

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

Taken from the quarterly report to 31.03.2009, reported amounts



Summary balance sheet	31.03.2009	31.12.2008	Bank's share of the banking system	
			31.03.2009	31.12.2008
Cash and deposits in banks ¹	918	1,003	0.5%	0.6%
Securities	851	794	0.6%	0.6%
Securities borrowed or purchased under agreements to resell	0	0	0.0%	0.0%
Credit to the public	2,842	2,885	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	49	50	0.4%	0.4%
Other assets	42	40	0.1%	0.1%
Total assets	4,701	4,772	0.4%	0.4%
Deposits of the public	3,104	3,217	0.4%	0.4%
Deposits of banks ¹	964	931	1.6%	1.5%
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	101	100	0.2%	0.1%
Other liabilities	164	180	0.2%	0.2%
Total liabilities	4,333	4,428	0.4%	0.4%
Minority shareholders' rights	0	0		
Equity	368	344	0.6%	0.6%

Summary profit and loss statement	Three months to		Bank's share of the banking system	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Net interest profit before loan-loss provision	64.7	56.5	1.4%	1.3%
Loan-loss provision	7.0	2.6	0.6%	0.7%
Operating and other income	25.4	27.7	0.7%	0.8%
Of which: Operating income	24.3	27.7	0.7%	0.8%
Operating and other expenses	40.0	44.4	0.6%	0.7%
Of which: Salaries and related expenses	21.6	28.7	0.6%	0.7%
Ordinary before-tax provision	43.1	37.2	4.6%	2.5%
Provision for taxes on ordinary profit	15.7	13.9	8.1%	1.9%
Ordinary after-tax profit	27.4	23.3	3.2%	3.1%
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		
Ordinary net profit	27.4	23.3	3.1%	2.8%
Extraordinary after-tax profit	0.0	0.0		
Net profit	27.4	23.3	3.1%	2.8%
Basic earning in NIS per share	27.0	23.0		

Balances and rates of return on financial items by indexation base on 31.03.2009	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	3,932	616	100	4,648
Balance of financial liabilities on balance-sheet date	3,662	576	94	4,332
Excess of financial assets over financial liabilities	270	40	6	316
Total indexation balance (incl. forwards and options in term o basis assets) ³	270	40	6	316
Rate of income on assets (percent) ⁴	6.30	1.40	44.86	6.43
Rate of expenditure on liabilities (percent) ⁴	-1.22	-0.22	-44.00	-1.96
Interest-rate differential	5.07	1.18	0.86	4.47

Problem borrowers	31.03.2009	31.12.2008
Total credit risk dew to problem borrowers	251	322
Total credit to problem borrowers	236	301

Main financial ratios (percent)	31.03.2009	31.12.2008
Equity/balance-sheet ratio	7.83	7.21
Financial capital/equity ratio	85.71	85.06
Equity/risk-weighted-assets ratio	19.31	17.84
Return on equity (net profit average equity ratio) ⁵	35.20	19.50
Operating income/operating expenses ratio ⁶	63.50	53.99

¹ See note 5.1.7 in the introduction

² 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.