

Statement for the second quarter - bank "Hesech" Kupat Hisachon Lehinuch Ltd., Haifa , Main data, NIS million

Taken from the quarterly report to 30.06.2005, reported amounts

Summary balance sheet	30.06.2005	31.12.2004
Cash and deposits in banks ¹	12	15
Securities	0	0
Credit to the public	222	215
Credit to the government	0	0
Investments in companies included on an equity basis	0	0
Buildings and equipment	1	1
Other assets	0	0
Total assets	235	231
Deposits of the public	157	156
Deposits of banks ¹	0	0
Deposits of the government	0	0
Bonds and subordinated notes	0	0
Other liabilities	0	0
Total liabilities	157	156
Quasi-capital items	0	0
Minority shareholders' rights	0	0
Equity	78	75

Summary profit and loss statement	Six months to		Three months to
	30.06.2005	30.06.2004	30.06.2005
Net interest profit before loan-loss provision	5.5	5.6	3.2
Loan-loss provision	0.8	0.7	0.4
Operating and other income	0.1	0.1	0.1
Of which: Operating income	0.1	0.1	0.0
Operating and other expenses	0.7	0.7	0.4
Of which: Salaries and related expenses	0.4	0.4	0.2
Ordinary before-tax provision	4.1	4.3	2.5
Provision for taxes on ordinary profit	0.0	0.0	0.0
Ordinary after-tax profit	4.1	4.3	2.5
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	4.1	4.3	2.5

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	12	222	0	234
Balance of financial liabilities on balance-sheet date	0	157	0	157
Excess of financial assets over financial liabilities	12	65	0	77
Total indexation balance(incl.forwards and options in term of basis assets) ³	12	65	0	77
Rate of income on assets (percent) ⁴	3.55	8.60	0.00	8.35
Rate of expenditure on liabilities(percent) ⁴	-6.51	0.00	0.00	-6.51
Interest-rate differential	-2.96	8.60	0.00	1.84

Problem borrowers	30.06.2005	31.12.2004
Total credit risk dew to problem borrowers	0	0
Total credit to problem borrowers	0	0

Main financial ratios (percent)	30.06.2005	31.12.2004
Equity/balance-sheet ratio	33.14	32.37
Financial capital/equity ratio	99.02	98.96
Equity/risk-weighted-assets ratio	69.60	68.60
Return on equity (net profit/gross weighted-capital ratio) ⁵	11.00	13.00
Operating income/operating expenses ratio ⁶	15.31	15.90

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.