

Translation of Immediate Report

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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

Electronic Mail: Yaelru@bll.co.il

29 October 2014

Reference: 2014-01-183765

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

**Immediate Report on an Event or Matter Outside of the Company's Ordinary
Regular Business, the Reporting of which was Delayed in Accordance with
Regulation 36(b) of the Securities (Periodic and Immediate Reports) Regulations,
- 5730-1970**

Regulation 36(b)(c) of the Securities (Periodic and Immediate Reports) Regulations,
5730-1970

1. See attached Annex.
2. Date and time at which the corporation first became aware of the matter being the subject of the report: 29 October 2014 Time: 14:30.
3. Reference numbers of previous documents in this regard (does not constitute incorporation by reference): **2014-01-183174** .

**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
Yehuda Halevi Street 34, Tel Aviv 6513616, Phone: 076-8859419, Facsimile: 076-8859732
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29 October 2014

The Tel Aviv Stock Exchange
2 Ahuzat Bayit Street
Tel Aviv 6525216

Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem 95464

Dear Madam/Sir,

Re: Discussions with the US Authorities

Further to the report published by Bank Leumi le-Israel B.M. (the "Bank") this morning (Ref: 2014-01-183174) relating to discussions with the US authorities regarding investigations being carried out in connection with the Group's US customers, and further to the request of the Israel Securities Authority, the Bank wishes to clarify as follows:

During a telephone conversation between the Bank's US legal counsel and representatives of the New York Department of Financial Services (the "DFS"), it was mentioned that the DFS would be willing to reach a settlement for an amount of some US\$ 300 million. This statement was made without being based on any documents or calculations. This telephone proposal was immediately and utterly rejected by the Bank's US legal counsel.

As mentioned in the previous immediate report, discussions have begun between the parties in an effort to reach a settlement. It is not possible at this stage to evaluate whether these discussions will lead to a settlement, or to estimate the amount of the settlement, if and to the extent to which same is reached.

Yours faithfully,

Bank Leumi le-Israel B.M.
By:
Prof. Daniel Tsiddon
Hanan Friedman, Chief Legal Advisor