

Statement for the second quarter - consolidated
Discount Mortgage Bank and its subsidiaries, Main data, NIS million


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	248	542	0.2%	0.3%
Securities	1	1	0.0%	0.0%
Securities borrowed or purchased under agreements to resell	0	0	0.0%	0.0%
Credit to the public	9,787	9,854	1.5%	1.6%
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	21	20	0.2%	0.2%
Other assets	55	47	0.2%	0.2%
Total assets	10,111	10,464	1.0%	1.1%
Deposits of the public	1,353	1,454	0.2%	0.2%
Deposits of banks ¹	7,476	7,712	13.1%	14.5%
Deposits of the government	37	38	0.3%	0.3%
Securities loaned or sold under agreements to repurchase	0	0	0.0%	0.0%
Bonds and subordinated notes	261	289	0.5%	0.6%
Other liabilities	121	127	0.2%	0.2%
Total liabilities	9,249	9,620	1.0%	1.1%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	862	845	1.4%	1.5%

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	70.2	81.2	0.6%	0.7%	30.9
Loan-loss provision	16.2	19.3	1.8%	1.2%	5.4
Operating and other income	22.7	24.8	0.3%	0.3%	11.2
Of which: Operating income	22.7	24.8	0.4%	0.4%	11.2
Operating and other expenses	50.8	44.8	0.4%	0.4%	27.1
Of which: Salaries and related expenses	29.2	25.4	0.4%	0.3%	14.7
Ordinary before-tax provision	25.9	41.9	0.4%	0.9%	9.6
Provision for taxes on ordinary profit	8.1	13.7	0.3%	0.7%	0.3
Ordinary after-tax profit	17.8	28.2	0.4%	1.2%	9.3
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	17.8	28.2	0.3%	0.6%	9.3

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	1,022	8,157	910	10,089
Balance of financial liabilities on balance-sheet date	414	7,868	896	9,179
Excess of financial assets over financial liabilities basis assets ³	608	289	14	910
Rate of income on assets (percent) ⁴	4.96	5.76	11.20	6.21
Rate of expenditure on liabilities (percent) ⁴	-4.63	-5.29	-12.85	-6.01
Interest-rate differential	0.33	0.48	-1.65	0.20

Problem borrowers	30.06.2007	31.12.2006
Total credit risk dew to problem borrowers	933	918
Total credit to problem borrowers	687	724

Main financial ratios - consolidated (percent)	30.06.2007	31.12.2006
Equity/balance-sheet ratio	8.53	8.07
Financial capital/equity ratio	105.58	105.61
Equity/risk-weighted-assets ratio	12.30	12.20
Return on equity (net profit/gross weighted-capital ratio) ⁵	4.20	4.30
Operating income/operating expenses ratio ⁶	44.69	50.95

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.