

Statement for the second quarter - consolidated Bank Leumi Le-Israel B.M. and its subsidiaries , Main data, NIS millior

Taken from the quarterly report to 30.06.2006, reported amounts



Summary consolidated balance sheet	30.06.2006	31.12.2005	Bank's share of the banking system	
			30.06.2006	31.12.2005
Cash and deposits in banks ¹	34,335	35,381	28.1%	28.9%
Securities	47,787	47,825	30.1%	31.3%
Credit to the public	177,974	177,255	30.2%	30.3%
Credit to the government	691	848	23.5%	25.0%
Investments in companies included on an equity basis	1,224	2,064	31.9%	46.8%
Buildings and equipment	2,951	2,843	25.6%	25.4%
Other assets	7,426	6,608	27.8%	29.2%
Total assets	272,388	272,824	29.8%	30.3%
Deposits of the public	219,372	221,828	29.8%	30.5%
Deposits of banks ¹	6,258	4,347	27.2%	19.3%
Deposits of the government	1,796	2,225	14.4%	15.9%
Bonds and subordinated notes	17,022	17,253	32.4%	32.3%
Other liabilities	10,435	10,966	29.7%	33.4%
Total liabilities	254,883	256,619	29.6%	30.2%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	154	205		
Equity	17,351	16,000	32.7%	32.2%

Summary consolidated profit and loss statement	Six months to		Bank's share of the banking system		Three months to 30.06.2006
	30.06.2006	30.06.2005	Six months to		
	30.06.2006	30.06.2005	30.06.2006	30.06.2005	30.06.2006
Net interest profit before loan-loss provision	3,441.0	3,197.0	30.3%	29.9%	1,796.0
Loan-loss provision	386.0	939.0	24.9%	38.8%	185.0
Operating and other income	1,955.0	1,793.0	27.4%	28.4%	1,015.0
Of which: Operating income	1,478.0	1,389.0	26.8%	27.7%	736.0
Operating and other expenses	3,701.0	2,849.0	29.6%	27.5%	1,880.0
Of which: Salaries and related expenses	2,441.0	1,719.0	31.0%	27.7%	1,252.0
Ordinary before-tax provision	1,309.0	1,202.0	29.3%	28.4%	746.0
Provision for taxes on ordinary profit	638.0	405.0	30.5%	24.2%	398.0
Ordinary after-tax profit	671.0	797.0	27.9%	31.2%	348.0
Bank's share in the profit of subsidiaries	98.0	261.0			20.0
Share of minority shareholders in profit of consolidated companies	-2.0	14.0			-1.0
Extraordinary after-tax profit	723.0	34.0			11.0
Net profit	1,490.0	1,106.0	33.0%	32.0%	378.0

Balances and rates of return on financial items by indexation base on 30.06.2006	Unindexed NIS	CPI-indexed NIS	Foreign Currency ²	Total financial items
Balance of financial assets on balance-sheet date	84,146	57,358	122,121	263,625
Balance of financial liabilities on balance-sheet date	85,228	49,852	117,831	252,911
Excess of financial assets over financial liabilities	-1,082	7,506	4,290	10,714
Total indexation balance(incl.forwards and options in term of basis assets) ³	6,810	3,838	66	10,714
Rate of income on assets (percent) ⁴	6.61	7.80	0.27	3.40
Rate of expenditure on liabilities(percent) ⁴	-3.58	-6.72	0.95	-1.54
Interest-rate differential	3.03	1.07	1.22	1.86

Problem borrowers	30.06.2006	31.12.2005
Total credit risk dew to problem borrowers	20,212	19,883
Total credit to problem borrowers	18,083	17,669

Main financial ratios - consolidated (percent)	30.06.2006	31.12.2005
Equity/balance-sheet ratio	6.37	5.86
Financial capital/equity ratio	61.75	62.06
Equity/risk-weighted-assets ratio	12.10	11.55
Return on equity (net profit/gross weighted-capital ratio) ⁵	19.50	14.30
Operating income/operating expenses ratio ⁶	52.82	61.25

¹ See note 5.1.7 in the introduction

² Including foreign-currency indexed NIS.

³ Forwards transactions.

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

⁵ Annual basis.

⁶ For six months. Comparative data are annual.