



**Statement for 31/12/2004 on consolidated basis**  
**Otsar Hahayal Bank Ltd and its subsidiaries, Main data, NIS million**

Taken from the annual report to 31.12.2004, Reported amounts at 2004 (2002-03 adjusted to CPI for 12.2003)

Summary consolidated balance sheet	End of year			Banking group's share of the banking system		
	2004	2003	2002	2004	2003	2002
Cash and deposits in banks <sup>(1)</sup>	2,276	1,986	1,573	1.6%	1.3%	1.1%
Securities	262	551	397	0.2%	0.5%	0.4%
Credit to the public	6,569	6,419	6,474	1.2%	1.1%	1.1%
Credit to the government	0	0	0	0.0%	0.0%	0.0%
Investments in companies included on an equity basis	0	0	0	0.0%	0.0%	0.0%
Buildings and equipment	149	150	127	1.4%	1.4%	1.2%
Other assets	68	63	69	0.3%	0.3%	0.3%
<b>Total assets</b>	<b>9,325</b>	<b>9,168</b>	<b>8,639</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.1%</b>
Deposits of the public	8,105	8,009	7,674	1.2%	1.2%	1.1%
Deposits of banks <sup>(1)</sup>	153	43	37	0.2%	0.1%	0.1%
Deposits of the government	35	36	22	0.2%	0.2%	0.1%
Bonds and subordinated notes	335	414	306	0.8%	1.1%	0.8%
Other liabilities	116	126	128	0.4%	0.4%	0.5%
<b>Total liabilities</b>	<b>8,743</b>	<b>8,627</b>	<b>8,168</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.1%</b>
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Minority shareholders' rights	1	1	1			
Equity	581	540	471	1.3%	1.2%	1.2%

Summary consolidated profit and loss statement	End of year			Banking group's share of the banking system		
	2004	2003	2002	2004	2003	2002
Net interest profit before loan-loss provision	318.6	298.5	248.1	1.5%	1.6%	1.4%
Loan-loss provision	35.3	38.3	48.7	0.7%	0.6%	0.6%
Operating and other income	178.9	165.6	163.1	1.5%	1.5%	1.7%
Of which: Operating income	156.5	146.8	144.8	1.6%	1.6%	1.7%
Operating and other expenses	350.3	327.5	312.9	1.8%	1.8%	1.7%
Of which: Salaries and related expenses	201.5	184.6	181.5	1.7%	1.6%	1.6%
Inflation adjustments	0.0	5.8	0.0			
Ordinary profit before-tax provision	111.9	104.1	49.6	1.4%	1.8%	2.0%
Provision for taxes on ordinary profit	52.3	52.0	24.6	1.5%	2.0%	2.3%
Ordinary after-tax profit	59.6	52.1	25.0	1.3%	1.6%	1.8%
Bank's share in the profit of subsidiaries	0.0	0.0	0.0			
Minority shareholders' share in profit of consolidated companies	0.0	0.0	0.0			
Extraordinary after-tax profit	-0.9	0.0	0.0			
<b>Net profit</b>	<b>58.7</b>	<b>52.1</b>	<b>25.0</b>	<b>1.1%</b>	<b>1.6%</b>	<b>2.3%</b>

Balances and rates of return on financial items by indexation base on 31.12.2004	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>(2)</sup>	Total financial items
Balance of financial assets on balance-sheet date	5,018	2,422	1,732	9,172
Balance of financial liabilities on balance-sheet date	5,290	2,038	1,411	8,738
Excess of financial assets over financial liabilities	-272	385	322	435
Total indexation balance (incl. Forwards <sup>(3)</sup> and options in term of basis assets)	-104	469	70	435
Options at the money and out of the money (net, capitalized nominal value)	-20	4	16	0
Rate of income on assets <sup>(4)</sup> (%)	6.50	6.06	3.13	5.62
Rate of expenses on liabilities <sup>(4)</sup> (%)	-3.01	-4.93	-2.55	-3.33
Interest-rate spread	3.49	1.14	0.57	2.29

Internal rate of return on assets (%)	4.72	5.25	2.56	
Internal rate of return on liabilities (%)	3.66	4.75	2.38	
Difference	1.06	0.50	0.18	
Average duration of assets (years)	0.16	3.10	0.18	0.94
Average duration of liabilities (years)	0.16	4.43	0.21	1.16
Difference	0.00	-1.33	-0.03	-0.22

<sup>(1)</sup> See note 5.1.7. in the introduction.

<sup>(2)</sup> Including foreign-currency indexed NIS.

<sup>(3)</sup> Forwards transactions.

<sup>(4)</sup> including hedging, embedded and ALM derivatives.



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**Otsar Hahayal Bank Ltd., Additional data**

(NIS millions, 2004 reported amounts, 2003 adjusted to 12.2003 prices)

Additional data	2004	2003
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**Total off-balance-sheet and credit risk**

Credit to the public and credit risk	6,724	6,575
Total off-balance-sheet credit risk	3,478	3,434
Total credit risk	10,202	10,009
<i>Of which:</i> Total risk of credit for housing loans	319	372
Total risk of credit to construction and real estate industr	712	684

**Problem borrowers**

Total credit risk dew to problem borrowers	349	376
<i>Of which:</i> Total credit to problem borrowers	327	359

**Data on derivatives**

Notional amount	1,555	2,269
Gross positive fair value	24	30

**Activity with interested and related parties**

Total assets on balance-sheet date	531	579
<i>Of which:</i> credit to the public	125	84
Total liabilities on balance-sheet date (including quasi-capital items)	430	297

**Branches and personnel**

Number of employee posts in Israel, monthly average	770	786
Number of employee posts abroad, monthly average	0	0
Number of branches in Israe	29	29
Number of branches abroad	0	0

**Main financial ratios, in annual terms (%)**

Equity/risk-weighted-assets ratic	11.52	11.44
Equity/balance-sheet ratic	6.23	5.89
Financial capital/equity capital ratic	74.84	72.66
Ratio of problem loans to total credit to the public	4.96	5.56
Return on equity (net profit/gross weighted capital ratio)	10.86	11.07
Non-interest income/operating expenses ratic	51.07	50.56
Ratio of loan-loss provision to total credit to the public	0.54	0.59