

**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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23 May 2011

Reference: 2011-01- 157341

To: Israel Securities Authority ([www.isa.gov.il](http://www.isa.gov.il))  
The Tel Aviv Stock Exchange ([www.tase.co.il](http://www.tase.co.il))

**Immediate Report**

Nature of Event: Leumi Card – Financial Statements

Bank Leumi le-Israel B.M. (the “Bank) announces that a subsidiary of the Bank, Leumi Card Ltd., has published its financial statements for 31 March 2011.

See the attached Annex.

Date and time at which the corporation first became aware of the matter being the subject of the report: 23 May 2011 Time: 08:16.

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**Summarized Interim Consolidated Balance Sheet as at**

Reported amounts

	<b>31 March 2011 (Unaudited) NIS millions</b>	31 March 2010 (Unaudited) NIS millions	31 December 2010 (Audited) NIS millions
<b>Assets</b>			
Cash and bank deposits	62	68	63
Accounts receivable for credit card activity	7,507	** 7,338	* 7,722
Provision for credit losses	(67)	* (40)	* (38)
Accounts receivable for credit card activity, net	7,440	7,298	7,684
Investments in companies included on the equity basis and others	6	9	6
Equipment	160	139	151
Other assets	57	30	22
<b>Total Assets</b>	<b>7,725</b>	<b>7,544</b>	<b>7,926</b>
<b>Liabilities</b>			
Credit from banking corporations	1,128	1,058	1,141
Accounts payable for credit card activity	5,510	** 5,511	5,691
Other liabilities	132	107	112
<b>Total liabilities</b>	<b>6,770</b>	<b>6,676</b>	<b>6,944</b>
Contingent liabilities and special contractual relationships			
<b>Shareholders' equity</b>	<b>955</b>	<b>868</b>	<b>982</b>
<b>Total liabilities and capital</b>	<b>7,725</b>	<b>7,544</b>	<b>7,926</b>

\* 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 31 March 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 – 22 May 2011

**Summarized Interim Consolidated Profit and Loss Statements**

Reported amounts

	For the three month period ending on 31 March		For the year ending 31
	2011	2010	December 2010
	(Unaudited)	(Unaudited)	(Audited)
	NIS millions	NIS millions	NIS millions
<b>Income</b>			
From credit card transactions	<b>188</b>	178	749
Net interest income before provision for credit losses	<b>34</b>	29	127
Other	*	*	*
<b>Total income</b>	<b>222</b>	207	876
<b>Expenses</b>			
Provision for credit losses	<b>4</b>	7	31
Operating	<b>93</b>	**87	351
Sales and marketing	<b>39</b>	**38	156
Management and general	<b>12</b>	9	42
Payments to banks	<b>19</b>	19	78
<b>Total expenses</b>	<b>167</b>	160	658
<b>Operating profit before taxes</b>	<b>55</b>	47	218
Provision for taxes on operating profit	<b>15</b>	13	60
<b>Operating profit after taxes</b>	<b>40</b>	34	158
Company's equity in after-tax operating profit of companies included on the equity basis	*	*	*
<b>Net profit</b>	<b>40</b>	34	158
<b>Profit per ordinary share (in NIS):</b>			
Basic and diluted earnings:			
Net profit	<b>1.60</b>	1.36	6.32
	<b>Thousands</b>	Thousands	Thousands
Weighted average of the number of shares used for calculating profit per share	<b>25,000</b>	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 transac- tion 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>
<b>For the three-month period ending on 31 March 2011 (unaudited) Balance as of 31 December 2010</b>	<b>26</b>	<b>355</b>	<b>33</b>	<b>568</b>	<b>982</b>
<b>Cumulative effect, net of taxes, of the initial implement- ation on 1 January 2011 of the directive concerning the measurement of impaired debts and the provision for credit losses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(67)</b>	<b>(67)</b>
<b>Net profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>40</b>
<b>Balance as of 31 March 2011</b>	<b>26</b>	<b>355</b>	<b>33</b>	<b>541</b>	<b>955</b>

**Summarized Interim Statements of Changes in Shareholders' Equity**

	Fully paid share capital	Premium on shares	Capital fund from transaction 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
<b>For the three-month period ending on 31 March 2010 (unaudited)</b>						
Balance as of 31 December 2009	26	355	33	-	420	834
Dividend declared after balance sheet date				10	(10)	-
Net profit for the period	-	-	-		34	34
Balance as of 31 March 2010	<u>26</u>	<u>355</u>	<u>33</u>	<u>10</u>	<u>444</u>	<u>868</u>
<b>For the year ending on 31 December 2010 (audited)</b>						
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	<u>26</u>	<u>355</u>	<u>33</u>	<u>568</u>	<u>982</u>	

**Summarized Interim Statements of Changes in Shareholders' Equity**

2010

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