

## **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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20 August 2009

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

### **Immediate Report**

Nature of the Event: Leumi Card – Financial Statements

Bank Leumi le-Israel B.M. announces that its subsidiary, Leumi Card Ltd., today published its financial statements for the second quarter of 2009.

- Net profit of NIS 36 million in the second quarter of 2009.
- An increase of 7% in the Company's income to NIS 208 million in the second quarter of 2009.
- An increase of 19% in the credit portfolio to NIS 1.86 billion.
- An increase of 31% of the non-bank affiliated cards.
- Net profit and net operating profit in the first half of 2009 amounted to NIS 36 million. Despite the economic crisis, net operating profit increased by 9% compared with the corresponding period in 2008 which amounted to NIS 33 million. Net profit in the corresponding period in 2008 amounted to NIS 50 million, as the profits from the sale of the holdings in Gama Management and Clearing Ltd., in the amount of NIS 17 million, were included in the Financial Statements for the second quarter of 2008.
- In the first half of 2009, Leumi Card's net profit amounted to NIS 68 million, compared with NIS 82 million in the corresponding period in 2008, which as mentioned above included a one time profit of NIS 17 million from the sale of the holdings in Gama.
- Leumi Card's net operating profit in the first half of 2009 also amounted NIS 68 million, compared with NIS 65 million in the corresponding period in 2008, an increase of 5%.

- Return on shareholders' equity in the first half of 2009 amounted to 19% (on an annual basis).
- Total income in the second quarter of 2009 amounted to NIS 208 million, compared with NIS 194 million in the corresponding period of 2008, an increase of 7%.
- Leumi Card's credit portfolio grew by 19% compared with the corresponding period in 2008 and amounted at 30 June 2009 to NIS 1.86 billion. The balance of private credit increased by 21% compared with the corresponding period in 2008, and on 30 June 2009 amounted to NIS 969 million. This balance includes mainly non-bank-affiliated Multi-Card activities (rollover credit). The balance of commercial credit, including discounting and advance payments to businesses, amounted at 30 June 2009 to NIS 887 million, including discounting and advance payments to businesses amounting to NIS 610 million, an increase of 44%, and an intentional reduction in commercial credit compared with the corresponding period in 2008.
- The scope of activities of card holders in the second quarter of 2009 increased by 3.2% compared with the corresponding period in 2008, and amounted to NIS 10.6 billion.
- The total number of cards of the Company at the end of the second quarter of 2009 amounted to 1.67 million cards. The number of active cards (85% of total cards) increased by 7% compared with the corresponding period in 2008 when there were 1.56 million cards.
- The total number of non-bank-affiliated cards at the end of the second quarter of 2009 amounted to 456,000 cards, an increase of 31% compared with the corresponding period in 2008. This significant increase resulted mainly from the strategic cooperation between Leumi Card and the Shufersal Club, Hamashbir 365 Club and Azrieli Club.
- Provisions for doubtful debts in the second quarter of 2009 amounted to NIS 6 million, compared with NIS 5 million in the corresponding period in 2008 and compared with NIS 8 million in the first quarter of 2009.
- Operating and other expenses of the Company amounted to NIS 158 million in the second quarter of 2009, compared with NIS 148 million in the corresponding period in 2008 (an increase of 7%). The increase is mainly a result of the expansion of the Company's business activities in recruiting new customers and growth of business with them, the expansion of consumer credit and the increase in the discounting activity.

Date and time at which the corporation first became aware of the event or matter:  
19 August 2009 at 19:00

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*\* Immediate Reports are filed in Hebrew on the distribution website of the Israel Securities Authority. In case of any discrepancy between the English translation and the Hebrew report, the Hebrew will prevail.*