

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

Phone: + 972 3 5148111, + 972 3 5149419; Facsimile: + 972 3 5149732

Electronic Mail: Yaelru@bll.co.il

25 January 2010

Reference: 2010-01-364254

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

Immediate Report regarding an Event or Matter falling outside the Ordinary

Course of Business of the Corporation

Pursuant to Regulation 36(a) of the Securities (Periodic and Immediate Reports)
Regulations, 1970

Nature of Report: Notice of a Planned Offering

1. Bank Leumi le-Israel B.M. (the "Bank") hereby announces that pursuant to the Bank's shelf prospectus of 28 August 2009 (the "Shelf Prospectus"), and pursuant to a resolution of the Bank's Board of Directors approving an offering framework of up to NIS 4 billion, the Bank's Board of Directors resolved, at its meeting yesterday, to authorize the Bank's management to take steps to carry out a public offering of subordinated capital notes (series 200 and 201) (the "Subordinated Capital Notes") in the amount of up to NIS 2 billion, by means of a shelf offering report. The terms of the Subordinated Capital Notes will be described in the shelf offering report, which will be published by the Bank shortly before the public offering, subject to receipt of the approval of the Tel Aviv Stock Exchange Ltd. for the listing of the Subordinated Capital Notes for trading.
2. Standard & Poors *Ma'alot* ("Ma'alot") announced yesterday that it had set a rating of 'ilA+' / Negative for the subordinated capital notes to be offered by the Bank or by Leumi Finance Co., in an aggregate amount of up to NIS 3 billion. The Ma'alot rating was set on the basis of the Shelf Prospectus, and is described in the draft shelf offering report. *Ma'alot* announced that it is reserving the right to re-visit the above-mentioned rating, and to amend it if the final shelf offering report includes changes in the structure of the offering and/or in its objective, and/or other changes.

Date and time at which the corporation first became aware of the event or matter:
24 January 2010 at 14:45.

Name of Electronic Reporter: Yael Rudnicki, Position: Group Secretary
POB 2 Tel Aviv 61000, Phone: + 972 3 5149419, Facsimile: + 972 3 5149732,
Electronic Mail: Yaelru@bll.co.il