

## 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: Livnat.EinShay@bll.co.il

Transmission Date: December 17 2020  
Reference: 2020-01-129139

**Correction of erroneous report sent on 21/07/2020 whose reference no. is: 2002-01-070489**

**Error:** *Erroneous calculation by S&P Maalot – risk adjusted capital ratio (RAC)*

**Reason for error:** *Calculation error by S&P Maalot*

**Main correction:** *RAC as of December 31 2019 was amended to 10.4% instead of 9.3% as described in the attached file*

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 of Withdrawal of Rating

On July 20 2020, Standard & Poor's Maalot published the following:

A rating report/update notice:

1. Rating report or notice

Rating of the corporation: *S&P Maalot ilAAA \_\_\_ stable \_\_\_\_\_*

Comments/Nature of Notice: *Affirmation of rating*

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

<b>Date</b>	<b>Subject of Rating</b>	<b>Rating</b>	<b>Comments/ Substance of Notice</b>
November 7, 2019	Bank Leumi le-Israel B.M.	<i>S&amp;P Maalot ilAAA ___ stable ___</i>	<i>Affirmation of rating</i>
July 11 2019	Bank Leumi le-Israel B.M.	<i>S&amp;P Maalot ilAAA ___ stable ___</i>	<i>Affirmation of rating</i>
November 7 2018	Bank Leumi le-Israel B.M.	<i>S&amp;P Maalot ilAAA ___ stable ___</i>	<i>Affirmation of rating</i>
October 24 2017	Bank Leumi le-Israel B.M.	<i>S&amp;P Maalot ilAAA ___ stable</i>	<i>Affirmation of rating</i>

**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.

2. Rating of the corporation's bonds:

<b>Security name &amp; type</b>	<b>TASE Security No.</b>	<b>Rating agency</b>	<b>Current rating</b>	<b>Comments / nature of notice</b>
Leumi Sub. Bonds 400	6040331	S&P Maalot	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Leumi Sub. Bonds 401	6040380	S&P Maalot	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Leumi Sub. Bonds 402	6040398	S&P Maalot	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Leumi Sub. Bonds 403	6040430	S&P Maalot	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Leumi Sub. Bonds 404	6040471	S&P Maalot	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Bonds Series 178	6040323	S&P Maalot	S&P Maalot ilAAA ___ stable	Affirmation of rating _____
Bonds Series 179	6040372	S&P Maalot	S&P Maalot ilAAA ___ stable	Affirmation of rating _____
Bonds Series 180	6040422	S&P Maalot	S&P Maalot ilAAA ___ stable	Affirmation of rating _____
Subordinated Bonds N	6040299	S&P Maalot	S&P Maalot ilAA+ ___ stable	Affirmation of rating _____
Subordinated Capital Notes Series 200	6040141	S&P Maalot	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Subordinated Capital Notes Series 201	6040158	S&P Maalot	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Subordinated Capital Notes Series 300	6040257	S&P Maalot	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Subordinated Capital Notes Series 301	6040265	S&P Maalot	S&P Maalot ilAA ___ stable	Affirmation of rating _____

Rating history in the 3 years prior to the rating/notice date:

<b>Security name &amp; type</b>	<b>TASE Security No.</b>	<b>Date</b>	<b>Type of rated security</b>	<b>Current rating</b>	<b>Comments / nature of notice</b>
Leumi Sub. Bonds 400	6040331	November 7 2019	Contingent subordinated bonds	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Leumi Sub. Bonds 400	6040331	July 11 2019	Contingent subordinated bonds	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Leumi Sub. Bonds 400	6040331	November 7 2018	Contingent subordinated bonds	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Leumi Sub. Bonds 400	6040331	October 24 2017	Contingent subordinated bonds	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Leumi Sub. Bonds 401	6040380	November 7 2019	Contingent subordinated bonds	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Leumi Sub. Bonds 401	6040380	July 11 2019	Contingent subordinated bonds	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Leumi Sub. Bonds 401	6040380	November 7 2018	Contingent subordinated bonds	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Leumi Sub. Bonds 401	6040380	May 7 2018	Contingent subordinated bonds	S&P Maalot ilAA ___ stable	First rating

Leumi Sub. Bonds 402	6040398	November 7 2019	Contingent subordinated bonds	S&P Maalot ilAA ___ stable	Affirmation of rating
Leumi Sub. Bonds 402	6040398	July 11 2019	Contingent subordinated bonds	S&P Maalot ilAA ___ stable	Affirmation of rating
Leumi Sub. Bonds 402	6040398	November 7 2018	Contingent subordinated bonds	S&P Maalot ilAA ___ stable	Affirmation of rating
Leumi Sub. Bonds 402	6040398	July 5 2018	Contingent subordinated bonds	S&P Maalot ilAA ___ stable	First rating
Leumi Sub. Bonds 403	6040430	November 7 2011	Contingent subordinated bonds	S&P Maalot ilAA ___ stable	Affirmation of rating
Leumi Sub. Bonds 403	6040430	July 11 2019	Contingent subordinated bonds	S&P Maalot ilAA ___ stable	Affirmation of rating
Leumi Sub. Bonds 403	6040430	January 29 2019	Contingent subordinated bonds	S&P Maalot ilAA ___ stable	First rating
Bonds Series 178	6040323	November 7 2019	Senior unsecured bonds	S&P Maalot ilAAA ___ stable	Affirmation of rating
Bonds Series 178	6040323	July 11 2019	Senior unsecured bonds	S&P Maalot ilAAA ___ stable	Affirmation of rating
Bonds Series 178	6040323	November 7 2018	Senior unsecured bonds	S&P Maalot ilAAA ___ stable	Affirmation of rating
Bonds Series 178	6040323	October 24 2017	Senior unsecured bonds	S&P Maalot ilAAA ___ stable	Affirmation of rating
Bonds Series 179	6040372	November 7 2019	Senior unsecured bonds	S&P Maalot ilAAA ___ stable	Affirmation of rating
Bonds Series 179	6040372	July 11 2019	Senior unsecured bonds	S&P Maalot ilAAA ___ stable	Affirmation of rating
Bonds Series 179	6040372	November 7 2018	Senior unsecured bonds	S&P Maalot ilAAA ___ stable	Affirmation of rating
Bonds Series 179	6040372	May 31 2018	Senior unsecured bonds	S&P Maalot ilAAA ___ stable	First rating
Bonds Series 180	6040422	November 7 2019	Senior unsecured bonds	S&P Maalot ilAAA ___ stable	Affirmation of rating
Bonds Series 180	6040422	July 11 2019	Senior unsecured bonds	S&P Maalot ilAAA ___ stable	Affirmation of rating
Bonds Series 180	6040422	January 17 2019	Senior unsecured bonds	S&P Maalot ilAAA ___ stable	First rating
Sub. Bonds N	6040299	November 7 2019	Senior unsecured bonds	S&P Maalot ilAA+ ___ stable	Affirmation of rating
Sub. Bonds N	6040299	July 11 2019	Senior unsecured bonds	S&P Maalot ilAA + ___ stable	Affirmation of rating
Sub. Bonds N	6040299	November 7 2018	Senior unsecured subordinated bonds	S&P Maalot ilAA+ ___ stable	Affirmation of rating
Sub. Bonds N	6040299	October 24 2017	Subordinated bonds	S&P Maalot ilAA+ ___ stable	Affirmation of rating
Sub. Capital Notes Series 200	6040141	November 7 2019	Subordinated capital notes	S&P Maalot ilAA ___ stable	Affirmation of rating
Sub. Capital Notes Series 200	6040141	July 11 2019	Subordinated capital notes	S&P Maalot ilAA ___ stable	Affirmation of rating
Sub. Capital Notes Series 200	6040141	November 7 2018	Subordinated capital notes	S&P Maalot ilAAA+ ___ stable	Affirmation of rating
Sub. Capital Notes Series 200	6040141	October 24 2017	Subordinated capital notes	S&P Maalot ilAA ___ stable	Affirmation of rating

Sub. Capital Notes Series 201	6040158	November 7 2019	Subordinated capital notes	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Sub. Capital Notes Series 201	6040158	July 11 2019	Subordinated capital notes	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Sub. Capital Notes Series 201	6040158	November 7 2018	Subordinated capital notes	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Sub. Capital Notes Series 201	6040158	October 24 2017	Subordinated capital notes	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Sub. Capital Notes Series 300	6040257	November 7 2019	Subordinated capital notes	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Sub. Capital Notes Series 300	6040257	July 11 2019	Subordinated capital notes	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Sub. Capital Notes Series 300	6040257	November 7 2018	Subordinated capital notes	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Sub. Capital Notes Series 300	6040257	October 24 2017	Subordinated capital notes	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Sub. Capital Notes Series 301	6040265	November 7 2019	Subordinated capital notes	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Sub. Capital Notes Series 301	6040265	July 11 2019	Subordinated capital notes	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Sub. Capital Notes Series 301	6040265	November 7 2018	Subordinated capital notes	S&P Maalot ilAA ___ stable	Affirmation of rating _____
Sub. Capital Notes Series 301	6040265	October 24 2017	Subordinated capital notes	S&P Maalot ilAA ___ stable	Affirmation 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:

[FRBan20200720152206\\_isa\\_Sanitized.isa.pdf](#)

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

Name of signatory	Title	other
Omer Ziv	Head of Finance Division	

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](#).

Standard & Poor's Maalot affirmed the Bank's long-term IDR at ilAAA and affirmed the Bank's outlook at stable.

*The report was signed on behalf of the corporation, in accordance with Regulation 5 of the Securities (Periodic and Immediate Reports) Regulations, 1970, by Mr. Omer Ziv, Head of the Finance Division of the Bank.*

Reference numbers of previous documents on this subject (this reference does not constitute inclusion by way of reference):

---

*Ticker: Leumi*

*Address: Yehuda Halevi Street 34, Tel Aviv 6513616, Tel: 076-8858111,  
Facsimile: 076-8859732 Electronic Mail: [Livnat.Ein-Shay@bll.co.il](mailto:Livnat.Ein-Shay@bll.co.il) company's website:  
[www.leumi.co.il](http://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](mailto:David.sackstein@bankleumi.co.il)

**Note: English translations of Immediate Reports of Bank Leumi are for convenience purposes only. In case of any discrepancy between the English translation and the Hebrew original, the Hebrew version shall 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 B.M.**

---

---

**December 16 2020**

An error has occurred in the calculation of the RAC ratio as of December 31 2019 (9.3% instead of 10.4%) published in the rating report dated July 20 2020, and as a result the projected RAC ratio for 2022 was also erroneous. This does not impact the rating, since in accordance with our methodology we evaluate the Bank's capital going forward. We still expect that Bank Leumi's RAC ratio shall remain within the range of 10%-15% through 2022.

Attached below is the amended rating report.

**Bank Leumi le-Israel B.M.**

---

---

**July 20 2020**

Affirmation of rating

**Affirmation of ‘ilAAA’ rating in view of limited impact of the COVID-19 pandemic; stable outlook**

**Primary Credit Analyst:**

Regina Argenio, 39-02-72111208 [regina/argenio@spglobal.com](mailto:regina/argenio@spglobal.com)

**Secondary Contact person:**

Lena Schwartz, 972-3-7539716 [lena.schwartz@spglobal.com](mailto:lena.schwartz@spglobal.com)

**Table of contents**

Summary of rating action	2
Rating action	2
Main considerations for rating action	2
Rating outlook	
The negative scenario	3
Methodology and related articles	4
List of ratings	5

**Affirmation of 'ilAAA' rating in view of limited impact of the COVID-19 pandemic; stable outlook**

**Summary of rating action**

- We estimate that in 2020 Israel's real GDP will contract by 5.5% due to the COVID-19 pandemic. However, we expect the Israeli economy to fully recover in 2021.
- We believe that Bank Leumi le-Israel B.M. is in a strong financial position for dealing with the COVID-19 crisis, and that it will be able to maintain sufficient profits that will allow it to absorb the adverse effects of the COVID-19 pandemic.
- We believe that the Bank's capital base is sensitive to market fluctuations, and that the scope of its pension obligations to employees will decrease during the second quarter of 2020; this will contribute to a gradual recovery of the capital base by 2022.
- We affirm Bank Leumi le-Israel B.M.'s issuer's rating, 'ilAAA'.
- The stable outlook reflects our opinion that Bank Leumi will gradually strengthen its capital base in the next couple of years.

**The rating action**

On July 20 2020, S&P Maalot affirmed Bank Leumi le-Israel's issuer's rating, 'ilAAA'. The rating outlook is stable.

**Main considerations for the rating action**

The rating affirmation reflects our opinion that as in the case of other Israeli banks, Bank Leumi will be able to deal with the economic crisis triggered by the COVID-19 pandemic, and that the adverse impact on its profits shall be limited in the mid-term, mainly by virtue of its strong financial position prior to the crisis.

After more than a decade of continued economic growth at an annual rate of 3%, the COVID-19 outbreak and the restrictions placed as a result thereof caused a recession in the Israeli economy, with a 5.5% projected contraction in real GDP during 2020. Despite the high degree of uncertainty as to the development of the COVID-19 pandemic, our scenario predicts that the Israeli economy shall recover and will grow by more than 6% in 2021. This projection is based on projected global economic recovery in the second half of 2020, and on the robust fundamentals of the Israeli economy, in combination with a generous government support package aimed to prevent permanent damage to domestic production capacity.



In this context, we estimate that there will be some deterioration in the quality of the Bank's assets and profits in 2020 and 2021, and a gradual increase in net revenues in 2022 to pre-crisis levels.

**2 | July 20, 2020**

**[www.maalot.co.il](http://www.maalot.co.il)**

## **Bank Leumi le-Israel B.M.**

In particular, we predict that the Bank's revenues will decrease due to reduction in interest margins and a slowdown in the economic activity, and a decrease in income from fees and commissions, specifically in the second and third quarters of 2020. The Bank increased its provision for credit losses in the first quarter of 2020, and we predict that its credit losses in 2020 will amount to 70-80 base points, due to deterioration in the quality of assets. We also estimate that the rate of non-performing loans shall increase in 2020 and will subsequently decline gradually.

We project a moderate growth in the Bank's credit portfolio in the next couple of years due to the economic uncertainty. In addition, we estimate that the Bank will not distribute a dividend in 2020 in order to support the capital base under current market conditions.

Furthermore, we believe that the Bank's risk adjusted capital (RAC) is sensitive to market fluctuations due to capital requirements in respect of market risk and large pension obligations. When calculating the Bank's total adjusted capital (TAC) – which is the measure we use to calculate capital - we deduct the pension obligations in full. As of December 2019, the Bank's pension obligations increased by NIS 3.9 billion due to non-recurring events and market fluctuations. Our forecast takes into account a gradual decrease in pension obligations as a result of expansion of credit margins, which will strengthen the Bank's capital base. Our projections are supported by Q1 2020 data, which show a NIS 2 billion decrease in pension obligations. Accordingly, we predict that the Bank's RAC ratio will exceed 10% in 2022, after reaching 10.4% in December 2019.

The Bank's rating continues to reflect its high exposure to the domestic real estate and mortgages sector, which constitute 47% of its net credit portfolio. Although we predict stagnation in the housing market during 2020, we estimate that the risk arising from the Bank's exposure to mortgages is limited, due to, among other things, the macroprudential measures previously implemented by the Bank of Israel in this field. We predict that the labor market will recover in 2021-2022, and this will support the credit quality of those who take a mortgage. In the event that this projection is not realized, the quality of the Bank's assets may be adversely impacted.

We believe that the loans extended by the Bank to the income-generating real estate sector are more sensitive to the current economic environment than loans extended to other real estate sectors. Even prior to the COVID-19 crisis, the malls and commercial properties sector was subject to pressures due to the growth of E-commerce, and the offices sector faced the risk of excess supply. Current market conditions increase these sectors' sensitivity to economic slowdown, and a continued recession may lead to a decline in demand and occupancy rates and to a decrease in real estate companies' earnings and asset value. The income-generating real estate sector constitutes 9% of the

Bank's credit portfolio, and we believe that the exposure to this sector is manageable since the Bank's has large scale collaterals with reasonable loan-to-value rates (LTV).

## Rating outlook

The stable rating outlook reflects our opinion that despite the challenging economic conditions the Bank will be able to absorb the erosion in assets' quality and will gradually strengthen its capital base. In particular, we believe that the Bank's risk adjusted capital (RAC) ratio will exceed 10% in the next couple of years, and that the measures of its assets' quality will be similar to the sectoral average.

## The negative scenario

We may take negative rating action if the Bank will be unsuccessful in strengthening its capital base. This scenario may materialize if the Bank's credit losses will be much higher than we predicted and will erode the Bank's risk adjusted capital ratio, or if the scope of the Bank's pension obligations will not decline. Pressures to take a negative credit action may also arise if the performances of the Israeli economy, and especially those of the real estate sector, will deteriorate considerably. Such deterioration may stem from stronger-than-expected economic pressures due to the COVID-19 pandemic or a real escalation in the regional geopolitical conditions. Furthermore, although this is less likely, a negative rating action may stem from a significant deterioration in the quality of assets or the operational risks arising from the U.S. activity, or from legislative or regulatory measures that will weaken the Bank's business position over time.

## Methodology and related articles

- [Methodology – General: Use Of CreditWatch And Outlooks](#), September 14, 2009
- [Methodology: Bank Rating Methodology](#): November 9, 2011
- [Methodology: Banking Sector Risk Assessment Methodology \(BICRA\)](#), November 9, 2011
- [Methodology: Quantitative Metrics for Rating Banks Globally](#): July 17, 2013
- [Methodology: Timelines of Payments: Grace Periods, Guarantees, And Use of 'D' \(Default\) and 'SD' \(Selective Default\) Ratings](#): October 24, 2013
- [Methodology: Methodology for Linking Long-Term and Short-Term Ratings](#): April 7, 2017
- [Methodology: Methodology for Assessing the Risk-Adjusted Capital of Financial Institutions](#): July 20, 2017
- [Methodology – General: National and Regional Scale Credit Ratings](#): June 25, 2018
- [Methodology – General: Rating of Hybrid Capital](#), July 1 2019
- [Methodology – General: Rating of Group Companies](#), July 1 2019
- [S&P Global Ratings Definitions](#): July 5 2019
- [Opinions and interpretation: The Relationship Between the Global Rating Scale and the Israeli Rating Scale](#): June 26, 2018

**List of ratings**

**General details (as of July 20, 2020)**

**Bank Leumi of Israel Ltd.**

**Issuer's Rating(s)**

Long term ilAAA\Stable

**Issuance's Rating(s)**

Hybrid subordinated debt

Subordinated bonds with loss absorption mechanism Series 400, 401, 402, 403 ilAA

Leumi subordinated capital notes Series 200, 201 ilAA

Series 404 ilAA

Subordinated capital notes Series 300, 301 ilAA

Unsecured senior debt

Bonds – Series 178, 179 ilAAA

Bonds – Series 180 ilAAA

Subordinated debt

Subordinated bonds Series N ilAA+

**Issuer's Rating History**

Long term

October 7, 2014 ilAAA\Stable

May 5, 2010 ilAA+\Stable

April 30, 2009 ilAA+\Negative

June 21, 2007 ilAAA\Stable

May 14, 2006 ilAAA

February 1, 2003 ilAA+

May 1, 1998 ilAAA

**Additional details**

Date and time on which the event took place July 20 2020 14:54

Date and time on which the event first became known July 20 2020 14:54

Entity that initiated the rating The rated company

## Bank Leumi of Israel Ltd.

S&P Maalot is the trading name of “S&P Global Ratings Maalot Ltd.”. To view the list of the most up-to-date ratings and for further information about the credit rating monitoring policy, please go to S&P Global Ratings Maalot Ltd.’s website at [www.maalot.co.il](http://www.maalot.co.il).

All rights reserved © No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Ratings Maalot Ltd. or its affiliates (collectively, “S&P”). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively “S&P Parties”) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an “as is” basis. **S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT’S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION.** In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P’s opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. Rating reports are correct as of their publication dates. S&P updates the rating reports after ongoing or annual monitoring of events.

While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P

reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the irrelative activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

6 | July 20, 2020

[www.maalot.co.il](http://www.maalot.co.il)

### **Bank Leumi of Israel Ltd.**

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on S&P Maalot's website, [www.maalot.co.il](http://www.maalot.co.il), or on S&P's website [www.standardandpoors.com](http://www.standardandpoors.com), and may be distributed through other means, including via S&P publications and third-party redistributors.

7 | July 20, 2020

[www.maalot.co.il](http://www.maalot.co.il)