ISRAEL DISCOUNT BANK ANNOUNCES Q4 AND FULL YEAR 2011 FINANCIAL RESULTS

Net Income - NIS 852 million compared to NIS 704 million in 2010, an increase of 21.0%

Return on Equity attributable to the Bank's shareholders – 8.2% compared to 7.0% in 2010

Net Operating Income - NIS 791 million compared to NIS 668 million in 2010, an increase of 18.4%

Q4 Net Income - NIS 222 million compared to NIS 131 million in Q4/2010

Fourth Quarter Return on Shareholders' Equity – 8.7% compared to 5.1% in the fourth quarter of 2010

Tier I Capital Ratio – 8.8%. Core Capital Ratio – 8.1%

Ratio of Capital to Risk Assets (according to Basel II guidelines) – 14.1%

Tel-Aviv, Israel: March, 28, 2012 - Israel Discount Bank Limited (TASE:DSCT), one of Israel's leading banks, today reported its Q4 and Full Year 2011 financial results.

The Discount Group's Net Income in 2011 totaled NIS 852 million, compared to NIS 704 million in 2010. The Return on Shareholders' Equity in 2011 reached 8.2%, compared to 7.0% in 2010.

Main factors affecting the Group's business results in 2011, compared to 2010:

- A decrease of 0.9% in income from financing activities before expenses for credit losses.
- A decrease of 5.2% in expenses for credit losses.
- An increase of 1.1% in operating and other income.
- An increase of 3.2% in operating and other expenses, impacted by a 7.5% increase in salaries and related expenses.
- A decrease of 81% in the provision for taxes on operating income, primarily with respect to an increase in the balance of deferred tax assets that were recalculated as a result of the legislative amendments that were passed pursuant to the recommendations of the Trachtenberg Committee.
- A decrease of 44.6% in the Bank's share in operating income of affiliated companies, net of tax effect.

Main Balance Sheet Developments for 2011, compared to 2010:

- Total Assets of the Discount Group increased by 9.1%, amounting to NIS 202.5 billion, compared to NIS 185.6 billion at the end of 2010.
- Net Credit granted to the public, decreased by 1.9%, amounting to NIS 116.4 billion, compared to NIS 118.7 billion at the end of 2010.
- Deposits from the public increased by 11.1%, amounting to NIS 153.4 billion, compared to NIS 138.0 billion at the end of 2010.
- Total Equity decreased by 0.3%, amounting to NIS 11.1 billion, compared to NIS 11.2 billion at the end of 2010.

DATA REGARDING SUBSIDIARIES

2011

	Net Income	Return on Shareholders' Equity	Capital Adequacy Ratio
Discount Bancorp Inc.	USD 46 M	5.9%	*16.5%
Mercantile Discount Bank	NIS 162 M	9.6%	13.2%
Discount Mortgage Bank	NIS 45.3 M	4.0%	13.9%
Israel Credit Cards (ICC) (the Bank holds 71.83% of the equity)	NIS 230 M	20.6%	16.7%

2010

	Net income	Return on Shareholders' Equity	Capital Adequacy Ratio
Discount Bancorp Inc.	USD 51 M	6.9%	*14.7%
Mercantile Discount Bank	NIS 141 M	8.1%	13.1%
Discount Mortgage Bank	NIS 30.4 M	2.8%	18.3%
Israel Credit Cards (ICC) (the Bank holds 71.83% of the equity)	NIS 215 M	18.3%	16.2%

* In conformity with mandatory rules in the U.S.A.

DISCOUNT GROUP - PRINCIPAL DATA FROM THE FINANCIAL STATEMENTS

INCOME AND PROFITABILITY (IN NIS MILLIONS)

	Annual			Quarterly		
	2011	2010	% change	2011	2010	% change
Income from financing activities before expenses for credit losses	4,785	4,830	(0.9)	1,140	1,293	(11.8)
Expenses for credit losses	778	821	(5.2)	252	274	(8.0)
Total operating and other income	2,690	2,660	1.1	658	703	(6.4)
Total operating and other expenses	5,838	5,659	3.2	1,461	1,566	(6.7)
Operating income before taxes	859	1,010	(15.0)	85	156	(45.5)
Operating income after taxes	772	552	39.9	219	52	321.2
Net income attributed to the Bank's shareholders	852	704	21.0	222	131	69.5
Net return on equity attributed to the Bank's shareholders in %	8.2	7.0		8.7	5.1	

DEVELOPMENT OF ASSETS AND LIABILITIES (IN NIS MILLIONS)

	December 31 2011	December 31 2010	% change
Total Assets	202,491	185,576	9.1
Net Credit granted to the public	116,383	118,666	(1.9)
Securities	42,898	37,176	15.4
Deposits from the public	153,368	138,011	11.1
Equity attributed to the Bank's shareholders	10,745	10,824	(0.7)
Total Equity	11,115	11,152	(0.3)

PRINCIPAL FINANCIAL RATIOS (IN PERCENTAGES)

	December 31 2011	December 31 2010
Total Equity to Total Assets	5.5	6.0
Ratio of capital to risk assets (Basel II)	14.1	13.2
Core Capital ratio	8.1	7.6
Expenses for credit losses to credit granted to the public	0.65	0.66
Net Credit granted to the public, to total assets	57.5	63.9
Net Credit granted to the public, to deposits from the public	75.9	86.0
Deposits from the public to total assets	75.7	74.4
Operating Income to Operating Expenses	46.1	47.0
Operating Expenses to Total Income	78.1	75.6
Adjusted Return on Risk Assets	8.1	6.7

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