



**Statement for 31/12/2005 on consolidated basis**  
**Leumi Mortgage Bank 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>	14	152	20	0.0%	0.1%	0.0%
Securities	28	0	0	0.0%	0.0%	0.0%
Credit to the public	32,846	31,758	31,098	5.6%	5.6%	5.5%
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	39	42	37	0.3%	0.4%	0.4%
Other assets	163	183	194	0.7%	0.8%	0.8%
<b>Total assets</b>	<b>33,090</b>	<b>32,135</b>	<b>31,349</b>	<b>3.7%</b>	<b>3.8%</b>	<b>3.8%</b>
Deposits of the public	8,853	7,528	7,430	1.2%	1.1%	1.1%
Deposits of banks <sup>(1)</sup>	19,336	20,833	20,427	32.3%	33.1%	35.0%
Deposits of the government	418	614	602	3.0%	3.9%	3.6%
Bonds and subordinated notes	2,398	1,367	1,207	4.5%	3.3%	3.1%
Other liabilities	344	123	95	1.0%	0.4%	0.3%
<b>Total liabilities</b>	<b>31,349</b>	<b>30,465</b>	<b>29,761</b>	<b>3.7%</b>	<b>3.8%</b>	<b>3.8%</b>
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Minority shareholders' rights	0	0	0			
Equity	1,741	1,670	1,588	3.5%	3.6%	3.7%

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	370.0	365.0	334.0	1.7%	1.8%	1.8%
Loan-loss provision	106.0	90.0	122.0	2.5%	1.7%	1.9%
Operating and other income	133.0	136.0	134.0	1.0%	1.1%	1.2%
Of which: Operating income	131.0	134.0	129.0	1.3%	1.4%	1.4%
Operating and other expenses	188.0	176.0	160.0	0.9%	0.9%	0.9%
Of which: Salaries and related expenses	94.0	82.0	80.0	0.7%	0.7%	0.7%
Inflation adjustments			24.0			
Ordinary profit before-tax provision	209.0	235.0	210.0	2.2%	3.0%	3.7%
Provision for taxes on ordinary profit	83.0	113.0	100.0	2.1%	3.2%	3.9%
Ordinary after-tax profit	126.0	122.0	110.0	2.3%	2.7%	3.4%
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	0.0	0.0	0.0			
<b>Net profit</b>	<b>126.0</b>	<b>122.0</b>	<b>110.0</b>	<b>1.9%</b>	<b>2.3%</b>	<b>3.5%</b>

Balances and rates of return on financial items by indexation base on 31.12.2005	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>(2)</sup>	Total financial items
Balance of financial assets on balance-sheet date	3,657	26,412	2,968	33,037
Balance of financial liabilities on balance-sheet date	2,773	25,384	3,000	31,157
Excess of financial assets over financial liabilities	884	1,028	-32	1,880
Total indexation balance (incl. Forwards <sup>(3)</sup> and options in term of basis assets)	884	1,028	-32	1,880
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>	5.05	7.92	12.19	8.14
Rate of expenses on liabilities (%) <sup>(4)</sup>	-4.15	-7.45	-10.54	-7.67
Interest-rate spread	0.89	0.47	1.65	0.48

Internal rate of return on assets (%)	5.99	5.45	6.36	
Internal rate of return on liabilities (%)	4.86	5.29	4.69	
Difference	1.13	0.16	1.67	
Average duration of assets (years)	0.20	4.76	0.28	3.85
Average duration of liabilities (years)	0.43	4.08	0.23	3.67
Difference	-0.23	0.68	0.05	0.18

<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**  
**Leumi Mortgage Bank 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	32,846	31,758
Total off-balance-sheet credit risk	4,127	3,318
Total credit risk	36,973	35,076
<i>Of which:</i> Total risk of credit for housing loans	30,095	28,116
Total risk of credit to construction and real estate industry	679	843

**Problem borrowers**

Total credit risk dew to problem borrowers	1,384	1,415
<i>Of which:</i> Total credit to problem borrowers	1,288	1,319

**Data on derivatives**

Notional amount	0	0
Gross positive fair value	0	0

**Activity with interested and related parties**

Total assets on balance-sheet date	0	129
<i>Of which:</i> credit to the public	0	0
Total liabilities on balance-sheet date (including quasi-capital items)	18,894	19,281

**Branches and personnel**

Number of employee posts in Israel, monthly average	443	429
Number of employee posts abroad, monthly average	0	0
Number of branches in Israel	13	10
Number of branches abroad	0	0

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

Equity/risk-weighted-assets ratio	9.53	9.67
Equity/balance-sheet ratio	5.26	5.20
Financial capital/equity capital ratio	107.98	101.26
Ratio of problem loans to total credit to the public	3.92	4.15
Return on equity (net profit/gross weighted capital ratio)	7.60	7.70
Non-interest income/operating expenses ratio	70.74	77.27
Ratio of loan-loss provision to total credit to the public	0.32	0.28