



**Translation of Immediate Report**

**Bank Leumi le-Israel B.M. (hereinafter: the "Bank")**

May 7, 2023

To  
The Tel Aviv Stock Exchange Ltd.  
[www.tase.co.il](http://www.tase.co.il)

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

Dear Sir/Madam,

Re: **Valuation of Valley National Bancorp ("Valley") Shares in Leumi's Financial Statements**

The Bank reports as follows:

As detailed in Note 5 to the financial statements of the Bank as of 31 December 2022, the Bank's investment in the shares of Valley, is recorded in the Bank's financial statements on the balance sheet value basis.

In light of significant decreases in the share prices of the banking sector in the USA in general, and medium sized banks in particular, the Bank examined the need for a depreciation in the value of Valley shares as recorded in the Bank's financial statements.

Based on the preliminary evaluations and estimates, the Bank expects that a depreciation will be recorded in respect of the investment in Valley in the Bank's financial statements for the first quarter of 2023, in the amount of some NIS 1 billion, after tax.

Based on preliminary evaluations, this depreciation is expected to decrease the expected profits of the Bank for the first quarter of 2023 by some 50%.

The said depreciation is not expected to have a material affect on the Bank's regulatory capital adequacy.

Valley is a long-term strategic partner of the Bank. The Bank's investment in Valley is a long-term strategic investment, and represents a pillar in the strategy of the Bank to grow the Bank's U.S loan portfolio in partnership with Valley, who has a consistent history of stringent risk management. The strategic investment in Valley reflects the Bank's optimism regarding the U.S banking sector.

It is clarified that the above figures constitute estimates only, which are based on non-final data, since not all data used in the preparation of the first quarter 2023 financial statements have been conclusively verified and the review of the Bank's independent auditors has yet to be finalized. Therefore, the abovementioned figures may be subject to change, with the final outcome being different than the abovementioned estimate.

The information contained in this report constitutes forward-looking information, as defined by the Securities Law, 1968, which is based, inter alia, on assessments and estimates of the Bank as at the date of this report, and may therefore be subject to changes (including material changes), inter alia as a result of completing the gathering of the data and their review.

Respectfully,

Bank Leumi le-Israel B.M.

By:

Hagit Argov, CFO

**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/>