

Statement for the second quarter - consolidated Bank Massad 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 ¹ | 608 | 996 | 0.4% | 0.7% |
| Securities | 823 | 633 | 0.6% | 0.5% |
| Credit to the public | 1,189 | 1,077 | 0.2% | 0.2% |
| 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 | 59 | 58 | 0.6% | 0.5% |
| Other assets | 15 | 8 | 0.1% | 0.0% |
| Total assets | 2,694 | 2,771 | 0.3% | 0.3% |
| Deposits of the public | 2,432 | 2,523 | 0.3% | 0.4% |
| Deposits of banks ¹ | 5 | 5 | 0.0% | 0.0% |
| Deposits of the government | 0 | 0 | 0.0% | 0.0% |
| Bonds and subordinated notes | 0 | 0 | 0.0% | 0.0% |
| Other liabilities | 22 | 17 | 0.1% | 0.1% |
| Total liabilities | 2,459 | 2,544 | 0.3% | 0.3% |
| Quasi-capital items | 0 | 0 | 0.0% | 0.0% |
| Minority shareholders' rights | 0 | 0 | | |
| Equity | 235 | 227 | 0.5% | 0.5% |

| 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 | 48.4 | 58.2 | 0.5% | 0.6% | 27.4 |
| Loan-loss provision | 9.2 | 5.7 | 0.4% | 0.2% | 7.1 |
| Operating and other income | 37.2 | 35.0 | 0.6% | 0.6% | 18.5 |
| Of which: Operating income | 25.6 | 24.9 | 0.5% | 0.5% | 12.4 |
| Operating and other expenses | 61.8 | 59.0 | 0.6% | 0.6% | 30.4 |
| Of which: Salaries and related expenses | 33.4 | 31.3 | 0.5% | 0.5% | 15.7 |
| Ordinary before-tax provision | 14.6 | 28.5 | 0.3% | 0.7% | 8.4 |
| Provision for taxes on ordinary profit | 6.2 | 12.6 | 0.4% | 0.7% | 3.1 |
| Ordinary after-tax profit | 8.4 | 15.9 | 0.3% | 0.7% | 5.3 |
| 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 |
| Net profit | 8.4 | 15.9 | 0.2% | 0.6% | 5.3 |

| Balances and rates of return on financial items by indexation base on 30.06.2005 | Unindexed NIS | CPI-indexed NIS | Foreign Currency ² | Total financial items |
|--|---------------|-----------------|-------------------------------|-----------------------|
| Balance of financial assets on balance-sheet date | 1,772 | 657 | 206 | 2,635 |
| Balance of financial liabilities on balance-sheet date | 1,670 | 601 | 188 | 2,459 |
| Excess of financial assets over financial liabilities | 102 | 56 | 18 | 176 |
| Total indexation balance(incl.forwards and options in term of basis assets) ³ | 98 | 57 | 22 | 176 |
| Rate of income on assets(percent) ⁴ | 6.11 | 5.49 | 7.74 | 6.08 |
| Rate of expenditure on liabilities(percent) ⁴ | -2.25 | -4.28 | -5.93 | -3.07 |
| Interest-rate differential | 3.86 | 1.21 | 1.81 | 3.01 |

| Problem borrowers | 30.06.2005 | 31.12.2004 |
|--|------------|------------|
| Total credit risk dew to problem borrowers | 114 | 139 |
| Total credit to problem borrowers | 110 | 135 |

| Main financial ratios - consolidated (percent) | 30.06.2005 | 31.12.2004 |
|---|------------|------------|
| Equity/balance-sheet ratio | 8.73 | 8.18 |
| Finanancial capital/equity ratio | 74.95 | 74.27 |
| Equity/risk-weighted-assets ratio | 14.43 | 15.11 |
| Return on equity (net profit/gross weightec-capital ratio) ⁵ | 7.60 | 13.10 |
| Operating income/operating expenses ratio ⁶ | 60.19 | 60.45 |

¹ See note 5.1.7 in the introduction

² Including foreign-currency indexed NIS.

³ Forwards transactions.

⁴ Six-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.

⁵ Annual basis.

⁶ For six months. Comparative data are annual