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MIZRAHI TEFAHOT BANK LTD

Registrar of Companies no.: 520000522

To	<u>Israel Securities Authority</u>	To	<u>Tel Aviv Stock Exchange Ltd</u>	T125 (Public)	Date of transmission: May 27 2026
	www.isa.gov.il		www.tase.co.il		Ref: 2026-01-049496

Immediate Report on the Rating of Bonds/Corporation or Rating Cessation

On May 27 2026, S&P Global Ratings *Other* published:

- A rating report/notice *up-to-date*
 A notice regarding rating cessation

1. Rating report or notice

- Corporation's rating: *Other* S&P Global Ratings
BBB+/A-2 stable

Comments/Notice summary: _____

Ratings history in the three years before the rating/notice date:

Date	Rating subject	Rating	Comments/Notice summary
May 29 2025	<i>Mizrahi Tefahot Bank Ltd.</i>	<i>Other S&P Global Ratings BBB+/A-2 stable</i>	<i>Outlook/forecast upgrade</i>
October 9 2024	<i>Mizrahi Tefahot Bank Ltd.</i>	<i>Other S&P Global Ratings BBB+/A-2 negative</i>	<i>Rating downgrade</i>
May 2 2024	<i>Mizrahi Tefahot Bank Ltd.</i>	<i>Other S&P Global Ratings A-/A-2 negative</i>	<i>Rating affirmation</i>
October 31 2023	<i>Mizrahi Tefahot Bank Ltd.</i>	<i>Other S&P Global Ratings A-/A-2 negative</i>	<i>Outlook/forecast downgrade</i>
July 20 2023	<i>Mizrahi Tefahot Bank Ltd.</i>	<i>Other S&P Global Ratings A-/A-2 stable</i>	<i>Outlook/forecast downgrade</i>

Explanation: The ratings history should only detail the rating history of the rating company the subject of the immediate report

Rating of the corporation's bonds:

Name and type of security	Security number on the stock exchange	Rating company	Current rating	Comments/Notice summary
<i>MIZRAHITF AG\$B-RM</i>	1234848	Other <i>S&P Global Ratings</i>	Other <i>BBB+</i> <i>None/NOO</i>	Rating affirmation _____
<i>MIZRAHITF \$2036RM</i>	1233808	Other <i>S&P Global Ratings</i>	Other <i>BBB-</i> <i>None/NOO</i>	Rating affirmation _____

Ratings history for the three years before the rating/notice date:

Name and type of security	Security number on the stock exchange	Date	Type of rated security	Rating	Comments/Notice summary
<i>MIZRAHITF AG\$B-RM</i>	1234848	<i>January 26 2026</i>	<i>Dollar debentures</i>	Other <i>BBB+</i> <i>None/N</i> <i>OO</i>	Initial rating _____
<i>MIZRAHITF \$2036RM</i>	1233808	<i>January 9 2026</i>	<i>Bonds</i>	Other <i>BBB-</i> <i>None/N</i> <i>OO</i>	Initial rating _____

Explanation: The rating history should only detail the rating history of the rating company the subject of the immediate report

Attached rating report: [SandP Global Ratings 27052026 isa.pdf](#)

2. On _____, _____ announced that it would cease rating _____

Details of the authorized signatories of the corporation

	Signatory's Name	Position
1	<i>Menahem Aviv</i>	<i>Other</i> <i>Head of the Information and Financial Reporting Division</i>
2	<i>Adi Shachaf</i>	<i>Other</i> <i>Head of the Finance Division</i>

Explanation: Under Regulation 5 of the Securities Regulations (periodic and immediate reports), 5730-1970, a report filed under these regulations will be signed by the authorized signatories of the corporation. The position of the senior staff on the matter (in Hebrew) can be found on the ISA's website: [Click here](#)

The reference numbers of previous documents on the subject (reference does not constitute incorporation by reference):

[2025-01-039234](#) [2026-01-004934](#) [2026-01-009893](#)

Securities of a Corporation Listed for Trading on the
Tel Aviv Stock Exchange

Form structure revision date: August 6 2024

Abbreviated Name: Mizrahi Tefahot

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E-mail: Company website:
management@umtb.co.il <https://www.mizrahi-tefahot.co.il>

Previous name of the reporting entity: United Mizrahi Bank Ltd

Name of the person reporting electronically:

Position:

Name of Employing Company:

Kikozashvili Hanan

Bank Secretary

Mizrahi Tefahot Bank Ltd

Address: 13 Abba Hillel Silver Road, Lod
7129463

Tel:
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Research Update:

Mizrahi Tefahot Bank 'BBB+/A-2' Ratings Affirmed On Resilient Performance; Outlook Stable

May 27, 2026

Editor's note: S&P Global Ratings believes there is a high degree of unpredictability around the duration and scale of the Middle East war and its potential effect on commodity prices, supply chains, economies, and credit conditions. As a result, our baseline forecasts carry a significant amount of uncertainty. As situations evolve, we will gauge the macro and credit materiality of potential shifts and reassess our guidance accordingly.

Overview

- Mizrahi Tefahot Bank Ltd.'s (Mizrahi) capitalization, measured by our risk-adjusted capital (RAC) ratio, is stabilizing at below 10% amid robust business growth and the bank's commitment to increase its dividend distribution.
- At the same time, we see the bank's competitive strength remaining comparable with that of other similarly rated peers with strong earnings resilience and franchises.
- We therefore affirmed our 'BBB+/A-2' issuer credit ratings on Mizrahi.
- The outlook is stable, balancing geopolitical and economic risks with Mizrahi's strong financial performance.

Rating Action

On May 27, 2026, S&P Global Ratings affirmed its 'BBB+/A-2' long- and short-term issuer credit ratings on Mizrahi Tefahot Bank Ltd. The outlook is stable.

Rationale

We expect Mizrahi will remain well capitalized but operate with less capital than previously anticipated. We now expect Mizrahi's RAC ratio will stabilize at about 9% by 2028 instead of gradually improving to about 10%, as initially expected. This is because of the bank's strong asset growth and large dividend distribution. In 2025, Mizrahi expanded its lending book by about 12%, benefiting from resilient demand for residential mortgages, its core market, as well as its expansion in corporate lending, in line with its business plan. The group announced its intension

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Mizrahi Tefahot Bank 'BBB+/A-2' Ratings Affirmed On Resilient Performance; Outlook Stable

to increase its market share to about 23%-24% by 2027 from about 21.5% at end-2025, and to expand its market share in the business sector to about 15%-16% from 11.7% at end-2024. Assuming a stabilization in security conditions in Israel, we anticipate Mizrahi's and the sector's lending will gradually recover from the second half of 2026 and rebound in 2027, while monetary conditions likely remain tight. Our RAC projections also incorporate a gradual increase in the dividend payout to about 50% of income from about 45% in 2025.

Profitability remains strong, despite the war. Mizrahi recorded satisfactory profitability, with a return on average equity (ROAE) of 17% in 2025 and 14.1% in the first quarter of 2026. The bank's solid profitability continues to benefit from its solid franchise, strong efficiency, and resilient asset quality. This compares favorably with the ROAE of about 12.6% for its domestic and international peers. We expect profitability to remain resilient, with ROAE declining only moderately to about 14%-15% over the next two years, despite higher taxation, financial support to households, and market volatility. Mizrahi's leading position in retail lending and its solid risk metrics further underpin the bank's stable creditworthiness, in our view.

Asset quality remains resilient, reflecting limited spillover effects from the war and Mizrahi's large residential mortgage portfolio. About two-thirds of Mizrahi's book consists of mortgages, a segment we regard as more resilient than Israel's construction and commercial real estate sectors as we continue to expect it to benefit from continued strong housing demand and low unemployment. The recent rapid expansion into other sectors could bring new risks for Mizrahi's asset quality, but we understand that underwriting standards remain tight. Mizrahi's nonperforming loans amounted to about 1.1% of its total loans at end-2025, and our base-case scenario expects them to stabilize around this level.

We continue to regard Mizrahi's creditworthiness as comparable to that of peers with a 'bbb+' group stand-alone credit profile (SACP). Our assessment is underpinned by its robust franchise, strong operational efficiency, and resilient asset quality, complemented by a healthy capital buffer. Consequently, our assessment of Mizrahi's SACP now incorporates a one-notch positive comparable ratings adjustment and remains aligned with the SACPs of its close peers.

Outlook

The stable outlook balances high geopolitical and economic risks in Israel with the benefits of Mizrahi's forecast strong financial performance over the next two years. We expect the bank's profitability will remain stable, with its RAC staying close to 9.0% and the bank maintaining a risk profile similar to that of peers. The stable outlook also takes into account Mizrahi's high systemic importance in Israel and the potential uplift we could incorporate into its issuer credit rating should its stand-alone creditworthiness deteriorate.

Downside scenario

We could lower our rating if we downgraded Israel and the bank failed to maintain its solid risk profile and earnings capacity over the next 12-24 months. This could happen if the impact of the Middle East war is more significant than anticipated and the bank's asset quality metrics weakens materially, or if lending growth accelerates and further jeopardizes Mizrahi's capitalization, with its RAC ratio declining materially below the current level.

Hybrids: We do not assign outlooks to bank issue ratings. However, we will continue to notch down the ratings on Mizrahi's hybrid bonds from the lower of the SACP and issuer credit rating. Therefore, if we were to lower the SACP on the bank, we would also lower the ratings on its rated Tier 2 instruments.

Upside scenario

An upgrade over the next 12-24 months is unlikely and would hinge on a material improvement in the security risk in Israel and the bank strengthening its profitability, efficiency, and capital buffers while diversifying its loan book.

Rating Component Scores

Rating Component Scores

	To	From
Issuer Credit Rating	BBB+/Stable/A-2	BBB+/Stable/A-2
SACP	bbb+	bbb+
Anchor	bbb	bbb
Business position	Adequate (0)	Adequate (0)
Capital and earnings	Adequate (0)	Strong (1)
Risk position	Adequate (0)	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)	Adequate and Adequate (0)
Comparable ratings analysis	1	0
Support	0	0
ALAC support	0	0
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

Related Criteria

- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), May 5, 2026
- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [General Criteria: National And Regional Scale Credit Ratings Methodology](#), June 8, 2023
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- Banking Industry Country Risk Assessment: Israel February 26, 2026
- Israeli Banks Reset Expectations By Tapping International Markets February 18, 2026
- Mizrahi Tefahot Bank Ltd. July 22, 2025

Outlooks On Three Israeli Banks Revised To Stable From Negative On Financial Resilience May 29, 2025

Ratings List

Ratings List

Ratings Affirmed

Mizrahi Tefahot Bank Ltd.

Issuer Credit Rating	BBB+/Stable/A-2
Senior Unsecured	BBB+
Junior Subordinated	BBB-

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

Mizrahi Tefahot Bank 'BBB+/A-2' Ratings Affirmed On Resilient Performance; Outlook Stable

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