

**Statement for the third quarter - bank  
"Hesech" Kupat Hisachon Lehinuch Ltd., Haifa , Main data, NIS million**

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



<b>Summary balance sheet</b>	<b>30.09.2004</b>	<b>31.12.2003</b>
Cash and deposits in banks <sup>(1)</sup>	10	16
Securities	0	0
Credit to the public	221	211
Credit to the government	0	0
Investments in companies included on an equity basis	0	0
Buildings and equipment	1	1
Other assets	0	0
<b>Total assets</b>	<b>231</b>	<b>228</b>
Deposits of the public	159	160
Deposits of banks <sup>(1)</sup>	0	0
Deposits of the government	0	0
Bonds and subordinated notes	0	0
Other liabilities	0	0
<b>Total liabilities</b>	<b>159</b>	<b>160</b>
Quasi-capital items	0	0
Minority shareholders' rights	0	0
Equity	72	67

<b>Summary profit and loss statement</b>	<b>Nine months to</b>		<b>THREE MONTHS TO</b>
	<b>30.09.2004</b>	<b>30.09.2003</b>	<b>30.09.2004</b>
Net interest profit before loan-loss provision	8.1	6.4	2.5
Loan-loss provision	1.0	2.7	0.3
Operating and other income	0.2	0.2	0.1
Of which: Operating income	0.1	0.1	0.0
Operating and other expenses	1.1	1.1	0.4
Of which: Salaries and related expenses	0.6	0.6	0.2
Ordinary before-tax provision	6.2	3.8	1.9
Provision for taxes on ordinary profit	0.0	0.0	0.0
Ordinary after-tax profit	6.2	3.8	1.9
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>6.2</b>	<b>3.8</b>	<b>1.9</b>

<b>Balances and rates of return on financial items by indexation base on 30.09.2004</b>	<b>Unindexed NIS</b>	<b>CPI-indexed NIS</b>	<b>Foreign Currency<sup>(2)</sup></b>	<b>Total financial items</b>
Balance of financial assets on balance-sheet date	10	221	0	230
Balance of financial liabilities on balance-sheet date	0	159	0	159
Excess of financial assets over financial liabilities	10	62	0	71
Total indexation balance (incl. forwards <sup>(3)</sup> and options in term of basis assets)	10	62	0	71
Rate of income on assets (percent) <sup>(4)</sup>	4.38	9.12	0.00	8.86
Rate of expenditure on liabilities (percent) <sup>(4)</sup>	0.00	-7.13	0.00	-7.13
Interest-rate differential	4.38	1.99	0.00	1.73

<b>Problem borrowers</b>	<b>30.09.2004</b>	<b>31.12.2003</b>
Total credit risk dew to problem borrowers	0	0
Total credit to problem borrowers	0	0

<b>Main financial ratios - percent</b>	<b>30.09.2004</b>	<b>31.12.2003</b>
Equity/balance-sheet ratio	31.17	29.62
Financial capital/equity ratio	98.88	98.75
Equity/risk-weighted-assets ratio	65.20	63.20
Return on equity (net profit/gross weighted capital ratio) <sup>(5)</sup>	11.97	8.23
Operating income/operating expenses ratio <sup>(6)</sup>	16.00	18.51

(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.