

Translation of Immediate Report

T078
Public

Bank Leumi le-Israel B.M.

Registration No. 520018078
Securities of the Corporation are listed on The Tel Aviv Stock Exchange
Abbreviated Name: Leumi
34 Yehuda Halevi Street, Tel Aviv 651316
Phone: 076-8858111, 076-889419; Facsimile: 076-8859732
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To: Israel Securities Authority (www.isa.gov.il)
The Tel Aviv Stock Exchange (www.tase.co.il)

Immediate Report re Entity becoming an Interested Party in the Corporation by virtue of Holdings

Regulation 33(e) of the Securities Regulations (Periodic and Immediate Reports),
1970

1. Details of Holder:

- Name of Corporation: Companies in the Harel Insurance Investments & Financial Services Ltd. Group
- Name of Corporation in English: Harel Insurance Investments & Financial Services LtdLtd.
- Type of Identity Number: Registration number with the Israeli Registrar of Companies. Holder is a corporation
- Identity Number: 520033986
- Citizenship/Country of Incorporation or Registration: Israeli corporation
- Address: Abba Hillel Street 3, Ramat Gan 52118
- The Holder serves as the representative of other joint shareholders for reporting purposes.
- Name of controlling shareholder in the Interested Party: Yair Hamburger, ID No. 007048671, Gidon Hamburger, ID No. 007048663 and Nurit Manor, ID. No. 051171312
- Identification number of controlling shareholder in the Interested Party: 51-017944-3

2. Details of the Transaction whereby the Holder became an Interested Party in the Corporation:

- a. Name and Class of Security: Leumi.
- b. Registration number of security on the Tel Aviv Stock Exchange: 604611
- c. Date of the transaction: 31 December 2013
- d. Nature of the Transaction: Increase following receipt of securities for no consideration

- e. Number of securities involved in the transaction: 6,332,658
- f. Price of the transaction: 1,395.00 agurot
- g. The shares are not dormant or convertible into dormant shares.

3. A. Holdings of the Interested Party following the Transaction:

| Name, Class and Series of Security | No. of Security on Stock Exchange | Amount of Securities | Dormant | Percentage of Holdings | | Percentage of Holdings (Fully Diluted) | |
|---|-----------------------------------|----------------------|---------|------------------------|---------------|--|---------------|
| | | | | Capital | Voting Rights | Capital | Voting Rights |
| Leumi | 604611 | 77,272,602.6 | No | 5.24 | 5.24 | 5.24 | 5.24 |
| Leumi Subordinated Capital Notes Series 200 | 6040141 | 52,551,759 | No | 0 | 0 | 0 | 0 |
| Leumi Subordinated Capital Notes 201 | 6040158 | 84,161,551 | No | 0 | 0 | 0 | 0 |

B. The Holder is a member of an institutional reporting group. The following are the details of its holdings:

| Holder | Name, Class and Series of Security | No. of Security on Stock Exchange | Amount of Securities | Dormant |
|---|---|-----------------------------------|----------------------|---------|
| Management companies of joint investment trust funds | Leumi | 604611 | 4,787,232 | No |
| Provident funds and provident fund management companies | Leumi | 604611 | 41,835,811.6 | No |
| Issuer of index-linked products and a corporation under its control | Leumi | 604611 | 28,406,031 | No |
| Profit-sharing life insurance accounts | Leumi | 604611 | 856,883 | No |
| Nostro account | Leumi | 604611 | 1,386,645 | No |
| Issuer of index-linked products and a corporation under its control | Leumi Subordinated Capital Notes Series 200 | 6040141 | 12,826,387 | No |
| Management companies of joint investment trust funds | Leumi Subordinated Capital Notes Series 200 | 6040141 | 33,972,653 | No |
| Provident funds and provident fund management companies | Leumi Subordinated Capital Notes Series 200 | 6040141 | 4,254,193 | No |

| | | | | |
|---|---|---------|------------|----|
| Profit-sharing life insurance accounts | Leumi Subordinated Capital Notes Series 200 | 6040141 | 275,324 | No |
| Nostro account | Leumi Subordinated Capital Notes Series 200 | 6040141 | 1,223,202 | No |
| Management companies of joint investment trust funds | Leumi Subordinated Capital Notes Series 201 | 6040158 | 60,233,852 | No |
| Provident funds and provident fund management companies | Leumi Subordinated Capital Notes Series 201 | 6040158 | 22,351,339 | No |
| Profit-sharing life insurance accounts | Leumi Subordinated Capital Notes Series 201 | 6040158 | 1,576,360 | No |

4. The Interested Party holds shares or other securities of a company with activity material to the reporting company's activity, as follows:

1.

Name of the held company with activity material to the reporting company's activity: Leumi Finance Co. Ltd.

Type of Identity Number: Registration number with the Israeli Registrar of Companies.

Identity Number: 520028739

Country of Incorporation or Registration: Israeli corporation Country: Israel

Connection to the reporting company: Wholly owned subsidiary

Type of securities – Subordinated notes (Series C) Securities Number: 7410061

Number of securities: 61,982,981 Percentage held of this type of security: 12.06%

Percentage of capital held – 0% Percentage of voting rights held – 0%

2.

Name of the held company with activity material to the reporting company's activity: Leumi Finance Co. Ltd.

Type of Identity Number: Registration number with the Israeli Registrar of Companies.

Identity Number: 520028739

Country of Incorporation or Registration: Israeli corporation Country: Israel

Nature of connection to reporting corporation:

Wholly owned subsidiary

Type of securities – Debentures (Series 176) Securities Number: 7410087

Number of securities: 59,577,167 Percentage held of this type of security: 8.15%

Percentage of capital held – 0% Percentage of voting rights held – 0%

3.

Name of the held company with activity material to the reporting company's activity: Leumi Finance Co. Ltd.

Type of Identity Number: Registration number with the Israeli Registrar of Companies.

Identity Number: 520028739

Country of Incorporation or Registration: Israeli corporation Country: Israel

Nature of connection to reporting corporation:

Wholly owned subsidiary

Type of securities – Subordinated Notes (Series G) Securities Number: 7410152

Number of securities: 183,159,864 Percentage held of this type of security: 9.16%

Percentage of capital held – 0% Percentage of voting rights held – 0%

4.

Name of the held company with activity material to the reporting company's activity: Leumi Finance Co. Ltd.

Type of Identity Number: Registration number with the Israeli Registrar of Companies.

Identity Number: 520028739

Country of Incorporation or Registration: Israeli corporation Country: Israel

Connection Nature of connection to reporting corporation:

Wholly owned subsidiary

Type of securities – Subordinated Notes (Series H) Securities Number: 7410160

Number of securities: 183,896,365 Percentage held of this type of security: 9.53%

Percentage of capital held – 0% Percentage of voting rights held – 0%

5.

Name of the held company with activity material to the reporting company's activity: Leumi Finance Co. Ltd.

Type of Identity Number: Registration number with the Israeli Registrar of Companies.

Identity Number: 520028739

Country of Incorporation or Registration: Israeli corporation Country: Israel

Nature of connection to reporting corporation:

Wholly owned subsidiary

Type of securities – Subordinated Notes (Series J) Securities Number: 7410186

Number of securities: 223,848,168 Percentage held of this type of security: 11.19%

Percentage of capital held – 0% Percentage of voting rights held – 0%

6.

Name of the held company with activity material to the reporting company's activity: Leumi Finance Co. Ltd.

Type of Identity Number: Registration number with the Israeli Registrar of Companies.

Identity Number: 520028739

Country of Incorporation or Registration: Israeli corporation Country: Israel

Connection to the reporting company: Wholly owned subsidiary
Type of securities – Subordinated Capital Notes (Series 300) Securities Number:
7410202
Number of securities: 14,748,325 Percentage held of this type of security:
1.47%
Percentage of capital held – 0% Percentage of voting rights held – 0%

7.

Name of the held company with activity material to the reporting company's
activity: Leumi Finance Co. Ltd.
Type of Identity Number: Registration number with the Israeli Registrar of
Companies.
Identity Number: 520028739
Country of Incorporation or Registration: Israeli corporation Country: Israel
Nature of connection to reporting corporation:
Wholly owned subsidiary
Type of securities – Subordinated Capital Notes (Series 301) Securities Number:
7410210
Number of securities: 37,824,033 Percentage held of this type of security:
3.78%
Percentage of capital held – 0% Percentage of voting rights held – 0%

8.

Name of the held company with activity material to the reporting company's
activity: Leumi Finance Co. Ltd.
Type of Identity Number: Registration number with the Israeli Registrar of
Companies.
Identity Number: 520028739
Country of Incorporation or Registration: Israeli corporation Country: Israel
Nature of connection to reporting corporation:
Wholly owned subsidiary
Type of securities – Subordinated Notes (Series L) Securities Number: 7410228
Number of securities: 187,334,843 Percentage held of this type of security:
5.73%
Percentage of capital held – 0% Percentage of voting rights held – 0%

9.

Name of the held company with activity material to the reporting company's
activity: Leumi Finance Co. Ltd.
Type of Identity Number: Registration number with the Israeli Registrar of
Companies.
Identity Number: 520028739
Country of Incorporation or Registration: Israeli corporation Country: Israel
Nature of connection to reporting corporation:
Wholly owned subsidiary
Type of securities – Subordinated Notes (Series M) Securities Number: 7410236
Number of securities: 62,655,283 Percentage held of this type of security:
2.84%
Percentage of capital held – 0% Percentage of voting rights held – 0%

10.

Name of the held company with activity material to the reporting company's activity: Leumi Finance Co. Ltd.

Type of Identity Number: Registration number with the Israeli Registrar of Companies.

Identity Number: 520028739

Country of Incorporation or Registration: Israeli corporation Country: Israel

Connection Nature of connection to reporting corporation:

Wholly owned subsidiary

Type of securities – Subordinated Notes (Series N) Securities Number: 7410244

Number of securities: 78,266,389 Percentage held of this type of security: 4.18%

Percentage of capital held – 0% Percentage of voting rights held – 0%

5. Additional details:

Comments

1. Regarding the identity of the controlling shareholders of the interested party (as set out in para. 1 above): – The controlling shareholders listed in the paragraph hold some of their holdings directly, and most of their holdings through G.Y.N. Financial Consulting and Management Ltd., Private Company No. 51-017944-3, which is wholly controlled by them.
2. The holdings appearing in this report under the item entitled “Provident funds and provident fund management companies” (as set out in para. 3b above) include holdings that are held directly by Harel provident funds and holdings that are held by one or more of the following partnerships: “Harel Amitim Israel Shares”; “Harel Amitim Linked Corporate Bonds” and “Harel Amitim Shekel Corporate Bonds”, to the extent there are such holdings.

Date and time at which the corporation first became aware of the matter being the subject of the report: 5 January 2014 Time: 12:45.

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

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/>

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

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