

Q2 2023



# Financial results presentation

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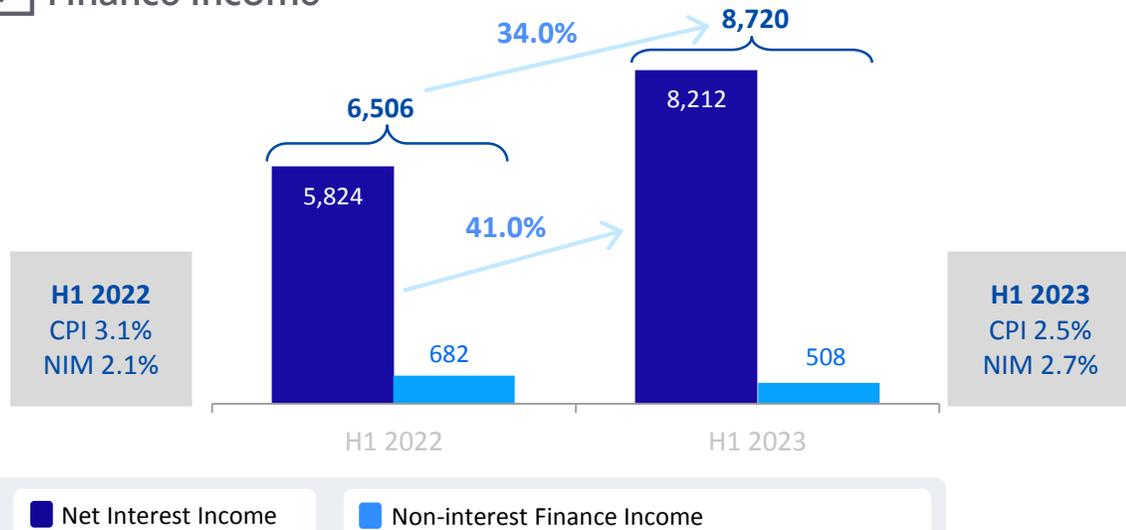
# Strong underlying performance

## Key financial metrics

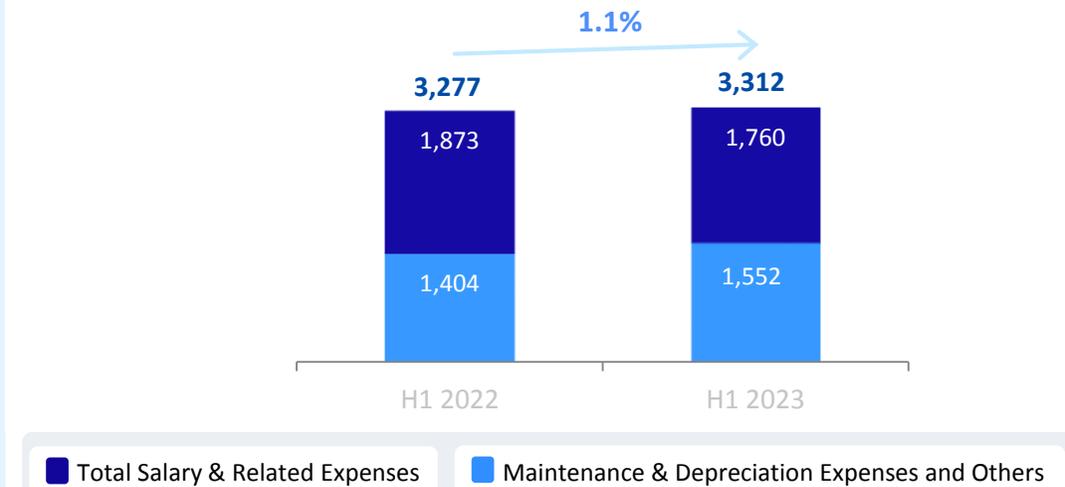
	Q2 2023	H1 2023	FY 2022
Net Income	<b>2,453</b>	<b>3,434</b>	<b>7,709</b>
ROE	<b>19.4%</b>	<b>13.6%</b>	<b>17.0%</b>
Cost Income Ratio	<b>29.5%</b>	<b>31.0%</b>	<b>37.2%</b>
Credit Loss Expenses	<b>0.31%</b>	<b>0.36%</b>	<b>0.13%</b>
Net Loan Growth	<b>1.4%</b> <small>Q-o-Q</small>	<b>6.4%</b> <small>YTD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

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

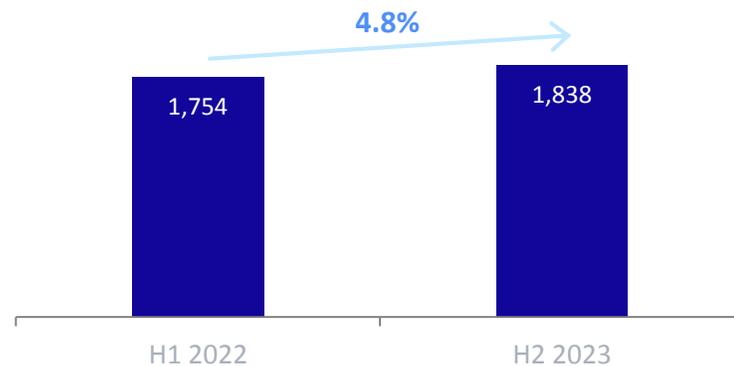
## Finance Income



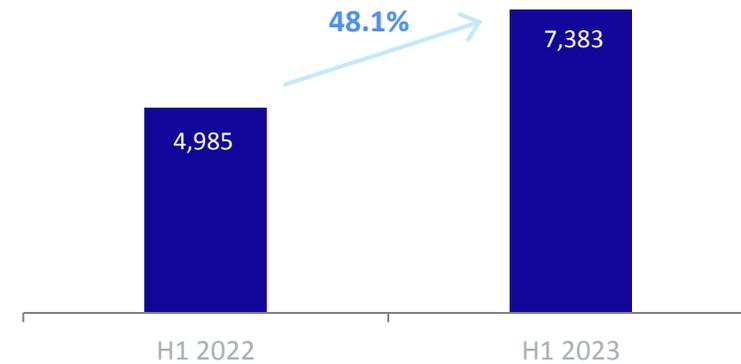
## Operating and Other Expenses



## Fees and Commissions

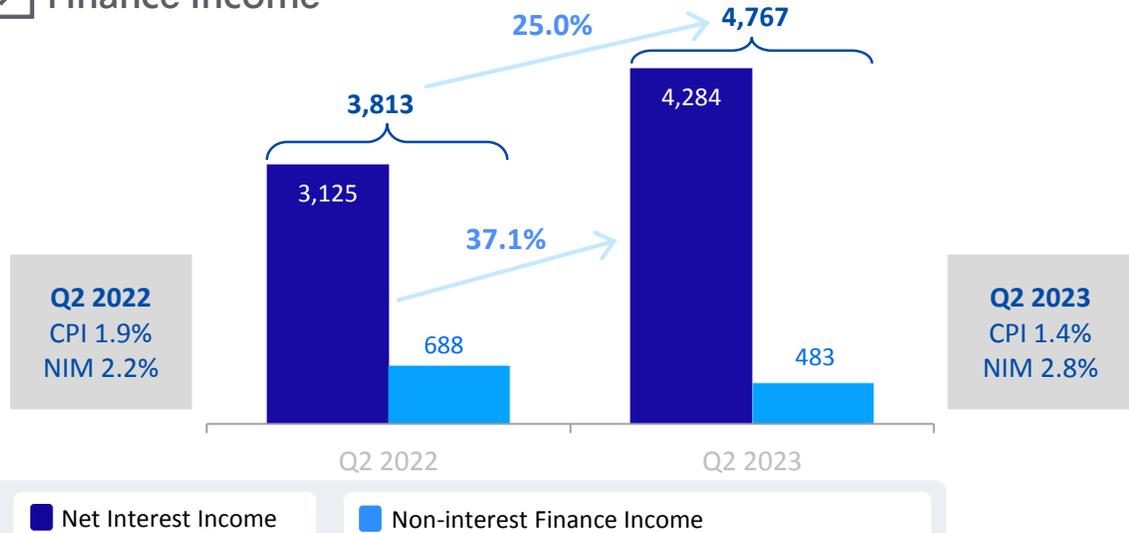


## PPNR – Pre Provisions Net Revenue

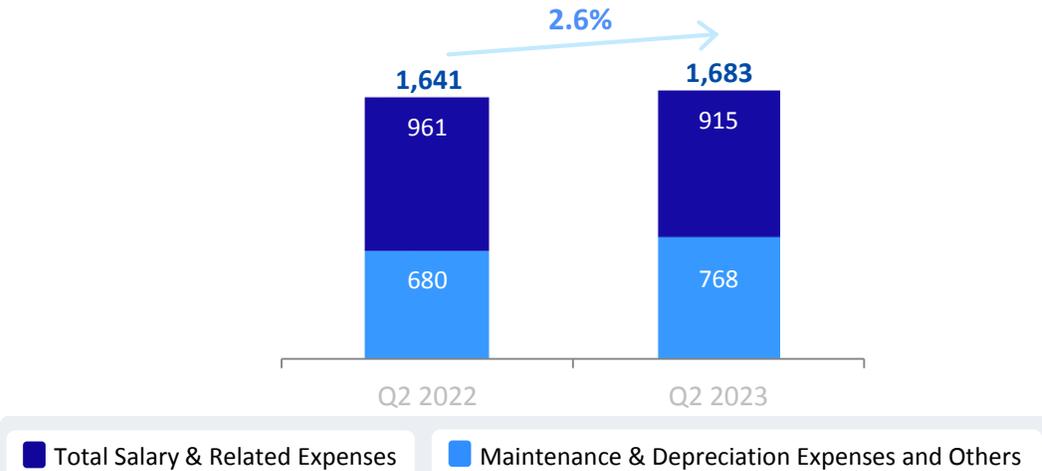


# Q2 2023 vs. Q2 2022 – Breakdown of Income and Expenses

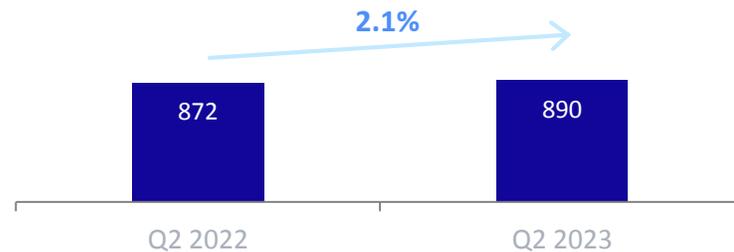
## Finance Income



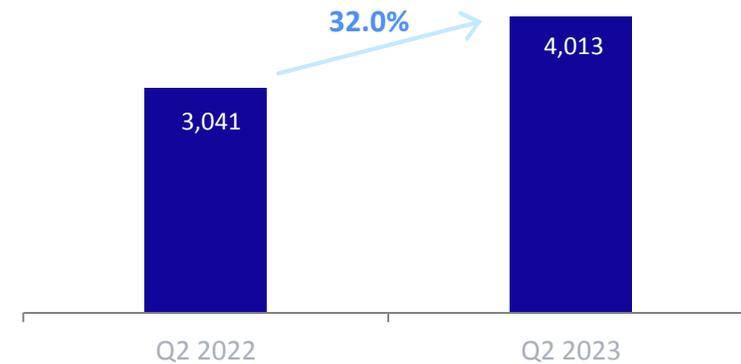
## Operating and Other Expenses



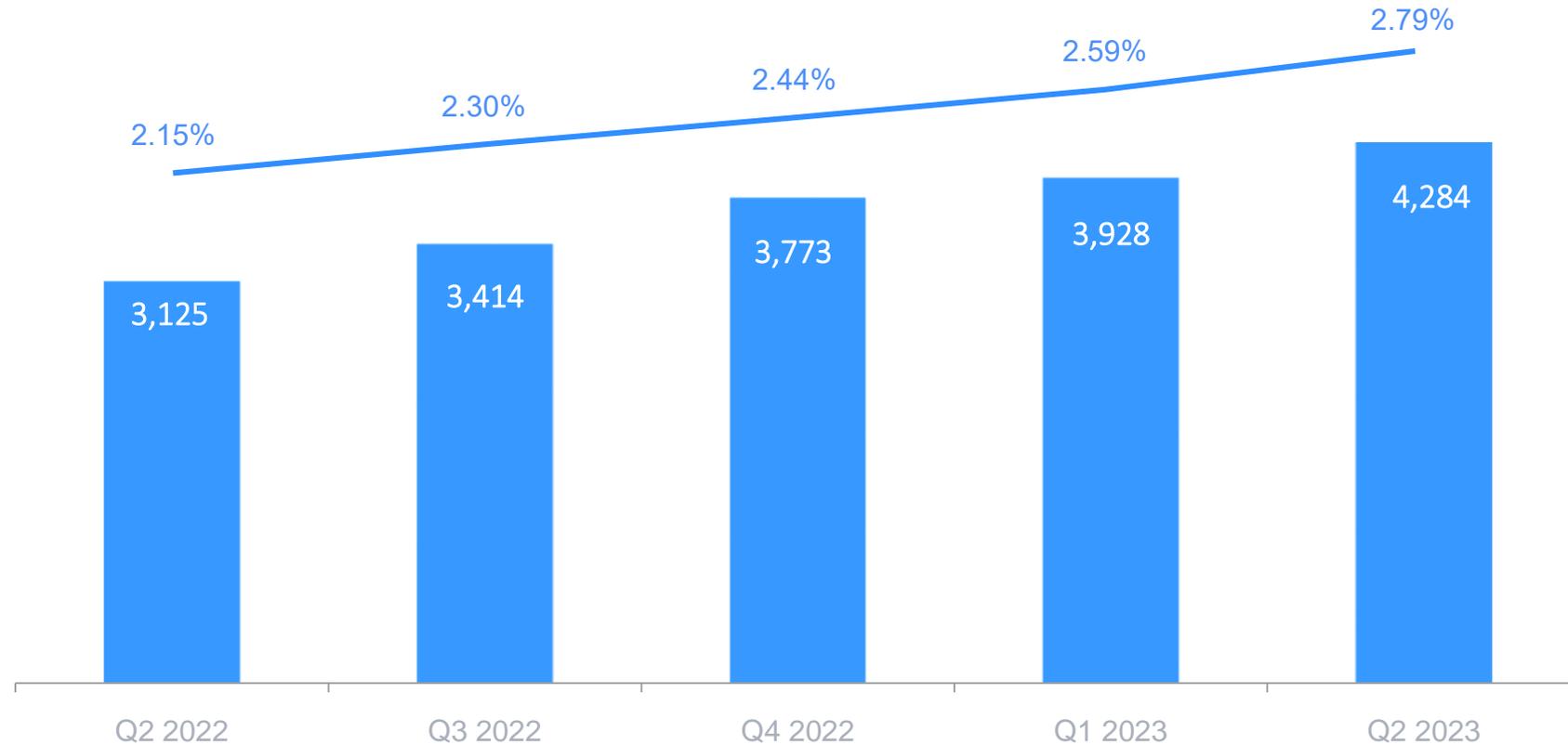
## Fees and Commissions



## PPNR – Pre Provisions Net Revenue



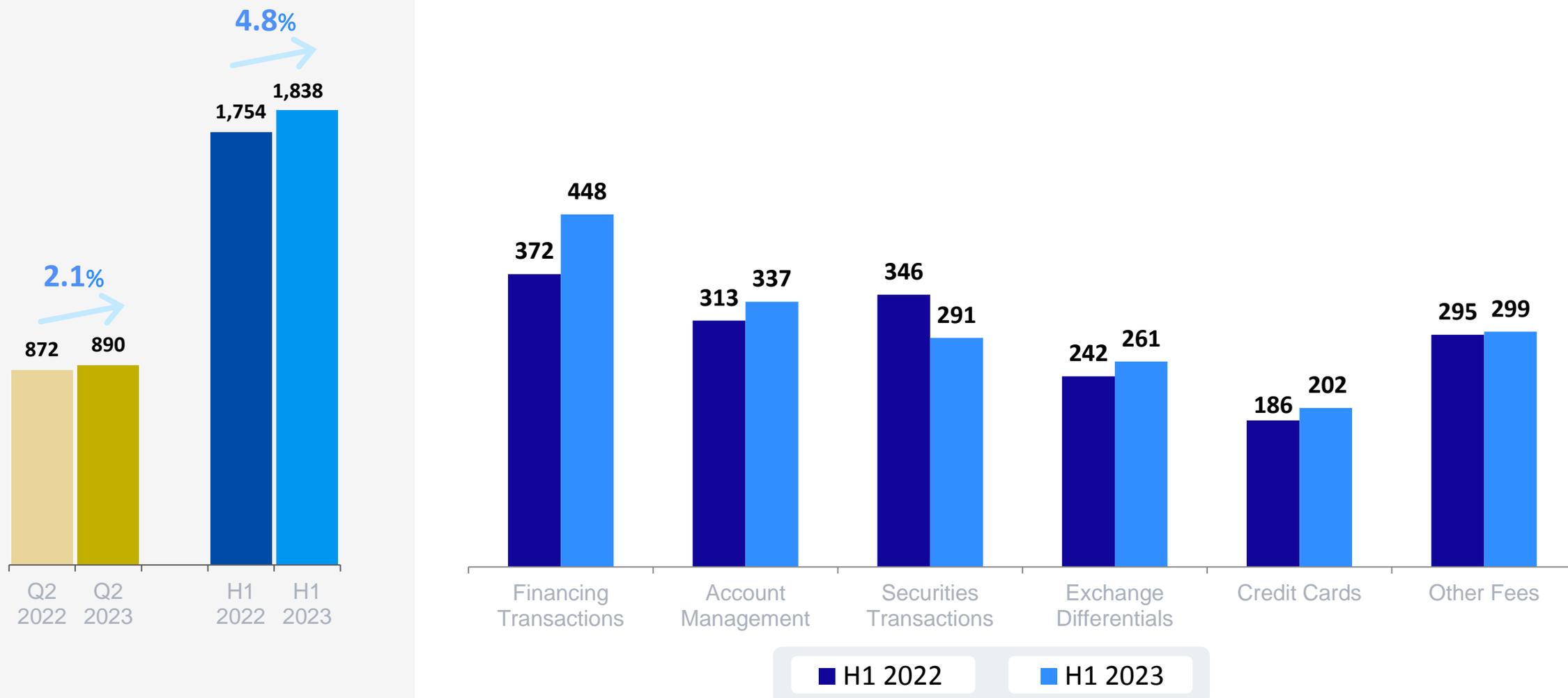
# Rising Net Interest Income and NIM



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

(NIS Millions)

# Fees and Commissions Performance Year-over-Year

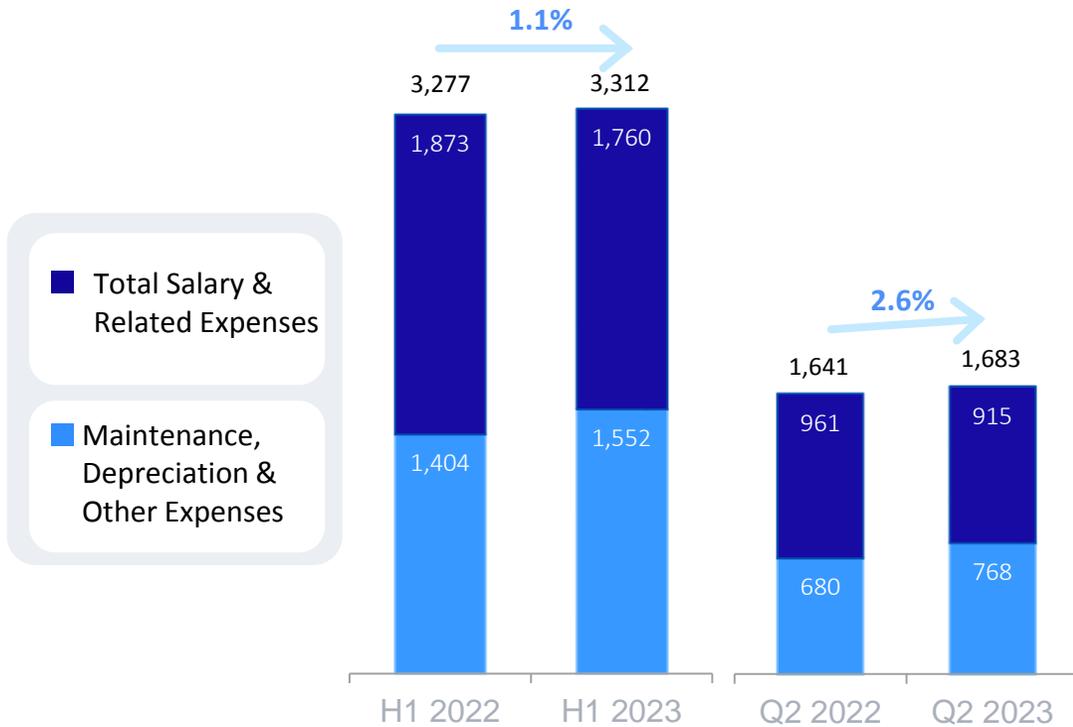


(NIS Millions)

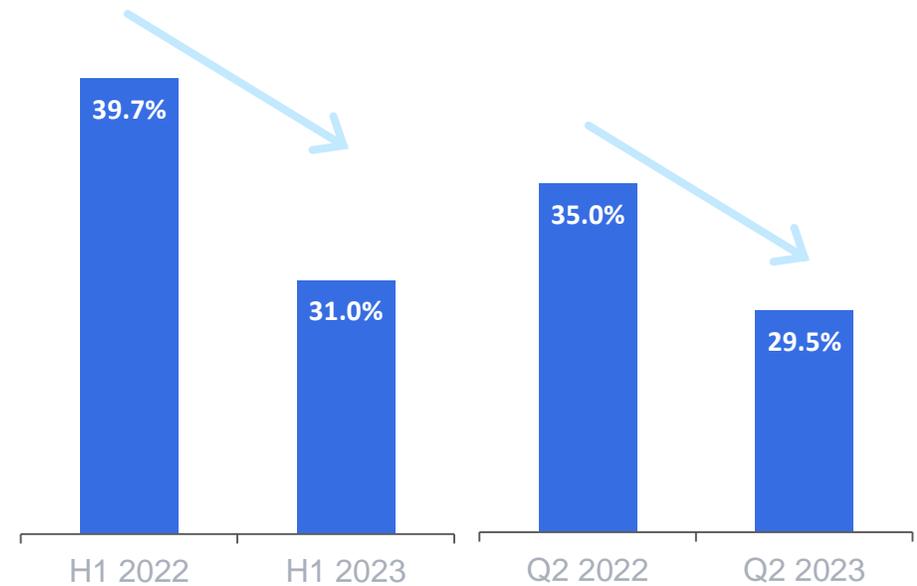
H1 2022 is excluding Leumi USA.

# Consistent Improvement in Cost Structure

## Total Expenses



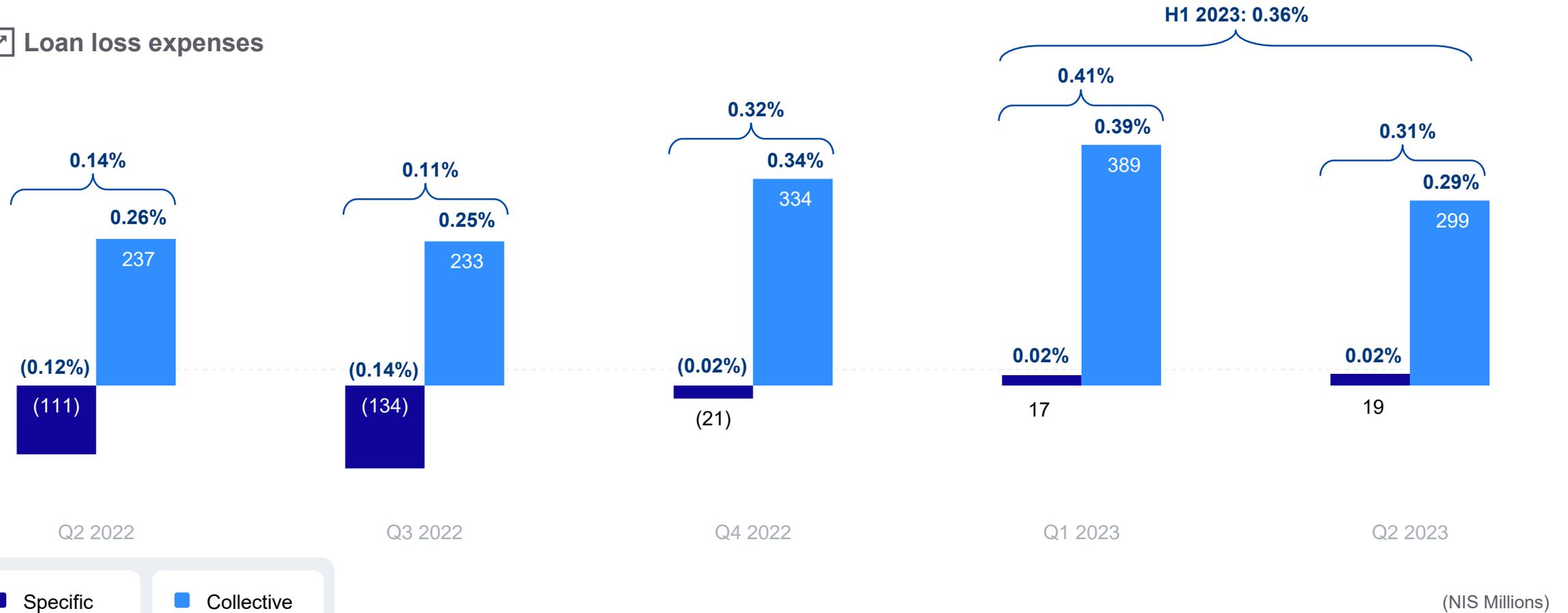
## Cost-Income Ratio



(NIS Millions)  
H1 2022 is excluding Leumi USA.

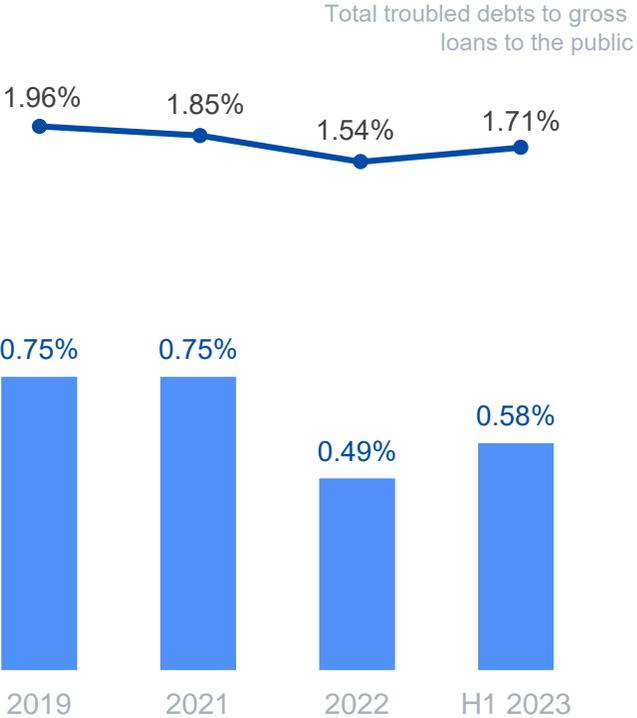
# Stable loan loss expenses, With negligible specific provisions

## Loan loss expenses

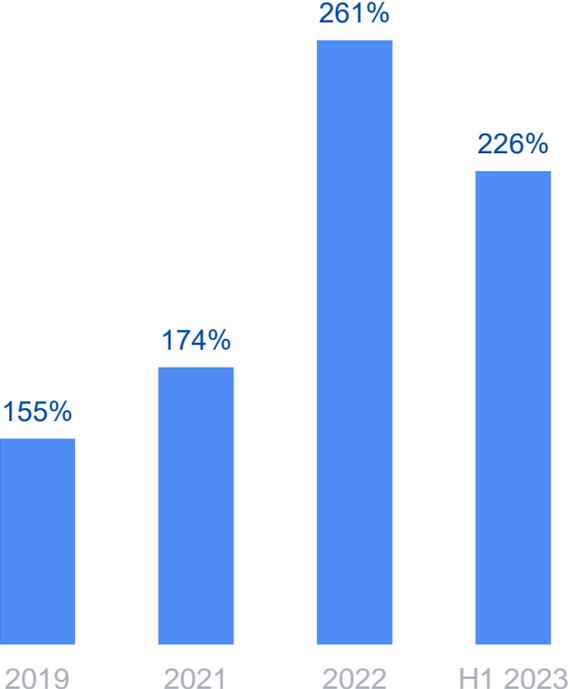


# While credit quality indicators remain robust

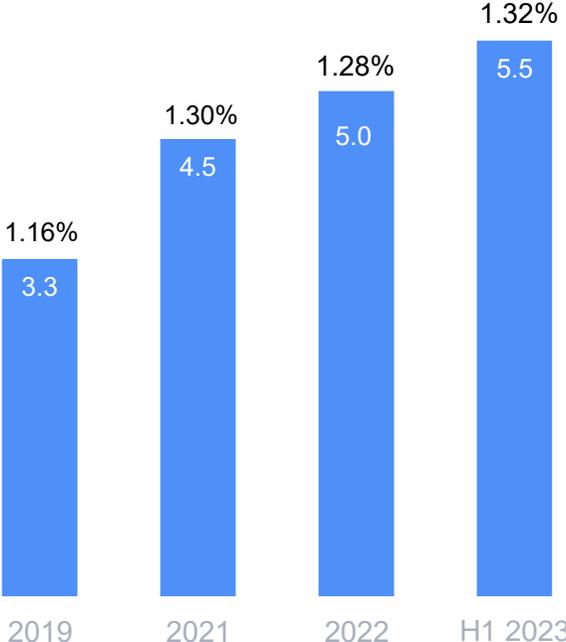
📈 NPL Ratio



📈 Total Provisions / NPLs



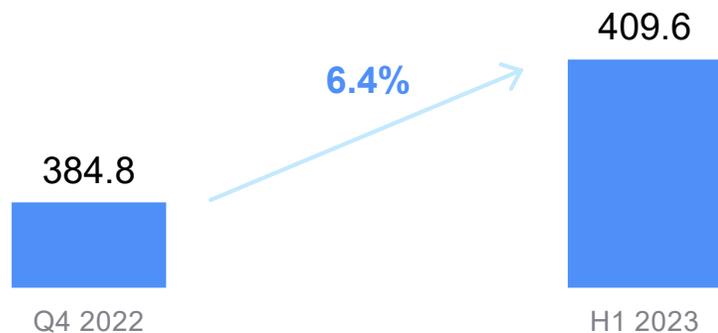
📈 Total Provisions / Gross Loans



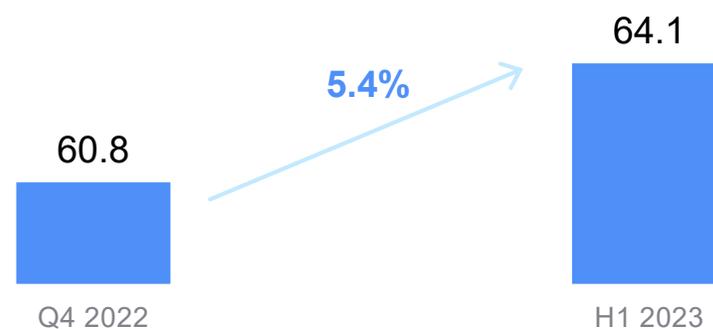
(NIS Billions)  
Reported.

# Loan growth in-line with strategy

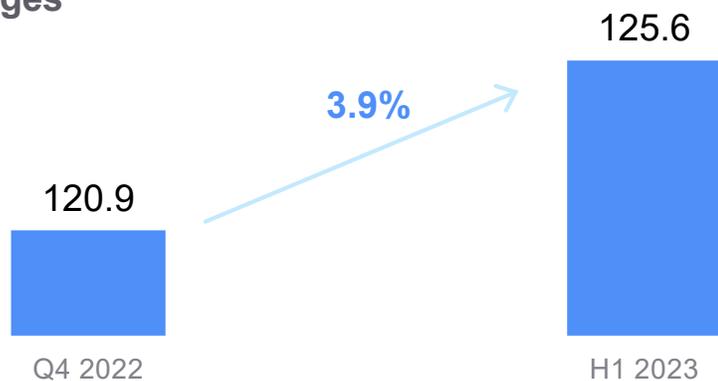
## ☑ Total Loans



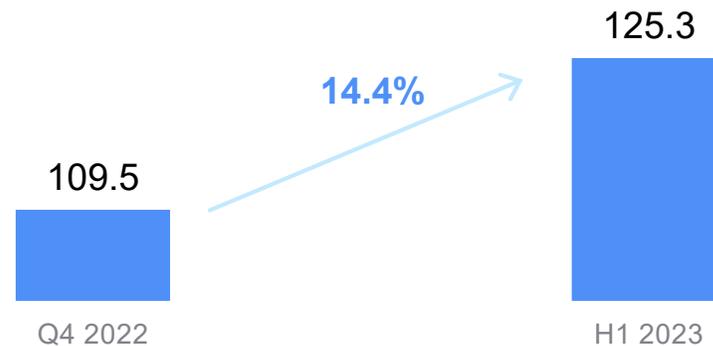
## ☑ Middle-Market



## ☑ Mortgages

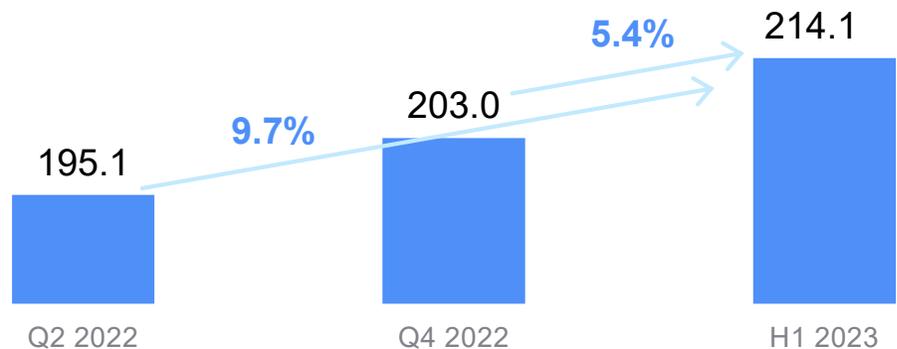


## ☑ Corporate

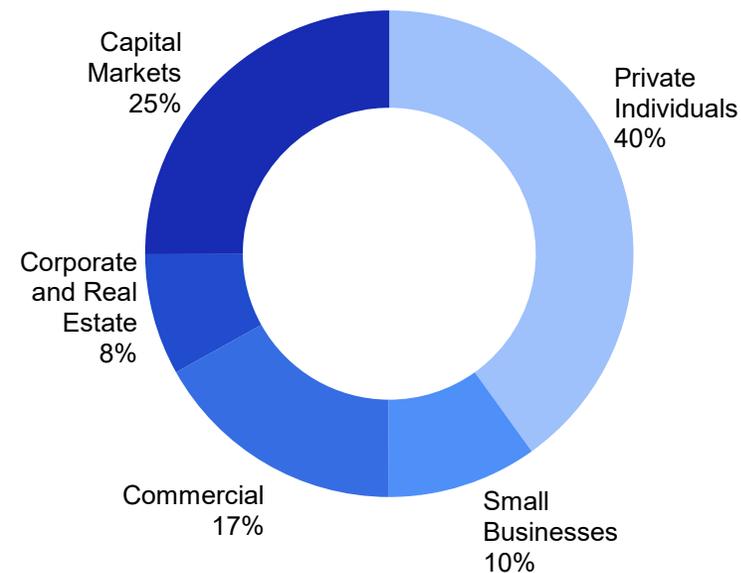


# Expanding and diversifying deposit base

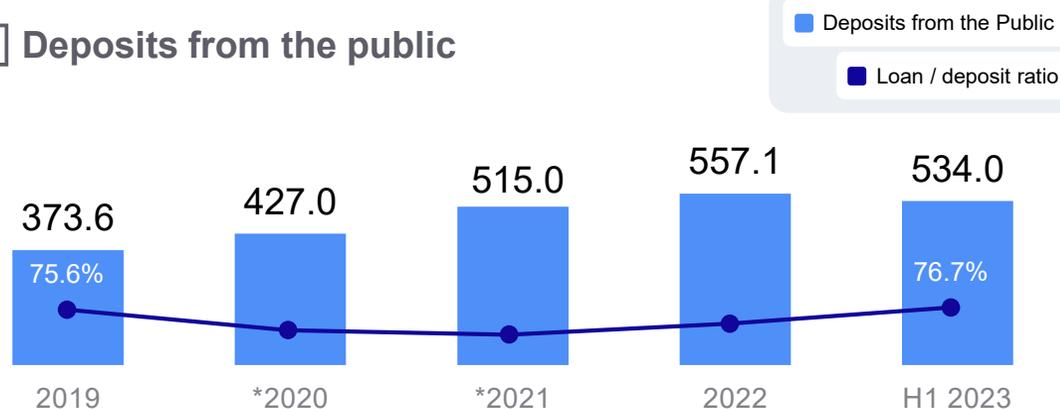
## Core Deposits (in Israel)



## Diversified deposit base



## Deposits from the public



**121%**  
NSFR<sup>(1)</sup>

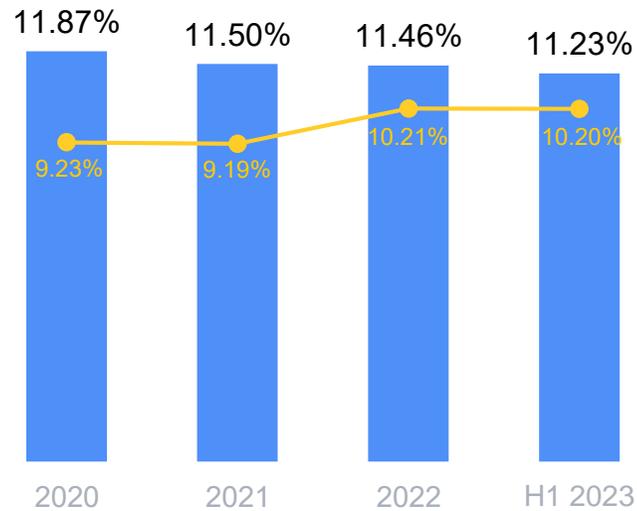
**128%**  
LCR<sup>(2)</sup>

(NIS Billions)

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

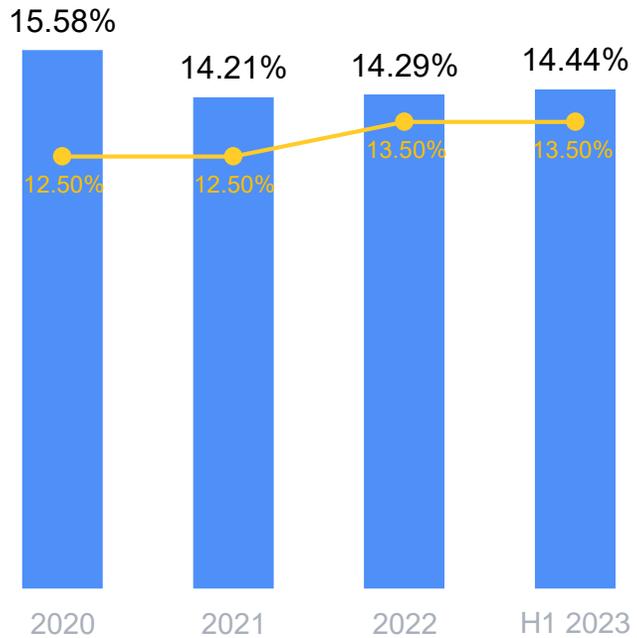
# Solid capital and leverage ratios

📈 CET1



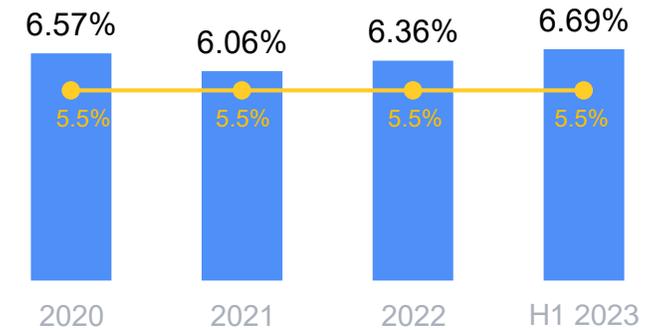
■ CET1 Ratio ■ Minimum Regulatory Target

📈 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 

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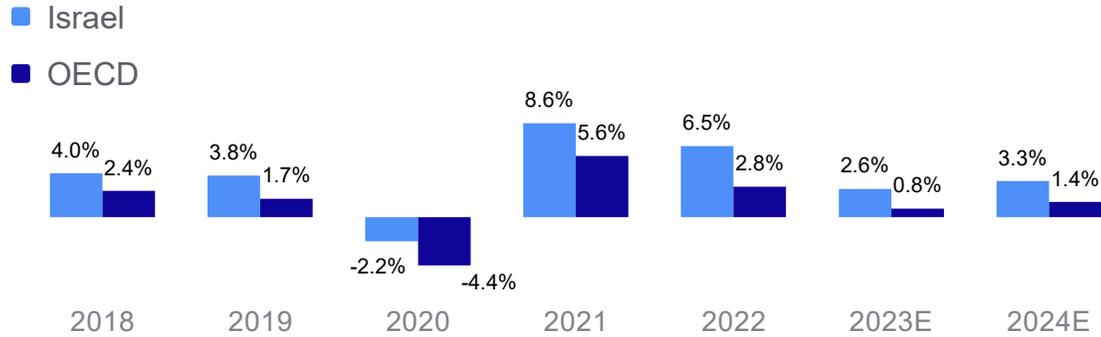
Results  
presentation

Appendix

# Israel market macro factors and indicators

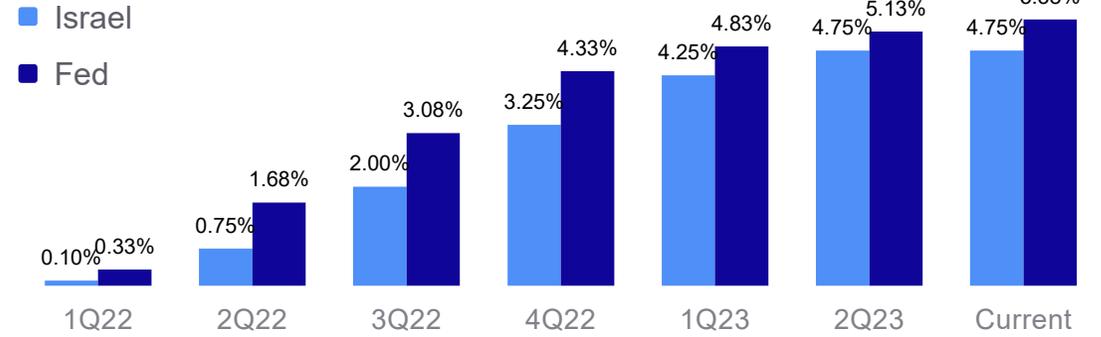
## Robust economic growth

(Real GDP Growth)



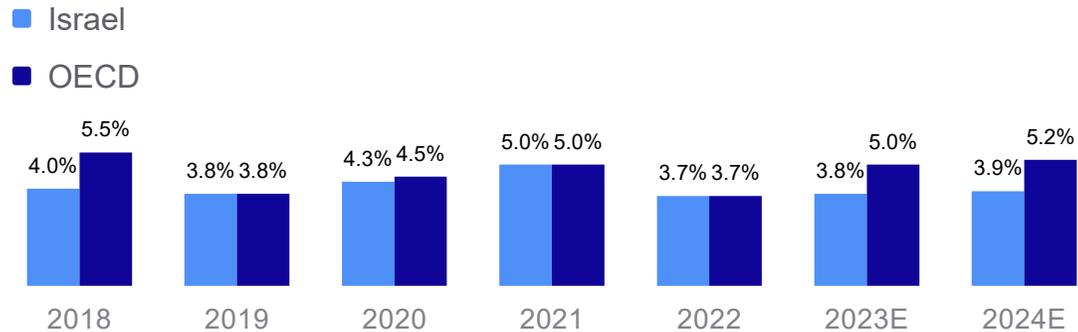
## Rate cycle close to peak

(Rates<sup>(2)</sup> Evolution)



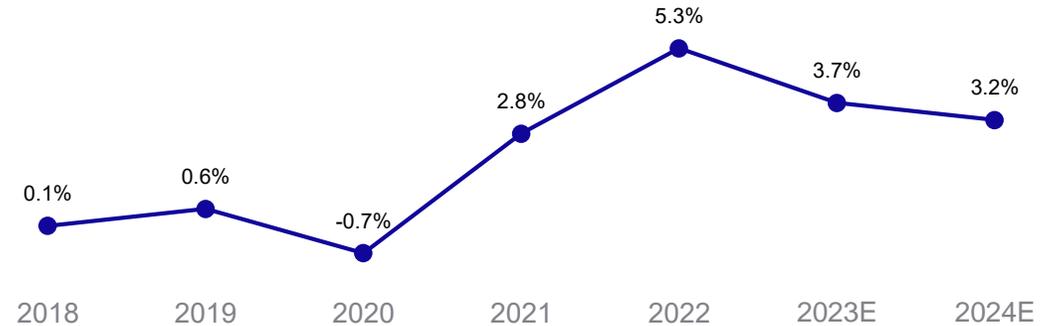
## Strong labor market

(Unemployment Rate<sup>(1)</sup> 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.