

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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24 November 2015
Reference: 2015-01-161658

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

Immediate Report

Nature of Event: Sale of the Activity of Leumi Luxembourg

See the attached annex [BLUX_24112015.pdf](#)

Date and time at which the corporation first became aware of the matter being the subject of the report: 23 November 2015 Time: 23:00.

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/>

Name of Electronic Reporter: David Raoul Sackstein, Position: Advocate, General Secretary
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24 November 2015

To

Tel Aviv Stock Exchange
Ahuzat Bayit Street 2
Tel Aviv 6525216

To

Israel Securities Authority
Kanfei Nesharim Street 22
Jerusalem 95464

Dear Sir or Madam:

Re: **Sale of the Activity of Leumi Luxembourg**

Bank Leumi Le-Israel Ltd. (“the **Bank**”) is pleased to report as follows:

1. Last night, on 23 November 2015, Bank Leumi (Luxembourg) S.A., a subsidiary in Luxembourg with a Luxembourg banking license, which is wholly owned (indirectly) by the Bank, entered into an agreement for the sale of its assets (as they are defined in the agreement) to Banque J. Safra Sarasin (Luxembourg) S.A. - in consideration for an amount which is derived from the value of the assets under management that will be transferred to the buyer, and not for more than 3.5 million dollars.
2. The completion of the transaction is subject to the issuance of relevant regulatory approvals as required pursuant to the relevant laws.
3. Parallel to the completion of the transaction, and pursuant to the procedures required by law and in coordination with the relevant authorities, Bank Leumi Luxembourg will take action to conclude its banking activity and to distribute its independent equity as a dividend to the Bank.
4. The agreement includes an undertaking to make various indemnifications, for a period of two years (subject to various exceptions). The amount of the indemnification is limited to an amount derived from Bank Leumi Luxembourg's independent equity (some 37.4 million dollars). The indemnification undertaking is backed by the Bank's guarantee, for cases in which Bank Leumi Luxembourg cannot cover the indemnification undertaking.
5. The said agreement was made in the framework of the implementation of the Bank's strategy of reducing its private banking activity outside of Israel.

6. The execution of the transaction is not expected to have a significant impact on the results of the Group's activity.

Very sincerely,

Bank Leumi Le-Israel, Ltd.

by

Professor Danny Tsiddon, Deputy CEO

Hanan Friedman, Legal Adviser