

Translation of Immediate Report

Bank Leumi le-Israel B.M.

Registration No. 520018078

Securities of the Corporation are listed on The Tel Aviv Stock Exchange

Abbreviated Name: Leumi

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14 March 2019
2019-01-022321

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

Immediate Report on Status of Capital and Registers of Securities of the Corporation and Changes Therein

Regulation 31(e) of the Securities Regulations (Periodic and Immediate Reports) -1970

Regulation 31(a) of the Securities Regulations (Periodic and Immediate Reports) -1970

Regulation 31(b1) of the Securities Regulations (Periodic and Immediate Reports) -1970

Nature of the change: Issuance of Leumi Subordinated Debentures Series 403 and
Leumi Bonds Series 180

Reference Numbers of previous reports concerning the matter: 2019-01-010617, 2019-01-010896, 2019-01-011433

1. Status of the Securities of the Corporation after the Change:

Type and Name of Security	Tel Aviv Stock Exchange Registration No.	Amount in Registered Capital	Issued and Paid-up Capital		Amount registered in name of nominee company
			Amount in the previous report	Current amount	
Leumi	604611	3,215,000,000	1,524,021,394	1,524,021,394	1,523,963,784
Leumi Subordinated Capital Notes (Series 200)	6040141	0	1,349,998,000	1,349,998,000	1,349,998,000

Leumi Subordinated Capital Notes (Series 201)	6040158	0	950,000,000	950,000,000	950,000,000
Leumi Subordinated Debentures Series N	6040299	0	1,870,745,000	1,870,745,000	1,870,745,000
Leumi Subordinated Capital Notes (Series 300)	6040257	0	999,999,000	999,999,000	999,999,000
Leumi Subordinated Capital Notes (Series 301)	6040265	0	999,999,000	999,999,000	999,999,000
Leumi Debentures (Series 177)	6040315	0	5,338,151,000	5,338,151,000	5,338,151,000
Leumi Debentures (Series 178)	6040323	0	1,150,000,000	1,150,000,000	1,150,000,000
Leumi Subordinated Debentures (Series 400)	6040331	0	925,750,000	925,750,000	925,750,000
PSU 2017	6040364	0	385,998	385,998	0
Leumi Debentures (Series 179)	6040372	0	1,285,970,000	1,285,970,000	1,285,970,000
Leumi Subordinated Debentures (Series 401)	6040380	0	613,800,000	613,800,000	613,800,000
Leumi Subordinated Debentures (Series 401)	6040398	0	209,100,000	209,100,000	209,100,000
Leumi Bonds (Series 180)	6040422	0	0	1,689,677,000	1,689,677,000
Leumi Subordinated Debentures (Series 403)	6040430	0	0	1,441,150,000	1,441,150,000

2. The corporation announces that on 14 March 2019:

A change took place in the quantity of securities and in the Corporation's shareholders' register (**including holders of rights to purchase shares**) as a result of:

Description of the nature of the change – Issuance of Leumi Subordinated Debentures (Series 403)

1

Name of the registered holder regarding whom the change has taken place:

Bank Leumi Le-Israel Nominee Company Ltd.

Identification Number Type: Israel Companies Register Number

Identification Number: 5100980064

Date of Change: 14 March 2019

Executed through the Stock

Exchange clearinghouse: Yes

Type and name of the security in which the change has taken place:

Leumi Subordinated Debentures (Series 403)

Tel Aviv Stock Exchange Registration No.: 6040430

Balance of this security, held by this holder before the change: 664,150,000

Balance of this security, held by this holder after the change: 1,441,150,000

Total increase/reduction of the number of the securities: 777,000,000

This is not a grant of rights to purchase securities

The security is paid up in full and the full consideration was received.

4. Attached is a file of the shareholders register in accordance with the provisions of Section 130 of the Companies Law -1999. See attachment: [Mirsham 14319 isa.pdf](#)

5. Attached is an updated file of the corporation's registers of securities, including the register of option holders and the register of debenture-holders - See attachment: [Updated register of securities. pdf](#)

Notes:

1. NIS 925,750,000 nominal value linked Subordinated Notes (Series 400) were issued by the Bank on 21 January 2016 and are convertible under certain circumstances into up to 147,492,625 ordinary shares of the Bank. For additional details regarding the conversion of the Subordinated Notes (Series 400) into Bank shares, see the Trust Deed for the Subordinated Notes (Series 400) which is an annex to the Shelf Offering Report published on 20 January 2016 (Reference No. 2016-01-014872).
2. On 20 March 2016, the Bank's board of directors resolved to issue 48,938,037 shares to employees and corporate officers of the company, pursuant to the outline published by the Bank on 18 February 2016

(Reference No. 2016-01-030790), as amended on 23 February 2016 (Reference No. 2016-01-033361) (hereafter: "the Outline"), and in accordance with the final results of the offer pursuant to the Outline. The said shares were allocated to the Trustee who will hold them in trust for the employees and the corporate officers in a capital gain track in accordance with the provisions of section 102 of the Income Tax Ordinance, as defined in the Outline. All the allocated shares will be blocked for a period of two years until 19 March 2018, other than with regard to key employees, (except for corporate officers for whom half of the bonus will in any event be paid in PSU units and not in blocked shares) regarding whom 664,727 of the shares that are allocated will be blocked for a period of three years until 19 March 2019, in accordance with the provisions of the compensation policy. (The remaining shares will be blocked for a period of only two years). For additional details see the Immediate Report dated 20 March 2016 (Reference No. 2016-01-010026). For information regarding 8,084 shares that were accidentally issued to a Bank employee and which were forfeited and transformed into dormant Bank shares, see the report dated 27 June 2016 (Reference No. 2016-01-066943). For information regarding the transfer of these shares to the owners of PSU 2017 units, see Note 4 below.

3. Pursuant to the Immediate Report filed by the Bank on 30 March 2017, regarding a Material Private Offering Report approved by the Bank's Board of Directors on 29 March 2017 (Reference No. 2017-01-03966) (hereinafter: "the Private Offering Report"), the Bank hereby announces that on 6 April 2017, the Bank allotted 578,969 PSU 2017 units (hereinafter: "the PSU 2017 units") to the Trustee, ESOP Management and Trust Services Ltd., Private Company No. 51-369953-8, on behalf of the Offerees, as such are described in the Private Offering Report (hereinafter: "the Offerees"). The number of shares that will be issued following the vesting of the PSU 2017 units that have been allotted is based on the assumption that all the PSU 2017 units that have been allotted pursuant to the Private Offering Report have vested, and on the assumption that the maximum possible number of shares are allotted, such that each PSU 2017 unit will mature into a single ordinary share of the Bank, with a nominal value of NIS 1.0 each. The vesting of the PSU 2017 units is subject to the conditions set out in section 3 of the Private Offering Report. For additional information regarding the PSU 2017 units, see the Private Offering Report.

The first tranche vested into shares on 5 March 2018. For details see the Immediate Reports dated 6 March 2018. (Reference Numbers 2018-01-021457 and Reference No. 2018-01-021445). As part of the vesting of the first tranche, 8,084 dormant shares were transferred to owners of PSU 2017 units that had vested as stated. For details, see the Immediate Reports dated 6 March 2018, Reference Numbers 2018-01-021445 and Reference Nos. 2018-01-021445 and 2018-01-021448.

On 6 March 2019, 192,991 PSU 2017 units vested into shares on 6 March 2019. These units constitute the second tranche of the PSU 2017 units. These shares will be blocked through 5 April 2019. For further information, see the Immediate Report dated 7 March 2019 (Reference No. 2019-01-019870).

As of the current date, 385,972 PSU 2017 units have vested into ordinary shares, and there are 192,997 unvested PSU 2017 units remaining.

4. NIS 613,800,000 nominal value Subordinated Debentures (Series 401) and NIS 209,100,000 nominal value Subordinated Debentures (Series 402) were issued by the Bank on 8 July 2018, and are convertible, under certain circumstances, into up to 57,500,909 and 19,588,530 ordinary shares of the Bank, respectively, as of 14 March 2019. For additional details regarding the conversion of the Subordinated Notes (Series 401 and 402) into Bank shares, see the Shelf Offering Report published on 5 July 2018 (Reference No. 2018-01-060390).

For additional details regarding the expenses of the issue of the Subordinated Debentures (Series 401) and Subordinated Debentures (Series 402), see the Immediate Report dated 8 July 2018 (Reference No. 2018-01-061236).

5. NIS 664,150,000 nominal value Subordinated Debentures (Series 403) were issued by the Bank on 31 January 2019, and NIS 777,000,000 nominal value of additional Subordinated Debentures (Series 403) were issued by the Bank on 14 March 2019 through an expansion of the series. The above-mentioned Subordinated Debentures are convertible, under certain circumstances, into up to 124,991,326 ordinary shares of the Bank, provided that no adjustments are made pursuant to the terms of the Subordinated Debentures (Series 403), and the Index on the conversion date is not less than the Base Index as defined in the trust deed for the said Subordinated Debentures. For additional details regarding the conversion of the Subordinated Debentures (Series 403) into Bank shares, see the Trust Deed attached as Appendix A to the the Shelf Offering Report published on 30 January 2019 (Reference No. 2019-01-010896).

For additional details regarding the results of the issue of the Subordinated Debentures (Series 403), see the Immediate Report dated 31 January 2019 (Reference No. 2019-01-011433).

For additional details regarding the results of the issue of the Subordinated Debentures (Series 403), through an expansion of the series, see the Immediate Report dated 14 March 2019 (Reference No. 2019-01-022135).

6. During the course of 2018, the Bank carried out a self-purchase plan in the amount of some NIS 700 million pursuant to a safe harbor protection mechanism as published by the Israel Securities Authority (Legal Opinion No. 199-8). The self-purchase plan was carried out in two stages. The first stage, pursuant to the said program, commenced on 27 May 2018, and ended on 2 August 2018. In its framework, and through an external stock exchange member, some 13,667,294 shares were purchased in an amount of some NIS 303 million. The second stage commenced on 15 August 2018, in which an additional amount of some NIS 397 million was transferred to the external stock exchange member for the purpose of carrying out the self-purchase pursuant to the program. The self-purchase program concluded on 22

November 2018, in the framework of which the external stock exchange member purchased a total of 30,412,578 shares in an amount of some NIS 700 million. For additional details see Note 9a of the Financial Report for the third quarter of 2018, and the Immediate Report dated 22 November 2018, Reference No. 2018-01-112947.

The report was signed on behalf of the corporation, in accordance with Regulation 5 of the Securities (Periodic and Immediate Reports), 1970, by Attorney Livnat Ein-Shay Wilder, Secretary of the Group and of the Bank.

Note: English translations of Immediate Reports of Bank Leumi are for convenience purposes only. In the case of any discrepancy between the English translation and the Hebrew original, the Hebrew will prevail. The original Hebrew version is available on the distribution website of the Israel Securities Authority: <http://www.magna.isa.gov.il/>

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