



Statement for 31/12/2005 on consolidated basis
Mizrahi Tefahot Bank Ltd. and its subsidiaries, Main data, NIS million

Taken from the annual report to 31.12.2005, 2004-2005:reported amounts (2003:adjusted to CPI for 12.2003)

Summary consolidated balance sheet	End of year			Bank's share of the banking system		
	2005	2004	2003	2005	2004	2003
Cash and deposits in banks ⁽¹⁾	12,252	10,537	12,725	10.0%	9.9%	13.0%
Securities	6,570	5,754	3,976	4.3%	4.2%	3.3%
Credit to the public	64,713	63,648	59,909	11.1%	11.3%	10.6%
Credit to the government	92	95	111	2.7%	2.2%	2.0%
Investments in companies included on an equity basis	87	120	166	2.0%	3.0%	4.6%
Buildings and equipment	1,221	1,150	1,107	10.9%	10.8%	10.5%
Other assets	1,409	1,881	1,399	6.2%	8.6%	6.0%
Total assets	86,344	83,185	79,393	9.6%	9.8%	9.6%
Deposits of the public	71,346	69,769	66,221	9.8%	10.1%	9.8%
Deposits of banks ⁽¹⁾	3,132	2,900	3,227	13.9%	12.4%	13.5%
Deposits of the government	728	998	1,261	5.2%	6.4%	7.5%
Bonds and subordinated notes	4,305	3,065	2,706	8.1%	7.4%	7.0%
Other liabilities	2,151	2,314	1,820	6.5%	7.8%	6.6%
Total liabilities	81,662	79,046	75,235	9.6%	9.8%	9.6%
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Minority shareholders' rights	6	6	283			
Equity	4,676	4,133	3,875	9.4%	9.0%	8.9%

Summary consolidated profit and loss statement	End of year			Bank's share of the banking system		
	2005	2004	2003	2005	2004	2003
Net interest profit before loan-loss provision	1,904.0	1,652.0	1,439.0	8.5%	8.0%	7.6%
Loan-loss provision	292.0	359.0	300.0	7.0%	6.9%	4.7%
Operating and other income	1,114.0	1,036.0	955.0	8.4%	8.6%	8.6%
Of which: Operating income	924.0	874.0	852.0	8.9%	9.1%	9.5%
Operating and other expenses	1,839.0	1,679.0	1,417.0	8.4%	8.6%	7.6%
Of which: Salaries and related expenses	1,154.0	1,089.0	882.0	8.8%	9.2%	7.8%
Inflation adjustments			37.0			
Ordinary profit before-tax provision	887.0	650.0	714.0	9.4%	8.2%	12.4%
Provision for taxes on ordinary profit	371.0	255.0	342.0	9.3%	7.3%	13.4%
Ordinary after-tax profit	516.0	395.0	372.0	9.5%	8.8%	11.6%
Bank's share in the profit of subsidiaries	-3.0	13.0	9.0			
Minority shareholders' share in profit of consolidated companies	0.0	-19.0	-27.0			
Extraordinary after-tax profit	-6.0	-3.0	-19.0			
Net profit	507.0	386.0	335.0	7.7%	7.4%	10.6%

Balances and rates of return on financial items by indexation base on 31.12.2005	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	24,757	35,096	24,790	84,643
Balance of financial liabilities on balance-sheet date	33,765	29,695	17,991	81,451
Excess of financial assets over financial liabilities	-9,008	5,401	6,799	3,192
Total indexation balance (incl. Forwards ⁽³⁾ and options in term of basis assets)	979	2,211	2	3,192
Options at the money and out of the money (net, capitalized nominal value)	712	-20	-692	0
Rate of income on assets (%) ⁽⁴⁾	4.93	7.92	6.54	6.47
Rate of expenses on liabilities (%) ⁽⁴⁾	-3.19	-6.99	-5.57	-5.22
Interest-rate spread	1.74	0.92	0.97	1.25

Internal rate of return on assets (%)	5.58	5.34	4.87	
Internal rate of return on liabilities (%)	4.35	4.96	4.45	
Difference	1.23	0.38	0.42	
Average duration of assets (years)	0.14	3.51	0.28	1.58
Average duration of liabilities (years)	0.15	3.85	0.28	1.53
Difference	-0.01	-0.34	0.00	0.05

⁽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 31/12/2005 on consolidated basis
Mizrahi Tefahot Bank Ltd., Additional data
 (NIS millions, reported amounts)

Additional data	2005	2004
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Total off-balance-sheet and credit risk

Credit to the public and credit risk	65,701	65,027
Total off-balance-sheet credit risk	21,873	20,238
Total credit risk	87,574	85,265
<i>Of which:</i> Total risk of credit for housing loans	35,292	33,050
Total risk of credit to construction and real estate industry	15,473	15,781

Problem borrowers

Total credit risk dew to problem borrowers	4,895	4,718
<i>Of which:</i> Total credit to problem borrowers	4,449	4,191

Data on derivatives

Notional amount	106,907	102,166
Gross positive fair value	1,011	1,466

Activity with interested and related parties

Total assets on balance-sheet date	434	575
<i>Of which:</i> credit to the public	347	455
Total liabilities on balance-sheet date (including quasi-capital items)	263	105

Branches and personnel

Number of employee posts in Israel, monthly average	3,635	3,398
Number of employee posts abroad, monthly average	78	79
Number of branches in Israel	126	122
Number of branches abroad	3	3

Main financial ratios, in annual terms (%)

Equity/risk-weighted-assets ratio	9.83	9.16
Equity/balance-sheet ratio	5.42	4.97
Financial capital/equity capital ratio	68.26	63.97
Ratio of problem loans to total credit to the public	6.85	6.56
Return on equity (net profit/gross weighted capital ratio)	12.30	10.00
Non-interest income/operating expenses ratio	60.58	61.70
Ratio of loan-loss provision to total credit to the public	0.45	0.56



Statement for 31/12/2005
Mizrahi Tefahot Bank Ltd. , Main data, NIS million (Short Version)

Taken from the annual report to 31.12.2005, Reported amounts

Summary balance sheet	End of year	
	2005	2004
Cash and deposits in banks ⁽¹⁾	13,375	17,994
Securities	6,526	5,636
Credit to the public	61,053	28,559
Credit to the government	92	91
Investments in companies included on an equity basis	1,004	2,920
Buildings and equipment	1,198	996
Other assets	1,371	1,639
Total assets	84,619	57,835
Deposits of the public	69,819	48,197
Deposits of banks ⁽¹⁾	3,803	1,055
Deposits of the government	714	575
Bonds and subordinated notes	3,532	1,789
Other liabilities	2,075	2,086
Total liabilities	79,943	53,702
Quasi-capital items	0	0
Equity	4,676	4,133

Bank's share of the banking system	
2005	2004
10.9%	16.9%
4.3%	4.1%
10.4%	5.0%
2.7%	2.1%
10.7%	9.4%
6.0%	7.5%
9.4%	6.8%
9.6%	7.0%
16.9%	4.5%
5.1%	3.7%
6.7%	4.3%
6.3%	7.1%
9.4%	6.7%
0.0%	0.0%
9.4%	9.0%

Summary profit and loss statement	End of year	
	2005	2004
Net interest profit before loan-loss provision	1,830.0	1,147.0
Loan-loss provision	282.0	234.0
Operating and other income	932.0	662.0
Of which: Operating income	835.0	583.0
Operating and other expenses	1,739.0	1,301.0
Of which: Salaries and related expenses	1,100.0	841.0
Ordinary profit before-tax provision	741.0	274.0
Provision for taxes on ordinary profit	319.0	98.0
Ordinary after-tax profit	422.0	176.0
Bank's share in the profit of subsidiaries	91.0	213.0
Minority shareholders' share in profit of consolidated companies	513.0	389.0
Extraordinary after-tax profit	-6.0	-3.0
Net profit	507.0	386.0

Bank's share of the banking system	
2005	2004
8.2%	5.6%
6.8%	4.5%
7.1%	5.5%
8.1%	6.0%
7.9%	6.7%
8.4%	7.1%
7.9%	3.4%
8.0%	2.8%
7.8%	3.9%
7.7%	7.4%

Balances on financial items by indexation base on 31.12.2005	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	24,684	32,822	24,572	82,078
Balance of financial liabilities on balance-sheet date	34,117	27,628	18,018	79,763
Excess of financial assets over financial liabilities	-9,433	5,194	6,554	2,315
Total indexation balance (incl.forwards ⁽³⁾ and options in term of basis assets)	554	2,004	-243	2,315

Additional data	2005	2004
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Personnel

Number of employee posts in Israel, monthly average	3,465	2,732
Number of employee posts abroad, monthly average	60	61

Main financial ratios, in annual terms (%)

Equity/balance-sheet ratio	5.53	7.15
Financial capital/equity capital ratio	49.51	-1.16
Ratio of problem loans to total credit to the public	7.18	9.89
Non-interest income/operating expenses ratio	53.59	50.88
Ratio of loan-loss provision to total credit to the publ	0.46	0.82

⁽¹⁾ See note 5.1.7. in the introduction.

⁽²⁾ Including foreign-currency indexed NIS.

⁽³⁾ Forwards transactions.