

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

Supplementary Report to a Report Filed on 25 January 2017, Reference Number" 2017-01-009852

Main details changed/supplemented: Details regarding controlling shareholder of the Buyer:

25 January 2017
Reference: 2017-01- 009894

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

Immediate Report

Nature of Event: Sale of the Bank's shares in Kenon

See attached Annex ImmediateReport_Kenon_251172_isa.pdf

Date and time at which the corporation first became aware of the matter being the subject of the report: 25 January 2017 Time: 06:00.

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/>

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

25 January 2017

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: **Sales of the Bank's shares in Kenon Holdings Ltd. (hereafter: "Kenon")**

Bank Leumi le-Israel Ltd. (hereinafter: "the Bank") is pleased to report as follows:

On 24 January 2017 the Bank contracted with Ansonia Holdings Singapore B.V. (hereafter: "the **Buyer**"), a company controlled by Mr. Idan Ofir, regarding the purchase of a part of the shares held by the Bank in Kenon B.V. – i.e., 2,500,000 shares that constitute some 4.6% of Kenon's outstanding capital, in exchange for NIS 45 per share, and for a total amount of some NIS 112.5 million. The sale will be completed as soon as possible, in the framework of an off-the-stock-exchange transaction.

After the said sale of the shares the Bank will retain 1,233,614 shares of Kenon which constitute some 2.3% of Kenon's outstanding capital.

The execution of the transaction is not expected to have any substantial effect on the Bank's financial results.

Sincerely,

Bank Leumi le-Israel Ltd.

by

Omer Ziv, Head of the Finance Division

Hanan Friedman, Legal Adviser