

Translation of Immediate Report

T076
Public

Bank Leumi le-Israel B.M.

Registration No. 520018078
Securities of the Corporation are listed on The Tel Aviv Stock Exchange
Abbreviated Name: Leumi
34 Yehuda Halevi Street, Tel Aviv 65546
Phone: + 972 3 5148111, + 972 3 5149419; Facsimile: + 972 3 5149732
Electronic Mail: Yaelru@bll.co.il

Transmission Date: 30 May 2011
Reference: 2011-01-167094

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

Immediate Report re Changes in Holdings of Interested Parties and Senior Corporate Officers

Regulation 33(a) of the Securities Regulations (Periodic and Immediate Reports), 1970

1.

Surname and first name of holder: Government of Israel on behalf of the State of Israel

Type of identity number: Other identity number

Holder's identity number: 999000001

Type of holder: Interested Person

The holder is not the representative of other joint shareholders for reporting purposes.

Citizenship/Country of Incorporation or Registration: Incorporated in Israel

Registration number of security on the Tel Aviv Stock Exchange: 604611

Name and Class of Security: Leumi

Nature of Change: Decrease following a sale of shares to the Chairman of the Board of Directors of the Bank, in accordance with the outline published on 6 April 2011.

Date of change: 29 May 2011

Price of the Transaction: 1,338 agurot

The shares are not dormant or convertible into dormant shares.

Balance (as number of securities) in last report: 88,840,211

Change in the number of securities: - 9,442

Current balance (as number of securities) 88,830,769

Holding percentage after the change: Of capital 6.03% Of voting rights: 6.46%

Holding percentage after the change, fully diluted: Of capital 6.03% Of voting rights: 6.46%

Note:

1. In accordance with the provisions of the outline, during the shares' lock-up period and for so long as the State's holdings in the Bank exceed 5%, an irrevocable power of attorney has been given to vote the shares that have been sold as stated, and to make use of the right to appoint directors by virtue of the shares.

Date and time at which the corporation first became aware of the event or matter:
30 May 2011 at 10:16.

Details of the actions which led to the change: See the attached Appendix.

Name of Electronic Reporter: Yael Rudnicki, Position: Group Secretary
POB 2 Tel Aviv 61000, Phone: + 972 3 5149419, Facsimile: + 972 3 5149732,
Electronic Mail: Yaelru@bll.co.il

Ministry of Finance

Accountant General
State of Israel

29 May 2011

To:
Mrs. Galia Maor, CEO
Bank Leumi le-Israel B.M.

Re: Notice of the completion of the sale of shares in Bank Leumi le-Israel B.M. (hereinafter: "the Bank") to the Chairman of the Bank's Board of Directors

We wish to inform you of the completion today, 29 May 2011, of the off-the-stock-exchange sale to the Chairman of the Board of Directors of the Bank of 9,442 ordinary shares of the Bank, of NIS 1.00 nominal value each, (constituting 0.0006% of the Bank's outstanding share capital) which were owned by the State of Israel, for consideration in the amount of NIS 13.37813 per share (total amount – NIS 126,316.30). The sale was subject to the provisions of the outline published by the Bank on 6 April 2011.

Following the sale, the State will retain 88,830,769 ordinary shares of the Bank, of NIS 1.00 nominal value each, constituting 6.028% of the Bank's issued share capital.

It should be noted that in accordance with the outline's provisions, during the shares' lock-up period and for so long as the State's holdings in the Bank exceed 5%, an irrevocable power of attorney has been given to vote the shares that have been sold as stated, and to make use of the right to appoint directors by virtue of the shares.

Sincerely,

/s/

Eran Heimar
Senior Deputy Accountant General

cc: Mr. Shuki Oren – Accountant General, Ministry of Finance
Mr. David Brodet – Chairman of the Bank
Avi Dor – M.I. Assets Ltd.