

Statement for the third quarter - consolidated Mercantile Discount Bank Ltd. and its subsidiaries , Main data, NIS million

Taken from the quarterly report to 30.09.2004, reported amounts at 30.09.2004 (2003 in adjusted amounts).



Summary consolidated balance sheet	30.09.2004	31.12.2003	Banking group's share of the banking system	
			30.09.2004	31.12.2003
Cash and deposits in banks ⁽¹⁾	1,316	1,313	0.9%	0.9%
Securities	1,064	1,052	0.8%	0.9%
Credit to the public	12,370	12,293	2.2%	2.2%
Credit to the government	1	2	0.0%	0.0%
Investments in companies included on an equity basis	3	3	0.1%	0.1%
Buildings and equipment	290	288	2.8%	2.7%
Other assets	112	116	0.6%	0.5%
Total assets	15,155	15,067	1.8%	1.8%
Deposits of the public	13,213	13,265	1.9%	1.9%
Deposits of banks ⁽¹⁾	178	151	0.2%	0.3%
Deposits of the government	49	51	0.3%	0.3%
Bonds and subordinated notes	561	532	1.4%	1.4%
Other liabilities	181	171	0.7%	0.6%
Total liabilities	14,181	14,169	1.8%	1.8%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	973	898	2.1%	2.0%

Summary consolidated profit and loss statement	Nine months to		Banking group's share of the banking system		Three months to
	30.09.2004	30.09.2003	30.09.2004	30.09.2003	
Net interest profit before loan-loss provision	386.2	355.9	2.5%	2.5%	132.1
Loan-loss provision	61.3	62.9	1.7%	1.4%	22.6
Operating and other income	203.8	204.6	2.3%	2.5%	68.9
Of which: Operating income	181.0	174.3	2.5%	2.6%	59.7
Operating and other expenses	373.3	369.8	2.6%	2.7%	122.5
Of which: Salaries and related expenses	223.1	220.6	2.5%	2.7%	74.4
Ordinary before-tax provision	155.4	133.2	2.4%	2.8%	55.9
Provision for taxes on ordinary profit	70.5	65.3	2.4%	2.8%	26.8
Ordinary after-tax profit	84.9	67.9	2.4%	2.7%	29.1
Bank's share in the profit of subsidiaries	0.0	-0.2			0.0
Share of minority shareholders in profit of consolidated companies	0.0	0.0			0.0
Extraordinary after-tax profit	-0.6	-0.4			0.0
Net profit	84.3	67.3	2.0%	2.8%	29.1

Balances and rates of return on financial items by indexation base consolidated on 30.09.2004	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	8,083	3,696	2,966	14,745
Balance of financial liabilities on balance-sheet date	8,357	3,182	2,630	14,169
Excess of financial assets over financial liabilities	-274	514	335	575
Total indexation balance (incl. forwards ⁽³⁾ and options in term of basis assets)	0	514	61	575
Rate of income on assets (percent) ⁽⁴⁾	7.46	7.13	4.64	6.56
Rate of expenditure on liabilities (percent) ⁽⁴⁾	-3.65	-5.72	-3.40	-3.97
Interest-rate differential	3.82	1.40	1.24	2.59

Problem borrowers	30.09.2004	31.12.2003
Total credit risk dew to problem borrowers	1,023	1,116
Total credit to problem borrowers	978	1,078

Main financial ratios - consolidated (percent)	30.09.2004	31.12.2003
Equity/balance-sheet ratio	6.42	5.96
Financial capital/equity ratio	59.10	55.08
Equity/risk-weighted-assets ratio	11.40	10.80
Return on equity (net profit/gross weighted capital ratio) ⁽⁵⁾	12.70	11.00
Operating income/operating expenses ratio ⁽⁶⁾	54.59	54.64

(1) See note no. 5.1.4 in the introduction.

(2) Including foreign-currency indexed NIS.

(3) Forwards transactions.

(4) Nine-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.

(5) Annual basis.

(6) For nine months. Comparative data are annual.