

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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28 February 2013
Reference: 2012-01-049662

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 2012.

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: 28 February 2013 Time: 7:01.

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.

Name of Electronic Reporter: Yael Rudnicki, Position: Group Secretary
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Consolidated Balance Sheet as at 31 December

Reported amounts	2012	2011
	NIS millions	NIS millions
Assets		
Cash and bank deposits	42	58
Accounts receivable for credit card activity	8,780	8,095
Provision for credit losses	(72)	(69)
Accounts receivable for credit card activity, net	8,708	8,026
Investments in companies included on the equity basis	1	4
Equipment	190	175
Other assets	59	51
Total Assets	9,000	8,314
Liabilities		
Credit from banking corporations	1,596	1,338
Accounts payable for credit card activity	6,010	5,723
Other liabilities	162	161
Total liabilities	7,768	7,222
Contingent liabilities and special contractual relationships		
Shareholders' equity	1,232	1,092
Total liabilities and capital	9,000	8,314

Tamar Yasur – Chairman of the Board of Directors

Hagay Heller– CEO

Leah Schwartz– Executive Vice President, Director of Finance and Accounting Division, Chief Accountant

Date of approval of financial statements – 27 February 2013

Consolidated Profit and Loss Statement for the year ending on 31 December**Reported amounts**

	<u>2012</u>	<u>2011***</u>	<u>2010***</u>
	NIS	NIS	NIS
	millions	millions	millions
Income			
From credit card transactions	795	789	749
Net interest income	156	150	119
Other	3	1	10
Total income	954	940	878
Expenses			
Provision for doubtful debts	19	15	31
Operating	400	390	353
Sales and marketing	172	*** 174	*** 158
Management and general	43	**42	**40
Payments to banks	73	77	78
Total expenses	707	698	660
Profit before taxes	247	242	218
Provision for taxes on profit	69	65	60
Profit after taxes	178	177	158
Company's share in after-tax losses of companies included on the equity basis	2	*	*
Net profit	180	177	158
Earnings per ordinary share (in NIS):			
Basic and diluted earnings:			
Net profit	7.20	7.08	6.32
	Thousands	Thousands	Thousands
Weighted average of number of shares used for calculating profit per share	25,000	25,000	25,000

* Amount less than NIS 1 million.

** Restated.

*** On 1 January 2012, the Bank adopted, for the first time, the provisions of the Supervisor of Banks' Directive regarding the Profit and Loss Statement Format for Banking Corporations, including the new definition of interest, as established in the Supervisor of Banks' Circular on the Profit and Loss Statement Format for Banking Corporations and Adoption of United States Banks' Accounting Rules Regarding Measurement of Interest Income. The rules were adopted retroactively. In light of this, the data included in the profit and loss statement for 2011 and for 2010 were restated in order to conform to the new definitions, and to the captions and manner of presentation used in the current reporting period.

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Statement of Changes in Shareholders' Equity for the year ending on 31 December**Reported amounts**

	Fully paid share capital	Premium on shares	Capital fund from transactions with controlling shareholder	Retained earnings	Total Share- holders' equity
	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions
Balance as of 1 January 2010	26	355	33	420	834
Dividend				(10)	(10)
Net profit for the accounting year	-	-	-	158	1358
Balance as of 31 December 2010	26	355	33	568	982
Cumulative effect, net of taxes, of the initial implement- ation 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