

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

**April 16 2020**

Reference: 2020-01-034294

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

### **Immediate Report**

Nature of Event: Revised Common Equity Tier 1 Capital Requirement, Discontinuation of Dividend Distribution, and Discontinuation of Buyback Plan

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

*Attached is a report in accordance with Regulation 33(d) to the Securities Regulations (Periodic and Immediate Reports), 1970.*

*Attached please find is a file [Revised Common Equity Tier 1 Capital Requirement, Discontinuation of Dividend Distribution, and Discontinuation of Buyback Plan 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: *April 16 2020, at 10:20.*

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

<b>Name of signatory</b>	<b>Title</b>	<b>other</b>
Omer Ziv	Head of Finance Division	

**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 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*

*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: 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/>**

April 16 2020

To:  
The Tel Aviv Stock Exchange (TASE)  
2 Ahuzat Bayit Street  
Tel Aviv 6525216

To:  
The Israel Securities Authority (ISA)  
22 Kanfei Nesharim Street  
Jerusalem 95464

Dear Sir/Madam,

**Re: Revised Common Equity Tier 1 Capital Requirement, Discontinuation of Dividend Distribution, and Discontinuation of Buyback Plan**

Bank Leumi Le-Israel Ltd. (hereinafter: the "Bank") hereby announces as follows:

On March 29 2020, the Banking Supervision Department announced a reduction of the minimum capital requirements applicable to the banks due to the coronavirus crisis and as part of the range of measures taken by the Banking Supervision Department following the crisis. On March 31 2020, a temporary order on the topic was published. According to the order, in the large banks, the minimum Common Equity Tier 1 capital ratio (excluding the additional capital buffer for housing loans) will be 9% (compared to 10% previously) and the total capital ratio will be 12.5% (compared to 13.5% previously).

The temporary order will remain in effect until September 30 2020 (and may be extended by up to six additional months). The reduced capital requirements will be in effect for 24 additional months after the temporary order will have expired, in order to allow the banks to return to the minimum capital ratios prior to the temporary order, provided that as of the expiration date of the order, a bank's capital ratios will be no less than the lower of: the capital ratios applicable to the bank as of the expiration of the order or the minimum capital ratios applicable to the bank prior to the temporary order. Pursuant to the temporary order, and taking into account the additional capital requirement regarding the outstanding housing loan balance (according to the outstanding balance as at December 31 2019), the minimum Common Equity Tier 1 capital ratio and the minimum total capital ratio applicable to the Bank are 9.27% and 12.77%, respectively (in lieu of 10.27% and 13.77%, respectively, prior to the change).

In its announcement, the Banking Supervision Department asked the banks' boards of directors to reassess the dividend distribution policies and share buyback plan against the backdrop of the crisis and the uncertainty.



In light of the Banking Supervision Department's letter and the temporary order, and pursuant to the capital requirements relief as outlined above, on April 16 2020, the Bank's Board of Directors resolved as follows:

- a. To set an internal Common Equity Tier 1 capital ratio of 9.5% in lieu of the previous 10.5% (please see p. 37 to the 2019 Annual Report, which was published on March 16 2020 (Revised) (Ref. No.: 2020-01-025467) (hereinafter: the "**2019 Annual Report**").
- b. To discontinue, at this stage, the dividend distribution and discontinue continuation of the buyback plan of the Bank's shares (for the Bank's dividend distribution policy, please see p. 41 of the 2019 Annual Report; for more information regarding the buyback plan, please see p. 42 of the 2019 Annual Report as well as the immediate reports dated February 26 2020 (Ref. No.: 2020-01-019590) and April 2 2020 (Ref. No. 2020-01-031027).

Respectfully,

Bank Leumi Le-Israel B.M.

By:

Mr. Omer Ziv, Head of Finance Division