

לאומי
leumi

DECEMBER 31, 2021 FINANCIAL 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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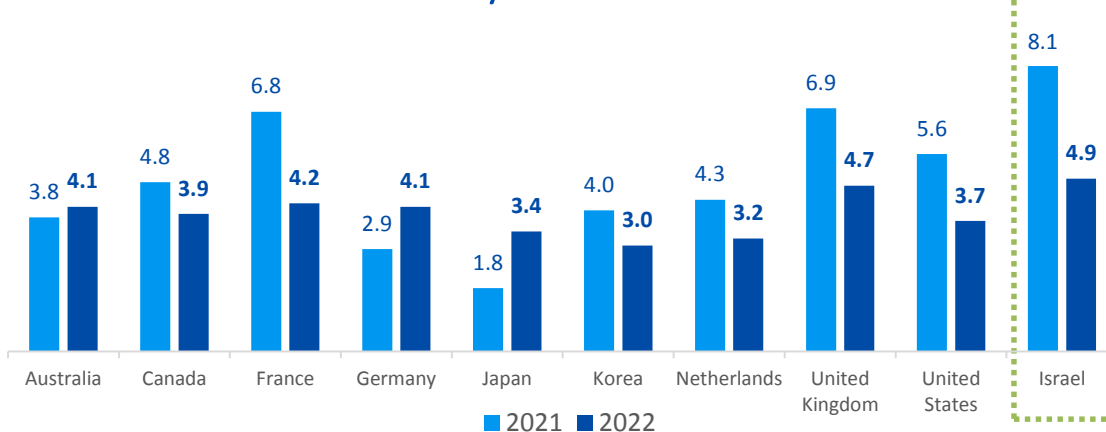
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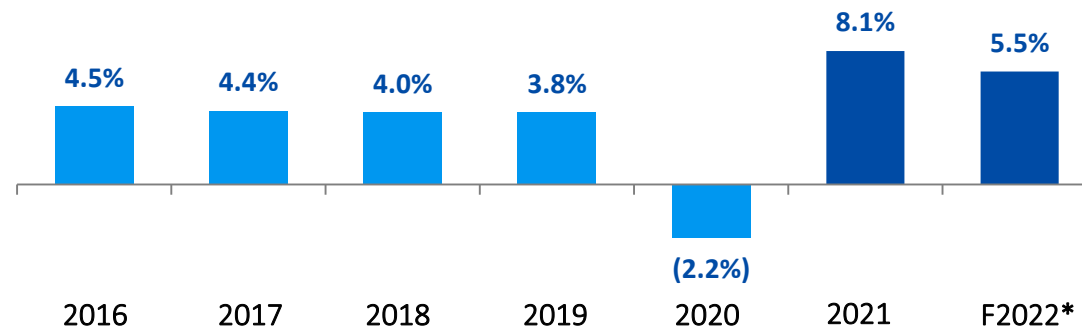
Macroeconomic Factors and Indicators

OECD- GDP Forecast for 2021-2022

Resilient Recovery from COVID-19 in Israel

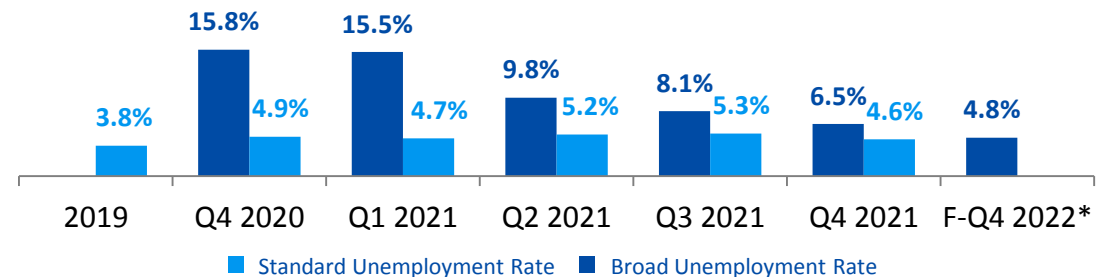


BOI - GDP, Rate of Change, Real Terms

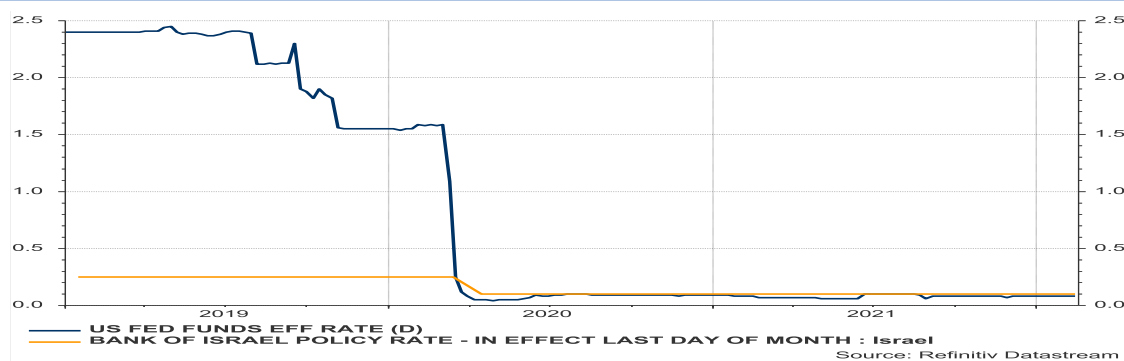


Broad Unemployment**, Age Group 15+

BOI estimates

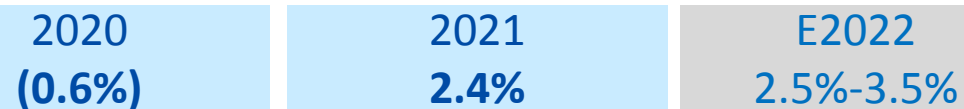


Bank of Israel and Fed Funds Rates, %



Estimates

CPI



Sources: Bank of Israel, CBS, OECD as of December 2021.

*BOI Forecast as of Jan 3, 2022. CBS figures as of February 16, 2022. 2022 unemployment forecast refers to expected Q4 average.

**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.



Core Business Continues to Improve - Key Financial Metrics

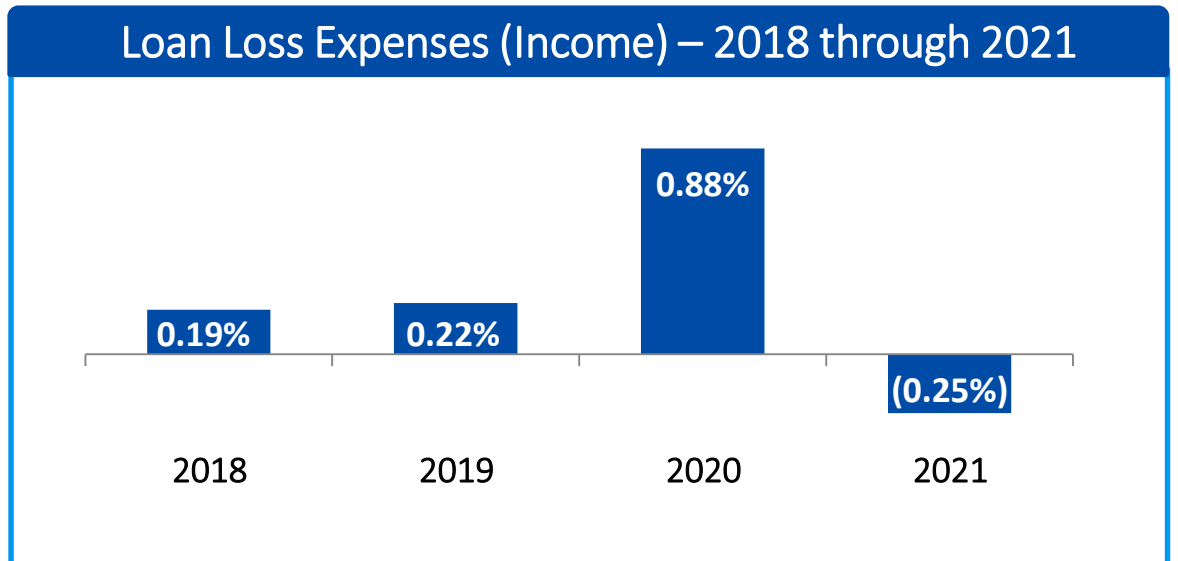
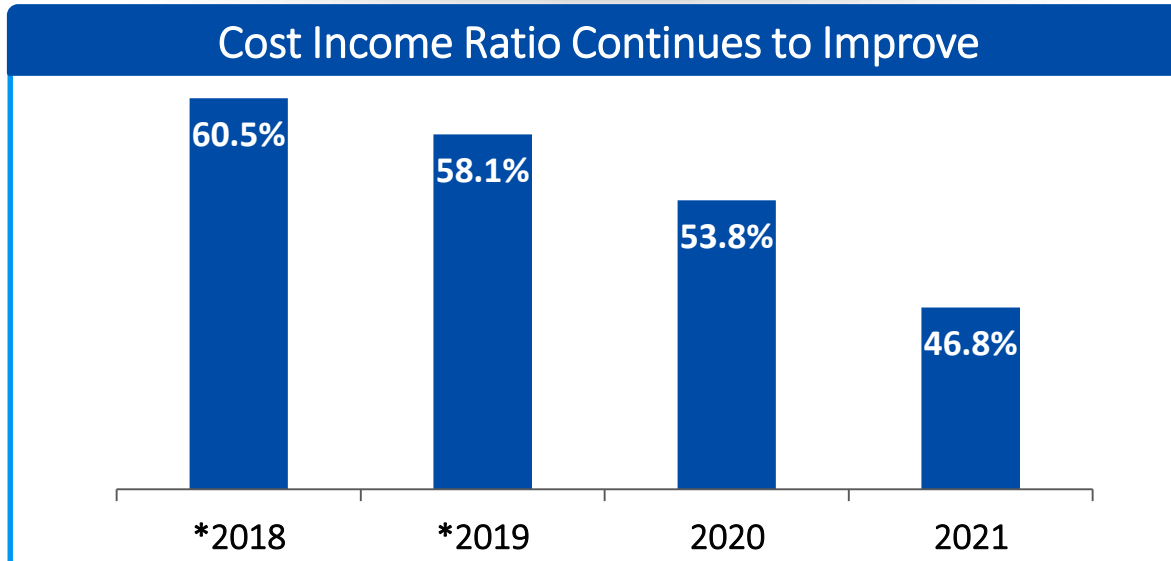
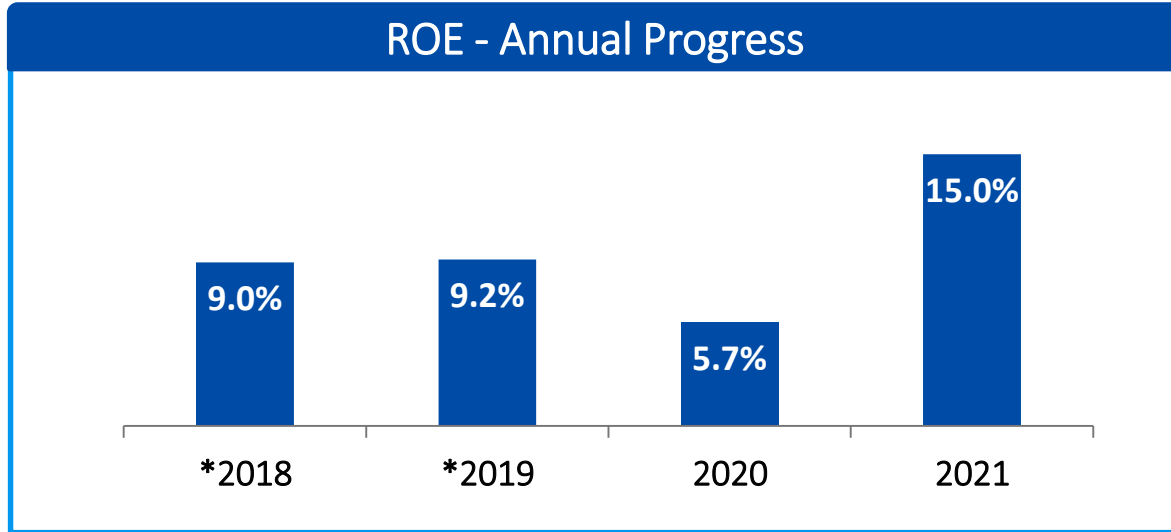
	2021	2020	Q4 2021
Net Income (NIS millions)	6,028	2,102	1,470
ROE	15.0%	5.7%	14.8%
Cost / Income Ratio	46.8%	53.8%	47.9%
Credit Loss (Income) Expense Ratio	(0.25%)	0.88%	(0.10%)
PPNR / Average Assets*	1.4%	1.2%	1.3%
ROA	1.0%	0.4%	1.0%

*Pre-provision net revenue equals net interest income plus total non-interest income less total non-interest expense; presented on an annualized basis



FIG.16

Performance Indicators

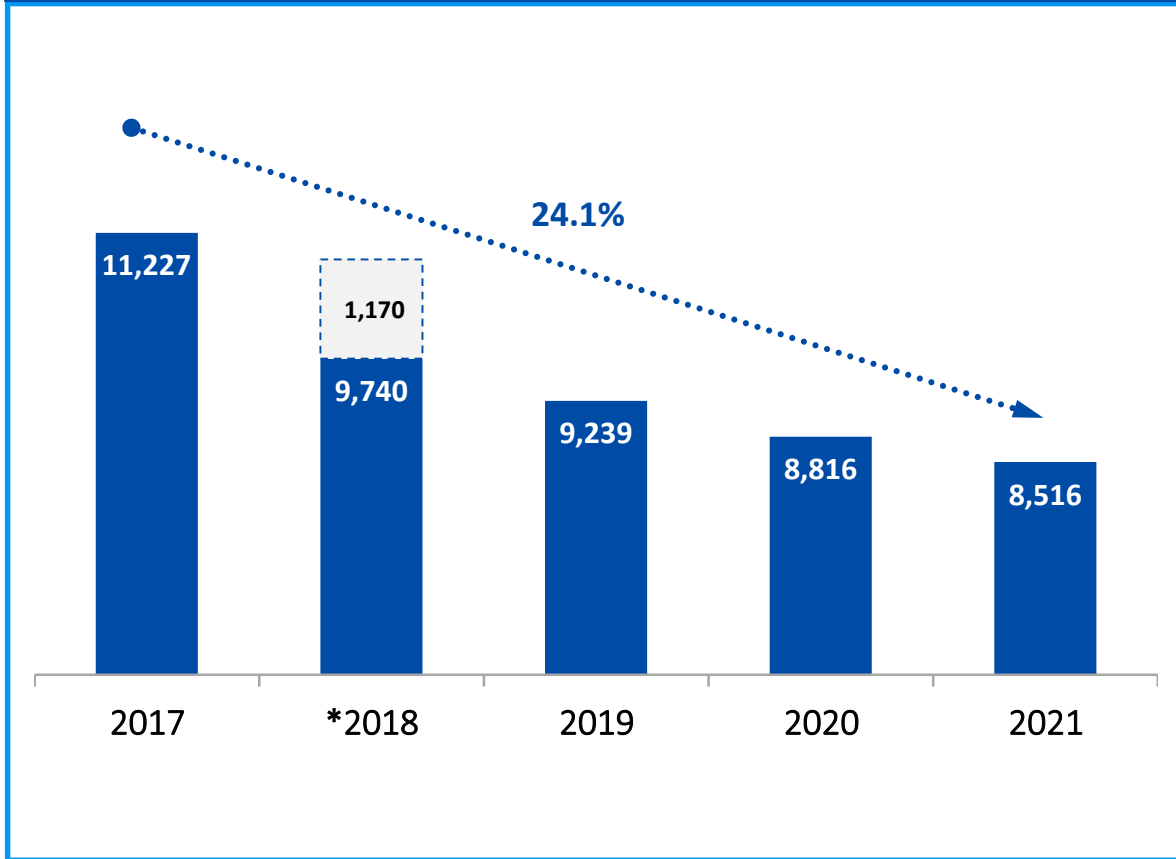


*2018 and 2019 ROE, Net Income and Cost Income Ratio are net of the effect of the sale of Leumi Card.
(NIS Billions)

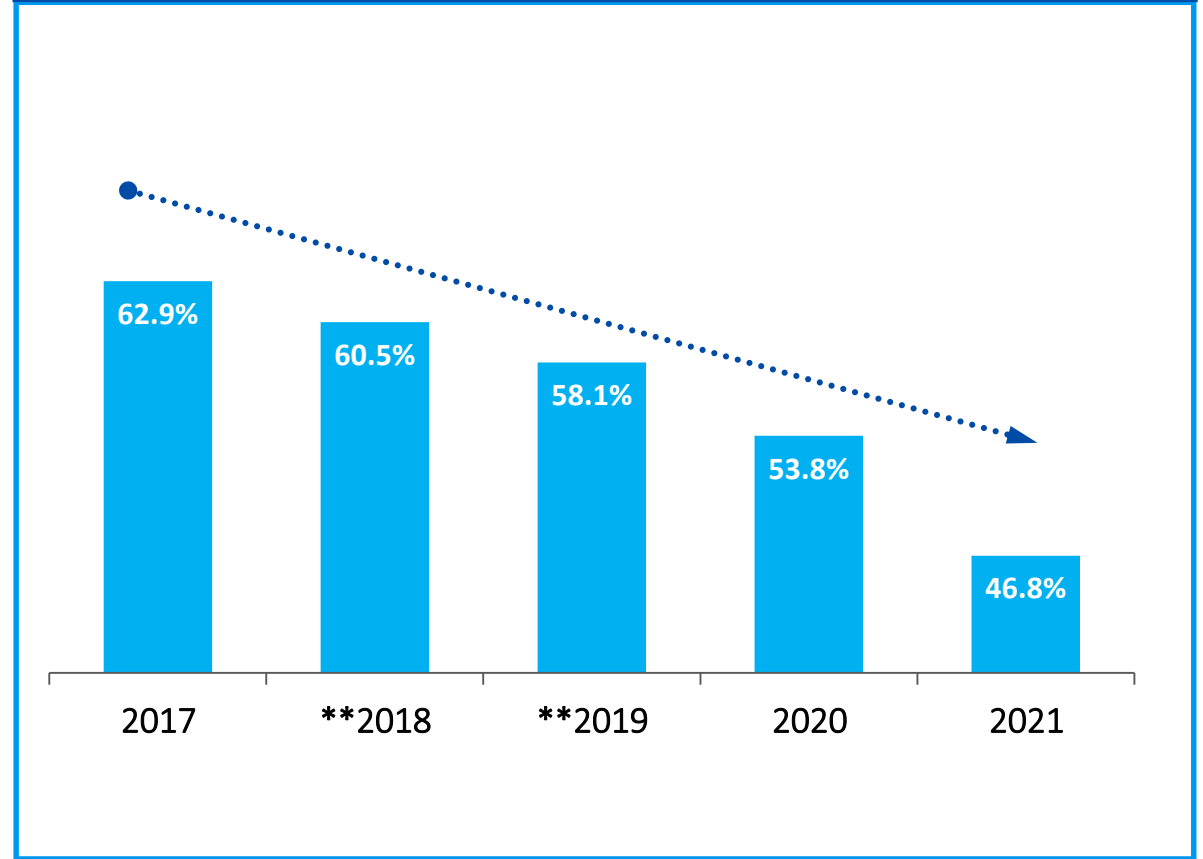


Long-term Continuous Streamlining of the Business

Number of Employee Positions Continues to Fall



Cost-income Ratio Continues to Improve

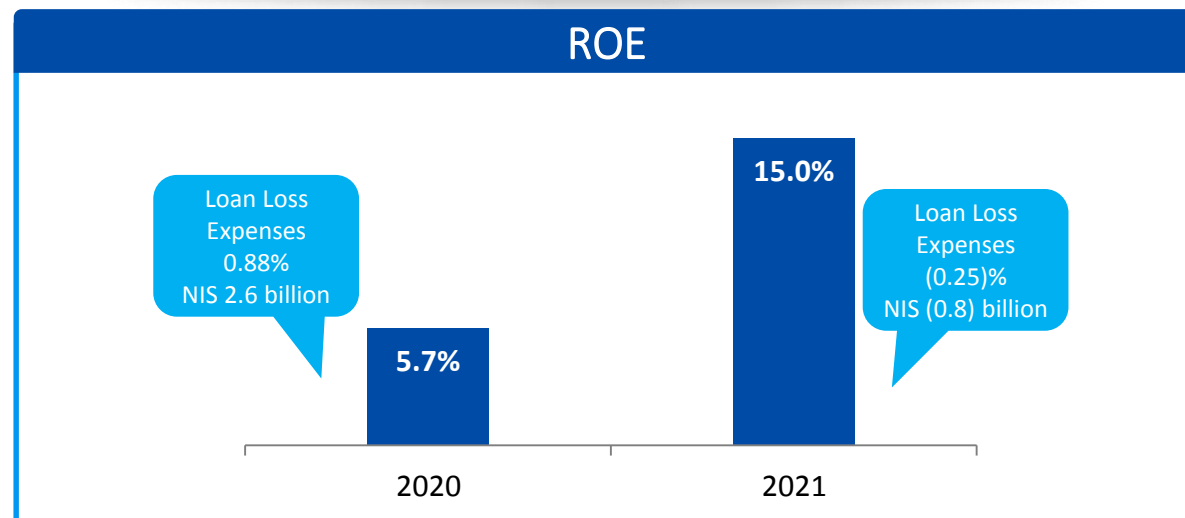
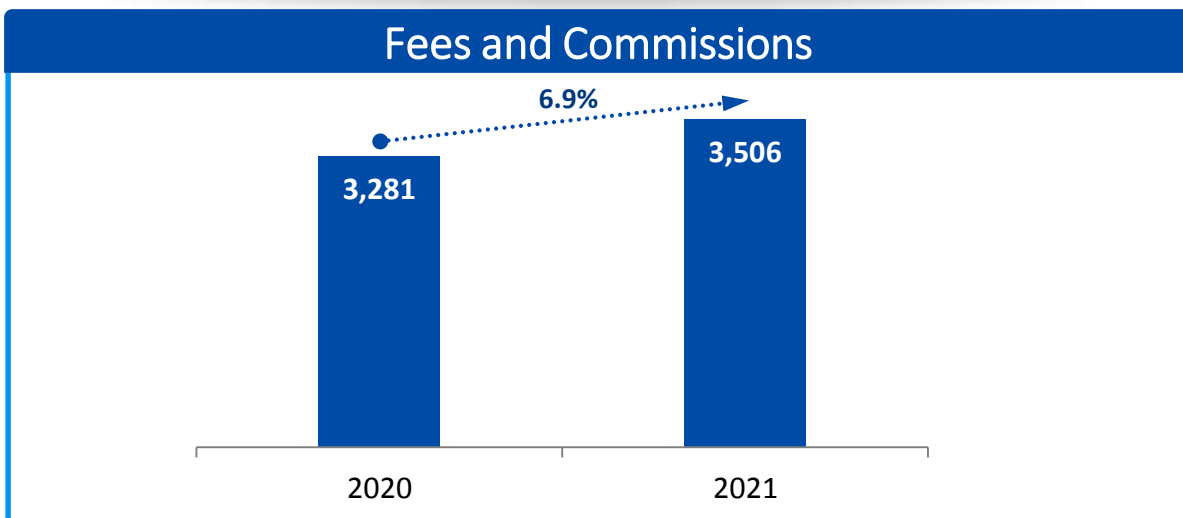
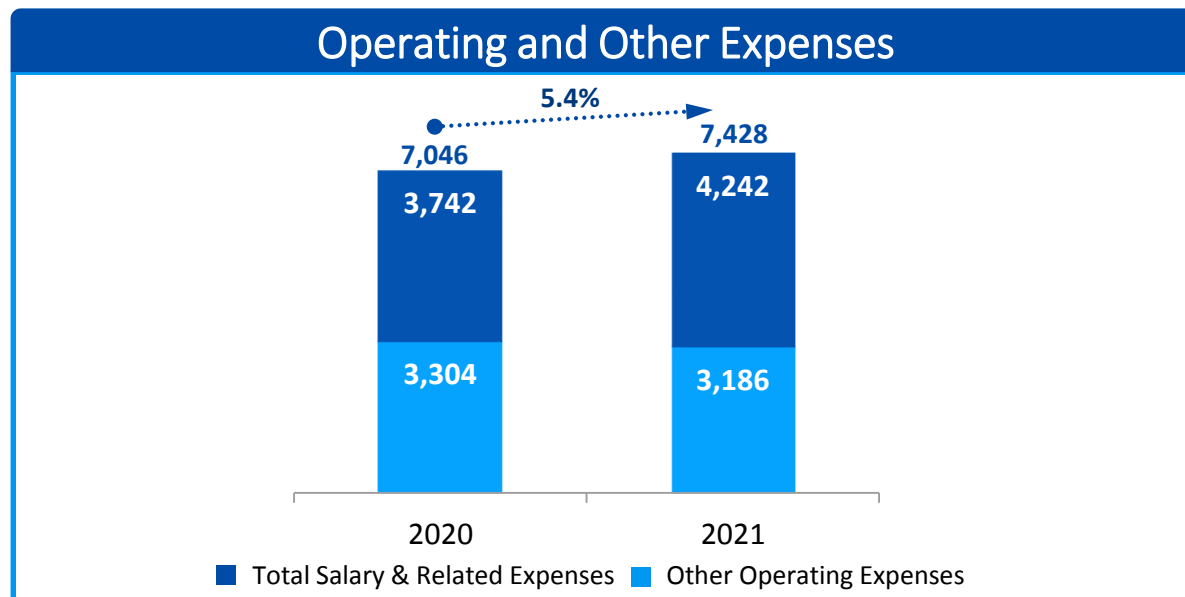
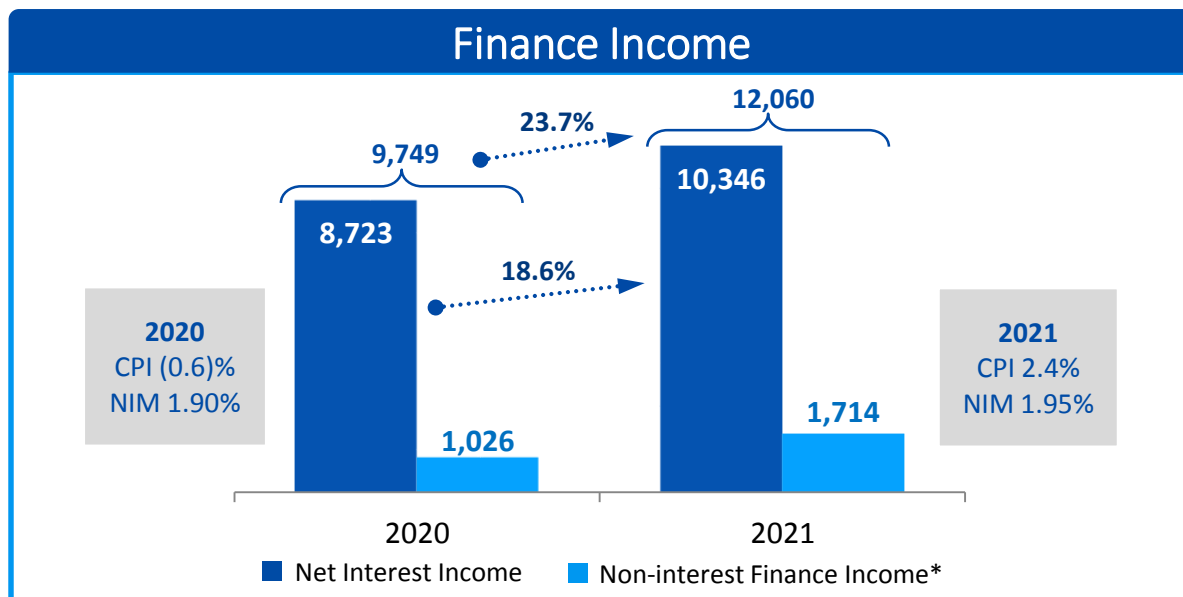


*Including 1,170 employees of Leumi Card the divestment of which was completed in February 2019

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



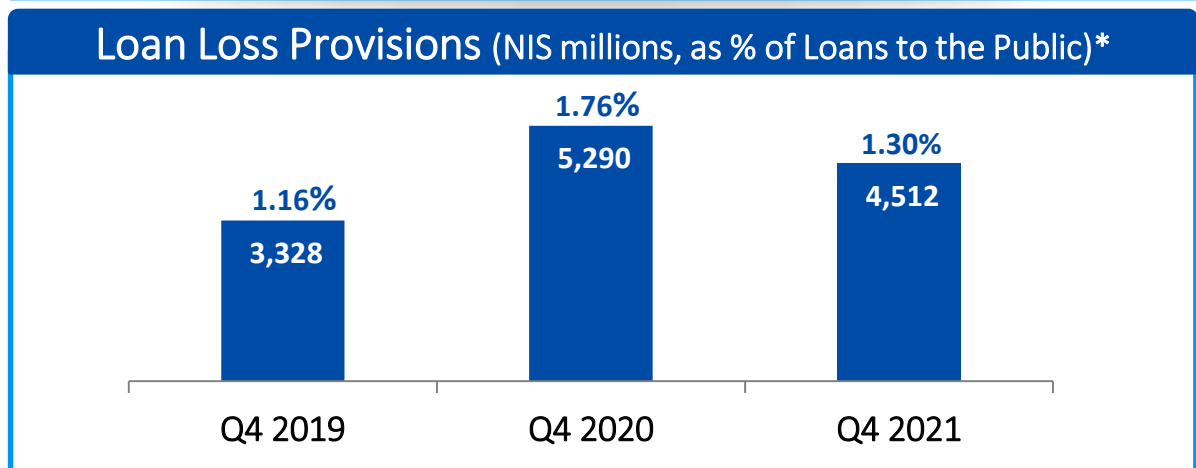
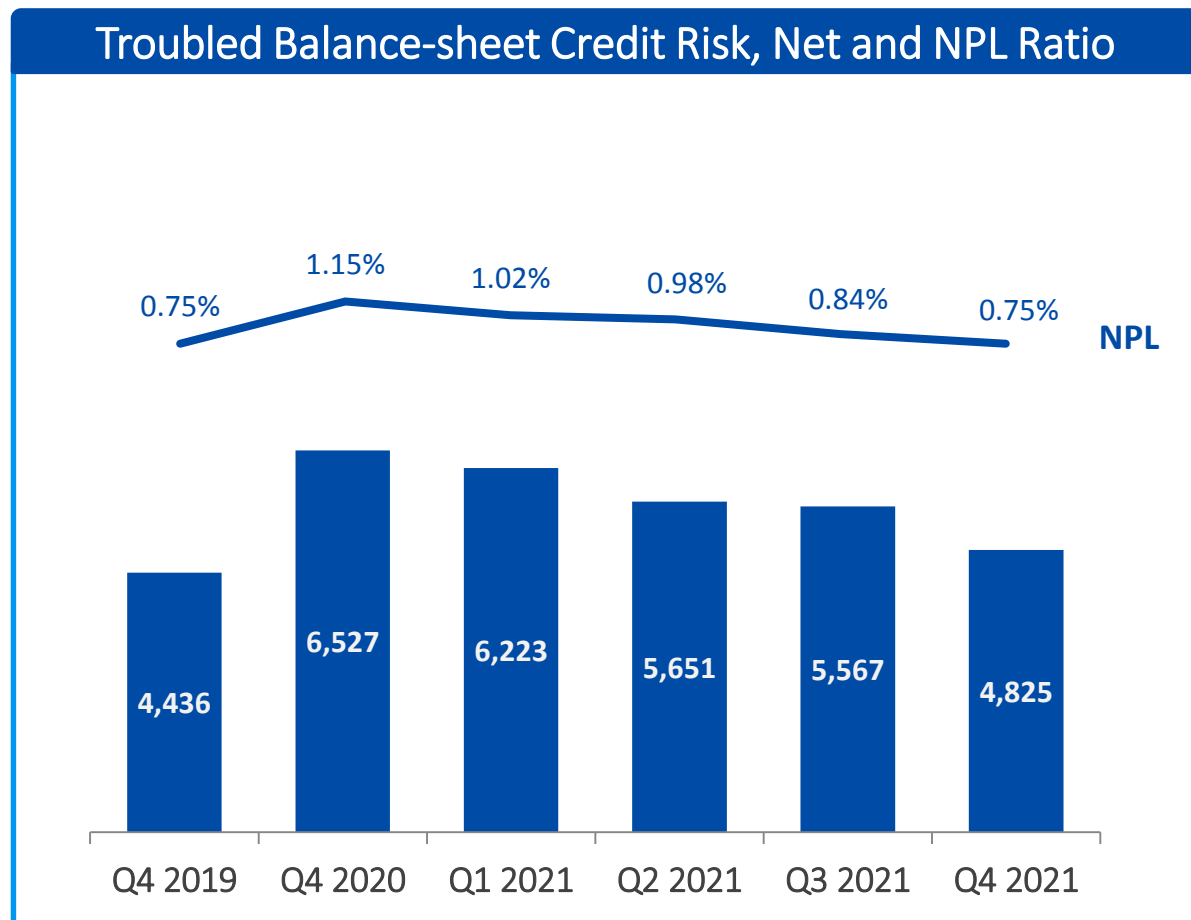
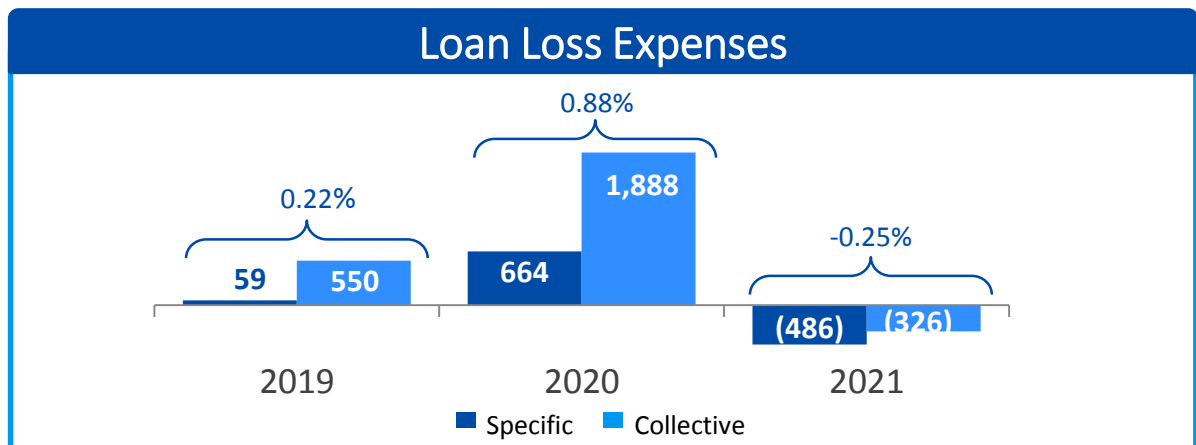
2020 vs. 2021 – Breakdown of Income and Expenses



(NIS Millions)



Monitoring our Loan Portfolio in Light of COVID-19

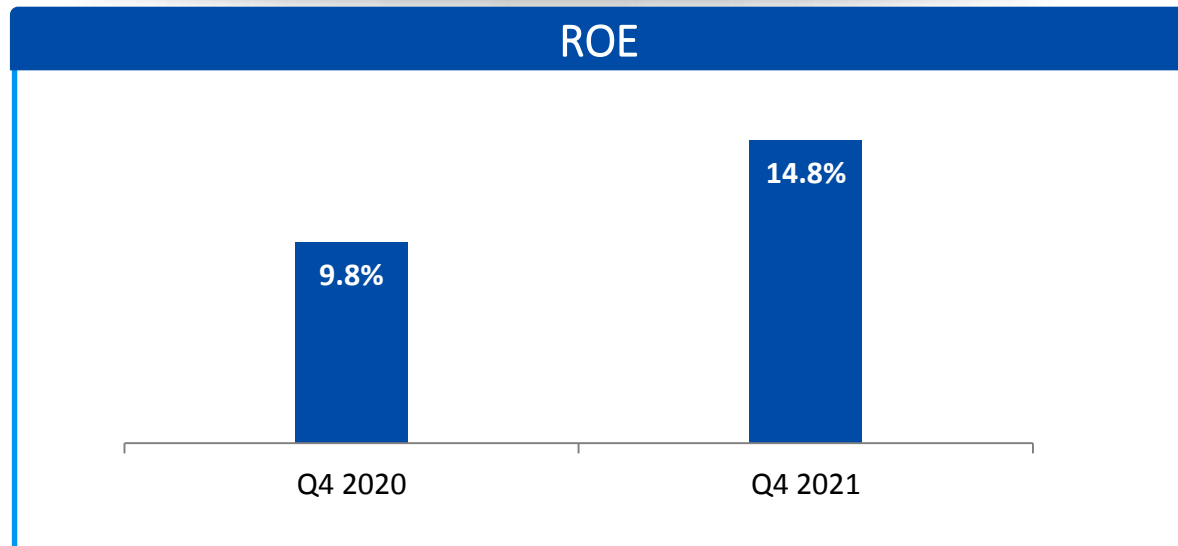
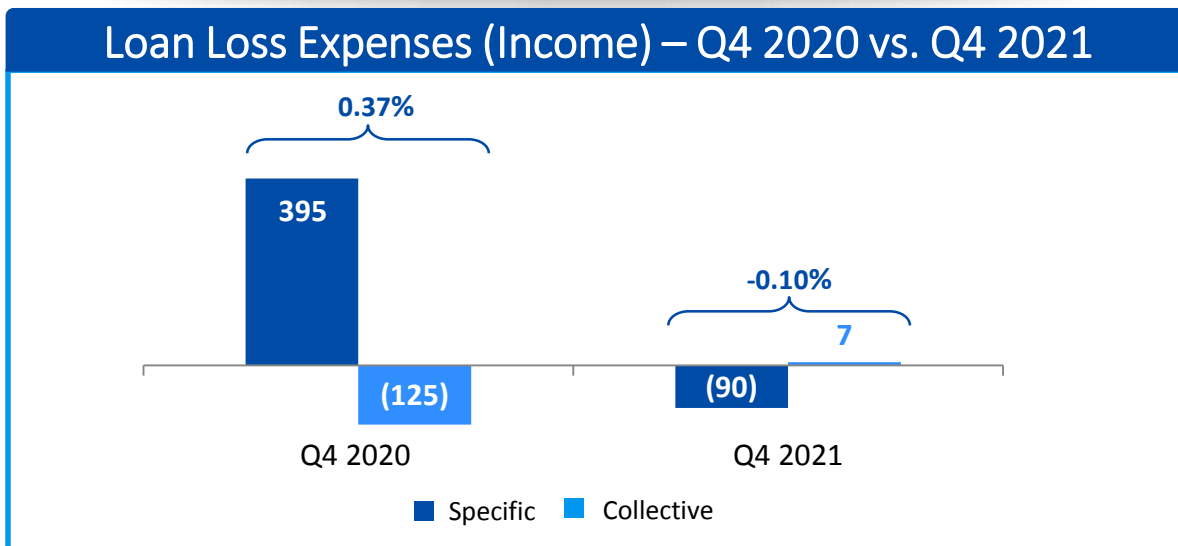
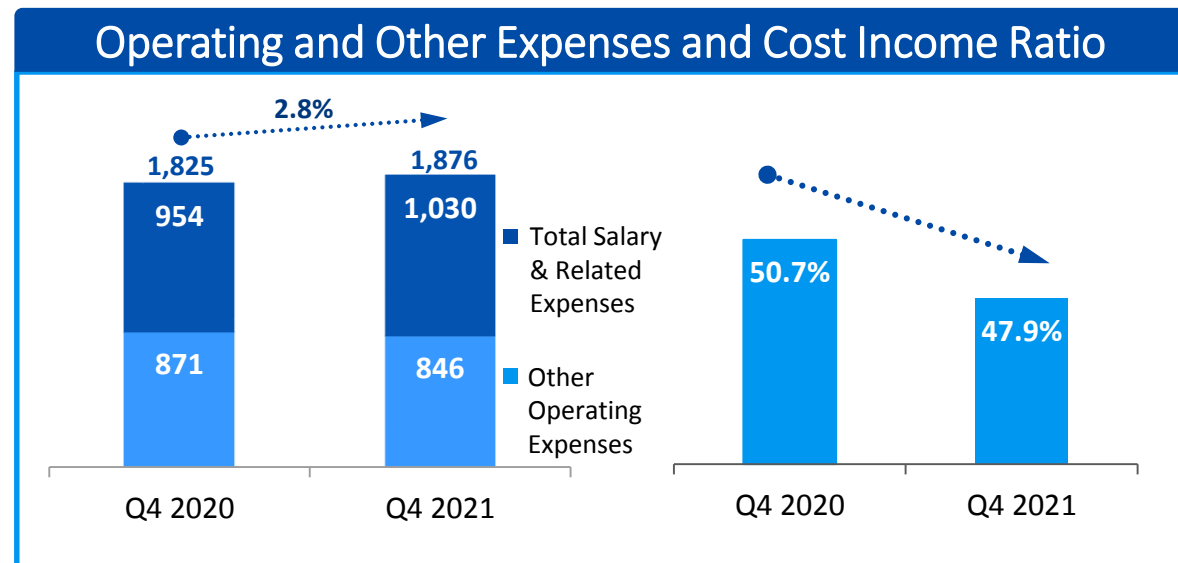
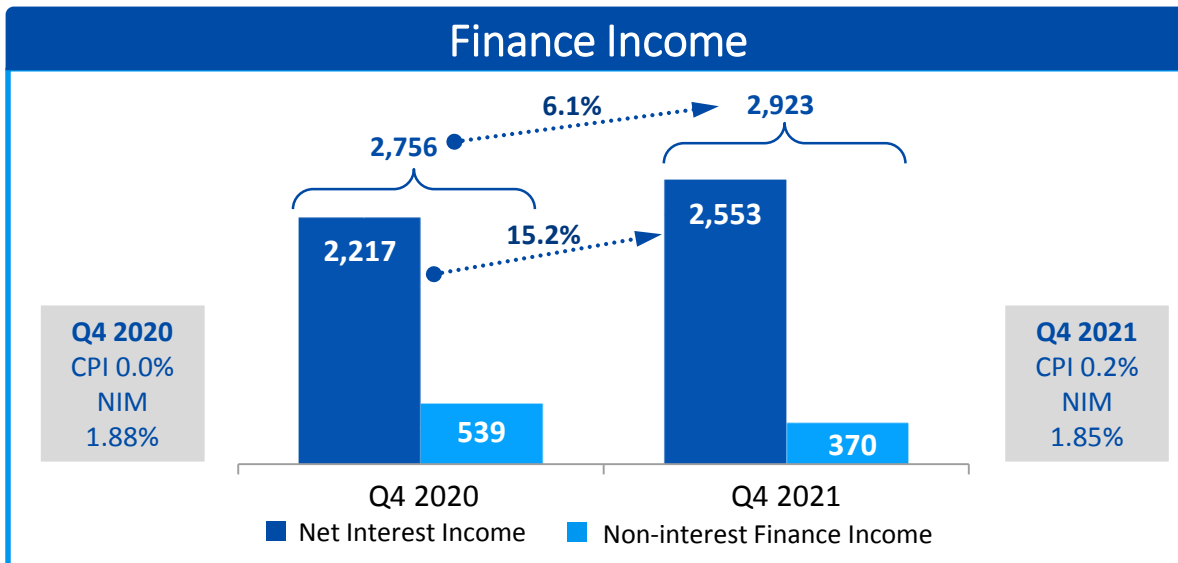


CECL- The Bank adopted the new directives starting January 1, 2022 with estimated effect of LLP increase (including for off-balance-sheet credit exposures in Other liabilities) for: (1) credit to private individuals - NIS 0.1 billion; (2) LLP increase for commercial credit - NIS 0.7 billion; and (3) LLP decrease for housing credit - NIS 0.2 billion.

*Does not include provision for off-balance sheet items, 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, (NIS Millions)



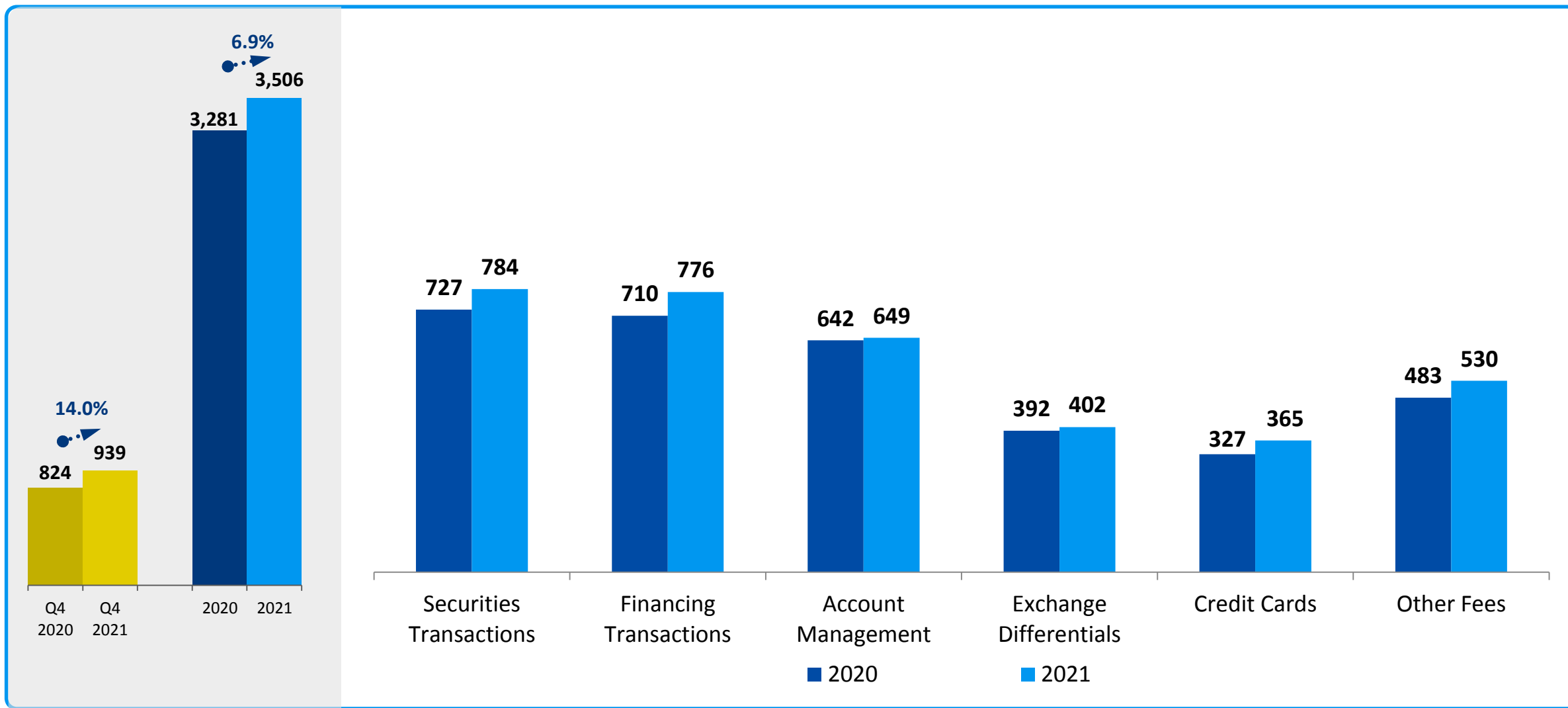
Q4 2020 vs. Q4 2021 – Breakdown of Income and Expenses



(NIS Millions)



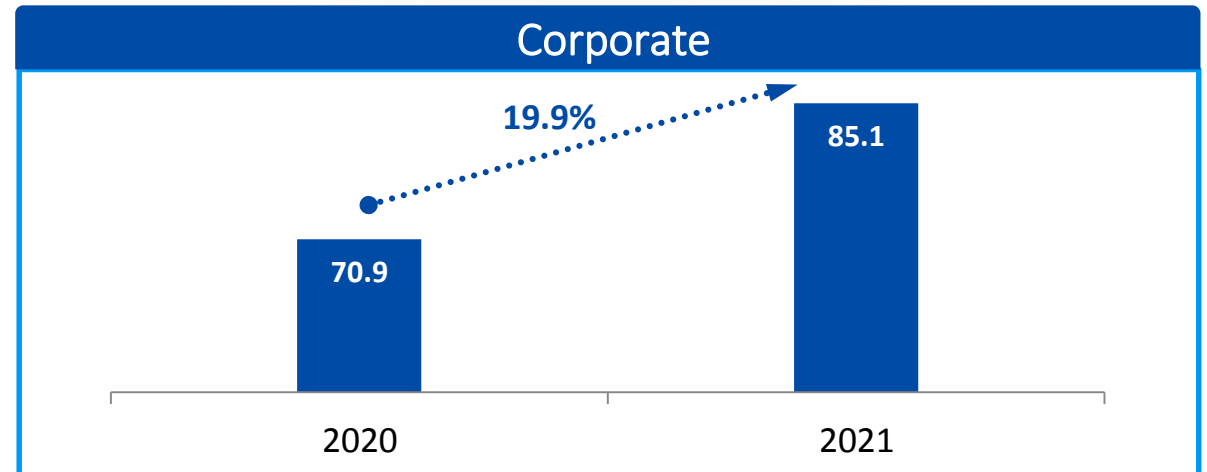
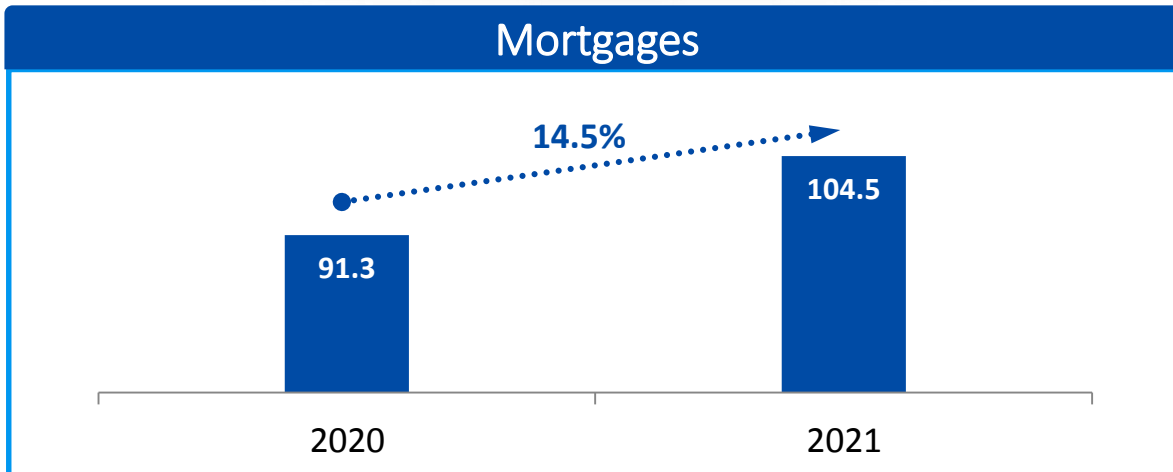
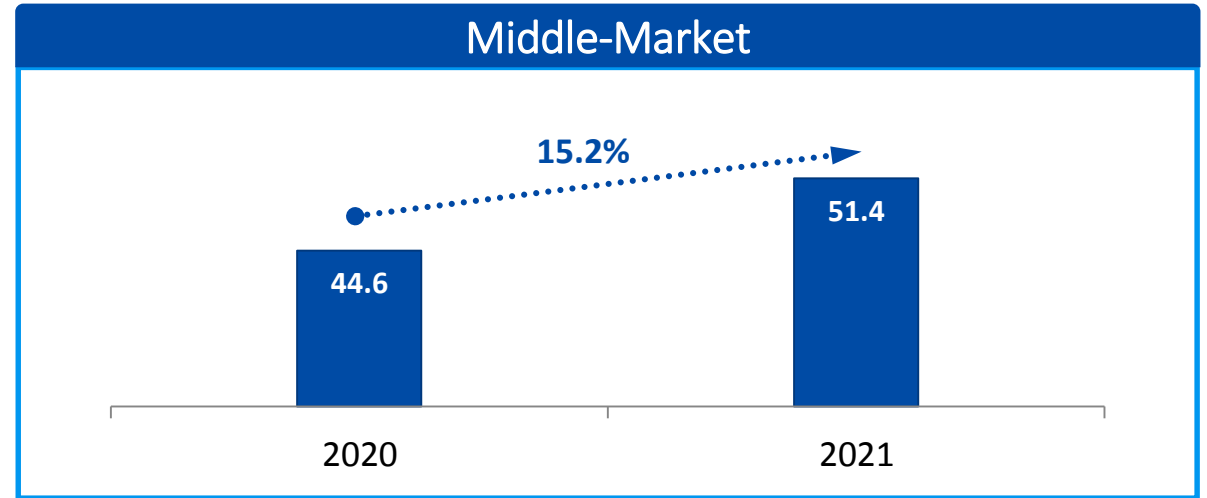
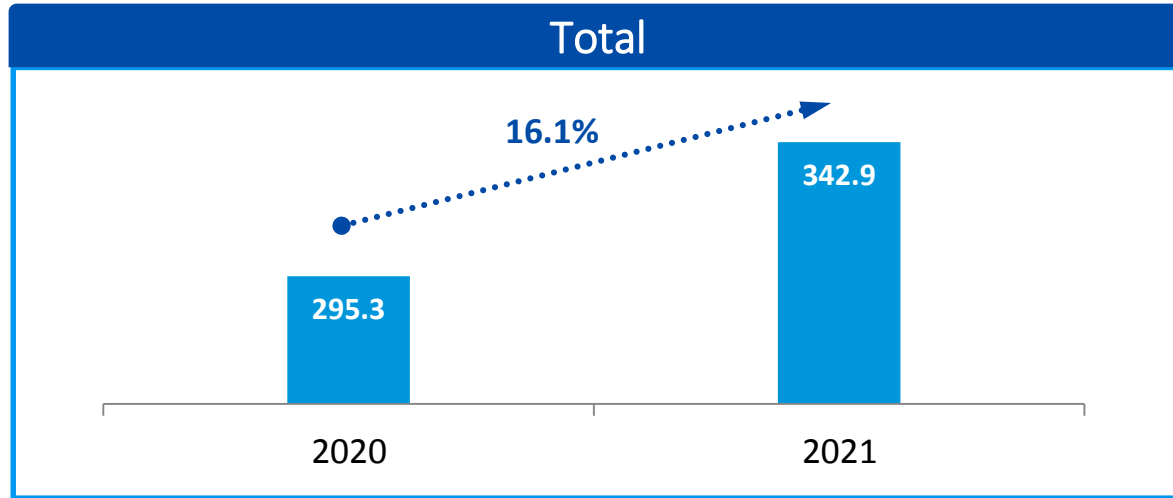
2020 vs. 2021 - Fees and Commissions Performance



(NIS Millions)



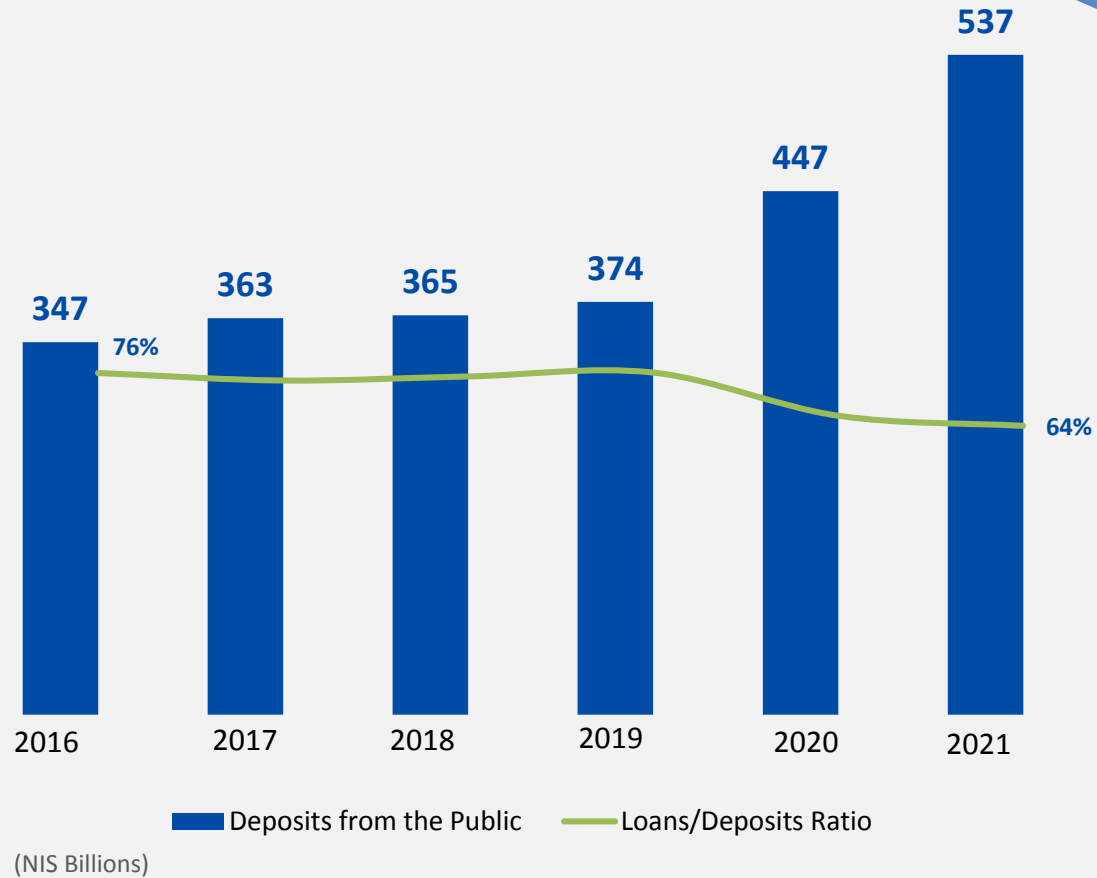
Loan Growth Continues in Line with Strategy



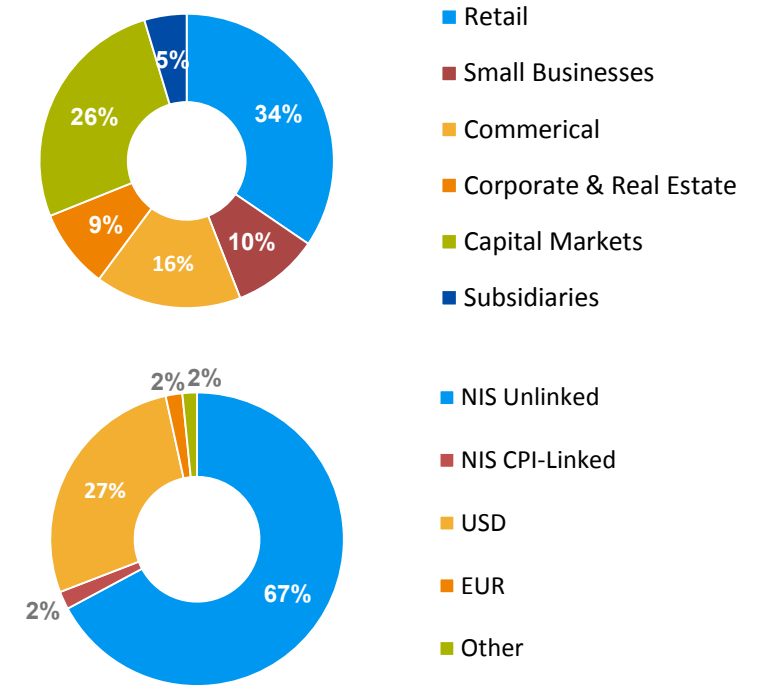
(NIS Billions)
Corporate includes Corporate and Real-Estate. The growth is mainly from Real-Estate.



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



Deposits from the Public December 31, 2021

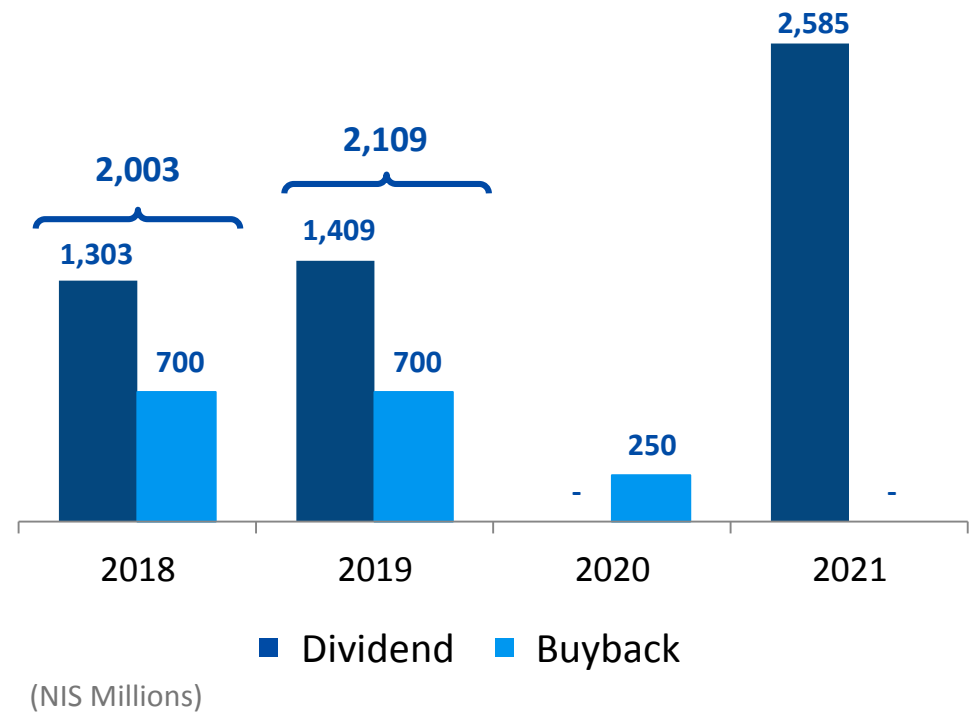


Dividend Distribution and Announcement

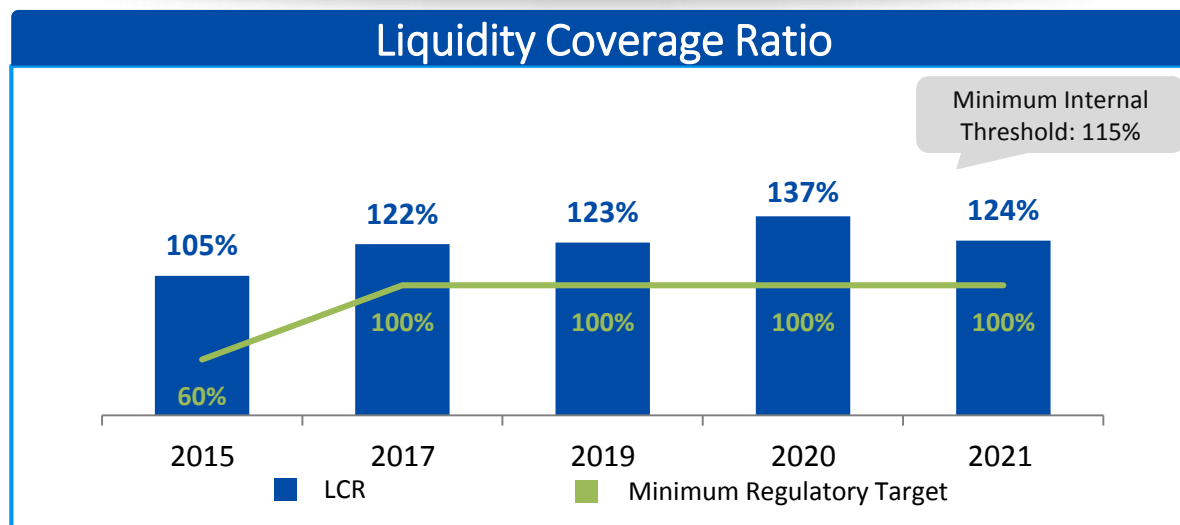
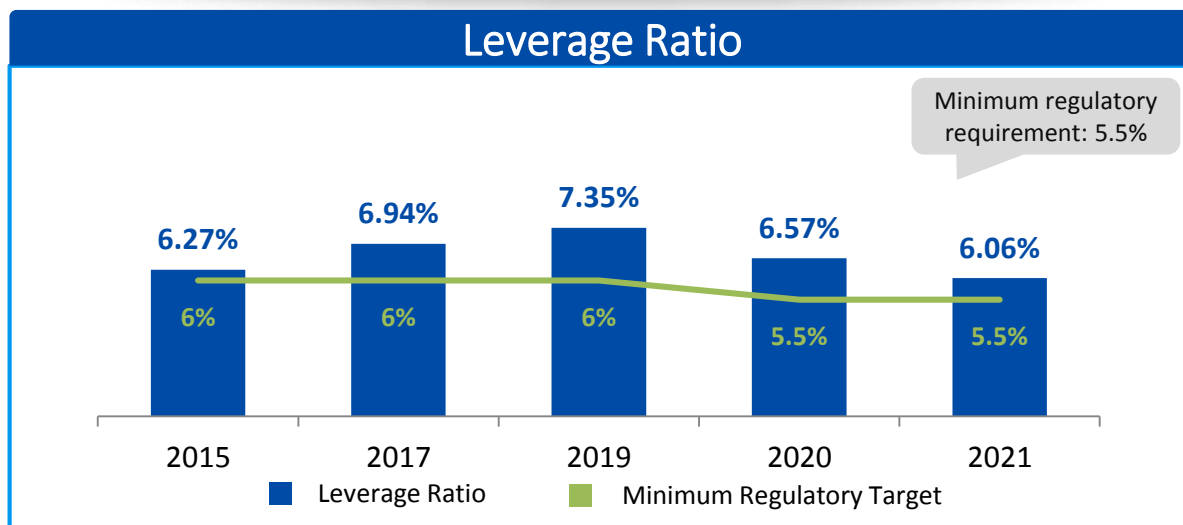
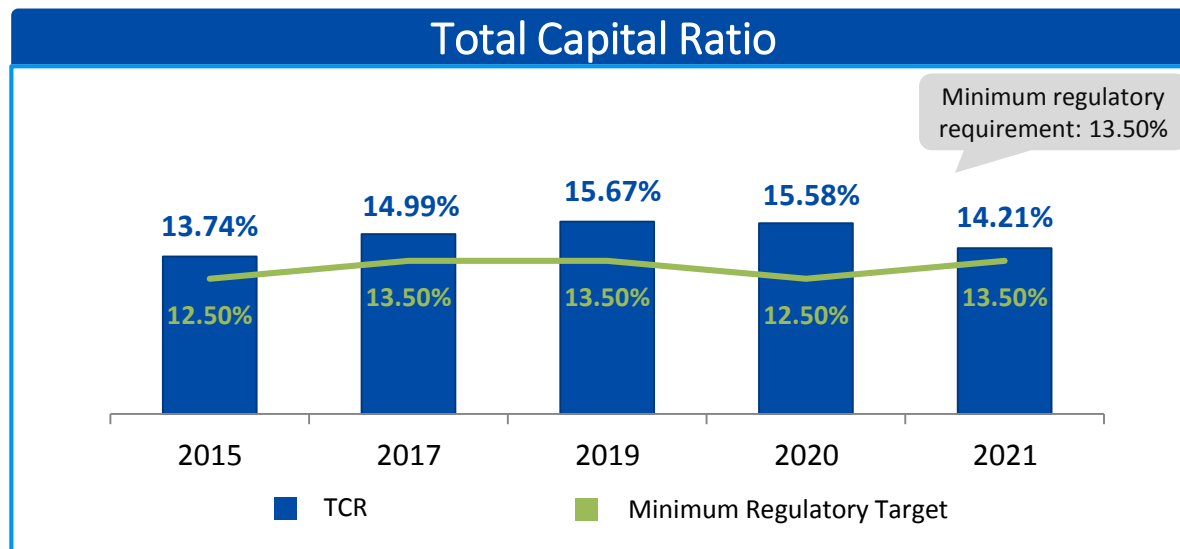
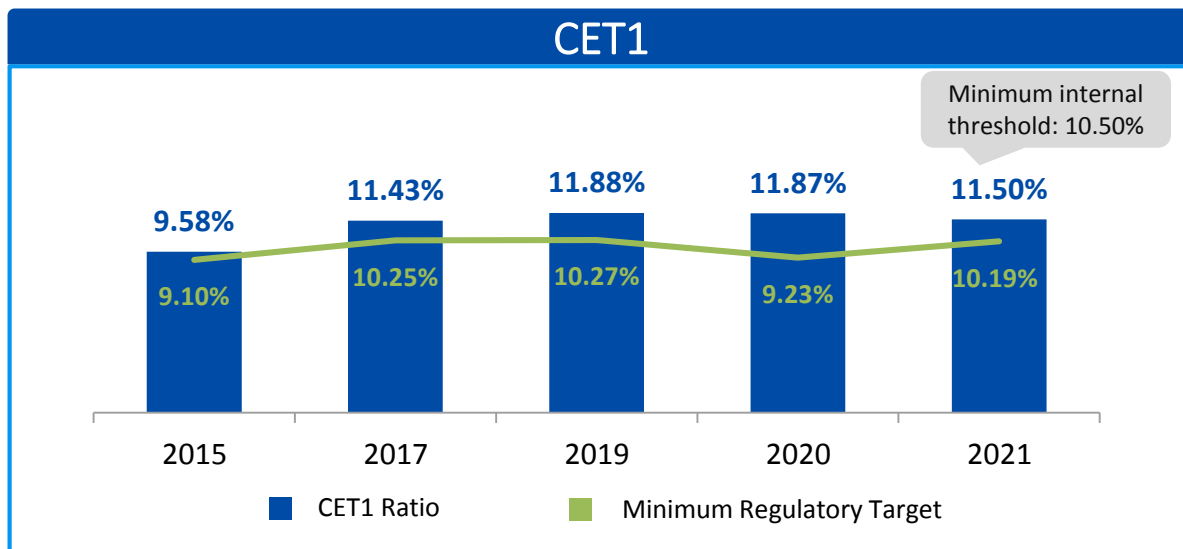
Dividends

- Since Covid-19 eruption until June 2021 BOI restricted dividends and buy-backs.
- BOI allowed dividend distribution of up to 30% of 2020 and 9M of 2021 net income ; Leumi distributed the maximum totaling NIS 1,997M.
- Leumi announced a dividend of NIS 588M (40% of Q4 2021 net income).

Return to Shareholders



Solid Capital and Leverage Ratios



Regulatory and internal thresholds for CET1 and TCR are as of January 1, 2022.



Wrapping Up

Strong growth in credit portfolio, focused on Mortgages, Middle Market and Corporate

Significant improvement in cost income ratio

High ROE, no intangible assets

Robust capital surplus and high dividend distribution

NIS 650-750M after tax profit to be recorded with the merger of BLUSA with Valley National





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Q&A



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