



February 1, 2023

To:
The Tel Aviv Stock Exchange Ltd.
Via the MAGNA

To:
The Securities Authority
Via the MAGNA

Re: **Financial sanction due to Pepper malfunction**

Bank Leumi Le-Israel Ltd. is does hereby report, as follows:

On February 1, 2023, the decision was received from the committee regarding the imposition of financial sanctions on banking corporations according to the Prohibition on Money Laundering Law, 2000, regarding the imposition of a financial sanction in the amount of approx. NIS 1.8 million, in connection with two technological malfunctions that occurred in Pepper in 2021 that damaged the access ability and completeness of identification process documentation that is part of the process for opening accounts in a certain period.

It should be noted that the malfunction did not and cannot cause any damage to customers or disclosure of information regarding them.

It should be noted that Pepper has long since corrected the malfunctions.

Respectfully,

Bank Leumi Le-Israel Ltd.

By:
Adv. Mor Fingerer, Chief Legal Counsel