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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: January 23, 2022
	www.isa.gov.il		www.tase.co.il		Ref: 2022-01-010258

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

On January 23, 2022, *S&P Maalot* published:

A rating report/notice *updated*

A notice regarding rating cessation

1. Rating report or notice

Corporation's rating: *S&P Maalot ilAAA stable*

Comments/Notice summary: *Other* affirmation

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

Date	Rating subject	Rating	Comments/Notice summary
July 22 2021	<i>Mizrahi Tefahot Bank Ltd</i>	<i>S&P Maalot ilAAA stable</i>	<i>Other Affirmation</i>
July 21 2020	<i>Mizrahi Tefahot Bank Ltd</i>	<i>S&P Maalot ilAAA stable</i>	<i>Other Affirmation</i>

July 11 2019	<i>Mizrahi Tefahot Bank Ltd</i>	<i>S&P Maalot ilAAA stable</i>	<i>Other Affirmation</i>
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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>Subordinated debentures</i>	0	S&P Maalot	<i>S&P Maalot stable ilAA-</i>	Rating confirmation

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 debentures</i>	July 22 2021	0	<i>Subordinated debentures with a loss absorption mechanism</i>	<i>S&P Maalot stable ilAA-</i>	Rating confirmation
<i>Subordinated debentures</i>	July 21 2020	0	<i>Subordinated debentures with a loss absorption mechanism</i>	<i>S&P Maalot stable ilAA-</i>	Rating confirmation
<i>Subordinated debentures</i>	July 11 2019	0	<i>Subordinated debentures with a loss absorption mechanism</i>	<i>S&P Maalot stable ilAA-</i>	Rating confirmation

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

Attached rating report [Maalot 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](#)

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

[2021-01-121653](#)

Securities of a Corporation Listed for Trading on the Tel Aviv Stock Exchange Form structure revision date: December 30, 2021

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

January 23, 2022

Rating Affirmation

Affirmation of 'ilAAA' Rating Pursuant to a Methodology Revision; Outlook Stable

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Rating Affirmation

Affirmation of 'ilAAA' Rating Pursuant to a Methodology Revision; Outlook Stable

Summary

- Pursuant to a revision of S&P Global Ratings' methodologies of rating financial institutions and assessing the banking industry's risk ("Methodologies Revision"), we have reviewed the issuer and debt ratings of Mizrahi Tefahot Bank Ltd ("Mizrahi Tefahot" or "Bank").
- Further to the Methodologies Revision, we are affirming Mizrahi Tefahot's issuer rating, 'ilAAA', as well as its debt ratings. The rating outlook is stable, with no further change.
- It is noted that we have reviewed and affirmed the Bank's rating in consequence of said Methodologies Revision.

The Rating Action

On January 23, 2022, S&P Maalot affirmed Mizrahi Tefahot Bank Ltd's issuer rating, 'ilAAA'. The rating outlook is stable. The Bank's debt ratings were affirmed by S&P Maalot at the same time.

Primary Considerations

Pursuant to the revision of our methodologies of rating financial institutions and assessing the banking industry's risk, we have reviewed and affirmed Mizrahi Tefahot's issuer and debt ratings. The issuer rating outlook has remained stable.

The assessments of economic risk and industry risk in Israel also remain unchanged. These scores determine the BICRA and the anchor, or starting point, for our ratings on financial institutions that operate primarily in Israel. The trends we see for economic risk and industry risk remain stable.

The rating reflects the balance between the bank's sound franchise and healthy financial profile with its relatively high business and geographic concentration compared with its peers. The rating also takes into account our assessment that Mizrahi Tefahot will maintain its strong capitalization and earnings capacity, healthy asset quality, and good operating efficiency over the coming years. In our view, the bank benefits from sound liquidity, supported by its deep domestic funding sources, including a strong retail base. The rating factors in our view that that State of Israel (AA-/Stable/A-1+) would provide extraordinary support to the bank in the event of financial distress.

Rating Outlook

Mizrahi Tefahot's stable outlook for the next 12-24 months reflects our assessment that the Bank has been handling the consequences of the Covid-19 pandemic without a material deterioration of its asset quality, a strong capital buffer and improved earnings compared to 2020. Moreover, we estimate that the Bank will successfully implement the new strategic plan, and improve the diversity of its products, as well as its profitability and operational efficiency, while maintaining stable credit quality and capital ratios.

Downside Scenario

We may consider a negative rating action in the next 12-24 months should the Bank's asset-quality metrics deteriorate, for example because of higher credit losses than we expect from the anticipated fast growth, which could indicate a weakening of the risk profile. We may also consider a negative rating action should the bank fail to withstand the competitive pressure in Israel and loses market share and revenue, to the detriment of its profitability.

Methodology and Related Articles

- General Criteria: Principles Of Credit Ratings February 16, 2011
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings April 7, 2017
- Risk-Adjusted Capital Framework Methodology July 20, 2017
- General Criteria: Methodology For National And Regional Scale Credit Ratings June 25, 2018
- Group Rating Methodology July 1, 2019
- Hybrid Capital: Methodology And Assumptions July 1, 2019
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings October 10, 2021
- Financial Institutions Rating Methodology December 9, 2021
- Banks: Banking Industry Country Risk Assessment Methodology And Assumptions December 9, 2021
- S&P Global Ratings Rating Definitions November 10, 2021
- The Connection Between the Global Rating Scale and the Israeli Rating Scale June 26, 2018

Mizrahi Tefahot Bank Ltd
Mizrahi Tefahot Issuing Company Ltd

Mizrahi Tefahot Bank Ltd	Rating	Date on which rating was first published	Date on which rating was last updated
Issuer Rating(s)			
Long term	ilAAA/Stable	Oct 9 2003	Jul 22 2021
Issuance rating(s)			
<u>Complex subordinated debt</u>			
Contingent subordinated bonds with loss absorption capacity	ilAA-	Nov 19 2015	Jul 22 2021
Issuer rating history			
Long term			
December 25, 2014	ilAAA/Stable		
November 15, 2010	ilAA+/Stable		
September 14, 2009	ilAA+/Negative		
May 28, 2007	ilAA+/Stable		
October 13, 2003	ilAA+		
Mizrahi Tefahot Issuing 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 subordinated bonds with loss absorption capacity Series 47	ilAA-	Dec 4 2017	Jul 22 2021
Contingent subordinated bonds with loss absorption capacity Series 53	ilAA-	Dec 9 2020	Jul 22 2021
Contingent subordinated bonds with loss absorption capacity Series 48	ilAA-	Oct 4 2018	Jul 22 2021
Contingent subordinated bonds with loss absorption capacity Series 50	ilAA-	Jun 6 2019	Jul 22 2021
<u>Senior unsecured debt</u>			
Series 40, 41, 42	ilAAA	May 21 2015	Jul 22 2021
Series 44	ilAAA	Sep 11 2016	Jul 22 2021
Series 45, 46	ilAAA	Sep 11 2017	Jul 22 2021
Series 62	ilAAA	Oct 6 2021	Oct 6 2021
Series 49	ilAAA	Jun 6 2019	Jul 22 2021
Series 51	ilAAA	Oct 10 2019	Jul 22 2021
Series 52	ilAAA	Jun 17 2020	Jul 22 2021
Additional details			
Time of the event's occurrence	January 23, 2022 11:49		
Time at which the event first became known	January 23, 2022 11:49		
Rating initiator	The rated company		

[legal disclaimer]