

Statement for the third quarter - bank Discount Mortgage Bank , Main data, NIS million

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



Summary balance sheet	30.09.2004	31.12.2003	Bank's share of the banking system	
			30.09.2004	31.12.2003
Cash and deposits in banks ⁽¹⁾	162	121	0.1%	0.1%
Securities	1	1	0.0%	0.0%
Credit to the public	9,631	9,377	1.7%	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	14	13	0.1%	0.1%
Other assets	39	22	0.2%	0.1%
Total assets	9,847	9,534	4.2%	4.1%
Deposits of the public	2,161	2,279	0.3%	0.3%
Deposits of banks ⁽¹⁾	6,595	6,182	9.1%	10.6%
Deposits of the government	64	49	0.4%	0.3%
Bonds and subordinated notes	149	160	0.4%	0.4%
Other liabilities	50	46	0.2%	0.2%
Total liabilities	9,019	8,746	1.1%	1.1%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	828	818	1.8%	1.9%

Summary profit and loss statement	Nine months to		Bank's share of the banking system Nine months to		THREE MONTHS TO
	30.09.2004	30.09.2003	30.09.2004	30.09.2003	30.09.2004
Net interest profit before loan-loss provision	104.0	82.0	0.7%	0.6%	34.0
Loan-loss provision	78.0	49.0	2.1%	1.1%	25.0
Operating and other income	41.0	44.0	0.5%	0.5%	13.0
Of which: Operating income	41.0	44.0	0.6%	0.7%	13.0
Operating and other expenses	52.0	47.0	0.4%	0.3%	17.0
Of which: Salaries and related expenses	31.0	27.0	0.4%	0.3%	11.0
Ordinary before-tax provision	15.0	42.0	0.2%	0.9%	5.0
Provision for taxes on ordinary profit	5.0	19.0	0.2%	0.8%	3.0
Ordinary after-tax profit	10.0	23.0	0.3%	0.9%	2.0
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	10.0	23.0	0.2%	1.0%	2.0

Balances and rates of return on financial items by indexation base on 30.09.2004	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	629	7,796	1,408	9,833
Balance of financial liabilities on balance-sheet date	516	7,105	1,383	9,004
Excess of financial assets over financial liabilities	113	691	25	829
Total indexation balance (incl. forwards ⁽³⁾ and options in term of basis assets)	-12	691	150	829
Rate of income on assets (percent) ⁽⁴⁾	3.90	7.18	6.53	6.86
Rate of expenditure on liabilities (percent) ⁽⁴⁾	-4.96	-6.41	-5.62	-6.22
Interest-rate differential	-1.06	0.76	0.91	0.65

Problem borrowers	30.09.2004	31.12.2003
Total credit risk dew to problem borrowers	1,178	1,092
Total credit to problem borrowers	986	958

Main financial ratios - percent	30.09.2004	31.12.2003
Equity/balance-sheet ratio	8.41	8.58
Financial capital/equity ratio	100.12	99.51
Equity/risk-weighted-assets ratio	11.00	11.60
Return on equity (net profit/gross weighted capital ratio) ⁽⁵⁾	1.60	3.40
Operating income/operating expenses ratio ⁽⁶⁾	78.85	90.48

(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.