



Statement for 31/12/2008 on consolidated basis
Mercantile Discount Bank Ltd and its subsidiaries, Main data, NIS million

Taken from the annual report to 31.12.2008, reported amounts

Summary consolidated balance sheet	End of year			Banking group's share of the banking system		
	2008	2007	2006	2008	2007	2006
Cash and deposits in banks ⁽¹⁾	3,396	2,699	2,266	2.1%	1.8%	1.4%
Securities	2,098	2,604	1,988	1.5%	1.5%	1.2%
Securities borrowed or purchased under agreements to resell	0	0	0	0.0%	0.0%	0.0%
Credit to the public	14,326	13,027	12,583	2.0%	2.0%	2.1%
Credit to the government	9	9	9	0.4%	0.6%	0.4%
Investments in companies included on an equity basis	76	75	3	1.6%	1.5%	0.1%
Buildings and equipment	344	341	331	2.5%	2.7%	2.7%
Other assets	135	105	100	0.3%	0.4%	0.4%
Total assets	20,384	18,860	17,280	1.9%	1.9%	1.8%
Deposits of the public	17,037	15,736	14,484	2.1%	2.0%	1.9%
Deposits of banks ⁽¹⁾	427	342	372	0.7%	0.6%	0.7%
Deposits of the government	45	50	55	1.3%	1.0%	0.9%
Securities loaned or sold under agreements to repurchase	0	0	0	0.0%	0.0%	0.0%
Bonds and subordinated notes	636	729	754	1.0%	1.2%	1.5%
Other liabilities	760	640	455	1.0%	1.1%	0.9%
Total liabilities	18,905	17,497	16,120	1.9%	1.9%	1.8%
Minority shareholders' rights	0	0	0			
Equity	1,479	1,363	1,160	2.5%	2.2%	2.1%

Summary consolidated profit and loss statement	End of year			Banking group's share of the banking system		
	2008	2007	2006	2008	2007	2006
Net interest profit before loan-loss provision	681.0	637.0	552.0	3.6%	2.7%	2.4%
Loan-loss provision	123.0	97.0	115.0	2.4%	5.2%	3.7%
Operating and other income	331.0	344.0	303.0	2.6%	2.3%	2.1%
Of which: Operating income	312.0	283.0	255.0	2.5%	2.3%	2.3%
Operating and other expenses	657.0	623.0	608.0	2.5%	2.5%	2.5%
Of which: Salaries and related expenses	378.0	381.0	376.0	2.5%	2.5%	2.4%
Ordinary profit before-tax provision	232.0	261.0	132.0	10.6%	2.2%	1.4%
Provision for taxes on ordinary profit	87.0	95.0	72.0	6.8%	2.1%	1.6%
Ordinary after-tax profit	145.0	166.0	60.0	11.1%	2.3%	1.2%
Bank's share in the profit of subsidiaries	3.0	0.0	0.0			
Minority shareholders' share in profit of consolidated companies	0.0	0.0	0.0			
Ordinary net profit	148.0	166.0	60.0	12.5%	2.2%	1.1%
Extraordinary after-tax profit	0.0	48.0	1.0			
Net profit	148.0	214.0	61.0	11.7%	2.3%	0.7%
Basic earning in NIS per share	1187.0	1716.0	489.0			

Balances and rates of return on financial items by indexation base on 31.12.2008 - consolidated	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	12,819	4,224	2,781	19,824
Balance of financial liabilities on balance-sheet date	12,292	3,480	3,045	18,817
Excess of financial assets over financial liabilities	527	744	-264	1,007
Total indexation balance (incl. Forwards ⁽³⁾ and options in term of basis assets)	781	249	-23	1,007
Options at the money and out of the money (net, capitalized nominal value)	94	0	-94	0
Rate of income on assets (%) ⁽⁴⁾	7.00	8.82	1.46	6.15
Rate of expenses on liabilities (%) ⁽⁴⁾	-2.96	-8.34	-0.20	-3.33
Interest-rate spread	4.04	0.48	1.26	2.82

Internal rate of return on assets (%)	6.07	5.04	4.36	
Internal rate of return on liabilities (%)	2.32	3.65	3.59	
Difference	3.75	1.39	0.77	
Average duration of assets (years)	0.11	3.36	0.31	0.85
Average duration of liabilities (years)	0.25	3.45	0.31	0.86
Difference	-0.14	-0.09	0.00	-0.01

⁽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.



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Mercantile Discount Bank Ltd., Additional data

(NIS millions, reported amounts)

Additional data	2008	2007
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Total off-balance-sheet and credit risk

Credit to the public and credit risk	14,926	13,596
Total off-balance-sheet credit risk	7,200	6,502
Total credit risk	22,126	20,098
<i>Of which:</i> Total risk of credit for housing loans	1,389	1,136
Total risk of credit to construction and real estate industr	5,248	4,179

Additional disclosure for bonds - fair value

Treasury bonds	1,420	1,947
mortgage and asset' backed bonds	0	0
other bonds	546	509

Problem borrowers

Total credit risk dew to problem borrowers	1,335	1,360
<i>Of which:</i> Total credit to problem borrowers	1,087	1,009

Data on derivatives

Notional amount	4,120	5,175
Gross positive fair value	52	49

Activity with interested and related parties

Total assets on balance-sheet date	519	503
<i>Of which:</i> credit to the public	56	52
Total liabilities on balance-sheet date (including quasi-capital items)	689	713

Branches and personnel

Number of employee posts in Israel, monthly average	1,400	1,307
Number of employee posts abroad, monthly average	0	0
Number of branches in Israe	71	70
Number of branches abroad	0	0

Main financial ratios, in annual terms (%)

Equity/risk-weighted-assets ratic	12.70	13.20
Equity/balance-sheet ratic	7.26	7.23
Financial capital/equity capital ratic	68.09	64.49
Ratio of problem loans to total credit to the public	7.56	7.71
Return on equity (net profit/average equity ratio)	10.30	17.20
Non-interest income/operating expenses ratic	50.38	55.22
Ratio of loan-loss provision to total credit to the public	0.86	0.74