

# Financial Statements

30 June 2008



**MIZRAHI TEFAHOT**

# Disclaimer

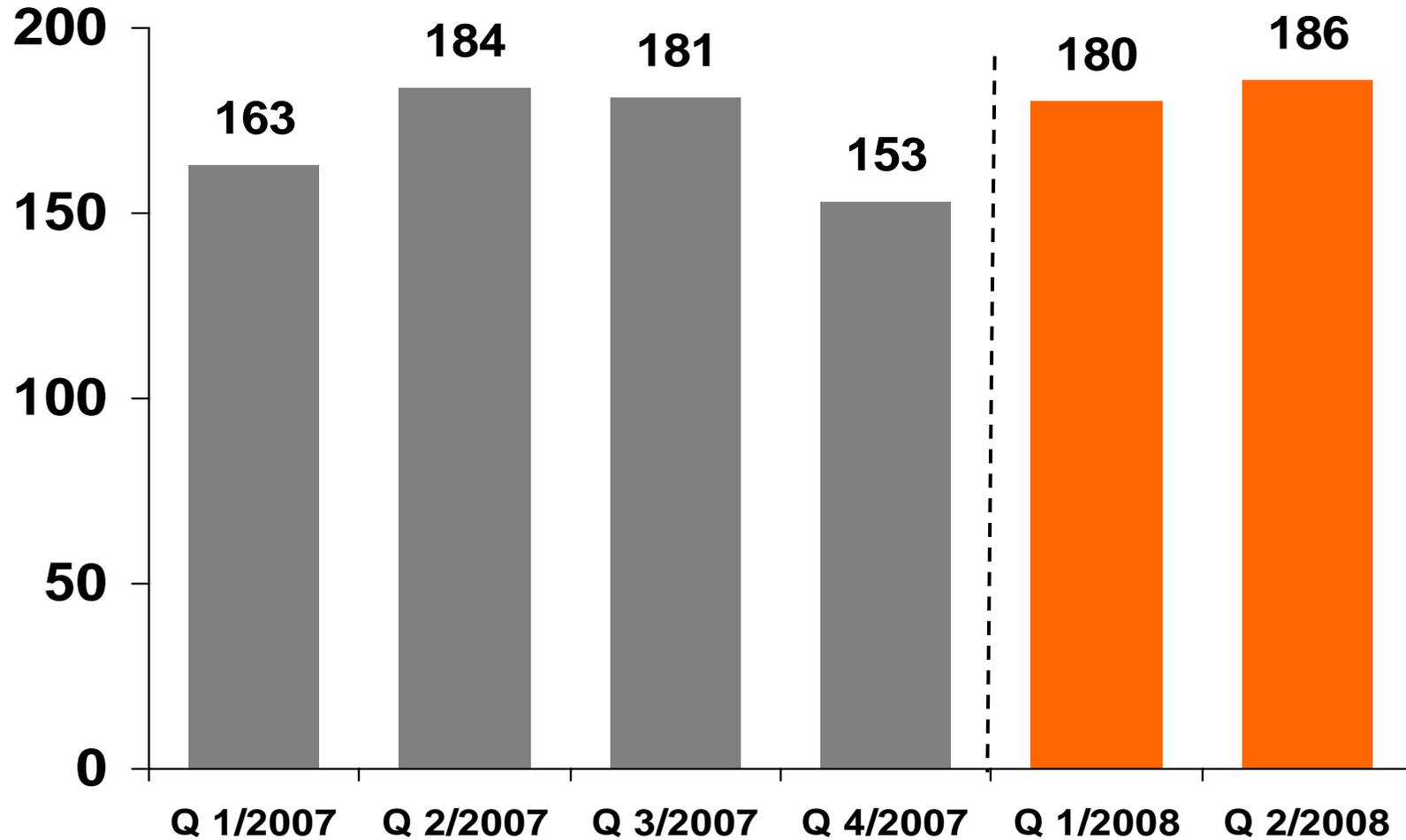
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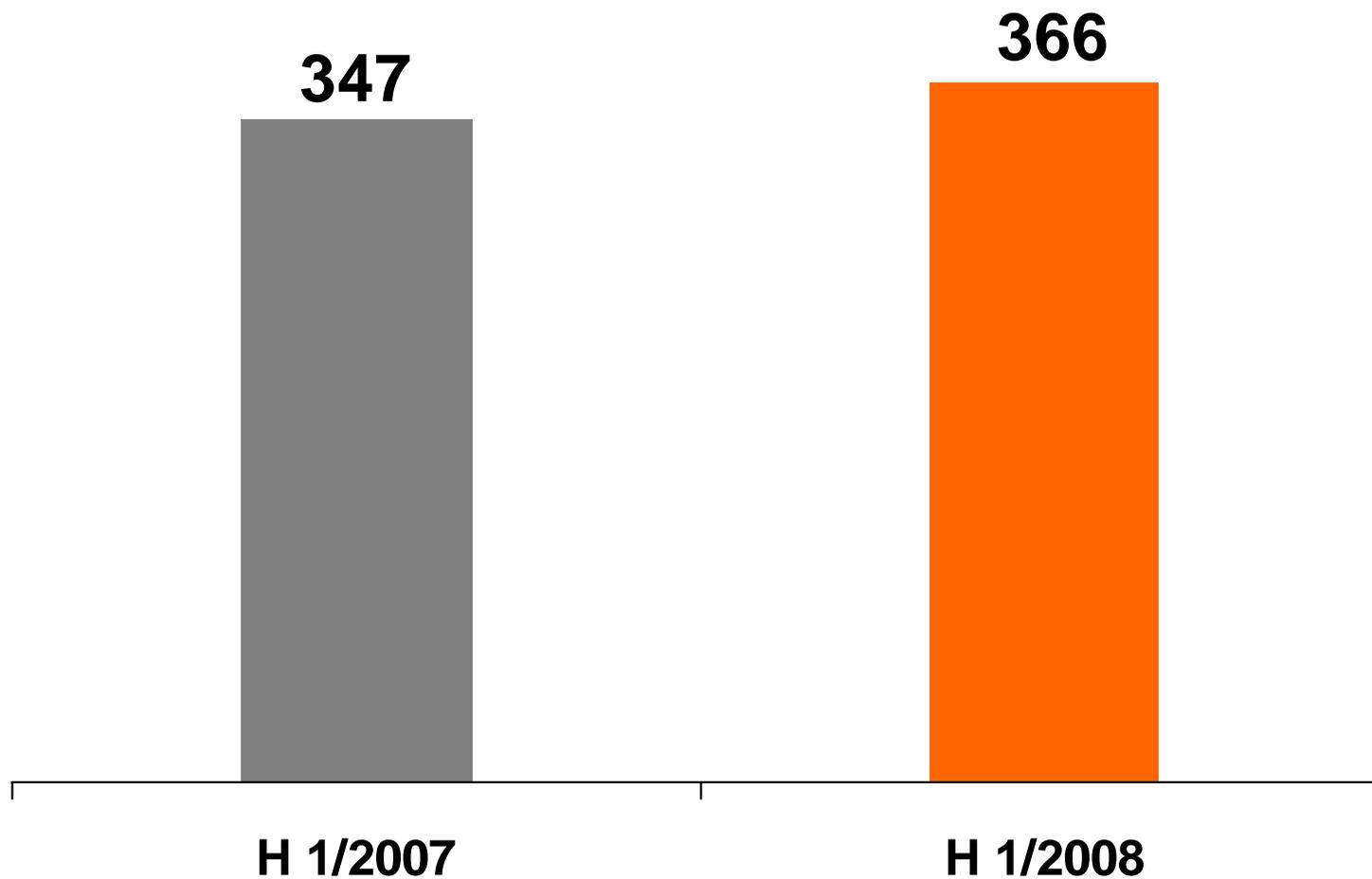
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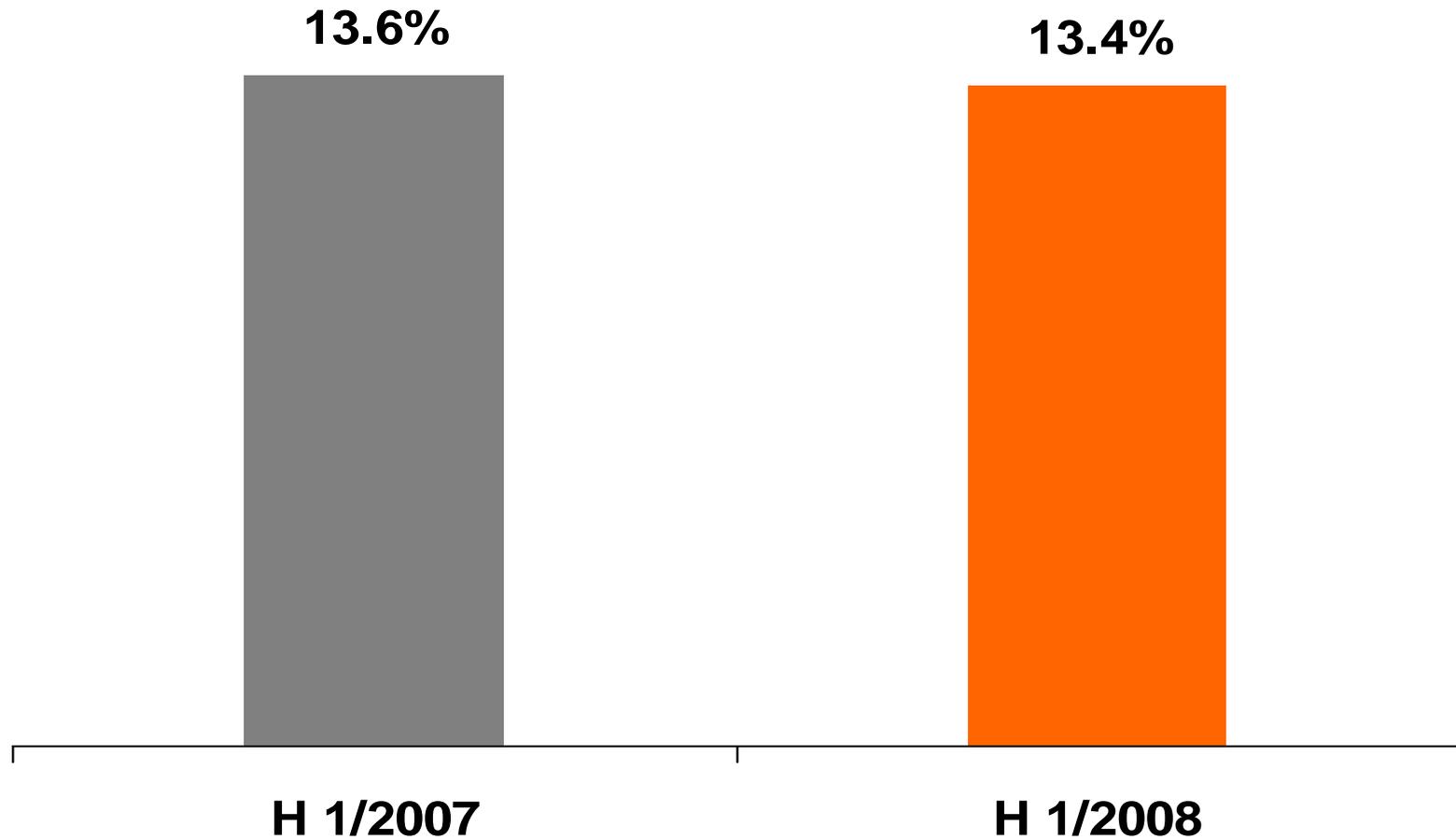
# Net Operating Profit (mil NIS)



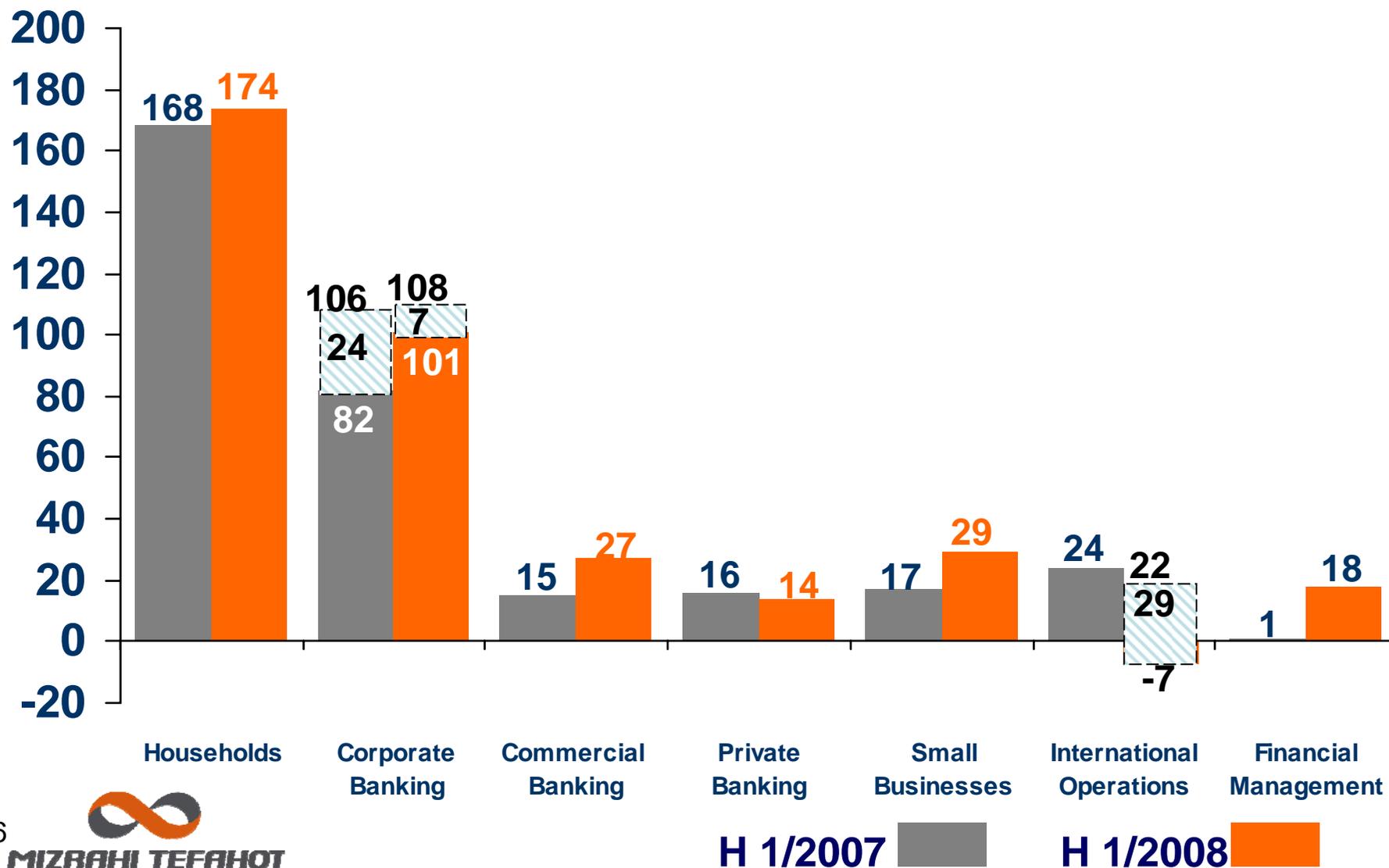
# Net Operating Profit (mil NIS)



# Net Operating Profit – Return on Equity



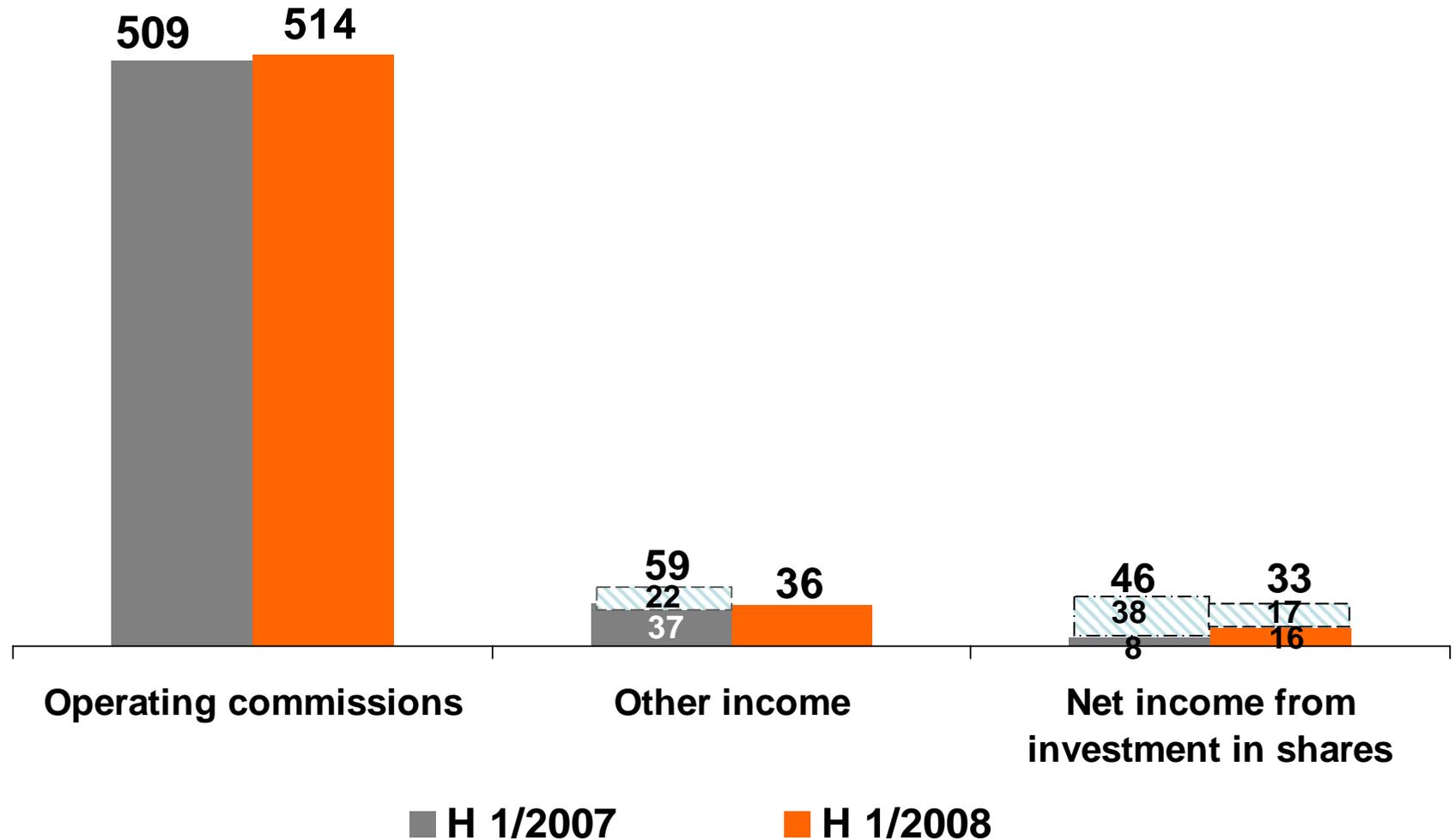
# Net Operating Profit by Main Operating Segments (mil NIS)



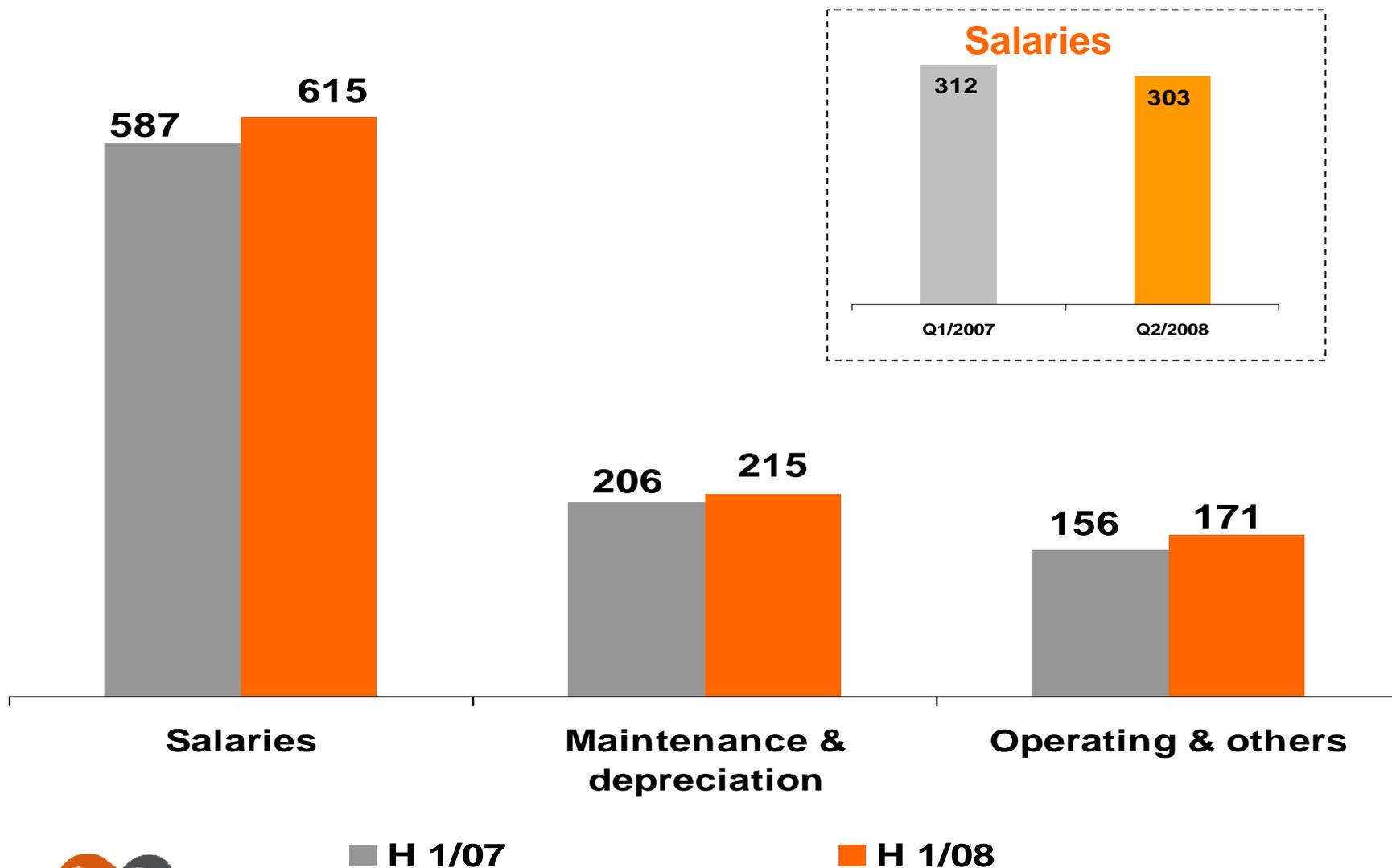
# Profit from Financing Operations before Provision for Doubtful Debts

	H 1/08	H1/07	% H 1/08 to H 1/07
Profit from ordinary activities	1,052	968	8.7
Profit on sales of debentures, net	(5)	22	-
Interest income on problem debts	73	75	-
Fair value adjustments & Others	(17)	(69)	-
<b>Total profit from financing operations</b>	<b>1,103</b>	<b>996</b>	<b>10.7</b>

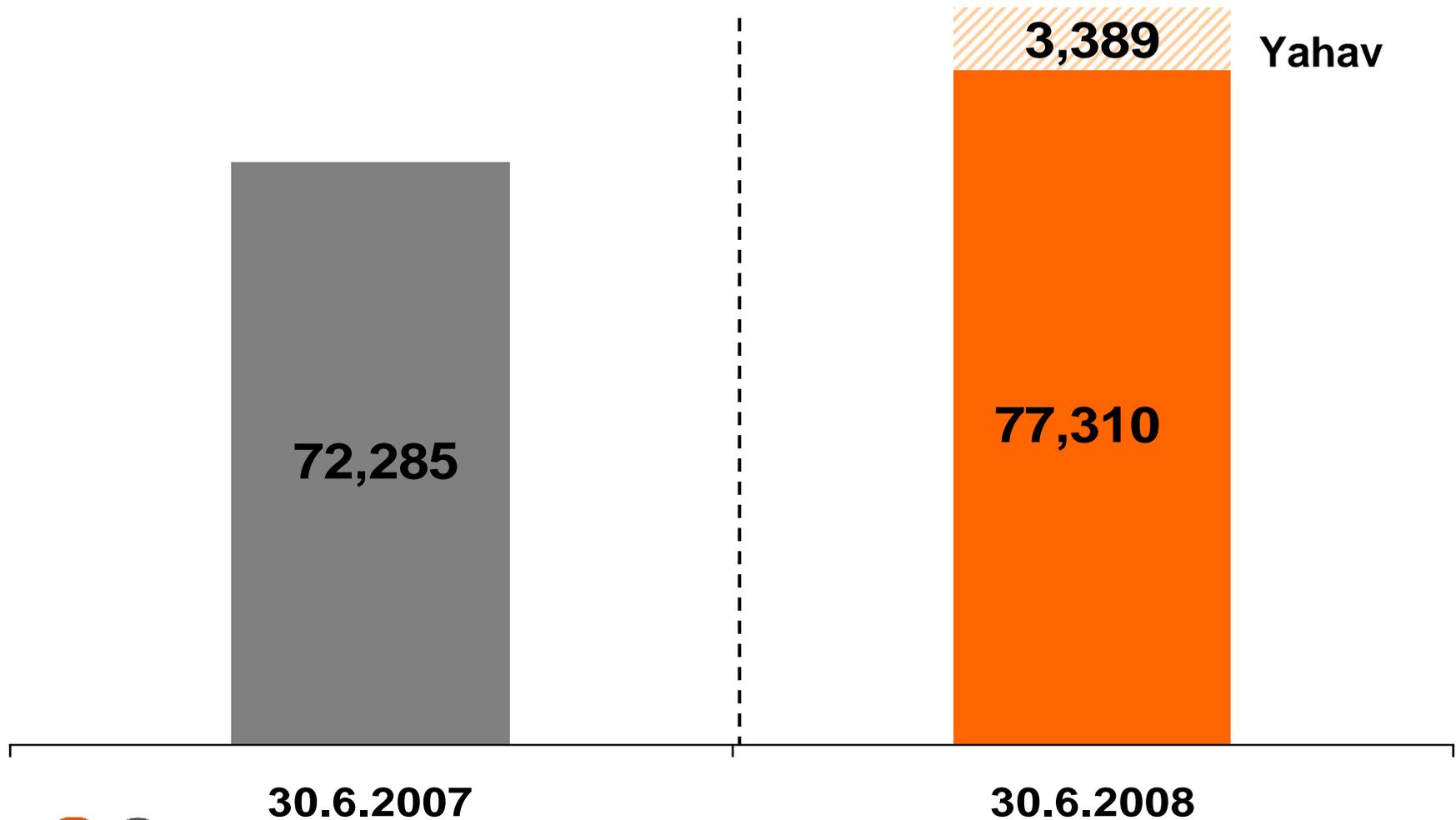
# Operating and Other Income – Analysis (mil. NIS)



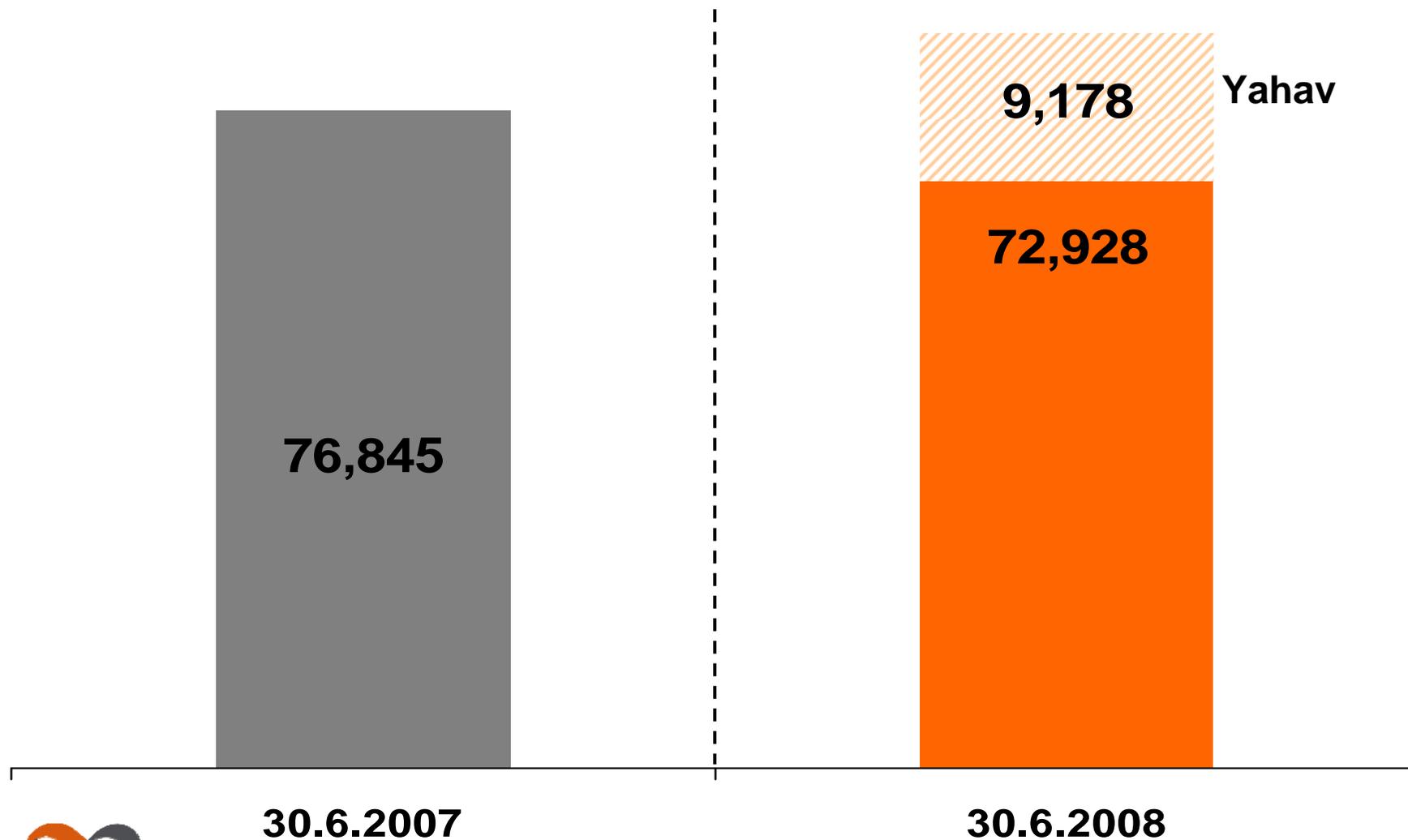
# Operating & Other Expenses – Analysis (mil NIS)



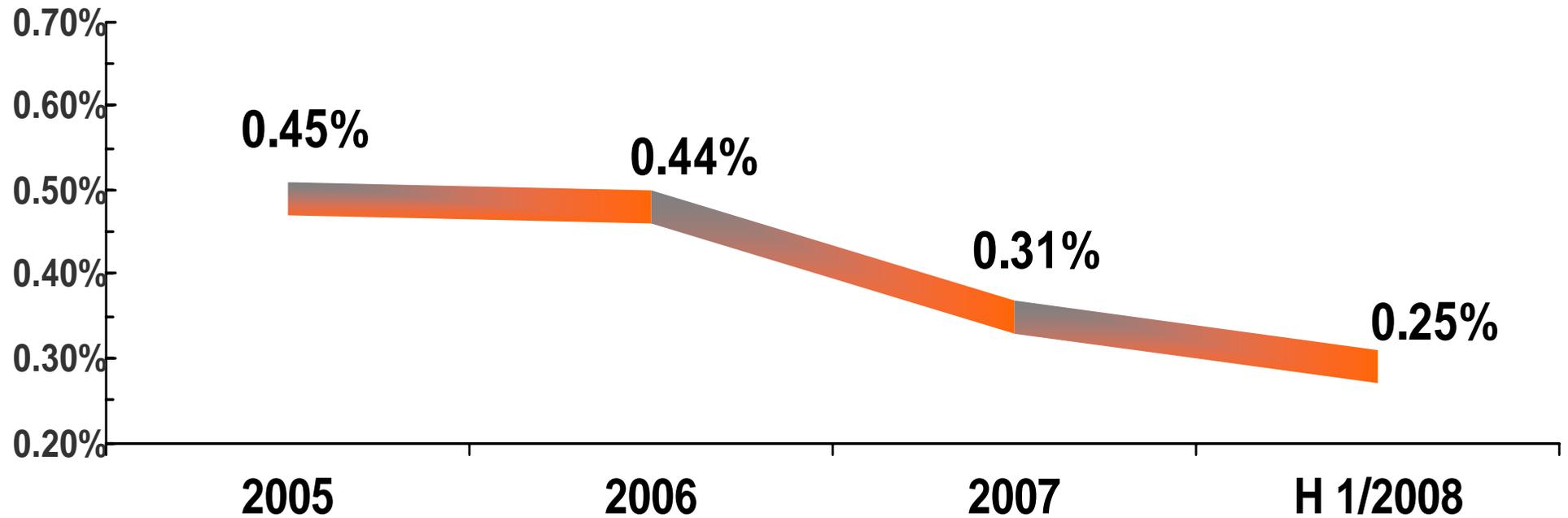
# Loans to the Public (mil NIS)



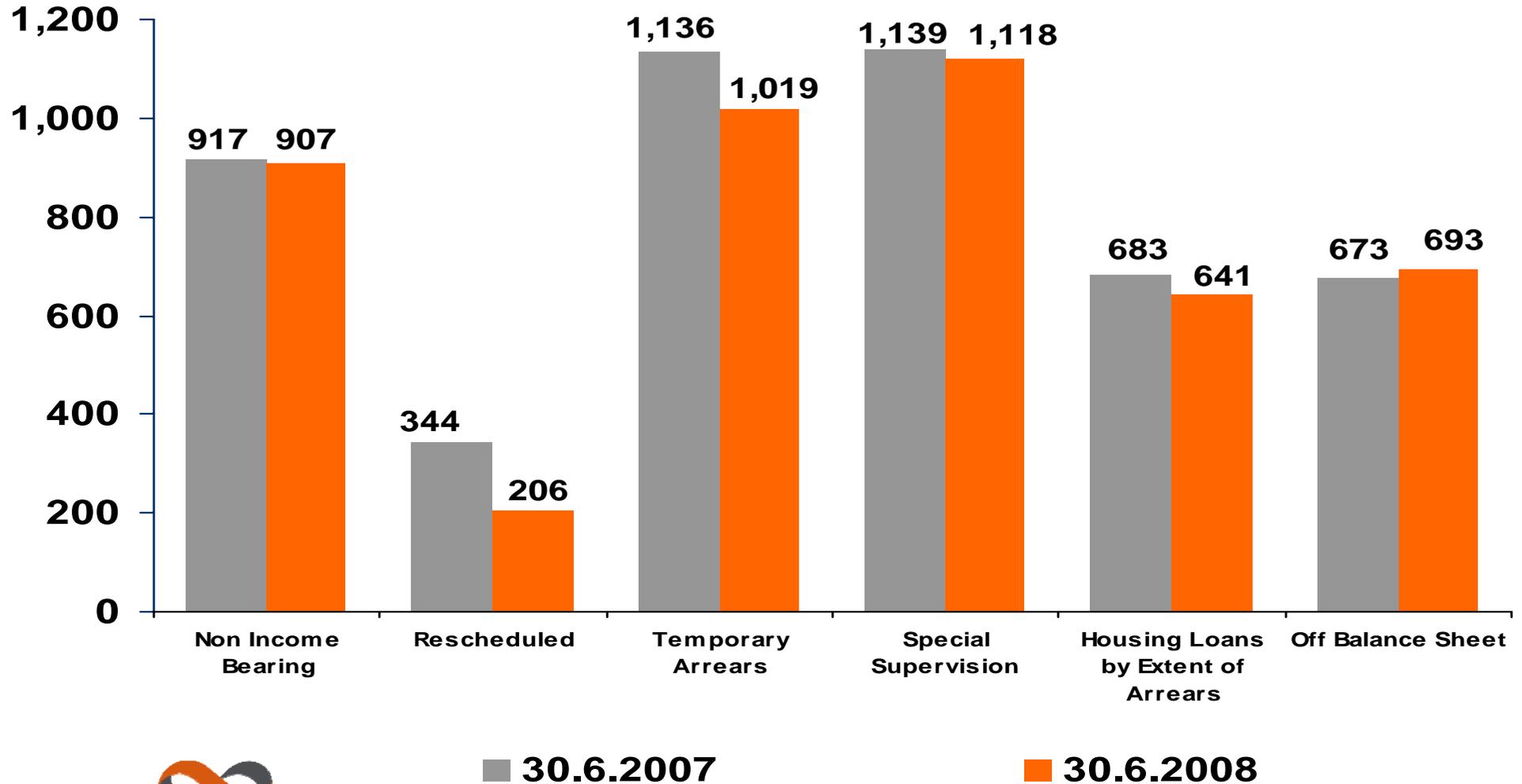
# Deposits from the Public (mil NIS)



# Ratio of Provisions / Loans to the Public

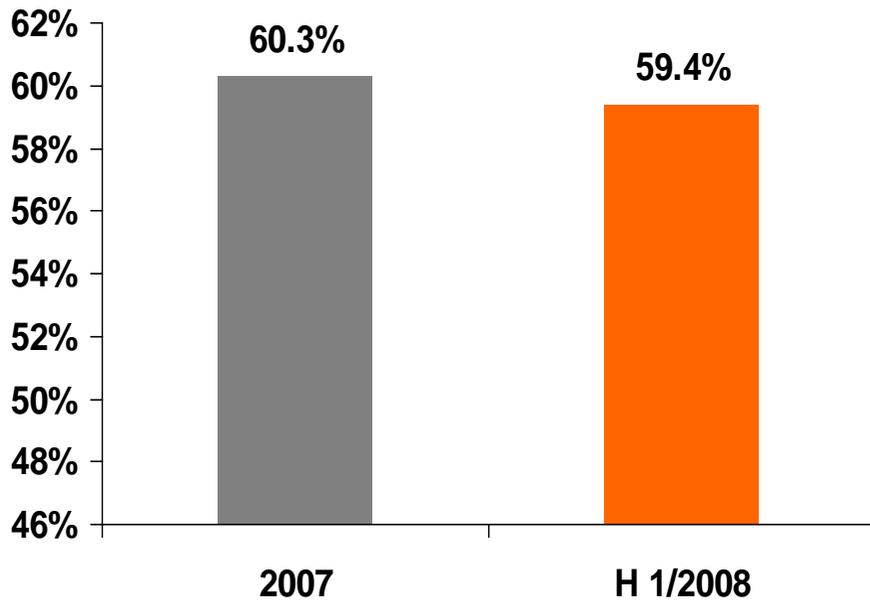


# Problem Debts – Analysis (mil NIS)

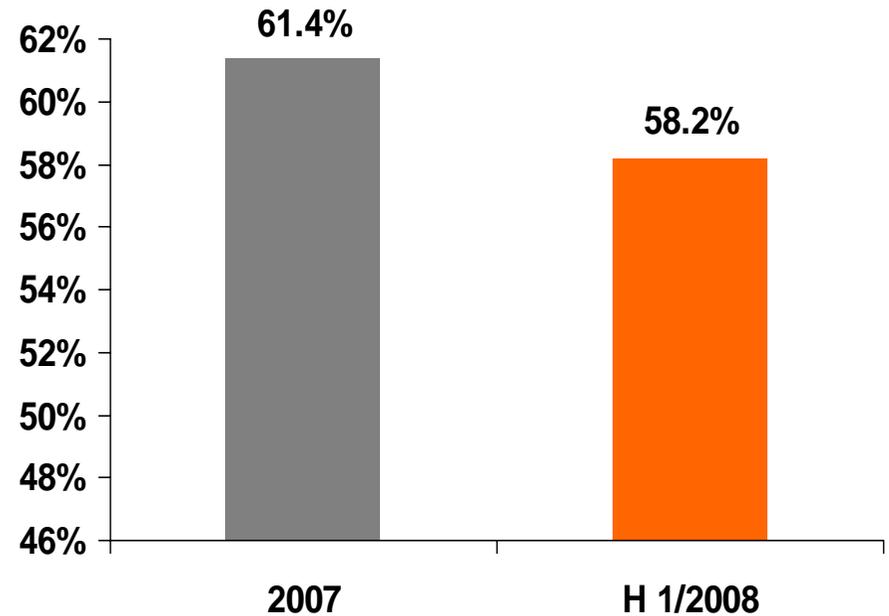


# Efficiency Ratios

## Cost / Income Ratio



## Coverage Ratio

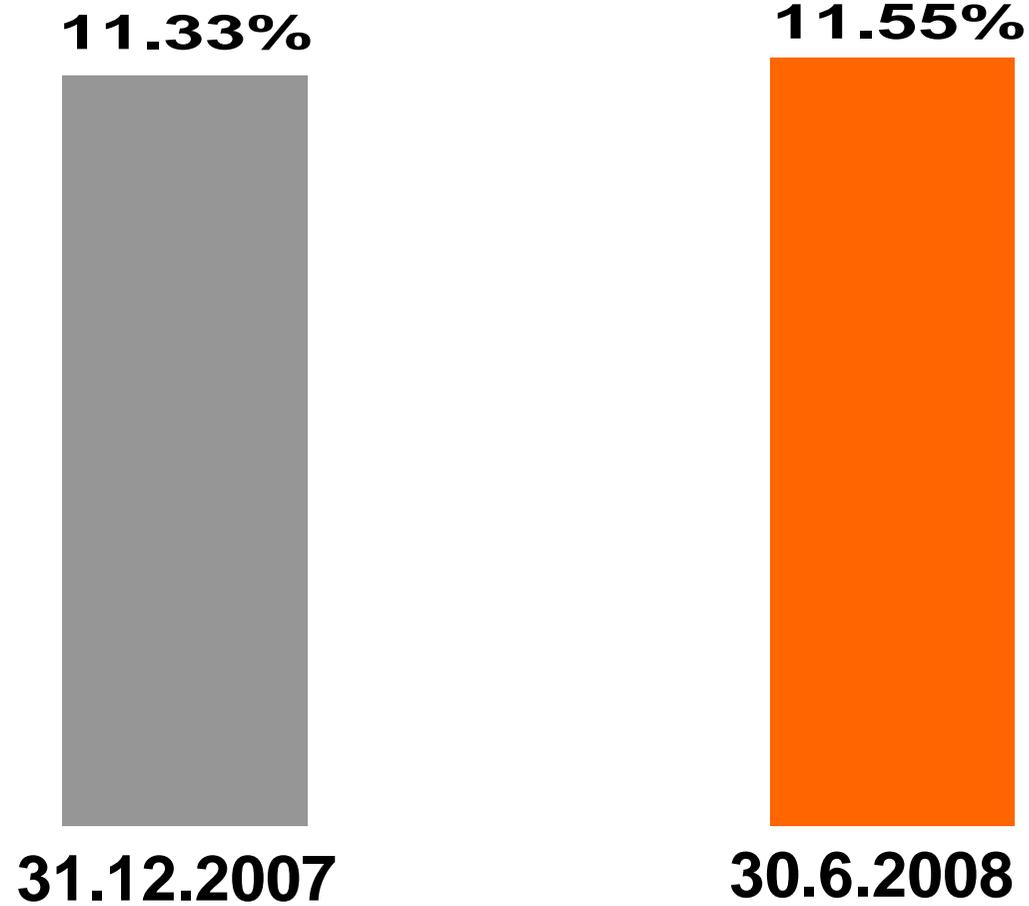


*Cost/Income ratio = non-interest expenses divided by total pre-provision income and operating income*

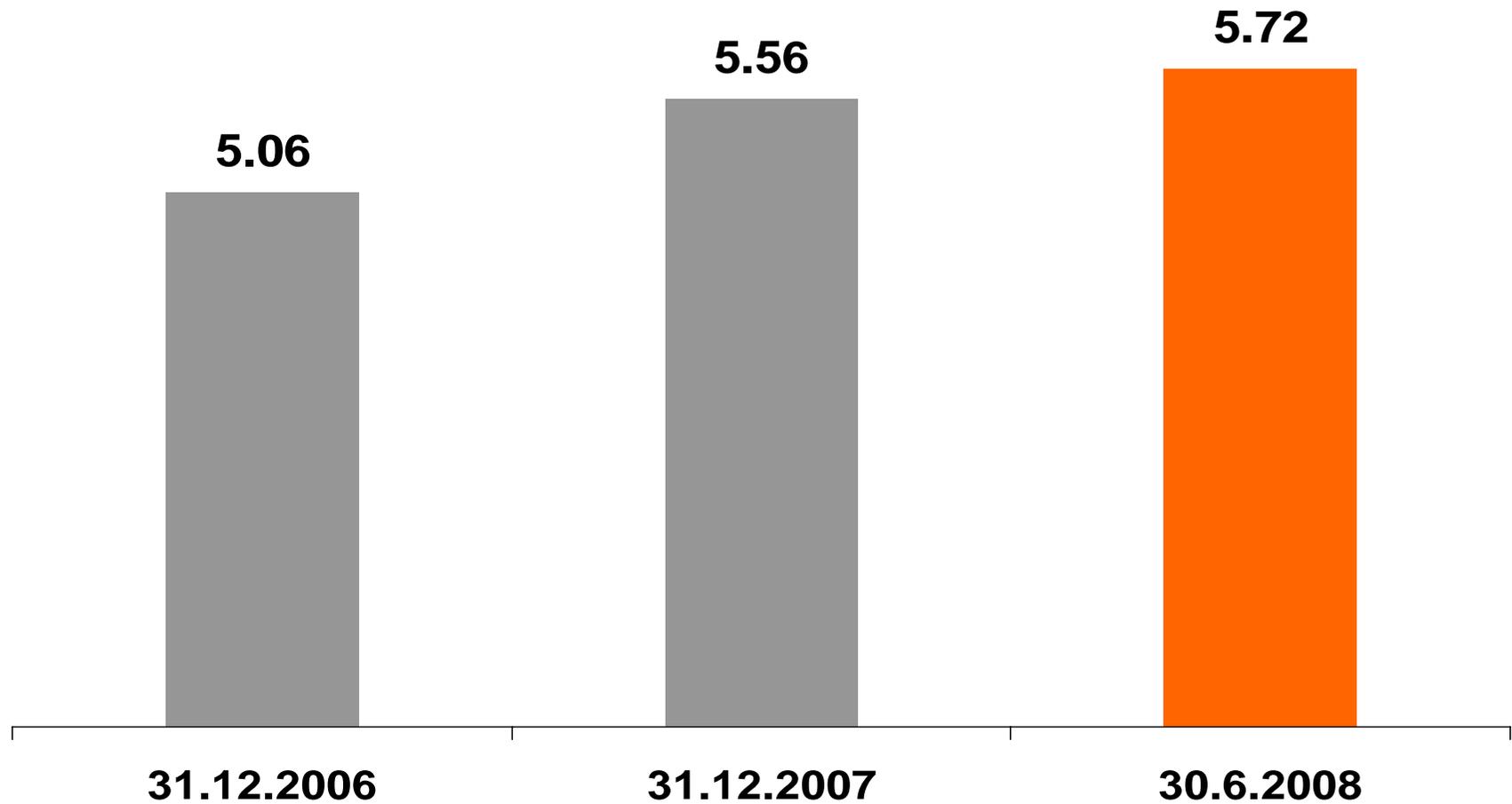
*Coverage ratio = operating income divided by non-interest expenses*



# Capital Adequacy



# Equity (Bil NIS)



# Details of Goodwill - Bank Yahav

Investment in Bank Yahav (Mil. NIS)	419
Equity Value – 50% (Mil. NIS)	328
Goodwill (Mil. NIS)	91
Investment in Bank Yahav - Price / Book Value	1.28
Amortization Rate in Years	10
Amortization Expenses per year (Mil. NIS)	9