



**Statement for 31/12/2006 on consolidated basis**  
**Leumi Mortgage Bank 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>	17	14	152	0.0%	0.0%	0.1%
Securities	0	28	0	0.0%	0.0%	0.0%
Credit to the public	33,036	32,846	31,758	5.4%	5.4%	5.4%
Credit to the government	0	0	0	0.0%	0.0%	0.0%
Investments in companies included on an equity basis	0	0	0	0.0%	0.0%	0.0%
Buildings and equipment	42	39	42	0.3%	0.3%	0.4%
Other assets	185	163	183	0.8%	0.7%	0.9%
<b>Total assets</b>	<b>33,280</b>	<b>33,090</b>	<b>32,135</b>	<b>3.5%</b>	<b>3.6%</b>	<b>3.7%</b>
Deposits of the public	8,181	8,853	7,528	1.1%	1.2%	1.1%
Deposits of banks <sup>(1)</sup>	19,584	19,336	20,833	35.3%	32.3%	33.1%
Deposits of the government	448	418	614	3.6%	3.0%	3.9%
Bonds and subordinated notes	2,921	2,398	1,367	5.8%	4.5%	3.3%
Other liabilities	346	344	123	0.6%	0.7%	0.3%
<b>Total liabilities</b>	<b>31,480</b>	<b>31,349</b>	<b>30,465</b>	<b>3.5%</b>	<b>3.6%</b>	<b>3.7%</b>
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Minority shareholders' rights	0	0	0			
Equity	1,800	1,741	1,670	3.2%	3.5%	3.6%

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	381.0	370.0	365.0	1.7%	1.7%	1.8%
Loan-loss provision	191.0	106.0	90.0	6.1%	2.6%	1.7%
Operating and other income	127.0	133.0	136.0	0.9%	1.0%	1.1%
Of which: Operating income	126.0	131.0	134.0	1.1%	1.3%	1.4%
Operating and other expenses	210.0	188.0	176.0	0.9%	0.9%	0.9%
Of which: Salaries and related expenses	109.0	94.0	82.0	0.7%	0.7%	0.7%
Ordinary profit before-tax provision	107.0	209.0	235.0	1.1%	2.2%	3.0%
Provision for taxes on ordinary profit	57.0	83.0	113.0	1.3%	2.1%	3.2%
Ordinary after-tax profit	50.0	126.0	122.0	1.0%	2.3%	2.7%
Bank's share in the profit of subsidiaries	0.0	0.0	0.0			
Minority shareholders' share 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>50.0</b>	<b>126.0</b>	<b>122.0</b>	<b>0.6%</b>	<b>1.9%</b>	<b>2.3%</b>
Basic earning in NIS per share	52.8	134.4	130.4			

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	4,897	26,166	2,160	33,223
Balance of financial liabilities on balance-sheet date	2,828	26,264	2,205	31,297
Excess of financial assets over financial liabilities	2,069	-98	-45	1,926
Total indexation balance (incl. Forwards <sup>(3)</sup> and options in term of basis assets)	2,069	-98	-45	1,926
Options at the money and out of the money (net, capitalized nominal value)	0	0	0	0
Rate of income on assets (%) <sup>(4)</sup>	6.79	4.89	-0.79	4.69
Rate of expenses on liabilities (%) <sup>(4)</sup>	-5.49	-4.60	2.27	-4.11
Interest-rate spread	1.30	0.29	1.48	0.58

Internal rate of return on assets (%)	6.00	5.55	7.26	
Internal rate of return on liabilities (%)	4.95	5.30	5.56	
Difference	1.05	0.25	1.70	
Average duration of assets (years)	0.16	3.76	0.25	3.00
Average duration of liabilities (years)	0.51	3.64	0.22	3.16
Difference	-0.35	0.12	0.03	-0.16

<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**  
**Leumi Mortgage Bank 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	33,036	32,846
Total off-balance-sheet credit risk	1,828	1,721
Total credit risk	34,864	34,567
<i>Of which:</i> Total risk of credit for housing loans	34,232	28,060
Total risk of credit to construction and real estate industry	386	679

**Problem borrowers**

Total credit risk dew to problem borrowers	1,416	1,438
<i>Of which:</i> Total credit to problem borrowers	1,355	1,342

**Data on derivatives**

Notional amount	0	0
Gross positive fair value	0	0

**Activity with interested and related parties**

Total assets on balance-sheet date	0	0
<i>Of which:</i> credit to the public	0	0
Total liabilities on balance-sheet date (including quasi-capital items)	18,543	18,937

**Branches and personnel**

Number of employee posts in Israel, monthly average	433	443
Number of employee posts abroad, monthly average	0	0
Number of branches in Israel	10	13
Number of branches abroad	0	0

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

Equity/risk-weighted-assets ratio	9.69	9.53
Equity/balance-sheet ratio	5.41	5.26
Financial capital/equity capital ratio	107.00	107.98
Ratio of problem loans to total credit to the public	4.10	4.08
Return on equity (net profit/gross weighted capital ratio)	2.90	7.60
Non-interest income/operating expenses ratio	60.48	70.74
Ratio of loan-loss provision to total credit to the public	0.58	0.32