

Statement for the second quarter - consolidated Discount Mortgage Bank 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	313	241	0.2%	0.2%
Securities	1	1	0.0%	0.0%
Credit to the public	9,999	10,024	1.7%	1.7%
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	18	17	0.2%	0.2%
Other assets	43	72	0.2%	0.3%
Total assets	10,374	10,355	1.1%	1.1%
Deposits of the public	1,532	1,640	0.2%	0.2%
Deposits of banks ¹	7,582	7,543	14.4%	12.6%
Deposits of the government	38	37	0.3%	0.3%
Bonds and subordinated notes	299	242	0.6%	0.5%
Other liabilities	86	84	0.2%	0.3%
Total liabilities	9,537	9,546	1.1%	1.1%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	837	809	1.6%	1.6%

Summary consolidated profit and loss statement	Six months to		Bank's share of the banking system		Three months to
	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	81.0	79.0	0.7%	0.7%	36.0
Loan-loss provision	19.0	45.0	1.2%	1.9%	8.0
Operating and other income	25.0	26.0	0.4%	0.4%	12.0
Of which: Operating income	25.0	26.0	0.5%	0.5%	12.0
Operating and other expenses	45.0	39.0	0.4%	0.4%	22.0
Of which: Salaries and related expenses	24.0	22.0	0.3%	0.4%	12.0
Ordinary before-tax provision	42.0	21.0	0.9%	0.5%	18.0
Provision for taxes on ordinary profit	14.0	8.0	0.7%	0.5%	4.0
Ordinary after-tax profit	28.0	13.0	1.2%	0.5%	14.0
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
Net profit	28.0	13.0	0.6%	0.4%	14.0

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	724	8,475	1,156	10,355
Balance of financial liabilities on balance-sheet date	450	7,872	1,180	9,502
Excess of financial assets over financial liabilities	274	603	-24	853
Total indexation balance(incl.forwards and options in term of basis assets) ³	108	603	142	853
Rate of income on assets (percent) ⁴	5.10	7.98	0.49	6.86
Rate of expenditure on liabilities(percent) ⁴	-5.41	-7.42	0.32	-6.32
Interest-rate differential	-0.32	0.55	0.81	0.54

Problem borrowers	30.06.2006	31.12.2005
Total credit risk dew to problem borrowers	1,011	1,061
Total credit to problem borrowers	800	854

Main financial ratios - consolidated (percent)	30.06.2006	31.12.2005
Equity/balance-sheet ratio	8.07	7.81
Financial capital/equity ratio	101.91	101.98
Equity/risk-weighted-assets ratio	12.00	11.30
Return on equity (net profit/gross weighted-capital ratio) ⁵	7.10	3.30
Operating income/operating expenses ratio ⁶	55.56	58.70

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.