

**Bank Hapoalim B.M.  
Annual Periodic Report  
2018**

# **Annual Periodic Report for 2018**

## **Bank Hapoalim B.M.**

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Date of financial statements: December 31, 2018

Report date: March 17, 2019

# **Annual Periodic Report**

**2018**

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### **Standard 9: Financial statements**

The audited annual financial statements, with the attached Auditors' Review, are enclosed and constitute an integral part of this report.

### **Standard 10C**

None.

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### Standard 11: List of investments in subsidiaries and related companies as at the balance sheet date

#### A. In shares and convertible securities

Company	Share type					Holding rate				
	Share	Par value per share	Currency	Number of shares	Total par value	Balance-sheet value (in NIS m.)	In securities	In capital	In voting	In authority to appoint directors
Avuka Hevra Lehashkaot. Ltd.	Ordinary shares	0.001	NIS	5,000	5	-	100%	100%	100%	100%
Agam Hevra Finansit Ltd.	Ordinary shares	1	NIS	1,250,000	1,250,000	3	100%	100%	100%	100%
Igarot Hevra Lehanpakot shel Bank Hapoalim Ltd.	Ordinary shares	0.0001	NIS	1,000,000,000	100,000	6	100%	100%	100%	100%
Opaz Ltd.	Ordinary shares	0.01	NIS	1,000,770	10,008	1,410	100%	100%	100%	100%
AMI Trustees Ltd.	-	-	-	-	-	-	-	100%	100%	100%
BAMI Nechasim Ltd.	-	-	-	-	-	-	-	100%	100%	100%
BHI Investment Advisors Asia	-	-	-	-	-	-	-	100%	100%	100%
BHI Global Investment Advisors (Israel) Ltd.	-	-	-	-	-	-	-	100%	100%	100%
BHI – USA Holdings Inc.	-	-	-	-	-	-	-	100%	100%	100%
Bitzur Ltd.	Ordinary shares	0.0005	NIS	69,640,000	34,820	(169)	100%	100%	100%	100%
Bitan Investments and Mortgages Co. Ltd.	Ordinary shares	0.001	NIS	5,999,979	6,000	-	100%	100%	100%	100%
Bank Hapoalim (Luxembourg) S.A.	Ordinary shares	100	USD	999,900	99,990,000	225	100%	100%	100%	100%
Bank Hapoalim (Switzerland) Ltd.	Founding shares	100	CHF	650,000	65,000,000	(88)	100%	100%	100%	100%
Bank Pozitif Kredi Ve Kalkinma Bankasi A.S.	-	-	-	-	-	132	-	70%	70%	70%
Gadid Poalim	Ordinary shares	1	NIS	1,500,000	1,500,000	1	100%	100%	100%	100%
Global Factoring Ltd.	-	-	-	-	-	-	-	100%	100%	100%
Diur B.P. Ltd.	-	-	-	-	-	269	-	100%	100%	100%
Diur B.P. Investments (1992) Ltd.	-	-	-	-	-	-	-	100%	100%	100%
Diur B.P. Properties (1993) Ltd.	-	-	-	-	-	-	-	100%	100%	100%
The Administration of the Kibbutzim Agreement Ltd.	Ordinary shares	1	NIS	3	3	-	38%	38%	38%	38%
Hapoalim (Latin America) S.A.	-	-	-	-	-	5	-	100%	100%	100%
Hapoalim (Cayman) Ltd.	Common	1	USD	13,579,143	13,579,143	43	100%	100%	100%	100%
Hapoalim International N.V.	Common	1,000	USD	250	250,000	12	100%	100%	100%	100%

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### Standard 11: List of investments in subsidiaries and related companies as at the balance sheet date (continued)

#### A. In shares and convertible securities (continued)

Company	Share type				Holding rate					
	Share	Par value per share	Currency	Number of shares	Total par value	Balance-sheet value (in NIS m.)	In securities	In capital	In voting	In authority to appoint directors
Hapoalim American Israeli Ltd.	Ordinary shares	0.001	NIS	93,076,887	93,077	109	100%	100%	100%	100%
Hapoalim Hanpakot Ltd.	Ordinary shares	1	NIS	18,150,006	18,150,006	41	100%	100%	100%	100%
Hapoalim Nechasim (Menayot) Ltd.	-	-	-	-	-	630	-	100%	100%	100%
Hapoalim Securities U.S.A. Inc.	-	-	-	-	-	60	100%	100%	100%	100%
Zohar Hashemesh Lehashkaot Ltd.	Ordinary shares	0.0001	NIS	19,999	2	813	100%	100%	100%	100%
Nominees Company of Bank Hapoalim Ltd.	Ordinary shares	0.01	NIS	100,000	1,000	-	100%	100%	100%	100%
Hevrat Nemanut Aseret Alafim Veachat Ltd.	-	-	-	-	-	-	-	100%	100%	100%
Hevrat Nemanut Aseret Alafim Veshtaim Ltd.	-	-	-	-	-	-	-	100%	100%	100%
Hanyon Allenby 115 Tel-Aviv Ltd.	Ordinary shares	0.001	NIS	42	0	-	42%	42%	42%	42%
Chatzron Hevra Lehashkaot Ltd.	-	-	-	-	-	-	-	33%	33%	33%
Trinel Trading And Investment Ltd.	-	-	-	-	-	-	-	100%	100%	100%
Europay (Eurocard) Israel Ltd.	-	-	-	-	-	-	-	100%	100%	100%
Yefet Nominees Ltd.	-	-	-	-	-	-	-	100%	100%	100%
Isracard (Nechasim) 1994 Ltd.	-	-	-	-	-	-	-	100%	100%	100%
Isracard Ltd.	Ordinary shares	0.0001	NIS	721,925	72	2,960	98%	98%	99%	99%
Isracard Ltd.	Special shares	0.0001	NIS	1	0	-	100%	98%	99%	99%
Isracard Mimun Ltd.	-	-	-	-	-	-	-	100%	100%	100%
Mivnim Vetsiud Ltd.	Ordinary shares	0.1	NIS	95	10	-	95%	100%	100%	100%
May-Oz Ltd.	-	-	-	-	-	28	-	100%	100%	100%
Bank Clearing Center Ltd.	Ordinary shares	0.001	NIS	6,250,000	6,250	26	25%	25%	25%	25%
C Bilisim Teknojileri	-	-	-	-	-	-	-	100%	100%	100%
Maritime Trust Services Ltd.	Ordinary shares	1	NIS	30,000	30,000	-	100%	100%	100%	100%
Alzur Property Development Company Ltd.	Ordinary shares	0.0001	NIS	100,000	10	-	100%	100%	100%	100%
PAM Holdings Ltd.	-	-	-	-	-	105	-	100%	100%	100%
Poalim - Financial Holdings (1993) Ltd.	Ordinary shares	1	NIS	3,070	3,070	6	100%	100%	100%	100%
Poalim Ofakim Ltd.	-	-	-	-	-	-	-	100%	100%	100%

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### Standard 11: List of investments in subsidiaries and related companies as at the balance sheet date (continued)

#### A. In shares and convertible securities (continued)

Company	Share type				Holding rate					
	Share	Par value per share	Currency	Number of shares	Total par value	Balance-sheet value (in NIS m.)	In securities	In capital	In voting	In authority to appoint directors
Poalim Asset Management (UK) Ltd.	-	-	-	-	-	-	-	100%	100%	100%
Poalim Express Ltd.	Ordinary shares	1	NIS	139,326	139,326	471	100%	100%	100%	100%
Poalim Betevuna Ltd.	Ordinary shares	1	NIS	10,000	10,000	(14)	100%	100%	100%	100%
Poalim Delta Fund L.P.	-	0	-	0	0	-	-	99%	99%	99%
Poalim Ventures - Fund Management Ltd.	-	-	-	-	-	-	-	100%	100%	100%
Poalim Ventures I Ltd.	-	-	-	-	-	-	-	54%	54%	100%
Poalim Ventures II L.P.	-	-	-	-	-	-	-	0%	0%	100%
Poalim Ventures Ltd.	-	-	-	-	-	-	-	100%	100%	100%
Poalim Venture Services Israel Ltd.	-	-	-	-	-	4	-	100%	100%	100%
Poalim Mortgages Insurance Agency (2005) Ltd.	-	-	-	-	-	20	-	100%	100%	100%
Poalim Sahar Ltd.	Ordinary shares	1	NIS	16,108	16,108	324	100%	100%	100%	100%
Poalim Capital Markets - Investment House Ltd.	Ordinary shares	1	NIS	40,021	40,021	827	0%	100%	100%	100%
Poalim Capital Markets Ltd.	-	0	-	0	0	0	-	100%	100%	100%
Poalim Capital Markets - Financial Applications & Research Ltd.	-	-	-	-	-	-	-	100%	100%	100%
Poalim Capital Markets (Euro) Ltd.	-	-	-	-	-	-	-	100%	100%	100%
Poalim Capital Markets & Investments - Holdings Ltd.	A ordinary shares	0.0001	NIS	183,613	18	-	5%	100%	100%	100%
Poalim Capital Markets & Investments - Holdings Ltd.	B ordinary shares	0.0001	NIS	280,695	28	-	5%	100%	100%	100%
Poalim Trust Services Ltd.	Ordinary shares	1	NIS	200,005	200,005	32	100%	100%	100%	100%
Poalit Ltd.	Ordinary shares	0.0001	NIS	129,050,000	12,905	-	100%	100%	100%	100%
PCM Hudson Holdings LLC	-	-	-	-	-	-	-	100%	100%	100%
PCM Hudson Management Company Holdings L.P.	-	-	-	-	-	-	-	100%	100%	100%
Pimar Hevra LeBinyan Vepitooah Ltd.	-	-	-	-	-	-	-	26%	50%	50%
Peilim - Portfolio Management Company Ltd.	Ordinary shares	1	NIS	50,000	50,000	0	100%	100%	100%	100%
Peilim - Portfolio Management Company Ltd.	Ordinary shares	0.001	NIS	5,000	5	169	100%	100%	100%	100%
Pekaot Poalim Ltd.	Ordinary shares	100	NIS	370,214	37,021,400	294	100%	100%	100%	100%
Tzadit Ltd.	Ordinary shares	0	NIS	1	0	-	0%	100%	100%	100%

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### Standard 11: List of investments in subsidiaries and related companies as at the balance sheet date (continued)

#### A. In shares and convertible securities (continued)

Company	Share type				Holding rate					
	Share	Par value per share	Currency	Number of shares	Total par value	Balance-sheet value (in NIS m.)	In securities	In capital	In voting	In authority to appoint directors
Tzameret Mimunim Ltd.	-	0	-	0	-	-	-	100%	100%	100%
Continental Poalim Ltd.	Ordinary shares	0	NIS	58,351,356,355	5,835,135	528	100%	100%	100%	100%
Continental Poalim Ltd.	A management shares	0.0001	NIS	20	0	0	100%	100%	100%	100%
Continental Poalim Ltd.	B management shares	0.0001	NIS	20	0	-	100%	100%	100%	100%
Revadim (Nechasim) Ltd.	Ordinary shares	0.0001	NIS	20,000	2	-	100%	100%	100%	100%
Ramchal Poalim Ltd.	Ordinary shares	0.0001	NIS	32	0	-	100%	100%	100%	100%
Sure-Ha International Ltd.	Ordinary shares	1	USD	1	1	315	0%	100%	100%	100%
Automatic Bank Services Ltd.	Ordinary shares	1	NIS	1,380	1,380	0	35%	34%	34%	34%
Tot Tiyur Vetiylul Ltd.	-	0	-	0	0	0	-	0%	100%	100%
Tmura Hevra Finansit Ltd.	Ordinary shares	0	NIS	5,009,997	501	-	100%	100%	100%	100%
Teuda Hevra Finansit Ltd.	Ordinary shares	0.0001	NIS	60,000,000	6,000	218	100%	100%	100%	100%
Teus Development Areas Ltd.	-	0	-	0	0	0	-	91%	100%	100%
Tarshish Hapoalim Holdings and Investments Ltd.	Ordinary shares	0	NIS	4,420	0	4,652	100%	100%	100%	100%



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### Standard 11: List of investments in subsidiaries and related companies as at the balance sheet date (continued)

#### B. In bonds and capital notes

Company	Linkage terms	Balance sheet	Interest	Final maturity date
		balance	rate	
		NIS millions	%	
Bitzur Ltd.	Unlinked	200	-	No maturity date
Zohar Hashemesh Lehashkaot Ltd.	Unlinked	850	-	No maturity date
Poalim Betevuna Ltd.	Unlinked	29	-	No maturity date
Teuda Hevra Finansit Ltd.	Unlinked	286	-	No maturity date
Poalim Sahar	Unlinked	250	-	No maturity date

#### C. Balance of loans as at December 31, 2018

Company	Balance of loans	Interest	Interest rate of	Interest rate of	Interest rate of	Final maturity date
	as at Dec. 31, 2018	rate of unlinked loans	foreign-currency loans	of CPI-linked loans	foreign-currency-linked loans	
	NIS millions	%	%	%	%	
Bitzur Ltd.	200	-	-	-	-	No maturity date
Banque Hapoalim (Luxembourg) Ltd..	1,755	-	2.23-5.92	-	-	2025
Bank Pozitif Kredi Ve Kalkinma Bankasi A.S.	188	-	8.85	-	-	Sept. 4, 2019
Global Factoring Ltd.	24	-	-	-	-	No maturity date
Zohar Hashemesh Lehashkaot Ltd.	850	-	-	-	-	No maturity date
Hanyon Allenby 115 Tel-Aviv Ltd.	17	-	-	-	-	No maturity date
Isracard Ltd.	3,729	-	-	-	-	No maturity date
Poalim Betevuna Ltd.	29	-	-	-	-	No maturity date
Poalim Sahar Ltd.	250	-	-	-	-	No maturity date
Teuda Hevra Finansit Ltd.	286	-	-	-	-	No maturity date

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### **Standard 11: List of investments in subsidiaries and related companies as at the balance sheet date (continued)**

#### **D. List of inactive companies**

BHI Investment Advisors Asia	In voluntary liquidation
Hasneh Israel Insurance Company Ltd.	
Hevra Lepitouh Ashkelon Barnea Ltd.	
The Rest Village Ashkelon Ltd.	In voluntary liquidation
Hevrat Nemanut Aseret Alafim Veachat Ltd.	
Hevrat Nemanut Aseret Alafim Veshtaim Lavan Ltd.	
Teus Trust Company Ltd.	In voluntary liquidation
Hevrat Odar Ltd.	
Matai Ramatim Ltd.	
Poalim Ventures I Ltd.	In voluntary liquidation
Poalim Ventures II L.P.	In voluntary liquidation
Pimar Hevra Lebinyan Vepitooah Ltd.	
Kamur Finance and Investments Ltd.	
Karkaot Beguosim 7123 7124 7128 Ltd.	
Rotesa Ltd.	In voluntary liquidation
Tot Tiyur Vetiyul Ltd.	In voluntary liquidation
Teus Development Areas Industrialization Ltd.	In voluntary liquidation

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### Standard 12: Changes in the Bank's investments in subsidiaries and equity-basis investees during the reported period

Company	Type of share			Date of change	Nature of change	Total par value	Cost (NIS millions)
	Share	Par value per share	Currency				
Bank Hapoalim (Switzerland) Ltd.	Founder		CHF	July 11, 2018	Investment		183
Bank Hapoalim (Switzerland) Ltd.	Founder		CHF	January 29, 2019	Investment		185
Bank Hapoalim (Switzerland) Ltd.	Founder		CHF	February 27, 2019	Investment		545
Bank Hapoalim (Switzerland) Ltd.	Founder		CHF	March 5, 2019	Investment		181

### Companies closed at the Registrar of Companies during the year

Poalim Asset Management (Ireland)

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### Standard 13: Income of subsidiaries and related companies and the Bank's income from such companies as at the balance sheet date\*

Company	Profit (loss) reported by the company		Bank income		
	Profit (loss) reported by the company	Accumulated other comprehensive income (loss)	Interest	Management fees	Dividend
	NIS millions				
Bitzur Ltd.					
Bitan Investments and Mortgages Co. Ltd.	7				
Bank Hapoalim (Switzerland) Ltd.	(1,261)	47	19		
Bank Pozitif Kredi Ve Kalkinma Bankasi A.S.	(19)	1	3		1
Global Factoring Ltd.	8				
Diur B.P. Ltd.	15				
Hapoalim (Latin America) S.A.	(2)				
Hapoalim (Cayman) Ltd.	(2)				
Hapoalim Nechasim (Menayot) Ltd.	150	(116)			
Hapoalim Securities U.S.A. Inc.	(14)				
Zohar Hashemesh Lehashkaot Ltd.	1	(10)			
Isracard (Nechasim) 1994 Ltd.	6				
Isracard Ltd.	164	1			
Isracard Mimun Ltd.	77		18		241
May-Oz Ltd.	9				
Alzur Property Development Company Ltd.	2				
Poalim Asset Management (UK) Ltd.	(3)				
Poalim Express Ltd.	54				56
Poalim Ventures Ltd.	40				
Poalim Mortgages Insurance Agency (2005) Ltd.	21				
Poalim Sahar Ltd.	9				
Poalim Capital Markets Ltd.	4				
Poalim Capital Markets (Euro) Ltd.	4				
Poalim Capital Markets & Investments - Holdings Ltd.	(2)	(7)			
Poalit Ltd.	3				
Peilim - Portfolio Management Company Ltd.	22				
Tzadit Ltd.	2				
Tzameret Mimunim Ltd.	8				
Continental Poalim Ltd.	1				
Revadim (Nechasim) Ltd.	58				
Ramchal Poalim Ltd.	4				
Sure-Ha International Ltd.	15				
Teuda Hevra Finansit Ltd.	2				
Tarshish Hapoalim Holdings and Investments Ltd.	(60)	(163)			

\* Companies that had no profits (losses) during the accounting period, and from which the Bank derived no income during the accounting period, were not included in this list.

Subsidiaries overseas – in local currency translated based on the exchange rate as at December 31, 2018.

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### **Standard 14: List of groups of balances of loans granted as at the date of the report on financial position, if loan granting was one of the corporation's main activities**

The list is included in Note 29D to the Financial Statements.

### **Standard 20: Trading on the stock exchange – securities listed for trading – dates and reasons for halt of trading**

None.

### **Standard 21: Remuneration of interested parties and senior officers**

Details regarding the salaries and benefits of the recipients of the highest wages among the officers at the Bank Group are included in the Corporate Governance Report, page 395.

Remuneration paid to directors, with the exception of the outgoing Chairman of the Board, not exceeding commonly accepted levels, paid pursuant to Regulations 4 and 5 of the Companies Regulations (Rules Concerning Remuneration and Expenses for External Directors), 2000, amounted to a total of approximately NIS 6,153 thousand in 2018.

### **Standard 21A: Control of the corporation**

Until November 2018, Ms. Shari Arison held the permit for control of the Bank, through Arison Holdings (1998) Ltd. ("Arison Holdings"). On November 22, 2018, Ms. Arison's control permit was replaced by a permit to hold means of control, which she received from the Bank of Israel (a "holding permit"), allowing the control of the Bank to be decentralized, and the Bank became a banking corporation without a controlling core. For further details, see Section 6.6 in the Corporate Governance Report.

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### **Standard 22: Transactions with controlling shareholders**

Ms. Shari Arison was the controlling party of the Bank, through her holdings in Arison Holdings (1998) Ltd. (jointly: Arison), in the reported year, until November 22, 2018; as of that date, the Bank is a banking corporation with no controlling core, and the Bank has no controlling party pursuant to the directives of the Companies Law or of the Securities Law. Accordingly, information is presented below regarding transactions entered into by the Bank during 2018, until November 22, 2018, or which were in effect during that period, in which Arison had a personal interest. For further details regarding transactions with controlling parties, including criteria established by the Audit Committee with regard to the approval and reporting of interested-party transactions of the Bank, see Section 6.7 in the Corporate Governance Report and Note 33 to the Financial Statements.

#### 1. Transactions listed in Article 270(4) of the Companies Law –

##### A. Exemption for officers

On February 18, 2016, the general meeting of shareholders of the Bank, following the approval of the Remuneration Committee (in its meetings of January 7 and 10, 2016), and the Board of Directors of the Bank (in its meeting of January 13, 2016), approved the granting of letters of exemption to the officers and directors of the Bank serving and/or who may serve from time to time at the Bank, including the CEO of the Bank, serving and/or who may serve from time to time, and including the officers and directors of the Bank, serving and/or who may serve from time to time, in the granting of letters of exemption to whom the controlling party of the Bank may be considered to have a personal interest. Pursuant to the letters of exemption, the Bank exempts the officer, subject to the provisions of the Companies Law, from responsibility towards the Bank due to any damage to the Bank and/or to subsidiaries of the Bank and/or to related companies of the Bank and/or to any other corporations in which the Bank holds securities, and/or may hold securities from time to time, caused by a past or future action or inaction of the officer during the term of the officer's service, which constitutes a violation of the duty of care of the officer towards the Bank. The exemption shall not apply to an action or inaction of the officer pertaining to a decision or transaction in which the controlling party or any officer of the Bank has a personal interest. The Audit Committee of the Bank, in its meetings of January 7 and 11, 2016, limited the period during which violations of the duty of care are subject to the letters of exemption granted and to be granted from time to time to officers and directors of the Bank serving and/or who may serve from time to time, in the granting of letters of exemption to whom the controlling party of the Bank may be considered to have a personal interest, and determined that this period would end on December 31, 2024, and noted that this period of time was appropriate and reasonable under the circumstances. It is clarified that the letters of exemption for officers (including the CEO) and directors, in the granting of letters of exemption to whom the controlling party has no personal interest, serving and as shall serve from time to time, are not limited in duration, and shall be in effect with respect to all past or future events during the entire term of their service. As at the date of the report, all of the directors and officers of the Bank have letters of exemption. For additional information, including with regard to controlling parties who had a personal interest and the nature of their personal interest, see the Immediate Report concerning the convening of the meeting of shareholders published by the Bank on January 13, 2016 (Reference No. 2016-01-009607).

### Standard 22: Transactions with controlling shareholders (continued)

- B. Reapproval of letters of indemnity for directors and officers of the Bank, serving and/or who may serve from time to time, in the granting of letters of indemnity to whom the controlling party of the Bank may be considered to have a personal interest

On February 18, 2016, the general meeting of shareholders of the Bank, following the approval of the Remuneration Committee (in its meetings of January 7 and 10, 2016), and the Board of Directors of the Bank (in its meeting of January 13, 2016), resolved to reapprove the granting of letters of indemnity to directors and officers serving, and/or who may serve from time to time, at the Bank, in the granting of letters of indemnity to whom the controlling party of the Bank may be considered to have a personal interest. The Bank's commitment pursuant to the letters of indemnity shall also apply to events that occurred prior to the granting/renewal thereof. The form of the letter of indemnity for such officers is identical, with respect to terms, to the form of the letter of indemnity given to other directors and officers of the Bank, in the granting of letters of indemnity to whom the controlling party has no personal interest (which was approved by the general meeting of shareholders of the Bank on January 3, 2012 – see the Immediate Report of November 28, 2011, Reference No. 2011-01-341340). The Audit Committee of the Bank, in its meetings of January 7, 2016, and January 11, 2016, limited the period events during which are subject to the letters of indemnity granted and to be granted from time to time to the officers in the granting of letters of indemnity to whom the controlling party may be considered to have a personal interest, and determined that this period would end on December 31, 2024, and noted that this period of time was appropriate and reasonable under the circumstances. It is clarified that the letters of indemnity for the directors and officers, including the CEO, in the granting of letters of indemnity to whom the controlling party does not have a personal interest, are not limited in duration. At the date of the report, all of the directors and officers of the Bank have letters of indemnity. In the letters of indemnity, the Bank undertakes a commitment to indemnify the officers, among other matters, for monetary indebtedness imposed upon them in connection with the events described (up to a cumulative indemnity amount for all officers of 25% of the shareholders' equity of the Bank, according to its most recent known financial statements before the actual indemnity payment), and to indemnify them for reasonable litigation expenses, including attorneys' fees, in various proceedings (including administrative proceedings), all as specified in the letter of indemnity and in accordance with the directives thereof. For the form of the letter of indemnity and additional information, including with regard to the controlling parties who had a personal interest and the nature of their personal interest, see the Immediate Report concerning the convening of the meeting of shareholders published by the Bank on January 13, 2016 (Reference No. 2016-01-009607).

- C. Officers' insurance

Within the officers' remuneration policy of the Bank, which was approved by the meeting of shareholders of the Bank on December 19, 2016, it was affirmed that the total amount of coverage of officers' and directors' liability insurance at the Bank would not exceed approximately USD 500 million, per claim and cumulatively; the annual premium would not exceed approximately NIS 10 million; and the maximum deductible amount would be USD 1,000,000. With the approval of the Remuneration Committee (pursuant to Regulation 1B1 of the Companies Regulations (Reliefs for Transactions with

### Standard 22: Transactions with controlling shareholders (continued)

Interested Parties), 2000) and of the Board of Directors of the Bank on April 30, 2018, the directors' and officers' liability insurance policy of the Bank and its subsidiaries (the "Bank Group") was renewed, beginning June 1, 2018, for a period of one year, at an annual premium of approximately USD 1.6 million. The policy insures the liability of directors and officers of the Bank Group, and financial liabilities that may be imposed upon them due to their function as officers, and also includes coverage in respect of legal claims concerning securities. The liability limit of the policy is a total of USD 400 million per claim and cumulatively for the period of the insurance. Previously, the Bank had an officers' liability insurance policy for a period of one year ended May 31, 2018, with coverage in the amount of USD 350 million per claim and cumulatively, with a premium in respect of the policy in the amount of USD 1.53 million.

Within the preparations for separation from Isracard, on December 26, 2018, further to the approval of the Audit Committee on December 19, 2018, and the approval of the Remuneration Committee on December 19, 2018 (pursuant to Regulation 1B1 of the Companies Regulations (Reliefs in Transactions with Interested Parties), 2000), the Board of Directors approved the acquisition of a public offering of securities insurance (POSI) policy in connection with the offering of shares of Isracard Ltd. ("Isracard"), jointly with Isracard. The policy insures the liability of directors and officers of the Bank and of Isracard, as well as the Bank and Isracard, in respect of offerings of shares and convertible securities of Isracard to be offered to the public by Bank Hapoalim, and the first issuance of bonds by Isracard, up to two months from the date of the initial public offering. The liability limits of the policy are up to USD 200 million, per claim and cumulatively, provided that, with respect to the officers of the Bank, the cumulative coverage limit of this policy together with the current insurance policy described above is not higher than USD 500 million annually (the insurance coverage ceiling under the existing remuneration policy). The premium for the POSI policy is approximately USD 1 million, and the duration of the insurance period is seven years from the date of the offering. The policy was acquired and activated as of March 1, 2019.

2. Transactions not listed in Article 270(4) of the Companies Law (transactions that are not negligible but not extraordinary) –

Ms. Shari Arison was the controlling party of Shikun & Binui Ltd. ("Shikun & Binui") and of the companies in this group until August 2018. For reasons of caution, the Bank continued to attribute a personal interest to Arison Holdings in transactions of the Bank with the Shikun & Binui Group after the Arison Group sold its holdings in the Shikun & Binui Group, as long as Arison Holdings was considered the controlling party of the Bank pursuant to the directives of the Companies Law and of the Securities Law (i.e. until November 22, 2018). Accordingly, details are presented below regarding non-negligible transactions of the Bank with the Shikun & Binui Group contracted by the Bank during 2018, until November 22, 2018, or which were in effect during that period. It is clarified that in view of the fact that Ms. Arison is not a controlling party of the Bank as of November 22, 2018, transactions executed with the Shikun & Binui during 2019 and later will not be considered transactions in which a controlling party has a personal interest.



### Standard 22: Transactions with controlling shareholders (continued)

- A. A company in the Shikun & Binui Group has a balance of credit as at December 31, 2018, of approximately NIS 136 million, with bank guarantees. The terms of the credit were approved periodically, in previous years, by the Board of Directors' Committee for Transactions with Related Persons (in this Section 2, "the Related Persons Committee"), and were recently approved by the Audit Committee, in December 2018. The extension of the validity of the credit facility in various amounts was approved for this subsidiary, the acquisition of which was approved by the Related Persons Committee in January 2018. The extension of the credit facility was also approved in resolutions in June, July, and November 2018. As at December 31, 2018, the balance of credit in the amount of NIS 24.7 million is utilized in bank guarantees.
- B. An agreement was approved for a company in the Shikun & Binui Group regulating the provision of guarantees pursuant to the Sale Law (Securing the Investments of Buyers of Homes), 1974 (the "Sale Law") ("Sale Law Guarantees") for buyers of homes in the Ir Yamim neighborhood of Netanya. In the first stage, the total facility for the guarantees (after reductions due to the completion of construction of the project and the occupancy thereof) is approximately NIS 16 million, and the balance utilized as at December 31, 2018, is approximately NIS 3 million. In the second stage, the amount of the facility for Sale Law Guarantees is NIS 14 million. The balance utilized as at December 31, 2018, is NIS 1.7 million. Land in the project was pledged to the Bank to secure the commitments. The contractual engagement was approved by the Related Persons Committee, beginning in 2011, and periodically during previous years, and was recently approved by the Audit Committee in December 2018.
- C. The Bank contracted with a company in the Shikun & Binui Group and with an unrelated third party, in equal parts, in a financing agreement for the provision of loans, guarantees, and Sale Law Guarantees in connection with a residential project in Kiryat Ono, in two stages, in the amount of NIS 273.5 million, based on the approval of the Related Persons Committee, from 2014 and periodically, and the recent approval of the Audit Committee, in May and July 2018. The balance utilized as at December 31, 2018, is approximately NIS 148 million. The rights and land of the project were pledged in favor of the Bank. In addition, there is a balance of Sale Law Guarantees in the amount of NIS 191 million for the first stage of the project, construction of which has been completed.
- D. An agreement was approved for a company in the Shikun & Binui Group for the provision of guarantees pursuant to the Sale Law for buyers of homes in Yokne'am, in two stages. The balance utilized as at December 31, 2018, was approximately NIS 223 million. At the date of publication of this report, the facility for guarantees has expired, pursuant to the terms thereof, following the occupancy of the project. Land in the project was pledged to the Bank to secure the commitments. The contractual engagement was approved by the Related Persons Committee, from January 2013 and periodically, and recently in February 2018. As at the date of publication of this report, the guarantees have expired, pursuant to the terms thereof..
- E. A company in the Shikun & Binui Group has a facility for short-term loans, guarantees, and future transactions in the amount of NIS 155 millions, which was approved by the Related Persons Committee beginning in November 2015 and periodically, and was recently approved by the Audit Committee in July 2018. As at December 31, 2018, the utilized balance is approximately NIS 45 million. In addition, this company has long-term

## Periodic Report 2018

### Standard 22: Transactions with controlling shareholders (continued)

loans in a total amount of approximately NIS 49 million as at December 31, 2018, with final maturity in 2022. Land in Netanya has been pledged against these loans. In addition, in June 2018 the Audit Committee approved a loan in the amount of NIS 55 million against a pledge of a yield-generating asset and land in Tel Aviv. The property secures all of the credit, but approval was received to release it if the credit in respect of the land in Tel Aviv is repaid and no additional cause arises for settlement.

- F. A partnership in the Shikun & Binui Group has Sale Law Guarantees with occupancy in a total amount of approximately NIS 18.5 million. These guarantees were approved by the Audit Committee in June, July, and December 2018.
- G. The Bank is a participant in a syndication for two long-term non-recourse financing agreements for a solar power plant construction project (in the amount of approximately NIS 102 million, with financing through 2035), which was discussed by the Related Persons Committee in June and September 2018 and in previous years, and a desalination plant project (financing of approximately NIS 62 million, through 2030), which was discussed by the committee in August 2018 and in previous years. The projects are being carried out by two companies in the Shikun & Binui Group.

## Periodic Report 2018

### **Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or related company near the date of the report on financial position**

#### **A. Holdings of Bank shares by interested parties**

Interested party	Corporation number	Par value shares in NIS <sup>(2)</sup>	Rate of holdings in capital	Rate of holdings in voting <sup>(1)</sup>	Rate of holdings in capital after dilution	Rate of holdings in voting after dilution
Arison Holdings (1998) Ltd.	512705153	210,543,761	15.74%	15.79%	15.74%	15.74%
Altshuler-Shaham Provident Funds and Pension Ltd.	511446551	65,051,301	4.86%	4.88%	4.86%	4.86%
Altshuler-Shaham Mutual Fund Management Ltd.	511446551	4,117,844	0.31%	0.31%	0.31%	0.31%

(1) The Bank holds 3,673,637 dormant shares; this holding constitutes 100% of the dormant shares.

(2) Par value NIS 1.0 for one ordinary share.

#### **B. Holdings of shares of the Bank by directors**

	Corporation number		Par value shares in NIS <sup>(2)</sup>	Rate of holdings in capital	Rate of holdings in voting <sup>(1)</sup>	Rate of holdings in capital after dilution	Rate of holdings in voting after dilution
Oded Eran	053378824	Ordinary shares	20,384	0.00%	0.00%	0.00%	0.00%
Moshe Koren	1228998	Ordinary shares	13,000	0.00%	0.00%	0.00%	0.00%

(1) The Bank holds 3,673,637 dormant shares; this holding constitutes 100% of the dormant shares.

(2) Par value NIS 1.0 for one ordinary share.

## Periodic Report 2018

### Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or related company near the date of the report on financial position (continued)

#### Holdings of shares of the Bank by senior officers

	Corporation number		Par value shares in NIS <sup>(2)</sup>	Rate of holdings in capital	Rate of holdings in voting <sup>(1)</sup>	Rate of holdings in capital after dilution	Rate of holdings in voting after dilution
Ari Pinto	069042505	Ordinary shares	123,108	0.01%	0.01%	0.01%	0.01%
		RSU	15,163			0.00%	0.00%
Eti Ben-Zeev	023571540	Ordinary shares	42,539	0.00%	0.00%	0.00%	0.00%
		RSU	7,910			0.00%	0.00%
Tsahi Cohen	022007587	Ordinary shares	176,173	0.01%	0.01%	0.01%	0.01%
		RSU	27,900			0.00%	0.00%
Amir Bachar	029331113	Ordinary shares	15,876	0.00%	0.00%	0.00%	0.00%
		RSU	11,640			0.00%	0.00%
Ofar Levy	052222577	Ordinary shares	105,251	0.01%	0.01%	0.01%	0.01%
		RSU	19,543			0.00%	0.00%
Yadin Antebi	028078525	Ordinary shares	171,546	0.01%	0.01%	0.01%	0.01%
		RSU	29,330			0.00%	0.00%
Zeev Hayo	057069676	Ordinary shares	69,530	0.00%	0.00%	0.00%	0.00%
		RSU	26,703			0.00%	0.00%
Ronen Stein	022537021	Ordinary shares	52,104	0.00%	0.00%	0.00%	0.00%
		RSU	23,058			0.00%	0.00%
Yosef Erez	023086101	Ordinary shares	29,843	0.00%	0.00%	0.00%	0.00%
		RSU	1,368	0.00%	0.00%	0.00%	0.00%
Golan Scherman	023706583	Ordinary shares	18,924	0.00%	0.00%	0.00%	0.00%
		RSU	6,468	0.00%	0.00%	0.00%	0.00%
Yael Almog	059284745	Ordinary shares	5,975	0.00%	0.00%	0.00%	0.00%
Asaf Azulay	052807120	Ordinary shares	3,685	0.00%	0.00%	0.00%	0.00%
Niv Polani	057764730	Ordinary shares	5,860	0.00%	0.00%	0.00%	0.00%
Ofar Koren	027875475	Ordinary shares	10,061	0.00%	0.00%	0.00%	0.00%
		RSU	2,612			0.00%	0.00%
Gilad Bloch	058487296		-	0.00%	0.00%	0.00%	0.00%

(1) The Bank holds 3,673,637 dormant shares; this holding constitutes 100% of the dormant shares.

(2) Par value NIS 1.0 for one ordinary share.

## Periodic Report 2018

### Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or related company near the date of the report on financial position (continued)

#### C. Holdings of securities of Hapoalim Hanpakot and Poalim International by interested parties and senior officers

Interested party	Corporation/ ID number	Security	Quantity
Altshuler-Shaham Provident Funds and Pension Ltd.	511446551	POALIM HAN 32	1,122,221
		POALIM HAN 33	202,156,043
		POALIM HAN 34	230,397,538
		POALIM HAN 36	250,000,000
Altshuler-Shaham Mutual Fund Management Ltd.	511446551	POALIM HAN B10	63,575,377
		POALIM HAN B11	38,918,741
		POALIM HAN 29	26,738,077
		POALIM HAN B14	12,155,450
		POALIM HAN 32	65,291,418
		POALIM HAN 33	68,565,697
		POALIM HAN 34	109,516,432
		POALIM HAN 35	30,540,000
		POALIM HAN 36	18,200,000

Holdings of interested party – Bank Hapoalim B.M.: See Standard 11A.

#### Additional details regarding principal holders

##### 1. Controlling parties of Arison Holdings (1998) Ltd.

	Rate of holding of capital
Eternity Holdings One Trust <sup>(1)</sup>	30%
Eternity Four-A Trust <sup>(1)</sup>	70%
Total	100%

- (1) Eternity Holdings One Trust and Eternity Four-A Trust (the “Trusts”) hold 30% and 70%, respectively, of the shares of Arison Holdings (1998) Ltd. (“Arison Holdings”). The trustees of the Eternity Holdings One Trust are The Northern Trust Company of Delaware and Fides VE LLC, and the trustees of the Eternity Four-A Trust are The Northern Trust Company of Delaware and Braiden Services LLC. Ms. Shari Arison is the principal beneficiary of the Trusts and shall have the exclusive discretion to vote at the shareholder meetings of Arison Holdings under a power of attorney granted to her by the trustees. The powers of attorney were granted with the intention not to revoke them as long as Arison Holdings holds shares of the Bank.

It is clarified that the rate of holding of Arison Holdings in voting power was calculated with reference to the total shares that it holds, and was not reduced according to the directive in the holding permit received by Ms. Arison from the Bank of Israel, pursuant to which, from the inception date of the permit, Arison shall not vote using the power of voting rights in excess of 5% of the means of control of the Bank. Accordingly, the holding rates in voting of the other holders were also not increased. For details regarding the directives of the holding permit, see the Immediate Report of the Bank of September 4, 2018 (reference no. 2018-01-082039).

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### **Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or related company near the date of the report on financial position (continued)**

#### **2. Controlling parties of Altshuler-Shaham Ltd.**

The following information is presented as submitted to the Bank by the interested party. Altshuler-Shaham Ltd. ("AS") is an institutional reporting group consisting of Altshuler-Shaham Provident Funds and Pension Ltd. ("AS Provident Funds and Pension") and Altshuler-Shaham Mutual Fund Management Ltd. ("AS Mutual Funds").

Controlling parties of AS:

Gilad Altshuler, ID no. 057379315, through a 100% holding in Gilad Altshuler Holdings Ltd., which holds 44.55% of the shares of AS. Kalman Shaham, ID no. 000915983, through a 100% holding in Kalman Shaham Holdings Ltd., which holds 44.55% of the shares of AS. Roni Benin Bar, ID no. 336289202, who holds 9.89% of the shares of AS in trust.

Controlling parties of AS Provident Funds and Pension:

(a) the controlling parties of AS, as stated in the note above, through their holding in AS, which holds 61.75% of AS Provident Funds and Pension directly and 19% indirectly, through a holding (directly and indirectly through AS Provident Funds Holdings Ltd.) of 49.67% in Perfect (Y.N.E.) Capital Markets Ltd. ("Perfect"), which holds 38.25% of AS Provident Funds and Pension; and (b) Yair Lowenstein, through a 100% holding in Yair Lowenstein Holdings Ltd., which holds 50.33% of Perfect, which, as noted, holds 38.25% of AS Provident Funds and Pension.

Controlling parties of AS Mutual Funds:

The controlling parties of AS Mutual Funds are the controlling parties of AS, as noted above, through their holding in AS, which holds 80% of the shares of AS Mutual Funds.

## Periodic Report 2018

### Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or related company near the date of the report on financial position (continued)

#### D. Holdings of subsidiaries in shares of subsidiaries or related companies

Name of company held by interested party	Name of interested party	Number at Companies Registrar	Name of security	Number of shares	Par value per share	Currency	Rate of holding			
							Par value held at balance sheet date	In capital	In voting	In authority to appoint directors
AMI Trustees Ltd.	Hapoalim American Israeli Ltd.	510373053	Ordinary shares	50,000	0.00	NIS	5.0	100%	100%	100%
Bami Nechasim Ltd.	AMI Trustees Ltd.	511584781	Ordinary shares	1	1.00	NIS	1.0	1%	1%	1%
Bami Nechasim Ltd.	Hapoalim American Israeli Ltd.	511584781	Ordinary shares	99	1.00	NIS	99.0	99%	99%	99%
BHI Investment Advisors Asia	Bank Hapoalim (Switzerland) Ltd.	1465245	Ordinary shares	9,000,000	1.00	Other	9,000,000.0	100%	100%	100%
BHI Global Investment Advisors (Israel) Ltd.	Bank Hapoalim (Switzerland) Ltd.	515082931	Ordinary shares	1,000	1.00	NIS	1,000.0	100%	100%	100%
BHI – USA Holdings Inc.	Poalim Capital Markets (Euro) Ltd.	352460912	Ordinary shares	100	1.00	USD	100.0	100%	100%	100%
Bank Pozitif Kredi Ve Kalkinma Bankasi A.S.	Tarshish Hapoalim Holdings and Investments Ltd.	774483903	Ordinary shares	2,355,146,874	0.10	Other	235,514,687.4	70%	70%	70%
Global Factoring Ltd.	Isracard Ltd.	513634394	Ordinary shares	2,000,000	1.00	NIS	2,000,000.0	100%	100%	100%
Diur B.P. Ltd.	Opaz Ltd.	510237878	Ordinary shares	1,066	0.10	NIS	106.6	100%	100%	100%
Diur B.P. Investments (1992) Ltd.	Diur B.P. Ltd.	511727232	Ordinary shares	100	1.00	NIS	100.0	100%	100%	100%
Diur B.P. Properties (1993) Ltd.	Diur B.P. Ltd.	511895773	Ordinary shares	100	1.00	NIS	100.0	100%	100%	100%
Hapoalim (Latin America) S.A.	Bank Hapoalim (Cayman) Ltd.	774177877	Bearer	398,537,083	1.00	UYU	398,537,083.0	100%	100%	100%
Hapoalim Nechasim (Menayot) Ltd.	Opaz Ltd.	511391278	Ordinary shares	100	1.00	NIS	100.0	100%	100%	100%
Hapoalim Securities U.S.A. Inc.	BHI – USA Holdings Inc.	133732556	Common	10	0.01	USD	0.1	100%	100%	100%
Hevrat Nemanut Aseret Alafim Veachat Ltd.	Poalim Trust Services Ltd.	510729205	Ordinary shares	10	0.00	NIS	0.0	100%	100%	100%
Hevrat Nemanut Aseret Alafim Veshtaim Lavan Ltd.	Poalim Trust Services Ltd.	510729742	Ordinary shares	10	0.00	NIS	0.0	100%	100%	100%
Hetzron Hevra Lehashkaot Ltd.	Revadim (Nechasim) Ltd.	510364508	Ordinary shares	335,880	0.10	NIS	33,588.0	33%	33%	33%
Trinel Trading and Investment Ltd.	Bank Hapoalim (Switzerland) Ltd.	900000606	Ordinary shares	1,500	100.00	CHF	150,000.0	100%	100%	100%
Europay (Eurocard) Israel Ltd.	Isracard Ltd.	510595036	Ordinary shares	18,066,344	0.00	NIS	1,806.6	100%	49%	49%
Europay (Eurocard) Israel Ltd.	Isracard Ltd.	510595036	Special shares	1	0.00	NIS	0.0	0%	51%	51%
Yefet Nominees Ltd.	Hapoalim American Israeli Ltd.	510125784	Ordinary shares	1,000.00	0.00	NIS	0.1	100%	100%	100%
Isracard (Nechasim) 1994 Ltd.	Isracard Ltd.	512053513	Ordinary shares	9,999	1.00	NIS	9,999.0	100%	100%	100%

## Periodic Report 2018

### Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or related company near the date of the report on financial position (continued)

#### D. Holdings of subsidiaries in shares of subsidiaries or related companies (continued)

Name of company held by interested party	Name of interested party	Number at Companies Registrar	Name of security	Number of shares	Par value per share	Currency	Par value held at balance sheet date	Rate of holding		
								In capital	In voting	In authority to appoint directors
Isracard Mimun Ltd.	Isracard Ltd.	513497628	Ordinary shares	10,000	1.00	NIS	10,000.0	100%	100%	100%
Mivnim Vetsiud Ltd.	Bitzur Ltd.	510439284	Ordinary shares	5.00	0.10	NIS	0.5	5%	5%	5%
May-Oz Ltd.	Diur B.P. Ltd.	511470999	Ordinary shares	100	1.00	NIS	100.0	100%	100%	100%
C Bilisim Teknolojileri	Bank Pozitif Kredi Ve Kalkinma Bankasi A.S.	500422084	Ordinary shares	3,986,850	1.00	Other	3,986,850.0	100%	100%	100%
C Bilisim Teknolojileri	Agam Hevra Finansit Ltd.	500422084	Ordinary shares	4,375	1.00	Other	4,375.0	0%	0%	0%
C Bilisim Teknolojileri	Igarot Hevra Lehanpakot shel Bank Hapoalim Ltd.	500422084	Ordinary shares	4,375	1.00	Other	4,375.0	0%	0%	0%
C Bilisim Teknolojileri	Teuda Hevra Finansit Ltd.	500422084	Ordinary shares	4,375	1.00	Other	4,375.0	0%	0%	0%
PAM Holdings Ltd.	Poalim Betevuna Ltd.	740001433	Ordinary shares	771,739	1.00	GBP	771,739.0	100%	100%	100%
Poalim Ofakim Ltd.	Hapoalim Nechasim (Menayot) Ltd.	513624338	Ordinary shares	50,000	1.00	NIS	50,000.0	100%	100%	100%
Poalim Asset Management (UK) Ltd.	PAM Holdings Ltd.	740001441	Ordinary shares	1,000,000	1.00	GBP	1,000,000.0	100%	100%	100%
Poalim Delta Fund L.P	Poalim Ventures Ltd.	550019012	No share capital	99	1.00	NIS	99.0	99%	99%	99%
Poalim Ventures Fund Management Ltd.	Poalim Ventures Ltd.	512433194	Ordinary shares	999	1.00	NIS	999.0	100%	100%	100%
Poalim Ventures Fund Management Ltd.	Poalim Capital Markets & Investments - Holdings Ltd.	512433194	Ordinary shares	1	1.00	NIS	1.0	0%	0%	0%
Poalim Ventures I Ltd.	Poalim Ventures Ltd.	512882317	Ordinary shares	110,000	0.01	NIS	1,100	6%	6%	0%
Poalim Ventures I Ltd.	Poalim Ventures Fund Management Ltd.	512882317	No share capital	1	1.00	NIS	1.0	0%	0%	100%
Poalim Ventures I Ltd.	Poalim Capital Markets Ltd.	512882317	Ordinary shares	951,330	0.01	NIS	9,513.3	48%	48%	0%
Poalim Ventures II L.P	Poalim Ventures Fund Management Ltd.	530205905	No share capital	100	1.00	NIS	100.0	0%	0%	100%
Poalim Ventures Ltd.	Poalim Capital Markets & Investments - Holdings Ltd.	510820046	Ordinary shares	151,660,886	0.01	NIS	1,516,608.9	100%	100%	100%
Poalim Ventures Services Israel Ltd.	Hapoalim Nechasim (Menayot) Ltd.	510464795	A ordinary shares	2,698	0.10	NIS	269.8	100%	100%	100%



## Periodic Report 2018

### Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or related company near the date of the report on financial position (continued)

#### D. Holdings of subsidiaries in shares of subsidiaries or related companies (continued)

Name of company held by interested party	Name of interested party	Number at Companies Registrar	Name of security	Number of shares	Par value per share	Currency	Par value held at balance sheet date	Rate of holding		
								In capital	In voting	In authority to appoint directors
Poalim Mortgages Insurance Agency (2005) Ltd.	Poalim Ofakim Ltd.	513661025	Ordinary shares	1,000	1.00	NIS	1,000.0	100%	100%	100%
Poalim Capital Markets - Investment House Ltd.	Bitzur Ltd.	520032541	Ordinary shares	180,628,882	1.00	NIS	180,628,882.0	100%	100%	100%
Poalim Capital Markets Ltd.	Poalim Capital Markets & Investments - Holdings Ltd.	511465593	Ordinary shares	21,801,000	1.00	NIS	21,801,000.0	100%	100%	100%
Poalim Financial Markets - Financial Applications & Research Ltd.	Poalim Capital Markets & Investments - Holdings Ltd.	511735185	Ordinary shares	99	1.00	NIS	99.0	99%	99%	99%
Poalim Financial Markets - Financial Applications & Research Ltd.	Poalim Capital Markets Ltd.	511735185	Ordinary shares	1	1.00	NIS	1.0	1%	1%	1%
Poalim Capital Markets (Euro) Ltd.	Poalim Capital Markets & Investments - Holdings Ltd.	512693441	Ordinary shares	1	1.00	NIS	1.0	0%	0%	0%
Poalim Capital Markets (Euro) Ltd.	Poalim Capital Markets & Investments - Holdings Ltd.	512693441	Ordinary shares	999	1.00	NIS	999.0	100%	100%	100%
Poalim Capital Markets & Investments - Holdings Ltd.	Poalim Capital Markets - Investment House Ltd.	520043290	A ordinary shares	1,855,445	0.00	NIS	185.5	20%	48%	48%
Poalim Capital Markets & Investments - Holdings Ltd.	Poalim Capital Markets - Investment House Ltd.	520043290	B ordinary shares	2,836,485	0.00	NIS	283.6	28%	0%	0%
Poalim Capital Markets & Investments - Holdings Ltd.	Tarshish Hapoalim Holdings and Investments Ltd.	520043290	A ordinary shares	1,829,935	0.00	NIS	183.0	19%	47%	47%
Poalim Capital Markets & Investments - Holdings Ltd.	Tarshish Hapoalim Holdings and Investments Ltd.	520043290	B ordinary shares	2,797,487	0.00	NIS	279.7	28%	0%	0%
PCM Hudson Holdings LLC	Poalim Ventures Ltd.	980582800	Ordinary shares	100	1.00	NIS	100.0	100%	100%	100%

## Periodic Report 2018

### Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or related company near the date of the report on financial position (continued)

#### D. Holdings of subsidiaries in shares of subsidiaries or related companies (continued)

Name of company held by interested party	Name of interested party	Number at Companies Registrar	Name of security	Number of shares	Par value per share	Currency	Par value held at balance sheet date	Rate of holding		
								In capital	In voting	In authority to appoint directors
PCM Hudson Management Company Holdings L.P.	Poalim Ventures Ltd.	980582799	Ordinary shares	99	1.00	NIS	99.0	99%	99%	99%
PCM Hudson Management Company Holdings L.P.	PCM Hudson Holdings LLC	980582799	Ordinary shares	1	1.00	NIS	1.0	1%	1%	1%
Pimar Hevra Lebinyan Vepitooah Ltd.	Poalim Capital Markets & Investments - Holdings Ltd.	511567471	Ordinary shares	26	1.00	NIS	26.0	26%	0%	0%
Pimar Hevra Lebinyan Vepitooah Ltd.	Poalim Capital Markets & Investments - Holdings Ltd.	511567471	Management shares	5	1.00	NIS	5.0	0%	50%	50%
Tzadit Ltd.	Revadim (Nechasim) Ltd.	510437494	Ordinary shares	114,799	0.00	NIS	11.5	100%	100%	100%
Tzameret Mimunim Ltd.	Isracard Ltd.	512834896	Ordinary shares	3,000	1.00	NIS	3,000.0	100%	100%	100%
Sure-Ha International Ltd.	Opaz Ltd.	740000401	Ordinary shares	4,999,999	1.00	USD	4,999,999.0	100%	100%	100%
Tot Tiyur Vetiyl Ltd.	Rotesa Ltd.	510810294	Founders' shares	1	0.00	NIS	0.0	0%	100%	100%
Teus Development Areas Ltd.	Diur B.P. Ltd.	510549249	Ordinary shares	5,219	0.10	NIS	521.9	10%	0%	0%
Teus Development Areas Ltd.	Diur B.P. Ltd.	510549249	Preferred shares	36,000	0.01	NIS	360.0	7%	0%	0%
Teus Development Areas Ltd.	Diur B.P. Ltd.	510549249	Preferred shares A	40,250,000	0.00	NIS	4,025.0	75%	0%	0%
Teus Development Areas Ltd.	Diur B.P. Ltd.	510549249	Special shares	1	0.10	NIS	0.1	0%	100%	100%

## Periodic Report 2018

### Standard 24A

Share capital	Amount in NIS	
	Registered	Issued and paid-up
Ordinary shares of NIS 1	4,000,000,000	1,337,377,111

### Dormant shares

Bank Hapoalim B.M. holds 3,673,637 dormant shares; this holding constitutes 100% of the dormant shares. The number of shares included in issued share capital, excluding the dormant shares that confer no rights, is 1,333,703,474. The shares are listed for trading on the Tel Aviv Stock Exchange.

## Periodic Report 2018

### Standard 24B: Registry of shareholders

<b>Book of shareholders – Bank Hapoalim B.M.</b>	<b>Number of shares</b>
Bank Hapoalim Nominee Company Ltd.*	1,337,303,315
Savion Tal	35,800
Tzitzian Avraham	31,680
Don Maxwell	2,450
Florsheim Mark and Zippora	1,640
Agmon Eliahu	700
Berkner Albert	603
Levy Victoria	544
Mindel Shira Milca	122
Geva Arie	100
Pentzer Natan	75
Zachs Eran	40
Yehuda Bar-Lev	10
Neuman David	10
Aharon Elias	10
Caleb Victoria	5
IMM C. Investments and Finance Ltd.	2
Zaktzar Ram	1
Tal Erez	1
Kramer Moshe	1
Feldman Avi	1
Livnat Raz	1
<b>Total</b>	<b>1,337,377,111</b>

\* The quantity of shares at the Nominee Company includes 3,673,637 dormant shares owned by Bank Hapoalim.

## Periodic Report 2018

### Standard 26: Board of Directors of the Bank<sup>(1)</sup>

Name	Oded Eran
Personal details	<p>Identification number: 053378824</p> <p>Date of birth: May 28, 1955</p> <p>Address: Tzamarot 171/6, Herzeliya</p> <p>Citizenship: Israeli and German</p>
Membership in committees of the Board of Directors	<p>Chairperson of the following board committees: the Corporate Governance and Stakeholders Committee, the Credit Committee, and the Information Technology and Technological Innovation Committee.</p> <p>Member of the following board committees: the Strategy and Business Development Committee and the Risk Management and Control Committee.</p> <p>Also served as chairperson of the Finance and Prospectus Committee until the committee was dissolved on October 29, 2018.</p>
Is the director an independent/external director according to the Companies Law or an external director according to Directive 301?	No.
Is the director an employee of the company, or of a subsidiary, related company, or interested party thereof?	Chairman of the Board of Directors of the Bank as of January 1, 2017.
Date of commencement of service as a director of the company	February 18, 2016.
Education and occupation in last five years, with details of service at corporations as a director	<p>M.A. in Law, Tel Aviv University; M.A. in Literature, Tel Aviv University; B.A. in Law, Tel Aviv University; B.A. in Humanities, Open University.</p> <p>Director and controlling shareholder of the companies: Oded Eran Law Office; Minortil Ltd.</p> <p>Chairperson of the executive board of Poalim for the Community (Registered Non-Profit Association); member of the foundation and of the executive board of the Peretz Naftali Fund (Registered Non-Profit Association); member of the executive council of Tel Aviv University; and member of the executive board of the Association of Banks.</p> <p>Served as a special consultant to the law firm Goldfarb Seligman &amp; Co. and as an external lecturer at the Department of Law, Tel Aviv University.</p> <p>Served in the past as a director at The Whole Person Association.</p>
Is the director considered by the company to be a director with accounting and financial expertise, a director with professional qualification, or an expert director?	<p>A director with accounting and financial expertise and professional qualification.</p> <p>An expert director.</p>
To the best of the knowledge of the company and the directors, is the director a family member of another interested party of the corporation?	No.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of directors is provided for the period of the last five years.

## Periodic Report 2018

### Standard 26: Board of Directors of the Bank<sup>(1)</sup> (continued)

Name	Ronit Abramson Rokach
Personal details	<p>Identification number: 054121108</p> <p>Date of birth: August 17, 1957</p> <p>Address: Shimshon 5, Jerusalem</p> <p>Citizenship: Israeli</p>
Membership in committees of the Board of Directors	<p>Chairperson of the Audit Committee of the Board of Directors.</p> <p>Member of the following board committees: the Risk Management and Control Committee, the Corporate Governance and Stakeholders Committee, and the Remuneration Committee .</p> <p>Served as chairperson of the Remuneration Committee from February 5, 2018 to April 12, 2018.</p>
Is the director an independent/external director according to the Companies Law or an external director according to Directive 301?	External director pursuant to the directives of the Companies Law.
Is the director an employee of the company, or of a subsidiary, related company, or interested party thereof?	No.
Date of commencement of service as a director of the company	February 5, 2018.
Education and occupation in last five years, with details of service at corporations as a director	<p>L.L.B., Hebrew University of Jerusalem.</p> <p>Legal advisor for companies, securities, and banking (Ronit Abramson Legal Services Ltd.).</p> <p>Member of the executive board of the Shiluv Family and Couples Therapy Institute (Registered Non-Profit Association), the Jerusalem Foundation (Registered Non-Profit Association), Beit Berl College (Registered Non-Profit Association), and the general assembly of the Zippori Center for Training and Leadership Ltd. (Public Benefit Company).</p> <p>Served in the past as a director at the following companies: Migdal Insurance Company Ltd., Migdal Insurance and Financial Holdings Ltd., Migdal Capital Markets Ltd., and Carmel Olefins Ltd. (external director).</p>
Is the director considered by the company to be a director with accounting and financial expertise, a director with professional qualification, or an expert director?	<p>A director with professional qualification.</p> <p>An expert director.</p>
To the best of the knowledge of the company and the directors, is the director a family member of another interested party of the corporation?	No.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of directors is provided for the period of the last five years.

## Periodic Report 2018

### Standard 26: Board of Directors of the Bank<sup>(1)</sup> (continued)

Name	Dalia Lev
Personal details	<p>Identification number: 007555337</p> <p>Date of birth: August 2, 1947</p> <p>Address: Bnei Moshe 16/33, Tel Aviv</p> <p>Citizenship: Israeli</p>
Membership in committees of the Board of Directors	<p>Chairperson of the Remuneration Committee of the Board of Directors.</p> <p>Member of the following board committees: the Credit Committee, the Audit Committee, the Strategy and Business Development Committee, and the Information Technology and Technological Innovation Committee.</p>
Is the director an independent/external director according to the Companies Law or an external director according to Directive 301?	External director pursuant to the directives of the Companies Law.
Is the director an employee of the company, or of a subsidiary, related company, or interested party thereof?	No.
Date of commencement of service as a director of the company	April 12, 2018.
Education and occupation in last five years, with details of service at corporations as a director	<p>CPA, Hebrew University.</p> <p>LLM, Bar Ilan University.</p> <p>Advanced Management Program, Harvard Business School.</p> <p>Certified mediator, Israel Bar Association.</p> <p>Director at Belgal Ltd. (wholly-owned company).</p> <p>Mentor for directors at the Jasmine Foundation (Registered Non-Profit Association).</p> <p>Served in the past as a director at the following companies: First International Bank of Israel Ltd., Strauss Group Ltd., Paz Oil Company Ltd.</p>
Is the director considered by the company to be a director with accounting and financial expertise, a director with professional qualification, or an expert director?	<p>A director with accounting and financial expertise and professional qualification .</p> <p>An expert director.</p>
To the best of the knowledge of the company and the directors, is the director a family member of another interested party of the corporation?	No.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of directors is provided for the period of the last five years.

## Periodic Report 2018

### Standard 26: Board of Directors of the Bank<sup>(1)</sup> (continued)

<b>Name</b>	<b>Yacov Peer</b>
Personal details	Identification number: 052242609 Date of birth: April 16, 1954 Address: Rimalt Elimelech 4, Ramat Gan Citizenship: Israeli
Membership in committees of the Board of Directors	The Credit Committee, the Strategy and Business Development Committee, the Audit Committee, and the Risk Management and Control Committee.
Is the director an independent/external director according to the Companies Law or an external director according to Directive 301?	External director pursuant to Directive 301, and independent director.
Is the director an employee of the company, or of a subsidiary, related company, or interested party thereof?	No.
Date of commencement of service as a director of the company	October 6, 2010.
Education and occupation in last five years, with details of service at corporations as a director	M.B.A., Industrial Engineering and Management, Ben-Gurion University; B.A. in Economics, Ben-Gurion University. Financial and management consultant for small businesses.
Is the director considered by the company to be a director with accounting and financial expertise, a director with professional qualification, or an expert director?	A director with accounting and financial expertise and professional qualification. An expert director.
To the best of the knowledge of the company and the directors, is the director a family member of another interested party of the corporation?	No.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of directors is provided for the period of the last five years.



## Periodic Report 2018

### Standard 26: Board of Directors of the Bank<sup>(1)</sup> (continued)

<b>Name</b>	<b>Moshe Koren</b>
Personal details	<p>Identification number: 1228998</p> <p>Date of birth: July 8, 1938</p> <p>Address: Ben Yehuda 5, Kiryat Ono</p> <p>Citizenship: Israeli</p>
Membership in committees of the Board of Directors	<p>Chairperson of the Risk Management and Control Committee of the Board of Directors.</p> <p>Member of the following board committees: the Credit Committee, the Audit Committee, and the Remuneration Committee.</p> <p>Served as chairperson of the Credit Committee until April 12, 2018.</p>
Is the director an independent/external director according to the Companies Law or an external director according to Directive 301?	No.
Is the director an employee of the company, or of a subsidiary, related company, or interested party thereof?	No.
Date of commencement of service as a director of the company	August 3, 1992.
Education and occupation in last five years, with details of service at corporations as a director	<p>B.A. in Economics and Statistics, Hebrew University; graduate of Financial Statement Analysis courses.</p> <p>Banking and financial consultant.</p> <p>Director at Privacy Rating Ltd.</p>
Is the director considered by the company to be a director with accounting and financial expertise, a director with professional qualification, or an expert director?	<p>A director with accounting and financial expertise and professional qualification.</p> <p>An expert director.</p>
To the best of the knowledge of the company and the directors, is the director a family member of another interested party of the corporation?	No.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of directors is provided for the period of the last five years.

## Periodic Report 2018

### Standard 26: Board of Directors of the Bank<sup>(1)</sup> (continued)

<b>Name</b>	<b>Richard Kaplan</b>
Personal details	<p>Identification number: 011176500</p> <p>Date of birth: August 28, 1955</p> <p>Address: Levy Eshkol 16/63, Tel Aviv</p> <p>Citizenship: Citizenship: Israeli and American</p>
Membership in committees of the Board of Directors	The Corporate Governance Committee and the Strategy and Business Development Committee.
Is the director an independent/external director according to the Companies Law or an external director according to Directive 301?	No.
Is the director an employee of the company, or of a subsidiary, related company, or interested party thereof?	No.
Date of commencement of service as a director of the company	July 1, 2018.
Education and occupation in last five years, with details of service at corporations as a director	<p>Mechanical engineer, Brown University.</p> <p>J.D., Cornell University.</p> <p>Served in the past as VP and head of global financial services development at IBM, CEO of IBM Israel, member of the board of directors of the Israel-US Chamber of Commerce, and chairperson of the board of trustees of Hadassah.</p>
Is the director considered by the company to be a director with accounting and financial expertise, a director with professional qualification, or an expert director?	<p>A director with professional qualification.</p> <p>An expert director.</p>
To the best of the knowledge of the company and the directors, is the director a family member of another interested party of the corporation?	No.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of directors is provided for the period of the last five years.

## Periodic Report 2018

### Standard 26: Board of Directors of the Bank<sup>(1)</sup> (continued)

<b>Name</b>	<b>Reuven Krupik</b>
Personal details	<p>Identification number: 013482518</p> <p>Date of Birth: August 22, 1951</p> <p>Address: Ha'Emek 3, Hod Hasharon</p> <p>Citizenship: Israeli and Argentinian</p>
Membership in committees of the Board of Directors	<p>Chairperson of the Strategy and Business Development Committee.</p> <p>Member of the following board committees: the Audit Committee, the Corporate Governance and Stakeholders Committee, and the Information Technology and Technological Innovation Committee.</p>
Is the director an independent/external director according to the Companies Law or an external director according to Directive 301?	External director pursuant to Directive 301, and independent director.
Is the director an employee of the company, or of a subsidiary, related company, or interested party thereof?	No.
Date of commencement of service as a director of the company	February 18, 2016.
Education and occupation in last five years, with details of service at corporations as a director	<p>B.A. in Social Sciences (specialized in economics and political science), Hebrew University of Jerusalem;</p> <p>L.L.B., Tel Aviv University;</p> <p>graduate of business course at the Kellogg Recanati Center, Tel Aviv University.</p> <p>Director of companies, business entrepreneur.</p> <p>Director at NYK Technologies (family firm).</p> <p>Member of the executive board of the Institute for Medical BioMathematics (Registered Non-Profit Association).</p> <p>Served in the past as CEO of Clal Biotechnology Industries Ltd.; partner, chairperson of the board, and CEO of Arte Venture Group Ltd.; chairperson of the board of the following companies: Gamida Cell Ltd., Mediwound Ltd., and Andromeda Biotech Ltd.; and as a member of the board of directors of the following companies: CureTech Ltd., Recanati Winery Ltd. and Campus Bio Management Ltd.</p>
Is the director considered by the company to be a director with accounting and financial expertise, a director with professional qualification, or an expert director?	<p>A director with accounting and financial expertise and professional qualification.</p> <p>An expert director.</p>
To the best of the knowledge of the company and the directors, is the director a family member of another interested party of the corporation?	No.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of directors is provided for the period of the last five years.

## Periodic Report 2018

### Standard 26: Board of Directors of the Bank<sup>(1)</sup> (continued)

<b>Dafna Schwartz</b> Identification number: 050172667 Date of birth: August 8, 1950	Served as a member of the Board of Directors of the Bank until April 6, 2018.
<b>Amnon Dick</b> Identification number: 051770568 Date of birth: November 20, 1952	Served as a member of the Board of Directors of the Bank until April 28, 2018.
<b>Meir Wietchner</b> Identification number: 059681593 Date of birth: May 2, 1965	Served as a member of the Board of Directors of the Bank until September 4, 2018.
<b>Efrat Peled</b> Identification number: 027224773 Date of Birth: May 16, 1974	Served as a member of the Board of Directors of the Bank until September 4, 2018.
<b>Ido Stern</b> Identification number: 031571904 Date of Birth: March 19, 1978	Served as a member of the Board of Directors of the Bank until September 4, 2018.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of directors is provided for the period of the last five years.

## Periodic Report 2018

### Standard 26A: Senior officers of the Bank<sup>(1)</sup>

<b>Name</b>	<b>Ari Pinto</b>
Personal details	Identification number: 069042505 Date of birth: December 22, 1961
Date of beginning of service	Member of the Board of Management as of September 8, 2009.
Position at the corporation or at a subsidiary, related company, or interested party thereof	President and Chief Executive Officer as of August 1, 2016.
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	B.A. in Business Administration, New England College, Henniker, US; M.A. in Public Administration, Clark University, Boston, US; certificate in Applied Roles of Directors, Israel Management Center; certificate in General Management, Bar Ilan University. From February 2016 to July 2016, Deputy CEO, Chief Operating Officer (COO), Head of Strategy, Resources, and Operations. From November 2013 to February 2016, Head of Retail Banking. Member of the executive board of Poalim for the Community (Registered Non-Profit Association), the executive board of the Association of Banks, and the Advisory Committee on Banking.

<b>Name</b>	<b>Yael Almog</b>
Personal details	Identification number: 59284745 Date of birth: March 6, 1968
Date of beginning of service	Member of the Board of Management as of June 1, 2017.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Chief Legal Advisor of the Bank as of March 1, 2018.
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	L.L.B., Tel Aviv University; M.A. in Law, Columbia University, New York. From June 2017 to February 2018, Head of Stakeholder Relations. From March 2012 to May 2017, executive director of the IFRS, London. Member of the executive boards of Poalim for the Community (Registered Non-Profit Association) and the Peretz Naftali Fund (Registered Non-Profit Association).

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of senior officers of the Bank is provided for the period of the last five years.

## Periodic Report 2018

### Standard 26A: Senior officers of the Bank<sup>(1)</sup> (continued)

<b>Name</b>	<b>Amir Bachar</b>
Personal details	Identification number: 029331113 Date of birth: April 20, 1972.
Date of beginning of service	Member of the Board of Management as of May 29, 2018.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Chief Risk Officer (CRO)
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	B.A. in Law and Economics, Hebrew University; M.A. in Economics and Ph.D. in Law, Hebrew University. From November 2016 to May 2018, Advising and Research Division Manager. From November 2010 to October 2016, Chief Compliance Officer of the Bank. External lecturer on banking law at the Hebrew University.

<b>Name</b>	<b>Eti Ben-Zeev</b>
Personal details	Identification number: 023571540 Date of birth: December 2, 1967
Date of beginning of service	Member of the Board of Management as of February 14, 2016.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Head of Information Technology. Chairperson of the board of directors at the subsidiary Poalit Ltd.
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	B.A. in Mathematics and Computer Science, Tel Aviv University; M.B.A., Tel Aviv University. From August 2014 to January 2016, Application Development Division Manager. From April 2010 to August 2014, Infrastructure Division Manager.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of senior officers of the Bank is provided for the period of the last five years.

## Periodic Report 2018

### Standard 26A: Senior officers of the Bank<sup>(1)</sup> (continued)

Name	Yael Dromi
Personal details	Identification number: 025198193 Date of birth: January 6, 1973
Date of beginning of service	Member of the Board of Management as of March 1, 2018.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Head of Stakeholder Relations.
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	B.A. in Psychology and Communications, Tel Aviv University. From 2014 to 2017, managing partner at My Storiez. From 1999 to 2014, editor and senior staff member at <i>Yedioth Ahronoth</i> .

Name	Erez Yosef
Personal details	Identification number: 023086101 Date of birth: October 2, 1967
Date of beginning of service	Member of the Board of Management as of July 1, 2016.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Chief Operating Officer (COO); Head of Strategy, Resources, and Operations. Chairperson of the boards of directors of the following subsidiaries: Avuka Hevra le Hashkaot Ltd., Mivnim Vetsiud Ltd., Alzur Property Development Company Ltd., Tzadit Ltd., Revadim (Nechasim) Ltd., Ramchal Poalim Ltd., and Bitan Investments and Mortgages Ltd.
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	B.A. in Management and Economics, Open University; M.B.A., Open University; graduate of Directors and Officers at Corporations course, Lahav Executive Development. From February 2016 to June 2016, Strategy and Organizational PMO Division Manager. From January 2013 to February 2016, Finance and Management Information Division Manager. Served in the past as chairperson of the board of directors at the subsidiary BAMI Nechasim Ltd.

- (1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of senior officers of the Bank is provided for the period of the last five years.

## Periodic Report 2018

### Standard 26A: Senior officers of the Bank<sup>(1)</sup> (continued)

<b>Name</b>	<b>Tsahi Cohen</b>
Personal details	Identification number: 022007587 Date of birth: September 29, 1965
Date of beginning of service	Member of the Board of Management as of July 1, 2012.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Head of Corporate Banking as of March 1, 2018. Chairperson of the boards of directors of the following subsidiaries: Diur B.P. Ltd., Diur B.P. Investments (1992) Ltd., Diur B.P. Properties (1993) Ltd., and Poalim Trust Services Ltd.
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	B.Sc. in Aeronautical Engineering, Technion, Haifa; M.B.A., Tel Aviv University. From July 2012 to February 2018, Chief Risk Officer.

<b>Name</b>	<b>Ofer Levy</b>
Personal details	Identification number: 052222577 Date of birth: February 15, 1954
Date of beginning of service	Member of the Board of Management as of May 1, 2006.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Chief Accountant. Chairperson of the boards of directors of the following subsidiaries: AMI Trustees Ltd., Yefet Nominees Ltd.
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	B.A. in Accounting and Economics, Tel Aviv University. CPA. Served in the past as a member of the board of directors of the subsidiary Poalim Express Ltd.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of senior officers of the Bank is provided for the period of the last five years.



## Periodic Report 2018

### Standard 26A: Senior officers of the Bank<sup>(1)</sup> (continued)

Name	Yadin Antebi
Personal details	Identification number: 028078525 Date of birth: October 31, 1970
Date of beginning of service	Member of the Board of Management as of July 23, 2013.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Head of Financial Markets and International Banking as of May 29, 2018.  Chairperson of the board of directors of the following subsidiaries: Bank Hapoalim Switzerland, Poalim Financial Holdings (1993) Ltd., Bank Hapoalim Nominee Company Ltd., Poalim Capital Markets and Investments Holdings Ltd., Poalim Capital Markets – Investment House Ltd., Poalim Capital Markets Ltd., Sure-Ha International Ltd., Pekaot Poalim Ltd., Continental Poalim Ltd., Opaz Ltd., Hapoalim American Israeli Ltd., Hapoalim Nechasim (Menayot) Ltd., Tarshish Holdings and Investments Hapoalim Ltd., Teuda Hevra Finansit Ltd., Hapoalim Hanpakot Ltd., and BAMI Nechasim Ltd.  Director at the subsidiary Hapoalim International.
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	B.A. in Accounting and Economics, Hebrew University of Jerusalem; M.B.A. (specialized in Finance), Hebrew University of Jerusalem.  CPA.  Director at Yadin Antebi Consulting Ltd.  From July 23, 2013, to May 29, 2018, Chief Financial Officer (CFO).  From February 2011 to July 2012, CEO of Dash Investment House.  From September 2005 to December 2009, Supervisor of the Capital Market, Insurance, and Savings at the Ministry of Finance.  Served in the past as chairperson of the boards of directors of the following companies: Poalim Mortgages Insurance Agency (2005) Ltd. and Poalim Ofakim Ltd.; as vice chairman of the board of directors at Bank Pozitif; and as a member of the boards of directors of the following companies: Dash Provident Funds Ltd. and Tachlit Exchange Traded Notes Ltd.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of senior officers of the Bank is provided for the period of the last five years.

## Periodic Report 2018

### Standard 26A: Senior officers of the Bank<sup>(1)</sup> (continued)

<b>Name</b>	<b>Ofer Koren</b>
Personal details	Identification number: 027875475 Date of birth: September 19, 1970
Date of beginning of service	Member of the Board of Management as of May 29, 2018.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Chief Financial Officer (CFO) Director at the following subsidiaries: Diur B.P. Ltd., Diur B.P. Investments (1992) Ltd., and Diur B.P. Properties (1993) Ltd.
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	B.A. in Economics, Haifa University. M.B.A., Tel Aviv University. From 2017 to May 2018, Supervisor of the Increased Competition Law Implementation Unit. From 2013 to 2017, Head of the Strategic Management Center.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of senior officers of the Bank is provided for the period of the last five years.

## Periodic Report 2018

### Standard 26A: Senior officers of the Bank<sup>(1)</sup> (continued)

<b>Name</b>	<b>Ronen Stein</b>
Personal details	Identification number: 022537021 Date of birth: November 6, 1966
Date of beginning of service	Member of the Board of Management as of February 14, 2016.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Head of Retail Banking Chairperson of the boards of directors of the following subsidiaries: Poalim Mortgages Insurance Agency (2005) Ltd. and Poalim Ofakim Ltd.
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	B.A. in Economics, Hebrew University of Jerusalem; B.A. in Law, Interdisciplinary Center Herzliya. Licensed attorney – Israel Bar Association. Licensed investment advisor – Israel Securities Authority. From February 2015 to February 2016, CEO of the credit-card companies Isracard Ltd., Europay (Eurocard) Israel Ltd., and Poalim Express Ltd. From 2010 to January 2015, Retail Banking Division Manager. Member of the executive board of Round Up (Registered Non-Profit Association). Served in the past as chairperson of the boards of directors of the following companies: Isracard Ltd., Europay (Eurocard) Israel Ltd., Poalim Express Ltd., Tzameret Mimunim Ltd., Isracard Mimun Ltd., and Isracard (Nechasim) 1994 Ltd., and as a director at Global Factoring Ltd.
<b>Name</b>	<b>Golan Scherman</b>
Personal details	Identification number: 23706583 Date of birth: June 22, 1968
Date of beginning of service	Member of the Board of Management as of February 1, 2018.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Head of Innovation
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	B.A. in Economics, Bar-Ilan University; M.B.A., Ben-Gurion University. From December 2014 to January 2018, Retail Banking Division Manager.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of senior officers of the Bank is provided for the period of the last five years.

## Periodic Report 2018

### Standard 26A: Senior officers of the Bank<sup>(1)</sup> (continued)

<b>Name</b>	<b>Zeev Hayo</b>
Personal details	Identification number: 057069676 Date of birth: February 24, 1961
Date of beginning of service	Chief Internal Auditor as of July 14, 2014.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Chief Internal Auditor, Head of Internal Audit in Israel and Abroad.
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	B.A. in Accounting and Economics, Tel Aviv University. CPA. From July 2014 to April 2018, chief internal auditor of the following companies: Isracard Ltd., Europay (Eurocard) Israel Ltd., and Poalim Express Ltd. From August 2006 to July 2014, Operational Services Division Manager in the Financial Markets Area at Bank Hapoalim. Served in the past as CEO and director at Poalim Financial Holdings (1993) Ltd.; as chairperson of the board of directors of the following companies: Poalim Egoz Hevra Finansit Ltd., Poalim Shaked Hevra Finansit Ltd., Tevuat Poalim Ltd., Shoresh Poalim Ltd., and Mishor Poalim Ltd.; and as a director at the following companies: Nominees Company of Bank Hapoalim Ltd. and Tel Aviv Stock Exchange Ltd.
<b>Name</b>	<b>Gilad Bloch</b>
Personal details	Identification number: 028487296 Date of birth: March 15, 1971
Date of beginning of service	Corporate Secretary as of February 1, 2019.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Corporate Secretary
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	B.A. in Business Administration, Management College, Rishon Lezion. M.B.A., Executive MBA Program, Tel Aviv University. From June 2013 to January 2017, Credit Analysis Unit Manager in the Commercial Division of the Corporate Banking Area. From January 2017 to February 2019, Personal Assistant to the CEO in the areas of credit, compliance, and risk management.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of senior officers of the Bank is provided for the period of the last five years.

## Periodic Report 2018

### Standard 26A: Senior officers of the Bank<sup>(1)</sup> (continued)

<b>Name</b>	<b>Asaf Azulay</b>
Personal details	Identification number: 052807120 Date of birth: October 30, 1983
Date of beginning of service	Head of Marketing and Advertising as of March 1, 2017.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Head of Marketing and Advertising.
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	L.L.B., Ono Academic College. From 2014 to 2017, joint CEO of BBDO IM.
<b>Name</b>	<b>Avner Paz-Tzuk</b>
Personal details	Identification number: 058010844 Date of birth: February 3, 1963
Date of beginning of service	February 1, 2018.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Core Systems Modernization Plan Manager.
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	B.Sc. in Agricultural Engineering, Technion; M.B.A. with specialization in Finance, Bar-Ilan University. From 2013 to 2017, Chief Education Officer (Brigadier General), IDF. From 2010 to 2013, Head of Cyber Section (Colonel), Unit 8200, IDF.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of senior officers of the Bank is provided for the period of the last five years.

## Periodic Report 2018

### Standard 26A: Senior officers of the Bank<sup>(1)</sup> (continued)

Name	Niv Polani
Personal details	Identification number: 057764730 Date of birth: December 2, 1962
Date of beginning of service	May 1, 2018.
Position at the corporation or at a subsidiary, related company, or interested party thereof	Head of Business Development
Is the officer an interested party of the corporation, or a family member of another senior officer or of an interested party of the corporation?	No.
Education and business experience in the last five years, with details of professions or subjects in which education was acquired, the educational institution, and the academic degree or professional certification held by the officer	B.A. in Political Science and in Sociology and Anthropology, B.A. in Law, and M.A. in Public Policy, Tel Aviv University. In 2016-2017, served as Chief Compliance Officer of Bank Hapoalim B.M.; in 2010-2016, served as Deputy CEO and Legal Advisor at the credit-card company Visa CAL. Chairperson and president (unpaid), ECC Israel Branch Ltd. (Public Benefit Company)
<b>Dan Alexander Koller</b>	Served as Member of the Board of Management and Head of Financial Markets and International Banking from January 1, 2008 to May 29, 2018.
<b>Ronit Shapira</b>	Served as Corporate Secretary from July 1, 2015, to January 31, 2019.

(1) The information in this standard is as at the date of publication of the report, unless otherwise noted. In general, information regarding the past positions and occupations of senior officers of the Bank is provided for the period of the last five years.

## Periodic Report 2018

### **Standard 26B: Independent authorized signatories**

None.

### **Standard 27: Accountants of the Bank**

Ziv Haft, Certified Public Accountants, 48 Menachem Begin Rd., Tel-Aviv.

Somekh Chaikin, Certified Public Accountants, 17 Ha'arba'ah St., Tel Aviv.

### **Standard 28: Details of changes in the Memorandum and Articles of the Bank**

On April 12, 2018, the general meeting of shareholders of the Bank approved several changes in the Articles of the Bank, primarily adjustments of the Articles to the current legislative directives and directives that apply to the Bank as a banking corporation (such as the Proper Conduct of Banking Business Directives of the Supervisor of Banks). See the report on convening the meeting issued by the Bank on March 6, 2018 (reference no. 2018-01-018129).

## Periodic Report 2018

### Standard 29

A. Recommendations of the board of directors to the general meeting, and resolutions that do not require approval by the general meeting:

1. Dividend distribution –

For details regarding dividend distribution, see the Report of the Board of Management and Board of Directors, page 44.

2. Changes in capital – None.

3. Changes in the Memorandum and Articles of the Bank – see Standard 28, above.

4. Redemption of shares – none.

5. Early redemption of bonds – on February 1, 2019, the Bank redeemed, in full early redemption, the Subordinated Notes (Series B, non-marketable), in consideration for a total redemption amount (including linkage differentials and interest) of approximately NIS 583 million. The early redemption was approved by the Board of Directors of the Bank and by the Supervisor of Banks.

6. Transactions not at market terms between the Bank and an interested party of the Bank, except a transaction of the corporation with a subsidiary thereof – none.

B. Resolutions of the general meeting passed in contradiction of the recommendations of the Board of Directors – None.

C. Resolutions of the special general meeting –

On February 5, 2018, the special general meeting of shareholders of the Bank resolved to appoint Ms. Ronit Abramson-Rokach as an external director of the Bank (as defined in Section 1 of the Companies Law), for a period of three years, from February 5, 2018 to February 4, 2021.

On October 23, 2018, the special general meeting of shareholders of the Bank resolved to appoint Mr. Richard Kaplan as a director of the Bank, for a period of three years, from October 23, 2018 to October 22, 2021.

For details regarding resolutions passed at the annual general meeting held on April 12, 2018, see Section 6.6 in the chapter “Corporate governance and additional information.”



## Periodic Report 2018

### Standard 29A

1. Extraordinary transactions that require approval under Section 270(1) of the Companies Law – none.

Standard 29A(4) – As at the date of the report, all of the directors and officers of the Bank have exemption letters and indemnity commitments, and are insured under an officers' liability policy. For additional information, including with regard to the renewal of the officers' liability insurance policy, see Standard 22.

#### **Ofer Levy**

Senior Deputy Managing Director,  
Chief Accountant

#### **Gilad Bloch**

Corporate Secretary

Tel Aviv, March 17, 2019

## Periodic Report 2018

### CORPORATE GOVERNANCE QUESTIONNAIRE<sup>1</sup>

Independence of the board of directors		True	False
1.	<p>Throughout the reported year, two or more external directors served at the corporation.</p> <p>This question can be answered "True" if the period during which two external directors did not serve does not exceed 90 days, as noted in Section 363A(b)(10) of the Companies Law; however, with any answer (true/false), the duration of the period (in days) in which two or more external directors did not serve at the corporation during the reported year should be noted (including a term of service approved retrospectively, separately for each of the external directors):</p> <p>Director A: <b>Imri Tov</b> (until February 4, 2018)</p> <p>Director B: <b>Dafna Schwartz</b> (until April 5, 2018)</p> <p>Director C: <b>Ronit Abramson-Rokach</b> (beginning February 5, 2018)</p> <p>Director D: <b>Dalia Lev</b> (beginning April 12, 2018)</p> <p>During the seven days from the end of the term of service of Ms. Dafna Schwartz to the approval of the appointment of Ms. Dalia Lev as an external director by the general meeting of shareholders, one external director served at the Bank.</p> <p>Number of external directors serving at the corporation as at the date of publication of this questionnaire: <b>two (and two additional external directors as defined in Directive 301 of the Supervisor of Banks).</b></p>	✓	
2.	<p>Rate<sup>2</sup> of independent directors<sup>3</sup> serving at the corporation as at the date of publication of this questionnaire: 4/7.</p> <p>Rate of independent directors established in the articles<sup>4</sup> of the corporation<sup>5</sup>: _____</p> <p><input type="checkbox"/> Not applicable (no directive has been established in the articles).</p> <p><b>Pursuant to Directive 301 of the Supervisor of Banks, at least one-third of the directors on the Board of Directors of the Bank are required to be external directors, as defined in Directive 301. As noted, four external directors, as defined in Directive 301, serve at the Bank, and are also independent directors.</b></p>	_____	_____
3.	<p>An examination was conducted in the reported year with the external directors (and the independent directors), and it was found that they fulfilled the directives of Section 240(B) and (F) of the Companies Law, in the reported year, with regard to the lack of affinity of the external (and independent) directors serving at the corporation, and that they fulfilled the required conditions for service as external (or independent) directors.</p>	✓	
4.	<p>None of the directors who served at the corporation during the reported year report<sup>6</sup> to the general manager, directly or indirectly (with the exception of a director who is a representative of the employees, if the corporation has employee representation).</p> <p>If your answer is "False" (i.e. the director reports to the general manager, as noted), the rate of directors who do not meet this limit should be noted: _____</p>	✓	

1 Published pursuant to the proposed legislation for the improvement of financial statements of March 16, 2014.

2 In this questionnaire, "rate" indicates the specific number out of the total. For example, 3/8.

3 Including "external directors" as defined in the Companies Law.

4 For the purposes of this question, "articles," including according to a specific legal directive applicable to the corporation (for example, at a banking corporation, the directives of the Supervisor of Banks).

5 A bond company is not required to answer this item.

6 For the purposes of this question, service as a director of an affiliated corporation controlled by the corporation shall not be considered, in itself, "reporting." However, service of a director of the corporation as an officer (other than a director) and/or employee of an affiliated corporation controlled by the corporation shall be considered "reporting" for the purposes of this question.

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5.	<p>All directors who gave notice of the existence of a personal interest in the approval of a transaction on the agenda of a meeting did not attend that discussion and did not participate in such voting (with the exception of a discussion and/or vote under circumstances according to Section 278(B) of the Companies Law).</p> <p>If your answer is "False" –</p> <p>Was this for the purpose of presentation of a specific subject by the director, in accordance with the directives of Section 278(A), last clause?</p> <p><input checked="" type="checkbox"/> Yes    <input type="checkbox"/> No    (mark an X in the appropriate box)</p> <p>Note the rate of meetings in which directors as noted above were present at a discussion and/or participated in a vote, except under the circumstances as noted in Subsection (a): <u>0%</u>.</p>		✓
6.	<p>A controlling party (including a relative thereof and/or a person acting on behalf thereof), who is not a director or other senior officer of the corporation, was not present at the meetings of the board of directors held during the reporting year.</p> <p>If your answer is "False" (i.e., a controlling party and/or a relative thereof and/or a person acting on behalf thereof who is not a member of the board of directors and/or a senior officer of the corporation was present at meetings of the board of directors, as noted) – state the following information regarding the presence of each additional person at meetings of the board of directors, as noted:</p> <p>Identity: <b>Ms. Shari Arison.</b></p> <p>Position at the corporation (if any): <u>---</u></p> <p>Details of affinity to controlling party (if the person present is not the controlling party): <u>---</u></p> <p>Was this for the purpose of presentation of a specific subject by the attendee:</p> <p><input checked="" type="checkbox"/> Yes    <input type="checkbox"/> No    (mark an X in the appropriate box)</p> <p>Rate of attendance<sup>7</sup> at meetings of the board of directors held in the reported year in order to present a specific subject: <b>1.9%</b>. Other attendance: <u>---</u></p> <p><b>Ms. Shari Arison was invited to and attended part of the discussion held by the Board of Directors on September 4, 2018, in connection with the notification of the Arison Group that it had received a holding permit from the Bank of Israel and the intention to decentralize the controlling core of the Bank. See the Immediate Reports of the Bank of that date.</b></p> <p><input type="checkbox"/> Not applicable (the corporation does not have a controlling party).</p>		✓

<sup>7</sup> With differentiation of the controlling party, a relative thereof, and/or a person acting on behalf thereof.

## Periodic Report 2018

Qualification and skills of directors			
		True	False
7.	<p>The articles of the corporation do not contain a directive restricting its ability to immediately terminate the service of any directors of the corporation who are not external directors (for this purpose, determination by ordinary majority is not considered a restriction)<sup>8</sup>.</p> <p><b>Special legal directives apply to a banking corporation without a controlling core.</b></p> <p>If your answer is "False" (i.e., such a restriction does exist), state:</p>	✓	
	A. The period of time specified in the articles for the service of a director:		
	B. The required majority specified in the articles for the termination of service of directors:		
	C. The legal quorum at the general meeting specified in the articles for the termination of service of directors:		
	D. The majority required to changes these directives in the articles:		
8.	<p>The corporation has prepared a training program for new directors in the area of the business of the corporation and in the area of the law applicable to the corporation and to the directors, as well as a program for continued training of serving directors, adapted, among other matters, to the position held by the director at the corporation.</p> <p>If your answer is "True," state whether the program was operated during the reported year: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (mark an X in the appropriate box)</p>	✓	
9.	A. A minimum required number of directors on the board of directors who must have accounting and financial expertise has been established at the corporation. If your answer is "True," state the minimum number established: <u>3</u> .	✓	
	B. Number of directors who served at the corporation during the reported year: Directors with accounting and financial expertise <sup>9</sup> : <u>4</u> Directors with professional qualification <sup>10</sup> : <u>3</u> <sup>11</sup> If the number of such directors changed during the reported year, state the lowest number (except during the period of 60 days from the change) of directors of each kind who served during the reported year.		
10.	A. The composition of the board of directors included members of both sexes throughout the reported year. If your answer is "False," state the duration of the period (in days) during which this was not the case: _____ This question can be answered "True" if the period during which directors of both sexes did not serve does not exceed 60 days; however, for any answer (true/false), the duration of the period (in days) in which directors of both sexes did not serve at the corporation should be noted: _____	✓	
	B. Number of directors of each sex serving on the board of directors of the corporation as at the date of publication of this questionnaire: Men: <u>5</u> , Women: <u>2</u> .		

8 A bond company is not required to answer this item.

9 After evaluation of the Board of Directors, pursuant to the directives of the Companies Regulations (Conditions and Tests for a Director with Accounting and Financial Expertise), 2005.

10 See footnote 9.

11 In addition to the directors with accounting and financial expertise.

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Meetings of the board of directors (and convening of the general meeting)							True	False
11.	A.	Number of meetings of the board of directors held during each quarter of the reported year: First quarter (2018): <b>14</b> Second quarter: <b>12</b> Third quarter: <b>12</b> Fourth quarter: <b>15</b>						
	B.	Beside each of the names of the directors who served at the corporation during the reported year, note the rate <sup>12</sup> of meetings of the board of directors in which he or she participated (in this subsection, including meetings of the committees of the board of directors of which he or she is a member, as noted below), which were held during the reported year (in reference to the term of his or her service): (add additional rows according to the number of directors).						
		Director's name	Rate of participation in meetings of the board of directors	Rate of participation in meetings of the audit committee <sup>13</sup>	Rate of participation in meetings of the committee for the examination of the financial statements <sup>14</sup>	Rate of participation in meetings of the remuneration committee <sup>15</sup>	Rate of participation in meetings of additional committees of the board of directors in which the director is a member (note the name of the committee)	
		Oded Eran	98%				Corporate Governance and Stakeholders Committee – 100% Credit Committee – 100% Information Technology Committee – 100% Strategy and Business Development Committee – 100% Risk Management and Control Committee – 100% Finance and Prospectus Committee – 75%	
		Ronit Abramson Rokach	100%	100%	100%	100%	Risk Management and Control Committee – 100% Corporate Governance and Stakeholders Committee – 100% Credit Committee – 100% Transactions with Related Persons Committee – 100% Finance and Prospectus Committee – 100%	
		Dalia Lev	100%	100%	100%	100%	Credit Committee – 100% Strategy and Business Development Committee – 100% Information Technology Committee – 100% Finance and Prospectus Committee – 100%	
		Yacov Peer	98%	100%	100%		Credit Committee – 100% Strategy and Business Development Committee – 100% Risk Management and Control Committee – 100% Transactions with Related Persons Committee – 100% Finance and Prospectus Committee – 100%	

<sup>12</sup> See footnote 2.

<sup>13</sup> With regard to a director who is a member of this committee. Pursuant to the supervisory directives, discussions of the financial statements are held by the audit committee of the board of directors.

<sup>14</sup> With regard to a director who is a member of this committee.

<sup>15</sup> With regard to a director who is a member of this committee.

## Periodic Report 2018

	Moshe Koren	100%	100%	100%	100%	Risk Management and Control Committee – 100% Credit Committee – 100% Transactions with Related Persons Committee – 100% Finance and Prospectus Committee – 100%			
	Richard Kaplan	96%							
	Reuven Krupik	100%	100%	100%		Corporate Governance and Stakeholders Committee – 100% Information Technology Committee – 100% Finance and Prospectus Committee – 100%			
	Amnon Dick <sup>16</sup>	94%				Credit Committee – 100% Information Technology Committee – 100%			
	Imri Tov <sup>17</sup>	100%	100%	100%	100%	Credit Committee – 100% Transactions with Related Persons Committee – 100% Risk Management and Control Committee – 100% Finance and Prospectus Committee – 100% Corporate Governance and Stakeholders Committee – 100%			
	Dafna Schwartz <sup>18</sup>	100%	100%	100%	100%	Transactions with Related Persons Committee – 100%			
	Meir Wietchner <sup>19</sup>	91%				Information Technology Committee – 100%			
	Efrat Peled <sup>20</sup>	94%				Risk Management and Control Committee – 100% Finance and Prospectus Committee – 100% Corporate Governance and Stakeholders Committee – 100% Information Technology Committee – 100%			
	Ido Stern <sup>21</sup>	100%				Corporate Governance and Stakeholders Committee – 100% Information Technology Committee – 100%			
12.	The board of directors held at least one discussion during the reported year regarding the management of the business of the corporation by the general manager and the officers who report to the general manager, when they were not present, and they were given the opportunity to express their position.							✓	

<sup>16</sup> The service of Mr. Amnon Dick as a director at the Bank ended on April 28, 2018.

<sup>17</sup> The service of Mr. Imri Tov as a director at the Bank ended on February 4, 2018.

<sup>18</sup> The service of Ms. Dafna Schwartz as a director at the Bank ended on April 5, 2018.

<sup>19</sup> The service of Mr. Meir Wietchner as a director at the Bank ended on September 4, 2018.

<sup>20</sup> The service of Ms. Efrat Peled as a director at the Bank ended on September 4, 2018.

<sup>21</sup> The service of Mr. Ido Stern as a director at the Bank ended on September 4, 2018.

## Periodic Report 2018

Separation of the duties of the general manager and the chairperson of the board of directors			
		True	False
13.	<p>A chairperson of the board of directors served at the corporation throughout the reported year.</p> <p>This question can be answered "True" if the period during which a chairperson of the board of directors did not serve at the corporation does not exceed 60 days, as noted in Section 363A(2) of the Companies Law; however, for any answer (true/false), the duration of the period (in days) in which a chairperson of the board of directors did not serve at the corporation should be noted: _____</p>	✓	
14.	<p>A general manager served at the corporation throughout the reported year.</p> <p>This question can be answered "True" if the period during which a general manager did not serve at the corporation does not exceed 90 days, as noted in Section 363A(6) of the Companies Law; however, for any answer (true/false), the duration of the period (in days) in which a general manager did not serve at the corporation should be noted: _____</p>	✓	
15.	<p>In a corporation where the chairperson of the board of directors also serves as the general manager of the corporation and/or exercises the authority of the general manager, the double service has been approved in accordance with the directives of Section 121(C) of the Companies Law<sup>22</sup>.</p> <p><input checked="" type="checkbox"/> Not relevant (as no such double service exists at the corporation).</p>		
16.	<p>The general manager <u>is not</u> a relative of the chairperson of the board of directors.</p> <p>If your answer is "False" (i.e., the general manager is a relative of the chairperson of the board of directors) –</p>	✓	
	A. State the familial relationship between the parties: _____	_____	_____
	B. The service was approved pursuant to Section 121(C) of the Companies Law <sup>23</sup> : <input type="checkbox"/> Yes <input type="checkbox"/> No (mark an X in the appropriate box)	_____	_____
17.	<p>A controlling party or a relative thereof <u>does not</u> serve as the general manager or as a senior officer of the corporation, except as a director.</p> <p><input type="checkbox"/> Not applicable (the corporation does not have a controlling party).</p>	✓	

<sup>22</sup> At a bond company, approval pursuant to Section 121(D) of the Companies Law.

<sup>23</sup> At a bond company, approval pursuant to Section 121(D) of the Companies Law.

## Periodic Report 2018

Audit committee		True	False
18.	The following persons <u>did not serve</u> on the audit committee during the reported year:	-----	-----
A.	A controlling party or a relative thereof. <input type="checkbox"/> Not applicable (the corporation does not have a controlling party).	✓	
B.	The chairperson of the board of directors.	✓	
C.	A director employed by the corporation or by a controlling party of the corporation or by a corporation under a controlling party's control.	✓	
D.	A director who regularly provides services to the corporation or to a controlling party of the corporation or to a corporation under a controlling party's control.	✓	
E.	A director whose primary livelihood depends on the controlling party. <input type="checkbox"/> Not applicable (the corporation does not have a controlling party).	✓	
19.	No person not permitted to be a member of the audit committee, including a controlling party or a relative thereof, was present at the meetings of the audit committee during the reported year, except in accordance with the directives of section 115(E) of the Companies Law.	✓	
20.	The legal quorum for discussion and for the passing of resolutions at all meetings of the audit committee held during the reported year was a majority of the members of the committee, where the majority of those present were independent directors, and at least one of those present was an external director. If your answer is "False," state the rate of meetings at which this requirement was not fulfilled: _____	✓	
21.	The audit committee held at least one meeting during the reported year in the presence of the internal auditor and the external auditor, without the presence of officers of the corporation who are not members of the committee, with regard to flaws in the business management of the corporation.	✓	
22.	For all meetings of the audit committee attended by a person not authorized to be a committee member, such attendance was approved by the chairperson of the committee and/or was at the request of the committee (with regard to the legal counsel and secretary of the corporation who is not a controlling party or a relative thereof).	✓	
23.	Arrangements were in effect during the reported year, established by the audit committee, with respect to the treatment of complaints of employees of the corporation regarding flaws in the management of its business and with respect to the protection to be given to employees who make such complaints.	✓	
24.	The audit committee (and/or the committee for the examination of the financial statements) obtained satisfactory assurance that the volume of work and the fees of the external auditor with respect to the financial statements in the reported year were appropriate in order to adequately perform the auditing and reviewing work.	✓	



## Periodic Report 2018

Duties of the committee for the examination of the financial statements (hereinafter: the Committee) in its preliminary work prior to the approval of the financial statements <sup>24</sup>			True	False
25.	A.	Period of time (in days) established by the board of directors as a reasonable period for the submission of recommendations of the Committee in advance of the meeting of the board of directors in which the financial statements are approved: <b>2 days</b>	_____	_____
	B.	Actual number of days elapsed from the submission of the recommendations to the board of directors to the date of the discussion of the approval of the financial statements by the board of directors: Report for the first quarter (2018): <u>5</u> Report for the second quarter: <u>2</u> Report for the third quarter: <u>1</u> Annual report: <u>4</u>	_____	_____
	C.	Number of days elapsed from the submission of the draft of the financial statements to the directors to the date of the discussion of the approval of the financial statements by the board of directors: Report for the first quarter (2018): <u>10</u> Report for the second quarter: <u>8</u> Report for the third quarter: <u>8</u> Annual report: <u>10</u>	_____	_____
26.		The external auditor of the corporation attended all meetings of the Committee and of the board of directors in which the financial statements of the corporation referring to the periods included in the reported year were discussed. If your answer is "False," state the rate of participation: _____	✓	_____
27.		All of the following conditions were fulfilled by the Committee during the entire reported year and until the publication of the annual report:	_____	_____
	A.	The number of members did not fall below three (at the date of the discussion by the Committee and the approval of the financial statements, as noted).	✓	_____
	B.	All of the conditions set forth in Section 115(B) and (C) of the Companies Law (with regard to the service of members of the audit committee) were fulfilled.	✓	_____
	C.	The chairperson of the Committee is an external director.	✓	_____
	D.	All of the members are directors and the majority of members are independent directors.	✓	_____
	E.	All of the members have the ability to read and understand financial statements, and at least one of the independent directors has accounting and financial expertise.	✓	_____
	F.	The members of the Committee made a declaration prior to their appointment.	✓	_____
	G.	The legal quorum for discussions and for passing of resolutions in the Committee is a majority of its members, provided that the majority of those present are independent directors, including at least one external director.	✓	_____
		If your answer to one or more of the subsections of this question is "False," note the report (periodic/quarterly) with respect to which the condition was not fulfilled and state which condition was not fulfilled: _____	_____	_____

<sup>24</sup> In accordance with the directives of the Banking Supervision Department, the Audit Committee serves as the committee for the examination of the financial statements.

## Periodic Report 2018

Remuneration Committee <sup>25</sup>		True	False
28.	In the reported year, the committee consisted of at least three members, and external directors were a majority of the committee (at the date of the discussion in the committee). <input type="checkbox"/> Not relevant (no discussion was held).	✓	
29.	The terms of service and employment of all members of the remuneration committee in the reported year are in accordance with the Companies Regulations (Rules for Remuneration and Expenses of External Directors), 2000.	✓	
30.	The following persons did not serve on the remuneration committee during the reported year:	_____	_____
A.	A controlling party or a relative thereof. <input type="checkbox"/> Not applicable (the corporation does not have a controlling party).	✓	
B.	The chairperson of the board of directors.	✓	
C.	A director employed by the corporation or by a controlling party of the corporation or by a corporation under a controlling party's control.	✓	
D.	A director who regularly provides services to the corporation or to a controlling party of the corporation or to a corporation under a controlling party's control.	✓	
E.	A director whose primary livelihood depends on the controlling party. <input type="checkbox"/> Not applicable (the corporation does not have a controlling party).	✓	
31.	A controlling party or a relative thereof were not present at the meetings of the remuneration committee during the reported year, unless the chairperson of the committee determined that the presence of any of them was required for the presentation of a particular matter.	✓	
32.	The remuneration committee and the board of directors did not exercise their authority pursuant to sections 267A(C), 272(C)(3), and 272(C1)(1)(c) for the approval of a transaction or remuneration policy despite the objection of the general meeting of shareholders. If your answer is "False," state – The type of transaction approved in the aforesaid manner: _____ The number of times this authority was exercised during the reported year: _____	✓	

<sup>25</sup> The answers refer to the remuneration committee that serves in accordance with the Companies Law. A remuneration committee in an expanded format also served at the Bank until October 29, 2018, which discussed the remuneration of all employees (except officers and key employees) and the Group's remuneration policy.

## Periodic Report 2018

Internal auditor			
		True	False
33.	The chairperson of the board of directors or the general manager of the corporation is the organizational supervisor of the internal auditor of the corporation.	✓	
34.	The chairperson of the board of directors or the audit committee approved the work plan in the reported year. In addition, list the audit subjects addressed by the internal auditor during the reported year: _____ (mark an X in the appropriate box)	✓	
35.	Volume of employment of the internal auditor at the corporation in the reported year (in hours <sup>26</sup> ): <b>100% position</b> <b>For details regarding the number of employee positions in Internal Audit at the Bank, see Section 6.2, Internal Audit, in the Corporate Governance Report, above.</b>	_____	_____
	A discussion of the findings of the internal auditor was held (by the audit committee or the board of directors) during the reported year.	✓	
36.	The internal auditor is not an interested party of the corporation, a relative thereof, an external auditor, or anyone acting on behalf thereof, and does not maintain material business ties with the corporation, a controlling party of the corporation, a relative thereof, or corporations under their control.	✓	

<sup>26</sup> Including hours of work invested at affiliated corporations and in audits outside Israel, as relevant.

## Periodic Report 2018

Transactions with interested parties			
		True	False
37.	<p>The controlling party or a relative thereof (including a company under the control thereof) is not employed by the corporation and does not provide the corporation with management services.</p> <p>If your answer is "False" (i.e., the controlling party or a relative thereof is employed by the corporation or provides it with management services), state –</p> <ul style="list-style-type: none"> <li>- The number of relatives (including the controlling party) employed by the corporation (including companies under their control and/or through management companies): _____</li> <li>- Were the aforesaid employment agreements and/or management services approved by the legally appointed organs:               <ul style="list-style-type: none"> <li><input type="checkbox"/> Yes</li> <li><input type="checkbox"/> No</li> </ul> </li> </ul> <p>(mark an X in the appropriate box)</p> <p><input type="checkbox"/> Not applicable (the corporation does not have a controlling party).</p>	✓	
38.	<p>To the best of the corporation's knowledge, the controlling party does not have additional business in the area of activity of the corporation (in one or more areas).</p> <p>If your answer is "False" – state whether an arrangement has been established for boundaries between the activities of the corporation and of the controlling party thereof:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Yes</li> <li><input type="checkbox"/> No</li> </ul> <p>(mark an X in the appropriate box)</p> <p><input type="checkbox"/> Not applicable (the corporation does not have a controlling party).</p>	✓	

**Mr. Oded Eran**  
Chairman of the Board

**Ms. Ronit Abramson Rokach**  
Chairperson of the Audit Committee<sup>27</sup>

<sup>27</sup> The Audit Committee also serves as the committee for the examination of the financial statements.