



Statement for 31/12/2004 - bank
Arab Israel Bank Ltd. , Main data, NIS million

Taken from the annual report to 31.12.2004, Reported amounts at 2004 (2002-03 adjusted to CPI for 12.2003)

Summary balance sheet	End of year			Bank's share of the banking system		
	2004	2003	2002	2004	2003	2002
Cash and deposits in banks ⁽¹⁾	1,079	1,230	1,217	0.8%	0.8%	0.8%
Securities	225	235	211	0.2%	0.2%	0.2%
Credit to the public	1,739	1,497	1,382	0.3%	0.3%	0.2%
Credit to the government	0	0	0	0.0%	0.0%	0.0%
Investments in companies included on an equity basis	0	0	0	0.0%	0.0%	0.0%
Buildings and equipment	34	28	24	0.3%	0.3%	0.2%
Other assets	31	33	33	0.1%	0.1%	0.2%
Total assets	3,108	3,023	2,867	0.4%	0.4%	0.3%
Deposits of the public	2,597	2,527	2,530	0.4%	0.4%	0.4%
Deposits of banks ⁽¹⁾	146	133	9	0.2%	0.2%	0.0%
Deposits of the government	0	0	0	0.0%	0.0%	0.0%
Bonds and subordinated notes	0	0	0	0.0%	0.0%	0.0%
Other liabilities	56	61	37	0.2%	0.2%	0.2%
Total liabilities	2,799	2,720	2,576	0.3%	0.3%	0.3%
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Equity	309	302	291	0.7%	0.7%	0.7%

Summary profit and loss statement	End of year			Bank's share of the banking system		
	2004	2003	2002	2004	2003	2002
Net interest profit before loan-loss provision	171.5	161.0	151.5	0.8%	0.8%	0.9%
Loan-loss provision	7.4	9.4	13.0	0.1%	0.1%	0.2%
Operating and other income	80.3	81.2	77.8	0.7%	0.7%	0.8%
Of which: Operating income	76.0	73.3	75.2	0.8%	0.8%	0.9%
Operating and other expenses	117.5	113.9	102.0	0.6%	0.6%	0.6%
Of which: Salaries and related expenses	76.7	73.6	65.8	0.7%	0.7%	0.6%
Inflation adjustments	0.0	4.0	0.0			
Ordinary profit-before-tax provision	126.9	122.9	114.3	1.6%	2.1%	4.7%
Provision for taxes on ordinary profit	58.8	56.6	52.7	1.7%	2.2%	4.8%
Ordinary after-tax profit	68.1	66.3	61.6	1.5%	2.1%	4.4%
Bank's share in the profit of subsidiaries	0.0	0.0	0.0			
Extraordinary after-tax profit	0.0	-1.8	0.0			
Net profit	68.1	64.5	61.6	1.3%	2.0%	5.7%

Balances and rates of return on financial items by indexation base on 31.12.2004	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	2,314	700	58	3,073
Balance of financial liabilities on balance-sheet date	2,195	562	41	2,798
Excess of financial assets over financial liabilities	119	138	18	275
Total indexation balance(incl. Forwards ⁽³⁾ and options in term of basis assets)	119	138	18	275
Options at the money and out of the money (net, capitalized nominal value)	0	0	0	0
Rate of income on assets(%) ⁽⁴⁾	7.06	5.71	0.89	6.78
Rate of expenses on liabilities(%) ⁽⁴⁾	-3.64	-4.59	-0.26	-3.72
Interest-rate spread	3.42	1.12	0.63	3.06
Internal rate of return on assets (%)	6.89	5.34	4.08	
Internal rate of return on liabilities (%)	5.08	3.97	3.30	
Difference	1.81	1.37	0.78	
Average duration of assets (years)	0.55	2.13	0.53	0.91
Average duration of liabilities (years)	0.69	1.98	0.76	0.95
Difference	-0.14	0.15	-0.23	-0.04

⁽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.



**Statement for 31/12/2004 - bank
Arab Israel Bank Ltd., Additional data**

(NIS millions, 2004 reported amounts, 2003 adjusted to 12.2003 prices)

Additional data	2004	2003
Total off-balance-sheet and credit risk		
Credit to the public and credit risk	1,750	1,508
Total off-balance-sheet credit risk	581	548
Total credit risk	2,331	2,055
<i>Of which:</i> Total risk of credit for housing loans	0	0
Total risk of credit to construction and real estate industr	322	274
Problem borrowers		
Total credit risk dew to problem borrower:	160	137
<i>Of which:</i> Total credit to problem borrowers	149	129
Data on derivatives		
Notional amoun	1	1
Gross positive fair value	0	0
Activity with interested and related parties		
Total assets on balance-sheet dat	1,038	891
<i>Of which:</i> credit to the public	0	0
Total liabilities on balance-sheet date (including quasi-capital item	147	133
Branches and personnel		
Number of employee posts in Israel, monthly average	331	320
Number of employee posts abroad, monthly average	0	0
Number of branches in Israe	24	24
Number of branches abroac	0	0
Main financial ratios, in annual terms (%)		
Equity/risk-weighted-assets ratic	21.37	23.11
Equity/balance-sheet ratic	9.95	10.00
Financial capital/equity capital rati	88.81	90.44
Ratio of problem loans to total credit to the publi	8.52	8.54
Return on equity (net profit/gross weighted capital rati	22.50	22.20
Non-interest income/operating expenses rati	68.34	71.29
Ratio of loan-loss provision to total credit to the publ	0.42	0.62