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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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14 April 2013

Reference: 2013-01-036217

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

Immediate Report

Nature of Event: Preliminary Notice – General Meeting

See attached file.

Date and time at which the corporation first became aware of the matter being the subject of the report: Date: 14 April 2013 Time: 15:30.

The report was signed on behalf of the corporation, in accordance with regulation 5 of the Securities (Periodic and Immediate Reports), 1970, by Attorney Yael (Ben Moshe) Rudnicki, Secretary of the Group and of the Bank.

Bank Leumi Le-Israel, Ltd. (the “Bank”) hereby gives preliminary notice in accordance with section 11c(a)(4) to the Banking Ordinance, of its intention to convene a Special General Meeting of the Bank (the “Meeting”). The Meeting’s agenda will include, *inter alia*, the approval of the appointment of Mr. Haim Samet as an External Director at the Bank.

On 1 August 2012, the General Meeting of the Bank approved the appointment of Mr. Samet to serve as an External Director at the Bank, along with two other External Directors (pursuant to the Companies Law), for a period of three years, in accordance with the provisions of section 239 of the Companies Law, 5759-1999. For additional details, see the Bank’s Immediate Report on the Results of the General Meeting, dated 2 August 2012 (Reference No. 2012-01-200217).

The Bank has recently become aware that in August of 1997, a loan agreement for the purpose of purchasing a real estate property was signed by the Israel Industrial Development Bank Ltd. and a company controlled by Mr. Samet and other borrowers (“the Borrowers”), and that in April 2004 the balance of this loan was assigned to the Bank. The loan was secured by collateral that also included a pledge of the entire property (the “Loan Transaction”). As of 17 March 2013, the balance of the loan is estimated as being NIS 6,108,271, with the share of the company under the control of Mr. Samet in the above-mentioned loan being NIS 3,664,962.

Because of a good-faith error, Mr. Samet did not report the Loan Transaction’s existence to the Bank before he was appointed to serve as an External Director. It is emphasized that since April of 2004 (the date on which the Bank extended the loan), through the current date, no change was made regarding the loan and its terms. Included in this is the fact that no change had been made in the two years preceding the date on which the Bank’s General Meeting approved Mr. Samet’s appointment to serve as an External Director.

Notwithstanding the above, because of the doubt that may arise regarding the possibility of there being general business ties between Mr. Samet and the Bank that constitute a connection – even if minimal – between Mr. Samet and the Bank, the Bank’s Audit Committee, on 11 April 2013, examined the nature of the Bank’s ties – including the Loan Transaction – and decided that these were negligible ties, both from Mr. Samet’s perspective and from the Bank’s perspective. As stated above, the Bank intends to convene a Special General Meeting of the Bank’s shareholders, the agenda of which will include the approval of Mr. Samet’s appointment to serve as an External Director of the bank, in accordance with Regulation 5 of the Companies Regulation (Matters that do not Constitute a Connection), 5767-2006.

The Bank’s Board of Directors will adopt a resolution regarding the convening of the Meeting on a date which will not be earlier than 21 days from the date of this Immediate Report. The Bank will publish an immediate report, notice and announcement, as required by law, regarding the convening of the Meeting, with a specification of the date

of the Meeting and of its full agenda, including the Audit Committee's detailed reasons for its Resolution dated 11 April 2013.