



Statement for 31/12/2008 on consolidated basis
Mizrahi Tefahot Bank Ltd. and its subsidiaries, Main data, NIS million

Taken from the annual report to 31.12.2008, reported amounts

Summary consolidated balance sheet	End of year			Bank's share of the banking system		
	2008	2007	2006	2008	2007	2006
Cash and deposits in banks ⁽¹⁾	11,038	10,701	10,797	8.8%	8.5%	7.8%
Securities	9,259	6,145	5,979	6.7%	3.6%	3.6%
Securities borrowed or purchased under agreements to resell	12	5	0	0.8%	0.2%	0.0%
Credit to the public	88,049	74,320	70,109	12.0%	11.2%	11.5%
Credit to the government	2	3	4	0.1%	0.2%	0.2%
Investments in companies included on an equity basis	17	17	42	0.4%	0.3%	1.1%
Buildings and equipment	1,476	1,246	1,293	10.9%	9.8%	10.7%
Other assets	4,159	2,880	2,487	9.3%	10.9%	11.0%
Total assets	114,012	95,317	90,711	10.7%	9.5%	9.5%
Deposits of the public	91,779	75,290	73,234	11.2%	9.6%	9.6%
Deposits of banks ⁽¹⁾	1,867	3,752	3,073	9.1%	14.2%	12.1%
Deposits of the government	242	282	560	6.8%	5.8%	8.9%
Securities loaned or sold under agreements to repurchase	972	0	0	10.8%	0.0%	0.0%
Bonds and subordinated notes	6,837	6,189	5,067	10.2%	10.4%	9.9%
Other liabilities	6,012	4,247	3,710	7.5%	7.3%	7.0%
Total liabilities	107,709	89,760	85,644	10.8%	9.5%	9.6%
Minority shareholders' rights	351	0	6			
Equity	5,952	5,557	5,061	9.9%	9.1%	9.1%

Summary consolidated profit and loss statement	End of year			Bank's share of the banking system		
	2008	2007	2006	2008	2007	2006
Net interest profit before loan-loss provision	2,289.0	2,026.0	1,987.0	12.2%	8.5%	8.7%
Loan-loss provision	395.0	228.0	305.0	7.6%	12.2%	9.8%
Operating and other income	1,229.0	1,190.0	1,215.0	9.5%	7.9%	8.5%
Of which: Operating income	1,104.0	1,034.0	991.0	8.7%	8.4%	8.9%
Operating and other expenses	2,153.0	1,938.0	2,117.0	8.3%	7.7%	8.6%
Of which: Salaries and related expenses	1,273.0	1,169.0	1,395.0	8.4%	7.8%	9.1%
Ordinary profit before-tax provision	970.0	1,050.0	780.0	44.2%	8.8%	8.3%
Provision for taxes on ordinary profit	356.0	368.0	349.0	27.9%	8.0%	7.9%
Ordinary after-tax profit	614.0	682.0	431.0	47.0%	9.4%	8.6%
Bank's share in the profit of subsidiaries	-1.0	-1.0	-4.0			
Minority shareholders' share in profit of consolidated companies	-12.0	0.0	0.0			
Ordinary net profit	601.0	681.0	427.0	50.9%	9.1%	8.0%
Extraordinary after-tax profit	1.0	227.0	216.0			
Net profit	602.0	908.0	643.0	47.6%	9.9%	7.1%
Basic earning in NIS per share	2.7	4.1	2.9			

Balances and rates of return on financial items by indexation base on 31.12.2008 - consolidated	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
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Balance of financial assets on balance-sheet date	49,969	38,868	23,184	112,021
Balance of financial liabilities on balance-sheet date	53,367	32,566	21,590	107,523
Excess of financial assets over financial liabilities	-3,398	6,302	1,594	4,498
Total indexation balance (incl. Forwards ⁽³⁾ and options in term of basis assets)	3,272	1,289	-62	4,499
Options at the money and out of the money (net, capitalized nominal value)	-1,089	0	710	-379
Rate of income on assets (%) ⁽⁴⁾	5.22	8.88	0.78	4.49
Rate of expenses on liabilities (%) ⁽⁴⁾	-3.86	-8.15	-0.23	-3.53
Interest-rate spread	1.36	0.73	0.55	0.96

Internal rate of return on assets (%)	3.67	4.93	6.79	
Internal rate of return on liabilities (%)	3.34	4.68	3.29	
Difference	0.33	0.25	3.50	
Average duration of assets (years)	0.12	3.08	0.70	1.28
Average duration of liabilities (years)	0.25	4.02	0.46	1.45
Difference	-0.13	-0.94	0.24	-0.17

⁽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 31/12/2008 on consolidated basis

Mizrahi Tefahot Bank Ltd., Additional data

(NIS millions, reported amounts)

Additional data	2008	2007
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Total off-balance-sheet and credit risk

Credit to the public and credit risk	89,234	75,385
Total off-balance-sheet credit risk	43,493	44,550
Total credit risk	132,727	119,935
<i>Of which:</i> Total risk of credit for housing loans	48,363	41,980
Total risk of credit to construction and real estate industry	16,068	16,163

Additional disclosure for bonds - fair value

Treasury bonds	7,136	4,158
mortgage and asset' backed bonds	83	159
other bonds	1,660	1,429

Problem borrowers

Total credit risk dew to problem borrowers	6,896	4,346
<i>Of which:</i> Total credit to problem borrowers	5,955	3,730

Data on derivatives

Notional amount	159,644	178,093
Gross positive fair value	3,387	2,301

Activity with interested and related parties

Total assets on balance-sheet date	122	504
<i>Of which:</i> credit to the public	111	494
Total liabilities on balance-sheet date (including quasi-capital items)	36	46

Branches and personnel

Number of employee posts in Israel, monthly average	4,538	3,950
Number of employee posts abroad, monthly average	89	87
Number of branches in Israel	165	126
Number of branches abroad	3	3

Main financial ratios, in annual terms (%)

Equity/risk-weighted-assets ratio	11.31	11.33
Equity/balance-sheet ratio	5.22	5.83
Financial capital/equity capital ratio	75.57	72.40
Ratio of problem loans to total credit to the public	6.75	5.01
Return on equity (net profit/average equity ratio)	10.40	17.20
Non-interest income/operating expenses ratio	57.08	61.40
Ratio of loan-loss provision to total credit to the public	0.45	0.31



Statement for 31/12/2008

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

Taken from the annual report to 31.12.2008, reported amounts

Operating segments - 31/12/2008

		The household segment	The private banking segment ¹	The small businesses segment	The commercial segment ²	The business sector ³	Financial management segment	Others and adjustments	Total
Net interest income before loan-loss provision	Median	2,613	-154	69	267	753	-1,259	0	2,289
	Between sectors	-1,420	235	260	-119	-212	1,256	0	0
Operating and other income:	Median	670	68	181	48	146	116	0	1,229
	Between sectors	0	0	0	0	0	0	0	0
Total income		1,863	149	510	196	687	113	0	3,518
Loan-loss provision		87	1	89	25	180	13	0	395
Operating and other expenses:	Median	1,259	57	380	54	190	213	0	2,153
	Between sectors	-106	1	-41	55	67	24	0	0
Ordinary before-tax profit		623	90	82	62	250	-137	0	970
Ordinary net profit		378	57	51	39	162	-86	0	601
Extraordinary net profit		0	0	0	0	0	1	0	1
Net profit		378	57	51	39	162	-85	0	602
Return on equity (net profit/average equity ratio)		13.9	101.0	12.3	14.3	8.9	-17.9	0.0	10.4
Average balance of assets		49,534	1,440	5,470	4,831	23,358	17,213	0	101,846
Average balance of liabilities		41,842	6,367	6,317	2,103	13,801	25,400	0	95,830
Average balance of risk assets		41,701	843	6,188	4,077	27,246	8,569	0	88,624
Elements of net interest income before loan-loss provision	From granting credit	624	24	203	101	344	0	0	1,296
	From receiving deposits	481	61	76	17	64	0	0	699
	Other	88	-4	50	30	133	-3	0	294
Total net interest income before loan-loss provision		1,193	81	329	148	541	-3	0	2,289

¹⁾ Preferential banking services provided to wealthy customers.

²⁾ Medium-sized businesses.

³⁾ Large businesses.