

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

17 April 2018

Reference: 2018-01-039127

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

Immediate Report

Nature of Event: Management of the Bank's pension liabilities

See Annex attached [isa.pdf](#) !7

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

Date and time at which the corporation first became aware of the event or matter: 17 April 2018, at 15:00.

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>

Name of Electronic Reporter: David Raoul Sackstein, Position: Advocate, General Secretary
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17 April 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: **Examination of additional measures for managing the Bank's pension liabilities**

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

As described in Note 23 of the Bank's Financial Statements as of 31 December 2017 which were published on 6 March 2018 (Reference No. 2018-01-021430), the retirement and pension rights at the Bank are determined on the basis of the various periods of employment at the Bank. Employees who began their work at the Bank from 1 January 1999 and onward, ongoing deposits have been made for severance pay and pension payments. Regarding those employees, the Bank has no pension liabilities other than the supplementation of the severance pay. Employees who began their work at the Bank before 1 January 1999 who are retiring from their work at the Bank at retirement age have the right to choose to receive the severance pay and pension payments, or to receive a pension from the Bank, all in accordance with and subject to the provisions of the various agreements that apply to the employees. The Bank makes deposits for these employees for their severance pay and pension payments in the Bank employees' provident fund for severance pay and pension payments, which is managed by a management company which is held by the fund's beneficiaries (hereafter: "the Reserve"). During recent years, the Bank has taken a series of measures in order to reduce the impact of these liabilities on the Financial Statements. Pursuant to these measures, the Bank has begun to examine alternatives with respect to the current situation in which all of the funds are deposited in the said Reserve. At this stage, we cannot estimate whether this review will lead to the formulation of a plan that will be approved and actually carried out. It is also not possible to estimate whether it will be possible to reach the agreements required in order to actually carry out the above.

Very respectfully,

Bank Leumi le-Israel Ltd.

By:

By Mr. Omer Ziv, head of the Finance Division