

January 12, 2023

To	To
The Tel Aviv Stock Exchange Ltd.	Israel Securities Authority
<u>Via MAGNA system</u>	<u>Via MAGNA system</u>

Re: **Completion of the Pricing for the Issue of "Green" Notes to Institutional Investors**

Following the immediate reports of Bank Leumi le-Israel B.M. (hereinafter: the "**Bank**"), dated January 9, 2023 (ref. no: 2023-01-005118) and January 10, 2023 (ref. no: 2023-01-005625 and 2023-01-005658), the Bank is pleased to announce as follows:

1. On January 11, 2023, the Bank completed the pricing process for issuing "Green" Subordinated Notes with a mechanism for absorbing capital loss by forced conversion into ordinary shares of the Bank in accordance with Proper Conduct of Banking Business Directive No. 202 (the "**Notes**"), which were offered to institutional investors in Israel and outside of Israel pursuant to sections 15A(b)(1) and 15A(b)(2) of the Securities Law, 5728-1968, in an aggregate amount of US\$ 500 million (the "**Issue**"). The Notes have been offered to Qualified Institutional Buyers in the United States pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and outside the United States in reliance on Regulation S under the U.S. Securities Act.
2. The Notes shall be repaid by single installment, 10 years and 6 months after their issuance, and the Bank has an option of early redemption during the period starting 5 years and 3 months after their issuance and ending 5 years and 6 months after the issuance, subject to certain conditions ("**Early Redemption**"). In addition, the Notes include a mechanism for absorbing losses by conversion into ordinary shares of the Bank, under certain circumstances that the Bank cannot necessarily predict in advance and/or are not necessarily under its control, according to a predetermined conversion formula that includes a floor price.
3. The Notes bear fixed annual interest at the rate of 7.129% (paid semiannually), which will be updated 5 years and 6 months after their date of issuance, provided Early Redemption has not occurred, according to the US government yield at such time plus the margin agreed upon in the Issue, and will be issued at a price equal to 100% of their par value.
4. Closing is expected on January 18, 2023.
5. Gross proceeds from the Issue will be US\$ 500 million. Net proceeds received by the Bank, following deduction of fees to the underwriters and other issuing expenses incurred by the Bank, will be used for supporting the group's business growth, refinancing of the Bank's existing subordinated debt, management of the group's capital FX exposure and/ or other general corporate purposes. The Bank intends to use an amount equivalent to the net proceeds

from the Issue to finance or re-finance, in whole or in part, Eligible Green Projects, in accordance with the Green Bond Framework published on the Bank's website.

6. The Notes are expected to be listed on TASE-UP of the Tel Aviv Stock Exchange Ltd. ("TASE"), subject to obtaining TASE's approval.
7. This report does not constitute an offer to the public, a secondary offering or any other type of offer, or solicitation to purchase securities. Specifically, securities cannot be offered for sale or sold in the US without registration or under registration exemption.

The aforementioned information regarding the expectation to close the Issue is forward looking information that is based on the Bank's present expectations. Such information is uncertain and depends, among others, on factors that are partially outside the Bank's control, including changes in market conditions and timetable deviations.

Sincerely,

Bank Leumi le-Israel B.M.

By: Omer Ziv, Head of Finance and Accounting Division

Legends pursuant to Securities Laws Outside of Israel

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN THE UNITED STATES OF AMERICA (EXCEPT AS SPECIFIED BELOW), AUSTRALIA, CANADA, JAPAN OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD BE UNLAWFUL. NOT FOR DISTRIBUTION TO ANY U.S. PERSON.

MIFID II - PROFESSIONALS/ECPS-ONLY / NO PRIIPS – Manufacturer target market (MIFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in the European Economic Area (the "EEA"). No sales to retail clients, as defined in MiFID II, or to customers within the meaning of Directive (EU) 2016/97, where such customers would not qualify as professional clients as defined in MiFID II.

UK MIFIR - PROFESSIONALS/ECPS-ONLY / NO UK PRIIPS / UK FCA COCO RESTRICTION – Manufacturer target market (UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels). No UK PRIIPs key information document (KID) has been prepared as not available to retail in the United Kingdom ("UK"). No sales to retail clients, as defined in COBS 3.4 in the UK, or to customers within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where such customers would not qualify as professional clients as defined in the UK MiFIR.

THE INFORMATION CONTAINED HEREIN IS NOT INTENDED FOR DISTRIBUTION TO, OR USE BY, ANY PERSON OR ENTITY IN ANY JURISDICTION OR COUNTRY WHERE SUCH DISTRIBUTION OR USE WOULD BE CONTRARY TO LAW OR REGULATION, NOR DOES IT CONSTITUTE AN OFFER OF SECURITIES IN THE UNITED STATES, CANADA, AUSTRALIA, JAPAN OR ANY OTHER JURISDICTION.

THIS IMMEDIATE REPORT DOES NOT CONSTITUTE A PROSPECTUS OR FORM PART OF ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO PURCHASE OR SUBSCRIBE FOR, OR ANY OFFER TO UNDERWRITE OR OTHERWISE ACQUIRE ANY SECURITIES NOR SHOULD IT OR ANY PART OF IT OR THE FACT OF ITS DISTRIBUTION OR COMMUNICATION FORM THE BASIS OF, OR BE RELIED ON IN CONNECTION WITH, ANY CONTRACT, COMMITMENT OR INVESTMENT DECISION IN RELATION THERETO, NOR DOES IT CONSTITUTE A RECOMMENDATION REGARDING THE SECURITIES.

THIS IMMEDIATE REPORT AND ITS CONTENTS IS ADDRESSED IN ANY MEMBER STATE OF THE EEA ONLY TO THOSE PERSONS WHO ARE QUALIFIED INVESTORS IN SUCH MEMBER STATE ("QUALIFIED INVESTORS") WITHIN THE MEANING OF REGULATION (EU) 2017/1129 AND SUCH OTHER PERSONS AS THIS IMMEDIATE REPORT MAY BE ADDRESSED TO ON LEGAL GROUNDS, AND NO PERSON THAT IS NOT A QUALIFIED INVESTOR MAY ACT OR RELY ON THIS IMMEDIATE REPORT OR ANY OF ITS CONTENTS.

THIS IMMEDIATE REPORT IS ONLY ADDRESSED TO, MADE AVAILABLE TO AND DIRECTED AT (A) PERSONS OUTSIDE THE UK OR (B) QUALIFIED INVESTORS INSIDE THE UK WITHIN THE MEANING OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW IN THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 WHO ARE (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"), (II) HIGH NET WORTH ENTITIES FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER AND (III) OTHER PERSONS TO WHOM IT MAY LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS IMMEDIATE REPORT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS IMMEDIATE REPORT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THIS IMMEDIATE REPORT DOES NOT CONSTITUTE AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES AND THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF ANY U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM REGISTRATION. NO PUBLIC OFFERING OF SECURITIES IS BEING MADE IN THE

UNITED STATES. ANY SECURITIES SOLD IN THE UNITED STATES WILL BE SOLD ONLY TO QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN AND IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT).

It is clarified that any rating report published or to be published in connection with the Notes (if any) shall not constitute a recommendation to purchase, sell or hold securities and may be subject to updates, suspension or repeal at any time by the rating company. It is also emphasized that similar rating reports, prepared for different issuers and for different securities, do not necessarily have the same meaning, and therefore each rating report must be examined independent of any other rating report.