

Statement for the third quarter - consolidated

Discount Mortgage Bank 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	190	447	0.1%	0.3%
Securities	0	0	0.0%	0.0%
Securities borrowed or purchased under agreements to resell	0	0	0.0%	0.0%
Credit to the public	14,959	13,742	2.1%	1.9%
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	47	48	0.3%	0.4%
Other assets	54	60	0.2%	0.1%
Total assets	15,250	14,297	1.4%	1.3%
Deposits of the public	908	1,034	0.1%	0.1%
Deposits of banks ¹	12,625	11,568	19.6%	18.6%
Deposits of the government	24	30	0.7%	0.9%
Securities loaned or sold under agreements to repurchase	0	0	0.0%	0.0%
Bonds and subordinated notes	652	645	0.8%	1.0%
Other liabilities	117	121	0.2%	0.2%
Total liabilities	14,325	13,398	1.4%	1.3%
Minority shareholders' rights	0	0		
Equity	925	899	1.4%	1.5%

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	88.5	94.1	0.5%	0.6%	28.4
Loan-loss provision	-3.4	3.2	-0.1%	0.1%	-2.3
Operating and other income	35.3	38.4	0.3%	0.4%	12.0
Of which: Operating income	35.3	38.4	0.3%	0.4%	12.0
Operating and other expenses	86.4	89.7	0.5%	0.5%	30.1
Of which: Salaries and related expenses	50.7	53.2	0.5%	0.5%	17.2
Ordinary profit before-tax provision	40.8	39.6	0.6%	1.1%	12.6
Provision for taxes on ordinary profit	15.2	14.2	0.6%	0.7%	5.3
Ordinary profit after-tax	25.6	25.4	0.7%	1.4%	7.3
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
Ordinary net profit	25.6	25.4	0.6%	1.1%	7.3
Extraordinary after-tax profit	0.0	0.0			0.0
Net profit	25.6	25.4	0.6%	1.0%	7.3
Basic earning in NIS per share	19.4	19.3			5.5

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	4,411	10,302	471	15,185
Balance of financial liabilities on balance-sheet date	3,472	10,344	464	14,279
Excess of financial assets over financial liabilities	940	-42	7	905
Total indexation balance (incl. futures, forwards and options in term of basis assets)	849	-42	98	905
Rate of income on assets (percent) ³	1.47	9.35	6.81	7.38
Rate of expenditure on liabilities (percent) ³	-0.99	-8.98	-8.54	-7.46
Interest-rate spread	0.48	0.37	-1.73	-0.08

Internal rate of return on assets (%)	2.44	4.54	3.22	
Internal rate of return on liabilities (%)	2.20	4.17	2.16	
Difference	0.24	0.37	1.06	
Average duration of assets (years)	0.10	5.94	0.29	4.07
Average duration of liabilities (years)	0.13	4.87	0.33	3.57
Difference	-0.03	1.07	-0.04	0.50

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	0	0
Total off-balance-sheet credit risk	0	0
Total credit risk	0	0
<i>Of which: Total risk of credit for housing loans</i>	0	0
Total risk of credit to construction and real estate industry	0	0

Additional disclosure for bonds - fair value

Treasury bonds	0	0
Of which: mortgage and asset' backed bonds	0	0

Problem borrowers

Total credit risk dew to problem borrowers	751	774
Of which: Total credit to problem borrowers	527	539
Total credit risk of problem banks	0	0

Data on derivatives

Notional amount	868	1,184
Gross positive fair value	62	82

Main financial ratios - consolidated (percent)

Equity/balance-sheet ratio	6.06	6.29
Finanancial capital/equity ratio	97.89	96.50
Equity/risk-weighted-assets ratio	10.40	10.80
Return on equity (net profit average equity ratio) ⁵	3.80	3.20
Operating income/operating expenses ratio ⁶	40.86	39.47

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