

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

5 September 2018
Reference: 2018-01-085455

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

Immediate Report

Nature of Event: Completion of the Transaction for the Sale of the Block of Shares

See attached Annex – [isa.pdf Immediate Report sale of the State's shares 2 9 5](#).

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

Date and time at which the corporation first became aware of the matter being the subject of the report: 5 September 2018 Time: 16:05.

Name of Electronic Reporter: Livnat Libby Wilder, Position: Secretary of the Bank
34 Yehuda Halevi Street, Tel Aviv 6513616, Phone: 076-8859419, Facsimile: 076-8859732
Electronic Mail: livnat.ein-shay@bll.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/>

5 September 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: **Notice of Completion of Transaction for the Sale of a Block of Shares in the Bank**

Pursuant to the Immediate Report published by Bank Leumi le-Israel BM (hereafter: "the Bank") on 5 September 2018, concerning the notice of the choice of the winner in the tender for the sale of the block of shares in the Bank (Reference No. 2018-01-084993), the Bank is pleased to announce that on 5 September 2018, the Bank was notified by the Ministry of Finance of the completion of the transaction for the sale of 81,037,614 ordinary shares in the Bank, of NIS 1.00 nominal value each, to Citigroup Global Markets Limited (hereafter: "the Buyer"), at a price of NIS 23.38 per share, for total consideration of NIS 1,894,659,415.

After the sale, the State will retain 7,793,155 ordinary shares in the Bank, of NIS 1.00 nominal value each, which are designated for sale to the Bank's employees.

The State of Israel's above-mentioned notice is attached hereto.

Very sincerely,

Bank Leumi le-Israel BM

By:

Attorney Livnat Ein-Shay Wilder, Secretary of the Bank and of the Group

Accountant General

State of Israel, Ministry of Finance
Finance and Credit Division

25th of Elul 5778
5 September 2018
HM 2018-1151

To
Ms. Rakefet Russak-Aminoach, CEO
Bank Leumi le-Israel BM

Re: **Notice of completion of the transaction for the sale of the block of shares in Bank Leumi le-Israel BM**

I hereby inform you that today, 5 September 2018, the transaction for the (off the Stock Exchange) sale of 81,037,614 ordinary shares in the Bank, of NIS 1.00 nominal value each (constituting some 5.37% of the Bank's issued share capital) and owned by the State of Israel, to Citigroup Global Markets Limited, at a price of NIS 23.38 per share (for a total consideration of NIS 1,894,659,415).

After the sale, the State will retain 7,793,155 ordinary shares in the Bank, of NIS 1.00 nominal value each (constituting some 0.52% of the Bank's issued share capital), which are designated for sale to employees.

Very sincerely,

_____/s/____

Gil Cohen
Senior Deputy to the Accountant General

cc:
Mr. Roni Hizkiyahu – Accountant General, Ministry of Finance
Mr. David Brodet – Chairman, Bank Leumi le-Israel BM
Members of the Tenders Committee