



**Bank Leumi le-Israel Ltd. ("the Bank")**

September 29, 2024

To  
The Stock Market  
[www.tase.co.il](http://www.tase.co.il)

To  
Securities Authority  
[www.isa.gov.il](http://www.isa.gov.il)

Dear Sir/Madam,

**Re: The Lack of Effect of the Downgrading of the Rating of the State of Israel by Moody's on the Bank's Capital Adequacy Ratios**

Further to that stated in the "Capital Adequacy" section of the Board of Directors and Management report attached to the Financial Statements as of June 30, 2024 published by the Bank on August 14, 2024 (reference number: 2024-01-086953), regarding the lack of effect of a downgrading of the credit rating of the State of Israel (by one notch) regarding the Bank's capital adequacy ratios, the Bank respectfully updates that in its estimation the downgrading of the credit rating of the State of Israel announced by the Moody's rating company on September 27, 2024, by two notches, in itself, will not affect the Bank's capital adequacy ratios.

It should be clarified that the expected absence of such an effect refers only to the said downgrading of the rating by Moody's. In the Bank's estimation, the downgrading of the State of Israel by one notch by any of the other rating companies is not expected to have a direct effect on the Bank's capital adequacy ratio.

If and to the extent that there is a drop of two or more notches in the rating of the State of Israel by the Fitch rating company, or a drop of three or more notches in the rating by the S&P rating company, a decrease of approximately 0.38% in the Tier 1 equity ratio and approximately 0.47% in the total capital ratio of the Bank is expected, according to the capital adequacy ratios as of June 30, 2024 (which stand at: 12.04% and 15.04% respectively). For the avoidance of doubt, it should be emphasized that as of this date the Bank is not aware of any intention to downgrade the rating by any of the other rating companies.

That which is stated in this Report is forward-looking information, as defined in the Securities Law, 5721-1968, which is based, among other things, on the Bank's assessments and estimates as of the date of this Report, and therefore changes may apply.

Sincerely yours,

Bank Leumi le-Israel Ltd

By: Hagit Argov

Head of the Financial and Accounting Division