

Translation of Immediate Report

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Public

Bank Leumi Le-Israel B.M.

Registration No. 520018078

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

Abbreviated Name: Leumi

3 Abba Hillel Silver St. Lod 7129404

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Transmission Date: March 27, 2024

Reference: 2024-01-032859

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

Supplementary report to a report issued on March 19, 2024 whose reference no. is:
2024-01-027750

Key details added/supplemented: The dividend amount is final.

A comment was added regarding the adjustment of the floor price of Subordinated Bonds (Series 402-405)

Immediate Report on Distribution of a Cash Dividend to Securities

Regulation 37(A) to the Securities Regulations (Periodic and Immediate Reports), 1970

1. We hereby report that on *March 18, 2024* it was decided to pay a dividend to Company's securities.
2. The total dividend amount to be paid is: NIS 365,040,200 _____.
3. The balance of the corporation's earnings as defined in Section 302 of the Companies Law, 1999 subsequent to the distribution, which is the subject matter of this report, is
NIS 42,102,000,000 _____.
4. The dividend distribution approval procedure

The distribution was approved by the Board of Directors on March 18, 2024.

The abovementioned distribution was approved by the Court pursuant to Section 303 of the Companies Law *No*

5. Record date: *March 27, 2024*
Ex-dividend date: *March 27, 2024*
Payment date: *April 11, 2024*

6. Payment details

☒ Dividend distributed by an Israel resident company (for the composition of dividend sources and tax rates, see Section 7a).

☐ Dividend distribution by a Real Estate Investment Trust (REIT) (for the composition of dividend sources and tax rates, see Section 7c).

No. of eligible security	Security name	Dividend amount per one security	Dividend amount currency	Payment currency	Representative exchange rate for payment in respect of date	Individuals' tax %	Corporation tax %
604611	Leumi	0.2397076	NIS _____	NIS _____	_____	25	0

☐ Dividend distributed by a foreign resident company (for tax rates, see Section 7b)

Security number	Security name	Gross amount per one security	Amount currency	% of foreign tax	% of tax as per tax treaty	Balance of individuals' tax deductible in Israel %	Balance of corporation tax deductible in Israel %
1		Amount payable in Israel per one security	Payment currency	Representative exchange rate for payment in respect of date		Effective individuals' tax %	Effective corporation tax %

The dividend amount to be paid should be noted to 7 decimal places for payments in NIS, and up to 5 decimal places for payments in other currencies. _____

Is the dividend amount per one security final Yes

The amount of dividend per one security is subject to changes due to: *Disposal of convertible securities, if any*

7. The following tax withholding rates are for the purpose of tax withholding by the Stock Exchange Members.

7a. Composition of sources of dividend distributed by an Israel resident company out of shares and financial instruments excluding a REIT.

	% of dividend	Individuals	Corporations	Foreign residents
Income subject to corporation tax(1)	100%	25%	0%	25%
Income earned abroad(2)	0	25%	23%	25%
Income from approved/benefited enterprise(3)	0	15%	15%	15%
Income of a benefited enterprise under the Ireland track until 2013(4)	0	15%	15%	4%
Income of a benefited enterprise under the Ireland track as from 2014(5)	0	20%	20%	4%
Preferred income	0	20%	0%	20%
Income of approved enterprise operating in the tourism/agriculture sector(6)	0	20%	20%	20%

Income of approved/benefited enterprise that issued a waiver notice(7)	0	15%	0%	15%
Distribution classified as a capital gain	0	25%	23%	0%
Distribution by a participation unit	0	0	0	0
Other	0	0	0	0

Explanation:

- (1) Income subject to corporation tax – income from distribution of earnings or dividend out of income generated or accrued in Israel and received directly or indirectly from another body of persons that is subject to corporation tax.
- (2) Income earned abroad is income generated or accrued abroad and not taxed in Israel.
- (3) Including income from a benefited enterprise operating in the tourism sector, whose year of election/ activation is no later than 2013.
- (4) Benefited enterprise under the Ireland track, whose year of election is no later than 2013.
- (5) Benefited enterprise under the Ireland track, whose year of election is 2014 and thereafter.
- (6) Including income from a benefited enterprise operating in the tourism sector, whose year of election/ activation is 2014 and thereafter.
- (7) An approved or benefited enterprise that issued a waiver notice through June 30 2015, after deducting corporation tax therefrom.

7b.Dividend distributed by a foreign resident company

	Individuals	Corporations	Foreign residents
Dividend distributed by a foreign resident company	25%	23%	0%

7c.Dividend distributed by a REIT

	% of dividend	Individuals (1)	Companies	Foreign resident companies	Exempted mutual fund	Provident fund(2)
From land betterment, capital gain and depreciation (3)	_____	25%	23%	23%	0%	0%
Other taxable income (such as rent)	_____	47%	23%	23%	23%	0%
From income-generating residential real estate for renting-out purposes	_____	20%	20%	20%	0%	0%
Income in respect of which tax was deducted by the REIT(4)	_____	25%	0%	25%	0%	0%
Extraordinary income	_____	70%	70%	70%	60%	70%
Other	_____	_____	_____	_____	_____	_____
Weighted percentage of tax withheld	100%	_____	_____	_____	_____	_____

- (1) Individuals – including income of a taxable mutual fund, individuals who are foreign residents.
- (2) Pension or severance pay provident fund as defined in the Income Tax Ordinance and provident fund or foreign pension fund which is a resident of a reciprocating country.
- (3) From land betterment or capital gain, except for income from sale of land held for a short period, and income equal to the amount of depreciation expenses.
- (4) Distribution out of income in respect of which tax was deducted by the fund pursuant to Section 64A4(e).

8. Number of the corporation's dormant securities not eligible for dividend payment, in respect of which a letter must be issued waiving receipt of the dividend 92,773,267.

9. The impact of dividend distribution on convertible securities:

- ☐ The company does not have convertible securities.
- ☐ The dividend distribution does not impact the convertible securities.
- ☒ The impact of dividend distribution on the convertible securities is as follows:

Security name	Security number	Notes
<i>Leumi 8/22</i>	<i>1189158</i>	<i>Other</i>
		<i>The Bank has an outline for the offering of securities (options) and the full amount of the dividend per share will be deducted from the exercise price of the options that were awarded, as stated in Section 6 above.</i>

10. Directors' recommendations and decisions in connection with dividend distribution pursuant to Regulation 37(A)(1) to the Securities Regulations (Periodic and Immediate Reports), 1970:

- *On March 18, 2024, the Bank's Board of Directors approved the distribution of dividend at the total amount of approx. NIS 365 million, after it has been presented with the following data:*
- *The proposed dividend distribution does not have a material effect on the Bank's financial position.*

See below a breakdown of the balance of profits.

- *The balance of profits as defined in Section 302 to the Companies Law, prior to the proposed distribution totals NIS 42,467 million (after deducting NIS 5,253 million which are non-distributable profits).*
- *The balance of profits as defined in Section 302 to the Companies Law, after the proposed distribution totals NIS 42,102 million (after deducting NIS 5,253 million which are non-distributable profits).*
- *The effect of the proposed distribution on the structure of capital, capital adequacy, and leverage and liquidity ratios is based on the forecast for the forthcoming year, whereby the Bank's operating results in the year after the dividend distribution shall be such that the capital adequacy ratio and the leverage and liquidity ratios will not be lower than required.*
- *There is no concern that the dividend distribution shall prevent the Bank from meeting its existing and expected obligations.*
- *The proposed distribution is out of profits as defined in the Companies Law.*
- *The Bank complies with other regulatory restrictions stipulated by the Banking Supervision Department, including the provisions of Proper Conduct of Banking Business Directive No. 331 regarding "Distribution of Dividends by Banking Corporations", as well as capital adequacy, leverage and other restrictions.*

The Board of Directors assessed the Bank's compliance with the profit criteria and the solvency criteria set in Section 302(A) to the Companies Law, and in view of the above approved the Bank's compliance with the distribution criteria.

In view of the above, the Bank's Board of Directors decided to approve the distribution of a dividend of NIS 365 million, constituting 20% of the net income for the fourth quarter of 2023. It should be clarified that the Bank's dividend distribution policy has not changed, and the decision regarding a dividend rate of 20% applies only to this quarter.

The dividend to be distributed is derived from income that was subject to corporate tax out of profits accumulated through the fourth quarter of 2023.

The above information includes forward looking information, as defined in the Securities Law, 1968. The Company's estimates may not materialize, in whole or in part, or may materialize in a materially different manner than expected, due to, among other things, changes in market conditions, and the materialization of one of the risks listed in the Bank's reports in its Board of Directors' report as of December 31, 2023 and in its 2023 periodic report.

Details of signatories authorized to sign on behalf of the corporation:

Name of signatory	Title	other
<i>Hagit Argov</i>	<i>Head of Finance and Accounting Division</i>	

In accordance with Regulation 5 of the Securities Regulations (Periodic and Immediate Reports), 1970, a report filed pursuant to these regulations shall be signed by the corporation's authorized signatories. For a staff position of this matter, see the Authority's website: [click here](#).

Notes to Sections 6 and 8

The dividend amount for one security is based on issued capital of 1,615,629,355 ordinary shares of NIS 1 par value each (net of 92,773,267 treasury shares in the Bank's capital, acquired under buyback programs implemented by the Bank in 2018, 2019 and 2020 (see immediate reports of November 22, 2018, reference no. 2018-01-112947, November 21, 2019, reference no. 2019-01-100803 and April 2, 2020, reference no. 2020-01-031027), and following another buyback plan that was approved by the Bank's Board of Directors approved on May 22, 2023, at a total amount that will not exceed NIS 800 million, as from May 24, 2023 through May 15, 2024 (see immediate report of May 23, 2023 (Ref. No. 2023-01-054705, immediate report of August 1, 2023 (Ref. No. 2023-01-088254), immediate report of October 18, 2023 (Ref. No. 2023-01-117093), immediate report of November 29, 2023 (Ref. No. 2023-01-129840), and immediate report of March 19, 2024, (Ref. No.: 2024-01-027753).

Following the distribution of the dividend which is the subject matter of this report, as from the "ex-dividend" date, which was March 27, 2024, the floor prices were adjusted to the conversion of the Bank's Subordinated Bonds (Series 402-405), in accordance with the terms and conditions of the subordinated bonds as described below:

Series No. Adjusted floor price

<i>402</i>	<i>8.9075</i>
<i>403</i>	<i>9.6118</i>
<i>404</i>	<i>10.6569</i>
<i>405</i>	<i>15.2716</i>

For the avoidance of doubt, it is clarified that the above adjusted floor prices of the Subordinated Bonds (Series 402, 403, 404 and 405) do not include linkage differences in respect of the CPI under the terms and conditions of those series.

Reference numbers of previous documents on this subject (this reference does not constitute incorporation by way of reference):

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Ticker: Leumi

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Previous names of the reporting entity:

Name of Electronic Reporter: Shelly Bainhoren, Position: Bank Secretary, 3 Abba Hillel Silver St. Lod 7129404, Phone: 076-8859419, Electronic Mail: Shelly.Bainhoren@BankLeumi.co.il

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.

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