



**Statement for 31/12/2006 on consolidated basis**  
**Bank Hapoalim Ltd. and its subsidiaries, Main data, NIS million**

Taken from the annual report to 31.12.2006, reported amounts

Summary consolidated balance sheet	End of year			Bank's share of the banking system		
	2006	2005	2004	2006	2005	2004
Cash and deposits in banks <sup>(1)</sup>	39,750	41,062	31,041	28.7%	33.6%	29.2%
Securities	44,456	33,813	36,001	27.3%	22.1%	26.1%
Credit to the public	186,463	193,024	189,652	30.4%	32.0%	32.5%
Credit to the government	743	1,193	1,761	25.3%	35.2%	41.6%
Investments in companies included on an equity basis	821	662	789	20.7%	15.0%	19.6%
Buildings and equipment	3,767	3,729	3,642	31.2%	33.3%	34.3%
Other assets	6,864	7,411	6,012	30.5%	33.7%	28.1%
<b>Total assets</b>	<b>282,864</b>	<b>280,894</b>	<b>268,898</b>	<b>29.6%</b>	<b>30.5%</b>	<b>31.0%</b>
Deposits of the public	217,004	213,892	206,666	28.7%	29.4%	29.8%
Deposits of banks <sup>(1)</sup>	7,662	6,424	7,301	29.3%	28.5%	31.1%
Deposits of the government	2,659	3,363	4,045	21.5%	24.2%	25.8%
Bonds and subordinated notes	18,384	21,361	18,251	36.5%	40.3%	44.3%
Other liabilities	18,229	19,070	16,387	34.2%	37.0%	35.0%
<b>Total liabilities</b>	<b>263,938</b>	<b>264,110</b>	<b>252,650</b>	<b>29.4%</b>	<b>30.4%</b>	<b>30.8%</b>
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Minority shareholders' rights	693	547	1,103			
Equity	18,233	16,237	15,145	32.7%	32.7%	32.9%

Summary consolidated profit and loss statement	End of year			Bank's share of the banking system		
	2006	2005	2004	2006	2005	2004
Net interest profit before loan-loss provision	7,788.0	7,609.0	7,071.0	33.8%	34.2%	34.3%
Loan-loss provision	986.0	1,268.0	1,768.0	31.7%	30.8%	34.4%
Operating and other income	5,162.0	4,600.0	4,215.0	36.6%	34.8%	35.0%
Of which: Operating income	3,888.0	3,548.0	3,217.0	35.2%	34.3%	33.5%
Operating and other expenses	7,632.0	7,025.0	6,388.0	31.0%	32.0%	32.7%
Of which: Salaries and related expenses	4,687.0	4,222.0	3,858.0	30.5%	31.7%	32.3%
Ordinary profit before-tax provision	4,332.0	3,916.0	3,130.0	46.2%	41.8%	39.4%
Provision for taxes on ordinary profit	1,897.0	1,645.0	1,369.0	43.1%	41.3%	39.3%
Ordinary after-tax profit	2,435.0	2,271.0	1,761.0	48.9%	42.1%	39.6%
Bank's share in the profit of subsidiaries	116.0	106.0	101.0			
Minority shareholders' share in profit of consolidated companies	-55.0	-79.0	-52.0			
Extraordinary after-tax profit	863.0	590.0	279.0			
<b>Net profit</b>	<b>3,359.0</b>	<b>2,888.0</b>	<b>2,089.0</b>	<b>37.1%</b>	<b>44.0%</b>	<b>40.2%</b>
Basic earning in NIS per share	2.7	2.3	1.7			

Balances and rates of return on financial items by indexation base on 31.12.2006 - consolidated	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>(2)</sup>	Total financial items
Balance of financial assets on balance-sheet date	100,549	56,109	119,035	275,693
Balance of financial liabilities on balance-sheet date	111,915	42,042	109,438	263,395
Excess of financial assets over financial liabilities	-11,366	14,067	9,597	12,298
Total indexation balance (incl. Forwards <sup>(3)</sup> and options in term of basis assets)	3,828	7,188	1,282	12,298
Options at the money and out of the money (net, capitalized nominal value)	6,560	-118	-6,442	0
Rate of income on assets (%) <sup>(4)</sup>	6.73	5.17	1.28	3.25
Rate of expenses on liabilities (%) <sup>(4)</sup>	-3.85	-4.18	-0.66	-1.91
Interest-rate spread	2.88	0.99	0.62	1.34

Internal rate of return on assets (%)	6.89	5.38	5.15	
Internal rate of return on liabilities (%)	3.81	4.21	3.85	
Difference	3.08	1.17	1.30	
Average duration of assets (years)	0.43	3.60	0.57	1.14
Average duration of liabilities (years)	0.25	3.84	1.41	1.34
Difference	0.18	-0.24	-0.84	-0.20

<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> including hedging, embedded and ALM derivatives.



**Statement for 31/12/2006 on consolidated basis**  
**Bank Hapoalim Ltd., Additional data**  
(NIS millions, reported amounts)

Additional data	2006	2005
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**Total off-balance-sheet and credit risk**

Credit to the public and credit risk	208,393	209,124
Total off-balance-sheet credit risk	137,604	121,339
Total credit risk	345,997	330,463
<i>Of which:</i> Total risk of credit for housing loans	39,413	33,882
Total risk of credit to construction and real estate industry	49,794	45,745

**Problem borrowers**

Total credit risk dew to problem borrowers	17,714	21,204
<i>Of which:</i> Total credit to problem borrowers	15,901	19,057

**Data on derivatives**

Notional amount	471,889	433,124
Gross positive fair value	5,175	5,521

**Activity with interested and related parties**

Total assets on balance-sheet date	4,512	7,104
<i>Of which:</i> credit to the public	3,449	6,366
Total liabilities on balance-sheet date (including quasi-capital items)	5,093	6,057

**Branches and personnel**

Number of employee posts in Israel, monthly average	12,683	12,167
Number of employee posts abroad, monthly average	735	697
Number of branches in Israel	288	316
Number of branches abroad	20	16

**Main financial ratios, in annual terms (%)**

Equity/risk-weighted-assets ratio	10.53	10.47
Equity/balance-sheet ratio	6.45	5.78
Financial capital/equity capital ratio	67.45	69.81
Ratio of problem loans to total credit to the public	8.48	9.81
Return on equity (net profit/gross weighted capital ratio)	20.70	19.00
Non-interest income/operating expenses ratio	67.64	65.48
Ratio of loan-loss provision to total credit to the public	0.53	0.65



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Operating segments - 31/12/2006

		The household segment	The private banking segment <sup>1</sup>	The small businesses segment	The commercial segment <sup>2</sup>	The business sector <sup>3</sup>	Financial management segment	Others and adjustments	Total
Net interest income before loan-loss provision	Median	2,439	-842	1,415	827	3,544	405	0	7,788
	Between sectors	-391	2,215	-399	-346	-1,410	331	0	0
Operating and other income:	Median	1,601	1,563	541	140	448	218	651	5,162
	Between sectors	-81	-185	-46	-28	-17	0	357	0
<b>Total income</b>		<b>3,568</b>	<b>2,751</b>	<b>1,511</b>	<b>593</b>	<b>2,565</b>	<b>954</b>	<b>1,008</b>	<b>12,950</b>
Loan-loss provision		130	21	194	163	478	0	0	986
Operating and other expenses:	Median	2,911	1,866	894	192	521	293	955	7,632
	Between sectors	-223	29	37	53	91	0	13	0
Ordinary before-tax profit		750	835	386	185	1,475	661	40	4,332
Ordinary net profit		375	451	214	102	846	483	25	2,496
Extraordinary net profit		223	484	45	28	0	81	2	863
Net profit		598	935	259	130	846	564	27	3,359
Return on equity (net profit/gross weighted capital ratio)		23.5	81.1	29.9	16.5	16.0	12.5	0.0	20.7
Average balance of assets		49,242	20,696	19,077	15,475	98,618	77,261	6,005	286,374
Average balance of liabilities		42,979	112,489	16,051	6,403	28,378	61,792	748	268,840
Average balance of risk assets		37,922	14,162	13,786	14,177	90,429	69,728	5,881	246,085
Elements of net interest income before loan-loss provision	From granting credit	804	820	592	310	1,312	7,788	0	11,626
	From receiving deposits	611	245	164	35	71	-6,711	0	-5,585
	Other	633	308	260	136	751	-341	0	1,747
<b>Total net interest income before loan-loss provision</b>		<b>2,048</b>	<b>1,373</b>	<b>1,016</b>	<b>481</b>	<b>2,134</b>	<b>736</b>	<b>0</b>	<b>7,788</b>

<sup>1</sup>) Preferential banking services provided to wealthy customers

<sup>2</sup>) Medium-sized businesses.

<sup>3</sup>) Large businesses.