



Bank Leumi le-Israel B.M.

("The Bank")

June 30, 2025

To
Israel Securities Authority
www.maya.tase.co.il

To
The Tel Aviv Stock Exchange Ltd.
www.magna.isa.gov.il

Dear sir or madam,

**IN RE: REPORT IN ACCORDANCE WITH THE SECURITIES REGULATIONS
(PRIVATE OFFERING OF SECURITIES IN A LISTED COMPANY), 5760-2000**

In accordance with the resolution of June 30, 2025 of the Board of Directors of Bank Leumi le-Israel B.M. (hereafter – "**the Bank**" and "**date of approval of the Board of Directors**", respectively), regarding the approval of a substantial private offering of securities to nine (9) members of the Bank's Board of Directors (who constitute all the members of the Bank's Board of Directors, excluding the Chairman of the Board of Directors): Sasson Elya, Zvika Naggan, Leah Ruth (Schwartz), Esther Deutsch, Ester Dominissini, Irit Shlomi, Ram Belinkov, Dan Alexander Koller and Yedidia Zvi Stern (hereafter, collectively – "**the Offerees**"),¹ which was adopted further to the resolution of the general meeting of the Bank's shareholders of August 10, 2023 regarding the approval of the framework for granting fixed equity-based compensation to the Bank's directors (other than the Chairman of the Board of Directors), the Bank is pleased to submit a report in accordance with the Securities Regulations (Private Offering of Securities in a Listed Company), 5760-2000, as described below.

1. General

- 1.1. On August 10, 2023, the Bank's general meeting approved a framework for granting fixed equity-based compensation to all members of the Board of Directors (excluding the Chairman of the Board of Directors), as such shall serve from time

¹ No employer-employee relationship exists between the Bank and any of the Offerees.

to time on the Bank's Board of Directors ("**the general meeting**" and the "**framework**", respectively). Within the framework, it was determined that the members of the Board of Directors (excluding the Chairman of the Board of Directors, as stated) would be eligible for fixed equity-based compensation in the form of ordinary shares of the Bank, each with a par value of NIS 1, valued at NIS 25 thousand per quarter (linked to the consumer price index) (hereafter – "**the fixed quarterly compensation amount**")², which would be granted at fixed times and in a quantity reflecting value in a fixed amount as stated above (i.e., not in a fixed number of shares). For further details, see the immediate report regarding the summoning of a special general meeting dated July 5, 2023 (reference no.: 2023-01-075654) (hereafter – "**the meeting summons report**"), which is included by way of reference.

- 1.2. It should be noted that the framework and the substantial private offering that are the subject of this report are in accordance with the provisions of the Companies (Rules Regarding Remuneration and Expenses for an Outside Director) Regulations, 5760-2000, which establish with regard to the granting of remuneration in the form of securities to outside directors, *inter alia*, that such remuneration may be granted to directors in addition (and not in lieu) of the fixed annual remuneration and the meeting attendance remuneration to which they are entitled.

In addition, the framework and the substantial private offering are in accordance with the Bank's compensation policy and comply with the requirements set by the Banking Supervision Department with regard to the granting of fixed equity-based compensation in a banking corporation, and in particular such granting to directors, which are set forth in Directive 301A of the Proper Conduct of Banking Business Directives ("**Compensation Policy in a Banking Corporation**"), as well as in the compilation of questions and answers for implementing the aforementioned directive, as follows: (1) The grant of such compensation is not performance-based in any way. In other words, the grant is not subject to any condition, similar to a monthly salary; (2) the equity-based remuneration is paid in a fixed amount and not in a fixed number of shares; and (3) compensation in the form of shares that is

² As was the case at the time of summoning the aforementioned general meeting. As of the date of publication of this report, the value of the fixed quarterly remuneration amount (after indexation, as stated) is NIS 26,489.

deemed fixed compensation is not to exceed 25% of the total fixed compensation granted in the same calendar year.

- 1.3. On June 30, 2025, the Bank's Board of Directors approved a substantial private offering of 8,343 shares to the Offerees, which constitutes implementation of the framework approved by the general meeting, as stated, in relation to the service of the Offerees as directors at the Bank, commencing from January 1, 2025 and until June 30, 2025 (hereafter – "**the eligibility period**").
2. The offered securities, their terms and the percent proportion they shall constitute of the voting rights and of the issued and paid-up capital of the Bank following the allocation
 - 2.1. Under the substantial private offering, the Bank shall allocate to the Offerees 8,343 ordinary shares of the Bank, each with a par value of NIS 1 (above and hereafter – "**the shares**"), according to the breakdown in **Appendix 'A'**. The actual grant of the shares is contingent on receiving approval from the Tel Aviv Stock Exchange (hereafter – "**TASE**"), and subject to the other provisions of the TASE regulations. The Offerees are not "interested parties" of the Bank by virtue of their holdings of the Bank's share capital, within the meaning of the term "interested party" under the Securities Law, 5728-1968 (hereafter – "**Securities Law**") and they shall not become interested parties by virtue of their such holdings following and by virtue of the allocation pursuant to this report.
 - 2.2. All the Offerees have served as members of the Bank's Board of Directors throughout the eligibility period. The total quantity of shares to be allocated to each Offeree has been set in accordance with the following formula:

$$\frac{(A/B) * C}{D}$$

D

A = The number of days in the eligibility period.

B = The number of days in the first and second quarters of 2025.

C = The compensation amount in respect of the eligibility period.

D = The average adjusted closing price of the Bank's share across the thirty trading days preceding the date of approval of the allocation by the Board of Directors.³

- 2.3. As a general rule, the allocation of the shares to the Offerees shall be made through a capital gains track (with a trustee) pursuant to Section 102 of the Income Tax Ordinance (New Version), 5721-1961 (hereafter – "**the Ordinance**"), except with respect to Offerees who provide services to the Bank through a company owned by them, and in accordance with the equity-based compensation plan adopted by the Bank on June 1, 2022 and therefore, the allocated shares shall be subject to a two-year tax lock-up period during which the locked-in shares are to be deposited with a trustee to be appointed by the Bank; and all in accordance with the provisions of the Ordinance and the tax law rules that shall apply at the time of the grant and the exercise.
 - 2.4. The shares that are to be allocated to the Offerees constitute a negligible proportion of the voting rights and of the issued and paid-up share capital of the Bank,⁴ and a negligible proportion of the voting rights and of the issued and paid-up share capital of the Bank⁵ on a fully diluted basis.
 - 2.5. The shares are to be listed for trade on TASE. In this context, the Bank shall apply to TASE shortly after the publication of this report with a request to list the shares for trade. In accordance with TASE regulations, the shares are to be recorded in the Bank's register of shareholders in the name of the nominee company.
 - 2.6. The shares to be allocated to the Offerees pursuant to this report shall have equal rights to those of the existing shares in the Bank's capital for all intents and purposes.
3. Data in connection with the Bank's shares

The closing price of the Bank's share at the end of the trading day preceding the publication of this report is NIS 61.97.

4. The consideration

³ The average adjusted closing price of the Bank's share across the thirty trading days preceding the date of approval of the allocation by the Board of Directors is NIS 57.11.

⁴ Net of dormant shares.

⁵ Net of dormant shares.

The shares that are to be granted to the Offerees shall be allocated to them without any consideration, save payment of the minimum price per share in accordance with the TASE regulations, which is set at 30 agorot per share.

Save as set forth above, the Offerees shall not pay the par value of the shares. The Bank shall capitalize into share capital the balance of the par value of the shares from profits, within their meaning under Section 302(b) of the Companies Law, 5759-1999 ("**the Companies Law**"), of share premiums or of any other source included in its equity, subject to the provisions of Section 304 of the Companies Law.

5. Details of agreements, either written or verbal, between the Offerees and any shareholder of the Bank or between all or some of the Offerees, among themselves or between them and others, with regard to the purchase or sale of the Bank's securities or with regard to the voting rights therein, to the best of the Bank's knowledge, after having conducted examinations and specifying the examinations it has conducted:

To the best of the Bank's knowledge, there are no written or verbal agreements between any of the Offerees and any other shareholder of the Bank, or between all or some of the Offerees, among themselves, or between them and others with regard to the purchase or sale of the Bank's securities or with regard to the voting rights in the Bank.

6. Details of any preclusion or restriction that shall apply to the Offerees when carrying out actions involving the offered securities, to the best of the Bank's knowledge:

- 6.1. As stated above, in regard to members of the Board of Directors who provide services to the Bank directly and not through a company owned by them, the allocation of the shares pursuant to this report shall be governed by the provisions of Section 102 of the Ordinance, under a capital gains track of allocation through a trustee (said Section 102 and the regulations and rules enacted thereunder, shall hereafter be called, collectively – "**provisions of Section 102**"), and *inter alia*:

- 6.1.1. In accordance with the provisions of Section 102, the shares shall be subject to a two-year tax lock-up period during which the locked-in shares are to be deposited with a trustee to be appointed by the Bank. Accordingly, the shares shall be allocated to the trustee on behalf of each one of the Offerees, and the Trustee shall act with respect to the shares in accordance with the provisions of Section 102, as well as in accordance with the provisions of the trust, as such are determined between the Bank and the Trustee.

- 6.1.2. Any tax liability in connection with the shares shall be imposed exclusively on the Offerees.
 - 6.1.3. The trustee shall hold the locked-in shares until they are sold or until payment of the tax due from the Offeree, whichever is earlier, and subject to regulatory restrictions. If an Offeree seeks to sell the shares before the applicable tax has been paid, he shall be allowed to do so through the trustee, subject to the terms of an arrangement that is established, if any, with the tax authorities, and subject to payment of the tax. The trustee shall be allowed to deduct any amount from the sale proceeds to ensure payment of the tax.
 - 6.1.4. It is clarified that in any case where the Bank distributes a dividend and on the date of record for the distribution of the dividend the trustee holds shares on behalf of any of the Offerees, the Bank shall transfer to the trustee the dividend amount attributable to the shares so held by the trustee for each Offeree, the trustee shall deduct tax at source as required by law, if and to the extent required, and shall then transfer the dividend amounts (after deducting the tax) to the Offeree.
- 6.2. In addition, pursuant to the Securities Law and the Securities Regulations (Details Regarding Sections 15A to 15C of the Law), 5760-2000, the following restrictions shall apply to a sale in the course of trading the shares on TASE:
- 6.2.1. It is prohibited to offer the offered shares in the course of trading on TASE for six months from the date the shares are allocated.
 - 6.2.2. For six consecutive quarters from the end of the aforementioned six months, each one of the Offerees shall be allowed, on any trading day, to offer a quantity of shares not exceeding the average daily trading volume of the Bank's shares on TASE during the eight-week period preceding the date of the offer, provided that he does not offer in any given quarter a quantity of shares exceeding one percent of the issued and paid-up capital of the Bank.
- 6.3. It should be noted that the Bank's Board of Directors shall be allowed to establish, from time to time, general restrictions for the Bank's employees and/or officers, which may also apply to the Offerees, with regard to periods in which restrictions apply in accordance with the Bank's policy regarding the prohibition on using inside

information, or Lock Up, or in proximity to dividend distribution dates during which the Offerees shall not be allowed to sell the shares.

7. Details in accordance with the Sixth Schedule to the Securities Regulations (Periodic and Immediate Reports), 5730-1970

7.1. For a breakdown of the total amount of the fee and expenses paid to the members of the Board of Directors (excluding the Chairman of the Board of Directors), see Article 21(c) on pg. 383 of the Bank's annual periodic report for 2024 (reference no. 2025-01-014295).

7.2. For details regarding the fair value of the Bank's share, see Section 3 above.

7.3. For the reasoning of the Compensation Committee and the Board of Directors with regard to granting the fixed equity-based compensation to the Offerees, see Section 2.4.4 of the meeting summons report.

8. Personal interest

To the best of the Bank's knowledge, no substantial shareholder or officer of the Bank has a personal interest in the allocation of the securities, except for members of the Bank's Board of Directors, i.e. the Offerees pursuant to this report.

9. The Bank's capital, the quantity and proportion of holdings of the Offerees and of interested parties in the Bank.

As of the date of the report, the registered capital of the Bank is 3,215,000,000 ordinary shares. The issued and paid-up capital of the Bank, prior to the allocation that is the subject of this report, is 1,616,035,652 ordinary shares and the issued capital of the Bank, prior to such allocation, on a fully diluted basis, is 1,618,211,768 ordinary shares.

For a breakdown of the Offeree's holdings of the share capital of the Bank subsequent to the offering (voting rights and capital), as well as the holdings of the interested parties and other shareholders in the Bank, as of the date of the report and following implementation of the allocation pursuant to this report, see **Appendix 'B'**.

10. The requisite approvals

The allocation of the offered securities is subject to receiving TASE approval to list the shares for trade. Shortly following publication of this immediate report, the Bank shall apply with a request to receive such TASE approval.

11. Allocation date of the securities

The offered securities shall actually be allocated to the Offerees shortly after receiving TASE approval.

Bank Leumi le-Israel B.M.

Hagit Argov
Head of Finance and Accounting Division

Adv. Shelly Bainhoren
Bank Secretary, Head of the Bank and
Group Secretariat Department

Lod, June 30, 2025

Appendix 'A'

Offerees		
Name	Shares	Proportion of capital and of voting*
Sasson Elya	927	0.00%
Zvika Naggan	927	0.00%
Leah Ruth (Schwartz)	927	0.00%
Esther Deutsch	927	0.00%
Ester Dominissini	927	0.00%
Irit Shlomi	927	0.00%
Ram Belinkov	927	0.00%
Dan Alexander Koller	927	0.00%
Yedidia Zvi Stern	927	0.00%

Appendix 'B'

Holding quantity and proportion of capital and voting prior to the allocation that is the subject of this report (the data known as at 31.3.2025, unless stated otherwise)			
Name	Quantity of shares	Warrants	Proportion of capital and voting*
The Phoenix Investment House Ltd. – Mutual Funds	23,298,831	-	1.56%
The Phoenix Investment House Ltd. – Market Making	86	-	0.0%
The Phoenix Financial Ltd. – Provident Funds	80,940,083	-	5.42%
The Phoenix Financial Ltd. – Nostro	2,336,195	-	0.16%
The Phoenix Financial Ltd. – Participating	228,951	-	0.02%
Harel Insurance Investments and Financial Services – Mutual Funds and Exchange Traded Funds	21,942,123	-	1.47%
Harel Insurance Investments and Financial Services Ltd. – Provident Funds	68,477,503	-	4.58%
Harel Insurance Investments and Financial Services Ltd. – Nostro	4,045,255	-	0.27%
Menora Mivtachim Holdings Ltd. - Nostro	1,133,262	-	0.08%
Menora Mivtachim Holdings – Provident Funds	76,163,216	-	5.10%
Sasson Elya	432	-	0.00%
Zvika Naggan	432	-	0.00%

Holding quantity and proportion of capital and voting prior to the allocation that is the subject of this report (the data known as at 31.3.2025, unless stated otherwise)			
Name	Quantity of shares	Warrants	Proportion of capital and voting*
Leah Ruth (Schwartz)	432	-	0.00%
Esther Deutsch	432	-	0.00%
Ester Dominissini	432	-	0.00%
Irit Shlomi	432	-	0.00%
Ram Belinkov	425	-	0.00%
Dan Alexander Koller	432	-	0.00%
Yedidia Zvi Stern	432	-	0.00%
CEO	78,384	145,794	0.01%
Public	1,216,072,932	2,030,322	81.33%
Total	1,494,720,702	2,176,116	100%

Following the allocation (without dilution) (The data known as at 31.3.2025, unless stated otherwise)			
Name	Number of shares	Options	Proportion of capital and voting without dilution*
The Phoenix Investment House Ltd. – Mutual Funds	23,298,831	-	1.56%
The Phoenix Investment House Ltd. – Market Making	86	-	0.00%
The Phoenix Financial Ltd. – Provident Funds	80,940,083	-	5.42%
The Phoenix Financial Ltd. – Nostro	2,336,195	-	0.16%
The Phoenix Financial Ltd. – Participating	228,951	-	0.02%
Harel Insurance Investments and Financial Services Ltd. – Mutual Funds and Exchange Traded Funds	21,942,123	-	1.47%
Harel Insurance Investments and Financial Services Ltd. – Provident Funds	68,477,503	-	4.58%
Harel Insurance Investments and Financial Services Ltd. – Nostro	4,045,255	-	0.27%

Following the allocation (without dilution) (The data known as at 31.3.2025, unless stated otherwise)			
Menora Mivtachim Holdings Ltd. - Nostro	1,133,262	-	0.08%
Menora Mivtachim Holdings Ltd. – Provident Funds	76,163,216	-	5.10%
Sasson Elya**	1,359	-	0.00%
Zvika Naggan**	1,359	-	0.00%
Leah Ruth (Schwartz)**	1,359	-	0.00%
Esther Deutsch**	1,359	-	0.00%
Ester Dominissini**	1,359	-	0.00%
Irit Shlomi**	1,359	-	0.00%
Ram Belinkov**	1,352	-	0.00%
Dan Alexander Koller**	1,359	-	0.00%
Yedidia Zvi Stern**	1,359	-	0.00%
CEO	78,384	145,794	0.01%
Public	1,216,072,932	2,030,322	81.33%
Total	1,494,729,045	2,176,116	100%

**Current data as at the date of approval of the allocation by the Board of Directors (30.6.2025).

Following the allocation (on a fully diluted basis) (The data known as at 31.3.2025, unless stated otherwise)		
Name	Number of shares	Proportion of capital and voting on a fully diluted basis*
The Phoenix Investment House Ltd. – Mutual Funds	23,298,831	1.56%
The Phoenix Investment House Ltd. – Market Making	86	0.00%
The Phoenix Financial Ltd. – Provident Funds	80,940,083	5.41%
The Phoenix Financial Ltd. – Nostro	2,336,195	0.16%
The Phoenix Financial Ltd. – Participating	228,951	0.02%
Harel Insurance Investments and Financial Services Ltd. – Mutual Funds and Exchange Traded Funds	21,942,123	1.47%
Harel Insurance Investments and Financial Services Ltd. – Provident Funds	68,477,503	4.57%
Harel Insurance Investments and Financial Services Ltd. – Nostro	4,045,255	0.27%
Menora Mivtachim Holdings Ltd. – Nostro	1,133,262	0.08%
Menora Mivtachim Holdings Ltd. – Provident Funds	76,163,216	5.09%
Sasson Elya**	1,359	0.00%
Zvika Naggan**	1,359	0.00%
Leah Ruth (Schwartz)**	1,359	0.00%
Esther Deutsch**	1,359	0.00%
Ester Dominissini**	1,359	0.00%
Irit Shlomi**	1,359	0.00%
Ram Belinkov**	1,352	0.00%
Dan Alexander Koller**	1,359	0.00%
Yedidia Zvi Stern**	1,359	0.00%
CEO	224,178	0.01%
Public	1,218,103,254	81.36%
Total	1,496,905,161	100%

* Net of dormant shares and excluding warrants to be allocated in accordance with the employee securities offering outline of 12.6.2025 (reference: 2025-01-042103).

**Current data as at the date of approval of the allocation by the Board of Directors (30.6.2025).