

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

14 April 2010
2010-01-448971

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

Immediate Report

Nature of Event: Request from an Interested Person

Attached hereto is a request from an Interested Person in the Bank, which was received today.

See Annex attached hereto.

Date and time at which the corporation first became aware of the matter being the subject of the report: 14 April 2010 Time: 8:50.

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

***Bank Leumi's Immediate Reports are filed in Hebrew on the distribution websites of the Israel Securities Authority and of the Tel Aviv Stock Exchange.
This document is a translation of the Hebrew, and in case of any discrepancy the Hebrew will prevail.***

Shlomo Eliahu Holdings Ltd.

Tel Aviv, 14 April 2010

To

The Board of Directors of the Bank
Bank Leumi Le-Israel Ltd.

34 Yehuda Halevy Street
Tel Aviv

For the attention of the Chairman of the Board of Directors,
Mr. Eitan Raff

Dear Members of the Board of Directors,

Re: **Date for Convening of the General Meeting**

1. As you are aware, the Bank is expected to undergo significant changes in the coming months, which could have an impact on the manner in which the Bank is managed, and which will almost certainly require preparation of the Bank and its management for dealing with the situation.
2. As such, in the coming months, the State's holdings in the Bank are expected to be sold (as the Shares Committee also noted in its letter of yesterday to the Bank), but it is not currently known in what manner and in what form the State is planning to do so. In this regard, it is possible that in the course of the deliberation of the petition submitted to the High Court of Justice in this matter, the manner and timetable for the sale of the State's holdings will be clarified.
3. In addition, there is a possibility that in the coming months a controlling core will be formed, for the purpose of purchasing shares in the Bank. It goes without saying that such an event is significant and important for the Bank, and it also relates, *inter alia*, to the Bank's management.
4. During the past months, we have all learned that the pace of events and their timing is not always foreseeable. Nevertheless, it seems to us all can agree regarding one matter – as we have already noted in our request in January of this year: in times such as these, the Bank must try to refrain as much as possible from upsets and changes, such that it is not required to deal simultaneously with parallel changes that are likely to have direct and significant consequences for the management of the Bank. For this reason, we at that time proposed the appointment of **only one director**, one with significant standing, while at the same time the Shares Committee had proposed to re-elect the four directors whose terms of office are to end this year (and also proposed Mrs. Galia Maor – as an additional director – although she later on withdrew her candidacy). The rationale at the basis of this thinking was the

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preservation of the backbone of the Bank's existing management – which is very familiar with the Bank – in anticipation of the expected changes and transformations.

5. I further note that also during the hearings in the legal proceedings before Judge Gerstel in the Central District Court, different arrangements were considered, the purpose of which was to avoid having the Bank simultaneously face a series of significant changes and upsets that could affect the Bank significantly. The position of the Bank of Israel – to the extent it was presented by its legal counsel during the hearings – also referred to this important matter.
6. Under the circumstances that the Bank is currently facing, and in light of the above, it seems to us that the Board of Directors would be acting properly if it were to exercise its power to determine that the Annual General Meeting be held as late as possible – i.e. towards the end of 15 months following the date of the previous Annual General Meeting. This would be, as stated, in order to enable the Bank to cope with the changes and transformations that are expected to take place during this period.
7. The determination of a date for the Annual General Meeting as stated will increase the chances that the Bank will face the expected transformations with the current existing management core, which has become familiar with the Bank and has accumulated significant experience in its management and with the activity of the Board of Directors that is involved therewith. It seems to us that this is a factor of unparalleled importance in facing the significant changes.
8. The Board of Directors' duty is to always act cautiously and in a controlled manner. This is even more the case during a period such as the one that is fast approaching. It is specifically for this purpose that the Board of Directors is given the power to determine the date for the convening of the General Meeting. Under the circumstances, the Board of Directors must exercise this power and postpone the date for convening the General Meeting, on the agenda of which are significant and substantive resolutions – and thus reduce the concern arising from a series of upsets and changes in a system as sensitive as the Bank.

Respectfully,

/s/

Shlomo Eliahu Holdings Ltd.

cc:

Professor Zohar Goshen – Chairman of the Israel Securities Authority

Mr. Joseph Horowitz – the Bank's Internal Auditor

Yael (Ben Moshe) Rudnicki – Bank and Group Secretary