

Translation of Immediate Report

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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
3 Abba Hillel Silver St. Lod 7129404
Phone: 076-8858111, 076-889419; Facsimile: 076-8859732
Electronic Mail: David_S@bll.co.il

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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 April 4, 2024, Fitch Ratings published the following:

Rating report/notice: *Updated*

1. Rating report or notice

Rating of the corporation: *A/F1+ Fitch Ratings* _____ *Negative*
Comments/Nature of Notice: *Rating reiteration, downgrading of outlook*

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

Date	Subject of Rating	Rating	Comments/ Nature of Notice
<i>January 1, 2024</i>	<i>Bank Leumi le-Israel Ltd.</i>	<i>A/F1+ Fitch Ratings None/NOO</i>	<i>Ratings Watch Negative/ Rating review (negative)</i>
<i>December 13, 2023</i>	<i>Bank Leumi le-Israel Ltd.</i>	<i>A/F1+ Fitch Ratings None/NOO</i>	<i>Ratings Watch Negative/ Rating review (negative)</i>
<i>October 19, 2023</i>	<i>Bank Leumi le-Israel Ltd.</i>	<i>A/F1+ Fitch Ratings None/NOO</i>	<i>Ratings Watch Negative/ Rating review (negative)</i>
<i>January 26, 2023</i>	<i>Bank Leumi le-Israel Ltd.</i>	<i>A/F1+ Fitch Ratings Stable</i>	<i>Reiteration of rating</i>
<i>December 22, 2022</i>	<i>Bank Leumi le-Israel Ltd.</i>	<i>A/F1+ Fitch Ratings Stable</i>	<i>Reiteration of rating</i>
<i>January 12, 2022</i>	<i>Bank Leumi le-Israel Ltd.</i>	<i>A/F1+ Fitch Ratings Stable</i>	<i>Reiteration of rating</i>

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
<i>Leumi \$ 2031</i>	<i>6040489</i>	<i>Fitch rating</i>	<i>Other BBB Fitch Rating None/NOO</i>	<i>Reiteration of rating</i>
<i>Leumi \$ 2027</i>	<i>6040687</i>	<i>Fitch rating</i>	<i>Other A Fitch Rating None/NOO</i>	<i>Reiteration of rating</i>
<i>Leumi \$ 2033</i>	<i>6040679</i>	<i>Fitch rating</i>	<i>Other BBB Fitch Rating None/NOO</i>	<i>Reiteration of rating</i>

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
<i>Leumi \$ 2031</i>	<i>6040489</i>	<i>January 15, 2024</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating None/NOO</i>	<i>Ratings Watch Negative/ Rating review (negative)</i>
<i>Leumi \$ 2031</i>	<i>6040489</i>	<i>December 13, 2024</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating None/NOO</i>	<i>Ratings Watch Negative/ Rating review (negative)</i>
<i>Leumi \$ 2031</i>	<i>6040489</i>	<i>October 19, 2023</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating None/NOO</i>	<i>Ratings Watch Negative/ Rating review (negative)</i>
<i>Leumi \$ 2031</i>	<i>6040489</i>	<i>January 26, 2023</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating Stable</i>	<i>Reiteration of rating</i>
<i>Leumi \$ 2031</i>	<i>6040489</i>	<i>December 22, 2022</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating Stable</i>	<i>Reiteration of rating</i>
<i>Leumi \$ 2031</i>	<i>6040489</i>	<i>January 12, 2022</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating Stable</i>	<i>Reiteration of rating</i>
<i>Leumi \$ 2027</i>	<i>6040687</i>	<i>January 15, 2024</i>	<i>Bonds</i>	<i>Other A Fitch Rating None/NOO</i>	<i>Ratings Watch Negative/ Rating review (negative)</i>
<i>Leumi \$ 2027</i>	<i>6040687</i>	<i>December 13, 2024</i>	<i>Bonds</i>	<i>Other A Fitch Rating None/NOO</i>	<i>Ratings Watch Negative/ Rating review (negative)</i>
<i>Leumi \$ 2027</i>	<i>6040687</i>	<i>October 19, 2023</i>	<i>Bonds</i>	<i>Other A Fitch Rating None/NOO</i>	<i>Ratings Watch Negative/ Rating review (negative)</i>
<i>Leumi \$ 2027</i>	<i>6040687</i>	<i>January 26, 2023</i>	<i>Bonds</i>	<i>Other A Fitch Rating Stable</i>	<i>Reiteration of rating</i>
<i>Leumi \$ 2027</i>	<i>6040687</i>	<i>December 22, 2022</i>	<i>Bonds</i>	<i>Other A Fitch Rating Stable</i>	<i>Reiteration of rating</i>
<i>Leumi \$ 2027</i>	<i>6040687</i>	<i>July 18, 2022</i>	<i>Bonds</i>	<i>Other A Fitch Rating Stable</i>	<i>Initial rating</i>

<i>Leumi \$ 2033</i>	<i>6040679</i>	<i>January 15, 2024</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating None/NOO</i>	<i>Ratings Watch Negative/ Rating review (negative)</i>
<i>Leumi \$ 2033</i>	<i>6040679</i>	<i>December 13, 2024</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating None/NOO</i>	<i>Ratings Watch Negative/ Rating review (negative)</i>
<i>Leumi \$ 2033</i>	<i>6040679</i>	<i>October 19, 2023</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating None/NOO</i>	<i>Ratings Watch Negative/ Rating review (negative)</i>
<i>Leumi \$ 2033</i>	<i>6040679</i>	<i>January 26, 2023</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating Stable</i>	<i>Reiteration of rating</i>
<i>Leumi \$ 2033</i>	<i>6040679</i>	<i>January 10, 2023</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating Stable</i>	<i>Initial rating</i>

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:

[4424 isa.pdf](#)

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

Name of signatory	Title other
<i>Omer Ziv</i>	<i>Head of the Capital Markets Division</i>

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](#).

Following the downgrading of the rating outlook of the State of Israel, the rating agency Fitch Rating downgraded to negative the Bank's rating outlook (as well as that of other Israeli banks), reiterated the Bank's A/F1+ rating, and removed it from the rating negative watch list. For further information, see the attached notice.

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: 3 Abba Hillel Silver St. Lod 7129404, 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: Shelly Bainhoren, Position: Bank Secretary, 3 Abba Hillel Silver St. Lod 7129404, Phone: 076-8859419, Electronic Mail: Shelly.Bainhoren@BankLeumi.co.il

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/>

04 APR 2024

Fitch Removes Four Israeli Banks from Rating Watch Negative; Affirms at 'A', Outlook Negative

Fitch Ratings - London - 04 Apr 2024: Fitch Ratings has removed the support-driven Long-Term Issuer Default Ratings (IDRs) of four Israeli banks from Rating Watch Negative (RWN) following similar action on the sovereign, and affirmed the Long-Term IDRs at 'A'. The Outlooks are Negative. The banks' 'F1+' Short-Term IDRs, their 'a' Government Support Ratings (GSRs), and their 'A' senior debt ratings, where relevant, were also removed from RWN and affirmed. A full list of rating actions is below.

The banks' 'a-' Viability Ratings (VRs) and other ratings are not affected by the sovereign rating action.

For additional details on the sovereign rating action see "Fitch Removes Israel from Rating Watch Negative; Affirms IDR at 'A+' with Negative Outlook" dated 2 April 2024.

Key Rating Drivers

The IDRs, GSRs and, where relevant, senior debt ratings of Bank Leumi Le-Israel B.M., Bank Hapoalim B.M., Mizrahi Tefahot Bank Ltd and Israel Discount Bank Limited reflect our view of a very high probability that Israel (A+/Negative/F1+) would support the banks, if needed. Fitch assesses Israel's propensity to support these banks as very high, particularly given their systemic importance, as each represents between 15% and 30% of banking system assets.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

A downgrade of the sovereign rating is likely to result in a downgrade of the banks' GSRs, IDRs and senior debt ratings (where relevant). A significant weakening in the sovereign's ability to support the banking sector could also result in a downgrade of the banks' GSRs and IDRs.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade of the IDRs is unlikely due to the Negative Outlook on the sovereign's Long-Term IDR, as the banks' IDRs are driven by sovereign support.

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

The banks' IDRs and GSRs reflect Fitch's expectation of a very high probability of state support from Israel.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' 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. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

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Rating Actions

ENTITY/DEBT	RATING		RECOVERY	PRIOR
Bank Leumi Le-Israel B.M.	LT IDR	A 	Affirmed	A 
	ST IDR	F1+	Affirmed	F1+ 
	Government Support	a	Affirmed	a 
• senior unsecured	LT	A	Affirmed	A 
• senior unsecured	LT (xgs)	A-(xgs)	Affirmed	A-(xgs)

ENTITY/DEBT	RATING		RECOVERY	PRIOR
<ul style="list-style-type: none"> USD 500 mln 5.125% bond/ note 27-Jul-2027 IL0060406878 	LT (xgs)	A-(xgs)	Affirmed	A-(xgs)
Bank Hapoalim B.M.	LT IDR	A 	Affirmed	A 
	ST IDR	F1+	Affirmed	F1+ 
	Government Support	a	Affirmed	a 
Israel Discount Bank Limited	LT IDR	A 	Affirmed	A 
	ST IDR	F1+	Affirmed	F1+ 
	Government Support	a	Affirmed	a 
<ul style="list-style-type: none"> senior unsecured 	LT	A	Affirmed	A 
Mizrahi Tefahot Bank Ltd	LT IDR	A 	Affirmed	A 
	ST IDR	F1+	Affirmed	F1+ 

ENTITY/DEBT	RATING		RECOVERY	PRIOR
	Government Support	a	Affirmed	a 
RATINGS KEY	OUTLOOK	WATCH		
POSITIVE				
NEGATIVE				
EVOLVING				
STABLE				

Applicable Criteria

[Bank Rating Criteria \(pub.15 Mar 2024\) \(including rating assumption sensitivity\)](#)

Additional Disclosures

Solicitation Status

Endorsement Status

Bank Hapoalim B.M.	UK Issued, EU Endorsed
Bank Leumi Le-Israel B.M.	UK Issued, EU Endorsed
Israel Discount Bank Limited	UK Issued, EU Endorsed
Mizrahi Tefahot Bank Ltd	UK Issued, EU Endorsed

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The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see [Best- and Worst-Case Measures](#) under the Rating Performance page on Fitch's website.

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