

Statement for the first quarter - bank Arab Israel Bank Ltd. , Main data, NIS millior

Taken from the quarterly report to 31.03.2007, reported amounts



Summary balance sheet	31.03.2007	31.12.2006	Bank's share of the banking system	
			31.03.2007	31.12.2006
Cash and deposits in banks ¹	1,006	1,045	0.6%	0.6%
Securities	671	570	0.4%	0.4%
Securities borrowed or purchased under agreements to resell	0	0	0.0%	0.0%
Credit to the public	2,205	2,239	0.4%	0.4%
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	42	39	0.3%	0.3%
Other assets	33	34	0.2%	0.2%
Total assets	3,957	3,927	0.4%	0.4%
Deposits of the public	2,937	3,002	0.7%	0.8%
Deposits of banks ¹	523	445	1.2%	1.7%
Securities loaned or sold under agreements to repurchase	0	0	0.0%	0.0%
Deposits of the government	0	0	0.0%	0.0%
Bonds and subordinated notes	0	0	0.0%	0.0%
Other liabilities	139	145	0.3%	0.3%
Total liabilities	3,599	3,592	0.4%	0.4%
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	358	335	0.6%	0.6%

Summary profit and loss statement	Three months to		Bank's share of the Three months to	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
Net interest profit before loan-loss provision	50.4	48.0	0.9%	0.9%
Loan-loss provision	2.5	2.1	0.7%	0.3%
Operating and other income	21.5	20.4	0.6%	0.6%
Of which: Operating income	21.5	19.1	0.7%	0.7%
Operating and other expenses	31.2	35.1	0.5%	0.6%
Of which: Salaries and related expenses	17.8	23.4	0.5%	0.6%
Ordinary before-tax provision	38.2	31.2	1.2%	1.6%
Provision for taxes on ordinary profit	16.2	13.3	1.1%	1.5%
Ordinary after-tax profit	22.0	17.9	1.3%	1.6%
Bank's share in the profit of subsidiaries	0.0	0.0		
Share of minority shareholders in profit of consolidated companies	0.0	0.0		
Extraordinary after-tax profit	0.0	0.5		
Net profit	22.0	18.4	1.0%	0.7%

Balances and rates of return on financial items by indexation base on 31.03.2007	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	3,234	556	121	3,911
Balance of financial liabilities on balance-sheet date	3,101	402	95	3,598
Excess of financial assets over financial liabilities	134	154	27	314
Total indexation balance(incl.forwards and options in term of basis assets) ³	134	154	27	314
Rate of income on assets(percent) ⁴	8.62	3.29	-1.79	7.50
Rate of expenditure on liabilities(percent) ⁴	-3.09	-2.20	3.50	-2.80
Interest-rate differential	5.54	1.09	1.71	4.70

Problem borrowers	31.03.2007	31.12.2006
Total credit risk dew to problem borrowers	256	206
Total credit to problem borrowers	228	185

Main financial ratios (percent)	31.03.2007	31.12.2006
Equity/balance-sheet ratio	9.05	8.53
Finanancial capital/equity ratio	87.63	88.48
Equity/risk-weighted-assets ratio	20.92	19.49
Return on equity (net profit/gross weightec-capital ratio) ⁵	28.20	17.30
Operating income/operating expenses ratio ⁶	68.91	51.33

¹ See note 5.1.7 in the introduction² Including foreign-currency indexed NIS.³ Forwards transactions.⁴ Three-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.⁵ Annual basis.⁶ For three months. Comparative data are annual