

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

Taken from the quarterly report to 31.03.2006, reported amounts



Summary balance sheet	31.03.2006	31.12.2005	Bank's share of the banking system	
			00.01.1900	00.01.1900
Cash and deposits in banks ¹	11	14	0.0%	0.0%
Securities	0	0	0.0%	0.0%
Credit to the public	215	212	0.0%	0.0%
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	1	1	0.0%	0.0%
Other assets	0	0	0.0%	0.0%
Total assets	227	227	0.0%	0.0%
Deposits of the public	150	152	0.0%	0.0%
Deposits of banks ¹	0	0	0.0%	0.0%
Deposits of the government	0	0	0.0%	0.0%
Bonds and subordinated notes	0	0	0.0%	0.0%
Other liabilities	0	0	0.0%	0.0%
Total liabilities	151	152	0.0%	0.0%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	76	74	0.0%	0.0%

Summary profit and loss statement	Three months to		Bank's share of the banking system	
	31.03.2006	31.03.2005	00.01.1900	00.01.1900
Net interest profit before loan-loss provision	2.7	2.2	0.0%	0.0%
Loan-loss provision	0.3	0.4	0.0%	0.0%
Operating and other income	0.0	0.1	0.0%	0.0%
Of which: Operating income	0.0	0.0	0.0%	0.0%
Operating and other expenses	0.4	0.3	0.0%	0.0%
Of which: Salaries and related expenses	0.2	0.2	0.0%	0.0%
Ordinary before-tax provision	2.1	1.6	0.0%	0.0%
Provision for taxes on ordinary profit	0.0	0.0	0.0%	0.0%
Ordinary after-tax profit	2.1	1.6	0.0%	0.0%
Bank's share in the profit of subsidiaries	0.0	0.0		
Share of minority shareholders in profit of consolidated companies	0.0	0.0		
Extraordinary after-tax profit	0.0	0.0		
Net profit	2.1	1.6	0.0%	0.0%

Balances and rates of return on financial items by indexation base on 31.03.2006	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	11	215	0	226
Balance of financial liabilities on balance-sheet date	0	150	0	151
Excess of financial assets over financial liabilities	11	65	0	76
Total indexation balance(incl.forwards and options in term of basis assets) ³	11	65	0	76
Rate of income on assets (percent) ⁴	4.83	8.05	0.00	7.89
Rate of expenditure on liabilities(percent) ⁴	0.00	-5.54	0.00	-5.54
Interest-rate differential	4.83	2.51	0.00	2.35

Problem borrowers	31.03.2006	31.12.2005
Total credit risk dew to problem borrowers	0	0
Total credit to problem borrowers	0	0

Main financial ratios (percent)	31.03.2006	31.12.2005
Equity/balance-sheet ratio	33.64	32.88
Financial capital/equity ratio	99.08	99.05
Equity/risk-weighted-assets ratio	70.80	69.60
Return on equity (net profit/gross weighted-capital ratio) ⁵	11.38	15.50
Operating income/operating expenses ratio ⁶	10.88	15.08

¹ See note 5.1.7 in the introduction

² Including foreign-currency indexed NIS.

³ Forwards transactions.

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

⁵ Annual basis.

⁶ For three months. Comparative data are annual.