

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

30 March 2017

Reference: 2017-01- 033075

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

Immediate Report

Nature of Event: **Dividend distribution policy**

See attached Annex.

Date and time at which the corporation first became aware of the matter being the subject of the report: 29 March 2017 Time: 15:00.

Name of Electronic Reporter: David Raoul Sackstein, Position: Advocate, General Secretary
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30 March 2017

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: Dividend distribution policy

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

On 29 March 2017, the Board of Directors of the Bank approved a dividend distribution policy, with effect from the date of publication of the financial statements for the first quarter of 2017. Pursuant to the dividend policy, each quarter, the Bank will distribute 20% of the Bank's net profit according to the Bank's financial statements, for the previous quarter and subject to, among other things, the Bank being in compliance with its capital adequacy targets, even after distribution of the dividend. The actual dividend distribution is subject to the specific resolutions of the Board of Directors prior to each distribution, and subject to the provisions of the law which apply to the distribution of dividends, including the provisions of the Company Law and directives of the Bank of Israel.

Very sincerely,

Bank Leumi Le-Israel Ltd.
By:
Omer Ziv, CFO
Hanan Friedman, Legal Adviser