

**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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1 December 2011  
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To: Israel Securities Authority ([www.isa.gov.il](http://www.isa.gov.il))  
The Tel Aviv Stock Exchange ([www.tase.co.il](http://www.tase.co.il))

**Immediate Report regarding an Event or Matter falling outside the Ordinary Course of Business of the Corporation**

Regulation 36(a) of the Securities (Periodic and Immediate Reports) Regulations, 1970  
Nature of the Event: Completion of Transaction for Purchase of a Bank in Switzerland

1. Further to the immediate report given by Bank Leumi le-Israel B.M. ("Leumi") on 10 February 2011 of execution by Leumi of an agreement for the purchase of the entire share capital of Bank Safdie SA ("Bank Safdie", the "Agreement"), Leumi hereby notifies that on 30 November 2011, after the conditions precedent set out in the Agreement had been satisfied, including the approval of the Bank of Israel, the approval of the regulators in Switzerland and the Cayman Islands, and the purchase transaction was completed and Leumi purchased the entire share capital of Bank Safdie from its shareholders. Bank Safdie engages in private banking in Switzerland, is located in Geneva and has two additional branches in Zurich and Lugano. Furthermore, Bank Safdie has subsidiaries in the Cayman Islands, in Luxembourg and a representative office in Israel. Bank Safdie manages clients' assets of a total scope of nearly CHF 3 billion as of the date of the closing of the transaction. The net income of Bank Safdie in 2010 was approx. CHF 2.8 million, and in the previous year approx. CHF 2.5 million.

In accordance with the calculations determined in the Agreement, the total consideration paid upon closing was approx. CHF 143 million, approx. CHF 110 million of which was paid to the Sellers and the balance of approx. CHF 33 million was deposited in Escrow Account as security for adjustments to the consideration according to changes in the assets under management of Bank Safdie during the 24 months following completion of the transaction and other adjustments.

It is the intention of Leumi to merge Bank Safdie into Bank Leumi (Switzerland) SA at the beginning of 2012 and to continue the business operations of the merged bank as a center for private banking in Switzerland.

2. Date and time at which the corporation first became aware of the matter being the subject of the report: 30 November 2011 Time: 14:10.

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Name of Electronic Reporter: Yael Rudnicki, Position: Group Secretary  
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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/>***