

Bank Leumi le-Israel B.M. and its consolidated companies

Condensed Consolidated Balance Sheet as at 31 March 2013 (NIS millions)

	31.3.2013	31.3.2012	31.12.2012
ASSETS			
Cash and deposits with banks	53,933	47,368	54,621
Securities	53,378	49,757	56,408
Securities borrowed or purchased under agreements to resell	854	1,485	1,435
Credit to the public	242,695	244,575	245,378
Allowance for credit losses	(4,081)	(4,075)	(4,114)
Credit to the public, net	238,614	240,500	241,264
Credit to governments	423	425	442
Investments in companies included on equity basis	2,122	2,187	2,129
Buildings and equipment	3,685	3,715	3,705
Intangible assets and goodwill	185	176	189
Assets in respect of derivative instruments	11,839	9,466	11,438
Other assets	4,496	4,189	4,529
Total assets	<u>369,529</u>	<u>359,268</u>	<u>376,160</u>

	31.3.2013	31.3.2012	31.12.2012
LIABILITIES AND EQUITY			
Deposits of the public	278,820	277,642	289,538
Deposits from banks	7,579	3,629	4,073
Deposits from governments	473	436	451
Securities lent or sold under agreements to repurchase	735	624	1,007
Bonds, debentures and subordinated notes	27,542	27,873	27,525
Liabilities in respect of derivative instruments	12,879	10,125	12,762
Other liabilities	15,909	14,564	15,576
Total liabilities	343,937	334,893	350,932
Non-controlling interests	308	257	307
Equity attributable to shareholders of the banking corporation	25,284	24,118	24,921
Total equity	25,592	24,375	25,228
Total liabilities and equity	<u>369,529</u>	<u>359,268</u>	<u>376,160</u>

Condensed Consolidated Statement of Profit and Loss for the Periods Ended 31 march 2013 (NIS millions)

	For the three months ended 31 March	For the year ended 31 December	
	2013	2012	2012
Interest income	2,863	3,264 (a)	13,507
Interest expenses	1,101	1,436 (a)	6,099
Net interest income	1,762	1,828	7,408
Expenses in respect of credit losses	73	225	1,236
Net interest income, after expenses in respect of credit losses	1,689	1,603	6,172
Non-interest income			
Non-interest financing income	411	145 (a)	444
Commissions	1,025	1,020	4,199
Other income	33	12	131
Total non-interest income	1,469	1,177	4,774
Operating and other expenses			
Salaries and related expenses	1,282	1,186	5,290
Maintenance and depreciation of building and equipment	449	427	1,819
Amortization of intangible assets and goodwill	3	6	23
Other expenses	323	376	1,968
Total operating and other expenses	2,057	1,995	9,100
Profit before taxes	1,101	785	1,846
Provision for taxes on profit	463	306	811
Profit after taxes	638	479	1,035
Share of the banking corporation in losses after tax of companies included on equity basis	(57)	(39)	(67)
Net profit			
Before attribution to non-controlling interests	581	440	968
Attributable to non-controlling interests	(11)	(9)	(37)
Attributable to shareholders of the banking corporation	<u>570</u>	<u>431</u>	<u>931</u>
Basic and diluted earnings per share		(NIS)	
Net profit Attributable to shareholders of the banking corporation	<u>0.39</u>	<u>0.29</u>	<u>0.63</u>

(a) Reclassified

The complete quarterly report for the period ended 31 March 2013 including condensed financial statements, directors' report and management review is available for public inspection at all branches of the Bank.

A copy of the said report will be provided on request. The representative exchange rate against the dollar on 31 March 2013, according to which the financial statements have been prepared, was NIS 3.648.

**Condensed Consolidated Statement of Changes in Equity
For the Period Ended 31 March 2013 (NIS millions)**

For the Three Months Ended 31 March 2013

	Capital reserves									
	Share capital	Premium	Share-based payment transaction and others (a)	Total share capital and capital reserves	Accumulated other comprehensive income (loss)	Retained earnings	Loans to employees for purchase of the Bank's shares	Total	Non-controlling interests	Total capital
Balance at 31 December 2012	7,059	1,129	23	8,211	458	16,296	(44)	24,921	307	25,228
Net profit for the period	-	-	-	-	-	570	-	570	11	581
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(6)	(6)
Other comprehensive loss, net, after effect of taxes	-	-	-	-	(208)	-	-	(208)	(4)	(212)
Changes in non-controlling interests	-	-	-	-	-	-	1	1	-	1
Balance at the end of the period	<u>7,059</u>	<u>1,129</u>	<u>23</u>	<u>8,211</u>	<u>250</u>	<u>16,866</u>	<u>(43)</u>	<u>25,284</u>	<u>308</u>	<u>25,592</u>

For the Three Months Ended 31 March 2012

	Capital reserves									
	Share capital	Premium	Share-based payment transaction and others (a)	Total share capital and capital reserves	Accumulated other comprehensive income (loss)	Retained earnings	Loans to employees for purchase of the Bank's shares	Total	Non-controlling interests	Total capital
Balance at 31 December 2011	7,059	1,129	23	8,211	(199)	15,406	(44)	23,374	254	23,628
Adjustment of opening balances in respect of first-time implementations of IFRS (b)	-	-	-	-	-	(26)	-	(26)	-	(26)
Net profit for the period	-	-	-	-	-	431	-	431	9	440
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(8)	(8)
Other comprehensive income, net, after effect of taxes	-	-	-	-	339	-	-	339	1	340
Changes in non-controlling interests	-	-	-	-	-	-	-	-	1	1
Balance at the end of the period	<u>7,059</u>	<u>1,129</u>	<u>23</u>	<u>8,211</u>	<u>140</u>	<u>15,811</u>	<u>(44)</u>	<u>24,118</u>	<u>257</u>	<u>24,375</u>

For the Year Ended 31 December 2012

Capital reserves

	Share capital	Premium	Share-based payment transaction and others (a)	Total share capital and capital reserves	Accumulated other comprehensive income (loss)	Retained earnings	Loans to employees for purchase of the Bank's shares	Total	Non-controlling Interests	Total capital
Balance at 31 December 2011	7,059	1,129	23	8,211	(199)	15,406	(44)	23,374	254	23,628
Adjustment of opening balances in respect of first-time implementations of IFRS	-	-	-	-	-	(26)	-	(26)	-	(26)
Net profit for the period	-	-	-	-	-	931	-	931	37	968
Adjustments in respect of companies included on equity basis, net	-	-	-	-	-	(9)	-	(9)	-	(9)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(8)	(8)
Other comprehensive income, net, after effect of taxes	-	-	-	-	657	-	-	657	-	657
Changes in non-controlling interests	-	-	-	-	-	(6)	-	(6)	24	18
Balance at 31 December 2012	<u>7,059</u>	<u>1,129</u>	<u>23</u>	<u>8,211</u>	<u>458</u>	<u>16,296</u>	<u>(44)</u>	<u>24,921</u>	<u>307</u>	<u>25,228</u>

(a) Including NIS 10 million of other capital reserves.

(b) Mainly in respect of implementation of IAS 12 an amount of NIS 42 million and other adjustments in respect of foreign subsidiaries.

David Brodet
Chairman of the Board of Directors

Rakefet Russak-Aminoach
President and Chief Executive Officer

Ron Fainaro
Executive Vice President
Head of Economics and
Finance Division

Shlomo Goldfarb
Executive Vice President
Chief Accounting Officer
Head of Accounting Division

29 May 2013

