup>	13.00	10.00
Operating income/operating expenses ratio <sup>6</sup>	61.60	61.70

<sup>1</sup> See note 5.1.7 in the introduction

<sup>2</sup> Including foreign-currency indexed NIS.

<sup>3</sup> Forwards transactions.

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

<sup>5</sup> Annual basis.

<sup>6</sup> For nine months. Comparative data are annual.