

Statement for the second quarter - consolidated Bank Hapoalim B.M and its subsidiaries , Main data, NIS million

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	39,927	41,062	32.7%	33.6%
Securities	42,123	33,813	26.6%	22.1%
Credit to the public	187,054	185,133	31.8%	31.7%
Credit to the government	926	1,193	31.5%	35.2%
Investments in companies included on an equity basis	743	662	19.3%	15.0%
Buildings and equipment	3,744	3,729	32.5%	33.3%
Other assets	9,815	7,715	36.7%	34.1%
Total assets	284,332	273,307	31.1%	30.3%
Deposits of the public	226,707	213,892	30.8%	29.4%
Deposits of banks ¹	3,574	6,424	15.5%	28.5%
Deposits of the government	2,929	3,363	23.5%	24.0%
Bonds and subordinated notes	19,791	21,361	37.7%	40.0%
Other liabilities	13,501	11,483	38.5%	35.0%
Total liabilities	266,502	256,523	31.0%	30.2%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	564	547		
Equity	17,266	16,237	32.5%	32.7%

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	30.06.2006	30.06.2005	
Net interest profit before loan-loss provision	3,935.0	3,633.0	34.6%	34.0%	2,049.0
Loan-loss provision	538.0	794.0	34.6%	32.8%	296.0
Operating and other income	2,587.0	2,180.0	36.3%	34.6%	1,304.0
Of which: Operating income	1,983.0	1,687.0	35.9%	33.7%	1,000.0
Operating and other expenses	3,730.0	3,400.0	29.9%	32.8%	1,829.0
Of which: Salaries and related expenses	2,166.0	1,987.0	27.5%	32.0%	1,039.0
Ordinary before-tax provision	2,254.0	1,619.0	50.5%	38.3%	1,228.0
Provision for taxes on ordinary profit	987.0	654.0	47.2%	39.1%	565.0
Ordinary after-tax profit	1,267.0	965.0	52.7%	37.8%	663.0
Bank's share in the profit of subsidiaries	50.0	52.0			18.0
Share of minority shareholders in profit of consolidated companies	-34.0	-47.0			-17.0
Extraordinary after-tax profit	559.0	552.0			1.0
Net profit	1,842.0	1,522.0	40.8%	44.0%	665.0

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	97,706	59,632	120,485	277,823
Balance of financial liabilities on balance-sheet date	100,094	46,944	118,909	265,947
Excess of financial assets over financial liabilities	-2,388	12,688	1,576	11,876
Total indexation balance(incl.forwards and options in term of basis assets) ³	6,246	5,327	303	11,876
Rate of income on assets (percent) ⁴	6.42	7.88	3.16	4.63
Rate of expenditure on liabilities(percent) ⁴	-3.54	-6.75	-2.54	-3.30
Interest-rate differential	2.88	1.13	0.62	1.34

Problem borrowers	30.06.2006	31.12.2005
Total credit risk dew to problem borrowers	19,556	21,204
Total credit to problem borrowers	17,766	19,057

Main financial ratios - consolidated (percent)	30.06.2006	31.12.2005
Equity/balance-sheet ratio	6.07	5.94
Financial capital/equity ratio	68.78	69.81
Equity/risk-weighted-assets ratio	10.37	10.62
Return on equity (net profit/gross weighted-capital ratio) ⁵	23.90	19.00
Operating income/operating expenses ratio ⁶	69.36	65.33

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.