

Translation of Immediate Report to Israel Securities Authority

Bank Leumi le-Israel B.M.

Registration No. 520018078

Securities of the Corporation are listed on The Tel Aviv Stock Exchange

Abbreviated Name: Leumi

34 Yehuda Halevi Street, Tel Aviv 6516316

Phone: 076-8858111, 076-8859419; Facsimile: 076-8859732

Electronic Mail: Yaelru@bll.co.il

18 August 2014

Reference: 2014-01-135768

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 approved its financial statements as at 30 June 2014.

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: 17 August 2014 Time: 16:44.

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/>

Name of Electronic Reporter: David Raoul Sackstein, Position: Advocate, General Secretary
Yehuda Halevi Street 34, Tel Aviv 6513616, Phone: 076-8857984, Facsimile: 076-8859732
Electronic Mail: david.sackstein@bankleumi.co.il

Summarized Interim Consolidated Balance Sheet as at

Reported amounts

	30 June 2014	30 June 2013	31 December 2013
	(Unaudited)	(Unaudited)	(Audited)
	NIS millions	NIS millions	NIS millions
Assets			
Cash and bank deposits	61	55	59
Accounts receivable for credit card activity	9,945	8,995	9,483
Provision for credit losses	(74)	(74)	(72)
Accounts receivable for credit card activity, net	9,871	8,924	9,411
Investments in companies included on the equity basis	2	2	2
Equipment	200	195	194
Other assets	62	52	53
Total Assets	10,196	9,228	9,719
Liabilities			
Credit from banking corporations	2,251	1,688	1,902
Accounts payable for credit card activity	6,352	6,093	6,254
Other liabilities	136	143	161
Total liabilities	8,739	7,924	8,317
Contingent liabilities and special contractual relationships			
Shareholders' equity	1,457	1,304	1,402
Total liabilities and capital	10,196	9,228	9,719

Tamar Yassur – Chairman of the Board of Directors

Hagi Heller – CEO

Lea Shwartz – CFO, Chief Accountant

Date of approval of financial statements: 17 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</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	204	422	404	830
Net interest income	40	38	79	77	154
Other income	1	1	2	2	3
Total income	<u>257</u>	<u>243</u>	<u>503</u>	<u>483</u>	<u>987</u>
Expenses					
For credit losses	4	1	8	6	10
Operating	107	103	210	204	418
Sales and marketing	43	42	82	80	174
Management and general	11	11	21	20	42
Payments to banks	18	17	36	34	71
Total expenses	<u>183</u>	<u>174</u>	<u>357</u>	<u>344</u>	<u>715</u>
Profit before taxes	74	69	146	139	272
Provision for taxes on profit	<u>22</u>	<u>19</u>	<u>43</u>	<u>39</u>	<u>76</u>
Profit after taxes	52	50	103	100	196
Company's share in after-tax operating profits of companies included on equity basis	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>4</u>
Net profit	<u>53</u>	<u>51</u>	<u>105</u>	<u>102</u>	<u>200</u>
Profit per ordinary share (in NIS):					
Basic and diluted earnings:					
Net profit	<u>2.12</u>	<u>2.04</u>	<u>4.20</u>	<u>4.08</u>	<u>8.00</u>
	<u>Thousands</u>	<u>Thousands</u>	<u>Thousands</u>	<u>Thousands</u>	<u>Thousands</u>
Weighted average of the number of shares used for calculating profit per share	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

Summarized Interim 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
For the three month period ending on 30 June 2014 (Unaudited)					
Balance as of 31 March 2014	26	355	33	990	1,404
Net profit for the period	-	-	-	53	53
Balance as of 30 June 2014	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,043</u>	<u>1,457</u>

	<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
For the three month period ending on 30 June 2013 (Unaudited)					
Balance as of 31 March 2013	26	355	33	839	1,253
Net profit for the period	-	-	-	51	51
Balance as of 30 June 2013	<u>26</u>	<u>355</u>	<u>33</u>	<u>890</u>	<u>1,304</u>

	<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
For the six month period ending on 30 June 2014					
Balance as of 31 December 2013 (Audited)	26	355	33	988	1,402
Dividend (Unaudited)	-	-	-	(50)	(50)
Net profit for the period (Unaudited)	-	-	-	105	105
Balance as of 30 June 2014 (Unaudited)	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,043</u>	<u>1,457</u>

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

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
For the six month period ending on 30 June 2013					
Balance as of 31 December 2012 (Audited)	26	355	33	818	1,232
Dividend (Unaudited)	-	-	-	(30)	(30)
Net profit for the period (Unaudited)	-	-	-	102	102
Balance as of 30 June 2013 (Unaudited)	<u>26</u>	<u>355</u>	<u>33</u>	<u>890</u>	<u>1,304</u>

	<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
For the year ending on 31 December 2013 (Audited)					
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	<u>26</u>	<u>355</u>	<u>33</u>	<u>988</u>	<u>1,402</u>