

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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18 November 2015

Reference: 2015-01-157452

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 September 2015.

Date and time at which the corporation first became aware of the matter being the subject of the report: 17 November 2015 Time: 20:50.

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 Balance Sheet as at

Reported amounts

	30 September 2015	30 September 2014	31 December 2014
	(Unaudited)	(Unaudited)	(Audited)
	NIS millions	NIS millions	NIS millions
Assets			
Cash and bank deposits	133	97	82
Accounts receivable for credit card activity	11,269	10,748	10,625
Provision for credit losses	(80)	(75)	(79)
Accounts receivable for credit card activity, net	<u>11,189</u>	<u>10,673</u>	<u>10,546</u>
Investments in companies included on the equity basis	3	3	3
Equipment	179	* 171	* 178
Other assets	<u>69</u>	<u>* 65</u>	<u>* 65</u>
Total Assets	<u>11,573</u>	<u>11,009</u>	<u>10,874</u>
Liabilities			
Credit from banking corporations	2,994	2,593	2,705
Accounts payable for credit card activity	6,810	6,785	6,489
Other liabilities	<u>146</u>	<u>142</u>	<u>149</u>
Total liabilities	9,950	9,520	9,343
Contingent liabilities and special contractual relationships			
Shareholders' equity	<u>1,623</u>	<u>* 1,489</u>	<u>* 1,531</u>
Total liabilities and capital	<u>11,573</u>	<u>11,009</u>	<u>10,874</u>

* 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: 17 November 2015

Summarized Interim Consolidated Profit and Loss Statements

Reported amounts

	<u>For the three month period ending</u>		<u>For the nine month period ending</u>		<u>For the year ending</u>
	<u>30 September 2015</u>	<u>30 September 2014</u>	<u>30 September 2015</u>	<u>30 September 2014</u>	<u>31 December 2014</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	231	220	656	642	854
Net interest income	44	39	129	118	159
Other income	*	*	3	2	2
Total income	<u>275</u>	<u>259</u>	<u>788</u>	<u>762</u>	<u>1,015</u>
Expenses					
For credit losses	7	4	13	12	25
Operating	118	109	348	** 321	** 427
Sales and marketing	46	44	129	126	173
Management and general	11	11	36	32	45
Payments to banks	21	19	62	55	73
Total expenses	<u>203</u>	<u>187</u>	<u>588</u>	<u>546</u>	<u>743</u>
Profit before taxes	72	72	200	216	272
Provision for taxes on profit	22	22	62	65	** 80
Profit after taxes	50	50	138	151	192
Company's share in after-tax operating profits of companies included on equity basis	2	2	4	4	5
Net profit	<u>52</u>	<u>52</u>	<u>142</u>	<u>155</u>	<u>197</u>
Profit per ordinary share (in NIS):					
Basic and diluted earnings:					
Net profit	<u>2.08</u>	<u>2.08</u>	<u>5.68</u>	<u>6.20</u>	<u>7.88</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>

* Amount is lower than NIS 1 million.

** 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> 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 September 2015 (Unaudited)					
Balance as of 30 June 2015	26	355	33	1,207	1,621
Dividend (Unaudited)	-	-	-	(50)	(50)
Net profit for the period	-	-	-	52	52
Balance as of 30 September 2015	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,209</u>	<u>1,623</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 September 2014 (Unaudited)					
Balance as of 30 June 2014	26	355	33	* 1,023	1,437
Net profit for the period	-	-	-	* 52	52
Balance as of 30 September 2014	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,075</u>	<u>1,489</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 nine month period ending on 30 September 2015					
Balance as of 31 December 2014 (Audited)	26	355	33	* 1,117	1,531
Dividend (Unaudited)	-	-	-	(50)	(50)
Net profit for the period (Unaudited)	-	-	-	142	142
Balance as of 30 September 2015 (Unaudited)	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,209</u>	<u>1,623</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 nine month period ending on 30 September 2014					
Balance as of 31 December 2013 (Audited)	26	355	33	* 970	1,384
Dividend (Unaudited)	-	-	-	(50)	(50)
Net profit for the period (Unaudited)	-	-	-	* 155	155
Balance as of 30 September 2014 (Unaudited)	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,075</u>	<u>1,489</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.