

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

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2 December 2010

2010-01-706047

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

Immediate Report on Convening of General Meeting

Regulation 36B (a) and 36C of the Securities (Periodic and Immediate Reports) Regulations,
1970

1. On 2 December 2010, it was resolved to call a Special General Meeting.
Registration No. of the security with the Tel Aviv Stock Exchange entitling the holders thereof to participate in the General Meeting: 604611
The General Meeting will be held on 28 December 2010 at 9:30 am at Lyn House, 35 Yehuda Halevi Street, Tel Aviv
2. The date for determining the right to participate in and vote at the General Meeting is 9 December 2010.
3. Items on the agenda:

Other:

See Annex attached hereto.

Details of the items on the agenda:

See Annex 1 attached hereto.

Note: Details of the items on the agenda must include the material facts necessary to fully understand the issues being voted on at the Meeting.

The text of the proposed resolutions or summary of their main points:

See Annex 2 attached hereto.

To the best of the Company's knowledge, the controlling shareholder of the Company will not hold, on the date for determining the right to participate in and vote at the General Meeting, shares granting it the percentage necessary to approve all resolutions on the agenda of the General Meeting, assuming that the remaining shareholders participate in the vote and vote against such resolutions.

4. Address of the website at which one may vote, in a case where the company is allowing voting through the internet: N/A

E-mail address of the company for statutory submissions required by a Stock Exchange Member in a case where the company is allowing voting through the internet: N/A

5. Required legal quorum for holding the Meeting: Three members present in person.
6. In the absence of a legal quorum, the adjourned Meeting will be held on: 4 January 2011 at 9:30 am at Lyn House, 35 Yehuda Halevi Street, Tel Aviv.
7. Time and place for viewing each proposed resolution whose text is not fully presented in the above agenda: The registered office of the Bank, Leumi House (11th floor), the Secretariat of the Bank, 34 Yehuda Halevi Street, Tel Aviv, Sunday to Thursday between the hours of 8:00 and 15:00.

Name of Electronic Reporter: Yael Rudnicki, Position: Group Secretary
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Bank Leumi's Immediate Reports are published in Hebrew on the Website of the Israel Securities Authority and the Tel Aviv Stock Exchange.

The English translation is prepared for convenience purposes only.

In the case of any discrepancy between the English and Hebrew versions, the Hebrew will prevail.

ANNEX 1



BANK LEUMI LE-ISRAEL B.M.

NOTICE TO HOLDERS OF ORDINARY STOCK

Notice is hereby given that a special General Meeting of the Bank will be held at Lyn House, 35 Yehuda Halevi Street, Tel Aviv, on 28 December 2010 at 9:30 am, for the following purpose:

To approve the distribution of a cash dividend in the amount of NIS 500 million (the "Current Dividend"), in addition to the cash dividend in the amount of NIS 500 million which was distributed by the Bank on 30 November 2010, and which was approved by the General Meeting of the Bank on 4 November 2010.

Based on the paid-up capital as of 29 November 2010, the Current Dividend is some 34% of the paid-up capital. The Current Dividend per share will be in the amount of some NIS 0.34 for every NIS 1.0 par value of ordinary stock, and will be paid on 27 January 2011 to shareholders holding shares of the Bank on 10 January 2011 (the record date for entitlement to the dividend).

The Current Dividend constitutes 26.9% of the Bank's net profit for the first nine months of 2010, with the total dividend being distributed, NIS 1.0 billion (including the Current Dividend and the dividend distributed on 30 November 2010, as stated), constituting 53.8% of the Bank's net profit for the first nine months of 2010.

The majority required to approve the resolution on the agenda is an ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person or by proxy.

The date for determining the entitlement of all stockholders to vote at the General Meeting is 9 December 2010.

Should the meeting be adjourned, the adjourned meeting will be held on 4 January 2011, at the same place and time.

A stockholder whose stock is registered with a Stock Exchange member is entitled to receive a certificate of ownership from the Stock Exchange member through which he holds his stock, at a branch of the Stock Exchange member or via mail to his address against payment of the delivery charge only, if so requested. Such a request is to be made in advance in respect of a particular securities account.

A stockholder entitled to attend and vote may appoint a proxy or proxies to attend and vote on his or her behalf at the General Meeting regarding all items on the agenda. A proxy need not be a stockholder of the Bank.

To be effective, the proxy, together with the power of attorney (if any) under which it is signed, must reach the registered office of the Bank no less than 48 hours prior to the time of the Meeting – i.e., by 26 December 2010 at 9:30 am. In the case of stockholders who are not registered in the Register of Shareholders, he/she must attach to the proxy a certificate of ownership from a Stock Exchange member, in accordance with the Companies (Proof of Ownership of Shares for the Purpose of Voting at a General Meeting) Regulations, 2000.

The documents relating to the resolution on the agenda may be examined at the Secretariat of the Bank, at the registered office of the Bank, Leumi House, 34 Yehuda Halevi Street (11th floor), Tel Aviv, Tel: 972-3-5149716 between 08:00 and 15:00.

It is hereby clarified that a stockholder or a holder of a power of attorney who wishes to be present and/or to vote at the Meeting must bring the following documents, which he will be required to present:

- (1) An identification card or passport or valid driver's license;
- (2) A certificate of ownership which is valid as of the record date, 9 December 2010.

Anyone who is not a stockholder or who is a stockholder without a proof of ownership which is valid as of the record date, 9 December 2010, may not be present and may not vote at the General Meeting.

A stockholder whose shares are registered in his name in the Bank's shareholders register will not be required to bring such a certificate of ownership.

Tel Aviv, 2 December 2010

By Order of the Board of Directors

Yael (Ben Moshe) Rudnicki, Adv.
Group Secretary

ANNEX 2

Details of the Items on the Agenda of the General Meeting

Approval of the payment of an additional dividend with respect to the first nine months of 2010

Description of the Item:

The Bank's Board of Directors, in its meeting on 29 November 2010, recommended that the Bank's General Meeting approve the distribution of a dividend to the Bank's shareholders, in the amount of NIS 500 million, in addition to its recommendation dated 30 August 2010 to distribute a cash dividend in the amount of NIS 500 million, as approved by the Bank's General Meeting on 4 November 2010.

The Board of Directors' resolution to make a recommendation to the General Meeting regarding the distribution of a dividend as described above was adopted in light of, *inter alia*, the following background information presented to the Board of Directors:

1. An opinion from the Accounting Department (which was reviewed by the auditors) according to which the Distribution meets the tests specified by law, including compliance with the profit test and the Bank's solvency test, and is in compliance with the Supervisor of Banks' Proper Banking Management directives regarding the matter. The opinion included details and information regarding the Bank's compliance with the liquidity directives and regarding the distribution's impact on the Bank's capital and on its compliance with the ratio of capital to risk assets – all taking note of the Bank's capital adequacy policy.
2. An opinion from the Bank's Chief Legal Adviser regarding pending claims against the bank.
3. An opinion from the Head of the Bank's Finance and Economics Division regarding the impact of the dividend distribution on the Bank's capital planning.
4. Details of the distribution of the NIS 500 million cash dividend, which was distributed by the Bank on 30 November 2010, as approved by the Board of Directors on 30 August 2010 and by the Bank's General Meeting on 4 November 2010.
5. The Distribution is in compliance with the legal provisions regarding the distribution of a dividend, including with respect to the profit test and the solvency test, and is in compliance with the Proper Banking Management directives dealing with this issue, and with the Bank's interim period capital policy.
6. The Bank's capital adequacy ratios are beyond what is required by the Supervisor of Banks, and the data for the quarter ending on 30 September 2010 indicate ample profitability at the Bank.
7. The Board of Directors believes that the Distribution will not affect the operations of the Bank in its current form, the Bank's ability to achieve its objectives for the coming year or the Bank's strategic plans, and it wishes that the Bank's shareholders share in the Bank's ample profitability results, as described above.

Text of the Resolution: To approve the distribution of a cash dividend in the amount of NIS 500 million (the "Current Dividend"), in addition to the cash dividend in the amount of NIS 500 million which was distributed by the Bank on 30 November 2010, and which was approved by the General Meeting of the Bank on 4 November 2010.

Based on the paid-up capital as of 29 November 2010, the Current Dividend is some 34% of the paid-up capital. The Current Dividend per share will be in the amount of some NIS 0.34 for every NIS 1.0 par value of ordinary stock, and will be paid on 27 January 2011 to shareholders holding shares of the Bank on 10 January 2011 (the record date for entitlement to the dividend).

The Current Dividend constitutes 26.9% of the Bank's net profit for the first nine months of 2010, with the total dividend being distributed, NIS 1.0 billion (including the Current Dividend and the dividend distributed on 30 November 2010, as stated), constituting 53.8% of the Bank's net profit for the first nine months of 2010.

Required Majority: An ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person or by proxy.