

**Statement for the first quarter - consolidated**  
**Bank of Jerusalem Ltd. and its subsidiaries , Main data, NIS million**


Taken from the quarterly report to 31.03.2007, reported amounts

Summary consolidated balance sheet	31.03.2007	31.12.2006	Bank's share of the banking system	
			31.03.2007	31.12.2006
Cash and deposits in banks <sup>1</sup>	614	766	0.4%	0.6%
Securities	1,216	956	0.7%	0.6%
Securities borrowed or purchased under agreements to resell	0	0	0.0%	0.0%
Credit to the public	6,434	6,399	1.0%	1.0%
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	46	47	0.4%	0.4%
Other assets	25	24	0.1%	0.1%
<b>Total assets</b>	<b>8,334</b>	<b>8,191</b>	<b>0.9%</b>	<b>0.9%</b>
Deposits of the public	6,702	6,731	0.9%	0.9%
Deposits of banks <sup>1</sup>	309	221	0.7%	0.8%
Deposits of the government	13	16	0.1%	0.1%
Securities loaned or sold under agreements to repurchase	0	0	0.0%	0.0%
Bonds and subordinated notes	777	692	1.5%	1.4%
Other liabilities	68	69	0.1%	0.1%
<b>Total liabilities</b>	<b>7,870</b>	<b>7,729</b>	<b>0.9%</b>	<b>0.9%</b>
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	464	462	0.8%	0.8%

Summary consolidated profit and loss statement	Three months to		Bank's share of the banking system	
			Three months to	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
Net interest profit before loan-loss provision	42.4	37.3	0.7%	0.7%
Loan-loss provision	1.5	3.9	0.4%	0.5%
Operating and other income	20.8	24.2	0.6%	0.7%
Of which: Operating income	20.6	24.1	0.7%	0.9%
Operating and other expenses	42.7	45.2	0.7%	0.7%
Of which: Salaries and related expenses	27.3	30.5	0.7%	0.7%
Ordinary before-tax provision	19.0	12.4	0.6%	0.6%
Provision for taxes on ordinary profit	7.7	5.0	0.5%	0.6%
Ordinary after-tax profit	11.3	7.4	0.6%	0.7%
Bank's share in the profit of subsidiaries	0.0	0.0		
Share of minority shareholders in profit of consolidated companies	0.0	0.0		
Extraordinary after-tax profit	0.0	19.1		
<b>Net profit</b>	<b>11.3</b>	<b>26.5</b>	<b>0.5%</b>	<b>1.0%</b>

Balances and rates of return on financial items by indexation base on 31.03.2007	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>(2)</sup>	Total financial items
Balance of financial assets on balance-sheet date	3,346	3,545	1,387	8,278
Balance of financial liabilities on balance-sheet date	3,104	3,460	1,289	7,853
Excess of financial assets over financial liabilities	242	85	98	425
Total indexation balance (incl. forwards and options in term of basis assets) <sup>3</sup>	254	154	18	425
Rate of income on assets (percent) <sup>4</sup>	5.77	3.77	0.60	3.96
Rate of expenditure on liabilities (percent) <sup>4</sup>	-4.16	-3.06	2.30	-2.46
Interest-rate differential	1.61	0.71	2.90	1.50

Problem borrowers	31.03.2007	31.12.2006
Total credit risk due to problem borrowers	361	380
Total credit to problem borrowers	334	350

Main financial ratios - consolidated (percent)	31.03.2007	31.12.2006
Equity/balance-sheet ratio	5.56	5.64
Financial capital/equity ratio	91.65	91.99
Equity/risk-weighted-assets ratio	11.50	11.80
Return on equity (net profit/gross weighted-capital ratio) <sup>5</sup>	10.10	11.70
Operating income/operating expenses ratio <sup>6</sup>	48.71	54.60

<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> Three-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives<sup>5</sup> Annual basis.<sup>6</sup> For three months. Comparative data are annual