

Translation of Immediate Report

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Public

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.EinShay@bll.co.il

20 February 2019

Reference: 2019-01-014836

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

Immediate Report

Nature of Event: Sale of Bank Leumi Romania

Reference numbers of earlier reports concerning this issue: 2018-01-001591 2018-01-052023

See Annex attached hereto [Immediate Report Leumi Romania 190219.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 event or matter: 19 February 2019, at 15:01.

Name of Electronic Reporter: Livnat Libby Wilder, Position: Secretary of the Bank
34 Yehuda Halevi Street, Tel Aviv 6513616, Phone: 076-8859419, Facsimile: 076-8859732
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20 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: **Sale of Bank Leumi Romania**

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

1. In the Immediate Report published by the Bank on 14 June 2018 (Reference No. 2018-01-052023), the Bank reported the entry into an agreement with Argo Financial Funds Limited, a fund in the ARGO group ("**ARGO**"), concerning the sale of all the Bank's holdings in Bank Leumi Romania S.A. ("**Leumi Romania**"), a subsidiary of the Bank, in which the Bank holds 99.91% of the shares ("**the Agreement**").
2. The completion of the transaction was subject to a number of conditions precedent, including regulatory approvals, the main one of which was the grant to ARGO of a control permit by the Romanian Bank Supervision Department.
3. The final date for satisfaction of the conditions precedent has passed, and the Romanian central bank has not yet given ARGO a control permit, which is one of the conditions precedent. The Bank has sought clarification from the Romanian central bank and it appears that the matter of whether the permit will be granted or how long it will be before it will be granted is not known.
4. In light of the above, and given that the final date established by the Bank and ARGO for satisfaction of the conditions precedent has passed, the Bank has notified ARGO that the agreement has expired, and the Bank is examining the possibility of contracting with another party for the sale of its holdings in Leumi Romania. In this framework, the Bank has received offers from a number of parties and the Bank has decided to continue with negotiations with one of them. This party has been given an opportunity to conduct a due diligence review and has been given an exclusivity period with respect to entry into an agreement for the purchase of Leumi Romania. As was reported in the original Immediate Report, the execution of the transaction is not expected to have a significant impact on the Bank's financial results. Consequently, its non-execution is also not expected to have a significant impact. The entry into a new contract, if one is signed, is also not expected to have a significant impact on the Bank's financial results.

Sincerely,

Bank Leumi le-Israel BM

By:

Hanan Friedman, Head of the Strategy and Regulation Division