

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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13 May 2010
2010-01-480366

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

Immediate Report Regarding the Submission of a Position Paper

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

1. On 13 May 2010, the Company received a Position Paper, as defined in Section 88 of the Companies Law – 1999, from Altshuler Shaham Ltd. regarding an item which will be discussed at the General Meeting called for 2 June 2010 at 10:30.
2. The text of the Position Paper is attached hereto.
3. The reference number for the notice concerning the calling of the Meeting is 2010-01-459204.

Name of Electronic Reporter: Yael Rudnicki, Position: Group Secretary

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**Position Paper from a shareholder of Bank Leumi Le-Israel – Altshuler Shaham Ltd.
Regarding the election of candidates for the Bank's Board of Directors
at the General Meeting set for 2 June 2010**

In accordance with Section 88 of the Companies Law – 1999 and with Regulation 6 of the Companies Regulations (Written Voting and Position Papers), 2005

As the holder of 254,900 shares in Bank Leumi le-Israel (which are held in the company's nostro),

we wish to express a position regarding the election of the candidate Mr. Ze'ev Levenberg to the Bank's Board of Directors, as follows:

We recommend to all the shareholders that they vote for Mr. Ze'ev Levenberg (Item 3-n on the agenda).

Our support for him is the result of our familiarity with his banking experience, his experience with the work of a board of directors, his skills and his education.

Banking experience:

15 years of experience in the field of banking, of which ten years were at the Leumi Group. At Bank Leumi, as Chief Economist at Leumi Mortgage Bank, director of marketing and business development at Bank Adanim, and recently at the Israel Discount Group, as director of integration of all the parts of the Israel Discount Group, which includes the bank itself, Visa CAL, Discount Bank of New York, Discount Mortgage Bank and Mercantile Discount Bank, and the successful management of the purchase offer for the shares of Discount Mortgage Bank.

This variety of positions combines professionalism in the fields of finance, marketing, process management and broad system-wide vision, both at Bank Leumi and at competing groups.

Work experience as a director:

Currently serves as a director at three public companies engaged in the fields of real estate and investments: Arazim Investments Ltd., Adler Investments Ltd. and Intercontinental Investments Ltd. – as a director with professional, accounting and financial expertise.

Until 2008, he served as a director and chairman of the investments committee at the Altshuler Shaham Investment House mutual fund management company.

Skills and education:

MBA with a specialization in finance. Twenty years of experience in this field, both practical and as a lecturer to students in academia. This is involvement which, beyond its importance, has put him in the forefront of knowledge.

As stated above, Ze'ev served as a director and member of the investment committee of the mutual fund management company of the Altshuler Shaham Group from 2002 until 2008. This was a stormy period, characterized by frequent changes, prosperity, and the launching of new activities. During this close work experience of 6 years, we learned to appreciate his judgment, his professionalism, and his ability to think with a view to the future.

We believe that in light of his rich banking experience, his skills, his education and his substantial experience, he will be able to make a crucial contribution regarding the issues faced by Bank Leumi's Board of Directors, to initiate processes and activities that will maintain the Bank's leading position in the future as well, and that he will thus be able to contribute to the good of the Bank and of its shareholders.

This position paper is from Altshuler Shaham Ltd., which is owned by Gilad Altshuler (45%), Kalman Shaham (45%) and Roni Bar (10%).