

בנק לאומי לישראל בע"מ
BANK LEUMI LE- ISRAEL B.M

No. with Companies Registrar: 520018078

To: Israel Securities Authority
www.isa.gov.il

To: The Tel Aviv Stock Exchange Ltd.
www.tase.co.il

T125 (Public)

Transmitted via MAGNA: 15/08/2024
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Immediate Report of Rating of Bonds/Rating of a Corporation, or of Withdrawal of Rating

On 15/08/2024 Fitch Ratings published:

A rating report/update notice: *Updated*

Notice of withdrawal of rating

1. Rating report or notice

Rating of the corporation: Other Fitch Ratings A-/F1 _____ *negative*

Comments/Nature of Notice: *Downgrade of rating* _____

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

Date	Rating subject matter	Rating	Comments / Nature of notice
04/04/2024	BANK LEUMI LE- ISRAEL B.M	Other Fitch Ratings A/F1+ <i>negative</i> _____	Other Reiteration of rating, downgrading of outlook
15/01/2024	BANK LEUMI LE- ISRAEL B.M	Other Fitch Ratings A/F1+ None / NOO _____	Negative watch list / rating review (negative) _____
13/12/2023	BANK LEUMI LE- ISRAEL B.M	Other Fitch Ratings A/F1+ None / NOO _____	Negative watch list / rating review (negative) _____
19/10/2023	BANK LEUMI LE- ISRAEL B.M	Other Fitch Ratings A/F1+ None / NOO _____	Negative watch list / rating review (negative) _____
26/01/2023	BANK LEUMI LE- ISRAEL B.M	Other Fitch Ratings A/F1+ <i>negative</i> _____	Reiteration of rating _____
22/12/2022	BANK LEUMI LE- ISRAEL B.M	Other Fitch Ratings A/F1+ <i>negative</i> _____	Reiteration of rating _____
12/01/2022	BANK LEUMI LE- ISRAEL B.M	Other Fitch Ratings A/F1+ <i>negative</i> _____	Reiteration of rating _____

Explanation: As part of the ratings 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	Security no. with the Stock Exchange	Rating agency	Current rating	Comments / Nature of notice
LEUMI \$ 2031 TACT Institutional	6040489	Other Fitch Ratings	Other Fitch rating BBB None / NOO_____	Reiteration of rating _____
LEUMI \$ 2027 TACT Institutional	6040687	Other Fitch Ratings	Other A- Fitch Ratings None / NOO_____	Downgrading of rating _____
LEUMI \$ 2033 TACT Institutional	6040679	Other Fitch Ratings	Other BBB Fitch Ratings None / NOO_____	Reiteration of rating _____

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

Security name & type	Security No. with the stock exchange	Date	Type of rated security	Rating	Comments / Nature of notice
LEUMI \$ 2031 TACT Institutional	6040489	04/04/2024	Bonds	Other BBB Fitch Ratings None / NOO_____	Other Reiteration of rating, downgrading of outlook
LEUMI \$ 2031 TACT Institutional	6040489	15/01/2024	Bonds	Other BBB Fitch Ratings None / NOO_____	Negative watch list / rating review (negative)
LEUMI \$ 2031 TACT Institutional	6040489	13/12/2023	Bonds	Other BBB Fitch Ratings None / NOO_____	Negative watch list / rating review (negative)
LEUMI \$ 2031 TACT Institutional	6040489	19/10/2023	Bonds	Other BBB Fitch Ratings None / NOO_____	Negative watch list / rating review (negative)
LEUMI \$ 2031 TACT Institutional	6040489	26/01/2023	Bonds	Other BBB Fitch Ratings None / NOO_____	Reiteration of rating
LEUMI \$ 2031 TACT Institutional	6040489	22/12/2022	Bonds	Other BBB Fitch Ratings None / NOO_____	Reiteration of rating
LEUMI \$ 2031 TACT Institutional	6040489	12/01/2022	Bonds	Other BBB Fitch Ratings None / NOO_____	Reiteration of rating
LEUMI I-\$ 2027 TACT Institutional	6040687	04/04/2024	Bonds	Other A Fitch Ratings None / NOO_____	Other Reiteration of rating, downgrading of outlook
LEUMI I-\$ 2027 TACT Institutional	6040687	15/01/2024	Bonds	Other A Fitch Ratings None / NOO_____	Negative watch list / rating review (negative)
LEUMI I-\$ 2027 TACT Institutional	6040687	13/12/2023	Bonds	Other A Fitch Ratings None / NOO_____	Negative watch list / rating review (negative)
LEUMI I-\$ 2027 TACT Institutional	6040687	19/10/2023	Bonds	Other A Fitch Ratings None / NOO_____	Negative watch list / rating review (negative)
LEUMI I-\$ 2027 TACT Institutional	6040687	26/01/2023	Bonds	Other A Fitch Ratings None / NOO_____	Reiteration of rating
LEUMI I-\$ 2027 TACT Institutional	6040687	22/12/2022	Bonds	Other A Fitch Ratings None / NOO_____	Reiteration of rating
LEUMI I-\$ 2027 TACT Institutional	6040687	18/07/2022	Bonds	Other A Fitch Ratings None / NOO_____	Initial rating
LEUMI \$ 2033 TACT Institutional	6040679	04/04/2024	Bonds	Other BBB Fitch Ratings None / NOO_____	Other Reiteration of rating, downgrading of outlook
LEUMI \$ 2033 TACT Institutional	6040679	15/01/2024	Bonds	Other BBB Fitch Ratings None / NOO_____	Negative watch list / rating review (negative)

LEUMI \$ 2033 TACT Institutional	6040679	13/12/2023	Bonds	Other <i>BBB Fitch Ratings</i> None / NOO_____	Negative watch list / rating review (negative) _____
LEUMI \$ 2033 TACT Institutional	6040679	19/10/2023	Bonds	Other <i>BBB Fitch Ratings</i> None / NOO_____	Negative watch list / rating review (negative) _____
LEUMI \$ 2033 TACT Institutional	6040679	26/01/2023	Bonds	Other <i>BBB Fitch Ratings</i> None / NOO_____	Reiteration of rating _____
LEUMI \$ 2033 TACT Institutional	6040679	10/01/2023	Bonds	Other <i>BBB Fitch Ratings</i> None / NOO_____	Reiteration of rating _____

Explanation: As part of the ratings 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: [15 Aug 2024 Sanitized isa.pdf](#)

2. On _____, _____ announced the withdrawal of rating of: _____

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

	Signatory name	Function
1	Omer Ziv	Other <i>Head of the Capital Markets Division</i>

Explanation: Pursuant to 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. A staff position of this matter may be found on the Authority's website: [click here](#) .

Following the downgrading of the rating of the State of Israel, the rating agency Fitch Rating downgraded the long (A-) and short-term (F1) credit rating of the Bank and (as well as that of other Israeli banks) with a negative rating outlook.

For further details in connection with the rating, see attached file.

Reference numbers of previous reports pertaining to the matter (reference does not constitute incorporation by way of reference):

The corporation's securities are listed on the Tel Aviv Stock Exchange
Ticker: Leumi

date on which the form's structure was revised: 06/08/2024

Address: 3 Abba Hillel Silver St. Lod 7129404, Telephone: 076-8858111, 076-8859419 Facsimile: 076-8859732

Email: 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 Name of employer:

Address: 3 Abba Hillel Silver St. Lod 7129404, Telephone: 076-8859419 Facsimile: 076-8859732 Shelly.Bainhoren@BankLeumi.co.il

15 AUG 2024

Fitch Downgrades 4 Israeli Banks to 'A-'/Negative/'F1' after Sovereign Action

Fitch Ratings - London - 15 Aug 2024: Fitch Ratings has downgraded the support-driven Long-Term Issuer Default Ratings (IDRs) of four Israeli banks to 'A-' from 'A' following a recent downgrade of the sovereign rating. The Long-Term IDRs are driven by the banks' Government Support Ratings (GSRs), which have been downgraded to 'a-' from 'a'. The Outlook on the Long-Term IDRs is Negative and reflects that on the sovereign's Long-Term IDR.

The four banks' Short-Term IDRs have been downgraded to 'F1' from 'F1+'. We have also downgraded the banks' long-term senior debt ratings, where applicable. A full list of rating actions is below.

The banks' 'a-' Viability Ratings (VRs), IDRs (xgs) and subordinated debt ratings, where applicable, are not affected.

For additional details on the sovereign rating action see "Fitch Downgrades Israel to 'A'; Outlook Negative" dated 12 August 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. 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 further downgrade of the sovereign ratings would result in a downgrade of the banks' IDRs and senior debt ratings (where relevant) if accompanied by a downgrade of the banks' VRs.

The VR sensitivities are unchanged from those published in the banks' Rating Action Commentaries (RACs) published in December 2023:

- Fitch Maintains Bank Leumi's 'A' IDR on Rating Watch Negative <https://www.fitchratings.com/site/pr/10256420>
- Fitch Maintains Bank Hapoalim's 'A' IDR on Rating Watch Negative <https://www.fitchratings.com/site/pr/10256442>
- Fitch Maintains Mizrahi Tefahot Bank's 'A' IDR on Rating Watch Negative <https://www.fitchratings.com/site/pr/10256423>
- Fitch Maintains Israel Discount Bank's 'A' IDR on Rating Watch Negative <https://www.fitchratings.com/site/pr/10256443>

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. We would revise the Outlook to Stable if the sovereign Outlook is changed to Stable.

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 are linked to Israel's IDRs.

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- ●	Downgrade	A ●

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

ENTITY/DEBT	RATING	RECOVERY	PRIOR
	Government Support	a-	Downgrade
			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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