



Bank Leumi le-Israel B.M. (the "Bank")

21 June 2022

To
Israel Securities Authority
www.isa.gov.il

To
The Tel Aviv Stock Exchange
www.tase.co.il

Dear Sir/Madam,

Re: **Considering an Offering of Shares and Listing for Trade on the Stock Exchange**

The Bank respectfully announces that it is considering an offering and listing for trade on the Tel Aviv Stock Exchange Ltd. ("TASE") of ordinary shares of the Bank by book building process to Institutional Investors (as such term is defined in the Offering of Securities (Manner of Offering Securities to the Public) Regulations, 5767-2007 ("**Offering Manner Regulations**"), including Institutional Investors outside of Israel, in accordance with regulation 11(a)(1) of the Offering Manner Regulations.

The offering, should it take place, shall be performed in the upcoming days in accordance with a shelf offering report to be published (if published) pursuant to the Bank's shelf prospectus published 26 May 2021 (ref. no: 2021-01-090921) ("**Shelf Offering Report**").

According to the Bank's estimates the total scope of the offering, should it take place, is expected to be ILS ~2 billion.

The Bank is considering the offering on the backdrop of the significant growth of the Bank over the recent quarters, and its desire to continue the growth, while focusing on mid-market, mortgages and credit for businesses. The offering proceeds will also strengthen the regulatory capital of the Bank, and will enable it to continue its growth strategy and maximizing value to its shareholders.

Citigroup Global Markets Limited acts as global coordinator, Barclays Bank PLC and Jefferies LLC, are co-bookrunners, Leumi Partners Ltd. are acting as Israeli distributors, and Leaders Underwriting are acting as underwriters of the Offering.

It is clarified that as of the date of this immediate report there is no certainty regarding the performance of the offering, its structure, timing, scope and/or terms. Publishing the Shelf Offering Report and performing the offering, should it take place, are subject, among others, to the discretion of the Bank, the existence of suitable market conditions and obtaining all approvals required under law, including approval of the Bank's board of directors and TASE approval for listing the securities to be offered.

It is clarified that this report does not create any obligation on the Bank to carry out the **offering**, and nothing herein shall constitute an offer to the public or invitation to purchase securities of the Bank.

Further to the statements in the financial reports of the Bank for Q1 2022,¹ the Bank would like to update that since publishing the quarterly report the significant downward trend in the markets, and rising interest rates have continued. The impact on bonds available for sale compared to March 31, 2022, is estimated, near the time of publishing this immediate report, as a decrease in capital reserve of ILS ~ 1.2billion, net of tax. The decrease in pension liabilities compared to March 31, 2022, is estimated, near the time of publishing this immediate report, at ILS ~1.4 billion, net of tax. It is noted that the decrease in bond value is attributed to regulatory capital immediately, while the positive impact on pension liabilities due to interest increase is attributed to regulatory capital over eight quarters. In this regard it should be noted that if the expectations regarding the interest rates represented in market prices will materialize, including the growth in the credit portfolio, it is expected that income from interest rates will significantly increase.

It is noted that the aforementioned figures are only an estimate, they have not yet been audited or reviewed by the Bank's accountants. The estimate may change, *inter alia*, as a result of financial data processing and analysis conducted for purpose of preparing the Bank's financial statements for Q2 2022 and as a result of changes in market conditions until the end of the quarter.

There will be a conference call held in English for institutional investors on June 22, 2022 at 3pm Israel time, accessible via the following details:

https://openexc.zoom.us/webinar/register/WN_i4fjI6MYRg-OEvzerYMKGg

Meeting ID: 999 1311 6269

Passcode: 034579

The Bank's assessments in relation to the possible effects of the issue as stated above, constitute forward-looking information, as defined in the Securities Law, 1968. These assessments are based on data and forecasts held by the Company as of the date of the report, and may not materialize or may materialize in another manner and scope than the Company's expectations, *inter alia* as a result of developments in the macroeconomic condition and in the Israeli and global markets.

This announcement does not constitute an offer for sale of, or a solicitation of an offer to purchase or subscribe for, any securities in the United States. No securities of the Company have been registered under the U.S. Securities Act of 1933, as amended, and the Company does not intend to register any of the securities in the United States or to conduct a public offering of the securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration.

¹ As published by the Bank on 24 May 2022 (ref. no: 2022-01-062983).

Sincerely,

Bank Leumi le-Israel B.M.

**By: Mr. Omer Ziv, Head of the Finance and
Accounting Division**