

Bank Leumi le-Israel B.M. and subsidiaries

Condensed Consolidated Balance Sheet as at 31 March 2010 (NIS millions)

Reported amounts

ASSETS	31.3.2010 (Unaudited)	31.3.2009 (Unaudited)	31.12.2009 (Audited)
Cash and deposits with banks	4,1664	38,712	42,933
Securities	52,526	47,677	57,505
Securities borrowed or purchased under agreement to resell	638	229	744
Credit to the public	207,613	212,878	204,669
Credit to governments	407	500	407
Investments in companies included on the equity basis	2,196	2,048	2,178
Buildings and equipment	3,543	3,513	3,553
Other assets	9,044	12,495	9,786
Total assets	<u>317,631</u>	<u>318,052</u>	<u>321,775</u>

LIABILITIES AND EQUITY CAPITAL	31.3.2010 (Unaudited)	31.3.2009 (Unaudited)	31.12.2009 (Audited)
Deposits of the public	244,579	254,565	250,418
Deposits from banks	3,160	3,181	3,785
Deposits from governments	678	852	712
Securities loaned or sold under agreement to repurchase	175	193	273
Debentures, bonds and subordinated notes	26,812	20,567	25,261
Other liabilities	19,246	19,603	19,182
Total liabilities	294,650	298,961	299,631
Minority interest	285	255	282
Shareholders' equity	22,696	18,836	21,862
Total liabilities and equity capital	<u>317,631</u>	<u>318,052</u>	<u>321,775</u>

Condensed Consolidated Statement of Profit and Loss

for the Period Ended 31 March 2010 (NIS millions)

Reported amounts

	For the Three Months Ended 31 March	For the Year Ended 31 December
	2010 (Unaudited)	2009 (Unaudited)
	2009 (Audited)	
Net interest income before provision for doubtful debts	1,807	1,362
Provision for doubtful debts	130	354
Net interest income after provision for doubtful debts	1,677	1,008
Operating and other income		
Operating commissions	904	831
Profits from investments in shares, net	74	95
Other income	21	77
Total operating and other income	999	1,003
Operating and other expenses		
Salaries and related expenses	1,136	883
Building and equipment maintenance and depreciation	380	364
Other expenses	317	317
Total operating and other expenses	1,833	1,564
Operating profit before taxes	843	447
Provision for taxes on operating profit	333	42
Operating profit after taxes	510	405
Equity in after-tax operating profit of companies included on equity basis	85	34
Minority interest in after-tax operating profits of subsidiaries	(3)	(11)
Net operating profit	592	428
After-tax profit from extraordinary items	4	1
Net profit for the period	596	429
Basic and diluted earnings per share		(NIS)
Net operating profit	0.40	0.29
After-tax profit from extraordinary items	—	—
Total	0.40	0.29

The complete quarterly report for the period ended 31 March 2010 including condensed financial statements, directors' report and management review is available for public inspection at all branches of the Bank.

A copy of the said report will be provided on request. The representative exchange rate against the dollar on 31 March 2010, according to which the financial statements have been prepared, was NIS 3.713.

Condensed Consolidated Statement of Changes in Shareholders' Equity
For the Period Ended 31 March 2010 (NIS millions)
Reported amount

For the Three Months Ended 31 March 2010 (Unaudited)

	Other comprehensive income								
	Share capital	Premium	Capital reserves in respect of share-based payment transaction and others (a)	Total share capital and capital reserves	Adjustments in respect of presentation of securities available for sale at fair value	Translation adjustments (b)	Retained earnings	Loans to employees for purchase of the bank's shares	Total shareholders' equity
Balance at the beginning of the period	7,059	972	197	8,228	309	(474)	14,176	(377)	21,862
Net profit for the period	—	—	—	—	—	—	596	—	596
Other comprehensive income in companies included on the equity basis which was directly recorded to retained earnings	—	—	—	—	—	—	(66)	—	(66)
Adjustments in respect of presentation of securities available for sale at fair value	—	—	—	—	536	—	—	—	536
Profits in respect of securities available for sale that were realized and charged to profit and loss	—	—	—	—	(63)	—	—	—	(63)
Related tax effect	—	—	—	—	(145)	—	—	—	(145)
Adjustments from translation in respect of companies included on the equity basis	—	—	—	—	—	(30)	—	—	(30)
Loans to employees for purchase of the bank's shares	—	—	—	—	—	—	—	6	6
Balance at the end of the period	7,059	972	197	8,228	637	(504)	14,706	(371)	22,696

For the Three Months Ended 31 March 2009 (Unaudited)

	Other comprehensive income								
	Share capital	Premium	Capital reserves in respect of share-based payment transaction and others (a)	Total share capital and capital reserves	Adjustments in respect of presentation of securities available for sale at fair value	Translation adjustments (b)	Retained earnings	Loans to employees for purchase of the bank's shares	Total shareholders' equity
Balance at the beginning of the period	7,059	855	284	8,198	(648)	(502)	11,998	(374)	18,672
Net profit for the period	—	—	—	—	—	—	429	—	429
Expiration of options	—	117	(117)	—	—	—	—	—	—
Other comprehensive income in companies included on the equity basis which was directly recorded to retained earnings	—	—	—	—	—	—	(5)	—	(5)
Adjustments in respect of presentation of securities available for sale at fair value	—	—	—	—	(481)	—	—	—	(481)
Profits in respect of securities available for sale that were realized and charged to profit and loss	—	—	—	—	(205)	—	—	—	(205)
Related tax effect	—	—	—	—	256	—	—	—	256
Adjustments from translation in respect of companies included on the equity basis	—	—	—	—	—	165	—	—	165
Loans to employees for purchase of the bank's shares	—	—	—	—	—	—	—	5	5
Balance at the end of the period	7,059	972	167	8,198	(1,078)	(337)	12,422	(369)	18,836

For the Year Ended 31 December 2009 (Audited)

Other comprehensive income

	Share capital	Premium	Capital reserves in respect of share-based payment transaction and others (a)	Total share capital and capital reserves	Adjustments in respect of securities available for sale at fair value	Translation adjustments (b)	Retained earnings	Loans to employees for purchase of the bank's shares	Total shareholders' equity
Balance as at 1 January 2009	7,059	855	284	8,198	(648)	(502)	11,998	(374)	18,672
Net profit for the period	—	—	—	—	—	—	2,014	—	2,014
Expiration of options	—	117	(117)	—	—	—	—	—	—
Benefit in respect of shares based payment transaction	—	—	30	30	—	—	—	—	30
Other comprehensive income in companies included on the equity basis which was directly recorded to retained earnings	—	—	—	—	—	—	164	—	164
Adjustments in respect of presentation of securities available for sale at fair value	—	—	—	—	2,357	—	—	—	2,357
Profits in respect of securities available for sale that were realized and charged to profit and loss	—	—	—	—	(876)	—	—	—	(876)
Related tax effect	—	—	—	—	(524)	—	—	—	(524)
Adjustments from translation in respect of companies included on the equity basis	—	—	—	—	—	28	—	—	28
Loans to employees for purchase of the bank's shares	—	—	—	—	—	—	—	(3)	(3)
Balance as at 31 December 2009	<u>7,059</u>	<u>972</u>	<u>197</u>	<u>8,228</u>	<u>309</u>	<u>(474)</u>	<u>14,176</u>	<u>(377)</u>	<u>21,862</u>

(a) Including NIS 10 million of other capital reserves.

(b) Adjustments arising from translation of the financial statements of foreign subsidiaries, which operating currency is different from reporting currency.

Eitan Raff
Chairman of the Board of Directors

Galia Maor
President and Chief Executive Officer

Zeev Nahari
Senior Deputy Chief Executive Officer
Chief Financial Officer, Head of Finance,
Accounting and Capital Markets

26 May 2010

