

## **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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9 December 2010

Reference: 2010-01-712479

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**

Nature of Event: Financial Sanction on Arab Israel Bank

Bank Leumi le-Israel B.M. ("the Bank") hereby announces that the Banking Corporations Sanctions Committee has decided to impose a financial sanction on Arab Israel Bank Ltd. (a subsidiary of the Bank) ("the Arab Bank"), with respect to violations and deficiencies regarding the provisions of the Prohibition on Money Laundering (Identification, Reporting and Record Keeping Duties for Banking Corporations to Prevent Money Laundering and the Financing of Terrorism) Order – 2001, and the Prohibition on Money Laundering Regulations (Methods and Dates for Transfer of Reports by Banking Corporations and the Entities Listed in the Law's Third Annex to the Database) – 2002. The violations and deficiencies had been discovered during an audit of the Arab Bank conducted by the Bank of Israel in 2007. The financial sanction imposed was in the amount of NIS 850,000.

The Arab Bank has taken effective measures to correct the deficiencies and to prevent their repetition.

Date and time at which the corporation first became aware of the matter being the subject of the report: 8 December 2010 Time: 11:00.

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