

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.EinShay@bll.co.il

15 February 2018
Reference: 2018-01-015541

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

Immediate Report

Nature of Event: The Trust Company of Bank Leumi le-Israel Ltd.

See the attached annex – Trust Company 15218 isa.pdf

Date and time at which the corporation first became aware of the event or matter: 15 February 2018, at 10:00.

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

15 February 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: **The Trust Company of Bank Leumi le-Israel Ltd.**

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

1. The Bank has reached agreements with Hermetic Trusts (1975) Ltd. (hereafter: "Hermetic") regarding the sale of the control of the trust company of Bank Leumi le-Israel Ltd. (hereafter: "the Trust Company") to Hermetic.
2. According to the agreements, the Bank will sell to Hermetic 75% of the shares in the Trust Company. According to the agreements, the Bank will receive a put option for the sale of the remainder of its holdings in the Trust Company (25%) after two years have passed from the date of the completion of the transaction. The agreement is expected to also include a standard mechanism for indemnification, to be given by the Bank to Hermetic.
3. The execution of the transaction is subject to the signing of a binding agreement and to the receipt of approval from the Bank's Board of Directors. The completion of the transaction, if a binding agreement is signed, will be subject to conditions precedent. At this stage, it is not possible to estimate whether a binding agreement will be signed or whether the conditions for its completion will be satisfied.
4. Given that the Trust Company's income and profits are minimal in relation to the Bank's operations, the consideration that will be paid to the Bank if the transaction is completed will be very minimal for the Bank. Consequently, the transaction is not expected to have a significant impact on the Bank's results.

Very respectfully,
Bank Leumi Ltd.

By:

Attorney Hanan Friedman,
Head of the Strategy and Regulation Division

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