

**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

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8 November 2015

2015-01-150285

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 on Status of Capital and Registers of Securities of the Corporation and Changes Therein**

Regulation 31(e) of the Securities Regulations (Periodic and Immediate Reports) -  
1970

Regulation 31(a) of the Securities Regulations (Periodic and Immediate Reports) -  
1970

Regulation 31(b1) of the Securities Regulations (Periodic and Immediate Reports) -  
1970

Nature of the change: Conversion of Leumi Finance Co. securities into Bank Leumi securities, following a merger

1. Status of the Securities of the Corporation after the Change:

Type and Name of Security	Tel Aviv Stock Exchange Registration No.	Amount in Registered Capital	Issued and Paid-up Capital		Amount registered in name of nominee company
			Amount in the previous report	Current amount	
Leumi	604611	3,215,000,000	1,473,797,649	1,473,797,649	1,446,374,684
Leumi Subordinated Capital Notes (Series 200)	6040141	0	1,349,998,000	1,349,998,000	1,349,998,000

Leumi Subordinated Capital Notes (Series 201)	6040158	0	950,000,000	950,000,000	950,000,000
Leumi Special Capital Notes	6040091	0	400,000,000	400,000,000	0
PSU 2014	6040166	0	438,579	420,760	0
RSU 2014	6040174	0	54,276	54,276	0
Leumi Debentures (Series 176)	6040208	0	243,750,000	243,750,000	243,750,000
Leumi Subordinated Debentures Series C	6040182	0	514,099,000	514,099,000	514,099,000
Leumi Subordinated Debentures Series G	6040224	0	666,666,837	666,666,837	666,666,837
Leumi Subordinated Debentures Series H	6040232	0	1,929,090,000	1,286,060,643	1,286,060,643
Leumi Subordinated Debentures Series K – [non-negotiable]	6040307	0	340,567,000	340,567,000	340,567,000
Leumi Subordinated Debentures Series L	6040273	0	3,271,610,000	3,271,610,000	3,271,610,000
Leumi Subordinated Debentures Series M	6040281	0	2,206,039,000	2,206,039,000	2,206,039,000
Leumi Subordinated Debentures Series N	6040299	0	1,870,745,000	1,870,745,000	1,870,745,000

Leumi Subordinated Capital Notes (Series 300)	6040257	0	999,999,000	999,999,000	999,999,000
Leumi Subordinated Capital Notes (Series 301)	6040265	0	999,999,000	999,999,000	999,999,000
Leumi Debentures (Series 177)	6040315	0	1,700,000,000	1,700,000,000	1,700,000,000
Leumi Debentures (Series 178)	6040323	0	1,150,000,000	1,150,000,000	1,150,000,000

2. The corporation announces that on 6 November 2015:

A change took place in the quantity and in the register of the Corporation's registers of securities holders only as a result of:

Description of the nature of the change: Partial redemption of 33.33330% of the balance of the principal of the Leumi Subordinated Debentures Series H.

A change took place in the register of the Corporation's registers of securities holders (without a change in the number of the Corporation's securities) as a result of:

Transfer of registered shares to the nominee company

1

Name of the registered holder regarding whom the change has taken place:

Bank Leumi Le-Israel Ltd. Nominee Company

Identification Number Type: Israel Companies Register Number

Identification Number: 510098064

Date of Change: 6 November 2015

Executed through the Stock Exchange clearinghouse: Yes

Type and name of the security in which the change has taken place:

Leumi Subordinated Debentures Series H

Change:

Tel Aviv Stock Exchange Registration No.: 6040232

Amount of change: -643,029,357

Balance of these securities held by this holder after the change: 1,286,060,643

Other - Partial redemption of 33.33330% of the balance of the principal of the Leumi Subordinated Debentures Series H.

4. Attached is a file of the shareholders register in accordance with the provisions of Section 130 of the Companies Law -1999. See attachment: Shareholders Register
5. Attached is an updated file of the corporation's updated registers of securities, including the register of option holders and the register of debenture-holders - See attachment: Register of securities

Notes:

1. NIS 400,000,000 nominal value linked Deposits/Subordinated Capital Notes (non-negotiable) which were issued in June and July 2002 are convertible in certain circumstances, in accordance with the conversion formula, as provided in the terms of the deposit/subordinated capital note, into 152,952,469 ordinary shares of the Bank, as of the date of the Periodic Report for 2014 published on 31 March 2015 (Reference Number 2015-01-070033).

Leumi Special Capital Notes were opened as deposits at Bank Leumi in the names of the purchasers, and are held as the said accounts, the payments are made by the Bank through those accounts/deposits and paid into them, and no register is maintained with regard to them.

2. Pursuant to the Immediate Report submitted by the Bank on 31 March 2014 regarding the Material Private Offering Report approved by the Bank's Board of Directors on 30 March 2014 (Reference No. 2014-01-030870) (hereinafter: "the Private Offering Report"), the Bank, on 13 April 2014, allotted 657,869 PSU units and 81,414 RSU units (hereinafter, together: "the PSU units and the RSU units") to the Trustee, ESOP Management and Trust Services Ltd., Private Company No. 51-369953-8, on behalf of the Offerees, as such are described in the Private Offering Report (hereinafter: "the Offerees").

3. The number of shares that will be issued following the vesting of the PSU units and the RSU units that have been allotted is based on the assumption that all the PSU units and the RSU units that have been allotted pursuant to the Private Offering Report have vested, and on the assumption that the maximum possible number of shares are allotted, such that each PSU unit and each RSU unit vests into a single ordinary share of the Bank, with a nominal value of NIS 1.0 each.

The vesting of the PSU units is subject to the conditions set out in section 1.3.4 of the Private Offering Report. Additionally, on each vesting date, assuming the conditions described in section 1.3.4 are met, as stated, the Offerees will be entitled to receive the shares that result from the vesting of the said tranche as described in section 1.3.5 of the Private Offering Report. The first tranche, which vested on 31 March 2015, will be blocked for a period of an additional year.

The vesting of the RSU units is subject to the conditions set out in section 2.2.4 of the Private Offering Report. Additionally, on each vesting date, assuming the conditions described in section 2.2.4 are met, as stated, the Offerees will be entitled to receive the shares that result from the vesting of the said tranche as described in section 2.2.5 of the Private Offering Report. The first tranche, which vested on 14 April 2015, will be blocked for a period of an additional year.

The report was signed on behalf of the corporation, in accordance with Regulation 5 of the Securities (Periodic and Immediate Reports), 1970, by Mr. Ron Fainaro, Head of the Finance Division and by Attorney Yael (Ben Moshe) Rudnicki, Secretary of the Group and of the Bank.

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*Name of Electronic Reporter: David Raoul Sackstein, Position: Advocate, General Secretary*  
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