

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
Phone: 076-8858111, 076-889419; Facsimile: 076-8859732
Electronic Mail: Livnat.EinShay@bll.co.il

January 23, 2020
Reference: 2020-01-008041

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

Immediate Report

Nature of Event: Completion of Pricing of Subordinated Notes

Reference number of previous reports on the matter: 2020-01-005313, 2020-01-005292, 2020-01-005175

Attached please find file: *Immediate Report – Pricing – Final 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: January 22 2020, at 19: 50.

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

	Signatory's name	Position
1	Omer ziv,	CFO

Explanation: 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](#)

Reference number of previous reports on the matter (does not constitute inclusion by way of reference)

The securities of the corporation are listed for trading on the Tel Aviv Stock Exchange

Ticker: Leumi

Address: Yehuda Halevi Street 34, Tel Aviv 6513616, Tel: 076-8858111, Facsimile: 076-8859732

Electronic Mail: Livnat.Ein-Shay@bll.co.il

Previous names of the reporting entity

Name of Electronic Reporter: David Raoul Sackstein, Position: Advocate, General Secretary

34 Yehuda Halevi Street, Tel Aviv 6513616, Phone: 076-8857984, Facsimile: 076-8859732

Electronic Mail: david.sackstein@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.

The original Hebrew version is available on the distribution website of the Israel Securities Authority: <http://www.magna.isa.gov.il/>



January 23, 2020

To
Tel Aviv Stock Exchange

To
Israel Securities Authority

Re: Completion of Pricing of Subordinated Notes

Pursuant to the Immediate Reports issued by Bank Leumi Le-Israel BM (hereafter: "**the Bank**"), on 13 January 2020 (Reference Nos. 2020-01-005175, 2020-01-005292 and 2020-01-005313), the Bank hereby announces as follows:

1. On January 22, 2020, Bank Leumi Le-Israel B.M. (the "**Bank**") completed the pricing of subordinated Tier 2 notes of the Bank, that include a mechanism for loss-absorption through conversion into ordinary shares of the Bank, in accordance with the provisions of the Israeli Proper Banking Ordinance 202 (the "**Subordinated Notes**"), offered to Qualified Institutional Buyers in the United States pursuant to Rule 144A under the United States Securities Act 1933 (the "**Securities Act**"), and outside the United States in reliance on Regulation S under the Securities Act, in a total amount of U.S.\$750 million (the "**Offering**").
2. The Subordinated Notes will be repaid in one installment, following 11 years from the date of its issuance, with the Bank having the option to redeem the Subordinated Notes after 6 years from the date of its issuance, subject to certain conditions (an "**Early Redemption**"). In addition, the Subordinated Notes include a mechanism for loss-absorption through conversion into ordinary shares of the Bank, under certain circumstances that are not necessarily foreseeable by the Bank and / or are not necessarily under its control, according to a predetermined conversion formula that includes a floor price.
3. The Subordinated Notes bear annual interest at a fixed rate of 3.275% (payable semi-annually), which will be reset on the sixth anniversary of their issuance (unless an Early Redemption has been made) based on US treasury rate applicable at that date plus an agreed margin, and issued at a price equal to 100% of the face value.
4. The closing of the Offering is expected to be on January 29, 2020.
5. The gross proceeds from the Offering will be approximately U.S.\$750 million, which after deducting the underwriting commissions and other expenses in connection with the Offering, will be used for refinancing of the Issuer's existing subordinated debt, management of its capital FX exposure and/ or other general corporate purposes.
6. The Subordinated Notes are expected to be listed for trading on the TACT Institutional of the Tel Aviv Stock Exchange Ltd. (the "**TASE**"), subject to the approval of the TASE.
7. This report does not constitute a public offering, a tender or other offer of any kind, or solicitation to purchase securities. In particular, securities cannot be offered or sold in the United States without registration or pursuant to an exemption form.

The above information regarding the expected closing date of the Offering is forward-looking information based on the Bank's current expectations. The aforementioned information is uncertain and depends, *inter alia*, on factors that are not controlled by the Bank, including changes in market conditions and deviations from schedules.

Respectfully,

Bank Leumi Lelsrael B.M

Omer Ziv, Head of the Financial Division

*This announcement is not an offer of securities for sale in the United States, Israel, Canada, Australia, Japan or any other jurisdiction. The Bank has not registered, and does not intend to register, the Subordinated Notes in any of these jurisdictions or to conduct a public offering of the Subordinated Notes in any of these jurisdictions. In particular, no securities of the Bank referred to in this announcement have been or will be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and such securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. In the United States, any offer will be made only to “qualified institutional buyers” as defined in and in reliance on Rule 144A under the Securities Act or another available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Outside the United States, any offer will be made to persons other than “U.S. Persons” in accordance with Regulation S under the Securities Act.*

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