

## Statement for the second quarter - consolidated Otsar Hahayal Bank Ltd. and its subsidiaries, Main data, NIS million

Taken from the quarterly report to 30.06.2005, reported amounts

Summary consolidated balance sheet	30.06.2005	31.12.2004	Bank's share of the banking system	
			30.06.2005	31.12.2004
Cash and deposits in banks <sup>1</sup>	2,834	2,276	1.8%	1.6%
Securities	342	262	0.3%	0.2%
Credit to the public	6,700	6,569	1.2%	1.2%
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	157	149	1.5%	1.4%
Other assets	65	68	0.3%	0.3%
<b>Total assets</b>	<b>10,098</b>	<b>9,325</b>	<b>1.2%</b>	<b>1.1%</b>
Deposits of the public	8,795	8,105	1.3%	1.2%
Deposits of banks <sup>1</sup>	202	153	0.3%	0.2%
Deposits of the government	21	35	0.1%	0.2%
Bonds and subordinated notes	339	335	0.7%	0.8%
Other liabilities	130	116	0.4%	0.4%
<b>Total liabilities</b>	<b>9,486</b>	<b>8,743</b>	<b>1.2%</b>	<b>1.1%</b>
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	1	1		
Equity	611	581	1.3%	1.3%

Summary consolidated profit and loss statement	Six months to		Bank's share of the banking system		Three months to
			Six months to		
	30.06.2005	30.06.2004	30.06.2005	30.06.2004	30.06.2005
Net interest profit before loan-loss provision	154.3	166.8	1.4%	1.6%	83.5
Loan-loss provision	10.8	20.4	0.4%	0.8%	8.4
Operating and other income	92.3	88.1	1.5%	1.5%	47.2
Of which: Operating income	81.0	77.3	1.6%	1.6%	41.4
Operating and other expenses	185.1	170.3	1.8%	1.8%	92.3
Of which: Salaries and related expenses	106.0	97.8	1.7%	1.7%	52.8
Ordinary before-tax provision	50.7	64.2	1.2%	1.5%	30.0
Provision for taxes on ordinary profit	23.1	29.9	1.4%	1.6%	12.3
Ordinary after-tax profit	27.6	34.3	1.1%	1.4%	17.7
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	1.1	-0.2			1.0
<b>Net profit</b>	<b>28.7</b>	<b>34.1</b>	<b>0.8%</b>	<b>1.2%</b>	<b>18.7</b>

Balances and rates of return on financial items by indexation base on 30.06.2005	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>2</sup>	Total financial items
Balance of financial assets on balance-sheet date	5,708	2,271	1,958	9,937
Balance of financial liabilities on balance-sheet date	5,738	2,172	1,563	9,473
Excess of financial assets over financial liabilities	-30	99	395	464
Total indexation balance(incl.forwards and options in term of basis assets) <sup>3</sup>	182	220	63	464
Rate of income on assets(percent) <sup>4</sup>	5.87	6.16	10.36	6.85
Rate of expenditure on liabilities(percent) <sup>4</sup>	-2.48	-5.12	-9.55	-4.51
Interest-rate differential	3.39	1.04	0.81	2.34

Problem borrowers	30.06.2005	31.12.2004
Total credit risk dew to problem borrowers	305	349
Total credit to problem borrowers	285	327

Main financial ratios - consolidated (percent)	30.06.2005	31.12.2004
Equity/balance-sheet ratio	6.05	6.23
Finanancial capital/equity ratio	75.95	74.84
Equity/risk-weighted-assets ratio	11.24	11.50
Return on equity (net profit/gross weightec-capital ratio) <sup>5</sup>	10.15	10.86
Operating income/operating expenses ratio <sup>6</sup>	49.86	51.07

<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> Six-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.

<sup>5</sup> Annual basis.

<sup>6</sup> For six months. Comparative data are annual