

**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  
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3 January 2013  
Reference: 2013-01-004302

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

**Immediate Report**

Nature of the Event: Sale of Migdal Shares

Bank Leumi le-Israel BM (“the Bank”) hereby announces the following: on 3 January 2013, the Bank sold 48,250,000 shares of Migdal Insurance and Financial Holdings Ltd. (hereinafter: “Migdal”) to a number of entities, at a price of NIS 5.72 per share, and for a total consideration of NIS 275,992,342 (hereinafter: “the First Sales”). The shares that were sold constitute some 4.6% of Migdal’s issued and paid-up equity. The sales are expected to produce a net after-tax profit for the Bank of some NIS 110 million. After the First Sales, the Bank will continue to hold 54,755,413 Migdal shares which constitute some 5.2% of its issued and paid-up equity. In addition, the Bank has reached an agreement in principle with another buyer regarding a sale on 8 January 2013 of 21,000,000 Migdal shares, which constitute some 2% of its issued and paid-up equity, at a price of NIS 5.72 per share, for a total consideration of NIS 120,120,000, subject to the approval of the buyer’s authorized corporate organs (hereinafter: “the Additional Sale”). If the Additional Sale is carried out, it will produce a net after-tax profit for the Bank of some NIS 48 million. After the Additional Sale is completed, if it is carried out, the Bank will continue to hold 33,755,413 Migdal shares, which constitute some 3.2% of its issued and paid-up equity. The Bank has made a commitment to the buyers that other than the Additional Sale, it will not sell any Migdal shares until 8 April 2013.

Date and time at which the corporation first became aware of the matter being the subject of the report: 3 January 2013 Time: 14:00.

The report was signed on behalf of the corporation, in accordance with regulation 5 of the Securities (Periodic and Immediate Reports), 1970, by Professor Danny Tsiddon, Head of the Capital Markets Division.

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