

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)
The Tel Aviv Stock Exchange (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.

Name of Electronic Reporter: Yael Rudnicki, Position: Group Secretary
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Summarized Interim Consolidated Balance Sheet as at

Reported amounts

	31 March 2011 (Unaudited) NIS millions	31 March 2010 (Unaudited) NIS millions	31 December 2010 (Audited) NIS millions
Assets			
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
Total Assets	7,725	7,544	7,926
Liabilities			
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
Total liabilities	6,770	6,676	6,944
Contingent liabilities and special contractual relationships			
Shareholders' equity	955	868	982
Total liabilities and capital	7,725	7,544	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 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
Income			
From credit card transactions	188	178	749
Net interest income before provision for credit losses	34	29	127
Other	*	*	*
Total income	222	207	876
Expenses			
Provision for credit losses	4	7	31
Operating	93	**87	351
Sales and marketing	39	**38	156
Management and general	12	9	42
Payments to banks	19	19	78
Total expenses	167	160	658
Operating profit before taxes	55	47	218
Provision for taxes on operating profit	15	13	60
Operating profit after taxes	40	34	158
Company's equity in after-tax operating profit of companies included on the equity basis	*	*	*
Net profit	40	34	158
Profit per ordinary share (in NIS):			
Basic and diluted earnings:			
Net profit	1.60	1.36	6.32
	Thousands	Thousands	Thousands
Weighted average of the number of shares used for calculating profit per share	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 transac- tion with control- ling share- holder	Retained earnings	Total share- holders' equity
	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions
For the three-month period ending on 31 March 2011 (unaudited) Balance as of 31 December 2010	26	355	33	568	982
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	-	-	-	(67)	(67)
Net profit for the period	-	-	-	40	40
Balance as of 31 March 2011	26	355	33	541	955

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
For the three-month period ending on 31 March 2010 (unaudited)						
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>

	Fully paid share capital	Premium on shares	Capital fund from transaction with controlling shareholder	Retained earnings	Total shareholders' equity
	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions
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	<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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