

January 9, 2023

To  
The Tel Aviv Stock Exchange  
2 Ahuzat Bayit Street  
Tel Aviv 6525216

To  
Israel Securities Authority  
22 Kanfei Nesharim Street  
Jerusalem 95464

Re: **Possible Issue of "Green" Notes to Institutional Investors**

1. Bank Leumi le-Israel B.M. (the "**Bank**") is pleased to announce that it is examining the possibility of issuing "green" notes with a mechanism for absorbing capital loss by compulsory conversion into ordinary shares of the Bank ("CoCos") in accordance with Proper Conduct of Banking Business Directive No. 202 (the "**Notes**"), which shall be 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, and all according to market conditions and subject to the Bank's discretion (the "**Issue**").
2. The Bank intends to use the net proceeds of the Issue or an equivalent amount (should the Notes be issued) for financing or re-financing, in whole or in part, Eligible Green Projects, as defined in the framework document which will be published on the Bank's website. This framework document aligns with the international standard as confirmed by Standard & Poor's in its Second Party Opinion, which will also be published on the Bank's website. The Issue forms part of the Bank's ESG strategy, pursuant to which the Bank aims to increase the amount of available funding and investment for green environmental projects to approximately NIS 35 billion by 2030.
3. The Notes, if issued, shall be listed on TASE-UP of the Tel Aviv Stock Exchange Ltd. ("**TASE**"), subject to obtaining TASE's approval.
4. The Issue, if carried out, shall be assisted by Citigroup as global coordinator and sole green structuring bank, and Barclays, J.P. Morgan, Jefferies and UBS Investment Bank as joint bookrunners. Leumi Partners shall be distributors in Israel.
5. **It is clarified that as of the date of this immediate report, no date has been set for the Issue and there is no certainty with respect to carrying out the Issue, its scope and/or terms. Performance of the Issue, if at all, is subject to the Bank's discretion, the existence of suitable market conditions and obtaining all legally required approvals, among others.**
6. The Bank shall report on the results of the Issue pricing towards its completion, should the Issue reach the pricing stage.
7. Nothing in this report shall create any obligation on the Bank to carry out the Issue, and nothing in this report shall constitute an offer to the public or invitation to purchase securities of the Bank in Israel or abroad.

8. It is clarified that the Notes shall not be offered, sold, delivered or listed in any jurisdiction outside of Israel - except as set forth in section 9 below.
9. The following clarifications and warnings are by virtue of securities laws that apply outside of Israel and are meant for investors outside of Israel, and are therefore included herein in the English language:

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10. It is clarified that any rating report 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.

Sincerely,

**Bank Leumi le-Israel B.M.**

By: Omer Ziv

First Executive Vice President and Chief  
Financial Officer