

August 14 2019

To:	To:
The Tel Aviv Stock Exchange (TASE)	The Israel Securities Authority (ISA)
2 Ahuzat Bayit Street	22 Kanfei Nesharim Street
<u>Tel Aviv 6525216</u>	<u>Jerusalem 95464</u>

Dear Sir/Madam,

Re: **Retirement Arrangements**

Bank Leumi Le-Israel B.M. (hereinafter: the “**Bank**”) hereby announces as follows:

Further to the Bank’s immediate report dated April 17 2018 (Ref. No. 2018-01-039127) and as outlined in Note 23 to the Bank’s Annual Financial Statements for 2018, retirement and pension benefits are determined according to a classification of employment periods at the Bank: Employees who began working at the Bank from January 1 1999 make ongoing pension and provident fund contributions, for which the Bank has no pension liability, except for supplementary severance pay. Employees who began working at the Bank prior to January 1 1999 may choose - on reaching retirement age, under certain circumstances - to either receive severance pay and compensation from the Bank and a pension annuity or other social security arrangement, or a combination of the above, all in accordance with, and subject to, the provisions of the various agreements applicable to these employees. For these employees, the Bank deposits contributions in the employees' provident and severance pay fund, which are managed by a management company held by the fund's members. Following a former engagement, the Bank entered into an agreement with an additional institutional entity to transfer the severance pay and pension funds which accumulated or will be accumulated in the severance and pension funds of employees who have opted or will opt for a social security arrangement to a paying fund. The Bank also entered into an agreement to purchase an insurance policy for the retirees, payable by the Bank. The Bank intends to enter similar agreements with additional institutional entities.

It should be emphasized that, as of this date, there is no uncertainty that the Bank will enter into agreements with additional institutionals and no certainty as to the amounts to be transferred to such a paying fund or the timing of the transfer.

Respectfully,

Bank Leumi Le-Israel Ltd.

By:

Omer Ziv, Head of Finance Division