



**Statement for 31/12/2008 on consolidated basis**  
**Bank Massad Ltd. and its subsidiaries Main data, NIS million**

Taken from the annual report to 31.12.2008, reported amounts

Summary consolidated balance sheet	End of year			Banking group's share of the banking system		
	2008	2007	2006	2008	2007	2006
Cash and deposits in banks <sup>(1)</sup>	754	638	694	0.5%	0.4%	0.4%
Securities	943	830	700	0.7%	0.5%	0.4%
Securities borrowed or purchased under agreements to resell	0	0	0	0.0%	0.0%	0.0%
Credit to the public	2,079	1,859	1,603	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	64	64	58	0.5%	0.5%	0.5%
Other assets	20	21	25	0.0%	0.1%	0.1%
<b>Total assets</b>	<b>3,861</b>	<b>3,412</b>	<b>3,080</b>	<b>0.4%</b>	<b>0.3%</b>	<b>0.3%</b>
Deposits of the public	3,491	3,081	2,780	0.4%	0.4%	0.4%
Deposits of banks <sup>(1)</sup>	2	3	3	0.0%	0.0%	0.0%
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	0	0	0	0.0%	0.0%	0.0%
Other liabilities	45	31	37	0.1%	0.1%	0.1%
<b>Total liabilities</b>	<b>3,539</b>	<b>3,116</b>	<b>2,820</b>	<b>0.4%</b>	<b>0.3%</b>	<b>0.3%</b>
Minority shareholders' rights	0	0	0			
Equity	322	296	260	0.5%	0.5%	0.5%

Summary consolidated profit and loss statement	End of year			Banking group's share of the banking system		
	2008	2007	2006	2008	2007	2006
Net interest profit before loan-loss provision	134.3	130.8	132.1	0.7%	0.6%	0.6%
Loan-loss provision	17.9	12.7	14.8	0.3%	0.7%	0.5%
Operating and other income	84.1	81.8	81.7	0.7%	0.5%	0.6%
Of which: Operating income	66.9	63.0	60.8	0.5%	0.5%	0.5%
Operating and other expenses	179.3	143.5	148.7	0.7%	0.6%	0.6%
Of which: Salaries and related expenses	101.3	71.0	83.5	0.7%	0.5%	0.5%
Ordinary profit before-tax provision	21.2	56.4	50.3	1.0%	0.5%	0.5%
Provision for taxes on ordinary profit	9.3	20.0	21.6	0.7%	0.4%	0.5%
Ordinary after-tax profit	11.9	36.4	28.7	0.9%	0.5%	0.6%
Bank's share in the profit of subsidiaries	0.0	0.0	0.0			
Minority shareholders' share in profit of consolidated companies	0.0	0.0	0.0			
Ordinary net profit	11.9	36.4	28.7	1.0%	0.5%	0.5%
Extraordinary after-tax profit	0.0	0.0	16.6			
<b>Net profit</b>	<b>11.9</b>	<b>36.4</b>	<b>45.3</b>	<b>0.9%</b>	<b>0.4%</b>	<b>0.5%</b>
Basic earning in NIS per share	0.1	0.2	0.3			

Balances and rates of return on financial items by indexation base on 31.12.2008 - consolidated	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>(2)</sup>	Total financial items
Balance of financial assets on balance-sheet date	2,996	546	254	3,796
Balance of financial liabilities on balance-sheet date	2,725	560	254	3,539
Excess of financial assets over financial liabilities	271	-14	0	257
Total indexation balance (incl. Forwards <sup>(3)</sup> and options in term of basis assets)	268	-14	4	257
Options at the money and out of the money (net, capitalized nominal value)	-1	0	1	0
Rate of income on assets (%) <sup>(4)</sup>	6.51	8.96	-0.81	6.29
Rate of expenses on liabilities (%) <sup>(4)</sup>	-2.24	-7.08	1.86	-2.66
Interest-rate spread	4.27	1.88	1.05	3.63

Internal rate of return on assets (%)	4.70	5.29	2.68	
Internal rate of return on liabilities (%)	1.54	2.99	1.47	
Difference	3.16	2.30	1.21	
Average duration of assets (years)	0.40	2.56	0.13	0.70
Average duration of liabilities (years)	0.57	4.61	0.12	1.20
Difference	-0.17	-2.05	0.01	-0.50

<sup>(1)</sup> See note 5.1.7. in the introduction.

<sup>(2)</sup> Including foreign-currency indexed NIS.

<sup>(3)</sup> Forwards transactions.

<sup>(4)</sup> including hedging, embedded and ALM derivatives.



## Statement for 31/12/2008 on consolidated basis

### Bank Massad Ltd., Additional data

(NIS millions, reported amounts)

Additional data	2008	2007
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#### Total off-balance-sheet and credit risk

Credit to the public and credit risk	2,164	1,985
Total off-balance-sheet credit risk	1,276	1,158
Total credit risk	3,440	3,143
<i>Of which:</i> Total risk of credit for housing loans	0	0
Total risk of credit to construction and real estate industr	181	178

#### Additional disclosure for bonds - fair value

Treasury bonds	864	710
mortgage and asset' backed bonds	5	7
other bonds	74	113

#### Problem borrowers

Total credit risk dew to problem borrowers	87	68
<i>Of which:</i> Total credit to problem borrowers	86	67

#### Data on derivatives

Notional amount	119	237
Gross positive fair value	2	7

#### Activity with interested and related parties

Total assets on balance-sheet date	368	531
<i>Of which:</i> credit to the public	9	9
Total liabilities on balance-sheet date (including quasi-capital items)	74	25

#### Branches and personnel

Number of employee posts in Israel, monthly average	296	287
Number of employee posts abroad, monthly average	0	0
Number of branches in Israe	17	16
Number of branches abroad	0	0

#### Main financial ratios, in annual terms (%)

Equity/risk-weighted-assets ratic	12.52	12.49
Equity/balance-sheet ratic	8.33	8.68
Financial capital/equity capital ratic	79.97	78.33
Ratio of problem loans to total credit to the public	4.12	3.60
Return on equity (net profit/average equity ratio)	3.90	13.10
Non-interest income/operating expenses ratic	46.90	57.00
Ratio of loan-loss provision to total credit to the public	0.86	0.68