

Financial Statements

30 June 2007



MIZRAHI TEFAHOT

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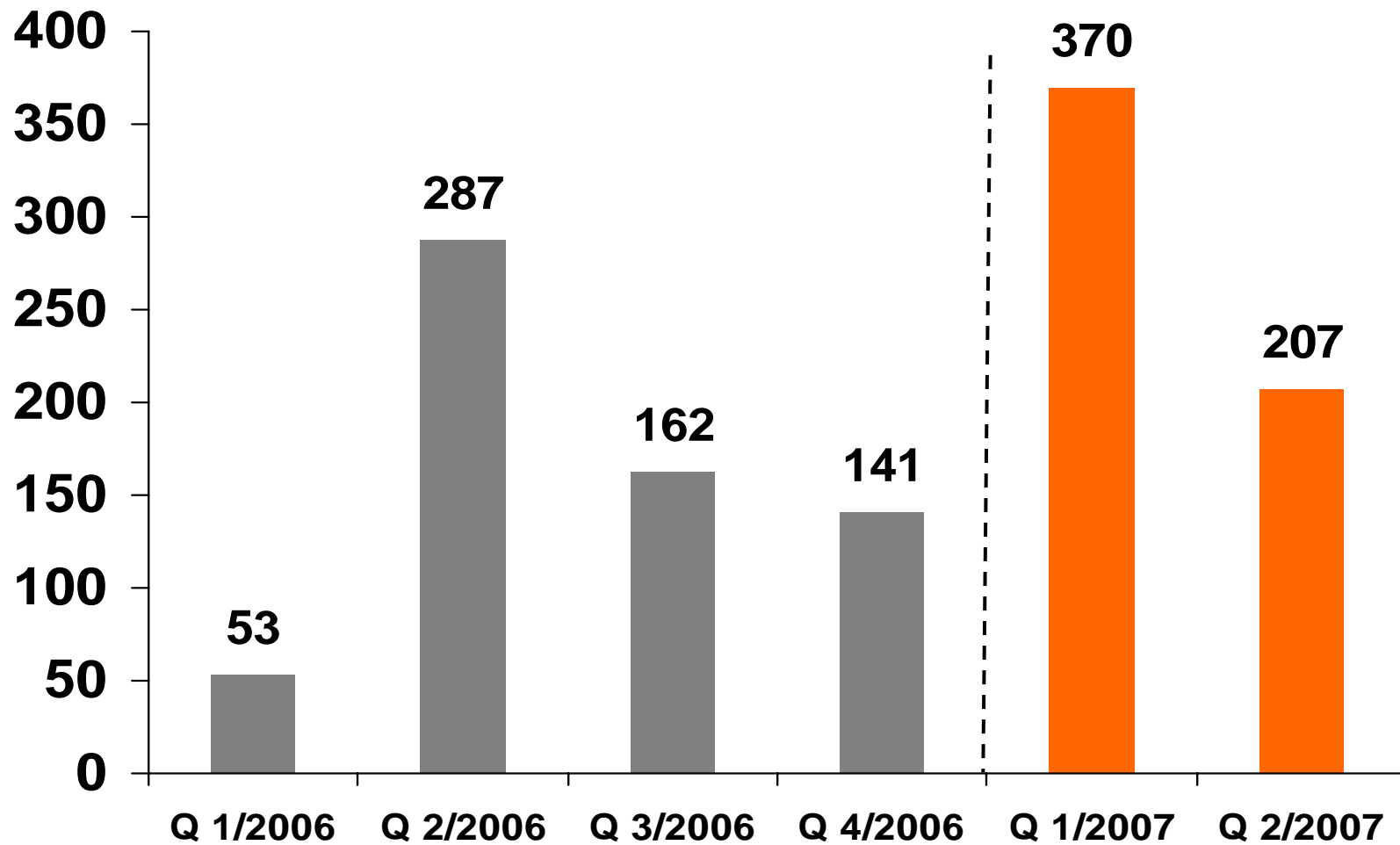
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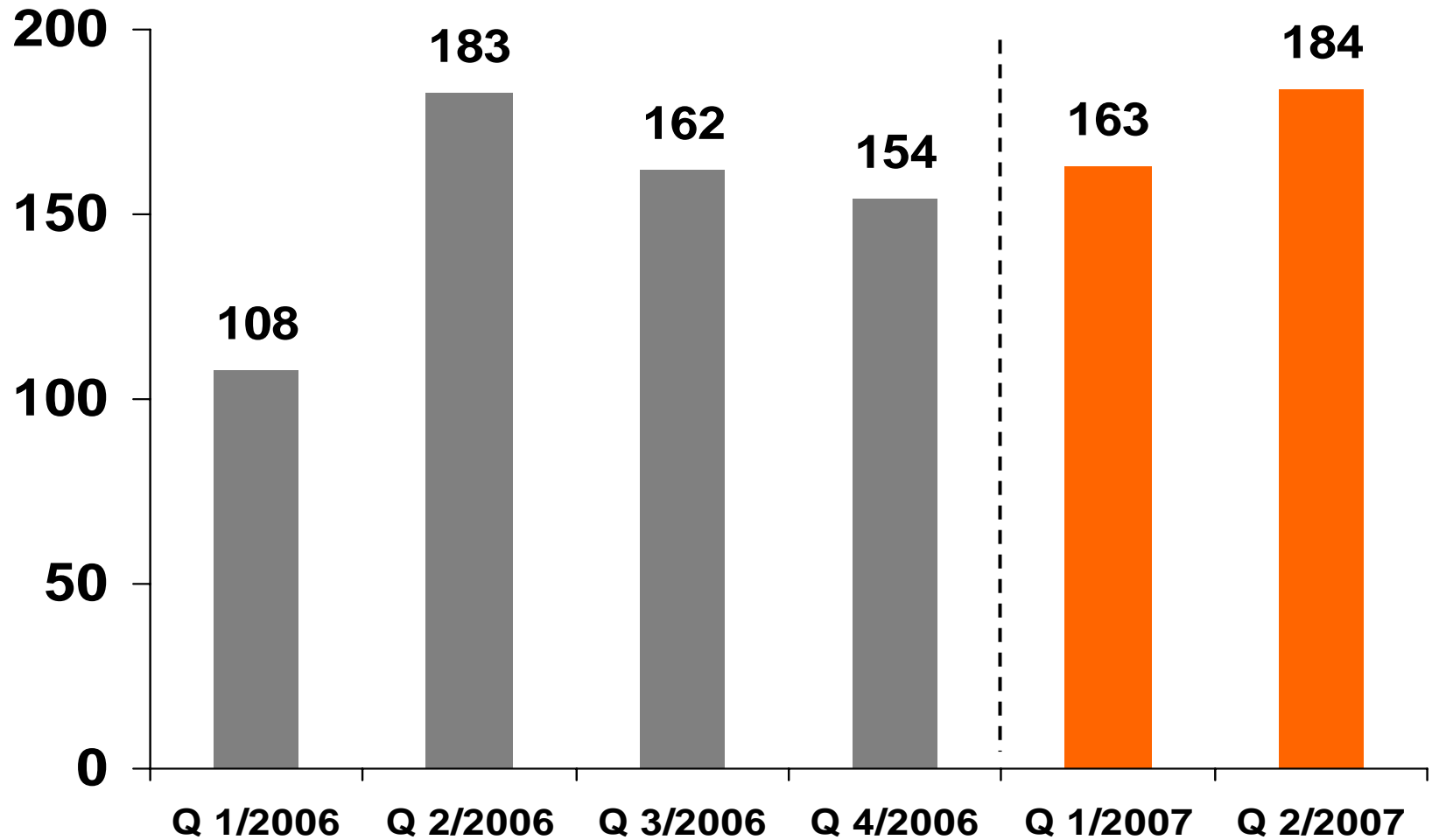
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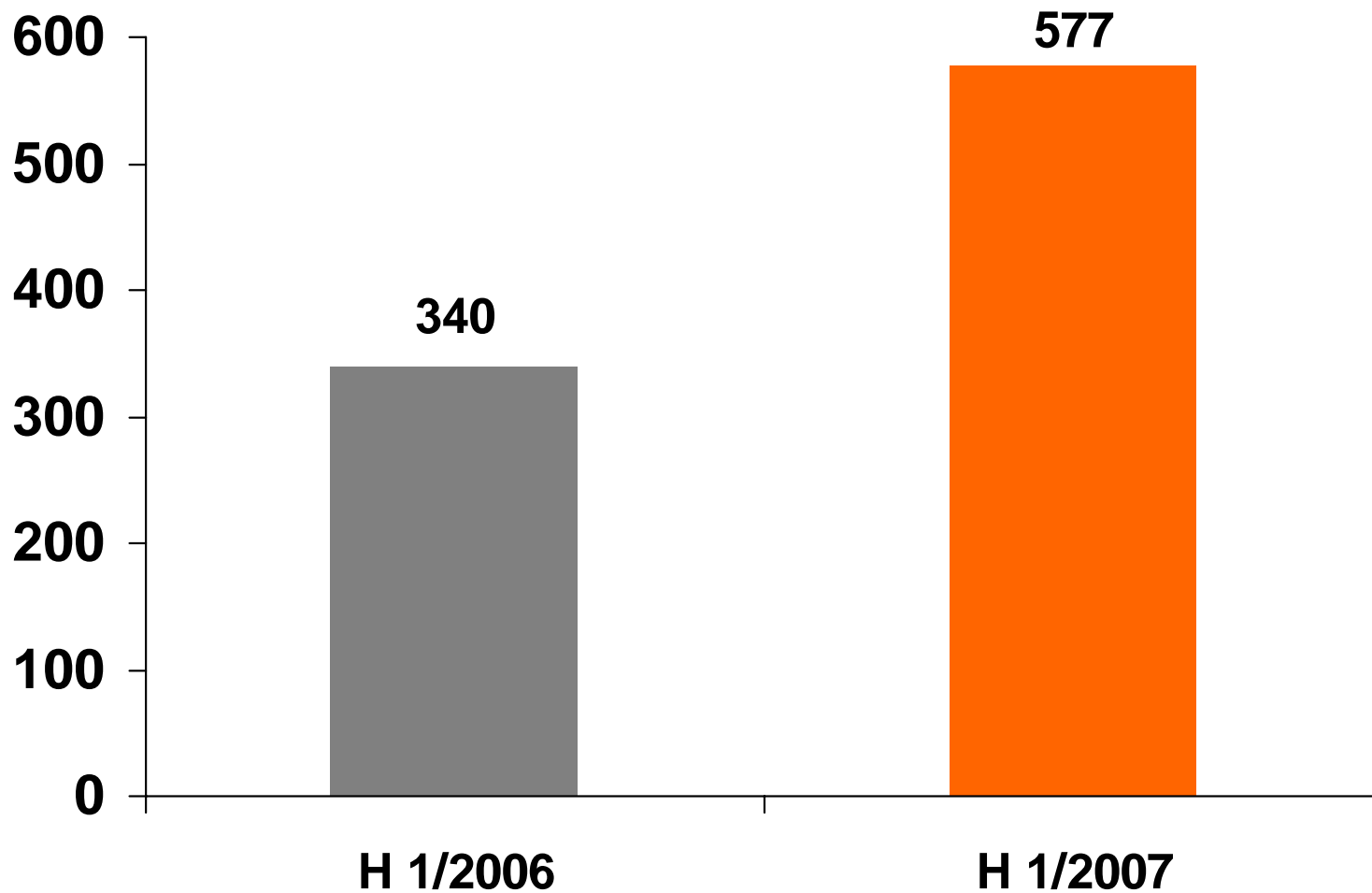
Net Profit (mil NIS)



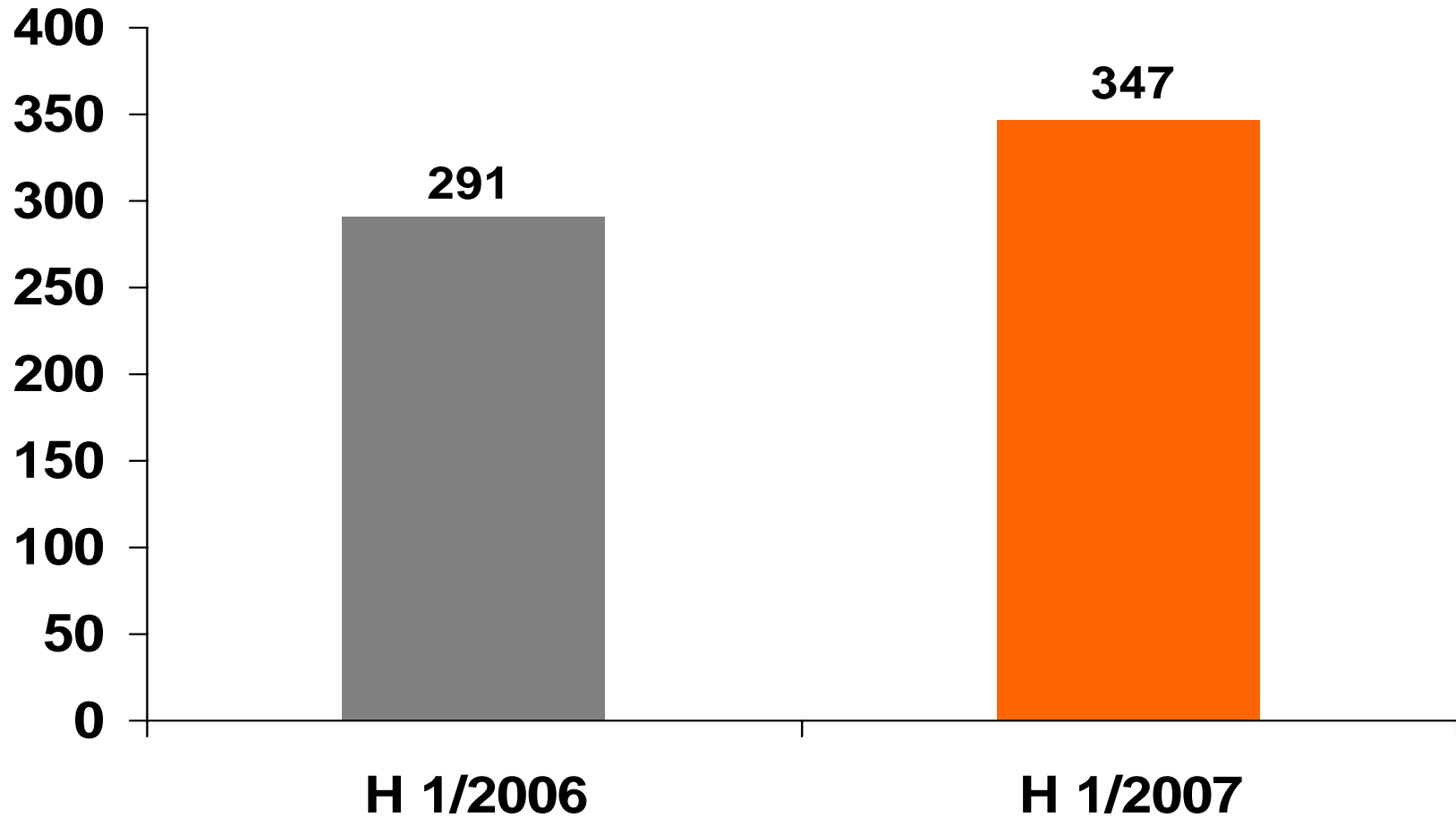
Net Profit (mil NIS) *



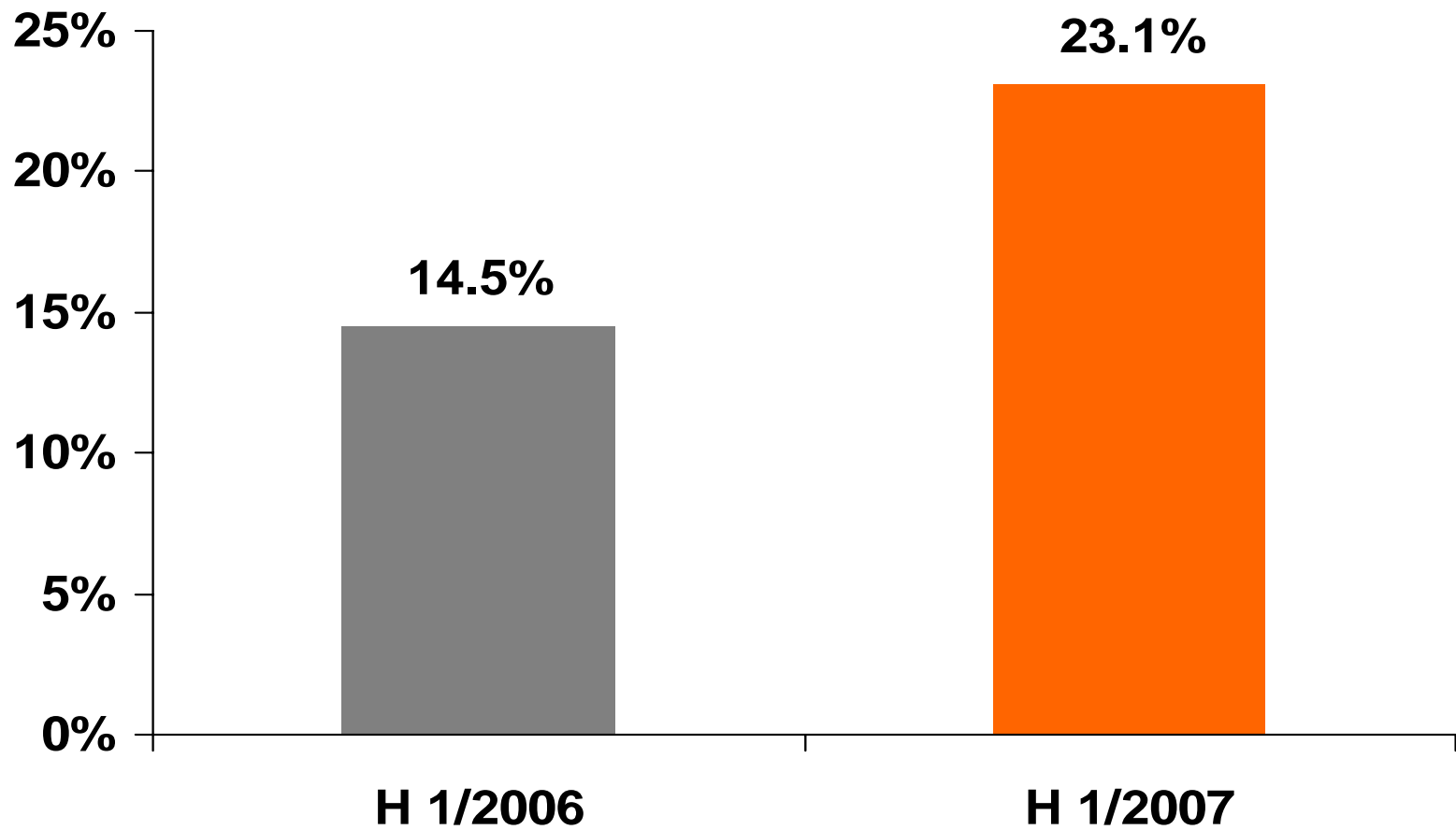
Net Profit (mil NIS)



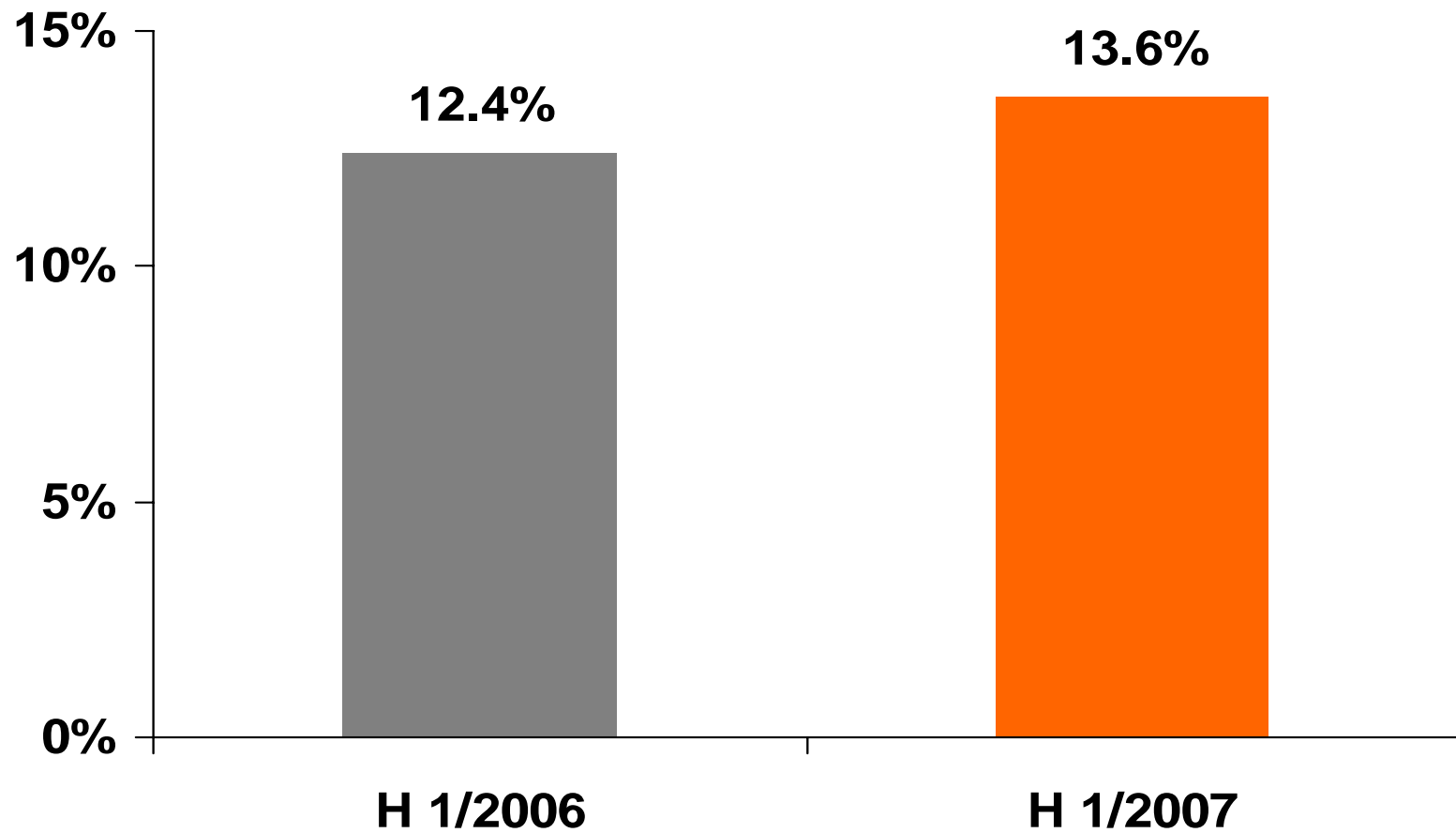
Net Profit (mil NIS) *



Return on Equity



Return on Equity *



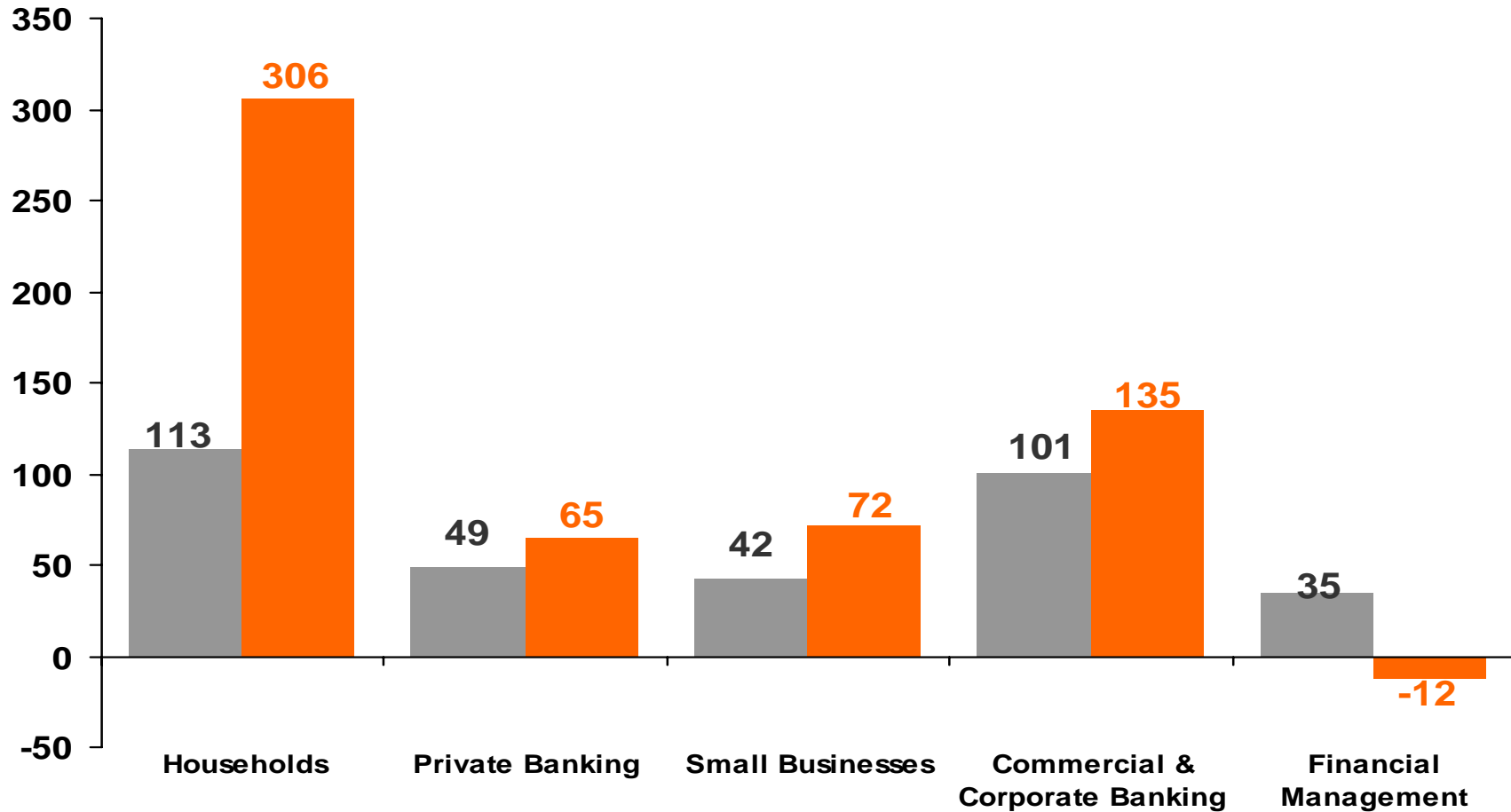
Extra-ordinary Items (mil NIS)

	H 1/2006	H 1/2007	%
Net profit Reported	340	577	69.7
Implementation of B.O.I directives regarding housing loans	54	-	-
Provision for retirement plan	208	-	-
Tax effect of above expenses	(99)	-	-
Sales of the mutual funds, provident funds & others	(212)	(230)	(8.5)
Net profit excluding extra-ordinary activities	291	347	19.2

Profit & Loss Statement (mil NIS)

	H 1/2006	H 1/2007	%
Income from Financing Operations	936	996	6.4
Provision for Doubtful Debts	180	113	(40.6)
Operating & Other Income	621	614	(1.1)
Operating & Other Expenses	1,169	949	(18.8)
Operating Profit before Taxes	208	548	-
Operating Profit before Taxes excluding extra-ordinary activities	470	548	17.9

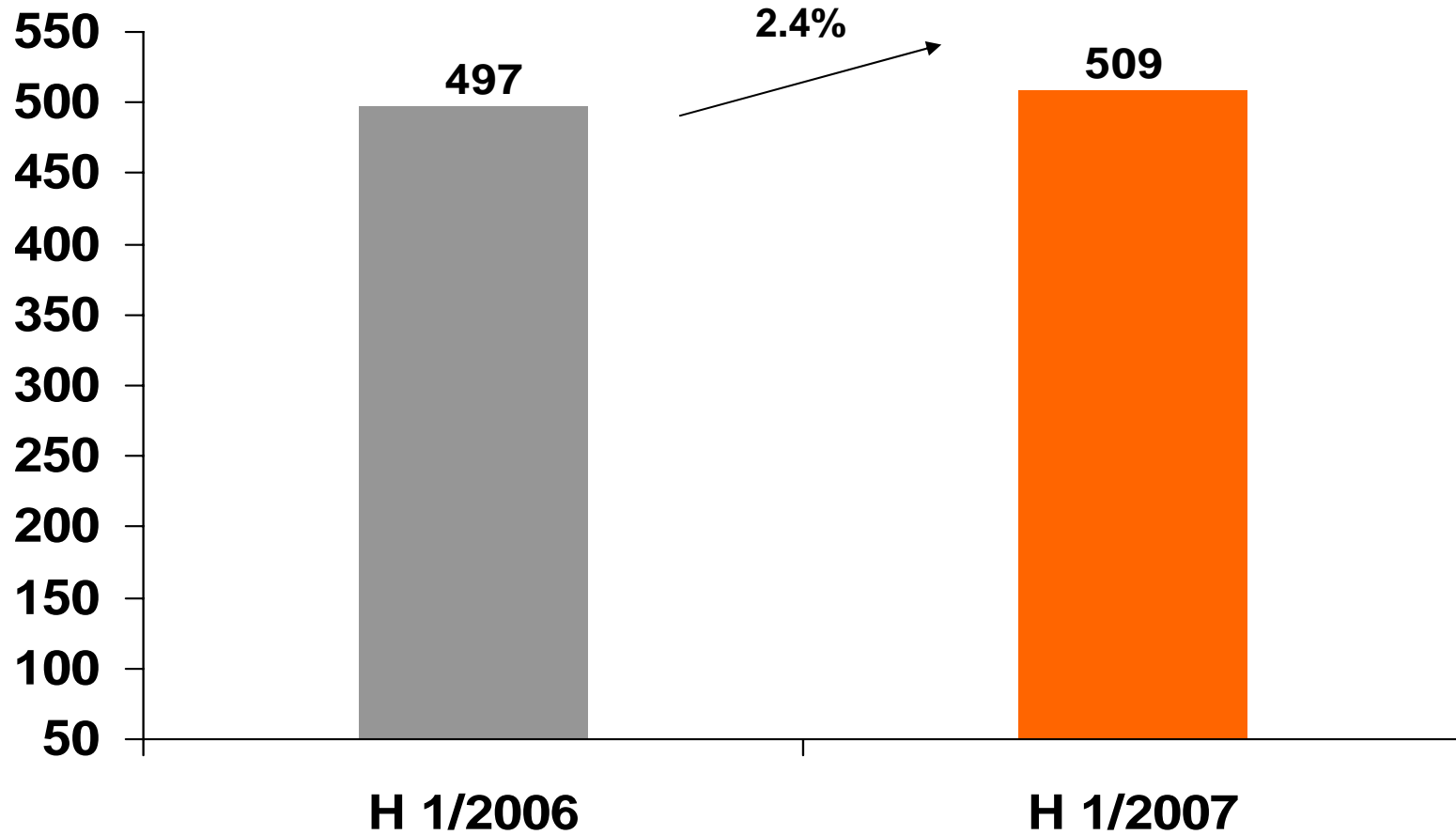
Profit by Main Operating Segments (mil NIS)



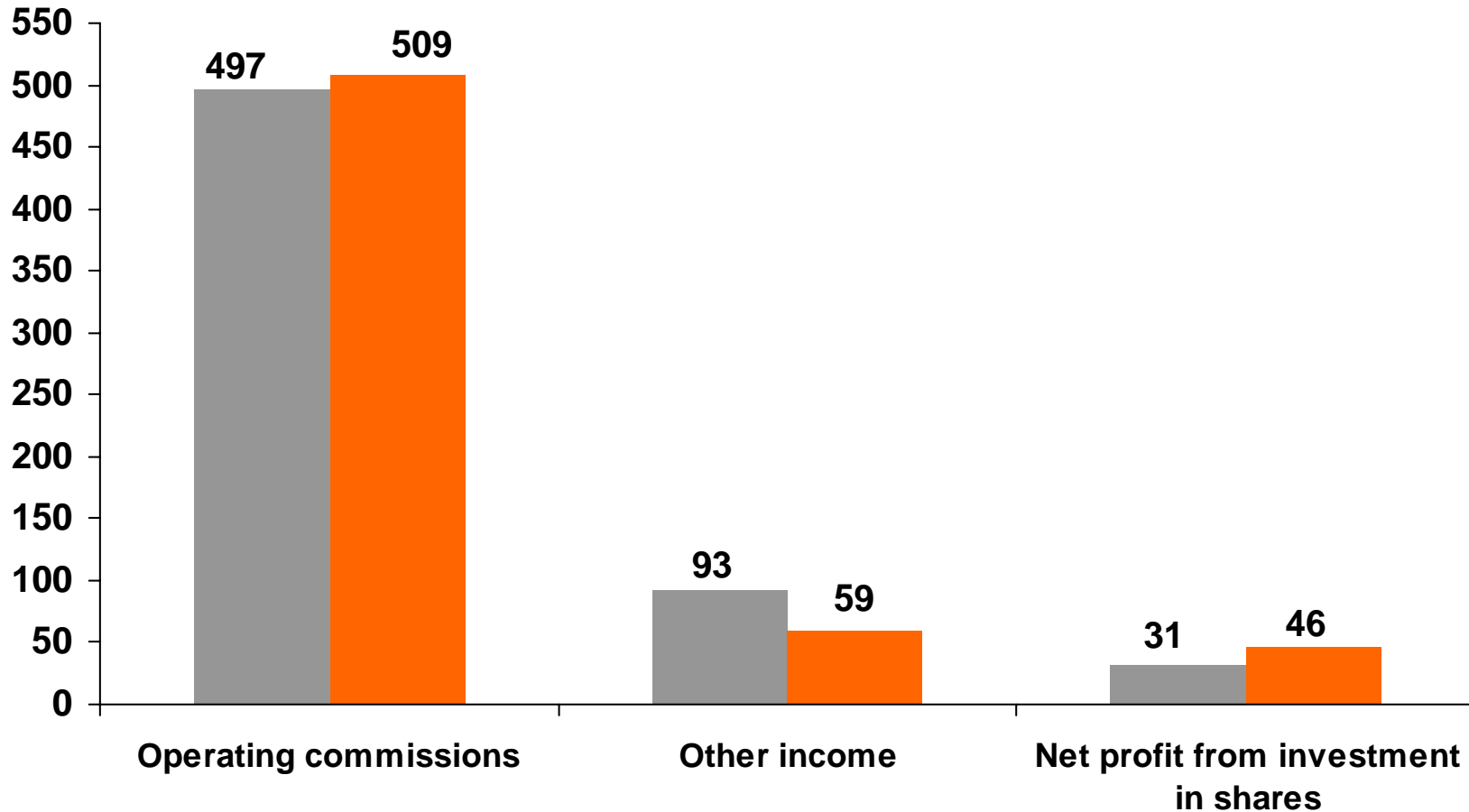
Profit from Financing Operations before Provision for Doubtful Debts

	H 1/2006	H 1/2007	%
Profit from ordinary activities	887	968	9.0
Profit on sales of debentures, net	6	22	-
Interest income on problem debts	50	75	50.0
Fair value adjustments	(14)	(39)	-
Others	7	(30)	-
Total profits from financing operations	936	996	6.4

Operating Commissions



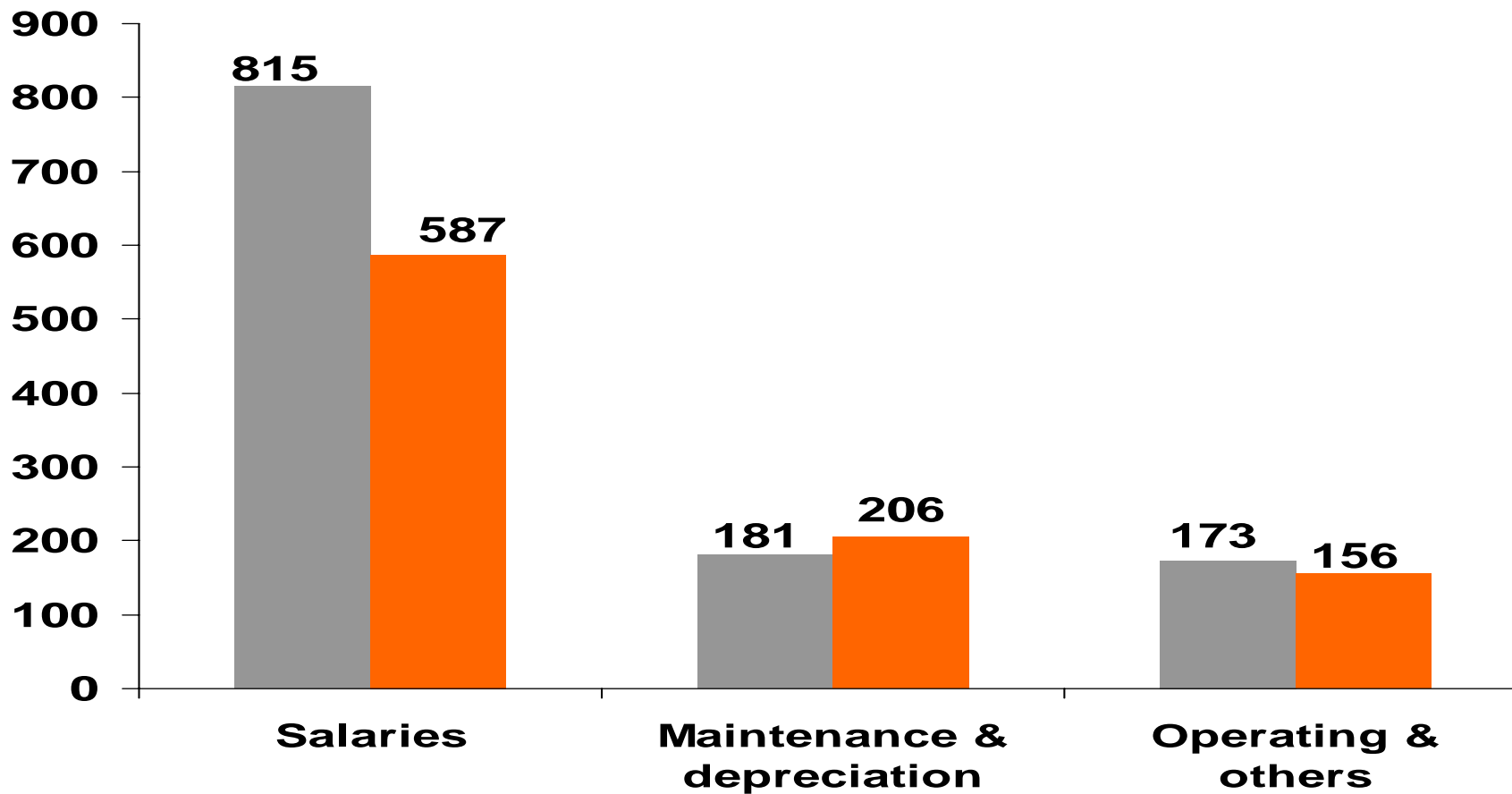
Operating and Other Income – Analysis (mil. NIS)



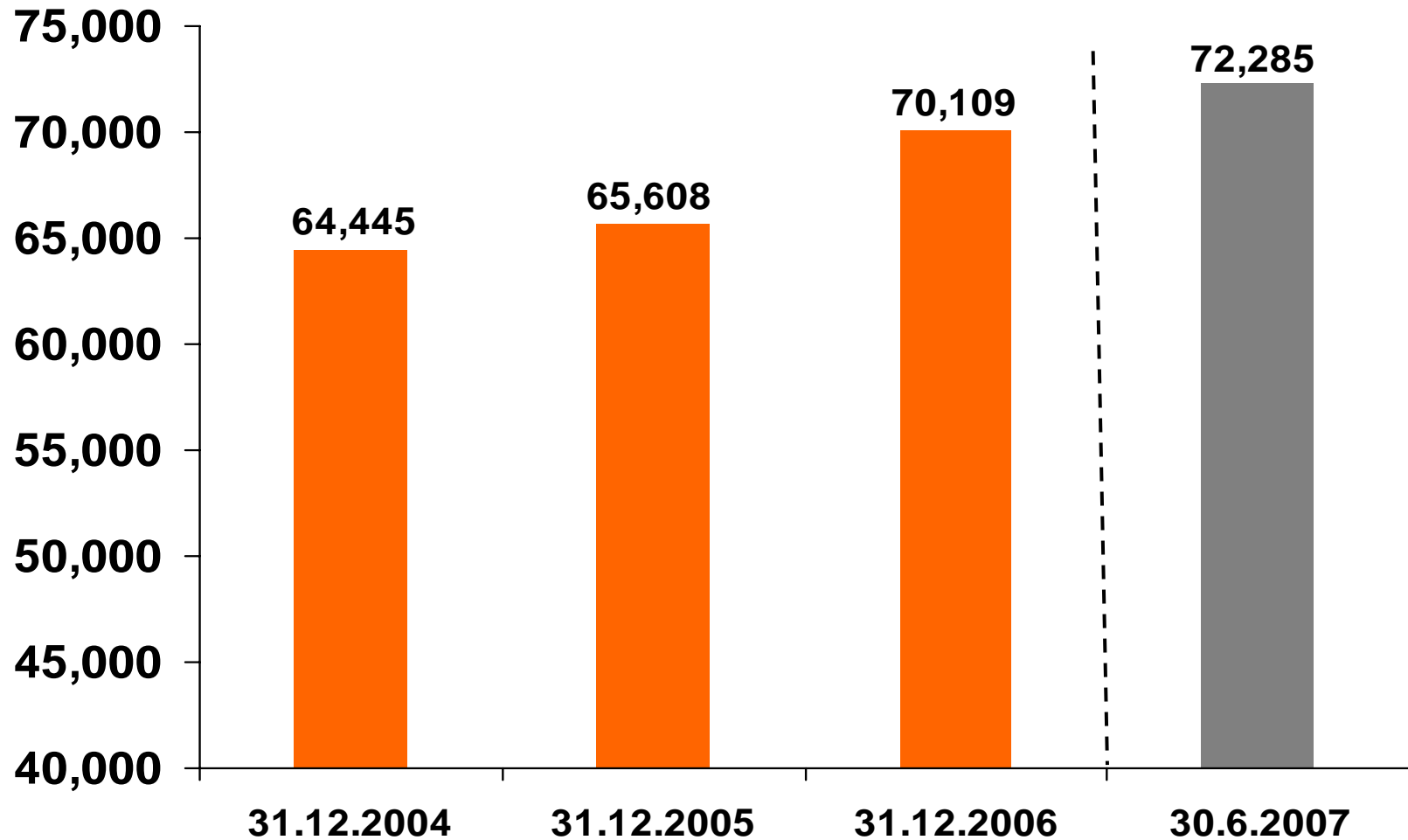
■ H 1/2006

■ H 1/2007

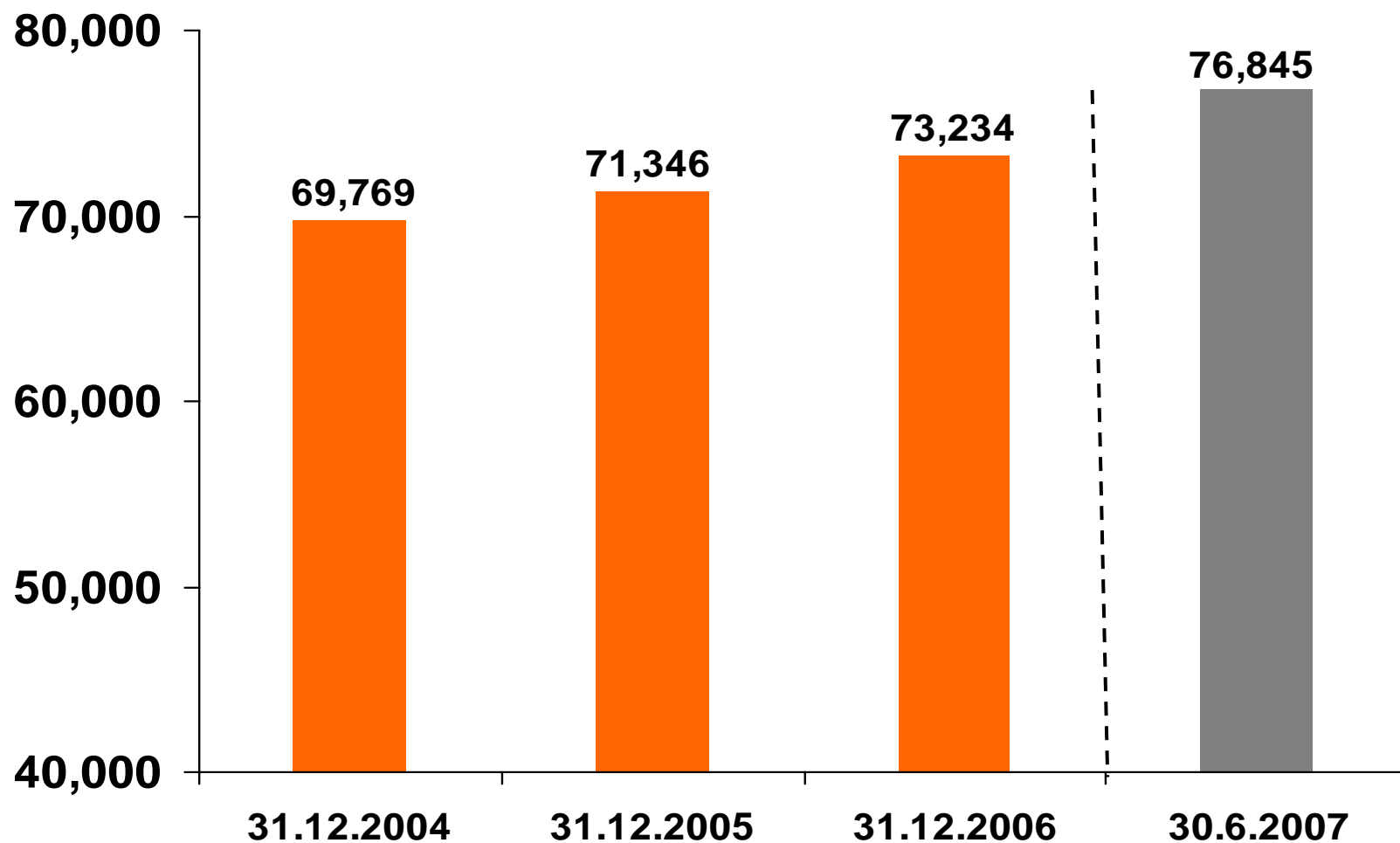
Operating & Other Expenses – Analysis (mil NIS)



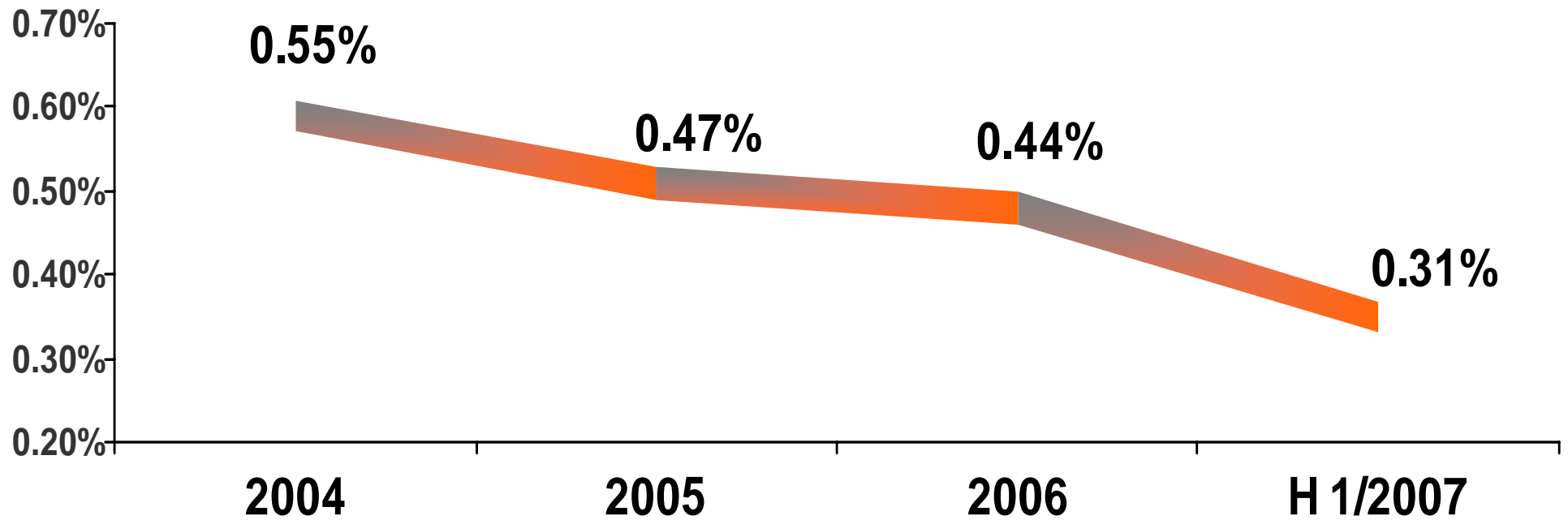
Loans to the Public (mil NIS)



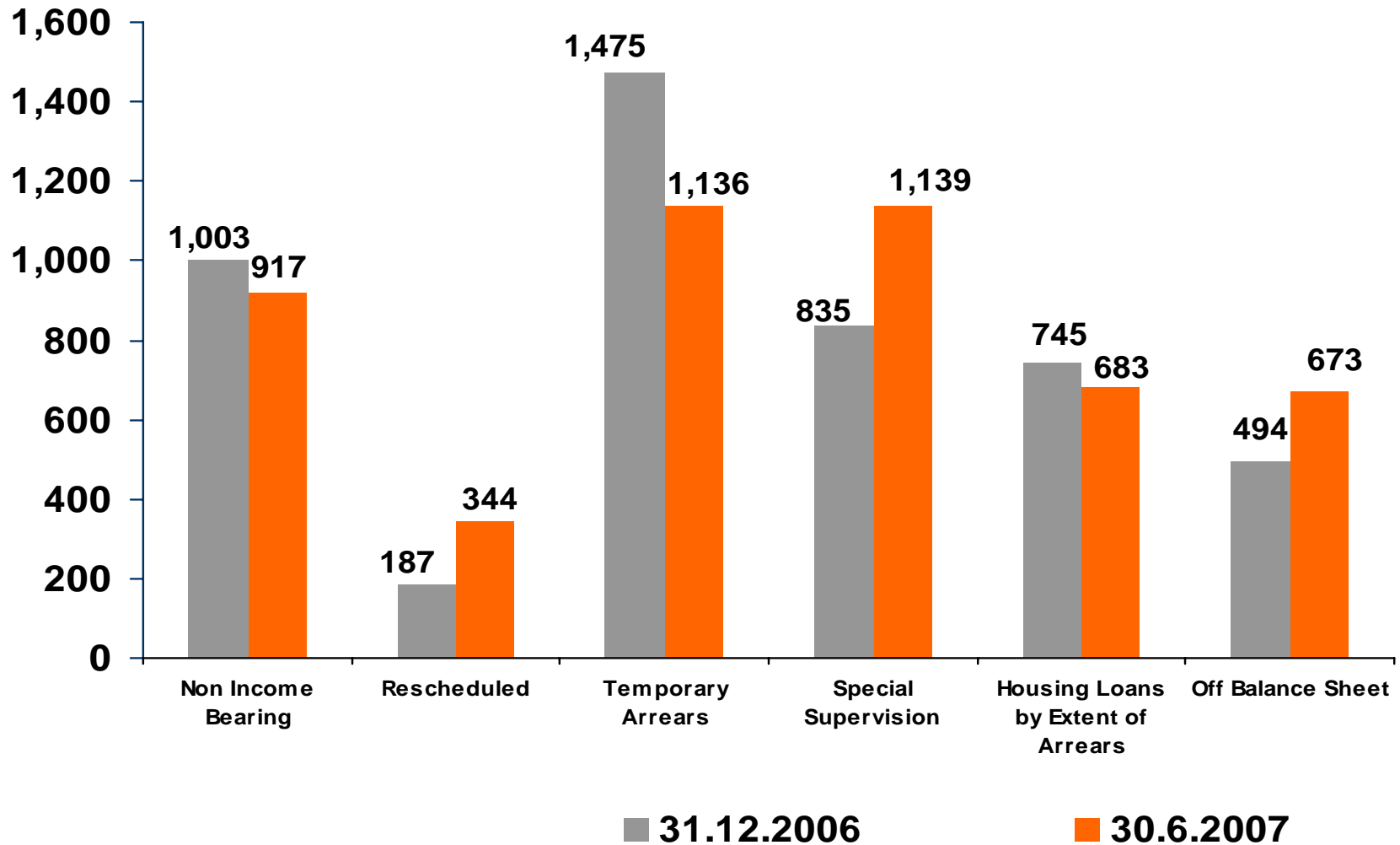
Deposits from the Public (mil NIS)



Ratio of Provisions / Loans to the Public



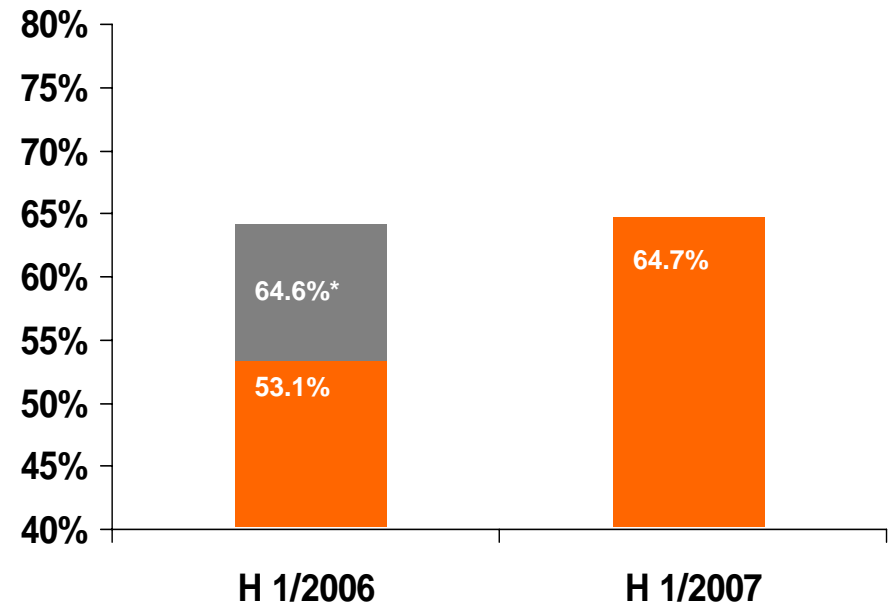
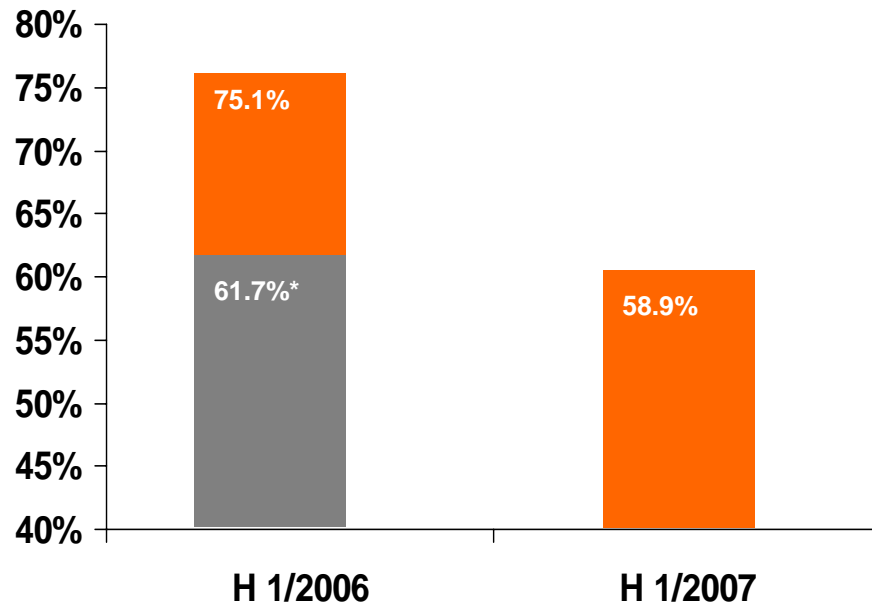
Problem Debts – Analysis (mil NIS)



Efficiency Ratios

Cost / Income Ratio

Coverage Ratio



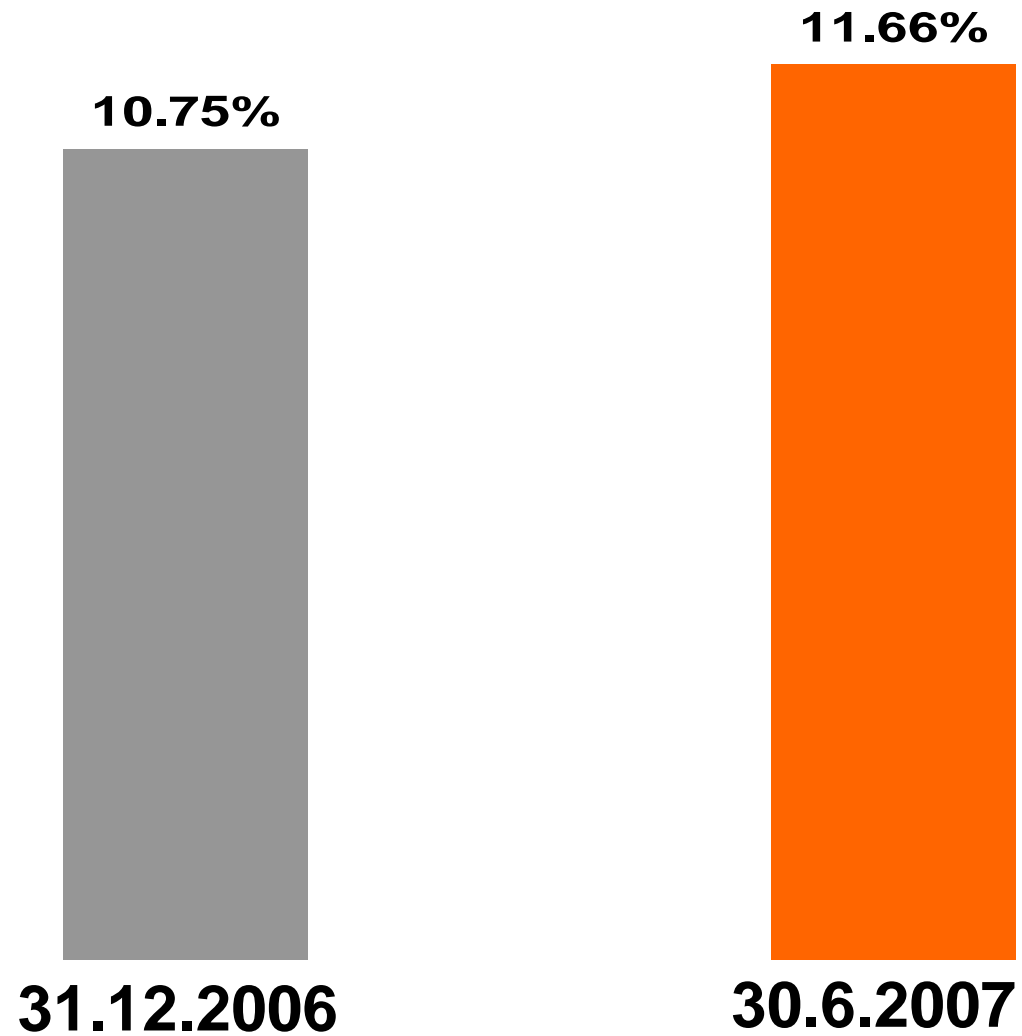
Cost/Income ratio = non-interest expenses divided by total pre-provision income and operating income

Coverage ratio = operating income divided by non-interest expenses

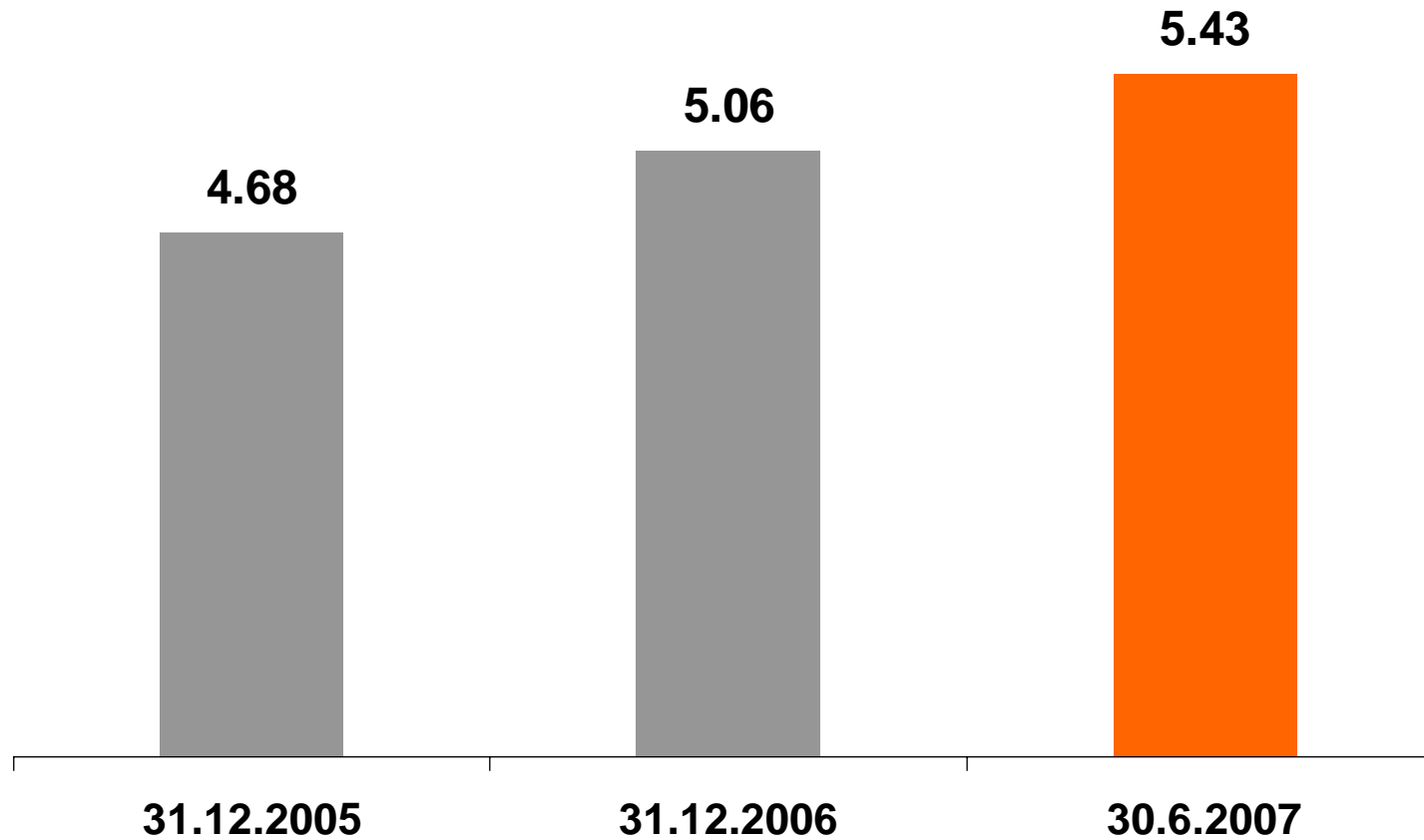
* Excluding provision for pension and severance



Capital Adequacy



Equity (Bil NIS)



Dividend

Dividend distribution policy (April 2006)*:

40% of the net operating profit

80% of the profit from extraordinary items

Dividend paid by the Bank:

	Total (mil NIS)	Profit per Share (NIS)
9/2006	125	0.57
11/2006	200	0.91
6/2007	200	0.91
9/2007 **	125	0.56

Thank You

