

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
Phone: 076-8858111, 076-889419; Facsimile: 076-8859732
Electronic Mail: Livnat.Ein-Shay@bll.co.il

11 February 2019
Reference: 2019-01-011842

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

Immediate Report

Nature of Event: Early Redemption of Deposits/Subordinated Capital Notes

See attached Annex 19 2 isa.pdf

The company is not an envelope company as that term is defined in the Stock Exchange bylaws.

Date and time at which the corporation first became aware of the matter being the subject of the report: 10 February 2019 Time: 16:45.

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

11 February 2019

To:

Tel Aviv Securities Exchange
2 Ahuzat Bayit Street
Tel Aviv 652516

Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem 95464

Dear Sir or Madam:

re: **Early Redemption of (Non-negotiable) Deposits/Subordinated Capital Notes**

Bank Leumi le-Israel Ltd. (hereinafter: "the **Bank**") is pleased to report as follows:

1. On 10 February 2019, the Bank's Board of Directors resolved to redeem, during the course of April-May 2019, through a complete early-redemption process, NIS 1 billion nominal value of CPI-linked (non-negotiable) deposits/subordinated capital notes (hereafter: " **Capital Notes**"), which were issued during the course of April-May 2009, through private issues to institutional investors. The estimated redemption amount of the Capital Notes (including interest and linkage increments) is NIS 1.2 billion. The complete early redemption will be carried out in accordance with the right held by the Bank to make a complete early redemption, pursuant to the terms of the Capital Notes.
2. The Bank will send a notice to the holders of the Capital Notes concerning the date on which the early redemption will be carried out, and the relevant determinative date for each holder.
3. After the publication of the CPI for the months of February and March of 2019, the Bank will publish immediate reports in which it will set out the total and exact amount of the redemption and the interest rate to be paid in the early redemption.
4. The early redemption will be carried out subject to the receipt of approval from the Supervisor of Banks.

Very sincerely,

Bank Leumi le-Israel Ltd.

by

Omer Ziv, Head of the Finance Division

Irit Roth, Legal Advisor