

## **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

34 Yehuda Halevi Street, Tel Aviv 651316

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Electronic Mail: Livnat.EinShay@bll.co.il

28 June 2018

Reference: 2018-01-057213

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

### **Immediate Report**

#### **Nature of Event: Approval of Settlement Arrangements**

See Annex attached hereto [286\\_isa.pdf](#)

The company is not an envelope company as that term is defined in the Stock Exchange bylaws.

Date and time at which the corporation first became aware of the event or matter: 27 June 2018, at 17:15.

**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>**

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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](mailto:david.sackstein@Bankleumi.co.il)

28 June 2018

To

Tel Aviv Stock Exchange  
Ahuzat Bayit Street 2  
Tel Aviv 6525216

To

Israel Securities Authority  
Kanfei Nesharim Street 22  
Jerusalem 95464

Dear Sir or Madam:

Re: **Approval of Settlement Arrangements in Lawsuits Against the Bank**

Bank Leumi le-Israel (the “**Bank**”) is pleased to report as follows:

1. Note 26.C.1. 3.1.b of the Bank’s Financial Statements for 31 December 2017, published on 6 March 2018 (Reference No. 2018-01-021430) presents information concerning two lawsuits that were filed against the Bank and against additional banks and additional personal entities in 2013. The lawsuits were brought against the Bank by the liquidator of two companies in a real estate group, through their special manager. The special manager alleged, *inter alia*, that the defendants had allowed funds from the companies’ accounts to be moved from those companies’ accounts into other accounts related to the group, and that the Bank had helped with the execution of “circular activities” at end-of-quarter periods which enabled the concealment of thefts that had been carried out against – according to the special manager – the companies, and had prevented their disclosure in the companies’ financial statements. The amounts claimed in the lawsuits were some NIS 63 million and some NIS 102 million (including linkage and interest increments).
2. On 27 June 2018, the Court approved the settlement arrangements signed by the liquidator and all the defendants following a mediation process. The amount that the Bank will pay an amount to the companies in the framework of the arrangements is not a significant amount. The two lawsuits have thus been concluded.

Very respectfully,  
Bank Leumi Ltd.

By:

Attorney Irit Roth, Chief Legal Advisor