



Q2 and H1 2020 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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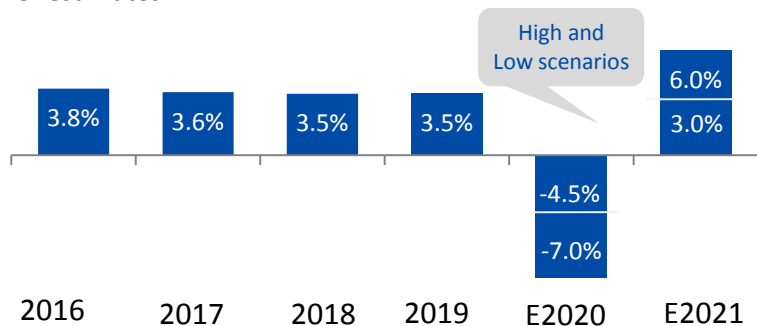
COVID-19, Macroeconomic Factors and Indicators

COVID-19 in Israel, the Economy, GOVT. and BOI and Steps Announced

- **COVID-19** - 2nd wave evolved gradually after lockdown loosened in late April.
Currently at approximately 21,000 active cases, down from peak of over 36,000 in late July
- The broad unemployment rate* in July 2020 was 12.3%, similar to the midpoint of the year-end BOI 2020 estimate
- GDP decline in H1 2020 ~9.7% - similar to that of the US and Germany. Better than the UK and other European Countries
- The BOI announced various steps, including: interest rate reduction (April), QE in the form of GOVT. bond purchases, repo lines for non-bank companies, FX swap lines for banks, a Corporate bonds purchase program and special lines for banks to finance small and micro business lending

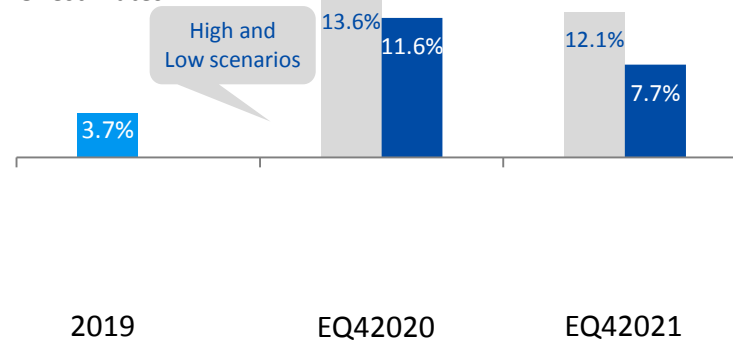
GDP, Rate of Change, Real Terms

BOI estimates



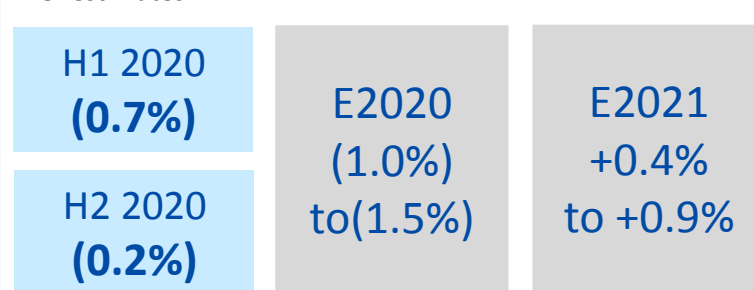
Broad Unemployment, Age Group 15+*

BOI estimates



CPI

BOI estimates



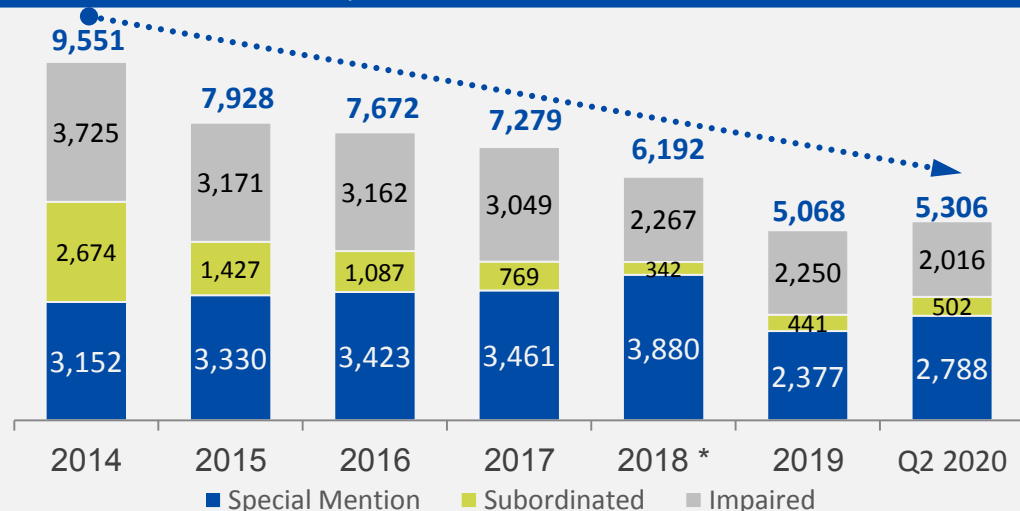
Source: Bank of Israel, Israel Ministry of Finance (MOF), Government Database for the Public data.gov.il. BOI Estimates as of August 24, 2020

3 *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

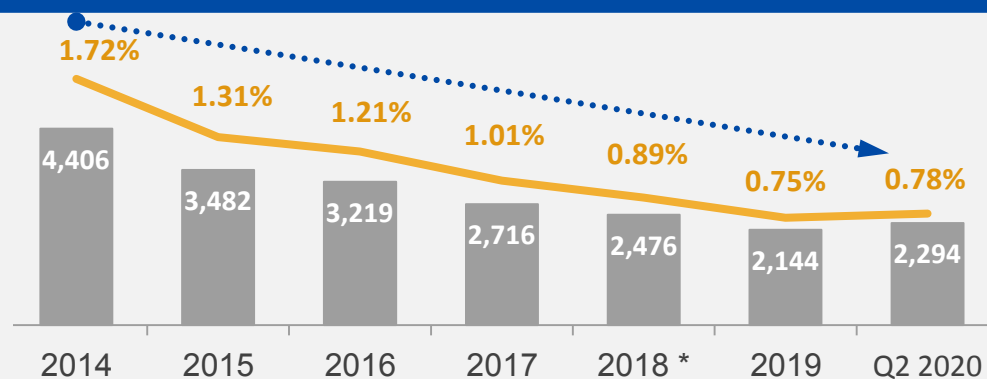


A Long-term View of our Loan Portfolio, Alongside Our Support of Clients Through Payment Deferrals

Troubled Credit Risk, Net



NPL



(NIS Millions)

Troubled Credit Risk, Net – Includes balance sheet and off-balance sheet items

NPL ratio: Non-accrual impaired loans to the public/Total loans to the public,

2018* : Net of Held for sale assets

Customer type as per Management Approach in the Financial Statements

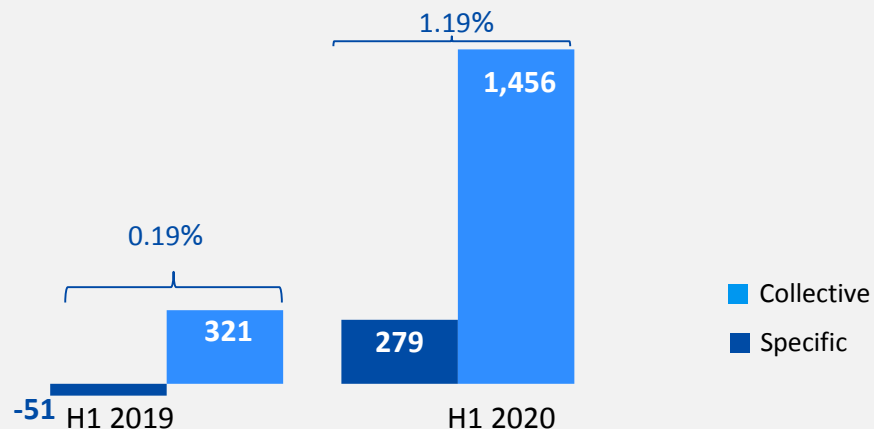
Payment Deferrals as of June 30, 2020

	Outstanding loans of which payments were deferred	Of which:		Outstanding payments deferred
		Outstanding loans in delinquency of 30 days or more	Outstanding loans categorized as problem debt	
Small Businesses	6,268	31	338	588
Corporate and Commercial	9,954	1	73	466
Private Individuals – housing loans	20,535	3	107	367
Private individuals - other	4,071	27	98	299
Total	40,828	62	616	1,720
Of which, loans with total deferral of up to 3 months				1,384

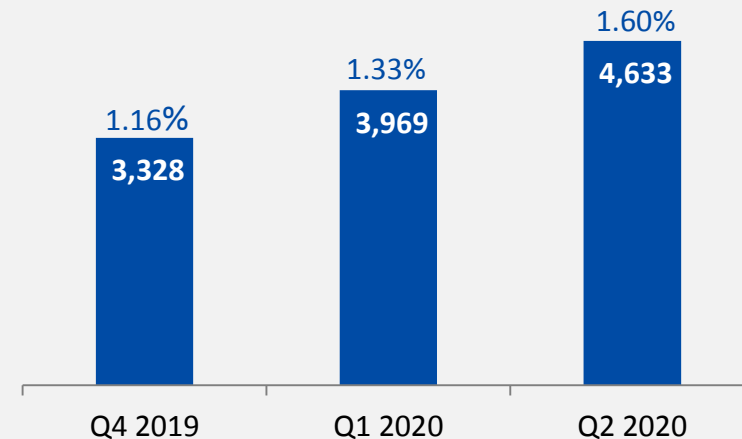


Monitoring our Loan Portfolio in Light of COVID-19

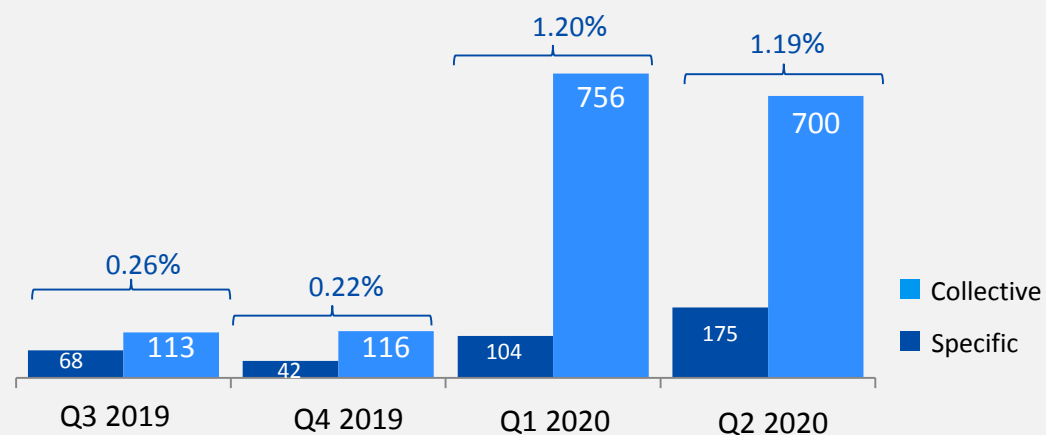
Loan Loss Expenses – H1 2019 vs. H1 2020



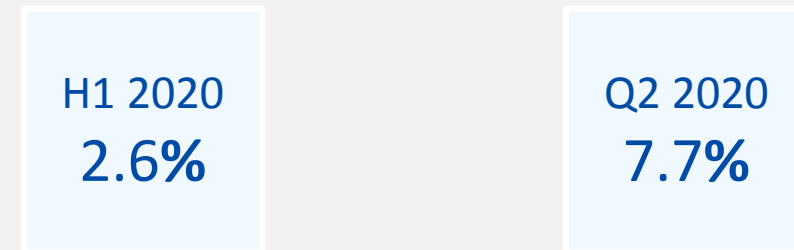
Loan Loss Provisions (NIS millions, as % of Loans to the Public)*



Loan Loss Expenses – Q3 2019 through Q2 2020



ROE – H1 2020 and Q2 2020



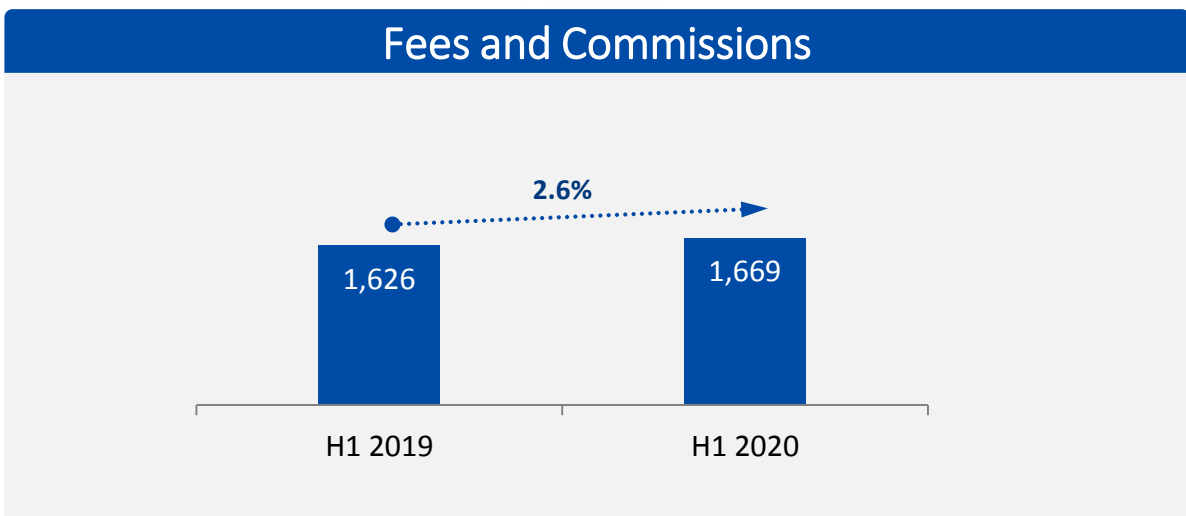
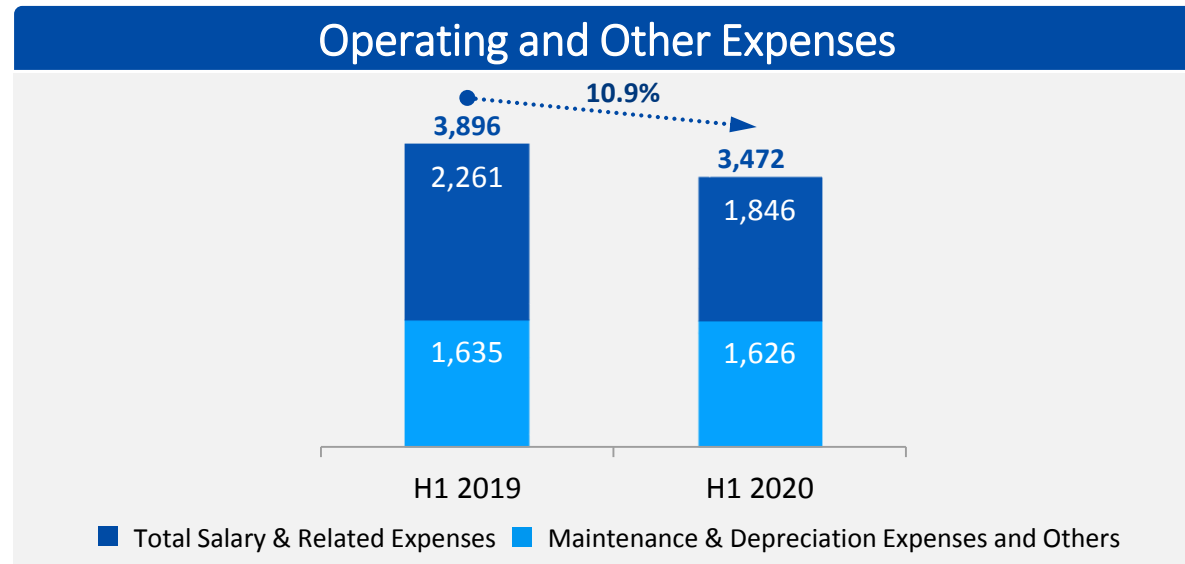
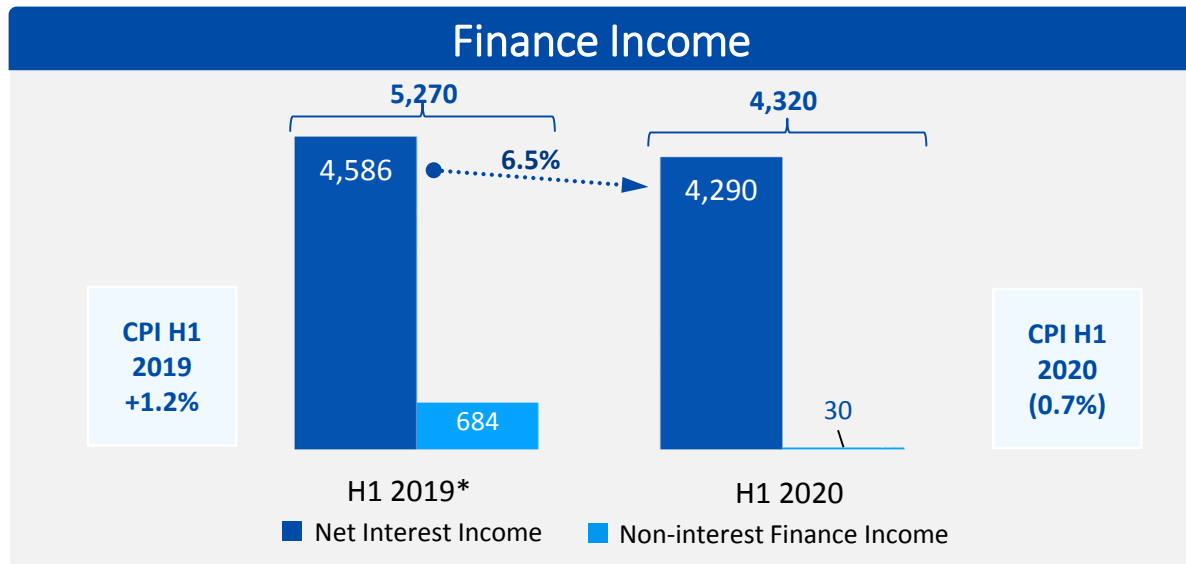
(NIS Millions)

*Does not include provision for off-balance sheet items

5 NPL: Impaired debt, net of public debts under restructuring, accruing interest income/Total debt



H1 2019 vs. H1 2020 – Breakdown of Income and Expenses

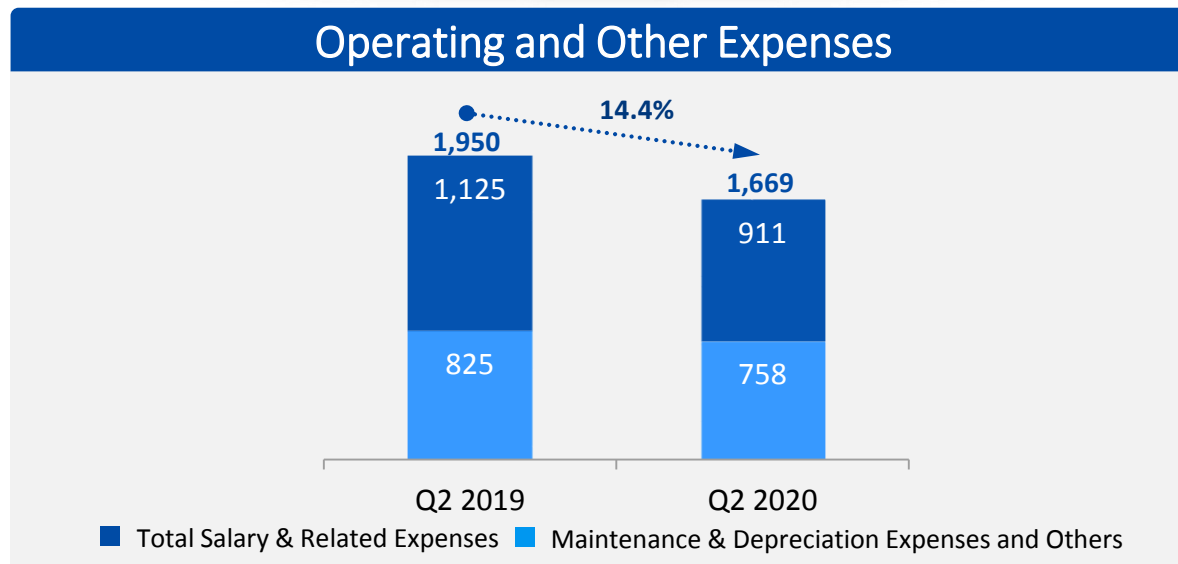
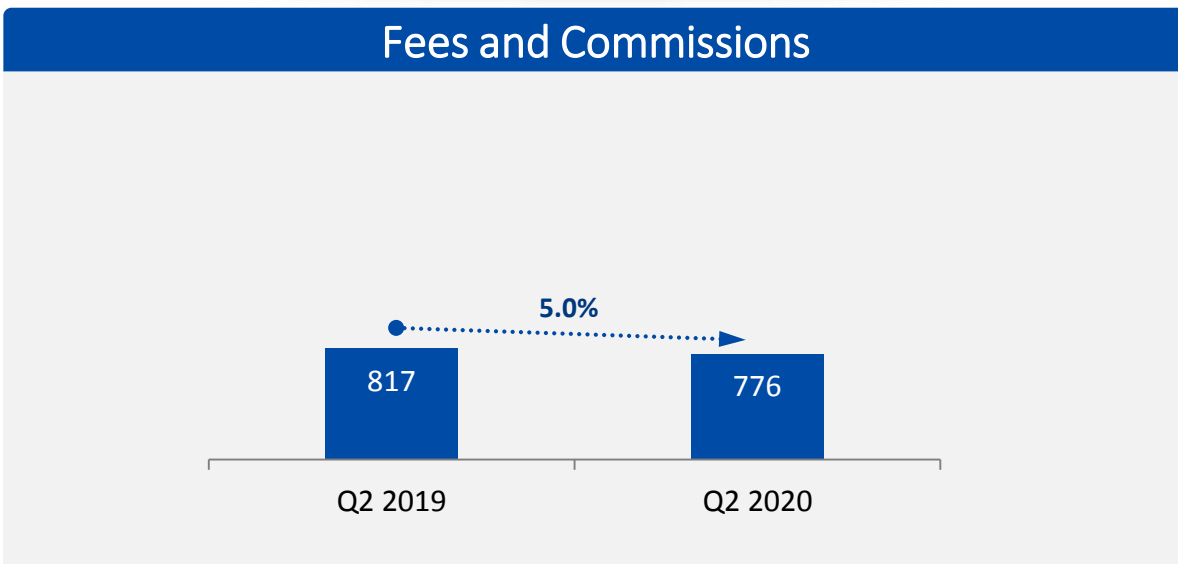
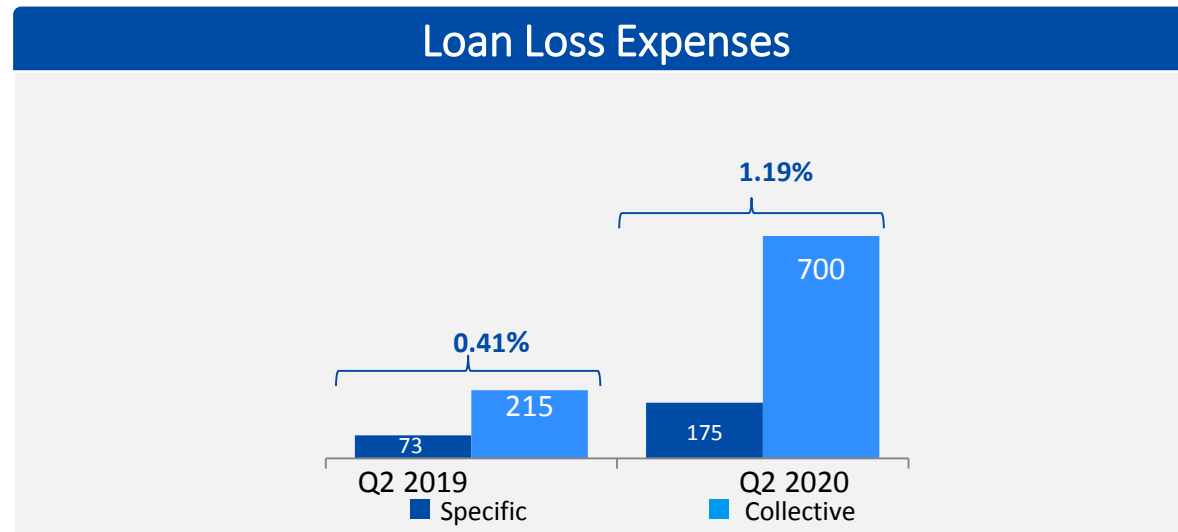
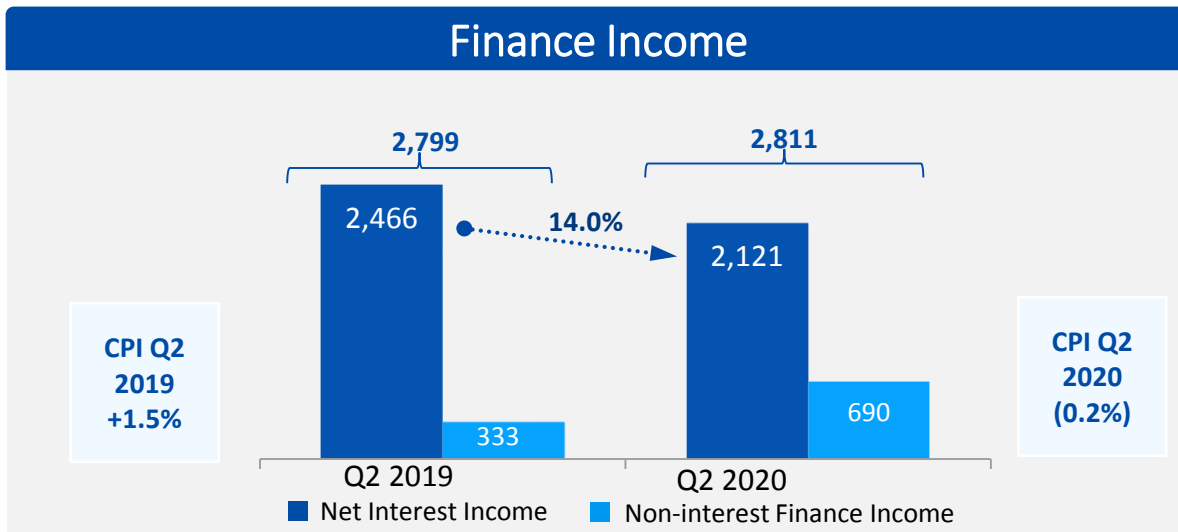


(NIS Millions)

*H1 2019 - Excluding the sale of Leumi Card NIS 314M



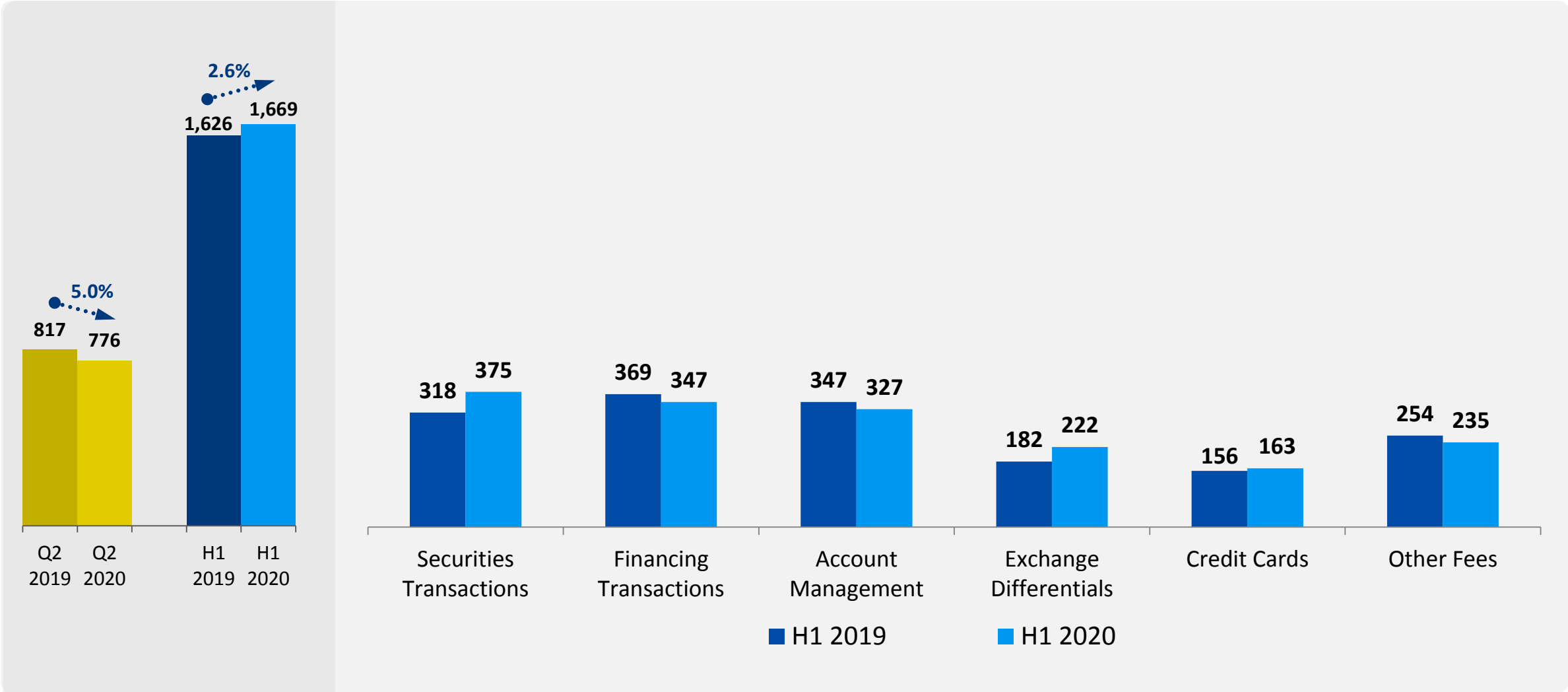
Q2 2019 vs. Q2 2020 – Breakdown of Income and Expenses



(NIS Millions)



H1 2019 vs. H1 2020 - Fees and Commissions Performance

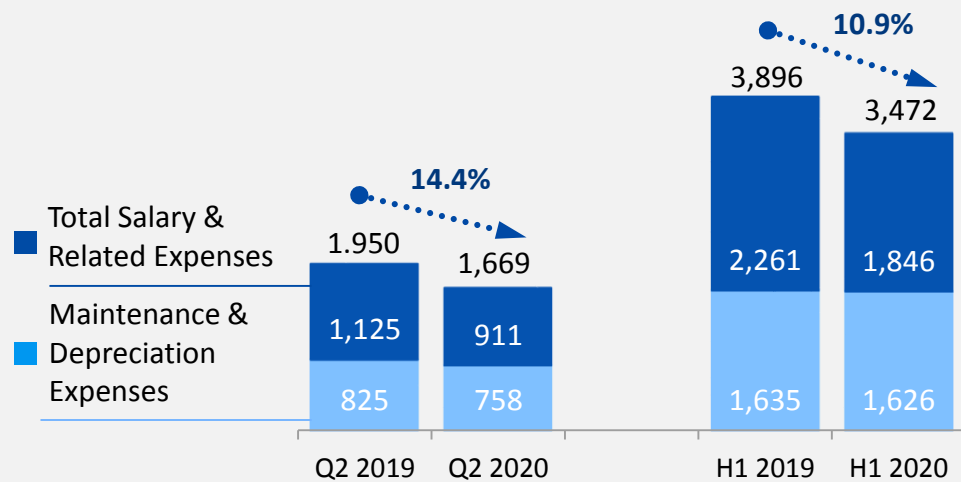


(NIS Millions)

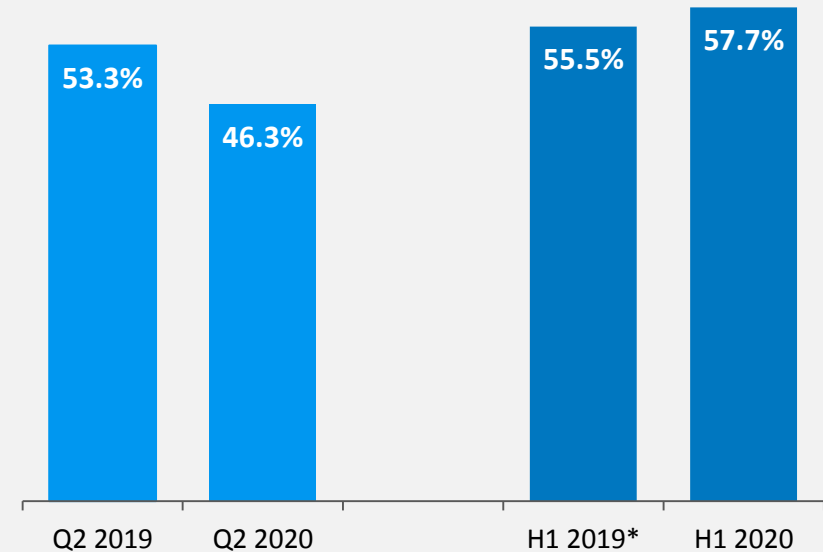


Q/Q and H/H - Focus on Reducing Costs Continues

Disciplined Cost Structure



Cost-income Ratio

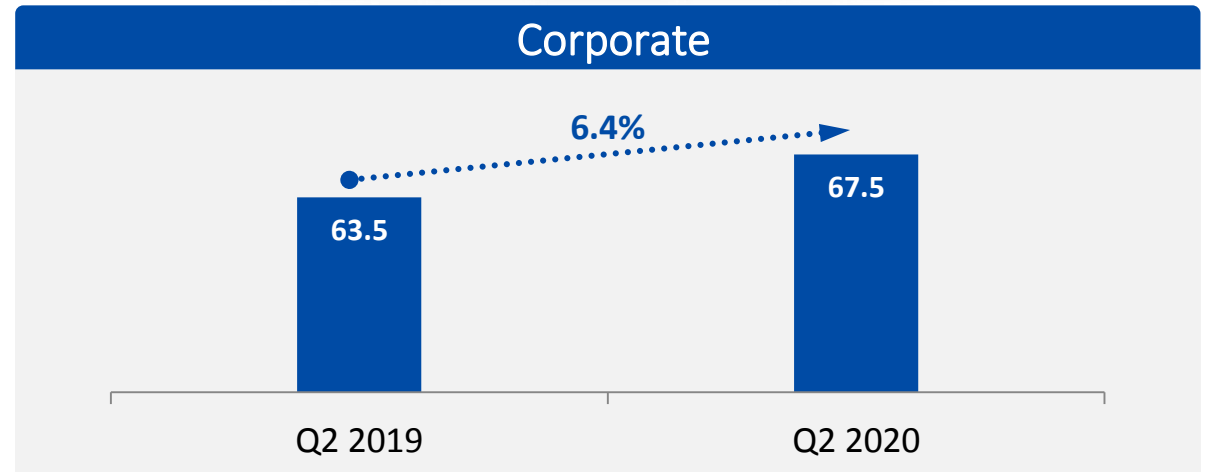
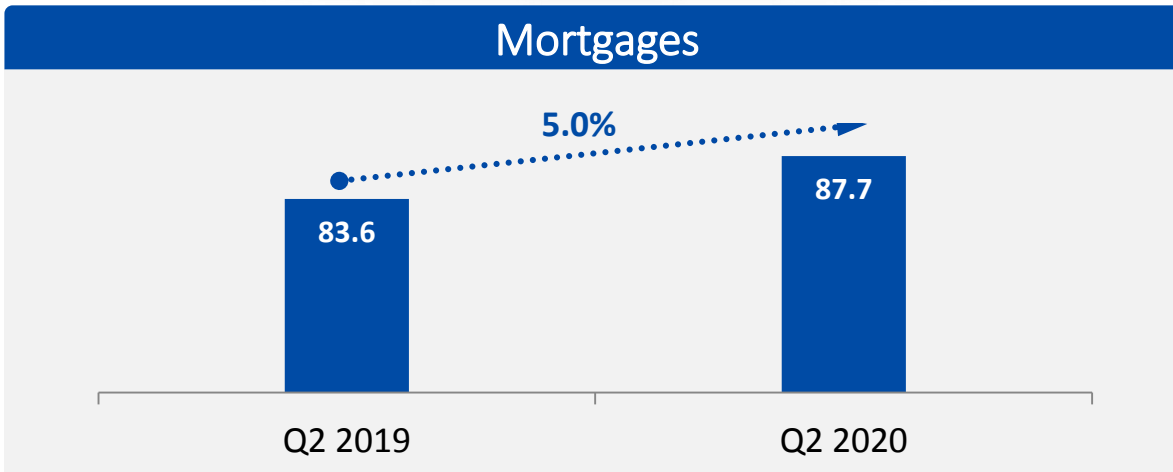
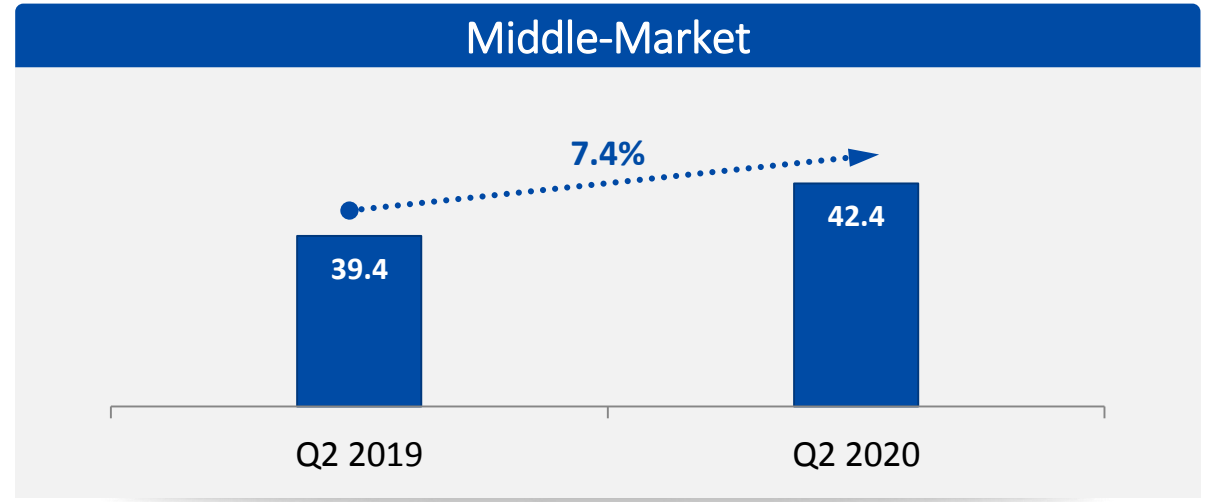
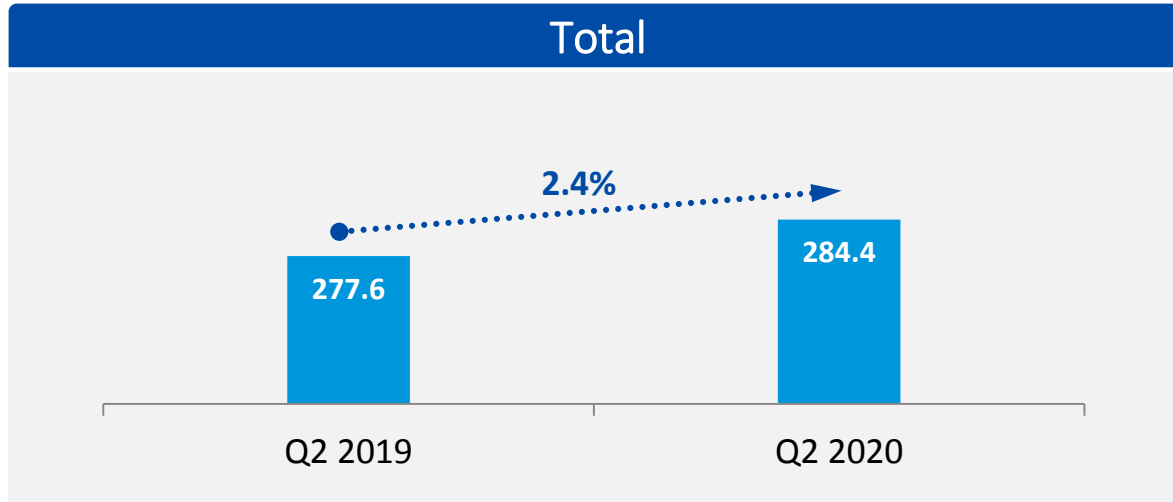


NIS Millions

*H1 2019 - Excluding the sale of Leumi Card NIS 314M



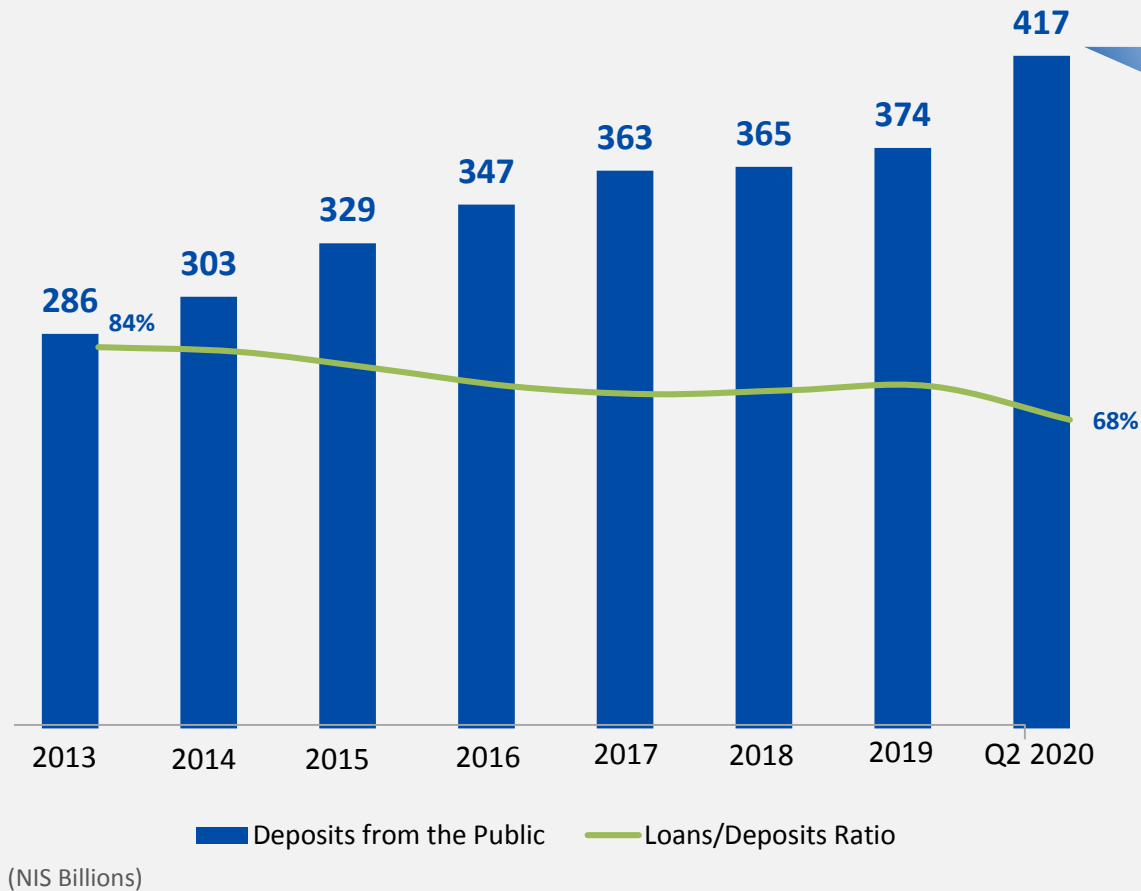
Loan Growth Continues in Line with Strategy



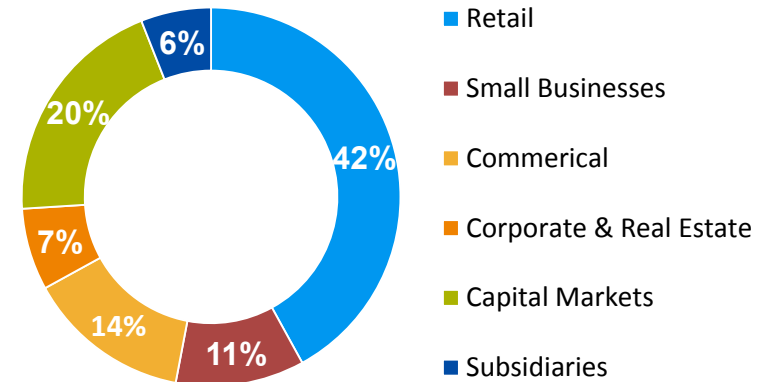
(NIS Billions)
Corporate includes Corporate and Real-Estate



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



Deposits from the Public June 30, 2020



Capital Regulatory Easement and Requirements

Capital Requirement— Regulatory Easement

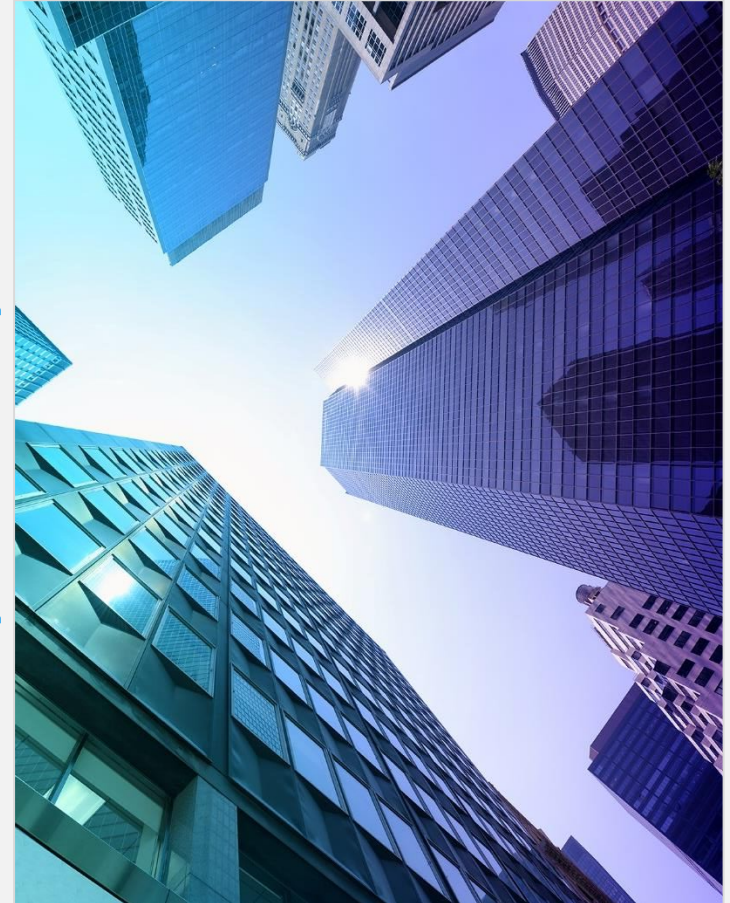
- CET1 – reduced from 10.25% to 9.25%
- TCR – reduced from 13.75% to 12.75%
- Back to original requirement by September 30, 2022

Dividends

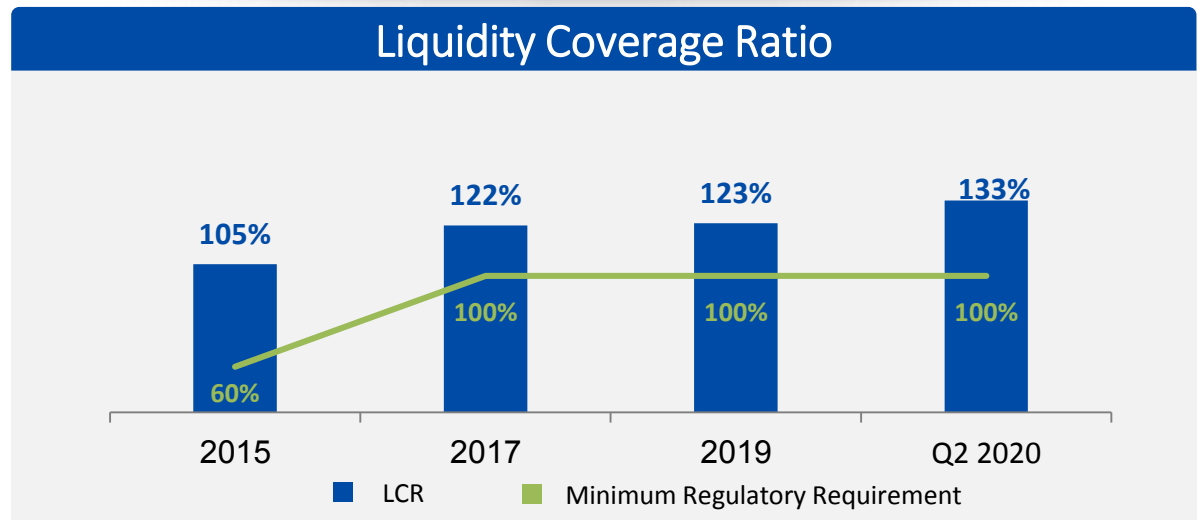
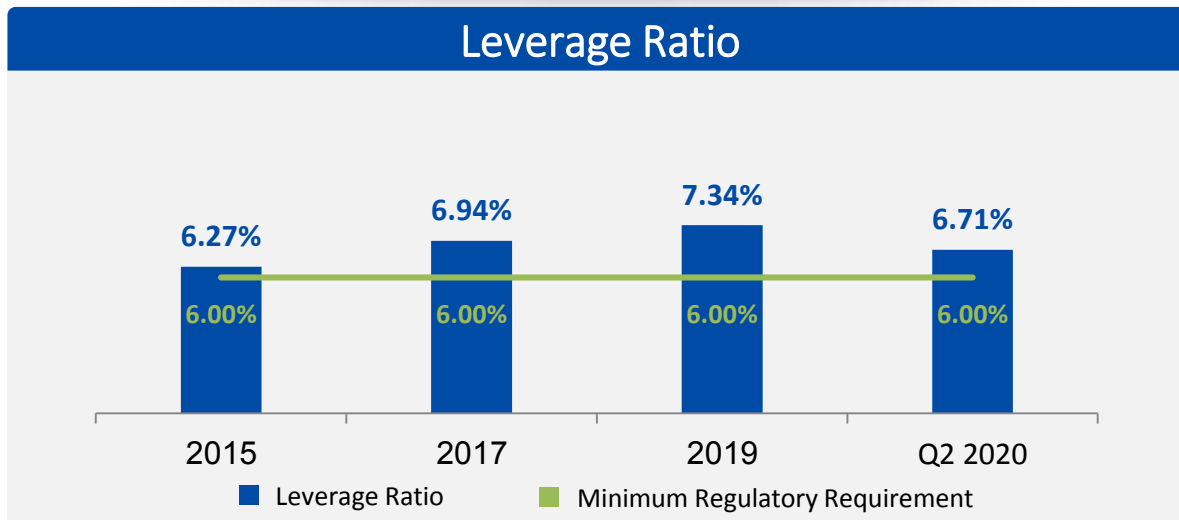
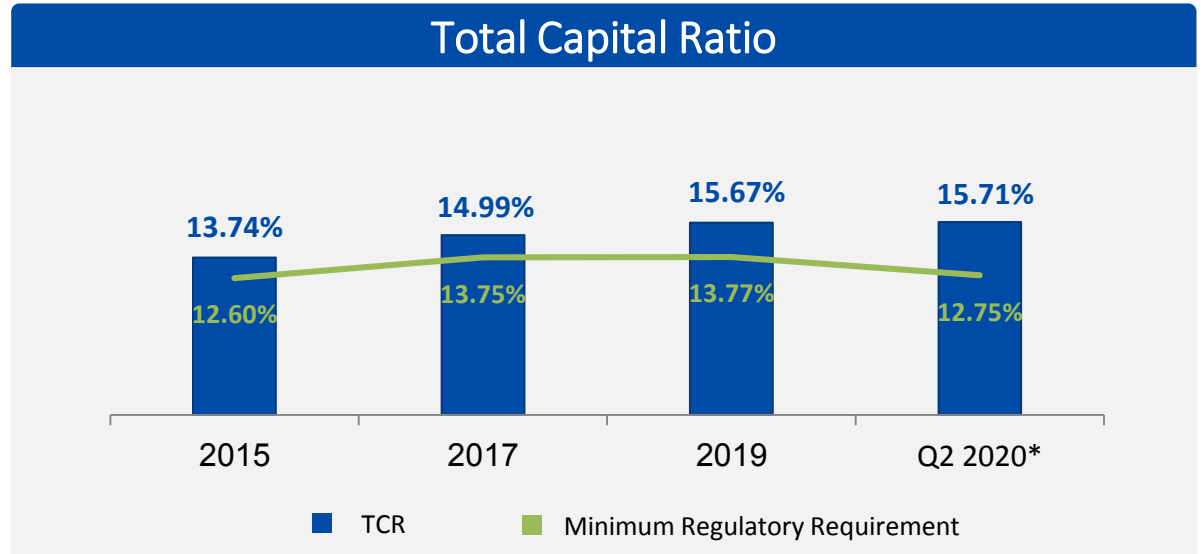
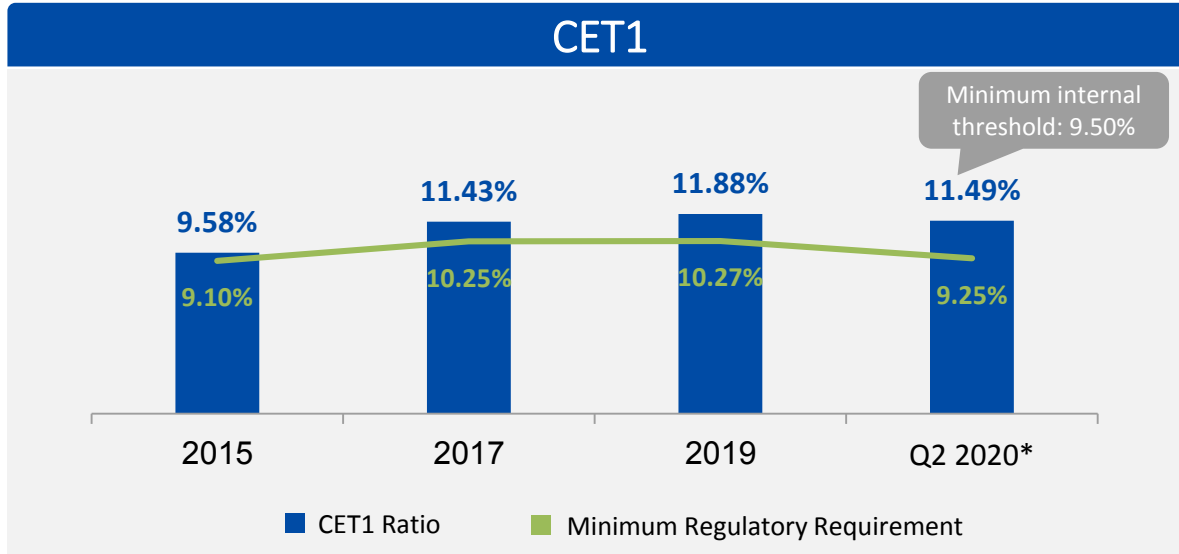
- Distribution plan implementation put on hold

Buyback

- 1st stage - NIS 250 million completed on April 2, 2020
- Remainder of implementation put on hold



Solid Capital, Leverage and Liquidity Ratios



* Regulatory requirement currently valid through September 30, 2022





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Q&A



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THANK YOU