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The Hebrew Immediate Report is the binding report

June 11, 2026

To:	To
<u>The Securities Authority</u>	<u>The Tel Aviv Stock Exchange Ltd.</u>
www.maya.tase.co.il	www.magna.isa.gov.il

Dear Sirs/Madams,

Re: Report in accordance with the Securities Regulations (Private Offering of Securities in a Listed Company), 2000

This report is issued in accordance with the resolution of the Board of Directors of Bank Leumi le-Israel B.M. (hereinafter - the “**Bank**”) of June 10, 2026 regarding the approval of an immaterial and non-extraordinary private offering of securities to up to 18 employees who are not Bank officers (hereinafter jointly - the “**Offerees**”),¹ in accordance with an outline of June 12, 2025 as amended on April 28, 2026² (hereinafter - the “**Outline**”), which is incorporated into this report by way of reference, as described below.

1. The offered securities, their terms and their percentage of the Bank’s voting rights and issued and paid-up share capital subsequent to the allocation
 - 1.1. Under the allocation, the Bank will allocate to the Offerees, without consideration, up to 215,136 non-traded options (hereinafter - the “**Options**”) exercisable to up to 215,136 ordinary shares of the Bank of NIS 1 par value (hereinafter - “**Ordinary Shares**”). Subject to adjustments as detailed in Section 3 below. The actual award of the Options is contingent upon receipt of the approval of the Tel Aviv Stock Exchange (hereinafter - “**TASE**”).

¹ The Offerees are not interested parties in the Bank by virtue of their holding stakes, and will not become interested parties by virtue of their holding stakes as a result of the allocation referred to in this report. Furthermore, employer-employee relationships exist between all the Offerees and the Bank.

² Ref. No.: 2025-01-042103, as amended in the report on correction of a scribal error of April 28, 2026 (Ref. No.: 2026-01-039135).

Unless expressly stated otherwise in this report, all provisions set out in the Outline will apply to the Options.

- 1.2. The allocation of the Options will be executed in accordance with the Bank's compensation policy for officers and key employees who are not officers (hereinafter - the "**Compensation Policy**") under the capital gains track (with a trustee) in accordance with Section 102 to the Income Tax Ordinance (New Version), 1961 (hereinafter - the "**Ordinance**"), and in accordance with the option plan adopted by the Bank on June 1, 2022 (hereinafter - the "**Option Plan**").
- 1.3. Assuming all offered Options will be exercised, the Ordinary Shares which will be allocated to the Offerees following the exercise of Options will constitute approximately 0.015% of the Bank's voting rights and issued and paid-up share capital, including on a fully diluted basis, excluding dormant shares.
- 1.4. The Options' exercise price will be approximately NIS 72.45 per share (hereinafter - the "**Exercise Price**"). As detailed in Section 8.3 to the Outline, the exercise price is determined in accordance with the average closing price of the Company's share during the thirty trading days prior to the Board of Directors' resolution.
- 1.5. It should be noted that under the Options' terms, they will be exercised in accordance with a cashless exercise mechanism, and therefore the Bank will not allocate to the Offerees 215,136 shares against their exercise, but rather a small number of shares, as detailed in Section 10.6.2 to the Outline.

On the Options' exercise date, the Offerees will not pay the Bank for the exercise of the Options, and the Bank, to the extent required by law, will capitalize the par value of the exercise shares allocated into share capital from profits, as defined in Section 302(B) to the Companies Law, 1999 (hereinafter - the "**Companies Law**"), from share premium, or from any other source included in its equity as stated in its latest financial statements for the relevant date, in accordance with and subject to the provisions of Section 304 to the Companies Law.

With regard to the cashless exercise mechanism as described in Section 10.6.2 to the Outline:

The "**Ceiling Price**" - (a) with respect to Series 1 Options: For the first tranche of the series - the base price multiplied by 1.4; for the second tranche of the series - the base price multiplied by 1.5. (b) With respect to Series 3 Options - the base price multiplied by 1.4.

The “**Base Price**” – NIS 72.45, which is the average closing price of the Bank's share over the 30 trading days preceding the date of the Board of Directors’ resolution approving the allocation, subject to the adjustments specified in Section 3 below, with the exception of a dividend adjustment, which is detailed in Section 3.5 below.

- 1.6. The options will not be listed on the TASE. The exercise shares to be issued following the exercise of the Options will be listed on the TASE. In this context, the Bank will request from the TASE to list the exercise shares immediately after the publication of this report. In accordance with the TASE’s Regulations, the exercise shares will be registered in the Bank’s Shareholder Register in the name of the nominee company.
- 1.7. For all intents and purposes, the shares which will arise from the exercise of the Options will have equal rights to those of the Ordinary Shares (hereinafter - the “**Exercise Shares**”).

2. Vesting and exercise dates

2.1. Options (Series 1)

- 2.1.1. 104,154 Options (**Series 1 Options**) exercisable into up to 104,154 Ordinary Shares will vest in two equal tranches, as detailed below, provided that on the vesting date the Offeree will be employed by the Bank and/or by the Bank group, and provided that the Bank complies with capital adequacy conditions (as defined ³below) on each of the vesting dates:
 - a. The first tranche (50% of the value of Series 1 Options) will vest two years from the allocation date and will expire 24 months after the vesting date;
 - b. The second tranche (the remaining Series 1 Options) will vest three years from the allocation date and will expire 24 months after the vesting date.
- 2.1.2. The vesting of each of the tranches of Series 1 Options as stated above is contingent upon the total capital adequacy ratio and the CET1 ratio as per the Bank’s consolidated annual financial statements in the previous calendar year not falling from the minimum ratios set by the Banking Supervision Department (hereinafter - the “**Capital Adequacy Conditions**”).
- 2.1.3. If the Capital Adequacy Conditions are not complied with on any of the vesting dates, the vesting date of the relevant tranche of Options will be deferred to the

³ Subject to the provisions of the Option Plan regarding termination of employment, including termination due to death or disability).

following year (hereinafter - the “**Deferred Vesting Date**”). The fulfillment of the Capital Adequacy Conditions will be reassessed on the Deferred Vesting Date, and the relevant tranche of Options will vest subject to compliance therewith, provided that the Offeree is still employed by the Group on the Deferred Vesting Date. If the Capital Adequacy Conditions are not complied with on the Deferred Vesting Date, the vesting date of the relevant tranche of Options will be deferred by one further year, and so on and so forth. The Options’ vesting date may be deferred in this manner until the expiration date of the relevant tranche of Options.

- 2.1.4. If the expiration date of any of the tranches of Options falls before the fulfillment of the Capital Adequacy Conditions (without prejudice to the Options included in the other tranches), the Series 1 Options included in that tranche will not vest, the Offeree will not be entitled to exercise any option of the Options included in that tranche and the Options included in that tranche shall be returned to pool used by the Bank, from which the Bank shall be permitted to award Options in accordance with the provisions of the plan and the Outline, at its sole discretion.

2.2. Options (Series 3)

- 2.2.1. 110,982 Options (“**Series 3 Options**” or “**Options Series 3**”), exercisable to up to 110,982 Ordinary Shares will vest in accordance with defined performance targets as detailed in the allocation letter, on the date of the Offeree’s entitlement to the measurable annual bonus in respect of 2026, immediately prior to the publication date of the consolidated annual financial statements of the Bank for 2026.
- 2.2.2. In addition, the vesting of Series 3 Options will be contingent on the existence of an employer-employee relationship between the relevant Offeree and the Bank or a subsidiary thereof on the vesting date.
- 2.2.3. Subject to the provisions of Section 2.2.4 below, Series 3 Options will be exercisable through no later than 60 months from their allocation date (the “**Deadline for Exercise of Series 3 Options**”). Notwithstanding the above and subject to Section 2.2.4 below, if within a 48-month period from the allocation date of Series 3 Options, the intrinsic value of Series 3 Options shall be equal to or higher than the fair value of those options, the exercise period will be shortened and any Series 3 Options not exercised through that date will be exercised automatically.

2.2.4. All Series 3 Options will be exercisable from their vesting date through the Deadline for Exercise of Series 3 Options. Despite the above, and noting the requirements applicable to the Bank under Directive 301A of the Proper Conduct of Banking Business Directives, if the total amount of the variable compensation to which the Offeree will be entitled in respect of 2026 will exceed 40% of the Offeree's fixed compensation in that year, then 50% of the Series 3 Options will be exercisable as from the vesting date as stated above; and the remaining Series 3 Options will be exercisable in three equal tranches in accordance with and subject to what is stated below:

- a. The first tranche (16.67% of the Series 3 Options) will be exercisable as from April 1, 2028, subject to compliance with the Capital Adequacy Conditions;
- b. The second tranche (16.67% of the Series 3 Options) will be exercisable as from April 1, 2029, subject to compliance with the Capital Adequacy Conditions;
- c. The third tranche (16.67% of the Series 3 Options) will be exercisable as from April 1, 2030, subject to compliance with the Capital Adequacy Conditions;

2.2.5. If the Bank failed to comply with the Capital Adequacy Conditions on any of the abovementioned dates, the entitlement to exercise the relevant tranche shall be deferred to the next date on which the Bank will comply with those conditions, provided that the Deadline for Exercise of Series 3 Options has not elapsed. If the Deadline for Exercise of Series 3 Options falls before the fulfillment of the conditions for exercise of any of the tranches, the Series 3 Options included in that tranche shall expire, the Offeree will not be entitled to exercise them and the Options included in that tranche will be returned to pool used by the Bank, from which the Bank shall be permitted to award Options in accordance with the provisions of the plan and the Outline, at its sole discretion.

2.2.6. Any vested Options (Series 3) will not expire upon termination of the employer-employee relationship between the Offeree and the Bank; those options will be valid until the relevant expiration date.

2.3. Options expiration event

If on any date the average closing price of the Bank's share during the 30 trading days prior to that date was lower than NIS 40 (subject to adjustments as detailed in Section 3 which have not yet been exercised will expire and be cancelled.

2.4. Restrictions regarding the exercise date in accordance with the TASE Regulations and trading blackout periods

2.4.1. Notwithstanding the above, no exercise of Options will be effected on the record date for distribution of bonus shares, an offering by way of rights, dividend distribution, capital consolidation, capital split or capital reduction (each of the above will be named hereinafter - a “**Company Event**”), and the exercise date will be deferred. If the Ex Date of a Company Event falls before a Company Event’s record date, the Options will not be exercised on such Ex Date.

2.4.2. Notwithstanding the provisions of this section above regarding vesting and expiry dates, if on the deadline for expiry of the Options the Offeree will not be allowed to exercise them due to lockup periods to be set or periods in which restrictions apply in accordance with the Bank’s policy regarding the prohibition of use of insider information (hereinafter, jointly - the “**Trading Prohibition Periods**”), then the exercise period will end at the conclusion of an additional period equal to the number of days included in the Trading Prohibition Periods, in addition to and beyond the end of the Trading Prohibition Period. The Bank will inform the Offeree of the extension of the exercise period as stated above.

3. Adjustment of rights and provisions designed to protect the Offerees:

3.1. **Mergers and acquisitions** - If the Bank will be a party to a share exchange agreement or arrangement (such as a merger or restructuring transaction) (hereinafter - the “**Exchange Transaction**”) where Bank shareholders will be offered to exchange those shares with the securities of any other corporation (hereinafter - the “**Other Corporation**”), the Bank will act to ensure that the Other Corporation undertakes to allocate to the Offerees, if they exercised - subsequent to the Exchange Transaction - the abovementioned securities offered to the Bank’s shareholders, as if the Offerees were the holders of the Exercise Shares on the effective date of the abovementioned Exchange Transaction.

In the case of such an Exchange Transaction, the Bank may oblige the Offerees in respect of all unexercised Options held by them or on their behalf, to receive Options exercisable to the shares of the Other Corporation, in exchange for the Bank’s Options they hold, according to the exchange ratio to be set for all of the Bank’s shareholders, provided that the total amount of the Exercise Price in respect of all of the exchanged options which will be allocated will be equal to the total amount of the Exercise Price in respect of all such unexercised Options held by or on behalf of the Offerees.

- 3.2. **Liquidation** – If it is decided to effect a voluntary liquidation of the Bank and Options allocated under this allocation remain unexercised, in the event of voluntary liquidation each holder of an allocation letter will be deemed to have exercised their right to exercise the Option into a share immediately upon the liquidation decision, and they will not be required to issue an exercise notice. The exercise price will be deducted from the payments that will be transferred to the shareholders as part of the liquidation.
- 3.3. **Technical changes in the Bank's capital** – Whenever a change occurs in the Bank's issued share capital by way of a share split, share consolidation, change in the structure of the Bank's capital, or any similar event by or of the Bank, the number and class of shares under this award or the exercisable shares arising from the exercise of the Options awarded by virtue of this award, and/or the exercise price, will be adjusted proportionally in order to maintain the number of shares and their aggregate exercise price, provided that no such adjustments are made following the distribution of rights in respect of issued shares.
- 3.4. **Distribution of bonus shares** - If the Bank distributed bonus shares during the period in which a conversion right is in place, the rights of the Option holders will be maintained, such that the number of shares arising from the conversion to which the Option holder will be entitled upon conversion thereof shall increase or decrease by the number of shares of the same class to which the Option holder would have been entitled as bonus shares had they converted the Options.
- 3.5. **Dividend distribution** - Should the Bank distribute a dividend during the option period, the exercise price will be reduced in line with the amount of the dividend distributed by the Bank, and the Offerees' rights to the Options will be maintained ("**Dividend Adjustment**"). It is clarified that in any event where the Bank distributes a dividend, and on the dividend distribution record date the trustee held Exercise Shares for any of the Offerees, the Bank will transfer to the trustee dividend amounts in respect of the such Exercise Shares held by the trustee for each Offeree; the trustee will withhold tax in accordance with the law, if and as required, and will thereafter transfer the dividend amounts to the Offeree (after tax withholding).
- 3.6. **Offering by way of rights** - If the Bank offers to its shareholders any securities by way of issuance of rights, then - with respect of the unexercised Options through the effective date for issuance of rights - the number of Exercise Shares will be adjusted to reflect the benefit component in the rights, as reflected in the ratio between the share price on the TASE on the effective date and the Ex Rights base price.

In this section, the **Benefit Component** is the difference between the closing price of the Bank's share on the TASE on the last trading date before the ex-date and the Ex-Rights

Base Price of the Bank's share. This adjustment will be subject to the TASE Regulations and guidance as they will be from time to time.

3.7. Notwithstanding the provisions of this section, under no circumstances will the exercise price of each Option be lower than the par value or a minimum amount to be set in the TASE Regulations, to the extent that such an amount is set (except with respect to employees for which the Bank's Board of Directors may set any exercise price at its sole discretion), subject to any law and the TASE Regulations.

3.8. For the avoidance of doubt, in any event of adjustments pursuant to this section, the Offerees will not be entitled to a portion of a whole share, the number of shares which will be allocated to each Offeree shall be rounded upward to the nearest share, and the provisions of the Option Plan with regard to this matter will apply.

4. The consideration

The Options will be awarded to the Offerees without consideration. It is noted that the Offerees' entitlement to the Series 3 Options replaces their entitlement to compensation components.

5. Details of written or oral agreements between the Offerees and a shareholder in the Bank or all or some of the Offerees, among themselves or with others, regarding the acquisition or sale of the Bank's securities or regarding voting rights therein, to the Best of the Bank's knowledge, after conducting assessments and providing the details thereof:

To the best of the Bank's knowledge there are no written or oral agreements between any of the Offerees and a shareholder in the Bank or all or some of the Offerees, among themselves or with others, regarding the acquisition or sale of the Bank's securities or regarding voting rights therein.

6. Details of impediments or restrictions on transactions involving the Offered Securities which will apply to the Offerees to the best of the Bank's knowledge:

6.1. The allocation of Options to Offerees under this offering will be subject to the provisions of Section 102 to the Income Tax Ordinance [New Version] under the capital gains tax track (through a trustee) (the abovementioned Section 102 and the regulations promulgated thereunder will be named hereinafter collectively - the "**Provisions of Section 102**"); these include, among other things:

6.1.1. Under the Provisions of Section 102, the Options will be allocated to a trustee for the Offeree, and the trustee will act with respect to the Options and the Exercise Shares in accordance with the provisions of Section 102 and in accordance with

the provisions of the trust and the procedures for exercising the options and selling the Exercise Shares, as will be decided by the Bank and the trustee.

- 6.1.2. Any tax liability with respect of the Options (including with respect of the award, exercise or sale of the Options or the Exercise Shares) will be borne exclusively by the Offerees.
 - 6.1.3. The trustee will hold the Options for the Offerees throughout the Options' period and will also hold the Exercise Shares until they are sold or until the tax imposed on the Offeree is paid, the earlier of the two. Should an Offeree wish to sell the Exercise Shares before the applicable tax has been paid, they will be allowed to do so through the trustee, subject to the terms of an arrangement to be put in place, if any, with the Israel Tax Authority and subject to the payment of tax. The trustee will be allowed to deduct any amount from the sale consideration in order to secure the payment of tax.
- 6.2. Subject to obtaining all approvals required under the law, in addition to the lockup period, as part of an underwritten public offering of the Bank's securities or as part of an offering of the Bank's securities abroad, the Bank is allowed to decide, from time to time, that the Exercise Shares are will be subject, in addition to a lockup period of up to 280 consecutive days, or a longer period, as recommended by the Bank's Board, during which the Offerees or some of them will not be allowed to sell these Shares. The provisions of this section are subject to the provisions of Section 102 of the Ordinance, the provisions of the Companies Law and the Securities Law, and the TASE Regulations. It is noted that the Bank's Board of Directors will have the power to impose, from time to time, general restrictions on Bank employees, including the Offerees, regarding lockup periods immediately prior to the end of a calendar quarter and through the publication of the Bank's financial statements in respect thereof or immediately prior to the dividend distribution dates during which they will not be able to sell the Exercise Shares (or exercise the Options).
- 6.3. Without derogating from the provisions of the compensation policy and this report, the Offerees will be subject to the provisions and restrictions set in the applicable law, including the Securities Regulations and the regulations promulgated thereunder and the Income Tax Ordinance; they will also be subject to restrictions and provisions as will be set from time to time by the Board of Directors, including restrictions pertaining to the use of insider information.

Bank Leumi le-Israel B.M.

By:

Tamar Mass, Head of Human Resources Division and Head of
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Hagit Argov, CFO and Head of the Finance Division

Tel Aviv, June 11, 2026

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