

8 July 2018

Tel Aviv Stock Exchange
Ahuzat Bayit Street 2
Tel Aviv 6525216

Israel Securities Authority
Kanfei Nesharim Street 22
Jerusalem 95464

Dear Sir or Madam:

Re: **Notice concerning the results of an issue pursuant to the Shelf Offering Report dated 5 July 2018**

In accordance with Section 30 of the Securities Law, 5728-1968, and the Securities Regulation (Notice of Results of an Offering by Prospectus), 5730-1969, the Bank is pleased to announce the results of the issue pursuant to the Shelf Offering Report dated 19 June 2018 (hereafter: "the **Shelf Offering Report**"), which was published pursuant to the Bank's shelf prospectus dated 25 May 2018:

1. Pursuant to the Shelf Offering Report, the Bank offered, in two separate and independent tenders, the following securities:
 - 1.1 Up to NIS 750 million nominal value of Subordinated Debentures (Series 401), offered in 15,000 units, each including NIS 50,000 nominal value of subordinated debentures (Series 401) at a price of NIS 50,000 per unit (hereafter: "the **Series 401 Units**") through a tender for the annual interest rate to be borne by the Subordinated Debentures (Series 401), not to exceed 1.64%, all as described in the Shelf Offering Report.
 - 1.2 Up to NIS 250 million nominal value of Subordinated Debentures (Series 402), offered in 5,000 units, each including NIS 50,000 nominal value of subordinated debentures (Series 402) at a price of NIS 50,000 per unit (hereafter: "the **Series 402 Units**") through a tender for the annual interest rate to be borne by the Subordinated Debentures (Series 402), not to exceed 2.78%, all as described in the Shelf Offering Report.
2. The following are the results of the tender for the purchase of the Subordinated Debentures (Series 401) which was held on 5 July 2018:
 - 2.1 Fifty-eight orders were received in the tender, for the purchase of 12,276 Series 401 Unites of which 36 were from classified investors for the purchase of 12,209 Series 401 Units, in accordance with the preliminary commitments as described in the Shelf Offering Report.
 - 2.2 The annual interest rate to be borne by the Subordinated Debentures (Series 401), as established in the tender, is 1.64% (hereafter in this section 2: "the **Uniform Interest Rate**"). Accordingly, the quarterly interest rate for the

Subordinated Debentures (Series 401) is 0.41%. The interest rate for the first interest period of the Subordinated Debentures (Series 401) (which will start on 8 July 2018 and will end on 30 October 2018) is 0.51671%. The anchor interest rate from the tender date is -0.263%.

- 2.3 In accordance with the terms of the offering, 12,276 Series 401 Units were allocated as follows:
 - 2.3.1 Thirty-six orders from classified investors for the purchase of 12,209 Series 401 Units, bearing the Uniform Interest Rate or a rate lower than the Uniform Interest Rate – were carried out in full.
 - 2.3.2 Twenty-two orders from the public for the purchase of 67 Series 401 Units, bearing the Uniform Interest Rate or a rate lower than the Uniform Interest Rate – were carried out in full.
- 2.4 The Subordinated Debentures (Series 401) were issued without any premium.
3. The following are the results of the tender for the purchase of the units Subordinated Debentures (Series 402) which was held on 5 July 2018:
 - 3.1 Forty-five orders were received in the tender, for the purchase of 4,182 Series 402 Units, of which 16 were from classified investors for the purchase of 4,068 Series 402 Units, in accordance with the preliminary commitments as described in the Shelf Offering Report.
 - 3.2 The annual interest rate to be borne by the Subordinated Debentures (Series 402), as established in the tender, is 2.78% (hereafter in this section 2: "**the Uniform Interest Rate**"). Accordingly, the quarterly interest rate for the Subordinated Debentures (Series 402) is 0.695%. The interest rate for the first interest period of the Subordinated Debentures (Series 402) (which will start on 8 July 2018 and will end on 30 October 2018) is 0.87589%. The anchor interest rate from the tender date is -0.263%.
 - 3.3 In accordance with the terms of the offering, 4,182 Series 402 Units were allocated as follows:
 - 3.3.1 Sixteen orders from classified investors for the purchase of 4,068 Series 402 Units, bearing the Uniform Interest Rate or a rate lower than the Uniform Interest Rate – were carried out in full.
 - 3.3.2 Twenty-nine orders from the public for the purchase of 114 Series 402 Units, bearing the Uniform Interest Rate or a rate lower than the Uniform Interest Rate – were carried out in full.
 - 3.4 The Subordinated Debentures (Series 402) were issued without any premium.
4. The immediate gross consideration received by the Bank in the framework of the public offering amounted to a total of NIS 822,900,000.
5. The Bank is grateful to the investing public for its response to the offering.

Very respectfully,
Bank Leumi BM

Signed by Omer Ziv, Head of the Financial Division
Ronen Agassi, Head of the Capital Markets Division

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>