

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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22 January 2012
Reference: 2012-01-020724

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

Immediate Report

Nature of the Event: Leumi Mortgage Bank

The Board of Directors of Bank Leumi le-Israel B.M. ("the Bank") announces its intention to act towards the merger of Bank Leumi Mortgage Bank Ltd. ("the Mortgage Bank"), a subsidiary that is wholly owned and controlled by the Bank, with the Bank.

The resolution states that the Bank's intention is that all of the Mortgage Bank's business be absorbed into the Bank's business, while maintaining an organizational focus on mortgages, and increasing synergy with the Bank's activity.

A special team has been established which will manage the work involved in preparing the merger agreement. The Bank intends to prepare for the completion of the merger by the end of 2012, and it will issue immediate reports as required and as needed.

It is clarified that the merger is subject to the necessary approvals of the authorized bodies within the Group and from the relevant authorities.

Date and time at which the corporation first became aware of the matter being the subject of the report: 19 January Time: 17:30.

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