

MIZRAHI TEFAHOT BANK LTD

No. with the Registrar of Companies: 520000522
Securities of a Corporation Listed for Trading on the Tel Aviv Stock Exchange
Abbreviated Name: Mizrahi Tefahot
7 Jabotinsky Street, Ramat Gan, 52520, Israel
Tel: 03-7559207, 03-7559720, Fax: 03-7559913
e-mail: mangment@umtb.co.il

Date of transmission: February 17, 2013
Ref: 2013-01-040536

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
an appropriate form for the reported event
Issue results should be reported on a T20 and not on this form
Report in respect of bonds or corporate rating should be filed on T125
Nature of the event: M. Wertheim Transferring his Shares to his Children

Please see attached notices given to the Bank regarding the above matter.

The date on which the corporation first learned of the event: February 17, 2013 at 11:00.

The above report was signed by Ms. Maya Feller, Bank Secretary.

The reference numbers of previous documents regarding the issue (reference does not constitute incorporation by reference):

Previous names of reporting entity: United Mizrahi Bank Ltd.

Revision date of form structure: December 12th, 2012

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

7 Jabotinsky Street, Ramat Gan, 52520, Israel, Tel: 03-7559720, Fax: 03-7559923
e-mail: mangment@umtb.co.il

[On letterhead of Ron Gazit, Rotenberg & Co.]

February 17, 2013
Our ref. no.: 6717372

Mr. Moshe Vidman
Chairman of the Board of Directors
Mizrahi Tefahot Bank Ltd.
Fax no.: 7559913

Mr. Eli Yones, CEO
Mizrahi Tefahot Bank Ltd.
Fax no.: 7559913

Mr. Shimon Weiss
Chief Legal Advisor
Mizrahi Tefahot Bank Ltd.
Fax no.: 7559212

Ms. Maya Feller, Secretary
Mizrahi Tefahot Bank Ltd.
Fax no.: 7559923

Dear Sir/Madam,

As per the request of Mr. Moshe (Muzi) Wertheim, please be advised as follows:

1. As provided in the attached letter, Mr. Moshe (Muzi) Wertheim hereby notifies you that he gave as a gift to his children, Mr. David Wertheim (ID no. 054852140) and Ms. Drorit Wertheim (ID no. 051907475), his shares and holdings in the corporations which hold shares of Mizrahi Tefahot Bank Ltd. and which constitute part of the controlling block therein, as provided below:
 - 1.1. In respect of the rights and the shares in M.W.Z (Holdings) Ltd. (C.N. 512024225) – 63% were granted to Mr. David Wertheim, and 37% to Ms. Drorit Wertheim.
 - 1.2. In respect of the holdings in the general partnership F&W (partnership no. 540183118) and any right resulting therefrom – 63% were granted to Mr. David Wertheim, and 37% were granted to Ms. Drorit Wertheim.
2. As specified in the attached letter, the transfer of the shares and the rights in the corporations which hold shares in the Bank, was performed as a gift for no consideration and is subject, *inter alia*, to receiving a control permit from the Governor of the Bank of Israel according to the provisions of the Banking Law (Licensing), 5741-1981.

Upon the completion of the transfer of the holdings in the corporations which hold the shares in the Bank as provided above, you will be given additional notice.

3. It shall be noted that Mr. Wertheim will continue to serve as a director in the Bank even after the execution and completion of the transfer of the shares to his children, as provided above.

4. You are requested to take immediate action in respect of submitting immediate reports to the relevant authorities, including the Israel Securities Authority, the Tel Aviv Stock Exchange and the Bank of Israel.

Please provide confirmation of the submission of such reports.

Sincerely,

Ron Gazit, Adv.
Ron Gazit, Rotenberg & Co.

Date: February 17, 2013

Mr. Moshe Vidman, Chairman
Mizrahi Tefahot Bank Ltd. (the "**Bank**")

7 Jabotinsky St.
Ramat Gan

Mr. Eliezer (Eli) Yones, CEO
Mizrahi Tefahot Bank Ltd.
7 Jabotinsky St.
Ramat Gan

Dear Sir,

I hereby respectfully notify you in my name and in the name of my children, Mr. David Wertheim (ID no. 054852140) and Ms. Drorit Wertheim (ID no. 051907475), as follows:

1. Upon the date hereof, I gave as a gift to Mr. David Wertheim, 63% of my holdings in corporations which holds shares in the Bank and which constitute part of the controlling block therein (the "**Corporations Holding Shares in the Bank**"), and I gave as a gift to Ms. Drorit Wertheim 37% of my holdings in the Corporations Holding Shares in the Bank, all as provided below:
 - 1.1. My rights and shares in M.W.Z (Holdings) Ltd. (C.N. 512024225) ("**M.W.Z**");
 - 1.2. My share in the general partnership F&W (partnership no. 540183118) ("**F&W**"), and any right resulting therefrom.
2. As I have already reported to you in the past, I am considered as part of the Bank's controlling block, *inter alia*, by virtue of a permit to purchase control and means of control according to the Banking Law (Licensing), 5741-1981, which was granted by the Governor of the Bank of Israel on December 19, 1994, as amended from time to time.
3. The transfer of the shares and the rights in the Corporations Holding Shares in the Bank was performed as a gift and for no consideration and is subject, *inter alia*, to receiving a control permit from the Governor of the Bank of Israel pursuant to the Banking Law (Licensing), 5741-1981. Upon the completion of the transfer of the holdings in the Corporations Holding Shares in the Bank, as aforesaid, you will be given additional notice.

Sincerely,

Moshe Wertheim

cc:

Drorit Wertheim
David Wertheim
M.W.Z (Holdings) Ltd.
F&W, General Partnership