



Statement for 31/12/2008 on consolidated basis
Bank Leumi Le-Israel 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 | | | Bank's share of the banking system | | |
|---|----------------|----------------|----------------|------------------------------------|--------------|--------------|
| | 2008 | 2007 | 2006 | 2008 | 2007 | 2006 |
| Cash and deposits in banks ⁽¹⁾ | 33,130 | 42,329 | 47,609 | 26.3% | 33.7% | 34.3% |
| Securities | 44,910 | 47,169 | 46,375 | 32.7% | 27.7% | 28.3% |
| Securities borrowed or purchased under agreements to resell | 201 | 655 | 0 | 14.0% | 28.6% | 0.0% |
| Credit to the public | 213,215 | 198,557 | 183,800 | 29.1% | 29.9% | 30.2% |
| Credit to the government | 520 | 642 | 1,020 | 22.8% | 45.1% | 42.9% |
| Investments in companies included on an equity basis | 1,842 | 1,873 | 1,251 | 39.9% | 37.6% | 33.4% |
| Buildings and equipment | 3,445 | 3,276 | 3,056 | 25.4% | 25.8% | 25.3% |
| Other assets | 13,529 | 7,650 | 6,230 | 30.4% | 28.9% | 27.6% |
| Total assets | 310,792 | 302,151 | 289,341 | 29.3% | 30.0% | 30.4% |
| Deposits of the public | 244,783 | 238,045 | 231,823 | 29.8% | 30.2% | 30.5% |
| Deposits of banks ⁽¹⁾ | 3,742 | 6,139 | 5,241 | 18.3% | 23.2% | 20.6% |
| Deposits of the government | 831 | 1,198 | 2,146 | 23.5% | 24.5% | 34.2% |
| Securities loaned or sold under agreements to repurchase | 549 | 231 | 0 | 6.1% | 3.1% | 0.0% |
| Bonds and subordinated notes | 20,636 | 19,248 | 15,622 | 30.9% | 32.5% | 30.6% |
| Other liabilities | 21,334 | 17,636 | 16,866 | 26.8% | 30.1% | 31.7% |
| Total liabilities | 291,875 | 282,497 | 271,698 | 29.2% | 29.9% | 30.3% |
| Minority shareholders' rights | 245 | 105 | 152 | | | |
| Equity | 18,672 | 19,549 | 17,491 | 31.0% | 32.0% | 31.3% |

| Summary consolidated 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 | 6,380.0 | 7,648.0 | 6,922.0 | 34.0% | 32.2% | 30.2% |
| Loan-loss provision | 2,145.0 | 407.0 | 933.0 | 41.4% | 21.7% | 30.0% |
| Operating and other income | 2,800.0 | 4,222.0 | 3,881.0 | 21.7% | 28.1% | 27.1% |
| Of which: Operating income | 3,362.0 | 3,350.0 | 3,013.0 | 26.5% | 27.2% | 27.0% |
| Operating and other expenses | 7,003.0 | 6,937.0 | 7,267.0 | 26.9% | 27.7% | 29.4% |
| Of which: Salaries and related expenses | 4,118.0 | 4,218.0 | 4,552.0 | 27.1% | 28.2% | 29.6% |
| Ordinary profit before-tax provision | 32.0 | 4,526.0 | 2,603.0 | 1.5% | 38.0% | 27.5% |
| Provision for taxes on ordinary profit | 421.0 | 1,722.0 | 1,320.0 | 32.9% | 37.2% | 29.8% |
| Ordinary after-tax profit | -389.0 | 2,804.0 | 1,283.0 | לא חושב | 38.5% | 25.6% |
| Bank's share in the profit of subsidiaries | 249.0 | 184.0 | 171.0 | | | |
| Minority shareholders' share in profit of consolidated companies | -18.0 | -4.0 | 0.0 | | | |
| Ordinary net profit | -158.0 | 2,984.0 | 1,454.0 | לא חושב | 39.7% | 27.2% |
| Extraordinary after-tax profit | 250.0 | 373.0 | 2,080.0 | | | |
| Net profit | 92.0 | 3,357.0 | 3,534.0 | 7.3% | 36.5% | 38.8% |
| Basic earning in NIS per share | 0.1 | 2.4 | 2.5 | | | |

| Balances and rates of return on financial items by indexation base on 31.12.2008 - consolidated | Unindexed NIS | CPI-indexed NIS | Foreign Currency ⁽²⁾ | Total financial items |
|---|---------------|-----------------|---------------------------------|-----------------------|
|---|---------------|-----------------|---------------------------------|-----------------------|

| | | | | |
|--|---------|--------|---------|---------|
| Balance of financial assets on balance-sheet date | 130,841 | 60,377 | 110,352 | 301,570 |
| Balance of financial liabilities on balance-sheet date | 124,968 | 49,285 | 116,962 | 291,215 |
| Excess of financial assets over financial liabilities | 5,873 | 11,092 | -6,610 | 10,355 |
| Total indexation balance (incl. Forwards ⁽³⁾ and options in term of basis assets) | 14,011 | 2,457 | -6,113 | 10,355 |
| Options at the money and out of the money (net, capitalized nominal value) | -700 | -32 | 732 | 0 |
| Rate of income on assets (%) ⁽⁴⁾ | 4.35 | 9.13 | -1.12 | 2.57 |
| Rate of expenses on liabilities (%) ⁽⁴⁾ | -2.14 | -8.41 | 2.17 | -0.94 |
| Interest-rate spread | 2.21 | 0.72 | 1.05 | 1.62 |

| | | | | |
|--|------|-------|------|------|
| Internal rate of return on assets (%) | 5.52 | 4.92 | 4.08 | |
| Internal rate of return on liabilities (%) | 3.17 | 3.95 | 1.88 | |
| Difference | 2.34 | 0.97 | 2.21 | |
| Average duration of assets (years) | 0.45 | 3.33 | 0.55 | 1.09 |
| Average duration of liabilities (years) | 0.36 | 4.18 | 0.39 | 1.05 |
| Difference | 0.09 | -0.86 | 0.16 | 0.04 |

⁽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 on consolidated basis

Bank Leumi Le-Israel 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 | 226,844 | 213,820 |
| Total off-balance-sheet credit risk | 93,650 | 90,550 |
| Total credit risk | 320,494 | 304,370 |
| <i>Of which:</i> Total risk of credit for housing loans | 43,603 | 40,059 |
| Total risk of credit to construction and real estate industry | 60,681 | 54,481 |

Additional disclosure for bonds - fair value

| | | |
|--|--------|--------|
| Treasury bonds | 21,127 | 16,787 |
| mortgage and asset ¹ backed bonds | 4,426 | 6,270 |
| other bonds | 16,062 | 18,775 |

Problem borrowers

| | | |
|--|--------|--------|
| Total credit risk dew to problem borrowers | 22,682 | 15,474 |
| <i>Of which:</i> Total credit to problem borrowers | 18,082 | 13,000 |

Data on derivatives

| | | |
|---------------------------|---------|---------|
| Notional amount | 361,309 | 339,668 |
| Gross positive fair value | 10,047 | 4,947 |

Activity with interested and related parties

| | | |
|---|-------|-------|
| Total assets on balance-sheet date | 7,827 | 8,380 |
| <i>Of which:</i> credit to the public | 5,551 | 5,717 |
| Total liabilities on balance-sheet date (including quasi-capital items) | 1,876 | 1,708 |

Branches and personnel

| | | |
|---|--------|--------|
| Number of employee posts in Israel, monthly average | 11,693 | 11,165 |
| Number of employee posts abroad, monthly average | 1,415 | 1,354 |
| Number of branches in Israel | 251 | 249 |
| Number of branches abroad | 71 | 66 |

Main financial ratios, in annual terms (%)

| | | |
|--|-------|-------|
| Equity/risk-weighted-assets ratio | 11.49 | 11.52 |
| Equity/balance-sheet ratio | 6.01 | 6.47 |
| Financial capital/equity capital ratio | 55.46 | 47.30 |
| Ratio of problem loans to total credit to the public | 8.45 | 6.52 |
| Return on equity (net profit/average equity ratio) | 0.50 | 17.40 |
| Non-interest income/operating expenses ratio | 39.98 | 60.86 |
| Ratio of loan-loss provision to total credit to the public | 1.00 | 0.20 |



Statement for 31/12/2008

Bank Leumi Le-Israel Ltd. , Main data, NIS million (Short Version)

Taken from the annual report to 31.12.2008, reported amounts

Operating segments - 31/12/2008

| | | The household segment | The private banking segment ¹ | The small businesses segment | The commercial segment ² | The business sector ³ | Financial management segment | Others and adjustments | Total |
|---|-------------------------|-----------------------|--|------------------------------|-------------------------------------|----------------------------------|------------------------------|------------------------|--------------|
| Net interest income before loan-loss provision | Median | 300 | -597 | 1,208 | 2,295 | 3,905 | -732 | 1 | 6,380 |
| | Between sectors | 2,337 | 959 | -302 | -906 | -2,022 | -51 | -15 | 0 |
| Operating and other income: | Median | 1,689 | 397 | 434 | 402 | 335 | -624 | 167 | 2,800 |
| | Between sectors | 237 | 15 | -26 | -32 | -164 | 2 | -32 | 0 |
| Total income | | 4,563 | 774 | 1,314 | 1,759 | 2,054 | -1,405 | 121 | 9,180 |
| Loan-loss provision | | 340 | 10 | 182 | 485 | 1,070 | 58 | 0 | 2,145 |
| Operating and other expenses: | Median | 3,158 | 580 | 708 | 858 | 512 | 1,145 | 42 | 7,003 |
| | Between sectors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ordinary before-tax profit | | 1,065 | 184 | 424 | 416 | 472 | -2,608 | 79 | 32 |
| Ordinary net profit | | 616 | 110 | 234 | 245 | 294 | -1,469 | -188 | -158 |
| Extraordinary net profit | | 202 | 3 | 18 | 26 | 2 | 0 | -1 | 250 |
| Net profit | | 818 | 113 | 252 | 271 | 296 | -1,469 | -189 | 92 |
| Return on equity (net profit/average equity ratio) | | 19.7 | 19.0 | 20.7 | 6.9 | 4.5 | -47.6 | -44.3 | 0.5 |
| Average balance of assets | | 60,319 | 10,170 | 18,027 | 50,852 | 72,320 | 81,636 | 6,070 | 299,394 |
| Average balance of liabilities | | 121,917 | 39,170 | 14,421 | 30,533 | 29,524 | 41,793 | 2,266 | 279,624 |
| Average balance of risk assets | | 52,202 | 7,496 | 15,348 | 49,190 | 83,285 | 38,870 | 5,380 | 251,771 |
| Elements of net interest income before loan-loss provision | From granting credit | 1,051 | 50 | 635 | 929 | 1,275 | 6,382 | -12 | 10,310 |
| | From receiving deposits | 1,353 | 275 | 166 | 257 | 80 | -6,093 | -16 | -3,978 |
| | Other | 233 | 37 | 105 | 203 | 528 | -1,072 | 14 | 48 |
| Total net interest income before loan-loss provision | | 2,637 | 362 | 906 | 1,389 | 1,883 | -783 | -14 | 6,380 |

¹⁾ Preferential banking services provided to wealthy customers.

²⁾ Medium-sized businesses.

³⁾ Large businesses.