



13 November 2014

The Tel Aviv Stock Exchange
2 Ahuzat Bayit Street
Tel Aviv 6525216

Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem 95464

Dear Madam/Sir,

Re: Cooperation Agreement with Julius Baer

Further to note 13 to the Financial Statements of Bank Leumi le-Israel B.M. (the "Bank") as at 30 June 2014, that was published on 21 August 2014 (Ref: 2014-01-138822), the Bank reports as follows:

1. As detailed in the above note 13, within the framework of the agreement with Julius Baer, it was agreed, inter alia, on strategic cooperation, and on the sale of activities of the Bank's subsidiary in Switzerland (Leumi Private Bank). In addition, it was agreed that the parties would examine the possibility of entering into an agreement for the sale of Bank Leumi (Luxembourg) S.A. ("Leumi Luxembourg") to Julius Baer, for a consideration equalling the shareholders' equity of Leumi Luxembourg.
2. The parties are working to carry out the actions required for the completion of the sale of the activities of the subsidiary in Switzerland to Julius Baer.
3. Within the framework of the negotiations which took place with Julius Baer, the parties have decided that Leumi Luxembourg will not be sold to Julius Baer, and the parties are examining other alternatives regarding Leumi Luxembourg.
4. As detailed in said note 13, the performance of the said transactions is not expected to have a significant impact on the Group's operating results and consolidated financial position.

Yours faithfully,

Bank Leumi le-Israel B.M.

By:

Prof. Daniel Tsiddon, Deputy CEO

Ron Fainaro, CFO