

MIZRAHI TEFAHOT BANK LTD
No. with the Registrar of Companies: 520000522

To	<u>Israel Securities Authority</u>	To	<u>Tel Aviv Stock Exchange Ltd</u>	T121 (Public)	Date of transmission: June 19, 2017
	www.isa.gov.il		www.tase.co.il		Ref: 2017-01-051289

Immediate Report

Explanation: This form may not be used if an appropriate form exists for the reported event.

Issue results must be reported under T20 and not under this form.

Bond rating or corporation rating reports must be submitted through Form T125.

Nature of the Event: Concentration of the Bank's Headquarter Units in Lod.

Attached file *lod190617_isa.pdf*

The company is a shell company, as defined in the TASE Rules and Regulations.

Date on which the corporation first learned of the event: *June 19, 2017 at 13:00.*

The above report was signed by Ms. Rita Rubinstein, Head of the Human Resources and Administration Division and Racheli Friedman, Adv., Chief Legal Advisor.

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
Abbreviated Name: Mizrahi Tefahot
Address: 7 Jabotinsky Street
Ramat Gan, 52520, Israel
E-mail: mangment@umtb.co.il

Form structure revision date: June 19, 2017

Tel: 03-7559207 Fax: 03-7559913
03-7559720

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

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

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

June 19th, 2017

To
Israel Securities Authority

To
Tel Aviv Stock Exchange Ltd

Dear Sir or Madam,

Re: Concentration of the Bank's Headquarter Units in Lod

Mizrahi Tefahot Bank Ltd. (the "**Bank**") respectfully reports the following:

1. Further to the Bank's engagement through its wholly-owned subsidiary, Netzivim Assets & Equipment Ltd (the "**Company**"), in an agreement to purchase land at the Lod Industrial Zone (the "**Agreement**") in close proximity to the Bank's existing building in Lod, the Bank's Board of Directors decided, on June 19, 2017, to take steps in order to concentrate, the Bank's headquarter units at one central site in Lod, to the extent possible; and has instructed the Bank's management to perform the actions required for such purpose (the "**Plan**"). The execution of the Plan, including the planning, construction and transition, is expected to continue for a number of years.
The Agreement is subject to preconditions set forth in this matter.
The Plan is forward-looking information, as defined in the Securities Law, 5728-1968, since its realization is uncertain and not under the exclusive control of the Bank; this, *inter alia*, is because the aforesaid decision was made based on preliminary analysis and planning, relying upon the information currently known to the Bank; and there is no certainty as to the manner of implementing the Plan, including, *inter alia*, in the matters of receiving the required permits, construction and transition costs and the execution's date and pace.
2. Furthermore, on June 19, 2017, under the aforesaid Plan and pursuant to the memorandum of understanding signed between the Company and Sella Capital Real Estate Ltd. ("**Sella Real Estate**"), the Bank's Board of Directors approved the Company's engagement with Sella Real Estate in an overall transaction, according to which
 - a. The Company will sell its rights in the building located at 7 Jabotinsky St., Ramat Gan, where the offices of the Bank's headquarters are currently located (the "**Property**"), to Sella Real Estate, for a total of ILS 278 Million, plus VAT as required by law;
 - b. The Company will rent the Property from Sella Real Estate for a period of eight (8) years, and shall be entitled to extend the rental period for additional periods, provided that the overall rental period does not exceed 24 years.

The engagement in the aforesaid transaction is subject to various conditions, as formulated

between the parties in this matter.

The estimated capital gains inherent in the transaction, net of tax, are approximately ILS 74 Million. Subject to the transaction's completion, these capital gains will be spread over a period of eight (8) years.

Respectfully,

Mizrahi Tefahot Bank Ltd.

Signed by:

Rita Rubinstein, Head of the Human Resources and Administration Division

Racheli Friedman, Chief Legal Advisor