

Translation of Immediate Report

No. with Registrar: 520018078

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Public

Bank Leumi le-Israel B.M.

Registration No. 520018078

Securities of the Corporation are listed on The Tel Aviv Stock Exchange

Abbreviated Name: Leumi

34 Yehuda Halevi Street, Tel Aviv 651316

Phone: 076-8858111, 076-889419; Facsimile: 076-8859732

Electronic Mail: Livnat.EinShay@bll.co.il

August 11 2019

Reference: 2019-01-068664

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

Immediate Report

Nature of Event: Demand for Payment of a Monetary Sanction

Reference Number of previous reports on the matter: , ,

See Annex attached hereto: 11082019dox-isa.pdf

The company is not an envelope company as that term is defined in the Stock Exchange bylaws.

Date and time at which the corporation first became aware of the event: August 11,
2019, at 12:35

Reference numbers of previous documents on this subject (this reference does not constitute inclusion by way of reference):

The corporation's securities are listed for trade on the Tel Aviv Stock Exchange

Date on which the format of this form was updated: 06/08/2019

Abbreviated name: Leumi

Address: 34 Yehuda Halevi St., Beit Leumi, Tel Aviv 6513616, Phone: 076-8858111, 076-8859419, Fax:
076-8859732

Email: Livnat.Ein-Shay@bll.co.il Company's website: www.leumi.co.il

Name of Electronic Reporter: David Raoul Sackstein, Position: Advocate, General Secretary
Yehuda Halevi Street 34, Tel Aviv 6513616, Phone: 076-8857984, Facsimile: 076-8859732
Electronic Mail: david.sackstein@Bankleumi.co.il

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/>

August 11 2019

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: Demand for Payment of Financial Sanction – Israel Securities Authority

Bank Leumi Le-Israel Ltd. (hereinafter: the “**Bank**”) is hereby announcing as follows:

Today, August 11 2019, the Bank received from the Israel Securities Authority (hereinafter – the “**Authority**”) a notice that was sent on that same day, demanding the payment of a monetary sanction of NIS 220,000. The payment demand was issued pursuant to Section 38a of the Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 1995 (hereinafter – the “**Advice Law**”).

The monetary sanction’s amount is net of a 45% reduction as decided by the Authority due to, among other things, steps the Bank had already taken to prevent the recurrence of the breach.

The monetary sanction was imposed due to an instance in which an investment advisor talked to a customer, who approached the bank in order to issue a power of attorney to a portfolio manager, in a manner that is considered, according to the decision of the Authority, as an attempt to dissuade the customer from entering into engagement with the portfolio manager in breach of the Authority’s directives regarding the referral of customers to portfolio management services.

Respectfully,

Bank Leumi Le-Israel Ltd.

By:

Hanan Friedman, Head of Strategy, Innovation and Transformation