

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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10 February 2011

Reference Number 2011-01-045831

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

Immediate Report

Nature of Event: Purchase of a Bank in Switzerland

Bank Leumi le-Israel B.M. is pleased to announce that today, 10 February 2011, an agreement (the "**Purchase Agreement**") was signed between Bank Leumi le-Israel B.M. ("**Leumi**"), directly or through a company under its control, and by Island Tower Foundation, Helena S. Safdié Levy Edmundo Safdié, and G.R.S. Participations S.A.R.L., the owners of the Swiss Bank Safdié SA. (hereinafter: "**the Acquired Bank**"). According to the agreement, Leumi will purchase all of the share capital in the Acquired Bank, subject to the conditions precedent specified in the agreement.

According to the Purchase Agreement, the basic consideration amount, before adjustments, will be based on the net asset value of the Acquired Bank, with the addition of a premium on the assets under management of the Acquired Bank (hereinafter: "**AUM**") on the date of the transaction's closing, and it will be adjusted in accordance with the execution of a due diligence examination. The consideration is estimated at some 177 million Swiss francs, on the basis of the AUM as of the end of December 2010. The final consideration amount will also be adjusted in accordance with the changes in the AUM during the 24 month period following the date of the transaction's closing, according to formulas that have been agreed upon by the parties.

The transaction, according to the Purchase Agreement, is subject to the fulfillment of the conditions precedent specified in the Purchase Agreement, including the receipt of regulatory approvals from the Israeli Supervisor of Banks and from the Swiss bank supervision agency (FINMA), and the sale of the Acquired Bank's branch in Brazil to the owners (the sellers). The conditions precedent are expected to be met within nine months from the signing of the Purchase Agreement. The Purchase Agreement also includes understandings regarding the management of the Acquired Bank during the interim period between the signing and the transaction's completion, for the purpose of preserving the Acquired Bank's business.

Leumi intends to combine the Acquired Bank's private banking activity with that of Bank Leumi (Switzerland), and to thus significantly increase the scope of the activity of Bank Leumi (Switzerland).

Date and time at which the corporation first became aware of the matter being the subject of the report: 10 February 2011 Time: 18:30.

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