MIZRAHI TEFAHOT BANK LTD

No. with the Registrar of Companies: 520000522

To	Israel Securities	To	Tel Aviv Stock Exchange Ltd	T081	Date of transmission:
	<u>Authority</u>			(Public)	November 13, 2017
					
	www.isa.gov.il		www.tase.co.il		Ref: 2017-01-099124

Immediate Report on the Distribution of a Cash Dividend to Securities

Regulation 37(a) of the Securities Regulations (Immediate and Periodic Reports), 5730-1970.

- 1. We hereby report that on *November 13*, 2017, the payment of a dividend for the company's securities was decided.
- 2. The total amount of the dividend which will be paid is: *ILS* 78,300,000
- 3. The balance of the corporation's profits as defined in Section 302 of the Companies Law, 5759-1999, after the distribution proposed herein, is a total of *ILS* 11,456,700,000
- 4. The dividend distribution approval procedure *At the Board of Directors meeting dated November 13, 2017 at 9:30.*

The above distribution is with the court's approval, according to Section 303 of the Companies Law *No*

5. The effective day (the cum-day): November 26, 2017

The ex-day: *November 26, 2017* Date of payment: *December 10, 2017*

- 6. Payment details:
 - A dividend distributed by a company residing in Israel (for the composition of the dividend's sources and tax rates, see section 7a).
 - O A dividend distributed by a real estate investment fund (for the composition of the dividend's sources and tax rates, see section 7c).

No. of	Name of	Dividend	Currency	Payment	Exchange	% tax on	%
entitled	security	sum per	of	currency	rate for	private	companies
security		one	dividend		repayment	individuals`	tax
		security	amount		in respect		
					of date		
695437	Ordinary	0.3367045	ILS	ILS		25	0
	shares of						
	ILS 0.1						
	par value						
	each						

O A dividend distributed by a company residing abroad (for tax rates, see section 7b).

1	No. of	Name of	Gross	Sum	%	%	% private	%
	entitled	security	sum per	currency	foreign	convention	individuals'	companies
	security		one		tax	tax	tax balance	tax
			security				to deduct in	balance to
							the country	deduct in
								the
								country

				-		-
	Payment	Payment	Exchange	rate for	% de facto	% de facto
	sum in the	currency	payment i	n respect of	private	companies
	country		date		individuals'	tax
	per one				tax	
	security					

The dividend amount to be paid must be indicated with an accuracy of up to 7 digits after the decimal point in respect of payment in ILS and up to 5 digits after the decimal point in case of payment in another currency.

Is the dividend amount per security final No

The amount of dividend per security is subject to changes due to an exercise of convertible securities, insofar as they may be.

7. The TDS rates specified below are for TASE members for tax deduction at the source.

a. Composition of the sources of a dividend distributed by a company residing in Israel from

equity and financial instruments except for REITs.

equity und in	% of the	Private Private	Companies	Foreign residents
	dividend	individuals		
Income subject to	100	25%	0%	25%
corporate				
tax (1)				
Income which	0	25%	24%	25%
originated				
abroad (2)				
Income from	0	15%	15%	15%
approved				
enterprise/benefi				
ciaries (3)				
Income from	0	15%	15%	4%
approved				
enterprise				
Ireland, up to				
2013 (4)				
Income from	0	20%	20%	4%
approved				
enterprise				
Ireland, since				
2014 (5)				
Preferred income	0	20%	0%	20%
Income from	0	20%	20%	20%
approved				
enterprise				
touristic/agricult				
ural (6)		150/	00/	1.50/
Income from	0	15%	0%	15%
approved				
enterprise/benefi				
ciaries which				
delivered a				
waiver notice (7)	0	250/	240/	00/
Distribution	0	25%	24%	0%
classified as				
capital gain Distribution by	0	0	0	0
Distribution by	0	U	0	U

participating unit				
Other	0	0	0	0

Explanation:

- (1) Income subject to corporate tax: income due to revenue distribution or a dividend, the source of which is income produced or generated in Israel, received directly or indirectly from another group of persons owing companies tax.
- (2) Income which originated abroad is income produced or generated abroad that have not been taxed in Israel.
- (3) Including revenue from a beneficiary touristic enterprise with the selection/operation year being 2013 or prior.
- (4) A beneficiary enterprise in Ireland, for which the selection year is 2013 or prior.
- (5) A beneficiary enterprise in Ireland, for which the selection year is 2014 or after.
- (6) Including revenue from a beneficiary touristic enterprise with the selection/operation year being 2014 or after.
- (7) An approved enterprise or beneficiary which had provided a notice of waiver until June 30, 2015, after the companies tax which it owed was deducted.

7b. Dividend distributed by a company residing abroad

Dividend distributed by a company residing acroad						
	Private	Companies	Foreign residents			
	individuals					
Dividend distributed	25%	24%	0%			
by a company						
residing abroad						

7c.

% of dividend	Private individuals (1)	Companies	Foreign companies	Exempt mutual fund	Provident fund (2)
	25%	24%	24%	0%	0%
	47%	24%	24%	24%	0%
	20%	20%	20%	0%	0%
	25%	0%	25%	0%	0%
100%	70%	70%	70%	60%	70%
	dividend	dividend individuals (1) 25% 47% 20% 25% 70%	dividend individuals (1) 25% 24% 47% 24% 20% 20% 25% 0% 70% 70%	dividend (1) individuals (1) companies 25% 24% 24% 47% 24% 24% 20% 20% 20% 25% 0% 25% 70% 70% 70%	dividend (1) individuals (1) companies fund 25% 24% 24% 0% 47% 24% 24% 24% 20% 20% 0% 0% 25% 0% 25% 0% 70% 70% 70% 60%

- (1) Private individuals including taxable income from a mutual fund, private individuals who are foreign residents.
- (2) A provident fund for annuity or compensation, as defined in the Income Tax

- Ordinance, as well as a provident fund or a pension fund which resides in a reciprocating state.
- (3) From land betterment or capital gains, except for the sale of land held for a short period. As well as income in the sum of the depreciation expenses.
- (4) Distribution out of income taxed by the fund in accordance with Article 64a4 (e).
- 8. The number of the corporation's dormant shares which are not entitled to payment of dividend, and in respect of which a waiver must be produced with regard to the receipt of the dividend payment θ
- 9. Effect of the dividend distribution on the convertible securities:
 - O The company has no convertible securities
 - O The dividend's distribution has no effect on convertible securities
 - The effect of the dividend distribution on convertible securities is as follows:

Name of security	No. of security	Comments
	00000000	Other
		The bank has a number of option plans, and the exercise price of the options which were granted will be reduced by the full dividend amount per share, as provided in Section 6 above.

10. Directors' recommendations and decisions in connection with the dividend distribution in accordance with Regulation 37(a)(1) of the Securities Regulations (Immediate and Periodic Reports), 5730-1970:

Dividend 131117 isa.pdf

The above report was signed by Mr. Menahem Aviv, Deputy CEO and Chief Accountant and Mr. Moshe Lari, Deputy CEO and CFO.

The reference numbers of previous documents on the subject (reference does not constitute incorporation by reference):

Securities of a Corporation Listed for Trading Form structure revision date: November 6, 2017

on the Tel Aviv Stock Exchange

Abbreviated Name: Mizrahi Tefahot

Address: 7 Jabotinsky Street Tel: 03-7559207 Fax: 03-7559913

Ramat Gan, 52520, Israel 03-7559720

E-mail: mangment@umtb.co.il

Previous name of the reporting entity: United Mizrahi Bank Ltd.

Name of the person reporting electronically: **Menahem Aviv** Position: **Chief Accountant** Name of Employing Company:

Address: 7 Jabotinsky Street, Ramat Gan, 52520, Israel Tel: 03-7559321 Fax: 03-7559148 E-mail: meno@umtb.co.il

Regulation 37(a)(1)

Below are the directors' decisions in accordance with Regulation 37(a)(1) of the Securities Regulations (Immediate and Periodic Reports), 5730-1970:

- The proposed dividend distribution does not have a material impact on the bank's financial position. See below details of the profit balance.
- The balance of the corporation's profits as defined in Section 302 of the Companies Law, prior to the proposed distribution, amounts to a total of ILS 11,535.0 million.
- The balance of the corporation's profits as defined in Section 302 of the Companies Law, after the proposed distribution, amounts to a total of ILS 11,456.7 million.
- The effect of the proposed distribution on the equity structure, was examined and it was found that the results of the bank's activity in the year following the dividend distribution shall be such that the capital adequacy ratio and the leverage ratios shall be no less than required.

Furthermore and in addition to the aforesaid:

- There is no concern that the dividend distribution shall prevent the bank from complying with its current and expected commitments.
- The proposed distribution is out of the profits, as defined in the Companies Law.
- The bank complies with additional regulatory limitations set by the Supervisors of Banks, including the provisions of the Proper Conduct of Banking no. 331 regarding "dividend distribution by banking corporations", as well as capital adequacy limitations, leverage limitations and other limitations.

In view of the aforesaid, it is evident to the board of directors that there is no impediment to distribute a dividend in the sum of ILS 78.3 Million, which constitute 30% of the net profit for the third quarter of 2017, and has resolved to approve the aforesaid distribution.