

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

Taken from the quarterly report to 30.09.2005, reported amounts



Summary balance sheet	30.09.2005	31.12.2004
Cash and deposits in banks ¹	10	15
Securities	0	0
Credit to the public	216	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	226	231
Deposits of the public	154	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	155	156
Quasi-capital items	0	0
Minority shareholders' rights	0	0
Equity	72	75

Summary profit and loss statement	Nine months to		Three months to
	30.09.2005	30.09.2004	30.09.2005
Net interest profit before loan-loss provision	9.4	8.1	4.0
Loan-loss provision	0.2	1.0	-0.6
Operating and other income	0.2	0.2	0.1
Of which: Operating income	0.1	0.1	0.0
Operating and other expenses	1.1	1.1	0.4
Of which: Salaries and related expenses	0.6	0.6	0.2
Ordinary before-tax provision	8.4	6.2	4.2
Provision for taxes on ordinary profit	0.0	0.0	0.0
Ordinary after-tax profit	8.4	6.2	4.2
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	6.2	4.2

Balances and rates of return on financial items by indexation base on 30.09.2005	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	10	216	0	226
Balance of financial liabilities on balance-sheet date	0	154	0	155
Excess of financial assets over financial liabilities	10	61	0	71
Total indexation balance (incl. forwards and options in term of basis assets) ³	10	61	0	71
Rate of income on assets (percent) ⁴	3.44	10.13	0.00	9.80
Rate of expenditure on liabilities (percent) ⁴	-7.90	0.00	0.00	-7.90
Interest-rate differential	-4.46	10.13	0.00	1.90

Problem borrowers	30.09.2005	31.12.2004
Total credit risk dew to problem borrowers	0	0
Total credit to problem borrowers	0	0

Main financial ratios (percent)	30.09.2005	31.12.2004
Equity/balance-sheet ratio	31.76	32.37
Financial capital/equity ratio	98.97	98.96
Equity/risk-weighted-assets ratio	67.10	68.60
Return on equity (net profit/gross weighted-capital ratio) ⁵	14.79	11.97
Operating income/operating expenses ratio ⁶	14.73	15.90

¹ See note 5.1.7 in the introduction

² Including foreign-currency indexed NIS.

³ Forwards transactions.

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

⁵ Annual basis.

⁶ For nine months. Comparative data are annual.