



**Statement for 31/12/2006 on consolidated basis**  
**Bank of Jerusalem 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			Banking group's share of the banking system		
	2006	2005	2004	2006	2005	2004
Cash and deposits in banks <sup>(1)</sup>	766	459	574	0.6%	0.4%	0.5%
Securities	956	919	336	0.6%	0.6%	0.2%
Credit to the public	6,399	6,235	6,184	1.0%	1.0%	1.1%
Credit to the government	0	0	0	0.0%	0.0%	0.0%
Investments in companies included on an equity basis	0	0	5	0.0%	0.0%	0.1%
Buildings and equipment	47	49	51	0.4%	0.4%	0.5%
Other assets	24	20	28	0.1%	0.1%	0.1%
<b>Total assets</b>	<b>8,191</b>	<b>7,683</b>	<b>7,178</b>	<b>0.9%</b>	<b>0.8%</b>	<b>0.8%</b>
Deposits of the public	6,731	6,392	6,120	0.9%	0.9%	0.9%
Deposits of banks <sup>(1)</sup>	221	289	278	0.8%	1.3%	1.2%
Deposits of the government	16	28	42	0.1%	0.2%	0.3%
Bonds and subordinated notes	692	497	316	1.4%	0.9%	0.8%
Other liabilities	69	65	38	0.1%	0.1%	0.1%
<b>Total liabilities</b>	<b>7,729</b>	<b>7,271</b>	<b>6,794</b>	<b>0.9%</b>	<b>0.8%</b>	<b>0.8%</b>
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Minority shareholders' rights	0	0	0			
Equity	462	411	384	0.8%	0.8%	0.8%

Summary consolidated profit and loss statement	End of year			Banking group's share of the banking system		
	2006	2005	2004	2006	2005	2004
Net interest profit before loan-loss provision	155.7	127.5	115.3	0.7%	0.6%	0.6%
Loan-loss provision	15.5	11.3	17.1	0.5%	0.3%	0.3%
Operating and other income	90.2	105.0	94.0	0.6%	0.8%	0.8%
Of which: Operating income	88.6	103.7	92.2	0.8%	1.0%	1.0%
Operating and other expenses	165.2	158.4	143.0	0.7%	0.7%	0.7%
Of which: Salaries and related expenses	105.2	99.9	89.4	0.7%	0.8%	0.7%
Ordinary profit before-tax provision	65.2	62.8	49.2	0.7%	0.7%	0.6%
Provision for taxes on ordinary profit	27.6	23.7	19.4	0.6%	0.6%	0.6%
Ordinary after-tax profit	37.6	39.1	29.8	0.8%	0.7%	0.7%
Bank's share in the profit of subsidiaries	0.0	-0.8	-0.3			
Minority shareholders' share in profit of consolidated companies	0.0	0.0	0.0			
Extraordinary after-tax profit	26.4	0.0	0.0			
<b>Net profit</b>	<b>64.0</b>	<b>38.3</b>	<b>29.5</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.6%</b>
Basic earning in NIS per share	0.9	0.6	0.4			

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	3,261	3,511	1,366	8,137
Balance of financial liabilities on balance-sheet date	2,911	3,537	1,265	7,713
Excess of financial assets over financial liabilities	350	-26	101	425
Total indexation balance (incl. Forwards <sup>(3)</sup> and options in term of basis assets)	358	59	8	425
Options at the money and out of the money (net, capitalized nominal value)	82	0	-82	0
Rate of income on assets(%) <sup>(4)</sup>	6.00	5.12	0.13	4.56
Rate of expenses on liabilities(%) <sup>(4)</sup>	-4.65	-4.42	3.24	-3.13
Interest-rate spread	1.35	0.70	3.37	1.43

Internal rate of return on assets (%)	6.26	5.52	7.25	
Internal rate of return on liabilities (%)	4.66	4.92	4.20	
Difference	1.60	0.60	3.05	
Average duration of assets (years)	0.49	3.85	0.15	1.87
Average duration of liabilities (years)	0.35	2.96	0.22	1.17
Difference	0.14	0.89	-0.07	0.70

<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 of Jerusalem 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	6,399	6,235
Total off-balance-sheet credit risk	610	665
Total credit risk	7,009	6,900
<i>Of which:</i> Total risk of credit for housing loans	4,799	4,932
Total risk of credit to construction and real estate industr	1,317	1,232

#### Problem borrowers

Total credit risk dew to problem borrowers	380	384
<i>Of which:</i> Total credit to problem borrowers	350	351

#### Data on derivatives

Notional amount	4,147	941
Gross positive fair value	13	7

#### Activity with interested and related parties

Total assets on balance-sheet date	1	2
<i>Of which:</i> credit to the public	1	2
Total liabilities on balance-sheet date (including quasi-capital items)	9	9

#### Branches and personnel

Number of employee posts in Israel, monthly average	342	355
Number of employee posts abroad, monthly average	0	0
Number of branches in Israe	16	16
Number of branches abroad	0	0

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

Equity/risk-weighted-assets ratic	11.80	11.80
Equity/balance-sheet ratic	5.64	5.35
Financial capital/equity capital ratic	91.99	90.54
Ratio of problem loans to total credit to the public	5.46	5.63
Return on equity (net profit/gross weighted capital ratio)	15.30	10.00
Non-interest income/operating expenses ratic	54.60	66.29
Ratio of loan-loss provision to total credit to the public	0.24	0.18