

**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

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13 January 2020

Reference: 2020-01-005175

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: Possible US\$-denominated Tier 2 Subordinated Bond Offering to  
Institutional Investors outside of Israel

Reference Number of previous reports on the matter: \_\_\_\_\_.

THIS ANNOUNCEMENT IS NOT BEING MADE IN, AND COPIES OF IT MAY NOT BE DISTRIBUTED OR SENT INTO, THE UNITED STATES, THE EUROPEAN UNION, CANADA, AUSTRALIA, JAPAN OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD BE UNLAWFUL. NOT FOR DISTRIBUTION TO ANY U.S. PERSON.

Re: Possible US\$-denominated Tier 2 Subordinated Bond Offering to Institutional Investors  
outside of Israel

Bank Leumi le-Israel B.M. (the "Bank") announced today as follows:

1. The Bank is examining the possibility of issuing US\$-denominated subordinated Tier 2 notes of the Bank, that will include a mechanism for loss-absorption through conversion into ordinary shares of the Bank, in accordance with the provisions of the Israeli Proper Banking Ordinance 202 (the "**Subordinated Notes**"). The notes will be offered to Qualified Institutional Buyers in the United States pursuant to Rule 144A under the United States Securities Act 1933 (the "**Securities Act**"), and outside the United States in reliance on Regulation S under the Securities Act (the "**Offering**").
2. It should be emphasized that the execution of the Offering, as well as its structure, scope, conditions and timing, have not yet been determined, and are subject, *inter alia*, to the Bank's

discretion, to market conditions, and to the receipt of all approvals required under any applicable law. In addition, it should be clarified that Subordinated Notes may not be offered or sold in the United States or to any U.S. Person without registration or pursuant to an exemption therefrom.

3. If the Offering is carried out, the Subordinated Notes are expected to be listed for trading on the TACT Institutional of the Tel Aviv Stock Exchange Ltd. (the "**TASE**"), subject to the approval of the TASE.
4. The Bank will announce the pricing of the Offering of the Subordinated Notes prior to its completion, if the Offering reaches the pricing stage.
5. Nothing stated in this report will serve to create any type of commitment whatsoever on the part of the Bank to carry out the Offering, and does not constitute a public offering, a tender or other offer of any kind, or solicitation to purchase securities of the Bank.
6. This announcement is not an offer of securities for sale in the United States, Canada, Australia, Japan or any other jurisdiction. The Bank has not registered, and does not intend to register, the Subordinated Notes in any of these jurisdictions or to conduct a public offering of the Subordinated Notes in any of these jurisdictions. In particular, no securities of the Bank referred to in this announcement have been or will be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and such securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. In the United States, any offer will be made only to "qualified institutional buyers" as defined in and in reliance on Rule 144A under the Securities Act or another available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Outside the United States, any offer will be made to persons other than "U.S. Persons" in accordance with Regulation S under the Securities Act.
7. This announcement does not constitute an offer of securities to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the securities referred to herein. This announcement is being distributed to and is directed only at (i) persons who are outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (iii) high net worth entities falling within Article 49(2) of the Order, and (iv) other persons to whom it may lawfully be communicated (all such persons together being referred to as "**relevant persons**"). This announcement must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this announcement or any of its contents.
8. The securities referred to herein are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a "retail investor" means a person

who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MIFID II"); or (ii) a customer within the meaning of Directive 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MIFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

9. FCA / ICMA stabilisation applies. MiFID II professionals/ECPs-only – Manufacturer target market (MIFID II product governance) is eligible counterparties and professional clients only (all distribution channels).
10. IT SHOULD BE EMPHASIZED THAT ANY RATING PUBLISHED IN CONNECTION WITH THE SUBORDINATED NOTES DOES NOT CONSTITUTE A RECOMMENDATION TO BUY, SELL OR HOLD SECURITIES AND MAY BE SUBJECT TO REVISION, SUSPENSION OR WITHDRAWAL AT ANY TIME BY THE ASSIGNING RATING ORGANISATION. IT IS FURTHER EMPHASIZED THAT SIMILAR RATINGS FOR DIFFERENT TYPES OF ISSUERS AND ON DIFFERENT TYPES OF SECURITIES DO NOT NECESSARILY MEAN THE SAME THING, AND THEREFORE, THE SIGNIFICANCE OF EACH RATING SHOULD BE ANALYSED INDEPENDENTLY FROM ANY OTHER RATING.
- 11.

Respectfully,

Bank Leumi Le-Israel B.M

Omer Ziv, Head of the Financial Division

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: January 13 2020, at 11:50.

**Details of the authorized signatories who are authorized to sign on behalf of the corporation:**

	<b>Signatory's name</b>	<b>Position</b>
<b>1</b>	<i>Omer ziv,</i>	<i>CFO</i>

Explanation: In accordance with Regulation 5 of the Securities Regulations (Periodic and Immediate Reports), 1970, a report filed pursuant to these regulations shall be signed by the corporation's authorized signatories. For a staff position of this matter, see the Authority's website: [click here](#).

**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>

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