

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

Taken from the quarterly report to 30.09.2005, reported amounts



Summary balance sheet	30.09.2005	31.12.2004	Bank's share of the banking system	
			30.09.2005	31.12.2004
Cash and deposits in banks ¹	222	143	0.2%	0.1%
Securities	1	1	0.0%	0.0%
Credit to the public	9,926	9,519	1.7%	1.7%
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	17	15	0.2%	0.1%
Other assets	68	68	0.3%	0.3%
Total assets	10,234	9,746	1.2%	1.1%
Deposits of the public	1,680	2,105	0.2%	0.3%
Deposits of banks ¹	7,503	6,618	12.3%	10.5%
Deposits of the government	43	45	0.3%	0.3%
Bonds and subordinated notes	118	128	0.2%	0.3%
Other liabilities	82	67	0.3%	0.2%
Total liabilities	9,426	8,963	1.1%	1.1%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	808	783	1.6%	1.7%

Summary profit and loss statement	Nine months to		Bank's share of the banking system		Three months to
	30.09.2005	30.09.2004	30.09.2005	30.09.2004	
Net interest profit before loan-loss provision	129.0	104.0	0.8%	0.7%	50.0
Loan-loss provision	68.0	107.0	2.1%	2.9%	23.0
Operating and other income	41.0	41.0	0.4%	0.5%	15.0
Of which: Operating income	41.0	41.0	0.5%	0.6%	15.0
Operating and other expenses	66.0	50.0	0.4%	0.3%	27.0
Of which: Salaries and related expenses	34.0	29.0	0.4%	0.3%	12.0
Ordinary before-tax provision	36.0	-12.0	0.5%	not calculated	15.0
Provision for taxes on ordinary profit	11.0	-6.0	0.4%	לא חושב	3.0
Ordinary after-tax profit	25.0	-6.0	0.6%	לא חושב	12.0
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	25.0	-6.0	0.5%	not calculated	12.0

Balances and rates of return on financial items by indexation base on 30.09.2005	Unindexed NIS	CPI-indexed NIS	Foreign Currency ²	Total financial items
Balance of financial assets on balance-sheet date	664	8,160	1,393	10,217
Balance of financial liabilities on balance-sheet date	397	7,621	1,376	9,394
Excess of financial assets over financial liabilities	267	539	17	823
Total indexation balance(incl.forwards and options in term of basis assets) ³	197	539	87	823
Rate of income on assets (percent) ⁴	3.71	8.14	13.05	8.55
Rate of expenditure on liabilities(percent) ⁴	-4.29	-7.47	-12.90	-8.20
Interest-rate differential	-0.59	0.67	0.15	0.35

Problem borrowers	30.09.2005	31.12.2004
Total credit risk dew to problem borrowers	1,070	1,098
Total credit to problem borrowers	845	873

Main financial ratios (percent)	30.09.2005	31.12.2004
Equity/balance-sheet ratio	7.90	8.03
Financial capital/equity ratio	101.86	100.13
Equity/risk-weighted-assets ratio	9.80	10.50
Return on equity (net profit/gross weighted-capital ratio) ⁵	4.30	-4.30
Operating income/operating expenses ratio ⁶	62.12	77.46

¹ See note 5.1.7 in the introduction² 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.