

## **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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Electronic Mail: Yaelru@bll.co.il

23 June 2013  
Reference: 2013-01-070566

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

### **Immediate Report**

Nature of the Event: Trustee's Report for 2012 – Series 201

Discount Trust Ltd., which serves as the trustee for the holders of the Bank's Series 201 subordinated capital notes, asked the Bank to report its annual report for 2012.

See attached Annex.

Date and time at which the corporation first became aware of the matter being the subject of the report: 20 June 2013 Time: 13:50.

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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/>***

Tel Aviv, 20 June 2013

To:  
 **Holders of Subordinated Capital Notes (Series 201)**

To:  
 **Bank Leumi le-Israel Ltd.**

**Re: Annual Report – Trusteeship for Subordinated Capital Notes (Series 201) issued by Bank Leumi le-Israel Ltd.**

Dear Sir or Madam:

Pursuant to our position as trustees for the holders of the Subordinated Capital Notes (Series 201) (the “**Subordinated Capital Notes**”) issued by Bank Leumi le-Israel Ltd. (the “**Company**”), we are pleased to submit the annual report for the period from 1 January 2012 through 31 December 2012 (inclusive) (the “**Reported Period**”), in accordance with the provisions of section 28 of the Deed of Trust, and in accordance with the provisions of section 7 of the Trusteeship Law, 5739-1979 and the provisions of section 35H1 of the Securities Law, 5728-1968.

**1. The Deed of Trust**

On 27 September 2009, the Company signed a deed of trust with Discount Trust Ltd. as the trustee for the Subordinated Capital Notes (the “**Deed of Trust**”).

**2. The securities that have been issued**

Regarding the quantity of the Subordinated Capital Notes in circulation, see the Company’s reports, and details on the MAYA site of the Tel Aviv Stock Exchange Ltd.

**3. Collateral and undertakings**

The Subordinated Capital Notes are not secured by any collateral whatsoever. The Company gave various undertakings in the Deed of Trust, and, based on information that the Company has provided, the Company has - during the Reporting Period - complied with its undertakings.

**4. Payments of principal and interest**

Regarding the payments of principal and interest, see the conditions on the reverse side of the list of appendices to the Deed of Trust, and see the Company’s reports, and details on the MAYA site of the Tel Aviv Stock Exchange Ltd.

5. **Special events**

The Trustee has not been made aware, during the Reporting Period, of: (1) any substantive breach of the Deed of Trust on the part of the Company; (2) any non-compliance with any substantive undertaking on the part of the Company; (3) any other exceptional event in connection with the trusteeship pursuant to the Deed of Trust.

**This report does not constitute a replacement for a review by a holder of the Company's public reports, including a review of the financial statements.**

6. **Events that occurred after the Reporting Period**

No events occurred after the Reporting Period.

7. **Rating**

The Subordinated Capital Notes (Series 201) are rated AA Stable by S&P Ma'alot Ltd., and AA2 Negative by Midrug Ltd.

8. **Meetings of holders of the notes**

No holders' meetings were held during the Reporting Period.

Very respectfully,

Discount Trust Ltd.