

**Translation of Immediate Report to Israel Securities Authority**

**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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13 April 2014  
Reference: 2014-01-045564

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 on Grant of Rights to Purchase Shares (Securities Convertible into Share Capital)**

Regulation 32 of the Securities Regulations (Periodic and Immediate Reports) 5730-1970

1.

**Type of securities allotted:** Other  
PSU 2014

**Number of securities allotted:** 657,869

**Total consideration for securities allotted:** No consideration

**Type of shares to result from exercise/conversion of securities:** Ordinary shares, NIS  
1.0 nominal value

**Stock Exchange number of share to result from exercise:** 604611

**Number of shares to result from full exercise/conversion of the securities:** 657,869

**Total exercise supplement to be received from full exercise/conversion of the securities:**

Exercise of the securities is without consideration

**Period during which the securities can be exercised:**

From 13 April 2015 through 14 May 2017

**Allotted securities will not be listed for trading**

2.

**Type of securities allotted:** Other

RSU 2014

**Number of securities allotted:** 81,414

**Total consideration for securities allotted:** No consideration

**Type of shares to result from exercise/conversion of securities:** Ordinary, NIS 1.0 nominal value

**Stock Exchange number of share to result from exercise:** 604611

**Number of shares to result from full exercise/conversion of the securities:** 81,414

**Total exercise supplement to be received from full exercise/conversion of the securities:**

Exercise of the securities is without consideration

**Period during which the securities can be exercised:**

From 13 April 2015 through 14 May 2017

**Allotted securities will not be listed for trading**

Notes:

1) Pursuant to the Immediate Report submitted by the Bank on 31 March 2014 regarding the Material Private Offering Report approved by the Bank's Board of Directors on 30 March 2014 (Reference No. 2014-01-030870) (hereinafter: "the Private Offering Report"), the Bank hereby gives notice that on 13 April 2014 the Bank allotted 657,869 PSU units and 81,414 RSU units (hereinafter, together: "the PSU units and the RSU units") to the Trustee, ESOP Management and Trust Services Ltd., Private Company No. 51-369953-8, on behalf of the Offerees, as such are described in the Private Offering Report (hereinafter: "the Offerees").

2) The number of shares that will be issued following the vesting of the PSU units and the RSU units that have been allotted as described in sections 1 and 2 above, respectively, is based on the assumption that all the PSU units and the RSU units that have been allotted pursuant to the Private Offering Report have vested, and on the assumption that

the maximum possible number of shares are issued, such that each PSU unit and each RSU unit vests into a single ordinary share of the Bank, with a nominal value of NIS 1.0 each.

The vesting of the PSU units is subject to the conditions set out in section 1.3.4 of the Private Offering Report. Additionally, on each vesting date, assuming the conditions described in section 1.3.4 are met, as stated, the Offerees will be entitled to receive the shares that result from the vesting of the said tranche as described in section 1.3.5 of the Private Offering Report.

The vesting of the RSU units is subject to the conditions set out in section 2.2.4 of the Private Offering Report. Additionally, on each vesting date, assuming the conditions described in section 2.2.4 are met, as stated, the Offerees will be entitled to receive the shares that result from the vesting of the said tranche as described in section 2.2.5 of the Private Offering Report.

3) The period regarding which the securities may be exercised

The PSU units and the RSU units allotted to the Trustee for the Offerees will vest, subject to the fulfillment of the conditions for their maturity, into ordinary shares of the Bank of NIS 1.0 nominal value each, in three equal tranches, as set out below and as described in section 1.3.5 of the Private Offering Report (in connection with the PSU units) and in section 2.2.5 of the Private Offering Report (in connection with the RSU units).

The dates for the vesting of the PSU units:

- One third (33.3%) of the number of units, soon after the reports of the banking system's financial results for the year 2014 (with such shares being locked-up for a period of an additional year).
- One third (33.3%) of the number of units, soon after the reports of the banking system's financial results for the year 2015.
- One third (33.3%) of the number of units, soon after the reports of the banking system's financial results for the year 2016.

The dates for the maturity of the RSU units:

- One third (33.3%), soon after the reports of the banking system's financial results for the year 2014 (with such shares being locked-up for a period of an additional year).
- One third (33.3%), soon after the reports of the banking system's financial results for the year 2015.
- One third (33.3%), soon after the reports of the banking system's financial results for the year 2016.

The report was signed on behalf of the corporation, in accordance with the authorization of the Board of Directors by Adv. Yael (Ben Moshe) Rudnicki, Secretary of the Group and of the Bank.

Reference numbers of previous documents in this regard (does not constitute incorporation by reference): **2014-01-030870**

**Note: English translations of Immediate Reports of Bank Leumi are for convenience purposes only. In the case of any discrepancy between the English translation and the Hebrew original, the Hebrew will prevail.**

The original Hebrew version is available on the distribution website of the Israel Securities Authority: <http://www.magna.isa.gov.il/>

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