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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: August 15 2024
	www.isa.gov.il		www.tase.co.il		Ref: 2024-01-088495

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

On August 15 2024 Fitch Ratings published *Other*:

A rating report/notice *updated*

A notice regarding rating cessation

1. Rating report or notice

Corporation's rating: *Other Fitch Ratings A-/F1 negative*

Comments/Notice summary: *Other rating downgrade*

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

Date	Rating subject	Rating	Comments/Notice summary
April 4 2024	<i>Mizrahi Tefahot Bank Ltd</i>	<i>Other Fitch Ratings A/F1+ Negative</i>	<i>Other Removal from RWN and rating confirmation</i>
December 13 2023	<i>Mizrahi Tefahot Bank Ltd</i>	<i>Other Fitch Ratings A/F1+ (RWN) None/NOO</i>	<i>Rating Watch List (Negative) / Rating review (Negative)</i>
October 19 2023	<i>Mizrahi Tefahot Bank Ltd</i>	<i>Other Fitch Ratings A/F1+ (RWN) None/NOO</i>	<i>Rating Watch List (Negative) / Rating review (Negative)</i>
May 2 2023	<i>Mizrahi Tefahot Bank Ltd</i>	<i>Other Fitch Ratings A-(xsg)/F2(xsg) None/NOO</i>	<i>Initial rating</i>
December 22 2022	<i>Mizrahi Tefahot Bank Ltd</i>	<i>Other Fitch Ratings A/F1+ stable</i>	<i>Rating confirmation</i>

March 29 2022	<i>Mizrahi Tefahot Bank Ltd</i>	<i>Other Fitch Ratings A/F1+ stable</i>	<i>Rating confirmation</i>
January 13 2022	<i>Mizrahi Tefahot Bank Ltd</i>	<i>Other Fitch Ratings A/F1+ stable</i>	<i>Rating confirmation</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 Ratings</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>April 4 2024</i>	<i>Debenture</i>	<i>Other BBB None/NOO</i>	<i>No Change</i>
<i>Subordinated Tier 2 Capital Notes</i>	06950836	<i>December 13 2023</i>	<i>Debenture</i>	<i>Other BBB None/NOO</i>	<i>No Change</i>
<i>Subordinated Tier 2 Capital Notes</i>	06950836	<i>October 19 2023</i>	<i>Debenture</i>	<i>Other BBB None/NOO</i>	<i>Rating confirmation</i>
<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>

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

Attached rating report [Fitch 15082024 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>Menahem Aviv</i>	<i>Other</i> <i>Chief Accountant</i>
2	<i>Adi Shachaf</i>	<i>Other</i> <i>Head of the Finance Division</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](#)

On August 15, 2024, a notice was received from Fitch Ratings, according to which, following the rating downgrade of the State of Israel, Fitch Ratings downgraded the IDR of the bank (and other Israeli banks) for the long term from A to A- (negative outlook), and for the short term from F1+ to F1.

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

2024-01-038958

Securities of a Corporation Listed for Trading on _____ Form structure revision date: August 6 2024

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
Kikozashvili Hanan Bank Secretary Company: Mizrahi Tefahot
Bank Ltd

Address: 7 Jabotinsky Street, Ramat Gan, Tel: _____ Fax: _____ E-mail:
52520 03-7559219 03-7559923 management@umtb.co
.il

15 AUG 2024

Fitch Downgrades 4 Israeli Banks to 'A-'/Negative/'F1' after Sovereign Action

Fitch Ratings - London - 15 Aug 2024: Fitch Ratings has downgraded the support-driven Long-Term Issuer Default Ratings (IDRs) of four Israeli banks to 'A-' from 'A' following a recent downgrade of the sovereign rating. The Long-Term IDRs are driven by the banks' Government Support Ratings (GSRs), which have been downgraded to 'a-' from 'a'. The Outlook on the Long-Term IDRs is Negative and reflects that on the sovereign's Long-Term IDR.

The four banks' Short-Term IDRs have been downgraded to 'F1' from 'F1+'. We have also downgraded the banks' long-term senior debt ratings, where applicable. A full list of rating actions is below.

The banks' 'a-' Viability Ratings (VRs), IDRs (xgs) and subordinated debt ratings, where applicable, are not affected.

For additional details on the sovereign rating action see "Fitch Downgrades Israel to 'A'; Outlook Negative" dated 12 August 2024.

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/Negative/F1+) would support the banks. 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.

Rating Sensitivities

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

A further downgrade of the sovereign ratings would result in a downgrade of the banks' IDRs and senior debt ratings (where relevant) if accompanied by a downgrade of the banks' VRs.

The VR sensitivities are unchanged from those published in the banks' Rating Action Commentaries (RACs) published in December 2023:

- Fitch Maintains Bank Leumi's 'A' IDR on Rating Watch Negative <https://www.fitchratings.com/site/pr/10256420>
- Fitch Maintains Bank Hapoalim's 'A' IDR on Rating Watch Negative <https://www.fitchratings.com/site/pr/10256442>
- Fitch Maintains Mizrahi Tefahot Bank's 'A' IDR on Rating Watch Negative <https://www.fitchratings.com/site/pr/10256423>
- Fitch Maintains Israel Discount Bank's 'A' IDR on Rating Watch Negative <https://www.fitchratings.com/site/pr/10256443>

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

An upgrade of the IDRs is unlikely due to the Negative Outlook on the sovereign's Long-Term IDR. We would revise the Outlook to Stable if the sovereign Outlook is changed to Stable.

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.

Public Ratings with Credit Linkage to other ratings

The banks' IDRs and GSRs are linked to Israel's IDRs.

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- ●	Downgrade	A ●

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

ENTITY/DEBT	RATING	RECOVERY	PRIOR
	Government Support	a-	Downgrade
			a

RATINGS KEY OUTLOOK WATCH

POSITIVE **+** **◇**

NEGATIVE **-** **◇**

EVOLVING **◊** **◆**

STABLE **○**

Applicable Criteria

[Bank Rating Criteria \(pub.15 Mar 2024\) \(including rating assumption sensitivity\)](#)

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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