

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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7 August 2015

Reference: 150015-10-5102

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

Immediate Report

Nature of Event: Leumi card - Financial Statements

Bank Leumi le-Israel B.M. announces that a subsidiary of the Bank, Leumi card Ltd., published its financial statements as at 30 June 2015.

Date and time at which the corporation first became aware of the matter being the subject of the report: 19 May 2015 Time: 19:00.

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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Summarized Interim Consolidated Profit and Loss Statements

Reported amounts

	30 June 2015	30 June 2014	31 December 2014
	(Unaudited)	(Unaudited)	(Audited)
	NIS millions	NIS millions	NIS millions
Assets			
Cash and bank deposits	107	61	82
Accounts receivable for credit card activity	10,813	9,945	10,625
Provision for credit losses	(78)	(74)	(79)
Accounts receivable for credit card activity, net	10,735	9,871	10,546
Investments in companies included on the equity basis	3	2	3
Equipment	175	* 173	* 178
Other assets	71	* 69	* 65
Total Assets	11,091	10,176	10,874
Liabilities			
Credit from banking corporations	2,812	2,251	2,705
Accounts payable for credit card activity	6,511	6,352	6,489
Other liabilities	147	136	149
Total liabilities	9,470	8,739	9,343
Contingent liabilities and special contractual relationships			
Shareholders' equity	1,621	* 1,437	* 1,531
Total liabilities and capital	11,091	10,176	10,874

* Retrospective implementation of the Supervisor of Banks' guidelines concerning capitalization of software costs.

Tamar Yassur – Chairman of the Board of Directors

Hagi Heller – CEO

Lea Shwartz – CFO, Chief Accountant

Date of approval of financial statements: 16 August 2014

Summarized Interim Consolidated Profit and Loss Statements

Reported amounts

	<u>For the three month period ending</u>		<u>For the six month period ending</u>		<u>For the year</u>
	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>	<u>ending</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>31 December</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>NIS millions</u>	<u>NIS millions</u>	<u>NIS millions</u>	<u>NIS millions</u>	<u>NIS millions</u>
Income					
From credit card transactions	216	216	425	422	854
Net interest income	43	40	85	79	159
Other income	2	1	3	2	2
Total income	261	257	513	503	1,015
Expenses					
For credit losses	4	4	6	8	25
Operating	118	* 108	230	* 212	* 427
Sales and marketing	39	43	82	82	173
Management and general	14	11	25	21	45
Payments to banks	21	18	41	36	73
Total expenses	196	184	385	359	743
Profit before taxes	65	73	128	144	272
Provision for taxes on profit	20	22	40	43	* 80
Profit after taxes	45	51	88	101	192
Company's share in after-tax operating profits of companies included on equity basis	1	1	2	2	5
Net profit	46	52	90	103	197
Profit per ordinary share (in NIS):					
Basic and diluted earnings:					
Net profit	1.84	2.08	3.60	4.12	7.88
	Thousands	Thousands	Thousands	Thousands	Thousands
Weighted average of the number of shares used for calculating profit per share	25,000	25,000	25,000	25,000	25,000

* Retrospective implementation of the Supervisor of Banks' guidelines concerning capitalization of software costs.

Summarized Interim Statements of Changes in Shareholders' Equity

Reported amounts

	<u>Fully paid share capital</u>	<u>Premium on shares</u>	<u>Capital fund from transactions with controlling share-holder</u>	<u>Retained earnings</u>	<u>Total share- holders' equity</u>
	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions
For the three month period ending on 30 June 2015 (Unaudited)					
Balance as of 31 March 2015	26	355	33	* 1,161	1,575
Net profit for the period	-	-	-	46	46
Balance as of 30 June 2015	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,207</u>	<u>1,621</u>

	<u>Fully paid share capital</u>	<u>Premium on shares</u>	<u>Capital fund from transactions with controlling share-holder</u>	<u>Retained earnings</u>	<u>Total share- holders' equity</u>
	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions
For the three month period ending on 30 June 2014 (Unaudited)					
Balance as of 31 March 2014	26	355	33	* 971	1,385
Net profit for the period	-	-	-	* 52	52
Balance as of 30 June 2014	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,023</u>	<u>1,437</u>

	<u>Fully paid share capital</u>	<u>Premium on shares</u>	<u>Capital fund from transactions with controlling share-holder</u>	<u>Retained earnings</u>	<u>Total share- holders' equity</u>
	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions
For the six month period ending on 30 June 2015					
Balance as of 31 December 2014 (Audited)	26	355	33	* 1,117	1,531
Net profit for the period (Unaudited)	-	-	-	90	90
Balance as of 30 June 2015 (Unaudited)	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,207</u>	<u>1,621</u>

* Retrospective implementation of the Supervisor of Banks' guidelines concerning capitalization of software costs.

Summarized Interim Statements of Changes in Shareholders' Equity (cont)

Reported amounts

	<u>Fully paid share capital</u>	<u>Premium on shares</u>	<u>Capital fund from transactions with controlling share-holder</u>	<u>Retained earnings</u>	<u>Total share- holders' equity</u>
	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions
For the six month period ending on 30 June 2014					
Balance as of 31 December 2013 (Audited)	26	355	33	* 970	1,384
Dividend (Unaudited)	-	-	-	(50)	(50)
Net profit for the period (Unaudited)	-	-	-	* 103	103
Balance as of 30 June 2014 (Unaudited)	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,023</u>	<u>1,437</u>

	<u>Fully paid share capital</u>	<u>Premium on shares</u>	<u>Capital fund from transactions with controlling share-holder</u>	<u>Retained earnings</u>	<u>Total share- holders' equity</u>
	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions
For the year ending on 31 December 2014 (Audited)					
Balance as of 31 December 2013	26	355	33	* 970	1,384
Dividend	-	-	-	(50)	(50)
Net profit for the accounting year	-	-	-	* 197	197
Balance as of 31 December 2014	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,117</u>	<u>1,531</u>

* Retrospective implementation of the Supervisor of Banks' guidelines concerning capitalization of software costs.