

MIDROOG LTD

No. with the Registrar of Companies: 513377424

To	<u>Israel Securities Authority</u>	To	<u>Tel-Aviv Stock Exchange Ltd</u>	D125 (Public)	Date of transmission: June 3, 2026
	www.isa.gov.il		www.tase.co.il		Ref: 2026-15-052871

Immediate Report on Rating Related Events

Regulations 13(g)(2), 14, 16(a) of the Credit Rating Companies Activity Regulation
Regulations, 5774-2014

Type of event:

1
Rating

Midroog is assigning a rating of Aaa.il to bonds (series 72) in a total of up to NIS 3,000 million par value, and a rating of Aa3.il(hyb) to financing by CoCo (series 73) in a total of up to NIS 500 million par value. The rating outlook is stable. In addition, Midroog assigns a rating of P-1.il to financing by commercial notes (series 6) in a total of up to NIS 1,500 million par value.

The publication heading /rating action:

1. Rated corporation details and the corporations to execute the transaction:

1.1. Rated corporation name: *Mizrahi Tefahot Issuing Company Ltd.*

Identification number type: *a Companies Registrar registration number*

Identifiable number: *520032046*

Must execute a transaction to the corporation's report: *Yes*

1.2. Additional corporations to execute a transaction to the corporations' reports in addition to section 1.1:

1. Name of the additional corporation:	<i>Mizrahi Tefahot Bank Ltd.</i>
Type of identification number:	<i>a Companies Registrar registration number</i>
Identification number:	<i>520000522</i>

Note:

- 1. It is emphasized that the details in this section are used to present the report as part of the reports of the corporations the details of which were specified above.*
- 2. If the amending report includes only technical detail corrections (e.g. correcting an erroneous detail in a form) you may elect to present the report among the rated*

corporation's reports. An election not to execute a transaction is intended only for cases of reports concerning a correction of technical details, which means that the report will not be presented close to the rated company report.

2. Details concerning a rating report:

© File [M 5200032046 2809 2026 06 03.txt](#)

Explanation: A TXT type file which will include details about the rating in a structure pre-coordinated with the authority. [A link to the characterization document](#)

○ Table:

SN	General details	Rating details	Additional details
1	Instrument internal identification number Rating subject Issuance date Stock exchange security number: Rating initiated by Chief rating author Chief rating author internal number Secondary rating author Secondary rating author internal number	Rating Adding a ticker to the rating <input type="checkbox"/> Nature of the notice: <input type="checkbox"/> Rating discontinued Determined on	First rating publication date: Last rating update date: Rating cessation reason:

3. If a rating cessation notice was issued, please provide details about the reasons which led to the decision:

Explanation: The reasons may be added to the file, under the note "see details in the file".

4. The event date: June 3, 2026 at 12:43

The date on which the rating company first learned of the event: June 3, 2026 at 12:43

5. The immediate report: [PFUDA isa.pdf-030626 mizrahi tefahot-rating action update](#)

Reference numbers of previous documents on the matter (the reference does not constitute inclusion by reference):

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Previous name of reporting entity:

Name of person reporting electronically:

Citrin Mordechai Kfir

Address: 21 Ha'arba'a Street, Tel Aviv, 6473921

Their position:
Deputy CEO

Tel: 03-6847700 Fax:

Name of employing company:

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Mizrahi Tefahot Bank Ltd¹

Rating Action Update | June 2026

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¹ Mizrahi Tefahot Bank Ltd. holds approx. 4.9% of Midroog Ltd.'s share capital via Mizrahi Tefahot Invest Ltd. The company's shares lack any means of control.

Mizrahi Tefahot Bank Ltd.

Baseline credit assessment (BCA) for the bank	aa2.il	
Long-term deposits & bonds	Aaa.il	Outlook: stable
Contingent convertible bonds with contractual loss absorption mechanism (CoCo)	Aa3.il (hyb)	Outlook: stable
Short-term deposits/CP	P-1.il	-

Further to the rating action report dated May 25, 2026, Midroog is assigning a rating of Aaa.il with a stable outlook to a financing by a new bond series (series 72) in a total of up to NIS 3,000 million par value, instead of the previously rated amount of NIS 1,000 million par value. Additionally, Midroog assigns a rating of P-1.il to a financing by commercial notes (series 6) in a total of up to NIS 1,500 million par value, instead of the previously rated amount of NIS 1,000 million par value. Additionally, Midroog assigns a rating of Aa3.il(hyb) with a stable outlook to a financing by contingent bonds with a loss absorption mechanism (CoCo) (series 73) in a total of up to NIS 500 million par value, instead of the previously rated amount of NIS 400 million par value. The issuances will be executed by Mizrahi Tefahot Issuing Company Ltd., a fully owned subsidiary of Mizrahi Tefahot Bank Ltd. (hereinafter: the “Bank”), which is the issuances arm of the Bank.

According to Midroog’s methodology, the CoCo’s rating relies on the Bank’s BCA assessment, which serves as the anchor point to a rating of the Bank’s debt, and reflects the risk of failure and the Bank’s ability to service its debt obligations independently and without assuming external support. Given the above foundation, Midroog adjusts the rating of a debt instrument according to its specific characteristics – taking into consideration the contractual contingency measure of the instrument, the loss absorption mechanism under the instrument’s terms and conditions, and the uncertainty level concerning their triggering (by a contractual trigger or under the Supervisor of Banks’ discretion). In rating the CoCo to be issued by the Bank, we took one notch off the Bank’s BCA, which represents the legal-contractual contingency and the contractual loss absorption mechanism. Taking into consideration the Bank’s BCA rating, the current and expected capital adequacy level in our assessment and the appropriate liquidity profile, the uncertainty concerning the likelihood of reaching a “non-viability point” is low, and therefore was not represented by removing another

notch from the rating. Additionally, there is no assumption of outside support in the CoCo's rating.

According to Midroog's methodology, the commercial notes rating is based on the rating of the Bank's long-term deposits and senior debt, and on an analysis of its short-term liquidity, based on the liquidity profile reviewed as part of the Bank's financial strength assessment, the source structure stability², and liquid assets³ relative to deposits from the public.

We refer you to the follow-up report dated August 2025 and the rating action report dated May 2026 for further information about the rating considerations⁴

"Roaring Lion" operation, which started on February 28, 2026 led to a cascade of consequences and restrictions, including, among other things, a partial or full shutdown of businesses, a shutdown of civil aviation traffic, restrictions on assemblies at the workplace and in the education system, and reserve service calls for duty. Those measures caused a decrease in the Israeli market's activity level and in the economic activity. Midroog assesses that this period is characterized by a high uncertainty level concerning the outlook for the war and its economic implications. Therefore, Midroog may update the basic scenario of the rating according to future developments.

Related reports

Mizrahi Tefahot Bank Ltd – Related reports

Bank Rating – Methodology Report, September 2019

Promotion of Competition in the Banking System – Special Report, February 2023

The Implications of the War on the Credit Repayment Capacity of Midroog-Rated Issuers - special report, March 2026

Guidelines for Examining Environmental, Social and Corporate Governance Risks in Credit Ratings – Methodology Report, February 2022

Affinities, Affiliations and Holdings Table

Midroog Rating Scales and Definitions

The reports are published on Midroog's website: www.midroog.co.il

General information

² Deposits from banks, deposits from institutional bodies, debentures and bonds payable within 12 months, out of the asset total.

³ Cash and deposits with banks, Israeli government and United States government bonds, and assets guaranteed by the United States government.

⁴ [The rating reports may be viewed on Midroog's website](#)

Rating report date:	June 3 2026
Last rating update date:	May 25 2026
Initial rating publication date:	September 10, 2017
Rating initiated by:	Mizrahi Tefahot Bank Ltd
Rating paid for by:	Mizrahi Tefahot Bank Ltd

Information by the issuer

In its ratings, Midroog relies, *inter alia*, on information received from authorized issuer agents.

Baseline Credit Assessment (BCA) rating Scale

aaa.il	Issuers and issues assessed at aaa.il are those that, in Midroog’s judgment, have the highest internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government.
aa.il	Issuers and issues assessed at aa.il are those that, in Midroog’s judgment, have very high internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government.
a.il	Issuers and issues assessed at a.il are those that, in Midroog’s judgment, have relatively high internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government.
baa.il	Issuers and issues assessed at baa.il are those that, in Midroog’s judgment, have moderate internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government, and may have certain speculative characteristics.
ba.il	Issuers and issues assessed at ba.il are those that, in Midroog’s judgment, have relatively weak internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government, and have speculative characteristics.
b.il	Issuers and issues assessed at b.il are those that, in Midroog’s judgment, have very weak internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government, and have significant speculative characteristics.
caa.il	Issuers and issues assessed at caa.il are those that, in Midroog’s judgment, have excessively weak internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government, and have very significant speculative characteristics.
ca.il	Issuers and issues assessed at ca.il are those that, in Midroog’s judgment, have extremely weak internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government, and are very near default, with some prospect of recovery of principal and interest.
c.il	Issuers and issues assessed at c.il are those that, in Midroog’s judgment, have the weakest internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government, and are usually in default, with little prospects of recovery of principal and interest.

Note: Midroog appends numeric modifiers 1, 2, and 3 to each rating category from aa.il to caa.il. The modifier ‘1’ indicates that the bond ranks in the higher end of its rating category, which is denoted by letters. The modifier ‘2’ indicates that it ranks in the middle of its rating category and the modifier ‘3’ indicates that the bond ranks in the lower end of that category, denoted by letters.

Local Long-Term Rating Scale

Aaa.il	Issuers or issues rated Aaa.il are those that, in Midroog's judgment, have the highest creditworthiness relative to other local issuers.
Aa.il	Issuers or issues rated Aa.il are those that, in Midroog's judgment, have very high creditworthiness relative to other local issuers.
A.il	Issuers or issues rated A.il are those that, in Midroog's judgment, have relatively high creditworthiness relative to other local issuers.
Baa.il	Issuers or issues rated Baa.il are those that, in Midroog's judgment, have relatively moderate credit risk relative to other local issuers, and could involve certain speculative characteristics.
Ba.il	Issuers or issues rated Ba.il are those that, in Midroog's judgment, have relatively weak creditworthiness relative to other local issuers, and involve speculative characteristics.
B.il	Issuers or issues rated B.il are those that, in Midroog's judgment, have relatively very weak creditworthiness relative to other local issuers, and involve significant speculative characteristics.
Caa.il	Issuers or issues rated Caa.il are those that, in Midroog's judgment, have excessively weak creditworthiness relative to other local issuers, and involve very significant speculative characteristics.
Ca.il	Issuers or issues rated Ca.il are those that, in Midroog's judgment, have extremely weak creditworthiness and very near default, with some prospect of recovery of principal and interest.
C.il	Issuers or issues rated C are those that, in Midroog's judgment, have the weakest creditworthiness and are usually in a situation of default, with little prospect of recovery of principal and interest.

Note: Midroog appends numeric modifiers 1, 2, and 3 to each rating category from aa.il to caa.il. The modifier '1' indicates that the bond ranks in the higher end of its rating category, which is denoted by letters. The modifier '2' indicates that it ranks in the middle of its rating category and the modifier '3' indicates that the bond ranks in the lower end of that category, denoted by letters.

Local Short-Term Rating Scale

P-1.il	Issuers rated Prime-1.il, in Midroog's judgment, have a very good ability to repay short-term obligations relative to other local issuers.
P-2.il	Issuers rated Prime-2.il, in Midroog's judgment, have a good ability to repay short-term obligations relative to other local issuers.
P-3.il	Issuers rated Prime-3.il, in Midroog's judgment, have a moderate ability to repay short-term obligations relative to other local issuers.
NP.il	Issuers rated Not Prime.il do not belong in any of the Prime categories.

The Correlation between the Long-Term and Short-Term Rating Scales

The following table shows how long-term ratings correlate with short-term ratings, when such long-term ratings exist.

Long-term rating	Short-term rating
Aaa.il	Prime-1.il
Aa1.il	
Aa2.il	
Aa3.il	
A1.il	
A2.il	
A3.il	Prime-2.il
Baa1.il	
Baa2.il	
Baa3.il	Prime-3.il
Ba1.il, Ba2.il, Ba3.il	Not Prime
B1.il, B2.il, B3.il	
Caa1.il, Caa2.il, Caa3.il	
Ca.il	
C.il	

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