

**Mizrahi Tefahot Bank Ltd.'s Immediate Reports are published in Hebrew on the Israel Securities Authority and the Tel Aviv Stock Exchange websites.**

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**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: October 22 2023
	www.isa.gov.il		www.tase.co.il		Ref: 2023-01-117675

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

On October 19 2023 Fitch Rating published *Other*:

A rating report/notice *updated*

A notice regarding rating cessation

1. Rating report or notice

Corporation's rating: *Other Fitch Rating none/NOO*

Comments/Notice summary: *Ratings Watch (Negative)/Rating review (Negative)*

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

Date	Rating subject	Rating	Comments/Notice summary
May 2 2023	<i>Mizrahi Tefahot Bank Ltd</i>	<i>Other Fitch Rating A-(xsg)/F2(xsg) none/NOO</i>	<i>Initial rating</i>
December 22 2022	<i>Mizrahi Tefahot Bank Ltd</i>	<i>Other Fitch Rating A/F1+ stable</i>	<i>Rating confirmation</i>
March 29 2022	<i>Mizrahi Tefahot Bank Ltd</i>	<i>Other Fitch Rating A/F1+ stable</i>	<i>Rating confirmation</i>
January 13 2022	<i>Mizrahi Tefahot Bank Ltd</i>	<i>Other Fitch Rating A/F1+ stable</i>	<i>Rating confirmation</i>
April 22 2021	<i>Mizrahi Tefahot Bank Ltd</i>	<i>Other Fitch Rating A/F1+ stable</i>	<i>Rating confirmation</i>
March 18 2021	<i>Mizrahi Tefahot Bank Ltd</i>	<i>Other Fitch Rating A/F1+ stable</i>	<i>Initial rating</i>

**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>Subordinated Tier 2 Capital Notes</i>	06950836	<i>Other Fitch Rating</i>	<i>Other BBB None/NOO</i>	<i>Other No Change</i>

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
<i>Subordinated Tier 2 Capital Notes</i>	06950836	<i>December 22 2022</i>	<i>Debenture</i>	<i>Other BBB None/NOO</i>	<i>Rating confirmation</i>
<i>Subordinated Tier 2 Capital Notes</i>	06950836	<i>March 29 2022</i>	<i>Debenture</i>	<i>Other BBB None/NOO</i>	<i>Rating confirmation</i>
<i>Subordinated Tier 2 Capital Notes</i>	06950836	<i>January 13 2022</i>	<i>Debenture</i>	<i>Other BBB None/NOO</i>	<i>Rating confirmation</i>
<i>Subordinated Tier 2 Capital Notes</i>	06950836	<i>April 22 2021</i>	<i>Debenture</i>	<i>Other BBB None/NOO</i>	<i>Rating confirmation</i>
<i>Subordinated Tier 2 Capital Notes</i>	06950836	<i>April 7 2021</i>	<i>Debenture</i>	<i>Other BBB None/NOO</i>	<i>Other Initial rating – supplementary report</i>
<i>Subordinated Tier 2 Capital Notes</i>	06950836	<i>March 18 2021</i>	<i>Debenture</i>	<i>Other BBB (EXP) None/NOO</i>	<i>Initial rating</i>

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

Attached rating report [Fitch 19102023\\_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
<b>1</b>	<i>Menahem Aviv</i>	<i>Other Chief Accountant</i>

<b>2</b>	<i>Adi Shachaf</i>	<i>Other Head of the Finance Division</i>
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**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](#)

*On October 19, 2023, a notice was received from Fitch Ratings, according to which, following the placement of the State of Israel's rating on a Ratings Watch Negative list (RWN), Fitch Ratings has also placed the bank's long-term (A) and short-term (F1+) IDR, along with those of other Israeli banks, onto RWN.*

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 Form structure revision date: October 10 2023

the Tel Aviv Stock Exchange

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

19 OCT 2023

## Fitch Places Four Israeli Banks on RWN after Sovereign Action

Fitch Ratings - London - 19 Oct 2023: Fitch Ratings has placed the support-driven 'A' Long-Term Issuer Default Ratings (IDRs) of four Israeli banks on Ratings Watch Negative (RWN) following similar action on the sovereign. The banks' 'F1+' Short-Term IDRs, their 'a' Government Support Ratings (GSRs) and their 'A' senior debt ratings were also placed on RWN. A full list of rating actions is below.

The banks' 'a-' Viability Ratings (VRs) and other ratings are not immediately affected by the sovereign rating action.

For additional details on the sovereign rating action see "Fitch Places Israel's 'A+' IDRs on Rating Watch Negative" dated 17 October 2023.

### Key Rating Drivers

The IDRs, GSRs and, where relevant, senior debt ratings of Bank Leumi Le-Israel B.M., Bank Hapoalim B.M., Mizrahi Tefahot Bank Ltd and Israel Discount Bank Limited reflect our view of a very high probability that Israel (A+/RWN/F1+/RWN) would support the banks, if needed. Fitch assesses Israel's propensity to support these banks as very high, particularly given their systemic importance, as each represents between 15% and 30% of banking system assets. However, the RWN reflects increased risks to the sovereign's ability to provide support.

### Rating Sensitivities

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

A downgrade of the sovereign rating is likely to result in a downgrade of the banks' GSRs, IDRs and senior debt ratings (where relevant).

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

The banks' IDRs are likely to be affirmed and removed from RWN if Israel's ratings are affirmed and removed from RWN.

An upgrade of the IDRs is unlikely due to the RWN on the sovereign IDRs.

### REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

## ESG Considerations

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>.

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## Rating Actions

ENTITY/DEBT	RATING		RECOVERY	PRIOR
Bank Leumi Le-Israel B.M.	LT IDR	A 	Rating Watch On	A 
	ST IDR	F1+ 	Rating Watch On	F1+

ENTITY/DEBT	RATING		RECOVERY	PRIOR
	Government Support	a	Rating Watch On	a
• senior unsecured	LT	A	Rating Watch On	A
Bank Hapoalim B.M.	LT IDR	A	Rating Watch On	A
	ST IDR	F1+	Rating Watch On	F1+
	Government Support	a	Rating Watch On	a
Israel Discount Bank Limited	LT IDR	A	Rating Watch On	A
	ST IDR	F1+	Rating Watch On	F1+
	Government Support	a	Rating Watch On	a
• senior unsecured	LT	A	Rating Watch On	A
Mizrahi Tefahot Bank Ltd	LT IDR	A	Rating Watch On	A
	ST IDR	F1+	Rating Watch On	F1+

ENTITY/DEBT	RATING	RECOVERY	PRIOR
	Government Support	a 	Rating Watch On
			a

## RATINGS KEY OUTLOOK WATCH

POSITIVE		
NEGATIVE		
EVOLVING		
STABLE		

## Applicable Criteria

[Bank Rating Criteria \(pub.01 Sep 2023\) \(including rating assumption sensitivity\)](#)

## Additional Disclosures

[Solicitation Status](#)

## Endorsement Status

Bank Hapoalim B.M.	UK Issued, EU Endorsed
Bank Leumi Le-Israel B.M.	UK Issued, EU Endorsed
Israel Discount Bank Limited	UK Issued, EU Endorsed
Mizrahi Tefahot Bank Ltd	UK Issued, EU Endorsed

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central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

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The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. Sector-specific best- and worst-case scenario credit ratings are listed in more detail at

<https://www.fitchratings.com/site/re/10238496>

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