

**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  
Leumi House, 34 Yehuda Halevi Street, Tel Aviv 65546  
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Electronic Mail: Yaelru@bll.co.il

23 February 2011  
Reference: 2011-01-058491

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 the Event: Leumi Card – Financial Statements

Bank Leumi le-Israel B.M. announces that a subsidiary of the Bank, Leumi Card Ltd., today published its financial statements as at 31 December 2010.

See the attached Annex.

Date and time at which the corporation first became aware of the matter being the subject of the report: 23 February 2011 Time: 08:00.

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Name of Electronic Reporter: Yael Rudnicki, Position: Group Secretary  
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**Consolidated Balance Sheet as at 31 December**

Reported amounts	2010	2009
	NIS millions	NIS millions
<b>Assets</b>		
Cash and bank deposits	63	22
Accounts receivable for credit card activity	7,684	6,978*
Investments in companies included on the equity basis and others	6	9
Equipment	151	136
Other assets	22	25
<b>Total Assets</b>	<b>7,926</b>	<b>7,170</b>
<b>Liabilities</b>		
Credit from banking corporations	1,141	977
Accounts payable for credit card activity	5,691	5,244*
Other liabilities	112	115
<b>Total liabilities</b>	<b>6,944</b>	<b>6,336</b>
Contingent liabilities and special contractual relationships		
<b>Shareholders' equity</b>	<b>982</b>	<b>834</b>
<b>Total liabilities and capital</b>	<b>7,926</b>	<b>7,170</b>

\* Restated

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**Baruch Lederman** – Chairman of the Board of Directors

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**Dan Cohen** – CEO

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**Hagai Heller** – Deputy CEO, Head of Finance Department

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**Leah Schwartz** – Chief Accountant

Date of approval of financial statements – 22 February 2011

**Consolidated Profit and Loss Statement for the year ending on 31 December****Reported amounts**

	2010	2009	2008
	NIS millions	NIS millions	NIS millions
<b>Income</b>			
From credit card transactions	749	695	680
Net interest income before provision for doubtful debts	127	118	109
Other	*	7	*
<b>Total income</b>	<b>876</b>	<b>820</b>	<b>789</b>
<b>Expenses</b>			
Provision for doubtful debts	31	29	29
Operating	351	345**	317**
Sales and marketing	156	145**	154**
Management and general	42	36	37
Payments to banks	78	74	73
<b>Total expenses</b>	<b>658</b>	<b>629</b>	<b>610</b>
<b>Operating profit before taxes</b>	<b>218</b>	<b>191</b>	<b>179</b>
Provision for taxes on operating profit	60	53	51
<b>Operating profit after taxes</b>	<b>158</b>	<b>138</b>	<b>128</b>
Company's share in after-tax operating profits of companies included on the equity basis	*	*	1
External shareholders' share of after-tax operating profits of consolidated companies	-	-	*
<b>Operating profit</b>	<b>158</b>	<b>138</b>	<b>129</b>
<b>After-tax profit from extraordinary activities</b>	<b>-</b>	<b>-</b>	<b>17</b>
<b>Net profit</b>	<b>158</b>	<b>138</b>	<b>146</b>
<b>Earnings per ordinary share (in NIS):</b>			
Basic earnings:			
Operating profit	6.32	5.52	5.63
After-tax profit from extraordinary activities	-	-	0.74
<b>Total</b>	<b>6.32</b>	<b>5.52</b>	<b>6.37</b>
	<b>Thousands</b>	<b>Thousands</b>	<b>Thousands</b>
Weighted average of number of shares used for calculating profit per share	<b>25,000</b>	<b>25,000</b>	<b>22,917</b>

\* Amount less than NIS 1 million

\*\* Restated

**Statement of Changes in Shareholders' Equity for the year ending on 31 December****Reported amounts**

	Fully paid share capital	Premium on shares	Capital fund from transactions with controlling shareholder	Retained earnings	Total shareholders' equity
	<u>NIS millions</u>	<u>NIS millions</u>	<u>NIS millions</u>	<u>NIS millions</u>	<u>NIS millions</u>
<b>Balance as of 1 January 2008</b>	21	-	33	136	190
Issue of shares	5	355	-	-	360
Dividend paid					
Net profit for the accounting year	-	-	-	146	146
<b>Balance as of 31 December 2008</b>	26	355	33	282	696
Net profit for the accounting year	-	-	-	138	138
<b>Balance as of 31 December 2009</b>	26	355	33	420	834
Dividend paid	-	-	-	(10)	(10)
Net profit for the accounting year	-	-	-	158	158
<b>Balance as of 31 December 2010</b>	26	355	33	568	982