

Hapoalim International N.V.
Issue of USD 540,000 S&P500 Capped Performance Note
due September 2018 (the "Note")
(Issue Reference SP 13-27)

Guaranteed by Bank Hapoalim B.M.
Issued Pursuant to the U.S.\$2,500,000,000 Global Medium Term Note Program
of Hapoalim International N.V.
Offering Circular dated January 23, 2013(the "Offering Circular")

The Note is not sponsored, endorsed, sold or promoted by Standard & Poor's ("S&P") or its third party licensors. Neither S&P nor its third party licensors makes any representation or warranty, express or implied, to the owners of the Note or any member of the public regarding the advisability of investing in securities generally or in the Note, particularly, or the ability of the S&P 500 *Index* (the "Index") to track general stock market performance. S&P's and its third party licensor's only relationship to Hapoalim International N.V. is the licensing of certain trademarks and trade names of S&P and the third party licensors and of the Index which is determined, composed and calculated by S&P or its third party licensors without regard to Hapoalim International or the Note. S&P and its third party licensors have no obligation to take the needs of Hapoalim International or the owners of the Note into consideration in determining, composing or calculating the Index. Neither S&P nor its third party licensors is responsible for and has not participated in the determination of the prices and amount of the Note or the timing of the issuance or sale of the Note or in the determination or calculation of the equation by which the Note is to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the Note.

NEITHER S&P, ITS AFFILIATES NOR THEIR THIRD PARTY LICENSORS GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED THEREIN OR ANY COMMUNICATIONS, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATIONS (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P, ITS AFFILIATES AND THEIR THIRD PARTY LICENSORS SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS OR DELAYS THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE MARKS, THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P, ITS AFFILIATES OR THEIR THIRD PARTY LICENSORS BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE.

The S&P 500® Index is a trademark of Standard & Poor's and has been licensed for use by Hapoalim International.

Final Terms dated September 19, 2013

**Hapoalim International N.V.
Issue of USD 540,000 S&P500 Capped Performance Note
due September 2018 (the "Note")
(Issue Reference SP 13-27)**

**Guaranteed by Bank Hapoalim B.M.
Issued Pursuant to the U.S.\$2,500,000,000 Global Medium Term Note Program
of Hapoalim International N.V.
Offering Circular dated January 23, 2013(the "Offering Circular")**

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated January 23, 2013 which constitutes listing particulars for the purposes of Chapter 4 of the FSA's Listing Rules. This document constitutes the DRAFT final terms for the Note described herein and must be read in conjunction with the Offering Circular.

The Offering Circular can be found at:

<http://www.bankhapoalim.com/pdf/reports/OfferingCircularFinal1.pdf>

The Offering Circular is also available for viewing at the Issuer at Schottegatweg Oost 44, Curaçao, and copies may be obtained from the Issuer at Schottegatweg Oost 44, Curaçao, from Bank Hapoalim at (Luxembourg) Ltd. at 18 Boulevard Royal, 2017, Luxembourg and from Bank Hapoalim (Switzerland) Ltd. at Stockerstrasse 33, CH 8093, Zurich, Switzerland

- | | | | |
|----|------|-----------------------------------|--|
| 1. | (i) | Issuer: | Hapoalim International N.V. |
| | (ii) | Guarantor: | Bank Hapoalim B.M. |
| 2. | (i) | Series Number: | 320 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | United States dollar (USD) |
| 4. | | Aggregate Nominal Amount: | |
| | (i) | Series | USD 540,000 |
| | (ii) | Tranche | USD 540,000 |
| 5. | | Issue Price: | 100% of the Aggregate Nominal Amount |
| 6. | (i) | Specified Denominations: | USD 1,000 provided, however, that each Note shall be in the minimum amount of USD 140,000. |
| | (ii) | Calculation Amount | USD 1,000 |
| 7. | (i) | Issue Date: | September 20, 2013 |
| | (ii) | Interest Commencement Date | Not Applicable |
| 8. | | Maturity Date: | September 20, 2018 |
| 9. | | Interest Basis: | Not Applicable. No interest will be paid on the Notes |

- | | | |
|-----|---|--|
| 10. | Redemption/Payment Basis: | Index Linked Redemption on the Maturity Date as further specified in the Schedule. |
| 11. | Change of Interest or Redemption/Payment Basis: | Not Applicable. |
| 12. | Put/Call Options: | Not Applicable. |
| 13. | (i) Status of the Notes: | Unsubordinated Notes |
| | (ii) Status of the Guarantee: | Unsubordinated Guarantee |
| 14. | Provisions Relating to Interest (if any payable): | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|-----|---|---|
| 15. | Call Option | Not Applicable |
| 16. | Put Option | Not Applicable |
| 17. | Final Redemption Amount of the Note: | See Schedule. |
| 18. | <p>Early Redemption Amount</p> <p>Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions:</p> | <p>For the purposes of Conditions 15(b) (Redemption for Tax Reasons) and 18(A) (Events of Default – Unsubordinated Notes), the Early Redemption Amount in respect of each USD 1,000 in nominal amount of Notes shall be an amount in US Dollars determined by the Calculation Agent in its sole and absolute discretion to be equal to the fair market value of such nominal amount of Notes immediately prior to the date on which the Notes are to be redeemed less, in the case of an early redemption pursuant to Condition 15(b) (Redemption for Tax Reasons) only, the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements in respect of the Notes. For the purposes of determining the fair market value of the Notes for the purposes of this provision, no account shall be taken of the financial condition of the Issuer and/or its affiliates and the Issuer shall be presumed to be able to perform fully its obligations in respect of the Notes.</p> |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|---|--|
| 19. | Form of Notes: | Bearer Notes.
Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on 60 days' notice in the limited circumstances specified in the Permanent Global Note. |
| 20. | Additional Financial Center(s) or other special provisions relating to Payment Dates | Tel Aviv |
| 21. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 22. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 23. | Details relating to Installment Notes: each Installment Amount(s) and Installment Date(s): | Not Applicable |
| 24. | Redenomination applicable: | No |
| 25. | Consolidation provisions: | Not Applicable |
| 26. | Other terms or special conditions: | Not Applicable |

DISTRIBUTION

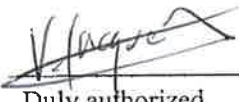
- | | | |
|-----|---------------------------------------|----------------------------|
| 27. | (i) If syndicated, names of Managers: | Not Applicable |
| | (ii) Stabilising Manager (if any): | Not Applicable |
| 28. | If non-syndicated, name of Dealer: | Bank Hapoalim B.M. |
| 29. | TEFRA: | The D Rules are applicable |
| 30. | Additional selling restrictions: | Not Applicable |

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:

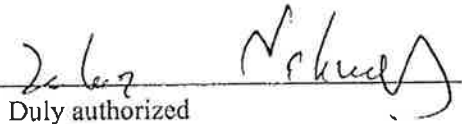

Duly authorized

Signed on behalf of the Guarantor:

By:


Duly authorized

By:


Duly authorized

PART B - OTHER INFORMATION**1. LISTING**

- | | |
|---|---------------------------------|
| (i) Listing: | Official List of the FSA |
| (ii) Admission to trading: | Professional Securities Market. |
| (iii) Estimate of total expenses related to admission to trading: | £ 300 |

2. RATINGS

Ratings:	Not Applicable
----------	----------------

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.

4. REASONS FOR THE OFFER

Reasons for the Offer	The net proceeds from the offer will be used by Bank Hapoalim to assist in the financing of its domestic and international business.
-----------------------	--

5. PERFORMANCE OF AND OTHER INFORMATION CONCERNING THE Index

Standard and Poor's 500 Index is a capitalization-weighted index of 500 stocks. The Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941-43 base period.

Further information regarding the constituents and historical performance of the S&P 500 Index can be found on <http://us.spindices.com/indices/equity/sp-500>.

Past performance of the Index is no guarantee, and not necessarily indicative, of future performance.

Neither the Issuer nor the Guarantor has independently verified any of the information cited on Bloomberg and neither accepts any responsibility for error or omission.

6. OPERATIONAL INFORMATION

ISIN Code:	XS0969844561
------------	--------------

Common Code:	096984456
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme and the relevant identification number(s):	Not applicable
Delivery:	Delivery free of payment
Names and addresses of additional Paying Agent(s) (if any):	Not applicable

SCHEDULE

1. Final Redemption Amount

For the purposes of Paragraph 17 of these Final Terms, the Final Redemption Amount payable on the Maturity Date for the Note will be determined by the Calculation Agent in its sole and absolute discretion and notified to the Issuer and the Fiscal Agent as soon as practicable, after the Final Valuation Date and prior to the Maturity Date.

The Final Redemption Amount shall equal the nominal amount of the Note multiplied by the sum of 100 per cent. plus the Percentage Change in the Index, provided, however, that the Percentage Change in the Index shall be subject to a floor of 0% and a cap of 50%.

The Percentage Change in the Index will be calculated on the basis of the following formula expressed as a percentage:

$$\frac{\text{Index Level Final} - \text{Index Level Start}}{\text{Index Level Start}} \times 100$$

where:

"Index Level Final" means the Official Closing Level of the Index on the Final Valuation Date and "Index Level Start" means the Official Closing Level of the Index on the Trade Date.

2. Definitions

"Affiliate" means any person or entity controlled, directly or indirectly, by the relevant party, any entity that controls, directly or indirectly, the relevant party or any entity directly or indirectly under common control with the relevant party. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Calculation Agent" means Bank Hapoalim B.M..

"Change in Law" means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for Bank Hapoalim to hold, acquire or dispose of Hedge Positions relating to the Note.

"Disrupted Day" means any Scheduled Trading Day on which an Exchange or a Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"Exchange" means in relation to the Index and each component security comprised in the Index (each a "Component Security"), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent, or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities underlying the relevant Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to any such security on such temporary substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means any Scheduled Trading Day on which an Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange closing prior to its Scheduled Closing Time.

"**Expenses**" means all Taxes and/or expenses including any depositary charges, transaction or charges, which the Issuer determines may be or would be, or would have been incurred (i) in connection with any payment and/or delivery in respect of the Note, and (ii) by Bank Hapoalim BM or any affiliate had such entity unwound or varied any Hedge Positions.

"**Final Valuation Date**" means September 3, 2018, subject to the further provisions set forth in the definition of "Valuation Date."

"**Index**" means the S&P 500 ® Index, as calculated and announced by the Sponsor of the Index. The Index is used as a reference basis only and for no other purpose.

"**Market Disruption Event**" means,

- (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time:
 - (i) of any suspension of or limitation imposed on trading by an Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by an Exchange or Related Exchange or otherwise:
 - (A) relating, on an Exchange, to securities that comprise 20 per cent. or more of the level of the Index; or
 - (B) on a Related Exchange, in options contracts or futures contracts relating to the Index,
 - (ii) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) on an Exchange, to effect transactions in, or obtain market values for, securities that comprise 20 per cent. or more of the level of the Index, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on a Related Exchange; or
- (b) the closure on any Exchange Business Day of an Exchange or Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is
 - announced by an Exchange or Related Exchange, as the case may be, at least one hour prior to
 - (A) the actual closing time for the regular trading session on
 - such Exchange or Related Exchange on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into an Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day,

which in either case the Calculation Agent determines is material.

For the purpose of determining whether a Market Disruption Event exists in relation to the Index at any time, if a Market Disruption Event occurs in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

"**Notional Amount**" means USD 540,000.

"Official Closing Level" means, subject as provided in the definition of Valuation Date below and in paragraph 3 below, in relation to each Valuation Date, the official closing level of the Index at the Valuation Time on such Valuation Date as determined by the Calculation Agent. **The Official Closing Level of the Index on the Trade Date** was 1,639.77.

"Related Exchange" means, with respect to the Index, the principal exchange with respect to options contracts or futures contracts, if any, on the Index, as determined by the Calculation Agent.

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of an Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Trading Day" means, with respect to an Exchange, any day on which such Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"Scheduled Valuation Date" means any date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"Sponsor" means, in relation to the Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent or other person acting on its behalf) the level of the Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is . The Sponsor does not approve, authorize or endorse the Notes and is not connected in any way with the issue of the Notes.

"Taxes" mean, with respect to any jurisdiction, all retrospective, present, future, contingent, pending or anticipated taxes, levies, imposts, duties, deductions, withholdings, assessments or other charges imposed by any governmental, national, state or local authority (including, for the avoidance of doubt, income, corporate, corporation, capital, gross receipts, windfall profits, severance, property, production, sales, use, license, excise, value added, franchise, employment, stamp, withholding, transfer, registration or similar taxes and national insurance, social security and other similar contributions), together with any interest, additions to tax or penalties applicable thereto and any interest in respect of such additions or penalties.

"Trade Date" means September 3, 2013.

"Valuation Date" means the Trade Date and the Final Valuation Date,

PROVIDED THAT, with respect to the Index and the Final Valuation Date, if the Final Valuation Date is not a Scheduled Trading Day, then the Valuation Date for the Index shall be postponed to the next day which is a Scheduled Trading Day

and PROVIDED FURTHER THAT if, in the opinion of the Calculation Agent, a day which would otherwise be a Valuation Date for the Index is a Disrupted Day, then that Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Day is a Disrupted Date for the Index.

In that case (i) such eighth succeeding Exchange Business Day shall be deemed to be that Valuation Date for the relevant Index, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in

effect prior to the occurrence of the first Disrupted Day using an Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or,

if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day.

For purposes of clarification, the Valuation Date for each Index in the Underlying Basket not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date.

"Valuation Time" means, in respect of the Index, the time on a Scheduled Trading Day at which the Sponsor calculates and publishes the official closing level of the Index.

3. Adjustments to the Index

- (a) If the Index is (i) not calculated and published by the Sponsor but is calculated and announced by a successor to the Sponsor (a **Successor Sponsor**) acceptable to the

Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then, in each case, that index (the **Successor Index**) will be deemed to be the Index.

- (b) If (i) on or prior to any Valuation Date, the Sponsor announces or has announced that it will make a material change in the formula for or the method of calculating the Index or in any other way materially modifies or has modified the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock, capitalisation and other routine events) (an **Index Modification**) or permanently cancels or has cancelled the Index and no Successor Index exists (an **Index Cancellation**) or (ii) on any Valuation Day, the Sponsor or, if applicable, the Successor Sponsor fails to calculate and announce or publish the Index (an **Index Disruption** and, together with an Index Modification and an Index Cancellation, each an **Index Adjustment Event**), then the Calculation Agent shall, in its sole and absolute discretion, determine whether such Index Adjustment Event has a material effect on the Notes and, if so, shall either:

- (i) calculate the Official Closing Level of the Index as at the Valuation Time on each relevant Valuation Date using, in lieu of a published level for the Index, the level for the Index as at the Valuation Time on each relevant Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to that change, failure or cancellation, but using only those securities that comprised the Index immediately prior to that Index Adjustment Event; or
- (ii) on giving notice to the Noteholders in accordance with Condition 15, the Issuer shall redeem all (but not some only) of the Notes, each USD 1, in nominal amount of Notes being redeemed at the Early Redemption Amount.

4. Extraordinary Events/ Additional Disruption Events and Consequences

The following Extraordinary Events (each as defined in the 2002 ISDA Equity Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc ; hereinafter the "Equity Derivatives Definitions") and the consequences of such events shall apply to the Note. Unless otherwise defined in these Final Terms, any defined term used in this paragraph 4 shall have the meaning ascribed to them in the Equity Derivatives Definitions.

Extraordinary Events**Consequence**

Merger Event and Tender Offer

Calculation Agent Adjustment

Nationalisation, Insolvency and
DelistingCalculation Agent may choose either
Cancellation and Payment or Partial
Cancellation and Payment, each as
determined by the Calculation Agent

The following Additional Disruption Events (each as defined in the Conditions) shall apply to the Note;

Change in Law

Hedging Disruption

Increased Cost of Hedging

The consequences of any such Additional Disruption Event shall be as set forth in the Equity Derivatives Definitions. For purposes of determining the occurrence of any Additional Disruption Event and its consequences, Bank Hapoalim shall be the Calculation Agent and the Determining Party.

5. Corrections to an Index

If the level of the Index in relation to a Valuation Date is subsequently corrected and such correction is published by the relevant Sponsor within the maximum number of Exchange Business Days in which trades settle on the Index then, at the discretion of the Calculation Agent, the level of the Index for that Valuation Date may be the level of the Index as so corrected.

6. Calculation Agent

- (a) The Issuer appoints Bank Hapoalim BM as Calculation Agent.
- (b) The Calculation Agent shall not act as agent or trustee for the Noteholders. All quotations and determinations given or made by the Calculation Agent in relation to the Note shall (save in the case of manifest or proven error) be final and binding on the Issuer, the Fiscal Agent and the Noteholders. Neither the Issuer, Bank Hapoalim or the Calculation Agent shall have any responsibility to any person for any errors or omissions in (i) the calculation by the Calculation Agent of any amount due in respect of the Notes or (ii) any determination made by the Calculation Agent.