



Statement for 31/12/2006 - bank
Arab Israel Bank Ltd. , Main data, NIS million
 Taken from the annual report to 31.12.2006, reported amounts

Summary balance sheet	End of year			Bank's share of the banking system		
	2006	2005	2004	2006	2005	2004
Cash and deposits in banks ⁽¹⁾	1,045	1,197	1,079	0.6%	0.8%	0.7%
Securities	570	289	225	0.4%	0.2%	0.2%
Credit to the public	2,164	1,882	1,739	0.4%	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	39	37	34	0.3%	0.3%	0.3%
Other assets	34	25	31	0.2%	0.1%	0.1%
Total assets	3,852	3,431	3,108	0.4%	0.4%	0.4%
Deposits of the public	3,002	2,732	2,597	0.4%	0.4%	0.4%
Deposits of banks ⁽¹⁾	445	330	146	0.8%	0.6%	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	70	48	56	0.1%	0.1%	0.1%
Total liabilities	3,517	3,109	2,799	0.4%	0.4%	0.3%
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Equity	335	322	309	0.6%	0.6%	0.7%

Summary profit and loss statement	End of year			Bank's share of the banking system		
	2006	2005	2004	2006	2005	2004
Net interest profit before loan-loss provision	198.8	178.9	171.5	0.9%	0.8%	0.8%
Loan-loss provision	9.4	13.7	7.4	0.3%	0.3%	0.1%
Operating and other income	81.1	82.5	80.3	0.6%	0.6%	0.7%
Of which: Operating income	77.9	74.7	76.0	0.7%	0.7%	0.8%
Operating and other expenses	158.0	120.1	117.5	0.6%	0.5%	0.6%
Of which: Salaries and related expenses	103.7	75.1	76.7	0.7%	0.6%	0.6%
Ordinary profit-before-tax provision	112.5	127.6	126.9	1.2%	1.4%	1.6%
Provision for taxes on ordinary profit	51.4	54.7	58.8	1.2%	1.4%	1.7%
Ordinary after-tax profit	61.1	72.9	68.1	1.2%	1.4%	1.5%
Bank's share in the profit of subsidiaries	0.0	0.0	0.0			
Extraordinary after-tax profit	0.5	1.4	0.0			
Net profit	61.6	74.3	68.1	0.7%	1.1%	1.3%
Basic earning in NIS per share	60.7	73.2	67.1			

Balances and rates of return on financial items by indexation base on 31.12.2006	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	3,126	577	108	3,812
Balance of financial liabilities on balance-sheet date	2,998	427	91	3,515
Excess of financial assets over financial liabilities	129	150	17	297
Total indexation balance(incl. Forwards ⁽³⁾ and options in term of basis assets)	129	150	17	297
Options at the money and out of the money (net, capitalized nominal value)	0	0	0	0
Rate of income on assets(%) ⁽⁴⁾	9.41	4.63	-3.11	8.29
Rate of expenses on liabilities(%) ⁽⁴⁾	-3.48	-3.46	5.12	-3.26
Interest-rate spread	5.93	1.17	2.01	5.02
Internal rate of return on assets (%)	5.65	4.76	5.24	
Internal rate of return on liabilities (%)	4.49	3.46	4.02	
Difference	1.16	1.30	1.22	
Average duration of assets (years)	0.39	2.82	0.37	0.76
Average duration of liabilities (years)	0.34	2.62	0.45	0.62
Difference	0.05	0.20	-0.08	0.14

(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 31/12/2006 - bank
Arab Israel Bank Ltd., Additional data
 (NIS millions, reported amounts)

Additional data	2006	2005
Total off-balance-sheet and credit risk		
Credit to the public and credit risk	2,177	1,895
Total off-balance-sheet credit risk	749	668
Total credit risk	2,926	2,563
<i>Of which:</i> Total risk of credit for housing loans	0	0
Total risk of credit to construction and real estate industr	365	340
Problem borrowers		
Total credit risk dew to problem borrower:	206	206
<i>Of which:</i> Total credit to problem borrowers	185	180
Data on derivatives		
Notional amoun	0	0
Gross positive fair value	0	0
Activity with interested and related parties		
Total assets on balance-sheet dat	1,009	1,121
<i>Of which:</i> credit to the public	0	0
Total liabilities on balance-sheet date (including quasi-capital item	389	334
Branches and personnel		
Number of employee posts in Israel, monthly average	363	342
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	19.49	21.21
Equity/balance-sheet ratic	8.70	9.38
Financial capital/equity capital rati	88.48	88.57
Ratio of problem loans to total credit to the publi	8.48	9.52
Return on equity (net profit/gross weighted capital rati	19.10	24.00
Non-interest income/operating expenses rati	51.33	68.69
Ratio of loan-loss provision to total credit to the publ	0.43	0.72