

Bank Leumi le-Israel B.M.

(hereinafter – the “**Bank**” or the “**Company**”)

Shelf Offering Report

Pursuant to a shelf prospectus of the Bank dated May 27 2021 (hereinafter - the “**Shelf Prospectus**”), and in accordance with the provisions of the Securities Regulations (Shelf Offering of Securities), 2005 (hereinafter – the “**Shelf Offering Regulations**”), the Bank is hereby publishing a Shelf Offering Report for the issuance and listing on the Tel Aviv Stock Exchange Ltd. (hereinafter – the “**Stock Exchange**”) of the securities set forth below (hereinafter - the “**Shelf Offering Report**”).

1. The offered securities

1.1 Series 179 Bonds offered by way of a series expansion

- 1.1.1 Up to NIS 1,316,389,000 PV of Series 179 registered bonds of the Bank of NIS 1 PV each, bearing fixed annual interest of 0.83% (hereinafter – the “**Series 179 Bonds**”), offered to the public by way of an expansion of a traded series that was first listed for trading on the TASE under a Shelf Offering Report dated June 19, 2018 by virtue of a Shelf Prospectus of the Bank dated May 25, 2018 (hereinafter – the “**First Offering Report of Bonds 179**”). The Series 179 Bonds are offered by way of a tender on the unit price, as detailed in Section 2.1 below.
- 1.1.2 The principal of the Series 179 Bonds will be repaid in two equal installments on June 30, 2024 and on June 30, 2026, such that each of the payments will be at a rate of 50% of the Bond principal.
- 1.1.3 The principal and interest of the Series 179 Bonds shall be linked to the Consumer Price Index published on June 15 2018 in respect of May 2018 (hereinafter - the “**Basic Index for Bonds 179**”). If it transpires on the date of any payment of principal or interest, as the case may be, that the payment index has increased or decreased compared to the Basic Index for Bonds 179, the Bank will increase or decrease the payment of principal or interest, proportionately to the rate of increase or decrease of the payment index compared to the Basic Index for Bonds 179. It should be noted that pursuant to the Stock Exchange’s guidelines, the linkage method of the principal and interest shall not change throughout the term of the Series 179 Bonds.

- 1.1.4 The interest is paid to Series 179 Bond Holders annually, on June 30 of each of the years 2019 through 2026 (inclusive), in respect of the twelve-month period ended on the day preceding the payment date so that the first interest payment was paid on June 30, 2019 and the last payment will be paid together with the last principal payment on June 30, 2026.
 - 1.1.5 The interest payments in respect of the Series 179 Bonds that were paid to the Bond Holders up to the date of the Shelf Offering Report will not be paid in respect of the Series 179 Bonds that will be issued according to this Shelf Offering Report.

Accordingly, the purchasers of the bonds offered under the Shelf Offering Report will be entitled to a first interest payment in respect of the Series 179 Bonds on June 30, 2022 at a rate of 0.83%.
 - 1.1.6 For more information regarding the rating of the Series 179 Bonds, please see Section 11 below.
 - 1.1.7 For more information regarding the terms and conditions of the Series 179 Bonds, please see Section 5.1 below.
 - 1.1.8 The Series 179 Bonds shall be registered in the name of Bank Leumi le-Israel B.M. Nominee Company Ltd.
- 1.2 Series 182 Bonds offered by way of a series expansion
- 1.2.1 Up to NIS 1,911,204,000 PV of Series 182 registered bonds of the Bank of NIS 1 PV each, bearing annual interest of 0.1% (hereinafter – the “**Series 182 Bonds**”), offered to the public by way of an expansion of a traded series that was first listed for trading on the TASE under a Shelf Offering Report dated November 25, 2021 by virtue of a Shelf Prospectus (hereinafter – the “**First Offering Report of Bonds 182**”). The Series 182 Bonds are offered by way of a tender on the unit price, as detailed in Section 2.2 below.
 - 1.2.2 The principal of the Series 182 Bonds will be repaid in one lump sum on November 25, 2027.
 - 1.2.3 The principal and interest of the Series 182 Bonds shall be linked to the Consumer Price Index published on November 15 2021 in respect of October 2021 (hereinafter - the “**Basic Index for Bonds 182**”). If it transpires on the date of any payment of principal or interest, as the case may be, that the payment index has increased or decreased compared to the Basic Index for Bonds 182, the Bank will increase or decrease the payment of principal or interest, proportionately to the rate of increase or decrease of the payment index compared to the Basic Index

for Bonds 182. It should be noted that pursuant to the Stock Exchange's guidelines, the linkage method of the principal and interest shall not change throughout the term of the Series 182 Bonds.

- 1.2.4 The interest is paid to the Series 182 Bond Holders annually, on November 25 of each of the years 2022 to 2027 in respect of the twelve-month period ended on the day preceding the payment date, so that the first interest payment will be paid on November 25, 2022 and the last payment will be paid together with the last principal payment on November 25, 2027.
 - 1.2.5 The date of the first interest payment in respect of the Series 182 Bonds has not yet come to pass and accordingly, the purchasers of the bonds offered under the Shelf Offering Report will be entitled to a first interest payment in respect of the Series 182 Bonds, as defined in the First Offering Report of Bonds 182, on June 25 at a rate of 0.0989%.
 - 1.2.6 For more information regarding the rating of the Series 182 Bonds, please see Section 11 below.
 - 1.2.7 For more information regarding the terms and conditions of the Series 182 Bonds, please see Section 5.2 below.
 - 1.2.8 The Series 182 Bonds shall be registered in the name of Bank Leumi le-Israel B.M. Nominee Company Ltd.
- 1.3 The terms and conditions of the Series 179 Bonds and the Series 182 Bonds offered under the Shelf Offering Report are the same as the terms and conditions of the Series 179 Bonds and the Series 182 Bonds, as described in the First Offering Report of Bonds 179 and in the First Offering Report of Bonds 182, respectively. The Series 179 Bonds and the Series 182 Bonds issued under the Shelf Offering Report will constitute, in relation to each of the above series, starting from the date of their listing on the TASE, one series for all intents and purposes together with the Series 179 Bonds and the Series 182 Bonds, respectively, that were registered for trading and offered by the Bank to the public in the past.
 - 1.4 The Series 179 Bonds and the Series 182 Bonds offered under this Shelf Offering Report will also be called, collectively, the "**Offered Securities**".

2. Manner of offering the securities

It is hereby clarified that the tender for the purchase of Series 179 Bonds and the tender for the purchase of Series 182 Bonds are separate and independent of each other (hereinafter jointly or severally, as applicable: the "**Tender**" or the "**Tenders**"). The bids as part of the said Tenders shall be placed separately, and are not conditioned and dependent on each other; the results of the

issuance shall be determined separately for each such Tender. Accordingly, should one of the aforementioned tenders be canceled, the securities offered as part of this tender shall not be allocated or listed for trading on the Stock Exchange, but this shall not result in the cancellation of the other tender in accordance with the Shelf Offering Report.

2.1 Series 179 Bonds – uniform offering by way of tender on the unit price (Tender No.: 6040513)

Up to NIS 1,316,389,000 p.v. of Series 179 Bonds are offered to the public by way of a uniform offering as defined in the Securities Regulations (Manner of Offering Securities to the Public), 2007 (hereinafter - the “**Uniform Offering**” and the “**Public Offering Regulations**”, respectively), in 1,316,389 units, with each unit comprising NIS 1,000 p.v. of Series 179 Bonds (hereinafter - the “**179 Bonds Units**” or the “**Bond Units (Series 179)**”), by way of unit price tender (hereinafter - the “**179 Bonds Tender**”) at a minimum price per unit of NIS 1,120 (hereinafter - the “**Minimum Unit Price of Series 179 Bonds**”).

The applicant shall state on his application the number of Bonds 179 units he wishes to purchase in the tender and the Unit Price offered, which shall not be less than the Minimum Unit Price of Series 179 Bonds.

A bid for the purchase of Units that will be submitted as part of the Tender, with the unit price stated therein being lower than the Minimum Unit Price, shall be deemed not to have been submitted.

As part of the Tender, each bidder may submit up to three (3) subscriptions with different unit prices, non of which shall be lower than the Minimum Unit Price, and denominated in increments of NIS 0.5, that is to say - NIS 1,120, NIS 1,120.5, NIS 1,121, etc. A unit price in the bid that is not equal to one of the price increments will be rounded downwards to the nearest price increment.

2.2 Series 182 Bonds – uniform offering by way of tender on the unit price (Tender No.: 6040521)

Up to NIS 1,911,204,000 p.v. of Series 182 Bonds are offered to the public by way of a Uniform Offering as defined in the Public Offering Regulations, in 1,911,204 units, with each unit comprising NIS 1,000 p.v. (hereinafter - the “**182 Bonds Units**” or the “**Bond Units (Series 182)**”), by way of unit price tender (hereinafter - the “**182 Bonds Tender**”) at a minimum price per unit of NIS 1,075 (hereinafter - the “**Minimum Unit Price of Series 182 Bonds**”).

The applicant shall state on his application the number of Bonds 182 units he wishes to purchase in the tender and the Unit Price offered, which shall not be less than the Minimum Unit Price of Series 182 Bonds.

A bid for the purchase of Units that will be submitted as part of the Tender, with the unit price stated therein being lower than the Minimum Unit Price, shall be deemed not to have been submitted.

As part of the Tender, each bidder may submit up to three (3) subscriptions with different unit prices, non of which shall be lower than the Minimum Unit Price, and denominated in increments of NIS 0.5, that is to say - NIS 1,075, NIS 1,075.5, NIS 1,076, etc. A unit price in the bid that is not equal to one of the price increments will be rounded downwards to the nearest price increment.

- 2.3 The period for submitting bids for the Units being offered to the public pursuant to the Shelf Offering Report will commence on Wednesday, January 13 2022 (hereinafter – the “**Tender Date**”) at 09:30 AM (hereinafter – the “**Commencement of the Period for Submitting of Bids**”) and will end on the same day at 16:30 o’clock (hereinafter – the “**Time of Closing the List of Subscriptions List**”), provided that at least seven (7) hours will have elapsed from the time of publication of the Shelf Offering Report until the end of the period of the submission of bids, of which at least five (5) are to be Stock Exchange trading hours.
- 2.4 Each bid for the purchase of the Units being offered in the tender is to be submitted to the Bank through Israeli Securities Department of Bank Leumi le-Israel B.M., whose address is 35 Yehuda Halevi Street, Tel Aviv (hereinafter - the “**Offering Coordinator**”), or through branches of the Bank or other members of the Stock Exchange. (hereinafter - the “**Parties Authorized to Receive Bids**”), no later than the Time of Closing the List of Subscriptions List, using forms that can be obtained from the Parties Authorized to Receive Bids.
- 2.5 A bidder that has submitted a bid may retract his bid up to the end of the period for submitting bids, i.e., until the Time of Closing the List of Subscriptions List.
- 2.6 Each bid submitted to a Party Authorized to Accept Bids on the Tender Date will be considered as being submitted on the same day, if received by the Party Authorized to Accept Bids by the Closing Time of Subscriptions List and provided that it is delivered to the Offering Coordinator by the Party Authorized to Accept Bids, and received by the Offering Coordinator, by the end of one hour from the Closing Time of the Subscriptions List (hereinafter – the “**Deadline for Submission to the Coordinator**”). A Bid submitted to the Offering Coordinator after the Latest Time for Submitting to the Coordinator shall not be accepted by the Bank.
- 2.7 For more information about the manner of offering the Offered Securities and submitting the bids to purchase the offered units, the Tenders’ procedures, the publication of the their results, the payment of consideration in respect of the Offered Securities, the manner of

determining the unit prices in the Tenders, the allocation of the units and the listing of the Offered Securities, please see Section 1.3 (“Submitting bids in the Tender stage”), 1.4 (“The Tender procedures”), Section 1.5 (“Determining the unit price and allocating the units to bidders”), Section 2 (“Notice regarding the results of the offering”), Section 3 (“The special account and allocation of the units”) and Section 4 (“Approval of listing of the Offered Securities”), respectively to **Appendix A** to this Shelf Offering Report.

3. **Qualified investors**¹

3.1 **Series 179 Bonds**

3.1.1 Of the Bonds Units 179 being offered to the public under this Shelf Offering Report, regarding 1,205,926 Units of Series 179 Bonds, constituting approximately 91.6% of the total Units of Series 179 Bonds being offered to the public in accordance with the Shelf Offering Report, advance purchase undertakings were given to the Bank by Qualified Investors, as defined in Regulation 1 of the Public Offering Regulations; the names of these Qualified Investors are listed in Section 3.1.3 below, whereby the Qualified Investors will submit bids for the purchase of Units as set forth in Section 3.1.3 below.

3.1.2 **In Section 3.1.2, the terms listed below shall have the meaning set out opposite them:**

“Balance Remaining for Distribution” - the number of units offered in the Tender net of the number of units for which bids were submitted with a unit price higher than the unit price to be set in the Tender.

“Oversubscription” – the ratio between the number of securities in respect of which bids were made at the unit price determined in the tender and the Outstanding Number of Units for Distribution, provided that this is more than one.

In accordance with the Public Offering Regulations, in the event of oversubscription, the allocation to Qualified Investors will be as follows:

(a) Where the oversubscription does not exceed 5, each Qualified Investor will be allocated 100% of the quantity it had undertaken to purchase.

¹ A **“Qualified Investor”** is any of the following - (1) a portfolio manager, as defined in Section 8(b) of the Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management Law, 1995, who makes discretionary purchases on behalf of a client; (2) a corporation that is wholly-owned by one or more Qualified Investors, who makes purchases for itself or for another Qualified Investor; (3) an investor listed in Section 15a(b)(2) of the Securities Law, 1968; (4) an investor listed in Sections (1) through (9) or (11) of the First Schedule of the Securities Law, who makes purchases for itself. Furthermore, a Qualified Investor must undertake to purchase securities at a scope of at least NIS 800,000.

- (b) Where the oversubscription exceeds 5, each Qualified Investor will be allocated 50% of the quantity it had undertaken to purchase.
- (c) If the Outstanding Number of Units for Distribution is insufficient to make the aforesaid allocation, then the Outstanding Number of Units for Distribution will be allocated to the Qualified Investors in accordance with the proportionate share of each advance purchase undertaking out of the total advance purchase undertakings that were submitted with the same price per unit. For the purpose of determining the unit price in the tender, the bids of the Qualified Investors shall be considered as bids submitted by the public.
- (d) The allocation of the offered bonds to the Qualified Investors shall be carried out in accordance with the unit price to be set in the Tender.

Where there is no oversubscription, bids from the Qualified Investors will be treated as bids submitted by the public for the purpose of distributing the Units to bidders.

- 3.1.3 Each of the Qualified Investors listed below has undertaken - under advance undertaking to purchase Bonds Units 179 offered in accordance with this Shelf Offering Report - to submit bids for the purchase Series 179 Bonds at a unit price that will not be lower than the unit price set out in the table below:

	Name of qualified investor	How it meets the definition of a qualified investor	Price per unit (NIS)	No. of units - Series 179 Bonds
1.	Arbitrage Global LP	Corporation with capital of NIS 50 million	1,130	8,500
2.	Arbitrage Global LP	Corporation with capital of NIS 50 million	1,120	4,000
3.	HAZAVIM BOND LP. CO-107905 CAYMAN ISLANDS	Corporation with capital of NIS 50 million	1,121	3,000
4.	Vertical LP co-89181 Cayman Islands	Corporation with capital of NIS 50 million	1,122	15,000
5.	Vertical LP co-89181 Cayman Islands	Corporation with capital of NIS 50 million	1,120	10,000
6.	A-To-Z Finance Ltd.	Corporation with capital of NIS 50 million	1,125	22,500
7.	Orcom Strategies Ltd.	Corporation with capital of NIS 50 million	1,123	10,000
8.	Orcom Strategies Ltd.	Corporation with capital of NIS 50 million	1,121	15,000
9.	Orcom Strategies Ltd.	Corporation with capital of NIS 50 million	1,120	10,000
10.	Ayalon Mutual Funds Ltd.	Mutual fund	1,125	24,000

	Name of qualified investor	How it meets the definition of a qualified investor	Price per unit (NIS)	No. of units - Series 179 Bonds
11.	Ayalim Mutual Funds Ltd.	Mutual fund	1,126	6,620
12.	Aloha Global Opportunities LP	Corporation with capital of NIS 50 million	1,124	18,000
13.	Aloha Global Opportunities LP	Corporation with capital of NIS 50 million	1,120.5	17,000
14.	Altshuler Shaham Netz Limited Partnership	Corporation with capital of NIS 50 million	1,120	3,000
15.	Ametrine 2 Limited Partnership	Corporation with capital of NIS 50 million	1,123	1,000
16.	Ametrine 2 Limited Partnership	Corporation with capital of NIS 50 million	1,121	6,000
17.	Ametrine Limited Partnership	Corporation with capital of NIS 50 million	1,123	16,000
18.	Ametrine Limited Partnership	Corporation with capital of NIS 50 million	1,121	52,000
19.	Best Invest - Yelin Lapidot	Mutual fund	1,123	7,000
20.	Barak Capital Investments 2006 Ltd.	Corporation with capital of NIS 50 million	1,123	11,000
21.	GFC Green Fields Capital Ltd.	Corporation with capital of NIS 50 million	1,124	5,000
22.	GFC Green Fields Capital Ltd.	Corporation with capital of NIS 50 million	1,122	7,000
23.	GFC Green Fields Capital Ltd.	Corporation with capital of NIS 50 million	1,120	8,000
24.	Gyro Hedge Fund Limited Partnership	Corporation with capital of NIS 50 million	1,130	5,000
25.	Danbar Finance Ltd.	Corporation with capital of NIS 50 million	1,125	1,800
26.	Danbar Finance Ltd.	Corporation with capital of NIS 50 million	1,123	2,700
27.	The Phoenix Insurance Company Ltd.	Insurance company	1,122	10,000
28.	Harel Traded Indexes Ltd.	Corporation with capital of NIS 50 million	1,121	1,500
29.	Hazavim Limited Partnership	Corporation with capital of NIS 50 million	1,121	6,000
30.	Yelin Lapidot Provident Funds Management Ltd.	Provident fund / pension fund	1,123	75,000
31.	Yelin Lapidot Provident Funds Management Ltd.	Provident fund / pension fund	1,122	75,000
32.	Clal Insurance Company Ltd. for institutional investors under its control	Insurance company	1,123	150,000
33.	Masterplan Delta Opportunities L.P.	Corporation with capital of NIS 50 million	1,121	1,400

	Name of qualified investor	How it meets the definition of a qualified investor	Price per unit (NIS)	No. of units - Series 179 Bonds
34.	Migdal Market Making Ltd.	Corporation with capital of NIS 50 million	1,150	1,100
35.	Migdal Mutual Funds Ltd.	Mutual fund	1,125	18,967
36.	More Provident Funds Ltd.	Provident fund / pension fund	1,126	50,000
37.	More Provident Funds Ltd.	Provident fund / pension fund	1,122	50,000
38.	Mahog - Israel Electricity Company Pension Fund Management Ltd.	Provident fund / pension fund	1,123	6,000
39.	Meitav Dash Provident Funds and Pension Ltd.	Provident fund / pension fund	1,121.5	150,000
40.	Meitav Tachlit Mutual Funds Ltd.	Mutual fund	1,122	1,645
41.	Meitav Tachlit Mutual Funds Ltd.	Mutual fund	1,121.5	1,594
42.	Milestone Capital Limited Partnership	Corporation with capital of NIS 50 million	1,131	50,000
43.	Milestone Capital Limited Partnership	Corporation with capital of NIS 50 million	1,125	50,000
44.	Menora Mivtachim Holdings Ltd.*	Insurance company	1,122.5	2,000
45.	Menora Mivtachim non-government bonds basket marketable in Israel*	Insurance company	1,122	50,000
46.	Menora Mivtachim Pension and Provident Funds Ltd.*	Mutual fund	1,122.5	2,000
47.	Forest Mutual Funds Ltd.	Mutual fund	1,120.5	2,240
48.	Fidelity Venture Capital Ltd.	Corporation with capital of NIS 50 million	1,126	5,555
49.	Fidelity Venture Capital Ltd.	Corporation with capital of NIS 50 million	1,123	2,555
50.	Psagot Mutual Funds Ltd.	Mutual fund	1,126	1,210
51.	Psagot Mutual Funds Ltd.	Mutual fund	1,124	39,690
52.	Proxima Investment Management Ltd.	Portfolio manager	1,122	17,000
53.	Proxima Investment Management Ltd.	Portfolio manager	1,120.5	19,750
54.	KSM Financial Instruments Ltd.	Mutual fund	1,130	12,000
55.	KSM Mutual Funds Ltd.	Mutual fund	1,122	53,600
56.	RIL Spirit Management & Investments Ltd.	Corporation with capital of NIS 50 million	1,122.5	6,000
57.	RIL Spirit Management & Investments Ltd.	Corporation with capital of NIS 50 million	1,120	5,000
	<u>Total</u>			1,205,926

(*) Distributor in the offering or a Qualified Investor related to a distributor in the offering.

- 3.1.4 Receipt of advance undertakings from the Qualified Investors prior to the publication of the Shelf Offering Report was carried out in accordance with the rules prescribed in the Public Offering Regulations.
- 3.1.5 The Qualified Investors may bid for a number of Units that exceeds the number of Units specified in their advance undertaking; however, bids for surplus Units will not be considered as bids submitted by Qualified Investors for the purpose of the Shelf Offering Report, but rather as bids submitted by the public for all intents and purposes.
- 3.1.6 The consideration to be paid by the Qualified Investors will be transferred to the Offering Coordinator through members of the Stock Exchange on the first day of trading after the Tender Date, by 12:30 PM, and will be deposited by the Offering Coordinator in a special account as defined in Section 3 to **Appendix A** of this Shelf Offering Report.
- 3.1.7 The Qualified Investors will be entitled to receive an advance undertaking fee at a rate of 0.35% of the total consideration that will be received in respect of the Series 179 Bonds Units in relation to which the Qualified Investors have undertaken to submit bids as part of the advance undertaking.
- 3.1.8 On the Tender Date (through the end of the period for submitting the bids), a Qualified Investor may raise the price per unit, which he specified in the advance undertaking to purchase the offered Bonds Units 179 in price increments of 0.5%, by giving written notice to the Offering Coordinator, which is to be delivered to him by the Time of Closing the List of Subscriptions List).
- 3.2 **Series 182 Bonds**
- 3.2.1 Of the Units of Bonds 182 being offered to the public under this Shelf Offering Report, regarding 1,769,132 Units of Series 182 Bonds, constituting approximately 92.56% of the total Units of Series 182 Bonds being offered to the public in accordance with the Shelf Offering Report, advance purchase undertakings were given to the Bank by Qualified Investors, as defined in Regulation 1 of the Public Offering Regulations; the names of these Qualified Investors are listed in Section 3.2.3 below, whereby the Qualified Investors will submit bids for the purchase of Units as set forth in Section 3.2.3 below.
- 3.2.2 In Section 3.2.2, the terms listed below shall have the meaning set out opposite them:
- “**Balance Remaining for Distribution**” - the number of units offered in the Tender net of the number of units for which bids were submitted with a unit price higher than the unit price to be set in the Tender.

“Oversubscription” – the ratio between the number of securities in respect of which bids were made at the unit price determined in the tender and the Outstanding Number of Units for Distribution, provided that this is more than one.

In accordance with the Public Offering Regulations, in the event of oversubscription, the allocation to Qualified Investors will be as follows:

- (a) Where the oversubscription does not exceed 5, each Qualified Investor will be allocated 100% of the quantity it had undertaken to purchase.
- (b) Where the oversubscription exceeds 5, each Qualified Investor will be allocated 50% of the quantity it had undertaken to purchase.
- (c) If the Outstanding Number of Units for Distribution is insufficient to make the aforesaid allocation, then the Outstanding Number of Units for Distribution will be allocated to the Qualified Investors in accordance with the proportionate share of each advance purchase undertaking out of the total advance purchase undertakings that were submitted with the same price per unit. For the purpose of determining the unit price in the tender, the bids of the Qualified Investors shall be considered as bids submitted by the public.
- (d) The allocation of the offered bonds to the Qualified Investors shall be carried out in accordance with the unit price to be set in the Tender.
- (e) Where there is no oversubscription, bids from the Qualified Investors will be treated as bids submitted by the public for the purpose of distributing the Units to bidders.

3.2.3 Each of the Qualified Investors listed below has undertaken - under advance undertaking to purchase Bonds 182 Units offered in accordance with this Shelf Offering Report - to submit bids for the purchase Series 182 Bonds at a unit price that will not be lower than the unit price set out in the table below:

	Name of qualified investor	How it meets the definition of a qualified investor	Price per unit (NIS)	No. of units - Series 182 Bonds
1.	Arbitrage Global LP	Corporation with capital of NIS 50 million	1,081	15,000
2.	Arbitrage Global LP	Corporation with capital of NIS 50 million	1,078	15,000
3.	Arbitrage Global LP	Corporation with capital of NIS 50 million	1,075.5	17,000

	Name of qualified investor	How it meets the definition of a qualified investor	Price per unit (NIS)	No. of units - Series 182 Bonds
4.	HAZAVIM BOND LP. CO-107905 CAYMAN ISLANDS	Corporation with capital of NIS 50 million	1,078	3,100
5.	Milestone Capital (ERGS) LP	Corporation with capital of NIS 50 million	1,088.5	50,000
6.	Milestone Capital (ERGS) LP	Corporation with capital of NIS 50 million	1,082.5	25,000
7.	Vertical LP co-89181 Cayman Islands	Corporation with capital of NIS 50 million	1,081	15,000
8.	Vertical LP co-89181 Cayman Islands	Corporation with capital of NIS 50 million	1,078	10,000
9.	Vertical LP co-89181 Cayman Islands	Corporation with capital of NIS 50 million	1,075.5	10,000
10.	A-To-Z Finance Ltd.	Corporation with capital of NIS 50 million	1,085	33,000
11.	AS Bartman Investments Ltd.	Corporation with capital of NIS 50 million	1,077	6,000
12.	AS Bartman Investments Ltd.	Corporation with capital of NIS 50 million	1,075	4,000
13.	Oporto Distribution of Securities Ltd.	Corporation with capital of NIS 50 million	1,085	10,000
14.	Orcom Strategies Ltd.	Corporation with capital of NIS 50 million	1,080	15,000
15.	Orcom Strategies Ltd.	Corporation with capital of NIS 50 million	1,077	10,000
16.	IBI Amban Investment Management Ltd.	Portfolio manager	1,085	12,742
17.	Ayalim Mutual Funds Ltd.	Mutual fund	1,084	4,050
18.	Aloha Global Opportunities LP	Corporation with capital of NIS 50 million	1,081	22,500
19.	Aloha Global Opportunities LP	Corporation with capital of NIS 50 million	1,075.5	24,000
20.	Altshuler Shaham Netz Limited Partnership	Corporation with capital of NIS 50 million	1,079	2,000
21.	Ametrine 2 Limited Partnership	Corporation with capital of NIS 50 million	1,078	1,000
22.	Ametrine 2 Limited Partnership	Corporation with capital of NIS 50 million	1,076	7,000
23.	Ametrine Limited Partnership	Corporation with capital of NIS 50 million	1,078	16,000
24.	Ametrine Limited Partnership	Corporation with capital of NIS 50 million	1,076	52,000
25.	Analyst IMS Mutual Funds Management (1986) Ltd.	Mutual fund	1,078	6,960

	Name of qualified investor	How it meets the definition of a qualified investor	Price per unit (NIS)	No. of units - Series 182 Bonds
26.	Analyst Provident Funds Ltd.	Provident fund / pension fund	1,078	21,203
27.	Union Bank nostro	Bank	1,075	50,000
28.	Best Invest - Yelin Lapidot	Mutual fund	1,079	3,000
29.	Barak Capital Investments 2006 Ltd.	Corporation with capital of NIS 50 million	1,078	31,000
30.	Barak Capital Investments 2006 Ltd.	Corporation with capital of NIS 50 million	1,076	1,000
31.	GFC Green Fields Capital Ltd.	Corporation with capital of NIS 50 million	1,083	10,000
32.	GFC Green Fields Capital Ltd.	Corporation with capital of NIS 50 million	1,078	13,000
33.	GFC Green Fields Capital Ltd.	Corporation with capital of NIS 50 million	1,075	17,000
34.	Gyro Hedge Fund Limited Partnership	Corporation with capital of NIS 50 million	1,082	5,000
35.	Danbar Finance Ltd.	Corporation with capital of NIS 50 million	1,080	1,800
36.	Danbar Finance Ltd.	Corporation with capital of NIS 50 million	1,075	2,700
37.	The Phoenix Investments and Finances Ltd.	Insurance company	1,078.5	4,000
38.	The Phoenix Investments and Finances Ltd.	Insurance company	1,077	3,000
39.	The Phoenix Investments and Finances Ltd.	Insurance company	1,075	3,000
40.	The Phoenix Investments and Finances Ltd. - nostro	Insurance company	1,080	5,000
41.	The Phoenix Investments and Finances Ltd. - nostro	Insurance company	1,077	5,000
42.	Harel Insurance Company Ltd. - nostro	Insurance company	1,079	56,200
43.	Harel Insurance Company Ltd. - nostro	Insurance company	1,076	50,000
44.	Harel Traded Indexes Ltd.	Corporation with capital of NIS 50 million	1,078	1,500
45.	Hazavim Long Limited Partnership	Corporation with capital of NIS 50 million	1,076	8,000
46.	Hazavim Limited Partnership	Corporation with capital of NIS 50 million	1,076	10,000
47.	Total Opportunity Limited Partnership	Corporation with capital of NIS 50 million	1,078.5	20,000
48.	Yelin Lapidot Provident Funds Management Ltd.	Provident fund / pension fund	1,079	50,000

	Name of qualified investor	How it meets the definition of a qualified investor	Price per unit (NIS)	No. of units - Series 182 Bonds
49.	Yelin Lapidot Provident Funds Management Ltd.	Provident fund / pension fund	1,076	30,000
50.	Yelin Lapidot Mutual Fund Management Ltd.	Mutual fund	1,075.5	68,703
51.	Clal Insurance Company Ltd. for institutional investors under its control	Insurance company	1,079	150,000
52.	Masterplan Delta Opportunities L.P.	Corporation with capital of NIS 50 million	1,078	1,400
53.	Migdal Market Making Ltd.	Corporation with capital of NIS 50 million	1,110	1,100
54.	Migdal Mutual Funds Ltd.	Mutual fund	1,082	4,600
55.	More Provident Funds Ltd.	Provident fund / pension fund	1,084	50,000
56.	More Provident Funds Ltd.	Provident fund / pension fund	1,081.5	50,000
57.	More Provident Funds Ltd.	Provident fund / pension fund	1,076	50,000
58.	Mahog - Israel Electricity Company Pension Fund Management Ltd.	Provident fund / pension fund	1,079	2,000
59.	Meitav Dash Provident Funds and Pension Ltd.	Provident fund / pension fund	1,076	100,000
60.	Meitav Tachlit Mutual Funds Ltd.	Mutual fund	1,080	5,000
61.	Meitav Tachlit Mutual Funds Ltd.	Mutual fund	1,079	1,373
62.	Menora Mivtachim Insurance Ltd.*	Insurance company	1,081.5	20,000
63.	Menora Mivtachim Insurance Ltd.*	Insurance company	1,076.5	20,000
64.	Menora Mivtachim non-government bonds basket marketable in Israel*	Insurance company	1,080	100,000
65.	Amitim Veteran Pension Funds	Provident fund / pension fund	1,082	50,000
66.	Amitim Veteran Pension Funds	Provident fund / pension fund	1,079.5	50,000
67.	Etzioni Value-Based Portfolio Management Ltd.	Portfolio manager	1,081	4,000
68.	Fidelity Venture Capital Ltd.	Corporation with capital of NIS 50 million	1,082	3,255
69.	Final Capital Ltd.	Portfolio manager	1,081	18,546
70.	Final Capital Ltd.	Portfolio manager	1,075	20,190
71.	Psagot Mutual Funds Ltd.	Mutual fund	1,086	1,210
72.	Proxima Investment Management Ltd.	Portfolio manager	1,090	30,000
73.	Proxima Investment Management Ltd.	Portfolio manager	1,079.5	23,500
74.	Proxima Investment Management Ltd.	Portfolio manager	1,077	42,000
75.	KSM Financial Instruments Trade Ltd.	Corporation with capital of NIS 50 million	1,090	3,000

	Name of qualified investor	How it meets the definition of a qualified investor	Price per unit (NIS)	No. of units - Series 182 Bonds
76.	Masterplan Hedge Fund Limited Partnership	Corporation with capital of NIS 50 million	1,076	6,000
77.	RIL Spirit Management & Investments Ltd.	Corporation with capital of NIS 50 million	1,079	5,500
78.	RIL Spirit Management & Investments Ltd.	Corporation with capital of NIS 50 million	1,076	15,000
79.	Shomera Insurance Company Ltd.*	Insurance company	1,081.5	5,000
80.	Shomera Insurance Company Ltd.*	Insurance company	1,076.5	5,000
81.	The Phoenix Marketable Corporate Bonds Partnership	Insurance company	1,078.5	25,000
82.	Phoenix Marketable Corporate Bonds Partnership	Insurance company	1,076.5	25,000
83.	The Phoenix Marketable Corporate Bonds Partnership	Insurance company	1,075.5	25,000
	<u>Total</u>			1,769,132

(*) Distributor in the offering or a Qualified Investor related to a distributor in the offering.

- 3.2.4 Receipt of advance undertakings from the Qualified Investors prior to the publication of the Shelf Offering Report was carried out in accordance with the rules prescribed in the Public Offering Regulations.
- 3.2.5 The Qualified Investors may bid for a number of Units that exceeds the number of Units specified in their advance undertaking; however, bids for surplus Units will not be considered as bids submitted by Qualified Investors for the purpose of the Shelf Offering Report, but rather as bids submitted by the public for all intents and purposes.
- 3.2.6 The consideration to be paid by the Qualified Investors will be transferred to the Offering Coordinator through members of the Stock Exchange on the first day of trading after the Tender Date, by 12:30 PM, and will be deposited by the Offering Coordinator in a special account as defined in Section 3 to **Appendix A** of this Shelf Offering Report.
- 3.2.7 The Qualified Investors will be entitled to receive an advance undertaking fee at a rate of 0.6% of the total consideration that will be received in respect of the Series 182 Bonds Units in relation to which the Qualified Investors have undertaken to submit bids as part of the advance undertaking.

3.2.8 On the Tender Date (through the end of the period for submitting the bids), a Qualified Investor may raise the price per unit, which he specified in the advance undertaking to purchase the offered Bonds 182 Units in price increments of 0.5%, by giving written notice to the Offering Coordinator, which is to be delivered to him by the Time of Closing the List of Subscriptions List).

4. **Additional allocations subsequent to the tender**

No additional allocations of the securities, which are offered pursuant to the Shelf Offering Report, will be made subsequent to the tender to qualified investors and/or to all bidders.

5. **Additional terms and conditions of Offered Securities**

5.1 **Series 179 Bonds**

5.1.1 For information regarding the Series 179 Bonds offered under the Shelf Offering Report, see the First Offering Report of Bonds 179 and the Deed of Trust dated June 19, 2018, which was attached as Appendix A to the First Offering Report of Bonds 179 (hereinafter - the "**Deed of Trust for Series 179**").

5.1.2 The Trustee for the Series 179 Bonds with whom the Bank has engaged in the Deed of Trust for Series 179 is Strauss, Lazer Trustees (1992) Ltd.².

5.1.3 The Series 179 Bonds are not secured by a lien or by any other collateral.

5.1.4 As part of the Series 179 Deed of Trust, it was determined that the Bank will not be entitled to initiate early redemption of the Series 179 Bonds. For details, see Section 7 of the terms and conditions overleaf.

5.1.5 The Deed of Trust to Series 179 includes grounds for immediate repayment. For more information, please see Section 7 to the Deed of Trust for Series 179.

5.2 **Series 182 Bonds**

5.2.1 For information regarding the Series 182 Bonds offered under the Shelf Offering Report, see the First Offering Report of Bonds 182 and the Deed of Trust dated November 24, 2021, which was attached as Appendix A to the First Offering Report of Bonds 182 (hereinafter - the "**Deed of Trust for Series 182**").

5.2.2 The Trustee for the Series 182 Bonds with whom the Bank has engaged in the Deed of Trust for Series 182 is Strauss, Lazer Trustees (1992) Ltd.³

5.2.3 The Series 182 Bonds are not secured by a lien or by any other collateral.

² Following are the details of the contact person with the Trustee: Ori Lazar, tel.: +972-3-6237777, email: ori@slcpa.co.il.

³ See Footnote 2 above.

5.2.4 As part of the Series 182 Deed of Trust, it was determined that the Bank will not be entitled to initiate early redemption of the Series 182 Bonds. For details, see Section 7 of the terms and conditions overleaf.

5.2.5 The Deed of Trust to Series 182 includes grounds for immediate repayment. For more information, please see Section 7 to the Deed of Trust for Series 182.

6. **Tables summarizing relevant information in the Deeds of Trust - Series 179 Bonds**

The following is a summary of information regarding the defense mechanisms set out in the Deed of Trust for Series 179 in relation to the offered Series 179 Bonds, in accordance with the Israel Securities Authority's staff position of August 9, 2020 ("Staff Legal Position 103-41: Summary Disclosure of Defense Mechanisms in Deeds of Trusts") (hereinafter - the "**Authority Position**"):

6.1 Contractual conditions and collateral:

	Section to the Deed / N/A	Summary description	Does the breach give rise to immediate repayment
The Bonds are secured by collateral or other fixed charges.	N/A		
The bonds are secured with a floating and/or current charge	N/A		
Undertaking not to create liens (negative lien)	N/A		
Obligation to meet financial covenants	N/A		
Undertaking to ensure that the Bonds are rated on issuance date: Ensuring that the Bonds are rated over their entire term	14.11	The Bank undertakes that as far as it is concerned, the Bonds will be rated by at least one Rating Agency until their final and absolute repayment.	No
Undertaking for rating of the Bonds by two rating agencies	N/A		
Undertaking not to replace the rating agency over the entire term of the Bonds	N/A		
Restrictions on the creation of additional financial debt	N/A		
Dividend distribution restriction	N/A		
Restrictions on transactions with the controlling shareholders of the Company	N/A		
Restrictions on changes in control	N/A		
Interest-adjustment mechanism in certain circumstances	N/A		

6.2 Grounds for immediate repayment:

	Section to the Deed / N/A	Comments and explanations
Liquidation ruling/ temporary liquidation order/ appointment of a temporary or permanent liquidator	7.1.1	Subject to a 45-day cancellation period from the order's issuance date or the appointment date; (despite the above, the Bank shall not be given any remediation period in respect of petitions/ orders filed or issued, as the case may be, by the Bank or with its consent). Except in cases of liquidation for the purpose of merging with another company. Notwithstanding the foregoing, the Bank will not be given any remediation period if a permanent and peremptory liquidation order is handed down by the court or if a permanent liquidator is appointed for the Bank, or if the Bank passed a voluntary liquidation resolution, and in respect of petitions/orders filed or handed down, as the case may be, by the Bank or with its consent.
Appointment of a receiver (temporary or permanent)	7.1.2	Subject to a 45-day cancellation period from the issuance date of the order to appoint a temporary receiver, or if a temporary receiver is appointed. (Notwithstanding the foregoing, the Bank will not be given any corrective period in respect of petitions or orders obtained or handed down, as applicable, by the Bank or with its agreement).
Application for receivership or an application for the appointment of a receiver (temporary or permanent)	7.1.3	
Placement of an attachment or carrying out an execution office order	7.1.4	Subject to a 45-day cancellation period from the ruling's issuance date; (despite the above, the Bank shall not be given any remediation period in respect of petitions/ orders filed or issued, as the case may be, by the Bank or with its consent).
Fundamental breach	7.1.5	Subject to a corrective period of 14 days.
Payment default or breach of material undertaking	7.1.6	Subject to a corrective period of 14 days.
Breach of specific undertaking - non-publication of financial statements at required date	7.1.7	Unless financial statements were published within the later of 30 days of the last date on which the Bank was required to publish them.
Delisting of the Bonds	7.1.8	
The Bank discontinued its payments or announced its intention to do so.	7.1.9	
Application for an opening of proceedings order; application of the	7.1.10	Except for the purpose of merging with another company and/or restructuring of the Bank and/or a split that are not prohibited under the terms and conditions of the deed of trust, and except for the purpose of arrangements between the Bank

Bank for a compromise or a settlement with its creditors under Section 350 of the Companies Law and/or under the Insolvency Law.		and its shareholders, which are not prohibited under the terms and conditions of the deed of trust and that will not impact the Bank's ability to repay its Bonds.
An application pursuant to the Insolvency Law; an application pursuant to Section 350 to the Companies Law against the Bank (and without its consent).	7.1.10	Subject to a cancellation period of 45 days from the day on which the application was filed. Notwithstanding the foregoing, the Bank will not be granted a corrective period with respect to a request to hand down an order to open proceedings, where such application was submitted by the Bank or with its consent.
A merger of the Bank was carried out without first obtaining the Bond Holders' approval.	7.1.11	Unless the surviving entity issued a statement to the Bond Holders, including through the Trustee and at least ten business days prior to the merger date, to the effect that there is no reasonable concern that the surviving entity will not be able to meet its obligations to the Holders.
The Stock Exchange suspended trading of the Bonds;	7.1.12	Unless the suspension is on the grounds of the creation of uncertainty, as stated in Part Four of the TASE's Rules and Regulations, and the suspension has not been canceled within 60 days.

7. Tables summarizing relevant information - Series 182 Bonds

The following is a summary of information regarding the defense mechanisms set out in the Deed of Trust for Series 182 in relation to the offered Series 182 Bonds, in accordance with the Authority Position:

7.1 Contractual conditions and collateral:

	Section to the Deed / N/A	Summary description	Does the breach give rise to immediate repayment
The Bonds are secured by collateral or other fixed charges.	N/A		
The bonds are secured with a floating and/or current charge	N/A		
Undertaking not to create liens (negative lien)	N/A		
Obligation to meet financial covenants	N/A		
Undertaking to ensure that the Bonds are rated on issuance date: Ensuring that the Bonds are rated over their entire term	14.11	The Bank undertakes that as far as it is concerned, the Bonds will be rated by at least one Rating Agency until their final and absolute repayment. Furthermore, where the Bank	No

		replaces the rating agency or terminates its work, including where there is more than one rating agency, the Bank shall publish an immediate report in which it will list the reasons for replacing such an agency or for the termination of its work, as the case may be.	
Undertaking for rating of the Bonds by two rating agencies	N/A		
Undertaking not to replace the rating agency over the entire term of the Bonds	N/A		
Restrictions on the creation of additional financial debt	N/A		
Dividend distribution restriction	N/A		
Restrictions on transactions with the controlling shareholders of the Company	N/A		
Restrictions on changes in control	N/A		
Interest-adjustment mechanism in certain circumstances	N/A		

7.2 Grounds for immediate repayment:

	Section to the Deed / N/A	Comments and explanations
Liquidation ruling/ temporary liquidation order/ appointment of a temporary or permanent liquidator or trustee	7.1.1	Subject to a 45-day cancellation period from the order's issuance date; (despite the above, the Bank shall not be given any remediation period in respect of petitions/ orders filed or issued, as the case may be, by the Bank or with its consent. Except in cases of liquidation for the purpose of merging with another company. Notwithstanding the foregoing, the Bank will not be given any remediation period if a permanent and peremptory liquidation order is handed down by the court or if a permanent liquidator is appointed for the Bank pursuant to a permanent and peremptory order, or if the Bank passed a voluntary liquidation resolution, and in respect of petitions/orders filed or handed down, as the case may be, by the Bank or with its consent.
Appointment of a receiver (temporary or permanent)	7.1.2	Subject to a 45-day cancellation period from the issuance date of the order to appoint a temporary receiver, or if a temporary receiver is appointed. (Notwithstanding the foregoing, the Bank will not be given any corrective period in respect of petitions or orders obtained or handed down, as applicable, by the Bank or with its agreement).
Application for receivership or an application for the appointment of a receiver (temporary or permanent)	7.1.3	

Placement of an attachment or carrying out an execution office order	7.1.4	Subject to a 45-day cancellation period from the ruling's issuance date; (despite the above, the Bank shall not be given any remediation period in respect of petitions/ orders filed or issued, as the case may be, by the Bank or with its consent).
Fundamental breach	7.1.5	Subject to a corrective period of 14 days.
Payment default or breach of material undertaking	7.1.6	Subject to a corrective period of 14 days.
Breach of specific undertaking - non-publication of financial statements at required date	7.1.7	Unless financial statements were published within the later of 30 days of the last date on which the Bank was required to publish them, or another date approved by a competent government agency if an extension was granted by that agency.
Delisting of the Bonds	7.1.8	
The Bank discontinued its payments or announced its intention to do so, or the Bank discontinued its banking business or announced its intention to do so;	7.1.9	
Substantially all of the Bank's assets in Israel were sold	7.1.14	
Application for an opening of proceedings order; application of the Bank for a compromise or a settlement with its creditors under Section 350 of the Companies Law.	7.1.10	Except for the purpose of merging with another company and/or restructuring of the Bank and/or a split that are not prohibited under the terms and conditions of the deed of trust, and except for the purpose of arrangements between the Bank and its shareholders, which are not prohibited under the terms and conditions of the deed of trust and that will not impact the Bank's ability to repay its Bonds.
An application pursuant to the Insolvency Law or an application pursuant to Section 350 to the Companies Law against the Bank (and without its consent).	7.1.10	Subject to a cancellation period of 45 days from the day on which the application was filed.
A merger of the Bank was carried out without first obtaining the Bond Holders' approval by	7.1.11	Unless the surviving entity issued a statement to the Bond Holders, including through the Trustee and at least ten business days prior to the merger date, to the effect that there is no reasonable concern that the surviving entity will not be able to meet its obligations to the Holders.

way of an ordinary resolution.		
The Stock Exchange suspended trading of the Bonds;	7.1.12	Unless the suspension is on the grounds of the creation of uncertainty, as stated in Part Four of the TASE's Rules and Regulations, and the suspension has not been canceled within 60 days and excluding a general suspension that is not specifically targeted at the Bank.
Discontinuation of rating	7.1.13	Discontinuation of rating for a period of more than 60 consecutive days, except in case where discontinuation of rating is the result of causes or circumstances outside the Bank's control.

8. **Other terms and conditions of the Bonds**

For a description of the other terms and conditions of the Bank's Series 179 Bonds and the terms and conditions of the Series 182 Bonds, see the Deed of Trust for Series 179 and the Deed of Trust for Series 182, respectively.

In any case of a contradiction between the provisions described in the Deed of Trust for Series 179 or the Deed of Trust for Series 182 and the provisions of the Shelf Offering Report, the provisions of the Deed of Trust will take precedence.

To the best of the Bank's knowledge, as of the date of publication of the Shelf Report there is no such contradiction.

9. **Discounting and taxation**

- 9.1 The Series 179 Bonds in circulation were issued under the First Offering Report for Bonds 179 at par value, and therefore not discounted.
- 9.2 The Series 179 Bonds to be issued under the Shelf Offering Report will be issued without discounting since the Series 179 Bonds are offered at the minimum price that is above their adjusted value as of January 12, 2022 - NIS 1.0286 per NIS 1 PV.
- 9.3 The Series 182 Bonds in circulation were issued under the First Offering Report for Bonds 182 at par value, and therefore not discounted.
- 9.4 The Series 182 Bonds to be issued under the Shelf Offering Report will be issued without discounting since the Series 182 Bonds are offered at the minimum price that is above their adjusted value as of January 12, 2022 - NIS 0.9991 per NIS 1 PV.
- 9.5 For more information regarding the tax provisions that may be relevant for an investment in the Offered Securities, as apply as of the date of publication of the Shelf Offering Report, see Section 6 of **Appendix A** of this Shelf Offering Report.

As is expected when making decisions on investments, it is necessary to consider the tax implications of an investment in the securities offered pursuant to the Shelf Offering Report. The provisions included in this Shelf Offering Report regarding taxation of the Offered Securities do not purport to constitute an authoritative interpretation of the provisions of the law, and do not purport to substitute expert

advice, based on the special and the unique circumstances of each investor. Anyone who wishes to purchase the Offered Securities should seek professional advice in order to clarify the tax consequences that will apply to that investor bearing in mind the unique circumstances of the investor and the Offered Securities.

Furthermore, it is clarified that the Shelf Offering Report reflects the provisions of the law as of the date of that report; those provisions may change in the future.

10. **Refraining from engaging in arrangements**

- 10.1 The Bank and the directors undertake, by signing the Shelf Offering Report, to refrain from engaging in arrangements which are not set out in the Shelf Offering Report, in connection with the offering of the securities pursuant with the Shelf Offering Report and their distribution and public spread, and undertake to refrain from granting the purchasers of the securities pursuant to the Shelf Offering Report the right to sell the securities they shall have purchased, other than as set forth in the Shelf Offering Report.
- 10.2 The Bank and the directors undertake, by signing this Shelf Offering Report, to notify the Israel Securities Authority of any arrangement with a third party that, as far as they are aware of, contradicts the undertaking as set out in Section 10.1 above.
- 10.3 The Bank and the directors undertake, by signing the Shelf Offering Report, to refrain from entering into engagements in connection with the securities offered pursuant to the Shelf Offering Report with any third party, which, to the best of their knowledge, engaged in arrangements contrary to the provisions of Section 10.1 above.

11. **Rating of the Offered Securities**

- 11.1 On January 12, 2022, Midroog Ltd. (hereinafter - "**Midroog**") announced the assigning of the "AAA.il" rating to the Series 179 Bonds to be issued by the Bank by way of an expansion of Series 179 under the Shelf Offering Report, in an amount of up to NIS 1.5 billion PV of Series 179 Bonds. For further details, see the Bank's immediate report of January 12, 2022 (Ref. No.: 2022-01-006232), the details of which are included herein by way of reference (hereinafter - the "**Midroog Rating Report**").
- 11.2 On January 12, 2022, the rating agency S&P Maalot (hereinafter - "**Maalot**") announced the assigning of the "AAA.il" rating to the Series 179 Bonds and the Series 182 Bonds to be issued by the Bank by way of an expansion of Series 179 and an expansion of Series 182 under the Shelf Offering Report, in a total amount of up to NIS 3.5 billion PV of Series 179 Bonds and Series 182 Bonds. For further details, see the Bank's immediate report of November 12, 2022 (Ref. No.: 2022-01-006238), the details of which are included herein by way of reference (hereinafter - the "**Maalot Rating Report**").

11.3 The consent of Midroog and Maalot on January 12, 2022 for attaching the Midroog Rating Report and the Maalot Rating Report to the Shelf Offering Report are attached as **Appendix B** to this Shelf Offering Report.

12. **Permits and approvals**

12.1 The Bank has obtained all the permits, approvals and licenses required by any law to offer and issue the Series 179 Bonds and the Series 182 Bonds and to publish the Shelf Offering Report.

12.2 The Bank has applied to the Stock Exchange requesting that it list the securities offered pursuant to the Shelf Offering Report and the Stock Exchange has given its approval thereto.

12.3 **The aforesaid approval by the Stock Exchange should not be construed as confirming the details presented in the Shelf Offering Report, their reliability or integrity, nor should it be construed as expressing an opinion regarding the Bank or the quality of the securities being offered in the report or the price at which they are being offered.**

13. **Payment of a fee**

In accordance with the provisions of Regulation 4A of the Securities Regulations (Application Fee for the Grant of Permission to Publish a Prospectus), 1995, the Bank will pay the Israel Securities Authority the additional fee for the securities being offered as part of the Shelf Offering Report.

14. **The proceeds of the issuance**

14.1 The proceeds expected to be received by the Bank from this offering, assuming that all securities offered pursuant to the Shelf Offering Report will be purchased, net of associated issuance expenses, shall be as described below:

Expected immediate proceeds, gross	NIS 3,528,899,980
Less - advance undertaking and distribution fees	NIS 20,266,944
Less – other expenses totaling	NIS 2,422,869
	—————
Expected immediate proceeds, net	NIS 3,506,210,167

14.2 Pursuant to an agreement signed with Leumi Partners Underwriters Ltd. (hereinafter – “**Leumi Partners**”), Leumi Partners, Apex Issuances Ltd., Menora Mivtachim Underwriters and Management Ltd., Hunter Capital Ltd., Unicorn Capital Ltd., Alpha Beta

Issuances Ltd. (hereinafter, jointly - the “**Distributors**”) will receive a consulting and distribution fee in respect of issuing the Offered Securities pursuant to this Offering Report, at a rate of 0.1% of the (gross) proceeds of the issuance of the Series 179 Bonds and the Series 182 Bonds, plus VAT in accordance with the law (hereinafter – the “**Distribution Fee**”). Leumi Partners will be allowed, at their sole discretion, to pay fees to third parties out of the Distribution Fees, where such third parties declare that they qualify to serve as distributors pursuant to the Securities Regulations (Underwriting), 2007, for assisting in the marketing, selling and distribution of the securities offered pursuant to this Shelf Offering Report, provided that those amounts shall not be paid to an end purchaser of a security in the Shelf Offering. All of the said fees shall be divided at the sole discretion of Leumi Partners. It is hereby clarified that in no event will a distributor be entitled to a distribution fee in respect of securities that he actually purchased as a result of fulfilling advance undertakings submitted by that distributor as part of the tender for Qualified Investors.

14.3 No minimum has been set for the amount to be raised in this offering.

14.4 The funds of the offering’s proceeds will be used by the Bank at its own discretion.

14.5 The Bank shall deem the receipt of the proceeds by the Offering Coordinator as if the proceeds has been received by it.

15. **Underwriting**

This offering of securities pursuant to this Shelf Offering Report is not secured by being underwritten.

16. **Material changes and developments from the date of publication of the Shelf Prospectus through the date of publication of the Shelf Offering Report**

16.1 Pursuant to the provisions of Section 4(a) to the Shelf Offering Regulations, any reports issued by the Bank subsequent to the publication of the Shelf Prospectus are included in this Report by way of reference. The full text of the Bank’s reports can be viewed on the Israel Securities Authority’s distribution website, at www.magna.isa.gov.il and on the Stock Exchange’s website at www.maya.tase.co.il

16.2 Further to the Bank's Immediate Report dated September 23, 2021 (Ref. No.: 2021-01-080569) and to that stated in the Q3 Quarterly Report published on November 16, 2021 (Ref. No.: 2021-01-167076), regarding the transaction in which Bank Leumi Corporation, an American corporation (held by the Bank at a rate of 85%) which holds full control of BLUSA, engaged in a merger agreement with Valley National Bancorp (hereinafter - “**Valley**”), the Bank is pleased to update on this matter that by the date of this Shelf Report,

some of the preconditions for the transaction's completion have been met, including the receipt of some of the approvals from US regulators. In addition, further to the Bank's Immediate Report dated December 8, 2021 (Ref. No.: 2021-01-177780), it should be updated that Valley's shareholder, who filed a claim against Valley and others as detailed in the above report, filed a motion in court announcing his desire withdraw from the claim.

17. **Letter of Consent from the Bank's Independent Auditors**

The Bank received consent letters from the Bank's joint independent auditors, which feature their consent to include in the Shelf Offering Report, including by way of reference, their auditors' reports and their review reports, as the case may be, which are included in the Shelf Offering Report by way of reference. The said letters of consent are attached as **Appendix C** to the Shelf Offering Report.

18. **Additional details about the trustee**

The Trustee is a company registered in Israel that deals with trusts, and it meets the eligibility requirements set forth in the Securities Law and regulations enacted thereunder, for a trustee for bonds. To the best of the Bank's knowledge, the Trustee has no personal interest in the Bank and the Bank has no personal interest in the Trustee. The Trustee has declared in the Deed of Trust for Series 179 and the Deed of Trust for Series 182 that it meets all the eligibility conditions required of a trustee for deeds of trust under the Securities Law and any other law, and that it has agreed to sign the Deeds of Trust and act as Trustee for the bond holders that are the subject of this Shelf Offering Report.

Jerusalem
Zvi Agmon
Yoav Hirsch
Abram Portan
Deuel Peli
Tal Meishar
Israel Atar
Avi Sheferman
Hela Peleg
Kira Lerner
Ronny Monk
Barak N. Schwartz
Noa Willinger
Moran Uman
Zeb Gutreich
Yishai Morelli
Guy Arieli
Joey Lightstone
Lior Naqar
Alon Saginahor
Shahar Hindi
Elnatan (Oli) Badel
Dr. Adiel Zimran
Eilon Lemberger
Itai Salfrai
Talia Schein Clemenson
Hoshea Benowitz
Hemi Ben Baruch
Moshe Fox
Amani Zbeida
Shira Kahn Alexander
Sima Granowski
Amitai Lemberger
Itamar Schlissl
Daniel Levi
Ohad Diamant

Tel Aviv
Dan HaCohen
Uri Rosenberg *
Eyal D. Mamo
Yona Goshen Gutstein
Shirel Guttman-Amira
Arie Neiger *
Ehud Arad
Amir Goddard
Galit Fleischer Avrahami
Dror Swaransky
Uri Sorek
Daniel Sakal
Ran Shalom
Dr. Itai Hess
Matan Meridor
Osnat Saroussi Firstster
Asher Zeliger
Yishai n. Itzikovich
Michael Makia
Yifat Tzafrir
Gili Brooks Varon
Amir Fisch
Shalev Brants
Dan Adaar
Yonatan Kehat
Einat Sherki
Eddy Ashkenazi
Dana Chen
Assaf Danziger
Saar Rossman
Tom Kahana
Eliyahu Dahan
Ran Felder
Yaehel Porat
Gilad Yaniv
Ram Shchori
Dana Fried
Roy Miodovnik
Eyal Ben Simchon
Avishai Sadeh
Tzipi Manor
Inon Barkat
Yaara Shchori Ben Harush
Itamar Shimonovich
Harit Dromi
Meirav Jung
Hanan Sidor
Matti Goldberg
Eviatar Sadeh
Gal Ohev Zion
Orit Scoop Dagan
Zohar Ardsant
Binyamin Shalev
Tali Eshed-Alumot
Tal Barkat
Maayan Miriam Cohen
Liraz Kahana
Matan Malka
Doreen Ifargan
Ariel Knobel
Lior Revach
Gal Goldenberg
Atar Mor
Gal Kiviti
Nadav Menker
Rivka Baskin Tzafrir
Dan Smolensky
Aya Dvir
Oren Sheeplit
Zvi Odem
May Cohen
Reut Medalion
Ayala Greenberg
Amir Rosenthal
Nofar Ben Moshe
Gili Bartura
Tal Levy
Dvir Uziel
Avner Malkis
Yehoshua Melk
Keren Shacham
Marom Bouznah
Estar Benaim
Ariel Eran
Inbar Sharist
Stav Lavi
Tal Feldman
Neta Barkai
Ariel Ben Shimol
Shani Virsh

Beer Sheva
Tzafrir Salomon
Mazal Mero

Sydney, Australia
Dr. Doron Goldbrest **
Jeremy Levy ***

Iris Tsbolski-Havilio,
consultant
* Also certified in New York
** Also certified in Israel

19. Legal opinion

The Bank received the following legal opinion



January 12, 2022

To:
Bank Leumi Le-Israel B.M.
Leumi House, 34 Yehuda Halevi St.
Tel Aviv

Dear Madam/Sir,

Re: Shelf Offering Report of Bank Leumi Israel Ltd. (hereinafter – the “Bank”)

With regard to the shelf prospectus dated May 27 2021 (hereinafter – the “**Shelf Prospectus**”) and the Shelf Offering Report that is about to be published by virtue thereof (hereinafter – the “**Shelf Offering Report**”), regarding an offering to the public of Series 179 Bonds and Series 182 Bonds of the Bank by way of a series expansion (hereinafter – the “**Offered Securities**”), we hereby express our opinion as follows:

1. The rights associated with the Offered Securities are, in our opinion, correctly described in the Shelf Offering Report.
2. In our opinion, the Bank has the power to issue the Offered Securities in the manner proposed in the Shelf Offering Report.
3. The directors of the Bank have been duly appointed and their names are included in the Shelf Prospectus and in the Shelf Offering Report.

We consent to this opinion being included in the Shelf Offering Report that will be published in January 2022.

Respectfully,

Ran Shalom, Adv. Marom

Bouznah, Adv.

Agmon & Co.,

Rosenberg Hacohen & Co. Law Firm



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20. SignaturesThe Bank:

Bank Leumi le-Israel B.M.Directors:

Haj Yehia Samer, PhD

Edelman Yitzhak

Gottlieb Tamar

Irit Shlomi

Eliya Sasson

Dominissini Esther

Koller Dan Alexander

Ben Zvi Shmuel, PhD

Avi Bzura

Prof. Yedidia Z. Stern

Appendix A to the Shelf Offering Report
Details of manner of offering the securities

The provisions of this appendix apply separately to each of the series of bonds offered pursuant to the Shelf Offering Report (i.e., Series 179 Bonds and Series 182 Bonds) as the case may be. Accordingly, in this Appendix, the term “Units” relates to units each of which comprises NIS 1,000 p.v. Series 179 Bonds or NIS 1,000 p.v. Series 182 Bonds, as the case may be, that are offered pursuant to the Shelf Offering Report. In addition, it is clarified that the tenders for the purchase of the Series 179 Bonds and the Series 182 Bonds are separate and independent tenders and that the bids for each of the tenders shall be submitted separately, and the results of the offering shall be determined separately in respect of each of the tenders. Accordingly, should one of the aforementioned tenders be canceled, the securities offered as part of this tender shall not be allocated or listed for trading on the Stock Exchange, but this shall not result in the cancellation of the other tender in accordance with the Shelf Offering Report.

1. **Manner of offering the Subordinated Bonds to the public**

The Series 179 Bonds and Series 182 Bonds Units are offered to the public in a Uniform Offering by way of unit price tender, at a price that will not be lower than the Minimum Unit Price stated in the Shelf Offering Report (hereinafter - the “**Tender**”).

1.1 **The list of subscriptions**

The list of subscriptions for the purchase of the Units shall be opened on the date and time set out in the Shelf Offering Report (hereinafter – the “**Tender Date**” or the “**Bid Submission Date**”) and shall be closed on the date and time set out in the Shelf Prospectus Report (hereinafter – “**Closing Time of the Subscriptions List**”).

1.2 Through the Closing Date of the Subscriptions List, the Bank may cancel the offering without the investors having any claim and/or right in connection therewith. In such a case, all bids that have been submitted in connection with the offering shall be considered to be void.

1.3 **Submitting the bids in the tender stage**

1.3.1 The bids for the purchase of the Offered Securities (hereinafter – “the “**Bids**”) will be submitted to the Bank on the forms used for this purpose, through the Offering Coordinator (as defined in the Shelf Offering Report), directly or through banks or through other members of the Stock Exchange (hereinafter - the “**Parties Authorized to Receive Bids**”), no later than the Closing Time of the Subscriptions List.

1.3.2 As part of the Tender, each bidder is allowed to submit up to three Bids at different price increments between the unit prices stated in the Bids, as set out in

the Shelf Offering Report. An application denominated at a unit price that is not equal to one of the price increments set in the Shelf Offering Report, will be rounded downwards to the nearest price increment.

- 1.3.3 Each bidder shall state in its application the number of Units it wishes to purchase and the Unit Price it offers, which shall not be less than the Minimum Unit Price as set in the Shelf Offering Report. A bid, in which the Unit Price offered is lower than the Minimum Unit Price, shall be deemed not to have been submitted.
- 1.3.4 A bidder that has submitted a bid to purchase Units may retract his bid up to the Date of Closing the Subscriptions List by giving written notice to a Party Authorized to Accept Bids. Each bid that was submitted and which was not retracted by the bidder through the Date of Closing the Subscriptions List shall be considered as an irrevocable obligation on behalf of the bidder to receive the securities that will be allocated to him as a result of full or partial acceptance of the bid and to pay, through the Offering Coordinator, the full price, under the terms and conditions of the Shelf Offering Report, of the securities allocated thereto due to the acceptance of his bid pursuant to the terms and conditions of the Shelf Offering Report.
- 1.3.5 Bids may only be submitted for the purchase of whole Units. A bid submitted for any fraction of a Unit will be treated as a bid only for the number of whole Units specified in such bid, and any fraction of a Unit denoted in the bid will be treated as never having been included therein. An application in which the number of Units specified is less than one shall be deemed not to have been received.
- 1.3.6 The Parties Authorized to Receive Bids will be accountable and liable towards the Bank and towards the Offering Coordinator for the payment of the full consideration due to the Bank with respect to Bids submitted through them and which were accepted, in full or in part.
- 1.3.7 A "**bidder**" or a "**subscriber**" – together with a relative living with him and including a qualified investor that has provided an advance undertaking to purchase units and with whom the Bank entered into an advance engagement to purchase units as set forth in the Shelf Offering Report.

1.4 **Tender's procedures**

- 1.4.1 The Bids will be delivered by the Parties Authorized to Receive Bids to the Offering Coordinator by digitally transmitting the Bids to the Offering Coordinator, through a virtual safe. Furthermore, Bids that will be submitted

directly to the Offering Coordinator will be delivered in sealed envelopes that will remain sealed.

- 1.4.2 On the Tender Date, immediately after the Deadline for Submission to the Coordinator, the Bids in the safes will be presented, including Bids that were submitted directly to the Offering Coordinator, in the presence of the Bank's representatives and its independent auditor, who will oversee the proper implementation of the tender procedures and the tender's results will be summarized and processed at the same time.

1.5 **Setting the Uniform Price per Unit and allocation of Units to bidders**

In the Tender pursuant to the Shelf Offering Report, all Bonds included in the Units, the Bids for the purchase of which will be accepted, will be issued at a uniform price (hereinafter - the "**Uniform Price**"), which will be the highest price such that the Bids which stated it as the Unit Price, together with the Bids which stated higher Unit Prices, will suffice to allocate all Units that are offered to the public (including to Qualified Investors) pursuant to the Shelf Offering Report.

Allocation of the Units will be carried out as follows:

- 1.5.1 If the total number of Units included in the Bids received (including Units the Bids in respect of which were received from Qualified Investors that entered into advance engagement with the Bank) is equal to or lower than the total number of Units offered pursuant to the Shelf Offering Report, all Bids will be accepted in full, subject to compliance with the relevant Stock Exchange guidelines as set out below, in which case the Uniform Price will be the Minimum price prescribed in the Shelf Offering Report. The remaining units, for which no Bids were received, will not be issued.
- 1.5.2 If the total number of Units included in the Bids received (including Units the Bids in respect of which were received from Qualified Investors), is higher than the total number of Units offered to the public, the following provisions shall apply:
- a. Bids submitted at a unit price below the uniform price shall not be accepted.
 - b. All Bids at a unit price that is higher than the uniform price will be accepted.
 - c. Bids (excluding undertakings received from Qualified Investors) which state an price which equals the Uniform Price – will be proportionally accepted, such that each bidder will receive, out of the total number of

offered Units outstanding for distribution after the acceptance of Bids stating a price which is higher than the Uniform Price Rate (less the accepted Bids of the Qualified Investors who have undertaken to purchase Units at the Uniform Price), a share which equals the ratio of the number of Units which the bidder ordered in the bid in which he had stated the Uniform price, to the total number of Units included in all the Bids submitted to the Bank that stated the Uniform price (less the share of the Qualified Investors, as mentioned above).

- 1.5.3 The allocation of units to Qualified Investors will be made as prescribed in Section 3 to the Shelf Offering Report.
- 1.5.4 If an allocation as aforesaid in Section 1.5.2 above does not lead to the fulfillment of the minimum spread requirements of the Offered Securities, as set out in the Shelf Offering Report, then the preference of the allocation to the Qualified Investors will be revoked and the offered Units will be allocated as follows:
- a. Bids submitted at a unit price below the uniform price shall not be accepted.
 - b. All Bids at a unit price that is higher than the uniform price will be accepted.
 - c. Bids (including undertakings received from Qualified Investors) which state a Unit Price which is equal to the Uniform Price – will be proportionally accepted, such that each bidder will receive, out of the total number of offered Units outstanding for distribution after the acceptance of Bids stating an Unit Price which is higher than the Uniform Price, a share which is equal to the ratio between the number of Units which the bidder ordered in the bid in which it had stated the Uniform Price, and the total number of Units included in all the Bids submitted to the Bank that stated the Uniform Price (including Units in respect of which undertakings were received from Qualified Investors).
- 1.5.5 If an allocation as aforesaid in Section 1.5.3 above does not lead to the fulfillment of the minimum spread requirements of the Offered Securities, then the offered Units will be allocated at the Uniform Price as follows:
- a. Applications submitted at a price below the uniform price shall not be fulfilled.
 - b. Bids (including undertakings received from Qualified Investors) which state the Uniform Price and/or a higher price – will be proportionally

accepted, such that each bidder will receive, out of the total number of offered Units a share which is equal to the ratio between the number of Units which the bidder ordered in the bid in which he had stated the Uniform Price and/or a higher Unit Price, and the total number of Units included in all the Bids submitted to the Bank that stated the Uniform Price and/or a higher Unit Price (including Units in respect of which undertakings were received from Qualified Investors).

- 1.5.6 If an allocation as aforesaid in 1.5.5 above does not lead to the fulfillment of the minimum spread requirements of the Offered Securities, a reallocation will be made to determine a new Uniform Price, which will not exceed the Maximum price, and this price will be the highest Unit Price at which the offered Units may be allocated such that the requirements for minimum spread will be complied with, provided that a bidder will not be allocated a number of Units which is higher than the number ordered or at a price higher than the price it has stated in its bid (hereinafter - the “**New Uniform Price**”).

Where a New Uniform Price is set, as referred to in this paragraph, the allocation will be made as provided in Section 1.5.5 above, and instead of the “Uniform Price” it shall be deemed to have referred to the “New Uniform Price”.

- 1.5.7 If the allocation pursuant to Section 1.5.6 above also fails to lead to the fulfillment of the minimum spread requirements of the Offered Securities, then Section 4.4 below shall apply.
- 1.5.8 A bidder shall be deemed to have undertaken in its bid to purchase all Units allocated to him as a result of the partial or full acceptance of his bid, according to the rules set out above.

1.6 **Additional allocations subsequent to the Tender Date and treatment of fractions of Units**

- 1.6.1 No additional allocations of the Offered Securities will be made subsequent to the tender to qualified investors and/or to all bidders.

1.6.2 **Treatment applied to fractions of units**

If in the allotment of the Offered Securities according to the response to the Tender as stated above, fractions of Units are formed they will be rounded, as far as possible, to the nearest integer. Surpluses of Units that shall remain as a consequence of such rounding off shall be purchased by the Offering Coordinator at the Unit price that will be set in the tender.

2. **Notice of the offering's results**

- 2.1 By 10:00 AM on the first day of trading after the Tender Date, a notice will be delivered by the Offering Coordinator and through the Parties Authorized to Receive Bids, to bidders whose Bids were accepted, in full or in part. The notice will state the number of Units allocated to each subscriber and the consideration payable in respect thereof. By 12:30 PM on the first day of trading after the Tender Date, the bidders will transfer to the Issuance Coordinator, to the special account as provided in Section 3 below, through the Parties Authorized to Receive Bids, the full consideration payable by them for the Units with respect to which their bid was accepted as provided in the said notice.
- 2.2 By the end of the first day of trading after the Tender Date, the Bank will announce the tender results by way of an immediate report.

3. **The Special Account and the allocation of the Units**

- 3.1 Immediately prior to the Tender Date the Offering Coordinator shall open a special trust account in the name of the Bank (hereinafter – the “**Special Account**”) and will submit to the Parties Authorized to Receive Bids the details of the Special Account. The Special Account shall be managed exclusively by the Offering Coordinator in the name of the Bank and on its behalf in accordance with the Securities Law.
- 3.2 Monies that accumulate in the Special Account will be invested by the Offering Coordinator in short-term, unlinked deposits bearing daily interest.
- 3.3 The Parties Authorized to Receive Bids will deposit in the Special Account all the amounts paid in respect of the Offered Securities, the Bids for the purchase of which were accepted pursuant to the terms and conditions of the Shelf Offering Report, and the Offering Coordinator will deal with such amounts and act in accordance with the terms and conditions of the Shelf Offering Report.
- 3.4 If the requirements for minimum spread and the requirements for the value of the public's holdings as set out in the Shelf Offering Report are complied with, the Offering Coordinator will transfer to the Bank, by no later than 12:30 of the second trading day after the Bids submission date, any funds remaining in the Special Account, together with any return accrued thereon, less the amounts due to the Qualified Investors and the Parties Authorized to Receive Bids (insofar as such amounts are due pursuant to the Shelf Offering Report and as the case may be), against the transfer of the certificates with respect to the Offered Securities to the Nominee Company of Bank Leumi le-Israel B.M. (hereinafter – the “**Nominee Company**”).

3.5 If, at the end of the Tender Date it transpires that in respect to the Offered Securities, the requirements for minimum spread and/or the requirements for the value of the public's holdings as set forth in the Shelf Offering Report, are not complied with, the issuance of the Units to the public will be canceled and no funds will be collected from the subscribers and the provisions of Section 4.4 below shall apply.

4. **Approval of the listing of the Offered Securities**

4.1 After the Time of Closing the List of Subscriptions List, the Bank will apply to the Stock Exchange within three (3) business days requesting the listing of the securities offered pursuant to the Shelf Offering Report.

4.2 Trading in the Offered Securities shall commence immediately after the listing thereof.

4.3 The listing of the Offered Securities is subject to the satisfaction of the directives of the Stock Exchange, including requirements for minimum spread and requirements for the value of the public's holdings, as set out in the Shelf Offering Report.

4.4 Should it transpire that the preliminary requirements for listing, as stated in Section 4.3 above, have not been satisfied, then the offering of the Units being offered shall be canceled, and the securities being offered shall not be allocated and shall not be listed and no funds shall be collected from the subscribers in respect thereof. In the event of the cancellation of the Offering as aforesaid, on the first day of trading after the Tender Date, the Bank shall give notice thereof in an immediate report (in accordance with the dates set forth by law), and within two additional trading days thereafter, the Company shall publish notice in the Hebrew language in connection therewith in two daily newspapers that are widely circulated in Israel, if it is required by law to do so. The Bank may issue the securities, the issuance of which was canceled as aforesaid, pursuant to the next Shelf Offering Reports, if such reports are published, subject to the provisions of any law, to the Stock Exchange's guidelines and to the provisions of the Shelf Prospectus.

5. **Certificates in respect of the securities**

Where the Bank has accepted a bid, in full or in part, the Bank will allocate certificates in respect of the securities included in the Units, the bids with respect to which were accepted, by delivering certificates in respect of the securities to the Nominee Company, against the transfer of the funds deposited in the Special Account by the Offering Coordinator as aforesaid in Section 3 above, provided that the allocation will not be made before the Offering Coordinator has verified that the Stock Exchange's requirements were fully met, as stated in Section 4 above.

6. Tax implications

As is expected when making decisions on investments, it is necessary to consider the tax implications of an investment in the Offered Securities. The provisions included in this section regarding taxation of the Offered Securities do not purport to constitute an authoritative interpretation of the provisions of the law referred to in this section, and do not purport to substitute expert advice, based on the special and the unique circumstances of each investor. Therefore, any investor who considers the purchase of the Offered Securities should seek professional advice that will suit the investor's specific needs.

Under existing laws, the securities that are offered to the public pursuant to the Shelf Offering Report, provisions of the law and tax arrangements which are described in brief below.

6.1 General

6.1.1 On July 25 2005, the Knesset passed the Law for the Amendment of the Income Tax Ordinance (No. 147), 2005 (hereinafter in this Section – the “**Amendment**”). The Amendment changed significantly the provisions of the Income Tax Ordinance [New Version], 1961 (hereinafter in this section – the “**Ordinance**”), relating to taxation of securities listed on the Stock Exchange. Furthermore, on the date of publication of this Shelf Offering Report, some new regulations that are expected to be published as a result of the Amendment have yet to be published. In addition, on the publication date of this Shelf Offering Report, there is no accepted practice regarding some of the provisions of the Amendment, and there is no case law that interprets the new tax provisions of the Amendment.

6.1.2 In addition, on December 29 2008, the Knesset approved Amendment No. 169 of the Ordinance, which was published in the Official Gazette on December 31 2008 (and came into effect on January 1 2009), and caused further changes with respect to the taxation of securities.

6.1.3 On December 6 2011, the Tax Burden Distribution Law (Legislative Amendments), 2011 was published in the Official Gazette (hereinafter - the “**Change of Tax Burden Law**”). Under the Change of Tax Burden Law, which came into effect in 2012, the tax rate payable by individuals on capital gains, interest and dividends increased from 20% to 25%, and the tax rate payable by a substantial shareholder⁴ on dividend income and capital gain increased from 25% to 30%.

⁴ An individual who holds, whether directly or indirectly, by himself or jointly with others (as this term is defined in Section 88 of the Ordinance) at least 10% of one or more means of control in a company (as this term is defined in Section 88 of the Ordinance), at the time of the sale of the security or at any time during the 12 months that preceded such sale.

- 6.1.4 On August 6, 2012 the Knesset passed Amendment 195 to the Ordinance, published in the Official Journal on August 13, 2012 (and became effective on January 1, 2013), and in it was added section 121B of the Ordinance that stipulates that an individual will be liable from 2013 for additional tax on the liable portion of his income that exceeds the amount stated in the section. This section was updated on December 29 2016 upon publication of the Economic Efficiency Law (Legislative Amendments for Implementing Economic Policies for the 2017 and 2018 Budget Years), 2016 (hereinafter - the "**Arrangements Law for the Years 2017 and 2018**"). Pursuant to the updated Section 121B, an individual whose taxable income in the tax year 2022 exceeded a total of NIS 663,240, shall be subject to additional tax at a rate of 3% in respect of that portion of his income that exceeded the said amount (hereinafter – "**Surtax**"). The taxable income includes all income types, including capital gain and real estate betterment (the sale of a right to real estate in a residential apartment will only be included if the sale amount is greater than NIS 4,754,280 million (for the year 2021) and the sale is not exempt from tax under any law), excluding an inflationary amount as defined in Section 88 of the Ordinance, and an inflationary amount as defined in Section 47 of the Land Taxation Law.
- 6.1.5 The Economic Arrangements Law for the years 2017-2018 reduced the corporate tax rate set in Section 126(a) of the Ordinance to 23% as from January 1 2018.
- 6.1.6 It is clarified that what is stated below refers to the manner of taxation of investors who are Israeli residents. It should be noted that an "individual that became and Israeli resident for the first time" and "a senior returning resident" as defined in the Ordinance, may be subject to tax implications that are different than those described below; it is suggested that such residents seek specific advice to assess their entitlement to tax benefits in Israel. It should also be noted that investors who will be considered as "controlling shareholders"⁵ or as "substantial shareholders",⁶ as defined in the Ordinance, may be subject to further tax implications in addition to those described below.
- 6.1.7 Similarly, reference as brought below to taxation of a group of foreign residents is restricted in the case where Israeli residents are controlling shareholders in it, or benefit from or are entitled to 25% or more of the revenues or profits of a

⁵ As this term is defined in Section 3(i) of the Ordinance.

⁶ As this term is defined in Section 88 of the Ordinance.

foreign resident, directly or indirectly, in accordance with the provisions of section 68A of the Ordinance.

6.2 Capital gain from sale of the Offered Securities

6.2.1 Pursuant to Section 91 of the Ordinance, a real capital gain⁷ on the sale of securities by an individual who is a resident of Israel will be subject to tax at the marginal tax rate applicable to the individual under Section 121 of the Ordinance, subject to a maximum of 25%, and the capital gain will be regarded as the highest bracket in the scale of his taxable income. The above will be applicable provided that the sale of the securities does not constitute a business income of the individual and that the individual did not deduct finance expenses. As to the sale of securities by an individual who is a “substantial shareholder” in a company, i.e., holder of at least 10% of one or more of the company’s means of control,⁸ directly or indirectly, by himself or jointly with others,⁹ during the 12 months that preceded such a sale - the tax rate applicable to the real capital gains earned by such an individual shall not exceed 30%. As to an individual who claimed real interest expenses and linkage differences in respect of the securities, the capital gain from the sale of the securities shall be subject to tax at the rate of 30%, until the determination of provisions and conditions for the deduction of real interest expenses under Sections 101A(a)(9) and 101A(b) of the Ordinance. The aforementioned reduced tax rate shall not apply to an individual whose income from the sale of securities constitutes "business" income, in accordance with the provisions of Section 2(1) of the Ordinance. In this case, the individual will be charged a marginal tax rate in accordance with the provisions of Section 121 of the Ordinance.

6.2.2 An individual will be exempt from linkage differences he received in respect of an asset, provided that all of the following are met:

6.2.2.1 The linkage differences are not partial linkage differences.

6.2.2.2 The individual did not claim deduction of interest expenses or linkage differences in respect of the asset.

6.2.2.3 The linkage differences do not constitute an income pursuant to Section 2(1) of the Ordinance and are not recorded in his books of accounts or require such recording.

⁷ As defined in Section 88 of the Ordinance.

⁸ As this term is defined in Section 88 of the Ordinance.

⁹ As this term is defined in Section 88 of the Ordinance.

- 6.2.3 A body of persons shall be liable to tax on real capital gains on the sale of securities at the corporate tax rate prescribed in Section 126 of the Ordinance.
- 6.2.4 As a rule, a foreign resident (individual or a group of persons), is exempt from capital gains tax on the sale of securities traded on the stock exchange in Israel if the capital gain is not from his own permanent enterprise in Israel and in accordance with the terms and limitations of section 97(b2) of the Ordinance. This exemption shall not apply to a foreign body of persons, if Israeli residents are the controlling shareholders or beneficiaries of such body of persons, or if Israeli residents are entitled to 25% or more of the income or profits of the foreign body of persons, directly or indirectly, as provided in Section 68A of the Ordinance.
- 6.2.5 A tax-exempt mutual fund shall be exempt from capital gains tax on the sale of such securities. Tax-exempt provident funds and entities under Section 9(2) of the Ordinance, are exempt from tax on capital gain earned on the sale of such securities. The income of a taxable mutual fund from the sale of securities as aforementioned will be liable to the tax rate applicable to the income of an individual which is not income from a "business" or "profession," unless it is expressly determined otherwise. If no special tax rate was determined in respect of the income, then the income shall be taxed at the maximum tax rate set out in Section 121 of the Ordinance.
- 6.2.6 As a general rule, if the securities that are offered pursuant to this Shelf Offering Report are delisted, the tax rate that will be withheld at source upon the sale of those securities (after they are delisted) will be thirty percent (30%) of the proceeds, so long as no certificate is presented that was issued by the Assessing Officer according to which a different withholding tax rate applies (including tax withholding exemption).
- 6.2.7 As to withholding at source from capital gains upon the sale of the Offered Securities, tax will be withheld pursuant to the Income Tax Regulations (Withholding from Proceeds, Payment or Capital Gain on the Sale of Securities, Sale of a Mutual Fund Unit or a Future Transaction), 2002. A person liable to tax (as this term is defined in aforementioned Regulations) who pays consideration for the sale of securities to a seller who is an individual is required to deduct tax at a rate of 25% from the real capital gain; if the seller is a body of person, the rate of tax to be withheld will be the corporate tax rate pursuant to Section 126(a) of the Ordinance. The above applies after taking into consideration tax

withholding exemption certificates issued by the Israel Tax Authority and the offsetting of losses that the withholder may perform. Tax shall not be withheld for provident funds, mutual funds and other entities which are exempt from withholding tax by law, as listed in the Addendum to the Income Tax Regulations (Withholding from Interest, Dividend and Certain Profits), 2005 (hereinafter - the “**Dividend and Interest Withholding Regulations**”) after the applicable certificates are provided by them. Tax will not be withheld by a bank or a stock exchange member in respect of a foreign resident if certain conditions set out in the regulations are met. It is noted that if at the time of the sale the full amount of tax was not withheld from the real capital gain, the provisions of Section 91(d) of the Ordinance and the provisions included therein regarding reporting and payment of an advance in respect of such a sale will apply.

6.2.8 The provisions of the Withholding from Proceeds Regulations will not apply to a taxpayer that is a financial institution paying a consideration or other payment for a tax-exempt capital gain to a seller who is a foreign resident if the seller (if he was in Israel), or his representative submits to the financial institution - within 14 days from the date of opening the account - a statement on form 2402 of his being a foreign resident and his entitlement to an exemption.

6.3 Tax rate applicable to interest income from the Offered Securities

6.3.1 Pursuant to Section 125C(b) to the Ordinance, an individual shall be subject to a tax rate of no more than 25% in respect of interest or discount fees arising from bonds that are fully linked to the consumer price index,¹⁰ and this income will be regarded as the highest bracket in the scale of his taxable income. Pursuant to Section 89(e) to the Ordinance, the linkage differences arising from redemption of bonds or a marketable security, where the income therefrom does not constitute an income from business or profession, shall be liable to tax pursuant to the provisions of Part E of the Ordinance. Linkage differences accrued on the interest shall be subject to the same tax rate applicable to the interest. It should be noted that the CPI published by the Israel Central Bureau of Statistics shall be regarded as the index for purposes of Section 125C of the Ordinance.

6.3.2 Pursuant to Section 125c(d) of the Ordinance, tax rates as stated above shall not apply, among other things, if one of the following conditions is met: (1) the interest constitutes income from a “business” in accordance with Section 2(1) of

¹⁰ As this term is defined in Section 125C to the Ordinance – the most recent Consumer Price Index published by Israel Central Bureau of Statistics prior to the relevant date, and in the case of an asset whose value is linked to a foreign currency or denominated in a foreign currency – the exchange rate.

the Ordinance or is recorded or required to be recorded in the individual's books of account; (2) the individual claimed a deduction of interest expenses and linkage differences in respect of the Bonds; (3) the individual is a substantial shareholder as defined in Section 88 to the Ordinance as aforesaid in the body of persons paying the interest; (4) the individual is an employee of the body of persons paying the interest or provides services or sells products to that body of persons, or has some other special relationship with it, unless it shall be proven to the satisfaction of the Assessing Officer that the price was set in good faith and was not influenced by the existence of such a relationship between the individual and the paying body of persons; (5) some other condition set by the Minister of Finance with the approval of the Knesset Finance Committee is fulfilled. In such cases, the individual will be subject to tax in respect of the interest or discount fees at the marginal tax rate in accordance with the provisions of Section 121 of the Ordinance as set out above.

- 6.3.3 The tax rate applicable to interest income (including linkage differences) or discount fees of an Israeli-resident body of persons other than a body of persons regarding which the provisions of Section 9(2) of the Ordinance apply to the determination of its income, is the corporate tax rate as described above.
- 6.3.4 Pursuant to Section 9(15D) of the Ordinance, interest, discount fees or linkage differences paid to a foreign resident on bonds listed on the Stock Exchange in Israel that are issued by an Israeli-resident body of persons are exempt from tax, provided that the income is not generated in a permanent enterprise of the foreign resident in Israel.¹¹

The exemption will not apply to foreign residents in the following cases:

- (a) The foreign resident is a substantial shareholder of the issuing company; or
- (b) the foreign resident is a relative of the offering body of persons, as the term relative is defined in paragraph (3) in Section 88 of the Ordinance; or
- (c) the foreign resident is an employee, service provider, or seller of products to the offering body of persons or has a special relationship therewith, (unless it is proven that the price or discount fees are determined in good

¹¹ A foreign resident is a person who was a foreign resident on the date of receipt of interest, discount fees or linkage differences, as the case may be.

faith and without being impacted from the existence of the special relationship between the foreign resident and the offering body of persons).

The above exemption shall not apply to a foreign-resident company, in the event that Israeli residents are its controlling shareholders, beneficiaries, or entitled to 25% or more of the income or profits of the foreign-resident body of persons, directly or indirectly, as provided in Section 68A of the Ordinance.

In the event that the exemption as stated above does not apply, the tax rate applicable to interest income of a foreign resident (individual and body of persons) arising from securities will be charged in accordance with the provisions of the Ordinance, as explained above.

- 6.3.5 A tax-exempt mutual fund shall be exempt from tax on interest paid thereto. Provident funds and entities which are tax-exempt as per the provisions of section 9(2) to the Ordinance are tax exempt in respect of interest income or discount fees as aforesaid, in accordance with the conditions and restrictions set out in Section 9(2) to the Ordinance and subject to the provisions of Section 3(H) to the Ordinance concerning interest or discount fees that have been accumulated in the period during which the Bonds were held by another person or entity. The income of a taxable mutual fund from interest or discount fees will be liable to the tax rate applicable to the income of an individual which is not income from a "business" or "profession," unless it is expressly determined otherwise. If no special tax rate was determined for the income, then the income shall be taxed at the maximum tax rate set out in Section 121 of the Ordinance.
- 6.3.6 Pursuant to the provisions of the Income Tax Regulations (Withholding from Interest, Dividend and Certain Profits), 2005 and the provisions of Sections 164 and 170 of the Ordinance, the tax rate that should be withheld at source from interest income (as defined in the aforesaid regulations) paid on the Offered Securities is as follows:
- (a) As to fully linked securities - 25% in a case of an individual (including a foreign resident) who is not a substantial shareholder in the body of persons paying the interest. In case of an individual who is a substantial shareholder or an individual who works at the body of persons that pays the interest or provides services thereto or sells products to that body of persons, the maximum tax rate set forth in Section 121 of the Ordinance will apply.

- (b) For a body of persons (an Israeli resident and foreign resident), tax will be deducted at the corporate tax rate prescribed in Section 126(a) of the Ordinance.
- (c) It should be noted that no tax will be withheld at source from interest that is subject to the provisions of Section 9(15D) to the Ordinance as set out above.
- (d) Discounting in respect of a Bond shall be treated the same as interest that is liable to tax and withholding as stated above. Deduction of tax at source for discount fees will be at the repayment dates for principal.
- (e) The Dividend and Interest Withholding Regulations do not stipulate tax withholding at the time of payment to someone who is not considered a “recipient” as defined in the Regulations, such that in respect of a body defined as a “mutual fund” under Section 88 to the Ordinance, provident funds and other bodies listed in the Addendum to the Dividend and Interest Withholding Regulations, tax will not be withheld in respect of an interest payment.
- (f) It is noted that in accordance with the guidelines of the Israel Tax Authority dated December 27 2010, tax will be withheld at source from interest paid in respect of a marketable security listed on the Tel Aviv Stock Exchange and will be transmitted to the Israel Tax Authority by a member of the stock exchange in lieu of the offering companies, subject to the said guidelines. The Bank will transfer to the stock exchange members (through the TASE) the gross amount of interest and the information it holds concerning the holders and the security for which the interest was paid. In the case that interest is paid to a substantial shareholder or to an individual who is an employee of a group of persons paying the interest or to one who provides services or sells to the group of persons that pays the interest, the Bank will be responsible for completion of the deduction of tax at source at the maximum tax rate as stipulated in the Deduction from Interest and Dividends Regulations.

6.4 Offering of additional bonds as part of a series expansion

If the discount rate to be set for additional bonds will be issued by the Bank in the future as part of a series expansion is different from the discount rate set for such a series (including no discount), the Bank will apply, prior the expansion of the series, to the Israel Tax Authority in order to obtain its approval to set, for the purpose of the tax withheld from

the discount fees with respect to the bonds, a uniform discount rate based on a formula which weights the different discount rates for the bonds issued (hereinafter - the “**Weighted Discount Rate**”). Where the said approval is received, the Bank will calculate the Weighted Discount Rate for the Bonds immediately after the date of expansion of the series pursuant to the said approval, and will submit an immediate report, in which it will announce the Weighted Discount Rate for the entire series, and tax will be deducted at the redemption dates of the each Bond at the Weighted Discount Rate as described above and pursuant to statutory provisions. In such a case all the other provisions concerning taxation of discounting will apply. If the said approval is not received from the Israel Tax Authority, the Bank will withhold tax from the discount fees for the series of Bonds according to the highest discount rate for this series. In this case, the Bank will submit an immediate report immediately after the expansion of the series, in which it will announce the discount rate determined for the entire series and all other applicable statutory provisions with regard to the taxation of discount fees. The Bank shall deduct tax at source as at the date of the series’ redemption, according to the rate to be reported as aforesaid.

In any case of expansion of a series of bonds, if the discount rate stipulated as part of the offering of bonds of that series will be higher than the discount rate of the series immediately prior to expansion of the series (including in the absence of discounting), there could be cases in which the Bank will deduct tax at source for discount fees at a rate higher than the discount fees stipulated for someone holding bonds prior to expansion of the series (hereinafter - “**Surplus Discount Fees**”), whether an approval was received from the Taxes Authority to set a standard discount rate or not.

It should be emphasized that such approval by the Israel Tax Authority for setting a weighted discount rate is issued once for each future issuance, if such issuance takes place in connection of the series of Bonds.

6.5 Offsetting of losses

6.5.1 As a rule, losses from the sale of the Offered Securities may be offset only where the capital gains would have been taxable. Capital gain from the sale of securities by an individual or a company may be offset against real capital gain according to the principles set in Section 92 of the Ordinance, regardless of whether the loss or gain had arisen from an asset (including a marketable security) in Israel or abroad (with the exception of a taxable inflationary capital gain that will be offset at a ratio of 1 to 3.5).

6.5.2 On August 31 2011, an Amendment to the Income Tax Regulations (Withholding from Proceeds, Payment or Capital Gain on the Sale of Securities, Sale of a Mutual Fund Unit or a Future Transaction), (Amendment) 2011 was published.

Pursuant to the amendment, when calculating capital gain for purposes of withholding tax from sale of marketable securities, mutual fund units and future transactions (hereinafter – “**Marketable Securities**”), the tax payer shall offset the capital loss arising from the sale of marketable securities that were under his management, provided that the capital gain was generated in the same tax year in which the loss was generated, regardless of whether the capital gain was generated before the capital loss or after the said date. The said Amendment came into effect on January 1 2012.

- 6.5.3 Capital loss generated in the tax year from the sale of the securities may also be offset against dividend or interest income on that security. Capital loss incurred in the tax year from the sale of the securities may also be offset against dividend or interest income from other securities, provided that the tax rate applicable to the interest or the dividend does not exceed the corporate tax rate where the tax payer is a body of persons, or the rate set in Sections 125b(1) or 125c(b) of the Ordinance, as the case may be, where the tax payer is an individual. Set-off of losses will be carried out by way of a set-off of a capital loss against capital gains or against interest or dividend income as stated. It should be noted that as a result of the Change of Tax Burden Law, the tax rate applicable to a dividend paid to an individual who is a substantial shareholder is 30%. Therefore, a capital loss that was incurred in the tax year from sale of securities may not be offset against dividend or interest income from other securities by an individual who is defined as a substantial shareholder.
- 6.5.4 A loss which cannot be so offset may be offset consecutively in the tax years subsequent to the year in which the loss was generated, only against capital gains and real estate betterment, as set forth in Section 92(b) of the Ordinance, provided that a tax filing for the tax year in which the loss was generated was filed to the Assessing Officer.
- 6.5.5 Regulation 4 of the Income Tax Regulations (Calculation of Capital Gain on Sale of a Security Listed on a Stock Exchange, Government Loan, or a Mutual Fund Unit), 2002, to the Capital Gain Calculation Regulations stipulates that upon redemption of bonds traded on the Stock Exchange that also involves the payment of discount fees, the consideration plus the discount fees shall be viewed as the redemption consideration, provided that all of the following conditions are met: (1) the capital gain earned from the sale of the bond is not tax-exempt; (2) a capital loss arises on redemption date; and (3) redemption is not by the controlling shareholder or by the person/entity who held the bond since the date of allocation

or issuance thereof; all up to the amount of the capital loss; discount fees viewed as consideration as per those provisions shall not be deemed income under Section 2(4) to the Ordinance.

Appendix B to the Shelf Offering Report

Letter of Consent for Attachment of the Updated Rating Reports

Maalot
S&P Global Ratings

12 Abba Hillel Street
Ramat Gan, 5250606, Israel
Tel: 972-3-7539700
Fax: 972-3-7539710
www.maalot.co.il

To: Bank Leumi le-Israel B.M.

January 12, 2022

Rating of Bonds (Series 179, 182)

We hereby announce that S&P Maalot set a rating of iIAAA for bonds to be issued to the public by way of the expansion of Series 179 and 182, for a total of up to NIS 3.5 billion par value : Series 179 in the amount of up to NIS 1.5 billion par value and Series 182 in the amount of up to NIS 2 billion par value (hereinafter – the “**Rating**”) by Bank Leumi le-Israel B.M. (hereinafter – the “**Company**”), as published in the rating report of January 12, 2022 (hereinafter – the “**Rating Report**”).

In this connection, we emphasize that the Rating of the bonds was determined, among other things, on the basis of the Draft Shelf Offering Report that we received on January 12, 2021 (hereinafter – the “**Draft Shelf Offering Report**”) and on the basis of the proposed structure and purpose of the issue as you informed us.

If the Shelf Offering Report as published (hereinafter – the “**Final Shelf Offering Report**”) includes modifications in the structure or objective of the issuance, and/or other modifications compared with the wording in the Draft Shelf Offering Report, or if there is any material modification in any factor that may affect the Rating in any way, S&P Maalot reserves the right to rediscuss the matter and to amend the Rating (hereinafter- “**(the) Modifications and (the) Additions**”). Accordingly, and as a condition for our consent below, you are required to notify us and submit to us written details of all the Modifications and Additions in the Shelf Offering Report compared with the Draft Shelf Offering Report submitted to us, as well as other Modifications and Additions, if any. The Rating and our consent below are subject to your written confirmation, **before** publication of the Shelf Offering Report, that the Final Shelf Offering Report does not include any Modifications and Additions compared with the Draft Shelf Offering Report.

Subject to the above, we agree to the full inclusion of the Rating Report in the Final Shelf Offering Report as published, including by way of reference. As set out in the Rating Report, the Rating Report is correct as of the date of its publication.

Our consent is valid for 14 days from the date of this letter, that is, until January 26, 2022. The Company will not include the Rating Report in the Shelf Offering Report subsequent to this date, without our prior written approval.

It is clarified that to determine the Rating, S&P Maalot reviews only aspects relevant to the Rating (based on its evaluation methods) in the Draft Shelf Offering Report, and does not review everything in the Final Shelf Offering Report or in other documents related to the Draft Shelf Offering Report or in the Final Shelf Offering Report, including a description of documents in the Draft Shelf Offering Report or in the Final Shelf Offering Report.

Sincerely,

S&P Global Ratings Ltd.
(“S&P Maalot”)

21 HaArba'a Street | Platinum Tower
Tel Aviv 6473921
Tel. 03-6844700 | Fax 03-6844700
www.midroog.co.il

Midroog

January 12, 2021

To: Bank Leumi le-Israel B.M.

**Attachment of the Rating Report and Updated Rating Report to the
Shelf Offering Report and/or Immediate Report**

Further to your request, we hereby agree to the attachment of the rating report for Bank Leumi le-Israel B.M. (hereinafter – the “**Bank**”) dated January 10, 2022, and the updated rating report dated January 12, 2022, subject to their attachment in full, without any omissions and/or modifications, and they may be attached, including by way of reference to the Shelf Offering Report for Bonds (Series 179), to be issued by Bank Leumi le-Israel B.M. (hereinafter – the “**Issuing Company**”), which is due to be published in January 2022.

In addition, in accordance with the Securities Regulations (Electronic Signature and Reporting), 2003, we hereby permit the certified party on behalf of the Issuing Company to report electronically to the Securities Authority on this consent to attach and on the rating report and updated rating report.

Prior to publication of the Shelf Offering Report, you are required to submit written confirmation to Midroog that the wording of the published Shelf Offering is the same as the wording submitted to Midroog in the rating process.

Our consent to attach the rating report and updated rating report is valid for 60 days from the date of this letter, and the rating report and updated rating report should not be included and/or attached to the Shelf Offering Report subsequent to that date, without our prior written approval.

Yours sincerely,

Itay Navarra, Vice President
Head of Financial Institutions

Appendix C to the Shelf Offering Report
Independent Auditors' Consent Letters

KPMG**Deloitte**

January 12, 2022

To: Board of Directors
Bank Leumi le-Israel B.M.
34 Yehuda Halevi Street
Tel Aviv

Shelf Offering Report of Bank Leumi le-Israel B.M. (hereinafter – the “Bank”) due to be published in January 2022 (hereinafter – the “Shelf Offering Report”)

We hereby advise you that we agree to the inclusion of the reports listed below (including by way of reference) in the Shelf Offering Report based on the Bank's prospectus published on May 27, 2021:

- A. The auditors' review report dated May 26, 2021 on the Bank's condensed consolidated financial information as of March 31, 2021 and for the three months then ended.
- B. The auditors' review report dated August 12, 2021 on the Bank's condensed consolidated financial information as of June 30, 2021 and for the three and six months then ended.
- C. The auditors' review report dated November 15, 2021 on the Bank's condensed consolidated financial information as of September 30, 2021 and for the three and nine months then ended.

Sincerely,

Somekh Chaikin
Partnership registered in Israel and member firm
of the KPMG global network of independent firms
affiliated to KPMG International Limited, a private
English company limited by guarantee
Certified Public Accountants

Brightman Almagor Zohar & Co.
A Firm in the Deloitte Global Network
Certified Public Accountants

Joint Auditors

TEL AVIV STOCK EXCHANGE

To: Bank Leumi Le-Israel B.M.
34 Yehuda Halevi Street
Tel Aviv 6513616

January 12, 2022
403715

Approval for Listing of Securities on the TASE under a Shelf Offering Report

1. Following our approval in principle of May 26, 2021, Ref. No. 390216, our approval for listing of June 19, 2018, Ref. No. 326598, and our approval for listing of November 21, 2021, Ref. No. 400964, approval is hereby given for the listing of:
 - A. Up to NIS 1,316,389,000 par value Bonds (Series 179 – of a series traded on the TASE), issued to the public.
 - B. Up to NIS 1,911,204,000 par value Bonds (Series 182 – of a series traded on the TASE), issued to the public.
2. The validity of this approval is subject to the listing of Bonds (Series 179) and Bonds (Series 182) within 60 days as from January 12, 2022.
3. This approval is based on the Shelf Prospectus of May 27, 2021, the Shelf Offering Report of June 19, 2018, the Shelf Offering Report of November 25, 2021, the Draft Shelf Offering Report of January 5, 2022, and the modifications up to January 12, 2022, which you submitted to us. This approval is subject to the approvals required by law, subject to payment of the TASE listing fee and fulfillment of all the other conditions set out in the TASE bylaws.
4. This approval of the TASE does not constitute confirmation of the information in the shelf offering report, or its reliability or completeness, nor does it express an opinion on the Company or on the quality of the securities offered under the Shelf Offering Report or the price at which they are offered.
5. You are required to:
 - A. Indicate any change in the Draft Shelf Offering Report you submitted to us compared with the Final Shelf Offering Report.
 - B. Submit any amendment made to the Shelf Offering Report for our approval.
 - C. Upon the issue of Bonds (Series 179) and Bonds (Series 182), contact us for their listing on the TASE.
6. **In the MAGNA reporting form for publishing the Shelf Offering Report, please fill out the page attached to the form (XML page) and fill out the bond tender number as follows:**

	Identification name	Tender identity number
Tender for Bonds (Series 179)	Leumi Tender 7	6040513
Tender for Bonds (Series 182)	Leumi Tender 8	6040521

Yours sincerely,

[Signature] **[Signature]**
Tel Aviv Stock Exchange Ltd.

Tel Aviv Stock Exchange Ltd.

2 Ahuzat Bayit St. Tel Aviv 6525216 • POB 29060, Tel Aviv 6129001 • Tel: 076-8160411 Fax: 03-5105379