

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>	T121 (Public)	Date of transmission: March 25, 2021
	www.isa.gov.il		www.tase.co.il		Ref: 2021-01-044703

Immediate Report

Explanation: This form may not be used if an appropriate form exists for the reported event.

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

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

Nature of the Event: *Completion of pricing of international private offering of subordinated notes*

The reference numbers of previous documents on the subject: 2021-01-038139, _____, _____

Attached file [*isa.pdf completion of pricing*](#)

The company *is not* a shell company, as defined in the TASE Rules and Regulations.

Date on which the corporation first learned of the event: *March 24, 2021 at 19:00.*

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

	Signatory's Name	Position
1	<i>Adi Shachaf</i>	<i>Other</i> <i>Head of the Finance Division</i>
2	<i>Racheli Friedman</i>	<i>Other</i> <i>Chief Legal Advisor</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](#)

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

Securities of a Corporation Listed for Trading on
the Tel Aviv Stock Exchange
Abbreviated Name: Mizrahi Tefahot
Address: 7 Jabotinsky Street, Ramat Gan, 52520

Form structure revision date: March 3, 2021

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:
Horwitz Ofer

Position:
Bank Secretary

Name of Employing
Company: **Mizrahi Tefahot
Bank Ltd**

Address: **7 Jabotinsky Street, Ramat Gan,
52520**

Tel:
03-7559720

Fax:
03-7559913

E-mail:
mangment@umtb.co.il

Translation of Immediate Report



March 25, 2021

To

Israel Securities Authority

To

The Tel Aviv Stock Exchange Ltd.

Re: Pricing of International Private Offering of Subordinated Notes

Pursuant to the Immediate Reports issued by Mizrahi Tefahot Bank Ltd. (the "**Bank**"), on March 18, 2021¹, the Bank hereby announces as follows:

On March 24, 2021, the Bank completed the pricing of the international private offering of U.S.\$ 600 million subordinated notes of the Bank that include a write-down mechanism for loss-absorption (the "**Subordinated Notes**"). The Subordinated Notes are expected to be recognized as Tier 2 subordinated debt in accordance with the provisions of the Israeli Proper Banking Ordinance 202 and are being offered to institutional investors, as defined in the Bylaws of the Tel Aviv Stock Exchange Ltd. (the "**TASE**", and such offering, the "**Offering**").

The Subordinated Notes will mature on April 7, 2031. The Bank will have the option to redeem the Subordinated Notes five years from the date of issuance, in whole but not in part, subject to certain conditions².

The Subordinated Notes include a write-down mechanism for loss-absorption, according to which, under certain circumstances that are not necessarily foreseeable or under the Bank's control (a "Trigger Event for Principal Loss Absorption" and/or a "Trigger Event for Non-Viability"), the Bank will write down, in whole or in part³, the principal amount of the Subordinated Notes.

The Subordinated Notes shall bear annual interest at a fixed rate of 3.077%, payable semi-annually, which will be reset on the fifth anniversary of their issuance, unless the Subordinated Notes have earlier been redeemed, based on the applicable 5-year US

¹ Reference Nos. 2021-01-038139 ,2021-01-038274 ,2021-01-038514 ,2021-01-038553 and 2021-01-038700.

² In addition, the Subordinated Notes include an option for early redemption, in the case of certain changes to regulations or in the case of certain changes to the tax regime, under certain circumstances and conditions, and for the avoidance of any doubt – without any obligation on the part of the Bank to execute an early redemption in such circumstances, and in any event, subject, inter alia, to the approval of the Supervisor of Banks.

³ In case of a Trigger Event for Non-Viability, the Subordinated Notes will be written-down in whole.

treasury rate as of such date plus a margin of 2.25%.

The Subordinated Notes will be issued at 100% of their par value. The gross proceeds from the Offering will be U.S.\$ 600 million. The net proceeds from the Offering, after deducting the initial purchasers' fees and other expenses in connection with the Offering, are expected to be used by the Bank for general corporate purposes.

The Subordinated Notes are expected to be listed for trading on the TACT Institutional of the TASE, subject to the approval of the TASE. The closing of the Offering is expected to be held on April 7, 2021.

This report does not constitute a public offering, a tender or solicitation to purchase securities of the Bank.

The Bank's assessment regarding the expected closing date of the Offering is forward-looking information within the meaning of the Securities Law, 5728-1968. The aforementioned information is based on the Bank's current expectations, is uncertain and depends, inter alia, on factors that are not controlled by the Bank, including changes in market conditions and potential deviation from schedules.

Disclaimers by virtue of securities laws outside of Israel

THIS ANNOUNCEMENT IS NOT BEING MADE IN, AND COPIES OF IT MAY NOT BE DISTRIBUTED IN THE UNITED STATES, THE EUROPEAN UNION, THE UNITED KINGDOM, CANADA, AUSTRALIA, JAPAN OR ANY OTHER JURISDICTION WHERE SUCH DISTRIBUTION WOULD BE UNLAWFUL. IN ADDITION, THIS ANNOUNCEMENT IS NOT FOR DISTRIBUTION TO ANY U.S. PERSON (WITHIN THE MEANING BELOW).

It should be clarified that the Subordinated Notes may not be offered or sold in the United States (including its territories and possessions, any state of the United States and the District of Columbia) or to any U.S. Person (as defined in Regulation S under the United States Securities Act of 1933 (the "Securities Act" and "Regulation S", respectively) without registration or pursuant to an exemption therefrom.

United States and certain other jurisdictions

This announcement does not constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada, Australia, Japan or any other jurisdiction. The Bank has not registered, and does not intend to register, the Subordinated Notes for trading on the TASE (other than for trading on the TACT institutional of the TASE) or in any of these jurisdictions or to conduct a public offering of the Subordinated Notes in any of these jurisdictions. In particular, the securities of the Bank referred to in this announcement have not been, and will not be, registered under the Securities Act or under the securities laws of any state of the United States, and may not be offered, sold, resold or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. In the United States, any offer of Subordinated Notes will be made only to "qualified institutional buyers" as defined in and in reliance on Rule 144A under the Securities Act or another available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Outside the United States, any offer will be made to persons other than "U.S. Persons" in accordance with Regulation S. There will be no public offer of securities in the United States.

United Kingdom

This announcement does not constitute an offer of securities to the public in the United Kingdom (“UK”). No prospectus has been or will be approved in the UK in respect of the securities referred to herein. This announcement is being distributed to, and is directed only at (i) persons who are outside the UK, (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), (iii) high net worth entities falling within Article 49(2) of the Order, and (iv) other persons to whom it may lawfully be communicated (all such persons together being referred to as “relevant persons”). In addition, this announcement is in any event only directed at persons who are “qualified investors” pursuant to Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”). Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this announcement or any of its contents.

The securities referred to herein are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a “retail investor” means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA and the regulations made under the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Subordinated Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Subordinated Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

European Economic Area

The securities referred to herein are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MIFID II”); or (ii) a customer within the meaning of Directive 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MIFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

FCA / ICMA stabilization applies. UK MiFIR professionals/ECPs-only – Manufacturer target market (UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels).

IT SHOULD BE EMPHASIZED THAT ANY RATING PUBLISHED IN CONNECTION WITH THE SUBORDINATED NOTES DOES NOT CONSTITUTE A RECOMMENDATION TO BUY, SELL OR HOLD SECURITIES AND MAY BE SUBJECT TO REVISION, SUSPENSION OR WITHDRAWAL AT ANY TIME BY THE ASSIGNING RATING ORGANISATION. IT IS FURTHER EMPHASIZED THAT SIMILAR RATINGS FOR DIFFERENT TYPES OF ISSUERS AND ON DIFFERENT TYPES OF SECURITIES DO NOT NECESSARILY MEAN THE SAME THING, AND THEREFORE, THE SIGNIFICANCE OF EACH RATING SHOULD BE ANALYSED INDEPENDENTLY FROM ANY OTHER RATING.

Respectfully,

Mizrahi Tefahot Bank Ltd.

By:

Adi Shachaf, Head of Financial Division

Racheli Friedman, Chief Legal Counsel