

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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18 November 2010
2010-01-684642

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

Immediate Report regarding an Event or Matter falling outside the Ordinary Course of Business of the Corporation

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

Nature of the Event: Agreement between Employees' Representatives and the Bank

1. See attached Annex.
2. Date and time at which the corporation first became aware of the matter being the subject of the report: 17 November 2010 Time: 15:00.

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

Bank Leumi le-Israel Ltd. (the “**Bank**”) hereby announces that on 17 November 2010 a special collective agreement regarding the employees rights was signed between the Bank and the Bank's employees’ representatives (the “**Collective Agreement**”), according to which:

- (1) The understanding within the special collective agreement dated 30 November 2005 (the “**Previous Collective Agreement**”), to extend until 31 December 2010 the validity of the Labor Constitution and all the agreements and collective arrangements, and all the understandings, procedures and customs that grant rights to the Bank’s employees and which are in place at the Bank – each with its own status – as stated in section 5 of the Previous Collective Agreement, has been extended for an additional period of four years – until 31 December 2014.
- (2) The understanding in the Previous Collective Agreement, according to which the employees undertake to maintain “Industrial Peace” regarding the privatization process of the Bank until its full completion, as stated in section 7 of the Previous Collective Agreement, will remain in force.

The Collective Agreement is subjective to the approval of the Bank’s authorized organs.