

## **Translation of Immediate Report**

T121  
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  
Phone: 076-8858111, 076-889419; Facsimile: 076-8859732  
Electronic Mail: Livnat.EinShay@bll.co.il

**June 16 2020**  
Reference: 2020-01-062328

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

### **Immediate Report**

Nature of Event: *Termination of Membership in the Association of Banks in Israel*

Reference number of previous reports on the matter: \_\_\_\_\_, \_\_\_\_\_.

Attached please find file [Immediate Report Association of Banks isa.pdf](#)

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: *June 15 2020, at 13:10.*

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

	<b>Name of the signatory</b>	<b>Title</b>	<b>Other</b>
<b>1</b>	<i>Livnat Ein-Shay Wilder</i>	<i>Secretary of the Bank and Group</i>	

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](#).

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

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

Ticker: Leumi

Address: Yehuda Halevi Street 34, Tel Aviv 6513616, Tel: 076-8858111, Facsimile: 076-8859732

Electronic Mail: [Livnat.Ein-Shay@bll.co.il](mailto:Livnat.Ein-Shay@bll.co.il) 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: Livnat Libby Wilder, Position: Secretary of the Bank 34 Yehuda Halevi Street, Tel Aviv 6513616, Phone: 076-8859419, Facsimile: 076-8859732  
Electronic Mail: [livnat.ein-shay@bll.co.il](mailto:livnat.ein-shay@bll.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/>



June 16 2020

To

The Tel Aviv Stock Exchange Ltd.  
2 Ahuzat Bayit St.  
Tel Aviv 6525216

To

The Israel Securities Authority  
2 Kanfei Nesharim St.  
Jerusalem 95464

Dear Sir/Madam,

Re: **Termination of Membership in the Association of Banks in Israel**

Bank Leumi le-Israel B.M. (hereafter – the “**Bank**”) hereby reports that on June 15 2020, the Bank’s Board of Directors decided to terminate the Bank’s membership with the Association of Banks in Israel.

Leumi’s decision to leave the Association of Banks in Israel is based on a policy, which aims to promote a more direct, transparent and differentiated dialogue with all of the Bank’s stakeholders, including regulators, the legislature and the Bank’s customers. This decision constitutes a part of the Bank’s efforts to enhance public trust and value maximization for all stakeholders.

A copy of the Bank’s notice to the Association of Banks in Israel is attached to this report.

Sincerely,

Bank Leumi le-Israel B.M.

By: Livnat Ein-Shay Wilder, Secretary of the Bank and Group



June 16 2020

To

To

**Ms. Smadar Barber-Tsadik**  
Acting President  
The Association of Banks in Israel  
Email: [smadar.b@fibi.co.il](mailto:smadar.b@fibi.co.il)

**Mr. Eitan Madmon**  
President  
The Association of Banks in Israel  
Email: [eitan@ibank.org.il](mailto:eitan@ibank.org.il)

Dear Sir/Madam,

Re: **Termination of Membership in the Association of Banks in Israel**

We hereby contact you with regard to the matter referred to above, as follows:  
Since the establishment of the Association of Banks in Israel (hereafter – the “**Association of Banks**”) approximately six decades ago, Bank Leumi has played a significant role in the organization.

Over the years, the Association of Banks has made an important and significant contribution to promoting the Israeli banking sector in a variety of areas of activity it is sanctioned to deal with, and has always worked in a dedicated and professional manner for the benefit of all its members.

After a thorough review by Leumi and after much deliberation on the subject, the Bank reached the conclusion that at this point in time, its membership in the Association of Banks no longer serves the Bank’s best interest.

Leumi believes that it is right and proper to maintain a direct, transparent and unmediated dialogue with the relevant stakeholders, including government entities and regulators; such a professional and hard-headed dialogue is more effective and efficient. This position is also reflected in other steps taken by Leumi in recent months.

One of the Association of Banks’ most important and principal roles is promoting the public’s trust in the banking system. Bank Leumi believes that despite its notable and commendable activity, in many cases the Association of Banks was unable to improve the reputation of the banking system, due to the fact that negative public opinion against the banking system quite often stems from specific actions of one bank or another (or of several banks), rather than the actions of the entire system. The Association of Banks’ dealing with such actions – as a representative of the entire banking system – might turn the tide of public opinion against the banking system as a whole. We believe that it is only right and proper to differentiate between the different banks, with each bank taking the responsibility for speaking for itself, without any mediators.

In view of the above, and since we believe that a direct dialogue with all stakeholders will better and more effectively serve to implement Bank Leumi's policy, we hereby announce the termination of our membership with the Association of Banks; such termination will take effect one month after the date of this notice, in accordance with the Association of Banks' rules and regulations. Nevertheless, in keeping with its sense of responsibility to the Association of Banks and the banking system, Leumi will fully pay its share in the 2020 budget after it leaves the organization. Bank Leumi intends to use the financial resources it has so far invested in the Association of Bank's activities to increase its direct activities in the field of financial education of consumers, and promote of sensible and responsible financial conduct among the general public. We offer our heartfelt thanks to you for leading the Association of Banks and wish it every success in its future public activities.

Sincerely,

Dr. Samer Haj Yehia  
Chairman of the Board of Directors

Mr. Hanan Friedman  
President and CEO