

**Statement for the second quarter - consolidated
Leumi Mortgage Bank Ltd. and its subsidiaries , Main data, NIS millio**

Taken from the quarterly report to 30.06.2007, reported amounts

Summary consolidated balance sheet	30.06.2007	31.12.2006	Bank's share of the banking system	
			30.06.2007	31.12.2006
Cash and deposits in banks ¹	18	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	33,664	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	200	198	0.9%	0.9%
Total assets	33,924	33,293	3.4%	3.5%
Deposits of the public	7,805	8,181	1.0%	1.1%
Deposits of banks ¹	20,153	19,584	35.2%	36.8%
Deposits of the government	459	448	4.0%	3.6%
Securities loaned or sold under agreements to repurchase	0	0	0.0%	0.0%
Bonds and subordinated notes	3,258	2,921	6.1%	5.7%
Other liabilities	366	359	0.7%	0.7%
Total liabilities	32,041	31,493	3.5%	3.5%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	1,883	1,800	3.1%	3.2%

Summary consolidated profit and loss statement	Six months to		Bank's share of the Six months to		Three months to
	30.06.2007	30.06.2006	30.06.2007	30.06.2006	30.06.2007
Net interest profit before loan-loss provision	189.0	197.0	1.6%	1.7%	87.0
Loan-loss provision	12.0	107.0	1.3%	6.9%	6.0
Operating and other income	63.0	58.0	0.8%	0.8%	29.0
Of which: Operating income	62.0	58.0	1.0%	1.1%	28.0
Operating and other expenses	109.0	105.0	0.9%	0.8%	53.0
Of which: Salaries and related expenses	55.0	59.0	0.8%	0.7%	24.0
Ordinary before-tax provision	131.0	43.0	2.0%	1.0%	57.0
Provision for taxes on ordinary profit	49.0	14.0	1.9%	0.7%	18.0
Ordinary after-tax profit	82.0	29.0	2.1%	1.2%	39.0
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
Net profit	82.0	29.0	1.6%	0.6%	39.0

Balances and rates of return on financial items by indexation base on 30.06.2007	Unindexed NIS	CPI-indexed NIS	Foreign Currency ²	Total financial items
Balance of financial assets on balance-sheet date	5,817	26,208	1,840	33,865
Balance of financial liabilities on balance-sheet date	4,439	25,567	1,869	31,875
Excess of financial assets over financial liabilities basis assets ³	1,378	641	-29	1,990
Rate of income on assets (percent) ⁴	5.26	5.77	8.42	5.85
Rate of expenditure on liabilities (percent) ⁴	-4.31	-5.38	-6.69	-5.35
Interest-rate differential	0.95	0.39	1.73	0.50

Problem borrowers	30.06.2007	31.12.2006
Total credit risk dew to problem borrowers	1,226	1,416
Total credit to problem borrowers	1,184	1,355

Main financial ratios - consolidated (percent)	30.06.2007	31.12.2006
Equity/balance-sheet ratio	5.55	5.41
Financial capital/equity ratio	105.68	107.00
Equity/risk-weighted-assets ratio	9.89	9.69
Return on equity (net profit/gross weighted-capital ratio) ⁵	9.20	2.90
Operating income/operating expenses ratio ⁶	57.80	60.48

¹ See note 5.1.7 in the introduction² Including foreign-currency indexed NIS.³ Forwards transactions.⁴ Six-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.⁵ Annual basis.⁶ For six months. Comparative data are annual.