

To
THE HOLDERS OF SUBORDINATED CAPITAL NOTES (SERIES "C")

To
BANK HAPOALIM B. M.

Ladies and Gentlemen,

Re: **Annual Report – Trusteeship for the Holders of Subordinated Capital Notes (Series "C") Issued by Bank Hapoalim B. M.**

As trustees for the holders of Subordinated Capital Notes (Series "C") ("**the Notes**") issued by Bank Hapoalim B. M. ("**the Company**"), we hereby respectfully submit an annual report for the period from 25 June 2018 and until the date of this report (inclusive) ("**the Period of the Report**"), pursuant to the provisions of Section 7 of the Trust Law, 5739-1979 and the provisions of Section 35VIII 1 of the Securities Law, 5728-1968.

1. **The Trust Deed**

On 1.11.2007 a trust deed was signed between the Company and the Bank Leumi Le-Israel Trust Company Ltd. as trustee for the holders of the Subordinated Capital Notes ("**the Trustee**"). In addition, on 15.11.2007 Addendum No. 1 to the aforesaid trust deed was signed between the Company and the Trustee. Both the trust deed and the Addendum No. 1 shall be referred to together as: "**the Trust Deed**".

2. **The Issued Securities**

With regard to the quantity of Subordinated Capital Notes in circulation see the reports of the Company and particulars on the Maya website of the Tel Aviv Stock Exchange Ltd.

3. **Collaterals and Obligations**

The Subordinated Capital Notes are not secured by any charge.

4. **Financial Stipulations**

With regard to financial stipulations with which the Company is required to comply see the reports of the Company on the Magna website of the Securities Authority.

5. **Payment of Principal and Interest**

With regard to payments of principal and interest see the conditions on the other side of the page of the annexes to the Trust Deed and see also the reports of the Company and particulars on the Maya website of the Tel Aviv Stock Exchange Ltd.

6. **Special Events**

During the period of the Report the Trustee was not aware of any extraordinary event in connection with the trust under the Trust Deed.

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7. **Meetings of Noteholders**

7.1 With regard to meetings of shareholders of the Company which were held during the period of the report including the subjects on the agenda and the resolutions that were adopted thereat, see the reports of the Company on the Magna website of the Securities Authority.

7.2 No holders' meetings were held during the period of the report.

This Report is no substitute for the review by the holder of the public reports of the Company including a review of the financial statements.

Yours faithfully,

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Hermetic Trust Services (1939) Ltd.
Formerly the Bank Leumi Trust Company

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