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public**

MIZRAHI TEFAHOT BANK LTD

No. with the Registrar of Companies: 520000522
Securities of the Corporation are Listed for Trading on the Tel Aviv Stock Exchange
Abbreviated Name: Mizrahi Tefahot
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To
Israel Securities Authority
www.isa.gov.il

To
Tel Aviv Stock Exchange Ltd
www.tase.co.il

Immediate Report

Explanation: This form may not be used when there is a specific form for the reported event
Results of an issue will be reported on a T20 and not on this form
Report of bond rating or issuer rating will be submitted on a T125
Imposition of financial sanction

As provided in the financial statements as of June 30, 2012, the Supervisor of Banks informed of the submission of an application for imposition of a financial sanction on the Bank, based on findings included in the audit report, on behalf of the Banking Supervision Department, regarding prohibition on money laundering, in respect of the period of 2007 to mid-2010. Further thereto, we hereby announce that a notice was received, whereby the Committee on Imposition of Financial Sanctions Regarding Banking Corporations, resolved to impose a financial sanction on the Bank in the sum of ILS 3.8 million.

The audit report included findings, the majority of which were relevant to the reviewed period only.

At the beginning of 2010, the person in charge of implementation of the Bank's duties pursuant to the Prohibition on Money Laundering Law, 5760-2000 was replaced, and since then the Bank's activity was extensively increased, including with regard to training and implementation of the relevant instructions.

In addition, the Committee's resolution specified that "...considering the fact that during the audit process, the Bank was cooperative in respect of disclosing the violations and their results, as well as taking effective measures to repair the flaws and preventing their recurrence shortly after receiving the draft audit report, the

Committee resolved, under the circumstances, to take a lenient approach and to impose a financial sanction in the sum of ILS 3.8 million".

The date on which the corporation first learned of the event: September 19, 2012 at 16:00

Previous names of the reporting entity: United Mizrahi Bank Ltd

Form structure revision date: September 11, 2012

Name of the person reporting electronically: Maya Feller; Position held: Company Secretary
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