

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

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To	<u>Israel Securities Authority</u>	To	<u>Tel Aviv Stock Exchange Ltd</u>	T125 (Public)	Date of transmission: December 22, 2020
	www.isa.gov.il		www.tase.co.il		Ref: 2020-01-131146

**Supplementary report to a report submitted on:** *December 9, 2020* **the reference number of which is:** *2020-01-126007*

**Main details added/supplemented:** *Update of the initial report: Update of the issue amount from a sum of ILS 200 M N.V. to a sum of ILS 400 M N.V. for contingent convertible bonds (Series 53).*

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

On December 9, 2020, *Midroog* 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 bonds:

Name and type of security	Security number on the stock exchange	Rating company	Current rating	Comments/Notice summary
<i>Contingent convertible bonds with a loss absorption capacity (COCO) (Series 53)</i>	0	Midroog	Midroog <i>Aa3.il stable</i>	Initial rating

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 [midroog122020 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</i>

		<i>Bank Secretary &amp; Head of the Bank's Headquarters</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](#)

*Midroog's rating is granted in connection with the issuance of contingent convertible bonds (series 53), being examined by Mizrahi Tefahot Issuing Company Ltd, a subsidiary fully owned by the bank. It is hereby clarified that at the time of this report, there is no certainty regarding the execution of the issuance, its timing, its size and its terms.*

*No change has been made to the bank's rating.*

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: December 8, 2020

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, 52520	Tel: 03-7559207	Fax: 03-7559913	E-mail: management@umtb.co .il
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# **Mizrahi Tefahot Bank Ltd<sup>1</sup>**

## **Rating Action Update | December 2020**

### **Contacts:**

#### **Amir Katznelson**

Lead Analyst – Primary Rating Evaluator

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#### **Itay Navarra, Deputy CEO**

Head of Company Financing

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<sup>1</sup> Mizrahi Bank is the owner of the full issued and outstanding share capital of Union Bank of Israel Ltd, which (indirectly) holds 4.9% of Midroog Ltd's share capital via Igud Investments and Enterprise (A.S.Y.) Ltd. The company's share lack any means of control.

## Mizrahi Tefahot Bank Ltd

Baseline credit assessment (BCA) for the bank	aa2.il	
Contingent convertible bonds with contractual loss absorption (CoCo)	Aa3.il (hyb)	Outlook: stable

**Further to the rating action report from December 9, 2020, Midroog determines an Aa3.il(hyb) rating with a stable outlook for the recruitment of contingent convertible bonds with contractual loss absorption (“Coco”) (Series 53) in a sum total of up to ILS 400 N.V., in lieu of the ILS 200 million N.V. sum rated previously, to be issued by Mizrahi Tefahot Issuing Company Ltd (“Mizrahi Issuing”), a subsidiary fully owned by Mizrahi Tefahot Bank Ltd (the “Bank”), which is the Bank’s issuing arm.**

**For information regarding the rating considerations, see the follow-up report from September 2020.**

### **Related reports**

Mizrahi Tefahot Bank Ltd – Related reports

Banking System – Consequences of the Crisis – Special Report – Industry Note, April 2020

Bank Rating – Methodology Report, September 2019

Connections and Holdings Table

Midroog Rating Scales and Definitions

The reports are published on Midroog’s website: [www.midroog.co.il](http://www.midroog.co.il)

### **General information**

<b>Rating report date:</b>	December 22, 2020
<b>Last date on which rating was updated:</b>	December 9, 2020
<b>Date on which rating was first published:</b>	September 10, 2017
<b>Name of the rating initiator:</b>	Mizrahi Tefahot Bank Ltd
<b>Name of the party paying for the report:</b>	Mizrahi Tefahot Bank Ltd

### **Information from the issuer**

In its ratings, Midroog relies, inter alia, on information received from authorized parties at the issuer.

### Baseline Credit Assessment (BCA) Scale

aaa.il	Issuers and issues assessed at aaa.il are those that, in Midroog's judgment, have the highest internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government.
aa.il	Issuers and issues assessed at aa.il are those that, in Midroog's judgment, have very high internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government.
a.il	Issuers and issues assessed at a.il are those that, in Midroog's judgment, have relatively high internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government.
baa.il	Issuers and issues assessed at baa.il are those that, in Midroog's judgment, have moderate internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government, and may have certain speculative characteristics.
ba.il	Issuers and issues assessed at ba.il are those that, in Midroog's judgment, have relatively weak internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government, and have speculative characteristics.
b.il	Issuers and issues assessed at b.il are those that, in Midroog's judgment, have very weak internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government, and have significant speculative characteristics.
caa.il	Issuers and issues assessed at caa.il are those that, in Midroog's judgment, have excessively weak internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government, and have very significant speculative characteristics.
ca.il	Issuers and issues assessed at ca.il are those that, in Midroog's judgment, have extremely weak internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government, and are very near default, with some prospect of recovery of principal and interest.
c.il	Issuers and issues assessed at c.il are those that, in Midroog's judgment, have the weakest internal or independent financial strength, relative to other local issuers, absent any possibility of external support from an affiliate or the government, and are usually in default, with little prospects of recovery of principal and interest.

Note: Midroog appends numeric modifiers 1, 2, and 3 to each rating category from aa.il to caa.il. The modifier '1' indicates that the debenture ranks in the higher end of its rating category, which is denoted by letters. The modifier '2' indicates that it ranks in the middle of its rating category and the modifier '3' indicates that the debenture ranks in the lower end of that category, denoted by letters.

Midroog does not publish the BCA forecast, unlike the publications that have been made so far, in order to separate the BCA from credit ratings.



### Local Long-Term Rating Scale

aaa.il	Issuers or issues rated Aaa.il are those that, in Midroog's judgment, have the highest creditworthiness relative to other local issuers.
aa.il	Issuers or issues rated Aa.il are those that, in Midroog's judgment, have very strong creditworthiness relative to other local issuers.
a.il	Issuers or issues rated A.il are those that, in Midroog's judgment, have relatively high creditworthiness relative to other local issuers.
baa.il	Issuers or issues rated Baa.il are those that, in Midroog's judgment, have relatively moderate credit risk relative to other local issuers, and could involve certain speculative characteristics.
ba.il	Issuers or issues rated Ba.il are those that, in Midroog's judgment, have relatively weak creditworthiness relative to other local issuers, and involve speculative characteristics.
b.il	Issuers or issues rated B.il are those that, in Midroog's judgment, have relatively very weak creditworthiness relative to other local issuers, and involve significant speculative characteristics.
caa.il	Issuers or issues rated Caa.il are those that, in Midroog's judgment, have extremely weak creditworthiness relative to other local issuers, and involve very significant speculative characteristics.
ca.il	Issuers or issues rated Ca.il are those that, in Midroog's judgment, have extremely weak creditworthiness and very near default, with some prospect of recovery of principal and interest.
c.il	Issuers or issues rated C are those that, in Midroog's judgment, have the weakest creditworthiness and are usually in a situation of default, with little prospect of recovery of principal and interest.

Note: Midroog appends numeric modifiers 1, 2, and 3 to each rating category from aa.il to caa.il. The modifier '1' indicates that the debenture ranks in the higher end of its rating category, which is denoted by letters. The modifier '2' indicates that it ranks in the middle of its rating category and the modifier '3' indicates that the debenture ranks in the lower end of that category, denoted by letters.

[ Midroog disclaimer ]