



**Statement for 31/12/2004 on consolidated basis**  
**Bank of Jerusalem 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>	574	578	373	0.5%	0.6%	0.4%
Securities	336	317	224	0.2%	0.3%	0.2%
Credit to the public	6,184	5,709	5,593	1.1%	1.0%	1.0%
Credit to the government	0	0	0	0.0%	0.0%	0.0%
Investments in companies included on an equity basis	5	6	5	0.1%	0.2%	0.1%
Buildings and equipment	51	55	58	0.5%	0.5%	0.6%
Other assets	28	33	29	0.1%	0.1%	0.1%
<b>Total assets</b>	<b>7,178</b>	<b>6,697</b>	<b>6,282</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.8%</b>
Deposits of the public	6,120	5,690	5,177	0.9%	0.8%	0.8%
Deposits of banks <sup>(1)</sup>	278	273	419	1.2%	1.1%	1.9%
Deposits of the government	42	57	64	0.3%	0.3%	0.4%
Bonds and subordinated notes	316	278	243	0.8%	0.7%	0.7%
Other liabilities	38	37	38	0.1%	0.1%	0.2%
<b>Total liabilities</b>	<b>6,794</b>	<b>6,335</b>	<b>5,940</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.8%</b>
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Minority shareholders' rights	0	0	0			
Equity	384	362	342	0.8%	0.8%	0.9%

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	115.3	99.4	94.9	0.6%	0.5%	0.5%
Loan-loss provision	17.5	18.4	11.2	0.3%	0.3%	0.1%
Operating and other income	94.0	94.5	91.1	0.8%	0.9%	0.9%
Of which: Operating income	92.2	93.0	91.5	1.0%	1.0%	1.1%
Operating and other expenses	142.6	137.2	128.3	0.7%	0.7%	0.7%
Of which: Salaries and related expenses	88.7	84.4	76.5	0.8%	0.8%	0.7%
Inflation adjustments	0.0	4.6	0.0			
Ordinary profit before-tax provision	49.2	42.9	46.5	0.6%	0.7%	1.9%
Provision for taxes on ordinary profit	19.4	16.4	20.2	0.6%	0.6%	1.8%
Ordinary after-tax profit	29.8	26.5	26.3	0.7%	0.8%	1.9%
Bank's share in the profit of subsidiaries	-0.3	0.9	1.9			
Minority shareholders' share in profit of consolidated companies	0.0	0.0	0.0			
Extraordinary after-tax profit	0.0	-2.2	0.0			
<b>Net profit</b>	<b>29.5</b>	<b>25.2</b>	<b>28.2</b>	<b>0.6%</b>	<b>0.8%</b>	<b>2.6%</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	2,170	3,656	1,253	7,079
Balance of financial liabilities on balance-sheet date	2,050	3,700	1,038	6,788
Excess of financial assets over financial liabilities	121	-44	215	291
Total indexation balance (incl. Forwards <sup>(3)</sup> and options in term of basis assets)	281	-70	80	291
Options at the money and out of the money (net, capitalized nominal value)	108	0	-108	0
Rate of income on assets(%) <sup>(4)</sup>	6.00	6.32	3.55	5.78
Rate of expenses on liabilities(%) <sup>(4)</sup>	-4.35	-5.73	-0.91	-4.60
Interest-rate spread	1.65	0.59	2.65	1.18

Internal rate of return on assets (%)	5.99	5.60	5.03	
Internal rate of return on liabilities (%)	4.68	5.07	2.50	
Difference	1.31	0.53	2.53	
Average duration of assets (years)	0.79	4.31	0.46	2.54
Average duration of liabilities (years)	0.40	2.81	0.36	1.72
Difference	0.39	1.50	0.10	0.82

<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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**Bank of Jerusalem 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	6,192	5,715
Total off-balance-sheet credit risk	403	441
Total credit risk	6,594	6,156
<i>Of which:</i> Total risk of credit for housing loans	4,633	4,460
Total risk of credit to construction and real estate industr	1,083	803

**Problem borrowers**

Total credit risk dew to problem borrowers	329	321
<i>Of which:</i> Total credit to problem borrowers	298	295

**Data on derivatives**

Notional amount	1,905	934
Gross positive fair value	10	14

**Activity with interested and related parties**

Total assets on balance-sheet date	14	51
<i>Of which:</i> credit to the public	9	1
Total liabilities on balance-sheet date (including quasi-capital items)	8	9

**Branches and personnel**

Number of employee posts in Israel, monthly average	339	332
Number of employee posts abroad, monthly average	0	0
Number of branches in Israe	16	16
Number of branches abroad	0	0

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

Equity/risk-weighted-assets ratic	11.00	11.60
Equity/balance-sheet ratic	5.35	5.40
Financial capital/equity capital ratic	75.76	72.87
Ratio of problem loans to total credit to the public	4.81	5.16
Return on equity (net profit/gross weighted capital ratio)	8.17	7.34
Non-interest income/operating expenses ratic	65.92	68.88
Ratio of loan-loss provision to total credit to the public	0.28	0.32