

Annual Periodic Report for
2016

Periodic Report 2016

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 equity-basis investees as at the date of the report on financial position

A. In shares and convertible securities

Company	Share type			Number of shares	Total par value	Balance-sheet value (in NIS m.)	Holding rate			In authority to appoint directors
	Share	Par value per share	Currency				In securities	In capital	In voting	
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	10,007.7	379	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%
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	5,999.979		100%	100%	100%	100%
Bank Hapoalim (Luxembourg) S.A.	Ordinary shares	100	USD	999,900	99,990,000	222	100%	100%	100%	100%
Bank Hapoalim (Switzerland) Ltd.	Founding shares	100	CHF	650,000	65,000,000	1,580	100%	100%	100%	100%
Bank Pozitif Kredi Ve Kalkinma Bankasi A.S.						290		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.						596		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.						20		100%	100%	100%
Hapoalim (Cayman) Ltd.	Common	1	USD	13,579,143	13,579,143	44	100%	100%	100%	100%
Hapoalim International N.V.	Common	1,000	USD	250	250,000	12	100%	100%	100%	100%
Hapoalim American Israeli Ltd.	Ordinary shares	0.001	NIS	93,076,887	93,076.887	100	100%	100%	100%	100%
Hapoalim Hanpakot Ltd.	Ordinary shares	1	NIS	18,150,006	18,150,006	41	100%	100%	100%	100%

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Standard 11: List of investments in subsidiaries and equity-basis investees as at the date of the report on financial position (cont.)

A. In shares and convertible securities (cont.)

Company	Share type			Number of shares	Total par value	Balance-sheet value (in NIS m.)	Holding rate			In authority to appoint directors
	Share	Par value per share	Currency				In securities	In capital	In voting	
Hapoalim Nechasim (Menayot) Ltd.						,1176		100%	100%	100%
Hapoalim Securities U.S.A. Inc.						85		100%	100%	100%
Zohar Hashemesh Lehashkaot Ltd.	Ordinary shares	0.0001	NIS	19,999	1.9999	802	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	0.042		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	72.1925	2,613	98%	98%	99%	99%
Isracard Ltd.	Special shares	0.0001	NIS	1	0.0001		100%	98%	99%	99%
Isracard Mimun Ltd.								100%	100%	100%
Mivnim Vetsiud Ltd.	Ordinary shares	0.1	NIS	95	9.5		95%	100%	100%	100%
May-Oz Ltd.						12		100%	100%	100%
Bank Clearing Center Ltd.	Ordinary shares	0.001	NIS	6,250,000	6,250	23	25%	25%	25%	25%
Noy Waste to Energy Limited Partnership 2								48%	0%	100%
C Bilisim Teknolojileri								100%	100%	100%
Maritime Nechasim Ltd.	Ordinary shares	1	NIS	100	100		100%	100%	100%	100%
Maritime Trust Services Ltd.	Ordinary shares	1	NIS	30,000	30,000	13	100%	100%	100%	100%
Alzur Property Development Company Ltd.	Ordinary shares	0.0001	NIS	100,000	10		100%	100%	100%	100%
PAM Holdings Ltd.						116		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%
Poalim Asset Management (Ireland) Ltd.								100%	100%	100%
Poalim Asset Management (UK) Ltd.								100%	100%	100%

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Standard 11: List of investments in subsidiaries and equity-basis investees as at the date of the report on financial position (cont.)

A. In shares and convertible securities (cont.)

Company	Share type			Number of shares	Total par value	Balance-sheet value (in NIS m.)	Holding rate			In authority to appoint directors
	Share	Par value per share	Currency				In securities	In capital	In voting	
Poalim Express Ltd.	Ordinary shares	1	NIS	139,326	139,326	379	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.								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.						18		100%	100%	100%
Poalim Sahar Ltd.	Ordinary shares	1	NIS	16,108	16,108	308	100%	100%	100%	100%
Poalim Capital Markets - Investment House Ltd.	Ordinary shares	1	NIS	40,021	40,021	781	0%	100%	100%	100%
Poalim Capital Markets Ltd.								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	18,3613		5%	100%	100%	100%
Poalim Capital Markets & Investments - Holdings Ltd.	B ordinary shares	0.0001	NIS	280,695	28,0695		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 – HSU Holdings Inc.								100%	100%	100%
PCM Hudson Holdings LLC								100%	100%	100%
PCM Hudson Management Company Holdings L.P.								100%	100%	100%
Peilim - Portfolio Management Company Ltd.	Ordinary shares	1	NIS	50,000	50,000	121	100%	100%	100%	100%
Peilim - Portfolio Management Company Ltd.	0.001 ordinary shares	0.001	NIS	5,000	5		100%	100%	100%	100%
Pekaot Poalim Ltd.	Ordinary shares	100	NIS	370,214	37,021,400	295	100%	100%	100%	100%
Tzadit Ltd.	Ordinary shares	0.0001	NIS	1	0.0001		0%	100%	100%	100%
Tzameret Mimunim Ltd.								100%	100%	100%
K.B.G Energy Systems Ltd.								100%	100%	100%

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Standard 11: List of investments in subsidiaries and equity-basis investees as at the date of the report on financial position (cont.)

A. In shares and convertible securities (cont.)

Company	Share type			Number of shares	Total par value	Balance-sheet value (in NIS m.)	Holding rate			In authority to appoint directors
	Share	Par value per share	Currency				In securities	In capital	In voting	
Continental Poalim Ltd.	Ordinary shares	0.0001	NIS	58,351,356,355	5,835,135.636	526	100%	100%	100%	100%
Continental Poalim Ltd.	A management shares	0.0001	NIS	20	0.002		100%	100%	100%	100%
Continental Poalim Ltd.	B management shares	0.0001	NIS	20	0.002		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	0.0032		100%	100%	100%	100%
Sure-Ha International Ltd.	Ordinary shares	0.0001	USD	1	1	294	0%	100%	100%	100%
Automatic Bank Services Ltd.	Ordinary shares	0.0001	NIS	13,800,000	1,380	96	35%	34%	34%	34%
Tmura Hevra Finansit Ltd.	Ordinary shares	0.0001	NIS	5,009,997	500.9997		100%	100%	100%	100%
Teuda Hevra Finansit Ltd.	Ordinary shares	0.0001	NIS	60,000,000	6,000	215	100%	100%	100%	100%
Tarshish Hapoalim Holdings and Investments Ltd.	Ordinary shares	0.0001	NIS	4,420	0.442	4,660	100%	100%	100%	100%

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Standard 11: List of investments in subsidiaries and equity-basis investees as at the date of the report on financial position (cont.)

B. In bonds and capital notes

<u>Company</u>	<u>Linkage terms</u>	<u>Balance sheet balance</u>	<u>Interest rate</u>	<u>Final maturity date</u>
		<u>NIS millions</u>	<u>%</u>	
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

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Standard 11: List of investments in subsidiaries and equity-basis investees as at the date of the report on financial position (cont.)

C. Balance of loans as at December 31, 2016

Company	Balance of loans as at Dec. 31, 2016	Interest rate of unlinked loans	Interest rate of foreign-currency loans	Interest rate of CPI-linked loans	Interest rate of foreign-currency-linked loans	Final maturity date
	NIS millions	%	%	%	%	
Bitzur Ltd.	200					No maturity date
Banque Hapoalim (Luxembourg) Ltd..	1,296		2.10-10.37			2021
Bank Pozitif Kredi Ve Kalkinma	87		3.62-3.63			2017
Global Factoring Ltd.	2					No maturity date
Zohar Hashemesh Lehashkaot Ltd.	850					No maturity date
Isracard Ltd.	920					No maturity date
Poalim Express	1					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 equity-basis investees as at the date of the report on financial position (cont.)

D. List of inactive companies

BHI Investment Advisors Asia	In voluntary liquidation
Hasneh Israel Insurance Company Ltd.	
Hapoalim Holdings (Latin America) Ltd.	In voluntary liquidation
Hapoalim Sheirutei Nihul (Latin America) 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
Pardes A.D.S. Ltd.	
Kamur Finance and Investments Ltd.	
Karkaot Beguosim 7123 7124 7128 Ltd.	
Rotesa Ltd.	In voluntary liquidation
Tot Tiyyur 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		Currency	Date of change	Nature of change	Total par value	Cost (NIS millions)
	Share	Par value per share					
Poalim Sahar Ltd.	Ordinary share	1	NIS	Sept. 4, 2016	Investment	16,108	306
Poalim Sahar Ltd.	Note		NIS	Sept. 4, 2016	Investment	-	250

Companies liquidated during the year:

Tevuat Poalim Ltd.

Mesik Poalim Ltd.

Hermesh Poalim Ltd.

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Standard 13: Income of subsidiaries and equity-basis investees and the Bank's income from such companies as at the date of the report on financial position*

Company	Profit (loss)	Accumulated other	Bank income		
	reported by the company	comprehensive income (loss)	Interest	Management fees	Dividend
	After tax				
	NIS millions				
Avuka Hevra le Hashkaot Ltd.					
Opaz Ltd.	2	(4)			1
Bitzur Ltd.	16				
Bitan Investments and Mortgages Co. Ltd.	7				
Bank Hapoalim (Switzerland) Ltd.	(386)	(76)		17	
Bank Pozitif Kredi Ve Kalkinma Bankasi A.S.	16	2	10	3	
Global Factoring Ltd.	7				
Diur B.P. Ltd.	19	(1)			
Diur B.P. Properties (1993) Ltd	(1)				
Hapoalim (Latin America) S.A.	13				
Hapoalim (Cayman) Ltd.	(13)				
Hapoalim American Israeli Ltd.	4	(1)			8
Hapoalim Nechasim (Menayot) Ltd.	18	5			
Hapoalim Securities U.S.A. Inc	23				
Zohar Hashemesh Lehashkaot Ltd.	3	(7)			
Nominees Company of Bank Hapoalim Ltd.				11	
Isracard (Nechasim) 1994 Ltd.	8				
Isracard Ltd.	143	(34)	6	249	
Isracard Mimun Ltd.	63				
May-Oz Ltd.	9				
Bank Clearing Center Ltd.	1				
Alzur Property Development Company Ltd.	2				
Poalim Ofakim Ltd.	15				
Poalim Asset Management (UK) Ltd.	4				
Poalim Express Ltd.	47			53	
Poalim Betevuna Ltd.	(21)				
Poalim Ventures I Ltd.	1				
Poalim Ventures Ltd.	20				
Poalim Sahar Ltd.	8				
Poalim Capital Markets - Investment House Ltd.	17				
Poalim Capital Markets Ltd.	15				
Poalim Capital Markets (Euro) Ltd.	1				
Poalim Capital Markets & Investments - Holdings Ltd.	35				
Poalit Ltd.	3				6

* 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, 2016.

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Standard 13: Income of subsidiaries and equity-basis investees and the Bank's income from such companies as at the date of the report on financial position* (cont.)

Company	Profit (loss) reported by the company	Accumulated other comprehensive income (loss)	Bank income	
	After tax		Interest	Management fees
NIS millions				
PCM Hudson Holdings LLC	(1)			
Peilim - Portfolio Management Company Ltd.	27			
Tzadit Ltd.	3			
Tzameret Mimunim Ltd.	8			
Continental Poalim Ltd.	1	(2)		3
Revadim (Nechasim) Ltd.	67		1	
Ramchal Poalim Ltd.	5			
Sure-Ha International Ltd.	12			
Automatic Bank Services Ltd.	5			3
Teuda Hevra Finansit Ltd.	0			56
Tarshish Hapoalim Holdings and Investments Ltd.	26	(20)		

* 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.

Companies overseas – in local currency translated based on the exchange rate as at December 31, 2016.

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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 30C to the Financial Statements.

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

No halts in trading in the Bank's shares were recorded in 2016.

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 417.

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 NIS 13,805 thousand in 2016.

Standard 21A: Control of the corporation

Details regarding the control of the Bank are included in the Corporate Governance Report, page 436.

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Standard 22: Transactions with controlling shareholders

For additional details regarding transactions with controlling shareholders, see the section "Other Matters" in the Corporate Governance Report, Section 9.6, and Note 34 to the Financial Statements.

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

Set out below are details of all transactions with the controlling shareholder of the Bank, or in which the controlling shareholder of the Bank has a personal interest, in which the Bank, companies under the control of the Bank, or related companies of the Bank contracted in the reported year, or at a date later than the end of the reported year, until the date of publication of this report, or still in effect at the date of the report, and 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 shareholder 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 shareholder or any officer of the Bank has a personal interest. The Audit Committee of the Bank, in its meetings of January 11 and 17, 2016, established a limited period, violations of the duty of care during which shall be covered by 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 shareholder of the Bank may be considered to have a personal interest, such that the period shall end on December 31, 2024, and noted that this period of time is 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 shareholder has no personal interest, serving and who 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 have 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).

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 shareholder 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

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Standard 22: Transactions with controlling shareholders (cont.)

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 shareholder 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 shareholder 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, established a limited period, events during which shall be covered by the letters of indemnity granted and to be granted from time to time to those officers in the granting of letters of indemnity to whom the controlling shareholder of the Bank may be considered to have a personal interest, such that the period shall end on December 31, 2024, and noted that this period of time is appropriate and reasonable under the circumstances (it is clarified, for the avoidance of doubt, that the letters of indemnity for directors and officers, including the CEO, in the granting of letters of indemnity to whom the controlling shareholder has no personal interest, are not limited in duration). As at the date of the report, all of the directors and officers of the Bank have letters of indemnity. For the form of the letter of indemnity and additional information, including with regard to the controlling parties who have 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

On October 26, 2010, the general meeting of shareholders of the Bank (following approval by the Audit Committee and by the Board of Directors of the Bank on August 31, 2010) affirmed that the Bank would be permitted to acquire officers' liability insurance policies to cover directors and officers such as shall serve from time to time at the Bank (including new directors to be appointed), including directors who are controlling parties of the Bank or who serve at the Bank on behalf of the controlling shareholder, or directors in whose insurance the controlling shareholder of the Bank has a personal interest, to be acquired, including by means of the renewal of an existing policy or acquisition of a new policy, subject to the following cumulative conditions: (a) the policies shall be acquired for a number of insurance periods not to exceed, cumulatively, five years from May 31, 2011; and (b) the liability limit in such policy shall not exceed USD 400 million, per claim and cumulatively, and the annual premium shall not exceed USD 5 million. The Audit Committee of the Bank, in its meetings of January 7, 2016, and January 11, 2016, determined that the aforesaid period of five years is appropriate and reasonable under the circumstances. As at the date of the report, the Bank has an officers' liability insurance policy for the period from June 1, 2016, to May 31, 2017, with coverage in the amount of USD 300 million per claim and cumulatively, and the premium in respect of this policy amounts to USD 1.34 million. Previously, the Bank had an officers' liability insurance policy for a period of one year ended May 31, 2016, with coverage in the amount of USD 250 million per claim and cumulatively, and the premium in respect of the policy was USD 1.34 million.

Within the officer remuneration policy of the Bank approved by the meeting of shareholders of the Bank on December 19, 2016, it was affirmed that the total amount of coverage for officers and directors of the Bank would not exceed approximately USD 500 million, per claim and cumulatively, and that the annual premium would not exceed approximately USD 10 million. The maximum deductible is USD 1,000,000, in accordance with the resolutions of the Remuneration Committee and the Board of Directors of May 10, 2016.

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Standard 22: Transactions with controlling shareholders (cont.)

2. Transactions not listed in Section 270(4) of the Companies Law (transactions that are not negligible but are not exceptional) –
 - A. A company in the Shikun & Binui Group has a credit balance of approximately NIS 70 million as at December 31, 2016, in bank guarantees. The terms of the credit were approved by the Transaction with Related Persons Committee of the Board of Directors (in this section 2 – the “Committee”) in 2011, 2012, and 2015. In November 2016, the Committee approved a credit facility at the Bank for the same company for credit and bank guarantees, in a total amount of up to NIS 150 million, which has not yet been granted in practice.
 - B. An agreement was approved for a company in the Shikun & Binui Group for the provision of guarantees pursuant to the Sale Law (Securing the Investments of Buyers of Homes), 1974 (the “**Sale Law**”) in the Ir Yamim neighborhood in Netanya, in two stages. The total limit for the guarantees is approximately NIS 400 million; the balance utilized as at December 31, 2016, is approximately NIS 305 million. The land of the project was placed under lien to secure the liabilities to the Bank. This contractual engagement was approved the Committee in November 2011; April 2014; June 2015; and May, July, and November 2016.
 - 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 to provide loans, guarantees, and Sale Law guarantees in connection with a project in Kiryat Ono, at a volume of NIS 262 million, in accordance with the approval of the Committee of September 2014, May and August 2015, and November 2016. The balance utilized as at December 31, 2016 is approximately NIS 199 million. The rights and land of the project were placed under lien in favor of the Bank.
 - D. An agreement was approved for a company in the Shikun & Binui Group for the provision of Sale Law guarantees to buyers of homes in Yokneam, in two stages. The total limit for the guarantees is approximately NIS 215 million, and the balance utilized as at December 31, 2016, is approximately NIS 193 million. The land of the project was placed under lien to secure the liabilities to the Bank. The contractual engagement was approved by the Committee in January 2013 and November 2014.
 - E. An agreement was approved for a company in the Shikun & Binui Group for the provision of Sale Law guarantees to buyers of homes in Tirat Hacarmel. The total limit for the guarantees is approximately NIS 119 million, and the balance utilized as at December 31, 2016, is approximately NIS 119 million. The land of the project was placed under lien to secure the liabilities to the Bank. The contractual engagement was approved by the Committee in January 2013, October 2014, and December 2016.
 - F. A company in the Shikun & Binui Group has a credit facility for short-term loans, guarantees, and future transactions in the amount of NIS 155 million, which was approved by the Committee in November 2015 and October 2016. As at December 31, 2016, there is a utilized balance of approximately NIS 20 million, in guarantees only. In addition, the company has long-term loans in a total amount of approximately NIS 92 million as at December 31, 2016, final maturities of which are in 2022. Liens on land in Netanya and Tel Aviv secure these loans.
 - G. The Bank is participating in syndication in two agreements for long-term non-recourse financing of a project for the construction of a solar power plant (in a total amount of approximately NIS 101 million; financing through 2035), and of a desalination plant project (financing of approximately NIS 46 million through 2030). The projects are being executed by two companies in the Shikun & Binui Group. The contractual engagements were approved by the Committee in June 2015 and March 2016, respectively.

Periodic Report 2016

Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or equity-basis investee 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 ⁽²⁾	Rate of holdings in capital	Rate of holdings in voting ⁽¹⁾	Rate of holdings in capital after dilution	Rate of holdings in voting after dilution
Arison Holdings (1998) Ltd.	512705153	267,543,761	20.01%	20.06%	20.01%	20.01%
Controlling shareholders total		267,543,761	20.01%	20.06%	20.01%	20.01%
Excellence Investments Ltd.	520041989	33,663,411.58	2.52%	2.52%	2.52%	2.52%
The Phoenix Holdings Ltd.	520017450	36,257,005.00	2.71%	2.72%	2.71%	2.71%
Delek Group Ltd. total holdings		69,920,416.58	5.23%	5.24%	5.23%	5.23%

(1) The Bank holds 3,826,498 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 ⁽²⁾	Rate of holdings in capital	Rate of holdings in voting ⁽¹⁾	Rate of holdings in capital after dilution	Rate of holdings in voting after dilution
Moshe Koren	1228998	Ordinary shares	13,000	0.00%	0.00%	0.00%	0.00%
Yosef Yarom	12017539	Ordinary shares	29,920	0.00%	0.00%	0.00%	0.00%

(1) The Bank holds 3,826,498 dormant shares; this holding constitutes 100% of the dormant shares.

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

Periodic Report 2016

Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or equity-basis investee near the date of the report on financial position (cont.)

Holdings of shares of the Bank by senior officers

	Corporation number		Par value shares in NIS ⁽²⁾	Rate of holdings in capital	Rate of holdings in voting ⁽¹⁾	Rate of holdings in capital after dilution	Rate of holdings in voting after dilution
Ari Pinto	069042505	Ordinary shares	102,131	0.01%	0.01%	0.01%	0.01%
		RSU	16,767			0.00%	0.00%
Ilan Mazur	007447386	Ordinary shares	36,708	0.00%	0.00%	0.00%	0.00%
		RSU	15,975			0.00%	0.00%
Efrat Yavetz	058677881	Ordinary shares	29,646	0.00%	0.00%	0.00%	0.00%
		RSU	16,536			0.00%	0.00%
Eti Ben-Zeev	023571540	Ordinary shares	40,131	0.00%	0.00%	0.00%	0.00%
		RSU	797			0.00%	0.00%
Tzahi Cohen	022007587	Ordinary shares	112,784	0.01%	0.01%	0.01%	0.01%
		RSU	69,138			0.01%	0.01%
Avraham Kochva	013570890	Ordinary shares	18,498	0.00%	0.00%	0.00%	0.00%
		RSU	72,178			0.01%	0.01%
Jacob Orbach	053906467	Ordinary shares	103,986	0.01%	0.01%	0.01%	0.01%
Dan Alexander Koller	028051910	Ordinary shares	134,195	0.01%	0.01%	0.01%	0.01%
		RSU	9,918			0.00%	0.00%
Ofar Levy	052222577	Ordinary shares	74,401	0.01%	0.01%	0.01%	0.01%
		RSU	26,709			0.00%	0.00%
Ronit Shapira	054667613	Ordinary shares	13,031	0.00%	0.00%	0.00%	0.00%
		RSU	14,412			0.00%	0.00%
Eli Cohen	027760628	Ordinary shares	476	0.00%	0.00%	0.00%	0.00%
		RSU	29,475			0.00%	0.00%
Yadin Antebi	028078525	Ordinary shares	102,353	0.01%	0.01%	0.01%	0.01%
		RSU	77,188			0.00%	0.00%
Zeev Hayo	057069676	Ordinary shares	12,019	0.00%	0.00%	0.00%	0.00%
		RSU	59,073			0.00%	0.00%
Ronen Stein	022537021	Ordinary shares	15,062	0.00%	0.00%	0.00%	0.00%
		RSU	44,316			0.00%	0.00%
Erez Yosef	023086101	Ordinary shares	26,776	0.00%	0.00%	0.00%	0.00%
		RSU	1,386	0.00%	0.00%	0.00%	0.00%

(1) The Bank holds 3,826,498 dormant shares; this holding constitutes 100% of the dormant shares.

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

Holdings of convertible notes of the Bank by interested parties and officers

Interested party	Corporation/ ID number	Security	Notes par value
Excellence Investments Ltd.	520041989	Poalim B	18,000,000
		Poalim C	21,913,810
The Phoenix Holdings Ltd.	520017450	Poalim B	15,000,000
		Poalim C	29,370,000

Periodic Report 2016

Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or equity-basis investee near the date of the report on financial position (cont.)

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

<u>Interested party</u>	<u>Corporation/ ID number</u>	<u>Security</u>	<u>Quantity</u>
Excellence Investments Ltd.	520041989	POALIM HAN B9	3,897,611.62
		POALIM HAN B10	149,317,959.00
		POALIM HAN B11	41,449,216.00
		POALIM HAN B13	50,598,145.00
		POALIM HAN B1	32,110,495.89
		POALIM HAN 29	37,080,601.00
		POALIM HAN 30	7,599,705.00
		POALIM HAN B14	51,714,877.50
		POALIM HAN 31	6,154,815.25
		POALIM HAN 32	66,953,337.00
		POALIM HAN 15	17,561,357.00
		POALIM HAN 16	5,161,887.00
		POALIM HAN 33	69,280,492.00
		POALIM HAN 34	182,653,108.00
The Phoenix Holdings Ltd.	520017450	POALIM HAN B9	1,951,049.17
		POALIM HAN B10	103,175,946.00
		POALIM HAN B11	30,235,798.00
		POALIM HAN 13	185,372.00
		POALIM HAN B1	59,067,676.00
		POALIM HAN 29	56,640,622.00
		POALIM HAN 30	8,034,834.00
		POALIM HAN B14	88,632,706.00
		POALIM HAN 31	29,588,741.35
		POALIM HAN 32	223,189,402.00
		POALIM HAN 15	18,265,268.00
		POALIM HAN 16	854,002.00
		POALIM HAN 33	31,797,359.00
		POALIM HAN 34	295,894,788.00
Ronit Shapira	054667613	POALIM HAN 16	9,512.00
Yosef Yarom	12017539	POALIM HAN B13	449,182.00
		POALIM B1	90,000.00

Periodic Report 2016

Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or equity-basis investee near the date of the report on financial position (cont.)

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

Additional details regarding principal holders:

1. Controlling shareholders of Arison Holdings (1998) Ltd. (as at January 19, 2017)

	<u>Rate of holding of capital</u>
Eternity Holdings One Trust ⁽¹⁾	30.00%
Eternity Four-A Trust ⁽¹⁾	70.00%
Total	<u>100.00%</u>

- (1) Ms. Shari Arison is the principal beneficiary of the Eternity Holdings One Trust and of the Eternity Four-A Trust. Trustees of each of the aforesaid trusts, respectively, are: The Northern Trust Company of Delaware; and Fides VE LLC along with The Northern Trust Company of Delaware. The Bank was informed that the aforesaid beneficiary shall have exclusive discretion to vote at shareholders' meetings of Arison Holdings (1998) Ltd., under a power of attorney granted to her by the trustees, respectively, under the conditions established by the Bank of Israel, with respect to which the aforesaid trustees have affirmed their awareness and their willingness to act accordingly. The aforesaid powers of attorney were granted without the intention to revoke them at any point; should such a revocation of power of attorney occur with regard to any of the beneficiaries, they are obligated to notify the Bank of Israel immediately, no later than at the end of 7 days from receipt of notification of the revocation.

2. The Delek Group

The Phoenix Holdings Ltd.

The Phoenix Holdings Ltd. is the only shareholder of The Phoenix Insurance Company Ltd. (100%) and of The Phoenix Investments and Finance Ltd. (100%). The Phoenix Insurance Company is the only shareholder of The Phoenix Pension and Provident Funds Ltd. (100%).

The proprietary holdings of The Phoenix Insurance are reported in part as proprietary holdings of The Phoenix Holdings. Holdings derived from profit-participatory policy portfolios of The Phoenix Insurance Company Ltd. are reported as member investments.

Proprietary holdings of The Phoenix Investments and Finances Ltd., holdings of The Phoenix Holdings, and holdings of the management company The Phoenix Pension and Provident Funds Ltd. and of The Phoenix Pension and Provident Fund Management Ltd.

The Delek Group Ltd. (the "Delek Group") holds approximately 52.31% of the share capital of The Phoenix Holdings.

Excellence Investments Ltd.

The Phoenix Investments and Finance Ltd. holds 100% of the issued and paid-up share capital of Excellence Investments Ltd. The Phoenix Investments and Finance Ltd. is a wholly owned subsidiary of The Phoenix Holdings Ltd., which is the controlling shareholder of Excellence Investments Ltd.

Periodic Report 2016

Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or equity-basis investee near the date of the report on financial position (cont.)

The Delek Group Ltd.*

Holds approximately 52.31% of the share capital of The Phoenix Holdings. The Delek Group Ltd. is a public company whose shares are listed on the Tel Aviv Stock Exchange.

Mr. Itzhak Sharon (Tshuva) is the controlling shareholder of the Delek Group (concatenated).

- * Were interested parties of the Bank on December 31, 2016, and ceased to be interested parties of the Bank as of February 9, 2017.

Periodic Report 2016

Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or equity-basis investee near the date of the report on financial position (cont.)

D. Holdings of subsidiaries in shares of subsidiaries or equity-basis investees

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		
								Of capital	Of voting	Of authority to appoint directors
AMI Trustees Ltd.	Hapoalim American Israeli Ltd.	510373053	Ordinary shares	50,000.00	0.0001	NIS	5.00	100%	100%	100%
Bami Nechasim Ltd.	AMI Trustees Ltd.	511584781	Ordinary shares	1.00	1.00	NIS	1.00	1%	1%	1%
Bami Nechasim Ltd.	Hapoalim American Israeli Ltd.	511584781	Ordinary shares	99.00	1.00	NIS	99.00	99%	99%	99%
BHI Investment Advisors Asia	Bank Hapoalim (Switzerland) Ltd.	1465245	Ordinary shares	9,000,000.00	1.00	Other	9,000,000.00	100%	100%	100%
BHI Global Investment Advisors (Israel) Ltd.	Bank Hapoalim (Switzerland) Ltd.	515082931	Ordinary shares	1,000.00	1.00	NIS	1,000.00	100%	100%	100%
Bank Pozitif Kredi Ve Kalkinma Bankasi A.S.	Tarshish Hapoalim Holdings and Investments Ltd.	774483903	Ordinary shares	2,355,146,874.00	0.10	Other	235,514,687.40	70%	70%	70%
Global Factoring Ltd.	Isracard Ltd.	513634394	Ordinary shares	2,000,000.00	1.00	NIS	2,000,000.00	100%	100%	100%
Diur B.P. Ltd.	Opaz Ltd.	510237878	Ordinary shares	1,066.00	0.10	NIS	106.60	100%	100%	100%
Diur B.P. Investments (1992) Ltd.	Diur B.P. Ltd.	511727232	Ordinary shares	100.00	1.00	NIS	100.00	100%	100%	100%
Diur B.P. Properties (1993) Ltd.	Diur B.P. Ltd.	511895773	Ordinary shares	100.00	1.00	NIS	100.00	100%	100%	100%
Hapoalim (Latin America) S.A.	Bank Hapoalim (Cayman) Ltd.	774177877	Bearer	398,537,083.00	1.00	UYU	398,537,083.00	100%	100%	100%
Hapoalim Nechasim (Menayot) Ltd.	Opaz Ltd.	511391278	Ordinary shares	100.00	1.00	NIS	100.00	100%	100%	100%
Hapoalim Securities U.S.A. Inc.	PCM – HSU Holdings Inc	133732556	Common	10.00	0.01	USD	0.10	100%	100%	100%
Hevrat Nemanut Aseret Alafim Veachat Ltd.	Poalim Trust Services Ltd.	510729205	Ordinary shares	10.00	0.0001	NIS	0.0001	100%	100%	100%
Hevrat Nemanut Aseret Alafim Veshtaim Lavan Ltd.	Poalim Trust Services Ltd.	510729742	Ordinary shares	10.00	0.0001	NIS	0.0001	100%	100%	100%
Hetzron Hevra Lehashkaot Ltd.	Revadim (Nechasim) Ltd.	510364508	Ordinary shares	335,880.00	0.10	NIS	33,588.00	33%	33%	33%
Trinel Trading and Investment Ltd.	Bank Hapoalim	900000606	Ordinary shares	1,500.00	100.00	CHF	150,000.00	100%	100%	100%

Periodic Report 2016

Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or equity-basis investee near the date of the report on financial position (cont.)

D. Holdings of subsidiaries in shares of subsidiaries or equity-basis investees (cont.)

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		
								Of capital	Of voting	Of authority to appoint directors
	(Switzerland) Ltd.									
Europay (Eurocard) Israel Ltd.	Isracard Ltd.	510595036	Ordinary shares	18,066,344.00	0.0001	NIS	1,806.6344	100%	49%	49%
Europay (Eurocard) Israel Ltd.	Isracard Ltd.	510595036	Special shares	1.00	0.0001	NIS	0.0001	0%	51%	51%
Yefet Nominees Ltd.	Hapoalim American Israeli Ltd.	510125784	Ordinary shares	1,000.00	0.0001	NIS	0.10	100%	100%	100%
Isracard (Nechasim) 1994 Ltd.	Isracard Ltd.	512053513	Ordinary shares	9,999.00	1.00	NIS	9,999.00	100%	100%	100%
Isracard Mimun Ltd.	Isracard Ltd.	513497628	Ordinary shares	10,000.00	1.00	NIS	10,000.00	100%	100%	100%
Mivnim Vetsiud Ltd.	Bitzur Ltd.	510439284	Ordinary shares	5.00	0.10	NIS	0.50	5%	5%	5%
May-Oz Ltd.	Diur B.P. Ltd.	511470999	Ordinary shares	100.00	1.00	NIS	100.00	100%	100%	100%
Noy Waste to Energy Limited Partnership 2	Noy E.I Infrastructure and Energy G.P. Ltd.	550262653	No share capital	1.00	1.00	NIS	1.00	48%	0%	100%
C Bilisim Teknolojileri	Bank Pozitif Kredi Ve Kalkinma Bankasi A.S.	500422084	Ordinary shares	3,986,850.00	1.00	Other	3,986,850.00	100%	100%	100%
C Bilisim Teknolojileri	Agam Hevra Finansit Ltd.	500422084	Ordinary shares	4,375.00	1.00	Other	4,375.00	0%	0%	0%
C Bilisim Teknolojileri	Igarot Hevra Lehanpakot shel Bank Hapoalim Ltd.	500422084	Ordinary shares	4,375.00	1.00	Other	4,375.00	0%	0%	0%
C Bilisim Teknolojileri	Teuda Hevra Finansit Ltd.	500422084	Ordinary shares	4,375.00	1.00	Other	4,375.00	0%	0%	0%
PAM Holdings Ltd.	Poalim Betevuna Ltd.	740001433	Ordinary shares	771,739.00	1.00	GBP	771,739.00	100%	100%	100%
Poalim Ofakim Ltd.	Hapoalim Nechasim (Menayot) Ltd.	513624338	Ordinary shares	50,000.00	1.00	NIS	50,000.00	100%	100%	100%
Poalim Asset Management (Ireland) Ltd.	PAM Holdings Ltd.	740001458	Ordinary shares	120,000.00	1.00	USD	120,000.00	100%	100%	100%
Poalim Asset Management (UK) Ltd.	PAM Holdings Ltd.	740001441	Ordinary shares	1,000,000.00	1.00	GBP	1,000,000.00	100%	100%	100%
Poalim Delta Fund L.P	Poalim Ventures Ltd.	550019012	No share capital	99.00	1.00	NIS	99.00	99%	99%	99%

Periodic Report 2016

Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or equity-basis investee near the date of the report on financial position (cont.)

D. Holdings of subsidiaries in shares of subsidiaries or equity-basis investees (cont.)

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		
								Of capital	Of voting	Of authority to appoint directors
Poalim Ventures Fund Management Ltd.	Poalim Ventures Ltd.	512433194	Ordinary shares	999.00	1.00	NIS	999.00	100%	100%	100%
Poalim Ventures Fund Management Ltd.	Poalim Capital Markets & Investments - Holdings Ltd.	512433194	Ordinary shares	1.00	1.00	NIS	1.00	0%	0%	0%
Poalim Ventures I Ltd.	Poalim Ventures Ltd.	512882317	Ordinary shares	110,000.00	0.01	NIS	1,100.00	6%	6%	0%
Poalim Ventures I Ltd.	Poalim Ventures Fund Management Ltd.	512882317	No share capital	1.00	1.00	NIS	1.00	0%	0%	100%
Poalim Ventures I Ltd.	Poalim Capital Markets Ltd.	512882317	Ordinary shares	951,330.00	0.01	NIS	9,513.30	48%	48%	0%
Poalim Ventures II L.P	Poalim Ventures Fund Management Ltd.	530205905	No share capital	100.00	1.00	NIS	100.00	0%	0%	100%
Poalim Ventures Ltd.	Poalim Capital Markets & Investments - Holdings Ltd.	510820046	Ordinary shares	151,660,886.00	0.01	NIS	1,516,608.86	100%	100%	100%
Poalim Ventures Services Israel Ltd.	Hapoalim Nechasim (Menayot) Ltd.	510464795	A ordinary shares	2,698.00	0.10	NIS	269.80	100%	100%	100%
Poalim Mortgages Insurance Agency (2005) Ltd.	Poalim Ofakim Ltd.	513661025	Ordinary shares	1,000.00	1.00	NIS	1,000.00	100%	100%	100%
Poalim Capital Markets - Investment House Ltd.	Bitzur Ltd.	520032541	Ordinary shares	180,628,882.00	1.00	NIS	180,628,882.00	100%	100%	100%
Poalim Capital Markets Ltd.	Poalim Capital Markets & Investments - Holdings Ltd.	511465593	Ordinary shares	21,801,000.00	1.00	NIS	21,801,000.00	100%	100%	100%
Poalim Financial Markets - Financial Applications & Research Ltd.	Poalim Capital Markets & Investments - Holdings Ltd.	511735185	Ordinary shares	99.00	1.00	NIS	99.00	99%	99%	99%
Poalim Financial Markets - Financial	Poalim Capital Markets	511735185	Ordinary shares	1.00	1.00	NIS	1.00	1%	1%	1%

Periodic Report 2016

Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or equity-basis investee near the date of the report on financial position (cont.)

D. Holdings of subsidiaries in shares of subsidiaries or equity-basis investees (cont.)

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		
								Of capital	Of voting	Of authority to appoint directors
Applications & Research Ltd.	Ltd.									
Poalim Capital Markets (Euro) Ltd.	Poalim Capital Markets & Investments - Holdings Ltd.	512693441	Ordinary shares	1.00	1.00	NIS	1.00	0%	0%	0%
Poalim Capital Markets (Euro) Ltd.	Poalim Capital Markets Ltd.	512693441	Ordinary shares	999.00	1.00	NIS	999.00	100%	100%	100%
Poalim Capital Markets & Investments - Holdings Ltd.	Poalim Capital Markets - Investment House Ltd.	520043290	A ordinary shares	1,855,445.00	0.0001	NIS	185.5445	20%	48%	48%
Poalim Capital Markets & Investments - Holdings Ltd.	Poalim Capital Markets - Investment House Ltd.	520043290	B ordinary shares	2,836,485.00	0.0001	NIS	283.6485	28%	0%	0%
Poalim Capital Markets & Investments - Holdings Ltd.	Tarshish Hapoalim Holdings and Investments Ltd.	520043290	A ordinary shares	1,829,935.00	0.0001	NIS	182.9935	19%	47%	47%
Poalim Capital Markets & Investments - Holdings Ltd.	Tarshish Hapoalim Holdings and Investments Ltd.	520043290	B ordinary shares	2,797,487.00	0.0001	NIS	279.7487	28%	0%	0%
PCM – HSU Holdings Inc.	Poalim Capital Markets (Euro) Ltd.	352460912	Ordinary shares	100.00	1.00	USD	100.00	100%	100%	100%
PCM Hudson Holdings LLC	Poalim Ventures Ltd.	980582800	Ordinary shares	100.00	1.00	NIS	100.00	100%	100%	100%
PCM Hudson Management Company Holdings L.P.	Poalim Ventures Ltd.	980582799	Ordinary shares	99.00	1.00	NIS	99.00	99%	99%	99%
PCM Hudson Management Company Holdings L.P.	PCM Hudson Holdings LLC	980582799	Ordinary shares	1.00	1.00	NIS	1.00	1%	1%	1%
Tzadit Ltd.	Revadim (Nechasim) Ltd.	510437494	Ordinary shares	114,799.00	0.0001	NIS	11.4799	100%	100%	100%
Tzameret Mimunim Ltd.	Israrcad Ltd.	512834896	Ordinary shares	3,000.00	1.00	NIS	3,000.00	100%	100%	100%

Periodic Report 2016

Standard 24: Shares and convertible securities held by interested parties and senior officers of a corporation, subsidiary, or equity-basis investee near the date of the report on financial position (cont.)

D. Holdings of subsidiaries in shares of subsidiaries or equity-basis investees (cont.)

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		
								Of capital	Of voting	Of authority to appoint directors
K.B.G Energy Systems Ltd.	Noy E.I Infrastructure and Energy G.P. Ltd.	512682998	Ordinary shares	100.00	1.00	NIS	100.00	100%	100%	100%
Sure-Ha International Ltd.	Opaz Ltd.	740000401	Ordinary shares	4,999,999.00	1.00	USD	4,999,999.00	100%	100%	100%

Periodic Report 2016

Standard 24A

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

Dormant Shares

Bank Hapoalim B.M. holds 3,826,498 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 1,333,550,613. The shares are listed for trading on the Tel Aviv Stock Exchange.

Periodic Report 2016

Standard 24B

Registry of Shareholders

<u>Book of shareholders – Bank Hapoalim B.M.</u>	<u>Number of shares</u>
Bank Hapoalim Nominee Company Ltd.*	1,069,759,554
A. Controlling interest shares	
Arison Holdings (1998) Ltd.	267,543,761
B. Freestanding shares	
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
Total	<u>1,337,377,111</u>

* The quantity of shares at the Nominee Company includes 3,826,498 dormant shares owned by Bank Hapoalim.

Periodic Report 2016

Standard 26: Board of Directors of the Bank

Name and personal details

Oded Eran

Identification Number: 053378824

Date of birth: May 28, 1955

Citizenship: Israeli and German

Address: Tzamarot 171/6, Herzeliya

Chairman of the Board of Directors of the Bank as of January 1, 2017.

Chairperson of the following Board Committees: the Investment Approval Committee, the Reform and Capital Management Committee, the Finance and Prospectus Committee, the Overseas Banking and International Activity Committee, and the Corporate Governance and Stakeholders Committee.

Member of the Credit Committee of the Board of Directors.

Serves as a director of the Bank as of February 18, 2016.

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.

Director and controlling shareholder of the companies: Oded Eran Law Office; Minortil Ltd.

Chairperson of the executive board of Poalim for the Community (Registered Non-Profit Association).

Served as a special consultant to the law firm Goldfarb Seligman & Co. and as an external lecturer at the Department of Law, Tel Aviv University.

In the last five years or during part of that period, served as a director at the Whole Person Association for the Prevention of Discrimination Based on Weight in Israel, and as a member of the executive board of the Migdalor Association for the Promotion and Distribution of Contemporary Culture; however, he no longer serves in these positions.

The director is an "accounting and financial expert" for the purposes of attaining the "minimum number" of directors with accounting and financial expertise stipulated by the Board of Directors, as required by the Companies Law, 1999, and the derived regulations.

Periodic Report 2016

Standard 26: Board of Directors of the Bank (cont.)

Name and personal details

Amnon Dick

Identification Number: 051770568

Date of Birth: Nov. 20, 1952

Citizenship: Israeli and Austrian

Address: Ehad Ha'am 84, Tel Aviv

Chairperson of the New Products Committee of the Board of Directors.

Member of the following Board Committees: the Credit Committee, the Overseas Banking and International Activity Committee, the Information Technology Committee, the Reform and Capital Management Committee, the Corporate Governance and Stakeholders Committee, and the Remuneration Committee in expanded format.

Serves as an external director (as defined in Proper Conduct of Banking Business Directive No. 301 of the Bank of Israel; eligibility terms for his election are similar to the eligibility terms for the election of external directors as required under the Companies Law, 1999 (hereinafter: the "Companies Law")); has accounting and financial expertise and professional qualification (as defined in Section 240(A1) of the Companies Law).

The director is not an employee of the Bank, or of a subsidiary, related company, or interested party of the Bank.

Serves as a director of the Bank as of March 24, 2010.

The six-year term of service of Mr. Amnon Dick as an external director of the Bank ended on March 24, 2016. The election of Mr. Amnon Dick for an additional three-year term of service as a director of the Bank was approved by the annual general meeting of shareholders of the Bank on March 16, 2016.

M.B.A., Tel Aviv University; B.A. in Economics, Tel Aviv University.

Businessman, manager of companies, consultant, and director.

CEO of Adsensory Ltd.

Member of the board of directors of the following companies: Non Stop Radio Ltd., Northern Radio Ltd., Radio Eco 99 Ltd., Rala Management and Development (2014) Ltd., Eco Sharon Management and Development Ltd., Migad Communication Ltd., and Habima National Theater Ltd. (Public Benefit Company).

Chairperson of Ability Inc.; chairperson of the Friends of Tel Aviv University Association.

In the last five years or during part of that period, served as a director at MIRS Communications Ltd., East West Innovations, and Nicevend Ltd.; however, he no longer serves at these companies.

The director is an "accounting and financial expert" for the purposes of attaining the "minimum number" of directors with accounting and financial expertise stipulated by the Board of Directors, as required by the Companies Law, 1999, and the derived regulations.

Periodic Report 2016

Standard 26: Board of Directors of the Bank (cont.)

Name and personal details

Meir Wietchner

Identification Number: 059681593

Date of birth: May 2, 1965

Citizenship: Israeli

Address: Margoa 12, Tel Aviv

Chairperson of the Information Technology Committee of the Board of Directors.

Member of the following committees of the Board of Directors: the Reform and Capital Management Committee, and the Overseas Banking and International Activity Committee.

Serves as a director of the Bank as of November 24, 2009.

M.B.A., EMBA, Northwestern University, Chicago; B.A. in Political Science and Computer Science, Bar Ilan University, Ramat Gan.

Serves as Head of Global Strategy at the Arison Group (the controlling shareholder of the Bank) and as Chairperson of the Miya Group, which is controlled by the controlling shareholder of the Bank.

Member of the board of directors of the following companies: Miya S.a.r.l., Miya Lux Holdings S.a.r.l., Miya Water Holdings Ltd., Miya Water Projects Ltd, Dorot Management Control Valves Ltd., Miya Water SA (Proprietary) Ltd., Miya Water Mexico, V.DEC S.A., Miya NL Holdings BV, Miya NL Projects BV, Miya Lux Holdings S.A.R.L., Swiss IP Branch, Miya Australia Holdings PTY Ltd., Miya Voda D.O.O., Romiya (subsidiary of Miya Water S.R.L.), Miya Colombia S.A.S., 4Water Supplies (Pty) Ltd., Miya Puerto Rico LLC.

In the last five years or during part of that period, served as a director at the following companies: Storwize Ltd., Storwize Inc. (Delaware-US), Veritec Consulting Inc., Miya Brasil Soluções em Engenharia Hidráulica Ltda, Four Integrity Group Ltd., Miya Bahamas Ltd., Miya Manila Water Projects Inc., WRP Consulting Engineers (Proprietary) Ltd., and S.C. Miya S.R.L.; however, he no longer serves at these companies.

The director is an "accounting and financial expert" for the purposes of attaining the "minimum number" of directors with accounting and financial expertise stipulated by the Board of Directors, as required by the Companies Law, 1999, and the derived regulations.

Periodic Report 2016

Standard 26: Board of Directors of the Bank (cont.)

Name and personal details

Imri Tov

Identification Number: 005018155

Date of birth: Nov. 24, 1939

Citizenship: Israeli

Address: Adam Hacoheh 3, Tel Aviv

Chairman of the Remuneration Committee of the Board of Directors and of the Remuneration Committee in its expanded format.

Member of the following Board Committees: the Credit Committee, the Transactions with Related Persons Committee, the Audit Committee, the Finance and Prospectus Committee, the Investment Approval Committee, the Risk Management and Control Committee; the Overseas Banking and International Activity Committee, and the Corporate Governance and Stakeholders Committee.

Serves as an external director, as defined in Section 240 of the Companies Law; has accounting and financial expertise and professional qualification (as defined in Section 240(A1) of the Companies Law).

The director is not an employee of the Bank, or of a subsidiary, related company, or interested party of the Bank.

Serves as a director of the Bank as of February 5, 2009.

The six-year term of service of Mr. Imri Tov as an external director of the Bank ended on February 5, 2015. The election of Mr. Imri Tov for an additional three-year term of service as an external director of the Bank was approved by the annual general meeting of shareholders of the Bank on November 30, 2014.

M.A. in Economics and Business Administration, Hebrew University of Jerusalem; B.A. in Economics and Political Science, Hebrew University of Jerusalem.

Director of companies; business consultant; consultant and researcher in defense economics.

Member of the board of directors of the following companies: MTA Holdings Ltd. and Plasan Sasa Ltd.

Member of the Paratrooper Veterans of the Liberation of Jerusalem and Crossing of the Canal Foundation (Registered Non-Profit Association) and the Paratrooper Heritage Foundation.

In the last five years or during part of that period, served as a director at the following companies: Shufersal Ltd. (external director), Granit Hacarmel Investments Ltd. (external director), IC Green Energy (ICG) Ltd., and Amanet Management and Systems Ltd. (external director), and as a member of the executive board of HaGesher Theater; however, he no longer serves there.

The director is an "accounting and financial expert" for the purposes of attaining the "minimum number" of directors with accounting and financial expertise stipulated by the Board of Directors, as required by the Companies Law, 1999, and the derived regulations.

Periodic Report 2016

Standard 26: Board of Directors of the Bank (cont.)

Name and personal details

Yacov Peer

Identification Number: 052242609

Date of birth: Apr. 16, 1954

Citizenship: Israeli

Address: Rimalt Elimelech 4, Ramat Gan

Chairperson of the Transactions with Related Persons Committee of the Board of Directors.

Member of the following Board Committees: the Finance and Prospectus Committee, the Audit Committee, the Risk Management and Control Committee, and the Committee for Examining the Bank's Dealings with the IDB Group.

Serves as an external director (as defined in Proper Conduct of Banking Business Directive No. 301 of the Bank of Israel; eligibility terms for his election are similar to the eligibility terms for the election of external directors as required under the Companies Law, 1999 (hereinafter: the "Companies Law")); has accounting and financial expertise and professional qualification (as defined in Section 240(A1) of the Companies Law).

The director is not an employee of the Bank, or of a subsidiary, related company, or interested party of the Bank.

Serves as a director of the Bank as of October 6, 2010.

The six-year term of service of Mr. Yacov Peer as an external director of the Bank ended on October 6, 2013. The election of Mr. Yacov Peer for an additional three-year term of service as a director of the Bank was approved by the annual general meeting of shareholders of the Bank on September 28, 2016.

M.B.A., Industrial Engineering and Management, Ben-Gurion University; B.A. in Economics, Ben-Gurion University.

Financial and management consultant for small businesses.

Member of the Friends of Rabin Medical Center Foundation.

The director is an "accounting and financial expert" for the purposes of attaining the "minimum number" of directors with accounting and financial expertise stipulated by the Board of Directors, as required by the Companies Law, 1999, and the derived regulations.

Periodic Report 2016

Standard 26: Board of Directors of the Bank (cont.)

Name and personal details

Efrat Peled

Identification Number: 027224773

Date of Birth: May 16, 1974

Citizenship: Israeli

Address: Hanarkisim 19, Ramat Gan

Member of the following Board Committees: the Reform and Capital Management Committee, the Overseas Banking and International Activity Committee, the Finance and Prospectus Committee, the Risk Management and Control Committee, the Corporate Governance and Stakeholders Committee, and the Remuneration Committee in expanded format.

Serves as Chairperson of the Board of Directors and CEO of the following companies: Arison Holdings (1998) Ltd., Arison Investments Ltd., Arison Sustainability Ltd., Arzaf Ltd., and Arzaf B (97) Ltd.; and as CEO of SAFO LLC and Arzaf C Ltd., which are controlled by the holder of the permit for control of the Bank.

Member of the Board of Directors of the Bank as of January 24, 2007.

M.B.A., EMBA Kellogg Recanati International Program, Tel Aviv University and Northwestern University; B.A. in Economics and Accounting, Tel Aviv University; Certificate in Land Assessment, Tel Aviv University.

Chairperson of the Board of Directors and CEO of the following companies: Arison Holdings (1998) Ltd., Arison Investments Ltd., Arison Sustainability Ltd., Arzaf Ltd., Arzaf B (97) Ltd., and Arzaf C Ltd.; and CEO of SAFO LLC.

Member of the board of directors of the following companies: Shikun & Binui Ltd., Av-Ar Capital Investments 1997 Ltd., Salt of the Earth Ltd., Arison Investments USA LLC, and Arshav Holdings Ltd.

Member of the board of directors of the Weizmann Institute of Science.

In the last five years or during part of that period, served as a director at the following companies: Biomedical Investments (1997) Ltd., 4Integrity Group LLC, Miya S.a.r.L., and Miya Luxembourg S.a.r.L.; however, she no longer serves at these companies.

The director is an "accounting and financial expert" for the purposes of attaining the "minimum number" of directors with accounting and financial expertise stipulated by the Board of Directors, as required by the Companies Law, 1999, and the derived regulations.

Moshe Koren

Identification Number: 1228998

Date of Birth: Jul. 8, 1938

Citizenship: Israeli

Address: Ben Yehuda 5, Kiryat Ono

Chairperson of the following committees of the Board of Directors: the Credit Committee and the Risk Management and Control Committee.

Member of the following Board Committees: the Transactions with Related Persons Committee, the Audit Committee, the Finance and Prospectus Committee, the New Products Committee, the Remuneration Committee, and the Remuneration Committee in expanded format.

The director is not an employee of the Bank, or of a subsidiary, related company, or interested party of the Bank.

Member of the Board of Directors of the Bank as of August 3, 1992.

B.A. in Economics and Statistics, Hebrew University; graduate of Financial Statement Analysis courses.

Banking and financial advisor.

The director is an "accounting and financial expert" for the purposes of attaining the "minimum number" of directors with accounting and financial expertise stipulated by the Board of Directors, as required by the Companies Law, 1999, and the derived regulations.

Periodic Report 2016

Standard 26: Board of Directors of the Bank (cont.)

Name and personal details

Reuven Krupik

Identification Number: 013482518

Date of Birth: Aug. 22, 1951

Citizenship: Israeli and Argentinian

Address: Ha'Emek 3, Hod Hasharon

Member of the following committees of the Board of Directors: the Information Technology Committee and the New Products Committee.

Serves as an external director (as defined in Proper Conduct of Banking Business Directive No. 301 of the Bank of Israel; eligibility terms for his election are similar to the eligibility terms for the election of external directors as required under the Companies Law, 1999 (hereinafter: the "Companies Law")); has professional qualification (as defined in Section 240(A1) of the Companies Law).

The director is not an employee of the Bank, or of a subsidiary, related company, or interested party of the Bank.

Member of the Board of Directors of the Bank as of February 18, 2016.

B.A. in Social Sciences (specialized in economics and political science), Hebrew University of Jerusalem; B.A. in Law, Tel Aviv University; graduate of business course at the Kellogg Recanati Center, Tel Aviv University.

Director of companies, business entrepreneur.

Director at Recanati Winery Ltd. and at NYK Technologies (family firm).

Member of the executive board of the Institute for Medical BioMathematics (Registered Non-Profit Association).

In the last five years or during part of that period, served 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., D-Pharm Ltd., Biocancell Ltd., and Andromeda Biotech Ltd.; and as a member of the board of directors of the following companies: CureTech Ltd., Campus Bio Management Ltd., and NIK Ltd.; however, he no longer serves in these positions.

Periodic Report 2016

Standard 26: Board of Directors of the Bank (cont.)

Name and personal details

Dafna Schwartz

Identification Number: 050172667

Date of Birth: Aug. 8, 1950

Citizenship: Israeli

Address: Hasavyon 4, Rehovot

Chairperson of the Audit Committee of the Board of Directors.

Member of the following Board Committees: the Transactions with Related Persons Committee, the Remuneration Committee, the Remuneration Committee in expanded format, the Reform and Capital Management Committee, and the Committee for Examining the Bank's Dealings with the IDB Group.

Serves as an external director, as defined in Section 240 of the Companies Law; has accounting and financial expertise and professional qualification (as defined in Section 240(A1) of the Companies Law).

The director is not an employee of the Bank, or of a subsidiary, related company, or interested party of the Bank.

Member of the Board of Directors of the Bank as of April 6, 2012.

The three-year term of service of Ms. Dafna Schwartz as an external director of the Bank ended on April 6, 2015. The election of Ms. Dafna Schwartz for an additional three-year term of service as an external director of the Bank was approved by the annual general meeting of shareholders of the Bank on March 31, 2015.

Professor at Ben Gurion University.

Ph.D. in Economics, Hebrew University of Jerusalem; M.A. in Agricultural Economics and Administration, Hebrew University of Jerusalem; B.A. in Economics, Tel Aviv University.

Professor in the Department of Business Administration at Ben Gurion University, head of the Entrepreneurship and Innovation course of study in the Department of Business Administration, chairperson and director of the Bengis Center for Entrepreneurship and Innovation at the Guilford Glazer Faculty of Business & Management, and member of the board of governors of Ben Gurion University of the Negev.

Practices as an economic and business consultant in Israel and overseas (Prof. Dafna Schwartz Economic and Business Development Ltd.).

Member of the National Council for Research and Development.

Member of the general assembly of the Achva Academic College of Education (Registered Non-Profit Association).

Member of the executive board of the Israel Camerata Jerusalem (Registered Non-Profit Association).

Member of the board of directors of Strauss Group Ltd. (external director).

Senate representative on the board of trustees of Ben Gurion University.

In the last five years or during part of that period, served as a director at the following companies: Teva Pharmaceutical Industries Ltd. (external director), Oil Refineries Ltd. (external director), Rotem Industries Ltd., Albaad Massuot Yitzhak Ltd., Discount Bank Ltd., and Giron Development and Construction Ltd. (external director); however, she no longer serves at these companies.

Served as a member of the expert group on: "Policy relevant research on entrepreneurship and SME's" (EU), European Commission, Enterprise and Industry Director General; however, she no longer serves there.

The director is an "accounting and financial expert" for the purposes of attaining the "minimum number" of directors with accounting and financial expertise stipulated by the Board of Directors, as required by the Companies Law, 1999, and the derived regulations.

Periodic Report 2016

Standard 26: Board of Directors of the Bank (cont.)

Name and personal details

Ido Stern

Identification Number: 031571904

Date of Birth: Mar. 19, 1978

Citizenship: Israeli

Address: Pinkas 76, Tel Aviv

Chairperson of the Committee for Examining the Bank's Dealings with the IDB Group of the Board of Directors.

Member of the following Board Committees: the Investment Approval Committee, the Corporate Governance and Stakeholders Committee, the Reform and Capital Management Committee, the Remuneration Committee in expanded format, and the Overseas Banking and International Activity Committee.

Deputy General Manager and Legal Counsel at Arison Holdings (1998) Ltd., Arison Investments Ltd., Arison Sustainability Ltd., Arzaf B 97 Ltd., Arzaf Ltd., and Av-Ar Capital Investments 1997 Ltd., which are controlled by the holder of the permit for control of the Bank.

Member of the Board of Directors of the Bank as of September 24, 2012.

L.L.B., Hebrew University of Jerusalem; Program for Leadership Development (PLD), Harvard Business School, Boston.

Member of the boards of directors of the following companies: Shikun & Binui Ltd. and Salt of the Earth Ltd.

Yair Seroussi

Identification Number: 053654927

Date of Birth: Nov. 27, 1955

Citizenship: Israeli

Address: Gideon 10, Ramat Gan

Served as a member of the Board of Directors of the Bank from June 4, 2009; as Vice Chairman of the Board of Directors of the Bank from June 4, 2009 to July 31, 2009; and as Chairman of the Board of Directors of the Bank from August 1, 2009 to December 31, 2016.

Irit Izakson

Identification Number: 050709286

Date of Birth: Jul. 22, 1951

Citizenship: Israeli

Address: Matityahu Cohen 15, Tel Aviv

Served as a member of the Board of Directors of the Bank from December 27, 1999 to December 27, 2016.

Mali Baron

Identification Number: 003462181

Date of Birth: Sep. 17, 1948

Citizenship: Israeli

Address: Beeri 12/8, Tel Aviv

Served as an external director (as defined in Proper Conduct of Banking Business Directive No. 301 of the Bank of Israel; eligibility terms for her election were similar to the eligibility terms for the election of external directors as required under the Companies Law, 1999 (hereinafter: the "Companies Law")), with accounting and financial expertise and professional qualification (as defined in Section 240(A1) of the Companies Law), from September 10, 2007 to September 10, 2016.

Nir Zichlinsky

Identification Number: 022085468

Date of birth: Oct. 8, 1965

Citizenship: Israeli

Address: P.O.B. 2303, Savyon

Served as a member of the Board of Directors of the Bank from September 10, 2007 to November 1, 2016.

Periodic Report 2016

Standard 26: Board of Directors of the Bank (cont.)

Name and personal details

Yosef Yarom

Identification Number: 12017539

Date of birth: Mar. 6, 1941

Citizenship: Israeli and Argentinian

Address: Brenner 48, Kiryat Ono

Served as an external director (as defined in Proper Conduct of Banking Business Directive No. 301 of the Bank of Israel; eligibility terms for his election were similar to the eligibility terms for the election of external directors as required under the Companies Law, 1999 (hereinafter: the "Companies Law")), with accounting and financial expertise and professional qualification (as defined in Section 240(A1) of the Companies Law), from March 21, 2011 to March 20, 2017.

Israel Tapoohi

Identification Number: 000626010

Date of birth: Mar. 2, 1946

Citizenship: Israeli and Australian

Address: 215 East 68 St. Apt. 25C,
New York City, NY 10065

Served as a member of the Board of Directors of the Bank from November 1, 2016 to March 7, 2017.

Periodic Report 2016

Standard 26A: Senior Officers of the Bank

Name and personal details	Occupation in the last five years
Ari Pinto Identification Number: 069042505 Date of Birth: Dec. 22, 1961 Citizenship: Israeli	<p>President and CEO as of August 1, 2016.</p> <p>Member of the Board of Management as of September 8, 2009.</p> <p>Deputy CEO; COO (Chief Operating Officer). Responsible for strategy, resources, and operations.</p> <p>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.</p> <p>From February 2016 to July 2016, Deputy CEO, Chief Operating Officer (COO), Head of Strategy, Resources, and Operations.</p> <p>From November 2013 to February 2016, Head of Retail Banking.</p> <p>From September 2009 to October 2013, Head of Corporate Strategy.</p> <p>Member of the executive board of the Association of Banks in Israel (Registered Non-Profit Association).</p> <p>Member of the governing board of Poalim for the Community (Registered Non-Profit Association) and of the Advisory Committee on Banking.</p> <p>Served as chairperson of the board of directors of the following companies: Avuka Hevra le Hashkaot Ltd., Mivnim Vetsiud Ltd., Alzur Property Development Company Ltd., Tzadit Ltd., Revadim (Nechasim) Ltd., Ramchal Poalim Ltd., BAMI Nechasim Ltd., Bitan Investments and Mortgages Ltd., Poalim Mortgages Insurance Agency (2005) Ltd. and Poalim Afikim Ltd., and as a member of the board of directors of the following companies: Isracard Ltd. and Europay (Eurocard) Ltd.; however, he no longer serves in these positions.</p>
Jacob Orbach Identification Number: 053906467 Date of Birth: Apr. 2, 1956 Citizenship: Israeli	<p>Member of the Board of Management as of July 6, 2014.</p> <p>Head of Corporate Banking.</p> <p>B.A. in Economics, Tel Aviv University.</p> <p>From January 2010 to July 5, 2014, Chief Internal Auditor, with the status of a Member of the Board of Management, Head of Internal Audit in Israel and Abroad.</p> <p>Chairperson of the boards of directors of the following companies: Poalim Trust Services Ltd., Diur B.P. Ltd., Diur B.P. Investments (1992) Ltd., and Diur B.P. Properties (1993) Ltd. Member of Advisory Group in New York.</p>
Eti Ben-Zeev Identification Number: 023571540 Date of Birth: Dec. 12, 1967 Citizenship: Israeli	<p>Member of the Board of Management as of February 14, 2016.</p> <p>Head of Information Technology.</p> <p>B.A. in Mathematics and Computer Science, Tel Aviv University; M.B.A., Tel Aviv University.</p> <p>From August 2014 to January 2016, Application Development Division Manager. From April 2010 to August 2014, Infrastructure Division Manager.</p> <p>Chairperson of the board of directors of Poalit Ltd.</p>

Periodic Report 2016

Standard 26A: Senior Officers of the Bank (cont.)

Name and personal details	Occupation in the last five years
Erez Yosef Identification Number: 023086101 Date of Birth: Oct. 2, 1967 Citizenship: Israeli	Member of the Board of Management as of July 1, 2016. COO, Head of Strategy, Resources, and Operations. 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. From January 2011 to January 2013, Strategy, Marketing, and Service Unit Manager. Chairperson of the boards of directors of the following companies: Avuka Hevra le Hashkaot Ltd., Mivnim Vetsiud Ltd., Alzur Property Development Company Ltd., Tzadit Ltd., Revadim (Nechasim) Ltd., Ramchal Poalim Ltd., BAMI Nechasim Ltd., and Bitan Investments and Mortgages Ltd.
Efrat Yavetz Identification Number: 058677881 Date of Birth: Apr. 4, 1964 Citizenship: Israeli On December 26, 2016, the Board of Directors received notice from Ms. Efrat Yavetz of her intention to retire from the Bank at the end of March 2017.	Member of the Board of Management as of October 1, 2009. Head of Stakeholders as of February 22, 2016. B.Sc. in Biochemistry and Human Nutrition, Hebrew University of Jerusalem; M.B.A., Tel Aviv University. From October 2009 to January 2016, Head of Human Capital, Advising, and Resources. Member of the executive boards of Poalim for the Community (Registered Non-Profit Association) and the Peretz Naftali Fund (Registered Non-Profit Association). Served as chairperson of the board of directors of the following companies: Avuka Hevra le Hashkaot Ltd., Otsar Bavel Ltd., Nichsei Bavel Ltd., Mivnim Vetsiud Ltd., Alzur Property Development Company Ltd., Tzadit Ltd., Revadim (Nechasim) Ltd., Ramchal Poalim Ltd., BAMI Nechasim Ltd., and Bitan Investments and Mortgages Ltd.; however, she no longer serves at these companies.
Tsahi Cohen Identification Number: 022007587 Date of Birth: Sep. 29, 1965 Citizenship: Israeli	Member of the Board of Management as of July 1, 2012. Chief Risk Officer. B.Sc. in Aeronautical Engineering, Technion, Haifa; M.B.A., Tel Aviv University. Manager of the Corporate Headquarters in the Corporate Banking Area at Bank Hapoalim from 2004 to June 2012.

Periodic Report 2016

Standard 26A: Senior Officers of the Bank (cont.)

Name and personal details	Occupation in the last five years
Avraham Kochva Identification Number: 013570890 Date of Birth: Dec. 8, 1961 Citizenship: Israeli and American	Member of the Board of Management as of August 1, 2014. Head of Innovation as of February 23, 2016. B.A. in Political Science and Economics, Bar Ilan University; M.B.A., University of Derby, United Kingdom. From August 2015 to February 14, 2016, Head of Information Technology. From May 2011 to July 2014, Development Division Manager in the Information Technology Area. From May 2010 to April 2011, Manager of Defense Sector at HP Israel; responsible for the company's business development with the defense sector. From 2007 to May 2010, CEO and one of the founders of the start-up company VeNotion Technologies. Served as chairperson of the board of directors of Poalit Ltd., and as a member of the boards of directors of the following companies: Isracard Ltd. and Europay (Eurocard) Israel Ltd.; however, he no longer serves in these positions.
Ofer Levy Identification Number: 052222577 Date of Birth: Feb. 15, 1954 Citizenship: Israeli	Member of the Board of Management as of May 1, 2006. Chief Accountant. B.A. in Accounting and Economics, Tel Aviv University. CPA. Member of the board of directors of the following companies: AMI Trustees Ltd., Yefet Nominees Ltd. Served as a member of the board of directors of Poalim Express Ltd.
Ilan Mazur Identification Number: 007447386 Date of Birth: Oct. 31, 1946 Citizenship: Israeli	Member of the Board of Management as of August 31, 2003. Chief Legal Advisor of the Bank. LL.B., Hebrew University of Jerusalem. Member of the board of directors of Bank Hapoalim (Switzerland) Ltd.

Periodic Report 2016

Standard 26A: Senior Officers of the Bank (cont.)

Name and personal details	Occupation in the last five years
Yadin Antebi Identification Number: 028078525 Date of Birth: Oct. 31, 1970 Citizenship: Israeli	<p>Member of the Board of Management as of July 23, 2013.</p> <p>Head of Finance, CFO.</p> <p>B.A. in Accounting and Economics, Hebrew University of Jerusalem; M.B.A. (specialized in Finance), Hebrew University of Jerusalem.</p> <p>CPA.</p> <p>From February 2011 to July 2012, CEO of Dash Investment House.</p> <p>Chairperson of the board of directors of Yadin Antebi Consulting Ltd.; member of the board of directors of Sure-Ha International Ltd.; member of the executive board of A Different Lesson (Registered Non-Profit Association).</p> <p>Served as chairperson of the boards of directors of the following companies: Poalim Mortgages Insurance Agency (2005) Ltd. and Poalim Ofakim Ltd., and as a member of the boards of directors of the following companies: Dash Provident Funds Ltd. and Tachlit Exchange Traded Notes Ltd.; however, he no longer serves at these companies.</p>
Dan Alexander Koller Identification Number: 028051910 Date of Birth: Sep. 8, 1970 Citizenship: Israeli	<p>Member of the Board of Management as of January 1, 2008.</p> <p>Head of Financial Markets and International Banking.</p> <p>B.A. in Economics and Business Administration, Hebrew University; M.A. in Economics and Business Administration, Hebrew University.</p> <p>From December 2013 to February 23, 2016, Head of Financial Markets; as of February 24, 2016, also Head of International Banking.</p> <p>From July 2012 to November 2013, Head of International Banking.</p> <p>From January 2008 to June 2012, Head of Risk Management.</p> <p>Chairperson of the boards of directors of the following companies: Poalim Capital Markets and Investment Holdings Ltd., Poalim Capital Markets - Investment House Ltd., Poalim Capital Markets Ltd., Bank Hapoalim Nominee Company Ltd., Poalim Financial Holdings Ltd., Hapoalim Hanpakot Ltd., Tarshish Hapoalim Holdings and Investments Ltd., Hapoalim Nechasim (Menayot) Ltd., Opaz Ltd., Continental Poalim Ltd., Hapoalim American Israeli Ltd., Pekaot Poalim Ltd., and Bank Hapoalim (Switzerland) Ltd.; member of the board of directors of the following companies: Poalim Asset Management (UK) Ltd., PAM Holdings Ltd., Hapoalim International N.V., Tel Aviv Stock Exchange Ltd.</p> <p>Member of the board of trustees of Hadassah International – Hadassah Offices Israel (Public Benefit Company).</p> <p>Served as a director of the following companies: Isracard Ltd., Europay (Eurocard) Israel Ltd., and Poalim Express Ltd.; however, he no longer serves at these companies.</p>

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Standard 26A: Senior Officers of the Bank (cont.)

Name and personal details	Occupation in the last five years
Ronen Stein Identification Number: 022537021 Date of Birth: Nov. 6, 1966 Citizenship: Israeli	<p>Member of the Board of Management as of February 14, 2016.</p> <p>Head of Retail Banking.</p> <p>B.A. in Economics, Hebrew University of Jerusalem; B.A. in Law, Interdisciplinary Center Herzliya.</p> <p>Licensed attorney – Israel Bar Association.</p> <p>Licensed investment advisor – Israel Securities Authority.</p> <p>From February 2015 to February 2016, CEO of the credit-card companies Isracard Ltd., Europay (Eurocard) Israel Ltd., and Poalim Express Ltd.</p> <p>From 2010 to January 2015, Retail Banking Division Manager.</p> <p>Chairperson of the boards of directors of the following companies: Isracard Ltd., Europay (Eurocard) Israel Ltd., Poalim Express Ltd., Poalim Mortgages Insurance Agency (2005) Ltd., and Poalim Ofakim Ltd..</p> <p>Served as chairperson of the boards of directors of the following companies: Tzameret Mimunim Ltd., Isracard Mimun Ltd., and Isracard (Nechasim) 1994 Ltd.; and as a director at Global Factoring Ltd.</p>
Zeev Hayo Identification Number: 057069676 Date of Birth: Feb. 24, 1961 Citizenship: Israeli	<p>Chief Internal Auditor as of July 14, 2014.</p> <p>Chief Internal Auditor, Head of Internal Audit in Israel and Abroad.</p> <p>B.A. in Accounting and Economics, Tel Aviv University.</p> <p>CPA.</p> <p>From January 2012 to July 2014, Operational Services Division Manager in the Financial Markets Area.</p> <p>From August 2006 to January 2012, Operational Services for Financial Asset Managers Division Manager.</p> <p>Serves as chief internal auditor of the following companies: Isracard Ltd., Europay (Eurocard) Israel Ltd., Poalim Express Ltd., and Peilim - Portfolio Management Company Ltd.</p> <p>Served as CEO and director at Poalim Financial Holdings (1993) Ltd.; however, he no longer serves there.</p> <p>Served as chairperson of the boards of directors of the following companies: Poalim Egoz Hevra Finansit Ltd., Poalim Shaked Hevra Finansit Ltd., Tevuat Poalim Ltd., Shores Poalim Ltd., and Mishor Poalim Ltd.; however, he no longer serves at these companies.</p> <p>Served as a director at the following companies: Nominees Company of Bank Hapoalim Ltd., Tel Aviv Stock Exchange Ltd.; however, he no longer serves at these companies.</p>

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Standard 26A: Senior Officers of the Bank (cont.)

Name and personal details

Occupation in the last five years

Ronit Shapira

Identification Number: 054667613

Date of Birth: Dec. 22, 1956

Citizenship: Israeli

Serves as Secretary of the Bank as of July 1, 2015.

B.A. in Business Administration, New England College, Henniker, United States; M.A. in Human Resource Management, University of Derby; graduate of Directors and Officers Training Course, Management and Finance School, Tafnit, Open University external studies.

From March 2004 to June 2015, Operations and Inter-Division Coordination Department Manager in the Retail Banking Area.

Member of the executive board of the Poalim for the Community Foundation (Registered Non-Profit Association).

Eli Cohen

Identification Number: 027760628

Date of Birth: Jul. 6, 1970

Citizenship: Israeli

Head of Marketing Strategy, Service, and CSR as of January 15, 2011.

On December 26, 2016, the Board of Directors received notice from Mr. Eli Cohen of his intention to resign from the Bank in the near future.

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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

The general meeting of shareholders of the Bank, held on February 18, 2016, approved the addition of Article 24E to the Articles of the Bank; the amendment of the heading preceding Section 24 in the Articles of the Bank; and the amendment of Article 17 of the Articles of the Bank. With regard to the content of the aforesaid amendments, see the Immediate Report regarding the convening of the general meeting published by the Bank on January 13, 2016 (Reference No. 2016-01-009607).

Periodic Report 2016

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 Board of Directors' Report, page 51.

2. Changes in capital – None.

3. Changes in the Memorandum and Articles of the Bank –

Recommendations to the general meeting to amend the Articles – see details in Standard 28 above.

4. Redemption of shares – None.

5. Early redemption of bonds – None.

Early redemption of notes – On December 28, 2016, the Bank performed full early redemption of Series A subordinated notes, in a total amount of NIS 881 million.

6. Transactions not at market terms between the Bank and an interested party of the Bank – 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 March 16, 2016, the general meeting of shareholders of the Bank resolved to extend the appointment of Mr. Ido Stern as a director of the Bank for a period of three additional years, beginning March 24, 2016, and to extend the appointment of Mr. Amnon Dick as an external director of the Bank pursuant to Directive 301 of the Proper Conduct of Banking Business Directives published by the Supervisor of Banks (Proper Conduct of Banking Business Directive 301), for a period of three additional years, beginning March 24, 2016.

On September 28, 2016, the general meeting of shareholders of the Bank resolved to extend the appointment of Mr. Yaacov Peer as an external director of the Bank, as defined in Proper Conduct of Banking Business Directive 301, and as an independent director, as defined in the Companies Law, for a period of three additional years, beginning October 6, 2016, and to approve the appointment of Mr. Israel Tapoohi as a director of the Bank for a period of three years, beginning November 1, 2016.

On December 19, 2016, the general meeting of shareholders of the Bank resolved to approve a new remuneration policy and to approve the terms of service and employment of the CEO of the Bank.

Periodic Report 2016

Standard 29A

1. Approval of actions under Section 255 of the Companies Law, specifying the name and position of the officer, the date and details of the action, the date of approval of the action, a description of the processes by which the action was approved, and the arguments for its approval:

On March 31, 2016, the Board of Directors accepted the updated declarations of the directors and officers and resolved to affirm that despite the fact that the double service of the directors and/or officers listed below and/or of their spouses and/or relatives as a director or a general manager or an interested party of the companies listed beside their names below is considered a situation in which a conflict of interest apparently exists, in that the Bank may provide banking services to these companies, the Board of Directors has established that this does not harm the best interests of the Bank:

- A. Meir Wietchner – Miya Water Portugal SGPS SA, Miya Brasil Empreendimentos E Participacoes Ltda.
- B. Oded Eran – Goldfarb, Seligman & Co., Oded Eran Law Offices, Minortil Ltd., Whole Person Association for the Prevention of Discrimination Based on Weight in Israel Ltd., Tel Aviv University.
- C. Oded Eran (relative of the officer – brother-in-law Danny Orian) – Leumi Start Management (2000) Ltd., Leumi Start Ltd.
- D. Yaacov Peer – Friends of Rabin Medical Center.
- E. Reuven Krupik – Gamida Cell Ltd., Recanati Winery Ltd., Medical BioMathematics (Registered Non-Profit Association), NYK Technologies Ltd., Meida Management Services Ltd., Arte Venture Group Ltd., Mida Ventures Ltd.
- F. Dafna Schwartz (relative of the officer – son-in-law Avi Raz) – Allcargo Logistic Services Ltd., Galil Cargo Ltd.
- G. Ido Stern – Lexidale Ltd.
- H. Eti Ben Zeev (relative of the officer – spouse Yuval Ben Zeev) – Move Interactive.
- I. Ari Pinto – Avuka Hevra le Hashkaot Ltd., BAMI Nechasim Ltd., Bitan Investments and Mortgages Ltd., Mivnim Vetsiud Ltd., Alzur Property Development Company Ltd., Tzadit Ltd., Revadim (Nechasim) Ltd., Ramchal Poalim Ltd.
- J. Ronen Stein – Isracard Ltd., Europay (Eurocard) Israel Ltd., Poalim Express Ltd.
- K. Ronen Stein (relative of the officer – brother Zeev Stein) – Blue Square Real Estate Ltd., Gamda Trade Ltd., Ezdarecht Investment Co. Ltd., Hashkaot Mercaz Elef Meah Veshmone Ltd., Logistics Center B Square Real Estate Ltd., Einat Real Estate Investment, Eyal Baribua Ltd., Square Real Estate Residence Ltd., Square Real Estate Tel Aviv Market Residence Ltd., Lev Tel Aviv Towers Ltd., Square Real Estate Tel Aviv Market Ltd., Square Real Estate Tel Aviv Market Commerce Ltd., City Mall Tel Aviv Ltd., Henyoney Tel Aviv Ltd., Derech Eretz Highways Management Corporation Ltd., Hacarmel Lanes Systems and Operation Ltd., Integrated Lanes Ltd., Ein Shemer Alon Holdings Ltd., Hyper Lod Center Ltd., Hashkaot Mercaz Elef Meah Veshmone Ltd., Logistics Center B Square Real Estate Ltd., Einat Real Estate Investment, Beit Ribua Hadar 2001 Management Company Ltd., Eyal Baribua Ltd., Square Real Estate Residence Ltd., Square Real Estate Tel Aviv Market Residence Ltd., Lev Tel Aviv Towers Ltd., Square Real Estate Tel Aviv Market Ltd., Square Real Estate Tel Aviv Market Commerce Ltd., City Mall Tel Aviv Ltd.
- L. Zion Kenan (relative of the officer – son Gilad Kenan) – Kenan Group Ltd., Fan Bar 290 Ltd. (Mr. Kenan's service at the Bank ended on August 1, 2016).
- M. Nir Zichlinsky – Ruppim Academic Center, A.S.A.P. Athena Strategic and Partners Ltd. (Mr. Zichlinsky's service at the Bank ended on November 1, 2016).

Periodic Report 2016

Standard 29A (cont.)

Later, on September 1, 2016, the Board of Directors received another update of the declarations of the directors and officers, and resolved to affirm that despite the fact that the double service of the directors and/or officers listed below and/or of their spouses and/or relatives as a director or a general manager or an interested party of the companies listed beside their names below is considered a situation in which a conflict of interest apparently exists, the Board of Directors has established that this does not harm the best interests of the Bank:

- A. Efrat Peled (relative of the officer – spouse Yeshayahu Sharf) – ILalor Inc.
- B. Ido Stern – Starlight Capital Ltd.
- C. Efrat Yavetz – Peretz Naftali Fund.
- D. Ari Pinto – Association of Banks.
- E. Dan Koller – Hadassah International.
- F. Ronen Stein (relative of the officer – brother Zeev Stein) – Shalom Baribua Ltd.

In accordance with the aforesaid determination by the Board of Directors that the double service does not harm the best interests of the Bank, the Board of Directors approved their continued service at the Bank, pursuant to Section 255 of the Companies Law.

The Board of Directors also approved the transactions and actions performed in the past between the aforesaid companies and the Bank prior to the appointment of the aforesaid directors and/or officers, and before they and/or their spouse and/or their relative had a personal interest in transactions and/or actions in the ordinary course of business.

The Board of Directors also affirmed that it finds no fault in the continued provision to the aforesaid companies by the Bank of the full range of banking services (excluding credit), in Israel and overseas, which it provides to its other customers with a similar volume of activity. All banking services and the terms thereof shall be determined such that the aforesaid companies receive identical terms to those granted to other customers of the Bank performing similar transactions, and do not receive benefits not granted to other customers in the ordinary course of the Bank's business and under similar circumstances. The required approval pursuant to the provisions of Section 255 of the Companies Law was granted under the condition that the terms for receiving the aforesaid banking services are in accordance with the procedures of the Bank and within and according to the authority and the procedures of the Board of Directors.

With regard to deposits, the terms of account management, and credit for the companies listed above – specific approval shall be given by the function authorized to approve the credit at the Bank and/or by the Transactions with Related Persons Committee of the Board of Directors, as required pursuant to Proper Conduct of Banking Business Directive 312 of the Bank of Israel, and pursuant to and in accordance with the procedures of the Bank and the framework of authority and procedures of the Board of Directors, and under terms approved by the Bank for others who are not “interested parties” in transactions with the Bank, and who execute similar transactions with the Bank. This approval constitutes an update of previous approvals resolved by the Board of Directors at various times.

- 2. Approval of actions under Section 254(A) of the Companies Law which were not approved – None.
- 3. Exceptional transactions that require approval under Section 270(1) of the Companies Law – None.

Periodic Report 2016

Standard 29A (cont.)

4. Exemption, insurance, or commitment to indemnify officers, as defined in the Companies Law, in effect at the reporting date – As at the date of the report, all of the directors and officers of the Bank have exemption letters, indemnity commitments, and officers' insurance. For additional information, see Standard 22.

Ofer Levy
Chief Accountant

Ronit Shapira
Secretary of the Bank

Tel Aviv, March 29, 2017

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Corporate Governance Questionnaire

INDEPENDENCE OF THE BOARD OF DIRECTORS

1. Throughout the reported year, two or more external directors served at the corporation: **True**
Director A: **Imri Tov**
Director B: **Dafna Schwartz**
Number of external directors serving at the corporation as at the date of publication of this questionnaire: **two (and three additional external directives as defined in Directive 301 of the Supervisor of Banks).**
2. A. The percentage of independent directors serving at the corporation as at the date of publication of this questionnaire: **5/10.**
B. The corporation **has not** established a minimum rate/number of independent directors in its articles (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, and these include the independent directors).
3. 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: **True.**
4. None of the directors who served at the corporation during the reported year report 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): **True.**
5. 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 voting under circumstances according to Section 278(B) of the Companies Law): **True.**
6. 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: **True.**

QUALIFICATION AND SKILLS OF DIRECTORS

7. 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: **True.**
8. 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: **True.**
This program was operational during the reported year.
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: **True.**
The minimum number established: **2.**
B. Number of directors who served at the corporation during the reported year:
Directors with accounting and financial expertise:
12 directors from January 1, 2016, to February 17, 2016;
13 directors from February 18, 2016, to September 10, 2016;
12 directors from September 11, 2016, to December 27, 2016;
11 directors from December 28, 2016 to December 31, 2016.
Directors with professional qualification:
1 director from January 1, 2016, to February 17, 2016;
2 directors from February 18, 2016, to December 31, 2016.

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10. A. The composition of the board of directors included members of both sexes throughout the reported year: **True**.
- B. The 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: 8, Women: 2**.

MEETINGS OF THE BOARD OF DIRECTORS (AND CONVENING OF THE GENERAL MEETING)

11. A. The number of meetings of the board of directors held during each quarter of the reported year:
 First quarter 2016: **11**
 Second quarter 2016: **9**
 Third quarter 2016: **12**
 Fourth quarter 2016: **20**
- B. Beside each of the names of the directors who served at the corporation during the reporting year, note the percentage 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) (it is hereby clarified that meetings which a director did not attend due to a personal interest / conflict of interest were not counted by the corporation as absences of the director from such meetings):

Director's name	Percent participation in meetings of the board of directors	Percent participation in meetings of the audit committee (for directors who are members of that committee)	Percent participation in meetings of the committee for the examination of financial statements (for directors who are members of that committee)	Percent 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	100%	100%	100%	Corporate governance and stakeholders committee – 100% Audit committee – 100%
Yair Seroussi	90%	Not a member of the committee	Not a member of the committee	Credit committee – 86% Investment approval committee – 100% Overseas banking and international activity committee – 80% New products committee – 100% Corporate governance committee – 100% Finance and prospectus committee – 100% Risk management and control committee – 86% Remuneration committee to which additional directors were invited as committee members (pursuant to Section 38(E) of Directive 301 of the Supervisor of Banks) – 100%
Irit Izakson	80%	Not a member of the committee	Not a member of the committee	Finance and prospectus committee – 100% Risk management and control committee – 86% Credit committee – 83% New products committee – 80%

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Mali Baron	100%	100%	100%	Transactions with related persons committee – 100% Credit committee – 100% Corporate governance committee – 100% Risk management and control committee – 100% Audit committee – 100%
Amnon Dick	98%	Not a member of the committee	Not a member of the committee	Investment approval committee – 100% Overseas banking and international activity committee – 100% Corporate governance and stakeholders committee – 100% Information technology committee – 100% New products committee – 100% Remuneration committee to which additional directors were invited as committee members (pursuant to Section 38(E) of Directive 301 of the Supervisor of Banks) – 100% CEO search committee – 100%
Meir Wietchner	96%	Not a member of the committee	Not a member of the committee	Information technology committee – 100% Overseas banking and international activity committee – 90%
Nir Zichlinsky	100%	100%	100%	Information technology committee – 100%
Imri Tov	100%	98%	98%	Remuneration committee – 100% Credit committee – 95% Transactions with related persons committee – 94% Finance and prospectus committee – 100% Investment approval committee – 100% Risk management and control committee – 100% Overseas banking and international activity committee – 100% Corporate governance and stakeholders committee – 100%
Yosef Yarom	100%	98%	98%	New products committee – 100% Credit committee – 100%
Yacov Peer	100%	100%	100%	Transactions with related persons committee – 100% Finance and prospectus committee – 100% Committee for examining the Bank's dealings with the IDB Group – 100%

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Efrat Peled	100%	Not a member of the committee	Not a member of the committee	Overseas banking and international activity committee – 100% Finance and prospectus committee – 100% Risk management and control committee – 100% Corporate governance and stakeholders committee – 100% Remuneration committee to which additional directors were invited as committee members (pursuant to Section 38(E) of Directive 301 of the Supervisor of Banks) – 100% CEO search committee – 100%
Moshe Koren	98%	Not a member of the committee during the reported year	Not a member of the committee during the reported year	Credit committee – 98% Transactions with related persons committee – 97% Finance and prospectus committee – 100% Risk management and control committee – 100% New products committee – 100% Remuneration committee – 100%
Reuven Krupik	98%	Not a member of the committee	Not a member of the committee	Information technology committee – 100%
Dafna Schwartz	100%	100%	100%	Transactions with related persons committee – 97% Remuneration committee – 100% Committee for examining the Bank's dealings with the IDB Group – 100% CEO search committee – 100%
Ido Stern	100%	Not a member of the committee	Not a member of the committee	Committee for examining the Bank's dealings with the IDB Group – 100% Investment approval committee – 100% Overseas banking and international activity committee – 100% Corporate governance and stakeholders committee – 100% Remuneration committee to which additional directors were invited as committee members (pursuant to Section 38(E) of Directive 301 of the Supervisor of Banks) – 100% CEO search committee – 100%
Israel Tapoohi	98%	Not a member of the committee	Not a member of the committee	

12. The board of directors held at least one discussion during the reporting 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, after giving them the opportunity to express their position: **True**.

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SEPARATION OF THE DUTIES OF THE GENERAL MANAGER AND THE CHAIRPERSON OF THE BOARD OF DIRECTORS

13. A chairperson of the board of directors served at the corporation throughout the reported year: **True.**
14. A general manager served at the corporation throughout the reported year: **True.**
15. 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.
 Not relevant.
16. The general manager is **not** a relative of the chairperson of the board of directors: **True.**
17. A controlling party or a relative thereof **does not** serve as the general manager or as a senior officer of the corporation, except as a director: **True.**

THE AUDIT COMMITTEE

18. The following persons did not serve on the audit committee during the reported year:
 - A. A controlling party or a relative thereof: **True.**
 - B. The chairperson of the board of directors: **True.**
 - 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: **True.**
 - 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: **True.**
 - E. A director whose primary livelihood depends on the controlling party: **True.**
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: **True.**
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: **True.**
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: **True.**
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): **True.**
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: **True.**
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: **True.**

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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

25.
 - A. The 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: **3 days**, to the extent possible.
 - B. The 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 of 2016: **3 days.**
Report for the second quarter of 2016: **2 days.**
Report for the third quarter of 2016: **2 day.**
Annual report 2016: **7 days.**
 - C. The 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 of 2016: **3 days.**
Report for the second quarter of 2016: **2 days.**
Report for the third quarter of 2016: **4 days.**
Annual report 2016: **3 days.**
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: **True.**
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): **True.**
 - 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: **True.**
 - C. The chairperson of the Committee is an external director: **True.**
 - D. All of the members are directors and the majority of members are independent directors: **True.**
 - 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: **True.**
 - F. The members of the Committee made a declaration prior to their appointment: **True.**
 - 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: **True.**

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REMUNERATION COMMITTEE

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): **True.**
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: **True.**
30. The following persons did not serve on the remuneration committee during the reported year:
- A. A controlling party or a relative thereof: **True.**
 - B. The chairperson of the board of directors: **True.**
 - 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: **True.**
 - 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: **True.**
 - E. A director whose primary livelihood depends on the controlling party: **True.**
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: **True.**
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: **True.**

INTERNAL AUDITOR

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: **True.**
34. The chairperson of the board of directors or the audit committee approved the work plan in the reported year: **True.**
35. Volume of employment of the internal auditor at the corporation in the reported year: **100% position.**
- A discussion of the findings of the internal auditor was held (by the audit committee or the board of directors) during the reported year: **True.**
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: **True.**

TRANSACTIONS WITH CONTROLLING PARTIES

37. 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: **True.**
38. 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): **True.**

Mr. Oded Eran
Chairman of the Board

Ms. Dafna Schwartz
Chairperson of the Audit Committee*

* The committee also serves as the committee for the examination of the financial statements.