



Statement for 31/12/2008 on consolidated basis
Bank Hapoalim 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⁾	38,590	35,695	39,750	30.6%	28.4%	28.6%
Securities	26,657	48,406	44,520	19.4%	28.5%	27.1%
Securities borrowed or purchased under agreements to resell	0	471	0	0.0%	20.6%	0.0%
Credit to the public	222,100	204,725	186,399	30.3%	30.9%	30.6%
Credit to the government	270	404	743	11.8%	28.4%	31.2%
Investments in companies included on an equity basis	480	766	821	10.4%	15.4%	21.9%
Buildings and equipment	3,905	3,941	3,767	28.8%	31.0%	31.1%
Other assets	14,845	8,583	6,864	33.3%	32.4%	30.4%
Total assets	306,847	302,991	282,864	28.9%	30.1%	29.7%
Deposits of the public	226,953	231,750	217,004	27.7%	29.4%	28.6%
Deposits of banks ⁽¹⁾	8,198	9,043	7,662	40.1%	34.2%	30.1%
Deposits of the government	1,657	2,210	2,659	46.9%	45.1%	42.3%
Securities loaned or sold under agreements to repurchase	237	1,388	0	2.6%	18.5%	0.0%
Bonds and subordinated notes	20,818	18,812	18,384	31.2%	31.7%	36.0%
Other liabilities	29,759	20,068	18,229	37.4%	34.3%	34.3%
Total liabilities	287,622	283,271	263,938	28.8%	30.0%	29.5%
Minority shareholders' rights	430	942	693			
Equity	18,795	18,778	18,233	31.2%	30.7%	32.6%

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	3,256.0	6,933.0	7,579.0	17.3%	29.2%	33.1%
Loan-loss provision	1,520.0	513.0	986.0	29.4%	27.4%	31.7%
Operating and other income	4,655.0	5,250.0	5,371.0	36.2%	34.9%	37.4%
Of which: Operating income	4,310.0	4,247.0	4,008.0	34.0%	34.5%	35.9%
Operating and other expenses	8,147.0	7,940.0	7,632.0	31.3%	31.7%	30.9%
Of which: Salaries and related expenses	4,762.0	4,769.0	4,687.0	31.3%	31.8%	30.5%
Ordinary profit before-tax provision	-1,756.0	3,730.0	4,332.0	לא חושב	31.3%	45.8%
Provision for taxes on ordinary profit	-397.0	1,458.0	1,897.0	לא חושב	31.5%	42.8%
Ordinary after-tax profit	-1,359.0	2,272.0	2,435.0	לא חושב	31.2%	48.5%
Bank's share in the profit of subsidiaries	-195.0	189.0	116.0			
Minority shareholders' share in profit of consolidated companies	85.0	-133.0	-55.0			
Ordinary net profit	-1,469.0	2,328.0	2,496.0	לא חושב	31.0%	46.6%
Extraordinary after-tax profit	574.0	351.0	863.0			
Net profit	-895.0	2,679.0	3,359.0	לא חושב	29.2%	36.9%
Basic earning in NIS per share	-0.7	2.1	2.7			

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	133,580	60,843	105,748	300,171
Balance of financial liabilities on balance-sheet date	136,416	43,751	107,074	287,241
Excess of financial assets over financial liabilities	-2,836	17,092	-1,326	12,930
Total indexation balance (incl. Forwards ⁽³⁾ and options in term of basis assets)	11,623	1,543	-236	12,930
Options at the money and out of the money (net, capitalized nominal value)	2,423	0	-2,423	0
Rate of income on assets (%) ⁽⁴⁾	5.89	9.27	2.59	4.62
Rate of expenses on liabilities (%) ⁽⁴⁾	-3.88	-8.27	-2.07	-3.45
Interest-rate spread	2.02	1.00	0.52	1.18

Internal rate of return on assets (%)	4.91	5.04	3.85	
Internal rate of return on liabilities (%)	2.24	4.03	2.87	
Difference	2.67	1.01	0.98	
Average duration of assets (years)	0.37	3.70	0.41	1.05
Average duration of liabilities (years)	0.30	4.22	1.26	1.25
Difference	0.07	-0.52	-0.85	-0.20

⁽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 Hapoalim 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	233,296	230,308
Total off-balance-sheet credit risk	151,318	155,224
Total credit risk	384,614	385,532
<i>Of which:</i> Total risk of credit for housing loans	32,743	30,145
Total risk of credit to construction and real estate industry	65,350	59,668

Additional disclosure for bonds - fair value

Treasury bonds	15,793	16,795
mortgage and asset ¹ backed bonds	1,196	17,742
other bonds	7,823	11,960

Problem borrowers

Total credit risk dew to problem borrowers	16,085	15,157
<i>Of which:</i> Total credit to problem borrowers	13,675	13,119

Data on derivatives

Notional amount	429,912	513,588
Gross positive fair value	11,843	6,265

Activity with interested and related parties

Total assets on balance-sheet date	4,638	4,372
<i>Of which:</i> credit to the public	4,024	3,249
Total liabilities on balance-sheet date (including quasi-capital items)	5,347	4,833

Branches and personnel

Number of employee posts in Israel, monthly average	12,476	12,683
Number of employee posts abroad, monthly average	1,408	969
Number of branches in Israel	260	295
Number of branches abroad	32	31

Main financial ratios, in annual terms (%)

Equity/risk-weighted-assets ratio	11.15	10.26
Equity/balance-sheet ratio	6.13	6.20
Financial capital/equity capital ratio	68.79	69.03
Ratio of problem loans to total credit to the public	6.13	6.37
Return on equity (net profit/average equity ratio)	-4.80	14.10
Non-interest income/operating expenses ratio	57.14	66.12
Ratio of loan-loss provision to total credit to the public	0.68	0.25



Statement for 31/12/2008
Bank Hapoalim 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	3,329	-296	1,376	1,387	4,137	-6,677	0	3,256
	Between sectors	-1,359	1,616	-395	-880	-2,431	3,449	0	0
Operating and other income:	Median	1,392	1,520	560	176	311	41	655	4,655
	Between sectors	-50	-168	-52	-26	-2	0	298	0
Total income		3,312	2,672	1,489	657	2,015	-3,187	953	7,911
Loan-loss provision		206	59	189	119	947	0	0	1,520
Operating and other expenses:	Median	2,968	2,069	920	313	622	398	857	8,147
	Between sectors	-256	37	46	59	99	0	15	0
Ordinary before-tax profit		394	507	334	166	347	-3,585	81	-1,756
Ordinary net profit		238	317	211	87	222	-2,607	63	-1,469
Extraordinary net profit		329	146	45	8	18	17	11	574
Net profit		567	463	256	95	240	-2,590	74	-895
Return on equity (net profit/average equity ratio)		20.6	32.8	25.1	9000.0	4000.0	-49000.0	0.0	-4.8
Average balance of assets		49,633	26,166	20,618	20,055	101,293	77,037	7,499	302,301
Average balance of liabilities		38,517	110,890	19,378	9,041	46,074	57,813	1,091	282,804
Average balance of risk assets		40,922	17,730	16,076	17,145	95,364	82,253	7,081	276,571
Elements of net interest income before loan-loss provision	From granting credit	1,141	872	635	448	1,336	6,794	0	11,226
	From receiving deposits	464	127	130	17	43	-1,011	0	-230
	Other	365	321	216	42	327	-9,011	0	-7,740
Total net interest income before loan-loss provision		1,970	1,320	981	507	1,706	-3,228	0	3,256

¹⁾ Preferential banking services provided to wealthy customers.

²⁾ Medium-sized businesses.

³⁾ Large businesses.