

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.Ein-Shay@bll.co.il

27 June 2018
Reference: 2017-01-056484

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

Immediate Report

Nature of the Event: Trustee's Report for 2017– 300, 301

Attached hereto is the Trustee's Report for the period from January 1, 2017 through December 24, 2017.

See attached Annex – [2017report Leumi series 300301_isa.pdf](#)

Date and time at which the corporation first became aware of the matter being the subject of the report: 26 June 2018 Time: 19:00.

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
Yehuda Halevi Street 34, Tel Aviv 6513616, Phone: 076-8857984, Facsimile: 076-8859732
Electronic Mail: david.sackstein@bankleumi.co.il

Discount (logo)

Discount Trust Ltd.

Tel Aviv, 26 June 2018

To: To:
Holders of Subordinated Debentures (Series 300) Bank Leumi le-Israel Ltd.

Re: Annual Report – Trusteeship for Subordinated Capital Notes (Series 300) issued by Bank Leumi le-Israel Ltd. (previously, Subordinated Capital Notes (Series 300) of Leumi Finance Co. Ltd.)

Dear Sir or Madam:

Pursuant to our position as trustees for the holders of the Subordinated Capital Notes (Series 300) (the “**Subordinated Capital Notes**”) issued by Bank Leumi le-Israel BMM (the “**Company**”) (into which Leumi Finance Ltd. (hereafter: “**Leumi Finance**” had been merged), we are pleased to submit the annual report for the period from 1 January 2017 through 24 December 2017 (inclusive) (the “**Report Period**”), in accordance with the provisions of section 28 of the Deed of Trust, and in accordance with the provisions of section 7 of the Trusteeship Law, 5739-1979 and the provisions of section 35H1 of the Securities Law, 5728-1968.

1. The Deed of Trust

On 4 August 2009, the Company signed a deed of trust with Discount Trust Ltd. as the trustee for the Subordinated Capital Notes (the “**Deed of Trust**”). On 25 December 2017, Mishmoret Trust Services Company Ltd. was appointed to serve as Trustee as a replacement for Discount Trust Ltd.

2. The securities that have been issued

Regarding the quantity of the Subordinated Capital Notes in circulation, see the Company’s reports, and details on the MAYA site of the Tel Aviv Stock Exchange Ltd.

3. Merger of Leumi Finance into and with Bank Leumi

According to the Immediate Reports of Leumi Finance and/or of Bank Leumi:

On 4 January 2015, the merger of Leumi Finance (which had been a wholly-owned subsidiary of Bank Leumi) with and into Bank Leumi (hereafter: “the **Merger**”) was completed, and the merger was recorded in the Companies Registrar.

In the Merger, the following occurred, *inter alia*: all of Leumi Finance's assets and liabilities were transferred to Bank Leumi without consideration, pursuant to any relevant law or agreement as such were in effect on the date of the Merger, including any conditional or unconditional, existing or future, and known or unknown assets or liabilities, and Bank Leumi is seen as the replacement of Leumi Finance for all intents and purposes in connection with the assets and liabilities that were so transferred, and Leumi Finance ceased to exist as a separate legal entity and it was deleted from the registers maintained by the Companies Registrar, without any dissolution, in accordance with the provisions of the Companies Law 5759-1999. As part of the above, the Leumi Finance certificates of indebtedness (including the Subordinated Capital Notes) were replaced by certificates of indebtedness of Bank Leumi and their listing for trade on the Tel Aviv Stock Exchange Ltd. was stricken.

For additional details see the following Leumi Finance and/or Bank Leumi Immediate Reports (including Immediate Reports dated 11 November 2014 - Reference No. 2014-01-192954, dated 8 December 2014 - No. 2014-01-217368, dated 28 December 2014 - Reference No. 2014-01-232089, dated 1 January 2015 - Reference No. 2015-01-001402 and dated 4 January 2015, Reference No. 2015-01-002125).

4. **Collateral and undertakings**

The Subordinated Capital Notes are not secured by any collateral whatsoever. The Company gave various undertakings in the Deed of Trust, and, based on information that the Company has provided, the Company has - during the Report Period - complied with its undertakings.

5. **Payments of principal and interest**

Regarding the payments of principal and interest, see the conditions on the reverse side of the list of appendices to the Deed of Trust, and see the Company's reports, and details on the MAYA site of the Tel Aviv Stock Exchange Ltd.

6. **Special events**

The Trustee has not been made aware, during the Report Period, of: (1) any substantive breach of the Deed of Trust on the part of the Company; (2) any non-compliance with any substantive undertaking on the part of the Company; (3) any other exceptional event in connection with the trusteeship pursuant to the Deed of Trust, other than the replacement of the Trustee as indicated in paragraph 1.

7. **Rating**

The Subordinated Capital Notes (Series 300) are rated illAA by S&P Ma'alot Ltd., and Aa2.il (hyb) by Midrug Ltd.

8. **Meetings of holders of the Subordinated Capital Notes**

A meeting of the holders of the Debentures was held on 24 December 2017, which approved the replacement of "Discount Trust Ltd." with "Mishmoret Trustee Services Ltd." as Trustee.

This report does not constitute a replacement for a review by a holder of the Company's public reports, including a review of the financial statements.

Very respectfully,

Discount Trust Ltd.

23 Yehuda Halevy Street, Tel Aviv,
Telephone 03-5146966 Fax: 03-5144077
Email: trust@discountbank.co.il

Discount (logo)

Discount Trust Ltd.

Tel Aviv, 26 June 2018

To:
Holders of Subordinated Capital Notes (Series 301)

To:
Bank Leumi le-Israel Ltd.

Re: Annual Report – Trusteeship for Subordinated Capital Notes (Series 301) issued by Bank Leumi le-Israel Ltd.

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