

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


Taken from the quarterly report to 31.03.2007, reported amounts

Summary consolidated balance sheet	31.03.2007	31.12.2006	Bank's share of the banking system	
			31.03.2007	31.12.2006
Cash and deposits in banks ¹	2,312	2,266	1.4%	1.4%
Securities	2,158	1,925	1.3%	1.2%
Securities borrowed or purchased under agreements to re	0	0	0.0%	0.0%
Credit to the public	12,736	12,646	2.1%	2.1%
Credit to the government	9	9	0.4%	0.3%
Investments in companies included on an equity basis	4	4	0.1%	0.1%
Buildings and equipment	332	331	2.7%	2.7%
Other assets	111	99	0.5%	0.4%
Total assets	17,662	17,280	1.8%	1.8%
Deposits of the public	15,005	14,484	2.0%	1.9%
Deposits of banks ¹	186	372	0.3%	0.7%
Deposits of the government	55	55	0.5%	0.4%
Securities loaned or sold under agreements to repurchase	0	0	0.0%	0.0%
Bonds and subordinated notes	740	754	1.4%	1.5%
Other liabilities	469	455	0.9%	0.9%
Total liabilities	16,455	16,120	1.8%	1.8%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	1,207	1,160	2.1%	2.1%

Summary consolidated profit and loss statement	Three months to		Bank's share of the banking system	
			Three months to	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
Net interest profit before loan-loss provision	145.0	140.0	2.5%	2.6%
Loan-loss provision	14.0	39.0	3.7%	5.1%
Operating and other income	94.0	72.0	2.5%	2.1%
Of which: Operating income	69.0	62.0	2.3%	2.2%
Operating and other expenses	147.0	192.0	2.5%	3.1%
Of which: Salaries and related expenses	92.0	137.0	2.5%	3.4%
Ordinary before-tax provision	78.0	-19.0	2.4%	not calculated
Provision for taxes on ordinary profit	34.0	5.0	2.3%	0.6%
Ordinary after-tax profit	44.0	-24.0	2.5%	not calculated
Bank's share in the profit of subsidiaries	0.0	0.0		
Share of minority shareholders in profit of consolidated companies	0.0	0.0		
Extraordinary after-tax profit	0.0	0.0		
Net profit	44.0	-24.0	1.9%	not calculated

Balances and rates of return on financial items by indexation base on 31.03.2007	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	10,276	4,118	2,766	17,160
Balance of financial liabilities on balance-sheet date	10,440	3,043	2,956	16,439
Excess of financial assets over financial liabilities	-164	1,075	-190	721
Total indexation balance (incl. forwards and options in term of basis assets) ³	-28	756	-8	720
Rate of income on assets (percent) ⁴	7.63	3.69	0.96	4.99
Rate of expenditure on liabilities (percent) ⁴	-3.56	-3.49	0.25	-2.50
Interest-rate differential	4.08	0.20	1.21	2.49

Problem borrowers	31.03.2007	31.12.2006
Total credit risk dew to problem borrowers	1,664	1,662
Total credit to problem borrowers	1,200	1,238

Main financial ratios - consolidated (percent)	31.03.2007	31.12.2006
Equity/balance-sheet ratio	6.83	6.71
Financial capital/equity ratio	59.73	58.79
Equity/risk-weighted-assets ratio	12.90	12.70
Return on equity (net profit/gross weighted-capital ratio) ⁵	15.90	5.60
Operating income/operating expenses ratio ⁶	63.95	49.84

¹ See note 5.1.7 in the introduction² Including foreign-currency indexed NIS.³ Forwards transactions.⁴ Three-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives⁵ Annual basis.⁶ For three months. Comparative data are annual