

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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27 June 2018
Reference: 2017-01-056499

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 – Series 300-301

Attached hereto is the Trustee's Report for the period from December 25, 2017 through December 31, 2017.

See attached Annex – [Bank Leumi 300-301_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

26 June 2018

To:

Holders of Subordinated Capital Notes (Series 300) and (Series 301) of Bank Leumi le-Israel BM

Dear Sir or Madam:

Re: Annual Trustee's Report for the year 2017 for the Holders of Subordinated Capital Notes (Series 300 and 301) of Bank Leumi le-Israel BM

Pursuant to our position as trustees for the holders of the Subordinated Capital Notes (Series 300) and (Series 301) (the "**Capital Notes**") issued by Bank Leumi le-Israel BM ("the **Company**"), we are pleased to submit the annual report regarding our activity during the the period beginning on 25 December 2017 and ending on 31 December 2017 (the "**Report Period**"), in accordance with the provisions of the Deed of Trust, and with the provisions of Section 7 of the Trust Law, 5739 -1979, and the provisions of section 3H1 of the Securities Law, 5728 -1968.

The Deed of Trust

An initial offering of the Debentures Series 300 and 301 was carried out on 16 August 2009 by Leumi Finance.

On 4 January 2015, the merger of Leumi Finance with and into Bank Leumi (hereafter: "the **Company**") was completed. In the context of that merger, Leumi Finance was eliminated without a dissolution and since that time, the Company has been seen as the replacement of Leumi Finance for all intents and purposes.

On 25 December 2017 – Mishmoret Trust Services Company Ltd. was appointed to serve as trustee in place of Discount Trust Ltd. Regarding the number of debentures in circulation see the Company's reports and details in the MAYA site of the Tel Aviv Stock Exchange Ltd.

Collateral

The debentures are not secured by any collateral.

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.

Special Events

The Trustee has not been made aware, during the Report Period, of any exceptional event regarding the Trusteeship.

Capital Note-holders and Shareholders' meetings:

1. Regarding the meetings of the Company's shareholders held during the Report Period, including the subjects on the agendas of those meetings and the resolutions adopted at those meetings, see the Company's reports on the MAYA site of the Tel Aviv Stock Exchange. Ltd.
2. No meetings of the holders were held during the Report Period.

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 and of the auditors' reports.

Very Sincerely,

Mishmoret – Trust Services Company Ltd.