

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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27 August 2018
2018-01-081471

Report supplementing a report filed on 14 August 2018, Reference No. 2018-01-076479

Main details added/supplemented: Update of the amount of the dividend per share (NIS 0.2395523 instead of NIS 0.2391617 per share as had been previously reported) due to the increase in the number of dormant shares among the corporation's outstanding share capital in the framework of the exercise of the independent purchase plan approved by the Bank's board of directors on 6 March 2018. For more information, see the Immediate Report dated 27 August 2018, (Reference No: 2018-01-081462).

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

Immediate Report on the Distribution of a Cash Dividend on Securities

Regulation 37(a) (Periodic and Immediate Reports) Regulations, 1970

1. We hereby report that the distribution of a dividend on the company's shares was approved on 13 August 2018.
2. The total amount of the dividend that will be paid is NIS 361,218,833.2.
3. The balance of the corporation's profits as defined in section 302 of the Companies Law, 5749-1999, after the distribution which is the subject of this report, will be NIS 25,560,000,000.

4. Process of approval of the distribution of the dividend: The Bank's Board of Directors – Bank's Board of Directors approval given on 13 August 2018.

Was the above-mentioned distribution carried out with the approval of a court, in accordance with section 303 of the Companies Law - No.

5. The determinative date (cum date): 28 August 2018
 Ex date: 28 August 2018
 Payment date: 6 September 2018

6. Details of payment:

Dividend distributed by a company that is a resident of Israel (regarding the composition of the sources of the dividend and the tax rates, see section 7a)

Number of entitled security	Name of Security	Amount of dividend per single security	Currency of the dividend amount	Currency of payment	Exchange rate date for the payment	Tax rate: Individuals	Tax rate: corporate
604611	Leumi	0.2395523	NIS	NIS	—	25	0

The amount of the dividend to be paid should be indicated with accuracy of up to 7 digits after the decimal point for a payment in New Israeli Shekels, and up to 5 digits after the decimal point if the payment is made in a different currency.

The dividend amount per single security is not final.

The amount of the dividend per single security is subject to changes pursuant to self-purchase of the Bank's shares.

7. The following rates for withholding of tax at source are for the purpose of carrying out withholding at source by stock exchange members.

7a. Composition of sources of the dividend distributed by a company which is resident in Israel, from shares and financial instruments, excluding REITS.

	% of the dividend	Individuals	Companies	Foreign residents
Income subject to Companies Tax ⁽¹⁾	100	25%	0%	25%
Income from foreign sources ⁽²⁾	0	25%	23%	25%
Income from an approved/benefitted enterprise ⁽³⁾	0	15%	15%	15%
Income from an Approved Ireland Enterprise up to 2013 ⁽⁴⁾	0	15%	15%	4%
Income from an Approved Ireland Enterprise from 2014 ⁽⁵⁾	0	20%	20%	4%
Preferred income	0	20%	0%	20%

Income from a tourism/agriculture approved enterprise ⁽⁶⁾	0	20%	20%	20%
Income from an approved/benefitted enterprise that has issued a waiver notice ⁽⁷⁾	0	15%	0%	15%
Distribution classified as capital gains	0	25%	23%	0%
Distribution by an index participation unit	0	0	0	0
Others	0	0	0	0

Explanation:

(1) Income subject to Companies Tax: income received from distribution of profits or from a dividend, the source of which is income produced or generated in Israel, received directly or indirectly from another group of persons owing companies tax.

(2) Income from foreign sources is income produced or generated abroad that has not been taxed in Israel.

(3) Including income from a beneficiary tourism enterprise whose year of election/commencement of operations was any year through 2013.

(4) Income from an Approved Ireland Enterprise whose year of election was any year through 2013.

(5) Income from an Approved Ireland Enterprise whose year of election was any year from 2014 and onward.

(6) Includes income from a benefitted tourism enterprise whose year of election/commencement of operations was any year from 2014 and onward.

(7) Income from an approved or benefitted enterprise that issued a waiver notice at any time through 30 June 2015, after the deduction of company tax that it owed.

7b. Dividend distributed by a foreign resident company

	Individuals	Companies	Foreign residents
Dividend distributed by a foreign resident company	25%	23%	0%

7c. Dividend distributed by a Real Estate Investment Trust

	% of the dividend	Individuals ⁽¹⁾	Companies	Foreign resident companies	Exempt mutual fund	Provident fund ⁽²⁾
From real property appreciation, capital gains and depreciation ⁽³⁾	_____	25%	23%	23%	0%	0%
Other taxable income (such as rental income)	_____	47%	23%	23%	23%	0%
From productive real estate – residential rentals	_____	20%	20%	20%	0%	0%
Income that has	_____	25%	0%	25%	0%	0%

been taxed at the fund level ⁽⁴⁾						
Exceptional income	_____	70%	70%	70%	60%	70%
Other	_____	_____	_____	_____	_____	_____
Weighted % of tax withheld at source	100%	_____	_____	_____	_____	_____

- (1) Individuals - includes a taxable mutual fund, individuals, and foreign residents.
- (2) Provident funds – either for pensions or benefits or severance pay, as defined in the Income Tax Ordinance, and foreign provident funds or pension funds which are residents of a reciprocating country.
- (3) From appreciation of real property or from capital gains, excluding income from the sale of real estate held for the short term, and from income in the amount of the depreciation expenses.
- (4) Distribution from income that was taxed at the fund level, in accordance with section 64a4(e).

8. Number of dormant securities of the corporation that are not entitled to the payment of the dividend, for which a letter of waiver of the receipt of the dividend must be provided: 16,129,902

9. Impact of the distribution of the dividend on convertible securities: The distribution of the dividend does not have any impact on the convertible securities.

10. Board of Directors recommendations and resolutions regarding the distribution of a dividend pursuant to section 37(a)(1) of the Securities (Periodic and Immediate Reports) Regulations, 5730-1970 - [isa.pdf Appendix to Report 300618 report](#)

The report was signed on behalf of the corporation, in accordance with Regulation 5 of the Securities (Periodic and Immediate Reports), 1970, by Attorney Livnat Ein-Shay Wilder, Secretary of the Bank and of the Group.

Name of Electronic Reporter: Livnat Libby Wilder, Position: Secretary of the Bank
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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/>