



LEUMI Q1 2017 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.

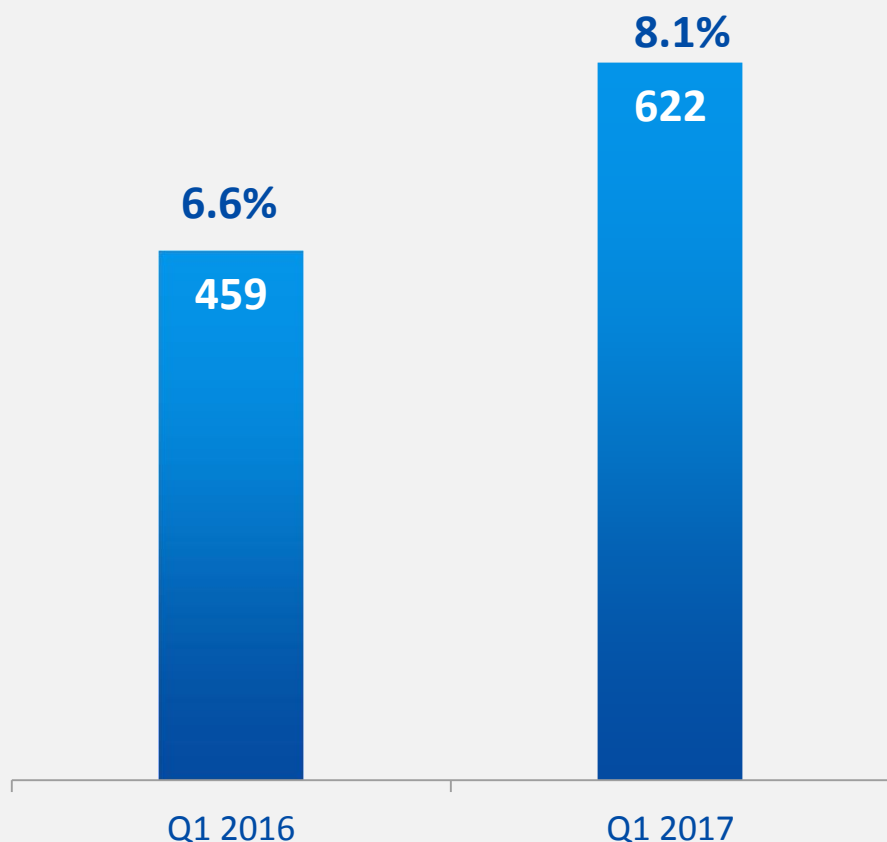
DISCLAIMER

This document and the information contained herein –

1. Has been prepared by Bank Leumi le-Israel B.M. (the “Bank”) solely for the purpose of presenting the Bank's business;
2. Is provided to you solely for your information and may not to be copied, distributed or forwarded, directly or indirectly, in any form to any other person, nor published, wholly or partially, for any purpose;
3. Does not purport to be all-inclusive or to contain all the information that may be relevant in making any decision concerning an investment in the securities of the Bank.;
4. No representation or warranty, has been expressed or implied, and there should be no reliance on the accuracy, completeness, or correctness of any of the information or opinions contained herein. In particular, no representation or warranty is given as to any forward- looking information, which is based, inter alia, on forecasts of the future regarding various matters related to economic developments in Israel and abroad, and especially to the foreign exchange and capital markets, legislation, directives of regulatory bodies, the behavior of competitors, technological developments, personnel issues, etc. and is subject to uncertainty and changes in circumstances. Actual results may differ materially from those included herein due to a variety of factors. For more information on the meaning of forward looking information, we would refer you to the Bank’s most recent published Consolidated Financial Statements;
5. Neither the Bank nor any of its employees or representatives shall bear any liability whatsoever (whether due to negligence or otherwise) for any loss or damage of any kind arising from the use of this document or its content or otherwise arising in connection with this document.
6. Does not constitute an offer or invitation to purchase or subscribe for any securities, nor does it constitute advice;
7. Should not form the basis of or be relied upon in connection with any contract or commitment whatsoever.



Q1 2017 Demonstrates a Strong Start, with underlying ROE at 8.1%



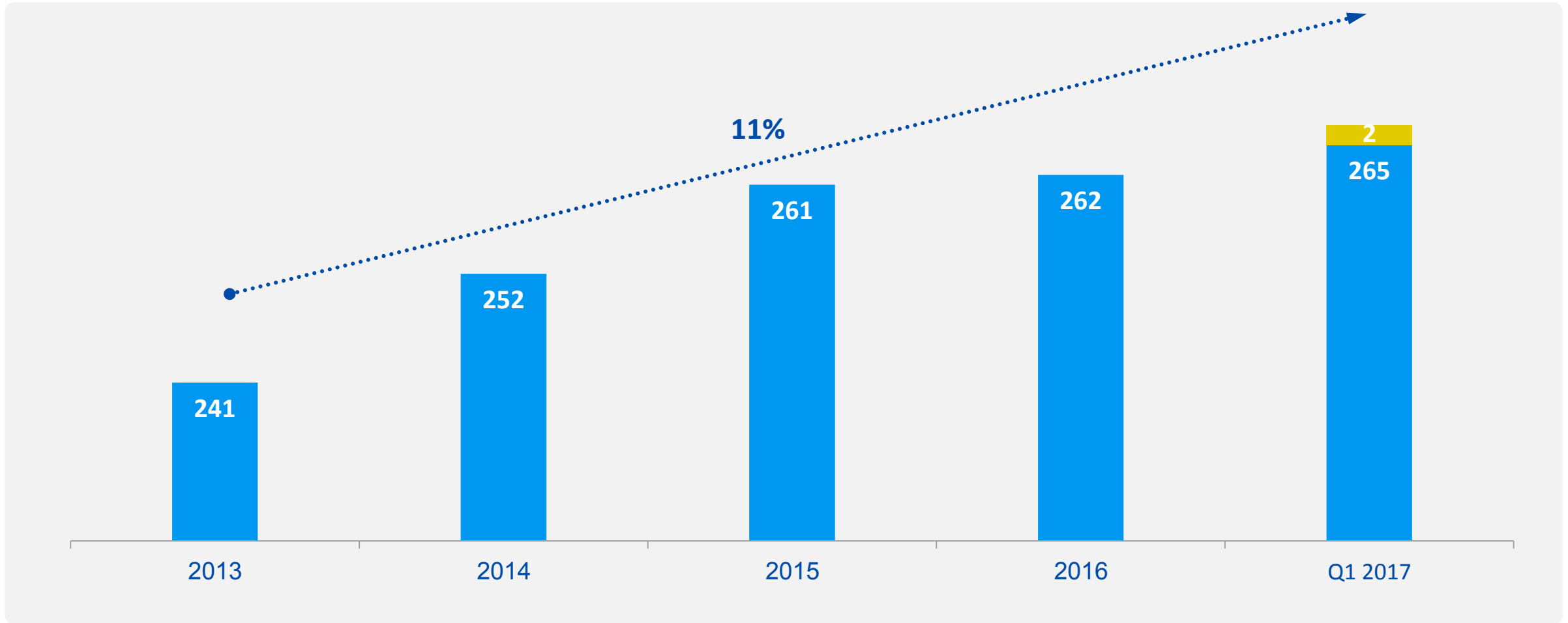
	Q1 2016	Q1 2017
Financing Income, Net*	1,802	2,027
Commissions	988	1,018
Total Operating & Other Expenses	1,990	2,050
Provision for Taxes and Profit	371	388
Net Profit	459	622

* Includes: Interest Income, Net , Credit Losses and Non-interest financing Income

(NIS Millions)



Credit Continues to Rise

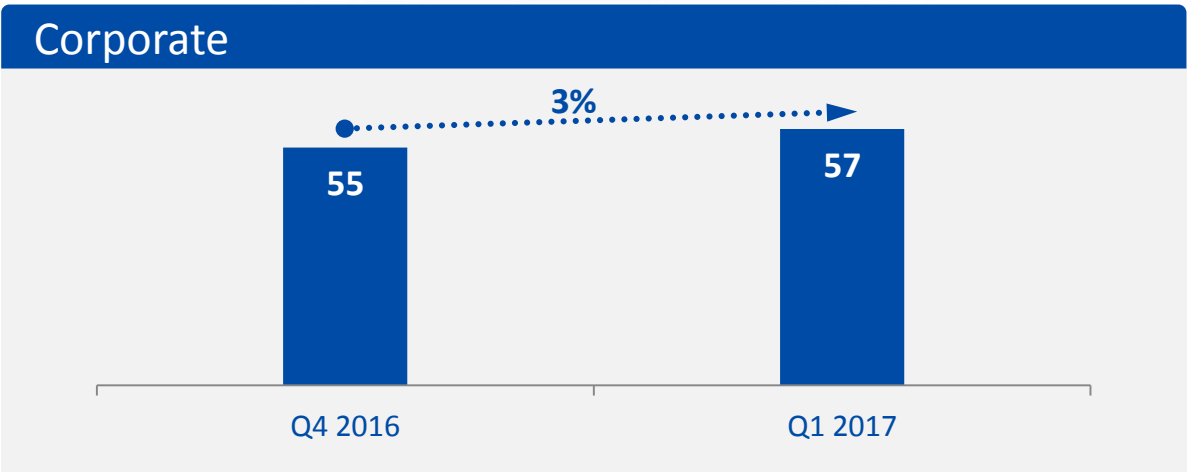
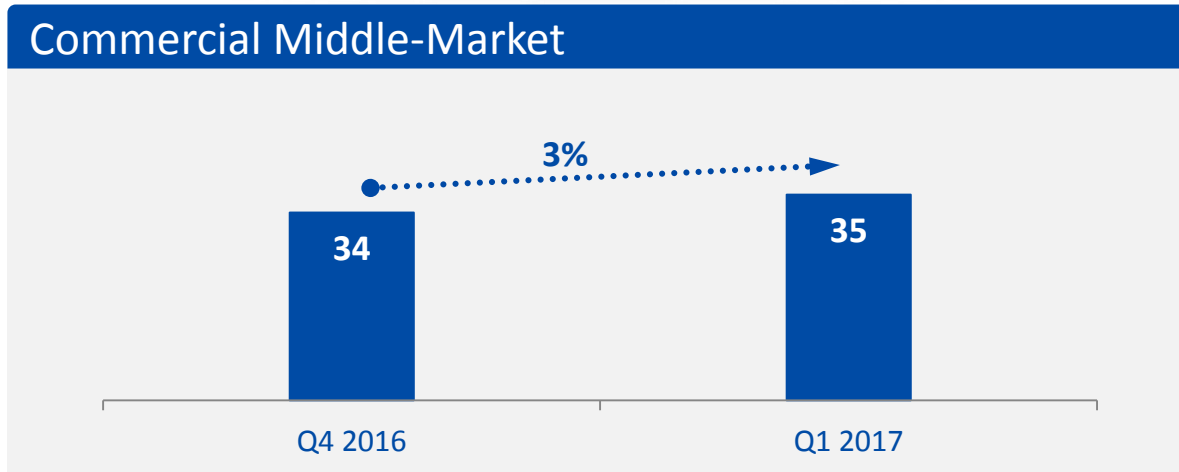
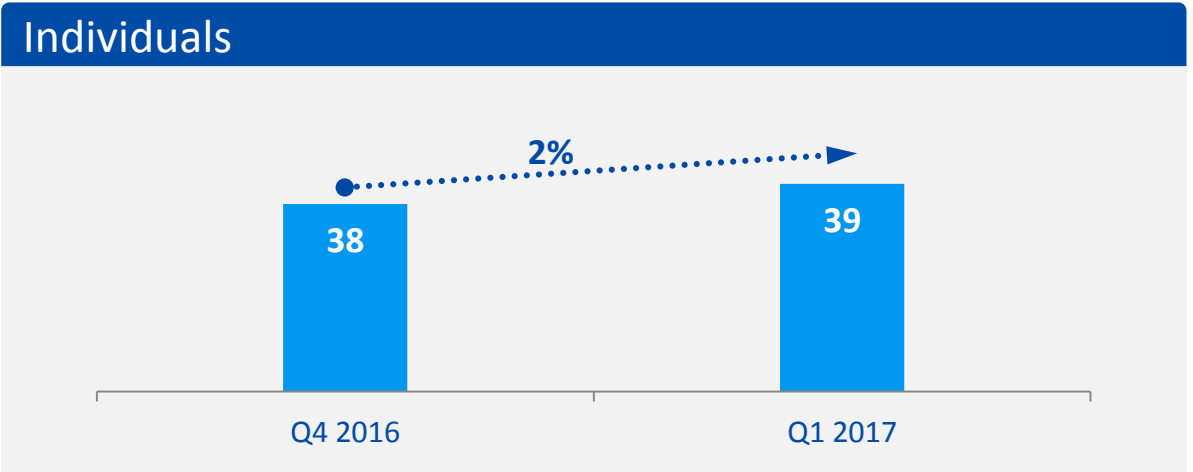
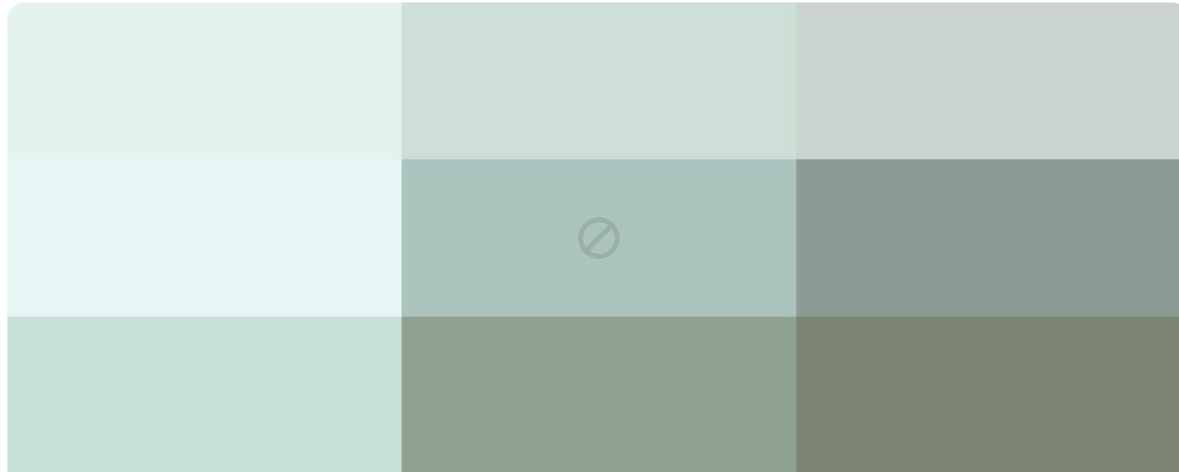


(NIS Billions)

*Q1 2017 Foreign Currency Rate Impact of 2 NIS Billions



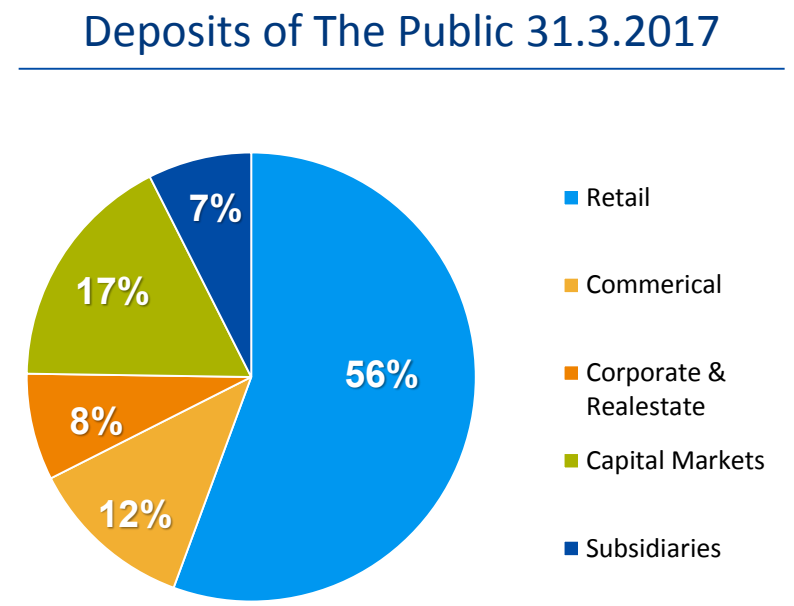
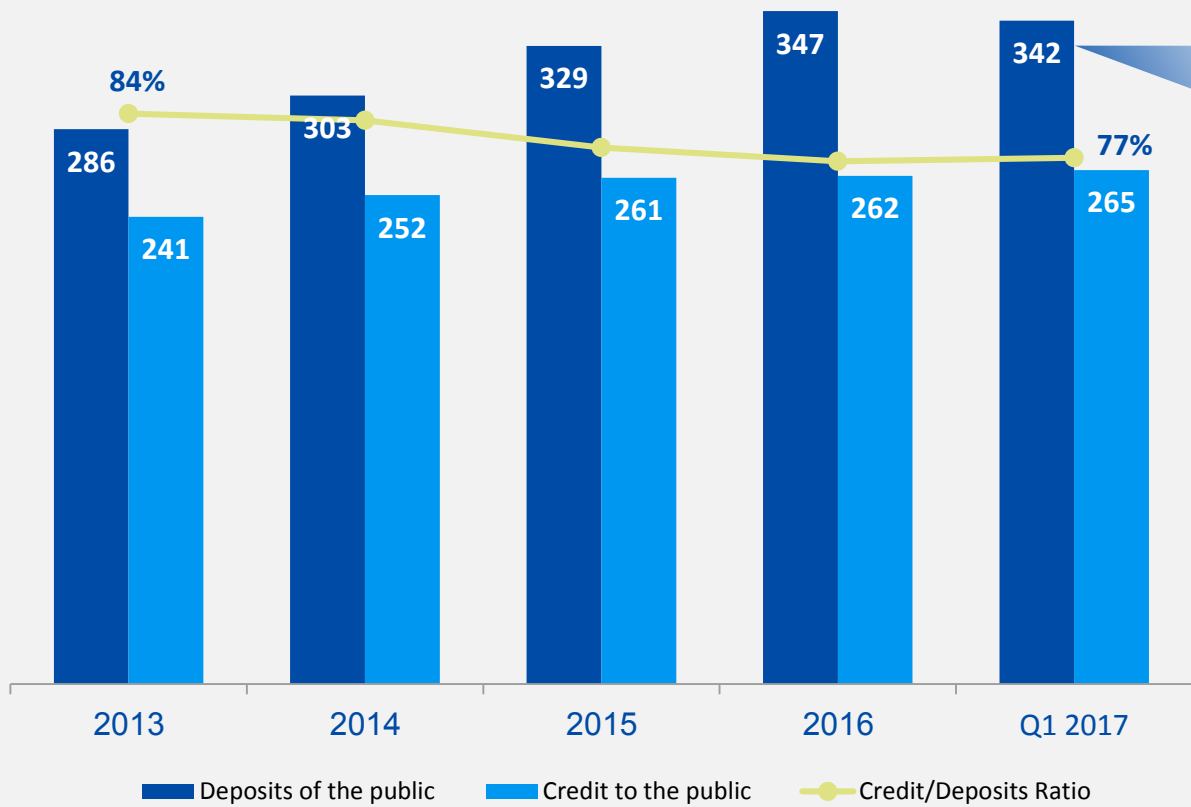
Credit Growth by Segments



(NIS Billions)
Corporate includes Corporate, Real-Estate and Capital Markets



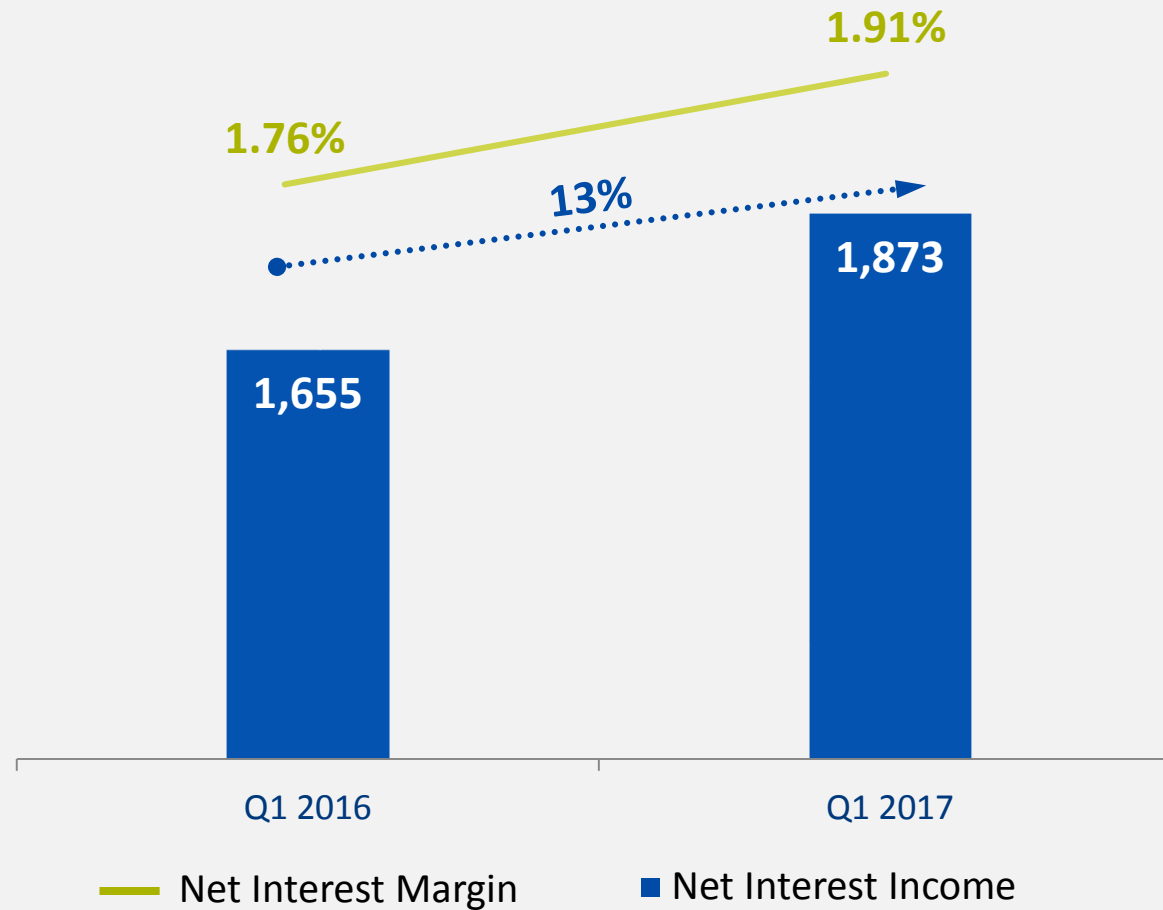
Stable Liquidity. Conservative, Well-funded and Diverse Portfolio



NIS Billions, Credit to the Public, Net; Deposits of the Public, Net



Profound Increases in Net Interest Income and Net Interest Margin

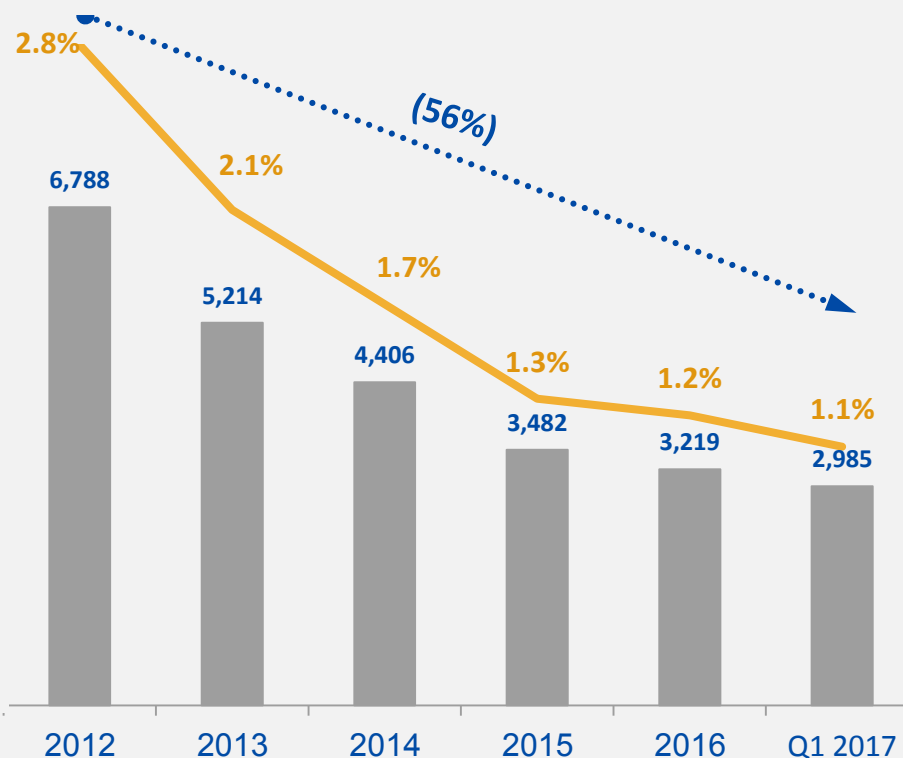


(NIS Millions)



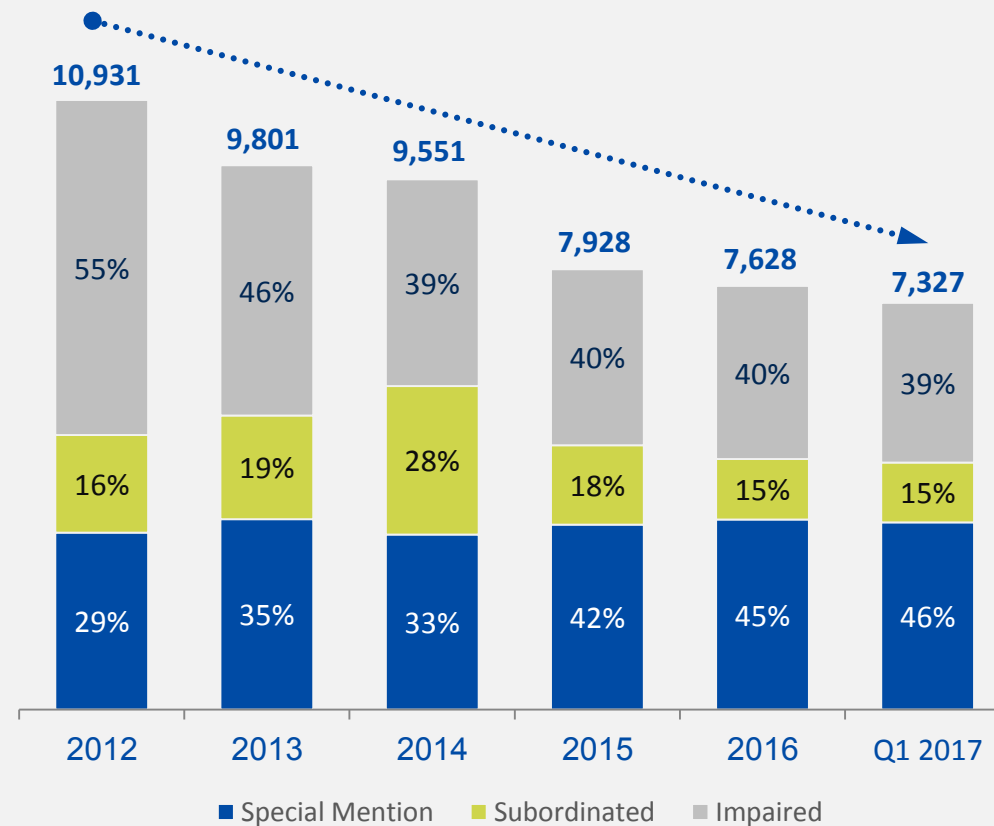
Resilient and High Quality Credit Portfolio

NPL Ratio 1.1%, NPLs 56% Lower Than 2012



Impaired Debt, net of Public debts under restructuring, accruing interest income/Total debt

Continuous Positive Trend in Problem Debts

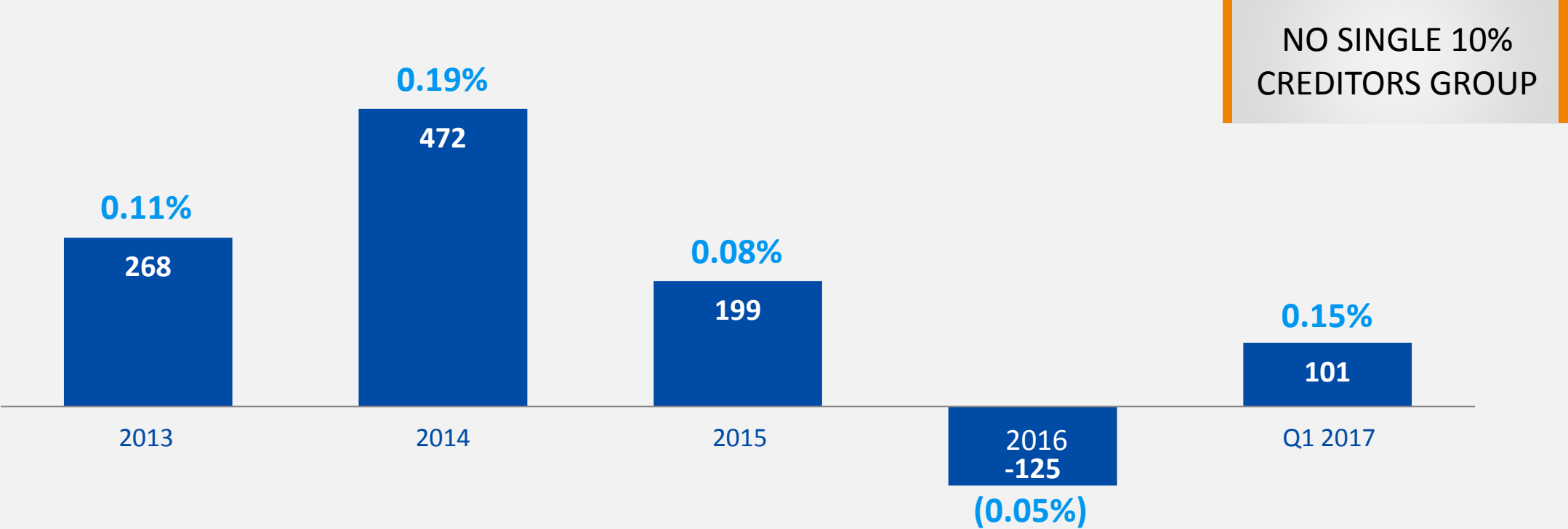


(NIS Millions)



Another View of the High Quality Credit Portfolio

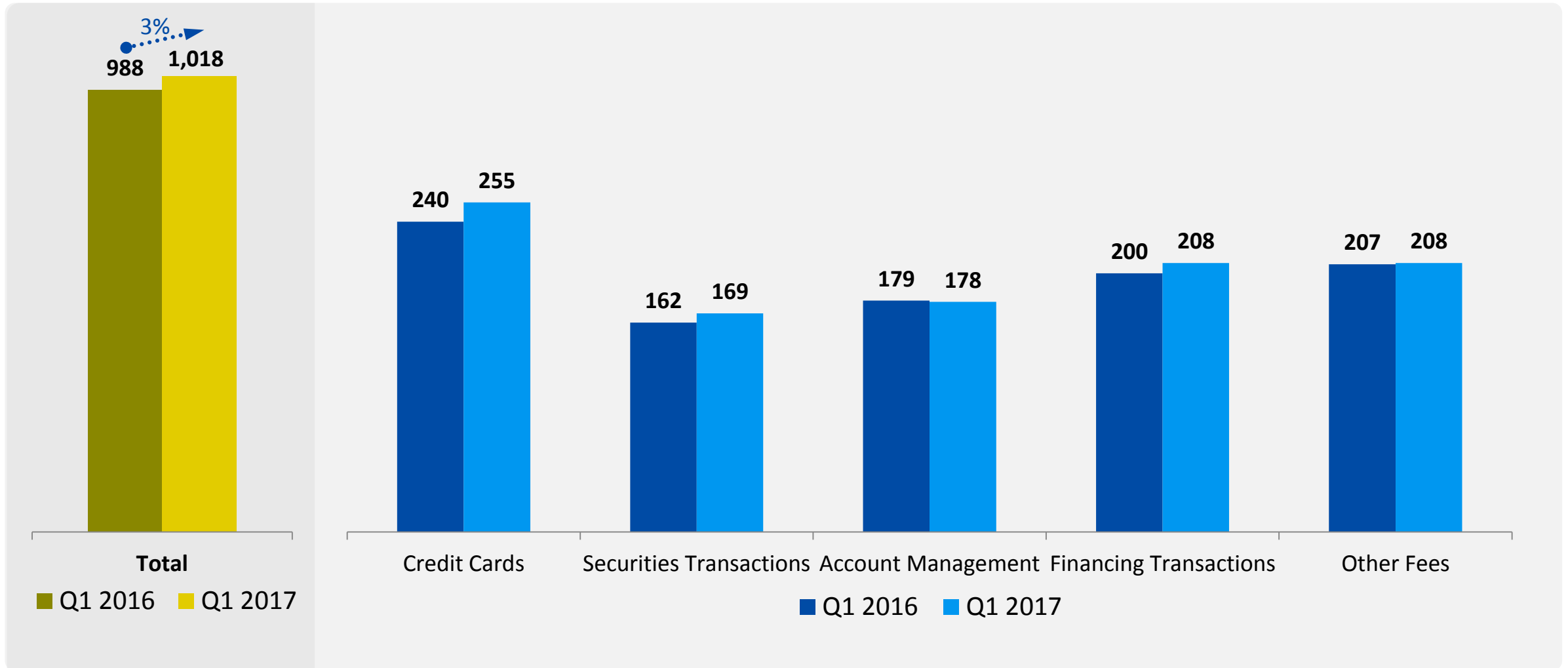
Low Credit Loss Expenses



(NIS Millions)



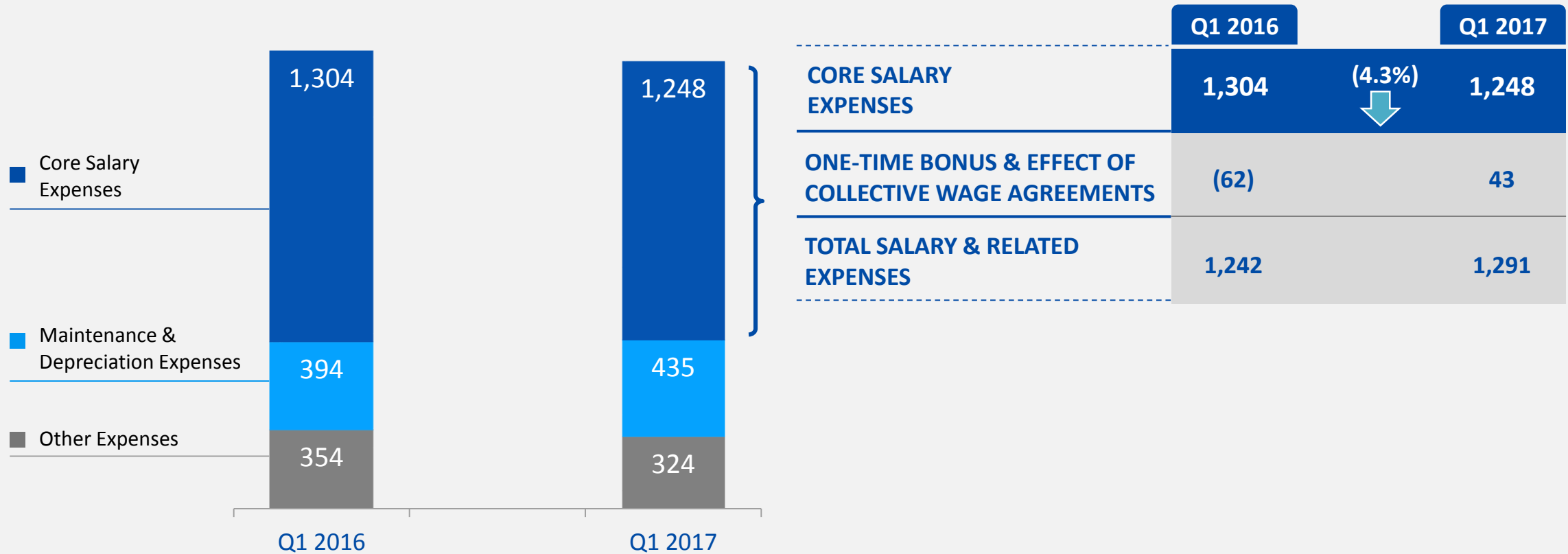
Diverse and Slightly Increased Commission Revenue



(NIS Millions)



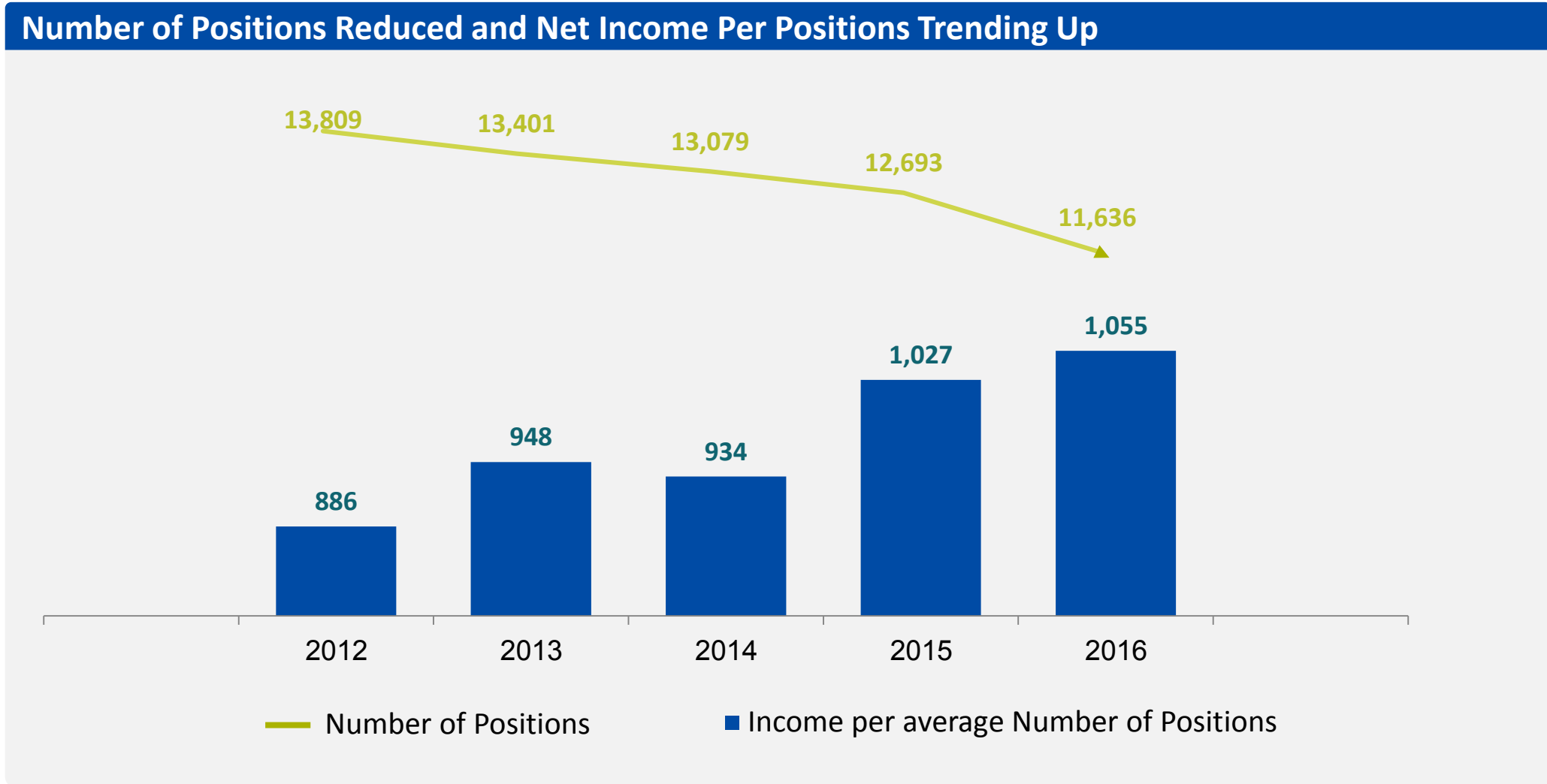
Efficiencies Improving, Core Operating & Other Expenses Going Down



(NIS Millions)



Streamlining of the Business Continues into 2017

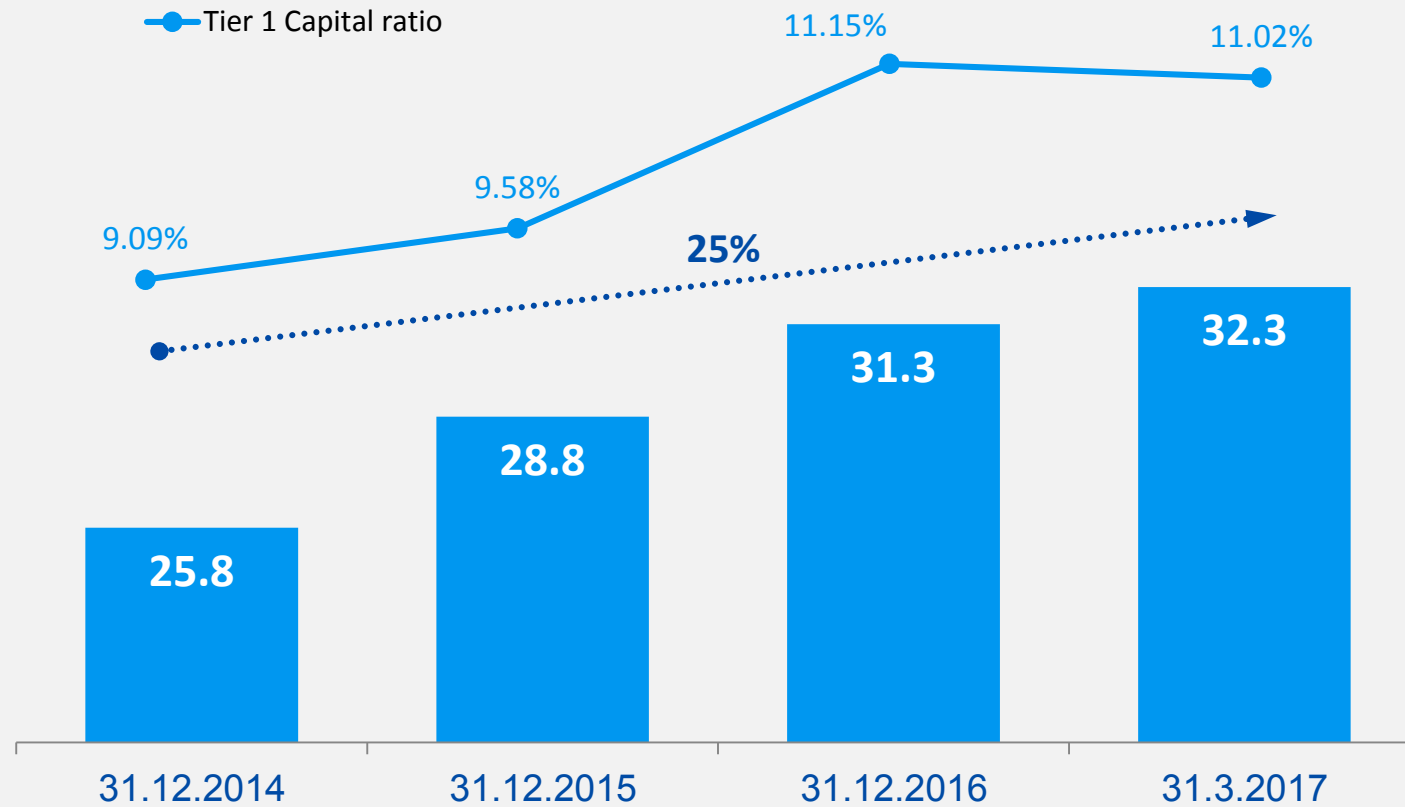


(Income per Positions in Thousands)



Set for Growth, Well-managed Capital, Dividend Program Rolls Out

Successfully Managing Capital, Q1 2017 Dividend Payout



(NIS Billions)

Regulatory CET-1 Target		
10.3%	◀	31.3.2017

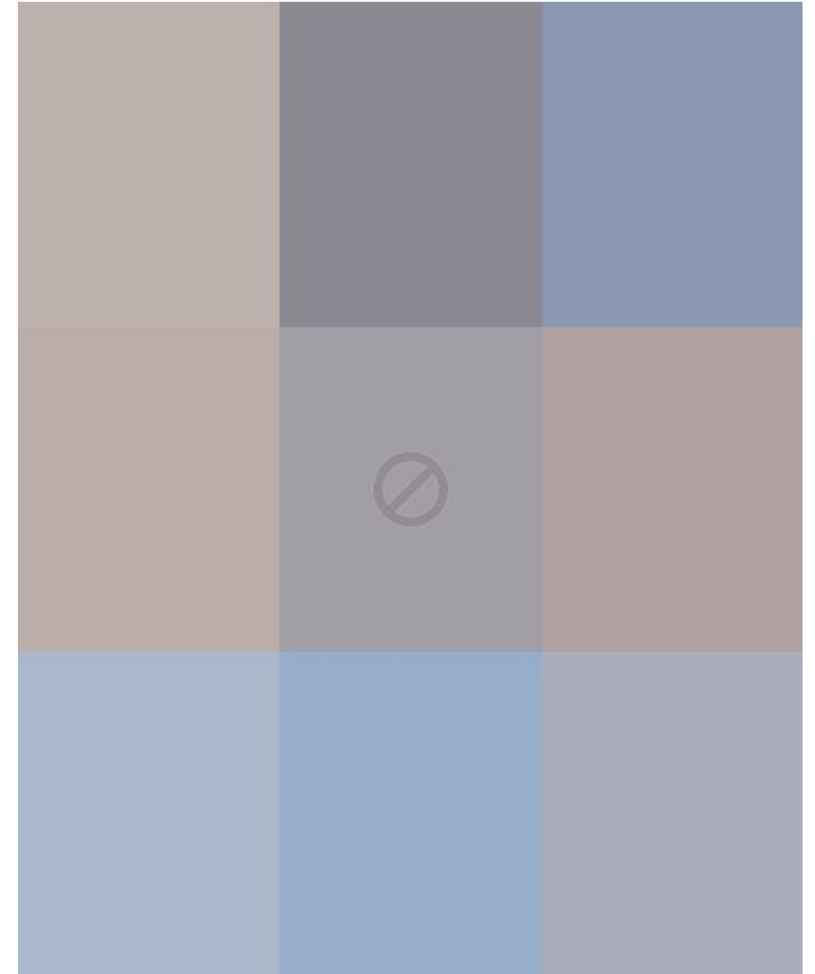
Leumi's CET-1 Target		
10.5%	◀	31.12.2017

Total Capital Ratio		
13.8%	◀	31.3.2017 REGULATORY TARGET
14.8%	◀	31.3.2017 LEUMI ACTUAL



Q1 2017 Highlights – Strong Start to the Year, Across the Board

- Increase in Credit and Net Interest Income
- Continuous Implementation of Efficiency Plan; Improvement in Efficiency Ratio
- Substantial Increase in Return on Equity, all from Core Business
- High Return on Comprehensive Income
- High Quality Credit Portfolio
- Leading Digital Banking Transformation In Israel, Launch of Pepper





לאומי
leumi

Q&A



לאומי
leumi

THANK YOU



לאומי
leumi

APPENDIX

Strong Macro Profile – A Positive for Leumi

Strong Economic Growth – Positive for Leumi

Robust Demographic Fundamentals –
Another “Plus” for Leumi

An Innovation Nation - Leumi Partnering in
High-Tech Financial Services

Natural Resources (Water and Natural Gas)– One
More Area of Leumi’s Financing Expertise

Israeli Economy Enjoys Stability Indicators –
A Positive Business Environment for Leumi

	2016	E2017*	E2018*
GDP, rate of change, real terms	4.0%	3.2%	3.9%
Current account surplus, % of GDP	3.9%	3.5%	3.3%
Government budget deficit, % of GDP	(2.1%)	(2.6%)	(2.7%)
Government debt, % of GDP	60.4%	60.3%	60.2%
Unemployment, Annual Average	4.8%	4.4%	4.2%
CPI, year-end change	(0.2%)	0.5%-1.5%	1.0%-2.0%
NIS-USD, average exchange rate	3.84	3.60-3.80	3.50-3.70
NIS-EUR, average exchange rate	4.25	3.90-4.10	3.85-4.05
Bank of Israel average interest rate	0.1%	0.0%-0.25%	0.2%-0.7%

Source: Central Bureau of Statistics, *Leumi forecast

