

Translation of Immediate Report

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Public

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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15 March 2010

Reference: 2010-01-414027

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

Immediate Report

Nature of Event: Increase in the Salaries of the CEO and of the Members of Management

Bank Leumi le-Israel B.M. (the "Bank") hereby announces, in accordance with Regulation 37A(3) of the Securities Regulations (Periodic and Immediate Reports) – 1970, as follows:

On 14 March 2010, the Board of Directors, after receiving the recommendation of the Administration Committee of the Board, approved a 3% increase in the monthly salaries of the President and CEO and of the members of the Bank's Management. The following background material was presented to the Board of Directors: the development of salaries of the President and CEO and of the other members of the Management of the Bank from 2005 until now, the rate of change of salaries in the Bank, according to employee groups, from 2005 until now, the cost to the Bank in respect of the salary update and data regarding the salary costs of the five highest paid employees in other banks.

The salary increase will be effective as of 1 January 2010. The salary of the President and CEO before the update was some NIS 180,600 per month, and will be some NIS 186,000 following the increase.

The Board of Directors' justifications for increasing the salaries: the members of the Board of Directors believe that in light of the rates of salary increases of the members of Management in recent years, and the fact that there have been no salary updates for the members of Management since 2006, it is appropriate to update their salaries; the members of the Board of Directors also believe that in light of the salary updates and the salary levels of the Bank's senior managers, compared with the standard for parallel positions in the banking system, the salaries that will be paid to the President

and CEO and to the other members of Management after the increase do not deviate from acceptable compensation levels within the industry, and are reasonable and in the Bank's best interest.

The Board of Directors' resolution was approved with the consent of all the Directors with the exception of one, who opposed the salary increase on the ground that there has been no real erosion in the salaries of the members of Management (including that of the President and CEO), as they are updated on an ongoing basis according to increases in the CPI, and because a compensation program was recently approved for the Bank's Management, which constitutes part of the overall compensation.

Date and time at which the corporation first became aware of the event or matter:

14 March 2010 at 11:50.

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