

MIZRAHI TEFAHOT BANK LTD

No. with the Registrar of Companies: 520000522

To Israel Securities Authority To Tel Aviv Stock Exchange Ltd T053 (Public) Date of transmission: February 7, 2019

www.isa.gov.il

www.tase.co.il

Ref: 2019-01-011308

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: "Ofer Group" – Separation Agreement Completion

1. Attached is a notice received by the Bank from Ofer Investments Ltd. and Ofer Brothers Holdings (1989) Ltd. regarding the completion of the separation agreement of the "Ofer Group"

Signed completion notice isa.pdf

2. Date and time at which the corporation first learned of the event:
© February 7, 2019 at 15:15
Report delayed per Regulation 36(b):
3. If the report was delayed, the reason due to which its submission was delayed:
4. On _____ at _____ the report embargo was removed
5. The company is a shell company, as defined in the TASE Rules and Regulations.

The above report was signed by Maya Feller, Bank Secretary

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

Securities of a Corporation Listed for Trading on the Tel Aviv Stock Exchange Form structure revision date: December 31, 2018

Abbreviated Name: Mizrahi Tefahot

Address: 7 Jabotinsky Street, Ramat Gan, 52520 Tel:03-7559720 Fax:03-7559923

E-mail: mangment@umtb.co.il Company website: <https://www.mizrahi-tefahot.co.il>

Previous name of the reporting entity: United Mizrahi Bank Ltd

Name of the person reporting electronically: Maya Feller Position: Company secretary Name of Employing Company:

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

February 7, 2019

Mizrahi Tefahot Bank Ltd. ("Mizrahi Bank")
Attn.: Mr. Eldad Fresher, CEO

By e-mail

Dear Sir,

Re: **Update on the Completion of the Ofer Group separation agreement of November 8, 2018**

Further to our letters of November 8, 2018 and January 31, 2019 in connection with the Ofer Group separation agreement, which was signed on November 8, 2018 (the "**Separation Agreement**"), and the fulfillment of the suspensory conditions for its completion, please be advised that today, February 7, 2019, the completion of the Separation Agreement was carried out, in which context, *inter alia*:

- a. Lin (Holdings) Ltd. ("**Lin**"), a company controlled by a foreign trust, whose main beneficiary is Mr. Eyal Ofer, acquired all of the shares of Mizrahi Bank that were held by Ofer Investments Ltd. ("**Ofer Investments**") and by Ofer Sahaf Ltd., a company wholly owned by Ofer Investments, at the rate of approx. 9.28% of the share capital of Mizrahi Bank, and L.A.B.M. (Holdings) Ltd., a wholly-owned subsidiary of Lin ("**LABM**") acquired all of the shares of Mizrahi Bank that were held by C.A.B.M. Ltd. and A.A.B.M. Ltd., companies wholly owned by Ofer Brothers Holdings (1989) Ltd. ("**Ofer Holdings**"), at the rate of approx. 9.74% of the share capital of Mizrahi Bank. The said acquisition of the shares was made for a consideration equal to the Mizrahi Bank share price at the beginning of February 2018 (NIS 64.43 subject to adjustments for dividend distributed prior to the completion date, such that the sum of the consideration per share after the said adjustment is NIS 63.37 per share). We note that prior to the completion date, LABM held approx. 3.35% of Mizrahi Bank's share capital.

Following the purchase of the shares on the completion date, Lin holds (directly and via LABM) approx. 22.37% of the share capital of Mizrahi Bank. Furthermore, as of such date, Ofer Investments and Ofer Holdings no longer hold shares of Mizrahi Bank and are no longer interested parties in Mizrahi Bank. The acquisition of the shares of Mizrahi Bank was made after receipt on January 31, 2019 of an amendment to the existing control permit in Mizrahi Bank, whereby Mr. Eyal Ofer is the only permit holder among the Ofer Group (and Liora Ofer, Doron Ofer and the Estate of the late Yuli Ofer OBM were omitted from the list of permit holders)¹. In addition, and concurrently with the

¹ Upon completion of the Separation Agreement, any and all arrangements and agreements between the "Ofer Group Individuals" and the corporations under their control in connection with the holding of

completion of the Separation Agreement, Ms. Liora Ofer submitted her resignation from her office as a director of Mizrahi Bank.

- b. Ms. Liora Ofer, through a company wholly owned by her, acquired all of the shares of Ofer Investments held by Lin (33.33%). Following the said share acquisition Ms. Liora Ofer (through a company wholly owned by her) holds 85% of the share capital of Ofer Investments and Mr. Doron Ofer (through a company wholly owned by him) holds 15% of the share capital of Ofer Investments.

The completion of the Separation Agreement on February 7, 2019 completed the separation of control by the Ofer Investments Group and its shareholders of significant real corporations and a significant financial entity, as required by the instructions of the Promotion of Competition and Reduction of Concentration Law, 5774-2013 (the “**Concentration Law**”), such that from this date on Ms. Liora Ofer (through a company wholly owned by her) holds only control of the significant real corporations that were held by the Group (Ofer Investments and the public company controlled thereby, Melisron Ltd. (“**Melisron**”)), and separated from the holding in the significant financial entity (Mizrahi Bank), while Lin holds control of the significant financial entity that was held by the Group (Mizrahi Bank) and separated from its holding in the significant real corporations (Ofer Investments and Melisron).

Sincerely,

Ofer Investments Ltd.
[signature]

Ofer Brothers Holdings (1989) Ltd.
[signature]

Mizrahi Bank shares have been terminated, and henceforth the Ofer Group individuals will not act in cooperation in any form or manner in connection with Mizrahi Bank’s shares. In addition, upon the completion of the Separation Agreement, LABM stepped into the shoes of A.A.B.M. Ltd. and C.A.B.M. Ltd. in the 1994 voting agreement with the Wertheim Group in connection with the holding in Mizrahi Bank, and henceforth LABM holds all of the rights and obligations of the Ofer Group corporations under the voting agreement with the Wertheim group.