

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

Phone: + 972 3 5148111, + 972 3 5149419; Facsimile: + 972 3 5149732

Electronic Mail: Yaelru@bll.co.il

20 January 2011

Reference Number 2011-01-024537

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

Immediate Report

Nature of Event: Increase in salary of the President and Chief Executive Officer

Bank Leumi le-Israel B.M. (the "Bank") hereby announces the following pursuant to Regulation 37A(3) of the Securities Regulations (Periodic and Immediate Reports), 1970:

On 20 January 2011, the Board of Directors, after receiving the recommendation of the Board of Directors' Administration Committee, has resolved to raise the monthly salary of the President and Chief Executive Officer to NIS 210,000. The Board of Directors was presented with the following background material: the development of the President and Chief Executive Officer's salary and that of the other Management Members of the Bank during recent years, the cost to the Bank for the updating of the President and Chief Executive Officer's salary, and data that is publically available regarding the salary and terms of employment of the CEO's of the companies included in the "Tel Aviv 25" Index.

The increase in salary will be effective as of 1 January 2011. The President and Chief Executive Officer's gross salary before the above-mentioned change was NIS 190,269 per month.

The Board of Directors' rationale for the increase in salary are the following: the Board of Directors resolved to increase the salary of the President and Chief Executive Officer in light of its high esteem for her performance as President and Chief Executive Officer, and taking into consideration her contribution to Management's stability during a "changing of the guard" period at the Bank, and also taking into consideration acceptable practice with respect to the salaries of long-standing CEOs within the banking system and at other large companies. The rationale included, *inter alia*, a consideration of the fact that the President and Chief Executive Officer is serving in her position at a time at which she is past retirement age.

The Board of Directors' resolution was adopted with the consent of all directors.

Date and time at which the corporation first became aware of the matter being the subject of the report: 20 January 2011 Time: 21:15.

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