

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

Taken from the quarterly report to 30.09.2009, reported amounts



Summary consolidated balance sheet	30.09.2009	31.12.2008	Bank's share of the banking system	
			30.09.2009	31.12.2008
Cash and deposits in banks ¹	3,292	3,396	1.9%	2.1%
Securities	4,093	2,098	2.7%	1.5%
Securities borrowed or purchased under agreements to resell	0	0	0.0%	0.0%
Credit to the public	14,031	14,326	1.9%	2.0%
Credit to the government	0	9	0.0%	0.4%
Investments in companies included on an equity basis	3	3	0.1%	0.1%
Buildings and equipment	346	344	2.6%	2.5%
Other assets	162	135	0.5%	0.3%
Total assets	21,927	20,311	2.0%	1.9%
Deposits of the public	18,351	17,037	2.2%	2.1%
Deposits of banks ¹	537	427	0.8%	0.7%
Deposits of the government	45	45	1.2%	1.3%
Securities loaned or sold under agreements to repurchase	0	0	0.0%	0.0%
Bonds and subordinated notes	613	636	0.8%	1.0%
Other liabilities	690	687	1.0%	0.9%
Total liabilities	20,236	18,832	2.0%	1.9%
Minority shareholders' rights	0	0		
Equity	1,691	1,479	2.5%	2.5%

Summary consolidated profit and loss statement	Nine months ended		Bank's share of the banking system		Three months ended
			Nine months ended		
	30.09.2009	30.09.2008	30.09.2009	30.09.2008	30.09.2009
Net interest profit before loan-loss provision	547.0	546.0	3.1%	3.7%	190.0
Loan-loss provision	84.0	88.0	2.1%	3.4%	23.0
Operating and other income	300.0	240.0	2.5%	2.4%	107.0
Of which: Operating income	255.0	237.0	2.5%	2.3%	87.0
Operating and other expenses	509.0	484.0	2.7%	2.5%	176.0
Of which: Salaries and related expenses	292.0	278.0	2.7%	2.4%	100.0
Ordinary profit before-tax provision	254.0	214.0	3.9%	5.7%	98.0
Provision for taxes on ordinary profit	99.0	78.0	3.7%	4.1%	40.0
Ordinary profit after-tax	155.0	136.0	4.0%	7.4%	58.0
Bank's share in the profit of subsidiaries	3.0	3.0			2.0
Share of minority shareholders in profit of consolidated companies	0.0	0.0			0.0
Ordinary net profit	158.0	139.0	3.9%	6.1%	60.0
Extraordinary after-tax profit	0.0	-1.0			0.0
Net profit	158.0	138.0	3.9%	5.4%	60.0
Basic earning in NIS per share	1,260.0	1,110.0			480.0

Balances and rates of return on financial items by indexation base on 30.09.2009	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	13,708	5,118	2,610	21,436
Balance of financial liabilities on balance-sheet date	13,537	3,837	2,853	20,227
Excess of financial assets over financial liabilities	171	1,281	-243	1,209
Total indexation balance (incl. futures, forwards and options in term of basis assets)	412	764	31	1,207
Rate of income on assets (percent) ³	4.30	8.93	3.36	5.08
Rate of expenditure on liabilities (percent) ³	-0.73	-9.43	-1.96	-2.62
Interest-rate spread	3.56	-0.50	1.40	2.46

Internal rate of return on assets (%)	0.00	0.00	0.00	
Internal rate of return on liabilities (%)	0.00	0.00	0.00	
Difference	0.00	0.00	0.00	
Average duration of assets (years)	0.00	0.00	0.00	0.00
Average duration of liabilities (years)	0.00	0.00	0.00	0.00
Difference	0.00	0.00	0.00	0.00

¹ See note 5.1.7 in the introduction² Including foreign-currency indexed NIS.³ Nine-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.

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Additional data	30.09.2009	31.12.2008
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Total off-balance-sheet and credit risk

Credit to the public and credit risk	14,526	14,926
Total off-balance-sheet credit risk	4,864	7,112
Total credit risk	19,390	22,038
<i>Of which: Total risk of credit for housing loans</i>	1,419	1,229
Total risk of credit to construction and real estate industry	4,813	5,216

Additional disclosure for bonds - fair value

Treasury bonds	3,989	1,966
Of which: mortgage and asset' backed bonds	0	0

Problem borrowers

Total credit risk dew to problem borrowers	1,162	1,346
Of which: Total credit to problem borrowers	1,032	1,087
Total credit risk of problem banks	0	0

Data on derivatives

Notional amount	4,439	4,120
Gross positive fair value	49	65

Main financial ratios - consolidated (percent)

Equity/balance-sheet ratio	7.71	7.28
Finanancial capital/equity ratio	71.50	68.09
Equity/risk-weighted-assets ratio	12.90	12.40
Return on equity (net profit average equity ratio) ⁵	13.50	10.30
Operating income/operating expenses ratio ⁶	58.94	50.38

⁵ Annual basis.⁶ For nine months. Comparative data are annual.