

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

Immediate Report

Nature of the Event: Leumi Card – Financial Statements

Bank Leumi le-Israel B.M. announces that a subsidiary of the Bank, Leumi Card Ltd., today published its financial statements as at 31 December 2013.

The full financial statements will be published on the company's website, at:
<https://www.leumi-card.co.il/he-il/GeneralPages/Pages/FinancialReport.aspx>

See the attached Annex.

Date and time at which the corporation first became aware of the matter being the subject of the report: 26 February 2014 Time: 20:13.

The report was signed on behalf of the corporation, in accordance with regulation 5 of the Securities (Periodic and Immediate Reports) Regulations, 1970, by Ms. Tamar Yasur, Head of the Banking Division.

Note: English translations of Immediate Reports of Bank Leumi are for convenience purposes only. In the case of any discrepancy between the English translation and the Hebrew original, the Hebrew will prevail.

The original Hebrew version is available on the distribution website of the Israel Securities Authority: <http://www.magna.isa.gov.il/>

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Consolidated Balance Sheet as at

Reported amounts

	<u>31 December 2013</u> NIS millions	<u>31 December 2012</u> NIS millions
Assets		
Cash and bank deposits	59	42
Accounts receivable for credit card activity	9,483	8,780
Provision for credit losses	(72)	(72)
Accounts receivable for credit card activity, net	<u>9,411</u>	<u>8,708</u>
Investments in companies included on the equity basis	2	1
Equipment	194	190
Other assets	<u>53</u>	<u>59</u>
Total Assets	<u>9,719</u>	<u>9,000</u>
Liabilities		
Credit from banking corporations	1,902	1,596
Accounts payable for credit card activity	6,254	6,010
Other liabilities	<u>161</u>	<u>162</u>
Total liabilities	8,317	7,768
Contingent liabilities and special contractual relationships		
Shareholders' equity	<u>1,402</u>	<u>1,232</u>
Total liabilities and capital	<u>9,719</u>	<u>9,000</u>

Tamar Yassur - Chairman of the Board of Directors

Hagi Heller - CEO

Lea Shwartz - CFO, Chief Accountant

Date of approval of financial statements: 26 February 2014

Consolidated Profit and Loss Statements

Reported amounts

	For the year ending 31 December 2013	For the year ending 31 December 2012	For the year ending 31 December 2011
	<u>NIS millions</u>	<u>NIS millions</u>	<u>NIS millions</u>
Income			
From credit card transactions	830	795	789
Net interest income	154	156	150
Other income	3	3	1
	<u>987</u>	<u>954</u>	<u>940</u>
Expenses			
For credit losses	10	19	15
Operating	418	400	390
Sales and marketing	174	172	174
Management and general	42	43	42
Payments to banks	71	73	77
	<u>715</u>	<u>707</u>	<u>698</u>
Profit before taxes	272	247	242
Provision for taxes on profit	76	69	65
Profit after taxes	196	178	177
Company's share in after-tax operating profits of companies included on equity basis	4	2	*
Net profit	200	180	177
Profit per ordinary share (in NIS):			
Basic and diluted earnings:			
Net profit	<u>8.00</u>	<u>7.20</u>	<u>7.08</u>
	<u>Thousands</u>	<u>Thousands</u>	<u>Thousands</u>
Weighted average of the number of shares used for calculating profit per share	25,000	25,000	25,000

* Amount is lower than NIS 1 million.

Statements of Changes in Shareholders' Equity

Reported amounts

	<u>Fully paid share capital</u> NIS millions	<u>Premium on shares</u> NIS millions	<u>Capital fund from transactions with controlling share - holder</u> NIS millions	<u>Retained earnings</u> NIS millions	<u>Total share- holders' equity</u> NIS millions
Balance as of 31 December 2010	26	355	33	568	982
Cumulative effect, net of taxes, of the initial implementation on 1 January 2011 of the directive concerning the measurement of impaired debts and the provision for credit losses	-	-	-	(67)	(67)
Net profit for the accounting year	-	-	-	177	177
Balance as of 31 December 2011	26	355	33	678	1,092
Dividend	-	-	-	(40)	(40)
Net profit for the accounting year	-	-	-	180	180
Balance as of 31 December 2012	26	355	33	818	1,232
Dividend	-	-	-	(30)	(30)
Net profit for the accounting year	-	-	-	200	200
Balance as of 31 December 2013	26	355	33	988	1,402