Mizrahi Tefahot Bank Ltd.'s Immediate Reports are published in Hebrew on the Israel Securities Authority and the Tel Aviv Stock Exchange websites.
The English version is prepared for convenience purposes only. The only binding version of the Immediate Reports is the Hebrew version.
In the event of any discrepancy or inconsistency between the Hebrew version and the translation to English, the Hebrew version shall prevail and supersede, for all purposes and in all respects.

MIZRAHI TEFAHOT BANK LTD
Registrar of Companies number: 520000522

To	Israel Securities Authority	To	Tel Aviv Stock Exchange Ltd	T053 (Public)	Date of transmission: November 12 2026
	www.isa.gov.il		www.tase.co.il		Ref: 2026-01-100938

Immediate Report of an Event or Matter which Deviate from the Corporation's Ordinary Course of Business or a Report on Other General Material Information

Regulation 36 of the Securities Regulations (immediate and periodic reports), 5730-1970, or other material information

Issuance results must be reported using form T20 and not this form.
Bond rating or corporation rating reports must be submitted using Form T125

Report on: ☐ A report the filing of which was delayed

Nature of the Event: other

Updated review by Fitch Ratings

1. *Mizrahi Tefahot Bank (hereinafter: the "Bank") respectfully reports that on November 12, 2026 an updated review was received from Fitch Ratings*

   FitchRatingReport_12112026_isa.pdf

2. Date and time at which the corporation first learned of the event:

   ⦿ November 12 2026 at 18:45

   ○ _____

   A report delayed under Regulation 36(b):

3. If the report filing was delayed, the reason why it was delayed:

   _____

4. On _____ at _____ the report delay cause was removed

5. ☐ The company is a shell company, as defined in the TASE Rules and Regulations.

Details of the signatories authorized to sign on behalf of the corporation

	Signatory's Name	Position
1	Kikozashvili Hanan	*Other* *Bank Secretary & Head of the Bank's Headquarters*

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):

Securities of a corporation listed for trade on the Tel Aviv Stock Exchange — Form revision date: October 29 2026

Abbreviated Name: Mizrahi Tefahot
Address: 13 Abba Hillel Silver Road, Lod, 7129463 Tel:03-7559720 Fax:03-7559923
E-mail: management@umtb.co.il Company website: https://www.mizrahi-tefahot.co.il

Previous name of the reporting entity: United Mizrahi Bank Ltd

Name of the person reporting electronically: Kikozashvili Hanan Position: Bank Secretary Name of Employing Company: Mizrahi Tefahot Bank Ltd
Address: 13 Abba Hillel Silver Road, Lod, 7129463 Tel: 03-7559219 Fax: 03-7559923 E-mail: management@umtb.co.il

Mizrahi Tefahot Bank Ltd

Key Rating Drivers

Viability Rating Drives Issuer Default Rating: Mizrahi Tefahot Bank Ltd's (UMTB) Long-Term Issuer Default Rating (IDR) is driven by the bank's Viability Rating (VR) and reflects a sound domestic universal banking franchise in Israel, alongside resilient asset quality and profitability despite several wars. The VR reflects the bank's adequate capitalisation and sound funding, supported by a large and diversified deposit base.

High Probability of Government Support: UMTB's IDRs are also underpinned by potential government support, which is reflected in a Government Support Rating (GSR) of 'a-'. The state has strong incentives to provide support, given the bank's systemic importance in the country, with about 20% of banking system assets.

Strong Mortgage Franchise: UMTB is the third-largest bank in Israel and provides a wide range of retail, commercial and private banking activities. The bank has a particularly strong focus in low-risk residential mortgages as the largest mortgage lender in Israel. The business model is diversified, but with some reliance on net interest income, which represented 79% of operating income in 1H26.

Close Regulatory Oversight: Underwriting standards are conservative, helped by prudent regulatory limits and oversight. The bank has material exposure to the construction and real estate sectors, in line with other Israeli banks, leaving it vulnerable to a sharp decline in real estate prices. However, risks are mitigated by conservative underwriting standards, moderate loan-to-value ratios at origination and generally large equity cushions in residential development projects.

Sound Asset Quality: Impaired loans were 0.9% of gross loans at end-1H26, which compares well with international peers. Asset quality is underpinned by high collective provisions, with loan loss allowances representing 97% of impaired loans at end-1H26, reflecting economic uncertainty and strong credit growth. The coverage ratio is lower than domestic peers', reflecting a higher share of retail mortgage loans. We forecast the impaired loans ratio to remain below 1.5% over the next two years, supported by declining interest rates and sound underwriting.

Resilient Earnings: Operating profit fell slightly, to 2.6% of risk-weighted assets (RWAs) in 1H26 (2025: 2.7%), reflecting tighter lending margins. The Fitch-calculated net interest margin (NIM) moderated to 2.5% (2025: 2.8%) but remained strong due to the bank's large base of stable and low-cost current accounts. Lower interest rates and moderating inflation weigh on revenue growth, given the bank's net long exposure to the consumer price index.

Cost efficiency is strong with a low cost/income ratio of 35.8% in 1H26, which compares favourably with international peers'. We forecast the operating profit ratio to remain above 2% of RWAs for the next two years, supported by loan growth and low loan impairment charges.

Adequate Capitalisation: UMTB's common equity Tier 1 (CET1) ratio of 10.2% at end-1H26 has adequate buffers over its 9.6% regulatory minimum requirements. We expect capital buffers to remain adequate, underpinned by the bank's high RWA density (62% at end-1H26) under the standardised approach, prudent provisioning and resilient internal capital generation. We expect its CET1 ratio to rise slightly with internal capital generation.

Funding Benefits from Government Support: UMTB's funding and liquidity score is driven by government support and our expectation that the state's propensity to provide support is more certain in the near term, given the systemic importance of UMTB. As a result, UMTB's 'F1' Short-Term IDR is the higher of two possible Short-Term IDRs that map to an 'A-' Long-Term IDR. UMTB's funding and liquidity profile is underpinned by its stable and granular deposit base. Liquidity is sound, with a liquidity coverage ratio of 132% at end-1H26.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

UMTB's Long-Term IDR would be downgraded if its GSR and VR were downgraded. A downgrade of the GSR would be triggered by a downgrade of the sovereign rating, which could trigger a downgrade of UMTB's VR if it sharply increased pressure on the financial profile. This reflects contagion risk from links between the sovereign, the operating environment and Israeli banks' performance.

The most likely trigger for a downgrade of UMTB's VR would be a deterioration of asset quality that results in an impaired loans ratio of above 2% for an extended period, combined with a declining CET1 ratio and weakening internal capital generation.

The Short-Term IDR would be downgraded if Israel's Short-Term IDR was downgraded by two notches.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade of UMTB's IDRs is unlikely, given our negative outlook on the operating environment for Israeli banks, which is sensitive to the drivers of a downgrade of the sovereign rating. In addition, upside is limited by the bank's geographical concentration and adequate capital buffers.

Other Debt and Issuer Ratings

Rating Level	Rating
Senior unsecured: long term	A-
Tier 2: long term	BBB

Source: Fitch Ratings

UMTB's senior unsecured notes are rated in line with the Long-Term IDR. This reflects our view that a default on senior unsecured debt equates to a default of the bank. It also reflects Fitch's expectation of average recovery prospects.

UMTB's Tier 2 subordinated notes are rated two notches below its VR, reflecting poor recovery prospects in the event of a failure of the bank.

The Long-Term IDR (xgs) of 'A-(xgs)' is at the level of the VR. The Short-Term IDR (xgs) of 'F2(xgs)' is the lower of two options that map to an 'A-(xgs)' Long-Term IDR (xgs), due to UMTB's 'a-' funding and liquidity score.

Ratings Navigator

	Operating Environment 0%	Business Profile 20%	Risk Profile 10%	Financial Profile: Asset Quality 20%	Financial Profile: Earnings & Profitability 15%	Financial Profile: Capitalisation & Leverage 25%	Financial Profile: Funding & Liquidity 10%	Implied Viability Rating	Viability Rating	Government Support Rating	LT Issuer Default Rating
aaa								aaa	aaa	aaa	AAA
aa+								aa+	aa+	aa+	AA+
aa								aa	aa	aa	AA
aa-								aa-	aa-	aa-	AA-
a+								a+	a+	a+	A+
a								a	a	a	A
a-								a-	a-	a-	A- Sta
bbb+								bbb+	bbb+	bbb+	BBB+
bbb								bbb	bbb	bbb	BBB
bbb-								bbb-	bbb-	bbb-	BBB-
bb+								bb+	bb+	bb+	BB+
bb								bb	bb	bb	BB
bb-								bb-	bb-	bb-	BB-
b+								b+	b+	b+	B+
b								b	b	b	B
b-								b-	b-	b-	B-
ccc+								ccc+	ccc+	ccc+	CCC+
ccc								ccc	ccc	ccc	CCC
ccc-								ccc-	ccc-	ccc-	CCC-
cc								cc	cc	cc	CC
c								c	c	c	C
f								f	f	ns	D or RD

The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

Factor Outlook

Stable Evolving Positive Negative

VR - Adjustments to Key Rating Drivers

The operating environment score of 'a' is below the 'aa' category implied score due to the following adjustment reasons: size and structure of economy (negative), and sovereign rating (negative).

The business profile score of 'a-' is above the 'bbb' category implied score due to the following adjustment reason: market position (positive).

The capitalisation and leverage score of 'a-' is above the 'bbb' category implied score due to the following adjustment reason: leverage and risk-weight calculation (positive).

The funding and liquidity score of 'a-' is above the 'bbb' category implied score due to the following adjustment reason: deposit structure (positive).

Company Summary and Key Qualitative Factors

Operating Environment

Fitch's affirmation of Israel's rating at 'A'/Negative in March 2026 balanced a diversified, resilient and high value-added economy and strong external finances against a high public debt/GDP ratio, still-high security risks, and a record of unstable governments that has hindered policymaking. The Negative Outlook reflects a projected continued rise in public debt that is already well above the 'A' median, as well as war-related tail risks that could weaken Israel's growth prospects and fiscal trajectory. It also reflects a fractious domestic political environment that may hinder fiscal consolidation.

We score the operating environment in line with the sovereign rating to reflect the domestic concentration of the Israeli banking sector. Our operating environment assessment also reflects our view that the resilience of the sector is a regulatory priority. The negative outlook on the operating environment reflects the Negative Outlook on the sovereign rating, which caps the score.

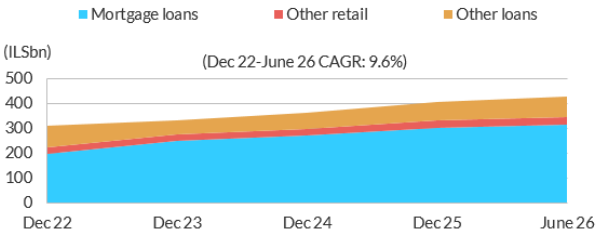
Business Profile

UMTB is Israel's largest mortgage lender and has the flexibility to tailor mortgages to borrower's needs. However, the weaker franchise in other lending segments lowers the proportion of fees and commissions. UMTB's strategy is to maintain market share in mortgages and grow commercial and corporate business while improving cost efficiency. The bank is pursing continuous efficiency improvements through lower staff costs, branch optimisation and investment in technology.

In May 2026, the Israel Competition Authority designated the five largest banking groups in Israel as a concentration group and issued directives intended to improve competition in the deposit market. The implementation was postponed until May 2027 to allow time for appeal proceedings in the Competition Tribunal and for the banks to prepare to implement the changes. The Bank of Israel described the designation as an extreme and disproportionate step and stated that most of the directives have already been implemented in practice by the Banking Supervision Department. UMTB has filed an appeal against the decision. Fitch does not expect a material change to the competitive landscape in the deposit market if these new directives are implemented.

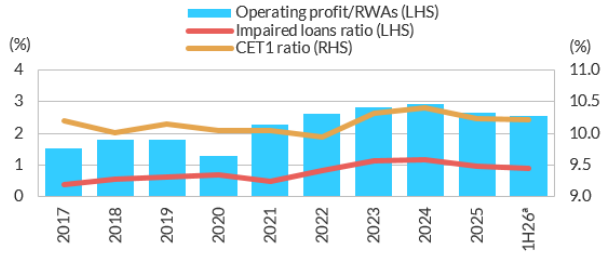
UMTB does not have a credit card subsidiary and distributes cards from all major credit-card companies, largely to current account customers. Therefore, unlike larger peers, it has not been required by the regulator to alter its credit card distribution model to promote competition. International operations made up 5% of net 1H26 profit, and are limited to branches in London and Los Angeles. We do not expect international exposure to increase significantly.

Loan Book Breakdown



CAGR: compound annual growth rate
Source: Fitch Ratings, Fitch Solutions, UMTB

Performance Through the Cycle



[a] Annualised
Source: Fitch Ratings, Fitch Solutions, UMTB

Risk Profile

Geopolitical risk remains a structural feature of Israel's operating environment and an important consideration in our assessment of UMTB's risk profile. It can affect the bank through several channels, including operational, cyber and market risks, with interest rates, exchange rates and inflation sensitive to geopolitical developments.

Credit risk is the main risk for the bank and mainly stems from the loan book (74% of assets at end-1H26), followed by the securities book (10%), a large part of which relates to Israeli government bonds. Credit underwriting standards are stringent by global standards and are influenced by prudent banking regulation that seeks to limit the contingent liability that the banking sector presents to the sovereign.

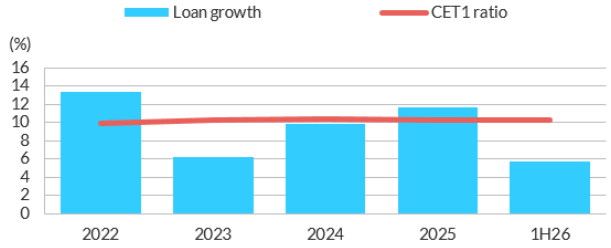
Residential mortgages are subject to underwriting limits prescribed by the regulator, including maximum 75% loan-to-value ratios for first-time buyers and a maximum term of 30 years. In the mortgage book, only 1.6% of loans are over 75% LTV at end-1H26. The average mortgage LTV ratio of the mortgage book was 56% at end-1H26.

Construction and real estate exposures remain an area of regulatory focus, with UMTB and its peers subject to regulatory limits and increased scrutiny of lending and collateral. Exposure to large local conglomerates, which are both borrowers and depositors, has decreased in recent years. No borrower group exceeds 15% of UMTB's capital – a regulatory disclosure threshold. Fitch expects an increase in exposure to infrastructure projects, although the risk is likely to be mitigated by government support (whether direct or indirect) for these major investments and the syndication of large project loans across multiple lenders.

Market risk arises primarily from interest-rate and consumer price index (CPI) risks in the banking book, which we view as moderate considering the bank's risk limits. Exposure to CPI risks is higher than at peers, reflecting UMTB's larger mortgage book which have a proportion typically linked to CPI. The impact of a 100bp decrease in interest rates would result in a ILS300 million reduction in interest income before management actions in 1H26, which would not have a material effect on the overall bank performance. Structural foreign-exchange risk is low. Liquid assets are largely held at the Bank of Israel, and the securities portfolio is mainly limited to government bonds.

International activities are generally limited to supporting business clients overseas and providing private banking services to individuals with a connection to Israel. The US branch focuses on business clients, including real estate development finance in California. Fitch does not expect international exposure to increase greatly.

Loan Growth



Source: Fitch Ratings, Fitch Solutions, UMTB

Financial Profile

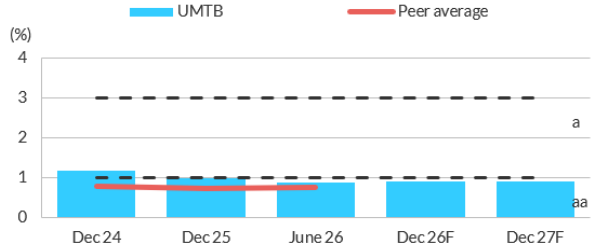
Asset Quality

The impaired loans ratio (end-1H26: 0.9%) has been resilient since the start of the US-Iran war. The Israeli banking sector has offered financial support to customers directly affected by the war, but this reduced materially to ILS1,368 million of loans with changed terms and conditions (0.3% of gross loans). The balance of credit in which the payment deferrals have ended was ILS26,600 million at end-1H26, of which ILS1,170 million (4.4% of total) defaulted after terms changed.

UMTB's loan book is predominately good-quality mortgages. These are generally low-risk because they are highly collateralised under prudent underwriting standards, including regulatory limits on borrower leverage and affordability. Consumer lending is higher-risk than mortgages, but is of good quality. About half of lending is in the form of personal loans, and the rest is mostly comprised of auto loans, credit balances and overdrafts.

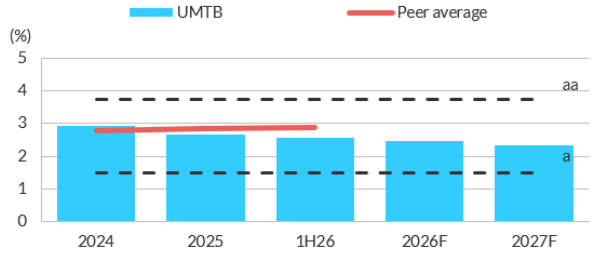
The impaired loans ratio for the commercial loan portfolio was 0.8% at end-1H26 has been supported by demand for new buildings from high population growth. Construction and real estate has largely recovered from labour shortages on construction sites due to travel restrictions affecting the Palestinian territories. Growth in construction and real estate lending is likely to be supported by lending to infrastructure projects which, in some cases, benefit from implicit or explicit government support. Hotels and other hospitality venues (around 1% of credit exposure at end-1H26) have been supported by domestic tourism, counterbalancing the effects of reduced international tourism to Israel.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

Strong profitability has been supported by robust loan growth and interest rates remaining higher for longer. The concentrated banking sector has supported pricing power in deposits. The net long position to the CPI has provided an uplift to earnings in recent years' inflationary environment. Net interest income represents a slightly higher proportion of earnings than at peers, because of the bank's greater proportion of mortgage lending.

Cost efficiency is a rating strength and has remained under control through a period of rising inflation due to efficiency programmes. UMTB's cost/income ratio of 35.8% in 1H26 compares favourably with international peers'. The bank has focused on optimising its branch network and improving digitalisation.

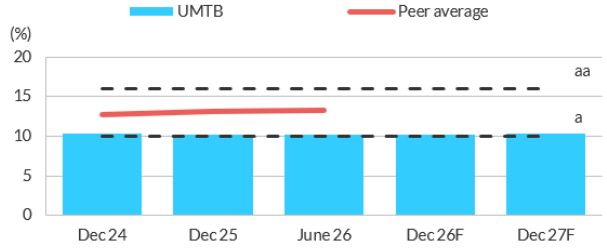
We expect net interest margins to decline slightly on lower interest rates and pressure on deposit pricing. Despite this margin compression, we expect operating profit/RWAs to remain resilient at around 2.5%, supported by continued loan growth, modest impairment charges and efficient cost management.

Capitalisation and Leverage

Fitch expects the common equity Tier 1 (CET1) ratio to improve slightly, supported by strong internal capital generation. The ratio declined to 10.2% at end-1H26 (end-1H25: 10.4%), resulting in a modest 62bp buffer over requirements. UMTB's CET1 ratio is the lowest among domestic peers, although its regulatory capital requirements are about 100bp lower than those of its two larger domestic peers due to its smaller size. Capital ratios are lower than those of many international peers but tend to be more stable, reflecting the use of standardised risk weights, which we view as conservative, particularly for residential mortgages given regulatory limits on LTV and affordability ratios. UMTB increased its dividend payout ratio to 50% in 2Q25 and has maintained distributions around this level, reflecting its sound capital position.

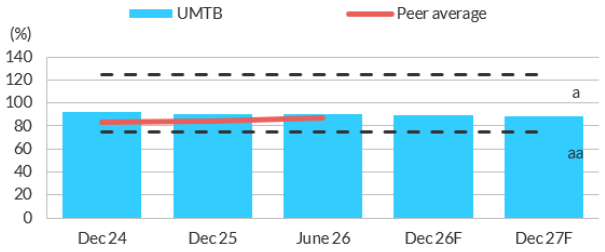
The Basel leverage ratio declined to 5.8% at end-1H26 (end-1H25: 6.0%) but is comfortably above the temporarily reduced 4.5% regulatory minimum. The temporary relief on the leverage requirement has been extended until June 2027, after which we expect the standard 5.0% requirement to apply.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

Fitch expects the loans/deposits ratio to stay stable at around 90% in 2026 and 2027, supported by continued deposit growth. UMTB is predominantly funded by customer deposits. Customer deposits are stable, despite the absence of a deposit guarantee scheme in Israel, and grew by 6% in 1H26. Deposit funding is supplemented with senior and subordinated bonds (8% of funding), which are issued mainly on the local wholesale market. The bank has demonstrated good access to wholesale funding markets both domestically, where it is a frequent issuer, and internationally. Wholesale funding needs are limited.

Liquid assets totalled ILS112.3 billion at end-1H26, representing about 19% of assets, and consisted mostly of deposits with the Bank of Israel. The liquidity coverage ratio (end-1H26: 129%) and the net stable funding ratio (110%; end-2025: 112%) were both comfortably above the 100% regulatory minimum.

Additional Notes on Charts

Black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category. Peer average includes Bank Hapoalim B.M., Bank Leumi Le-Israel B.M., Israel Discount Bank Limited, Ceska Sporitelna, a.s., Woori Bank. Unless otherwise stated, financial year (FY) end is 31 December for all banks in this report.

Financials

Financial Statements

	31 Dec 23	31 Dec 24	31 Dec 25	30 Jun 26	31 Dec 26F	31 Dec 27F
	12 months	12 months	12 months	1st half	12 months	12 months
	(ILSm)	(ILSm)	(ILSm)	(ILSm)	(ILSm)	(ILSm)
Summary income statement						
Net interest and dividend income	11,989	11,852	11,804	5,745	-	-
Net fees and commissions	2,028	2,060	2,251	1,183	-	-
Other operating income	573	625	369	384	-	-
Total operating income	14,590	14,537	14,424	7,312	14,727	15,267
Operating costs	5,363	5,016	5,085	2,615	5,195	5,286
Pre-impairment operating profit	9,227	9,521	9,339	4,697	9,532	9,981
Loan and other impairment charges	1,478	525	201	133	383	677
Operating profit	7,749	8,996	9,138	4,564	9,149	9,303
Other non-operating items (net)	-	-	-	-	-	-
Tax	2,669	3,326	3,280	1,789	-	-

Net income	5,080	5,670	5,858	2,775	5,856	6,326
Other comprehensive income	88	210	308	-39	-	-
Fitch comprehensive income	5,168	5,880	6,166	2,736	-	-
Summary balance sheet						
Assets						
Gross loans	329,895	362,412	404,702	427,664	437,078	467,674
– of which impaired	3,693	4,243	3,938	3,771	-	-
Loan loss allowances	4,069	4,113	3,854	3,652	-	-
Net loans	325,826	358,299	400,848	424,012	-	-
Interbank	-	-	-	-	-	-
Derivatives	6,282	5,526	6,293	7,068	-	-
Other securities and earning assets	23,419	29,018	48,977	57,254	-	-
Total earning assets	355,527	392,843	456,118	488,334	-	-
Cash and due from banks	86,550	82,644	82,849	77,734	-	-
Other assets	6,127	10,156	12,206	14,747	-	-
Total assets	448,204	485,643	551,173	580,815	589,026	625,753
Liabilities						
Customer deposits	358,624	393,432	448,594	474,507	488,967	528,085
Interbank and other short-term funding	4,571	2,599	2,058	1,998	-	-
Other long-term funding	31,592	31,253	34,252	40,627	-	-
Trading liabilities and derivatives	9,048	6,593	8,881	8,016	-	-
Total funding and derivatives	403,835	433,877	493,785	525,148	-	-
Other liabilities	10,188	13,374	14,847	17,845	-	-
Preference shares and hybrid capital	5,478	5,663	6,113	-	-	-
Total equity	28,703	32,729	36,428	37,822	-	-
Total liabilities and equity	448,204	485,643	551,173	580,815	-	-
Exchange rate	USD1= ILS3.6270	USD1= ILS3.6470	USD1= ILS3.1900	USD1= ILS2.9780	-	-

Source: Fitch Ratings, Fitch Solutions, UMTB

Key Ratios

	31 December 2023	31 December 2024	31 December 2025	30 June 2026	31 December 2026F	31 December 2027F
Ratios (%; annualised as appropriate)						
Profitability						
Operating profit/risk-weighted assets	2.8	2.9	2.7	2.6	2.5	2.3
Net interest income/average earning assets	3.5	3.2	2.8	2.5	2.5	2.3
Non-interest expense/gross revenue	36.8	34.5	35.3	35.8	35.3	34.6
Net income/average equity	18.9	18.4	16.9	15.1	-	-

Asset quality						
Impaired loans ratio	1.1	1.2	1.0	0.9	0.9	0.9
Growth in gross loans	6.2	9.9	11.7	5.7	8.0	7.0
Loan loss allowances/impaired loans	110.2	96.9	97.9	96.8	97.0	96.0
Loan impairment charges/average gross loans	0.5	0.2	0.1	0.1	0.1	0.1
Capitalisation						
Common equity Tier 1 ratio	10.3	10.4	10.2	10.2	10.3	10.3
Fully loaded common equity Tier 1 ratio	10.3	10.4	-	10.2	-	-
Fitch Core Capital ratio	-	-	-	-	-	-
Tangible common equity/tangible assets	5.8	6.2	6.1	6.5	-	-
Basel leverage ratio	5.8	6.0	5.9	5.8	-	-
Net impaired loans/common equity Tier 1	-1.3	0.4	0.2	0.3	-	-
Net impaired loans/Fitch Core Capital	-	-	-	-	-	-
Funding and liquidity						
Gross loans/customer deposits	92.0	92.1	90.2	90.1	-	-
Gross loans/customer deposits + covered bonds	-	-	-	-	89.4	88.6
Liquidity coverage ratio	131.0	135.0	129.0	132.0	-	-
Customer deposits/total non-equity funding	89.2	90.6	91.0	91.8	-	-
Net stable funding ratio	114.0	113.0	112.0	110.0	-	-

Source: Fitch Ratings, Fitch Solutions, UMTB

Support Assessment

Government Support

Sovereign		Israel
Sovereign Long-Term Issuer Default Rating	●	A/Negative
Total adjustment (notches)		-1
Typical D-SIB Government Support for sovereign's rating level		a- or bbb+
Actual jurisdiction D-SIB Government Support		a-
Government Support Rating		a-
Government ability to support D-SIBs		
Size of banking system	●	Neutral
Structure of banking system	●	Negative
Sovereign financial flexibility (for rating level)	●	Positive
Government propensity to support D-SIBs		
Resolution legislation	●	Neutral
Support stance	●	Neutral
Government propensity to support bank		
Systemic importance	●	Positive
Liability structure	●	Positive
Ownership	●	Neutral

The colours indicate the influence of each support factor in our assessment. Influence: Dark blue = neutral; Red = higher

Source: Fitch Ratings

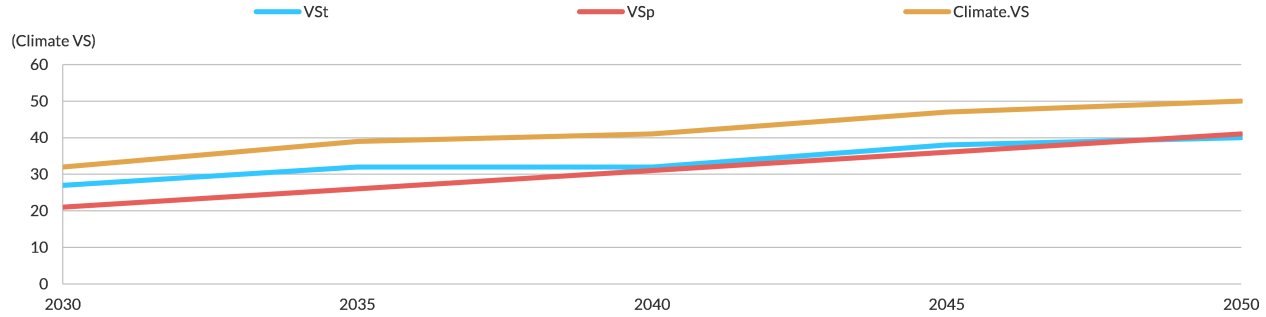
UMTB's IDRs are underpinned by its GSR, which is in line with the domestic systemically important bank (D-SIB) GSR for Israel and reflects Fitch's view of a very high probability that Israel would provide support to UMTB.

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify issuers whose credit profiles have a higher potential exposure to climate-related risks, and to subject those ratings to additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk).

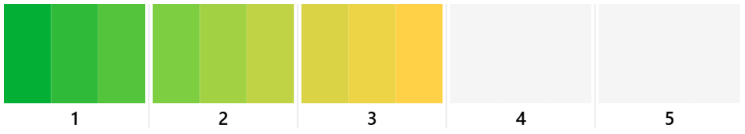
The Climate.VS for entity UMTB for 2035 is 39, which indicates that climate risk factors are not expected to materially affect the credit profile, but some adaptation may be needed. This reflects a transition risk (VSt) component signal of 32 and a physical risk (VSp) component signal of 26. Any potential effect on the rating may differ from the illustrative rating impact in the Climate.VS framework.

Climate Vulnerability Signals for Mizrahi Tefahot Bank Ltd



Source: Fitch Ratings

Environmental, Social and Governance Considerations



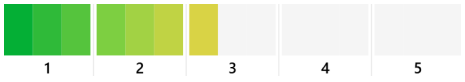
Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	2	Regulatory risks, emissions fines or compliance costs related to owned, financed or managed assets, which could impact asset prices, profitability, etc.	Operating Environment; Business Profile; Risk Profile; Asset Quality
Energy Management	1	n.a.	n.a.
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile; Risk Profile; Asset Quality



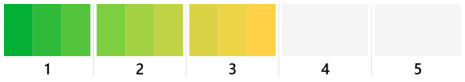
Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile; Risk Profile
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile; Risk Profile
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile; Financial Profile



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Business Profile
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile; Earnings & Profitability; Capitalisation & Leverage
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile



ESG Scoring	Credit-Relevant ESG Scale	
ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant. The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact. Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
	2	Irrelevant to the entity rating but relevant to the sector.
	1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

Ratings

Foreign Currency	
Long-Term IDR	A-
Short-Term IDR	F1
Long-Term IDR (xgs)	A-(xgs)
Short-Term IDR (xgs)	F2(xgs)
Viability Rating	a-
Government Support Rating	a-
Sovereign Risk (Israel)	
Long-Term Foreign-Currency IDR	A
Long-Term Local-Currency IDR	A
Country Ceiling	AA-
Outlooks	
Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Negative

Sovereign Long-Term Local-Currency IDR	Negative

ESG and Climate

Highest ESG Relevance Scores	
Environmental	2
Social	3
Governance	3

Climate Vulnerability
2035 Climate Vulnerability Signal: 39
Transition (VSt): 32
Physical (VSp): 26

Applicable Criteria

Bank Rating Criteria (May 2026)

Related Research

Fitch Affirms Mizrahi Tefahot Bank at 'A-'; Outlook Stable (October 2026)
Global Economic Outlook (September 2026)
Israel's Major Banks - Peer Credit Analysis (May 2026)
Fitch Affirms Israel at 'A'; Outlook Negative (March 2026)

Analysts

Maria Shishkina
+44 20 3530 1379
maria.shishkina@fitchratings.com

Rory Rushton
+44 20 3530 1919
rory.rushton@fitchratings.com

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