



Q4 AND F 2021 FINANCIAL RESULTS

The conference call does not replace the need to review the latest periodic/quarterly reports in which full information is contained, including forward looking information, as defined in the Israeli Securities Law, and set out in the aforementioned reports.

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Israel Leading Global Vaccination Efforts

Share of Population Fully Vaccinated

Israel 42%



Share of Population Single Vaccination

Israel 57%



Relatively Low Impact of COVID-19 in Israel

- **COVID-19** – Gradually exiting 3rd lockdown. Israel is leading global vaccination rates per capita
 - Below 40,000 (Mar 7) active cases, down from peak of over 85,000 in early February 2021
 - Approximately 5 million people are vaccinated with at least one dose (57% of the population)
 - Over 3.7 million people are fully vaccinated (42% of the population)



COVID-19, Macroeconomic Factors and Indicators

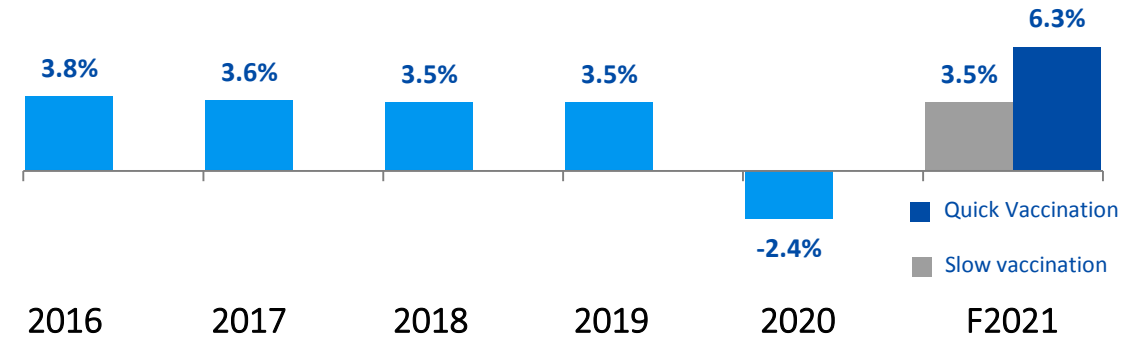
Relatively Low Impact of COVID-19 in Israel

GDP decline in 2020 was relatively modest 2.4%.
Better than the US, Germany, UK and Eurozone

Israel (2.4%)
in 2020

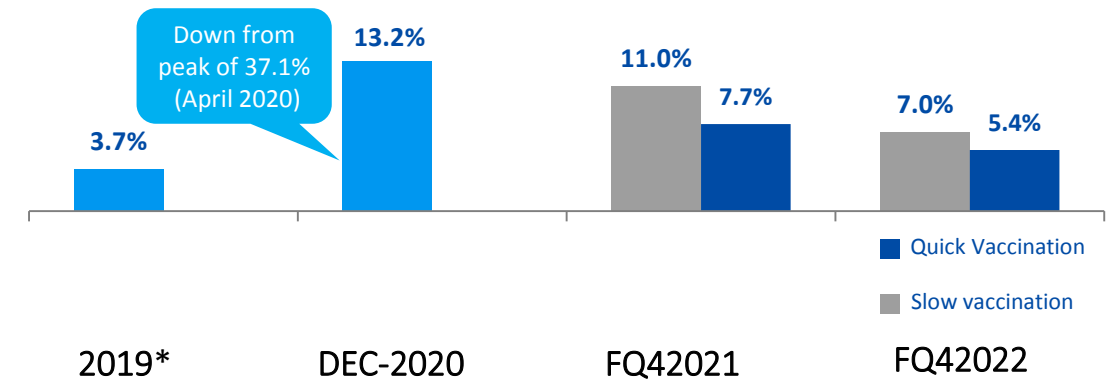
GDP, Rate of Change, Real Terms

BOI estimates



Broad Unemployment, Age Group 15+*

BOI estimates



Sources: Refinitiv Datastream, Bank of Israel, Israel Ministry of Finance (MOF), Government Database for the Public data.gov.il; BOI Estimates as of January 4, 2021.

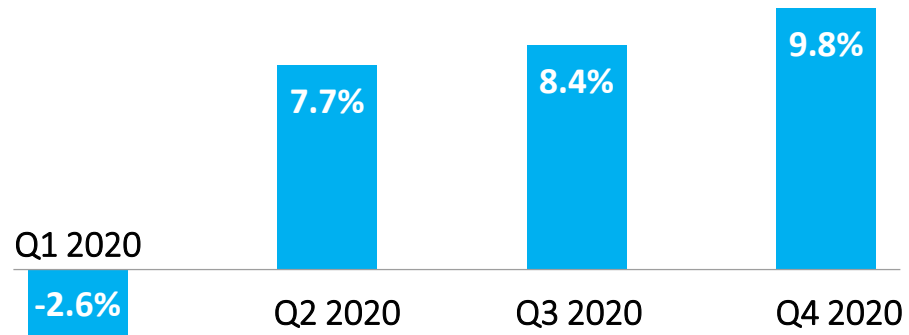
*Broad Unemployment rate includes employees temporarily absent from their places of work due to the coronavirus crisis and those dismissed since March and who do not currently participate in the workforce.

2019 figure measures pre COVID-19 Standard unemployment.

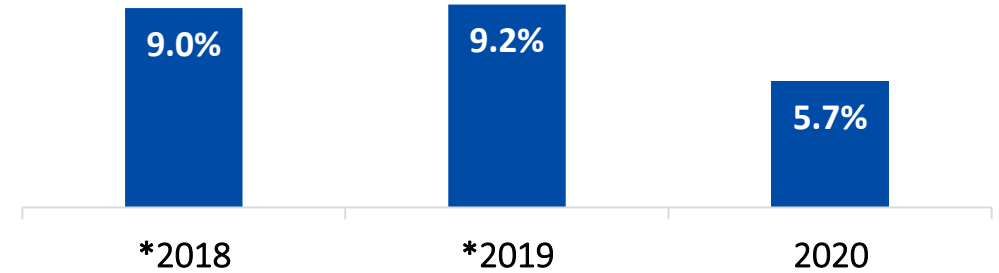


Performance Indicators for the Quarter and Year End

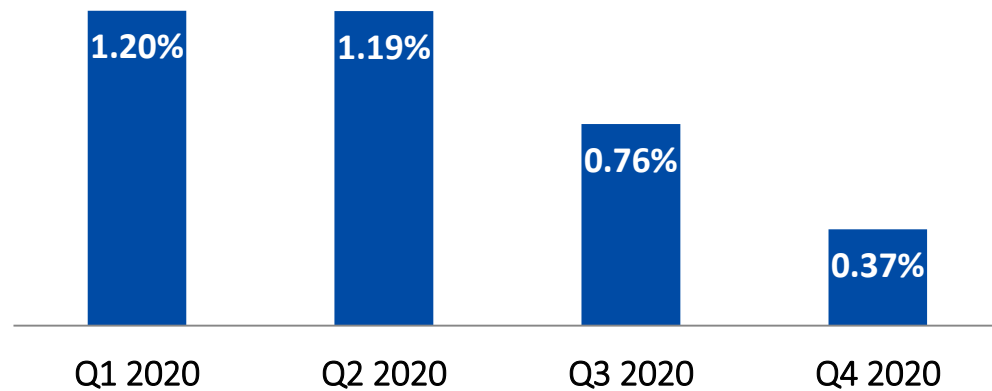
ROE - Q1 2020 through Q4 2020



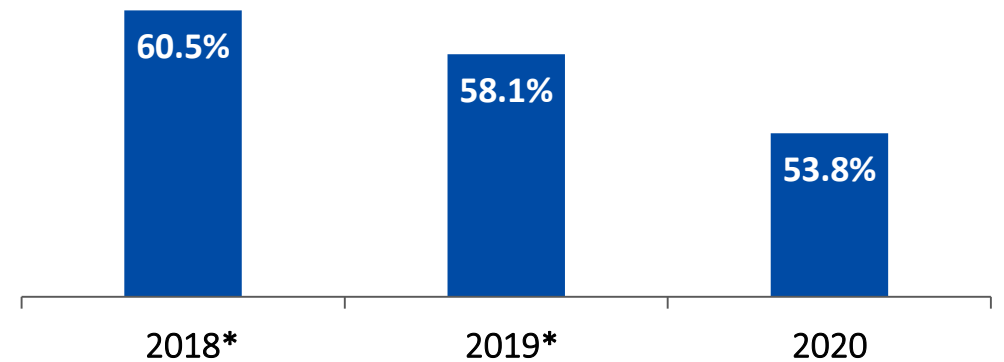
ROE – Annual Progress



Loan Loss Expenses – Q1 2020 through Q4 2020



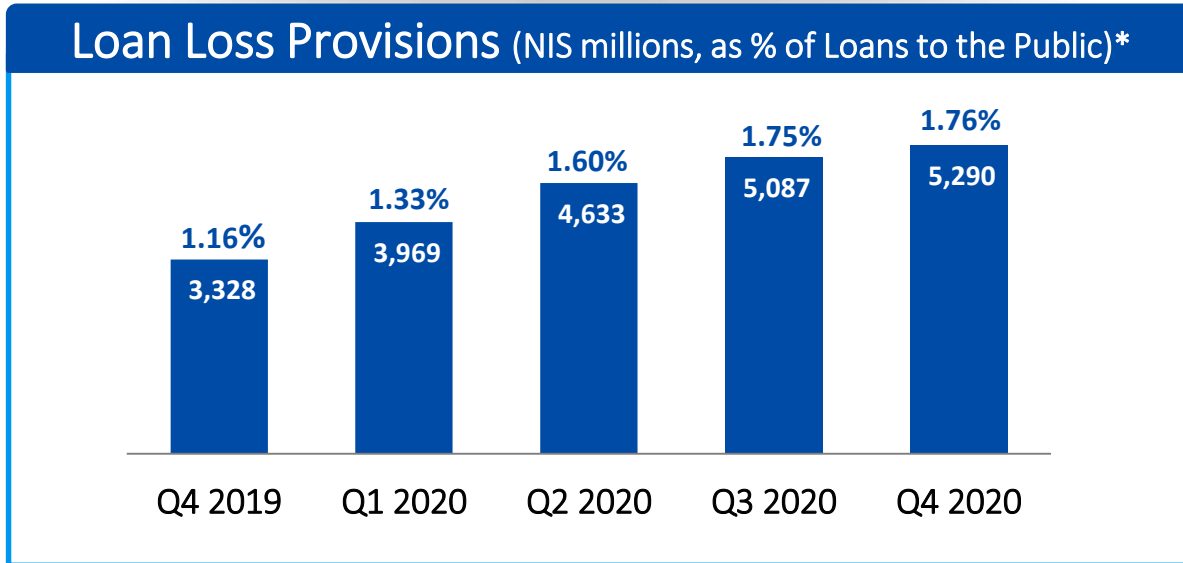
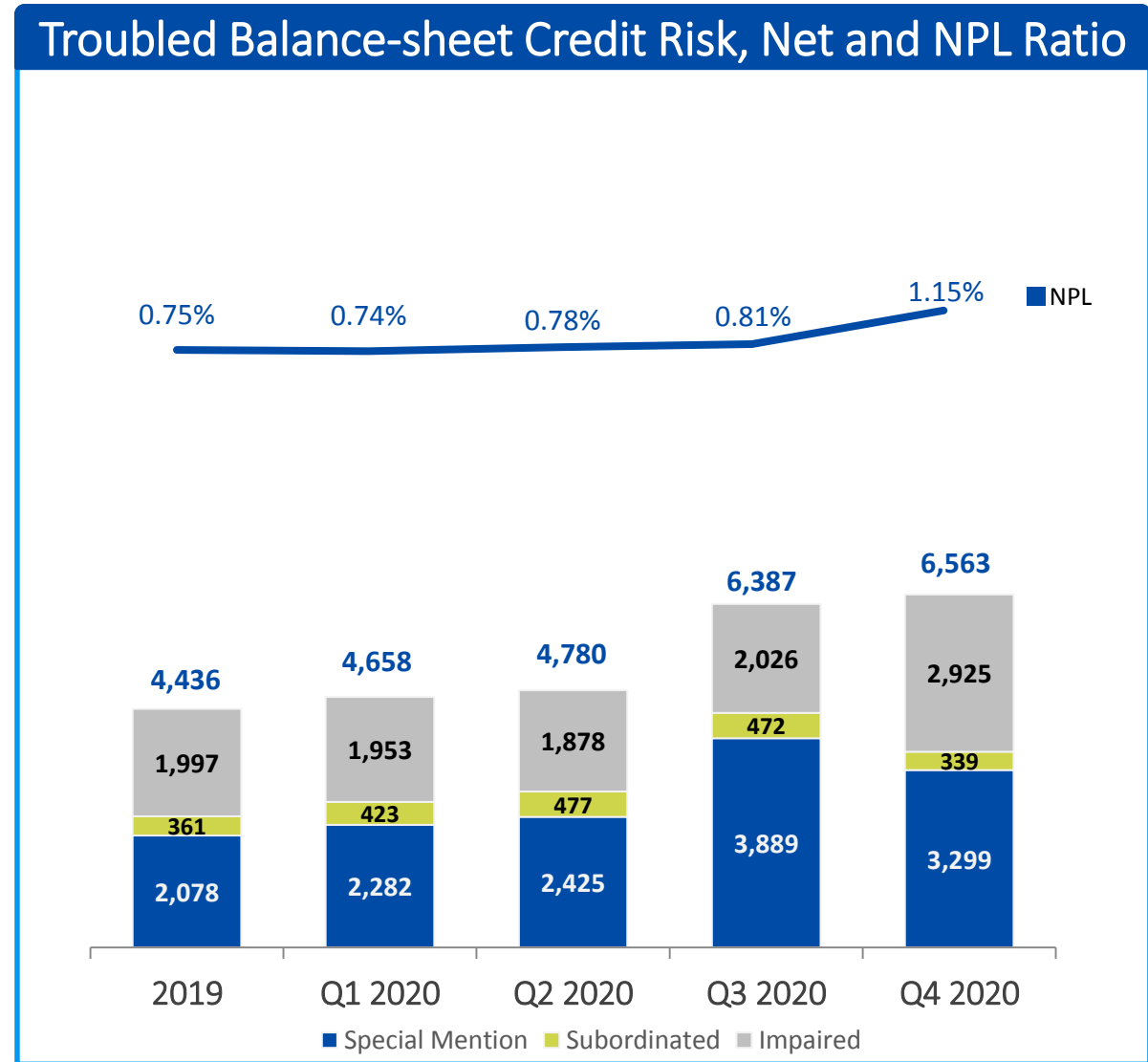
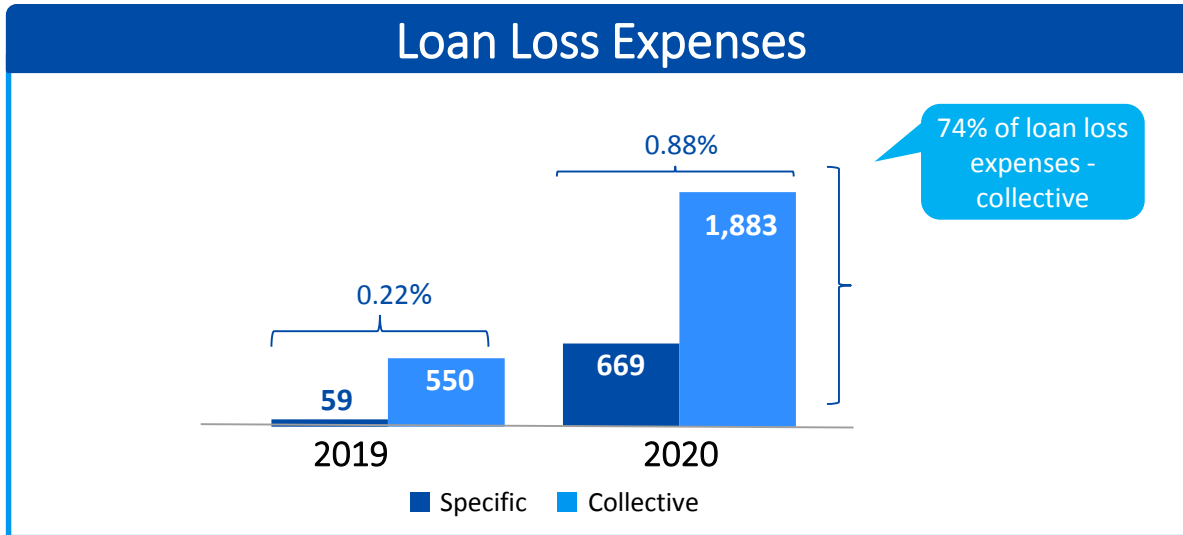
Cost Income Ratio Continues to Improve



*2018 and 2019 ROE and Cost Income Ratio are net of the effect of the sale of Leumi Card.



Monitoring our Loan Portfolio in Light of COVID-19



(NIS Millions)

*Does not include provision for off-balance sheet items

6 Troubled Balance-sheet Credit Risk, Net – Includes the balance sheet items
 NPL ratio: Non-accrual impaired loans to the public/Total loans to the public,



Our Support of Clients Through Payment Deferrals

Loans and Payment Deferrals as of December 31, 2020*

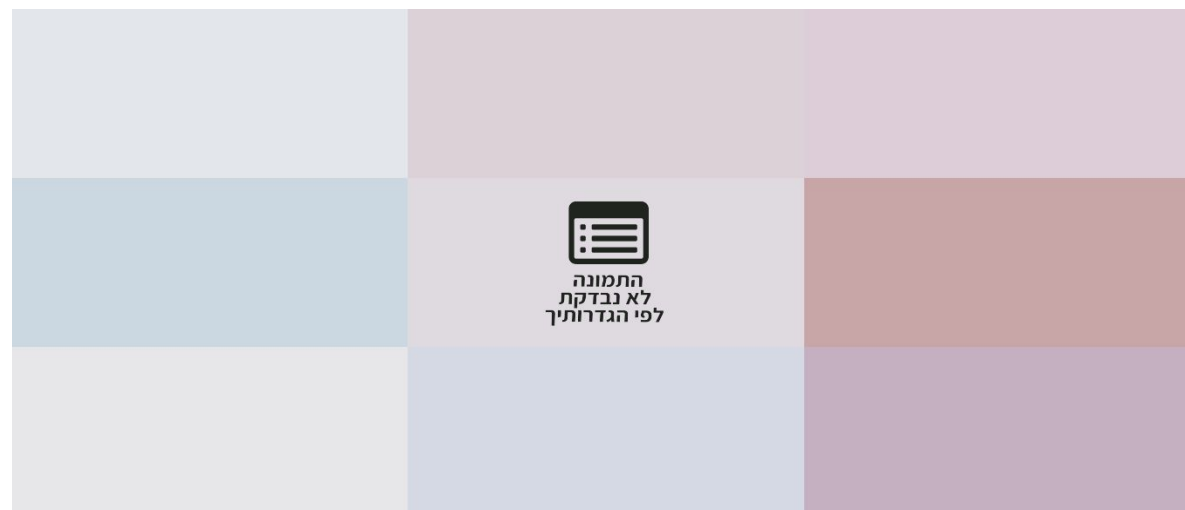
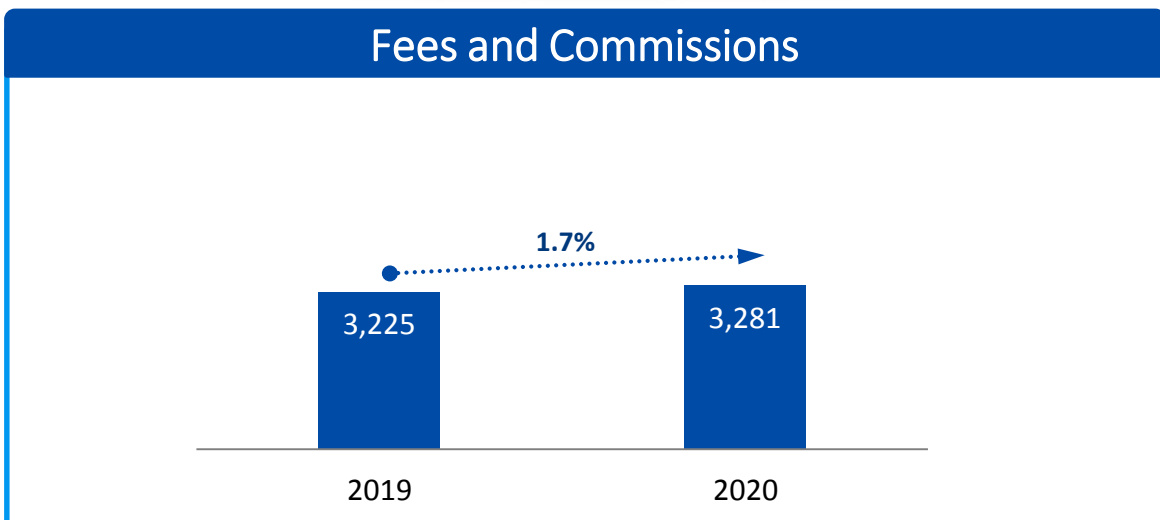
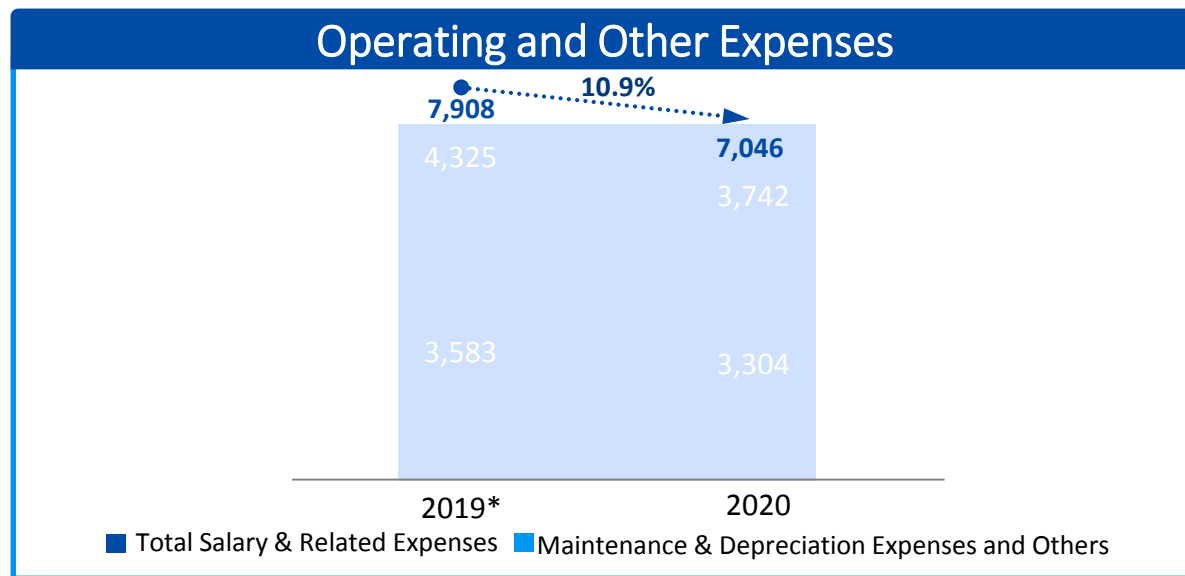
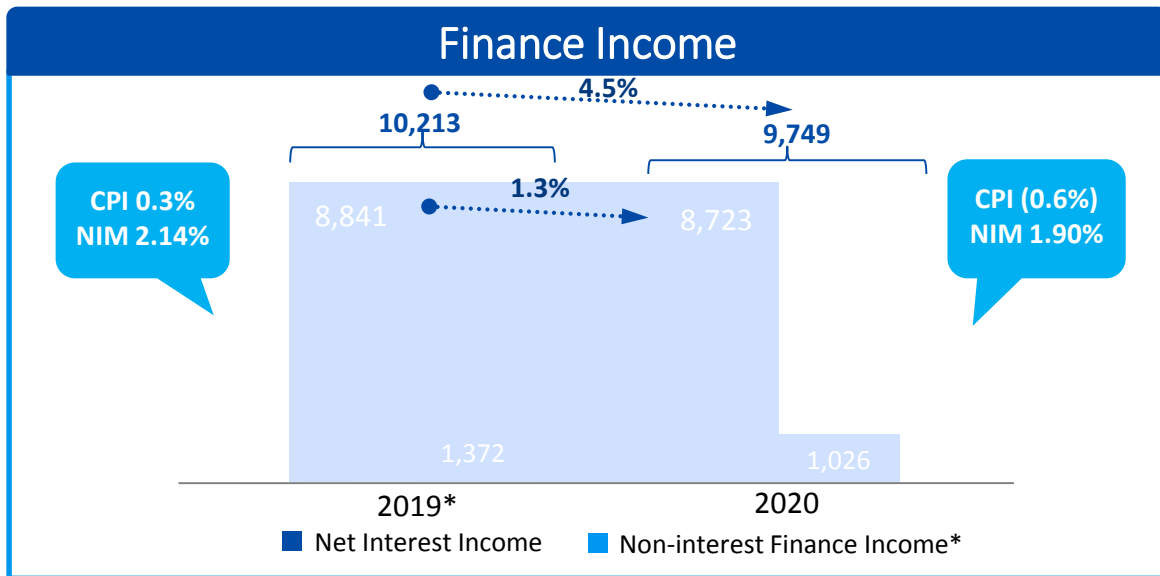
	Outstanding loans for which payments were deferred:	Of which, actual payments deferred totaled:	Loans whose deferment date has ended	Of which, in arrears of 30 days or more
Corporations	688	75	1,027	-
Mid-sized businesses	345	24	2,325	15
Small- and micro-businesses	2,416	308	7,145	46
Private individuals – without housing loans	1,512	232	1,608	21
Housing Loans	8,219	505	12,844	142
Total (Dec 31, 2020)	13,180	1,144	24,949	224
Total (Jan 31, 2021)	7,584	682		

(NIS Millions)

* Due to COVID-19. Customer type as per Regulatory Approach in the Financial Statements



2019 vs. 2020 – Demonstrating Leverage in Reducing Operating Expenses

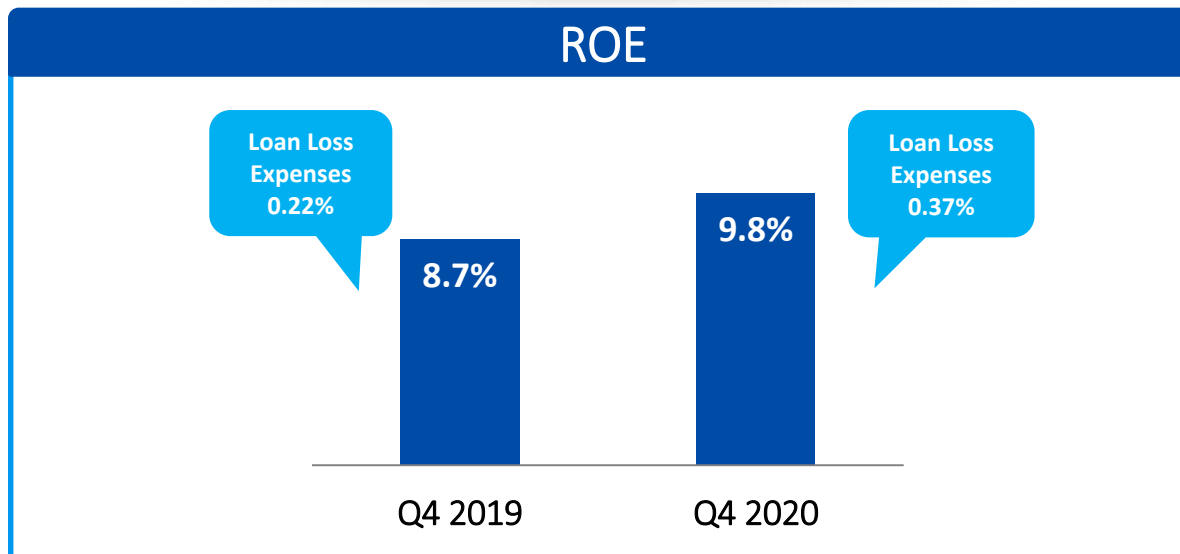
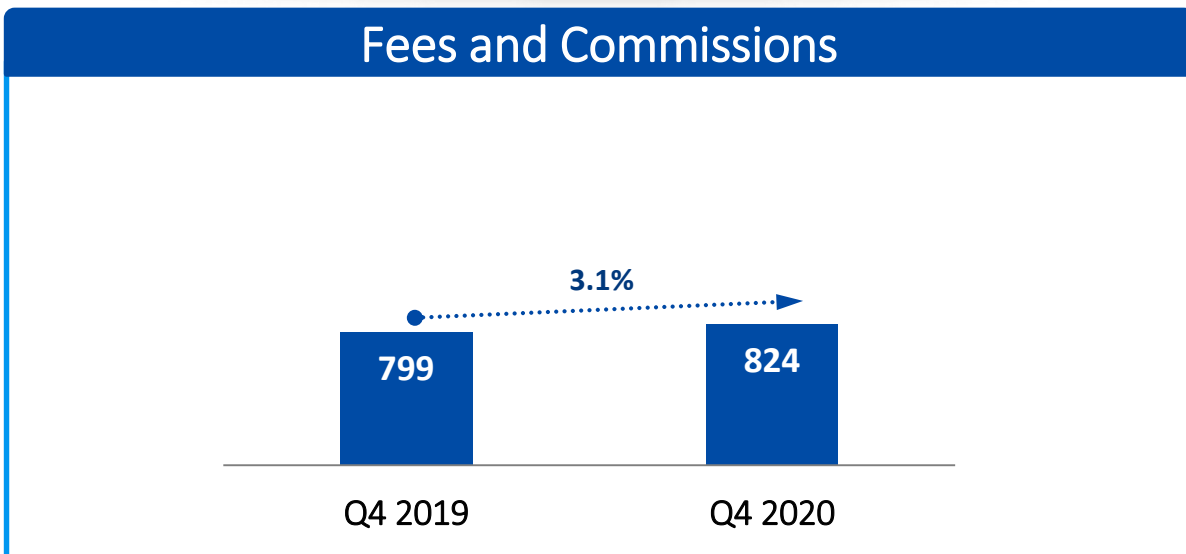
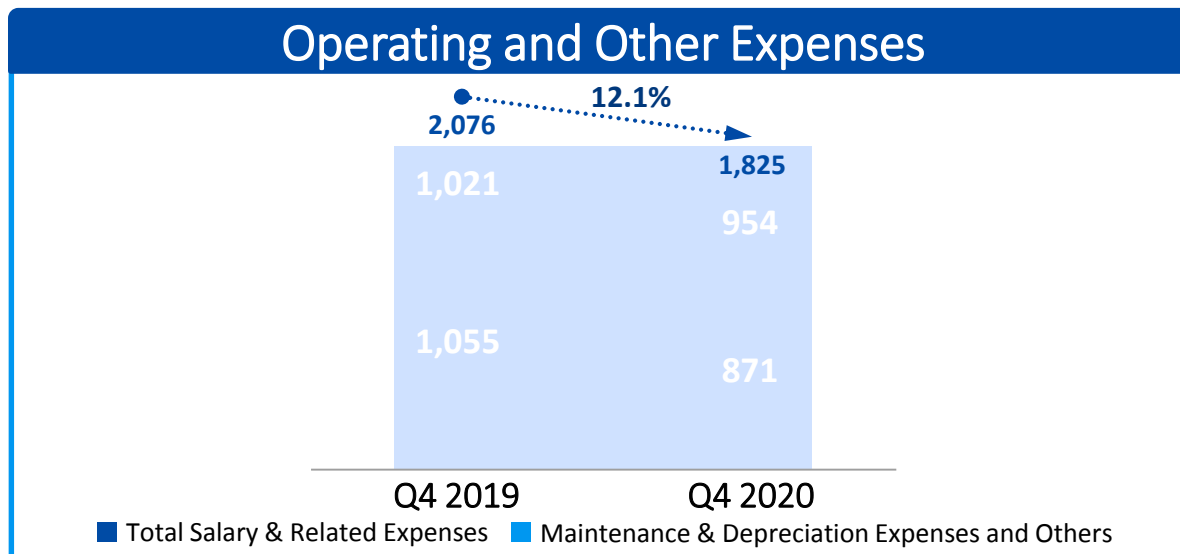
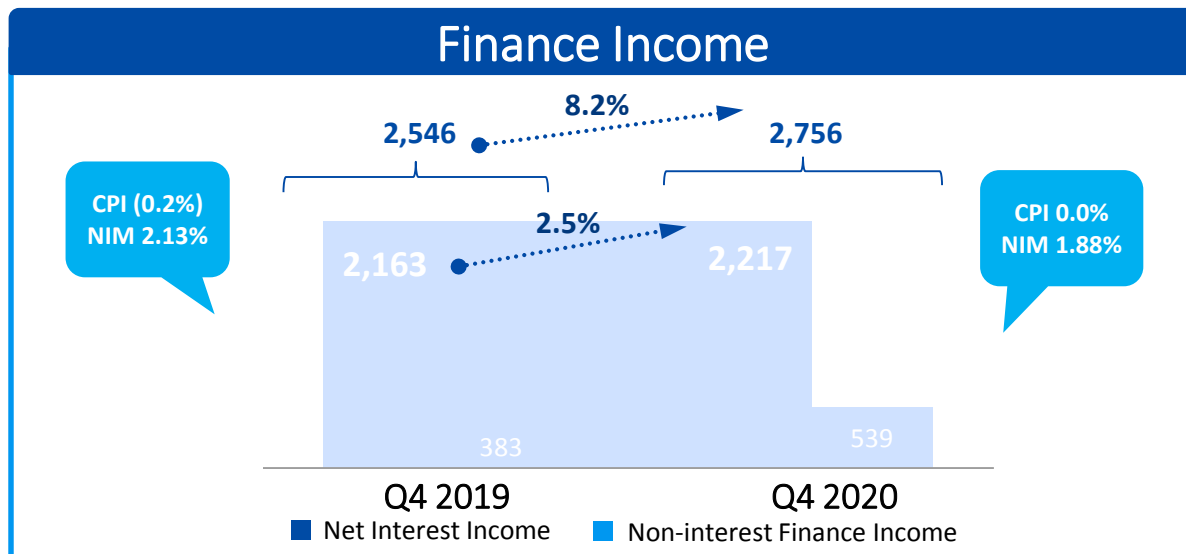


(NIS Millions)

8 *2019 - Excluding the sale of Leumi Card as per the financial statements



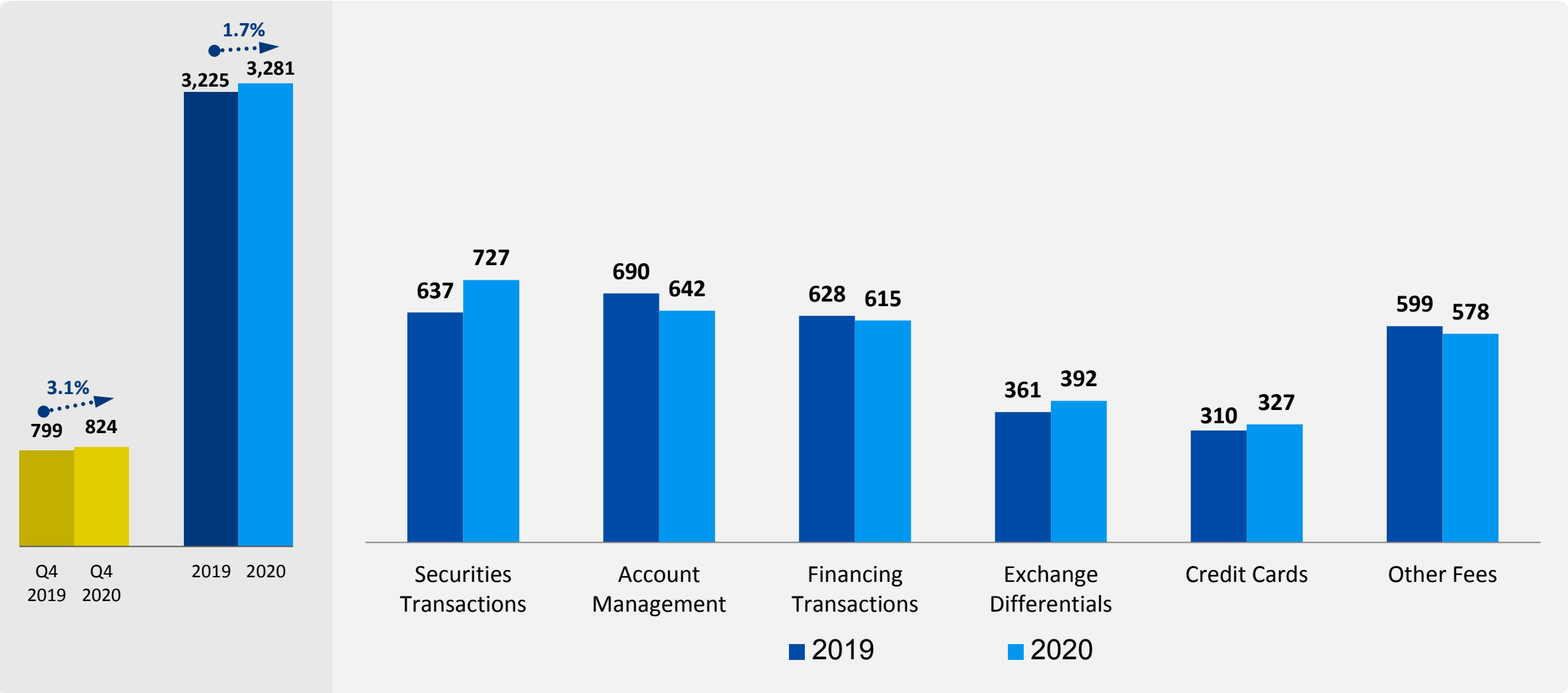
Q4 – Breakdown of Income, Expenses and ROE



(NIS Millions)



Fees and Commissions Performance

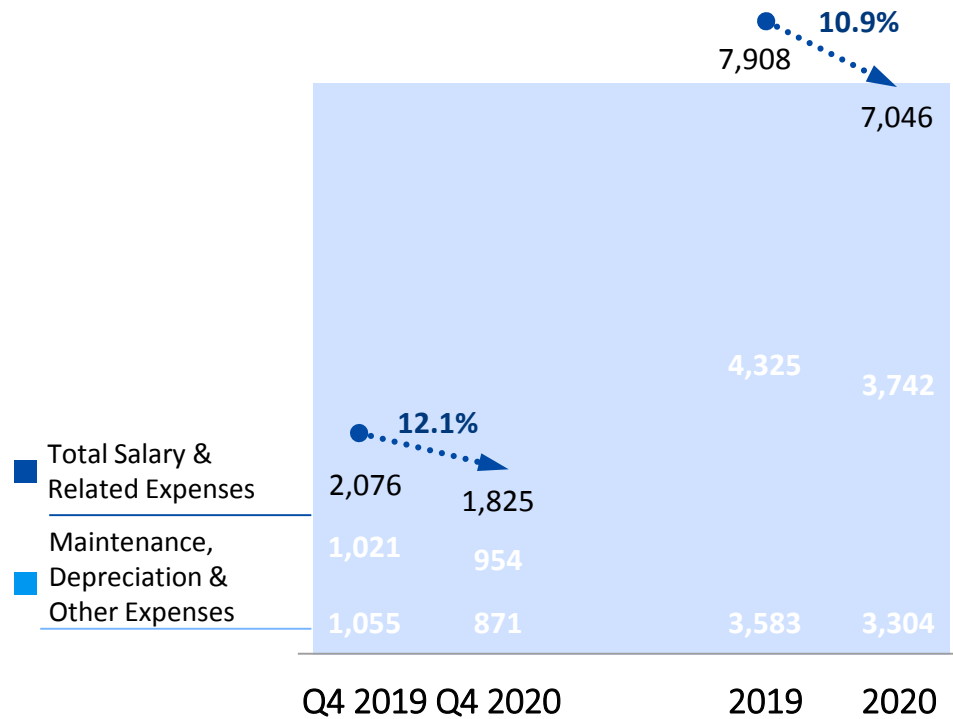


(NIS Millions)

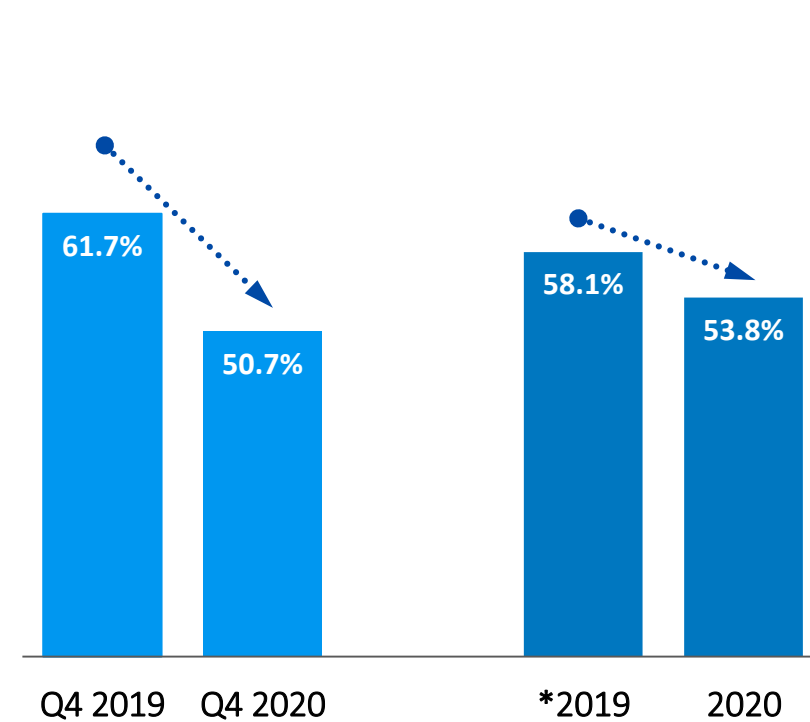


Focus on Reducing Costs Continues, Reflected in Cost-income Ratio

Disciplined Cost Structure



Cost-income Ratio



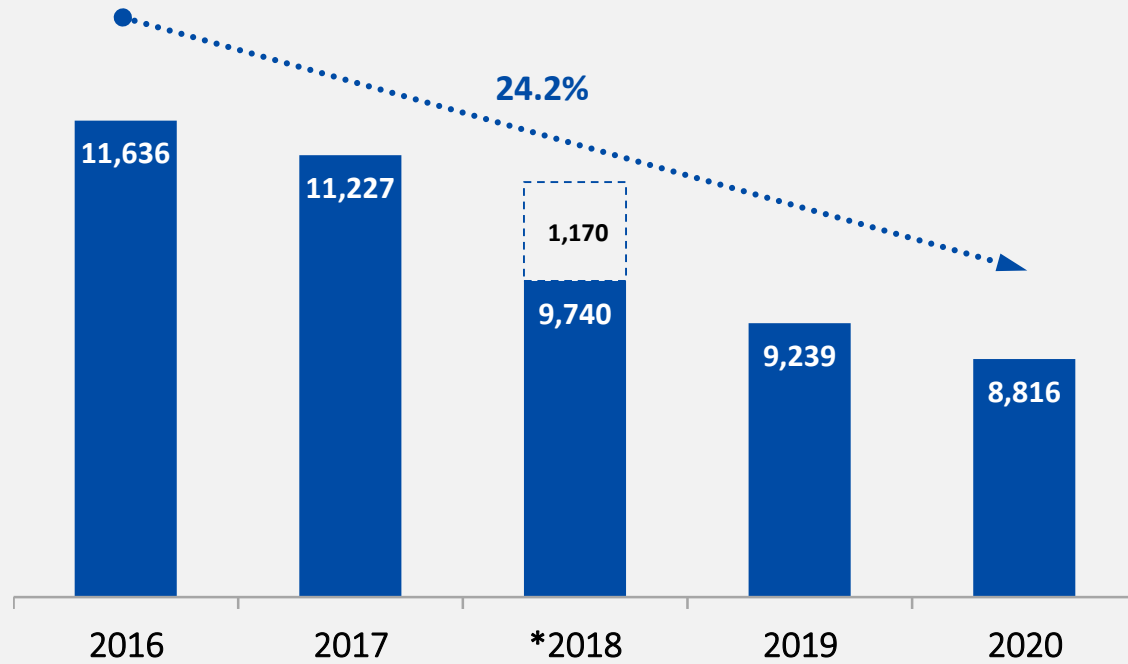
NIS Millions

*2019 - Excluding the income from the sale of Leumi Card NIS 314M

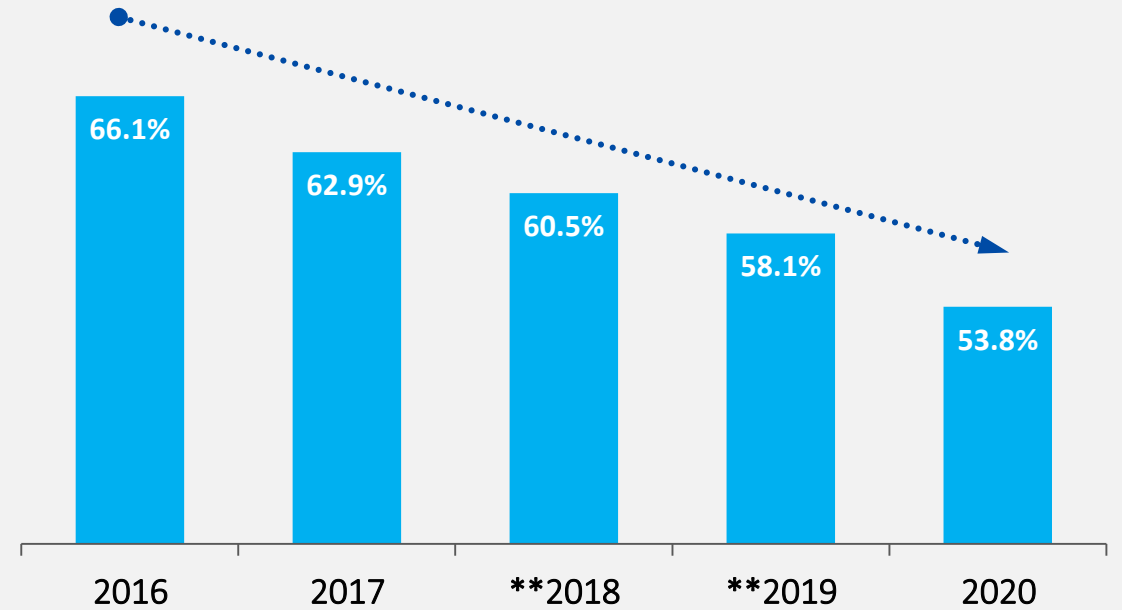


Long-term Continuous Streamlining of the Business

Number of Employee Positions Continues to Fall



Cost-income Ratio Continues to Improve

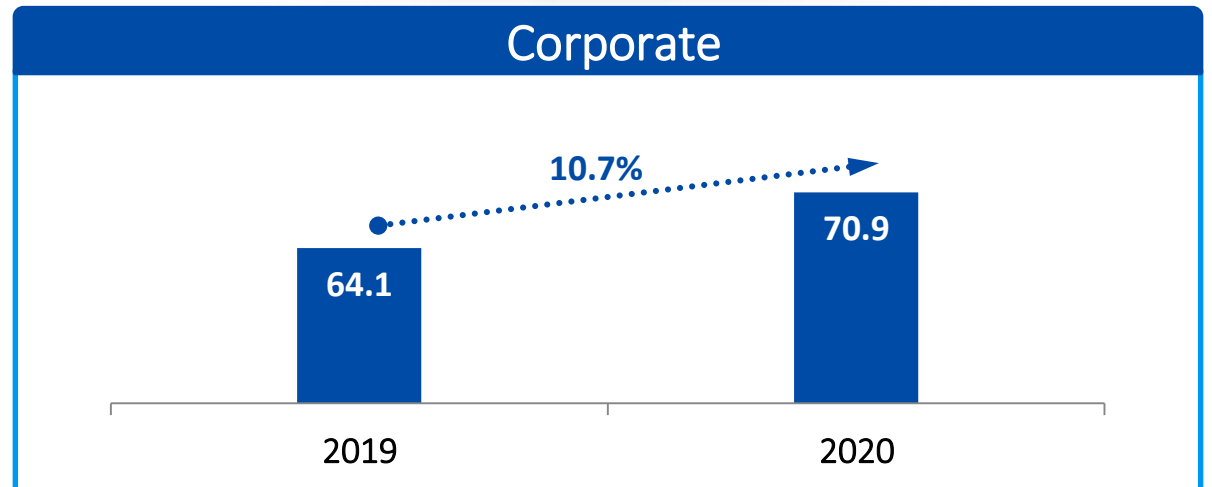
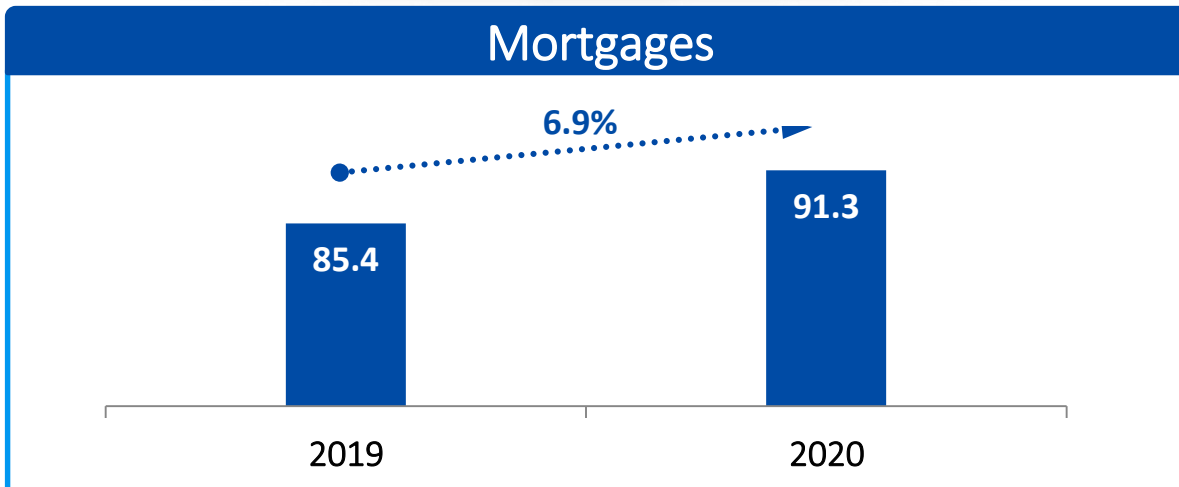
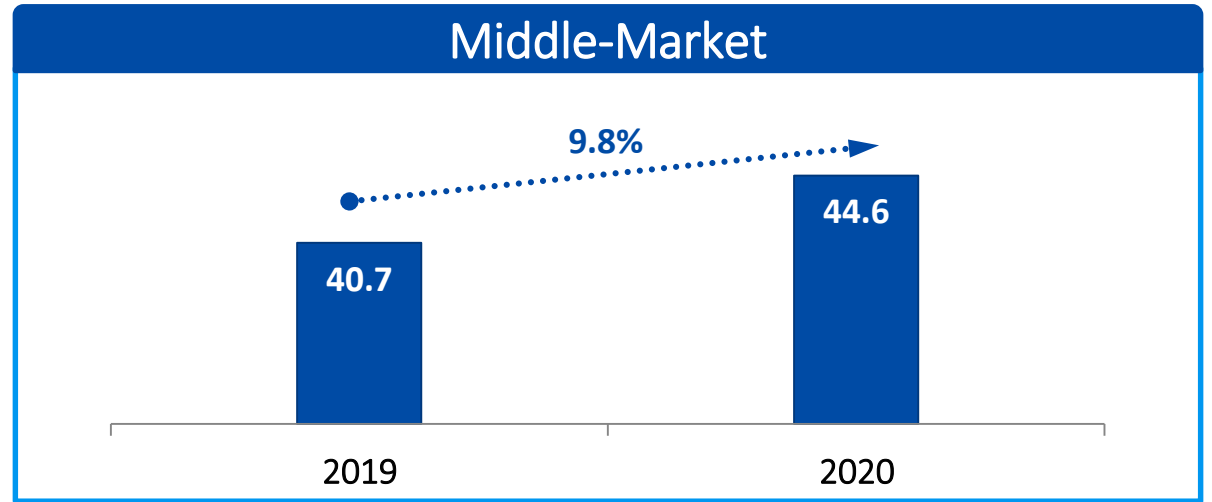
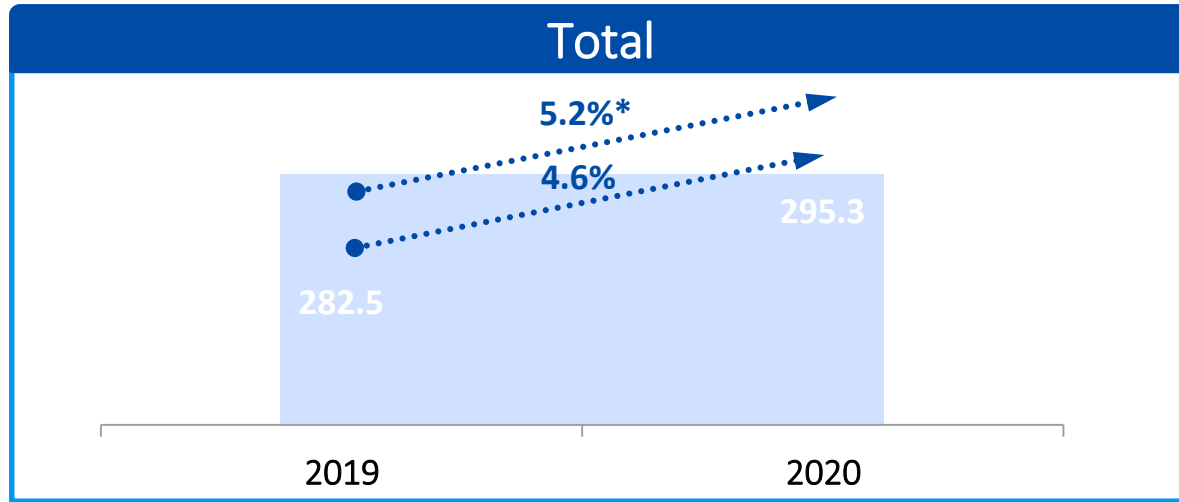


*Including 1,170 employees of Leumi Card the divestment of which was completed in February 2019

**2018 and 2019 Efficiency Ratio, net of the effect of the sale of Leumi Card.



Loan Growth Continues in Line with Strategy



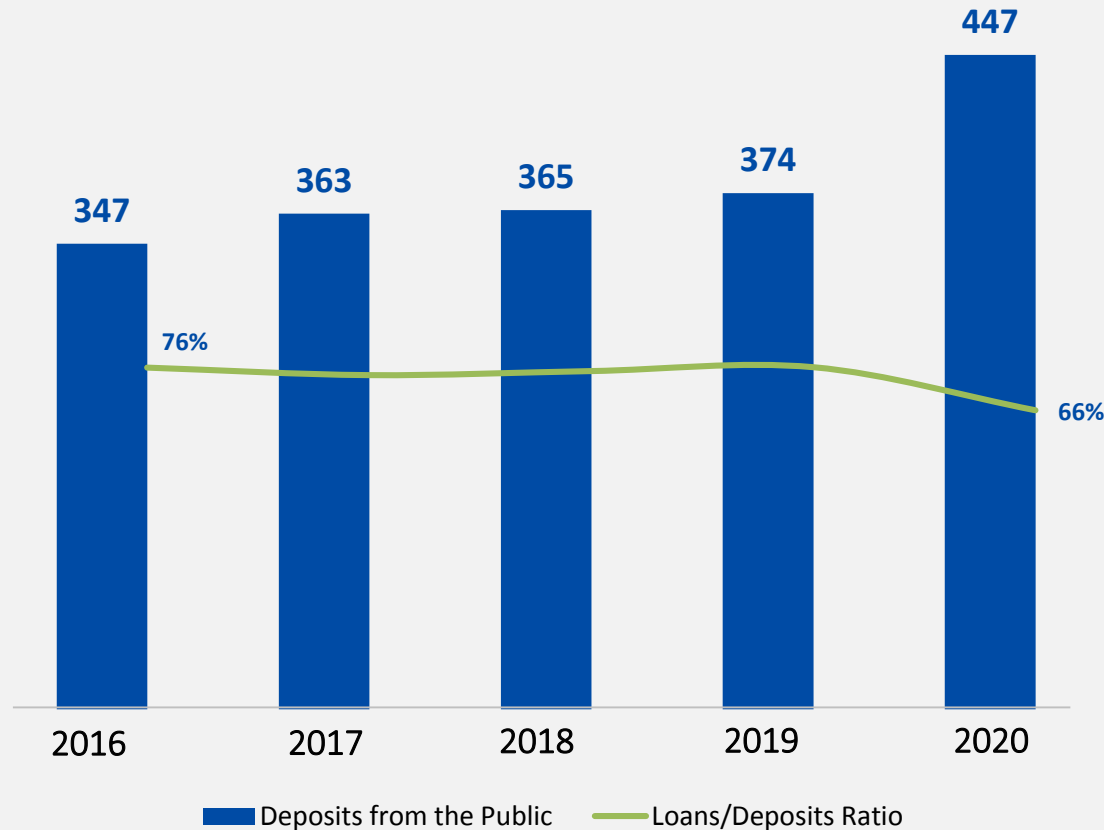
Net Loans to the Public, NIS Billions

Corporate includes Corporate and Real-Estate Management approach segments

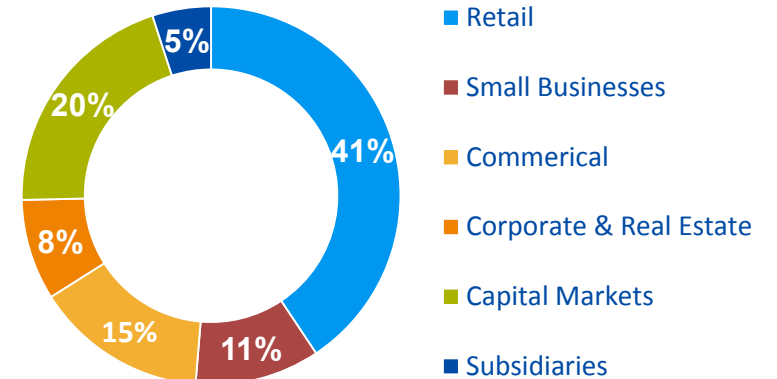
*Gross Loans to the Public



Solid and Diverse Deposit Base. Conservative, Well-funded Portfolio



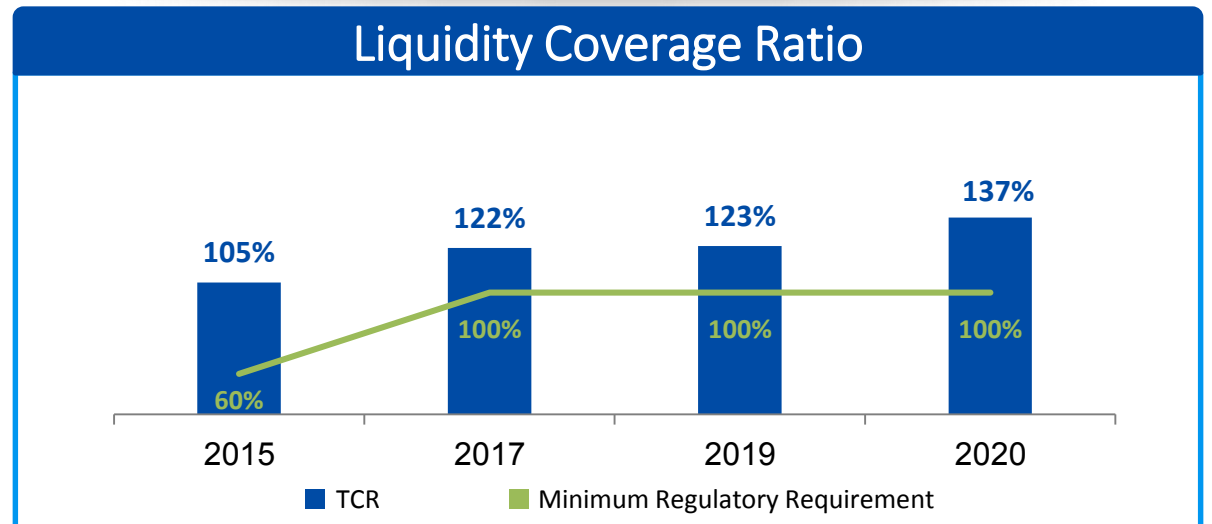
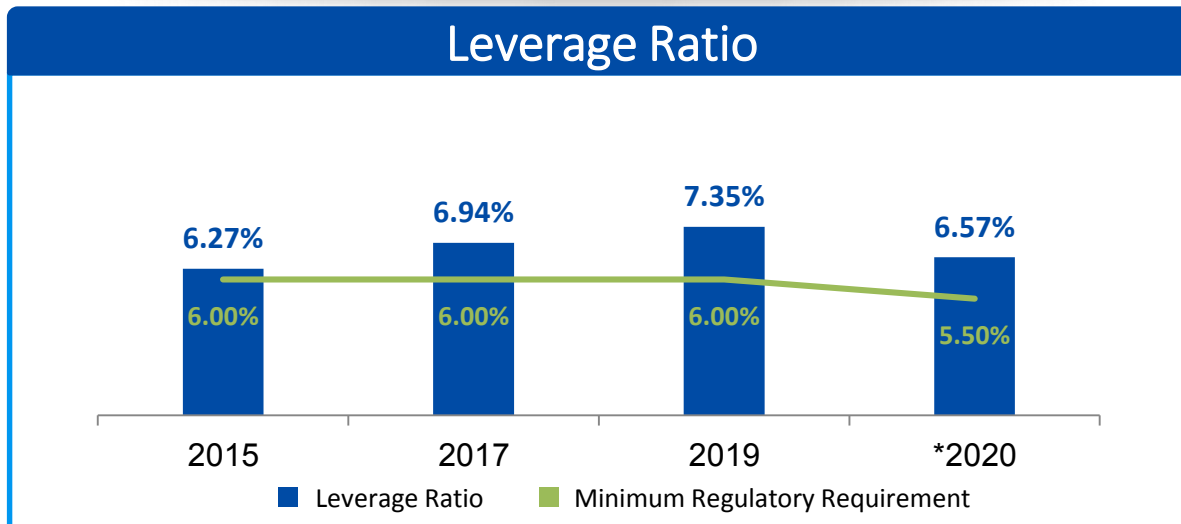
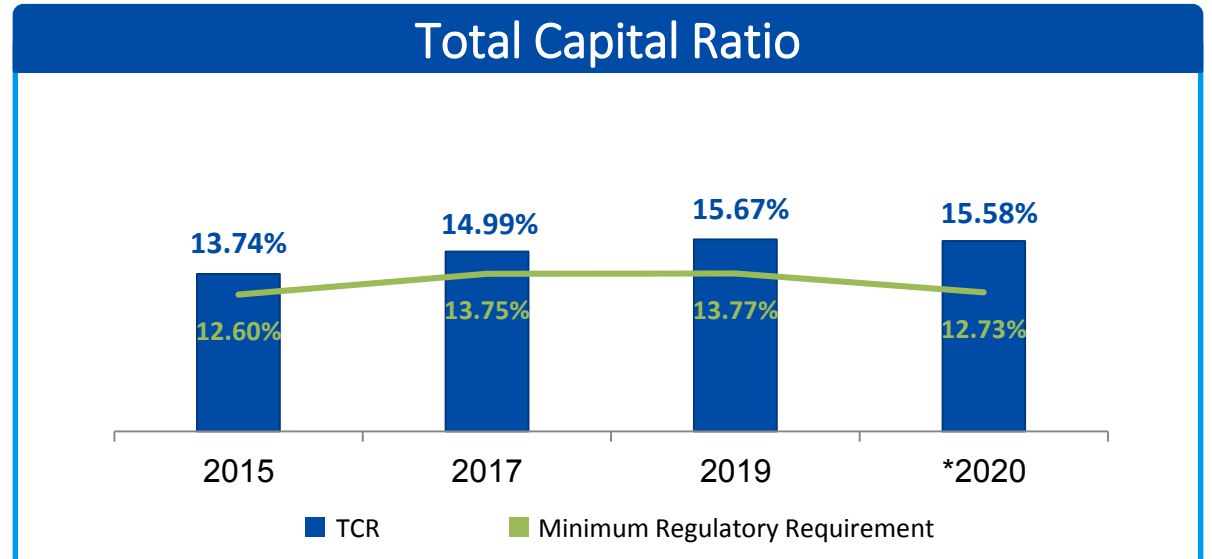
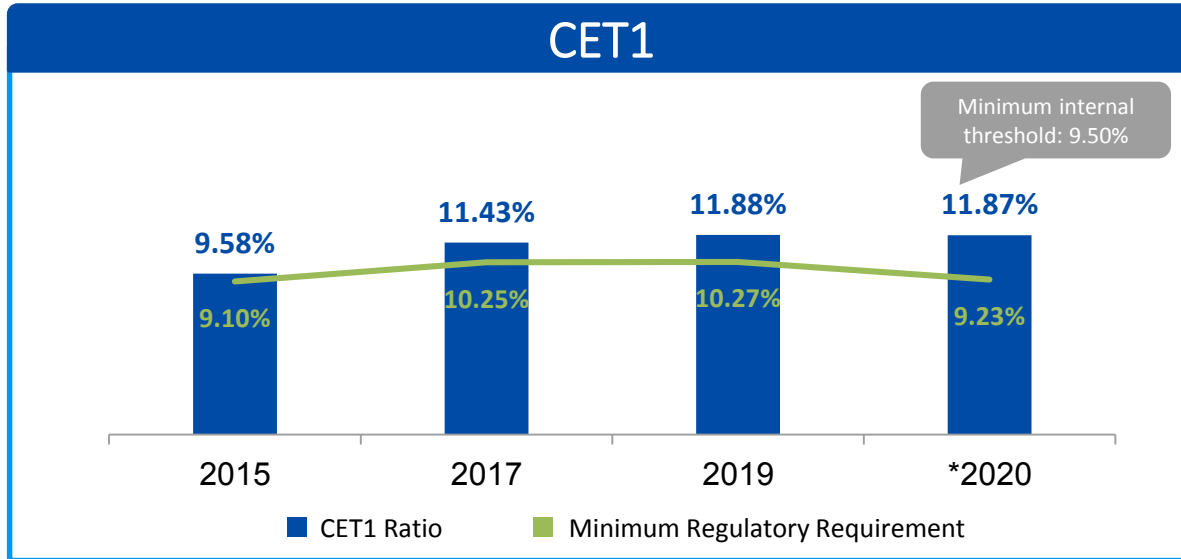
Deposits from the Public December 31, 2020



(NIS Billions)



Strong Balance Sheet, Supported by Ample Capital Buffers



* Revised Guidance Extended till September 30, 2021



Wrapping Up

Key Indicators

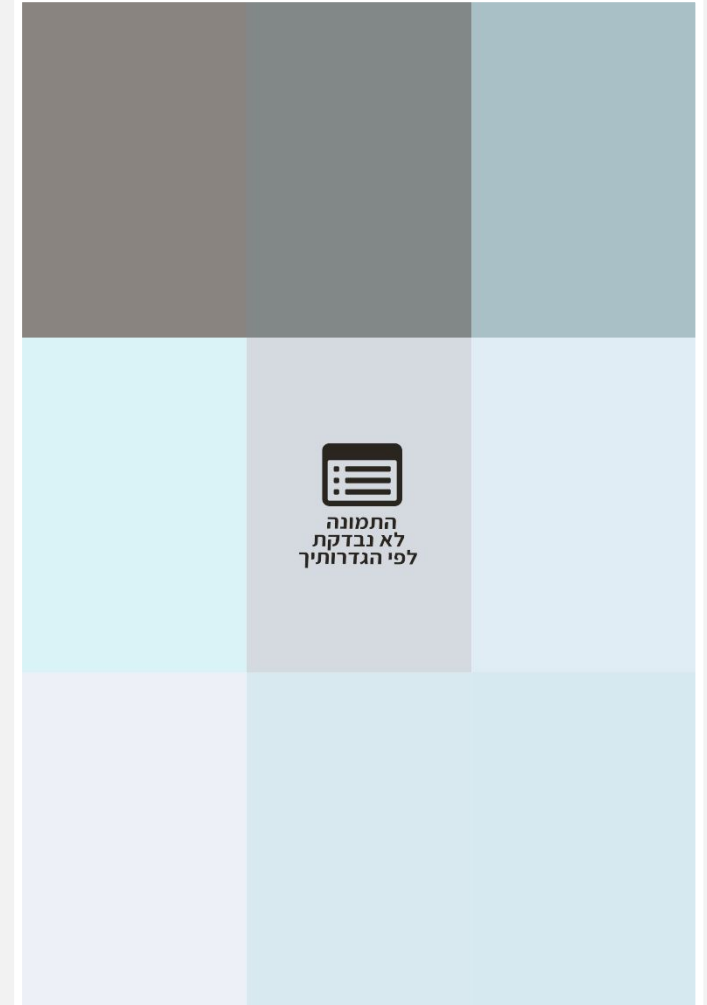
- ROE reached 9.8% in Q4 2020
- Continuous improvement in Cost-income ratio
- Consistent quarterly reduction in Loan Loss Expense ratio in 2020, down to 0.37% in Q4 2020
- Substantial capital surplus, 11.9% CET1 Ratio

Loans and Deposits

- Continuous loan growth focus on Mortgages, Middle Market and Corporate
- Diversified and robust deposit base with low L/D ratio

COVID-19

- COVID-19 drove and expedited Digital Migration
- New Normal creates potential for further efficiencies in operations





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Q&A



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THANK YOU