



**Statement for 31/12/2005 on consolidated basis**  
**Bank Massad Ltd. and its subsidiaries, Main data, NIS million**

Taken from the annual report to 31.12.2005, 2004-2005:reported amounts (2003:adjusted to CPI for 12.2003)

Summary consolidated balance sheet	End of year			Banking group's share of the banking system		
	2005	2004	2003	2005	2004	2003
Cash and deposits in banks <sup>(1)</sup>	637	996	1,111	0.4%	0.7%	0.7%
Securities	785	704	622	0.5%	0.5%	0.5%
Credit to the public	1,315	1,005	946	0.2%	0.2%	0.2%
Credit to the government	0	0	0	0.0%	0.0%	0.0%
Investments in companies included on an equity basis	0	0	0	0.0%	0.0%	0.0%
Buildings and equipment	59	58	60	0.5%	0.5%	0.6%
Other assets	14	8	8	0.1%	0.0%	0.0%
<b>Total assets</b>	<b>2,809</b>	<b>2,771</b>	<b>2,747</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>
Deposits of the public	2,542	2,523	2,505	0.3%	0.4%	0.4%
Deposits of banks <sup>(1)</sup>	1	5	6	0.0%	0.0%	0.0%
Deposits of the government	0	0	0	0.0%	0.0%	0.0%
Bonds and subordinated notes	0	0	0	0.0%	0.0%	0.0%
Other liabilities	29	17	22	0.1%	0.1%	0.1%
<b>Total liabilities</b>	<b>2,571</b>	<b>2,544</b>	<b>2,533</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Minority shareholders' rights	0	0	0			
Equity	239	227	215	0.5%	0.5%	0.5%

Summary consolidated profit and loss statement	End of year			Banking group's share of the banking system		
	2005	2004	2003	2005	2004	2003
Net interest profit before loan-loss provision	105.0	110.0	109.9	0.5%	0.5%	0.6%
Loan-loss provision	19.6	13.1	10.4	0.5%	0.3%	0.2%
Operating and other income	78.0	69.4	63.2	0.6%	0.6%	0.6%
Of which: Operating income	52.9	49.0	46.8	0.5%	0.5%	0.5%
Operating and other expenses	128.2	114.8	113.5	0.6%	0.6%	0.6%
Of which: Salaries and related expenses	68.8	59.0	57.8	0.5%	0.5%	0.5%
Inflation adjustments			2.1			
Ordinary profit before-tax provision	35.2	51.5	51.3	0.4%	0.6%	0.9%
Provision for taxes on ordinary profit	13.0	23.4	24.0	0.3%	0.7%	0.9%
Ordinary after-tax profit	22.2	28.1	27.3	0.4%	0.6%	0.9%
Bank's share in the profit of subsidiaries	0.0	0.0	0.0			
Minority shareholders' share in profit of consolidated companies	0.0	0.0	0.0			
Extraordinary after-tax profit	7.4	0.0	0.3			
<b>Net profit</b>	<b>29.6</b>	<b>28.1</b>	<b>27.6</b>	<b>0.4%</b>	<b>0.5%</b>	<b>0.9%</b>

Balances and rates of return on financial items by indexation base on 31.12.2005	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>(2)</sup>	Total financial items
Balance of financial assets on balance-sheet date	1,910	628	212	2,751
Balance of financial liabilities on balance-sheet date	1,777	581	213	2,571
Excess of financial assets over financial liabilities	134	47	-1	180
Total indexation balance (incl. Forwards <sup>(3)</sup> and options in term of basis assets)	98	48	35	180
Options at the money and out of the money (net, capitalized nominal value)	0	0	0	0
Rate of income on assets (% <sup>(4)</sup> )	6.29	7.06	6.14	6.48
Rate of expenses on liabilities (% <sup>(4)</sup> )	-2.24	-5.83	-3.75	-3.26
Interest-rate spread	4.05	1.23	2.40	3.22

Internal rate of return on assets (%)	6.66	4.97	5.51	
Internal rate of return on liabilities (%)	1.67	3.49	2.67	
Difference	4.99	1.48	2.84	
Average duration of assets (years)	0.40	3.28	1.03	1.10
Average duration of liabilities (years)	0.58	3.45	0.28	1.23
Difference	-0.18	-0.17	0.75	-0.13

<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> including hedging, embedded and ALM derivatives.



## Statement for 31/12/2005 on consolidated basis

### Bank Massad Ltd., Additional data

(NIS millions, reported amounts)

Additional data	2005	2004
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#### Total off-balance-sheet and credit risk

Credit to the public and credit risk	1,506	1,100
Total off-balance-sheet credit risk	807	647
Total credit risk	2,313	1,747
<i>Of which:</i> Total risk of credit for housing loans	0	0
Total risk of credit to construction and real estate industry	107	48

#### Problem borrowers

Total credit risk due to problem borrowers	99	139
<i>Of which:</i> Total credit to problem borrowers	98	135

#### Data on derivatives

Notional amount	216	101
Gross positive fair value	6	2

#### Activity with interested and related parties

Total assets on balance-sheet date	443	559
<i>Of which:</i> credit to the public	8	9
Total liabilities on balance-sheet date (including quasi-capital items)	140	173

#### Branches and personnel

Number of employee posts in Israel, monthly average	247	242
Number of employee posts abroad, monthly average	0	0
Number of branches in Israel	12	11
Number of branches abroad	0	0

#### Main financial ratios, in annual terms (%)

Equity/risk-weighted-assets ratio	12.39	15.11
Equity/balance-sheet ratio	8.49	8.18
Financial capital/equity capital ratio	75.43	74.27
Ratio of problem loans to total credit to the public	7.38	13.33
Return on equity (net profit/gross weighted capital ratio)	13.10	13.10
Non-interest income/operating expenses ratio	60.84	60.45
Ratio of loan-loss provision to total credit to the public	1.48	1.29