

Statement for the third quarter - consolidated Leumi Mortgage Bank Ltd. and its subsidiaries , Main data, NIS million

Taken from the quarterly report to 30.09.2005, reported amounts



Summary consolidated balance sheet	30.09.2005	31.12.2004	Bank's share of the banking system	
			30.09.2005	31.12.2004
Cash and deposits in banks ¹	23	152	0.0%	0.1%
Securities	1,627	0	1.1%	0.0%
Credit to the public	32,458	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	40	42	0.4%	0.4%
Other assets	168	183	0.7%	0.8%
Total assets	34,316	32,135	3.9%	3.8%
Deposits of the public	8,973	7,528	1.3%	1.1%
Deposits of banks ¹	20,298	20,833	33.3%	33.1%
Deposits of the government	615	614	4.4%	3.9%
Bonds and subordinated notes	2,429	1,367	4.9%	3.3%
Other liabilities	234	123	0.7%	0.4%
Total liabilities	32,549	30,465	4.0%	3.8%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	1,767	1,670	3.5%	3.6%

Summary consolidated profit and loss statement	Nine months to		Bank's share of the banking system		Three months to
	30.09.2005	30.09.2004	30.09.2005	30.09.2004	
Net interest profit before loan-loss provision	272.0	273.0	1.6%	1.8%	96.0
Loan-loss provision	72.0	72.0	2.3%	2.0%	35.0
Operating and other income	102.0	104.0	1.0%	1.2%	37.0
Of which: Operating income	100.0	104.0	1.3%	1.4%	35.0
Operating and other expenses	139.0	131.0	0.9%	0.9%	46.0
Of which: Salaries and related expenses	69.0	61.0	0.7%	0.7%	22.0
Ordinary before-tax provision	163.0	174.0	2.2%	2.7%	52.0
Provision for taxes on ordinary profit	61.0	81.0	2.0%	2.8%	14.0
Ordinary after-tax profit	102.0	93.0	2.4%	2.6%	38.0
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
Net profit	102.0	93.0	1.9%	2.2%	38.0

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	3,357	27,608	3,293	34,258
Balance of financial liabilities on balance-sheet date	3,187	25,890	3,292	32,369
Excess of financial assets over financial liabilities	170	1,718	1	1,889
Total indexation balance (incl. forwards and options in term of basis assets) ³	170	1,718	1	1,889
Rate of income on assets (percent) ⁴	5.05	7.85	13.81	8.32
Rate of expenditure on liabilities (percent) ⁴	-3.88	-7.36	-12.14	-7.83
Interest-rate differential	1.17	0.50	1.67	0.49

Problem borrowers	30.09.2005	31.12.2004
Total credit risk dew to problem borrowers	1,374	1,415
Total credit to problem borrowers	1,284	1,319

Main financial ratios - consolidated (percent)	30.09.2005	31.12.2004
Equity/balance-sheet ratio	5.15	5.20
Financial capital/equity ratio	106.90	101.26
Equity/risk-weighted-assets ratio	9.84	9.67
Return on equity (net profit/gross weighted-capital ratio) ⁵	8.20	7.50
Operating income/operating expenses ratio ⁶	73.38	77.27

¹ See note 5.1.7 in the introduction² 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.