



Bank Leumi le-Israel B.M.

**Additional Information to the
Annual Consolidated Reports**

2009

24.03.2010



BANK LEUMI LE-ISRAEL

This booklet presents detail of the data appearing in note 30 of the annual financial statements.

The financial information of the Bank, as appearing in this booklet was prepared in accordance with accepted accounting principles and reporting principles fixed by the directives and guidelines of the Supervisor of Banks.

The Joint Auditors of the Bank, Kost Forer Gabbay & Kasierer and Somekh Chaikin audited the annual consolidated financial statements of the Bank in accordance with accepted auditing standards.

In addition, the data in this booklet have been transmitted to the Joint Auditors of the Bank in order to enable them to advise whether the information, included in this booklet contains information that is materially incompatible with the facts or the information the Joint Auditors reached during their audit. No such announcement was received from the Joint Auditors of the Bank. The Joint Auditors of the Bank did not use any additional auditing standards except those that were used for the audit of the consolidated financial statements.



Galia Maor

President and Chief Executive Officer



Zeev Nahari

Senior Deputy Chief Executive Officer
Chief Financial Officer, Head of Finance
Accounting and Capital Market

24 March 2010

Note 2 - Cash and Deposits with Banks

Reported Amounts

	Consolidated		Bank	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	NIS millions		NIS millions	
Cash and deposits with central banks	28,838	19,253	26,007	14,673
Deposits with commercial banks (a)	13,687	13,436	14,945	17,278
Deposits with specialized banking entities	408	441	31,001	26,404
Total	42,933	33,130	71,953	58,355
Of which: cash and deposits with central and commercial banks for original periods not exceeding three months	40,255	31,005	52,389	34,183

(a) After deduction of provision for doubtful debts.

Note 3 - Securities

Reported Amounts

A.Consolidated

	31 December 2009					31 December 2008				
	Amount in balance sheet	Amortized cost (In shares cost)	Unrecognized profit from adjustments to fair value	Unrecognized losses from adjustments to fair value	Fair value (a)	Amount in balance sheet	Amortized cost (In shares cost)	Unrecognized profit from adjustments to fair value	Unrecognized losses from adjustments to fair value	Fair value (a)
	NIS millions					NIS millions				
1. Debentures held to maturity:										
Debentures and bonds-										
The Government of Israel	271	271	7	-	278	880	880	18	-	898
Foreign governments	522	522	16	-	538	558	558	12	(1)	569
Other companies	59	59	-	-	59	(e) 71	(e) 71	-	-	(e) 71
Total debentures held to maturity	852	852	23	-	875	1,509	1,509	30	(1)	1,538
	NIS millions					NIS millions				
	Amount in balance sheet	Amortized cost (In shares cost)	Accumulated other comprehensive income profits losses		Fair value (a)	Amount in balance sheet	Amortized cost (In shares cost)	Accumulated other comprehensive income profits losses		Fair value (a)
2. Securities available for sale:										
Debentures and bonds -										
The Government of Israel	23,368	23,267	132	(31)	23,368	10,063	9,629	457	(23)	10,063
Foreign governments	1,161	1,158	5	(2)	1,161	336	327	9	-	336
Other companies	19,752	20,017	317	(582)	19,752	(e) 18,928	(e) 20,792	36	(1,900)	(e) 18,928
	44,281	44,442	454	(615)	44,281	29,327	30,748	502	(1,923)	29,327
Shares of Others companies and mutual funds (b)	2,490	1,849	648	(7)	2,490	3,219	2,790	430	(1)	3,219
Total securities available for sale	46,771	46,291	(c) 1,102	(c) (622)	46,771	32,546	33,538	(c) 932	(c) (1,924)	32,546
	NIS millions					NIS millions				
	Amount in balance sheet	Amortized cost (In shares cost)	Unrealized profit from adjustments to fair value	Unrealized losses from adjustments to fair value	Fair value (a)	Amount in balance sheet	Unrealized cost (In shares cost)	Unrealized profit from adjustments to fair value	Unrecognized losses from adjustments to fair value	Fair value (a)
3. Securities held for trading:										
Debentures and bonds -										
The Government of Israel	5,074	5,028	69	(23)	5,074	5,554	5,465	117	(28)	5,554
Foreign governments	2,354	2,340	14	-	2,354	3,707	3,674	44	(11)	3,707
Other companies	2,357	2,340	45	(28)	2,357	1,489	1,639	7	(157)	1,489
	9,785	9,708	128	(51)	9,785	10,750	10,778	168	(196)	10,750
Shares of Others companies and mutual funds	97	446	-	(349)	97	105	457	-	(352)	105
Total securities held for trading	9,882	10,154	(d) 128	(d) (400)	9,882	10,855	11,235	(d) 168	(d) (548)	10,855
Total securities	57,505	57,297	1,253	(1,022)	57,528	44,910	46,282	1,130	(2,473)	44,939

(a) Fair value data are generally based on stock exchange quotations.

Such quotations do not necessarily reflect the price which will be obtained upon sale of securities in large volumes.

(b) Including NIS 947 million with respect to shares which have no readily available fair value, which are presented at cost (31 December 2008 - NIS 1,263 million). As of December 31, 2008, in accordance with

Directives of the Supervisor of Banks from July 2003, credit to a certain customer in the communications sector was classified in the balance sheet as an investment in shares in the available for sale portfolio instead of in loans to the public, and shown with a fair value not exceeding the value of the loan. Also includes holding in Migdal Holdings Insurance and Finance Ltd.

(c) Regarding securities available for sale, total other income- unrealized profits (losses) are included in shareholders' equity in the item "adjustments in respect of presentation of securities available for sale according to fair value", except securities intended as hedging instruments for hedging fair value.

(d) Reported in the profit and loss statement but not yet realized.

(e) Reclassified from securities available for sale to bonds held to maturity of data of a foreign subsidiary. The reclassification amends a classification made previously by the subsidiary. The impact on capital reserves is not material.

Note 3 - Securities (cont'd)

Reported Amounts

B. Bank

	31 December 2009					31 December 2008				
	Amount in balance sheet	Amortized cost (In shares cost)	Unrecognized profit from adjustments to fair value	Unrecognized losses from adjustments to fair value	Fair value (a)	Amount in balance sheet	Amortized cost (In shares cost)	Unrecognized profit from adjustments to fair value	Unrecognized losses from adjustments to fair value	Fair value (a)
	NIS millions					NIS millions				
1. Debentures held to maturity:										
Debentures and bonds-										
The Government of Israel	229	229	6	-	235	837	837	17	-	854
Foreign governments	-	-	-	-	-	-	-	-	-	-
Other companies	8	8	-	-	8	8	8	-	-	8
Total debentures held to maturity	237	237	6	-	243	845	845	17	-	862
	Amount in balance sheet	Amortized cost (In shares cost)	Accumulated other comprehensive income profits losses		Fair value (a)	Amount in balance sheet	Amortized cost (In shares cost)	Accumulated other comprehensive income profits losses		Fair value (a)
	NIS millions					NIS millions				
2. Securities available for sale:										
Debentures and bonds -										
The Government of Israel	22,465	22,371	124	(30)	22,465	9,019	8,633	409	(23)	9,019
Foreign governments	651	651	-	-	651	-	-	-	-	-
Subsidiaries	62	56	6	-	62	56	54	2	-	56
Other companies	14,276	14,500	271	(495)	14,276	13,801	15,411	12	(1,622)	13,801
	37,454	37,578	401	(525)	37,454	22,876	24,098	423	(1,645)	22,876
Shares of Others companies and mutual funds (b)	1,177	630	547	-	1,177	2,583	2,172	412	(1)	2,583
Total securities available for sale	38,631	38,208	(c) 948	(c) (525)	38,631	25,459	26,270	(c) 835	(c) (1,646)	25,459
	Amount in balance sheet	Amortized cost (In shares cost)	Unrealized profit from adjustments to fair value	Unrealized losses from adjustments to fair value	Fair value (a)	Amount in balance sheet	Unrealized cost (In shares cost)	Unrealized profit from adjustments to fair value	Unrecognized losses from adjustments to fair value	Fair value (a)
	NIS millions					NIS millions				
3. Securities held for trading:										
Debentures and bonds -										
The Government of Israel	5,059	5,014	68	(23)	5,059	5,545	5,457	116	(28)	5,545
Foreign governments	2,289	2,275	14	-	2,289	3,664	3,631	44	(11)	3,664
Other companies	2,331	2,309	45	(23)	2,331	1,462	1,607	6	(151)	1,462
	9,679	9,598	127	(46)	9,679	10,671	10,695	166	(190)	10,671
Shares - of other companies	80	428	-	(348)	80	81	428	-	(347)	81
Total securities held for trading	9,759	10,026	(d) 127	(d) (394)	9,759	10,752	11,123	(d) 166	(d) (537)	10,752
Total securities	48,627	48,471	1,081	(919)	48,633	37,056	38,238	1,018	(2,183)	37,073

(a) Fair value data are generally based on stock exchange quotations.

Such quotations do not necessarily reflect the price which will be obtained upon sale of securities in large volumes.

(b) Including NIS 338 million with respect to shares which have no readily available fair value, which are presented at cost (31 December, 2008 - NIS 746 million). In accordance with Directives of the Supervisor of Banks from July 2003, credit to a certain customer in the communications sector was classified in the balance sheet as an investment in shares in the available for sale portfolio instead of in loans to the public, and shown with a fair value not exceeding the value of the loan.

(c) Regarding securities available for sale, total other income- unrealized profits (losses) are included in shareholders' equity in the item "adjustments in respect of presentation of securities available for sale according to fair value", except securities intended as hedging instruments for hedging fair value.

(d) Reported in the profit and loss statement but not yet realized.

Note 4 - Credit to the Public

Reported Amounts

A. Composition

	Consolidated		Bank	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	NIS millions		NIS millions	
Credit	204,782	213,490	132,563	144,676
Customers' liabilities for acceptances	662	554	600	450
Total credit (a)	205,444	214,044	133,163	145,126
Supplementary, general and special provisions for doubtful debts (b)	(775)	(829)	(543)	(552)
Total	204,669	213,215	132,620	144,574

(a) The specific provision for doubtful debts has been deducted from the related credit items.

(b) Provisions in respect of off-balance sheet items are included in "Other liabilities".

B. Credit to the public includes

	Consolidated		Bank	
	31 December 2009	2008	31 December 2009	2008
	NIS millions		NIS millions	
1. Credit to problematic borrowers that are not local authorities or housing loans (b):				
a) Non-accrual loans to problem borrowers				
In unlinked Israeli currency	1,095	1,167	1,052	1,120
In CPI linked Israeli currency	221	170	220	168
In foreign currency (a)	530	675	242	424
b) Restructured credit:				
(1) Loans restructured during the current year with waiver of income				
In unlinked Israeli currency	-	-	-	-
In CPI linked Israeli currency	-	-	-	-
In foreign currency (a)	80	-	79	-
(2) Loans restructured in prior years with waiver of income				
In unlinked Israeli currency	-	-	-	-
In CPI linked Israeli currency	51	56	51	56
In foreign currency (a)	1	2	1	2
(3) Loans restructured during the current year without waiver of income				
In unlinked Israeli currency	260	109	239	98
In CPI linked Israeli currency	120	172	114	169
In foreign currency (a)	167	66	136	63
c) Credit approved for restructuring by bank Management not yet executed				
Balance as at balance sheet date	410	558	410	558
d) Credit in temporary arrears				
Balance as at balance sheet date	245	155	30	43
Related interest income included in the statement of profit and loss	2	2	-	1
e) Credit under special supervision				
Balance as at balance sheet date	11,960	14,040	10,869	12,837
f) Credit repaid during the current year by foreclosure on assets				
	65	73	-	73

(a) Including linked to foreign currency.

Note 4 - Credit to the Public (cont'd)

Reported Amounts

C.Provision for Doubtful Debts

	2009			2008			2007		
	Specific provision	Supplementary provision	Total	Specific provision	Supplementary provision	Total	Specific provision	Supplementary provision	Total
	(a)	(b)		(a)	(b)		(a)	(b)	
	NIS millions			NIS millions			NIS millions		
Consolidated									
Balance at beginning of year	8,921	948	9,869	7,938	875	8,813	8,255	1,024	9,279
Provisions during the year	2,571	68	2,639	2,780	121	2,901	1,436	-	1,436
Decrease in provisions	(989)	(116)	(1,105)	(679)	(48)	(727)	(847)	(149)	(996)
Collection of past years' write-offs	(17)	-	(17)	(29)	-	(29)	(33)	-	(33)
Net addition (disposal) charged to statement of profit and loss	1,565	(48)	1,517	2,072	73	2,145	556	(149)	407
Write-offs	(719)	-	(719)	(1,089)	-	(1,089)	(873)	-	(873)
Balance at end of year	9,767	900	10,667	8,921	948	9,869	7,938	875	8,813
Including balance of provision not deducted from credit to the public	144	125	269	233	119	352	247	117	364
Bank									
Balance at beginning of year	7,794	661	8,455	7,005	593	7,598	7,347	715	8,062
Provisions during the year	1,920	11	1,931	2,079	68	2,147	1,083	(1)	1,082
Decrease in provisions	(632)	(15)	(647)	(371)	-	(371)	(621)	(121)	(742)
Collection of past years' write-offs	(15)	-	(15)	(25)	-	(25)	(22)	-	(22)
Net addition (disposal) charged to statement of profit and loss	1,273	(4)	1,269	1,683	68	1,751	440	(122)	318
Write-offs	(456)	-	(456)	(894)	-	(894)	(782)	-	(782)
Balance at end of year	8,611	657	9,268	7,794	661	8,455	7,005	593	7,598
Of which balance of provision not deducted from credit to the public	144	114	258	194	109	303	247	107	354

(a) Not including provision for interest in respect of the period after the debts were determined to be doubtful. With respect to loans in arrears for which a provision was established to the extent of the arrears, no accrual for interest was recorded thereon.

(b) Including general and special provision for doubtful debts of NIS 656 million in the consolidated statements (31 December 2008 - NIS 699 million, 31 December 2007 - NIS 694 million).

Bank: NIS 420 million (31 December 2008 - NIS 421 million, 31 December 2007 - NIS 420 million). Of which special provision NIS 2 million.

Note 4 - Credit to the Public (cont'd)

Reported Amounts

D. Classification of credit to the public (a) and of off-balance sheet credit risk (b) according to size of debt per borrower

31 December 2009

		Consolidated		Bank			
		Number of borrowers (c)	Credit (a)	Off balance sheet credit risk (b)	Number of borrowers (c)	Credit (a)	Off balance sheet credit risk (b)
Credit per borrower		NIS millions		NIS millions		NIS millions	
NIS thousands							
From	To						
0	10	859,561	853	1,710	390,009	444	860
10	20	292,706	1,547	2,841	153,960	907	1,474
20	40	300,439	3,627	5,109	199,763	2,555	3,342
40	80	258,408	7,038	7,774	193,997	5,223	5,910
80	150	135,339	8,505	6,201	98,739	5,419	5,252
150	300	78,921	13,300	3,599	37,620	4,676	3,115
300	600	50,955	19,129	2,498	12,964	3,779	1,749
600	1,200	22,696	16,024	3,031	6,141	3,924	1,444
1,200	2,000	5,988	7,602	1,648	2,682	3,257	1,096
2,000	4,000	3,899	8,654	2,345	2,468	5,399	1,734
4,000	8,000	2,339	10,265	3,134	1,677	7,329	2,385
8,000	20,000	1,749	16,623	5,598	1,213	11,282	4,060
20,000	40,000	809	16,486	6,007	545	11,142	4,161
40,000	200,000	676	35,830	18,281	534	29,001	15,974
200,000	400,000	81	14,526	7,460	78	13,480	7,780
400,000	800,000	37	13,601	8,040	35	13,597	7,115
800,000	1,200,000	13	9,635	2,551	13	9,566	2,957
1,200,000	1,600,000	4	2,517	3,251	6	2,506	5,791
1,600,000	2,000,000	1	1,349	520	1	1,349	520
2,000,000	2,382,000	2	1,293	3,337	2	1,235	3,395
Total		2,014,623	208,404	94,935	1,102,447	136,070	80,114

Commencing with the NIS 8,000 thousand credit level, the classification is set forth in accordance with the specific consolidation method; with respect to the other levels of borrowers, credit has been classified according to the category consolidation.

(a) Net of specific provisions for doubtful debts and with the addition of the fair value of derivative instruments in the amount of NIS 2,960 million. Open credit card transactions were allocated to the credit level using the category consolidation method.

(b) Credit risk in respect of off-balance sheet financial instruments as calculated for purposes of per borrower debt limitations.

(c) The number of borrowers according to total credit and credit risk.

Note 4 - Credit to the Public (cont'd)

Reported Amounts

D. Classification of credit to the public (a) and of off-balance sheet credit risk (b) according to size of debt per borrower (cont'd)

31 December 2008		Consolidated		Bank			
Credit per borrower		Number of borrowers (c)	Credit (a)	Off balance sheet credit risk (b)	Number of borrowers (c)	Off balance sheet credit risk (b)	
NIS thousands		NIS millions		NIS millions			
From	To						
0	10	694,741	833	1,339	389,104	493	626
10	20	270,579	1,542	2,310	158,848	991	1,247
20	40	283,761	3,589	4,469	198,781	2,617	3,058
40	80	249,648	6,751	7,366	187,128	4,986	5,568
80	150	130,741	8,216	5,824	93,865	5,052	4,935
150	300	79,989	13,644	3,240	36,458	4,495	2,891
300	600	51,148	19,145	2,168	13,367	3,916	1,591
600	1,200	19,988	13,931	2,457	6,408	4,131	1,250
1,200	2,000	5,399	6,848	1,378	2,884	3,541	897
2,000	4,000	3,973	9,046	2,204	2,653	5,932	1,554
4,000	8,000	2,504	10,598	3,147	1,738	7,685	2,121
8,000	20,000	1,943	18,093	6,012	1,318	12,551	3,863
20,000	40,000	808	17,638	4,477	567	11,868	4,096
40,000	200,000	805	37,620	21,236	545	30,888	14,594
200,000	400,000	90	16,397	8,711	88	15,304	8,978
400,000	800,000	41	17,080	6,016	41	16,687	6,363
800,000	1,200,000	8	5,051	2,666	9	5,728	2,849
1,200,000	1,600,000	5	4,096	2,246	5	4,037	2,255
1,600,000	2,000,000	4	3,788	3,271	5	3,788	4,893
2,000,000	2,400,000	1	1,876	436	1	1,876	436
2,400,000	2,800,000	1	1	2,677	1	1	2,677
2,800,000	2,857,000	1	2,857	-	1	2,857	-
Total		1,796,178	218,640	93,650	1,093,815	149,424	76,742

Commencing with the NIS 8,000 thousand credit level, the classification is set forth in accordance with the specific consolidation method; with respect to the other levels of borrowers, credit has been classified according to the category consolidation

(a) Net of specific provisions for doubtful debts and with the addition of the fair value of derivative instruments in the amount of NIS 4,596 million. Open credit card transactions were allocated to the credit level using the category consolidation method.

(b) Credit risk in respect of off-balance sheet financial instruments as calculated for purposes of per borrower debt limitations.

(c) The number of borrowers according to total credit and credit risk.

Note 5 - Credit to Governments

Reported Amounts

	Consolidated		Bank	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	NIS millions		NIS millions	
Credit to the Government	259	256	259	256
Credit to foreign Governments	148	264	148	264
Total credit to Governments	407	520	407	520

Note 6 - Investments in Subsidiaries and Affiliated Companies

Reported Amounts

A. Composed of:

Consolidated	31 December 2009		31 December 2008	
	Companies included on equity basis		Companies included on equity basis	
	NIS millions		NIS millions	
Investments in shares stated on equity basis (including other assets)	2,170		1,834	
Other investments:				
Shareholders' loans	8		8	
Total investments	2,178		1,842	
Including - Post-acquisition profits	975		897	(b)
Post-acquisition changes in shareholders' equity:				
Translation differences	(93)		(121)	
Details regarding other assets :				
Period of amortization	10-20 years		10-20 years	
Original amount, net (a)	280		310	
Unamortized balance (a)	173		225	
Details on book value and market value of quoted securities:				
	31 December 2009		31 December 2008	
	Book value	Market value	Book value	Market value
	NIS millions			
The Israel Corporation Ltd.	1,371	3,810	1,186	1,184
Paz Oil Company	565	880	485	571
Total	1,936	4,690	1,671	1,755

(a) Including negative goodwill for an original amount of NIS 29 million. Balance for amortization in the amount of NIS 28 million.

(b) Reclassified.

Note 6 - Investments in Subsidiaries and Affiliated Companies (cont'd)

Reported Amounts						
Bank	31 December 2009			31 December 2008		
	Companies included on equity basis	Subsidiaries	Total	Companies included on equity basis	Subsidiaries	Total
	NIS millions			NIS millions		
Investments in shares stated on equity basis (including goodwill)	1,467	10,678	12,145	1,264	9,614	10,878
Other investments:						
Convertible securities	-	2,093	2,093	-	1,609	1,609
Shareholders' loans	-	31	31	-	31	31
Total other investments	-	2,124	2,124	-	1,640	1,640
Total investments	1,467	12,802	14,269	1,264	11,254	12,518
Including - Post-acquisition profits	770	4,382	5,152	754	3,721	4,475
Post-acquisition changes in shareholders' equity:						
Adjustments in respect of presentation of securities available for sale at fair value, net	-	57	57	-	(129)	(129)
Translation differences	(46)	(428)	(474)	(67)	(435)	(502)
Details regarding goodwill:						
Period of amortization	10-20 years			10-20 years		
Original amount, net	102	164	266	102	171	273
Unamortized balance	51	105	156	56	125	181
Details on book value and market value of quoted securities:						
Book value	1,935	-	1,935	1,671	-	1,671
Market value	4,690	-	4,690	1,756	-	1,756
B. Group's equity in profit of companies included on equity basis (in Bank - subsidiaries and affiliates)						
	Consolidated			Bank		
	2009	2008	2007	2009	2008	2007
	NIS millions			NIS millions		
Group's equity in operating profits of companies included on equity basis (Bank - affiliated companies)	74	260	205	766	316	871
Provision for deferred taxes	7	(11)	(21)	4	(21)	(16)
Group's equity in operating profits of companies included on equity basis (Bank-affiliated companies) net of tax effect	81	249	184	770	295	855

Note 7 - Buildings and Equipment

Reported Amounts

A. Consolidated:

	Buildings and real estate (a)	Equipment, furniture and motor vehicles	Total
	NIS millions		
Cost			
As at 31 December 2008	3,163	5,680	8,843
Additions	109	625	734
Disposals	(45)	(108)	(153)
As at 31 December 2009	3,227	6,197	9,424
Accumulated Depreciation			
As at 31 December 2008	1,566	3,832	5,398
Current year provision	73	539	612
Recognized losses from impairment	0	-	0
Cancelled losses from impairment	(0)	-	(0)
Disposals	(33)	(106)	(139)
As at 31 December 2009	1,606	4,265	5,871
Balance after depreciation as at 31 Dec. 2009	1,621	1,932	3,553
Balance after depreciation as at 31 Dec. 2008	1,597	1,848	3,445

(a) Including leasehold installations and improvements.

B. Bank:

	Buildings and real estate (a)	Equipment, furniture and motor vehicles	Total
	NIS millions		
Cost			
As at 31 December 2008	2,556	4,456	7,012
Additions	97	512	609
Disposals	(45)	(106)	(151)
As at 31 December 2009	2,608	4,862	7,470
Accumulated Depreciation			
As at 31 December 2008	1,142	2,859	4,001
Current year provision	49	424	473
Recognized losses from impairment	-	-	-
Cancelled losses from impairment	-	-	0
Disposals	(33)	(105)	(138)
As at 31 December 2009	1,158	3,178	4,336
Balance after depreciation as at 31 Dec. 2009	1,450	1,684	3,134
Balance after depreciation as at 31 Dec. 2008	1,414	1,597	3,011

(a) Including leasehold installations and improvements.

Note 8 - Other Assets

Reported Amounts

	Consolidated		Bank	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	NIS millions		NIS millions	
Deferred tax asset net (see Note 26i)	1,107	1,745	707	1,253
Excess of deposits for severance pay over provision (see note 15)	241	2	241	-
Assets transferred to ownership of the Group as a result of settlement of problematic credit	37	13	13	13
Instruments in insurance policies in foreign branch	380	376	-	-
Goodwill	125	142 (a)	-	-
Excess of advance tax payments over current provisions	663	766	455	601
Issue expenses of debentures, bonds and subordinated notes	51	48	61	50
Debit balances in respect of derivatives instruments (except embedded derivatives)	6,440	10,047	6,305	9,394
Accrued income	255	120	256	112
Prepaid expenses	266	159	92	92
Maof clearing house	-	-	-	-
Other receivables and debit balances	221	111 (a)	117	32
Total other assets	9,786	13,529	8,247	11,547

(a) Reclassified.

Note 9 - Deposits of the Public

Reported Amounts

	Consolidated		Bank	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	NIS millions		NIS millions	
Demand deposits	65,979	42,593	52,551	34,098
Time and other deposits	179,941	196,295	173,272	181,527
Deposits in savings plans	4,498	5,895	4,400	5,784
Total deposits of the public	250,418	244,783	230,223	221,409

Note 10 - Deposits from Banks

Reported Amounts

	Consolidated		Bank	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	NIS millions		NIS millions	
Commercial banks -				
Demand deposits	2,194	1,544	1,850	1,515
Time deposits	791	1,317	2,298	1,218
Acceptances	662	554	600	450
Central banks -				
Demand deposits	-	-	-	-
Specialized banking entities -				
Demand deposits	90	298	90	298
Time deposits	48	29	-	-
Total deposits from banks	3,785	3,742	4,838	3,481

Note 11 - Debentures, Bonds and Subordinated Notes

Reported Amounts

			Consolidated		Bank		
	Average	Internal	31 December		31 December		
	maturity (a)	yield rate (a)	2009		2008	2009	
	Years	%	amounts		amounts	amounts	
			NIS millions		NIS millions		
Debentures and bonds (b):							
In Israeli currency linked to the CPI	4.45	5.00	1,195	1196	-	-	
In Israeli currency Unlinked	0.00	0.00	-	32	-	32	
Subordinated notes(b):							
In Israeli currency Unlinked	5.00	5.02	3,214	1,862	-	-	
In Israeli currency linked to the CPI (d)	4.26	4.95	19,134	15,488	5,373	4,443	
Linked to the U.S. dollar	(c) 0.25	2.32	335	344	53	56	
In U.S. dollar	(c) 1.94	2.80	1,383	1,714	100	106	
Total debentures, bonds and subordinated notes			25,261	20,636	5,526	4,637	

- (a) The average duration is the average of the payment periods, weighted according to the payment flow discounted at the internal rate of return. The internal rate of return is the rate of interest discounting the value of the anticipated future flow of payments to the amount included in the balance sheet.
- (b) The unamortized balance of discount less premium on debentures and on subordinated liability notes has been deducted from the amount of the debentures.
- (c) The average life as of the change in interest in debentures and bonds linked to the U.S. dollar is 0.26 years and subordinated notes in U.S. dollars is 0.39 years.
- (d) Of which, subordinated notes (non-marketable) in the amount of NIS 3,522 million (31 December 2008 - NIS 446 million) that, in certain circumstances, may be converted to shares.
- (e) On 27 August 2009, in accordance with a permit received from Israel Securities Authority, the Bank published a shelf prospectus allowing it to issue up to 6 series of debentures (series 400 to 405), up to 11 series of subordinated capital notes (series 250 to 256 and series 300 to 303) and up to 6 series of subordinated capital notes (series 200 to 205). The maximum amount of debentures and capital notes which the Bank may issue under the shelf prospectus is NIS 4 billion nominal value of each of the above series. The prospectus will remain valid for two years from the date of its publication.

Note 12 - Other Liabilities

Reported Amounts

	Consolidated		Bank	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	NIS millions		NIS millions	
Excess of current provisions for taxes over advance payments	42	117	-	1
Excess of provisions for severance pay and pensions over amounts funded (See Note 15)	3,015	3,085	2,906	2,955
Deferred tax liability, net (See Note 26i)	74	67	41	50
Provisions for unutilized vacations and long service bonus	794	782	735	728
Deffered income	475	384	192	168
Credit balances in respect of derivative financial instruments (except embedded derivatives)	7,559	10,513	7,412	9,761
Provision for doubtful debts in respect of off-balance sheet items	221	272	210	261
Accrued expenses in respect of salaries and related expenses	440	117	336	29
Proposed dividend	-	-	-	-
Payables in respect of credit cards	5,159	4,910	3,901	3,745
Accrued expenses	394	403	181	209
Market value of securities sold short	523	63	523	63
Other payables and credit balances	486	621	296	430
Total other liabilities	19,182	21,334	16,733	18,400

Note 15 - Employee Rights

Data relating to provisions and fundings

Reported Amounts

The amounts of provisions and related fundings for severance pay and pensions are included in the balance sheet as follows:

	Consolidated		Bank	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	NIS millions		NIS millions	
Provision for severance pay	2,639	2,371	2,206	2,105
Amounts funded for severance pay (1)	(2,806)	(2,278)	(2,437)	(2,086)
Provision for pension	3,080	3,099	2,896	2,936
Amounts funded for pension	(139)	(109)	-	-
Net excess of provisions over amounts funded	2,774	3,083	2,665	2,955
Excess of provision, included in "Other liabilities"	3,015	3,085	2,906	2,955
Excess of funded included in "Other assets"	241	2	241	-
Net excess of provisions over amounts funded (2)	2,774	3,083	2,665	2,955

(1) Bank and its subsidiaries are not allowed to draw the amount funded except for payment of severance pay.

(2) This surplus represents mainly the actuarial pension liability of the Bank for the pensioners of the Bank, and the cover for this liability is part of the Bank's assets and its current applications.

Note 16 - Assets and Liabilities Classified According to Linkage Basis

Reported Amounts

	Consolidated		31 December 2009				Total
	Israeli Currency		Foreign Currency (a)				
	Unlinked	Linked to the CPI	IN U.S. dollars	In Euro	In other currencies	Non-monetary items (c)	
	NIS millions						
Assets							
Cash and deposits with banks	26,348	446	9,792	3,944	2,401	2	42,933
Securities	18,193	9,665	15,195	10,134	1,731	2,587	57,505
Securities borrowed or purchased under agreement to resell	744	-	-	-	-	-	744
Credit to the public (b)	105,910	49,318	32,494	6,578	10,349	20	204,669
Credit to governments	-	259	148	-	-	-	407
Investments in companies included on equity basis	8	-	-	-	-	2,170	2,178
Buildings and equipment	-	-	-	-	-	3,553	3,553
Other assets	3,846	134	3,016	302	1,713	775	9,786
Total assets	155,049	59,822	60,645	20,958	16,194	9,107	321,775
Liabilities							
Deposits of the public	119,050	26,976	70,868	23,787	9,675	62	250,418
Deposits from banks	2,115	439	776	212	243	-	3,785
Deposits from governments	55	471	179	7	-	-	712
Securities loaned or sold under agreement to repurchase	216	-	57	-	-	-	273
Debentures, bonds and subordinated notes	3,214	20,329	1,718	-	-	-	25,261
Other liabilities	9,719	3,942	2,211	536	2,040	734	19,182
Total liabilities	134,369	52,157	75,809	24,542	11,958	796	299,631
Difference (d)	20,680	7,665	(15,164)	(3,584)	4,236	8,311	22,144
Effect of hedged derivative instruments:							
Derivative instruments (except options)	-	-	-	-	-	-	-
Option in the money, net (in terms of underlying asset)	-	-	-	-	-	-	-
Options out of the money, net (in terms of underlying asset)	-	-	-	-	-	-	-
Effect of derivative instruments that are not hedged:							
Derivative instruments (except options)	(1,989)	(7,238)	11,120	3,477	(5,370)	-	-
Option in the money, net (in terms of underlying asset)	(576)	(9)	299	188	98	-	-
Options out of the money, net (in terms of underlying asset)	(474)	-	393	(31)	112	-	-
Total	17,641	418	(3,352)	50	(924)	8,311	22,144
Effect of hedged derivative instruments:							
Option in the money, net (discounted par value)	(1,358)	(3)	1,270	(114)	205	-	-

(a) Including linked to foreign currency.

(b) The general, supplementary and special provisions for doubtful debts were deducted proportionately from the different linkage bases in this item.

(c) Including derivative instruments whose underlying asset is a non-monetary item.

(d) Equity capital including minority interest.

Note 16 - Assets and Liabilities Classified According to Linkage Basis (cont'd) (a)

Reported Amounts

Consolidated	31 December 2008						
	Israeli Currency		Foreign Currency (a)				Non-monetary items (c)
	Unlinked	Linked to the CPI	IN U.S. dollars	In Euro	In other currencies		
	Reported amounts						
	NIS millions						
Assets							
Cash and deposits with banks	15,116	529	11,990	2,938	2,557	-	33,130
Securities	9,464	5,994	16,414	8,813	901	3,324	44,910
Securities borrowed or purchased under agreement to resell	125	-	76	-	-	-	201
Credit to the public (b)	101,569	53,457	39,959	7,498	10,732	-	213,215
Credit to governments	-	256	264	-	-	-	520
Investments in companies included on equity basis	8	-	-	-	-	1,834	1,842
Buildings and equipment	-	-	-	-	-	3,445	3,445
Other assets	4,559	141	5,092 (d)	1,011	2,090	636 (d)	13,529
Total assets	130,841	60,377	73,795	20,260	16,280	9,239	310,792
Liabilities							
Deposits of the public	111,976	27,522	74,595	22,161	8,469	60	244,783
Deposits from banks	1,581	800	668	288	405	-	3,742
Deposits from governments	53	592	175	11	-	-	831
Securities loaned or sold under agreement to repurchase	374	-	175	-	-	-	549
Debentures, bonds and subordinated notes	1,894	16,684	2,058	-	-	-	20,636
Other liabilities	9,090	3,687	4,224	1,151	2,582	600	21,334
Total liabilities	124,968	49,285	81,895	23,611	11,456	660	291,875
Difference (e)	5,873	11,092	(8,100)	(3,351)	4,824	8,579	18,917
Effect of hedged derivative instruments:							
Derivative instruments (except options)	-	-	8	(8)	-	-	-
Option in the money, net (in terms of underlying asset)	-	-	-	-	-	-	-
Options out of the money, net (in terms of underlying asset)	-	-	-	-	-	-	-
Effect of derivative instruments that are not hedged:							
Derivative instruments (except options)	8,733	(8,619)	4,751 (d)	986 (d)	(5,851)	-	-
Option in the money, net (in terms of underlying asset)	(445)	(5)	(265)	687	28	-	-
Options out of the money, net (in terms of underlying asset)	(150)	(11)	(180)	201	140	-	-
Total	14,011	2,457	(3,786)	(1,485)	(859)	8,579	18,917
Option in the money, net (discounted par value)	(1,142)	(9)	(54)	1,139	66	-	-
Options out of the money, net (discounted par value)	442	(23)	(1,374)	208	747	-	-

(a) Including linked to foreign currency.

(b) The general, supplementary and special provisions for doubtful debts were deducted proportionately from the different linkage bases in this item.

(c) Including derivative instruments whose underlying asset is a non-monetary item.

(d) Reclassified.

(e) Equity capital including minority interest.

Note 16 - Assets and Liabilities Classified According to Linkage Basis (cont'd)

Reported Amounts

	Bank		31 December 2009				Total
	Israeli Currency	Foreign Currency (a)	IN U.S. dollars	In Euro	In other currencies	Non-monetary items (c)	
	Unlinked	Linked to the CPI					
	NIS millions						
Assets							
Cash and deposits with banks	42,067	15,064	10,307	3,175	1,338	2	71,953
Securities	17,484	9,712	9,252	9,884	1,038	1,257	48,627
Securities borrowed or purchased under agreement to resell	744	-	-	-	-	-	744
Credit to the public (b)	84,476	22,066	17,658	4,528	3,872	20	132,620
Credit to governments	-	259	148	-	-	-	407
Investments in companies included on equity basis (d)	1,378	56	31	32	627	12,145	14,269
Buildings and equipment	-	-	-	-	-	3,134	3,134
Other assets	3,684	18	2,224	258	1,604	460	8,248
Total assets	149,833	47,175	39,620	17,877	8,479	17,018	280,002
Liabilities							
Deposits of the public	121,038	31,469	51,437	20,441	5,776	62	230,223
Deposits from banks	2,005	566	1,734	297	236	-	4,838
Deposits from governments	22	472	102	7	-	-	603
Securities loaned or sold under agreement to repurchase	216	-	-	-	-	-	216
Debentures, bonds and subordinated notes	-	5,373	153	-	-	-	5,526
Other liabilities	8,127	3,937	1,908	517	1,793	451	16,733
Total liabilities	131,408	41,817	55,334	21,262	7,805	513	258,139
Difference	18,425	5,358	(15,714)	(3,385)	674	16,505	21,863
Effect of hedged derivative instruments:							
Derivative instruments (except options)	-	-	-	-	-	-	-
Option in the money, net (in terms of underlying asset)	-	-	-	-	-	-	-
Options out of the money, net (in terms of underlying asset)	-	-	-	-	-	-	-
Effect of derivative instruments that are not hedged:							
Derivative instruments (except options)	(2,086)	(7,238)	9,381	3,197	(3,254)	-	-
Option in the money, net (in terms of underlying asset)	(576)	(9)	299	188	98	-	-
Options out of the money, net (in terms of underlying asset)	(476)	-	394	(30)	112	-	-
Total	15,287	(1,889)	(5,640)	(30)	(2,370)	16,505	21,863
Option in the money, net (discounted par value)	(1,021)	(16)	707	261	69	-	-
Options out of the money, net (discounted par value)	(1,378)	(3)	1,279	(103)	205	-	-

(a) Including linked to foreign currency.

(b) The general, supplementary and special provisions for doubtful debts were deducted proportionately from the different linkage bases in this item.

(c) Including derivative instruments whose underlying asset is a non-monetary item.

(d) Includes NIS 4,344 millions, investment in foreign investees, mainly in U.S. dollars.

Note 16 - Assets and Liabilities Classified According to Linkage Basis(cont'd) (a)

Reported Amounts

	Bank		31 December 2008				Non-monetary items (c)	Total
	Israeli Currency	Foreign Currency (a)	IN U.S. dollars	In Euro	In other currencies			
	Unlinked	Linked to the CPI						
	NIS millions							
Assets								
Cash and deposits with banks	23,305	17,938	11,802	2,365	2,945	-	58,355	
Securities	8,671	6,038	10,937	8,418	328	2,664	37,056	
Securities borrowed or purchased under agreement to resell	125	-	-	-	-	-	125	
Credit to the public (b)	87,182	23,786	23,884	5,377	4,345	-	144,574	
Credit to governments	-	256	264	-	-	-	520	
Investments in companies included on equity basis (d)	924	70	30	32	584	10,878	12,518	
Buildings and equipment	-	-	-	-	-	3,011	3,011	
Other assets	4,434	9	4,270	923	1,482	429	11,547	
Total assets	124,641	48,097	51,187	17,115	9,684	16,982	267,706	
Liabilities								
Deposits of the public	112,676	28,622	55,276	19,924	4,851	60	221,409	
Deposits from banks	1,782	474	716	348	161	-	3,481	
Deposits from governments	20	592	110	11	-	-	733	
Securities loaned or sold under agreement to repurchase	374	-	-	-	-	-	374	
Debentures, bonds and Subordinated notes	32	4,443	162	-	-	-	4,637	
Other liabilities	7,567	3,679	3,803	1,117	1,850	384	18,400	
Total liabilities	122,451	37,810	60,067	21,400	6,862	444	249,034	
Difference	2,190	10,287	(8,880)	(4,285)	2,822	16,538	18,672	
Effect of hedged derivative instruments:								
Derivative instruments (except options)	-	-	-	-	-	-	-	
Option in the money, net (in terms of underlying asset)	-	-	-	-	-	-	-	
Options out of the money, net (in terms of underlying asset)	-	-	-	-	-	-	-	
Effect of derivative instruments that are not hedged:								
Derivative instruments (except options)	8,613	(8,618)	(e) 3,333	(e) 1,847	(5,175)	-	-	
Option in the money, net (in terms of underlying asset)	(428)	(5)	(286)	688	31	-	-	
Options out of the money, net (in terms of underlying asset)	(148)	(11)	(185)	201	143	-	-	
Total	10,227	1,653	(6,018)	(1,549)	(2,179)	16,538	18,672	
Option in the money, net (discounted par value)	(1,095)	(9)	(105)	1,139	70	-	-	
Options out of the money, net (discounted par value)	451	(23)	(1,386)	208	750	-	-	

(a) Including linked to foreign currency.

(b) The general, supplementary and special provisions for doubtful debts were deducted proportionately from the different linkage bases in this item.

(c) Including derivative instruments whose underlying asset is a non-monetary item.

(d) Includes NIS 4,057 millions, investment in foreign investees, mainly in U.S. dollars.

(e) Reclassified.

Note 17 - Assets and Liabilities Classified According to Maturity Date and Linkage Basis (a)

Reported Amounts														
Consolidated 31 December 2009														
Estimated future contractual cash flows											Balance sheet balance (d)			
Upon demand and up to month (e)	One month to three months (e)	Three months to one year (e)	One year to two years	Two years to three years	Three years to four years	Four years to five years	Five years to ten years	Ten years to twenty years	Over twenty years	Total Cash flows	Without fixed maturity (b)	Total	Contractual yield rete (g)	
NIS millions														
Israeli currency - unlinked:														
Assets	56,551	19,239	34,856	13,855	10,286	6,365	4,342	13,705	7,872	2,560	169,631	2,398	155,049	5.96
Liabilities	72,583	28,541	18,410	7,732	2,717	3,126	379	1,135	1,263	123	136,009	330	134,369	2.91
Difference	(16,032)	(9,302)	16,446	6,123	7,569	3,239	3,963	12,570	6,609	2,437	33,622	2,068	20,680	
Derivative instruments (except options)	(17)	(516)	(3,583)	1,639	145	327	661	(477)	41	-	(1,780)	-	(1,989)	
Options (in terms of underlying asset)	(404)	(47)	(499)	(39)	(16)	7	-	-	-	-	(998)	-	(1,050)	
Israeli currency - linked to the CPI:														
Assets	906	1,678	10,241	8,947	8,730	6,106	5,998	16,747	11,780	2,626	73,759	95	59,822	3.88
Liabilities	794	1,542	6,510	6,283	8,796	4,698	5,071	21,836	5,649	1,519	62,698	310	52,157	3.69
Difference	112	136	3,731	2,664	(66)	1,408	927	(5,089)	6,131	1,107	11,061	(215)	7,665	
Derivative instruments (except options)	(412)	(147)	(1,408)	(1,567)	(1,102)	(1,013)	(1,416)	(1,268)	(128)	-	(8,461)	-	(7,238)	
Options (in terms of underlying asset)	-	-	(2)	-	-	(8)	-	-	-	-	(10)	-	(9)	
Foreign currency -														
Local operations (c):														
Assets	18,709	6,255	10,157	11,113	7,295	4,345	3,478	3,746	782	2	65,882	269	61,095	5.31
Liabilities	44,961	16,008	15,984	1,548	613	537	407	370	105	-	80,533	-	79,730	2.74
Difference	(26,252)	(9,753)	(5,827)	9,565	6,682	3,808	3,071	3,376	677	2	(14,651)	269	(18,635)	
Derivative instruments (except options)	429	663	4,991	(72)	957	686	755	1,745	87	-	10,241	-	9,227	
Options (in terms of underlying asset)	404	47	501	39	16	1	-	-	-	-	1,008	-	1,059	
Foreign currency - integrated foreign operations:														
Assets	13,247	3,769	8,781	3,455	3,579	1,626	1,177	2,101	160	99	37,994	251	36,702	3.18
Liabilities	18,413	3,922	5,209	2,219	2,953	12	4	2	3	183	32,920	230	32,579	3.05
Difference	(5,166)	(153)	3,572	1,236	626	1,614	1,173	2,099	157	(84)	5,074	21	4,123	
Non-monetary items														
Assets	-	-	-	-	-	-	-	-	-	-	-	9,107	9,107	
Liabilities	-	-	-	-	-	-	-	-	-	-	-	796	796	
Difference	-	-	-	-	-	-	-	-	-	-	-	8,311	8,311	
Total														
Assets	89,413	30,941	64,035	37,370	29,890	18,442	14,995	36,299	20,594	5,287	347,266	12,120	321,775	4.79
Liabilities	136,751	50,013	46,113	17,782	15,079	8,373	5,861	23,343	7,020	1,825	312,160	1,666	299,631	3.20
Difference (f)	(47,338)	(19,072)	17,922	19,588	14,811	10,069	9,134	12,956	13,574	3,462	35,106	10,454	22,144	

(a) Including estimated future cash flows in respect of assets and liabilities according to linkage basis, in accordance with the remaining contractual period to maturity of each cash flow. The data are presented after deduction of provisions for doubtful debts.

(b) Including overdue amounts of NIS 955 million.

(c) Including linkage foreign currency.

(d) As included in Note 16, "Assets and liabilities According to Linkage Basis", including off-balance sheet amounts in respect of derivatives.

(e) Credit with debitory account conditions is classified in accordance with the credit framework (credit line of NIS 11.3 billion). Special credit in the amount of NIS 0.5 billion is classified without repayment date.

(f) The above difference does not necessarily reflect the exposure to interest and/or linkage basis.

(g) Contractual yield rate is the interest rate discounting future anticipated contractual cash flows reported in this Note to its balance sheet figure.

Note: Total off-balance sheet restricted liabilities against with short-term credit was granted in the Bank amount to NIS 8.0 billion.

Note 17 - Assets and Liabilities Classified According to Maturity Date and Linkage Basis (a) (cont'd)

Reported Amounts													
Consolidated 31 December 2008													
	Estimated future contractual cash flows										Balance sheet balance (c)		
	Upon demand and up to (d)	One month to three (d)	Three months to one (d)	One year to two	Two years to three	Three years to four	Four years to five	Five years to ten	Ten years to twenty	Over twenty	Total	Without fixed maturity (b)	Total
NIS millions													
Assets	87,723	29,202	55,286	39,978	23,838	20,292	13,866	40,989	21,108	5,302	337,584	12,694	310,792
Liabilities	123,421	46,098	59,547	17,277	10,900	9,399	8,507	21,791	7,003	1,668	305,611	1,504	291,875
Difference (e)	(35,698)	(16,896)	(4,261)	22,701	12,938	10,893	5,359	19,198	14,105	3,634	31,973	11,190	18,917

- (a) Including estimated future cash flows in respect of assets and liabilities according to linkage basis, in accordance with the remaining contractual period to maturity of each cash flow. The data presented after deduction of provisions for doubtful debts.
- (b) Including overdue amounts of NIS 1,266 million.
- (c) As included in Note 16, "Assets and liabilities According to Linkage Basis", including off-balance sheet amounts in respect of derivatives.
- (d) Credit with debitory account conditions is classified in accordance with the credit framework (credit line of NIS 14.4 billion).
Special credit in the amount of NIS 0.4 billion is classified without repayment date.
- (e) The above difference does not necessarily reflect the exposure to interest and/or linkage basis.

Note: Total off-balance sheet restricted liabilities against with short-term credit was granted in the Bank amount to NIS 5.1 billion.

Note 17 - Assets and Liabilities Classified According to Maturity Date and Linkage Basis (a) (cont'd)

Reported Amounts														
Bank 31 December 2009														
	Estimated future contractual cash flows										Balance sheet balance (d)			
	Upon demand and up to month (e)	One month to three months (e)	Three months to one year (e)	One year to two years	Two years to three years	Three years to four years	Four years to five years	Five years to ten years	Ten years to twenty years	Over twenty years	Total Cash flows	Without fixed maturity (b)	Total	Contractual yield rete (g)
NIS millions														
Israeli currency - unlinked														
Assets	68,520	18,443	33,514	11,312	8,439	4,370	3,086	4,618	908	-	153,210	3,025	149,832	5.50
Liabilities	71,424	28,061	17,779	7,316	2,522	3,101	357	1,284	1,263	93	133,200	283	131,408	3.29
Difference	(2,904)	(9,618)	15,735	3,996	5,917	1,269	2,729	3,334	(355)	(93)	20,010	2,742	18,424	
Derivative instruments (except options)	(17)	(614)	(3,595)	1,639	145	327	661	(477)	40	-	(1,891)	-	(2,086)	
Options (in terms of underlying asset)	(404)	(50)	(500)	(39)	(16)	6	-	-	-	-	(1,003)	-	(1,052)	
Israeli currency - linked to the CPI														
Assets	731	1,650	8,576	8,391	7,802	4,521	4,344	16,085	2,837	253	55,190	106	47,175	4.13
Liabilities	802	964	5,563	4,845	5,287	3,516	3,723	19,177	5,092	1,481	50,450	310	41,817	3.78
Difference	(71)	686	3,013	3,546	2,515	1,005	621	(3,092)	(2,255)	(1,228)	4,740	(204)	5,358	
Derivative instruments (except options)	(411)	(147)	(1,408)	(1,567)	(1,102)	(1,013)	(1,416)	(1,268)	(128)	-	(8,460)	-	(7,238)	
Options (in terms of underlying asset)	-	1	(2)	-	-	(8)	-	-	-	-	(9)	-	(9)	
Foreign currency - Local operations (c)														
Assets	20,078	7,584	10,898	10,999	7,149	4,195	3,611	4,377	378	2	69,271	423	64,568	5.39
Liabilities	45,274	16,387	16,834	2,152	1,058	538	409	371	105	-	83,128	-	82,271	3.07
Difference	(25,196)	(8,803)	(5,936)	8,847	6,091	3,657	3,202	4,006	273	2	(13,857)	423	(17,703)	
Derivative instruments (except options)	430	761	5,002	(72)	957	686	755	1,745	87	-	10,351	-	9,324	
Options (in terms of underlying asset)	405	50	501	39	16	1	-	-	-	-	1,012	-	1,061	
Foreign currency - integrated foreign operations														
Assets	319	442	656	6	-	-	-	-	-	-	1,423	-	1,408	2.86
Liabilities	1,687	129	310	1	-	-	-	-	-	-	2,127	9	2,130	1.42
Difference	(1,368)	313	346	5	-	-	-	-	-	-	(704)	(9)	(722)	
Non-monetary items														
Assets	-	-	-	-	-	-	-	-	-	-	-	17,018	17,018	
Liabilities	-	-	-	-	-	-	-	-	-	-	-	513	513	
Difference	-	-	-	-	-	-	-	-	-	-	-	16,505	16,505	
Total														
Assets	89,648	28,119	53,644	30,708	23,390	13,086	11,041	25,080	4,123	255	279,094	20,572	280,001	4.85
Liabilities	119,187	45,541	40,486	14,314	8,867	7,155	4,489	20,832	6,460	1,574	268,905	1,115	258,139	3.60
Difference (f)	(29,539)	(17,422)	13,158	16,394	14,523	5,931	6,552	4,248	(2,337)	(1,319)	10,189	19,457	21,862	

- (a) Including estimated future cash flows in respect of assets and liabilities according to linkage basis, in accordance with the remaining contractual period to maturity of each cash flow. The data are presented after deduction of provisions for doubtful debts.
- (b) Including overdue amounts of NIS 700 million.
- (c) Including linkage foreign currency.
- (d) As included in Note 16, "Assets and liabilities According to Linkage Basis", including off-balance sheet amounts in respect of derivatives.
- (e) Credit with debitory account conditions is classified in accordance with the credit framework (credit line of NIS 10.4 billion).
Special credit in the amount of NIS 0.5 billion is classified without repayment date.
- (f) The above difference does not necessarily reflect the exposure to interest and/or linkage basis.
- (g) Contractual yield rate is the interest rate discounting future anticipated contractual cash flows reported in this Note to its balance sheet figure.

Note: Total off-balance sheet restricted liabilities against with short-term credit was granted in the Bank amount to NIS 8.0 billion.

Note 17 - Assets and Liabilities Classified According to Maturity Date and Linkage Basis (a) (cont'd)

Reported Amounts

Bank	31 December 2008												
	Estimated future contractual cash flows										Balance sheet balance (c)		
	Upon demand and up to (d)	One month to three (d)	Three months to one (d)	One year to two	Two years to three	Three years to four	Four years to five	Five years to ten	Ten years to twenty	Over twenty	Total	Without fixed maturity (b)	Total
	NIS millions												
Assets	75,694	26,464	52,600	33,199	19,703	14,915	10,058	30,037	6,265	49	268,984	20,947	267,706
Liabilities	107,336	39,653	53,013	14,811	8,267	5,951	5,480	17,639	6,315	1,590	260,055	1,175	249,034
Difference (e)	(31,642)	(13,189)	(413)	18,388	11,436	8,964	4,578	12,398	(50)	(1,541)	8,929	19,772	18,672

(a) Including estimated future cash flows in respect of assets and liabilities according to linkage basis, in accordance with the remaining contractual period to maturity of each cash flow. The data are presented after deduction of provisions for doubtful debts.

(b) Including overdue amounts of NIS 834 million.

(c) As included in Note 16, "Assets and liabilities According to Linkage Basis", including off-balance sheet amounts in respect of derivatives.

(d) Credit with debitory account conditions is classified in accordance with the credit framework (credit line of NIS 13.4 billion).

Special credit in the amount of NIS 0.3 billion is classified without repayment date.

(e) The above difference does not necessarily reflect the exposure to interest and/or linkage basis.

Note: Total off-balance sheet restricted liabilities against with short-term credit was granted in the Bank amount to NIS 5.1 billion.

Note 18 - Contingent Liabilities and Special Commitments

Reported Amounts

	Consolidated		Bank	
	31 December		31 December	
	2009	2008	2009	2008
A. Off-balance sheet financial instruments	NIS millions		NIS millions	
Balances of contracts or their stated amounts at the end of the year Transactions in which the balance reflects a credit risk:				
Documentary credits	1,773	1,631	1,191	923
Credit guarantees	6,199	6,821	7,193	6,934
Guarantees to apartment purchasers	9,250	8,117	9,064	7,857
Other guarantees and liabilities	14,509	14,454	15,298	15,453
Unutilized credit card facilities	18,348	16,651	11,242	10,644
Other unutilized revolving credit facilities to the public and credit	14,211	16,967	14,523	16,722
Irrevocable commitments to provide credit which has been approved and not yet granted (a)	17,827	19,627	9,250	9,423
Commitments to issue guarantees	7,793	7,361	7,788	7,340
Unutilized facilities for activity in derivative instruments	4,060	-	4,060	-

(a) Of which: credit exposures in respect of liabilities to supply liquidity to securitization structures under the auspices of other parties not utilized in the amount of Nis 377 million (31 December 2008- Nis 380 million).

B. Off-balance sheet commitments for transactions based on collection (a)

Balance of credits from deposits collected (b)

Israeli currency - unlinked	1,112	1,520
Israeli currency - linked to the CPI	6,771	7,535
Foreign currency	555	628
Total	8,438	9,683

Flows in respect of collection commissions and interest margins on activities based on the extent of collection as at December 31

	Up to one year	One year to three years	Three years to five years	Five years to ten years	Ten years to twenty years	After twenty years	Total 2009	Total 2008
1.CPI linked sector (c)								
Flow of future contracts	32	60	55	129	104	4	384	485
Future flow expected after management estimation of early repayments	35	62	53	127	95	-	372	467
Flow of future capital expected after management estimation of early repayments (d)	34	57	46	97	60	-	294	336
2.Unlinked shekel sector								
Flow of future contracts	5	5	5	11	6	5	37	40
Future flow expected after management estimation of early repayments	5	5	5	11	6	5	37	40
Flow of future capital expected after management estimation of early repayments (d)	5	5	4	8	4	2	28	31

(a) Credit and deposit out of deposits returnable upon repayment of the credit (or the deposits) with interest margin or collection commission (instead of interest margin).

(b) Not presented above are standing loans and government deposits in respect thereof in the amount of NIS 671 million (31 December 2007 - NIS 831 million).

(c) Including foreign currency sector.

(d) The present value of future flows computed at the rate of 3.66% (2007 - 4.36%).

Note 18 - Contingent Liabilities and Special Commitments (cont'd)

Reported Amounts				
	Consolidated		Bank	
	31 December		31 December	
	2009	2008	2009	2008
	NIS millions		NIS millions	
C. Contingent liabilities and other special commitments				
(1) Long-term rental contracts- Commitments in respect of rental of buildings, equipment and motor vehicles payable in the following years:				
First year	228	170	142	84
Second year	145	132	72	69
Third year	123	105	59	52
Fourth year	100	89	48	41
Fifth year	65	54	26	19
After five years	203	117	87	68
Total	864	667	434	333
(2) Commitments to purchase securities	399	371	75	-
(3) Commitments to invest in buildings, equipment and in other assets	123	214	107	186

	Consolidated		Bank	
	31 December		31 December	
	2009	2008	2009	2008
	NIS millions		NIS millions	
(4) Future deposits				
Transactions with depositors for purposes of receipt of large deposits at various future dates and at fixed interest rates determined in advance as of the date of the investment				
First year	17	17	17	17
Second year	17	17	17	17
Third year	17	17	17	17
Fourth year	17	17	17	17
Fifth year	17	17	17	17
After five years	15	32	15	32
Total	100	117	100	117

Note 18 - Contingent Liabilities and Special Commitments (cont'd)

Reported Amounts								
D. Fair value of financial instruments								
(3) Balances and fair value of financial instruments								
	Consolidated			Consolidated				
	31 December 2009			31 December 2008				
	Balance sheet value			Balance sheet value				
	(a)	(b)	Total	Fair Value	(a)	(b)	Total	Fair Value
	NIS millions			NIS millions				
Financial assets								
Cash and deposits with banks	29,628	13,305	42,933	42,902	6,132	26,998	33,130	33,210
Securities	56,653	852	57,505	57,528	43,464	1,446	44,910	44,939
Securities borrowed or purchased under agreement to resell	744	-	744	744	125	76	201	203
Credit to the public	24,023	180,646	204,669	206,714	29,389	183,826	213,215	214,030
Credit to governments	-	407	407	426	-	520	520	516
Other financial assets	7,306	-	7,306	7,306	10,647	2	10,649	10,649
Total financial assets	118,354	195,210	313,564	315,620	89,757	212,868	302,625	303,547
Financial liabilities								
Deposits of the public	68,846	181,572	250,418	252,712	51,598	193,185	244,783	246,507
Deposits from banks	2,050	1,735	3,785	3,933	2,372	1,370	3,742	3,778
Deposits from governments	59	653	712	754	128	703	831	866
Securities loaned or sold under agreement to repurchase	216	57	273	279	376	173	549	558
Subordinated notes	-	25,261	25,261	27,168	34	20,602	20,636	21,100
Other financial liabilities	9,877	4,006	13,883	13,865	16,087	214	16,301	16,294
Total financial liabilities	81,048	213,284	294,332	298,711	70,595	216,247	286,842	289,103
Off balance financial instruments								
Deals in which the balance represents credit risk	313	-	313	313	358	-	358	358

(a) Financial instruments in respect of which the balance sheet value is an estimate of fair value - instruments that are stated in the balance sheet at their market value.

(b) Other financial instruments regarding which the fair value was calculated.

Note 18 - Contingent Liabilities and Special Commitments (cont'd)

Reported Amounts

D. Fair value of financial instruments (cont'd)

(3) Balances and fair value of financial instruments (cont'd)

	Bank			Bank				
	31 December 2009			31 December 2008				
	Balance sheet value			Balance sheet value				
	(a)	(b)	Total	Fair Value	(a)	(b)	Total	Fair Value
NIS millions			NIS millions					
Financial assets								
Cash and deposits with banks	30,737	41,216	71,953	73,090	8,576	49,779	58,355	59,434
Securities	48,390	237	48,627	48,632	36,211	845	37,056	37,074
Securities borrowed or purchased under agreement to resell	744	-	744	744	125	-	125	125
Credit to the public	13,958	118,662	132,620	132,801	18,679	125,895	144,574	144,268
Credit to governments	-	407	407	426	-	520	520	516
Other financial assets	6,691	-	6,691	6,691	9,549	-	9,549	9,549
Total financial assets	100,520	160,522	261,042	262,384	73,140	177,039	250,179	250,966
Financial liabilities								
Deposits of the public	55,465	174,758	230,223	232,365	39,419	181,990	221,409	222,429
Deposits from banks	2,364	2,474	4,838	4,857	2,178	1,303	3,481	3,491
Deposits from governments	49	554	603	645	54	679	733	764
Securities loaned or sold under agreement to repurchase	216	-	216	216	374	-	374	374
Subordinated notes	-	5,526	5,526	6,097	-	4,637	4,637	4,899
Other financial liabilities	8,254	3,901	12,155	12,139	14,060	-	14,060	14,060
Total financial liabilities	66,348	187,213	253,561	256,319	56,085	188,609	244,694	246,017
Off balance financial instruments								
Deals in which the balance represents credit risk	302	-	302	302	347	-	347	347

(a) Financial instruments in respect of which the balance sheet value is an estimate of fair value - instruments that are stated in the balance sheet at their market value.

(b) Other financial instruments regarding which the fair value was calculated.

Note 18 - Contingent Liabilities and Special Commitments (cont'd)

Reported Amounts

F. Activity in Derivatives - Scope, Credit Risks and Repayment Dates - Consolidated

a. Scope of Activity

	31 December 2009				
	Interest contracts		Foreign currency contracts	Contracts in respect of shares	Contracts in respect of goods and others
	Shekel - index	Other			
NIS millions					
(1) Amount of derivative instruments					
a) Hedge derivative (1)					
Swaps	-	1,409	-	-	-
Total	-	1,409	-	-	-
Of which: Swap contracts in which the banking institution agreed to pay a fixed rate of interest					
	-	526	-	-	-
b) ALM derivative (1) (2)					
Futures contracts	-	7,920	189	381	851
Forward contracts	9,030	18,450	103,622	-	1,230
Traded options					
Put options	-	-	3,394	7,144	47
Call options	-	-	3,875	7,144	53
Other options					
Put options	21	17,440	26,033	495	11
Call options	50	14,007	26,220	673	22
Swaps	1,169	102,226	11,811	-	-
Total	10,270	160,043	175,144	15,837	2,214
Of which: Swap contracts in which the banking institution agreed to pay a fixed rate of interest					
	-	53,500	-	-	-
c) Other derivatives (1)					
Swaps	-	-	-	-	-
Total	-	-	-	-	-
d) Credit derivatives and Spot contracts					
Credit derivatives in which the banking institution is a guarantor					
	-	-	-	-	831
Spot contracts					
	-	-	11,765	-	-
Total	-	-	11,765	-	831
Total	10,270	161,452	186,909	15,837	3,045

(1) Except credit derivatives and Spot contracts.

(2) Derivatives constituting part of the Bank's system of management of assets and liabilities, not intended for hedging.

Note 18 - Contingent Liabilities and Special Commitments (cont'd)

Reported Amounts

F. Activity in Derivatives - Scope, Credit Risks and Repayment Dates - Consolidated (cont'd)

31 December 2009					
(a) Scope of activity (cont'd)	Interest contracts		Foreign currency contracts	Contracts in Contracts in	
	Shekel - index	Other		respect of shares	respect of goods and others
Reported amounts	NIS millions				
(2) Gross fair value of derivative instruments					
a) Hedged derivatives (1)					
Gross positive fair value	-	37	-	-	10
Gross negative fair value	-	21	-	-	10
b) ALM derivatives (1) (2)					
Gross positive fair value	60	2,159	3,347	295	532
Gross negative fair value	366	2,764	3,627	299	530
c) Other derivatives (1)					
Gross positive fair value	-	-	-	-	-
Gross negative fair value	-	-	-	-	-
d) Credit derivatives					
Credit derivatives in which the banking institution is a guarantor					
Gross positive fair value	-	-	-	-	-
Gross negative fair value	-	-	-	-	2

(1) Except credit derivatives.

(2) Derivatives constituting part of the Bank's system of management of assets and liabilities, not intended for hedging.

Note 18 - Contingent Liabilities and Special Commitments (cont'd)

Reported Amounts

F. Activity in Derivatives - Scope, Credit Risks and Repayment Dates - Consolidated (cont'd)

(a) Scope of activity (cont'd)

	31 December 2008				
	Interest contracts		Foreign currency contracts	Contracts in respect of shares	Contracts in respect of goods and others
	Shekel - index	Other			
NIS millions					
(1) Amount of derivative instruments or embedded derivatives					
a) Hedge derivative (1)					
Swaps	-	1,490	24	-	-
Total	-	1,490	24	-	-
Of which: Swap contracts in which the banking institution agreed to pay a fixed rate of interest					
	-	(3) 792	-	-	-
b) ALM derivative (1) (2)					
Futures contracts	6	21,637	-	41	66
Forward contracts	11,223	15,678	(3) 85,754	-	949
Traded options	-	-	-	-	-
Put options	-	2	8,847	4,891	265
Call options	-	1	10,296	4,891	265
Other options					
Put options	57	16,176	32,384	1,179	-
Call options	20	13,421	31,533	1,403	-
Swaps	1,395	80,052	8,810	-	-
Total	12,701	146,967	177,624	12,405	1,545
Of which: Swap contracts in which the banking institution agreed to pay a fixed rate of interest					
	-	(3) 38,505	-	-	-
c) Other derivatives (1)					
Swaps	-	-	-	-	-
Total	-	-	-	-	-
d) Credit derivatives and Spot contracts					
Credit derivatives in which the banking institution is a guarantor	-	-	-	-	247
Credit derivatives in which the banking institution is guaranteed	-	-	-	-	-
Foreign exchange spot contracts	-	-	7,511	-	-
Total	-	-	7,511	-	247
Total	12,701	148,457	185,159	12,405	1,792

(1) Except credit derivatives and Spot contracts.

(2) Derivatives constituting part of the Bank's system of management of assets and liabilities, not intended for hedging.

(3) Reclassified.

Note 18 - Contingent Liabilities and Special Commitments (cont'd)

Reported Amounts

F. Activity in Derivatives - Scope, Credit Risks and Repayment Dates - Consolidated (cont'd)

(a) Scope of activity (cont'd)

	31 December 2008				
	Interest contracts		Foreign currency contracts	Contracts in respect of shares	Contracts in respect of goods and others
	Shekel - index	Other			
NIS millions					
(2) Gross fair value of derivative instruments					
a) Hedged derivatives (1)					
Gross positive fair value	-	75	-	-	-
Gross negative fair value	-	44	16	-	-
b) ALM derivatives (1) (2)					
Gross positive fair value	180	3,396	6,050	280	66
Gross negative fair value	214	3,438	6,535	277	66
c) Other derivatives (1)					
Gross positive fair value	-	-	-	-	-
Gross negative fair value	-	-	-	-	-
d) Credit derivatives					
Credit derivatives in which the banking institution is a guarantor					
Gross positive fair value	-	-	-	-	-
Gross negative fair value	-	-	-	-	10

(1) Except credit derivatives.

(2) Derivatives constituting part of the Bank's system of management of assets and liabilities, not intended for hedging.

Note 18 - Contingent Liabilities and Special Commitments (cont'd)

Reported Amounts

F. Activity in Derivatives - Scope, Credit Risks and Repayment Dates - Consolidated (cont'd)

(b) Credit Risk in Respect of Derivative Instruments According to Other Party to the Contract

	31 December 2009					
	Stock exchanges	Banks	Dealers/ brokers	Governments and Central		Total
				Banks	Others	
	NIS millions					
Balance sheet balances of derived assets from derivative instruments (1)	861	3,286	-	-	2,293	6,440
Off-balance sheet credit risk in respect of derivative instruments	842	20,098	2	-	9,080	30,022
Total credit risk in respect of derivative instruments	1,703	23,384	2	-	11,373	36,462

(1) Net accounting arrangements do not exist.

(c) Repayment Dates - Nominal Amounts: Balances as at end of the year

	31/12/2009					Total
	Up to three months	Three months to one year	One year to five years	After five years		
Interest contracts:						
Shekel - index	1,213	5,823	3,134	100		10,270
Other	29,861	41,476	52,545	37,570		161,452
Foreign currency contracts	123,054	48,972	6,955	7,928		186,909
Contracts in respect of shares	14,961	743	133	-		15,837
Contracts in respect of commodities and others	2,049	939	57	-		3,045
Total	171,138	97,953	62,824	45,598		377,513

Reported Amounts

F. Activity in Derivatives - Scope, Credit Risks and Repayment Dates - Consolidated (cont'd)

(b) Credit Risk in Respect of Derivative Instruments According to Other Party to the Contract (cont'd)

	31 December 2008					
	Stock exchanges	Banks	Dealers/ brokers	Governments and Central		Total
				Banks	Others	
	NIS millions					
Balance sheet balances of derived assets from derivative instruments (1)	653	5,058	18	1	4,317	10,047
Off-balance sheet credit risk in respect of derivative instruments	2,463	(2) 15,955	207	2	6,813	25,440
Total credit risk in respect of derivative instruments	3,116	21,013	225	3	11,130	35,487

(1) Net accounting arrangements do not exist.

(2) Reclassified.

(c) Repayment Dates - Nominal Amounts: Balances as at end of the year

	31 December 2008					Total
	Up to three months	Three months to one year	One year to five years	After five years		
Interest contracts:						
Shekel - index	1,790	6,790	2,304	1,817		12,701
Other	46,812	28,936	38,128	34,581		148,457
Foreign currency contracts	(1) 126,977	44,088	7,231	6,863		185,159
Contracts in respect of shares	10,074	1,269	1,061	1		12,405
Contracts in respect of commodities and others	1,037	665	52	38		1,792
Total	186,690	81,748	48,776	43,300		360,514

(1) Reclassified.

Note 20 - Net Interest Income Before Provision for Doubtful Debts

Reported Amounts

	Consolidated			Bank		
	2009	2008	2007	2009	2008	2007
	NIS millions			NIS millions		
A. Income on assets (a)						
Credit to the public	10,956	11,483	9,145	6,668	8,284	6,567
Credit to governments	31	24	3	31	24	3
Deposits with Bank of Israel and cash	142	535	(154)	102	524	(126)
Deposits with banks	897	(1,110)	(604)	2,455	804	698
Debentures (d) (e)	1,557	914	667	1,467	920	1,093
Interest income from securities borrowed or purchased under agreement to resell	7	31	14	6	22	14
Total income on assets	13,590	11,877	9,071	10,729	10,578	8,249
B. Expenses on liabilities (a)						
Deposits of the public	(4,915)	(2,536)	(1,322)	(4,847)	(3,721)	(2,436)
Deposits from governments	(45)	(40)	(66)	(42)	(60)	(51)
Deposits from Bank of Israel	1	(55)	(137)	-	(54)	(138)
Deposits from banks	(133)	(287)	11	(112)	(222)	48
Debentures, bonds and subordinated notes	(1,774)	(1,682)	(957)	(494)	(457)	(358)
Interest expense from securities loaned or sold under agreement to repurchase	(9)	(27)	1	(6)	(15)	(5)
Total expenses on liabilities	(6,875)	(4,627)	(2,470)	(5,501)	(4,529)	(2,940)
C. Income on derivative financial instruments						
Ineffective part of hedge ratio (b)	-	-	3	-	-	4
Net income in respect of ALM derivatives (c)	(1,217)	(509)	21	(1,184)	(713)	(72)
Net income in respect of other derivatives	13	(97)	(15)	2	(109)	(17)
Total from derivatives and hedging activities	(1,204)	(606)	9	(1,182)	(822)	(85)
D. Other income and expenses						
Financing commissions	345	337	308	274	264	250
Other financing income (d)	1,167	(601)	730	934	(519)	588
Total other	1,512	(264)	1,038	1,208	(255)	838
Total net interest income before provision for doubtful debts						
	7,023	6,380	7,648	5,254	4,972	6,062
Including net exchange rate linkage differences	(57)	(26)	16	(99)	268	318

(a) Including effective component of hedge transactions.

(b) Excluding effective component of hedge transactions.

(c) Derivative instruments which constitute part of the Bank's assets and liability management system and were not designated for hedging relationships.

(d) Including interest collected in respect of doubtful debts in the amount of NIS 380 million, Bank - NIS 339 million, 2008-NIS 507 million, Bank - NIS 470 million, 2007-NIS 461 million, Bank - NIS 428 million).

(e) Including negative interest and exchange difference in respect of mortgage-backed bonds (MBS) in the amount of about NIS 127 million (2008 -NIS 24

Note 20 - Net Interest Income Before Provision for Doubtful Debts (cont'd)

Reported Amounts

	Consolidated			Bank		
	2009	2008	2007	2009	2008	2007
	NIS millions			NIS millions		

Details of the operating results of investments in debentures

E. Interest on debentures, on accrual basis:

Held to maturity	36	66	72	93	(13)	112
Available for sale	1,376	565	247	1,231	657	636
Held for trading	145	283	348	143	276	345
Total, included in interest income on assets	1,557	914	667	1,467	920	1,093

Other financing income (expenses)

Gain on sale of debentures available for sale	499	59	138	440	44	130
Losses on sale of debentures available for sale (b)	(205)	(1,396)	(30)	(186)	(1,199)	(28)
Realized and unrealized profits (losses) from adjustments of held for trading debentures to fair value, net (a)	232	82	(22)	230	81	(27)
Total, included in other financing income	526	(1,255)	86	484	(1,074)	75
Total from investments in debentures	2,083	(341)	753	1,951	(154)	1,168

F. Detail of net effect of hedging derivative instruments on net interest income

Interest income (expenses) in respect of assets	-	(11)	(6)	-	(11)	(6)
Interest income (expenses) in respect of liabilities	2	26	18	2	26	18

(a) Of which part of the income (losses) related to traded debentures still held as of balance sheet date in the amount of NIS 84 million, Bank - NIS 89 million,

2008 - NIS (23) million, Bank - NIS (27) million; 2007 - NIS (60) million, Bank - NIS (65) million).

(b) Including a provision for impairment not of a temporary nature.

Note 21 - Operating Commissions

Reported Amounts

	Consolidated			Bank		
	2009	(a) 2008	(a) 2007	2009	(a)2008	(a)2007
	NIS millions			NIS millions		
Ledger fees	843	832	828	642	646	641
Exchange differentials	289	309	271	287	309	271
Handling of credit	249	339	353	213	287	296
Financial products distribution commission	182	172	248	128	121	180
Foreign trade activity	115	118	131	110	112	123
Activity in securities and in certain derivative instrum	862	791	865	693	635	682
Income from credit cards	767	765	672	186	183	119
Net income from servicing credit portfolios	49	54	62	8	10	18
Operational management and trusteeship for institutional bodies	48	49	43	-	-	-
Management fees and commissions on life assurance and on housing insurance	47	45	48	-	-	-
Other	60	64	72	90	94	97
Total operating commissions	3,511	3,538	3,593	2,357	2,397	2,427

(a) Reclassified.

(b) Mostly distribution fees of mutual funds.

(c) Mostly operating provident funds.

Note 22 - Profits from Investments in Shares (a), Net

Reported Amounts						
	Consolidated			Bank		
	2009	2008	2007	2009	2008	2007
	NIS millions			NIS millions		
Gains on sale of shares available for sale	600	141	250	536	34	69
Gains (losses) on sale of shares available for sale (b)	(18)	(656)	(32)	(12)	(490)	(11)
Realized and unrealized losses from adjustments of held for trading shares to fair value, net (c)	8	(528)	(2)	(1)	(522)	(9)
Dividend on shares available for sale and on held for trading shares	117	131	245	75	88	198
Total from investments on shares	707	(912)	461	598	(890)	247

(a) Including mutual funds.

(b) Including a provision for impairment not of a temporary nature.

(c) The part of the gains (losses) relating to traded shares still held as at balance sheet date is NIS (2) million, Bank - NIS (1) million (2008 - NIS (326) million, Bank - NIS (320) million), 2007 - NIS (1) million, Bank - NIS 1 million.

Note 23 - Other Income

Reported Amounts						
	Consolidated			Bank		
	2009	(a) 2008	(a) 2007	2009	(a)2008	(a)2007
	NIS millions			NIS millions		
Profits from severance pay funds	237	-	63	227	-	61
Other, net	108	174	105	29	121	21
Total other income	345	174	168	256	121	82

(a) Reclassified.

Note 24 - Salaries and Related Expenses

Reported Amounts						
	Consolidated			Bank		
	2009	2008	2007	2009	2008	2007
	NIS millions			NIS millions		
Salaries	2,753	2,474	2,788	2,022	1,800	2,068
Severance pay, provident fund, further education fund, vacation, pension and long service bo	523	589	445	415	446	378
Benefit in respect of shares to employees	32	(65)	250	30	(62)	238
National insurance and VAT on salaries	578	339	524	503	268	456
Other related expenses	161	171	162	94	102	92
Adjustment of provisions for related expenses as a result of current changes in salaries in the current	5	607	49	12	593	48
Voluntary retirement	-	3	-	-	-	-
Total salaries and related expenses	4,052	4,118	4,218	3,076	3,147	3,280
The above includes: Salaries and related expenses abrt	528	525	514	4	5	4

Note 25 - Other Expenses

Reported Amounts

	Consolidated			Bank		
	2009	2008	2007	2009	2008	2007
	NIS millions			NIS millions		
Marketing and advertising	215	271	265	80	116	118
Legal, audit and professional consultancy	276	287	270	166	209	195
delivery services, etc.	150	158	152	99	108	98
Computer (a)	196	232	219	80	121	105
Office expenses	79	92	92	51	58	58
Insurance	14	29	26	22	24	37
Training	27	32	36	22	25	29
Amortization of goodwill	21	17	15	-	-	-
Other (b)	393	370	370	258	238	186
Total other expenses	1,371	1,488	1,445	778	899	826

(a) The item includes outsourcing expenses and does not include the Bank's computer since the Operations Division is a part of the Bank and its expenses are recorded and classified under the various expense items.

(b) Regarding directors' fees of the Bank included in this item, see Note 19 (D).

Note 26 - Provision for Taxes on Operating Profit

Reported Amounts

A. Composition

	Consolidated			Bank		
	2009	2008	2007	2009	2008	2007
	NIS millions			NIS millions		
Current taxes -						
In respect of current year	1,090	342	1,660	849	44	1,235
In respect of prior years	(65)	46	39	13	47	143
Total current taxes	1,025	388	1,699	862	91	1,378
Add (deduct) changes in deferred taxes -						
In respect of current year	20	29	9	(15)	122	15
In respect of prior years	146	4	14	141	4	(79)
Total deferred taxes	166	33	23	126	126	(64)
Total provision for taxes	1,191	421	1,722	988	217	1,314
Of which: provision for foreign taxes	47	(27)	166	-	-	-

B. Reconciliation between the theoretical tax on the operating profit at the statutory tax rate applying to the Bank in Israel, and the actual provision for taxes on operating profit appearing in the statement of profit and loss:

	Consolidated			Bank		
	2009	2008	2007	2009	2008	2007
	NIS millions			NIS millions		
Statutory tax rate applying to a bank in Israel	36.21%	36.80%	38.53%	36.21%	36.80%	38.53%
Tax at the statutory tax rate	1,134	12	1,744	798	(87)	1,326
Tax (tax saving) resulting from:						
General and supplementary provisions for doubtful debts						
	(1)	27	(51)	(1)	25	(47)
Other non-deductible expenses						
	14	(a) 143	26	10	(a) 140	12
Income of foreign subsidiaries						
	(10)	88	142	14	(7)	54
Income of Israeli subsidiaries						
	(44)	(33)	(44)	(8)	(9)	(9)
Inflationary depreciation adjustments						
	(3)	1	(22)	(2)	1	(21)
Inflationary addition (deduction)						
	-	-	(140)	-	-	(84)
Tax exempt and preferred income						
	(15)	(22)	(39)	(3)	(11)	(33)
Timing differences for which deferred taxes have been provided						
	(1)	43	1	(1)	3	2
Profit tax on VAT on salaries, net						
	-	(32)	35	-	(36)	33
Change in deferred taxes due to change in tax rates						
	17	21	4	13	21	3
Taxes in respect of prior years (b)						
	81	50	53	154	51	64
Other						
	19	(c) 123	13	14	(c) 126	14
Provision for taxes on operating profit	1,191	421	1,722	988	217	1,314

(a) Includes in 2008 cancellation of deferred tax receivable due to the impairment in the value of the benefit to employees and non-deductible expenses deriving from the issuance of options and sale of options to employees in the amount of NIS 105 million.

(b) Including adjustment of the deferred taxes due to change in tax rates in 2009 – NIS 146 million, the bank NIS 141 million.

(c) Effect of losses transferred for tax purposes which are not recognized for purposes of profits tax.

Note 26 - Provision for Taxes on Operating Profit (cont'd)

Reported Amounts

G. The amount of the inflationary adjustment of buildings, the depreciation of which will not be recognized as an expense for tax purposes, and in respect of which no deferred taxes have to be set up, is as follows:

	Consolidated			Bank		
	2009	2008	2007	2009	2008	2007
	NIS millions			NIS millions		
Balance at the beginning of the year	190	203	217	173	182	192
Change in the current year (a)	(14)	(13)	(14)	(13)	(9)	(10)
Balance at the end of the year	176	190	203	160	173	182

(a) Including amounts not recognized as an expense in respect of depreciation and amounts deducted in respect of assets that were sold.

I. Components of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated		Bank	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	NIS millions		Average tax rate	
Deferred tax assets				
From specific provision for doubtful debts	187	173	37%	40%
From provision for unutilized vacations and long service bonus	243	273	31%	35%
From excess of provision for severance pay and pension over amounts funded	773	1,006	30%	35%
From interest not credited to current income	70	59	37%	38%
From tax loss carryforward	47	366	11%	26%
From activity abroad	4	11	35%	36%
From adjustment of depreciable non-monetary assets	36	34	44%	44%
Other – from monetary assets	-	-	0%	0%
Other – from non-monetary assets	22	39	15%	24%
Share-based payment transactions	80	2	35%	27%
Total	1,462	1,963		
Reserve for deferred taxes:				
From securities	(161)	(26)	33%	34%
From investments in investee companies	(130)	(137)	11%	12%
Adjustment of depreciable non-monetary assets	(106)	(89)	29%	31%
Other – from monetary assets	(16)	(12)	35%	36%
Other – from non-monetary assets	(16)	(21)	18%	27%
Total	(429)	(285)		
Deferred taxes receivable, net	1,033	1,678		
Deferred taxes included: (a)				
In "Other assets"	1,107	1,745		
In "Other liabilities"	(74)	(67)		
Deferred tax assets, net	1,033	1,678		

Note 27 - Net Profit After Taxes from Extraordinary Items

Reported Amounts	Consolidated			Bank		
	2009	2008	2007	2009	2008	2007
	NIS millions			NIS millions		
Net gain on realization of investments in investee companies and sale of activities (a)	-	258	564	-	1	130
Elimination of extraordinary provisions in connection with fixed assets	-	1	7	-	-	7
Net gain (loss) from sale of buildings	36	(2)	28	37	-	25
Net profit before taxes	36	257	599	37	1	162
Provision for taxes on profit from extraordinary items:						
Current taxes	8	7	222	9	1	58
Deferred taxes	-	-	-	-	-	-
Provision for taxes	8	7	222	9	1	58
After-tax profit from extraordinary items	28	250	377	28	-	104
Bank's share in after-tax profits of subsidiaries and affiliated companies from extraordinary items	-	-	-	-	250	269
Share of profits of minority shareholders of consolidated companies, net of extraordinary items after taxes	-	-	(4)	-	-	-
After-tax profit from extraordinary items	28	250	373	28	250	373

(a) In 2008 the profit derives mainly from the allocation of 20% of the equity of Leumi Card to the Kanit Co. As a result of the above allocation the net profit of the Bank was about Nis 234 million. In 2007 the profit derives from selling capital market activities.

Note 29 - Earmarked Deposits, Credit and Deposits from Earmarked Deposits

Reported Amounts	Consolidated		Bank	
	31 December 2009	2008	31 December 2009	2008
	NIS millions		NIS millions	
Credit and deposits from earmarked deposits				
Credit to the public	419	432	361	378
Total	419	432	361	378
Earmarked deposits				
Deposits of the public	14	16	5	6
Deposits of banks	48	29	-	-
Deposits of the Government	575	677	543	644
Total	637	722	548	650