

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
34 Yehuda Halevi Street, Tel Aviv 651316
Phone: 076-8858111, 076-889419; Facsimile: 076-8859732
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1 June 2015
Reference: 2015-01-029871

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

Immediate Report

Nature of Event: Settlement Arrangement - Class Action Suits

See attached Annex.

Date and time at which the corporation first became aware of the matter being the subject of the report: 31May 2015 Time: 14:30.

Name of Electronic Reporter: David Raoul Sackstein, Position: Advocate, General Secretary
Yehuda Halevi Street 34, Tel Aviv 6513616, Phone: 076-8857984, Facsimile: 076-8859732
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To:

Tel Aviv Securities Exchange
2 Ahuzat Bayit Street
Tel Aviv 652516

Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem 95464

Dear Sir or Madam:

re: **Approval of Settlement Arrangements in Petitions for Approval of Class Action Suits**

Bank Leumi le-Israel Ltd. (hereinafter: "the Bank") is pleased to report as follows:

1. Pursuant to the provisions of Chapter D (Lawsuits), paragraph 1.g of Note 18 of the Bank's Financial Statements as of 31 December 2014, published on 31 March 2015 (Reference No.: 2015-01-070033), regarding the submission of a petition for the approval of a settlement arrangement for the petition for approval of a class action lawsuit that was submitted against the Bank on 3 May 2010, regarding the holders of debentures of Hebziba Hofim Ltd. - the Bank is pleased to report that on 28 May 2015, the Central District Court approved the settlement arrangement. Pursuant to the arrangement, the Bank will pay, for the final and absolute discharge of the claims that are the subject of the lawsuit and without acknowledging any liability whatsoever, a total amount of NIS 11.5 million (including compensation and attorney's fees for the petitioner's counsel). This is in accordance with the payment system established in the judgment approving the arrangement. The Bank has already made a provision for the full amount of the settlement, and the arrangement is therefore not expected to have any impact on the Bank's financial results.
2. Pursuant to the provisions of Chapter C (Lawsuits), paragraphs c.1.g and g.1.e of Note 6 of the Bank's Financial Statements as of 31 March 2015, published on 28 May 2015 (Reference No.: 2015-01-031953), regarding the submission of a petition for the approval of a settlement agreement in petitions for the approval of class action lawsuits that were submitted against the Bank (and against additional banks), on 30 June 2008 and on 27 April 2009, with respect to lawsuits involving claims relating to, *inter alia*, antitrust issues concerning commissions - the Bank is pleased to report that on 31 May 2015, the Tel Aviv-Jaffa District Court approved the settlement arrangement submitted to it in connection with these petitions (and with the other petitions submitted against other banks). Pursuant to the arrangement, the Bank will pay, to its customers who are members of the class, a total amount of NIS 35 million. This amount will be paid out of a total amount of NIS 70 million that the banks who are parties to the settlement arrangement had deposited with a trustee who was appointed pursuant to an agreement between the Director-General of the Israel Antitrust Authority and the banks. This agreement was anchored in a consent decree, which was issued on 15 June 2014 by the Antitrust Tribunal. (The Bank's share of the total amount of the NIS 70 million was some NIS 21.4 million.) The settlement arrangement also included the approval of the payment of compensation and attorney's fees for the petitioners' counsel in a total amount of some NIS 6 million, with the

addition of VAT. As stated, the Bank already paid its share into the trust account pursuant to the consent decree, and it has also made a provision for its share of the compensation and attorney's fees. The arrangement is therefore not expected to have any impact on the Bank's financial results.

Sincerely,

Bank Leumi le-Israel Ltd.

by

Hanan Friedman, Legal Adviser