

Translation of Immediate Report

T125
Public

Bank Leumi Le-Israel B.M.
Registration No. 520018078
Securities of the Corporation are listed on The Tel Aviv Stock Exchange
Abbreviated Name: Leumi
34 Yehuda Halevi Street, Tel Aviv 651316
Phone: 076-8858111, 076-889419; Facsimile: 076-8859732
Electronic Mail: David_S@bll.co.il

Transmission Date: July 18, 2022
Reference: 2022-01-091390

To: Israel Securities Authority (www.isa.gov.il)
The Tel Aviv Stock Exchange (www.tase.co.il)

Immediate Report of Rating of Bonds/Rating of a Corporation, or Withdrawal of Rating

On July 18, 2022, Fitch Ratings published the following:

Rating report/notice: *Initial*

1. Rating report or notice

Rating of the corporation: _____
Comments/Nature of Notice: _____

Rating history for the 3 years preceding the date of the rating/notice:

Date	Subject of Rating	Rating	Comments/ Nature of Notice

Explanation: As part of the rating history, one should only provide the details of the rating history of the rating agency which is the subject matter of the immediate report.

Rating of the corporation's bonds:

Security name & type	TASE Security No.	Rating agency	Current rating		Comments / nature of notice
			Other	A(EXP)	
Senior unsecured USD bond/note	_____	Other Fitch Ratings	_____	None/NOO	Initial rating _____
			_____	None/NOO	

Rating history in the 3 years prior to the rating/notice date:

Security name & type	TASE Security No.	Date	Type of rated security	Rating	Comments / nature of notice

Explanation: As part of the rating history, one should only provide the details of the rating history of the rating agency which is the subject matter of the immediate report.

Attached is the rating report:

[Fitch18722_isa.pdf](#)

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

Name of signatory	Title	other
Omer Ziv	Head of Finance and Accounting Division	

In accordance with Regulation 5 of the Securities Regulations (Periodic and Immediate Reports), 1970, a report filed pursuant to these regulations shall be signed by the corporation's authorized signatories. For a staff position of this matter, see the Authority's website: [click here](#).

Fitch Ratings assigns a rating of A(EXP) to senior unsecured USD bond/note.

For information about the Bank's rating (A/F1 + Fitch Rating Stable) by Fitch Rating, see immediate report of January 12 2022 (Ref. No. 2022-01-006316).

Reference numbers of previous documents on this subject (this reference does not constitute inclusion by way of reference):

*The securities of the corporation are listed for trading on the Tel Aviv Stock Exchange
Ticker: Leumi*

Address: Yehuda Halevi Street 34, Tel Aviv 6513616, Tel: 076-8858111, 076-8859419.

Facsimile: 076-8859732 Electronic Mail: David_S@bll.co.il company's website:

www.leumi.co.il

Previous names of the reporting entity:

Name of Electronic Reporter: David Raoul Sackstein, Position: Advocate, General Secretary
34 Yehuda Halevi Street, Tel Aviv 6513616, Phone: 076-8857984, Facsimile: 076-8859732
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Note: English translations of Immediate Reports of Bank Leumi are for convenience purposes only. In the case of any discrepancy between the English translation and the Hebrew original, the Hebrew will prevail.

The original Hebrew version is available on the distribution website of the Israel Securities Authority: <http://www.magna.isa.gov.il/>

RATING ACTION COMMENTARY

Fitch Assigns Bank Leumi's Proposed USD Senior Notes 'A(EXP)' Expected Rating

Mon 18 Jul, 2022 - 09:27 ET

Fitch Ratings - London - 18 Jul 2022: Fitch Ratings has assigned Bank Leumi Le-Israel B.M.'s (Leumi; A/Stable) proposed US dollar senior unsecured notes an expected rating of 'A(EXP)'. Leumi's other ratings are unaffected by this rating action.

The assignment of a final rating is contingent on the receipt of final documents conforming to the information already received.

KEY RATING DRIVERS

Fitch rates the proposed notes at the same level as Leumi's Long-Term Foreign-Currency Issuer Default Rating (IDR), as they constitute the bank's unsecured and unsubordinated obligations.

Leumi's Long-Term IDR is at the same level as its Government Support Rating (GSR), which itself is in line with the domestic systemically important bank (D-SIB) GSR for Israel, and reflects Fitch's view of a very high probability that Israel (A+/Stable) would provide support to Leumi, if needed. Fitch believes that Israel has a strong ability to support its banking sector and that the sovereign's propensity to support Leumi is high, particularly given the bank's systemic importance in the country with a market share of about 30% of banking-sector assets.

For further details on Leumi's key rating drivers and sensitivities, see [Fitch Affirms Bank Leumi at 'A'; Outlook Stable](#).

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to negative rating action/downgrade:

The expected rating on the proposed notes will be downgraded if Leumi's Long-Term IDR is downgraded.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

The expected rating on the proposed notes will be upgraded if Leumi's Long-Term IDR is upgraded.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Financial Institutions and Covered Bond issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of four notches over three years.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit

<https://www.fitchratings.com/site/re/10111579>

DATE OF RELEVANT COMMITTEE

04 July 2022

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

Leumi's IDRs and GSR reflect Fitch's expectation of a very high probability of state support from Israel.

ESG CONSIDERATIONS

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This 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. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

RATING ACTIONS

ENTITY / DEBT ⚡

RATING ⚡

Bank Leumi Le-Israel B.M.

senior unsecured

LT A(EXP) Expected Rating

[VIEW ADDITIONAL RATING DETAILS](#)

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APPLICABLE CRITERIA

[Bank Rating Criteria \(pub. 12 Nov 2021\) \(including rating assumption sensitivity\)](#)

ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

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ENDORSEMENT STATUS

Bank Leumi Le-Israel B.M.

UK Issued, EU Endorsed

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