

Mizrahi-Tefahot Bank

Periodic report

2018

Table of Contents

Corporate information	363
Regulation 9 – Financial statements	363
Regulation 10c – Use of proceeds from securities pursuant to prospectus	363
Regulation 11 – List of investments in subsidiaries and affiliates as of December 31, 2018	364
Regulation 13 – Revenues of subsidiaries and affiliates and Bank revenues there from	368
Regulation 14 – List of loan balance groups as of the balance sheet date	368
Regulation 20 - Trading on stock exchange – securities listed for trading –dates and reasons for trading halts	368
Regulation 21 – Remuneration of interested parties and senior officers	368
Regulation 21a – Names of controlling shareholders of the corporation	369
Regulation 22 – Transactions with controlling shareholder	369
Regulation 24 – Shares and securities held by interested parties in the corporation	369
Regulation 24a –Registered capital, issued capital and convertible securities	370
Regulation 24b – Shareholder registry as of March 19, 2019	371
Regulation 26 – Board members of the Bank	372
Regulation 26a – List of senior Bank executives	386
Regulation. 26b – Authorized signatories of the Bank	390
Regulation 27 – Independent Auditor of the Bank	391
Regulation. 28 - Changes to Articles of Incorporation or to Bylaws	391
Regulation 29 - - Recommendations and decisions by Board members	391
Regulation 29a – Corporate resolutions	392

To:
Israel Securities Authority
22 Kanfey Nesharim Street
Jerusalem 95464

Dear Sir/Madam,

Re: 2018 Periodic Report

Pursuant to the Securities Regulations (Periodic and immediate reports), 1970, we hereby present the Bank's 2018 periodic report.

Corporate information

Name of Corporation:	Bank Mizrahi Tefahot Ltd.
Company ID with Company Registrar:	520000522
Corporation's address of record:	7 Jabotinsky Street, Ramat Gan
Corporation's telephone:	03-7559219 fax: 03-7559923
Balance Sheet Date:	December 31, 2018
Report date:	March 27, 2019
Reported period:	All of 2018

Regulation 9 – Financial statements

This periodic report includes the Report of the Board of Directors and Management, Description of Bank Group Business and the opinion of the Bank's Independent Auditor dated March 27, 2019.

Regulation 10c – Use of proceeds from securities pursuant to prospectus

No securities were issued pursuant to a prospectus in the reported period.

Regulation 11 – List of investments in subsidiaries and affiliates as of December 31, 2018

	Share ID on the Stock Exchange		Shares held by the Bank	
	Share class		Number of shares	Total par value (in NIS / foreign currency)
Bank Yahav for Government Employees Ltd.	Non-negotiable	Ordinary NIS 0.01	12,194,973	121,950
		Base NIS 0.01 par value	1	(1) -
		Ordinary NIS 0.01 par value	1	(1) -
United Mizrahi International Holding Company Ltd. B.V. (Holland)				USD 81,585,900
	Non-negotiable	Ordinary USD 45	1,813,020	million
Mizrahi Tefahot Underwriting and Issuance (1980) Ltd.	Non-negotiable	Ordinary NIS 0.01	2,500,000	25,000
Mizrahi Tefahot Trust Company Ltd.	Non-negotiable	Ordinary NIS 0.0001	1,000	(1) -
Mizrahi-Tefahot Factoring Ltd.	Non-negotiable	Ordinary NIS 0.001	250,000,000	250,000
Etgar Investment Portfolio Management Company of the Mizrahi Tefahot Group Ltd.	Non-negotiable	Ordinary NIS 1	1,650,012	1,650,012
				USD 100,000
United Mizrahi International Investment N.V.	Non-negotiable	Ordinary USD 1,000	100	million
HaMizrahi Land Development Company Ltd.	Non-negotiable	Base NIS 0.0001 par value	10	(1) -
	Non-negotiable	Ordinary NIS 0.0001	987	(1) -
Mizrahi Tefahot Security Services Ltd.	Non-negotiable	Ordinary NIS 0.001	1,000,100	1,000
Bank Mizrahi-Tefahot Technology Division Ltd.	Non-negotiable	Ordinary NIS 0.0001	50,000	5
Netzivim Assets and Equipment Ltd.	Non-negotiable	Ordinary NIS 0.0001	1,397,209,107	139,721

(1) Less than NIS 1.

(2) Less than NIS 1 thousand.

(3) Non-linked capital notes, non-interest bearing, maturing at least 5 years after the issue date thereof.

Periodic report
As of December 31, 2018

Capital investments and other investments							
Cost of share purchase	Adjusted carrying amount	Loan balance	(Obligatory notes / debentures)	Of capital	Of voting rights (in %)	Holding stake of right to appoint Board members	
NIS / foreign currency in thousands	NIS in millions						
419,184	777	–	–	50.0	50.0	50.0	
USD 46,884 million	236	–	–	100.0	100.0	100.0	
38,153	39	–	–	100.0	100.0	100.0	
7	53	–	–	100.0	100.0	100.0	
42,419	69	–	–	100.0	100.0	100.0	
1,785	28	–	–	100.0	100.0	100.0	
USD 100 million	2	–	–	100.0	100.0	100.0	
(2) _	–	–	–	100.0	100.0	100.0	
590	34	–	–	100.0	100.0	100.0	
3,255	207	–	–	100.0	100.0	100.0	
260,176	863	–	(3)30	100.0	100.0	100.0	

**Regulation 11 – List of investments in subsidiaries and affiliates
as of December 31, 2018 – Continued**

		Share ID on the Stock Exchange	Shares held by the Bank	
		Share class	Number of shares	Total par value (in NIS / foreign currency)
Mizrahi Tefahot Registration Company Ltd.	Non-negotiable	Ordinary NIS 0.0001	1,000	⁽¹⁾ -
H.M.B. Ltd. (in voluntary dissolution)	Non-negotiable	Ordinary NIS 0.0001	35,000,000	3,500
Psagot Jerusalem Ltd.	Non-negotiable	Management NIS 1	5	5
	Non-negotiable	Ordinary NIS 1	29,970	29,995
Planus Technologies Ltd.	Non-negotiable	Ordinary NIS 1	200	200
TAM Information Systems Ltd.	Non-negotiable	Ordinary NIS 0.001	10,000	⁽¹⁾ -
Mizrahi Tefahot Issue Company Ltd.	Non-negotiable	Ordinary NIS 1	10,703,000	10,703,000
Tefahot Insurance Agency (1989) Ltd.	Non-negotiable	Ordinary NIS 1	201	201
UMTB Insurance Ltd.	Non-negotiable	Ordinary USD 1	1,000,000	1,000,000
Rosario Capital Ltd.	Non-negotiable	Ordinary NIS 0.01	2,499	25
Mustang Mezzanine Fund	Non-negotiable	-	-	-

(1) Less than NIS 1.

(2) Less than NIS 1 thousand.

(3) Permanent capital note, non-linked and non-interest-bearing, maturing after January 1, 2009

Periodic report
As of December 31, 2018

Capital investments and other investments

Cost of share purchase	Adjusted carrying amount	Loan balance	(Obligatory notes / debentures)	Holding stake	Of capital	Of voting rights (in %)	Of right to appoint Board members
NIS / foreign currency in thousands	NIS in millions						
(2) -	26	-	-	100.0	100.0	100.0	100.0
11,139	-	-	-	100.0	100.0	100.0	100.0
-	-	-	-	20.0	20.0	20.0	20.0
1	(16)	-	(3)35	20.0	20.0	20.0	20.0
1	-	-	-	20.0	20.0	20.0	20.0
12	3	-	-	100.0	100.0	100.0	100.0
3,968	50	-	-	100.0	100.0	100.0	100.0
1	1,044	-	-	100.0	100.0	100.0	100.0
\$1,000	20	-	-	100.0	100.0	100.0	100.0
1,962	2	-	-	19.99	19.99	19.99	19.99
911	11	-	-	20.0	20.0	20.0	20.0

Regulation 13 – Revenues of subsidiaries and affiliates and Bank revenues there from⁽¹⁾

NIS in millions

Company name	For the year ended December 31, 2018				
	Net profit (loss) ⁽²⁾	Pre-tax profit (loss) ⁽²⁾	Interest	Management fee	Dividends
Bank Yahav for Government Employees Ltd.	68	104	23	–	–
United Mizrahi International Holding Company Ltd. B.V. (Holland)	⁽⁵⁾ (77)	(76)	–	–	–
Etgar Investment Portfolio Management Company of the Mizrahi Tefahot Group Ltd.	⁽³⁾ -	⁽³⁾ -	–	⁽³⁾ -	–
Tefahot Insurance Agency (1989) Ltd.	83	107	2	10	–
Bank Mizrahi-Tefahot Technology Division Ltd.	11	14	–	–	–
Netzivim Assets and Equipment Ltd.	19	31	–	2	–
Mizrahi Tefahot Issue Company Ltd.	4	6	–	–	–
Mizrahi Tefahot Trust Company Ltd.	⁽⁴⁾ (16)	⁽⁴⁾ (20)	–	⁽³⁾ -	–

(1) Only results of subsidiaries and affiliates with significant information are presented.

(2) As reported by the companies.

(3) Less than NIS 1 million.

(4) Includes provision for claim amounting to NIS 38 million, in conformity with a verdict given against the Company.

(5) Includes attribution of expenses with respect to US Department of Justice. investigation to Mizrahi Bank Switzerland, as well as potential tax implications. For more information see Note 26.C. 12 to the financial statements.

Regulation 14 – List of loan balance groups as of the balance sheet date

See Note 30.C to the financial statements.

Regulation 20 - Trading on stock exchange – securities listed for trading – dates and reasons for trading halts

During the reported period, 71,811 ordinary shares of NIS 0.1 par value each were listed for trading due to options exercise by Bank managers pursuant to an option plan. For more information see Note 23 to the financial statements.

During the reported period, there were no trading halts on the stock exchange.

Regulation 21 – Remuneration of interested parties and senior officers

For more information about remuneration of interested parties and senior officers in 2018, see "Details of senior officer remuneration" in chapter "Corporate Governance" of the financial statements, as well as chapter "Remuneration" on the Risks Report available on the Bank website.

Payments to members of the Bank Board of Directors, including VAT (except for payments to the Chairman of the Board of Directors) in 2018 amounted to NIS 6 million. Remuneration paid to the Chairman of the Board of Directors and to the Bank President & CEO (for more information see Notes 22.A, 23.B and 34.C to the financial statements, as well as section "Details of senior officer remuneration" in chapter "Corporate governance" of the financial statements).

Regulation 21a – Names of controlling shareholders of the corporation

For details of the names of controlling shareholders of the corporation, see "Controlling shareholders" in chapter "Corporate governance" of the financial statements.

Regulation 22 – Transactions with controlling shareholder

For more information about transactions with controlling shareholders in 2018, see "Transactions with controlling shareholders and related parties" in chapter "Corporate governance" of the financial statements.

Regulation 24 – Shares and securities held by interested parties in the corporation As of March 19, 2019

Ordinary shares NIS 0.1 par value and other securities of the Bank held by interested parties (security ID on the stock exchange – 0695437):

Name of interested party ⁽⁵⁾	Company ID with Registrar / ID	Number of Shares	Holding stake in %	Number of options	Holding stake, fully diluted ⁽⁴⁾
L.A.B.M. (Holdings) Ltd. ⁽¹⁾	51-2008442	30,537,192	13.06	–	9.26
L.I.N (Holdings) Ltd. ⁽¹⁾	51-1349896	21,669,015	9.27	–	6.57
W & F Registered Partnership ⁽²⁾	54-0183118	30,412,844	13.01	–	9.22
M.W.Z. Holdings Ltd. ⁽²⁾	51-2024225	20,345,785	8.70	–	6.17
Eldad Fresher	58368333	–	–	239,419	0.03
Menahem Aviv	12390175	–	–	103,365	0.01
Israel Engel	50402866	–	–	142,273	0.02
Galit Weiser	23878341	–	–	162,069	0.01
Ayala Hakim	56593767	–	–	205,890	0.03
Moshe Lari	28405934	–	–	210,646	0.03
Nisan Levi	59857946	–	–	126,401	0.02
Ofir Morad	24607806	–	–	187,434	0.03
Dinah Navot	55610612	–	–	179,123	0.02
Maya Feller	52346327	–	–	51,609	–
Racheli Friedman	57222200	–	–	130,270	0.01
Doron Klauzner	51277556	–	–	105,260	0.01
Rita Rubinstein	64668619	–	–	135,427	0.02
The Public		130,814,900	55.96	⁽³⁾ 2,628,448	68.54
Total		233,779,736	100.00		100.00

(1) Ofer Group company.

(2) Wertheim Group company.

(3) Includes option plan approved for Bank employees, other than interested parties, pursuant to Regulation 24 of the Securities Regulations (Periodic and Immediate Reports), 1970.

(4) The fully diluted holding stake was calculated assuming issuance of the maximum number of shares that may be issued upon conversion into shares of subordinated notes issued by the Bank, i.e. 94,554,683 shares.

(5) For more information about holdings of interested parties and agreements between controlling shareholders, see section "Controlling shareholders" in chapter "Corporate governance" of the financial statements.

Regulation 24a –Registered capital, issued capital and convertible securities⁽¹⁾

Pursuant to Section 24a of the Securities Regulations, below is information about registered capital, issued capital and convertible securities (in NIS):

	Registered		Issued and paid-in	
	December 31		December 31	
	2018	2017	2018	2017
Ordinary shares, NIS 0.1 par value⁽²⁾	40,000,000	40,000,000	23,334,947	23,263,136

(1) For allotment of stock options – see Note 23 to the financial statements.

(2) The shares are listed for trading on the Tel Aviv Stock Exchange.

During the reported period, the issued and paid-in share capital increased by NIS 7,181 due to options exercised for shares by Bank managers.

All shares confer identical voting rights.

Regulation 24b – Shareholder registry as of March 19, 2019

	Number of Shares	Holding stake
Wertheim Group		
MWZ (Holdings) Ltd.	53	–
F & W Registered Partnership	29,275,441	12.5227
Total – Wertheim Group	29,275,494	12.5227
Ofer Group		
L.A.B.M. (Holdings) Ltd.	29,512,972	12.6243
Total – Ofer Group	29,512,972	12.6243
Mizrabi Tefahot Registration Company Ltd.		
	174,988,966	74.8520
Fishman Mordechai	3	–
Savyon Tal	2,100	0.0009
Pentzer Nathan	200	0.0001
Feldman avi	1	–
Grand total	233,779,736	100.0000

	Number of options
Registry of option holders	
MizTef F CEO 2014	239,419
Option warrants to employees MizTef F 2014	1,938,103
Option warrants to employees MizTef F 2015	22,493
Option warrants to employees MizTef F 2017	2,604,052
Total	4,804,067

Registry of holders of subordinated capital notes

	Number of capital notes
Registry of holders of subordinated capital notes – Series A (Holder: Registration Company)	1,701,984,302

Regulation 26 – Board members of the Bank

Below is information about Board members of the Bank:

Moshe Vidman, Chairman⁽¹⁾⁽²⁾	
ID	690875
Year of birth	1943
Formal Address	9 Katzenelson Street, Tel Aviv
Citizenship:	Israeli
Membership of Board of Directors' committees	Credit Committee – Chairman; Risks Management Committee – Chairman; IT and Technology Innovation Committee – Chairman
Start date in office as member of the Bank's Board of Directors	August 2, 2010
Education	Undergraduate degree – Economics and Political Science, Hebrew University, Jerusalem. MBA (Financing), Hebrew University, Jerusalem.
Current occupation	Volunteer service: Member, Executive Board of the Jerusalem Foundation (since 2000); Member, Executive Board of Magne Book Publishers. Member, Board of Trustees of the Hebrew University in Jerusalem (since 1995);
Previous occupation (in past 5 years, other than current occupation)	Chairman, Hebrew University Assets Ltd.
External Board member as defined in Proper Conduct of Banking Business Directive 301	No
External Board member as defined in the Companies Law	No
Independent Board member	No
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member ⁽³⁾	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

(1) Has "banking experience", pursuant to directives of the Supervisor of Banks.

(2) Serves as Chairman of the Board of Directors as from December 1, 2012.

(3) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

Regulation 26 – Board members of the Bank – Continued

Zvi Ephrat⁽¹⁾

ID	007189434
Year of birth	1943
Formal Address	44 Tagore Street, Tel Aviv
Citizenship:	Israeli
Membership of Board of Directors' committees	Credit
Start date in office as member of the Bank's Board of Directors	January 24, 1995
Education	LL.B. – Hebrew University, Jerusalem; Attorney
Current occupation and in the past 5 years	Senior Partner, J. Gurnitzki & Co. law firm, Board member of: Ephrat Smith Trust Company; Ephrat Legal Services
External Board member as defined in Proper Conduct of Banking Business Directive 301	No
External Board member as defined in the Companies Law	No
Independent Board member	No
Has accounting and financial expertise?	No
Has professional qualifications?	Yes
Expert Board member ⁽²⁾	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	No

(1) Has "banking experience", pursuant to directives of the Supervisor of Banks.

(2) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

Regulation 26 – Board members of the Bank – Continued

Sabina Biran

ID	014949192
Year of birth	1967
Formal Address	5a Yitzhak Sadeh Street, Kfar Saba
Citizenship:	Israeli
Membership of Board of Directors' committees	Audit, Risks Management, Remuneration and IT and Technology Innovation Committees
Start date in office as member of the Bank's Board of Directors	February 27, 2012
Education	Undergraduate degree in Political Science and Economics, Haifa University; MBA, Harriett-Watt University; MA studies in Political Studies and International Relations, Tel Aviv University.
Current occupation	Owner and Co-CEO of MVP-B Ltd. Board member of Nova Medical Ltd. (a private company).
Previous occupation (in past 5 years, other than current occupation)	Board member of Shufersal Ltd.
External Board member as defined in Proper Conduct of Banking Business Directive 301	Yes
External Board member as defined in the Companies Law	No
Independent Board member	Yes
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member ⁽¹⁾	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

(1) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

Regulation 26 – Board members of the Bank – Continued

Ron Gazit⁽¹⁾

ID	050688605
Year of birth	1951
Formal Address	8 Herzl Rosenblum Street, Tel Aviv
Citizenship:	Israeli
Membership of Board of Directors' committees	Risks Management and IT and Technology Innovation Committees
Start date in office as member of the Bank's Board of Directors	December 14, 2003
Education	Undergraduate degree (LLB) Law degree, Attorney – Tel Aviv University
Current occupation	Founder, Ron, Gazit, Ruthenberg & Co. – law firm; Board member of: Gazit Ruthenberg Trustees; R. Gazit Attorney (2002).
Previous occupation (in past 5 years, other than current occupation)	Founder and Manager, Ron, Gazit, Ruthenberg & Co. – law firm; Board member – Gover Radio Ltd.
External Board member as defined in Proper Conduct of Banking Business Directive 301	No
External Board member as defined in the Companies Law	No
Independent Board member	No
Has accounting and financial expertise?	No
Has professional qualifications?	Yes
Expert Board member ⁽²⁾	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	No

(1) Has "banking experience", pursuant to directives of the Supervisor of Banks.

(2) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

Regulation 26 – Board members of the Bank – Continued

Avraham Zeldman⁽¹⁾

ID	5795919
Year of birth	1948
Formal Address	6 Shivtey Israel Street, Ra'anana
Citizenship:	Israeli
Membership of Board of Directors' committees	Audit, Risk Management
Start date in office as member of the Bank's Board of Directors	February 26, 2015
Education	Studied Statistics and Economics, Business Administration at Haifa University (not eligible for degree)
Current occupation	Chairman of the Board of Directors of Fox Wiesel Ltd. Board member of A. Zeldman Management Ltd.
Previous occupation (in past 5 years, other than current occupation)	Board member of: Liliot Group Ltd.; Liliot Baker Ltd.
External Board member as defined in Proper Conduct of Banking Business Directive 301	No
External Board member as defined in the Companies Law	No
Independent Board member	No
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member ⁽²⁾	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

(1) Has "banking experience", pursuant to directives of the Supervisor of Banks.

(2) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

Regulation 26 – Board members of the Bank – Continued

Nachshon Yoav-Asher

ID	57081630
Year of birth	1961
Formal Address	42 HaOranim Blvd., Ramat Efal
Citizenship:	Israeli
Membership of Board of Directors' committees	Credit and IT and Technology Innovation Committees
Start date in office as member of the Bank's Board of Directors	February 27, 2012
Education	Academic, undergraduate degree in Economics and Accounting, Tel Aviv University; MBA (specialized in Strategy), Hebrew University, Jerusalem
Current occupation	CFO; VP, Finance and Business Development; Central Bottling Company Ltd. (Coca Cola) Board member of: Neviot Teva HaGalil Ltd. Dairy Manufacturers Association Ltd. (in voluntary dissolution), Tavor Winery (2005) Ltd., Keshet Broadcasting Ltd., Mira Trading Ltd., TURK TUBORG BIRA VE MALT, SANAYII A.S (Turkey), PAZARLAMA A.S TUBORG (Turkey), AL BREWERIES B.V (Holland), UNITED ALBANIAN BREWERIES SH.P.K (Albania).
Previous occupation (in past 5 years, other than current occupation)	Chairman of the Board of Directors, Neviot Teva HaGalil Ltd.; Board member of: Mey Galil Ltd.; Central Beverage Distribution Company Ltd.
External Board member as defined in Proper Conduct of Banking Business Directive 301	No
External Board member as defined in the Companies Law	No
Independent Board member	No
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member ⁽¹⁾	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	Yes
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

(1) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

Regulation 26 – Board members of the Bank – Continued

Mordechai Meir⁽¹⁾

ID	050087006
Year of birth	1950
Formal Address	42 HaShoftim Street, Tel Aviv
Citizenship:	Israeli
Membership of Board of Directors' committees	Audit
Start date in office as member of the Bank's Board of Directors	December 24, 2008
Education	BA in Accounting and Economics – Tel Aviv University; CPA.
Current occupation	CEO of Merav Managers Ltd. Board member of: Ofer Investments; Melisa Ltd.; C.A.B.M. Ltd.; Ofer Bros. Foreign Investments Ltd.; Ofer Bros. (Haifa 1974) Ltd.; Ofer Bros. (Jerusalem) Ltd.; Ofer Centers Ltd.; Ofer Bros. Engineering and Development Ltd.; Ofer Bros. Holdings (1989) Ltd.; ASRR Capital Ltd.
Previous occupation (in past 5 years, other than current occupation)	Board member of: Ofer Commercial Centers Management Maof Ltd. (in voluntary dissolution); Melisaron Ltd.; Mistletoe B.V.; Ofer Bros. (Ashkelon Industries) Ltd.
External Board member as defined in Proper Conduct of Banking Business Directive 301	No
External Board member as defined in the Companies Law	No
Independent Board member	No
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member ⁽²⁾	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

(1) Has "banking experience", pursuant to directives of the Supervisor of Banks.

(2) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

Regulation 26 – Board members of the Bank – Continued

Abraham Neyman

ID	04526372
Year of birth	1949
Formal Address	10 Agmon Street, Ramat Gan
Citizenship:	Israeli
Membership of Board of Directors' committees	Audit Committee – Chair; Remuneration Committee – Chair; Risks Management
Start date in office as member of the Bank's Board of Directors	April 11, 2013
Education	PhD in Mathematics from Hebrew University, Jerusalem Professor of Mathematics, Hebrew University, Jerusalem.
Current occupation	Chairman of the Board of Directors: TLD HOLDINGS LTD, BIDORBUY.COM. Board member of: A. Neyman Ltd., NAE HOLDINGS LTD.
Previous occupation (in past 5 years, other than current occupation)	–
External Board member as defined in Proper Conduct of Banking Business Directive 301	Yes
External Board member as defined in the Companies Law	Yes
Independent Board member	Yes
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member ⁽¹⁾	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

(1) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

Regulation 26 – Board members of the Bank – Continued

Hannah Fayer⁽¹⁾

ID	053549523
Year of birth	1955
Formal Address	13 HaChermesh Street, Savyon
Citizenship:	Israeli
Membership of Board of Directors' committees	Audit, Credit and Remuneration Committees
Start date in office as member of the Bank's Board of Directors	August 30, 2018
Education	Graduate in Sociology, Tel Aviv University Graduate in Accounting, California State University Northridge
Current occupation	
Previous occupation (in past 5 years, other than current occupation)	Poalim Capital Markets Ltd. – CFO and executive in all Poalim Capital Markets Ltd. Group companies Board member of: Poalim Real Estate Fund (Israel) Ltd., Poalim Real Estate Fund Ltd. External Board member of the following: Discount Capital Ltd., OWC – Pharmaceutical Research Corp .
External Board member as defined in Proper Conduct of Banking Business Directive 301	Yes
External Board member as defined in the Companies Law	Yes
Independent Board member	No
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member ⁽²⁾	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

(1) Has "banking experience", pursuant to directives of the Supervisor of Banks.

(2) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

Regulation 26 – Board members of the Bank – Continued

Jonathan Kaplan

ID	055251391
Year of birth	1958
Formal Address	2 Haim Zakay Street, Petach Tikva
Citizenship:	Israeli
Membership of Board of Directors' committees	Risks Management and IT and Technology Innovation Committees
Start date in office as member of the Bank's Board of Directors	May 12, 2011
Education	Undergraduate degree in Economics and Accounting, Tel Aviv University; CPA; graduate degree in Political Science and National Security, Haifa University; National Security College, Tel Aviv.
Current occupation	Economic Advisor. Board member of: Central Bottling Company Ltd.; International Breweries Ltd.; Novolog PharmUp Marketing (1966) Ltd.
Previous occupation (in past 5 years, other than current occupation)	Board member of: Clal Biotechnology Industries Ltd. Amir Agricultural Marketing and Investments Ltd.
External Board member as defined in Proper Conduct of Banking Business Directive 301	No
External Board member as defined in the Companies Law	No
Independent Board member	No
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member ⁽¹⁾	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

(1) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

Regulation 26 – Board members of the Bank – Continued

Gilad Rabinowitz

ID	057153603
Year of birth	1961
Formal Address	7 Mitzpeh Street, Shoham
Citizenship:	Israeli
Membership of Board of Directors' committees	Audit, Remuneration and IT and Technology Innovation Committees
Start date in office as member of the Bank's Board of Directors	March 12, 2019
Education	Graduate in Economics, Bar Ilan University; MA in Israeli Studies, Haifa University
Current occupation	Owner and CEO of A.T. Statgee; guest lecturer at Kiryat Ono College
Previous occupation (in past 5 years, other than current occupation)	Director General of the Labor Party; Deputy Head of Town Council, Shoham; Manager, Education Department, Town Council, Shoham.
External Board member as defined in Proper Conduct of Banking Business Directive 301	Yes
External Board member as defined in the Companies Law	Yes
Independent Board member	Yes
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member ⁽¹⁾	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	No

(1) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

Regulation 26 – Board members of the Bank – Continued

Joseph Shachak

ID	008025009
Year of birth	1945
Formal Address	28 Burla Street, Tel Aviv
Citizenship:	Israeli
Membership of Board of Directors' committees	Credit, Audit, Risk Management
Start date in office as member of the Bank's Board of Directors	April 26, 2010
Education	Academic, Undergraduate degree in Accounting, Hebrew University, Jerusalem; CPA
Current occupation	Accounting and Financial Advisor to corporations and Boards Chairman of the Board of Directors of Amelia Development Ltd. Board member of: Tafron Ltd.; Yogi Consulting and Investments Ltd. – controlling shareholder; Shachak & Co. Assets Ltd. – shareholder; Member, Public Council of the Accounting Standards Board External Board member of the following: HaBima National Theater; Southern Properties Capital Ltd.
Previous occupation (in past 5 years, other than current occupation)	Board member of: Psagot Investment House Ltd.; Academic track of Management College.
External Board member as defined in Proper Conduct of Banking Business Directive 301	Yes
External Board member as defined in the Companies Law	No
Independent Board member	Yes
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member ⁽¹⁾	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

(1) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

Regulation 26 – Board members of the Bank – Continued

Below is additional information about Board members with accounting and financial qualifications

Moshe Vidman

Undergraduate degree in Economics; Graduate degree in Business Administration; specialized in Financing, Hebrew University, Jerusalem; served as CEO of two industrial companies; Board member at leading companies for over -25 years; member, Finance Committee and Audit Committee, served as Chairman of multiple companies. Serves as Chairman of the Bank Board of Directors.

Sabina Biran

Undergraduate degree in Political Science and Economics, Haifa University; MBA; served as CEO of two airlines; Board member of private and public companies; formerly – Chairperson of the Board of Directors of an industrial company.

Avraham Zeldman

Studied Statistics and Economics, Business Administration at Haifa University (not eligible for degree). Serves as Chairman of the Board of Directors of a public company. Has served as executive at Bank Leumi, as Chairman of the Board of Directors at Bank Leumi LeMashkantaot and as CEO at Leumi Partners Ltd. Has served as Board member with private and public companies.

Nachshon Yoav-Asher

Undergraduate degree in Economics and Accounting, Tel Aviv University; MBA (specialized in Strategy); CFO, VP, Finance and Business Development; Board member of private and public companies.

Mordechai Meir

BA in Accounting and Economics – Tel Aviv University; CPA. Worked for nine years at Somekh Chaikin as Senior CPA, board member of public companies, consultant to interested parties in public companies. In recent years: CEO of consulting firm, MERAV Management Ltd. – specialized in consulting to and representation of real estate and financial sectors for major corporations and enterprises.

Abraham Neyman

Professor at Hebrew University, Mathematics Institute (since 1982), Economics Department (1982-1989) and Center for Research into Rationality (since 1990). Has served as Board member of public companies; currently serves as Chairman of the Board of Directors of BIDORBUY.COM.

Hannah Fayer

Undergraduate degree in Sociology, Tel Aviv University. Graduate in Accounting, California State University Northridge Served as CFO and executive of Poalim Capital Markets Group companies, 2003-2017.

Jonathan Kaplan

Undergraduate degree in Economics and Accounting, Tel Aviv University; CPA; graduate degree in Political Science and National Security; Economic Advisor; Board member of private and public companies; formerly – Income Tax Commissioner.

Gilad Rabinowitz

Graduate in Economics, Bar Ilan University; MA in Israeli Studies, Haifa University Served as CEO of high-tech and communications companies and as Board members of public and private companies.

Joseph Shachak

Undergraduate degree in Accounting, Hebrew University, Jerusalem; CPA; accounting and financial advisor to private and public companies; Board member of private and public companies; previously – President, Institute of Certified Public Accountants in Israel.

The Bank's Board of Directors thanks the Bank President & CEO, management and employees for their efforts to promote the Bank, the result of their diligent efforts to maintain the Bank's services with due responsibility. The Board of Directors appreciates the constant efforts of the Bank President & CEO, Bank management and Bank employees to expand the business activities and client base.

Regulation 26a – List of senior Bank executives⁽¹⁾

Below is information about senior Bank officers:

Eldad Fresher⁽²⁾

ID	058368333
Birth date	1963
Title	President & CEO
Start of term in office	November 3, 2004 (since August 16, 2013 – as Bank President & CEO)
Position held with the banking corporation	President & CEO
Position held with the subsidiary	Chairman, Mizrahi Bank Switzerland
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Business Administration, Hebrew University, Jerusalem. Graduate degree in Businesses Administration, Hebrew University, Jerusalem.
Business experience (in past 5 years)	President & CEO of Bank Mizrahi-Tefahot Ltd.

Menahem Aviv

ID	012390175
Birth date	1959
Start of term in office	April 13, 2005
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Accounting & Financial Reporting Division and Chief Accountant Board member of Mizrahi Tefahot Issue Company Ltd.
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Accounting and Economics – Tel Aviv University Graduate degree in Business Administration (MBA) Tel Aviv University, CPA
Business experience (in past 5 years)	Chief Accountant, Bank Mizrahi-Tefahot Ltd.

Israel Engel

ID	50402866
Birth date	1950
Start of term in office	January 1, 2005
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Retail Division Chairman of the Board of Bank Yahav; Board member of Tefahot Insurance ⁽³⁾
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Economics and Accounting from Bar Ilan University. Graduate degree in Business Administration (Financing) from Bar Ilan University, CPA
Business experience (in past 5 years)	Manager, Retail Division at Bank Mizrahi Tefahot Ltd.

(1) Senior officers include no family members of another senior officer or interested party.

(2) Mr. Eldad Fresher is an interested party due to his office as President & CEO of the Bank.

(3) Tefahot insurance – Tefahot Insurance Agency (1989) Ltd.

Regulation 26a – List of senior Bank executives⁽¹⁾ – Continued

Galit Weiser⁽²⁾

ID	023878341
Birth date	1968
Start of term in office	July 7, 2011
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Chief Internal Auditor; Manager, Internal Audit Division Chief Internal Auditor, Bank Yahav and of the following companies: Etgar, Ne'emanut, Mizrahi Tefahot Issuance, Netzivim, Tefahot Insurance ⁽³⁾ .
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Accounting and Statistics from the Hebrew University. Graduate degree in Business Administration from the Hebrew University; CPA
Business experience (in past 5 years)	Chief Internal Auditor; Manager, Internal Audit Division, Bank Mizrahi Tefahot Ltd.

Ayala Hakim

ID	056593767
Birth date	1960
Start of term in office	July 1, 2013
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Mizrahi-Tefahot Technology Division Ltd.; CIO for the Bank
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Accounting and Political Science – Bar Ilan University; Graduate degree in Business Administration – Bar Ilan University;
Business experience (in past 5 years)	Manager, Mizrahi-Tefahot Technology Division Ltd.; CIO of Bank Mizrahi Tefahot Ltd.

Moshe Lari

ID	28405934
Birth date	1971
Start of term in office	November 8, 2009 (since August 16, 2013 – in their current office)
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Financial Division – CFO Chairman, Mizrahi Tefahot Issue Company Ltd.; Board member, Bank Yahav
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Economics and Accounting, Hebrew University, Jerusalem. Graduate degree in Business Administration from Tel Aviv University; CPA
Business experience (in past 5 years)	Manager, Financial Division – CFO at Bank Mizrahi Tefahot Ltd.

(1) Senior officers include no family members of another senior officer or interested party.

(2) Pursuant to provisions of Section 146(B) of the Corporations Act, 1999 – the Internal Auditor is not an interested party of the corporation, an officer or relative thereof.

(3) Etgar – Etgar Investment Portfolio Management Company of the Mizrahi Tefahot Group Ltd.
Ne'emanut – Mizrahi Tefahot Trust Company Ltd.
Mizrahi Tefahot Issuance – Mizrahi Tefahot Issue Company Ltd.
Netzivim – Netzivim Assets and Equipment Ltd.
Tefahot insurance – Tefahot Insurance Agency (1989) Ltd.

Regulation 26a – List of senior Bank executives⁽¹⁾ – Continued

Nisan Levi

ID	59857146
Birth date	1967
Start of term in office	February 2, 2014
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Planning, Operations and Customer Asset Division Chairman, Tefahot Insurance ⁽²⁾ ; Chairman, Mizrahi Tefahot Trustees Ltd.
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Economics and Accounting, Hebrew University, Jerusalem. Graduate degree in Business Administration from the Hebrew University, Jerusalem; CPA
Business experience (in past 5 years)	Manager, Planning, Operations and Customer Asset Division at Bank Mizrahi Tefahot Ltd.

Ofir Morad

ID	24607806
Birth date	1969
Start of term in office	January 1, 2014
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Business Banking Division
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Economics and Business Administration; Graduate degree in Industrial Engineering.
Business experience (in past 5 years)	Manager, Business Banking Division at Bank Mizrahi Tefahot Ltd.

Dinah Navot

ID	055610612
Birth date	1959
Start of term in office	April 1, 2012
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Marketing, Promotion and Business Development Division
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Social Work, Tel Aviv University; graduate degree in Journalism and Media, Bar Ilan University; graduate degree in Social Psychology and Sociology, Bar Ilan University
Business experience (in past 5 years)	Manager, Marketing, Advertising and Business Development Division – Bank Mizrahi-Tefahot Ltd.

(1) Senior officers include no family members of another senior officer or interested party.

(2) Tefahot insurance – Tefahot Insurance Agency (1989) Ltd.

Regulation 26a – List of senior Bank executives⁽¹⁾ – Continued

Maya Feller

ID	52346327
Birth date	1954
Start of term in office	April 20, 1997
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Corporate Secretary
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree (BA) Humanities – Tel Aviv University
Business experience (in past 5 years)	Secretary, Bank Mizrahi-Tefahot Ltd.

Racheli Friedman

ID	057222200
Birth date	1961
Start of term in office	January 1, 2015
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Chief Legal Counsel; Manager, Legal Division
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate Law degree (LL. B) – Tel Aviv University, Graduate Law degree (LL. M) – Tel Aviv University.
Business experience (in past 5 years)	Chief Legal Counsel, Bank Mizrahi Tefahot Ltd.

Doron Klauzner

ID	51277556
Birth date	1952
Start of term in office	November 8, 2009 (since January 1, 2014 – in their current office)
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Risks Control Division, CRO.
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Economics and Business Administration – Bar Ilan University
Business experience (in past 5 years)	Manager, Risks Control Division – CRO at Bank Mizrahi Tefahot Ltd.

(1) Senior officers include no family members of another senior officer or interested party.

Regulation 26a – List of senior Bank executives⁽¹⁾ – Continued

Rita Rubinstein

ID	64668619
Birth date	1950
Start of term in office	January 1, 2007
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Human Resources and Administration Division; Chairman, Mizrahi-Tefahot Security Services Ltd.; Chairman, Netzivim Assets and Equipment Ltd.
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree (BA) in Social Studies and Humanities, Hebrew University, Jerusalem. Graduate degree (MA) in Social Studies and Humanities, Bar Ilan University,
Business experience (in past 5 years)	Manager, Human Resources and Administration Division at Bank Mizrahi-Tefahot Ltd.

(1) Senior officers include no family members of another senior officer or interested party.

Reg. 26b – Authorized signatories of the Bank

The Bank has no sole authorized signatory.

Regulation 27 – Independent Auditor of the Bank

Brightman Almagor Zohar & Co., CPAs, 1 Azrieli Center, Tel Aviv.

Reg. 28 - Changes to Articles of Incorporation or to Bylaws

In the reported period, no changes were made to Articles of Incorporation nor to Bylaws of the Bank.

Regulation 29 - Recommendations and decisions by Board members

- A. Recommendations by Board members to the General Meeting and resolutions not requiring approval by the General Meeting, with regard to matters listed in the Bylaws:

On November 21, 2016, the Bank's Board of Directors approved a five-year strategic plan for 2017-2021 and resolved to approve a revised dividends policy as from 2017, with distribution of dividends equal to 30% of net income attributable to Bank shareholders.

On February 26, 2018, the Bank's Board of Directors resolved to update the Bank's dividends policy for 2018 through 2021, after monitoring the execution of the aforementioned strategic plan.

The Bank's revised dividends policy is to distribute dividends, as from 2018, with respect to quarterly earnings, at 40% of net profit attributable to shareholders of the Bank. This policy is subject to the Bank achieving a ratio of Tier I capital to risk components as required by the Supervisor of Banks and maintaining appropriate safety margins.

On March 12, 2019, the Bank's Board of Directors approved the signing of a DPA agreement with the US Department of Justice to conclude the investigation into the Bank Group's business with its US clients. For more information see Notes 24 and 26.C.12 to the financial statements.

In view of the foregoing, the Bank Board of Directors did not declare a distribution of dividends with respect to earnings of the second and third quarters of 2018 and did not declare a distribution of dividends with respect to earnings of the fourth quarter of this year upon approval of these financial statements, with the capital adequacy presented on these financial statements being as follows: Tier I capital ratio – 10.01% (or 0.17% above the minimum ratio required by the Supervisor of Banks) and total capital ratio – 13.64% (0.30% above the minimum ratio required by the Supervisor of Banks).

The Bank's Board of Directors, upon approving the signing of the agreement by the Bank, estimated that the Bank can achieve the outline for the five-year strategic plan for 2017-2021.

The Board of Directors further estimated that in 2019, the Bank could resume acting in conformity with its policy of distributing dividends, subject to terms and conditions prescribed in the strategic plan, including compliance with statutory requirements and limits stipulated by the Supervisor of Banks.

The Board of Directors shall continue to monitor execution of the strategic plan, and may make changes to this plan from time to time, as required, including due to changes in factors which may affect the plan, as described above.

Regulation 29 - Recommendations and decisions by Board members - Cont.

This information constitutes forward-looking information, as defined in the Securities Act, 1968 and based on assumptions, facts and data underlying the strategic plan and listed therein, which may fail to materialize due to factors not solely under Bank control, causing the the strategic plan, including with regard to the policy of distribution of dividends, to fail to materialize.

Below are details of dividend distributions by the Bank in the reported period:

- On March 26, 2018: NIS 109.5 million.
- On June 5, 2018: NIS 137.2 million.

B. Resolutions by the General Meeting made other than in accordance with recommendations made by Board members on issues set forth in sub-section (a): None

C. Resolutions by an extraordinary General Meeting:

On August 30, 2018, the Special General Meeting of Company Shareholders adopted the following extraordinary resolutions:

- Resolved to appoint Ms. Hannah Fayer as External Board member of the Bank, pursuant to the Corporate Act (also compliant with qualifications for External Board member pursuant to Directive 301) for a term of three (3) years.
- Approved once again the Bank's waiver and commitment to indemnification, with regard to applicability to controlling shareholders and their relatives who may serve from time to time, including those who have served in the past or to be appointed in future.

The Extraordinary General Meeting held on March 12, 2019, resolved to appoint Mr. Gilad Rabinowitz as external Board member. As from the appointment approval date, Mr. Gilad Rabinowitz serves as member of the Audit, Remuneration and IT and Technology Innovation Committees.

Regulation 29a(4) – Corporate resolutions

See Note 26.C.(4-9) to the financial statements.

Ramat Gan, March 27, 2019.

Names of signatories:

Positions:



(1) Menahem Aviv

Vice-president, Chief Accountant



(2) Maya Feller

Bank Secretary