

**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**  
No. with the Registrar of Companies: 520000522

To	<u>Israel Securities Authority</u>	To	<u>Tel Aviv Stock Exchange Ltd</u>	T053 (Public)	Date of transmission: June 5 2025
	www.isa.gov.il		www.tase.co.il		Ref: 2025-01-040281

**Immediate Report of an Event or Matter which Deviates from the Corporation's Ordinary Course of Business**

**Regulation 36 of the Securities Regulations (Immediate and Periodic Reports), 5730-1970.**

**Issue results must be reported under T20 and not under this form.**

**Bond rating or corporation rating reports must be submitted through Form T125**

**Report on: ☐ A report whose submission was delayed**

**Nature of the Event: *New Strategic Plan for the Years 2025-2027***

1. *See attached document*

Strategic plan 2025-2027 immediate report isa.pdf

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

☉ June 4 2025 at 12:00

Report delayed per Regulation 36(b):

3. If the report was delayed, the reason due to which its submission was delayed:

4. On \_\_\_\_\_ at \_\_\_\_\_ the report embargo 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	Adi Shachaf	Other Head of the Finance Division
2	Menahem Aviv	Other Head of the Information & Financial Reporting Division

Explanation: According to Regulation 5 of the Securities (Periodic and Immediate Reports) Regulations, 5730-1970, a report filed under these regulations shall be signed by those authorized to sign on behalf 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):

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Securities of a Corporation Listed for Trading on the Tel Aviv Stock Exchange	Form structure revision date: August 6 2024	
Abbreviated Name: Mizrahi Tefahot		
Address: 7 Jabotinsky Street, Ramat Gan, 52520	Tel:03-7559720	Fax:03-7559923
E-mail: mangment@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: 7 Jabotinsky Street, Ramat Gan, 52520	Tel: 03-7559219	Fax: 03-7559923
		E-mail: management@umtb.co.il



June 5 2025

To  
Israel Securities Authority

To  
Tel Aviv Stock Exchange Ltd

**Re: New Strategic Plan for the Years 2025-2027**

Mizrahi Tefahot Bank Ltd (hereinafter: the “**Bank**”) hereby announces the following:

1. Further to the Bank’s strategic plan for the years 2021-2025<sup>1</sup> and pursuant to the contents of the Bank’s periodic reports and the report from the first quarter of 2025, as well as in light of the Bank’s achievements, changes in the banking industry and the business environment, on 4.6.2025 the Bank’s Board of Directors approved a new, three-year strategic plan for the years 2025-2027 (hereinafter: the “**Plan**” or the “**New Strategic Plan**”), based on the following targets:

- 1.1 Basing the Bank group’s leadership among households, based on efforts in the following areas:
  - 1.1.1 Maintaining leadership in the mortgage market while sustaining product and process innovation, and leveraging the Bank’s strength in this market to increase synergy with business activities.
  - 1.1.2 Expanding activity among target populations, including through designated credit and deposits products.
- 1.2 Positioning the Bank as a key player in business banking through:
  - 1.2.1 Leading large and complex transactions.
  - 1.2.2 Leading funding transactions for national infrastructure projects.
  - 1.2.3 Expanding existing business activities and expanding business activities in additional sectors of the Israeli market.
  - 1.2.4 Expanding and concentrating the Bank’s international operations at the London and U.S. branches on areas of activity focused on business banking.

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<sup>1</sup> For details, see the immediate report published by the Bank on April 27, 2021 (reference no. 2021-01-071448).

- 1.3 Providing personal, human banking services, supported by advanced digital technology, based on efforts to realize a multi-channel approach, which maintains service continuity and optimally combines between a personal, human banker and digital channels, according to the customer's choice and needs.
- 1.4 Adjusting periodically the operational model to the challenges of the future and preserving operational efficiency (the ratio between operating expenses to total income), based on efforts in the following areas:
  - 1.4.1 Shifting and concentrating the Bank's headquarters to a Central Campus in Lod.
  - 1.4.2 Optimizing the spread of the branch network and the utilization of the real estate spaces used by the branches.
  - 1.4.3 Continuing the automation of operational processes and removing them from the care of the branches.
2. The New Strategic Plan's goals, as detailed above, are aimed to achieve the following targets:
  - 2.1 To present in the years 2025-2027 ROE from net profit attributed to shareholders out of the average equity at a rate of approx. 17% to 18%.
  - 2.2
    - 2.2.1 Growth in banking activities, with the aim of leading to an increase in the Bank's credit market shares, from a rate of approx. 21.5% in late 2024 to a rate of approx. 23% to 24% by the end of the Plan's period.
    - 2.2.2 Growth in banking activities, with the aim of leading to an increase in the Bank's business credit in Israel market shares, from a rate of approx. 11.7% in late 2024 to a rate of approx. 15% to 16% by the end of the Plan's period.
    - 2.2.3 Growth in banking activities, with the aim of leading to an increase in the Bank's deposit market shares, from a rate of approx. 18.4% in late 2024 to a rate of approx. 20% to 21% by the end of the Plan's period.
  - 2.3 Maintaining a high level of operational efficiency, so that the average operational efficiency ratio during the years 2025-2027 does not exceed 35%.
3. Dividend distribution policy:
  - 3.1 According to the decision of the Bank's Board of Directors, as detailed above in Section 1, the Bank's current dividend policy will remain unchanged, as specified below:
    - 3.1.1 a. To distribute a dividend of up to 40% of the net profit attributed to the Bank's shareholders, from the quarterly profit;

- b. Said dividend policy, is subject to the Bank's compliance with the ratio of tier 1 capital to risk weighted assets, as required by the Supervisor of Banks, and maintaining proper safety buffers.
- 3.1.2 It should be noted that according to the said dividend distribution policy, the Bank may buyback (subject to the aforesaid in 3.1.1(b) above) shares of the Bank, all per the decisions of the Board of Directors in this matter, as will be made from time to time, and subject to the instructions of the law. It is clarified that the buyback of Bank's shares by the Bank, as stated above, shall be considered "distribution" per its definition in the Companies Law 5759-1999, and as such will respectively decrease the dividend amount that will be distributed (if it is distributed) by the Bank according to the dividend policy, all according to the Board of Directors' decisions in this matter, as will be made from time to time.
- 3.2 The Board of Directors will monitor the execution of the New Strategic Plan, in order to examine the possibility of increasing the dividend rate as mentioned to up to 50% out of the net profit attributed to the Bank's shareholders; this will be subject to the Bank's compliance with the ratio of tier 1 capital to risk elements, as required by the Supervisor of Banks' directives, and maintaining proper safety buffers, and subject to the approval of the Supervisor of Banks.
- 3.3 It is clarified that the "distribution" according to the dividend policy (dividend distribution as well as shares buyback) as mentioned above, is subject to the instructions of the law and limitations set by the Supervisor of Banks. It is further clarified that the dividend policy, as stated above, does not constitute a resolution or an obligation to distribute dividend, and that any "distribution" will be subject to receiving the required approvals required by law, including Board of Director's approval for distribution, all under the discretion of the Board of Directors and subject to any law.
- 4. The plan detailed above is considered a strategic plan which establishes, among other things, the Bank's goals and targets for the years 2025-2027, and it is not to be considered an outlook, an assessment or an evaluation in the matter of achieving said goals and targets, and as such, by its very nature, the New Strategic Plan might not be realized, or be realized in a different manner.
- 5. Furthermore, and without derogating from the generality of the above, forward-looking information, as defined in the Securities Law, 5728-1968, included in the New Strategic Plan, is based on assumptions, facts and data (collectively: the "Assumptions") brought before the Board of Directors, including: the absence of

further changes to legislations and regulatory directives that could affect the business environment; the absence of developments and changes in the security and political situations, which could change or harm the business environment; that the GDP growth rate in the Israeli economy during the Plan's period will be between approx. 3% and 3.50% a year, the interest rate environment in the Israeli economy will decline during the Plan's period to between approx. 3.50% and 3.75%, and the average annual inflation rate will be approx. 2.50%;

The Assumptions might not be realized due to factors that are not under the Bank's sole control, which may affect the above-mentioned issues, consequently causing the New Strategic Plan to not be realized or to be realized in a different manner. For further details, see Slide 44 of the presentation included in the immediate report which the Bank will publish in this matter today, immediately after the release of this report (the aforesaid slide is hereby included by way of reference).

It is clarified that the Board of Directors will monitor the execution of the New Strategic Plan and may amend it, from time to time, as required, including as a result of changes in factors which might affect the plan, as stated above.

Respectfully,

**Mizrahi Tefahot Bank Ltd**

By:

**Adi Shachaf**, Head of the Finance Division

**Meno Aviv**, Head of the Information and Financial Reporting Division