



Q1 2018 RESULTS PRESENTATION

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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Kicking off 2018 In Line with Strategy

Continued growth in Middle Market and Corporate (primarily Real estate) Segments

PEPPER on track

New Operating Division Plan –
to improve efficiency, reduce risk and further enhance compliance

Capital Continues to Increase –
along with a 40% Dividend payout, Buy-back plan in place

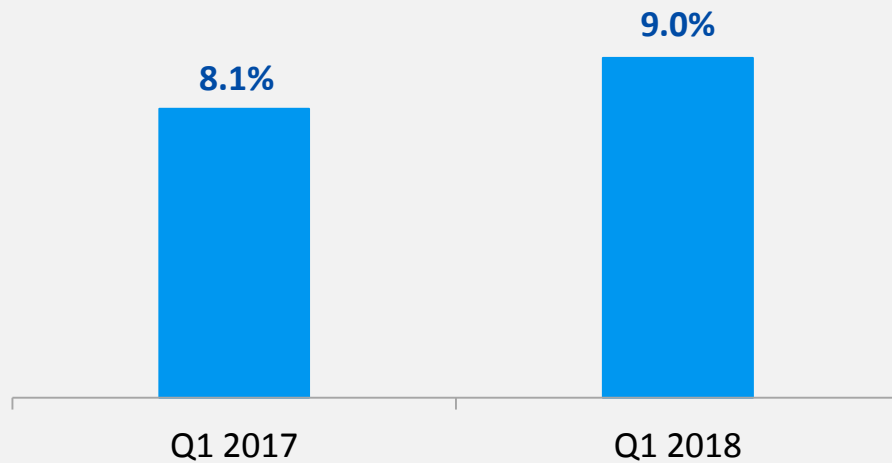
Closed Sale of 15% of BLUSA – valued at Approximately \$1B

NIS 118M Pretax Profit From Avgol during 2018

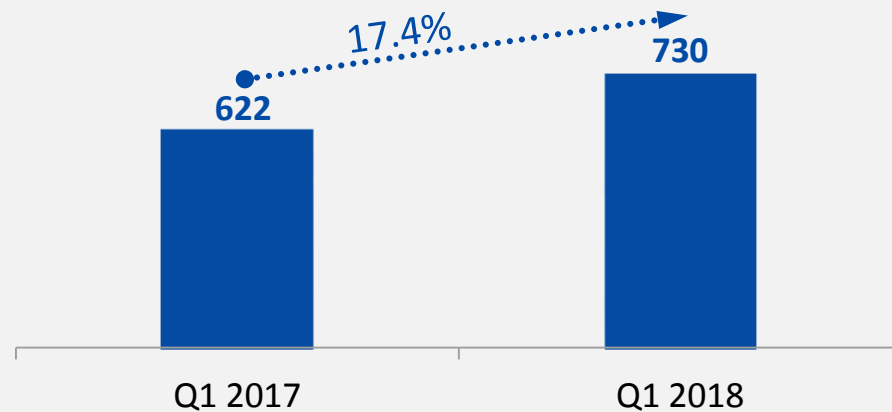


Q1 2018: Continue to Demonstrate Increased Profitability YoY

Return On Equity



Net Income



Income Up – NII Up, Noninterest Income Down, Fees and Commissions Increased

Increase in Credit Loss Expenses

Expenses Down – Driven by Lower Salary Expenses



Net Income Up –

Tax Benefits;

Offset by Negative CPI and NIS Devaluation

(NIS Millions)

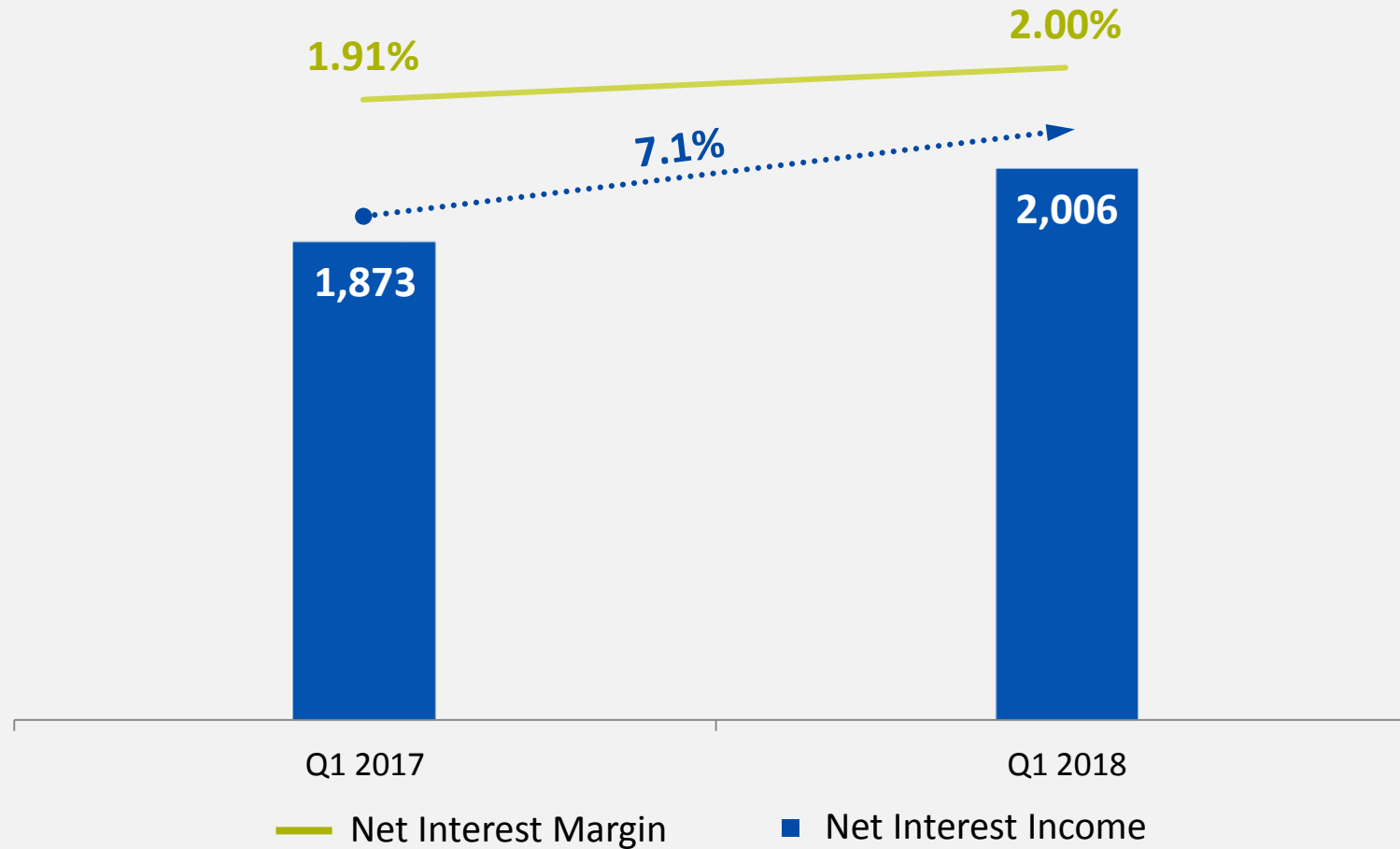


Year-over-Year, Core Business Continues to Improve

ROE	NIM	EFFICIENCY RATIO	LOAN LOSS PROVISIONS	CET1	NPL RATIO	LEVERAGE RATIO
Q1 2018						
9.0%	2.00%	64.0%	0.19%	11.11%	0.85%	6.89%
Q1 2017						
8.1%	1.91%	64.9%	0.15%	11.02%	1.18%	6.85%



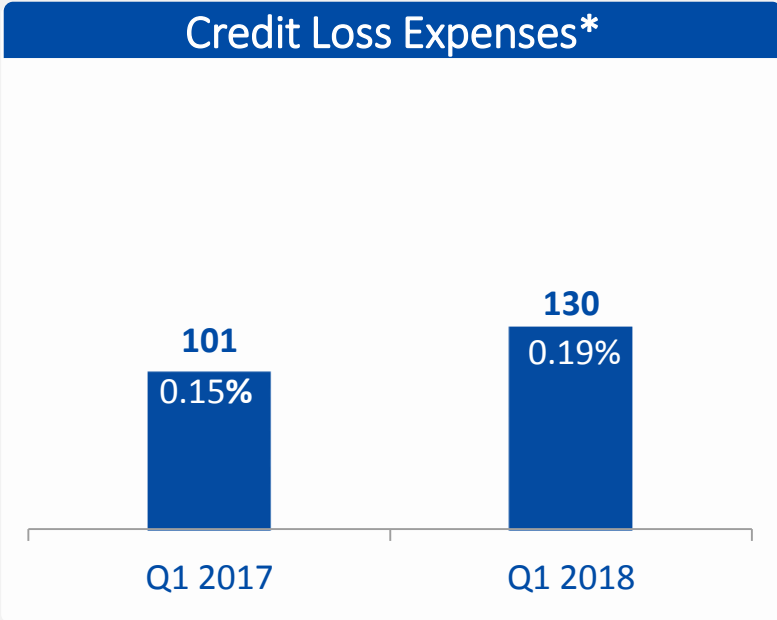
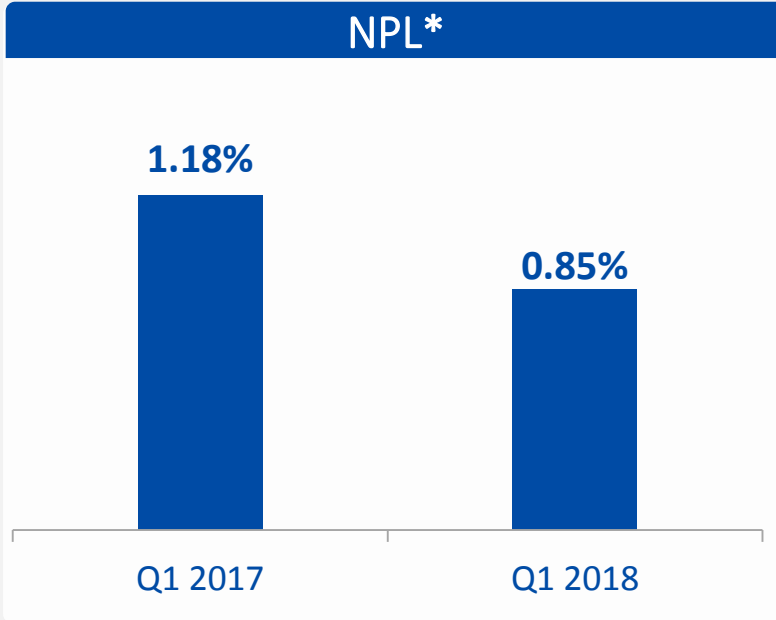
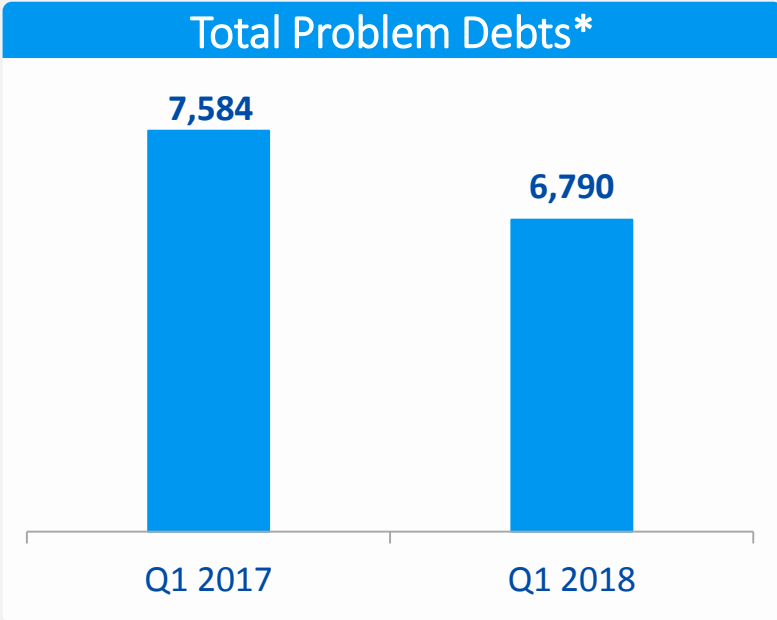
Significant Increase in NII and NIM Despite Lower CPI



(NIS Millions)



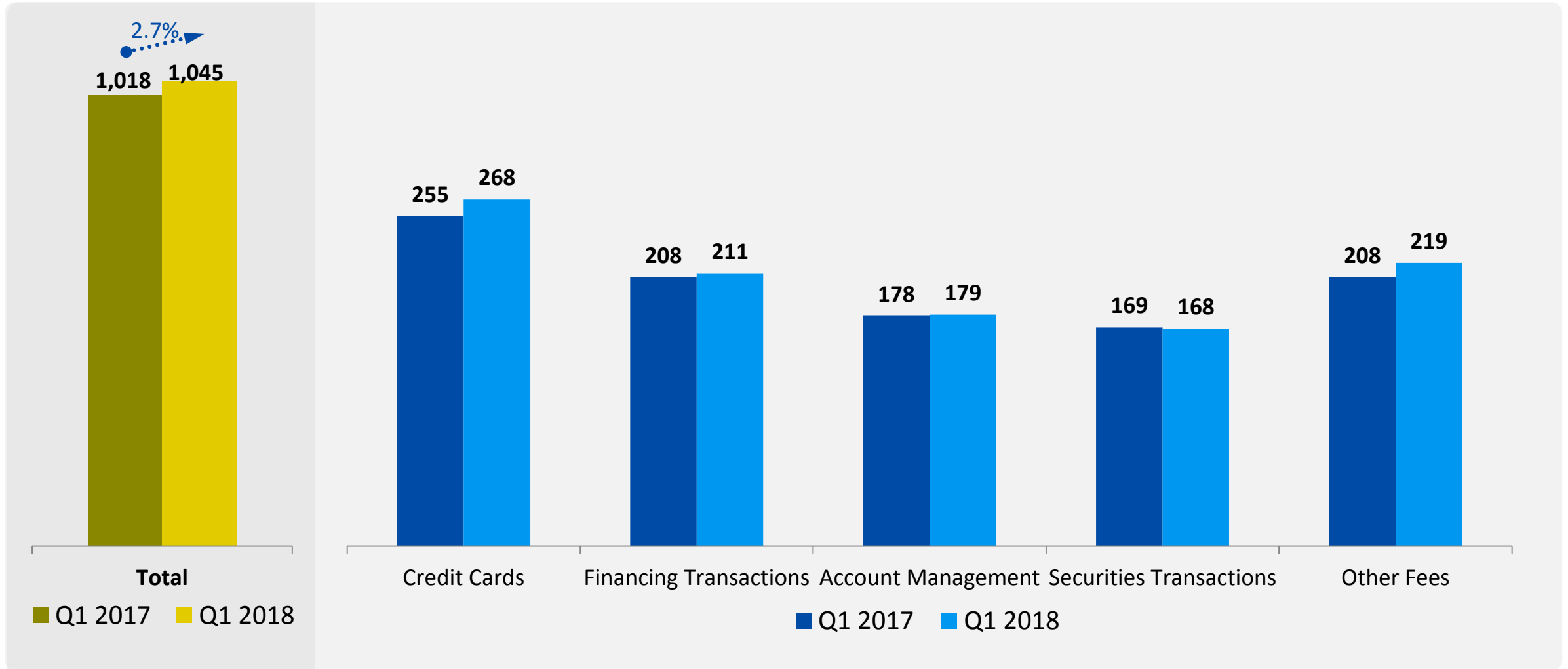
A Holistic View of our High Quality Credit Portfolio – Yearly Development



(NIS Millions)
* Including held-for-sale asset



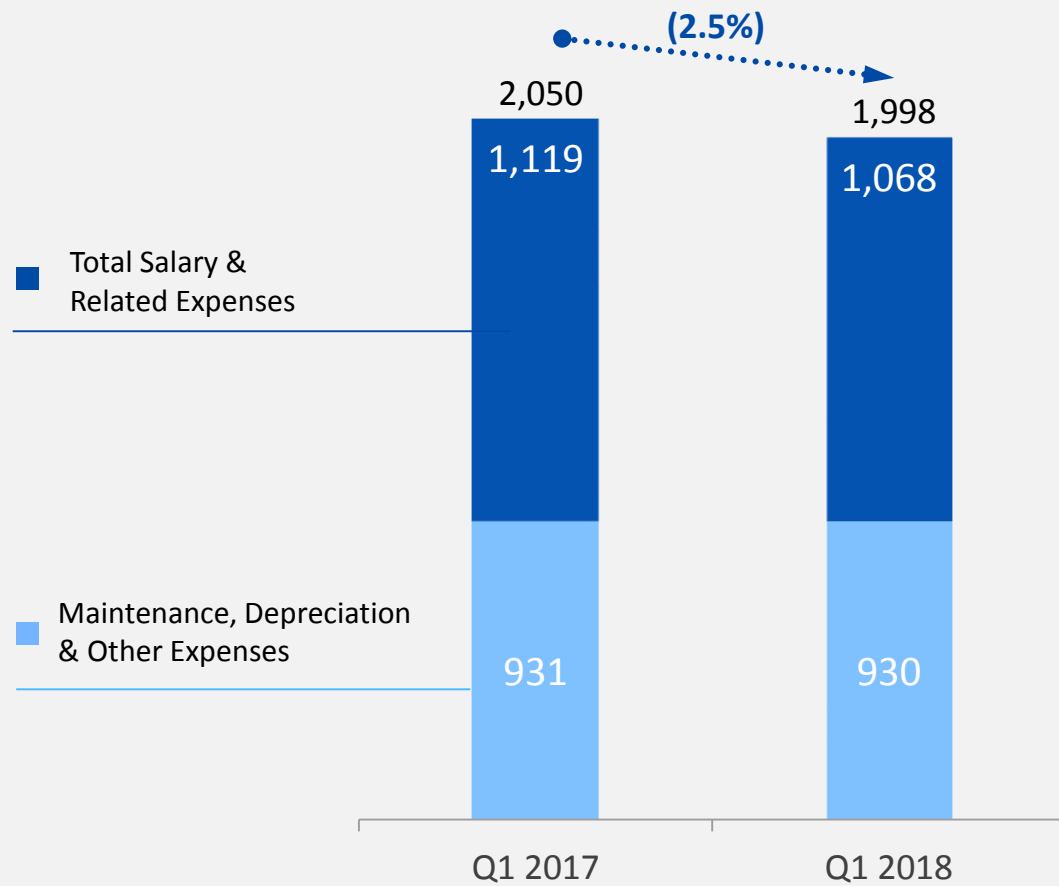
Diverse and Increased Fee and Commission Revenues




(NIS Millions)




Operating Metrics Continue to Improve




SALARY
EXPENSES
(4.6%)

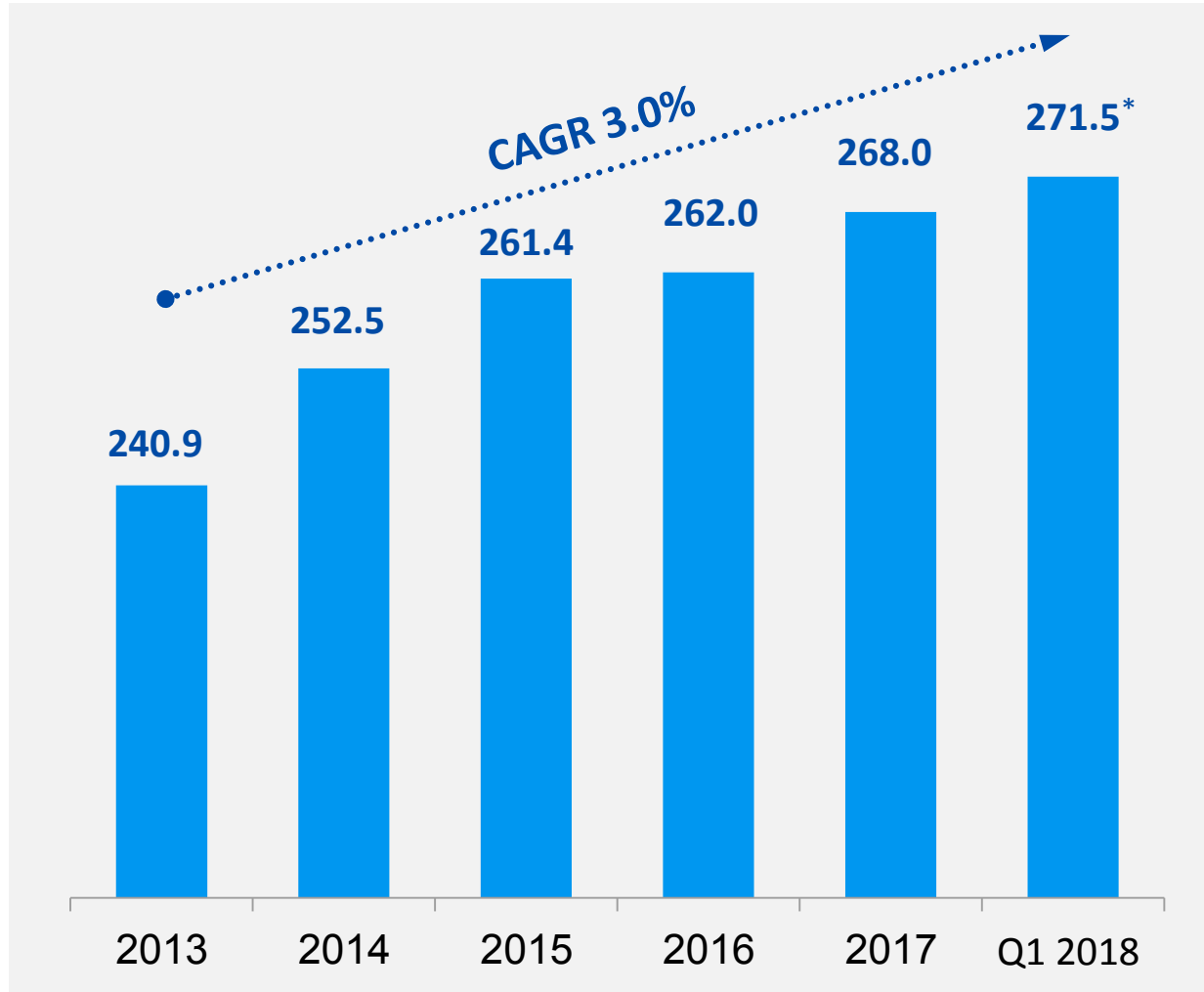

COSTS/BALANCE
SHEET DOWN TO
1.79%


TOTAL COSTS
(2.5%)

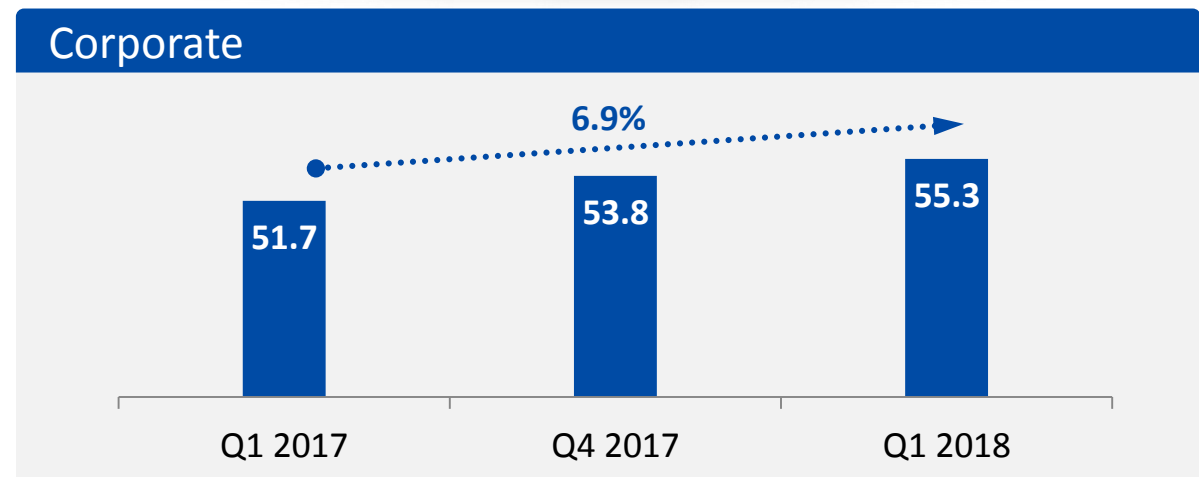
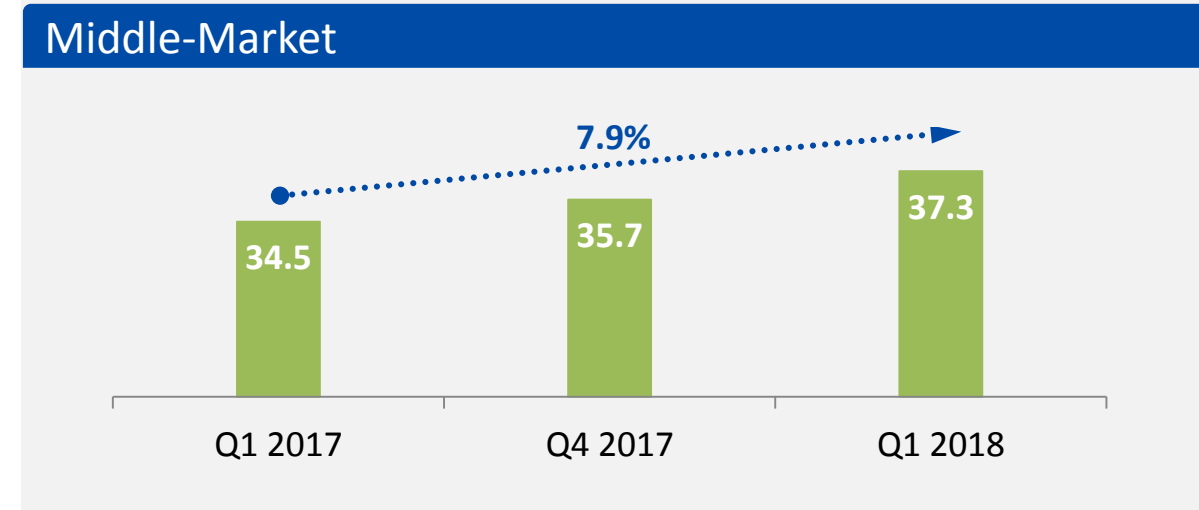
(NIS Millions)



Commercial and Corporate Lead Loan Growth, in Line with Plan



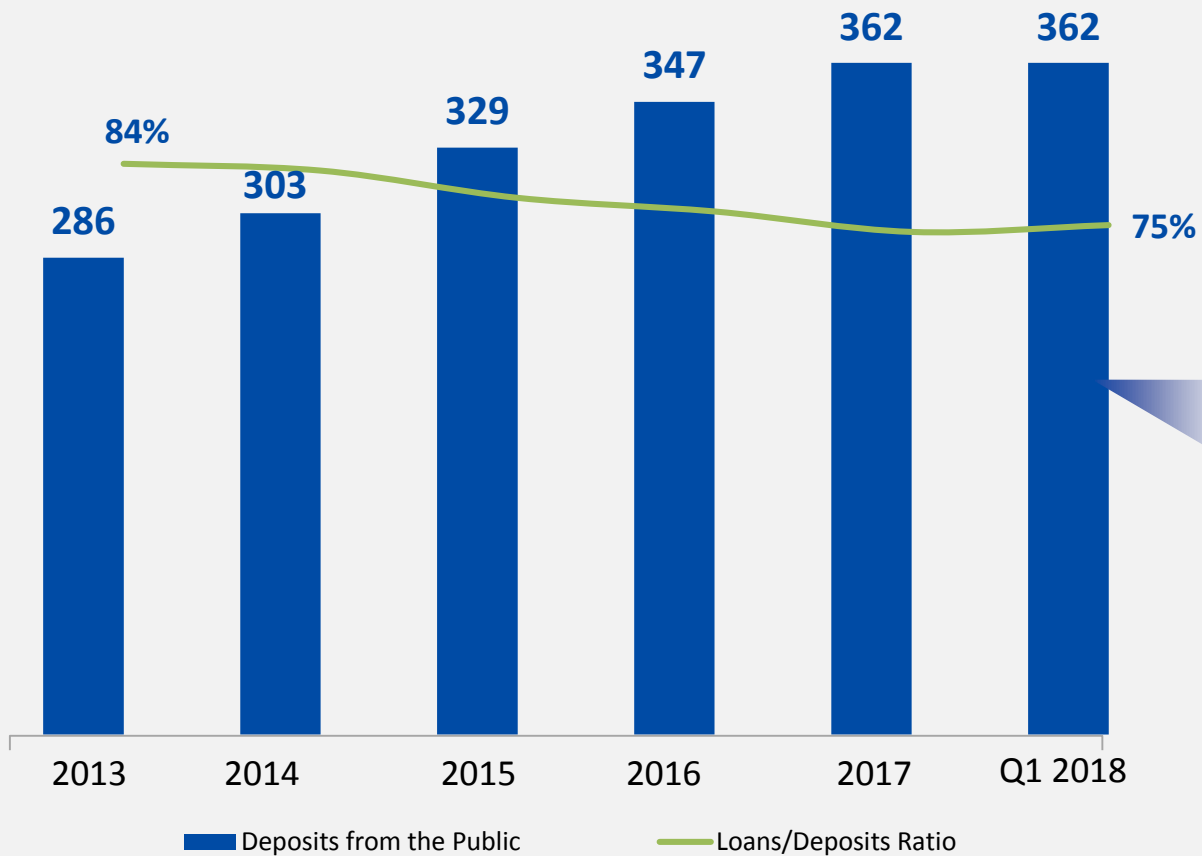
(NIS, Billions)
*Including held-for-sale asset



(NIS Billions)
Corporate includes Corporate and Real-Estate



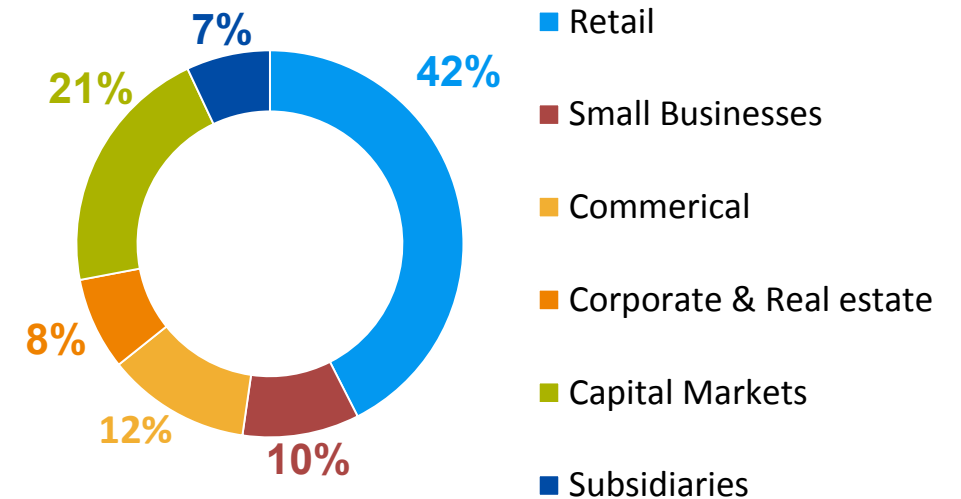
Solid and Diverse Deposit Base. Conservative, Well-funded Portfolio



Loans/Deposits ratio includes assets and liabilities held to sale (NIS Billions)

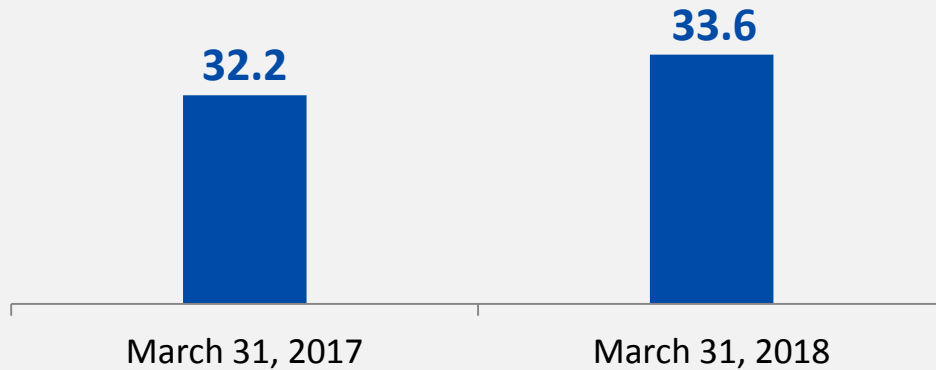


Deposits from the Public Mar. 31, 2018



Strong Capital Adequacy Ratios - Along with 40% Dividend, Buy-Back in Place

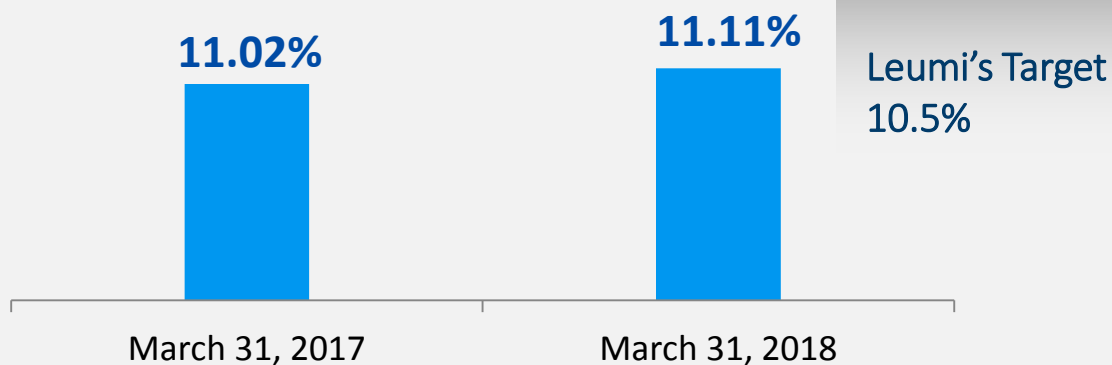
Capital Up



Dividends

- 40% Quarterly Payout as of Q3 2017
- Q1 2018 Dividend Nears NIS 300M
- Reflecting a 3.4% Annual Dividend Yield

Tier 1 Capital Ratio Up



Buy-back Plan

- Ready to Implement Plan – As per Safe Harbor Mechanism
- Up to NIS 700M (~2% of share count)

(NIS Billions)



Wrapping Up Q1 2018

- Substantial Increase in ROE vs. Q1 Last Year
- Growth in Credit Led by Middle Market and Real Estate
- Strategic Partnership in BLUSA – Reflects a \$1B Value
- 40% Dividend Payout;
Finalized preparations for buy-back implementation

Looking Ahead into 2018:

- - continuing with our preparations for the sale/issuance of Leumi Card
 - Sale of Avgol
 - Positive CPI expected in Q2, Long-term Interest increase





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Q&A



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THANK YOU



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APPENDIX

Strong Macro Profile – A Positive for Leumi

Strong Economic Growth – Positive for Leumi

Robust Demographic Fundamentals –
Another “Plus” for Leumi

An Innovation Nation - Leumi Partnering in
High-Tech Financial Services

Natural Resources (Water and Natural Gas)– One
More Area of Leumi’s Financing Expertise

Israeli Economy Enjoys Stability Indicators –
A Positive Business Environment for Leumi

	2016	2017	E2018*
GDP, rate of change, real terms	4.0%	3.3%	3.7%
Private Consumption	6.1%	3.3%	4.2%
Current account surplus, % of GDP	3.8%	3.0%	3.1%
Government budget deficit, % of GDP	(2.1%)	(2.0%)	(2.9%)
Government debt, % of GDP	61%	59%	60%
Unemployment, Annual Average	4.8%	4.2%	3.7%
CPI, year-end change	(0.2%)	0.4%	0.8%-1.5%
NIS-USD, average exchange rate	3.84	3.60	3.45-3.65
NIS-GBP, average exchange rate	5.21	4.67	4.85-5.05
NIS-EUR, average exchange rate	4.25	4.07	4.20-4.40
Bank of Israel average interest rate	0.1%	0.1%	0.1%-0.3%

Source: Central Bureau of Statistics, *Leumi forecast

