



Statement for 31/12/2008 - bank
Arab Israel Bank Ltd. , Main data, NIS million
 Taken from the annual report to 31.12.2008, reported amounts

Summary balance sheet	End of year			Bank's share of the banking system		
	2008	2007	2006	2008	2007	2006
Cash and deposits in banks ⁽¹⁾	1,003	939	1,045	0.6%	0.6%	0.6%
Securities	794	529	570	0.6%	0.3%	0.3%
Securities borrowed or purchased under agreements to resell	0	0	0	0.0%	0.0%	0.0%
Credit to the public	2,885	2,663	2,239	0.4%	0.4%	0.4%
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	50	47	39	0.4%	0.4%	0.3%
Other assets	40	39	34	0.1%	0.1%	0.2%
Total assets	4,772	4,216	3,927	0.4%	0.4%	0.4%
Deposits of the public	3,217	3,160	3,002	0.4%	0.4%	0.4%
Deposits of banks ⁽¹⁾	931	568	445	1.5%	1.0%	0.8%
Deposits of the government	0	0	0	0.0%	0.0%	0.0%
Securities loaned or sold under agreements to repurchase	0	0	0	0.0%	0.0%	0.0%
Bonds and subordinated notes	100	0	0	0.1%	0.0%	0.0%
Other liabilities	180	154	145	0.2%	0.3%	0.3%
Total liabilities	4,428	3,882	3,592	0.4%	0.4%	0.4%
Equity	344	334	335	0.6%	0.5%	0.6%

Summary profit and loss statement	End of year			Bank's share of the banking system		
	2008	2007	2006	2008	2007	2006
Net interest profit before loan-loss provision	235.0	216.2	198.8	1.3%	0.9%	0.9%
Loan-loss provision	26.5	12.3	9.4	0.5%	0.7%	0.3%
Operating and other income	101.6	96.6	81.1	0.8%	0.6%	0.6%
Of which: Operating income	99.1	94.5	77.1	0.8%	0.8%	0.7%
Operating and other expenses	188.2	160.4	158.0	0.7%	0.6%	0.6%
Of which: Salaries and related expenses	111.3	95.4	103.7	0.7%	0.6%	0.7%
Ordinary profit-before-tax provision	121.9	140.1	112.5	5.6%	1.2%	1.2%
Provision for taxes on ordinary profit	48.4	51.6	51.4	3.8%	1.1%	1.2%
Ordinary after-tax profit	73.5	88.5	61.1	5.6%	1.2%	1.2%
Bank's share in the profit of subsidiaries	0.0	0.0	0.0			
Ordinary net profit	73.5	88.5	61.1	6.2%	1.2%	1.1%
Extraordinary after-tax profit	0.0	0.0	0.5			
Net profit	73.5	88.5	61.6	5.8%	1.0%	0.7%
Basic earning in NIS per share	72.4	87.2	60.7			

Balances and rates of return on financial items by indexation base on 31.12.2008	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	3,967	631	122	4,719
Balance of financial liabilities on balance-sheet date	3,772	550	105	4,427
Excess of financial assets over financial liabilities	195	81	17	293
Total indexation balance (incl. Forwards ⁽³⁾ and options in term of basis assets)	195	81	17	293
Options at the money and out of the money (net, capitalized nominal value)	0	0	0	0
Rate of income on assets (%) ⁽⁴⁾	8.01	8.55	1.89	7.91
Rate of expenses on liabilities (%) ⁽⁴⁾	-2.59	-7.15	-0.65	-3.08
Interest-rate spread	5.42	1.40	1.24	4.83
Internal rate of return on assets (%)	4.11	4.32	3.64	
Internal rate of return on liabilities (%)	3.79	3.15	2.51	
Difference	0.32	1.17	1.13	
Average duration of assets (years)	0.50	3.38	0.19	0.89
Average duration of liabilities (years)	0.35	3.06	0.22	0.68
Difference	0.15	0.32	-0.03	0.21

(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 31/12/2008 - bank
Arab Israel Bank Ltd., Additional data
 (NIS millions, reported amounts)

Additional data	2008	2007
Total off-balance-sheet and credit risk		
Credit to the public and credit risk	2,902	2,680
Total off-balance-sheet credit risk	738	707
Total credit risk	3,640	3,387
<i>Of which:</i> Total risk of credit for housing loans	0	0
Total risk of credit to construction and real estate industr	424	436
Additional disclosure for bonds - fair value		
Treasury bonds	792	527
mortgage and asset' backed bond:	0	0
other bonds	3	4
Problem borrowers		
Total credit risk dew to problem borrower:	322	252
<i>Of which:</i> Total credit to problem borrowers	301	231
Data on derivatives		
Notional amoun	20	0
Gross positive fair value	1	0
Activity with interested and related parties		
Total assets on balance-sheet dat	850	875
<i>Of which:</i> credit to the public	0	0
Total liabilities on balance-sheet date (including quasi-capital item	963	566
Branches and personnel		
Number of employee posts in Israel, monthly average	414	381
Number of employee posts abroad, monthly average	0	0
Number of branches in Israe	27	26
Number of branches abroac	0	0
Main financial ratios, in annual terms (%)		
Equity/risk-weighted-assets ratic	17.84	16.38
Equity/balance-sheet ratic	7.21	7.93
Financial capital/equity capital rati	85.06	86.09
Ratio of problem loans to total credit to the publi	10.39	8.64
Return on equity (net profit/average equity) ratic	19.50	23.40
Non-interest income/operating expenses rati	53.99	60.22
Ratio of loan-loss provision to total credit to the publ	0.91	0.46