

## Statement for the second quarter - bank Industrial Dev. Bank Ltd. , Main data, NIS million

Taken from the quarterly report to 30.06.2006, reported amounts



Summary 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 <sup>1</sup>	80	73	0.1%	0.1%
Securities	53	63	0.0%	0.0%
Credit to the public	7,115	7,681	1.2%	1.3%
Credit to the government	885	887	30.1%	26.2%
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	13	16	0.0%	0.1%
<b>Total assets</b>	<b>8,147</b>	<b>8,721</b>	<b>0.9%</b>	<b>1.0%</b>
Deposits of the public	87	178	0.0%	0.0%
Deposits of banks <sup>1</sup>	938	1,049	4.1%	4.7%
Deposits of the government	6,519	6,883	52.4%	49.1%
Bonds and subordinated notes	541	357	1.0%	0.7%
Other liabilities	55	56	0.2%	0.2%
<b>Total liabilities</b>	<b>8,140</b>	<b>8,524</b>	<b>0.9%</b>	<b>1.0%</b>
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	8	197	0.0%	0.4%

Summary profit and loss statement	Three months to		Bank's share of the banking system		Three months to
	30.06.2006	30.06.2005	30.06.2006	30.06.2005	
Net interest profit before loan-loss provision	11.5	29.1	0.1%	0.3%	6.9
Loan-loss provision	19.5	21.2	1.3%	0.9%	8.3
Operating and other income	14.2	11.6	0.2%	0.2%	10.3
Of which: Operating income	0.7	1.2	0.0%	0.0%	0.4
Operating and other expenses	16.5	26.3	0.1%	0.3%	8.5
Of which: Salaries and related expenses	9.3	15.4	0.1%	0.2%	4.8
Ordinary before-tax provision	-10.3	-6.8	not calculated	not calculated	0.4
Provision for taxes on ordinary profit	0.0	0.0	0.0%	0.0%	0.0
Ordinary after-tax profit	-10.3	-6.8	not calculated	לא חושב	0.4
Bank's share in the profit of subsidiaries	0.0	0.0			0.0
Share of minority shareholders 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>-10.3</b>	<b>-6.8</b>	<b>not calculated</b>	<b>not calculated</b>	<b>0.4</b>

Balances and rates of return on financial items by indexation base on 30.06.2006	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>2</sup>	Total financial items
Balance of financial assets on balance-sheet date	374	1,359	6,361	8,094
Balance of financial liabilities on balance-sheet date	984	410	6,745	8,138
Excess of financial assets over financial liabilities	-609	948	-384	-45
Total indexation balance(incl.forwards and options in term of basis assets) <sup>3</sup>	-461	909	-492	-45
Rate of income on assets (percent) <sup>4</sup>	5.81	7.48	-0.05	0.93
Rate of expenditure on liabilities(percent) <sup>4</sup>	-4.81	-5.13	0.11	-0.78
Interest-rate differential	1.00	2.36	0.06	0.15

Problem borrowers	30.06.2006	31.12.2005
Total credit risk dew to problem borrowers	704	799
Total credit to problem borrowers	603	725

Main financial ratios (percent)	30.06.2006	31.12.2005
Equity/balance-sheet ratio	0.10	2.26
Financial capital/equity ratio	-570.51	68.29
Equity/risk-weighted-assets ratio	0.79	-0.74
Return on equity (net profit/gross weighted-capital ratio) <sup>5</sup>	לא חושב	-4.22
Operating income/operating expenses ratio <sup>6</sup>	86.06	41.36

<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> Six-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.<sup>5</sup> Annual basis.<sup>6</sup> For six months. Comparative data are annual.