

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

Taken from the quarterly report to 30.09.2009, reported amounts



Summary balance sheet	30.09.2009	31.12.2008	Bank's share of the banking system	
			30.09.2009	31.12.2008
Cash and deposits in banks ¹	981	1,003	0.6%	0.6%
Securities	847	794	0.6%	0.6%
Securities borrowed or purchased under agreements to resell	0	0	0.0%	0.0%
Credit to the public	2,925	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	47	50	0.3%	0.4%
Other assets	42	40	0.1%	0.1%
Total assets	4,842	4,772	0.4%	0.4%
Deposits of the public	3,137	3,217	0.4%	0.4%
Deposits of banks ¹	1,037	931	1.6%	1.5%
Deposits of the government	0	0	0.0%	0.0%
Securities loaned or sold under agreements to repurchase	0	0	0.0%	0.0%
Bonds and subordinated notes	103	100	0.1%	0.1%
Other liabilities	166	180	0.2%	0.2%
Total liabilities	4,444	4,428	0.4%	0.4%
Minority shareholders' rights	0	0		
Equity	398	344	0.6%	0.6%

Summary profit and loss statement	Nine months ended		Bank's share of the banking system		Three months ended
	Nine months ended		Nine months ended		
	30.09.2009	30.09.2008	30.09.2009	30.09.2008	30.09.2009
Net interest profit before loan-loss provision	175.0	174.4	1.0%	1.2%	54.2
Loan-loss provision	18.3	10.8	0.5%	0.4%	5.3
Operating and other income	75.5	77.5	0.6%	0.8%	25.5
Of which: Operating income	71.3	77.4	0.7%	0.8%	23.7
Operating and other expenses	122.5	136.3	0.6%	0.7%	42.0
Of which: Salaries and related expenses	64.9	80.2	0.6%	0.7%	23.0
Ordinary profit before-tax provision	109.7	104.8	1.7%	2.8%	32.4
Provision for taxes on ordinary profit	44.0	41.2	1.6%	2.2%	15.9
Ordinary profit after-tax	65.7	63.6	1.7%	3.5%	16.5
Bank's share in the profit of subsidiaries	0.0	0.0			0.0
Share of minority shareholders in profit of consolidated companies	0.0	0.0			0.0
Ordinary net profit	65.7	63.6	1.6%	2.8%	16.5
Extraordinary after-tax profit	0.0	0.0			0.0
Net profit	65.7	63.6	1.6%	2.5%	16.5
Basic earning in NIS per share	64.7	62.7			16.3

Balances and rates of return on financial items by indexation base on 30.09.2009	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	4,059	649	83	4,792
Balance of financial liabilities on balance-sheet date	3,742	619	82	4,443
Excess of financial assets over financial liabilities	317	30	1	349
Total indexation balance (incl. futures, forwards and options in term of basis assets)	317	30	1	349
Rate of income on assets (percent) ³	6.01	8.50	4.24	6.32
Rate of expenditure on liabilities (percent) ³	-1.22	-7.43	-2.48	-2.10
Interest-rate spread	4.79	1.07	1.76	4.22

Internal rate of return on assets (%)	3.69	3.91	2.21	
Internal rate of return on liabilities (%)	3.20	2.94	1.37	
Difference	0.49	0.97	0.84	
Average duration of assets (years)	0.35	3.60	0.15	0.80
Average duration of liabilities (years)	0.43	3.50	0.15	0.86
Difference	-0.08	0.10	0.00	-0.06

¹ See note 5.1.7 in the introduction² Including foreign-currency indexed NIS.³ Nine-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.

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Additional data	30.09.2009	31.12.2008
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Total off-balance-sheet and credit risk

Credit to the public and credit risk	2,942	2,901
Total off-balance-sheet credit risk	759	738
Total credit risk	3,701	3,639
<i>Of which: Total risk of credit for housing loans</i>	11	0
Total risk of credit to construction and real estate industry	434	424

Additional disclosure for bonds - fair value

Treasury bonds	847	795
Of which: mortgage and asset' backed bonds	0	0

Problem borrowers

Total credit risk dew to problem borrowers	251	322
Of which: Total credit to problem borrowers	240	301
Total credit risk of problem banks	0	0

Data on derivatives

Notional amount	0	20
Gross positive fair value	0	1

Main financial ratios (percent)

Equity/balance-sheet ratio	8.22	7.21
Finanancial capital/equity ratio	87.67	85.06
Equity/risk-weighted-assets ratio	20.02	17.84
Return on equity (net profit average equity ratio) ⁵	24.50	19.50
Operating income/operating expenses ratio ⁶	61.63	53.99

⁵ Annual basis.⁶ For nine months. Comparative data are annual.