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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

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29 August 2011

Reference: 2011-01- 255717

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., has published its financial statements for 30 June 2011.

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>

See the attached Annex.

Date and time at which the corporation first became aware of the matter being the subject of the report: 29 August 2011 Time: 13:30.

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Summarized Interim Consolidated Balance Sheet as at

Reported amounts

	30 June 2011	30 June 2010	31 December 2010
	(Unaudited)	(Unaudited)	(Audited)
	NIS millions	NIS millions	NIS millions
Assets			
Cash and bank deposits	67	64	63
Accounts receivable for credit card activity	7,748	* ** 7,158	* 7,722
Provision for credit losses	(68)	* (44)	* (38)
Accounts receivable for credit card activity, net	7,680	7,114	7,684
Investments in companies included on the equity basis and others	5	9	6
Equipment	172	145	151
Other assets	50	31	22
Total Assets	7,974	7,363	7,926
Liabilities			
Credit from banking corporations	1,220	1,079	1,141
Accounts payable for credit card activity	5,609	** 5,280	5,691
Other liabilities	143	108	112
Total liabilities	6,972	6,467	6,944
Contingent liabilities and special contractual relationships			
Shareholders' equity	1,002	896	982
Total liabilities and capital	7,974	7,363	7,926

* On 1 January 2011, the company adopted, for the first time, the Supervisor of Banks' Directive regarding "Measurement and Disclosure of Impaired Debts, Credit Risk and Credit Loss Provision". The comparative numbers for the previous years have not been restated, and the data for 30 June 2011 are therefore not comparable to the data from 2010 that are marked with an asterisk. For additional explanations regarding the impact of the initial adoption of the Directive, see note 3 below.

The data were restated only in order to match them to the item captions and to the presentation method for the current period. See note 3 below.

** Re-statement.

Baruch Lederman – Chairman of the Board of Directors

Tamar Yasur – CEO

Hagai Heller – Deputy CEO, Director of Financial Division

Leah Schwartz – Chief Accountant

Date of approval of financial statements – 29 August 2011

Summarized Interim Consolidated Profit and Loss Statements

Reported amounts

	For the three month period ending		For the six month period ending		For the year ending 31 December 2010
	30 June 2011	30 June 2010	30 June 2011	30 June 2010	
	(Unaudited) NIS millions	(Unaudited) NIS millions	(Unaudited) NIS millions	(Unaudited) NIS millions	(Audited) NIS millions
Income					
From credit card transactions	198	181	386	359	749
Net interest income before provision for doubtful debts	37	32	71	61	127
Other	*	*	*	*	*
Total income	235	213	457	420	876
Expenses					
Provision for doubtful debts	5	7	9	14	31
Operating Sales and marketing	96	**84	189	**171	351
Management and general	41	**39	80	**77	156
Payments to banks	10	11	22	20	42
	19	20	38	39	78
Total expenses	171	161	338	321	658
Operating profit before taxes	64	52	119	99	218
Provision for taxes on operating profit	17	14	32	27	60
Operating profit after taxes	47	38	87	72	158

Summarized Interim Consolidated Profit and Loss Statements

Company's share in after-tax operating profit of companies included on the equity basis	*	*	*	*	*
Net profit	47	38	87	72	158
Profit per ordinary share (in NIS):					
Basic diluted earnings:					
Net profit	1.88	1.52	3.48	2.88	6.32
	Thousands	Thousands	Thousands	Thousands	Thousands
Weighted average of the number of shares used for calculating profit per share	25,000	25,000	25,000	25,000	25,000

* Amount is lower than NIS 1 million

** Restated

Summarized Interim Statements of Changes in Shareholders' Equity

Reported amounts

	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 June 2011 (unaudited)					
Balance as of 31 March 2011	26	355	33	541	955
Net profit for the period	-	-	-	47	47
Balance as of 30 June 2011	26	355	33	588	1,002

	Fully paid share capital	Premium on shares	Capital fund from transactions with controlling shareholder	Dividend declared after the balance sheet date	Retained earnings	Total shareholders' equity
	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions
For the three-month period ending on 30 June 2010 (unaudited)						
Balance as of 31 March 2010	26	355	33	10	444	868
Dividend	-	-	-	(10)	-	(10)
Net profit for the period	-	-	-	-	38	38
Balance as of 30 June 2010	26	355	33	-	482	896

Summarized Interim Statements of Changes in Shareholders' Equity

	Fully paid share capital	Premium on shares	Capital fund from transac- tions with control- ling share- holder	Retained earnings	Total share- holders' equity
	<u>NIS millions</u>	<u>NIS millions</u>	<u>NIS millions</u>	<u>NIS millions</u>	<u>NIS millions</u>
For the six- month period ending on 30 June 2011					
Balance as of 31 December 2010 (audited)	26	355	33	568	982
Cumulative effect, net of taxes, of the initial implemen- tation on 1 January 2011 of the directive concerning the measure- ment of impaired debts and the provision for credit losses	-	-	-	(67)	(67)
Net profit for the period (unaudited)	<u>-</u>	<u>-</u>	<u>-</u>	<u>87</u>	<u>87</u>
Balance as of 30 June 2011 (unaudited)	<u>26</u>	<u>355</u>	<u>33</u>	<u>588</u>	<u>1,002</u>

Summarized Interim Statements of Changes in Shareholders' Equity

	Fully paid share capital	Premium on shares	Capital fund from transac- tions with control- ling share- holder	Retained earnings	Total share- holders' equity
	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions
For the six- month period ending on 30 June 2010					
Balance as of 31 December 2009 (audited)	26	355	33	420	834
Dividend (unaudited)	-	-	-	(10)	(10)
Net profit for the period (unaudited)	-	-	-	72	72
Balance as of 30 June 2010 (unaudited)	<u>26</u>	<u>355</u>	<u>33</u>	<u>482</u>	<u>896</u>

Summarized Interim Statements of Changes in Shareholders' Equity

	Fully paid share capital	Premium on shares	Capital fund from transactions with controlling share- holder	Retained earnings	Total share- holders' equity
	<u>NIS millions</u>	<u>NIS millions</u>	<u>NIS millions</u>	<u>NIS millions</u>	<u>NIS millions</u>
For the year ending on 31 December 2010 (audited)					
Balance as of 31 December 2009	26	355	33	420	834
Dividend	-	-	-	(10)	(10)
Net profit for the accounting year	-	-	-	158	158
Balance as of 31 December 2010	<u>26</u>	<u>355</u>	<u>33</u>	<u>568</u>	<u>982</u>