

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
34 Yehuda Halevi Street, Tel Aviv 651316
Phone: 076-8858111, 076-889419; Facsimile: 076-8859732
Electronic Mail: Livnat.Ein-Shay@bll.co.il

7 March 2019
Reference: 2019-01- 19858

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

Immediate Report

Nature of Event: Update of Dividend Policy

See attached [Dividend policy 7319 isa.pdf](#)

Date and time at which the corporation first became aware of the matter being the subject of the report: 6 March 2019 Time: 16:30.

Name of Electronic Reporter: David Raoul Sackstein, Position: Advocate, General Secretary
Yehuda Halevi Street 34, Tel Aviv 6513616, Phone: 076-8857984, Facsimile: 076-8859732
Electronic Mail: david.sackstein@bankleumi.co.il

7 March 2019

To:

Tel Aviv Securities Exchange
2 Ahuzat Bayit Street
Tel Aviv 652516

Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem 95464

Dear Sir or Madam:

Re: Update of Dividend Policy

On 6 March 2019, the Bank's Board of Directors approved an update of the Bank's dividend distribution policy, established on 21 November, 2017 (see the Immediate Report dated 21 November 2017, Reference No. 2017-01-102487). The update provides that the Bank will, each quarter, distribute up to 50% of the Bank's net profit, in accordance with the Bank's financial statements for the past quarter. This is instead of 40% of the net profit, pursuant to the previous policy. This decision was made in light of the consistent improvement in the Bank's business results and capital surpluses.

The actual dividend distribution, each quarter, is subject to, *inter alia*, the Bank's remaining in compliance with its target capital adequacy rates, even after the distribution of the dividend. The actual distribution of the dividend is subject to a specific resolution by the Board of Directors prior to each distribution, to business considerations and to the legal provisions applicable to the distribution of the dividend, including the provisions of the Companies Law and the Bank of Israel directives.

The distribution of a dividend at the rate of 40% of quarterly profits has been approved for the fourth quarter of 2018 – in the amount of NIS 275 million. An Immediate Report concerning the actual distribution will be published separately, shortly after the publication of this Report.

Sincerely,

Bank Leumi le-Israel Ltd.
by

Mr. Omer Ziv, Head of the Finance Department
Attorney Irit Roth, Chief Legal Advisor