

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

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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 *October 19, 2023*, *Fitch Ratings* published the following:

Rating report/notice: *Updated*

1. Rating report or notice

Rating of the corporation: *A/F1+ Fitch Ratings* _____ *None/NOO*
Comments/Nature of Notice: *Ratings Watch Negative/ Rating review (negative)*

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

Date	Subject of Rating	Rating	Comments/ Nature of Notice
<i>January 26, 2023</i>	<i>Bank Leumi le-Israel Ltd.</i>	<i>A/F1+ Fitch Ratings Stable</i>	<i>Affirmation of rating</i>
<i>December 22, 2022</i>	<i>Bank Leumi le-Israel Ltd.</i>	<i>A/F1+ Fitch Ratings Stable</i>	<i>Affirmation of rating</i>
<i>January 12, 2022</i>	<i>Bank Leumi le-Israel Ltd.</i>	<i>A/F1+ Fitch Ratings Stable</i>	<i>Affirmation of rating</i>
<i>February 16, 2021</i>	<i>Bank Leumi le-Israel Ltd.</i>	<i>A/F1+ Fitch Ratings Stable</i>	<i>Affirmation of rating</i>
<i>January 21, 2021</i>	<i>Bank Leumi le-Israel Ltd.</i>	<i>A/F1+ Fitch Ratings Stable</i>	<i>Affirmation of rating</i>
<i>December 9, 2020</i>	<i>Bank Leumi le-Israel Ltd.</i>	<i>A/F1+ Fitch Ratings Stable</i>	<i>Affirmation 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>Affirmation of rating</i>
<i>Leumi \$ 2027</i>	<i>6040687</i>	<i>Fitch rating</i>	<i>Other A Fitch Rating None/NOO</i>	<i>Affirmation of rating</i>
<i>Leumi \$ 2033</i>	<i>6040679</i>	<i>Fitch rating</i>	<i>Other BBB Fitch Rating None/NOO</i>	<i>Affirmation 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 26, 2023</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating Stable</i>	<i>Affirmation 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>Affirmation 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>Affirmation of rating</i>
<i>Leumi \$ 2031</i>	<i>6040489</i>	<i>February 16, 2021</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating Stable</i>	<i>Affirmation of rating</i>
<i>Leumi \$ 2031</i>	<i>6040489</i>	<i>January 21, 2021</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating Stable</i>	<i>Affirmation of rating</i>
<i>Leumi \$ 2031</i>	<i>6040489</i>	<i>December 9, 2020</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating Stable</i>	<i>Affirmation of rating</i>
<i>Leumi \$ 2027</i>	<i>6040687</i>	<i>January 26, 2023</i>	<i>Bonds</i>	<i>Other A Fitch Rating Stable</i>	<i>Affirmation 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>Affirmation 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 26, 2023</i>	<i>Bonds</i>	<i>Other BBB Fitch Rating Stable</i>	<i>Affirmation 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:

[19102023_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](#).

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/>

19 OCT 2023

Fitch Places Four Israeli Banks on RWN after Sovereign Action

Fitch Ratings - London - 19 Oct 2023: Fitch Ratings has placed the support-driven 'A' Long-Term Issuer Default Ratings (IDRs) of four Israeli banks on Ratings Watch Negative (RWN) following similar action on the sovereign. The banks' 'F1+' Short-Term IDRs, their 'a' Government Support Ratings (GSRs) and their 'A' senior debt ratings were also placed on RWN. A full list of rating actions is below.

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

For additional details on the sovereign rating action see "Fitch Places Israel's 'A+' IDRs on Rating Watch Negative" dated 17 October 2023.

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+/RWN/F1+/RWN) 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. However, the RWN reflects increased risks to the sovereign's ability to provide support.

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).

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

The banks' IDRs are likely to be affirmed and removed from RWN if Israel's ratings are affirmed and removed from RWN.

An upgrade of the IDRs is unlikely due to the RWN on the sovereign IDRs.

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.

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 	Rating Watch On	A 
	ST IDR	F1+ 	Rating Watch On	F1+

ENTITY/DEBT	RATING		RECOVERY	PRIOR
	Government Support	a	Rating Watch On	a
• senior unsecured	LT	A	Rating Watch On	A
Bank Hapoalim B.M.	LT IDR	A	Rating Watch On	A
	ST IDR	F1+	Rating Watch On	F1+
	Government Support	a	Rating Watch On	a
Israel Discount Bank Limited	LT IDR	A	Rating Watch On	A
	ST IDR	F1+	Rating Watch On	F1+
	Government Support	a	Rating Watch On	a
• senior unsecured	LT	A	Rating Watch On	A
Mizrahi Tefahot Bank Ltd	LT IDR	A	Rating Watch On	A
	ST IDR	F1+	Rating Watch On	F1+

ENTITY/DEBT	RATING		RECOVERY	PRIOR
	Government Support	a 	Rating Watch On	a

RATINGS KEY OUTLOOK WATCH

POSITIVE		
NEGATIVE		
EVOLVING		
STABLE		

Applicable Criteria

[Bank Rating Criteria \(pub.01 Sep 2023\) \(including rating assumption sensitivity\)](#)

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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central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

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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. Sector-specific best- and worst-case scenario credit ratings are listed in more detail at

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