

## Statement for the third quarter - bank Poalei Agudat Israel Bank Ltd. , Main data, NIS millior

Taken from the quarterly report to 30.09.2004, reported amounts at 30.09.2004 (2003 in adjusted amounts).



Summary balance sheet	30.09.2004	31.12.2003	Bank's share of the banking system	
			30.09.2004	31.12.2003
Cash and deposits in banks <sup>(1)</sup>	6,893	1,352	4.8%	0.9%
Securities	520	151	0.4%	0.1%
Credit to the public	840	886	0.1%	0.2%
Credit to the government	0	0	0.0%	0.0%
Investments in companies included on an equity basis	0	0	0.0%	0.0%
Buildings and equipment	26	26	0.2%	0.2%
Other assets	9	8	0.0%	0.0%
<b>Total assets</b>	<b>8,288</b>	<b>2,423</b>	<b>4.0%</b>	<b>0.3%</b>
Deposits of the public	2,071	2,108	0.3%	0.3%
Deposits of banks <sup>(1)</sup>	5,931	46	8.2%	0.1%
Deposits of the government	0	0	0.0%	0.0%
Bonds and subordinated notes	0	0	0.0%	0.0%
Other liabilities	27	23	0.1%	0.1%
<b>Total liabilities</b>	<b>8,028</b>	<b>2,177</b>	<b>1.0%</b>	<b>0.3%</b>
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	259	245	0.6%	0.6%

Summary profit and loss statement	Nine months to		Bank's share of the banking system Nine months to		THREE MONTHS TO
	30.09.2004	30.09.2003	30.09.2004	30.09.2003	30.09.2004
Net interest profit before loan-loss provision	63.3	57.8	0.4%	0.4%	20.7
Loan-loss provision	7.8	8.2	0.2%	0.2%	2.7
Operating and other income	54.5	52.0	0.6%	0.6%	17.7
Of which: Operating income	54.5	51.3	0.8%	0.8%	17.7
Operating and other expenses	69.9	58.4	0.5%	0.4%	24.8
Of which: Salaries and related expenses	31.3	27.5	0.4%	0.3%	11.9
Ordinary before-tax provision	40.1	45.5	0.6%	1.0%	10.9
Provision for taxes on ordinary profit	18.5	22.0	0.6%	1.0%	4.9
Ordinary after-tax profit	21.6	23.5	0.6%	1.0%	6.0
Bank's share in the profit of subsidiaries	0.0	0.0			0.0
Share of minority shareholders in profit of consolidated companies	0.0	0.0			0.0
Extraordinary after-tax profit	0.0	0.0			0.0
<b>Net profit</b>	<b>21.6</b>	<b>23.5</b>	<b>0.5%</b>	<b>1.0%</b>	<b>6.0</b>

Balances and rates of return on financial items by indexation base on 30.09.2004	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>(2)</sup>	Total financial items
Balance of financial assets on balance-sheet date	7,652	418	192	8,262
Balance of financial liabilities on balance-sheet date	7,508	330	191	8,028
Excess of financial assets over financial liabilities	144	89	1	234
Total indexation balance (incl. forwards <sup>(3)</sup> and options in term of basis assets)	144	89	1	234
Rate of income on assets (percent) <sup>(4)</sup>	6.63	6.69	5.06	6.51
Rate of expenditure on liabilities (percent) <sup>(4)</sup>	-3.52	-5.63	-3.55	-3.85
Interest-rate differential	3.11	1.06	1.51	2.66

Problem borrowers	30.09.2004	31.12.2003
Total credit risk dew to problem borrowers	134	108
Total credit to problem borrowers	116	89

Main financial ratios - percent	30.09.2004	31.12.2003
Equity/balance-sheet ratio	3.13	10.13
Financial capital/equity ratio	90.13	89.44
Equity/risk-weighted-assets ratio	21.00	19.10
Return on equity (net profit/gross weighted capital ratio) <sup>(5)</sup>	11.90	13.00
Operating income/operating expenses ratio <sup>(6)</sup>	77.97	87.45

(1) See note no. 5.1.4 in the introduction.

(2) Including foreign-currency indexed NIS.

(3) Forwards transactions.

(4) Nine-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.

(5) Annual basis.

(6) For nine months. Comparative data are annual.