

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

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12 November 2014

Reference: 2014-01-193638

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

**Immediate Report Regarding Submission of Merger Proposal to the Companies
Registrar**

Regulation 31a to the Securities Regulations (Periodic and Immediate Reports)

Pursuant to the Immediate Report dated 11 November 2014, Reference Number 2014-01-192879 regarding the decision to merge with Leumi Finance Co. Ltd., the company is pleased to announce that on 12 November 2014 a merger proposal was submitted to the Companies Registrar as follows: See attached Annex.

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) Rudniki, Secretary of the Bank and of the Group.

Reference numbers of previous documents in this regard (does not constitute incorporation by reference): **2014-01-192870**

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: David Raoul Sackstein, Position: Attorney, Group Secretary
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Merger Proposal
(Section 326 of the Companies Law, 5749-1999)

To: Companies Registrar

1. Name of submitting company: Bank Leumi Le-Israel Ltd., Company's status in the merger: Absorbing company
2. **On 11 November 2014**, during a properly convened meeting, the company's board of directors adopted a resolution to approve that which is described below, after making a determination – taking note of the financial condition of the merging companies – that in its view, there is no reasonable concern that the absorbing company will not be able to meet its obligations to its creditors, after the merger.

3. **The details of the merger:** please complete the form regarding each of the merging companies:

Absorbing company: **Bank Leumi Le-Israel Ltd.** Absorbing company's No.: **520018078**
Target company: **Leumi Finance Co. Ltd.** Target company's No.: **520028739**

4. The following are attached to the application:
 - 4.1 **Appendix A** – The main conditions of the merger agreement signed by the absorbing company and the target company.
 - 4.2 **Appendix B** – The main reasons given by the Board of Directors of the absorbing company.
 - 4.3 **Appendix C** – The consent of the auditors of the absorbing company to having their opinions and the reports of their surveys of the financial statements being made available to the creditors.
 - 4.4 **Appendix D** – Notice from a corporate officer confirming that the merger does not require the approval of the general meeting, signed by a corporate officer of the absorbing company.
 - 4.5 **Appendix E** – Notice from a corporate officer of the absorbing company confirming that the absorbing company is not required to report the merger to the Antitrust Director-General.
 - 4.6 **Appendix F** – Proof of payment of the merger fee.

Name of director whom the board of directors of the absorbing company have authorized to sign in its name:

David Brodet
ID No. 000088179
Signature: _____

I, the undersigned Yael (Ben Moshe) Rudniki, Advocate, hereby certify that on 11 November 2014, Mr. David Brodet, whom I know personally, appeared before me and after I cautioned him that he must declare the truth and that he will be subject to penalties determined by law if he does not do so, he confirmed the accuracy of the above details and signed the form in my presence.

Date: 11 November 2014

Yael (Ben Moshe) Rudniki, Advocate
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