



## Statement for 31/12/2005 - bank

## "Hesech" Kupat Hisachon Lehinuch Ltd., Haifa , 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 balance sheet	End of year		
	2005	2004	2003
Cash and deposits in banks	14	15	16
Securities	0	0	0
Credit to the public	212	215	211
Credit to the government	0	0	0
Investments in companies included on an equity basis	0	0	0
Buildings and equipment	1	1	1
Other assets	0	0	0
<b>Total assets</b>	<b>227</b>	<b>231</b>	<b>228</b>
Deposits of the public	152	156	160
Deposits of banks	0	0	0
Deposits of the government	0	0	0
Bonds and subordinated notes	0	0	0
Other liabilities	0	0	0
<b>Total liabilities</b>	<b>152</b>	<b>156</b>	<b>160</b>
Quasi-capital items	0	0	0
Equity	74	75	67

Summary profit and loss statement	End of year		
	2005	2004	2003
Net interest profit before loan-loss provision	13	10	8
Loan-loss provision	0	0	3
Operating and other income	0	0	0
<i>Of which: Operating income</i>	0	0	0
Operating and other expenses	1	1	1
<i>Of which: Salaries and related expenses</i>	1	1	1
Inflation adjustments			1
Ordinary profit-before-tax provision	12	9	5
Provision for taxes on ordinary profit	0	0	0
Ordinary after-tax profit	12	9	5
Bank's share in the profit of subsidiaries	0	0	0
Extraordinary after-tax profit	0	0	0
<b>Net profit</b>	<b>12</b>	<b>9</b>	<b>5</b>

Balances and rates of return on financial items by indexation base on 31.12.2005	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>(1)</sup>	Total financial items
Balance of financial assets on balance-sheet date	14	212	0	226
Balance of financial liabilities on balance-sheet date	0	152	0	152
Excess of financial assets over financial liabilities	14	60	0	74
Total indexation balance (incl. forwards and options in term of basis assets) <sup>(2)</sup>	14	60	0	74
Options at the money and out of the money (net, capitalized nominal value)	0	0	0	0
Rate of income on assets (%) <sup>(3)</sup>	3.48	10.15	0.00	9.84
Rate of expenses on liabilities (%) <sup>(3)</sup>	0.00	-7.90	0.00	-7.90
Interest-rate spread	3.48	2.25	0.00	1.94

Additional data	2005	2004
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## Problem borrowers

Total credit risk due to problem borrowers	0	0
<i>Of which: Total credit to problem borrowers</i>	0	0

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

Equity/balance-sheet ratio	32.88	32.37
Financial capital/equity capital ratio	99.05	98.96
Equity/risk-weighted-assets ratio	69.60	68.60
Return on equity (net profit/gross weighted capital ratio)	15.50	12.40
Non-interest income/operating expenses ratio	15.08	15.90

<sup>(1)</sup> Including foreign-currency indexed NIS.<sup>(2)</sup> Forwards transactions.<sup>(3)</sup> including hedging, embedded and ALM derivatives.