

**בנק לאומי לישראל בע"מ**  
**Bank Leumi le-Israel B.M.**  
Registration No. 520018078

To: Israel Securities Authority  
[www.isa.gov.il](http://www.isa.gov.il)

To: The Tel Aviv Stock Exchange  
[www.tase.co.il](http://www.tase.co.il)

T081 (Public)

Transmitted in MAGNA: June 6, 2019  
Reference: 2019-01-056662

**A supplementary report to the report submitted on May 27, 2019 whose reference number is:**  
2019-01-051076

Main details added / completed: Updating the dividend per share (0.2926937 NIS per share instead of 0.2922748 NIS per share, as previously reported). Before the increase in the number of dormant shares in the issued share capital of the corporation as part of the realization of a buy-back plan approved by the Bank's Board of Directors on May 26, 19. For further information, see the immediate report dated May 25, 2019 (reference no: 2019-01-051052).

**Immediate Report on Distribution of Dividend in cash for Securities**

Regulation 37(a) to the Securities Regulations (Periodic and  
Immediate Reports) 5759 -1970

1. We hereby report that on *May 26, 2019* it was resolved to pay dividend for securities of the company.
2. The total amount of dividend to be paid is: *436,692,093.6 NIS* \_\_\_\_\_.
3. The balance of the corporation's profits as defined in Section 302 to the Companies Law, 5759 -1999. Following the distribution subject matter of this report, a sum of NIS *27,154,000,000* \_\_\_\_\_.
4. The dividend distribution approval process  
On the board of directors meeting on May 26, 2019  
  
The above division is approved by the Court pursuant to Section 303 of the Companies Law: No
5. The effective date (The Record Date): June 10, 2019  
The Ex-Dividend Date: June 10, 2019  
The Payment Date: June 23, 2019
6. The payment details:  
  
⊙ Dividend distributed by an Israeli resident company (composition of the dividends sources and tax rates see Section 7A)

- ☐ Dividend distributed by a Real Estate Investments Trust (composition of the dividends sources and tax rates see Section 7C)

Eligible Securities No.	Securities Name	Dividend amount for one Security	Dividend amount currency	Payment currency	Representative Rate for payment for date	Individuals Tax %	Companies Tax %
604611	Leumi	0.2926937	NIS _____	NIS	_____	25	0

- ☐ Dividend distributed from foreign resident company (for tax rates see Section 7B)

1	Number of Securities	Securities Name	Gross Amount for One Security	Amount Currency	Tax Overseas %	Convention Tax %	Individuals Tax Balance to be deducted in Israel %	Companies tax balance to be deducted in Israel %
	_____	_____	_____	_____	_____	_____	_____	_____
			Payment Amount in Israel For One Security	Payment Currency	Representative Rate For Payment For Date		Actual Individuals Tax in Israel %	Actual Companies tax in Israel %
			_____	_____	_____	_____	_____	

State the exact dividend amount to be paid up to 7 digits after the decimal point for payment in NIS and up to 5 digits after the decimal point in the event of payment in other currency.

\_\_\_\_\_

Is the dividend amount for one security final *YES*

The dividend amount for one security is subject to changes due to \_\_\_\_\_

7. Deduction of tax at source rates detailed below are for the purpose of deducting tax at source by the Stock Exchange Members

7A. Composition of dividend sources distributed by an Israeli resident company from shares and financial instruments except REIT Trust.

	Percentage of Dividend	Individuals	Companies	Foreign Residents
Companies Taxable Revenues (1)	100	25%	0%	25%
Revenues originating from overseas (2)	0	25%	23%	25%
Revenues from approved / preferred enterprise (3)	0	15%	15%	15%
Revenues from preferred enterprise Ireland until 2013 (4)	0	15%	15%	4%
Revenues from preferred enterprise Ireland commencing from 2014 (5)	0	20%	20%	4%
Preferred Revenues	0	20%	0%	20%
Revenues from approved tourism/ agricultural enterprise (6)	0	20%	20%	20%
Revenues from approved/ preferred enterprise remitting waiver notice (7)	0	15%	0%	15%
Distribution classified as capital gain	0	25%	23%	0%
Distribution by RSUs	0	0	0	0
Other	0	0	0	0

Explanation:

- (1) Companies tax Taxable revenues from distribution of profits or dividend originating from revenues generated or deriving in Israeli received directly or indirectly from another group of persons subject to companies' tax.
- (2) Revenues originating overseas are revenue generated or deriving from overseas and will not be taxed in Israel.
- (3) Including but not limited to revenues from a tourism preferred enterprise and the choice / operation year is up to 2013.
- (4) Preferred enterprise Ireland whereby the choice year is up to 2013.
- (5) Preferred enterprise Ireland whereby the choice year is from 2014 onwards.
- (6) Including but not limited to revenues from tourism preferred enterprise whereby the choice/ operation year commences from 2014 onwards.
- (7) Approved or preferred enterprise remitting a waiver notice up to May 30, 2015, after deducting Companies Tax that it owed

#### 7B. Dividend distributed from foreign resident company

	Individuals	Companies	Foreign Residents
Dividend distributed from foreign resident company	25%	23%	0%

#### 7C. Dividend distributed by Real Estate Investments Fund

	% of dividend	Individuals (1)	companies	Foreign Resident Companies	Exempted Trust Fund	Provident Fund (2)
From land betterment, capital gain and depreciation (3)	_____	25%	23%	23%	0%	0%

Other taxable income (such as: rent)	_____	47%	23%	23%	23%	0%
Income generating real estate for leased dwelling	_____	20%	20%	20%	0%	0%
Revenues taxed by Fund (4)	_____	25%	0%	25%	0%	0%
Exceptional Revenue	_____	70%	70%	70%	60%	70%
Other	_____	_____	_____	_____	_____	_____
% deduction of tax at source weighted	100%	_____	_____	_____	_____	_____

- (1) Individuals – including but not limited to revenue from taxable trust fund, foreign resident individuals.
- (2) Pension or compensation provident fund as defined in the Income Tax Ordinance and provident fund or foreign pension fund being a resident of the taxed country.
- (3) From land betterment or from capital gain, to the exclusion of the sale of land held for a short period and from revenue of the amount of the depreciation expenses.
- (4) Distribution from taxed revenues by Trust in accordance with Section 63A4 (e).

8. Number of dormant securities of the corporation not eligible for payment of dividend and for which a waiver letter must be furnished to receive payment of the dividend of 32,550,770.

9. Effect of dividend distribution on convertible securities:

- The company has no convertible securities
- ⊙ The dividend distribution has no effect on the convertible securities.
- The effect of the distribution of dividend on the convertible securities is as follows:

Security Name	Security Number	Comments
_____	_____	_____
		_____

10. The directors' recommendations and decisions in connection with distributing dividend pursuant to Regulation 37(a)(1) to the Securities Regulations (Periodic and Immediate Reports), 5730 – 1970:

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*Note to sections 6 and 8:*

*The amount of the dividend for one security is based on the issued share capital of 1,524,527,267 ordinary shares of NIS 1 par value each, deducting 32,550,770 dormant shares in the capital of the Bank, following an additional buy-back plan executed during 2018 (see immediate report dated November 22, 2018, reference no. 2018-01-112947), and following an additional buy-back plan approved by the Bank's Board of Directors on May 26, 2019, in an amount not to exceed 700 million NIS As of May 28, 2019 and up to May 27, 2020 (see immediate report dated May 27, 2019, reference no: 2019-01-051052).*

The report was signed on behalf of the corporation, pursuant to Regulation 5 of the Securities (Periodic and Immediate Reports), 1970, by Mr. Omer Ziv, Head of the Finance Division at the Bank.

Reference numbers of previous documents on the subject (the reference does not constitute inclusion by way of reference):

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The corporation's securities are listed for trade on the Tel Aviv Stock Exchange

Date of the form's structure update: April 30, 2019

Abbreviated name: Leumi

Address: Yehuda Halevi 34, Beit Leumi, Tel Aviv 6513616, Phone: 076-8858111, 076-8859419, Fax: 076-8859732

Email - [livnat.ein-shay@bll.co.il](mailto:livnat.ein-shay@bll.co.il) company website: [www.leumi.co.il](http://www.leumi.co.il)

Previous names of reporting entity:

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

Yehuda Halevi Street 34, Tel Aviv 6513616, Phone: 076-8857984, Facsimile: 076-8859732

Electronic Mail: [david.sackstein@bankleumi.co.il](mailto:david.sackstein@bankleumi.co.il)

## **Appendix to Immediate Report - Regulation 37 (a) (1) of the Securities Regulations**

(Periodic and Immediate Reports), 5730-1970

### **The Board of Director's recommendations and resolutions regarding the dividend distribution**

On May 26, 2019, the Bank's Board of Directors approved the distribution of a dividend in the amount of 436.7 million NIS, after the following data were presented to it:

- The distribution of the proposed dividend has no material effect on the financial position of the Bank.  
See the below for revenue balance specification.
- The revenue balance as defined in section 302 to the Companies Law, before the proposed distribution, amounts to 27,591 million NIS (after deducting 2,464 million NIS that cannot be distributed).
- The revenue balance as defined in section 302 to the Companies Law, after the proposed distribution, amounts to 27,154 million NIS (after deducting 2,464 million NIS that cannot be distributed).
- The effect of the proposed distribution on the capital structure, capital adequacy, and leverage and liquidity ratios is based on the forecast for the coming year, according to which the results of the Bank's activity in the next year following the dividend distribution will be such that the capital adequacy ratio and the leverage and liquidity ratios will not be reduced from what is required.
- There is no concern that the dividend distribution will prevent the Bank from meeting its existing and expected obligations.
- The proposed distribution is from revenue, as defined in the Companies Law.
- The Bank complies with additional regulatory restrictions prescribed by the Supervisor of Banks, including the Proper Conduct of Banking Business Directive No. 331 concerning the "Distribution of a dividend by banking corporations" as well as capital adequacy, leverage and other restrictions.

The Board of Directors examined the Bank's compliance with the revenue test and the repayment ability criterion prescribed in Section 302 (a) of the Companies Law, and in light of the above, approved the Bank's compliance with the distribution tests.

In light of the above, the Bank's Board of Directors concluded that there is no impediment to the distribution of a dividend in the amount of 436.7 million NIS, which is 40% of the net profit in respect of the first quarter of 2019.

The dividend that will be distributed derives from the income that was charged to corporate tax from profits accrued until the first quarter of 2019

The above information includes forward-looking information, as defined in the Securities Law, 1968. The Company's estimates as stated in this section above are based on an analysis of the Bank's cash flow, the Bank's existing liabilities and scenarios that could harm its existing and expected liabilities. These estimates may not materialize, in whole or in part, or may materialize in a manner materially different than anticipated, among

other things, due to changes in market conditions and realization of one of the risks detailed in the Bank's reports as of December 31, 2018, in the Bank's annual periodic report for 2018, as well as in the financial report of March 31, 2019.

***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/>