

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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23 December 2012

Reference Number 2012-01-317529

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

Immediate Report

Nature of Event: Additional Investment in the Trans-Israel Highway

Bank Leumi le-Israel B.M. (the "Bank") is pleased to announce that on 23 December 2012, Leumi Partners Ltd., a fully-controlled subsidiary of the Bank ("Leumi Partners") signed an agreement regarding an additional investment ("the Agreement") in a limited partnership, T.S.Y. Drachim Limited Partnership (the "Partnership") ("the Additional Investment"), which invests in the toll road project known as the Trans Israel Highway (Highway 6) ("the Project"), through the Derech Eretz Highways (1997) Ltd. ("Derech Eretz"). The Additional Investment is in addition to the previous investment that Leumi Partners made in the Partnership ("the Current Investment"). The Additional Investment (together with additional investments made by other limited partners in the Partnership, each according to its relative share in the transaction) is intended to enable the Partnership's purchase of the holdings of Shichun Ve'Binui Ltd. ("Shuv") in Derech Eretz (including the shareholders' loans that Shuv granted to Derech Eretz). Regarding the Bank's Immediate Reports regarding the Current Investment, see the Immediate Report dated 30 December 2010 (Reference No. 2010-01-737034) and the Immediate Report dated 2 January 2011 (Reference No. 2011-01-000393).

Leumi Partners' Additional Investment amount in the Partnership will be some NIS 139 million. Leumi Partners also undertook to invest additional amounts in the Partnership if the bank guarantees issued in connection with the Project are exercised, in an amount of some NIS 81 million (this amount being linked to the Consumer Price Index).

The agreement lays down a number of conditions precedent for the completion of the Additional Investment, including receipt of the agreement of the parties responsible for the project and the agreement of the State.

Following and subject to the completion of the Additional Investment, Leumi Partners will hold (by virtue of the Current Investment and the Additional Investment) some 18.91% of the rights in the Partnership), as a limited partner in the Partnership.

Date and time at which the corporation first became aware of the matter being the subject of the report: 23 December 2012 Time: 15:11.

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

Reference numbers of previous documents in this regard (does not constitute incorporation by reference):

2012-01-737034 2012-01-000393

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