



Statement for 31/12/2005 on consolidated basis
Israel Discount Bank Ltd. and its subsidiaries, Main data, NIS million

Taken from the annual report to 31.12.2005, 2004-2005:reported amounts (2003:adjusted to CPI for 12.2003)

Summary consolidated balance sheet	End of year			Bank's share of the banking system		
	2005	2004	2003	2005	2004	2003
Cash and deposits in banks ⁽¹⁾	20,586	17,751	16,888	16.8%	16.7%	17.3%
Securities	42,188	40,068	38,774	27.6%	29.0%	32.2%
Credit to the public	83,890	77,518	76,464	14.4%	13.7%	13.5%
Credit to the government	92	271	367	2.7%	6.4%	6.5%
Investments in companies included on an equity basis	1,527	1,320	1,238	34.6%	32.8%	34.5%
Buildings and equipment	2,268	1,978	2,102	20.3%	18.6%	20.0%
Other assets	4,247	3,604	3,442	18.7%	16.4%	14.7%
Total assets	154,798	142,510	139,275	17.2%	16.7%	16.9%
Deposits of the public	130,300	121,974	120,102	17.9%	17.6%	17.8%
Deposits of banks ⁽¹⁾	6,518	4,806	4,948	29.0%	20.5%	20.6%
Deposits of the government	252	144	171	1.8%	0.9%	1.0%
Bonds and subordinated notes	5,342	4,809	4,223	10.1%	11.7%	10.9%
Other liabilities	5,201	3,942	3,392	15.8%	13.4%	12.3%
Total liabilities	147,613	135,675	132,836	17.4%	16.9%	17.0%
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Minority shareholders' rights	467	449	484			
Equity	6,718	6,386	5,955	13.5%	13.9%	13.7%

Summary consolidated profit and loss statement	End of year			Bank's share of the banking system		
	2005	2004	2003	2005	2004	2003
Net interest profit before loan-loss provision	3,697.0	3,473.0	2,970.0	16.6%	16.8%	15.6%
Loan-loss provision	691.0	880.0	845.0	16.6%	16.9%	13.3%
Operating and other income	2,401.0	2,226.0	2,104.0	18.2%	18.5%	19.0%
Of which: Operating income	1,858.0	1,771.0	1,661.0	18.0%	18.4%	18.6%
Operating and other expenses	4,724.0	4,023.0	3,605.0	21.5%	20.6%	19.4%
Of which: Salaries and related expenses	2,891.0	2,510.0	2,263.0	22.0%	21.3%	20.1%
Inflation adjustments			30.0			
Ordinary profit before-tax provision	683.0	796.0	654.0	7.3%	10.0%	11.4%
Provision for taxes on ordinary profit	324.0	342.0	371.0	8.1%	9.8%	14.6%
Ordinary after-tax profit	359.0	454.0	283.0	6.6%	10.2%	8.8%
Bank's share in the profit of subsidiaries	174.0	135.0	117.0			
Minority shareholders' share in profit of consolidated companies	-75.0	-56.0	-60.0			
Extraordinary after-tax profit	0.0	23.0	-186.0			
Net profit	458.0	556.0	154.0	7.0%	10.6%	4.9%

Balances and rates of return on financial items by indexation base on 31.12.2005	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	49,431	21,345	79,063	149,839
Balance of financial liabilities on balance-sheet date	50,669	19,021	77,796	147,486
Excess of financial assets over financial liabilities	-1,238	2,324	1,267	2,353
Total indexation balance (incl. Forwards ⁽³⁾ and options in term of basis assets)	1,077	1,682	-408	2,351
Options at the money and out of the money (net, capitalized nominal value)	-152	270	-120	-2
Rate of income on assets (%) ⁽⁴⁾	5.73	8.02	7.60	7.09
Rate of expenses on liabilities (%) ⁽⁴⁾	-2.96	-6.51	-6.29	-5.33
Interest-rate spread	2.77	1.52	1.32	1.77

Internal rate of return on assets (%)	5.41	5.44	4.20	
Internal rate of return on liabilities (%)	2.06	4.31	2.90	
Difference	3.35	1.13	1.30	
Average duration of assets (years)	0.61	4.08	1.49	1.57
Average duration of liabilities (years)	0.32	3.64	0.79	0.99
Difference	0.29	0.44	0.70	0.58

⁽¹⁾ See note 5.1.7. in the introduction.

⁽²⁾ Including foreign-currency indexed NIS.

⁽³⁾ Forwards transactions.

⁽⁴⁾ including hedging, embedded and ALM derivatives.



Statement for 31/12/2005 on consolidated basis
Israel Discount Bank Ltd., Additional data
(NIS millions, reported amounts)

Additional data	2005	2004
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Total off-balance-sheet and credit risk

Credit to the public and credit risk	88,685	81,751
Total off-balance-sheet credit risk	54,057	43,262
Total credit risk	142,742	125,013
<i>Of which:</i> Total risk of credit for housing loans	9,086	8,444
Total risk of credit to construction and real estate industry	24,259	22,219

Problem borrowers

Total credit risk dew to problem borrowers	8,675	8,896
<i>Of which:</i> Total credit to problem borrowers	7,878	8,321

Data on derivatives

Notional amount	105,031	78,282
Gross positive fair value	1,684	1,312

Activity with interested and related parties

Total assets on balance-sheet date	2,052	1,736
<i>Of which:</i> credit to the public	566	471
Total liabilities on balance-sheet date (including quasi-capital items)	2,102	3,334

Branches and personnel

Number of employee posts in Israel, monthly average	7,849	7,638
Number of employee posts abroad, monthly average	863	906
Number of branches in Israel	190	189
Number of branches abroad	13	12

Main financial ratios, in annual terms (%)

Equity/risk-weighted-assets ratio	9.38	9.76
Equity/balance-sheet ratio	4.34	4.48
Financial capital/equity capital ratio	35.03	40.75
Ratio of problem loans to total credit to the public	9.32	10.65
Return on equity (net profit/gross weighted capital ratio)	7.20	9.30
Non-interest income/operating expenses ratio	50.83	55.33
Ratio of loan-loss provision to total credit to the public	0.82	1.13



Statement for 31/12/2005
Israel Discount Bank Ltd. , Main data, NIS million (Short Version)

Taken from the annual report to 31.12.2005, Reported amounts

Summary balance sheet	End of year	
	2005	2004
Cash and deposits in banks ⁽¹⁾	21,728	20,622
Securities	17,233	16,433
Credit to the public	47,362	44,182
Credit to the government	89	268
Investments in companies included on an equity basis	6,433	5,871
Buildings and equipment	1,699	1,432
Other assets	2,380	2,265
Total assets	96,924	91,073
Deposits of the public	80,297	76,738
Deposits of banks ⁽¹⁾	2,970	1,980
Deposits of the government	126	38
Bonds and subordinated notes	3,519	3,575
Other liabilities	3,294	2,356
Total liabilities	90,206	84,687
Quasi-capital items	0	0
Equity	6,718	6,386

Bank's share of the banking system	
2005	2004
17.8%	19.4%
11.3%	11.9%
8.1%	7.8%
2.6%	6.3%
15.2%	13.5%
10.5%	10.3%
10.8%	10.7%
11.0%	11.1%
13.2%	8.4%
0.9%	0.2%
6.6%	8.7%
10.0%	8.0%
10.6%	10.6%
0.0%	0.0%
13.5%	13.9%

Summary profit and loss statement	End of year	
	2005	2004
Net interest profit before loan-loss provision	1,848.0	2,005.0
Loan-loss provision	441.0	582.0
Operating and other income	1,300.0	1,206.0
Of which: Operating income	922.0	890.0
Operating and other expenses	2,909.0	2,501.0
Of which: Salaries and related expenses	1,958.0	1,671.0
Ordinary profit before-tax provision	-202.0	128.0
Provision for taxes on ordinary profit	26.0	24.0
Ordinary after-tax profit	-228.0	104.0
Bank's share in the profit of subsidiaries	686.0	429.0
Minority shareholders' share in profit of consolidated companies	458.0	533.0
Extraordinary after-tax profit	0.0	23.0
Net profit	458.0	556.0

Bank's share of the banking system	
2005	2004
8.3%	9.7%
10.6%	11.2%
9.8%	10.0%
8.9%	9.2%
13.3%	12.8%
14.9%	14.2%
not calculated	1.6%
0.7%	0.7%
not calculated	2.3%
7.0%	10.6%

Balances on financial items by indexation base on 31.12.2005	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	39,251	14,508	34,652	88,411
Balance of financial liabilities on balance-sheet date	41,103	13,259	35,771	90,133
Excess of financial assets over financial liabilities	-1,852	1,249	-1,119	-1,722
Total indexation balance (incl. forwards ⁽³⁾ and options in term of basis assets)	487	612	-2,821	-1,722

Additional data	2005	2004
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Personnel

Number of employee posts in Israel, monthly average	5,296	5,180
Number of employee posts abroad, monthly average	29	31

Main financial ratios, in annual terms (%)

Equity/balance-sheet ratio	6.93	7.01
Financial capital/equity capital ratio	-25.63	-15.11
Ratio of problem loans to total credit to the public	11.05	13.46
Non-interest income/operating expenses ratio	44.69	48.22
Ratio of loan-loss provision to total credit to the publ	0.93	1.31

⁽¹⁾ See note 5.1.7. in the introduction.

⁽²⁾ Including foreign-currency indexed NIS.

⁽³⁾ Forwards transactions.