

The Leumi family pays tribute to the relatives of employees and pensioners who were murdered and killed in the war

Ilay Noam Ben Mucha
Brother of Bar Ben Mucha

Amir and Mati Weiss
Brother and sister-in-law of Raviv Weiss

Danit Cohen
Sister of Shirel Cohen

Lior Siminovich
Son of Yaron Siminovich

Jenny Nisimboim
Sister of Steven Gilin

Itay Saadon
Son of Liat Sade-Saadon

Yinon Fleishman
Son of Benjamin Fleishman

Eden Gez
Daughter of Aliza Gez

May they rest in peace





The October 7th terror attack is one of the most devastating experienced by the State of Israel. The magnitude of the destruction, the number of victims and the unbelievable brutality created a gaping hole in the hearts of us all.

As Israel's leading corporation, Bank Leumi understood what was at stake on that very day, and immediately began to prepare for providing a solution to its customers – one that would be sensitive and adapted to their needs, while offering significant measures to those hurt during the vicious attack.

We developed a business plan adapted to the current needs, with stringent and responsible risk management of capital and liquidity cushions, maintaining business continuity and placing special emphasis on keeping the Bank's branches and call centers fully operational.

At the same time, we published a comprehensive relief program for our customers and a series of important social responsibility initiatives, such as: providing Be'eri with continuous support, from solutions to immediate needs and up to the kibbutz's complete rehabilitation. In addition, we led an initiative in which we pay a full year's tuition to students who volunteer to help farmers harvest their crops.

We understand that financial statements which reflect financial stability and the Bank's robustness – especially during wartime – are highly significant.

Nevertheless, some things are more important. During these hard times for the State of Israel, our concern and support for our employees who have lost their loved ones during the war – is our top priority. Not a day goes by that our heart does not go out to them, and we promise them this: the Leumi family will always stand by you.

We are all one family, one people.

Together we shall win.

A stylized blue line drawing of a signature, representing Shmuel (Muli) Ben Zvi.

Shmuel (Muli) Ben Zvi
Chairman of Bank Leumi

A stylized blue line drawing of a signature, representing Hanan Friedman.

Hanan Friedman
President & CEO
of Bank Leumi

Leumi concludes Q3 2023 with an approximate NIS 1.8 billion (\$463 million) profit

- Return on equity – 13.6%
- Best efficiency ratio among Israeli banks – 32.3%
- Robust financial indicators – Liquidity coverage ratio of 130%, CET1 ratio of 11.30%
- NPL ratio, which reflects the quality of the Bank's loan portfolio, continues to be amongst the lowest in the Israeli banking system – 0.74%
- Following the Bank of Israel's letter regarding dividend distribution on the back of the uncertainty in the markets in light of the War, Leumi is decreasing the dividend to 20% of its net income – NIS 353 million (\$92 million)
- Following the Bank of Israel's letter regarding loan loss expenses on the back of the War and Leumi's extensive relief program for customers, the Bank increased its loan loss expenses (mainly the collective provision) to NIS 991 million (\$259 million)
- Total estimated costs of the relief program and donations provided by Leumi following the War is estimated at NIS 560 million (\$146 million)

TEL AVIV – November 29, 2023

Bank Leumi (TASE: LUMI) published today its financial statements for Q3 2023:

Net income in the third quarter of 2023 amounted to NIS 1.77 billion (\$463 million), compared to NIS 1.78 billion (\$465 million) in the corresponding quarter last year. Net income in the first nine months of 2023 amounted to NIS 5.2 billion (\$1.36 billion), compared to NIS 5.38 billion (\$1.41 billion) in the corresponding period last year.

Return on equity in the third quarter of 2023 was 13.6%, compared with 14.9% in the corresponding quarter last year. Return on equity in the first nine months of 2023 was 13.6%, compared with 16.3% in the corresponding period last year.

Efficiency ratio in the third quarter of 2023 was 32.3%, compared with 39.1% in the corresponding quarter last year. Efficiency ratio in the first nine months of 2023 was 31.4%, compared with 39.9% in the corresponding period last year.

Dividend: On the back of the uncertainty in the markets in light of the War, and the clarifications published by the Bank of Israel, Leumi is decreasing the dividend to 20% of its net income – NIS 353 million (\$92 million).

In addition, thus far the Bank has completed a share buyback of NIS 600 million (\$157

million), out of an overall plan of up to NIS 800 million (\$209 million). On the back of the uncertainty in the markets and the clarifications published by the Bank of Israel, at this stage the Bank will not proceed with the buyback plan.

Responsible growth in the loan portfolio in strategic segments: The Bank continues to focus its growth on the credit portfolio in the corporate, commercial and mortgage segments. From the beginning of 2023, the credit portfolio grew by a total of 8.4%. The corporate portfolio grew by 15.6%, the commercial portfolio – by 5.9%, and the mortgage portfolio – by 7.2%.

High capital adequacy: Common Equity Tier 1 capital ratio as of September 30, 2023 was 11.30% and total capital ratio was 14.42%.

Liquidity coverage ratio as of September 30, 2023 was 130%.

The NPL ratio, which reflects the quality of the Bank's loan portfolio, continues to be amongst the lowest in the Israeli banking system – 0.74% as of September 30, 2023.

Loan loss expenses in the third quarter of 2023 reflect an expense rate of 0.95% of the average outstanding loans to the public, of which 0.83% is in respect of the collective provision. The increase in the loan loss expenses, which amounted to NIS 991 million (\$259 million) in the third quarter, is following the Bank of Israel's letter regarding loan loss expenses on the back of the War and Leumi's extensive relief program. Most of the increase, as aforementioned, stems from the collective provision.

The Bank's initiatives due to the War: Leumi significantly expanded the Bank of Israel's relief program, publishing its own relief program to both business and retail customers from across Israel – with an emphasis on residents of the communities surrounding Gaza and Southern Israel, with the aim of assisting them as much as possible during these complex times. The reliefs to eligible customers include, among others: full exemption from mortgage payments, exemption from loan repayments for retail customers and small businesses, aid funds totaling more than NIS 1 billion (\$262 million), exemption from current account fees, and more.

In addition, since the outbreak of the War, the Bank made substantial donations to first responder and aid organizations for the benefit of residents of southern Israel, Israeli Police officers and IDF soldiers – both on active and reserve duty. Moreover, Leumi was the first business organization in Israel to announce its support of a community near Gaza, which was attacked on October 7th. The Bank committed to support Kibbutz Be'eri, one of the communities which suffered the most severe attacks – from providing solutions to immediate needs and up to its complete rehabilitation. Furthermore, the Bank led an initiative under which college and university students who volunteer to assist farmers in harvesting crops on an ongoing basis, receive a full year's tuition from Bank Leumi. Total costs of the reliefs and donations provided following the War is estimated at NIS 560 million (\$146 million).

Development of balance sheet items:

Shareholders' equity as at September 30, 2023 totaled NIS 52.5 billion (\$13.7 billion), compared to NIS 49.4 billion (\$12.9 billion) as at December 31, 2022 – a 6.2% increase.

Net credit to the public as at September 30, 2023 totaled NIS 417 billion (\$109 billion), compared to NIS 385 billion (\$101 billion) as at December 31, 2022 – a 8.4% increase.

Credit to retail customers as at September 30, 2023 totaled NIS 31.1 billion (\$8.1 billion), compared to NIS 32.5 billion (\$8.5 billion), as at December 31, 2022 – a 4.3% decrease.

Housing loans as at September 30, 2023 totaled NIS 129.6 billion (\$33.9 billion), compared to NIS 120.9 billion (\$31.6 billion) as at December 31, 2022 – a 7.2% increase.

Credit to small businesses as at September 30, 2023 totaled NIS 25.7 billion (\$6.7 billion), compared to NIS 26.7 billion (\$7.0 billion) as at December 31, 2022 – a 3.7% decrease.

Middle-market credit as at September 30, 2023 totaled NIS 64.4 billion (\$16.8 billion), compared to NIS 60.8 billion (\$15.9 billion) as at December 31, 2022 – a 5.9% increase.

Corporate credit as at September 30, 2023 totaled NIS 126.6 billion (\$33.1 billion), compared to NIS 109.5 billion (\$28.6 billion) as at December 31, 2022 – a 15.6% increase .

Deposits by the public as at September 30, 2023 totaled NIS 545 billion (\$142.5 billion), compared to NIS 557 billion (\$145.7 billion) as at December 31, 2022 – a 2.3% decrease.

Deposits by retail customers as at September 30, 2023 totaled NIS 215.1 billion (\$56.3 billion), compared to 203 billion (\$53.1 billion) as at December 31, 2022 – a 6.0% increase.

Deposits by small businesses as at September 30, 2023 totaled NIS 53.2 billion (\$13.9 billion), compared to NIS 55.4 billion (\$14.5 billion) as at December 31, 2022 – a 4.0% decrease.

CET1 capital ratio as at September 30, 2023 was 11.30%, compared to 11.46% as at December 31, 2022.

Total capital ratio as at September 30, 2023 was 14.42%, compared to 14.29% as at December 31, 2022.

Leumi Group – Key Financials

Profit and profitability (in NIS million)

	For the three months ended September 30		Change in NIS million	Change in %
	2023	2022		
Net Interest income	3,935	3,414	521	15.3
Loan loss expenses	991	99	892	–
Non-interest income	1,401	855	546	63.9
Operating and other expenses	1,722	1,671	51	3.1
Profit before tax	2,623	2,499	124	5.0
Provision for tax	866	908	(42)	(4.6)
Profit after tax	1,757	1,591	166	10.4
The Bank's share in the profits of associates	10	191	(181)	(94.8)
Net income attributable to non-controlling interests	0	0	0	0
Net income attributable to the banking corporation's shareholders	1,767	1,782	(15)	(0.8)
Return on equity (%)	13.6	14.9		
Earnings per share (NIS)	1.15	1.15		

	For the nine months ended September 30		Change in NIS million	Change in %
	2023	2022		
Net Interest income	12,147	9,438	2,709	28.7
Loan loss expenses	1,715	185	1,530	–
Non-interest income	3,884	3,362	522	15.5
Operating and other expenses	5,034	5,106	(72)	(1.4)
Profit before tax	9,282	7,509	1,773	23.6
Provision for tax	3,119	2,398	721	30.1
Profit after tax	6,163	5,111	1,052	20.6
The Bank's share in the profits (losses) of associates	(962)	282	(1,244)	–
Net income attributable to non-controlling interests	0	10	(10)	(100)
Net income attributable to the banking corporation's shareholders	5,201	5,383	(182)	(3.4)
Return on equity (%)	13.6	16.3		
Earnings per share (NIS)	3.38	3.62		

Development of balance sheet items (in NIS millions)

	As at September 30		December 31, 2022
	2023	2022	
Net loans to the public	417,261	383,023	384,782
Deposits by the public	544,519	546,706	557,084
Shareholders' equity	52,518	48,044	49,438
Total assets	700,761	704,117	699,166

Principal financial ratios (%)

	As at September 30		December 31, 2022
	2023	2022	
Net loans to the public to total assets	59.5	54.4	55.0
Deposits by the public to total assets	77.7	77.6	79.7
Total equity to risk assets	14.42	14.28	14.29
Tier 1 capital to risk assets	11.30	11.41	11.46
Leverage ratio	6.73	6.34	6.36
Liquidity coverage ratio	130	127	131

The data in this press release has been converted into US dollars solely for convenience purposes, at the representative exchange rate published by the Bank of Israel on September 30, 2023, NIS 3.824.