



Statement for 31/12/2004 on consolidated basis
Leumi Mortgage 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 ⁽¹⁾	152	20	25	0.1%	0.0%	0.0%
Securities	0	0	264	0.0%	0.0%	0.2%
Credit to the public	31,758	31,098	30,378	5.6%	5.5%	5.3%
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	42	37	38	0.4%	0.4%	0.4%
Other assets	183	194	212	0.8%	0.8%	1.0%
Total assets	32,135	31,349	30,917	3.8%	3.8%	3.8%
Deposits of the public	7,528	7,430	7,299	1.1%	1.1%	1.1%
Deposits of banks ⁽¹⁾	20,833	20,427	20,266	33.2%	35.0%	33.8%
Deposits of the government	614	602	566	3.9%	3.6%	3.1%
Bonds and subordinated notes	1,367	1,207	1,219	3.3%	3.1%	3.3%
Other liabilities	123	95	89	0.4%	0.3%	0.4%
Total liabilities	30,465	29,761	29,439	3.8%	3.8%	3.8%
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Minority shareholders' rights	0	0	0			
Equity	1,670	1,588	1,478	3.6%	3.7%	3.7%

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	365.0	334.0	259.0	1.8%	1.8%	1.5%
Loan-loss provision	90.0	122.0	51.0	1.7%	1.9%	0.7%
Operating and other income	136.0	134.0	165.0	1.1%	1.2%	1.7%
Of which: Operating income	134.0	129.0	165.0	1.4%	1.4%	2.0%
Operating and other expenses	176.0	160.0	155.0	0.9%	0.9%	0.9%
Of which: Salaries and related expenses	82.0	80.0	75.0	0.7%	0.7%	0.7%
Inflation adjustments	0.0	24.0	0.0			
Ordinary profit before-tax provision	235.0	210.0	218.0	3.0%	3.7%	9.0%
Provision for taxes on ordinary profit	113.0	100.0	99.0	3.2%	3.9%	9.1%
Ordinary after-tax profit	122.0	110.0	119.0	2.7%	3.4%	8.6%
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	0.0	0.0	0.0			
Net profit	122.0	110.0	119.0	2.3%	3.5%	11.1%

Balances and rates of return on financial items by indexation base on 31.12.2004	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	1,803	26,215	4,067	32,085
Balance of financial liabilities on balance-sheet date	752	25,548	4,094	30,394
Excess of financial assets over financial liabilities	1,051	667	-27	1,691
Total indexation balance (incl. Forwards ⁽³⁾ and options in term of basis assets)	1,051	667	-27	1,691
Options at the money and out of the money (net, capitalized nominal value)	0	0	0	0
Rate of income on assets (%) ⁽⁴⁾	6.04	6.40	1.32	5.78
Rate of expenses on liabilities (%) ⁽⁴⁾	-4.53	-5.82	0.40	-5.01
Interest-rate spread	1.51	0.58	1.72	0.77

Internal rate of return on assets (%)	5.86	5.70	4.56	
Internal rate of return on liabilities (%)	3.88	5.44	2.75	
Difference	1.98	0.26	1.81	
Average duration of assets (years)	0.19	4.96	0.30	4.11
Average duration of liabilities (years)	1.06	3.97	0.27	3.43
Difference	-0.87	0.99	0.03	0.68

⁽¹⁾ See note 5.1.7. in the introduction.

⁽²⁾ Including foreign-currency indexed NIS.

⁽³⁾ Forwards transactions.

⁽⁴⁾ including hedging, embedded and ALM derivatives.



Statement for 31/12/2004 on consolidated basis
Leumi Mortgage 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	31,758	31,098
Total off-balance-sheet credit risk	3,318	3,515
Total credit risk	35,076	34,613
<i>Of which:</i> Total risk of credit for housing loans	28,116	27,263
Total risk of credit to construction and real estate industry	843	1,015

Problem borrowers

Total credit risk dew to problem borrowers	1,415	1,266
<i>Of which:</i> Total credit to problem borrowers	1,319	1,224

Data on derivatives

Notional amount	0	0
Gross positive fair value	0	0

Activity with interested and related parties

Total assets on balance-sheet date	129	0
<i>Of which:</i> credit to the public	0	0
Total liabilities on balance-sheet date (including quasi-capital items)	19,281	19,898

Branches and personnel

Number of employee posts in Israel, monthly average	429	397
Number of employee posts abroad, monthly average	0	0
Number of branches in Israel	10	10
Number of branches abroad	0	0

Main financial ratios, in annual terms (%)

Equity/risk-weighted-assets ratio	9.69	9.49
Equity/balance-sheet ratio	5.20	5.07
Financial capital/equity capital ratio	101.26	99.94
Ratio of problem loans to total credit to the public	4.15	3.93
Return on equity (net profit/gross weighted capital ratio)	7.70	7.40
Non-interest income/operating expenses ratio	77.27	83.75
Ratio of loan-loss provision to total credit to the public	0.28	0.39