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Public

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
34 Yehuda Halevi Street, Tel Aviv 651316
Phone: 076-8858111, 076-889419; Facsimile: 076-8859732
Electronic Mail: Livnat.Ein-Shay@bll.co.il

12 November 2018
Reference: 2018-01-107244

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 30 September 2018.

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>

Attached Annex Leumi Card 111118_isa.pdf.

Date and time at which the corporation first became aware of the matter being the subject of the report: 11 November 2018 Time: 17:23.

The report was signed on behalf of the corporation, in accordance with regulation 5 of the Securities (Periodic and Immediate Reports) Regulations, 1970, by Attorney Hanan Friedman, Head of the Strategy and Regulation Division at the Bank.

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/>

Summarized Interim Consolidated Balance Sheet as at

Electronic Mail: david.sackstein@bankleumi.co.il

Reported amounts (NIS millions)

	For the three-month period ending 30 September 2018	For the three-month period ending 30 September 2017	For the nine- month period ending 30 September 2018	For the nine- month period ending 30 September 2017	For the year ending 31 December 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions
Income					
From credit card transactions	275	254	772	732	987
Net interest income	81	59	225	163	225
Other income (expenses)	(1)	2	(2)	5	5
Total income	355	315	995	900	1,217
Expenses					
For credit losses	26	18	76	49	71
Operating*	143	137	417	416	592
Sales and marketing*	62	47	144	135	172
Management and general*	16	15	45	45	67
Payments to banks	36	31	99	88	118
Total expenses	283	248	781	733	1,020
Profit before taxes	72	67	214	167	197
Provision for taxes on profit	21	20	61	49	61
Profit after taxes	51	47	153	118	136

Summarized Consolidated Profit and Loss Statements

Summarized Consolidated Profit and Loss Statements

Company's equity in after-tax profit of companies included on the equity basis	<u>3</u>	<u>2</u>	<u>5</u>	<u>5</u>	<u>7</u>
Net profit	<u>54</u>	<u>49</u>	<u>158</u>	<u>123</u>	<u>143</u>
Profit per ordinary share (in NIS):					
Basic and diluted earnings:					
Net profit	<u>0.22</u>	<u>0.20</u>	<u>0.63</u>	<u>0.49</u>	<u>0.57</u>
Weighted average of the number of shares used for calculating profit per share (in thousands)	250,000	250,000	250,000	250,000	250,000

* Of this: expenses for salary and related expenses during the three-month periods ending on 30 September 2018 and on 30 September 2017 were NIS 74 million and NIS 67 million, respectively. The expenses for salary and related expenses during the nine-month periods ending on 30 September 2018 and on 30 September 2017 and for the year 2017 were NIS 215 million, NIS 228 million and NIS 334 million - respectively. Expenses for salary and employee benefits for the nine-month period ending on 30 September 2017 and for the year 2017 include the significant one-time impact of NIS 26 and NIS 63 million, respectively.

Yaron Bloch – Chairman of the Board of Directors

Ron Fainaro – CEO

Tobi Fishbein – CFO, Chief Accountant

Summarized – Consolidated Balance Sheet

Reported amounts (NIS millions)

	30 September 2018	30 September 2017	31 December 2017
	(Unaudited)	(Unaudited)	(Audited)
	NIS millions	NIS millions	NIS millions
Assets			
Cash and bank deposits	195	180	141
Accounts receivable for credit card activity	13,948	13,747	13,845
Provision for credit losses	(153)	(113)	(124)
Accounts receivable for credit card activity, net	13,795	13,634	13,721
Investments in companies included on the equity basis an	6	4	6
Equipment	184	172	172
Other assets	110	86	87
Total Assets	14,290	14,076	14,127
Liabilities			
Credit from banking corporations	5,153	4,854	4,747
Accounts payable for credit card activity	7,008	7,188	7,265
Other liabilities	233	166	227
Total liabilities	12,394	12,208	12,239
Contingent liabilities and special contractual relationships			
Shareholders' equity	1,896	1,868	1,888
Total liabilities and capital	14,290	14,076	14,127

Summarized – Statement of Changes in Equity

Reported amounts (NIS millions)

	Fully paid share capital	Premium on shares	Capital fund from transactions with controlling shareholder	Retained earnings	Total shareholders' equity
	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions
For the three-month period ending on 30 September 2018 (unaudited)					
Balance as of 30 June 2018	26	355	33	1,528	1,942
Dividend				(100)	(100)
Net profit for the period	-	-	-	54	54
Balance as of 30 September 2018	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,482</u>	<u>1,896</u>

	Fully paid share capital	Premium on shares	Capital fund from transactions with controlling shareholder	Retained earnings	Total shareholders' equity
	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions
For the three-month period ending on 30 September 2017 (unaudited)					
Balance as of 30 June 2017	26	355	33	1,405	1,819
Net profit for the period	-	-	-	49	49
Balance as of 30 September 2017	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,454</u>	<u>1,868</u>

Summarized – Statement of Changes in Equity

	<u>Fully paid share capital</u> NIS millions	<u>Premium on shares</u> NIS millions	<u>Capital fund from transactions with controlling shareholder</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 2018					
Balance as of 31 December 2017 (audited)	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,474</u>	<u>1,888</u>
Dividend (unaudited)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150)</u>	<u>(150)</u>
Net profit for the period (unaudited)	<u>-</u>	<u>-</u>	<u>-</u>	<u>158</u>	<u>158</u>
Balance as of 30 September 2018 (unaudited)	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,482</u>	<u>1,896</u>

Summarized – Statement of Changes in Equity

	Fully paid share capital NIS millions	Premium on shares NIS millions	Capital fund from transactions with controlling shareholder NIS millions	Retained earnings NIS millions	Total shareholders' equity NIS millions
For the nine-month period ending on 30 September 2017					
Balance as of 31 December 2016 (audited)	26	355	33	1,381	1,795
Dividends (unaudited)				(50)	(50)
Net profit for the period (unaudited)	-	-	-	123	123
Balance as of 30 September 2017 (unaudited)	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,454</u>	<u>1,868</u>
For the year ending on 31 December 2017 (audited)					
Balance as of 31 December 2016	26	355	33	1,381	1,795
Dividend	-	-	-	(50)	(50)
Net profit for the accounting year	-	-	-	143	143
Balance as of 31 December 2017	<u>26</u>	<u>355</u>	<u>33</u>	<u>1,474</u>	<u>1,888</u>