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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
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Date of transmission: December 31, 2015
Ref: 2015-01-192843

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 a specific form for the reported event
Issue results should be reported on T20 and not on this form
A report in respect of bond rating or corporate rating should be filed through Form T125
Nature of the event: A sale of part of the mortgage portfolio

Mizrahi Tefahot Bank Ltd (hereinafter: "Bank") hereby announces that an agreement was signed today, December 31, 2015, between the Bank and institutional bodies from the Menora Mivtachim Group ("Buyer") under which the Bank has sold by a True Sale 80% of its rights and liabilities in connection with a housing loan portfolio, the total sum of which is approx. ILS 770 million, which consists of housing loans granted by the Bank in 2013 ("Loan Portfolio").

The rest of the Loan Portfolio remains under the Bank's ownership, in a manner that the rights of the Buyer and the rights of the Bank will be at similar degrees of priority (pari passu).

According to the management agreement signed by the parties, the Bank will manage and operate the part of the Loan Portfolio purchased by the Buyer on the Buyer's behalf, based on the same rules according to which the Bank manages and operates housing loans for itself, including the part of the Loan Portfolio which remains under its ownership.

Attached file _____

The date on which the corporation first learned of the event: *December 31, 2015 at 14:00.*

The above report was signed by Mr. Ofir Morad, Head of the Corporate Banking Division and Ms. Racheli Friedman, the Chief Legal Advisor.

Reference number of the previous documents regarding this matter (the reference does not constitute incorporation by reference):

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

Date of form update: December 31, 2015

Name of the person reporting electronically: Friedman Rachel; Position held: Legal Advisor; Name of Employing Company: .

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