

Q2 2024



# Financial results presentation

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# Strong underlying performance

## Key financial metrics

	Q2 2024	H1 2024	FY 2023
Net Income	<b>2,269</b>	<b>5,054</b>	<b>7,027</b>
ROE	<b>15.9%</b>	<b>18.0%</b>	<b>13.7%</b>
Cost Income Ratio	<b>28.7%</b>	<b>28.9%</b>	<b>32.6%</b>
Credit Loss Expenses (Income)	<b>(0.02%)</b>	<b>0.09%</b>	<b>0.58%</b>
Net Loan Growth	<b>1.2%</b> <small>Q-o-Q</small>	<b>3.4%</b> <small>YTD</small>	<b>9.0%</b> <small>Y-o-Y</small>
Core Deposit Growth	<b>1.4%</b> <small>Q-o-Q</small>	<b>3.4%</b> <small>YTD</small>	<b>6.9%</b> <small>Y-o-Y</small>

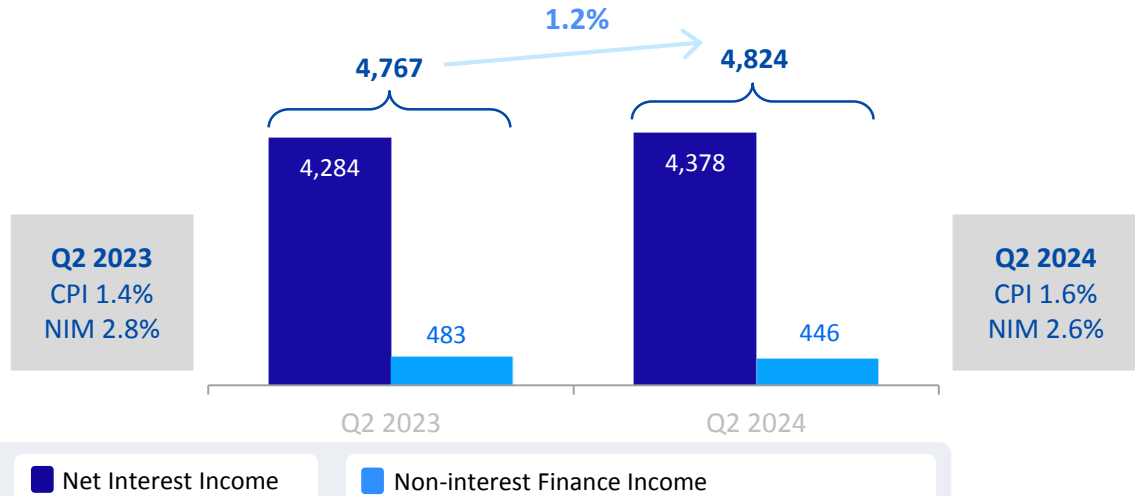
(NIS Millions)

Core Deposits = Deposits from Private individuals.

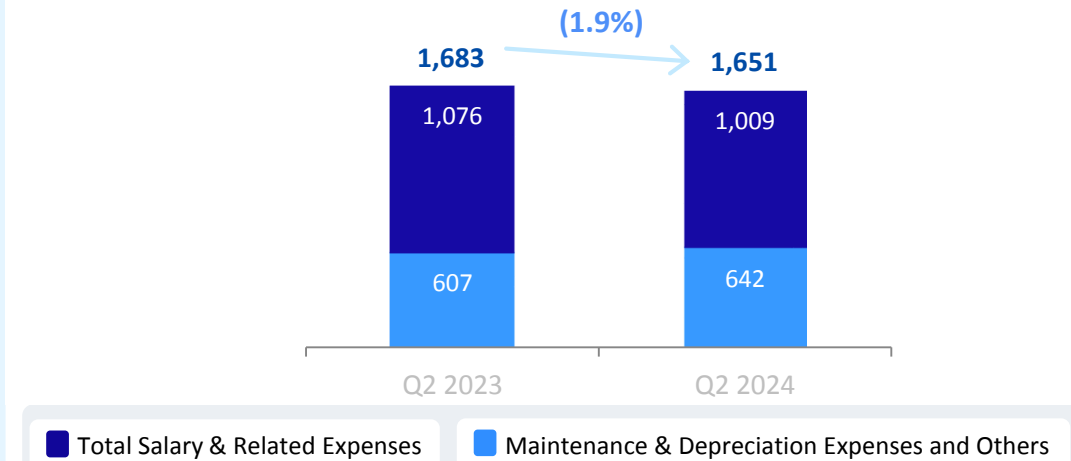
Q2 2024 results were impacted by a NIS 0.6 billion impairment of the bank's stake in Valley National Bank. Q1 2024 results were impacted by a NIS 632m capital gain from real estate sales. FY 2023 results were impacted by a NIS 1.1bn impairment of the bank's stake in Valley National Bank.

# Q2 2024 vs. Q2 2023 – Breakdown of Income and Expenses

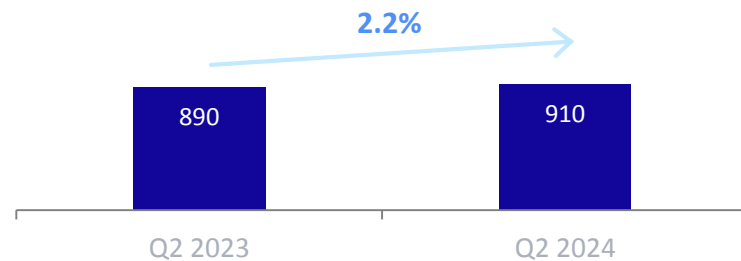
## Finance Income



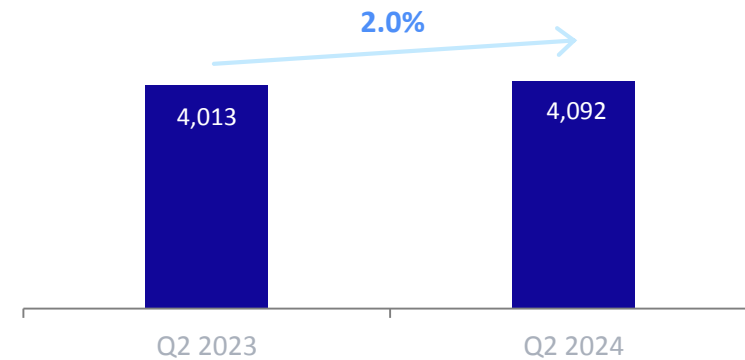
## Operating and Other Expenses



## Fees and Commissions

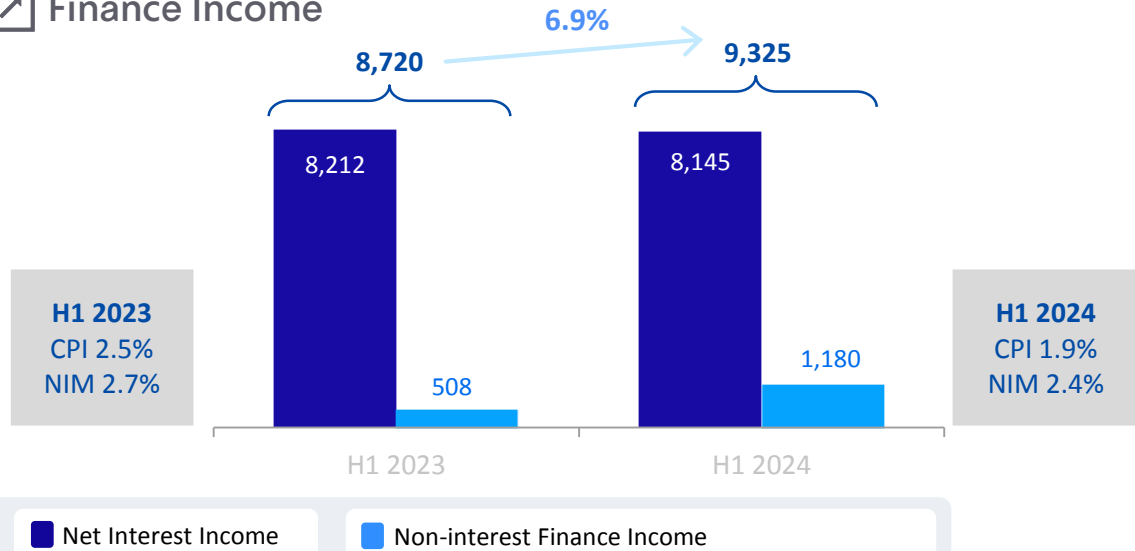


## PPNR – Pre Provisions Net Revenue

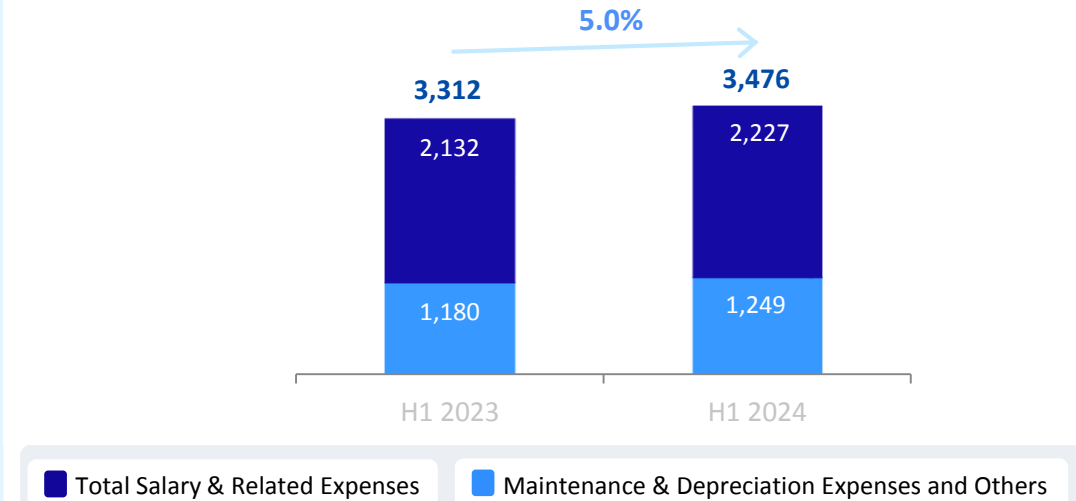


# H1 2024 vs. H1 2023 – Breakdown of Income and Expenses

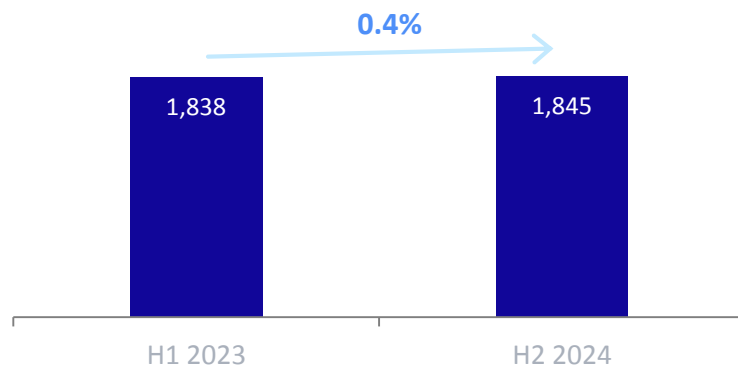
## Finance Income



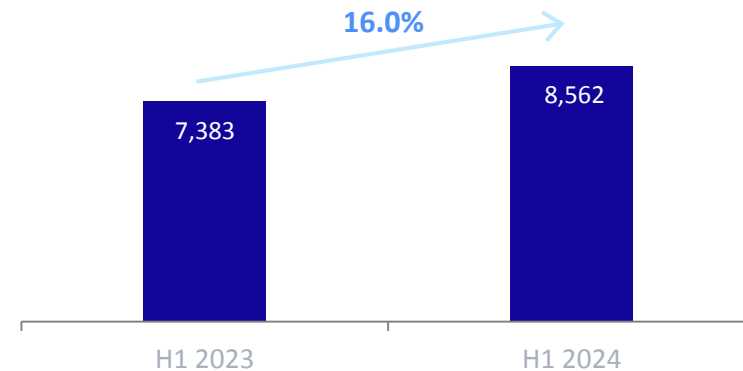
## Operating and Other Expenses



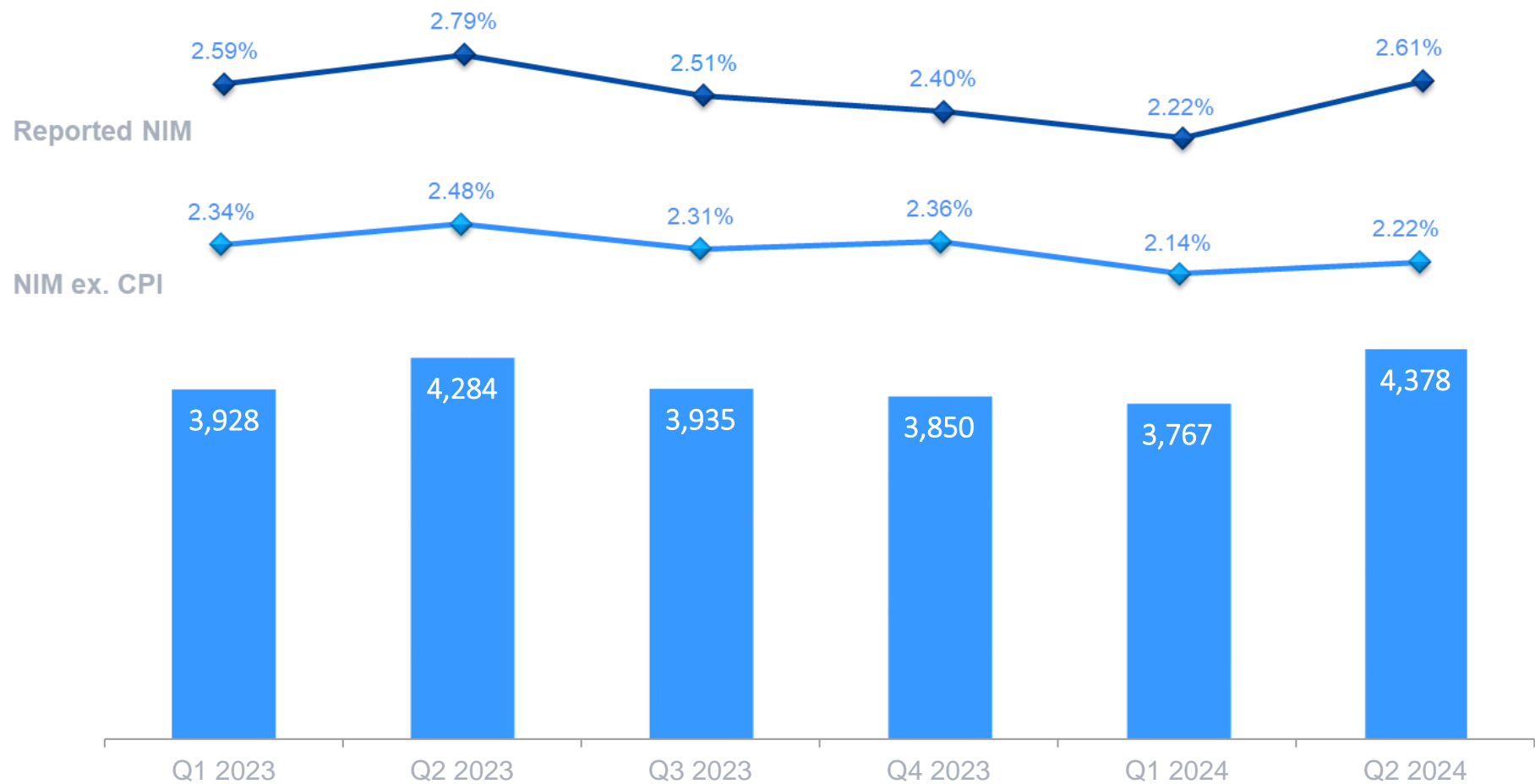
## Fees and Commissions



## PPNR – Pre Provisions Net Revenue

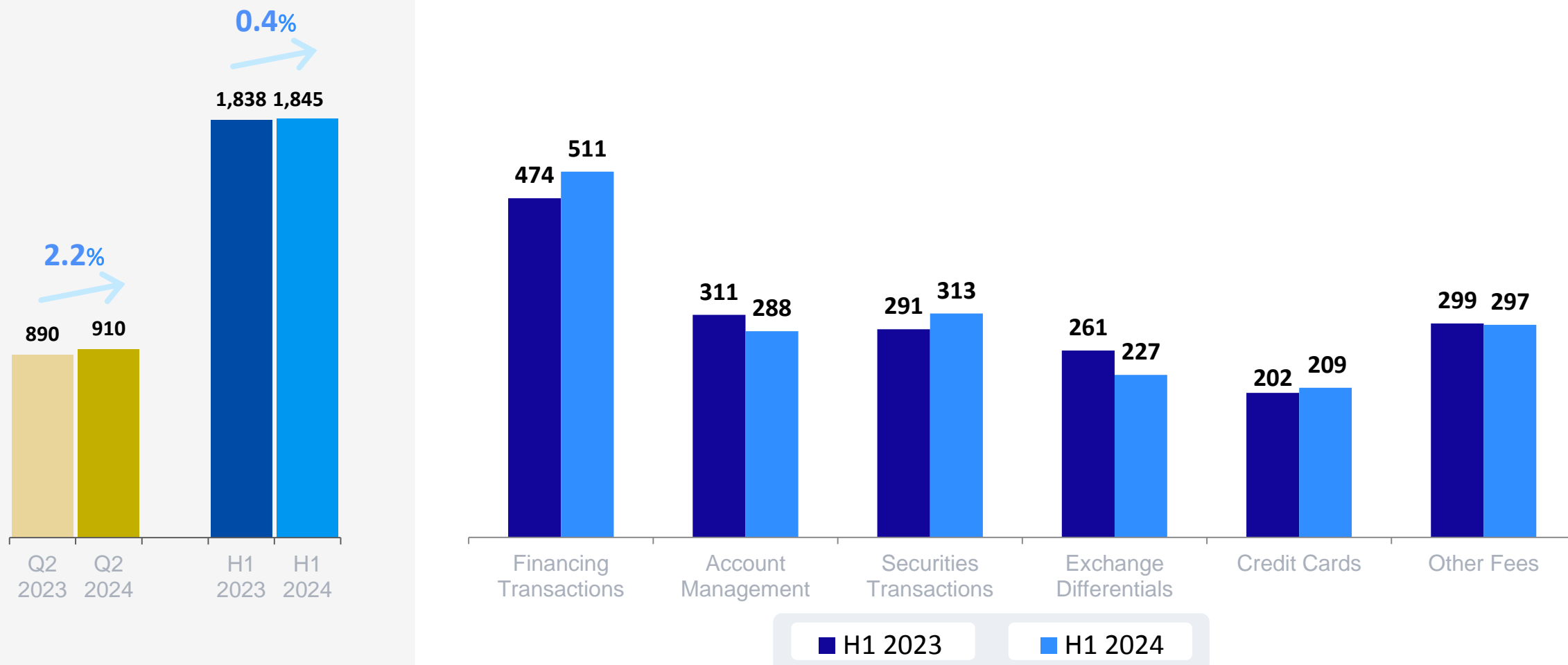


# Net Interest Income and NIM



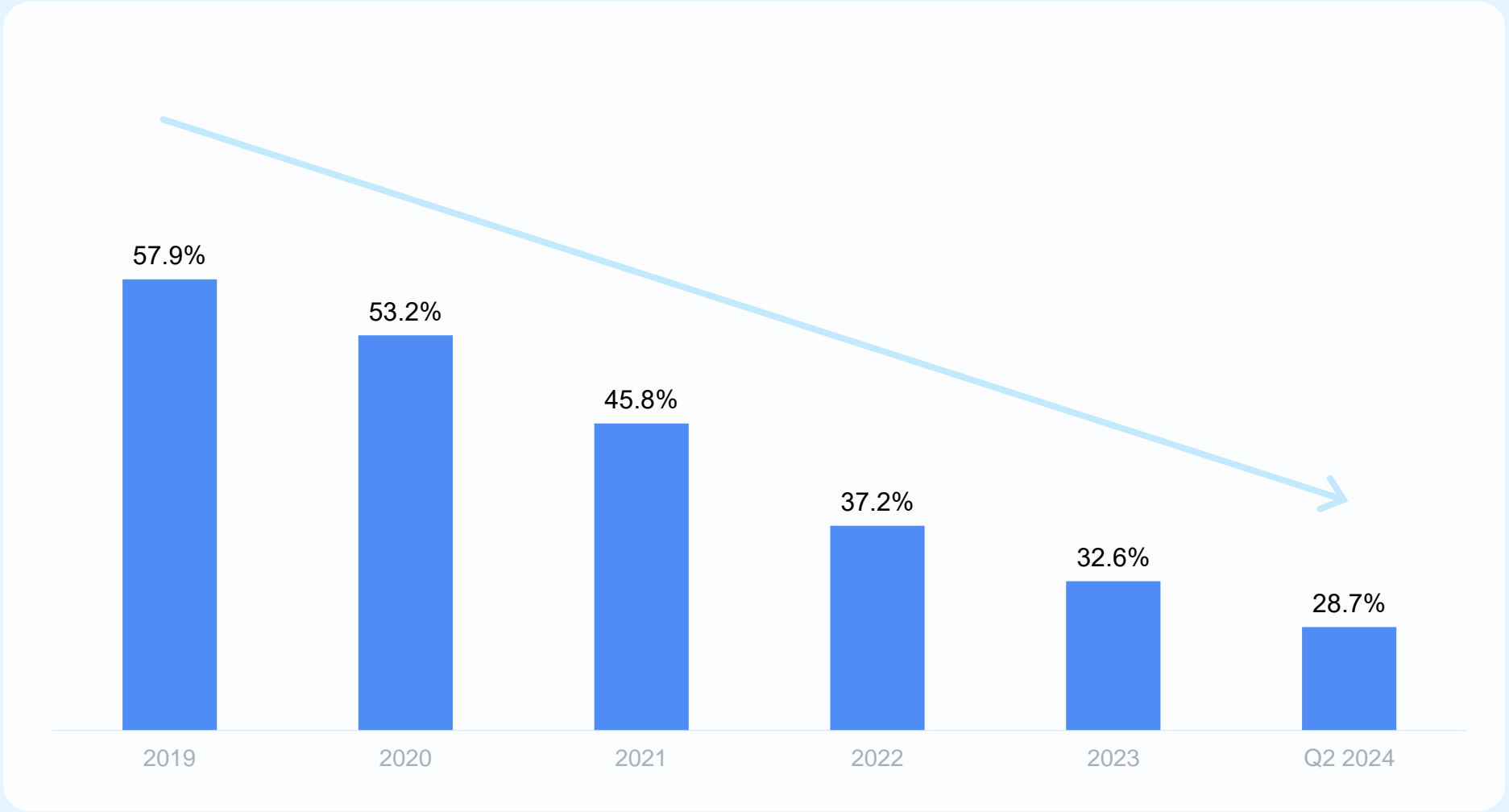
(NIS Millions)

# Fees and Commissions Performance Year-over-Year



(NIS Millions)

# Multi-year decline in cost-income ratio

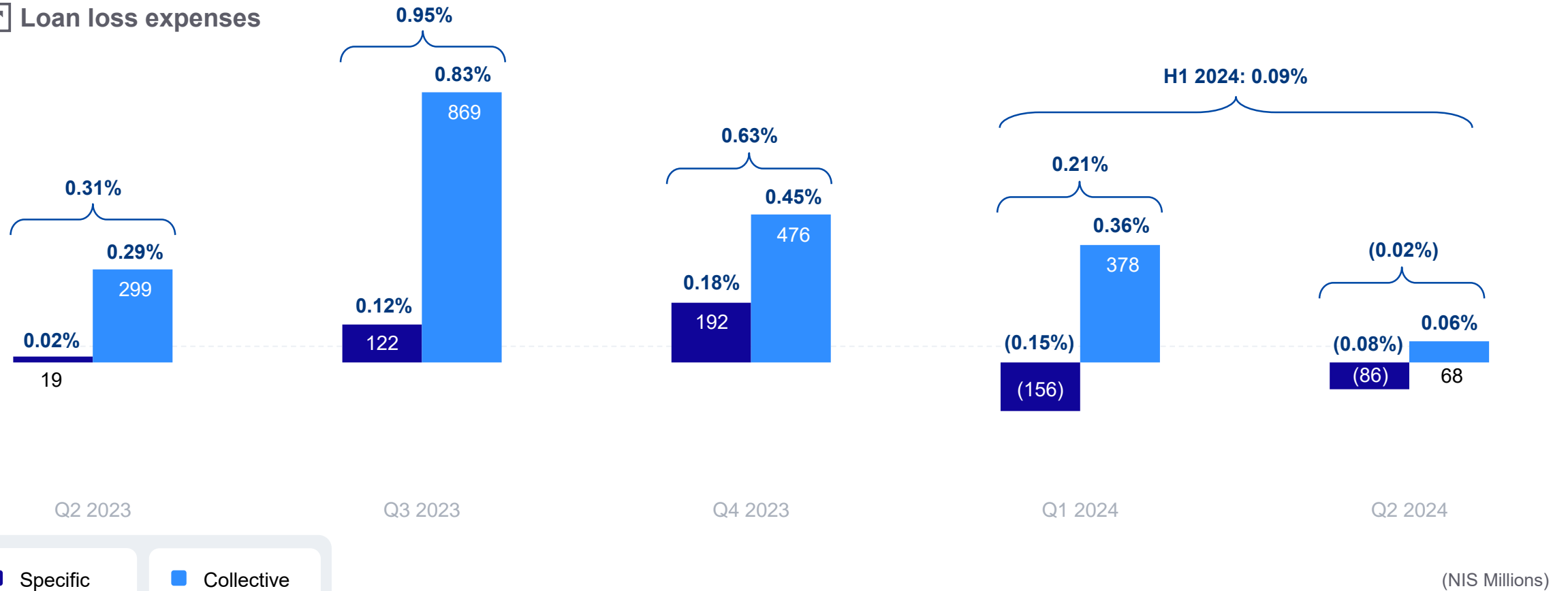


Leumi cost income ratio for 2019 is net of the effect of Leumi Card and for 2020-2022 excludes Leumi USA.



# Stable loan loss expenses, With negligible specific provisions

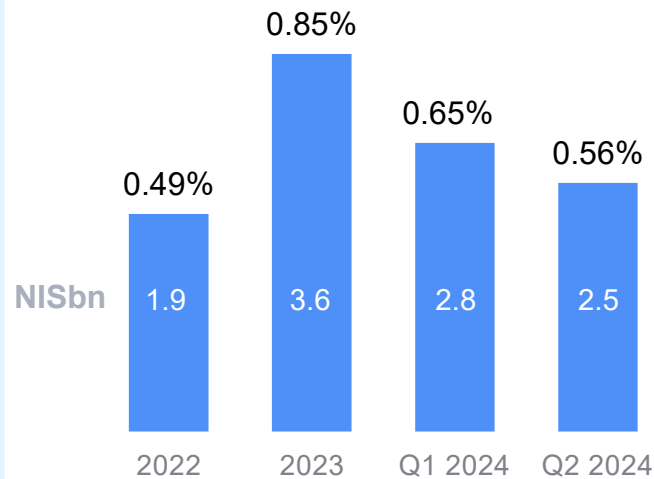
## Loan loss expenses



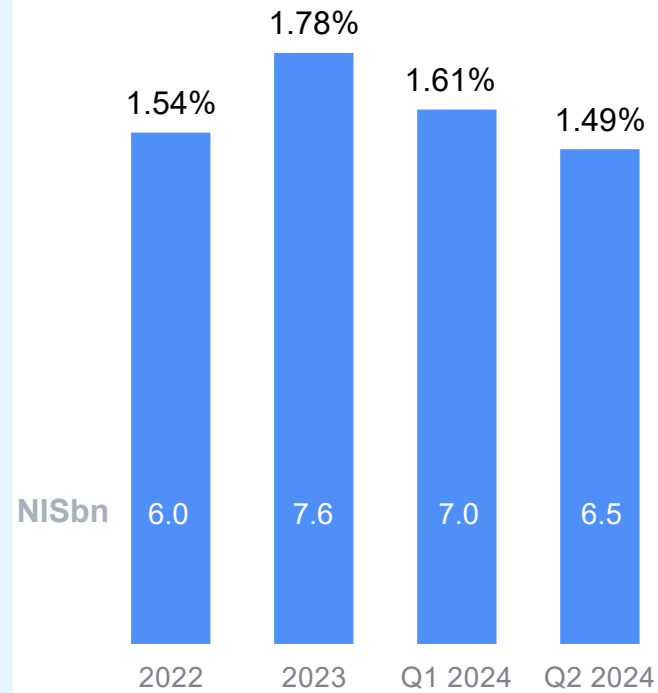
# Credit quality improved in the quarter

## Higher provisions and coverage despite lower NPLs

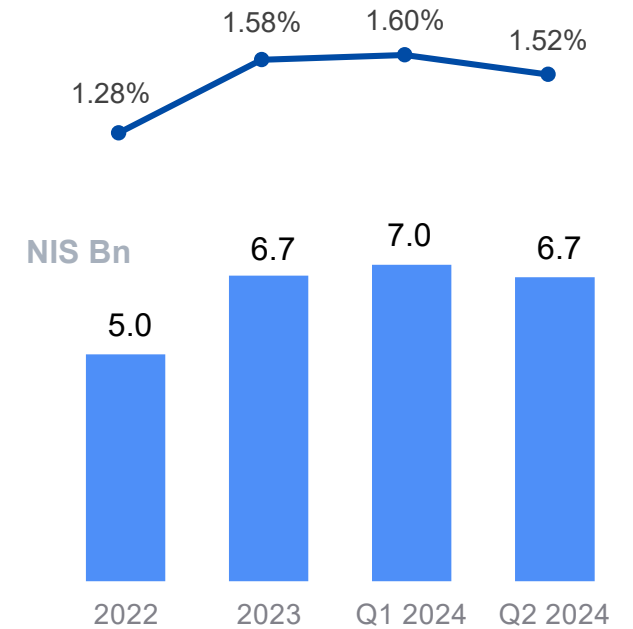
 NPLs



 Troubled Debts



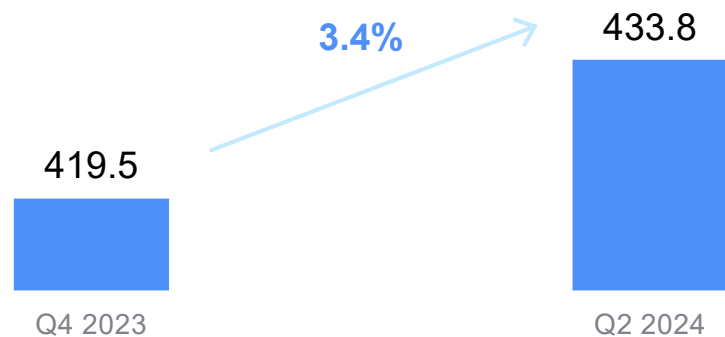
 Total Provisions



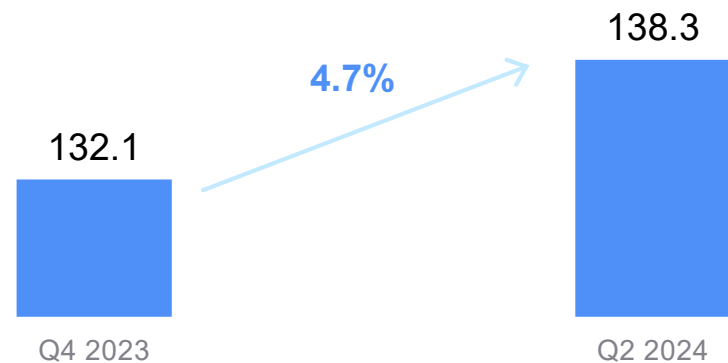
Reported. Total Troubled Debts, NPLs and Total Provisions are all as a % of Gross Loans.

# Credit growth in target segments

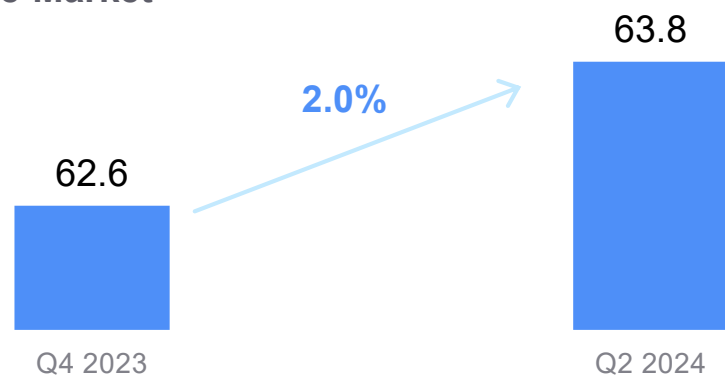
## Total Loans



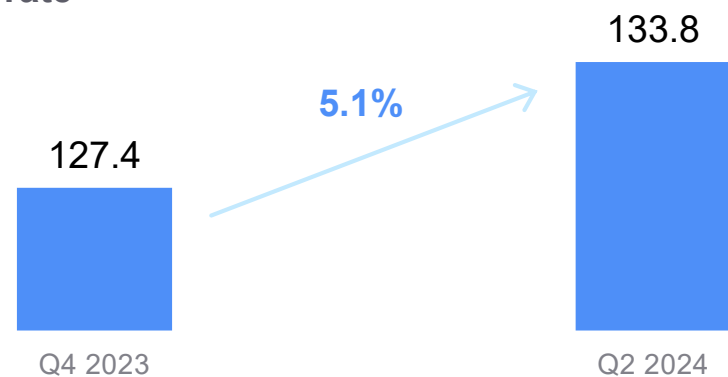
## Mortgages



## Middle-Market

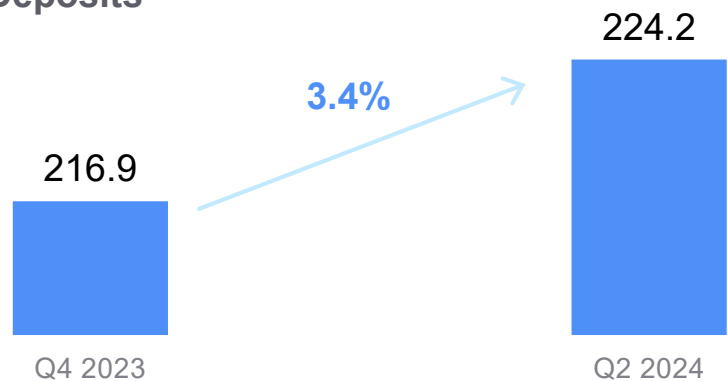


## Corporate

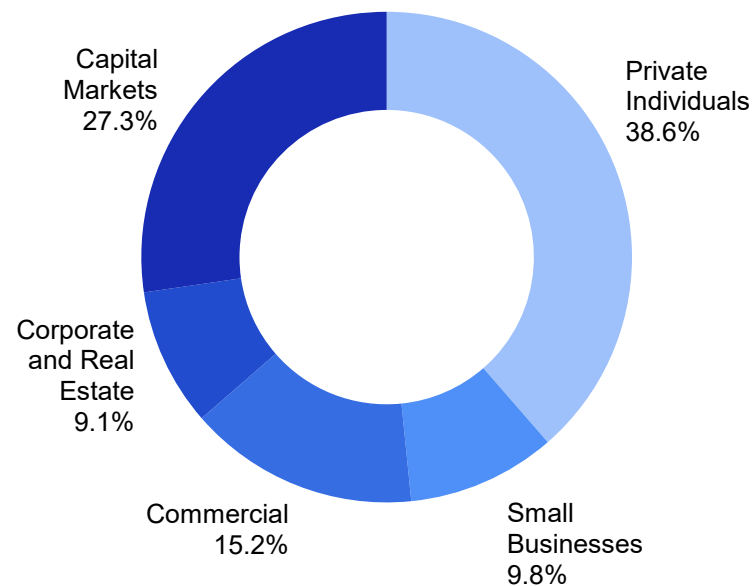


# Expanding and diversifying deposit base

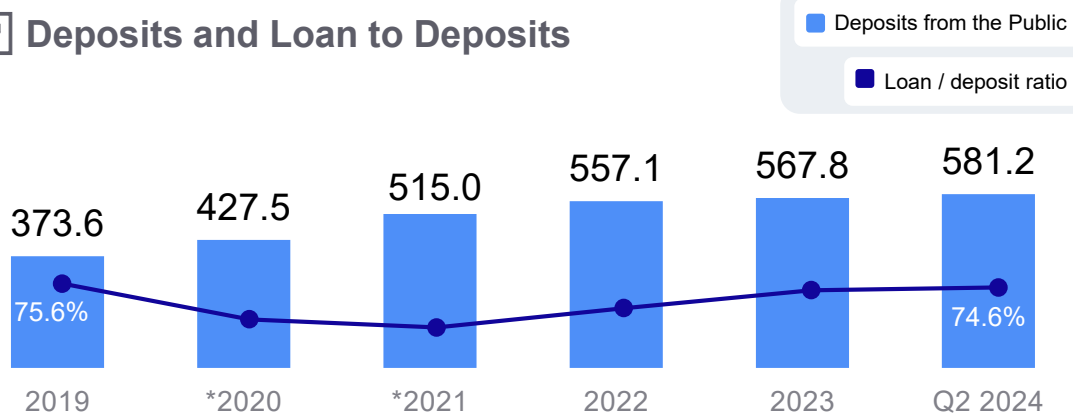
## Core Deposits



## Diversified deposit base



## Deposits and Loan to Deposits



**118%**  
NSFR<sup>(1)</sup>

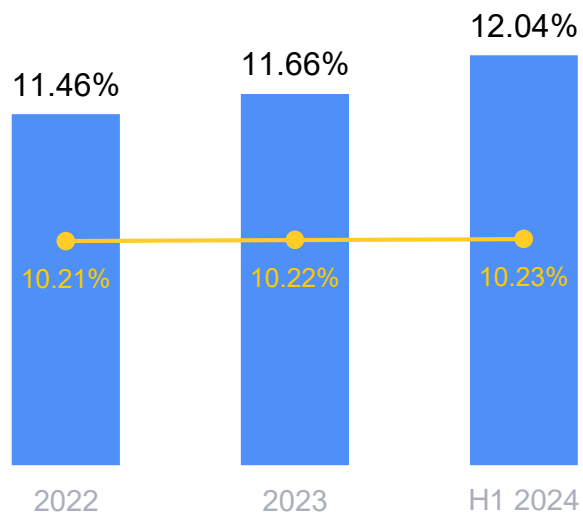
**130%**  
LCR<sup>(2)</sup>

(NIS Billions)

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

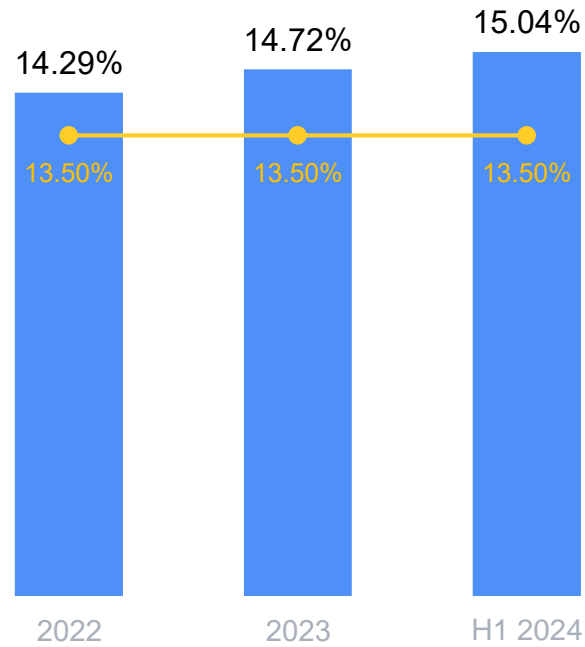
# Solid capital and leverage ratios

📈 CET1 Ratio



■ CET1   ■ Minimum Regulatory Target

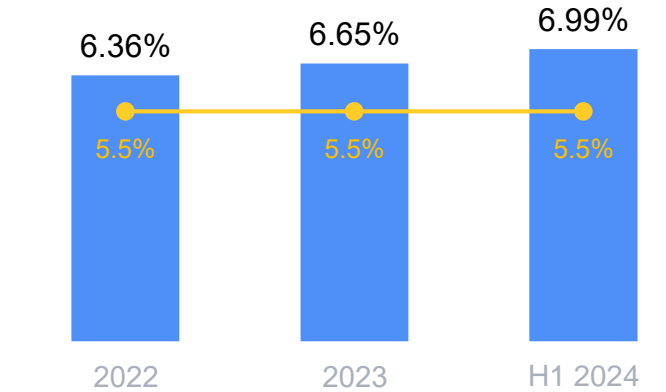
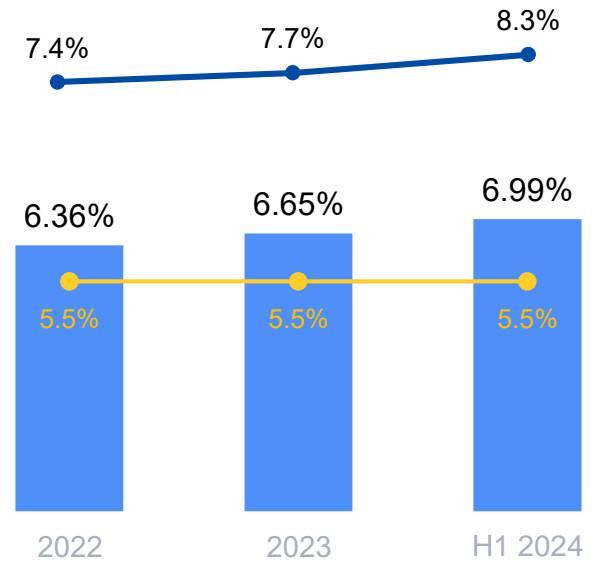
📈 Total Capital Ratio



■ TCR   ■ Minimum Regulatory Target

📈 TCE and Leverage Ratios

TCE / Total Assets



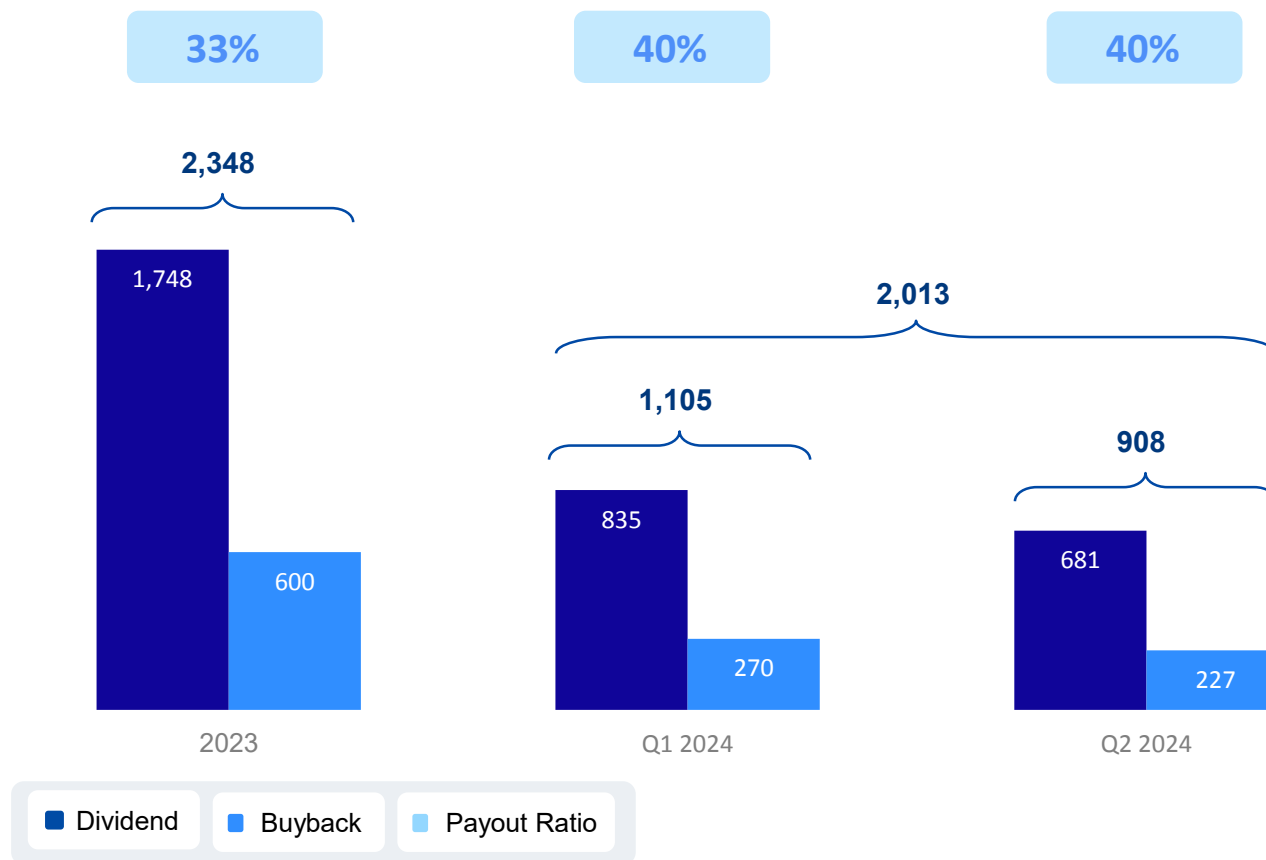
■ Leverage Ratio   ■ Minimum Regulatory Target

Regulatory thresholds for CET1 and TCR are as of June 30th, 2024.

13 Tangible Common Equity (TCE) = Retained Earnings + Share Capital and Reserves + Accumulated other comprehensive balance for employee benefits.

# High share returns via dividends and buybacks

## Capital Return



(NIS Millions)

- NIS 681 million dividend payout for Q2 2024 together with the second tranche (NIS 227 million) of the NIS 1 billion total share buyback plan.
- Total capital return for Q2 2024 is equal to a 40% payout ratio and an annualized yield of ~7.5%.

# Investment highlights

1 Strong and consistent high ROE despite challenging economic backdrop

2 Operating leverage from best-in-class cost income ratio

3 Strong credit quality – income from specific provisions, low NPLs, low problematic debts

4 Strong capital position supporting growth and capital return

5 Long-term asset growth driving higher revenues and profitability

6 Total payout of 40% - NIS 1.5 billion in cash and NIS 0.5 billion buyback in 1H 2024

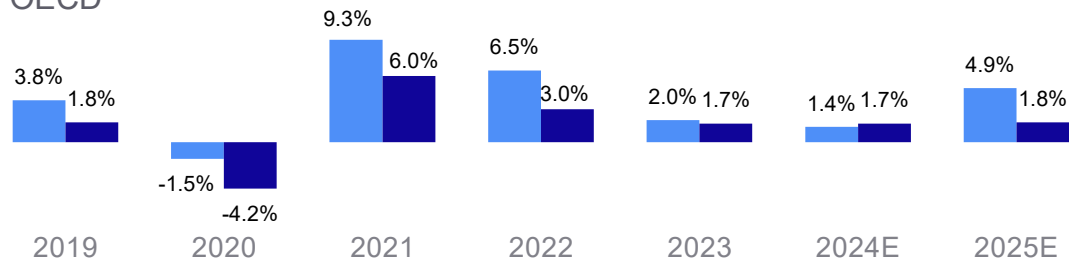
# Slower growth in 2024

## Economic fundamentals remain strong

### ➤ GDP

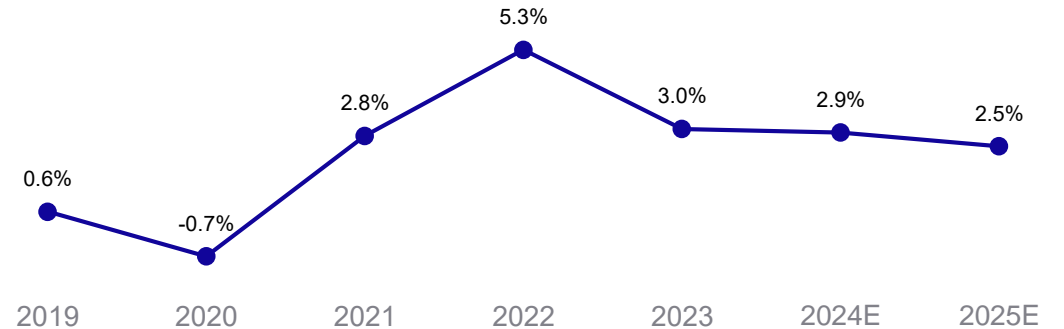
(Real GDP Growth)

■ Israel  
■ OECD



### ➤ Inflation slowing

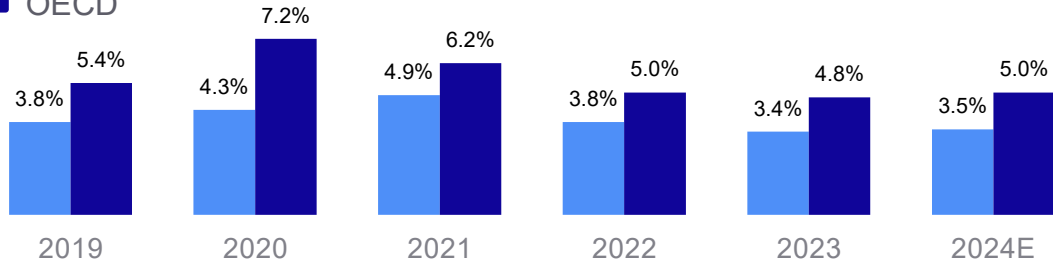
(Inflation Evolution)



### ➤ Strong labor market

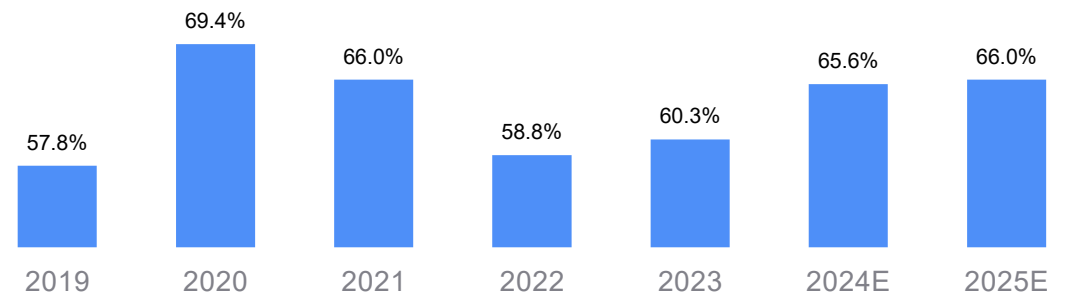
(Unemployment Rate <sup>(1)</sup> Evolution)

■ Israel  
■ OECD



### ➤ Moderate increase in government debt

(Government Debt/GDP)





Q2 2024

Results  
presentation

Thank you / Q&A 