

Statement for the third quarter - consolidated
Bank of Jerusalem Ltd. 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	797	459	0.6%	0.4%
Securities	986	919	0.6%	0.6%
Credit to the public	6,319	6,235	1.1%	1.1%
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	47	49	0.4%	0.4%
Other assets	57	20	0.2%	0.1%
Total assets	8,206	7,683	0.9%	0.9%
Deposits of the public	6,755	6,392	0.9%	0.9%
Deposits of banks ¹	193	289	0.8%	1.3%
Deposits of the government	19	28	0.1%	0.2%
Bonds and subordinated notes	695	497	1.3%	0.9%
Other liabilities	93	65	0.3%	0.2%
Total liabilities	7,755	7,271	0.9%	0.9%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	451	411	0.8%	0.8%

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	111.5	95.9	0.6%	0.6%	39.4
Loan-loss provision	13.7	9.6	0.6%	0.3%	4.2
Operating and other income	68.7	78.7	0.7%	0.8%	20.6
Of which: Operating income	68.3	77.4	0.8%	1.0%	20.4
Operating and other expenses	121.6	118.0	0.7%	0.7%	38.1
Of which: Salaries and related expenses	78.1	73.4	0.7%	0.8%	23.6
Ordinary before-tax provision	44.9	47.0	0.6%	0.6%	17.7
Provision for taxes on ordinary profit	17.3	18.3	0.5%	0.6%	7.6
Ordinary after-tax profit	27.6	28.7	0.7%	0.7%	10.1
Bank's share in the profit of subsidiaries	0.0	-0.8			0.0
Share of minority shareholders in profit of consolidated companies	0.0	0.0			0.0
Extraordinary after-tax profit	26.4	0.0			0.1
Net profit	54.0	27.9	0.8%	0.5%	10.2

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	3,249	3,580	1,324	8,153
Balance of financial liabilities on balance-sheet date	2,828	3,677	1,236	7,742
Excess of financial assets over financial liabilities	421	-98	88	411
Total indexation balance(incl. forwards and options in term of basis assets) ³	256	147	9	411
Rate of income on assets (percent) ⁴	5.82	7.30	-0.27	5.53
Rate of expenditure on liabilities(percent) ⁴	-4.60	-6.57	4.01	-4.15
Interest-rate differential	1.22	0.73	3.74	1.38

Problem borrowers	30.09.2006	31.12.2005
Total credit risk dew to problem borrowers	377	368
Total credit to problem borrowers	346	336

Main financial ratios - consolidated (percent)	30.09.2006	31.12.2005
Equity/balance-sheet ratio	5.50	5.35
Financial capital/equity ratio	91.11	90.54
Equity/risk-weighted-assets ratio	11.90	11.80
Return on equity (net profit/gross weighted-capital ratio) ⁵	15.50	10.00
Operating income/operating expenses ratio ⁶	56.50	66.29

¹ See note 5.1.7 in the introduction

² 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.