

July 14, 2019

To:
The Tel Aviv Stock Exchange
(TASE)
2 Ahuzat Bayit Street
Tel Aviv 6525216

To:
The Israel Securities
Authority (ISA)
22 Kanfei Nesharim
Street
Jerusalem 95464

Dear Sir/Madam,

Re: **Notice of the results of exchange tender offers pursuant to a shelf offering report (which also constitutes a tender offer specification)**

Pursuant to Section 30 of the Securities Law, 1968, and the Securities (Notice of the Results of Offering in a Prospectus) Regulations, 1969, the Bank is hereby announcing the results of exchange tender offers offered to the holders of Subordinated Capital Notes (Series 201) (hereinafter: "**Series 201 Capital Notes**") and the holders of Subordinated Bonds (Series N) (hereinafter: "**Series N Subordinated Bonds**"), pursuant to a shelf offering report of the Bank (which also constitutes a tender offer specification) (amended), published on July 9 2019 (Ref. No: 2019-01-070048) (hereinafter: the "**Tender Offers**" and the "**Shelf Offering Report**", respectively). All of the following expressions shall have the same meaning as in the Shelf Offering Report.

1. Pursuant to the Shelf Offering Report, the Bank offered all holders of Series 201 Capital Notes to purchase from them the entire quantity of the Series 201 capital notes held by them, by way of an exchange tender offer, unlimited in quantity, in exchange for the issue of units each of which includes NIS 50,000 par value Subordinated Bonds (Series 404) (hereinafter: "**Series 404 Subordinated Bonds**" and "**Series 404 Units**", respectively), as detailed in the Shelf Offering Report, according to an exchange ratio of 50,000: 49,262, such that for each NIS 49,262 par value Series 201 Capital Notes purchased by the Bank pursuant to the Shelf Offering Report, the Bank shall issue eligible parties pursuant to the Offering Report one Series 404 Unit, all as specified in the Shelf Offering Report.
2. The Bank also offered all the holders of Series N Subordinated Bonds to purchase from them the entire amount of the Series N Subordinated Bonds held by them, by way of an exchange tender offer, unlimited in quantity, in exchange for the issuance of Series 404 Units, at an exchange ratio of 50,000: 44,445, such that for each NIS 44,445 par value of Series N Subordinated Bonds purchased by the Bank pursuant to the Shelf Offering Report, the Bank will issue the eligible parties pursuant to the Offering Report one Series 404 Unit, all as specified in the Shelf Offering Report.
3. Following are the results of the Tender Offers:
 - 3.1. In the Exchange Tender Offer for the holders of the Series N Subordinated Bonds, the participants had sent acceptance notices for the exchange of NIS 976,901,100 par value of Series N Subordinated Bonds (which constitute approx. %52.2 of the par value of the outstanding Series N Subordinated Bonds) in 21,980 Series N Subordinated Bonds, which include NIS 1,099,000,000 par value of Series 404 Subordinated Bonds.



- 3.2. In the Exchange Tender Offer for the holders of Series N Subordinated Bonds, the participants had sent acceptance notices for the exchange of NIS 139,854,818 par value of Series 201 Subordinated Bonds (which constitute approx. 14.7% of the par value of the outstanding Series 201 Subordinated Bonds) in 2,839 Series 404 Units, which include NIS 141,950,000 par value of Series 404 Subordinated Bonds.
- 3.3. The Bank accepted all the above acceptance notices, and allocated to the participants in both tender offers 24,819 Series 404 Units which include NIS 1,240,950,000 par value Series 404 Subordinated Bonds.
4. For more information regarding the manner of allocating the Series 404 Units and their listing for trade as part of the exchange of Series 201 Capital Notes and Series N Subordinated Bonds, *mutatis mutandis*, please see Sections 6 and 8 of the Offering Report. The Series 201 Capital Notes and Series N Subordinated Bonds to be purchased in accordance with the tender offers shall be canceled and delisted from the Stock Exchange.
5. The annual interest rate on the Subordinated Bonds (Series 404) is 1.95%. The annual interest rate on the Subordinated Bonds (Series 404) (for the period which shall begin on July 14 2019 and end on September 29 2020) is 2.37205%. The benchmark interest rate on the issuance date of the Subordinated Bonds is -0.586).
6. The Bank is grateful to the holders of the Series 201 Capital Notes and the holders of the Series N Subordinated Bonds for their acceptance of the exchange tender offers.

Respectfully,

Bank Leumi of Israel Ltd.

Omer Ziv, Head of Finance Division

Ronen Agassi, Head of the Capital Markets Division

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 shall prevail.