

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: May 26 2022
Reference: 2022-01-065236

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

Supplementary report to a report filed on May 24 2022 - Ref. No.: 2022-01-063295

Key details that were added/supplemented: *Further to the Bank's immediate report of May 24 2022, Midroog assigns a P-1.il rating to the raising of a new series of commercial securities (Series 2) at the total amount of up to NIS 1.2 billion par value in lieu of a total of up to NIS 700 million par value. The rating details are described in the attached file.*

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

On May 24 2022, Midroog 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
<i>Bonds Series 179</i>	6040372	<i>Midroog</i>	<i>Midroog___ Aaa.il stable</i>	<i>Affirmation of rating _____</i>
<i>Commercial securities (Series 2)</i>	_____	<i>Midroog</i>	<i>Midroog___ P-1.il stable</i>	<i>Initial 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

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:

[SupplementaryMidroog260522_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 Finance and Accounting 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](#).

Midroog assigns a rating of P-1.il to the issuance of a new series of commercial securities (Series 2) at the total amount of up to NIS 1.2 billion par value in lieu of an amount of up to NIS 700 million par value.

For information the rating considerations, see immediate report of October 6 2021 (Ref. No. 2021-01-152409).

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

Electronic Mail: David.sackstein@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/>

Bank Leumi Le-Israel BM

Rating Activity Update | May 2022

Contacts:

Avior Dagan

Analyst - Primary Rating Evaluator

avior.dagan@midroog.co.il

Amit Federman, CPA

Senior Analyst - Secondary Rating Evaluator

amit.federman@midroog.co.il

Itay Navarra, VP

Head of Financial Institutions

itay.navarra@midroog.co.il

Bank Leumi Le-Israel BM

Baseline Credit Assessment of the Bank (BCA)	aa1.il	
Long-term deposits and bonds	Aaa.il	Outlook: Stable
Subordinated contingent convertible bonds with contractual loss absorption (CoCos)	Aa2.il (hyb)	Outlook: Stable
Short-term deposits / commercial securities	P-1.il	

Midroog determines a P-1.il rating for raising of commercial securities (Series 2) in an amount of up to NIS 1,200 million par value instead of an amount of up to NIS 700 million par value previously rated. The issues will be carried out by Bank Leumi le-Israel B.M. (“the Bank”).

According to Midroog’s methodology, the rating of the commercial securities is based on the rating of the Bank’s long-term deposits and senior debt, an analysis of its short-term liquidity, based on the liquidity profile reviewed when assessing the Bank’s financial strength, as set out below, the stability of the structure of sources¹ and liquid assets² compared to total public deposits.

For information about the rating considerations, see the monitoring report of October 2021 and the rating report of May 2022.

¹ Deposits from banks and institutional entities, as well as bonds and debentures payable in the coming 12 months out of total assets.

² Cash and deposits in banks, Israeli and US government bonds and US government-guaranteed assets.

Related reports

[Bank Leumi Le-Israel BM - related reports](#)

[Bank Ratings - Methodology Report, September 2019](#)

[Short-term Ratings - Methodology Report, December 2019, Table of Affiliations and Holdings](#)

[Table of Affiliations and Holdings](#)

[Midroog's Definitions and Rating Scales](#)

The reports are published on Midroog website www.midroog.co.il

General Information

Date of the rating report:	May 26, 2022
Date of previous rating update:	May 24, 2022
Publication date of initial rating:	February 18, 2007
Rating initiated by:	Bank Leumi Le-Israel BM
Rating paid for by:	Bank Leumi Le-Israel BM

Information from the issuer

Midroog's rating is based, among other things, on information received from authorized parties at the Issuer.

Baseline Credit Assessment (BCA)

aaa.il	Issuers or issues rated aaa.il have, in Midroog's judgment, the highest internal or stand-alone (independent) financial strength relative to other local issuers, absent of any possible external support from an affiliate company or the state.
aa.il	Issuers or issues rated aa.il have, in Midroog's judgment, very high internal or stand-alone (independent) financial strength relative to other local issuers, absent of any possible external support from an affiliate company or the state.
a.il	Issuers or issues rated a.il have, in Midroog's judgment, high internal or stand-alone (independent) financial strength relative to other local issuers, absent of any possible external support from an affiliate company or the state.
baa.il	Issuers or issues rated baa.il have, in Midroog's judgment, moderate internal or stand-alone (independent) financial strength relative to other local issuers, absent of any possible external support from an affiliate company or the state, and could involve certain speculative characteristics.
ba.il	Issuers or issues rated ba.il have, in Midroog's judgment, weak internal or stand-alone (independent) financial strength relative to other local issuers, absent of any possible external support from an affiliate company or the state, and involve certain speculative characteristics.
b.il	Issuers or issues rated b.il have, in Midroog's judgment, very weak internal or stand-alone (independent) financial strength relative to other local issuers, absent of any possible external support from an affiliate company or the state, and involve certain speculative characteristics.
caa.il	Issuers or issues rated caa.il have, in Midroog's judgment, excessively weak internal or stand-alone (independent) financial strength relative to other local issuers, absent of any possible external support from an affiliate company or the state, and involve very significant speculative characteristics.
ca.il	Issuers or issues rated ca.il have, in Midroog's judgment, extremely weak internal or stand-alone (independent) financial strength, absent of any possible external support from an affiliate or the state, and are very near insolvency, with some prospect of recovery of principal and interest.
c.il	Issuer or issues rated c.il have, in Midroog's judgment, the weakest internal or stand-alone (independent) financial strength, absent of any possible external support from an affiliate company or the state, and are usually insolvent with little prospect of recovery of principal and interest.

Note: Midroog uses numeric modifiers 1, 2 and 3 in each rating category from aa.il to caa.il. The modifier '1' indicates that the obligation ranks in the higher end of its rating category, which is denoted by letters. The modifier '2' indicates that it ranks in the middle of its rating category and the modifier '3' indicates that the obligation ranks in the lower end of that category, denoted by letters.

Unlike previous publications until now, Midroog does not publish a rating outlook for Baseline Credit Assessment (BSA) in order to differentiate the BCA from the credit rating.

Local Long-Term Rating Scale

Aaa.il	Issuers or issues rated Aaa.il have, in Midroog's judgment, the highest creditworthiness relative to other local issuers.
Aa.il	Issuers or issues rated Aa.il have, in Midroog's judgment, very high creditworthiness relative to other local issuers.
A.il	Issuers or issues rated A.il have, in Midroog's judgment, high creditworthiness relative to other local issuers.
Baa.il	Issuers or issues rated Baa.il have, in Midroog's judgment, moderate creditworthiness relative to other local issuers, and could involve certain speculative characteristics.
Ba.il	Issuers or issues rated Ba.il have, in Midroog's judgment, weak creditworthiness relative to other local issuers, and they involve certain speculative characteristics
B.il	Issuers or issues rated B.il have, in Midroog's judgment, very weak creditworthiness relative to other local issuers, and they involve certain speculative characteristics.
Caa.il	Issuers or issues rated Ba.il have, in Midroog's judgment, excessively weak creditworthiness relative to other local issuers, and they involve certain speculative characteristics
Ca.il	Issuers or issues rated Ca.il have, in Midroog's judgment, extremely weak creditworthiness compared to other local issuers, and are very near insolvency, with some prospect of recovery of principal and interest.
C.il	Issuers or issues rated C.il have, in Midroog's judgment, the weakest creditworthiness, and are usually insolvent with little prospect of recovery of principal and interest.

Note: Midroog uses numeric modifiers 1, 2, and 3 for each rating category from Aa.il to Caa.il. The modifier '1' indicates that the obligation ranks in the higher end of its rating category, which is denoted by letters. The modifier '2' indicates that it ranks in the middle of its rating category and the modifier '3' indicates that the obligation ranks in the lower end of that category, denoted by letters.

Local Short-Term Rating Scale

P-1.il	Issuers rated Prime-1.il , in Midroog's judgment, have very good ability to repay short-term obligations relative to other local issuers.
P-2.il	Issuers rated Prime-2.il , in Midroog's judgment, have good ability to repay short-term obligations relative to other local issuers.
P-3.il	Issuers rated Prime-3.il , in Midroog's judgment, have moderate ability to repay short-term obligations relative to other local issuers.
NP.il	Issuers rated Not Prime.il do not belong to any of the Prime categories.

Link between the Long-Term and Short-Term Rating Scales

The following table presents the long-term ratings consistent with short-term ratings, when such long-term ratings exist³

Short-Term Rating	Long-Term Rating
Prime-1.il	Aaa.il
	Aa1.il
	Aa2.il
	Aa3.il
	A1.il
	A2.il
	A3.il
Prime-2.il	Baa1.il
	Baa2.il
	Baa3.il
Not Prime	Ba1.il, Ba2.il, Ba3.il
	B1.il, B2.il, B3.il
	Caa1.il, Caa2.il, Caa3.il
	Ca.il
	C.il

³ Structured finance short-term ratings are usually based on the short-term rating of a liquidity provider for a transaction or an assessment of cash flows available to repay the rated obligation

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