



Statement for 31/12/2005 - bank
Arab Israel Bank Ltd. , Main data, NIS million

Taken from the annual report to 31.12.2005, 2004-2005:reported amounts (2003:adjusted to CPI for 12.2003)

Summary balance sheet	End of year			Bank's share of the banking system		
	2005	2004	2003	2005	2004	2003
Cash and deposits in banks ⁽¹⁾	1,197	1,079	1,230	0.8%	0.7%	0.8%
Securities	289	225	235	0.2%	0.2%	0.2%
Credit to the public	1,882	1,739	1,497	0.3%	0.3%	0.3%
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	37	34	28	0.3%	0.3%	0.3%
Other assets	25	31	33	0.1%	0.1%	0.1%
Total assets	3,431	3,108	3,023	0.4%	0.4%	0.4%
Deposits of the public	2,732	2,597	2,527	0.4%	0.4%	0.4%
Deposits of banks ⁽¹⁾	330	146	133	0.6%	0.2%	0.2%
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	48	56	61	0.1%	0.2%	0.2%
Total liabilities	3,109	2,799	2,720	0.4%	0.3%	0.3%
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Equity	322	309	302	0.6%	0.7%	0.7%

Summary profit and loss statement	End of year			Bank's share of the banking system		
	2005	2004	2003	2005	2004	2003
Net interest profit before loan-loss provision	178.9	171.5	161.0	0.8%	0.8%	0.8%
Loan-loss provision	13.7	7.4	9.4	0.3%	0.1%	0.1%
Operating and other income	82.5	80.3	81.2	0.6%	0.7%	0.7%
Of which: Operating income	74.7	76.0	73.3	0.7%	0.8%	0.8%
Operating and other expenses	120.1	117.5	113.9	0.5%	0.6%	0.6%
Of which: Salaries and related expenses	75.1	76.7	73.6	0.6%	0.6%	0.7%
Inflation adjustments			4.0			
Ordinary profit-before-tax provision	127.6	126.9	122.9	1.4%	1.6%	2.1%
Provision for taxes on ordinary profit	54.7	58.8	56.6	1.4%	1.7%	2.2%
Ordinary after-tax profit	72.9	68.1	66.3	1.3%	1.5%	2.1%
Bank's share in the profit of subsidiaries	0.0	0.0	0.0			
Extraordinary after-tax profit	1.4	0.0	-1.8			
Net profit	74.3	68.1	64.5	1.1%	1.3%	2.0%

Balances and rates of return on financial items by indexation base on 31.12.2005	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	2,685	634	73	3,393
Balance of financial liabilities on balance-sheet date	2,520	516	72	3,108
Excess of financial assets over financial liabilities	165	119	1	285
Total indexation balance (incl. Forwards ⁽³⁾ and options in term of basis assets)	165	119	1	285
Options at the money and out of the money (net, capitalized nominal value)	0	0	0	0
Rate of income on assets (%) ⁽⁴⁾	8.52	7.10	9.20	8.25
Rate of expenses on liabilities (%) ⁽⁴⁾	-2.81	-6.05	-7.06	-3.48
Interest-rate spread	5.70	1.05	2.14	4.77
Internal rate of return on assets (%)	5.97	5.02	4.28	
Internal rate of return on liabilities (%)	4.59	3.62	3.22	
Difference	1.38	1.40	1.06	
Average duration of assets (years)	0.43	2.34	0.35	0.79
Average duration of liabilities (years)	0.51	2.11	0.55	0.76
Difference	-0.08	0.23	-0.20	0.03

⁽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 31/12/2005 - bank
Arab Israel Bank Ltd., Additional data
 (NIS millions, reported amounts)

Additional data	2005	2004
Total off-balance-sheet and credit risk		
Credit to the public and credit risk	1,895	1,750
Total off-balance-sheet credit risk	668	581
Total credit risk	2,563	2,331
<i>Of which:</i> Total risk of credit for housing loans	0	0
Total risk of credit to construction and real estate industr	340	322
Problem borrowers		
Total credit risk dew to problem borrower:	206	185
<i>Of which:</i> Total credit to problem borrowers	180	165
Data on derivatives		
Notional amoun	3	1
Gross positive fair value	0	0
Activity with interested and related parties		
Total assets on balance-sheet dat	1,121	1,038
<i>Of which:</i> credit to the public	0	0
Total liabilities on balance-sheet date (including quasi-capital item	334	147
Branches and personnel		
Number of employee posts in Israel, monthly average	342	331
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	21.21	21.37
Equity/balance-sheet ratic	9.38	9.95
Financial capital/equity capital rati	88.57	88.81
Ratio of problem loans to total credit to the publi	9.52	9.43
Return on equity (net profit/gross weighted capital rati	24.00	22.50
Non-interest income/operating expenses rati	68.69	68.34
Ratio of loan-loss provision to total credit to the publ	0.72	0.42