

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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28 June 2015
Reference: 2015-01-058551

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

Immediate Report

Nature of Event: Financial Sanction - Prohibition against Money Laundering
See the attached annex.

Date and time at which the corporation first became aware of the matter being the subject of the report: 28 June 2015 Time: 17:00.

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: Hanan Friedman, Position: Chief Legal Advisor
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28 June 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: **Financial Sanction Pursuant to the Prohibition of Money Laundering Order**

Bank Leumi Le-Israel Ltd. ("the Bank") is pleased to report the following:

On 28 June 2015, the Bank received a decision from the Committee for Imposing Financial Sanctions Regarding Banking Corporations (the "**Committee**"). The Committee decided to impose a financial sanction on the Bank, in a total amount of NIS 4.2 million, with respect to nine incidents involving violations of the provisions of the Order and of the Prohibition on Money Laundering (Modes and Times for Transmitting Reports to the Data Base by Banking Corporations and the Entities Specified in the Third Schedule to the Law) Regulations 5762-2002, the subject which is the reporting to the Money Laundering Prohibition Authority regarding non-standard activities. It should be noted that with most of the incidents that were the subject of the sanctions, the Committee decided that there were considerations weighing in favor of leniency and it therefore reduced the amount of the sanction for those incidents, in relation to the maximum amounts established in the statutory provisions. Regarding one of the incidents, the Committee decided not to impose any financial sanction at all.

The financial sanctions were imposed pursuant to a routine audit carried out at the Bank during the period from November 2013 through March 2014.

Very sincerely,

Bank Leumi Le-Israel Ltd.

By:

Hanan Friedman, Legal Adviser