

Statement for the first quarter - consolidated
Leumi Mortgage Bank 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 ¹	17	17	0.0%	0.0%
Securities	0	0	0.0%	0.0%
Securities borrowed or purchased under agreements to resell	0	0	0.0%	0.0%
Credit to the public	33,082	33,036	5.3%	5.4%
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	42	42	0.3%	0.3%
Other assets	198	198	0.9%	0.9%
Total assets	33,339	33,293	3.4%	3.5%
Deposits of the public	7,787	8,181	1.0%	1.1%
Deposits of banks ¹	19,958	19,584	28.5%	35.3%
Deposits of the government	457	448	3.8%	3.6%
Securities loaned or sold under agreements to repurchase	0	0	0.0%	0.0%
Bonds and subordinated notes	2,931	2,921	5.7%	5.7%
Other liabilities	362	359	0.7%	0.7%
Total liabilities	31,495	31,493	3.5%	3.5%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	1,844	1,800	3.2%	3.2%

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	102.0	91.0	1.8%	1.7%
Loan-loss provision	6.0	89.0	1.6%	11.5%
Operating and other income	34.0	31.0	0.9%	0.9%
Of which: Operating income	34.0	31.0	1.1%	1.1%
Operating and other expenses	56.0	53.0	0.9%	0.8%
Of which: Salaries and related expenses	31.0	29.0	0.8%	0.7%
Ordinary before-tax provision	74.0	-20.0	2.3%	not calculated
Provision for taxes on ordinary profit	31.0	-6.0	2.1%	not calculated
Ordinary after-tax profit	43.0	-14.0	2.5%	not calculated
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	0.0		
Net profit	43.0	-14.0	1.9%	not calculated

Balances and rates of return on financial items by indexation base on 31.03.2007	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	5,329	25,949	2,004	33,282
Balance of financial liabilities on balance-sheet date	3,736	25,568	2,022	31,326
Excess of financial assets over financial liabilities	1,593	381	-18	1,956
Total indexation balance (incl. forwards and options in term of basis assets) ³	1,593	381	-18	1,956
Rate of income on assets (percent) ⁴	5.62	3.78	1.52	3.91
Rate of expenditure on liabilities (percent) ⁴	-4.80	-3.32	0.19	-3.20
Interest-rate differential	0.82	0.46	1.71	0.71

Problem borrowers	31.03.2007	31.12.2006
Total credit risk due to problem borrowers	1,306	1,416
Total credit to problem borrowers	1,227	1,355

Main financial ratios - consolidated (percent)	31.03.2007	31.12.2006
Equity/balance-sheet ratio	5.53	5.41
Financial capital/equity ratio	106.07	107.00
Equity/risk-weighted-assets ratio	9.90	9.69
Return on equity (net profit/gross weighted-capital ratio) ⁵	9.70	2.90
Operating income/operating expenses ratio ⁶	60.71	60.48

¹ See note 5.1.7 in the introduction² Including foreign-currency indexed NIS.³ Forwards transactions.⁴ Three-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives⁵ Annual basis.⁶ For three months. Comparative data are annual