

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

March 3, 2019

Reference: 2019-01-018232

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 Leumi Card Ltd. approved its financial statements as at 31 December 2018. A summary of Leumi Card's financial statements are attached hereto.

It is clarified that on 25 February 2019, the sale of the Bank's holdings in Leumi Card was completed (see the Immediate Report dated 25 February 2019 (Reference No. 2019-01-016258). However, the Bank is publishing the attached report because on December 31, 2018, Leumi Card was still controlled by the Bank.

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 3319_isa.pdf.

Date and time at which the corporation first became aware of the matter being the subject of the report: 2 March 2019 Time: 21:02.

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/>

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

Consolidated Statement of Income for the Year Ended December 31

Reported amounts (NIS Million)

	2018	2017	2016
Income			
From credit card transactions	1,030	987	938
Interest revenue, net	307	225	188
Other income (expenses)	(2)	5	*
Total revenue	1,335	1,217	1,126
Expenses			
Credit losses	114	71	37
Operations (1)	567	** 582	** 491
Sales and marketing (1)	208	** 179	184
General and administrative (1)	68	** 70	** 55
Payments to banks	134	118	101
Total expenses	1,091	1,020	868
Profit before taxes	244	197	258
Provision for taxes on profit	72	61	80
Profit after taxes	172	136	178
Company's share in profits of associate companies after tax	6	7	6
Net profit	178	143	184
Earnings per ordinary share (NIS):			
Basic and diluted earnings			
Net profit	0.71	0.57	0.74
Averaged weighted number of shares used to calculate earnings per share (thousands)	250,000	250,000	250,000

* Represents an amount of less than NIS 1 million

** Reclassified

(1) Of which: for salary and related benefits in 2018, 2017, and 2016 in the amount of NIS 300 million, NIS 342 million, and NIS 264 million, respectively. In 2017, salary expenses included a material non-recurring effect of NIS 63 million payment of a special bonus to the Company's employees for the sale of Visa Europe shares and for the voluntary retirement plan.

Yaron Bloch

Chairman of the Board of Directors

Ron Fainaro

CEO

Tobi Fischbein

CFO
Chief accountant

Approval date of the financial statements: February 28, 2019

comprehensive income for the Year Ended December 31

Reported amounts (NIS Million)

	2018	2017	2016
Net profit	178	143	184
Total other loss for adjustment of liability for employee benefits (1)	(31)	-	-
Tax effect	7	-	-
Total other loss after taxes	(24)	-	-
Total profit after taxes	154	143	184

(1) for the Collective agreement signed in 2018.

Consolidated Balance Sheet as at December 31

Reported amounts (NIS Million)

	December 31 2018	December 31 2017
Assets		
Cash and bank deposits	153	141
Receivables from credit card activity	13,946	13,845
Credit loss provision	(169)	(124)
Receivables from credit card activity, net	13,777	13,721
Investment in associate companies	7	6
Equipment	193	172
Other assets	121	87
Total assets	14,251	14,127
Liabilities		
Credit from banks	3,883	4,747
Payables from credit card activity	6,947	7,265
Debentures and subordinated notes	1,269	-
Other liabilities	318	227
Total liabilities	12,417	12,239
Equity	1,834	1,888
Total liabilities and equity	14,251	14,127

Condensed Comprehensive Statement of Changes in Equity for the Year Ended December 31

Reported amounts (NIS Million)

	Paid-up Share Capital	Share premium	Capital reserve from transactions with Controlling shareholders	Total other accrued loss	Retained Earnings	Total equity
Balance as of December 31, 2015	26	355	33	-	1,247	1,661
Dividend	-	-	-	-	(50)	(50)
Net profit in the accounting year	-	-	-	-	184	184
Balance as of December 31, 2016	26	355	33	-	1,381	1,795
Dividend	-	-	-	-	(50)	(50)
Net profit in the accounting year	-	-	-	-	143	143
Balance as of December 31, 2017	26	355	33	-	1,474	1,888
Dividend	-	-	-	-	(208)	(208)
Net profit in the accounting year	-	-	-	-	178	178
Total other loss, net after tax	-	-	-	(24)	-	(24)
Balance as of December 31, 2018	26	355	33	(24)	1,444	1,834