

**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  
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20 March 2016  
Reference: 2016-01-010026

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: Results of Offer to Employees**

See the attached annex –[Outline results 2016 3 20.pdf](#)

Date and time at which the corporation first became aware of the matter being the subject of the report: 20 March 2016 Time: 12:30.

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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)

20 March 2016

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: **Results of the Offer to Employees and Corporate Officers. Based on the Outline**

Pursuant to the report dated 16 March 2016 (Reference No. 2016-01-007473), regarding the preliminary results of the offer to employees and corporate officers pursuant to the outline published by the Bank on 18 February 2016 (Reference No. 2016-01-030790), as amended on 23 February 2016 (Reference No. 2016-01-033361) (hereafter: "the Outline"), the Bank is pleased to report that on 20 March 2016, the Bank's board of directors approved the final results of the offer pursuant to the Outline, and the issuance of the shares to the employees and the corporate officers pursuant to the terms of the Outline, as follows:

1. The total amount of employees' rights and the rights of the corporate officers that were converted into Bank shares pursuant to the Outline amounts to some NIS 636 million, divided as follows: (a) with respect to employees' rights to receive jubilee bonuses - some NIS 259 million; (b) with respect to the rights of employees and corporate officers to receive their 2015 bonus - some NIS 292 million; and (c) with respect to social security rights – some NIS 85 million.
2. The value of a Bank share, for the purpose of the conversion of rights, is NIS 13.0 (the closing price for the Bank's shares on 6 March 2016). Accordingly, the board of directors approved the issue of 48,938,037 shares, which constitute some 3.21% of the Bank's issued and paid-up capital (after the issue). In accordance with the Outline's provisions, the shares will be allocated to the Trustee, who will hold the shares in trust for the employees, in accordance with the provisions of section 102 of the Income Tax Ordinance.
3. The total amount of shares issued pursuant to the Outline, as described above, includes 1,955,016 shares which were issued to the Bank's corporate officers, as described in the Report regarding Changes in the Holdings of Interested Parties and Senior Corporate Officers, dated 20 March 2016 (Reference No. 2016-01-0009987).

Very sincerely,

**Bank Leumi Le-Israel, Ltd.**

Ron Fainaro, Head of the Finance Division

Hanan Friedman, Legal Adviser