



MIZRAHI TEFAHOT

Financial Statements

June 2015



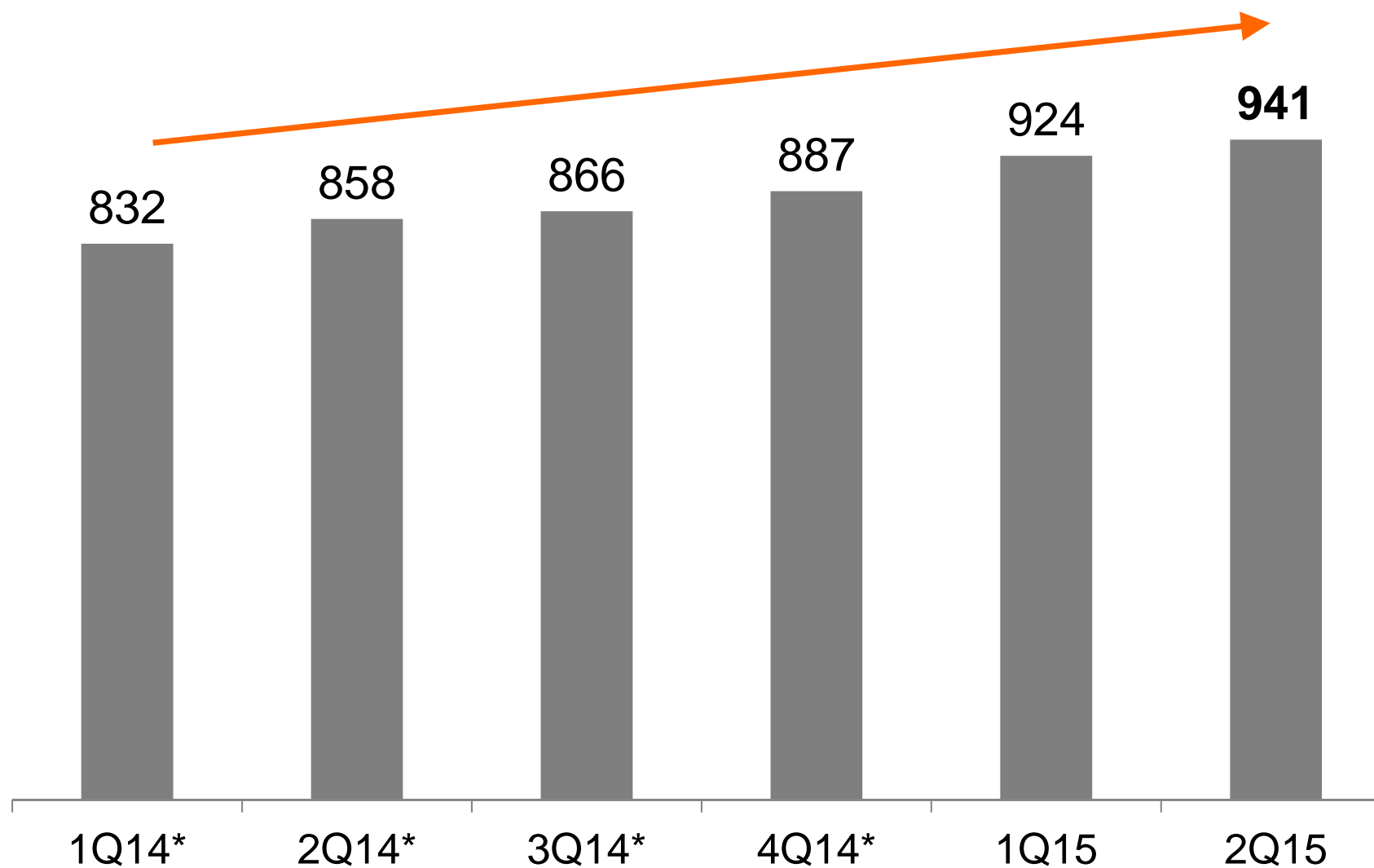


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Total financing revenues from current operations



* For comparison, 2014 data is presented excluding the effect of application of FAS 91. For full details please see Report of the Board of Directors - Profit and profitability – Evolution of revenues and expenses – analysis of development in financing revenues from current operations table in Q1, Q2, Q3 and annual 2014 Bank's financial reports



Increased core banking activity

Operating segments	Loans to the public, net		
	NIS mil		
	30.6.15	30.6.14	change in %
Mortgages	95,945	88,212	8.8%
Households	21,383	19,541	9.4%
Private banking	873	961	(9.2%)
Small businesses	9,435	8,303	13.6%
Commercial banking	4,465	4,359	2.4%
Business banking	20,216	21,977	(8.0%)
Total	152,317	143,353	6.3%



Increased revenues

Operating segments	Total financing revenues** NIS mil		Commissions and other revenues NIS mil	
	Q2/15	Q2/14	Q2/15	Q2/14
Mortgages	207	181	43	45
Households*	290	293	139	131
Private banking	15	15	18	17
Small businesses	136	127	63	59
Commercial banking	41	40	14	11
Business banking	201	200	60	56
Financial management	147	65	38	26
Total	1,037	921	375	345

* Excluding mortgages

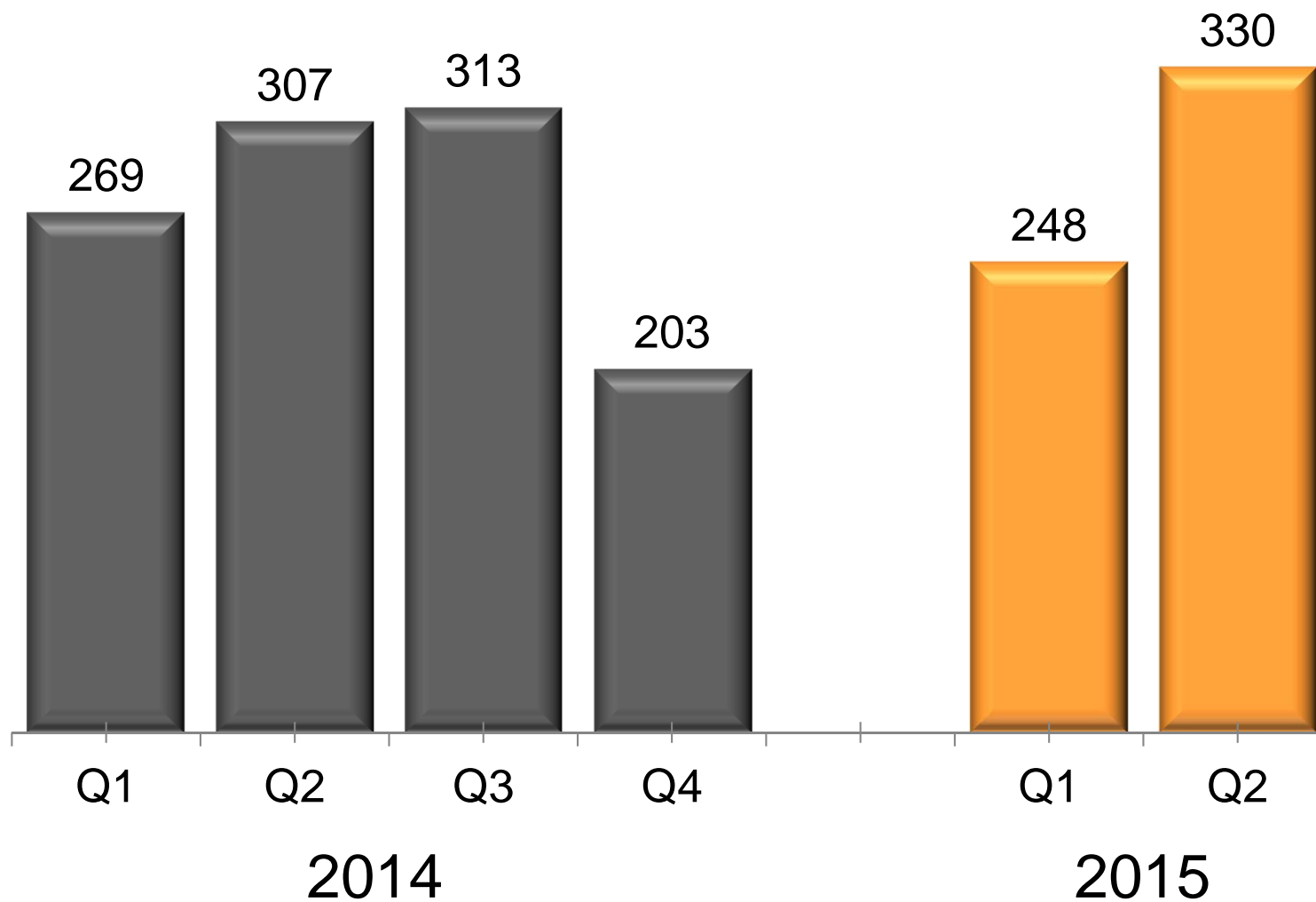
** Total financing revenues = interest revenues, net + non interest financing revenues



Financial results

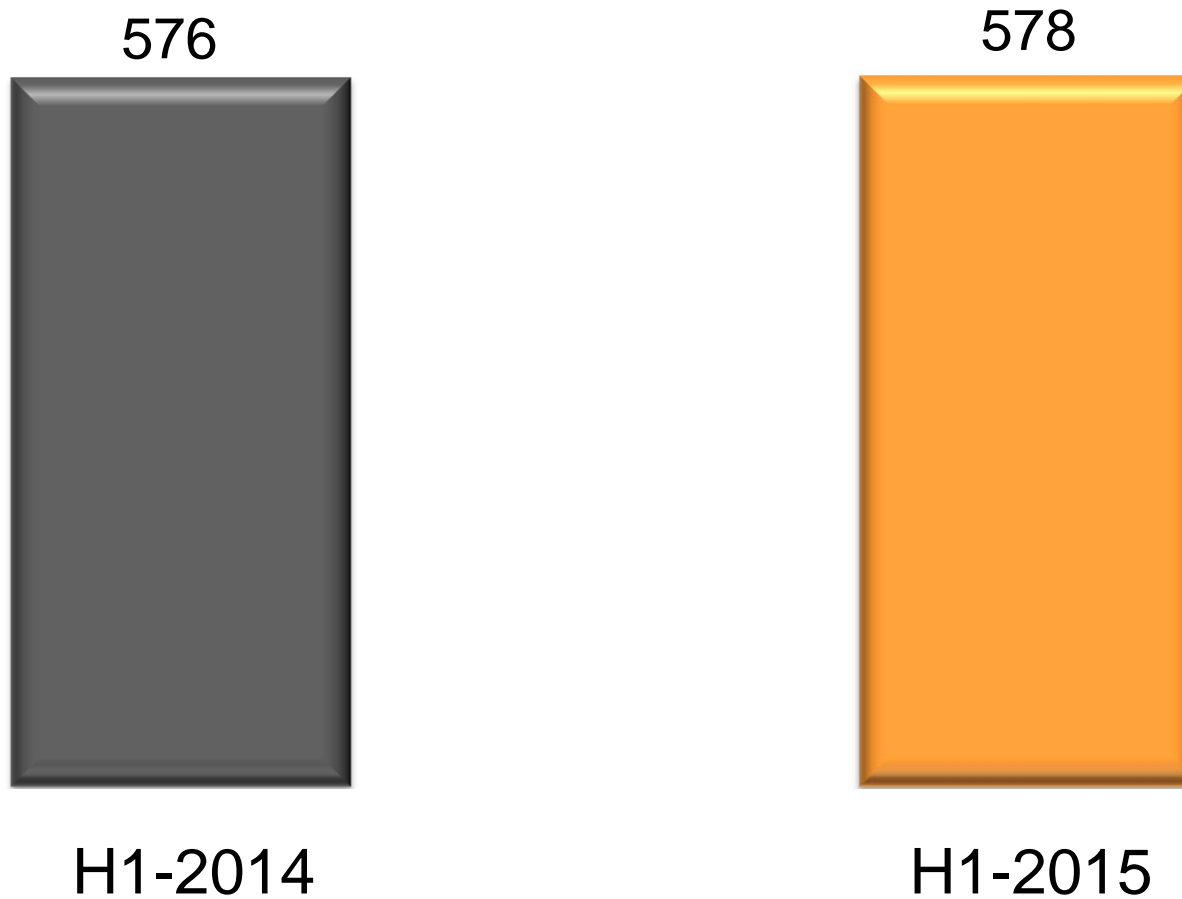


Net profit - (NIS mil)

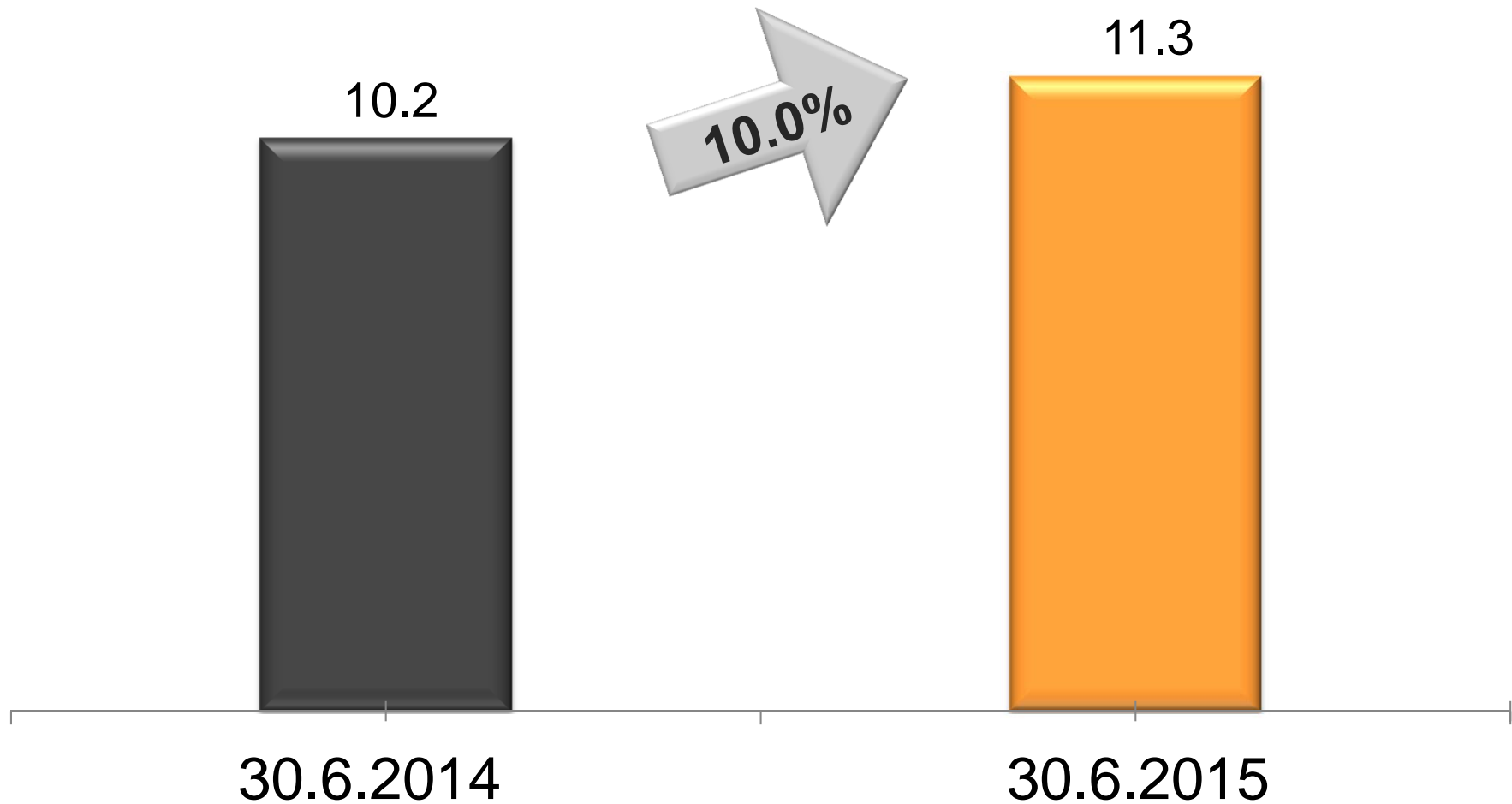




Net profit - (NIS mil)



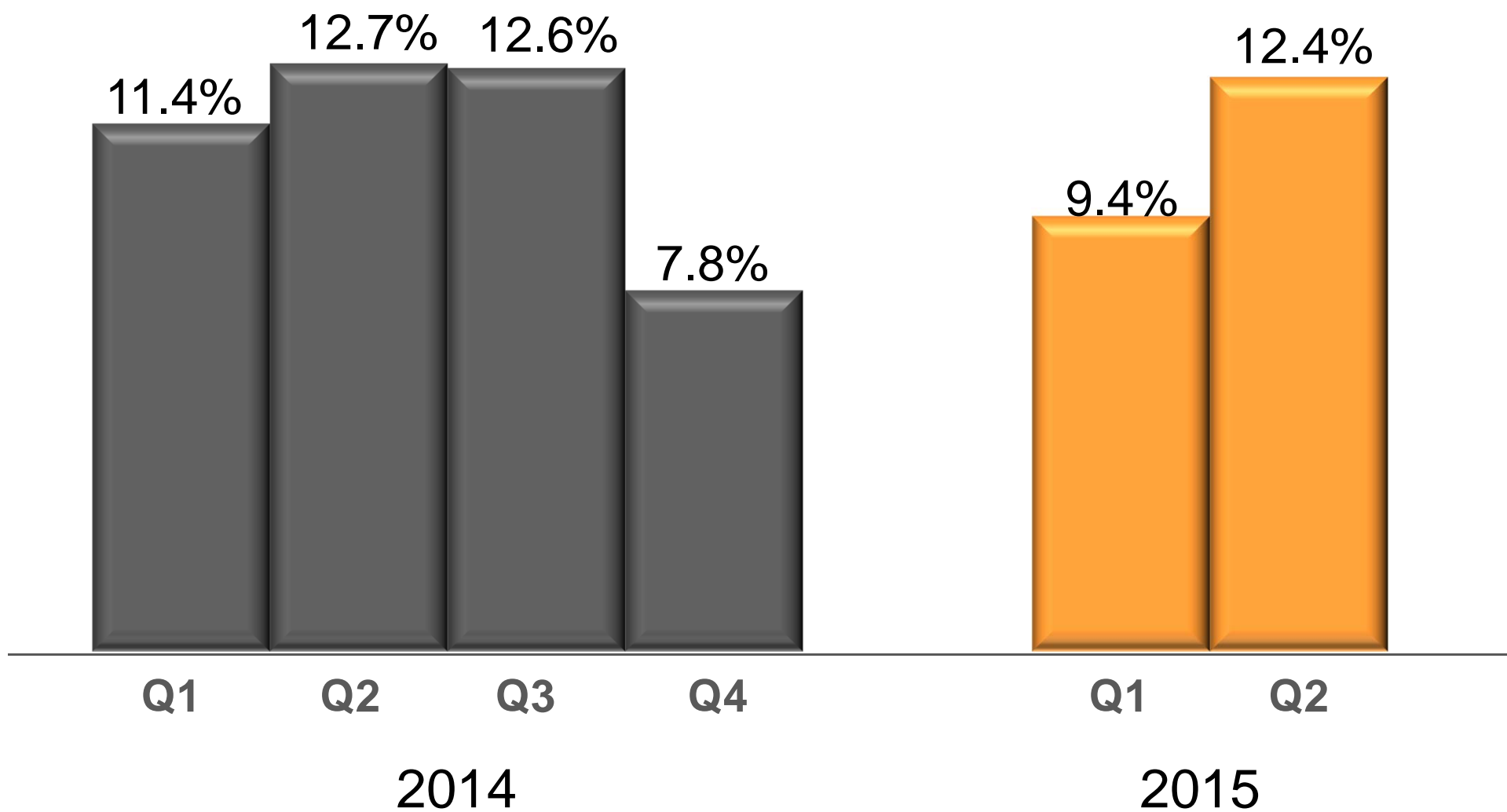
Equity - (NIS Bil)



In accordance with the updated dividend policy, the Board of Directors approved a dividend distribution amounting to NIS 49.5 million with respect to Bank profit in the second quarter, constituting 15% of net profit.



Net profit - ROE - (NIS mil)



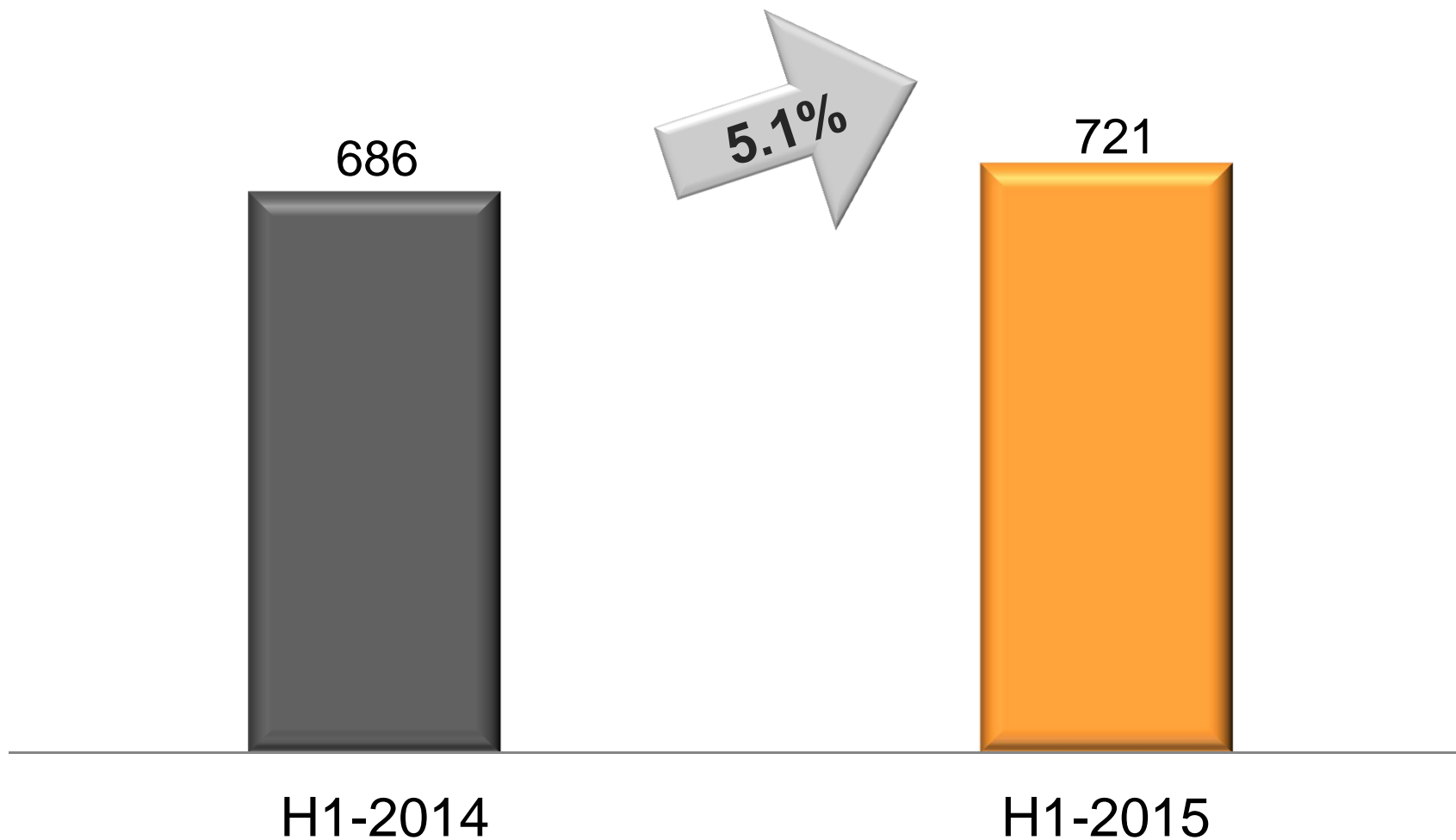


Financing Revenues

	H1- 2015	H1- 2014	Rate of change
Interest revenues, net	1,781	1,636	
Non-interest financing revenues	80	79	
Total financing revenues	1,861	1,715	8.5
Less:			
Linkage differentials with respect to CPI position	(63)	(13)	
Revenues from collection of interest on troubled debt	20	40	
Gain from debentures	88	45	
Effect of accounting treatment of derivatives at fair value and others	(49)	(47)	
Total effects other than current operations	(4)	25	
Total financing revenues from current operations	1,865	1,690	10.4
Bank of Israel interest rate at the end of the period	0.10%	0.75%	

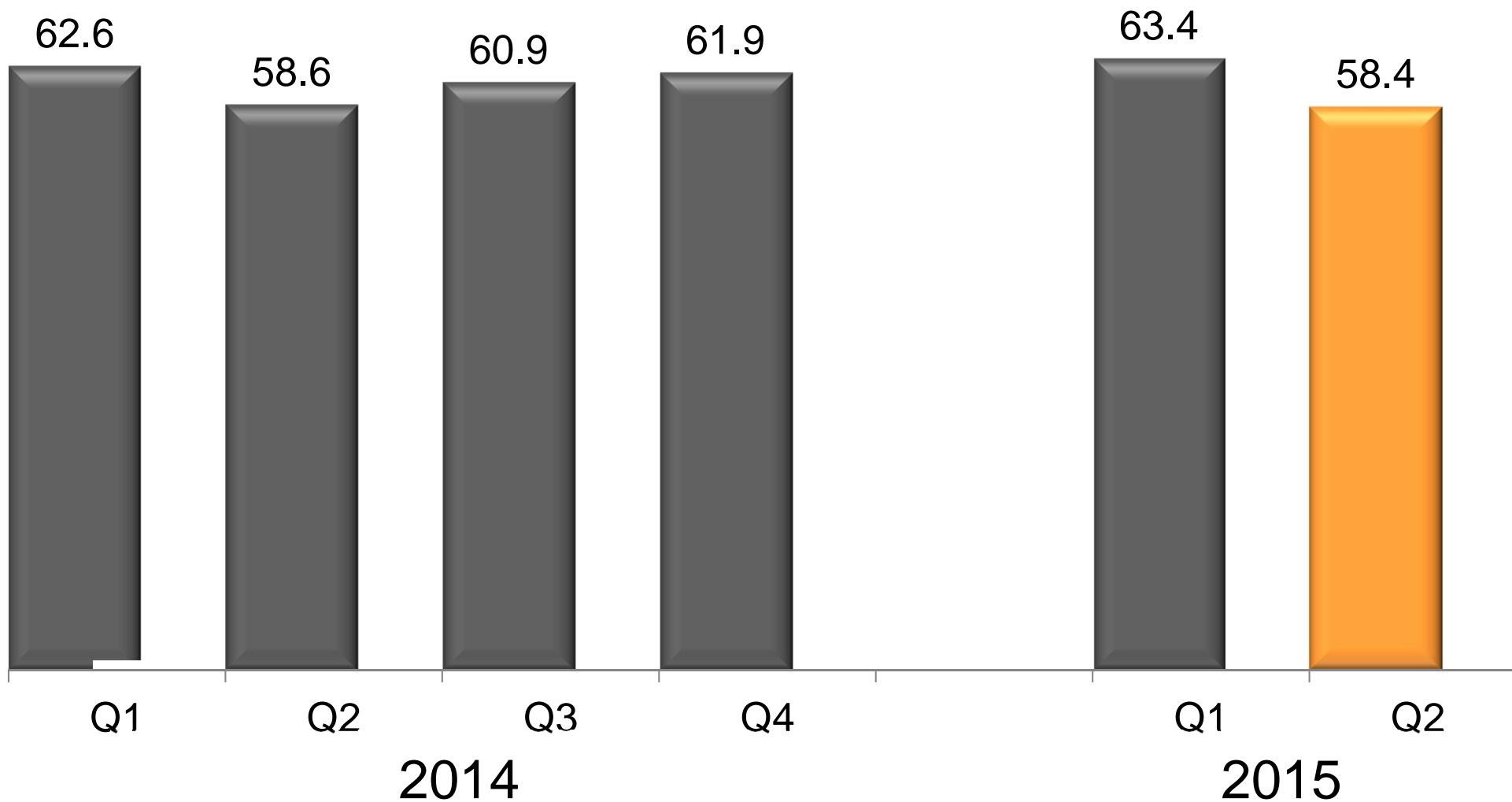


Operating commissions (NIS mil)





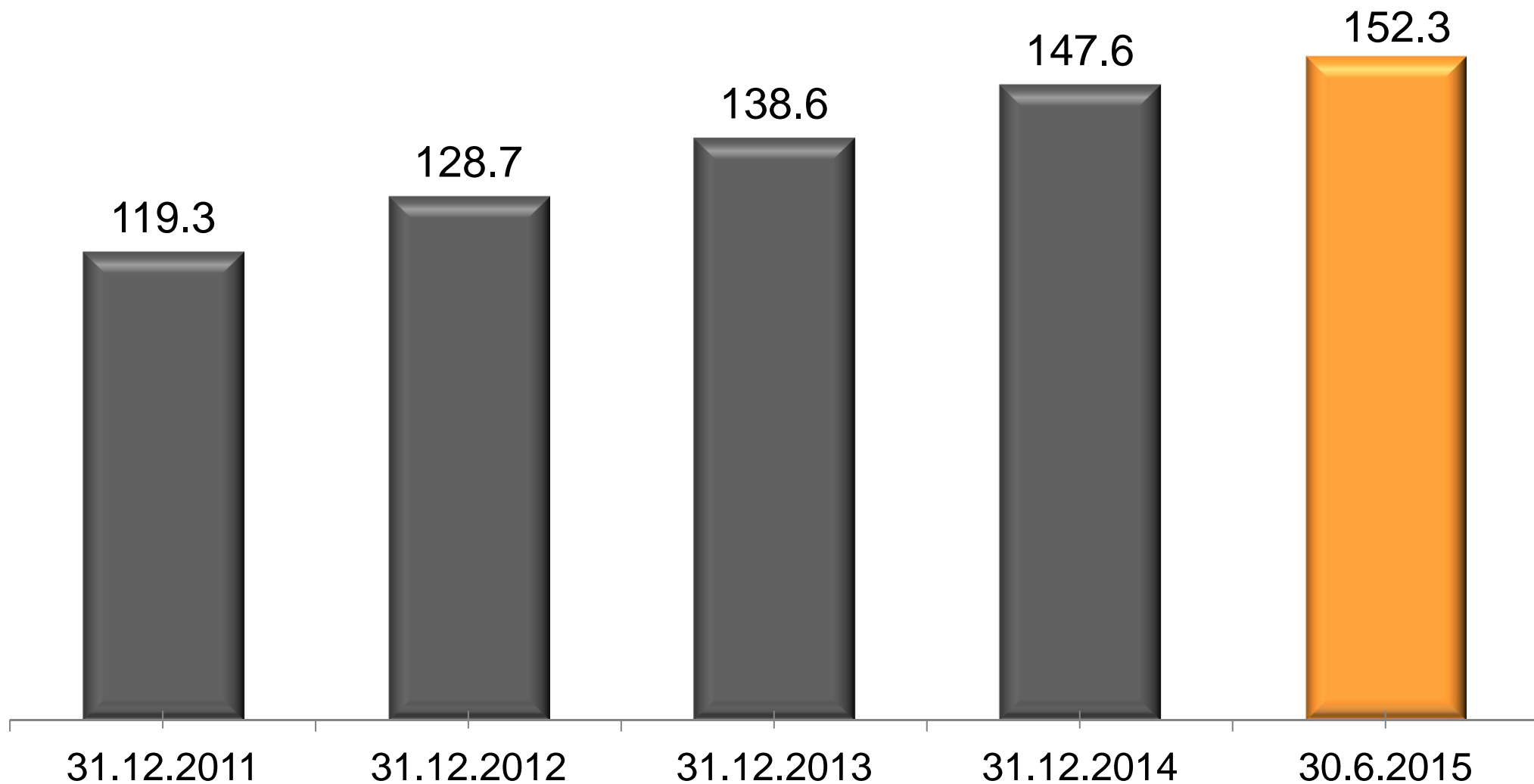
Cost income ratio (%)



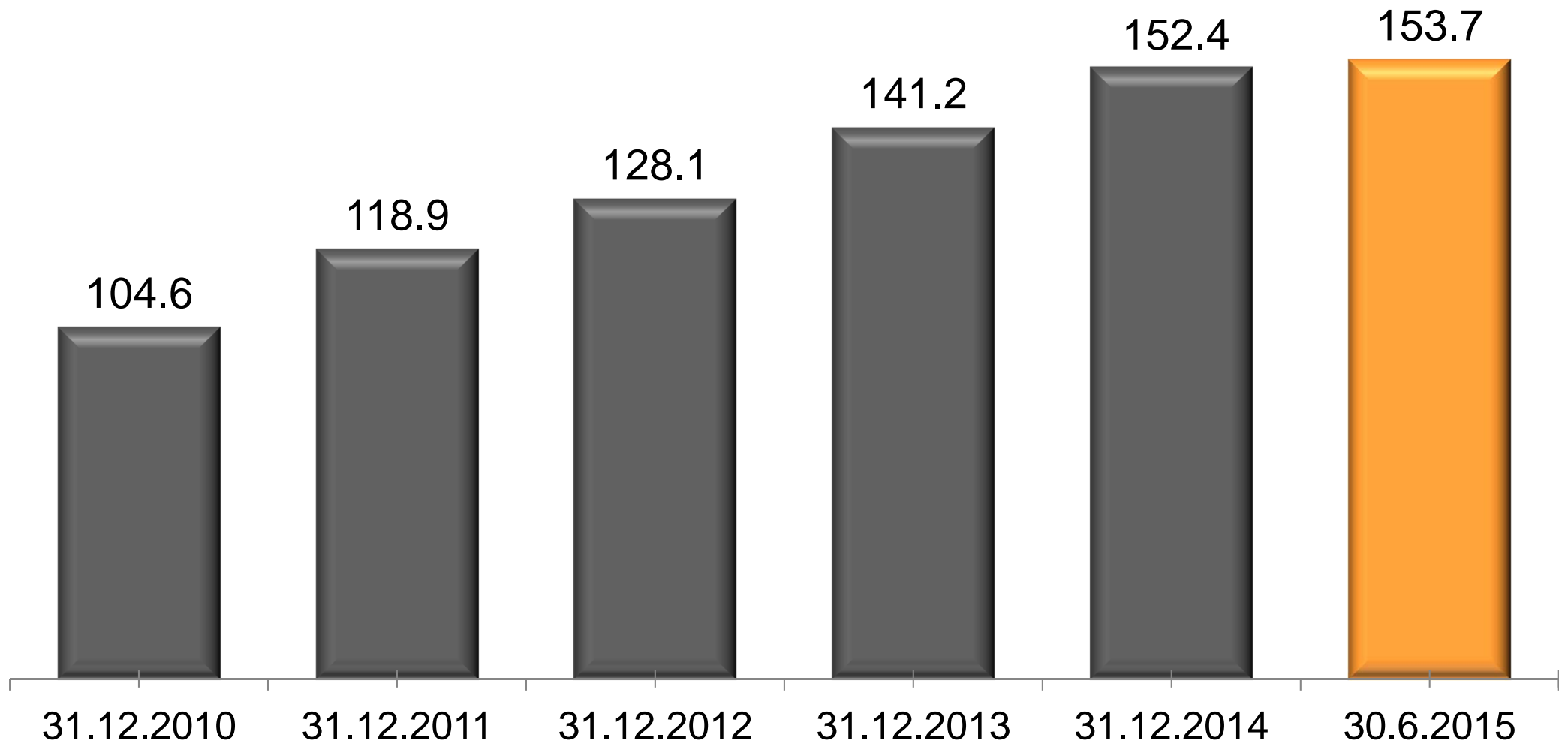
* Cost / income ratio = non-interest expenses divided by total pre-provision revenues



Loans to the public (NIS bil)



Deposits from the public (NIS bil)





Capital adequacy

