

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>	T125 (Public)	Date of transmission: December 5 2022
	www.isa.gov.il		www.tase.co.il		Ref: 2022-01-147325

Supplementary report to a report submitted on: *October 23 2022* **the reference number of which is:** *2022-01-128875*

Main details added/supplemented: *An affirmation of the rating given to the issuance of bonds (Series 66) and contingent convertible bonds (Series 65) by way of a new series' issuance, with the additional issuance of bonds (Series 63) by way of expanding a traded series to the bonds' rating limit.*

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

On December 5 2022 *S&P Maalot* published:

A rating report/notice *initial*

A notice regarding rating cessation

1. Rating report or notice

Corporation's rating:

Comments/Notice summary:

Ratings history in the three years prior to the date of the rating/notice:

Date	Rating subject	Rating	Comments/Notice summary

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

Rating of the corporation's debentures:

Name and type of security	Security number on the stock exchange	Rating company	Current rating	Comments/Notice summary

<i>Contingent convertible bonds – Series 65</i>	0	S&P Maalot	<i>S&P Maalot None/NOO ilAA-</i>	Initial rating
<i>Bonds – Series 66</i>	0	S&P Maalot	<i>S&P Maalot None/NOO ilAAA</i>	Initial rating
<i>Bonds – Series 63</i>	2310548	S&P Maalot	<i>S&P Maalot None/NOO ilAAA</i>	Rating affirmation

Ratings history for the three years prior to the rating/notice date:

Name and type of security	Security number on the stock exchange	Date	Type of rated security	Rating	Comments/Notice summary

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

Attached rating report [maalot 05122022 isa.pdf](#)

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

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

	Signatory's Name	Position
1	<i>Ofer Horwitz</i>	<i>Other Bank Secretary & Head of the Bank's Headquarters</i>

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](#)

S&P Maalot's rating is given in connection with the issuance of contingent convertible bonds (Series 65) and bonds (Series 66), and an issuance by way of expanding a series of bonds (Series 63), which are being examined by Mizrahi Tefahot Issuing Company Ltd, a subsidiary fully owned by the bank. It is hereby clarified that as of this report's date, there is no certainty regarding the execution of the issuance, its timing, its size and its terms.

No change was made to the bank's rating

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

Securities of a Corporation Listed for Trading on Form structure revision date: November 2 2022

the Tel Aviv Stock Exchange

Abbreviated Name: Mizrahi Tefahot

Address: 7 Jabotinsky Street, Ramat Gan, 52520 Tel:03-7559720 Fax:03-7559923

E-mail: Company website:

mangment@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
Horwitz Ofer Bank Secretary Company: Mizrahi Tefahot
Bank Ltd

Address: 7 Jabotinsky Street, Ramat Gan, Tel: Fax: E-mail:
52520 03-7559207 03-7559913 management@umtb.co
.il

Mizrahi Tefahot Bank Ltd

Mizrahi Tefahot Issuance Company Ltd

December 5 2022

New Issuance

Granting of an 'ilAAA' Rating to an Issuance of Bonds at up to ILS 500 Million N.V. & Granting of an 'ilAA-' Rating to an Issuance of Contingent Convertible Bonds with a Loss Absorption Mechanism at up to ILS 300 Million N.V.

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New Issuance

Granting of an ‘ilAAA’ Rating to an Issuance of Bonds at up to ILS 500 Million N.V. & Granting of an ‘ilAA-’ Rating to an Issuance of Contingent Convertible Bonds with a Loss Absorption Mechanism at up to ILS 300 Million N.V.

S&P Maalot hereby announces the granting of an ‘ilAAA’ rating to bonds to be issued through the issuance of new series, Series 66, and/or by way of expanding Series 63, at up to ILS 500 million; and the granting of an ‘ilAA-’ rating to the issuance of contingent convertible bonds with a loss absorption mechanism at up to ILS 300 million, through the issuance of new series, Series 65. The bonds and the contingent convertible bonds with the loss absorption mechanism will be issued by Mizrahi Tefahot Bank Ltd (ilAAA/Stable) via Mizrahi Tefahot Issuing Company Ltd. This report is in lieu of the rating report published on October 23, 2022.

In determining the rating of the contingent convertible bonds with a loss absorption mechanism, we implement, among other things, the methodology for rating banks’ complex instruments and the methodology to determine regional scale ratings. The rating’s starting point is the bank’s stand-alone credit profile (SACP), and not the issuer’s rating, which also includes state support, as we estimate that these instruments will not receive support from the state. We are removing two rating levels (notches) off the SACP as follows:

- One notch to reflect the loss absorption mechanism embedded in the instrument in the form of a principal write-off of the deferred bonds, should any of the trigger events defined in their conditions occur, i.e. a “formative principal loss absorption event”, wherein the bank’s tier 1 equity ratio would fall below 5%, or a “formative nonviability event”, which is defined as the earliest between a written notice from the Supervisor of Banks to the bank that a write-off of contingent subordinated bonds is necessary, since without it the bank would reach the point of nonviability, in the opinion of the Supervision of Banks; or a written notice from the Supervisor of Banks to the bank regarding a decision to inject capital from the public sector, or support of equivalent value, without which the bank would reach the point of nonviability, as determined by the Supervision of Banks (insolvency).
- One notch to reflect the contractual deferral of the instrument, compared with the bank’s more senior debt (deferral).

The first rating level is removed off the bank's SACP, as determined by the global ratings scale, in order to reflect the insolvency risk, according to our methodology for rating banks' complex instruments. Afterwards, we convert to the regional rating, using the conversion tables. After the conversion to the regional ratings scale, we remove one more notch, in order to reflect the contractual subordination of the instrument, thus reaching the instrument's rating on the regional scale.

An examination of the instrument in light of our complex instrument methodology does not, in our assessment, reveal additional default risks that would justify removing more notches beyond those specified above. In particular, we note that the current creditworthiness of the bank does not lead us to think that the likelihood of regulatory intervention with respect to the aforementioned bonds, as described above, requires an additional removal of rating levels

For further details regarding Mizrahi Tefahot Bank Ltd's rating and for additional regulatory requirements, see the rating report dated July 26, 2022. For further details regarding the methodology behind the instrument's rating, please consult the list of methodology articles in the aforementioned rating report and the Q&A document "Rating of Complex Bank Instruments – Q&A" (November 29, 2015).

Mizrahi Tefahot Bank Ltd Mizrahi Tefahot Issuance Company Ltd	Rating	Date on which rating was first published	Date on which rating was last updated
Issuance rating(s)			
<u>Complex subordinated debt</u>			
Contingent convertible bonds with loss absorption mechanism Series 47	ilAA-	Dec 4 2017	Jul 26 2022
Contingent convertible bonds with loss absorption mechanism Series 53	ilAA-	Dec 9 2020	Jul 26 2022
Contingent convertible bonds with loss absorption mechanism Series 48	ilAA-	Oct 4 2018	Jul 26 2022
Contingent convertible bonds with loss absorption mechanism Series 50	ilAA-	Jun 6 2019	Jul 26 2022
Contingent convertible bonds with loss absorption mechanism Series 65	ilAA-	Dec 5 2022	Dec 5 2022
<u>Senior unsecured debt</u>			
Series 40, 42	ilAAA	May 21 2015	Jul 26 2022
Series 45, 46	ilAAA	Sep 11 2017	Jul 26 2022
Series 62	ilAAA	Oct 6 2021	Jul 26 2022
Series 63, 64	ilAAA	Mar 28 2022	Jul 26 2022
Series 49	ilAAA	Jun 6 2019	Jul 26 2022
Series 51	ilAAA	Oct 10 2019	Jul 26 2022
Series 52	ilAAA	Jun 17 2020	Jul 26 2022
Series 66	ilAAA	Dec 5 2022	Dec 5 2022
Additional details			
Time of the event's occurrence	Dec 5 2022 14:44		
Time at which the event first became known	Dec 5 2022 14:44		
Rating initiator	The rated company		

[legal disclaimer]