

Summary Translation of Immediate Report

Bank Leumi le-Israel B.M.

Registration No. 520018078
Securities of the Corporation are listed on The Tel Aviv Stock Exchange
Abbreviated Name: Leumi
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19 August 2009

To: Israel Securities Authority (www.isa.gov.il)
The Tel Aviv Stock Exchange (www.tase.co.il)

Immediate Report

Nature of the Event: Arab Israel Bank – Financial Statements

Bank Leumi le-Israel B.M. announces that a subsidiary of the Bank, Arab Israel Bank Ltd., today published its financial statements for the first half of 2009.

- Net profit in the first half of 2009 amounted to NIS 49.2 million, compared with NIS 47.7 million in the corresponding period of 2008, an increase of 3.1%.
- Net profit in the second quarter of 2009 amounted to NIS 21.8 million, compared with NIS 24.4 million in the corresponding period of 2008, a decrease of 10.7%.
- Net return on shareholders equity (on an annual basis) in the first half of 2009 amounted to 29.2% on an annual basis, compared with 28.5% in the corresponding period of 2008.
- The change in the net profit in the first half of 2009 was affected mainly by the following:
 - An increase of NIS 4.8 million in net interest income before provisions for doubtful debts which resulted from an increase in the scope of activities between the two periods.
 - An increase of NIS 5.2 million in the provision for doubtful debts, which amounted to NIS 13 million, compared with NIS 7.8 million in the corresponding period of 2008.
 - A decrease of NIS 6.6 million in operating commissions, mainly as a result of the reform of commissions.
 - A decrease of NIS 8.5 million in salary expenses, mainly as a result of the increase in profit of the funds used for covering the obligations for severance pay and pension payments.

- Total income of the Bank in the first half of 2009 amounted to NIS 170.8 million compared with NIS 170.2 million in the corresponding period of 2008, an increase of 0.04%.
- Operating and other income in the first half of 2009 amounted to NIS 50.0 million, compared with NIS 54.2 million in the corresponding period of 2008, a decrease of 7.7%.
- Operating and other income in the second quarter of 2009 amounted to NIS 24.6 million, compared with NIS 26.5 million in the corresponding period of 2008, a decrease of 7.2%.
- Total income after deducting provisions for doubtful debts in the first half of 2009 amounted to NIS 157.8 million, compared with NIS 162.4 million in the corresponding period of 2008, a decrease of 2.8%.
- Total income after deducting provisions for doubtful debts in the second quarter of 2009 amounted to NIS 74.7 million, compared with NIS 80.8 million in the corresponding period of 2008, a decrease of 7.5%.
- Operating and other expenses in the first half of 2009 amounted to NIS 80.5 million, compared with NIS 85.3 million in the corresponding period of 2008, a decrease of 5.6%.
- Operating and other expenses in the second quarter of 2009 amounted to NIS 40.5 million, compared with NIS 40.9 million in the corresponding period of 2008, a decrease of 1.0%.
- Total assets as at 30 June 2009 amounted to NIS 4,686.6 million, compared with NIS 4,507.3 million as at 30 June 2008 (an increase of 4%), and NIS 4,771.8 million as at 31 December 2008 (a decrease of 1.8%).

Date and time at which the corporation first became aware of the event or matter:
18 August 2009 at 13:40

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