

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

Taken from the quarterly report to 30.09.2006, reported amounts



Summary consolidated balance sheet	30.09.2006	31.12.2005	Bank's share of the banking system	
			30.09.2006	31.12.2005
Cash and deposits in banks ¹	36,261	41,062	28.4%	33.6%
Securities	43,348	33,813	27.4%	22.1%
Credit to the public	180,034	185,133	30.6%	31.7%
Credit to the government	794	1,193	29.4%	35.2%
Investments in companies included on an equity basis	769	662	19.6%	15.0%
Buildings and equipment	3,650	3,729	30.9%	33.3%
Other assets	8,242	7,715	33.9%	34.1%
Total assets	273,098	273,307	29.8%	30.3%
Deposits of the public	216,872	213,892	29.2%	29.4%
Deposits of banks ¹	4,924	6,424	20.2%	28.5%
Deposits of the government	2,815	3,363	22.4%	24.2%
Bonds and subordinated notes	19,226	21,361	37.3%	40.0%
Other liabilities	11,136	11,483	36.7%	34.9%
Total liabilities	254,973	256,523	29.6%	30.2%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	383	547		
Equity	17,742	16,237	32.0%	32.7%

Summary consolidated profit and loss statement	Nine months to		Bank's share of the banking system		Three months to
	30.09.2006	30.09.2005	Nine months to		
	30.09.2006	30.09.2005	30.09.2006	30.09.2005	30.09.2006
Net interest profit before loan-loss provision	5,956.0	5,632.0	34.7%	34.1%	2,013.0
Loan-loss provision	811.0	1,016.0	34.4%	32.0%	273.0
Operating and other income	3,744.0	3,412.0	36.2%	34.5%	1,162.0
Of which: Operating income	2,922.0	2,618.0	35.7%	34.2%	944.0
Operating and other expenses	5,610.0	5,176.0	30.7%	32.5%	1,877.0
Of which: Salaries and related expenses	3,297.0	3,049.0	29.0%	31.7%	1,123.0
Ordinary before-tax provision	3,279.0	2,852.0	47.3%	39.0%	1,025.0
Provision for taxes on ordinary profit	1,452.0	1,191.0	44.9%	39.7%	465.0
Ordinary after-tax profit	1,827.0	1,661.0	49.4%	38.6%	560.0
Bank's share in the profit of subsidiaries	81.0	84.0			31.0
Share of minority shareholders in profit of consolidated companies	-49.0	-64.0			-15.0
Extraordinary after-tax profit	751.0	593.0			192.0
Net profit	2,610.0	2,274.0	38.3%	42.7%	768.0

Balances and rates of return on financial items by indexation base on 30.09.2006	Unindexed NIS	CPI-indexed NIS	Foreign Currency ²	Total financial items
Balance of financial assets on balance-sheet date	93,491	57,161	115,798	266,450
Balance of financial liabilities on balance-sheet date	96,464	44,115	113,855	254,434
Excess of financial assets over financial liabilities	-2,973	13,046	1,943	12,016
Total indexation balance(incl.forwards and options in term of basis assets) ³	6,498	4,738	780	12,016
Rate of income on assets (percent) ⁴	6.70	7.18	1.03	3.33
Rate of expenditure on liabilities(percent) ⁴	-3.76	-6.11	-0.41	-1.96
Interest-rate differential	2.93	1.07	0.62	1.38

Problem borrowers	30.09.2006	31.12.2005
Total credit risk dew to problem borrowers	18,235	21,204
Total credit to problem borrowers	16,462	19,057

Main financial ratios - consolidated (percent)	30.09.2006	31.12.2005
Equity/balance-sheet ratio	6.50	5.94
Financial capital/equity ratio	67.73	69.81
Equity/risk-weighted-assets ratio	10.62	10.62
Return on equity (net profit/gross weighted-capital ratio) ⁵	22.00	19.00
Operating income/operating expenses ratio ⁶	66.74	65.38

¹ See note 5.1.7 in the introduction² Including foreign-currency indexed NIS.³ Forwards transactions.⁴ Nine-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.⁵ Annual basis.⁶ For nine months. Comparative data are annual.