

**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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8 April 2014

Reference: 2014-01-042378

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

**Immediate Report**

Nature of Event: Holdings of a Bank without a Controlling Core

Attached hereto is a report regarding holders, as described in sections 11d of the Banking Ordinance and 36(e) of the Banking Law (Licensing), of Bank Leumi Le-Israel Ltd., (not including parties with an interest as defined in the Securities Law), as of 1 April 2014.

See attached Annex.

Date and time at which the corporation first became aware of the matter being the subject of the report: Date: 8 April 2014 Time: 12:00.

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.

**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/>**

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Name of Electronic Reporter: Yael Rudnicki, Position: Group Secretary  
Yehuda Halevi Street 34, Tel Aviv 6513616, Phone: 076-8859419, Facsimile: 076-8859732,

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**Holders as described in Sections 11D of the Banking Ordinance and 36(e) of the Banking Law (Licensing), of Bank Leumi Le-Israel Ltd., (not including parties with an interest as defined in the Securities Law), as of 1 April 2014**  
**Name of Security: Leumi; Security number on Stock Exchange” 604611**

Holder's name	Identification number	Number of shares	Percentage of the holder's holding of equity and of voting rights	Percentage of the holder's holding of equity and of voting rights (fully diluted)	Controlling shareholder of the Holder
Otzar Hityashvut Hayehudim Ltd.	520019704	73,294,000	4.97	4.97	World Zionist Organization
Phoenix Holdings Ltd. (in the name of companies in the Phoenix Group, the Excellence Group)	520017450	69,325,278	4.7	4.7	Yitzhak Sharon (Tshuva) is the controlling shareholder of the Delek Ltd. Group (Public Company No. 520044322) which is the controlling shareholder of the Phoenix Holdings Ltd. (Public Company No. 520041981) which is the controlling shareholder of Excellence Investments Ltd. (Public Company No. 520041981).
Amitim Senior Pension Funds	9900310	62,487,185	4.24	4.24	Because of the principles of the revival plan that applies to the funds pursuant to Chapter G-1 of the Control of Financial Services (Insurance) Law, 5741-1981 and the functions and powers given to the Special Manager appointed for the funds, the funds in the arrangement have no controlling shareholders and there is no party that directs their actions based on the holding of the means of the control of those funds. Pursuant to the provisions of the Control Law, the Special Manager is granted all the powers and functions that the manager of an insurer's business and its board of directors, board of directors committee and its directors, would hold.
Companies in the Menorah Mivtachim Holdings Group Ltd.	520007469	56,202,909	3.81	3.81	Naydan Establishment and Palmas Establishment, foreign corporations registered in Vaduz Lichtenstein, hold 61.86% of the company's shares, and the rest of the shares are held by the public. The foreign corporations hold the shares in trust for the heirs of the late Mr. Menachem Gurevich.

Companies under the control of Mr. Alfred Akirov (including holdings of Mr. Georgi Akirov)	73929838 23760929	45,195.677	3.07	3.07	Alfred Akirov
Companies in the Clal Insurance Business Holdings Group Ltd.	520036120	65,501,626	4.45	4.45	The company is wholly owned by IDB Holdings Ltd. (“IDB Holdings”). The controlling core of IDB Holdings Ltd is composed of Ganden Holdings Ltd. (“Ganden”), Manor Holdings B.A. Ltd. and Avraham Livnat Ltd., all of which are bound together in a voting agreement. Mr. Nochi Dankner was the final controlling shareholder of IDB holdings, through Ganden. In the framework of legal proceedings that were initiated against IDB Holdings, an arrangement for IDB Holdings’ creditors was approved, according to an outline submitted to the Court by Eduardo Edelstein and a corporation under his control (Dolphin Fund Limited) together with ETHMBM Extra Holdings Ltd. (controlled by Mr. Mordechai Ben Moshe) (hereinafter: “the Edelstein Extra Group”). If the IDB creditors arrangement is completed, the Edelstein Extra Group will become the controlling shareholder of IDB Development, and upon its completion all of IDB Development’s shares will be held by the Edelstein Extra Group and by the financial creditors of IDB Holdings. ON 21 August 2013, in accordance with the Insurance Commissioner’s demand, IDB Holdings gave an irrevocable power of attorney to Mr. Moshe Tari (hereinafter: “the Trustee”), who was appointed by the Insurance Commissioner to serve as trustee for 51% of the outstanding share capital and of the voting rights of Clal Holdings, which are held by IDB Development (hereinafter: “the Means of Control”), and transferred the shares to a trust account in the name of the Trustee, for the purpose of exercising the powers granted by virtue of the Means of Control, in accordance with the provisions of the Deed of Trust. On 20 August 2013, an agreement was signed by IDB Development and JT Capital Management Limited (hereinafter: “JT”), a Hong Kong corporation which is wholly owned, indirectly, by Mr. Li Haifeng; pursuant to the agreement, IDB Development will sell 32% of the shares of Clal Holdings to JT. As of 1 April 2014, the transaction has not yet been completed. On 7 January 2014, Manor sold all its holdings of IDB Holdings shares. Additionally, during January and February of 2014, the percentage of the holdings of the shares of IDB Holdings represented by the (direct and indirect) holdings of Ganden, Mr. Nochi Dankner and Ms. Shelly Bergman dropped from a cumulative percentage of approximately 54.7% (as of 31 December 2013) to approximately 10.52% (As of 28 February 2014).

Azrieli Group Ltd.	510960719	70,640,922	4.79	4.79	Azrieli Holdings Inc. (“Azrieli Holdings”) indirectly holds approximately 55.62% of the share capital of the company, through its holdings of all of the share capital of Nadav Investments Inc. (hereinafter: “Nadav Investments”) which holds direct control of the company. Azrieli Holdings is wholly owned and controlled by the members of the Azrieli family: Mr. David Azrieli, chairman of the company’s board of directors, holds approximately 47% of Azrieli Holdings’ paid outstanding share capital directly and indirectly, and his four children hold, directly and indirectly, the rest of the share capital of Azrieli Holdings, as follows: Naomi Azrieli, Sharon Azrieli and Dana Azrieli: approximately 17.09% each, and David Azrieli in trust for Rafi Azrieli: approximately 1.31% (hereinafter: “the Children”). According to an arrangement that establishes the relations between shareholders of Azrieli Holdings, Mr. David Azrieli has been given all the voting rights in Azrieli Holdings, in trust for his Children, such that his vote in Azrieli Holdings will be in accordance with his exclusive discretion, including in connection with the sale of the company’s shares. Mr. David Azrieli is considered to be the controlling shareholder of the company, by virtue of his indirect holding of the company’s shares through Azrieli Holdings and Nadav Investments, as described above, and by virtue of the shareholders’ agreement. Notwithstanding the above, in light of the definition in the Securities Law, 5728-1968 of the terms “holding” and “parties with an interest”, Mr. David Azrieli’s four Children are also considered to be the “controlling shareholders” for the purpose of the Securities Law and the Companies Law 5749-1999.
Companies in the Meitav Dash Investments Group Ltd.	520043795	68,168,902	4.62	4.62	The controlling shareholders of the company are: (1) the BRM Group Ltd., Private Company No. 511287542 (the “BRM Group”), which holds the company’s shares through BRM Finances Ltd., a wholly owned subsidiary of the BRM Group. The ultimate shareholders in the BRM Group Ltd. are Messieurs: Eli Barkat, ID No. 058368143; Nir Barkat, ID No. 056092430; and Yuval Rakabi ID NO. 058142431, each of whom holds (through companies that he controls) 33.3%; and (2) Mr. Zvi Stepak, ID. No. 07957319, who holds the shares of Meitav Dash through Maya Holdings (Ye’elim) Ltd. (“Maya Holdings”), a company he controls, and Nili (Amir) Holdings Ltd. (a subsidiary fully controlled by Maya Holdings).

<sup>1</sup> According to information reported to the Bank by the holders listed in the report.

<sup>2</sup> For information regarding the holdings of the parties with an interest in the Bank (who hold more than 5% of the means of control of the Bank), see the report dated 7 April 2014, Reference No. 2014-01-041406.

<sup>3</sup> There are entities who hold more than 1% and less than 2.5% of the shares of the Bank, who notified the Bank of their objection to the disclosure of details regarding their holdings, in accordance with section 35(b)(1)(c) of the Banking Law (Licensing), 5741-1981.