

MIZRAHI TEFAHOT BANK LTD
No. with the Registrar of Companies: 520000522

To	<u>Israel Securities Authority</u>	To	<u>Tel Aviv Stock Exchange Ltd</u>	T053 (Public)	Date of transmission: May 18, 2020
	www.isa.gov.il		www.tase.co.il		Ref: 2020-01-049347

Immediate Report of an Event or Matter which Deviates from the Corporation's Ordinary Course of Business

Regulation 36 of the Securities Regulations (Immediate and Periodic Reports), 5730-1970.

Issue results must be reported under T20 and not under this form.

Bond rating or corporation rating reports must be submitted through Form T125

Report on: A report whose submission was delayed

Nature of the Event: *The independent committee – a supplementary report*

- Mizrahi Tefahot Bank Ltd (the "Bank") hereby reports the following:*

*As aforesaid in the Bank's immediate report from March 28, 2019 (reference no.: 2019-01-027790) and the aforesaid in sections 11 and 12 of Note 26 to the Bank's annual financial reports of December 31, 2019, as published on February 25, 2020 (reference no.: 2020-01-018930), on March 27, 2019, the Bank's Board of Directors resolved to establish an independent committee (the "**Committee**"), inter alia in accordance with the requirement of the Supervisor of Banks, in order to examine particular aspects arising from the DPA that the Bank had signed with the US Department of Justice, in connection with the bank group's business with its US customers between the years 2002 and 2012 (both of the aforementioned reports are brought herein via reference). As stated in the Bank's immediate report from March 31, 2020 (reference no.: 2020-01-033702), on that date, the Bank's Board of Directors adopted the Committee's recommendations regarding not initiating legal proceedings against officers and other persons at the Bank, and not drawing personal conclusions with respect to the events subject of the DPA (the aforementioned report is brought herein via reference). The Bank hereby updates that on May 18, 2020, the Bank's Board of Directors discussed a supplementary report submitted to it by the Committee (the "**Supplementary Report**"), which examines the managerial processes and controls, including aspects of corporate governance, related to the events subject of the DPA.*

The independent committee noted in the Supplementary Report that it found substantial improvements had been made by the Bank in most areas and processes examined thereby with respect to the relevant period (2002-2012); and the Committee had no comments on said improvements. In relation to some, the Committee found it appropriate to recommend to the Bank that it implements further managerial and control processes, in addition to those already in place, with emphasis on areas of compliance and anti-money laundering, including at the Bank's international branches and with respect to arranging additional dedicated reports from the Internal Auditor; and rules of action regarding training programs, internal enforcement processes and the handling of resource requirements.

