

## Statement for the third quarter - bank Hesech" Kupat Hisachon Lehinuch Ltd., Haifa , Main data, NIS million

Taken from the quarterly report to 30.09.2006, reported amounts



Summary balance sheet	30.09.2006	31.12.2005
Cash and deposits in banks <sup>1</sup>	14	14
Securities	0	0
Credit to the public	208	212
Credit to the government	0	0
Investments in companies included on an equity basis	0	0
Buildings and equipment	1	1
Other assets	0	0
<b>Total assets</b>	<b>222</b>	<b>227</b>
Deposits of the public	150	152
Deposits of banks <sup>1</sup>	0	0
Deposits of the government	0	0
Bonds and subordinated notes	0	0
Other liabilities	0	0
<b>Total liabilities</b>	<b>150</b>	<b>152</b>
Quasi-capital items	0	0
Minority shareholders' rights	0	0
Equity	73	74

Summary profit and loss statement	Nine months to		Three months to
	30.09.2006	30.09.2005	30.09.2006
Net interest profit before loan-loss provision	9.0	9.4	2.7
Loan-loss provision	-0.4	0.2	-0.1
Operating and other income	0.1	0.2	0.0
Of which: Operating income	0.1	0.1	0.0
Operating and other expenses	1.1	1.1	0.3
Of which: Salaries and related expenses	0.7	0.6	0.2
Ordinary before-tax provision	8.3	8.4	2.5
Provision for taxes on ordinary profit	0.0	0.0	0.0
Ordinary after-tax profit	8.3	8.4	2.5
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>8.3</b>	<b>8.4</b>	<b>2.5</b>

Balances and rates of return on financial items by indexation base on 30.09.2006	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>(2)</sup>	Total financial items
Balance of financial assets on balance-sheet date	14	208	0	222
Balance of financial liabilities on balance-sheet date	0	150	0	150
Excess of financial assets over financial liabilities	14	58	0	72
Total indexation balance(incl.forwards and options in term of basis assets) <sup>3</sup>	14	58	0	72
Rate of income on assets (percent) <sup>4</sup>	5.05	9.52	0.00	9.29
Rate of expenditure on liabilities(percent) <sup>4</sup>	0.00	-7.21	0.00	-7.21
Interest-rate differential	5.05	2.31	0.00	2.08

Problem borrowers	30.09.2006	31.12.2005
Total credit risk dew to problem borrowers	0	0
Total credit to problem borrowers	0	0

Main financial ratios (percent)	30.09.2006	31.12.2005
Equity/balance-sheet ratio	32.63	32.88
Financial capital/equity ratio	99.09	99.05
Equity/risk-weighted-assets ratio	69.10	69.60
Return on equity (net profit/gross weighted-capital ratio) <sup>5</sup>	14.97	15.50
Operating income/operating expenses ratio <sup>6</sup>	11.22	15.08

<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> Nine-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.

<sup>5</sup> Annual basis.

<sup>6</sup> For nine months. Comparative data are annual.