

**Statement for the second quarter - banl  
"Hesech" Kupat Hisachon Lehinuch Ltd., Haifa , Main data, NIS millio**

Taken from the quarterly report to 30.06.2007, reported amounts



<b>Summary balance sheet</b>	<b>30.06.2007</b>	<b>31.12.2006</b>
Cash and deposits in banks <sup>1</sup>	15	15
Securities	0	0
Securities borrowed or purchased under agreements to resell	0	0
Credit to the public	206	203
Credit to the government	0	0
Investments in companies included on an equity basis	0	0
Buildings and equipment	1	1
Other assets	0	0
<b>Total assets</b>	<b>222</b>	<b>219</b>
Deposits of the public	144	145
Deposits of banks <sup>1</sup>	0	0
Deposits of the government	0	0
Securities loaned or sold under agreements to repurchase	0	0
Bonds and subordinated notes	0	0
Other liabilities	0	0
<b>Total liabilities</b>	<b>144</b>	<b>145</b>
Quasi-capital items	0	0
Minority shareholders' rights	0	0
Equity	78	74

<b>Summary profit and loss statement</b>	<b>Six months to</b>		<b>Three</b>
	<b>30.06.2007</b>	<b>30.06.2006</b>	<b>months to</b>
			<b>30.06.2007</b>
Net interest profit before loan-loss provision	5.3	6.3	3.1
Loan-loss provision	0.3	-0.2	0.2
Operating and other income	0.1	0.1	0.0
Of which: Operating income	0.0	0.0	0.0
Operating and other expenses	0.7	0.8	0.4
Of which: Salaries and related expenses	0.5	0.5	0.2
Ordinary before-tax provision	4.3	5.8	2.6
Provision for taxes on ordinary profit	0.0	0.0	0.0
Ordinary after-tax profit	4.3	5.8	2.6
Bank's share in the profit of subsidiaries	0.0	0.0	0.0
Share of minority shareholders 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>4.3</b>	<b>5.8</b>	<b>2.6</b>

<b>Balances and rates of return on financial items by indexation base on 30.06.2007</b>	<b>Unindexed NIS</b>	<b>CPI-indexed NIS</b>	<b>Foreign Currency <sup>(2)</sup></b>	<b>Total financial items</b>
Balance of financial assets on balance-sheet date	15	206	0	222
Balance of financial liabilities on balance-sheet date	0	144	0	144
Excess of financial assets over financial liabilities	15	62	0	77
basis assets) <sup>3</sup>	15	62	0	77
Rate of income on assets (percent) <sup>4</sup>	3.73	8.13	0.00	7.86
Rate of expenditure on liabilities (percent) <sup>4</sup>	0.00	-5.70	0.00	-5.70
Interest-rate differential	3.73	2.43	0.00	2.16

<b>Problem borrowers</b>	<b>30.06.2007</b>	<b>31.12.2006</b>
Total credit risk dew to problem borrowers	0	0
Total credit to problem borrowers	0	0

<b>Main financial ratios (percent)</b>	<b>30.06.2007</b>	<b>31.12.2006</b>
Equity/balance-sheet ratio	35.03	33.68
Financial capital/equity ratio	99.21	99.08
Equity/risk-weighted-assets ratio	74.80	71.60
Return on equity (net profit/gross weighted-capital ratio) <sup>5</sup>	11.70	12.80
Operating income/operating expenses ratio <sup>6</sup>	8.81	10.80

<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> Six-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.

<sup>5</sup> Annual basis.

<sup>6</sup> For six months. Comparative data are annual.