

The background is a dynamic, abstract composition of various shades of blue. It features a series of white, perspective-driven lines that create a sense of depth and movement, resembling a stylized architectural or technological structure. Scattered throughout the design are several small, white icons: a gear-like symbol in the upper left, and multiple arrow-like symbols pointing in different directions. There are also small, stylized icons that look like document pages or data blocks. The overall aesthetic is modern, clean, and high-tech.

Leumi Group



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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>> Israeli economy

- > Geopolitical situation appears to have had only brief impact on growth, which is expected to rise in 2015
- > Fiscal performance remains on track with targets
- > No net foreign debt and high level of FX reserves
- > Inflation remains very low despite gradual weakening of the shekel
- > Low unemployment

Main Macroeconomic Variables	2013	2014*	2015**
Annual Rates of Change, Real Terms			
GDP	3.2%	2.2%	3.4%
GDP net of technical impact of gas inclusion	2.3%	1.8%	--
Percentage of GDP			
Current account surplus(+)/deficit (-)	2.5%	1.3%	1.4%
Gov't budget surplus (+)/deficit (-)	(3.1%)	(3.1%)	(3.4%)
Gov't debt (central)	66%	67%	69%
Annual Average			
Unemployment rate (using new data definitions)	6.2%	6.3%	6.6%
Additional Data			
Consumer price index, year-end change	1.8%	(0.3%)- 0.1%	0.5%-1.5%
Shekel / US\$ average exchange rate	3.61	3.55-3.65	3.70-3.90
Bank of Israel average interest rate	1.4%	0.5%-0.7%	0.3%-0.8%



Principal Results

NIS millions

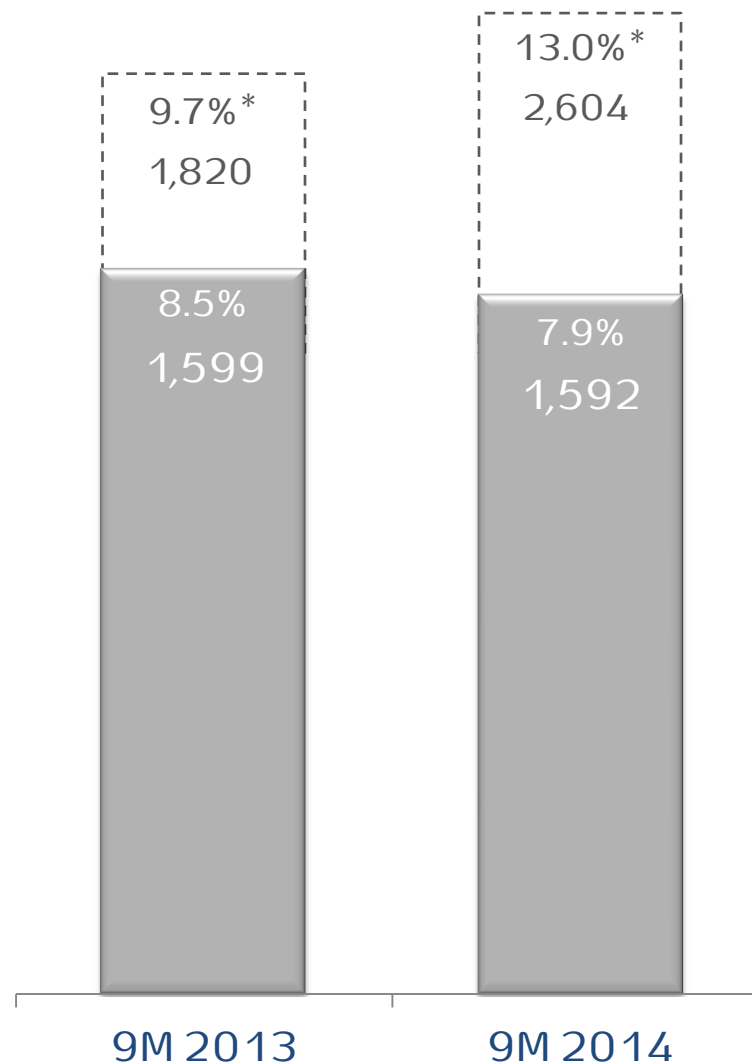
	9M 2014	9M 2013	Δ %
Total Income	9,513	9,644	(1.4)
Expenses (income) for credit losses	(11)	113	+
Net interest income after expenses for credit losses	5,572	5,434	2.5
Operating & other expenses	7,110	6,679	6.5
Operating & other expenses excluding foreign customers provision	6,101	6,443	(5.3)
Profits (losses) in assoc. companies	294	(128)	+
Net Profit RoE	1,592 7.9%	1,599 8.5%	(0.4)
Net profit RoE excluding foreign customers provision	2,604 13.0%	1,820 9.7%	43.0



Strong net profit and RoE

NIS millions

	Net Profit	RoE
Q3 2013	555	8.9%
Q3 2014	677	10.2%



*Excludes foreign customers provision, before tax: 9M 2013 (236m); 9M 2014 (1,009m)

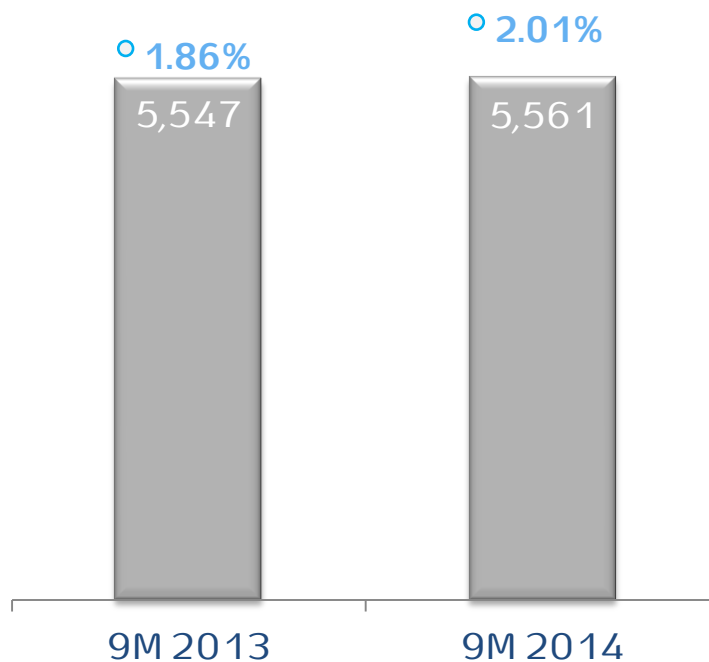


Net interest income up despite low interest rates

NIS millions, ○ Interest margin accumulated for the period end

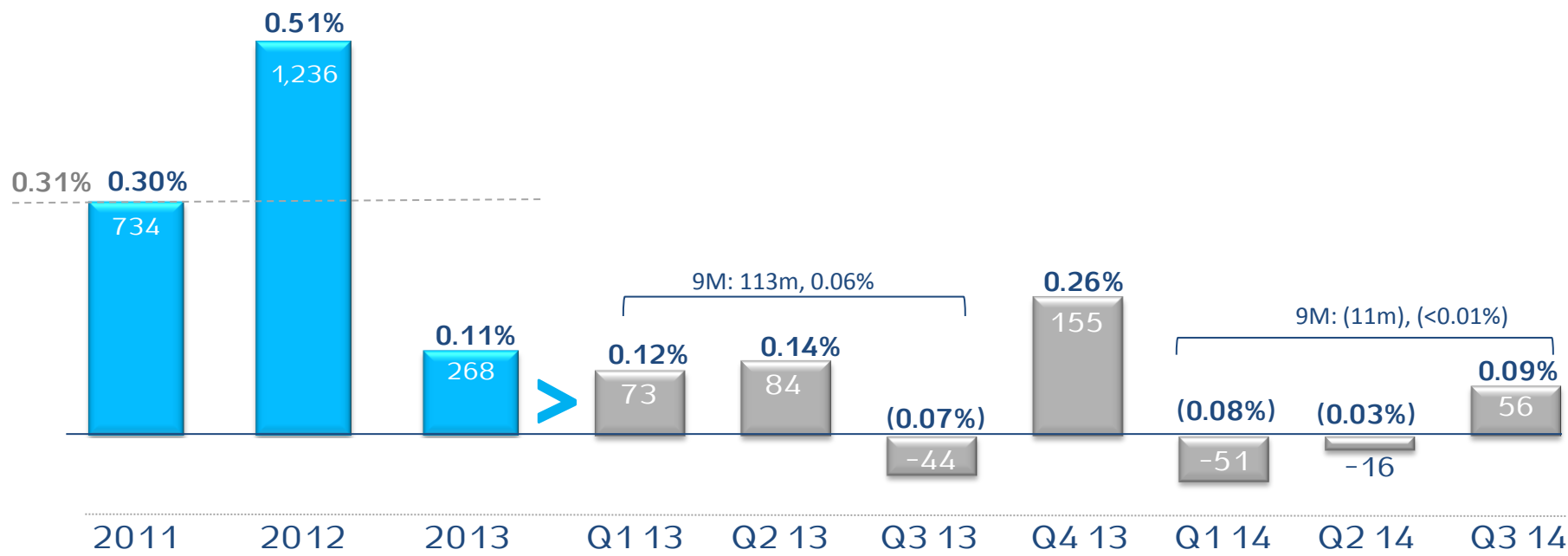
9M 2013 Average BoI interest rate: 1.51%

9M 2014 Average BoI interest rate: 0.72%



>> Rate of provision significantly below 3 year average

NIS millions





Low NPL ratio; declining problem debts

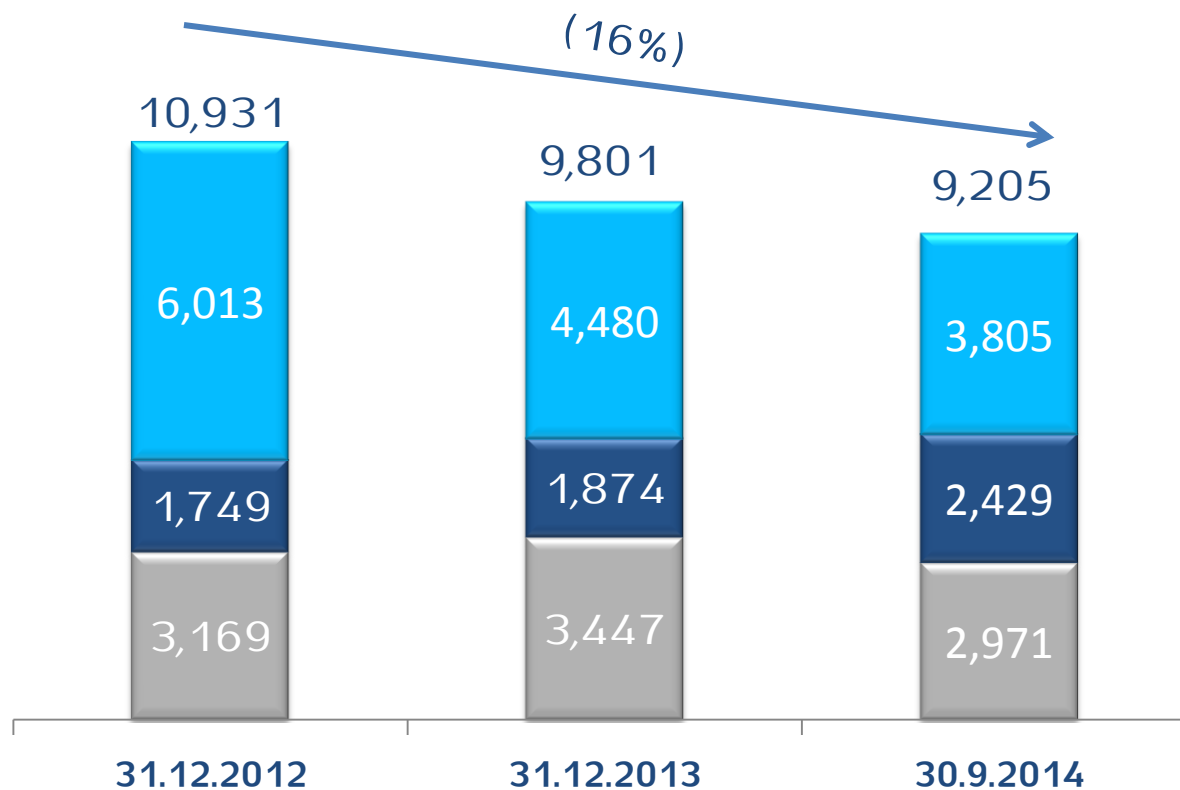
NIS millions

NPL Ratio:

2.8%

2.1%

1.8%

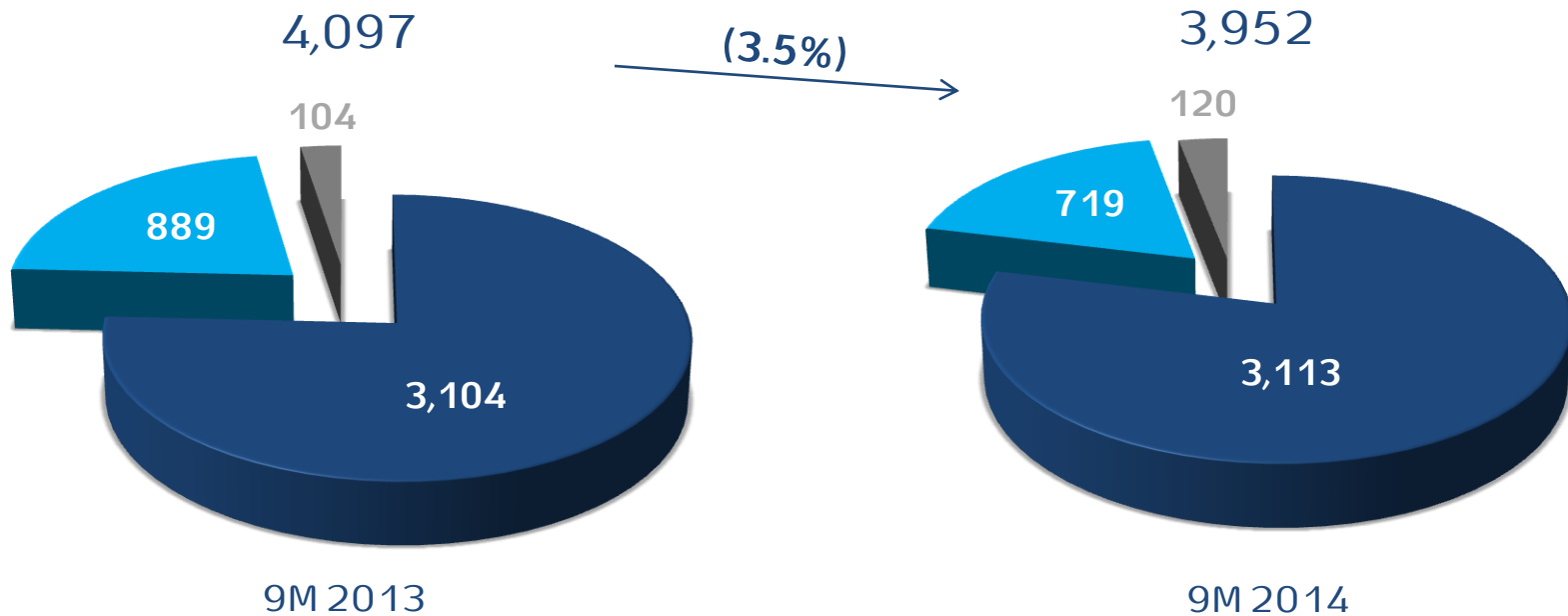




Non-interest income

Operating commissions comprise 79% of total non-interest income

NIS millions

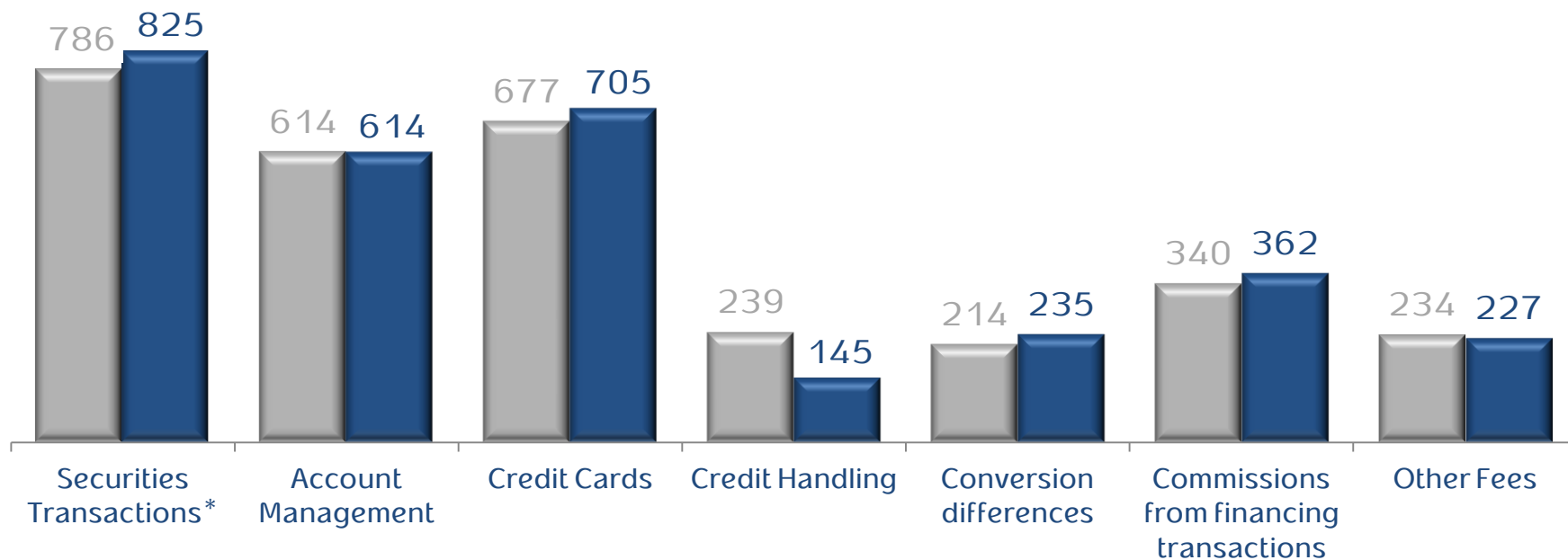


>> Commission revenue stable and diverse

NIS millions

30.9.2013: 3,104

30.9.2014: 3,113

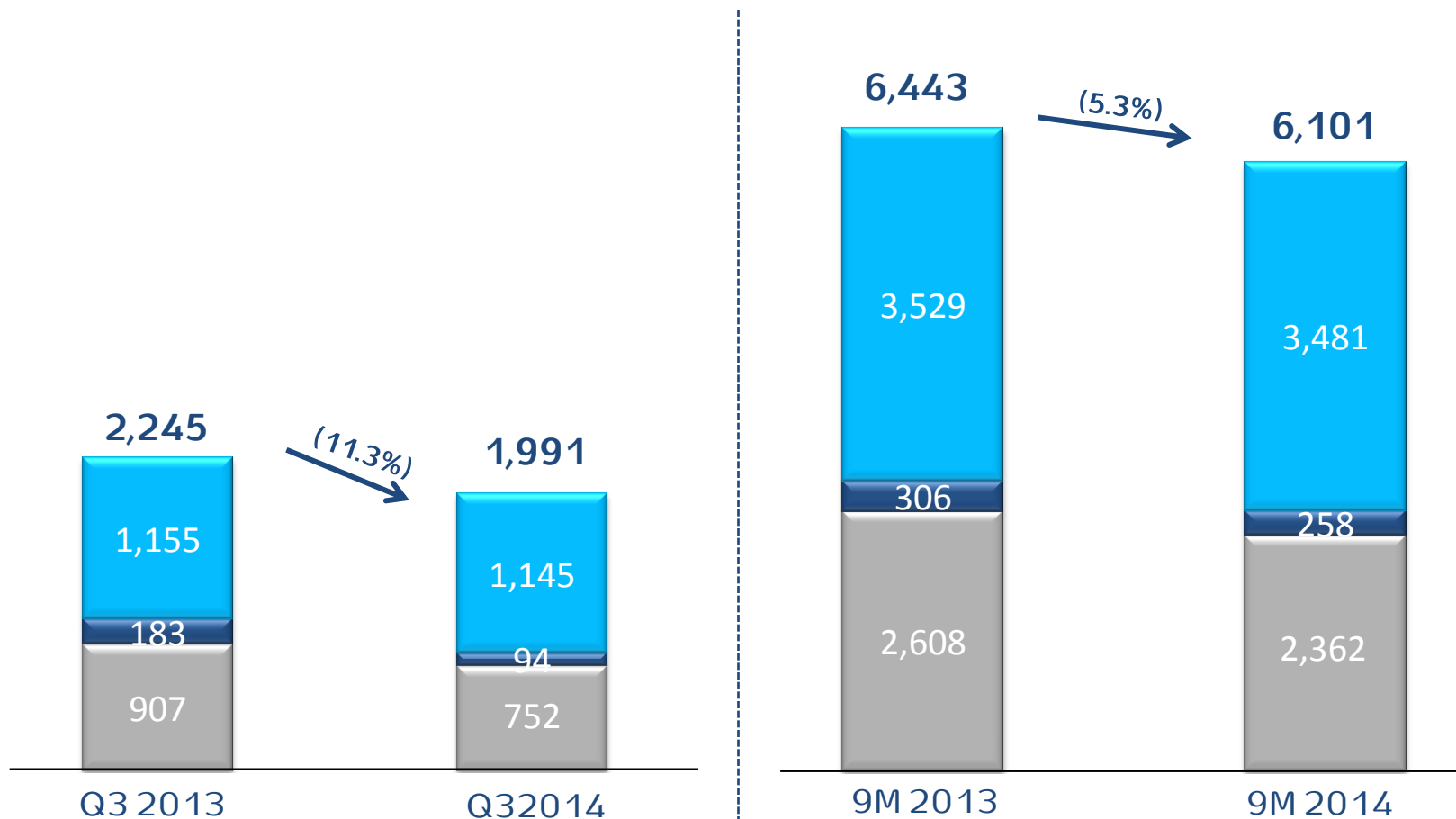


*Includes financial product distribution commissions



Total operating and other expenses down excludes provision for foreign customers

NIS millions

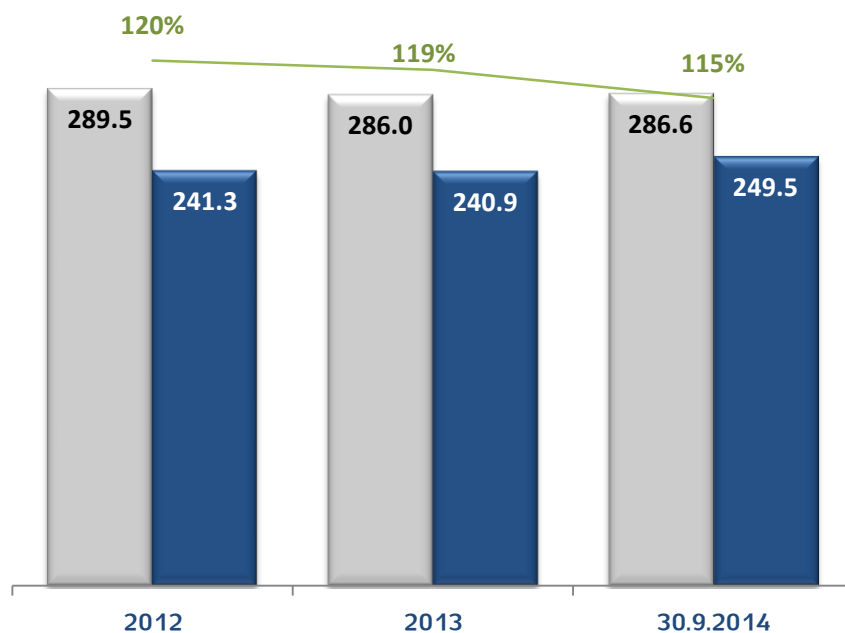




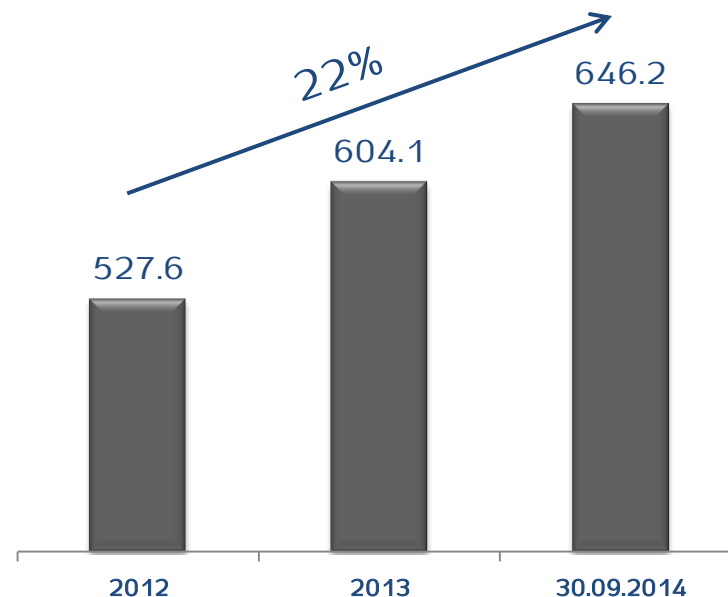
Strong liquidity; increase in off-balance sheet

NIS billions

Deposits to Credits



Off-balance sheet securities portfolio including mutual funds





Credit growth

NIS billions

	30.09.2014	31.12.2013	Δ %
Households	108.1	100.2	7.9
Small Businesses	24.3	23.3	4.4
Private Banking	6.1	6.5	(6.0)
Total Retail	138.5	130.0	6.5
Corporate Banking	57.1	60.7	(5.9)
Commercial Banking in Israel	34.4	32.3	6.2
Commercial Banking Abroad	17.0	17.3	(1.7)
Financial Management & Others	2.5	0.6	+
Total Corporate	111.0	110.9	0.1
Total Credit	249.5	240.9	3.6

>> Quality credit portfolio

Credit to groups of borrowers whose indebtedness exceeds 15% of the Bank's capital

	31.12.2011	31.12.2012	31.12.2013	30.09.2014
Groups of borrowers	2	1	–	–
% of capital	37.6%	18.0%	–	–

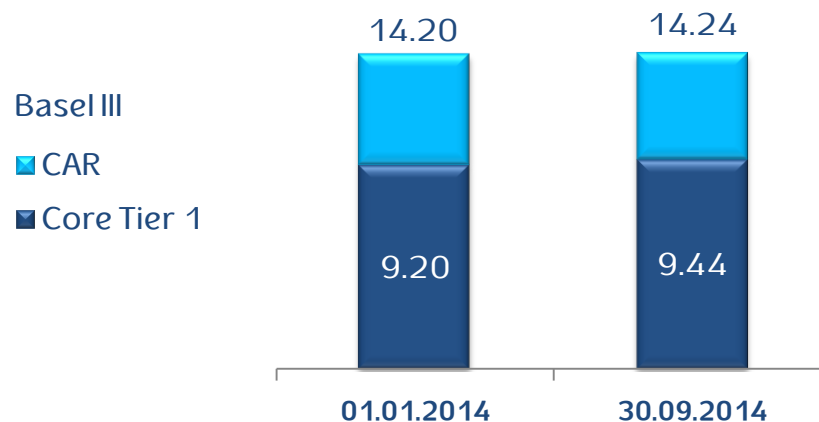
Total debts of large borrowers, groups of borrowers and banking groups of borrowers whose debts exceeds 10% of the Bank's capital (BoI limit of 120% of capital)

	31.12.2011	31.12.2012	31.12.2013	30.09.2014
% of capital	48.1%	18.0%	14.7%	11.5%

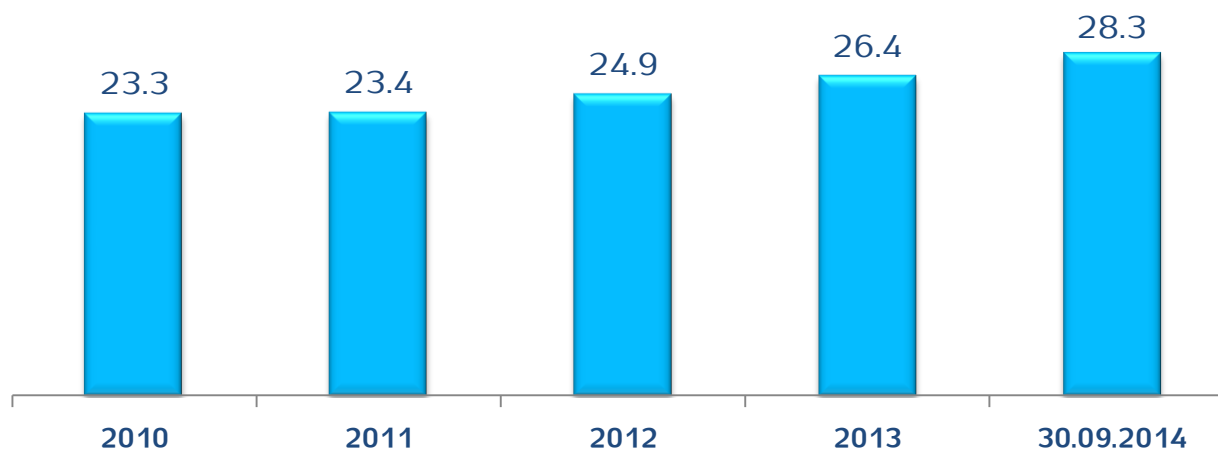


Capital: January 2015 regulatory requirements achieved

Capital to risk weighted assets, %



Capital development, NIS billions



>> Strategic highlights

Efficiency

- ✓ Headcount reduced -- salary expenses down
- ✓ Lean banking project completed

High quality loan book and leading capabilities in credit risk management

- ✓ Coverage ratio: 84%

Profit generation -- increasing market share of high RoE segments

- ✓ Continued growth in household and SME credit

Back to Basics -- Focus on Israel

- ✓ LeumiTech - to be the financial home of the Israeli hi-tech industry in Israel and abroad
- ✓ Transferring private banking business in Switzerland to Julius Baer

Leader in IT services for customers

- ✓ New innovative mobile services launched



Thankyou

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