

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

Immediate Report on Results of General Meeting

Regulation 36D of the Securities (Periodic and Immediate Reports) Regulations, 1970

The resolutions described below were adopted at the Special General Meeting held on 4 November 2010.

See the attached Annex

Explanation: If the Meeting adopted a resolution for which the legally required majority is other than an ordinary majority, the report will contain the following details: the total number of shares participating in the vote, the number of shares that were voted for and against the proposal and the percentage that each represents out of the total number of shares included in the quorum for the purpose of the vote, making a distinction between controlling shareholders or parties acting on their behalf and those who are not controlling shareholders or parties acting on their behalf, along with any other distinction among the shareholders which is required to be made with respect to the adoption of the resolution.

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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.***

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Annex to Immediate Report

Resolutions adopted at the Special General Meeting held on 4 November 2010

Item 1: Approval of the Distribution of a Dividend in respect of the First Half of 2010

Resolved: To approve the distribution of a cash dividend in the amount of NIS 500 million in respect of the first half of 2010, of some 33.93% of the paid-up capital (some NIS 0.34 for every NIS 1.0 par value of ordinary stock), constituting some 39.8% of the net profit for the first half of 2010, to be paid on 30 November 2010, to shareholders holding shares on 16 November 2010 (the record date for the purpose of entitlement to the dividend).

Item 2: Approval of the terms of employment of the Chairman of the Board of Directors

Resolved: To approve the terms of employment of the Chairman of the Board of Directors, Mr. David Brodet. The main terms of the contractual relationship are described below:

1. Definition of the position – the Chairman of the Bank is employed in a full time position as the active Chairman of the Bank's Board of Directors, as of 4 August 2010 (the date on which the approvals required by law were obtained for his appointment). So long as the Chairman continues to serve in his position, he will not be permitted to work at any other job or to be engaged in any other employment, unless he has received advance approval for such from the Bank's Board of Directors.
2. Period of employment and the conclusion thereof: The Chairman's period of employment shall be for 3 (three) years beginning on 4 August 2010 (the "**Employment Period**") and each party will be entitled to cancel the agreement by prior notice, as described in section 6 below.
3. The employment of the Chairman of the Board of Directors after the Employment Period: If at the end of the Employment Period, the Chairman is chosen to serve for an additional period as the Chairman of the Bank's Board of Directors, the terms described below will continue to apply (in the absence of a different agreement), and each party will be entitled to cancel the agreement through advance notice of 6 months, although in such case the terms described in section 6 below – regarding advance notice, and in section 7 below – regarding the Adaptation Period bonus, will not apply. It should be noted that the Bank will be entitled to require that the Chairman of the Board of Directors will remain at work during all or part of the advance notice period. During the above-mentioned

advance notice period, the Chairman will be entitled to his salary and to all other accompanying conditions.

4. Salary: From the beginning of the Employment Period, the Chairman will be paid a monthly salary in a total amount of NIS 150,000 (linked to increases in the CPI, beginning with the CPI for June 2010) (the “**Salary**.”)
5. Provisions for provident funds and severance pay: The Bank will set aside amounts for pension and for severance pay for the Chairman, which will be transferred each month to managers’ insurance, to provident funds and/or to a pension arrangement, as shall be agreed by the parties, at the following rates:
8.33% - for severance pay.
7.5%* - (see details below) for pension (against the deduction of an additional amount at the rate of 5% from the Chairman’s salary).
(*) As the Chairman is not insured for loss of working ability, it has been decided that the provisions for such, at the rate of 2.5%, will be transferred to additional provisions for pension, such that the employer’s provisions for pension will stand at 7.5%, as indicated above.
6. Conclusion of the contractual relationship by giving advance notice during the Employment Period:
During the course of the Employment Period, each of the parties is entitled to conclude the contractual relationship by giving advance notice as follows:
 - If the Chairman’s employment as Chairman of the Board of Directors has concluded due to Involuntary Retirement (as such term is defined below), the Chairman will be entitled to an advance notice period of up to 9 months, provided that the advance notice period does not extend beyond the date of the end of the Employment Period.
 - If the Chairman’s employment as Chairman of the Board of Directors has concluded due to voluntary retirement (other than in certain exceptional circumstances in which the Chairman may be denied severance pay), the Chairman will be entitled to an advance notice period of 6 months only.

“Involuntary Retirement” – includes retirement resulting from the transfer or purchase of control of the Bank, the non-renewal of the appointment, dismissal, death, retirement as a result of a worsening of work conditions, and any other retirement which is involuntary and any retirement which the Board of Directors has confirmed was involuntary.

It is clarified that the Bank will be entitled to demand that the Chairman of the Board of Directors will remain at work during all or part of the advance notice period. During the advance notice period, the Chairman will be entitled to his salary and to all other accompanying conditions.

7. Adaptation period – following the conclusion of the contractual relationship during the Employment Period: If the Chairman’s employment as Chairman of the Board of Directors has concluded during the Employment Period due to

Involuntary Retirement or if the Chairman's employment as Chairman of the Board of Directors has concluded at the end of the Employment Period, for any reason whatsoever – the Chairman will be entitled to an adaptation period of 6 months during which the Chairman will receive his monthly Salary (including the accompanying conditions) (the “**Adaptation Period**”). The Adaptation Period will begin at the end of the advance notice period (to the extent such exists).

8. Cooling-off and non-competition period: For 6 months following the end of his service as the active Chairman (the “**Cooling-off Period**”), the Chairman will not serve as an officer of and will not work, either as an employee or in a self-employed framework, either as a consultant or in any other manner whatsoever, either directly or indirectly, for any corporation that competes with the Bank, including insurance companies.

The Chairman will be entitled to the Salary and to all other accompanying conditions during the Cooling-off Period. It is clarified that during the period in which there is an overlap between the Cooling-off Period and all or part of the advance notice period and/or of the Adaptation Period, the Chairman will only be entitled to a payment for the advance notice period or the Adaptation Period, whichever is relevant.

9. Annual bonus: The Chairman will be entitled to an annual bonus in accordance with the Bank's management compensation program, beginning in the year 2011. The granting of the bonus for the year 2010 and the size thereof will be decided at the discretion of the Board of Directors (with the approval of the General Meeting).

For additional details regarding the Bank's management compensation program, see the Bank's Immediate Report dated 10 March 2010, reference number: 2010-01-409548.

10. Terms of Retirement: Following the conclusion of the employer-employee relationship between the parties for any reason whatsoever (other than in certain exceptional circumstances in which the Chairman may be denied severance pay), the Chairman will be entitled to severance pay in the amount of 150% of his last salary multiplied by the number of years (and/or of any part thereof) in which he served as the Chairman of the Board of Directors, which shall be in addition to the Chairman's entitlement to monies and rights in the severance pay fund and in the pension fund (as described in section 5 above). (It is clarified that the Bank will not provide supplemental funds to the Chairman and will not reimburse funds in order to meet the 250% severance pay amount).
11. Supplementary training fund: The Bank will set aside amounts for the Chairman for a supplementary training fund each month, at its expense, in an amount equal to 7.5% of the Salary, as it may be from time to time, and at the same time the Bank will deduct, at the expense of the Chairman of the Board of Directors, an

amount equal to 2.5% of the Salary, and will transfer such amounts to a supplementary training fund.

12. Vacation days, recovery days and sick days: As is standard for senior managers pursuant to the Bank's internal practices.
13. Accompanying conditions: During the Employment Period, the Chairman will be entitled to benefits as is standard for senior managers at the Bank:
 - Expenses: Reimbursement of reasonable expenses incurred by him for the purpose of carrying out his function, as is standard at the Bank.
 - Car and full-time driver: The Chairman will be entitled to a car and a full-time driver. (The car's expenses will be included within his salary).
 - Telephone: The Chairman will be entitled to a landline telephone and a cellular telephone. (The telephone expenses will be included within his salary).
 - Insurance and periodic medical examinations (the cost of the examinations will be included within the salary beginning in 2011), newspapers, discounts for banking services, and the other benefits that are standard for senior managers at the Bank.

Item 3: The approval of the a framework resolution concerning a directors and officers insurance policy (D&O)

Resolved: To approve a framework resolution that will authorize the Bank in advance to purchase an insurance policy in respect of the liability of directors and other officers within the Bank and in the Group (the "**Policy**"), from time to time, without such purchase requiring additional approval of the General Meeting, all subject to the following conditions:

1. The duration of the resolution: the purchase by the Bank of the insurance policy for directors and other officers will be undertaken for a number of insurance periods: beginning at the end of period of the current insurance policy and until (and not later than) the end of 2015.

The current insurance policy was approved by the Bank's General Meeting on 2 June 2010, and will remain in force until the end of October 2010 (the "**Current Insurance Policy**.")

2. The policies may be purchased by way of the extension of the Policy and/or its renewal, or through the purchase of a different policy, when needed.
3. The Audit Committee, and afterwards, the Board of Directors shall approve all purchases of a Policy (as described above) and will, in connection with each purchase of a Policy, confirm that its terms are reasonable and do not adversely affect the Bank, taking into consideration the exposure of the officers and of the Bank, the scope of the coverage and market conditions, provided that:

- 3.1 The limit of liability covered by the group Policy is not less than 200 million dollars and does not exceed 350 million dollars per incident and per period (with a right of reinstatement in an amount that does not exceed 350 million dollars), with the addition of the annual rate of the dollar's depreciation against the New Israel Shekel (to the extent there is such depreciation).
- 3.2 Premium for the policy: the annual premium in respect of the policy does not exceed the amount of the premium for the Current Insurance Policy (some 1.7 million dollars), with the addition of up to 15% each year, up to an annual premium which does not in any event exceed 3 million dollars.