

Summary Translation of Immediate Report

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Public

Bank Leumi le-Israel B.M.
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10 July 1 2017
Reference: 2017-01-072006

Correction of erroneous report issued on 6 July 2017, Reference Number 2017-01-070611

Nature of error: Error regarding the total number of shares held by three corporate officers at the Bank (Hanan Friedman, Hilla Eran-Zik and Shlomo Goldfarb), which affected the reports on the Status of Holdings of Interested Persons and Senior Officers, from the report dated 31 March 2016, through the Report dated 29 June 2017, inclusive (Reference Nos. 2016-01-044563, 2016-01-077410, 2016-01-063309, 2017-01-002742, and 2017-01-033361). The error resulted from an erroneous number of securities that were reported as having been allocated to the three corporate officers (listed above) in the framework of the Outline of the Offer to Employees, published on 18 February 2016 (Reference No. 2016-01-030790), as amended on 23 February 2016 ((Reference No. 2016-01-033361).

Reason for error: Human error

Main part of correction: Correction of total number of shares held by the three said corporate officers.

Immediate Report regarding Status of Holdings of Interested Persons and Senior Officers

Regulation 33(c) of the Securities (Periodic and Immediate Reports) Regulations,
1970)

The following is the status report as of 29 June 2017:

- a. Interested Persons in the Corporation (including the CEO and Directors, and including any other employee holding five percent or more of the Corporation's issued share capital or of its voting rights):

No.	Name of Holder	Name, Type and Series of Security	Updated Number of Securities	<u>Holding</u>		<u>Holding (Fully Diluted)</u>	
				% Capital	% Voting Rights	% Capital	% Voting Rights
1.	Government of Israel on behalf of the State of Israel	Leumi	88,830,769	5.83	5.83	5.83	5.83
2.	Bank Leumi le-Israel Ltd.	Leumi	8,084	0.00	0.00	0.00	0.00
3.	Brodet David	Leumi	165,688	0.01	0.01	0.01	0.01

4.	Brodet David	Leumi Subordinated Debentures Series H	32,333	0.00	0.00	0.00	0.00
5.	Brodet David	PSU 2016	69,252	0.00	0.00	0.01	0.01
6.	Brodet David	PSU 2017	43,112	0.00	0.00	0.01	0.01

7.	Nardi Yoav	Leumi Subordinated Capital Notes 301	98,000	0.00	0.00	0.00	0.00
8.	Nardi Yoav	Leumi Subordinated Debentures Series M	100,000	0.00	0.00	0.00	0.00
9.	Haim Levy	Leumi Subordinated Debentures Series L	264,620	0.00	0.00	0.00	0.00
10.	Haim Levy	Leumi Subordinated Debentures Series N	478,668	0.00	0.00	0.00	0.00
11.	Haim Levy	Leumi Subordinated Capital Notes (Series 301)	101,000	0.00	0.00	0.00	0.00
12.	Russak-Aminoach Rakefet	Leumi	374,056	0.02	0.02	0.02	0.02
13.	Russak-Aminoach Rakefet	PSU 2016	87,144	0.00	0.00	0.00	0.00
14.	Russak-Aminoach Rakefet	PSU 2017	75,791	0.00	0.00	0.01	0.01

Total Holding		Total Holding (Fully Diluted)	
% Capital	% Voting Rights	% Capital	% Voting Rights
5.86	5.86	5.90	5.90

- b. Senior Officers of the Corporation (excluding the CEO and the Directors, and excluding any other employee holding five percent or more of the Corporation's issued share capital or of its voting rights):

The following is the status of the holdings of the Senior Officers in the Corporation:

No.	Name of Holder	Name, Type and Series of Security	Updated Number of Securities	Holding		Holding (Fully Diluted)	
				% Capital	% Voting Rights	% Capital	% Voting Rights
15.	Shlomo Michael Goldfarb	Leumi	330,384	0.02	0.02	0.02	0.02
16.	Shlomo Michael Goldfarb	Leumi Subordinated Debentures Series H	56,550	0.00	0.00	0.00	0.00

17.	Shlomo Michael Goldfarb	Leumi Subordinated Capital Notes 300	89,405	0.00	0.00	0.00	0.00
18.	Shlomo Michael Goldfarb	PSU 2016	24,497	0.00	0.00	0.00	0.00
19.	Shlomo Michael Goldfarb	PSU 2017	21,842	0.00	0.00	0.00	0.00
20.	Haber Yaakov	Leumi	140,902	0.01	0.01	0.01	0.01
21.	Haber Yaakov	PSU 2016	45,680	0.00	0.00	0.00	0.00
22.	Haber Yaakov	PSU 2017	39,730	0.00	0.00	0.00	0.00
23.	Cohen Dan	Leumi	217,121	0.01	.001	0.01	.001
24.	Cohen Dan	PSU 2016	39,162	0.00	0.00	0.00	0.00
25.	Cohen Dan	PSU 2017	37,856	0.00	0.00	0.00	0.00
26.	Tamar Yassur	Leumi	128,699	0.01	0.01	0.01	0.01
27.	Tamar Yassur	PSU 2016	44,350	0.00	0.00	0.00	0.00
28.	Tamar Yassur	PSU 2017	38,572	0.00	0.00	0.00	0.00
29.	Zeev Morag	Leumi	112,165	0.01	0.01	0.01	0.01
30.	Zeev Morag	PSU 2016	15,552	0.00	0.00	0.00	0.00
31.	Zeev Morag	PSU 2017	13,840	0.00	0.00	0.00	0.00

32.	Hila Eran-Zik	Leumi	91,064	0.01	0.01	0.01	0.01
33.	Hila Eran-Zik	PSU 2016	6,024	0.00	0.00	0.00	0.00.
34.	Hila Eran-Zik	PSU 2017	21,842	0.00	0.00	0.00	0.00.
35.	Hanan Friedman	PSU 2016	25,810	0.00	0.00	0.00	0.00
36.	Hanan Friedman	PSU 2017	24,049	0.00	0.00	0.00	0.00
37.	Hanan Friedman	Leumi	61,985	0.00	0.00	0.00	0.00
38.	Ben Zvi Bosmat Hana	Leumi	55,547	0.00	0.00	0.00	0.00
39.	Ben Zvi Bosmat Hana	PSU 2017	1,634	0.00	0.00	0.00	0.00
40.	Ben Zvi Bosmat Hana	Leumi Subordinated Debentures Series400	5	0.00	0.00	0.00	0.00
41.	Omer Ziv	PSU 2017	6,471	0.00	0.00	0.00	0.00
42.	Sharon Gur	Leumi	115,119	0.01	0.01	0.01	0.01
43.	Shmulik Arbel	Leumi	96,923	0.01	0.01	0.01	0.01
44.	Livnat Ein-Shay Wilder	PSU 2017	9,272	0.00	0.00	0.00	0.00

Total Holding		Total Holding (Fully Diluted)	
% Capital	% Voting Rights	% Capital	% Voting Rights
0.09	0.09	0.09	0.09

1. **Bank Leumi le-Israel** - Holder number 2.

For additional details regarding the dormant shares, see the Immediate Report dated 27 June 2016 (Reference No.: 2016-01-066943).

2. **Rakefet Russak-Aminoach** – Holders numbers 12, 13 and 14.

The above-mentioned change is an aggregate change which includes the sale of 132,490 shares of the Bank, and the allocation of shares with respect to the vesting of the PSU 2014 units (third tranche) and of the PSU 2016 units (first tranche), which took place during the course of the reported period. For additional information, see the Immediate Reports dated 3 April 2017 (Reference No. 2017-01-036267) and 9 April 2017 (Reference No. 2017-01-0396333).

3. **Shlomo Michael Goldfarb** – Holders numbers 15, 16, 17, 18 and 19.

The above-mentioned change is an aggregate change which includes the allocation of shares with respect to the vesting of the PSU 2014 units (third tranche) and of the PSU 2016 units (first tranche), which took place during the course of the reported period – and the correction of a past error in the amount of 9,609 shares that were allocated to Mr. Goldfarb in the framework of the Outline of the Offer to Employees, the allocation of which was, accidentally, not reported in previous Status Reports, as described above at the start of this report.

4. **Dan Cohen** – Holders numbers 23, 24 and 25.

The above-mentioned change is an aggregate change which includes the sale of 50,491 shares of the Bank, and the allocation of shares with respect to the vesting of the PSU 2014 units (third tranche) and of the PSU 2016 units (first tranche), which took place during the course of the reported period. For additional information, see the Immediate Reports dated 3 April 2017 (Reference No. 2017-01-036267) and 9 April 2017 (Reference No. 2017-01-039114), and 19 April 2017 (Reference No. 2017-01-040899).

5. **Zeev Morag** – Holders numbers 29, 30 and 31.

The above-mentioned change is an aggregate change which includes the sale of 2,609 shares of the Bank, and the allocation of shares with respect to the vesting of the PSU 2016 units (first tranche), which took place during the course of the reported period. For additional information, see the Immediate Reports dated 3 April 2017 (Reference No. 2017-01-036267) and 27 April 2017 (Reference No. 2017-01-043587).

6. **Hilla Eran-Zick** – Holders numbers 32, 33 and 34.

The above-mentioned change is an aggregate change which includes the allocation of shares with respect to the vesting of the PSU 2016 units (first tranche), which took place during the course of the reported period, and the correction of a past error in the amount of 2,432 shares that were allocated to Ms. Eran-Zick in the framework of the Outline of the Offer to Employees, the allocation of which was, accidentally, not reported in previous Status Reports, as described above at the start of this report.

7. **Hanan Friedman** – Holders numbers 35, 36 and 37.

The above-mentioned change is an aggregate change which includes the allocation of shares with respect to the vesting of the PSU 2016 units (first tranche), which took place during the course of the reported period - and the correction of a past error in the amount of 10,125 shares that were allocated to Mr. Friedman in the framework of the Outline of the Offer to Employees, the allocation of which was, accidentally, not reported in previous Status Reports, as described above at the start of this report.

8. **Sharon Gur** – Holder number 42.

The change is due to the start of Ms. Gur's tenure as a corporate officer of the Bank during the reported period, as of 1 May 2017, and not from a change in her holdings. See the Immediate Report dated 1 May 2017 (Reference No. 2017-01-036484).

9. **Shmulik Arbel** – Holder number 43.

The change is due to the start of Mr. Arbel's tenure as a corporate officer of the Bank, as of 1 April 2017, and not from a change in his holdings. See the Immediate Report dated 2 April 2017 (Reference No. 2017-01-35073).

Notes:

As of the date of the submission of this report, and in accordance with the provisions of the law, the Corporation's controlling shareholder is:

1.

As of March 24 2012, the Corporation is a banking corporation without a Controlling Core.

Identity number of the controlling shareholder: Other identity number: 0

Control has not been transferred during the period described in the report.

1. Additional details regarding the Corporation being a banking corporation without a control core, see the report dated 25 March 2012 (Reference No. 2012-01-077406).
2. Pursuant to the Immediate Report submitted by the Bank on 31 March 2014 regarding the Material Private Offering Report approved by the Bank's Board of Directors on 30 March 2014 (Reference No. 2014-01-030870) (hereinafter: "the Private Offering Report"), the Bank, on 13 April 2014, allotted PSU units and RSU units (hereinafter, together: the "PSU 2014" units and the "RSU 2014 units") to the Trustee, ESOP Management and Trust Services Ltd., Private Company No. 51-369953-8 (hereafter: "the Trustee"), on behalf of the Offerees, as such are described in the Private Offering Report (hereinafter: "the Offerees"). The percentage of holdings, fully diluted, takes these units and their vesting into consideration. On 4 March 2017, the third and final tranche of the PSU 2014 units vested into shares and on 14 April 2017 the third and final tranche of the RSU 2014 units vested into shares. See the Immediate Reports dated 3 April 2017 and 18 April 2017, respectively (Reference Nos. 2017-01-036255 and 2017-01-40293, respectively).
3. Pursuant to the Immediate Report filed by the Bank on 29 February 2016 regarding Material Private Offering Report approved by the Bank's Board of Directors on 29 February 2016 (Reference No. 2016-01-037192) (hereinafter: "the Private Offering Report"), the Bank, on 15 March 2016, allotted 938,657 PSU 2016 units (hereinafter, together: "the PSU 2016 units") to the Trustee, ESOP Management and Trust Services Ltd., Private Company No. 51-369953-8, on behalf of the Offerees, as such are described in the Private Offering Report (hereinafter: "the Offerees").

The number of shares that will be issued following the vesting of the PSU 2016 units that have been allotted is based on the assumption that all the PSU 2016 units that have been allotted pursuant to the Private Offering Report have vested, and on the assumption that the maximum possible number of shares are allotted, such that each PSU 2016 unit vests into a single ordinary share of the Bank, with a nominal value of NIS 1.0 each. The vesting of the PSU 2016 units is subject to the conditions set out in section 1.3.4 of the Private Offering Report. Additionally, on each vesting date, assuming the conditions described in section 1.3.4 are met, as stated, the Offerees will be entitled to receive the shares that result from the vesting of the said tranche as described in section 1.3.5 of the Private Offering Report.

On 3 April 2017, the first tranche of the PSU 2016 units vested into shares. For details, see the Immediate Reports dated 3 April 2017 (Reference Nos. 2017-01-036267 and 2017-01-036255).

4. On 20 March 2016, the Bank's board of directors resolved to issue 48,938,037 shares to employees and corporate officers of the company, 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"), and in accordance with the final results of the offer pursuant to the Outline. The said shares were allocated to the Trustee who will hold them in trust for the employees and the corporate officers in a capital gain track in accordance with the provisions of section 102 of the Income Tax Ordinance, as defined in the Outline. All the allocated shares will be blocked for a period of two years, other than with regard to key employees (except for corporate officers for whom half of the bonus will in any event be paid in PSU units and not in blocked shares) regarding whom 676,526 of the shares that are allocated will be blocked for a period of three years in accordance with the provisions of the compensation policy. (The remaining shares will be blocked for a period of only two years). For additional details see the Immediate Report dated 20 March 2016 (Reference No. 2016-01-010026). For information regarding 8,084 shares that were accidentally issued to a Bank employee and which were exercised and transformed into dormant Bank shares, see the report dated 27 June 2016 (Reference No. 2016-01-066943).
5. Pursuant to the Immediate Report filed by the Bank on 30 March 2017, regarding a Material Private Offering Report approved by the Bank's Board of Directors on 29 March 2017 (Reference No. 2017-01-03966) (hereinafter: "the Private Offering Report"), the Bank hereby announces that on 6 April 2016, the Bank allotted 578,969 PSU 2017 units (hereinafter: "the PSU 2017 units") to the Trustee, ESOP Management and Trust Services Ltd., Private Company No. 51-369953-8, on behalf of the Offerees, as such are described in the Private Offering Report (hereinafter: "the Offerees"). The number of shares that will be issued following the vesting of the PSU 2017 units that have been allotted is based on the assumption that all the PSU 2017 units that have been allotted pursuant to the Private Offering Report have vested, and on the assumption that the maximum possible number of shares are allotted, such that each PSU 2017 unit will mature into a single ordinary share of the Bank, with a nominal value of NIS 1.0 each. The vesting of the PSU 2017 units is subject to the conditions set out in section 3 of the Private Offering Report. For additional information regarding the PSU 2017 units, see the Private Offering Report.

6. For information regarding the conclusion of the tenure of Mr. Yoel Mintz, previously the head of the Bank's International Credit and Real Estate Department, see the Immediate Report dated 2 April 2017 (Reference No. 2017-01-035073).
7. For information regarding the conclusion of the tenure of Mr. Mordechai Sasson, previously the Chief Internal Auditor and head of the Bank's Internal Audit Division, see the Immediate Report dated 16 April 2017 (Reference No. 2017-01-032755).
8. For information regarding the conclusion of the tenure of Mr. Dan Yerushalmi, previously the Bank's head of the Leumi Technologies Division, see the Immediate Report dated 16 April 2017 (Reference No. 2017-01-032755).
9. For information regarding the sale of all of the Bank's securities that had been held by Ms. Ester Dominissini, see the Immediate Report dated 18 April 2017 (Reference No. 2017-01-040521).

The report was signed on behalf of the corporation, in accordance with regulation 5 of the Securities (Periodic and Immediate Reports), 1970, by Attorney Livnat Ein-Shay Wilder, Secretary of the Group and of the Bank.

Name of Electronic Reporter: Livnat Libby Wilder, Position: Secretary of the Bank
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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/>

The Hebrew report includes additional details, including, inter alia, additional information regarding each Interested Person, and details of the changes in their holdings as compared with the previous Report.