

## Statement for the second quarter - consolidated Leumi Mortgage 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>	22	152	0.0%	0.1%
Securities	1,763	0	1.3%	0.0%
Credit to the public	31,944	31,758	5.6%	5.6%
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	41	42	0.4%	0.4%
Other assets	158	183	0.7%	0.8%
<b>Total assets</b>	<b>33,928</b>	<b>32,135</b>	<b>3.9%</b>	<b>3.8%</b>
Deposits of the public	9,150	7,528	1.3%	1.1%
Deposits of banks <sup>1</sup>	19,832	20,833	32.7%	33.1%
Deposits of the government	615	614	4.3%	3.9%
Bonds and subordinated notes	2,387	1,367	5.1%	3.3%
Other liabilities	211	123	0.7%	0.4%
<b>Total liabilities</b>	<b>32,195</b>	<b>30,465</b>	<b>3.9%</b>	<b>3.8%</b>
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	1,733	1,670	3.6%	3.6%

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	176.0	182.0	1.6%	1.8%	85.0
Loan-loss provision	37.0	57.0	1.5%	2.4%	17.0
Operating and other income	65.0	69.0	1.0%	1.2%	32.0
Of which: Operating income	65.0	69.0	1.3%	1.4%	32.0
Operating and other expenses	93.0	86.0	0.9%	0.9%	45.0
Of which: Salaries and related expenses	47.0	39.0	0.8%	0.7%	22.0
Ordinary before-tax provision	111.0	108.0	2.6%	2.5%	55.0
Provision for taxes on ordinary profit	47.0	49.0	2.8%	2.6%	21.0
Ordinary after-tax profit	64.0	59.0	2.5%	2.5%	34.0
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
<b>Net profit</b>	<b>64.0</b>	<b>59.0</b>	<b>1.8%</b>	<b>2.1%</b>	<b>34.0</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	3,060	27,139	3,680	33,879
Balance of financial liabilities on balance-sheet date	1,147	27,228	3,687	32,062
Excess of financial assets over financial liabilities	1,913	-89	-7	1,817
Total indexation balance(incl.forwards and options in term of basis assets) <sup>3</sup>	1,913	-89	-7	1,817
Rate of income on assets(percent) <sup>4</sup>	4.95	6.48	17.04	7.63
Rate of expenditure on liabilities(percent) <sup>4</sup>	-4.13	-5.94	-15.23	-7.09
Interest-rate differential	0.82	0.55	1.81	0.55

Problem borrowers	30.06.2005	31.12.2004
Total credit risk dew to problem borrowers	1,372	1,415
Total credit to problem borrowers	1,282	1,319

Main financial ratios - consolidated (percent)	30.06.2005	31.12.2004
Equity/balance-sheet ratio	5.11	5.20
Finanancial capital/equity ratio	104.85	101.26
Equity/risk-weighted-assets ratio	9.83	9.67
Return on equity (net profit/gross weightec-capital ratio) <sup>5</sup>	7.80	7.70
Operating income/operating expenses ratio <sup>6</sup>	69.89	77.27

<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