

Statement for the second quarter - consolidated Bank of Jerusalem 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	386	574	0.3%	0.5%
Securities	709	336	0.5%	0.2%
Credit to the public	6,271	6,184	1.1%	1.1%
Credit to the government	0	0	0.0%	0.0%
Investments in companies included on an equity basis	5	5	0.1%	0.1%
Buildings and equipment	51	51	0.5%	0.5%
Other assets	23	28	0.1%	0.1%
Total assets	7,444	7,178	0.9%	0.8%
Deposits of the public	6,248	6,120	0.9%	0.9%
Deposits of banks ¹	292	278	1.1%	1.2%
Deposits of the government	36	42	0.3%	0.3%
Bonds and subordinated notes	413	316	0.9%	0.8%
Other liabilities	60	38	0.2%	0.1%
Total liabilities	7,048	6,794	0.9%	0.8%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	396	384	0.8%	0.8%

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	61.5	61.1	0.6%	0.6%	31.3
Loan-loss provision	5.5	10.7	0.2%	0.4%	2.5
Operating and other income	53.3	46.9	0.8%	0.8%	27.3
Of which: Operating income	52.2	46.1	1.0%	1.0%	26.7
Operating and other expenses	78.7	72.3	0.8%	0.7%	40.8
Of which: Salaries and related expenses	50.4	45.3	0.8%	0.8%	26.6
Ordinary before-tax provision	30.6	25.0	0.7%	0.6%	15.3
Provision for taxes on ordinary profit	12.5	9.2	0.7%	0.5%	6.0
Ordinary after-tax profit	18.1	15.8	0.7%	0.7%	9.3
Bank's share in the profit of subsidiaries	-0.8	-0.3			-0.4
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	17.3	15.5	0.5%	0.6%	8.9

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	2,454	3,558	1,333	7,345
Balance of financial liabilities on balance-sheet date	2,171	3,645	1,222	7,038
Excess of financial assets over financial liabilities	284	-88	111	307
Total indexation balance(incl.forwards and options in term of basis assets) ³	358	-55	5	307
Rate of income on assets(percent) ⁴	5.03	6.46	15.11	7.50
Rate of expenditure on liabilities(percent) ⁴	-3.73	-5.76	-12.45	-6.22
Interest-rate differential	1.30	0.70	2.66	1.27

Problem borrowers	30.06.2005	31.12.2004
Total credit risk dew to problem borrowers	401	329
Total credit to problem borrowers	375	298

Main financial ratios - consolidated (percent)	30.06.2005	31.12.2004
Equity/balance-sheet ratio	5.32	5.35
Finanancial capital/equity ratio	77.44	75.76
Equity/risk-weighted-assets ratio	11.00	11.00
Return on equity (net profit/gross weightec-capital ratio) ⁵	9.20	8.20
Operating income/operating expenses ratio ⁶	67.73	65.92

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