

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
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Date of transmission: February 6, 2013
Ref: 2013-01-031425

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: Corporate governance aspects

Attached please find the immediate report.

The date on which the corporation first learned of the event: February 6, 2013 at 08:00.

The reference numbers of previous documents regarding the issue (reference does not constitute incorporation by reference): **2013-01-029781**

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

January 6, 2013

To
Israel Securities Authority

To
Tel Aviv Stock Exchange Ltd

In its immediate report of February 4, 2013, ref. no. 2013-01-029781, Mizrahi Tefahot Bank Ltd. published the full review report on corporate governance aspects, exactly as required by the Bank of Israel.

Following media reports, the Israel Securities Authority wishes that the Bank clarifies that according to the findings of the report, the Bank is required to take the needed actions, including:

1. To examine the ways for strengthening the position of the Chairman of the Board of Directors.
2. To properly define in procedures the authorities and duties of the Board of Directors, including to thoroughly examine the fulfillment by of the Board of Directors of Regulation 301 of the Proper Conduct of Banking Business Regulations, and to repair the flaws within a reasonable time.
3. To define in a procedure the areas of responsibility of the Chairman of the each one of the Board of Directors Committees.
4. To discuss and to make sure that the procedures of the Bank's Board of Directors and the CEO properly define the authorities and duties of the CEO, the relationship between the Board of Directors and the CEO and the manner of conduct between the CEO and the Board of Directors, *inter alia*, in view of the CEO's letters, which are specified in the report.
5. To independently form a new senior managers compensation policy, with the assistance of an external element. The discussion at the Committee (differently than resolutions) and/or at the Board of Directors may be held at the presence of the Bank's CEO, according to the discretion of the Chairman of the Board of Directors or the Chairman of the Committee.
6. The Board of Directors will examine being assisted by an external legal advisor with respect to a specific issue, in which the Bank's Chief Legal Advisor has a personal interest.