



**Statement for 31/12/2004 on consolidated basis**  
**Israel Discount Bank Ltd. and its subsidiaries, Main data, NIS million**

Taken from the annual report to 31.12.2004, Reported amounts at 2004 (2002-03 adjusted to CPI for 12.2003)

Summary consolidated balance sheet	End of year			Bank's share of the banking system		
	2004	2003	2002	2004	2003	2002
Cash and deposits in banks <sup>(1)</sup>	17,751	16,888	18,878	16.7%	17.3%	20.3%
Securities	40,068	38,774	36,581	29.2%	32.3%	33.1%
Credit to the public	77,508	76,464	74,334	13.7%	13.5%	13.0%
Credit to the government	271	367	552	6.4%	6.5%	7.1%
Investments in companies included on an equity basis	1,320	1,238	1,282	32.8%	34.5%	35.5%
Buildings and equipment	1,978	2,102	1,955	18.6%	20.0%	19.1%
Other assets	4,155	3,869	3,692	18.4%	16.2%	18.1%
<b>Total assets</b>	<b>143,051</b>	<b>139,702</b>	<b>137,274</b>	<b>16.8%</b>	<b>16.9%</b>	<b>16.8%</b>
Deposits of the public	121,692	119,953	119,734	17.6%	17.8%	17.7%
Deposits of banks <sup>(1)</sup>	5,078	5,097	4,051	21.4%	21.1%	18.3%
Deposits of the government	144	171	166	0.9%	1.0%	0.9%
Bonds and subordinated notes	4,809	4,223	3,787	11.7%	10.9%	10.3%
Other liabilities	4,493	3,819	4,023	15.0%	13.6%	16.6%
<b>Total liabilities</b>	<b>136,216</b>	<b>133,263</b>	<b>131,761</b>	<b>17.0%</b>	<b>17.1%</b>	<b>16.9%</b>
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Minority shareholders' rights	449	484	449			
Equity	6,386	5,955	5,064	13.8%	13.7%	12.8%

Summary consolidated profit and loss statement	End of year			Bank's share of the banking system		
	2004	2003	2002	2004	2003	2002
Net interest profit before loan-loss provision	3489.0	2983.0	2879.0	16.9%	15.7%	16.2%
Loan-loss provision	880.0	845.0	896.0	16.9%	13.3%	11.5%
Operating and other income	2200.0	2091.0	1740.0	18.2%	18.9%	17.6%
Of which: Operating income	1745.0	1648.0	1508.0	18.2%	18.5%	18.0%
Operating and other expenses	4013.0	3605.0	3564.0	20.5%	19.4%	19.9%
Of which: Salaries and related expenses	2511.0	2264.0	2183.0	21.3%	20.1%	19.4%
Inflation adjustments	0.0	30.0	0.0			
Ordinary profit before-tax provision	796.0	654.0	159.0	10.0%	11.4%	6.6%
Provision for taxes on ordinary profit	342.0	371.0	207.0	9.8%	14.6%	19.0%
Ordinary after-tax profit	454.0	283.0	-48.0	10.2%	8.8%	לא חושב
Bank's share in the profit of subsidiaries	135.0	117.0	-1.0			
Minority shareholders' share in profit of consolidated companies	-56.0	-60.0	-25.0			
Extraordinary after-tax profit	23.0	-186.0	-36.0			
<b>Net profit</b>	<b>556.0</b>	<b>154.0</b>	<b>-38.0</b>	<b>10.6%</b>	<b>4.9%</b>	<b>לא חושב</b>

Balances and rates of return on financial items by indexation base on 31.12.2004	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>(2)</sup>	Total financial items
Balance of financial assets on balance-sheet date	44,616	22,321	71,785	138,722
Balance of financial liabilities on balance-sheet date	48,035	20,017	68,068	136,120
Excess of financial assets over financial liabilities	-3,419	2,304	3,717	2,602
Total indexation balance(incl. Forwards <sup>(3)</sup> and options in term of basis assets)	515	2,538	-452	2,601
Options at the money and out of the money (net, capitalized nominal value)	1,555	490	-2,047	-2
Rate of income on assets (%) <sup>(4)</sup>	6.12	6.66	2.65	4.20
Rate of expenses on liabilities (%) <sup>(4)</sup>	-3.44	-5.17	-1.40	-2.47
Interest-rate spread	2.68	1.50	1.25	1.73

Internal rate of return on assets (%)	4.97	5.77	3.71	
Internal rate of return on liabilities (%)	2.31	4.50	2.78	
Difference	2.66	1.27	0.93	
Average duration of assets (years)	0.50	3.79	1.38	1.49
Average duration of liabilities (years)	0.32	3.45	1.02	1.13
Difference	0.18	0.34	0.36	0.36

<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> including hedging, embedded and ALM derivatives.



**Statement for 31/12/2004 on consolidated basis**  
**Israel Discount Bank Ltd., Additional data**

(NIS millions, 2004 reported amounts, 2003 adjusted to 12.2003 prices)

<b>Additional data</b>	<b>2004</b>	<b>2003</b>
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**Total off-balance-sheet and credit risk**

Credit to the public and credit risk	81,741	80,277
Total off-balance-sheet credit risk	43,106	39,967
Total credit risk	124,847	120,244
<i>Of which:</i> Total risk of credit for housing loans	8,415	7,977
Total risk of credit to construction and real estate industry	23,978	22,153

**Problem borrowers**

Total credit risk dew to problem borrowers	8,896	9,623
<i>Of which:</i> Total credit to problem borrowers	8,321	9,091

**Data on derivatives**

Notional amount	78,282	65,856
Gross positive fair value	1,863	1,722

**Activity with interested and related parties**

Total assets on balance-sheet date	1,736	1,252
<i>Of which:</i> credit to the public	471	25
Total liabilities on balance-sheet date (including quasi-capital items)	3,334	2,745

**Branches and personnel**

Number of employee posts in Israel, monthly average	7,638	7,663
Number of employee posts abroad, monthly average	906	899
Number of branches in Israel	189	191
Number of branches abroad	12	12

**Main financial ratios, in annual terms (%)**

Equity/risk-weighted-assets ratio	9.80	9.40
Equity/balance-sheet ratio	4.46	4.26
Financial capital/equity capital ratio	40.75	35.31
Ratio of problem loans to total credit to the public	10.65	11.80
Return on equity (net profit/gross weighted capital ratio)	9.30	3.00
Non-interest income/operating expenses ratio	54.82	58.00
Ratio of loan-loss provision to total credit to the public	1.13	1.10



## Statement for 31/12/2004

### Israel Discount Bank Ltd. , Main data, NIS million (Short Version)

Taken from the annual report to 31.12.2004, Reported amounts at 2004 (2003 adjusted to CPI for 12.2003)

Summary balance sheet	End of year	
	2004	2003
Cash and deposits in banks <sup>(1)</sup>	20,622	19,539
Securities	16,433	16,402
Credit to the public	44,172	44,528
Credit to the government	268	322
Investments in companies included on an equity basis	5,871	5,635
Buildings and equipment	1,432	1,546
Other assets	2,816	2,609
<b>Total assets</b>	<b>91,614</b>	<b>90,581</b>
Deposits of the public	76,751	76,826
Deposits of banks <sup>(1)</sup>	1,957	1,593
Deposits of the government	38	54
Bonds and subordinated notes	3,575	3,642
Other liabilities	2,907	2,511
<b>Total liabilities</b>	<b>85,228</b>	<b>84,626</b>
Quasi-capital items	0	0
Equity	6,386	5,955

Bank's share of the banking system	
2004	2003
19.4%	20.0%
12.0%	13.6%
7.8%	7.9%
6.3%	5.7%
13.5%	14.7%
12.5%	10.9%
<b>10.8%</b>	<b>11.0%</b>
11.1%	11.4%
8.2%	6.6%
0.2%	0.3%
8.7%	9.4%
9.7%	8.9%
<b>10.6%</b>	<b>10.8%</b>
0.0%	0.0%
13.8%	13.7%

Summary profit and loss statement	End of year	
	2004	2003
Net interest profit before loan-loss provision	2021.0	1952.0
Loan-loss provision	582.0	656.0
Operating and other income	1180.0	1192.0
Of which: Operating income	864.0	827.0
Operating and other expenses	2491.0	2188.0
Of which: Salaries and related expenses	1671.0	1445.0
Inflation adjustments	0.0	-36.0
Ordinary profit before-tax provision	128.0	264.0
Provision for taxes on ordinary profit	24.0	116.0
Ordinary after-tax profit	104.0	148.0
Bank's share in the profit of subsidiaries	429.0	192.0
Minority shareholders' share in profit of consolidated companies	533.0	340.0
Extraordinary after-tax profit	23.0	-186.0
<b>Net profit</b>	<b>556.0</b>	<b>154.0</b>

Bank's share of the banking system	
2004	2003
9.8%	10.2%
11.1%	10.3%
9.8%	10.8%
9.0%	9.3%
12.7%	11.8%
14.2%	12.8%
1.6%	4.6%
0.7%	4.6%
2.3%	4.6%
<b>10.6%</b>	<b>4.9%</b>

Balances on financial items by indexation base on 31.12.2004	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>(2)</sup>	Total financial items
Balance of financial assets on balance-sheet date	35,120	15,579	33,497	84,196
Balance of financial liabilities on balance-sheet date	38,575	14,520	32,066	85,161
Excess of financial assets over financial liabilities	-3,455	1,059	1,431	-965
Total indexation balance(incl.forwards <sup>(3)</sup> and options in term of basis assets)	417	1,293	-2,675	-965

Additional data	2004	2003
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#### Personnel

Number of employee posts in Israel, monthly average	5,180	5,264
Number of employee posts abroad, monthly average	31	29

#### Main financial ratios, in annual terms (%)

Equity/balance-sheet ratio	6.97	6.57
Financial capital/equity capital ratio	-15.11	-23.61
Ratio of problem loans to total credit to the public	13.47	14.97
Non-interest income/operating expenses ratio	47.37	54.48
Ratio of loan-loss provision to total credit to the public	1.31	1.46

<sup>(1)</sup> See note 5.1.7. in the introduction.

<sup>(2)</sup> Including foreign-currency indexed NIS.

<sup>(3)</sup> Forwards transactions.