

Q2 2023



Financial results presentation

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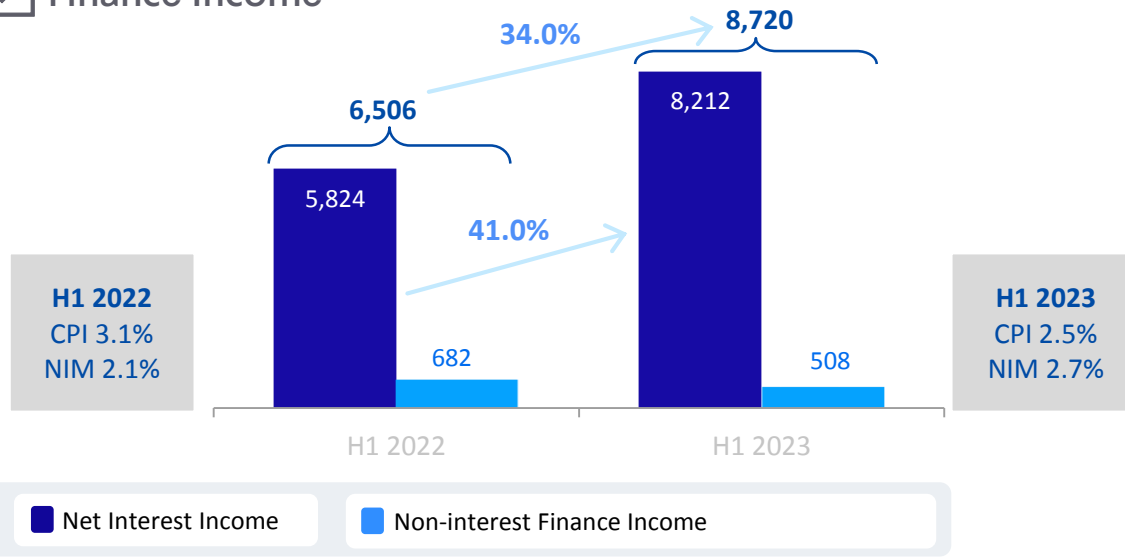
Strong underlying performance

Key financial metrics

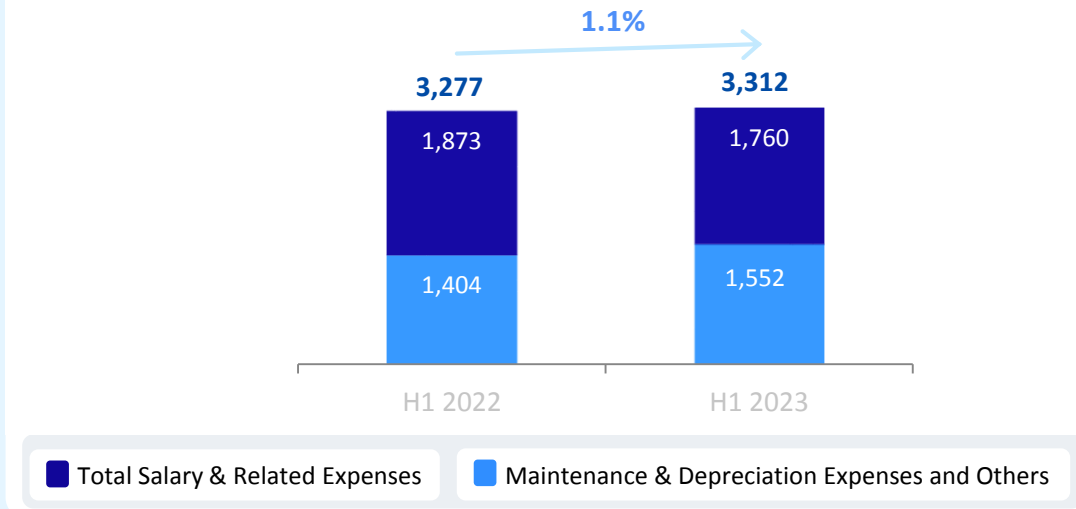
	Q2 2023	H1 2023	FY 2022
Net Income	2,453	3,434	7,709
ROE	19.4%	13.6%	17.0%
Cost Income Ratio	29.5%	31.0%	37.2%
Credit Loss Expenses	0.31%	0.36%	0.13%
Net Loan Growth	1.4% <small>Q-o-Q</small>	6.4% <small>YTD</small>	18.4% <small>Y-o-Y</small>
Core Deposit Growth	2.2% <small>Q-o-Q</small>	5.4% <small>YTD</small>	9.5% <small>Y-o-Y</small>

H1 2023 vs. H1 2022 – Breakdown of Income and Expenses

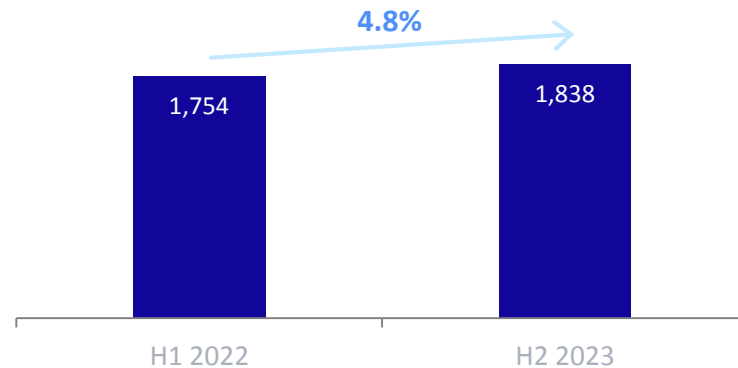
Finance Income



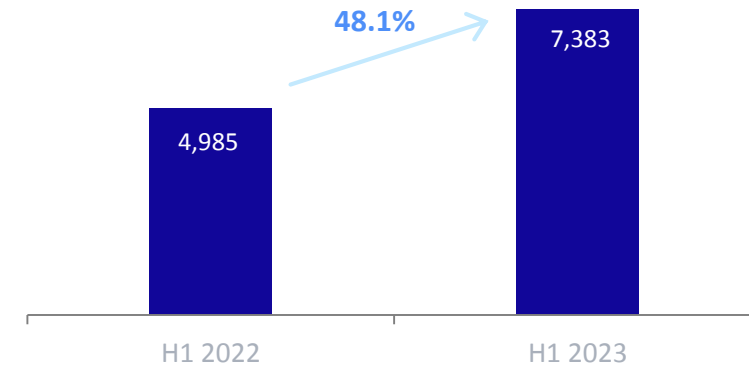
Operating and Other Expenses



Fees and Commissions

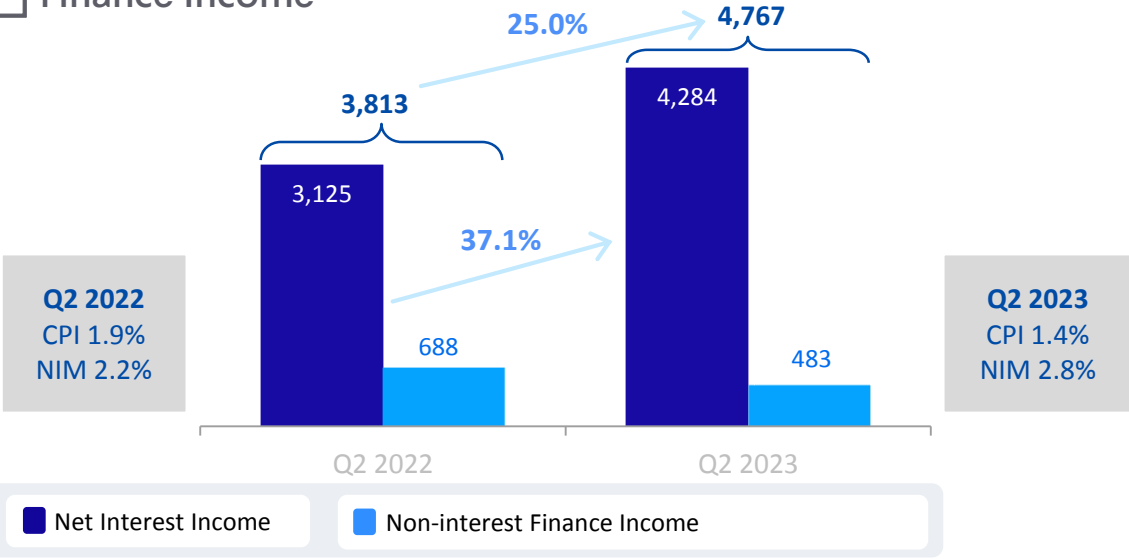


PPNR – Pre Provisions Net Revenue

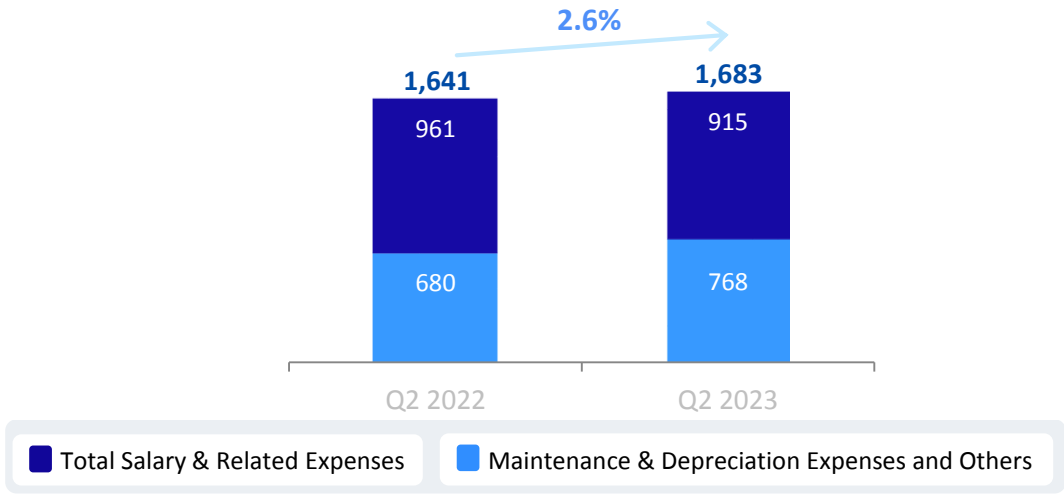


Q2 2023 vs. Q2 2022 – Breakdown of Income and Expenses

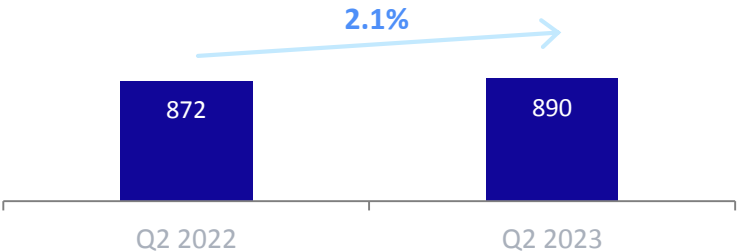
Finance Income



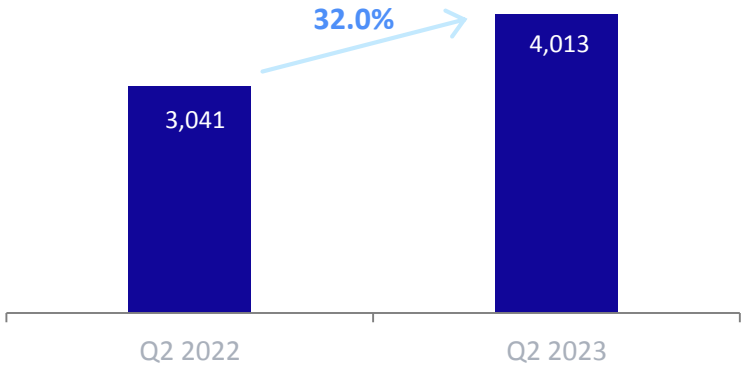
Operating and Other Expenses



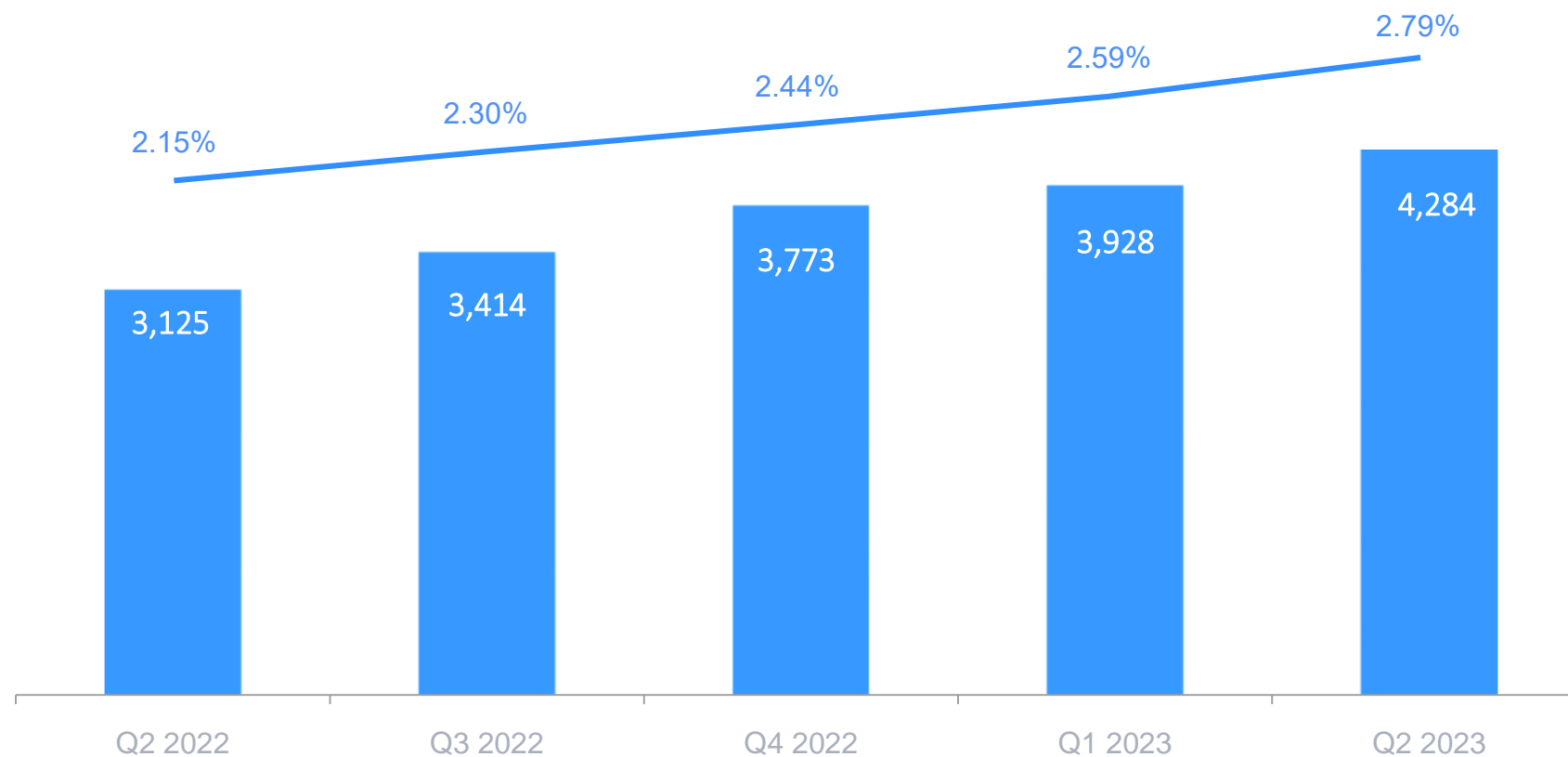
Fees and Commissions



PPNR – Pre Provisions Net Revenue



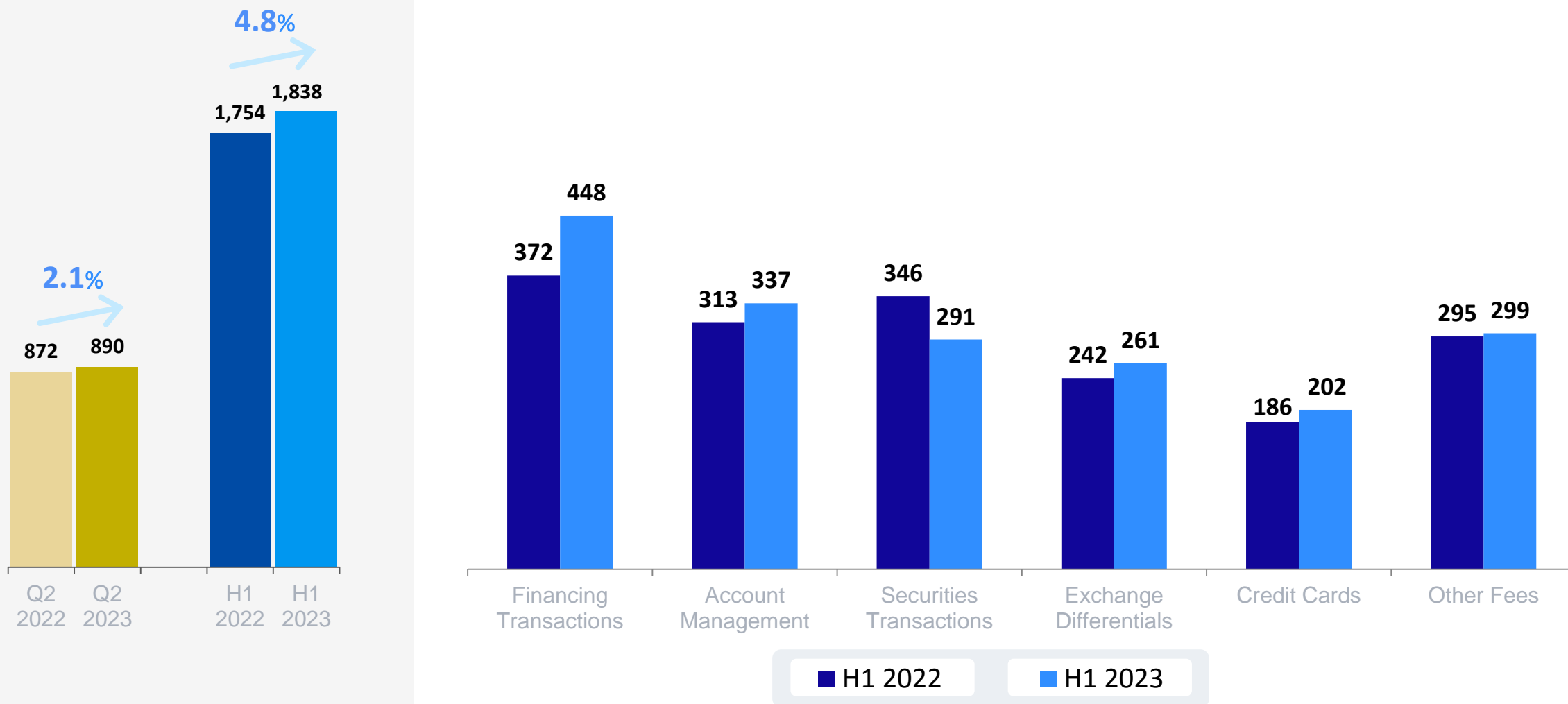
Rising Net Interest Income and NIM



**~37% y-o-y
increase in Net
Interest
Income**

(NIS Millions)

Fees and Commissions Performance Year-over-Year

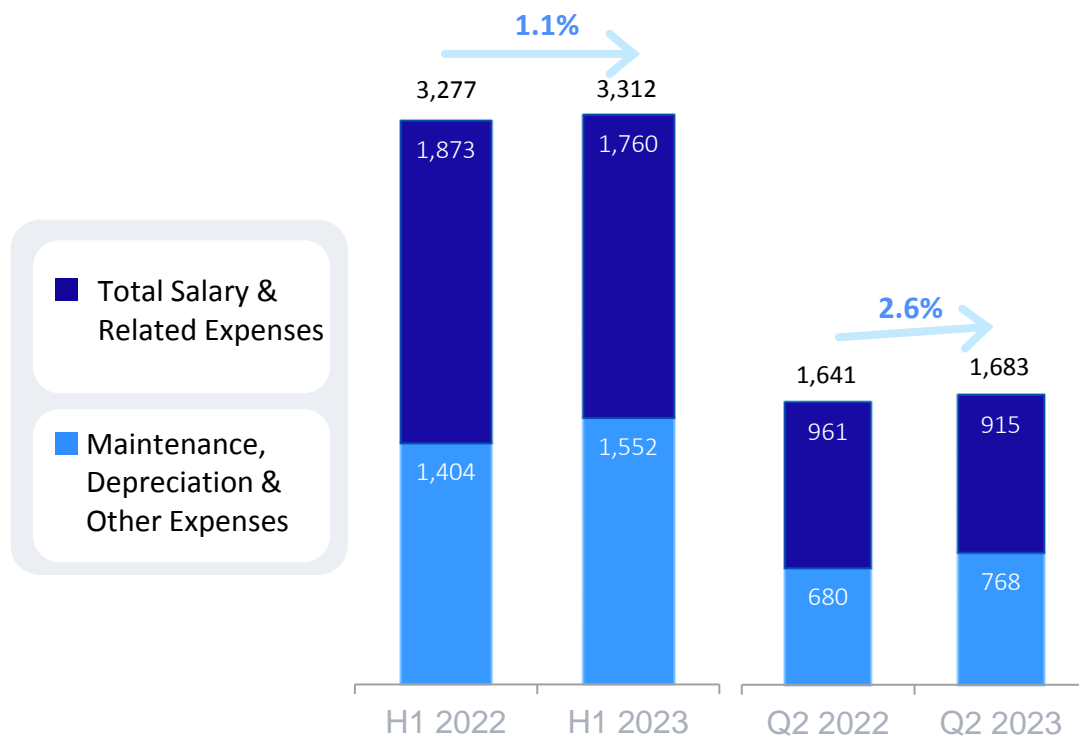


(NIS Millions)

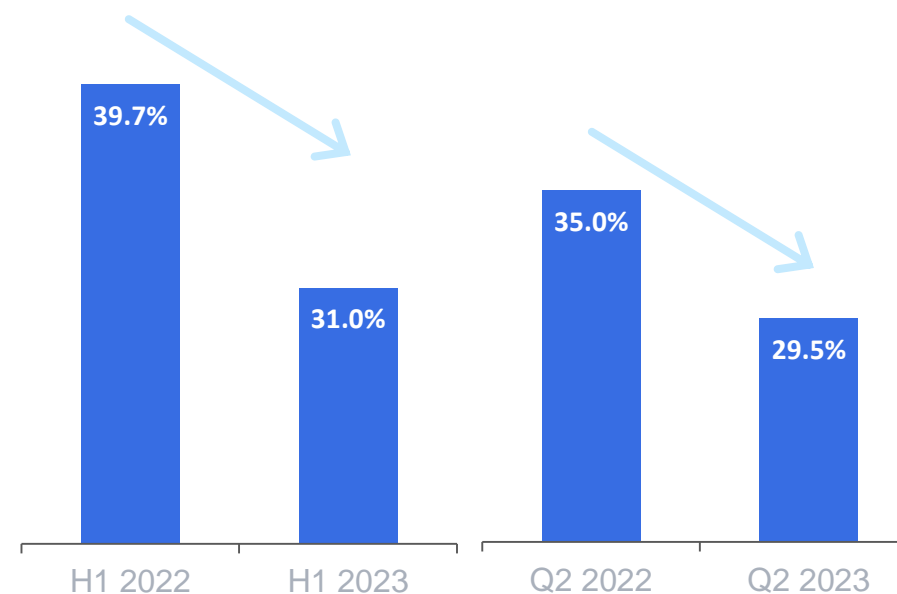
H1 2022 is excluding Leumi USA.

Consistent Improvement in Cost Structure

📈 Total Expenses



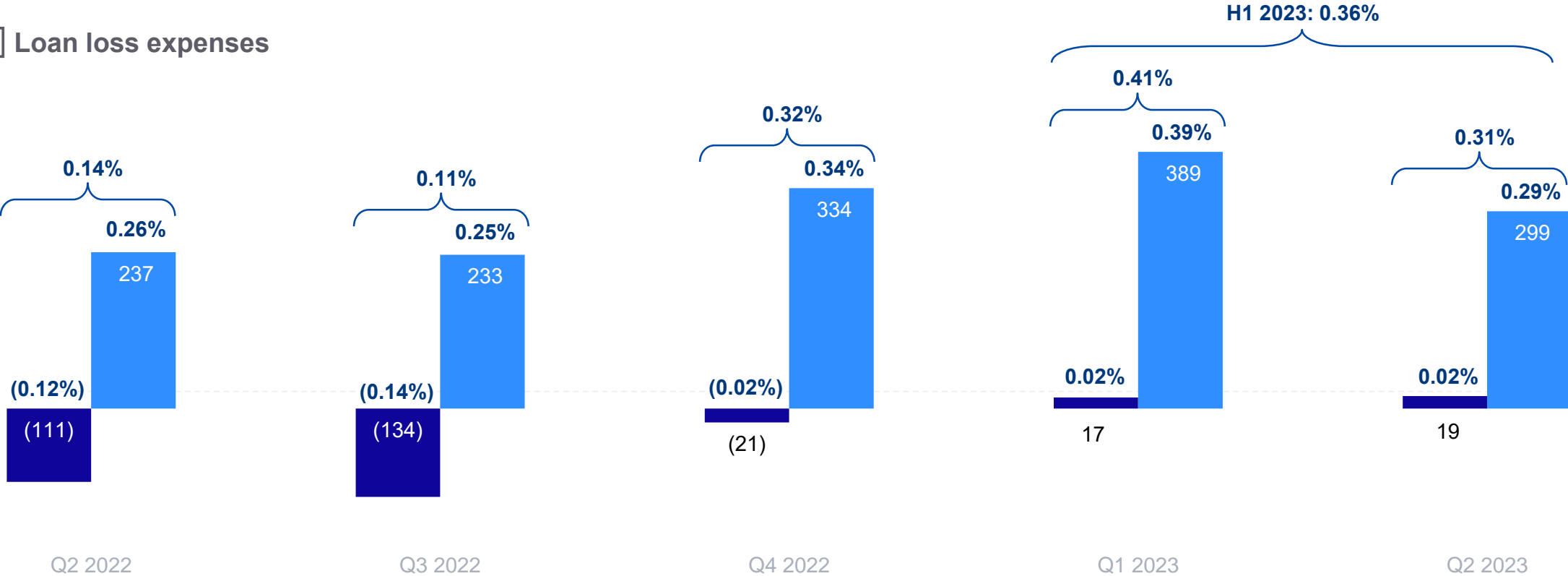
📈 Cost-Income Ratio



(NIS Millions)
H1 2022 is excluding Leumi USA.

Stable loan loss expenses, With negligible specific provisions

Loan loss expenses

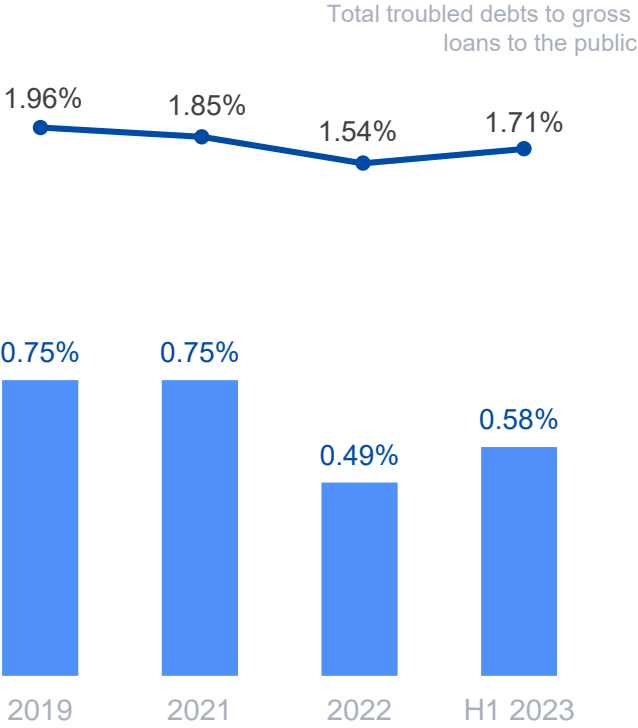


Specific Collective

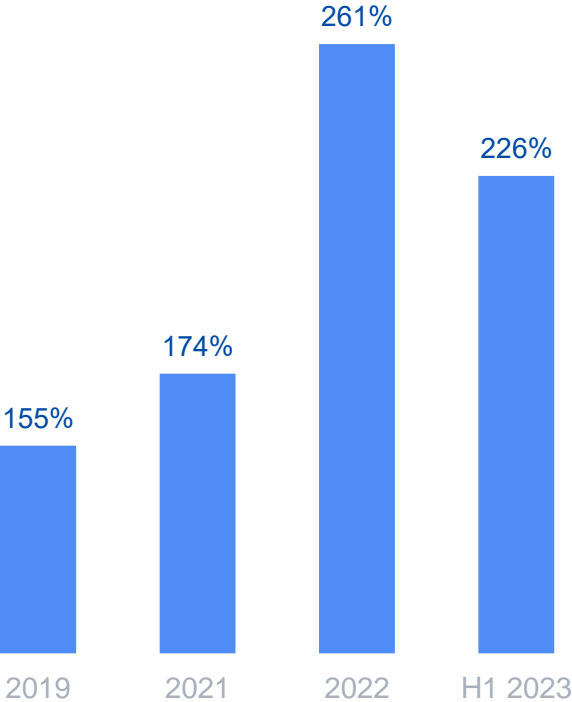
(NIS Millions)

While credit quality indicators remain robust

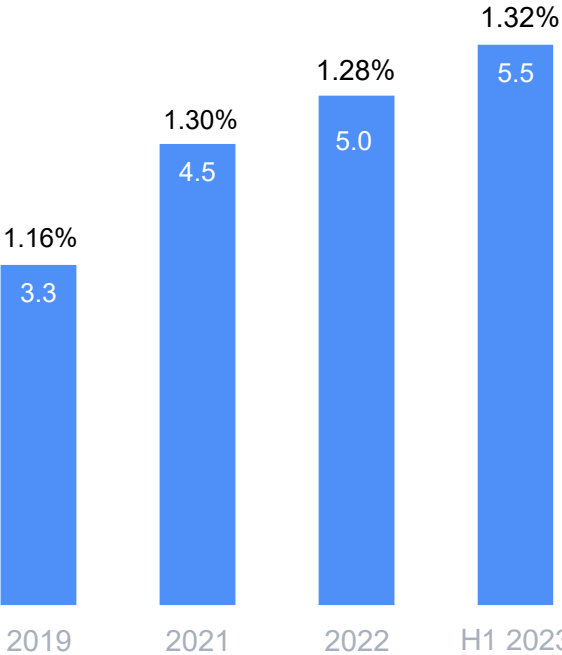
↗ NPL Ratio



↗ Total Provisions / NPLs

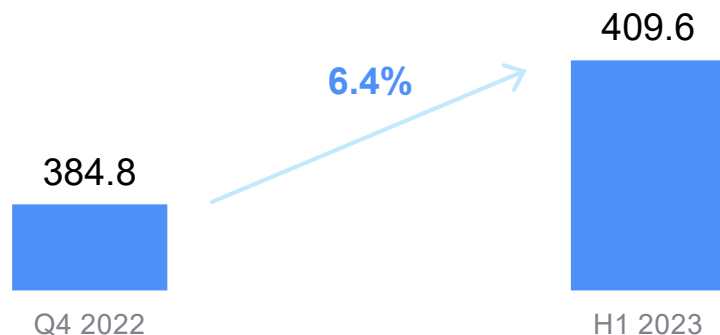


↗ Total Provisions / Gross Loans

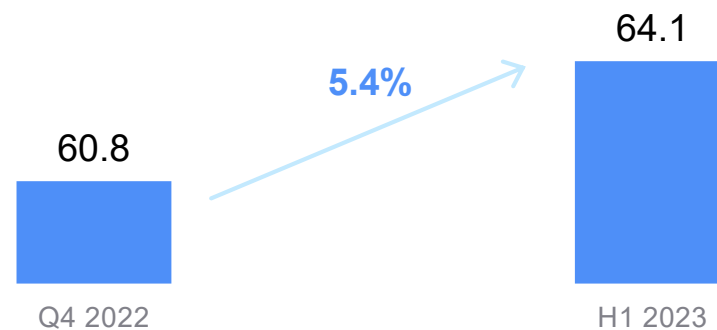


Loan growth in-line with strategy

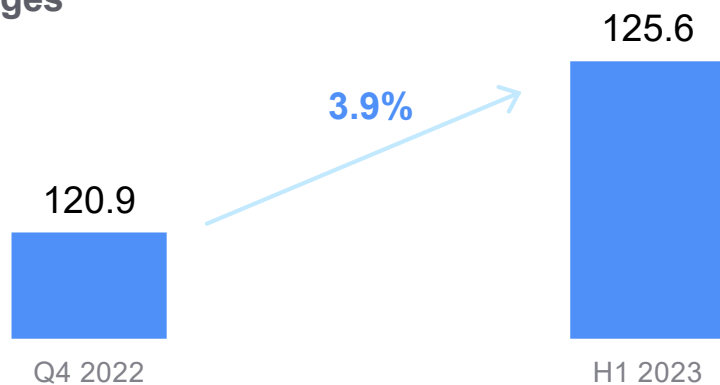
☒ Total Loans



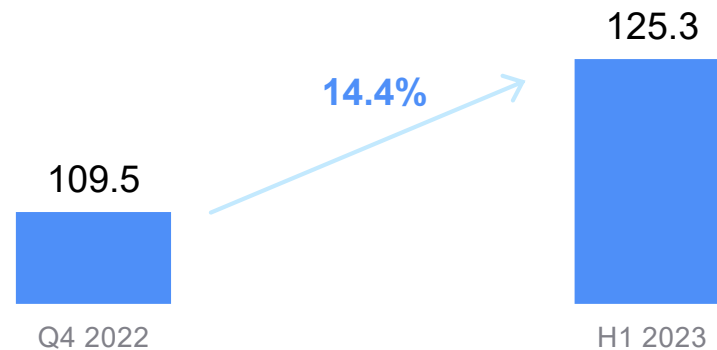
☒ Middle-Market



☒ Mortgages

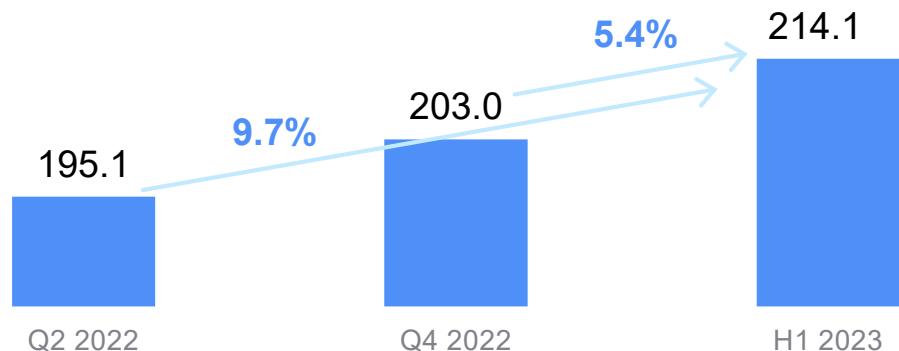


☒ Corporate

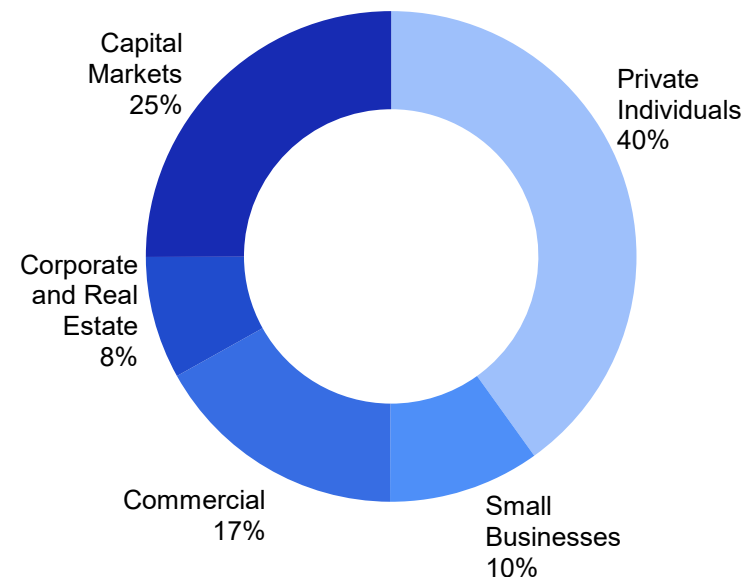


Expanding and diversifying deposit base

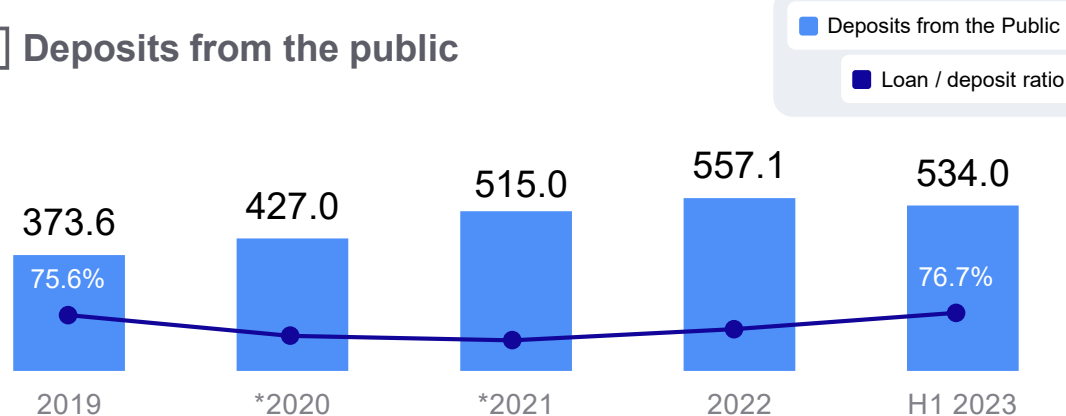
Core Deposits (in Israel)



Diversified deposit base



Deposits from the public



121%
NSFR⁽¹⁾

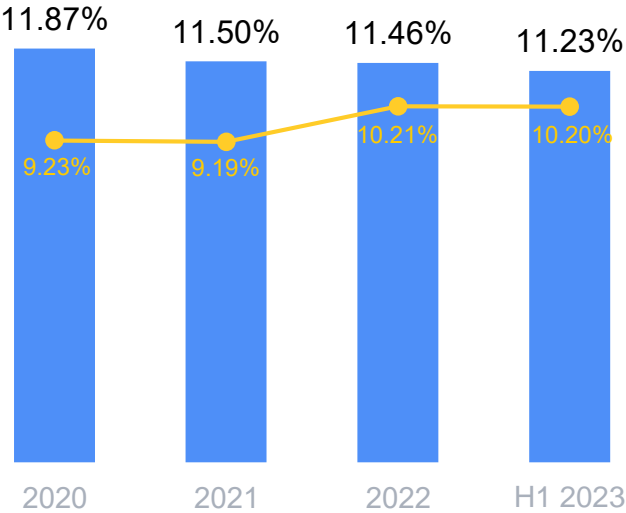
128%
LCR⁽²⁾

(NIS Billions)

12 Core Deposits = Deposits from Private Individuals. * Excluding Leumi USA. (1) Net Stable Funding Ratio. (2) Liquidity Coverage Ratio.

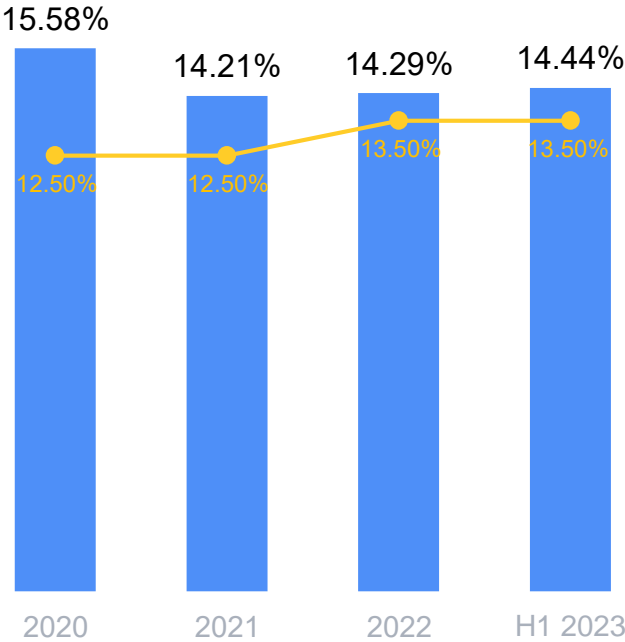
Solid capital and leverage ratios

CET1



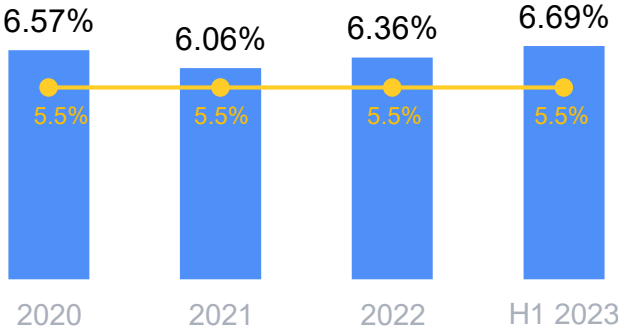
CET1 Ratio Minimum Regulatory Target

Total Capital Ratio



TCR Minimum Regulatory Target

Leverage Ratio



Leverage Ratio Minimum Regulatory Target

Regulatory and internal thresholds for CET1 and TCR are as of June 30th, 2023.

Investment highlights

1

National banking champion with diversified business model and leading in digital transformation

2

Consistent and strong financial performance

Pre-tax profit of ~NIS 800m from selling HQ buildings to be recorded in Q4 / Q1 2024

3

Best-in-class cost income ratio

4

Robust credit quality indicators – low NPLs and low problematic debts

5

Strong capital base and robust funding profile

6

Resilient Israeli economy with strong macro fundamentals

Q2 2023

Results
presentation

Thank you / Q&A 

Q2 2023

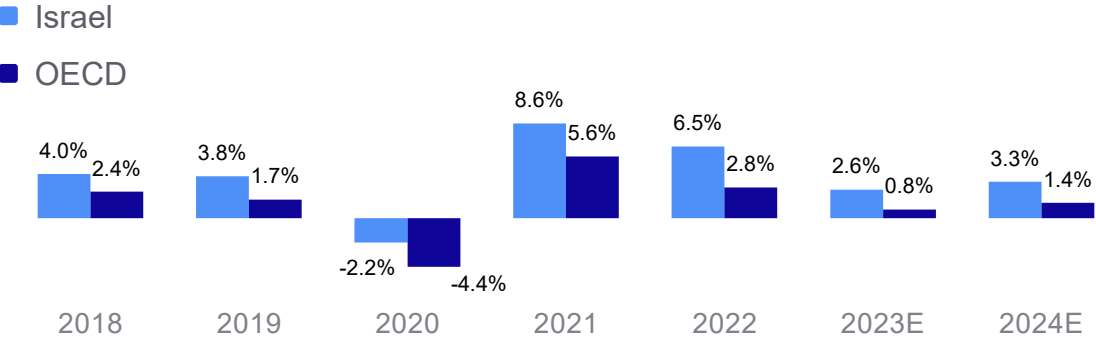
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Appendix

Israel market macro factors and indicators

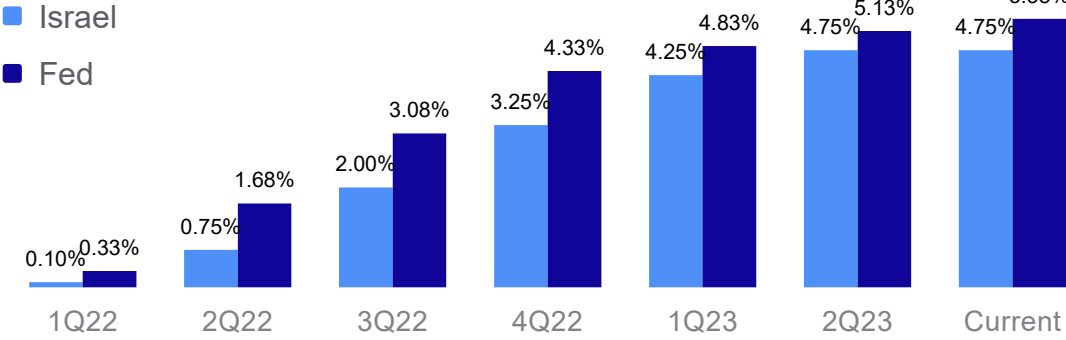
Robust economic growth

(Real GDP Growth)



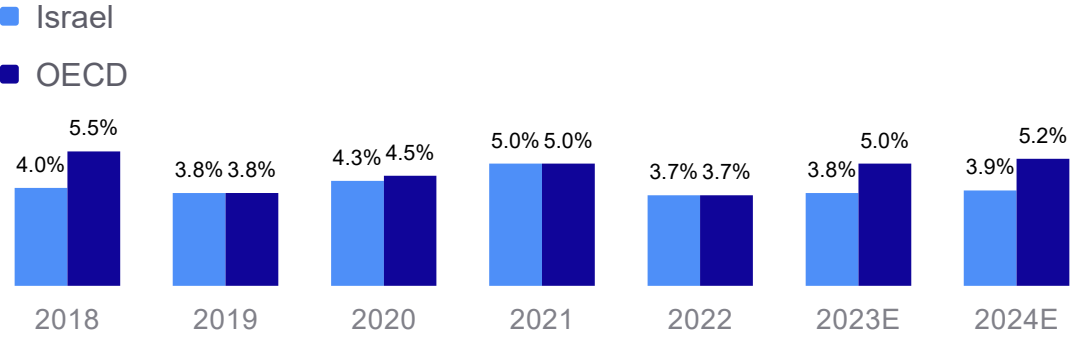
Rate cycle close to peak

(Rates⁽²⁾ Evolution)



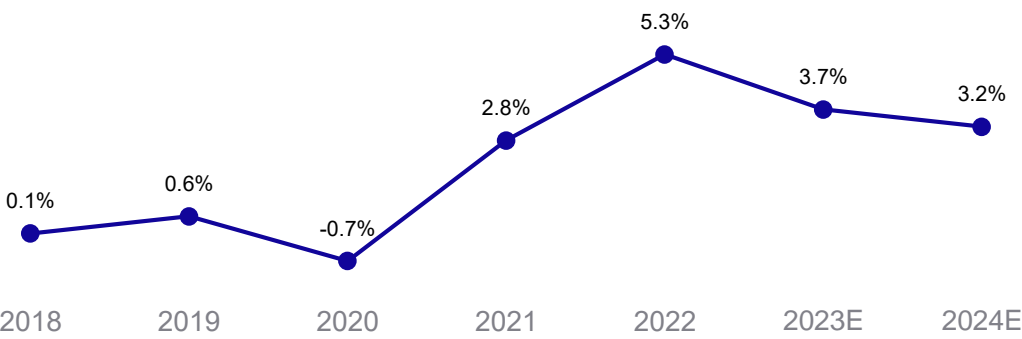
Strong labor market

(Unemployment Rate⁽¹⁾ Evolution)



Inflation slowing

(Inflation Evolution)



17 Source: OECD, BOI and CBS. 2023-24E forecasts for GDP, unemployment rate and inflation are Bank Leumi's estimates.
(1) Unemployment rate for the ages 25-64. (2) Fed Rates are Middle Rate.