

## **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

August 12, 2021

Reference: 2021-01-131079

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

### **Immediate Report Regarding a Cash Dividend for Securities Regulation 37(a) of the Securities Regulations (Periodic and Immediate Reports), 1970**

1. We hereby report that on *August 12, 2021* it was resolved to pay a dividend for securities of the Company.

2. The total amount of the dividend to be paid is *NIS 630,000,000* \_\_\_\_\_.

3. The balance of the company's gains, as defined in section 302 of the Companies Law, 1999, after the distribution under this report is a total of *NIS 30,260,000,000* \_\_\_\_\_.

4. The dividend distribution procedure:  
*In a Board of Directors' meeting on August 12, 2021.*

This distribution is with the approval of the Court in accordance with section 303 of the Companies Law: *No*

5. Record date (in-dividend date): *August 25, 2021*

Ex-date: *August 25, 2021*

Payment date: *September 2, 2021*

6. Payment details:

Dividend distributed from Israeli resident company (for the composition of the dividend sources and that tax rate, see section 7a)

Dividend distributed by a real estate investment trust (for the composition of the dividend sources and that tax rate, see section 7a)

Eligible security no.	Name of security	Dividend for one security	Currency/ amount of dividend	Payment currency	Representative rate of payment for date	Individual tax %	Corporate tax %
604611	Leumi	0.4336167	NIS	NIS		25	0

Dividend distributed by a foreign resident company (for the composition of the dividend sources and that tax rate, see section 7a)

1 No. of securities	Name of security	Gross amount for one security	Currency Amount	Foreign tax %	Treaty tax %	Balance of individual tax to be withheld in Israel %	Balance of corporate tax to be withheld in Israel %
		Amount for payment in Israel for one security	Currency Amount	Representative rate of payment for date		Actual individual tax in Israel %	Actual corporate tax in Israel %

Indicate the exact amount of the dividend to be paid of up to 7 digits after the decimal point for payment in NIS and up to 5 digits after the decimal point in the event of payment in another currency.

Is the dividend amount for one security final: *Yes*

The dividend amount for one security is subject to change due to: \_\_\_\_\_

7. Rate of withholding tax at source as set out below is for the purpose of withholding tax at source by the TASE members

7a. Composition of sources of the dividend distributed from an Israeli resident company from shares and financial instruments, other than a REIT.

	% of dividend	Individual	Corporate	Foreign resident
Income subject to corporate tax (1)	100	25%	0%	25%
Income originating overseas (2)	0	25%	23%	25%
Income from an approved/preferred enterprise (3)	0	15%	15%	15%
Income from an Ireland enterprise up to 2013 (4)	0	15%	15%	4%
Income from an Ireland enterprise from 2014 (5)	0	20%	20%	4%
Preferred income	0	20%	0%	20%
Income from an approved tourist/agricultural enterprise (6)	0	20%	20%	20%

Income from an approved/preferred enterprise that provided a waiver notice (7)	0	15%	0%	15%
Distribution classified as capital gain	0	25%	23%	0%
Distribution by a participation unit	0	0	0	0
Other	0	0	0	0

**Explanation:**

(1) Income subject to corporate tax – income from distribution of profits or from dividends from income generated or accrued in Israel received directly or indirectly from another group of individuals that is subject to corporate tax

(2) Income originating overseas is income generated or accrued overseas and not taxed in Israel.

(3) Including income from a preferred tourist enterprise and whose year of election/operation is up to 2013.

(4) A preferred Ireland enterprise whose election year is up to 2013.

(5) A preferred Ireland enterprise whose election year is from 2014 onwards.

(6) Including income from a preferred tourist enterprise whose election/operation date is as from 2014 onwards.

(7) An approved or preferred enterprise who provided a waiver notice by June 30, 2015, after withholding of corporate tax for which it was liable.

**7b. Dividend distributed from a foreign resident company**

	<b>Individuals</b>	<b>Companies</b>	<b>Foreign residents</b>
Dividend distributed from a foreign resident company	25%	23%	0%

**7c. Dividend distributed by a real estate investment trust**

	<b>% of dividend</b>	<b>Individuals (1)</b>	<b>Companies</b>	<b>Foreign resident companies</b>	<b>Exempt trust fund</b>	<b>Provident fund (2)</b>
From real estate appreciation, capital gain and depreciation	_____	25%	23%	23%	0%	0%
Other taxable income (such as rent)	_____	47%	23%	23%	23%	0%
From income-generating real estate for residential leasing purposes	_____	20%	20%	20%	0%	0%
Income taxed by the trust (4)	_____	25%	0%	25%	0%	0%
Extraordinary income	_____	70%	70%	70%	60%	70%
Other	_____	_____	_____	_____	_____	_____
% Weighted withholding tax	100%	_____	_____	_____	_____	_____

**Explanation:**

(1) Individuals – including income of a taxable trust fund, foreign resident individuals.

(2) Provident fund for pension or annuity or compensation, as defined in the Income Tax Ordinance and a foreign provident fund or pension fund that is a resident of a reciprocating country.

(3) From real estate appreciation or capital gain, excluding from the sale of real estate held for a short period, and income in the amount of depreciation expenses.

(4) Distribution from income taxed by the trust in accordance with section 64A4(e).

8. Number of dormant securities of the company that are not entitled to a dividend payment, for which a letter waiving receipt of the dividend payment was provided: 71,824,258

9. Effect of distribution of the dividend on convertible securities:

The Company does not have any convertible securities.

Distribution of the dividend has no effect on convertible securities.

The effect of distribution of the dividend on convertible securities is as follows:

Name of security	Security no.	Comments

10. Recommendations and resolutions of the Board in connection with distribution of the dividend pursuant to Regulation 37(a)(1) of the Securities Regulations (Periodic and Immediate Reports), 1970:

*On August 12, 2021, the Bank's Directors approved distribution of a dividend in the amount of NIS 630 million, after being presented with the following data:*

- The proposed dividend distribution has no material effect on the Bank's financial position. See the breakdown of the balance of profits below.*
- The balance of profits, as defined in section 302 of the Companies Law, before the proposed distribution, amounts to NIS 30,890 million (after deduction of NIS 5,295 million which are non-distributable).*
- The balance of profits, as defined in section 302 of the Companies Law, after the proposed distribution, amounts to NIS 30,260 million (after deduction of NIS 5,295 million which are non-distributable).*
- The effect of the proposed distribution on the capital structure, capital adequacy, and leverage and liquidity ratios, based on the forecast for the coming year, according to result of the Bank's operations in the year immediately following distribution of the dividend will be such that the capital adequacy ratio and leverage and liquidity ratios will not fall below the requirement.*
- There is no concern that distribution of the dividend will prevent the Bank from meeting its current and expected obligations.*
- The proposed distribution is out of profits, as defined in the Companies Law.*
- The Bank complies with further regulatory restriction established by the Supervisor of Banks, including Proper Conduct of Banking Business Directive No. 331 on "Distribution of Dividends by Banking Corporations", as well as capital adequacy, leverage and other restrictions.*

*The Board of Directors reviewed the Bank's compliance with the profit test and solvency test described in section 302(a) of the Companies Law, and due to the above, approved the Bank's compliance with the distribution tests.*

Due to the above, the Bank's Board of Directors proved that there is no obstacle to distribution of a dividend in the amount of NIS 630 million, which constitutes 30% of the net profit of 2020.

The dividend to be distributed is from revenue taxed at the corporate rate out of profits accrued up to the second quarter of 2021.

The above information includes forward looking information, as defined in the Securities Law, 1968. The Company's estimates as set forth in this section above are based on an analysis of the Bank's cash flows, the Bank's existing liabilities and scenarios that may impair the expected and existing liabilities. Such estimates may not materialize, in whole or in part, or may materialize in a materially different manner than expected, due in part to changes in market conditions, and realization of one of the risks listed in the Bank's reports, the Board of Directors' report as at December 31, 2020, the Bank's periodic report for 2020 and the financial statement as at June 30, 2021.

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

	<b>Name of signatory</b>	<b>Title</b>
1	Omer Ziv	Other Chief Accounting Officer, Head of Finance Division

**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](#).

Notes to sections 6 and 8:

The dividend amount for one security is based on issued capital of 1,524,720,264 ordinary shares of NIS 1 each (Less 71,824,258 dormant shares in the Bank's capital, acquired under buyback programs implemented by the Bank in 2018, 2019 and 2020 (see immediate reports dated November 22, 2019, reference no. 2018-01-112947, November 21, 2019, reference no. 2019-01-100803 and April 2, 2020, reference no. 2020-01-031027).

Reference number of previous reports on the matter (does not constitute inclusion by way of reference): \_\_\_\_\_

The securities of the corporation are listed for trading on the Tel Aviv Stock Exchange

Date of update of the form structure: August 10, 2021

Ticker: Leumi

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company's website: [www.leumi.co.il](http://www.leumi.co.il)

Previous names of the reporting entity:

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Name of Electronic Reporter: David Raoul Sackstein, Position: Advocate, General Secretary, 34 Yehuda Halevi Street, Tel Aviv 6513616, Phone: 076-8857984, Facsimile: 076-8859732 Electronic Mail: [David.sackstein@bankleumi.co.il](mailto:David.sackstein@bankleumi.co.il)

**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/>