



# SEPTEMBER 30, 2021 FINANCIAL 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.

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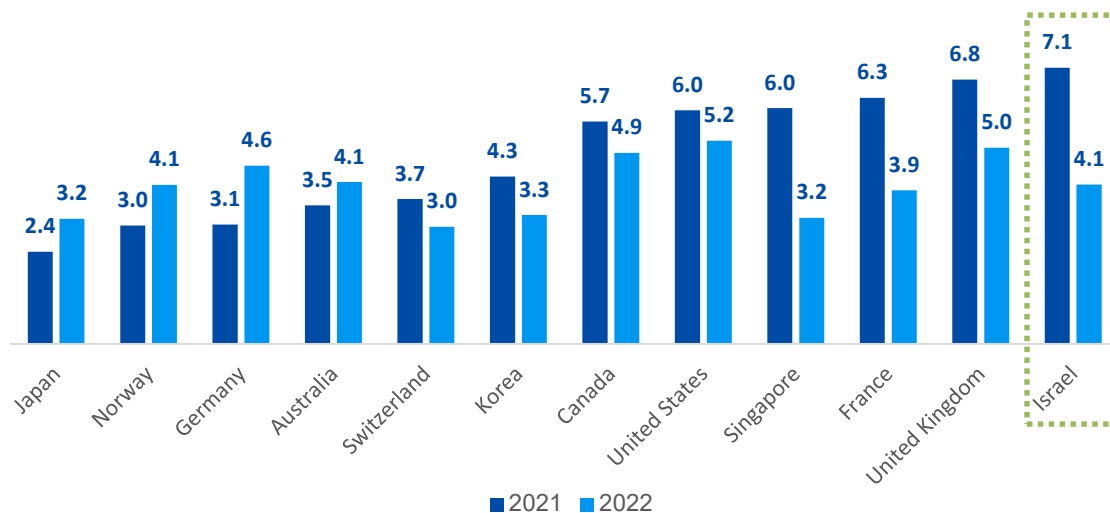
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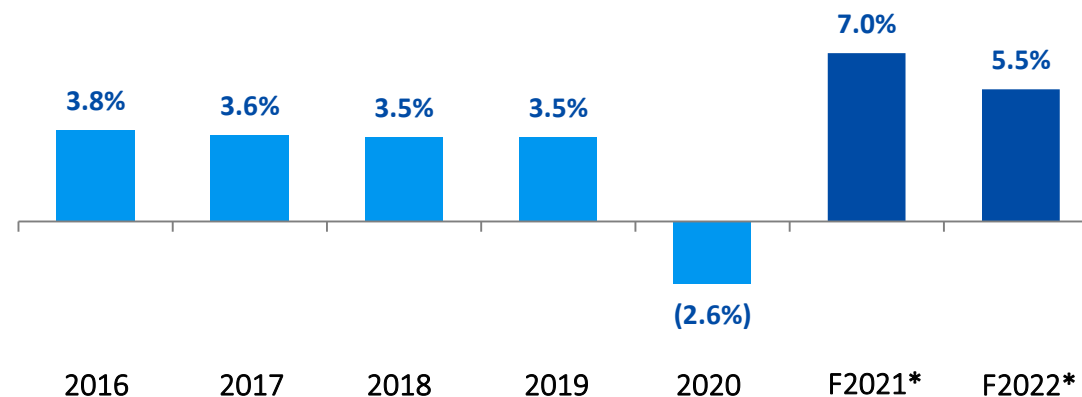
# Macroeconomic Factors and Indicators

## IMF- GDP Forecast for 2021-2022

### Resilient Recovery of COVID-19 in Israel



## BOI- GDP, Rate of Change, Real Terms



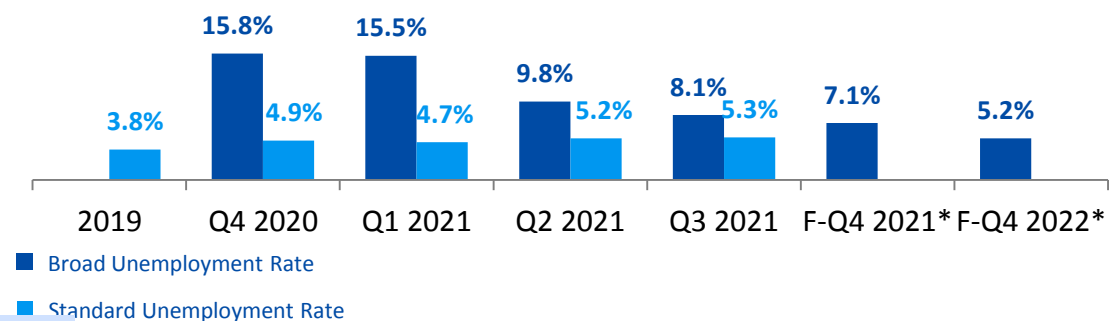
## CPI

### BOI estimates



## Broad Unemployment\*\*, Age Group 15+

### BOI estimates



Sources: Refinitiv Datastream, Bank of Israel, Israel Ministry of Finance (MOF), Government Database for the Public data.gov.il.

\*BOI Estimates as of Oct 7, 2021. CBS figures as of October 18, 2021. CPI 2021,2022 estimates refer to expected Q4 average comparison. IMF as of October 2021.

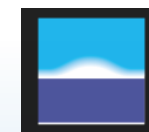
\*\*Broad Unemployment rate includes employees temporarily absent from their places of work due to the coronavirus crisis and those dismissed since March and who do not currently participate in the workforce.



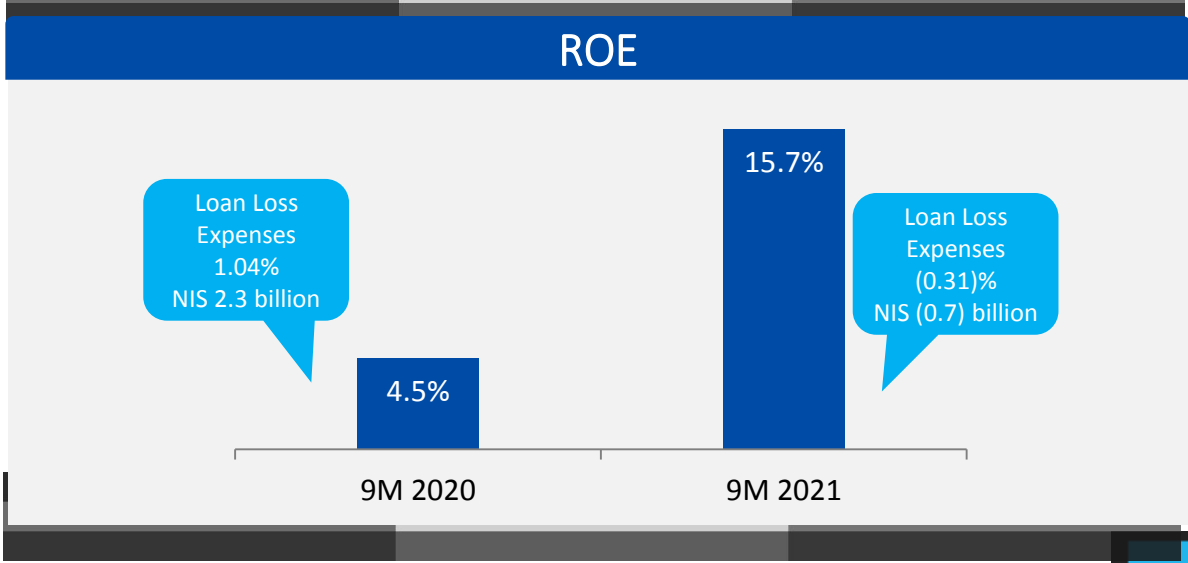
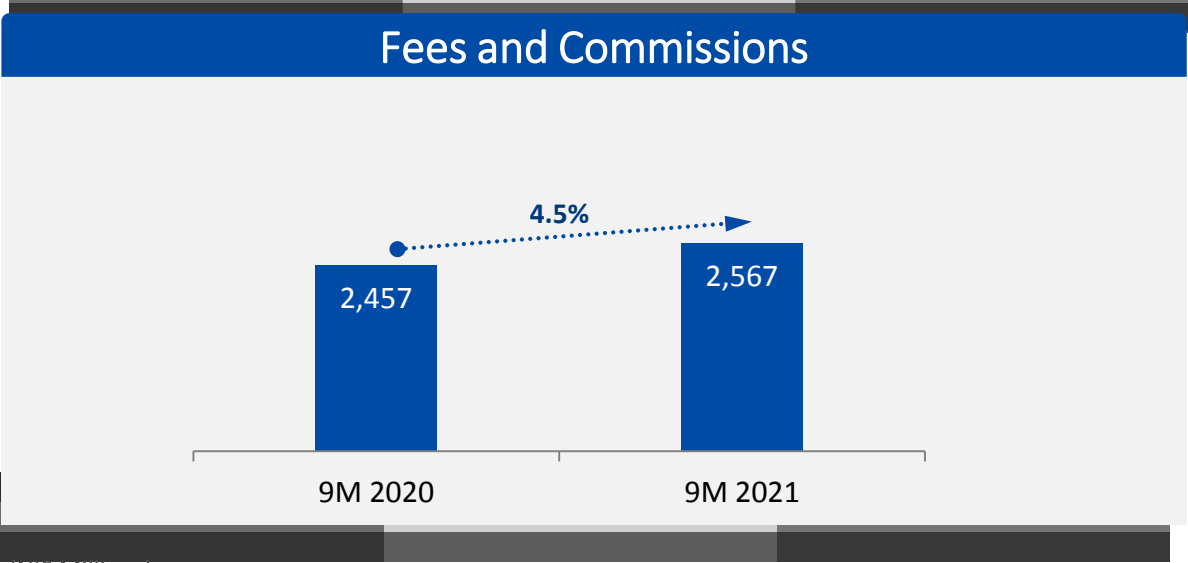
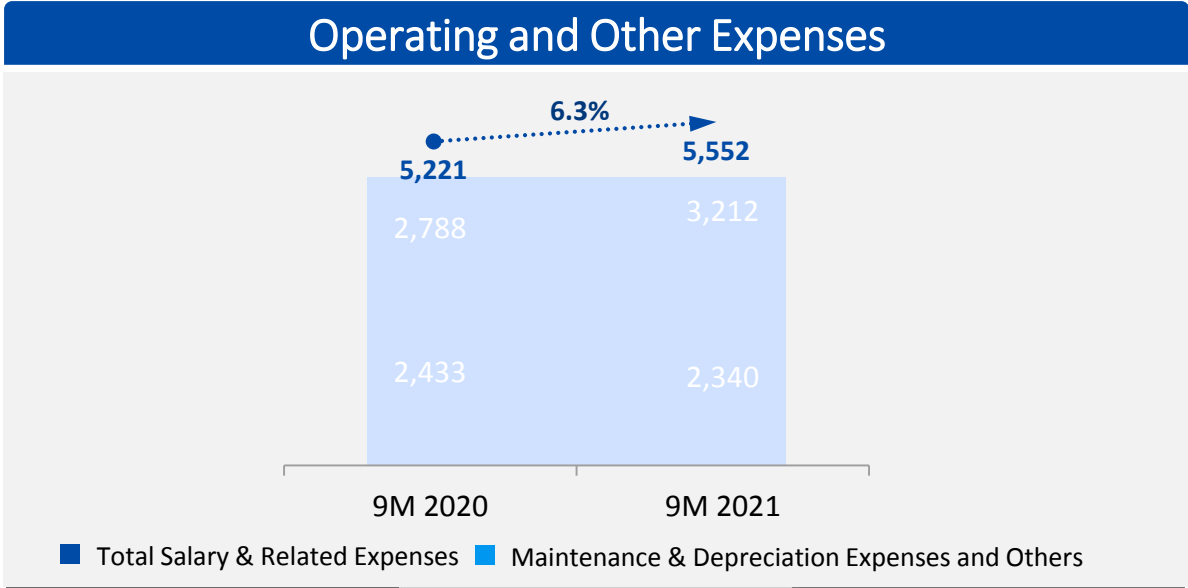
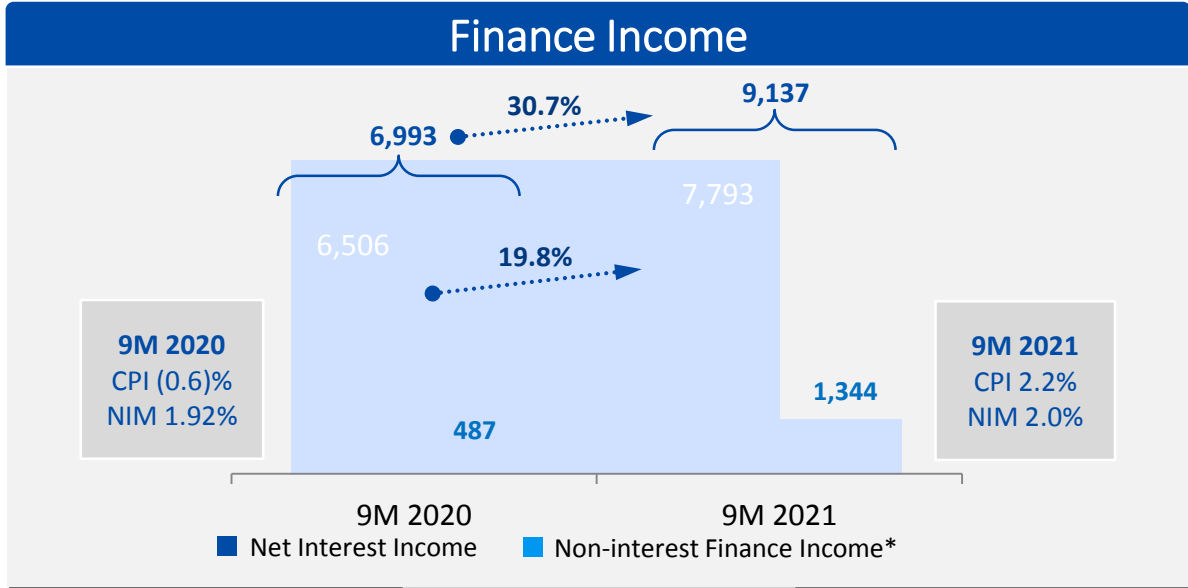
# Core Business Continues to Improve - Key Financial Metrics

	9M 2021	Q3 2021	Q3 2020
ROE	15.7%	16.0%	8.4%
Cost / Income Ratio	46.5%	47.4%	50.4%
Credit Loss (Income) Expense Ratio	(0.31%)	(0.44%)	0.76%
PPNR / Average Assets*	1.5%	1.4%	1.3%
ROA	1.1%	1.0%	0.6%

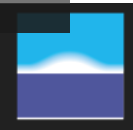
\*Pre-provision net revenue equals net interest income plus total non-interest income less total non-interest expense; presented on an annualized basis



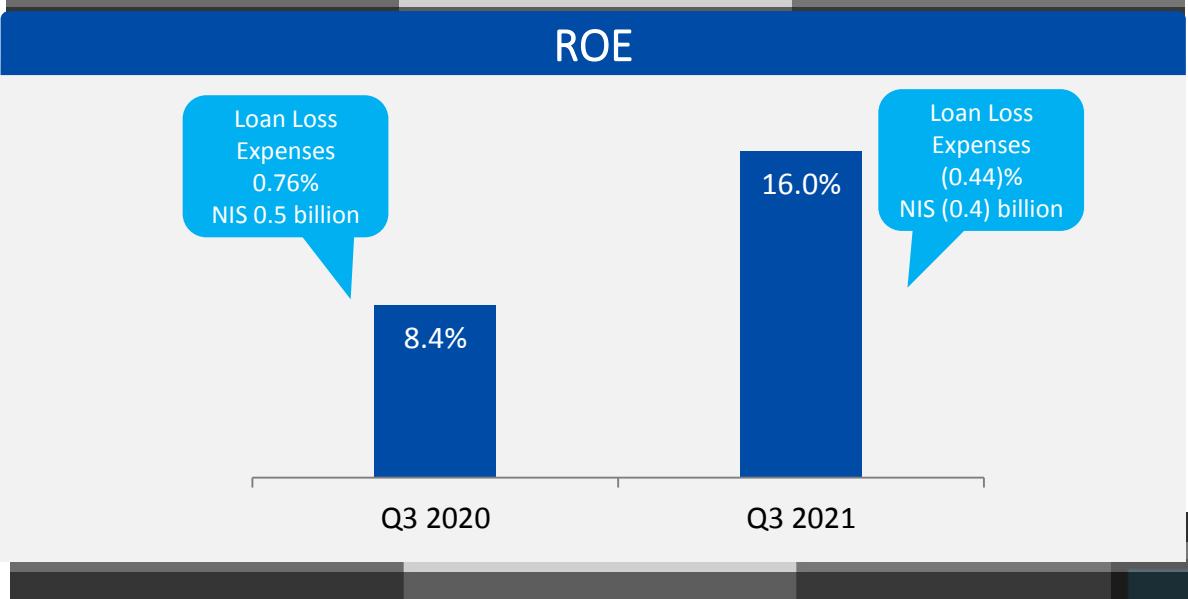
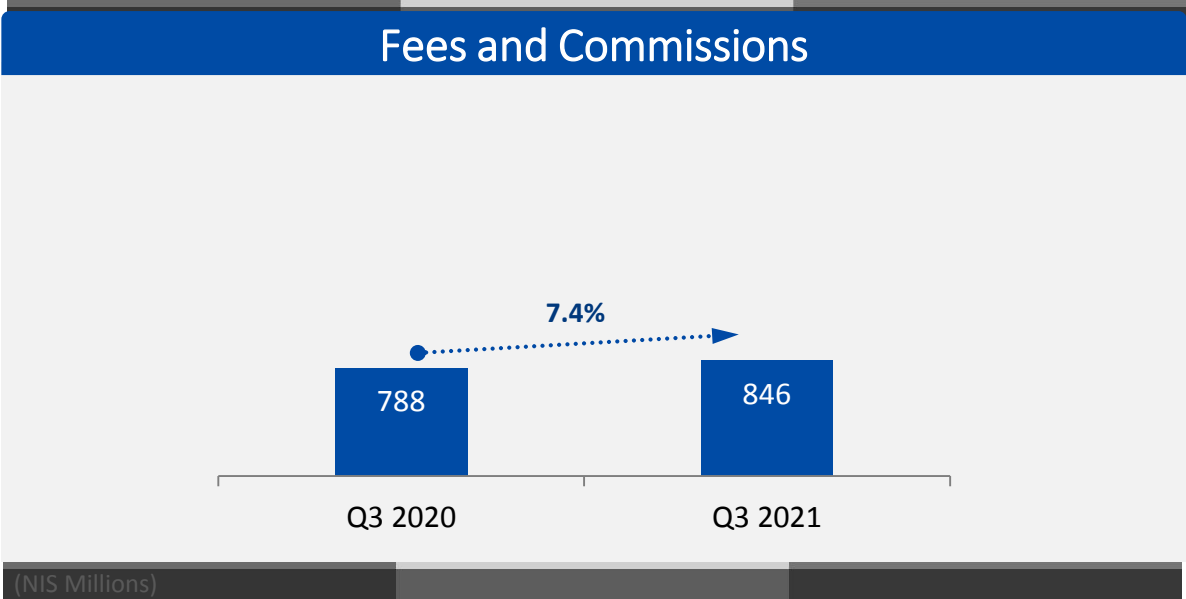
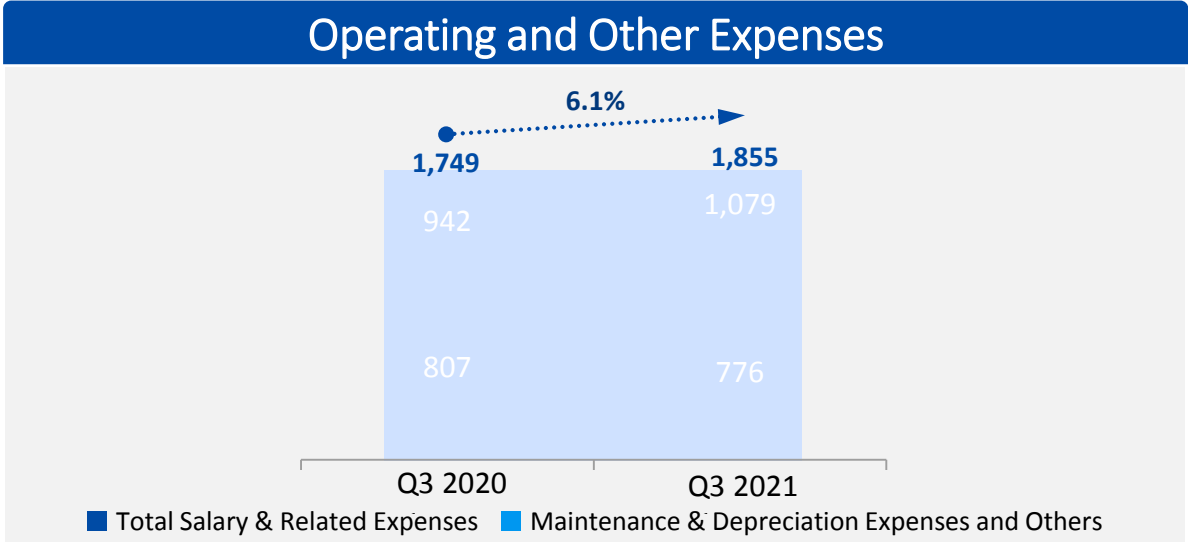
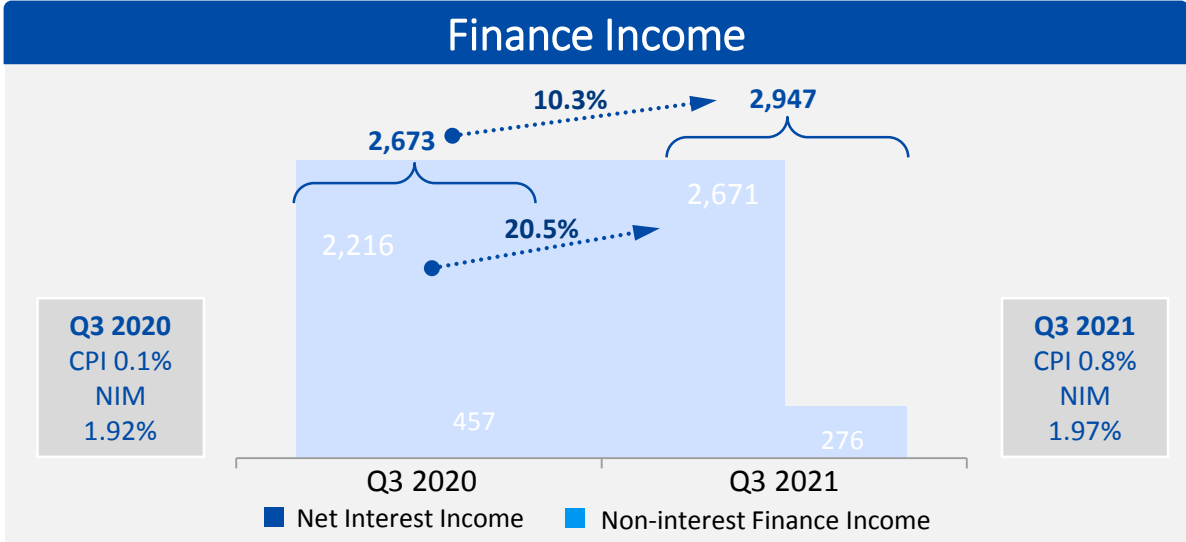
# 9M 2020 vs. 9M 2021 – Breakdown of Income and Expenses



(NIS Millions)



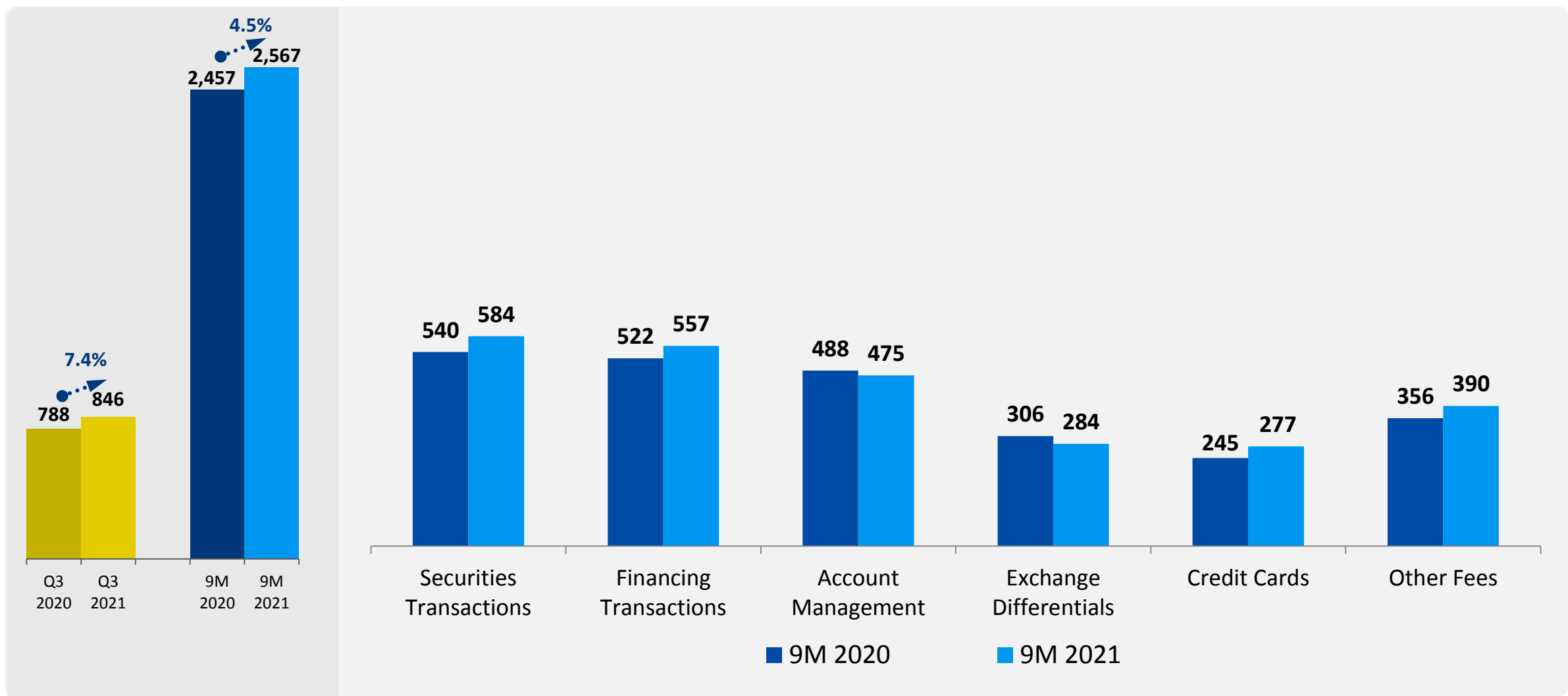
# Q3 2020 vs. Q3 2021 – Breakdown of Income and Expenses



(NIS Millions)



# 9M 2020 vs. 9M 2021 - Fees and Commissions Performance

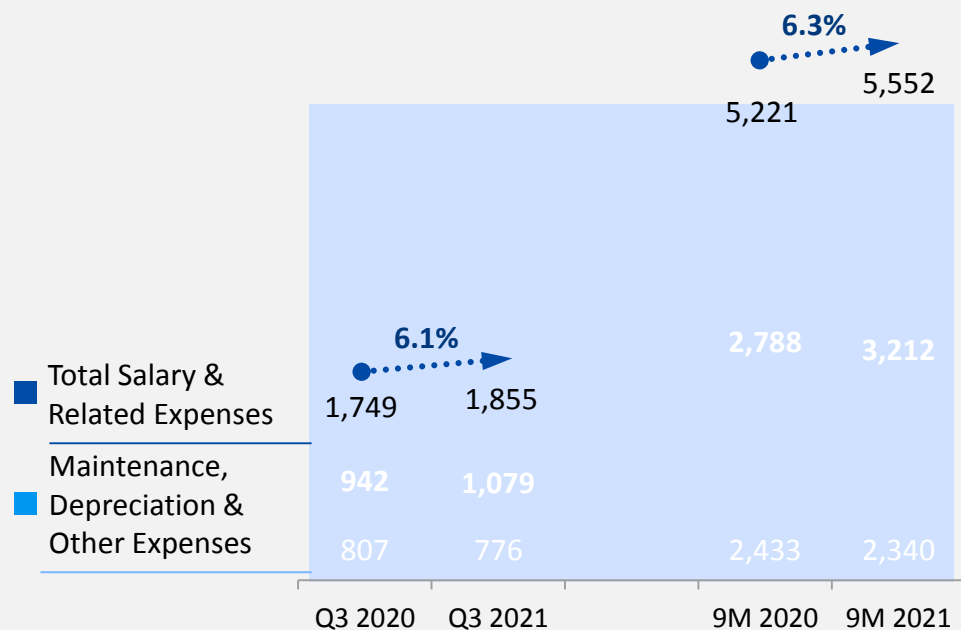


(NIS Millions)



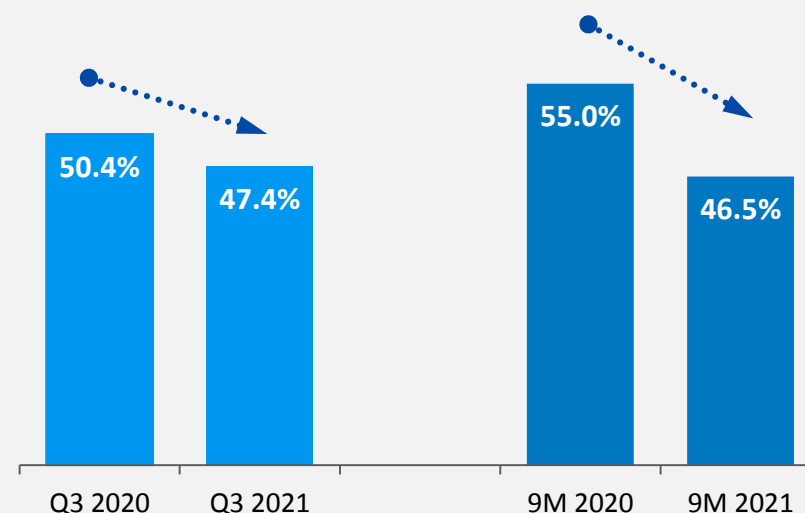
# Consistent Improvement in Operating Efficiency

## Disciplined Cost Structure



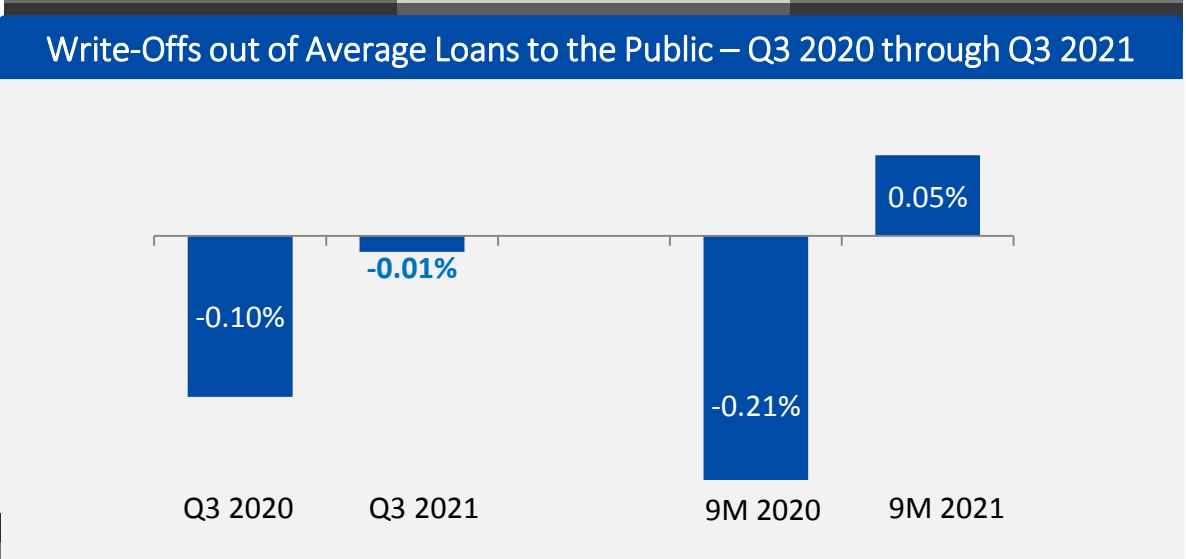
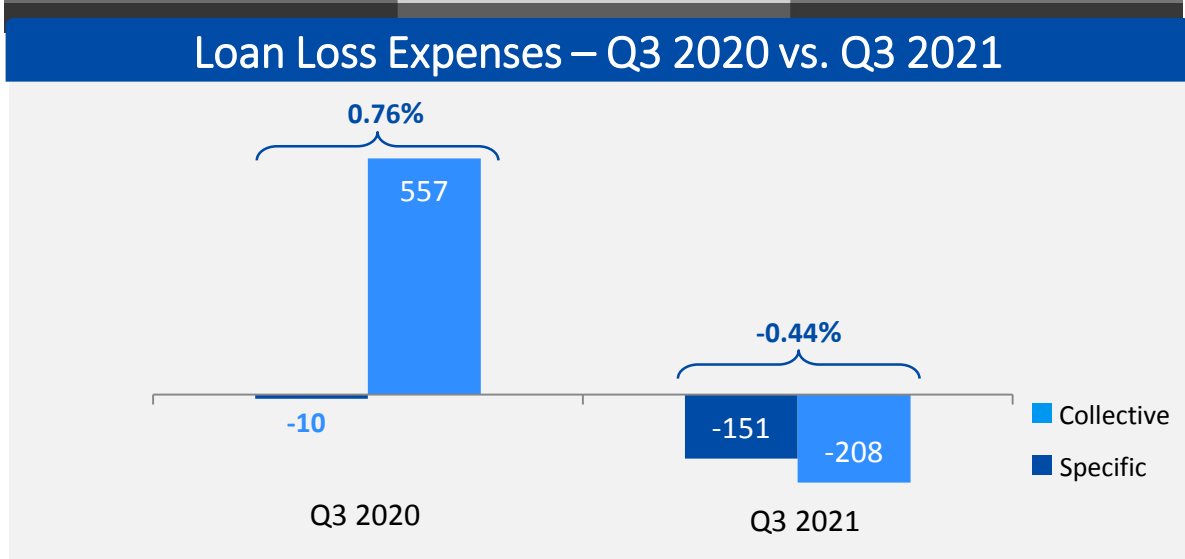
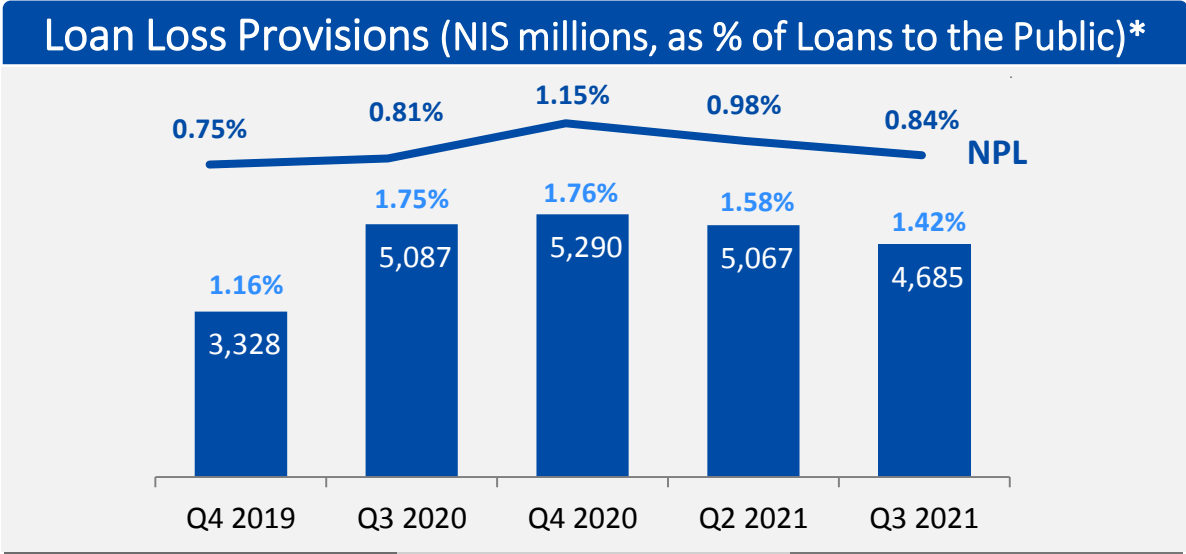
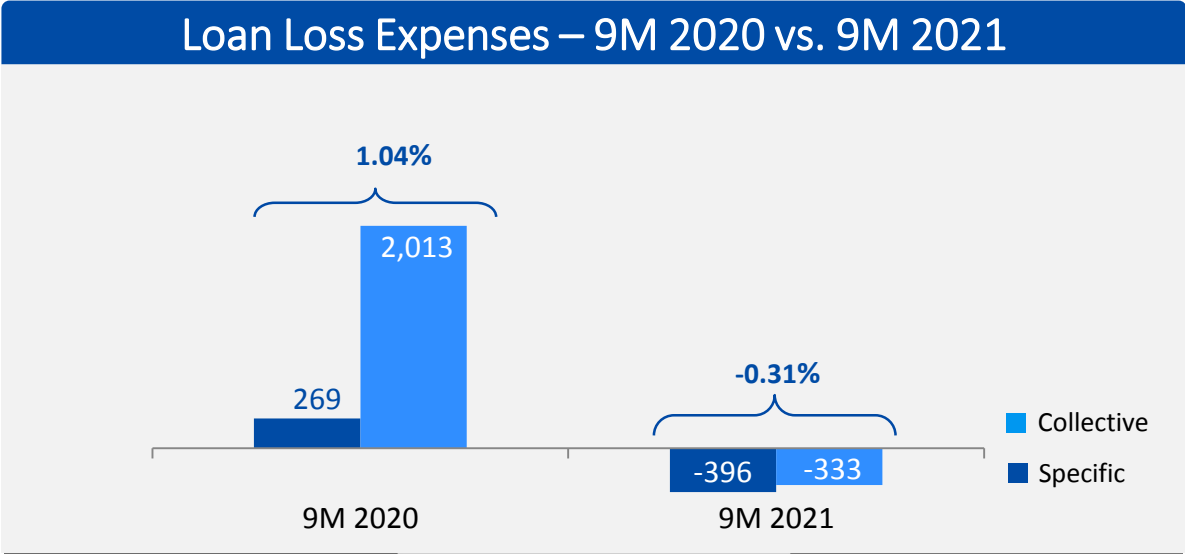
NIS Millions

## Cost-income Ratio





# Monitoring our Loan Portfolio in Light of COVID-19

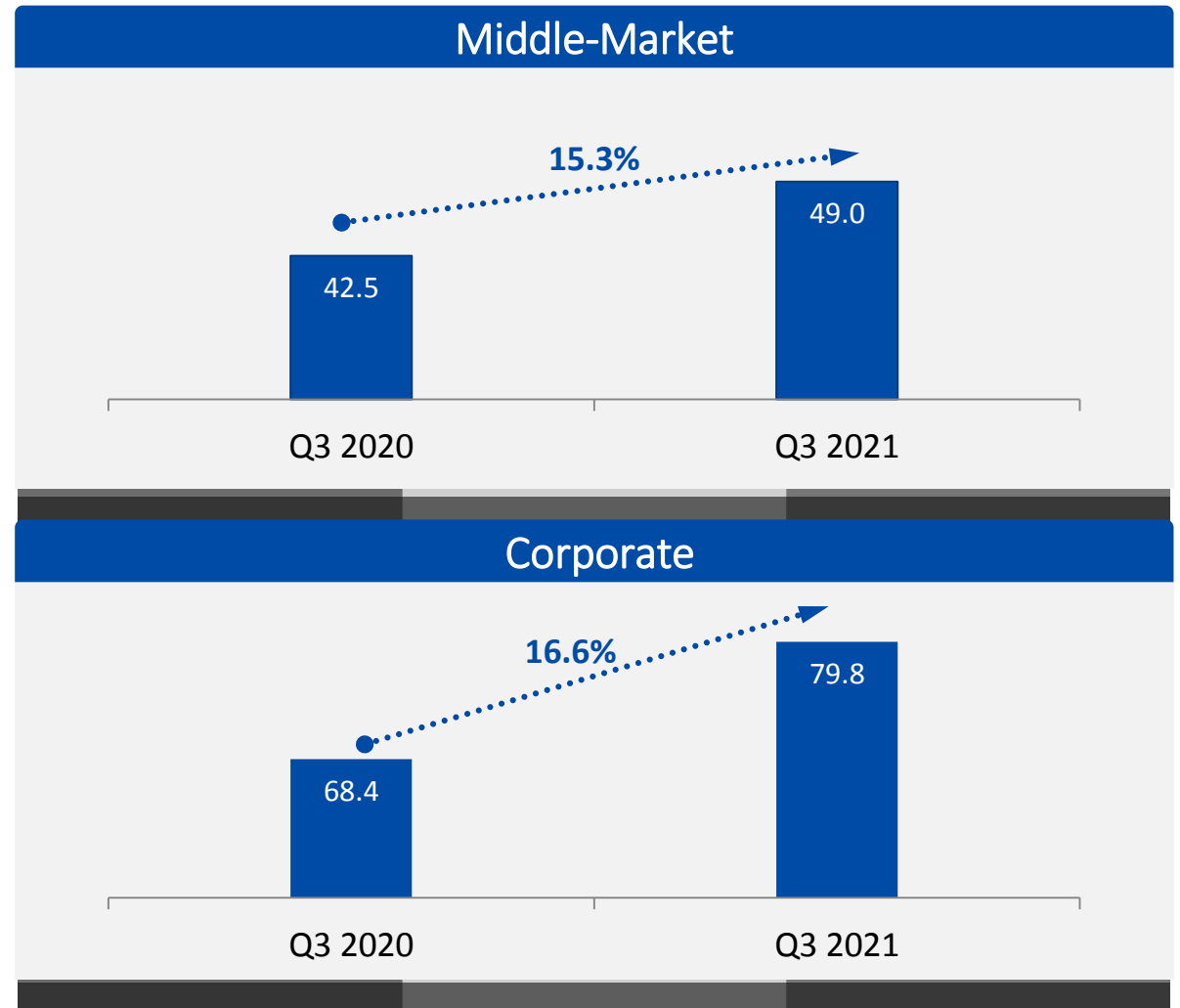
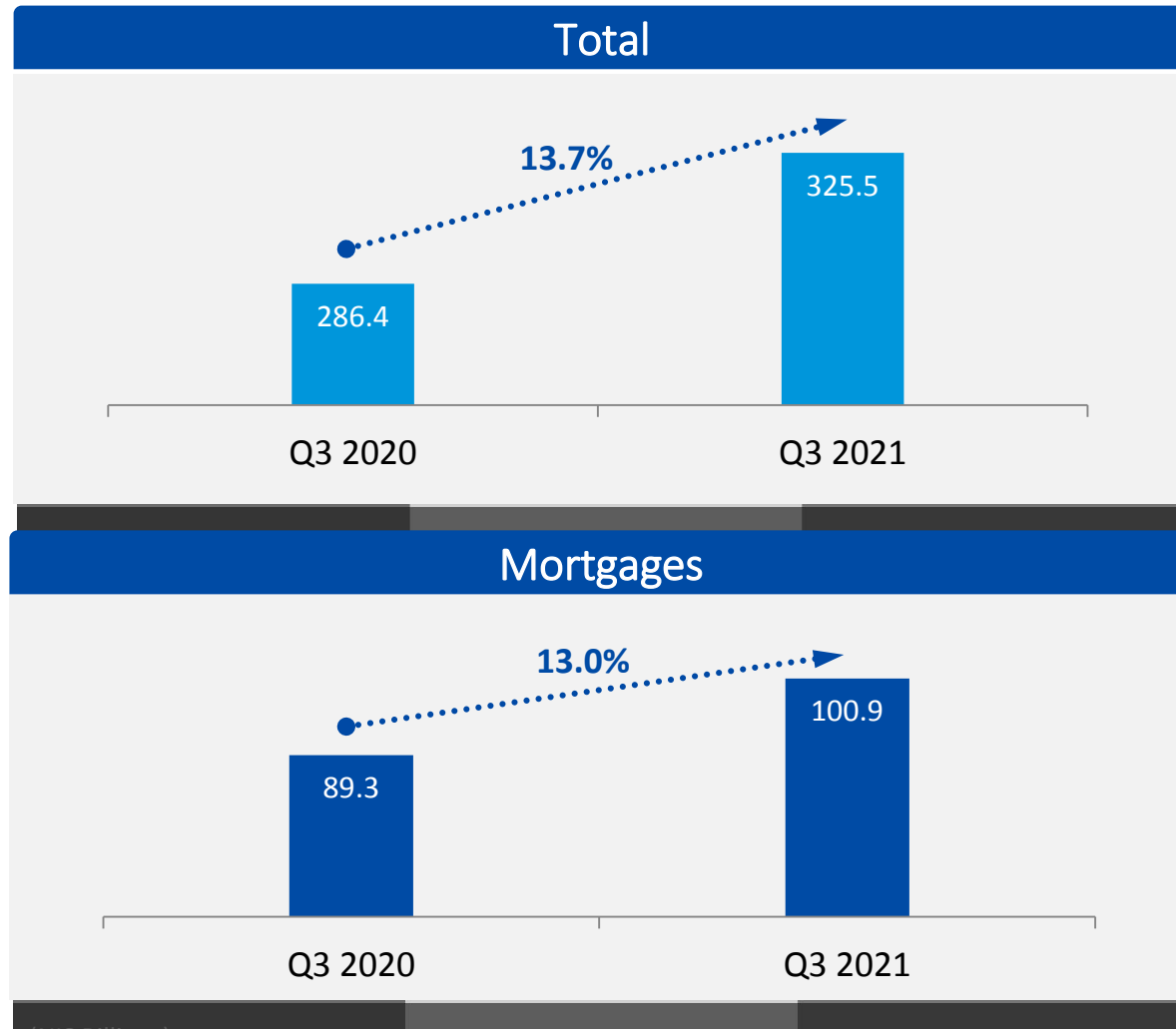


(NIS Millions)

\*Does not include provision for off-balance sheet items



# Loan Growth Continues in Line with Strategy

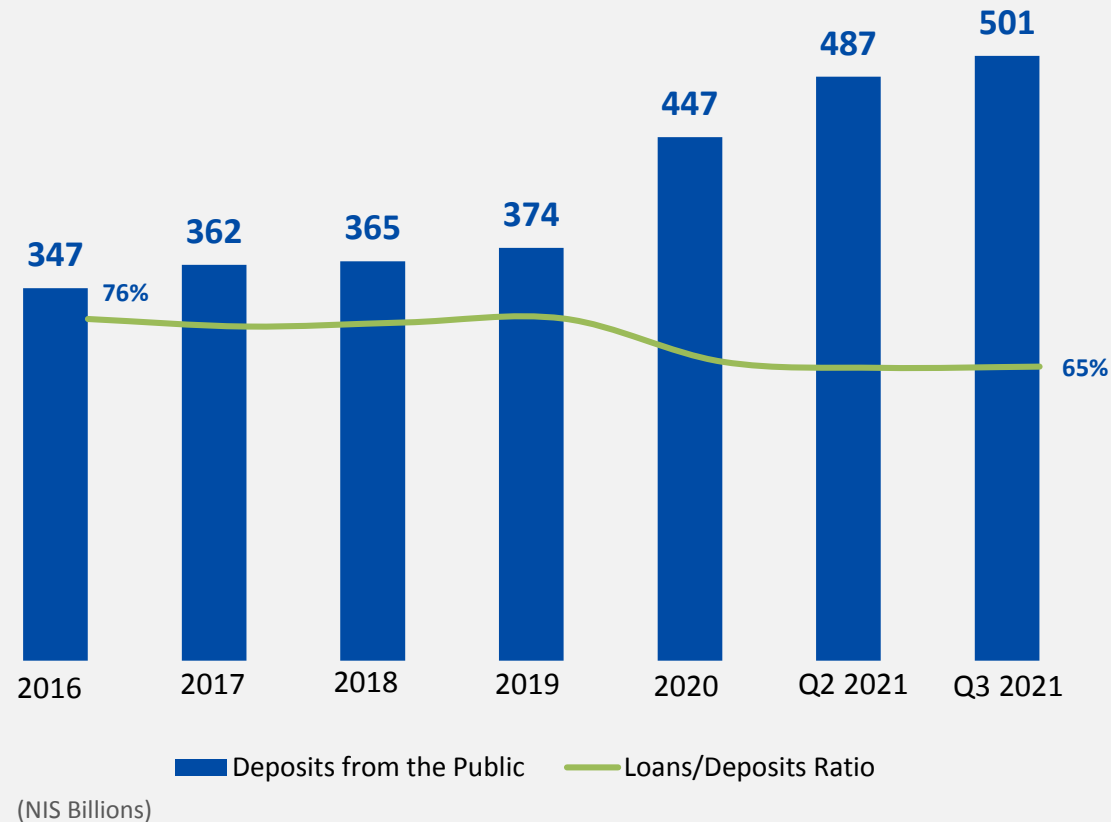


(NIS Billions)

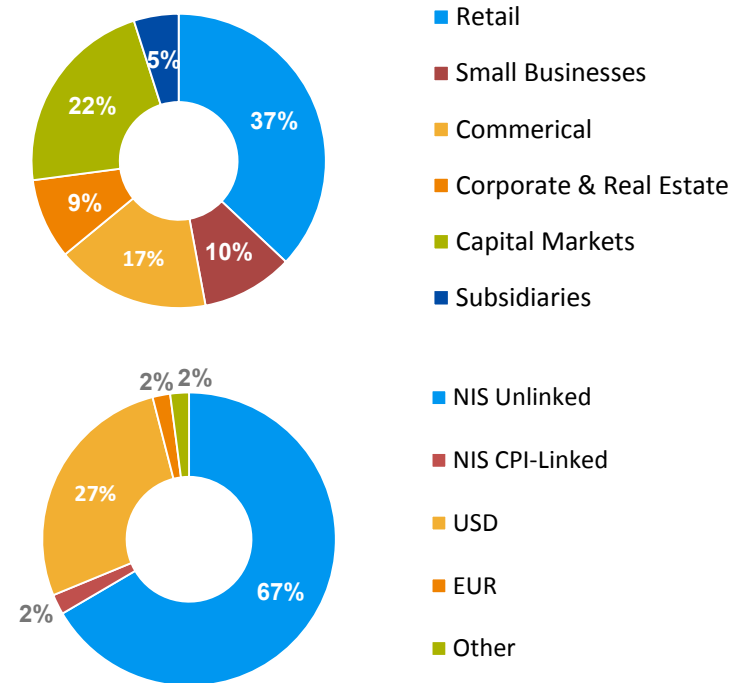
Corporate includes Corporate and Real-Estate. The growth is mainly from Real-Estate.



# Solid and Diverse Deposit Base. Conservative, Well-funded Portfolio



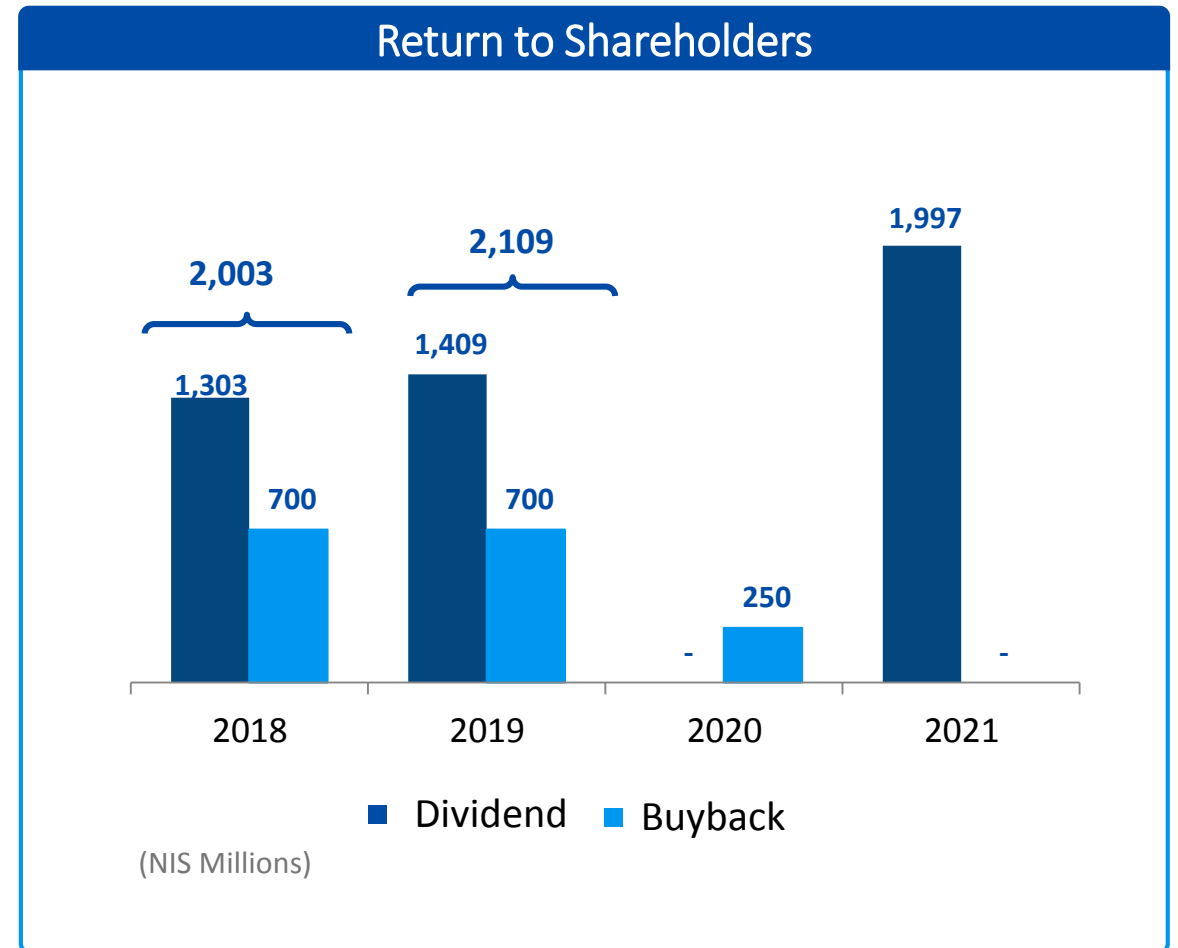
Deposits from the Public September 30, 2021



# Dividend Announcement for 2020 Earnings

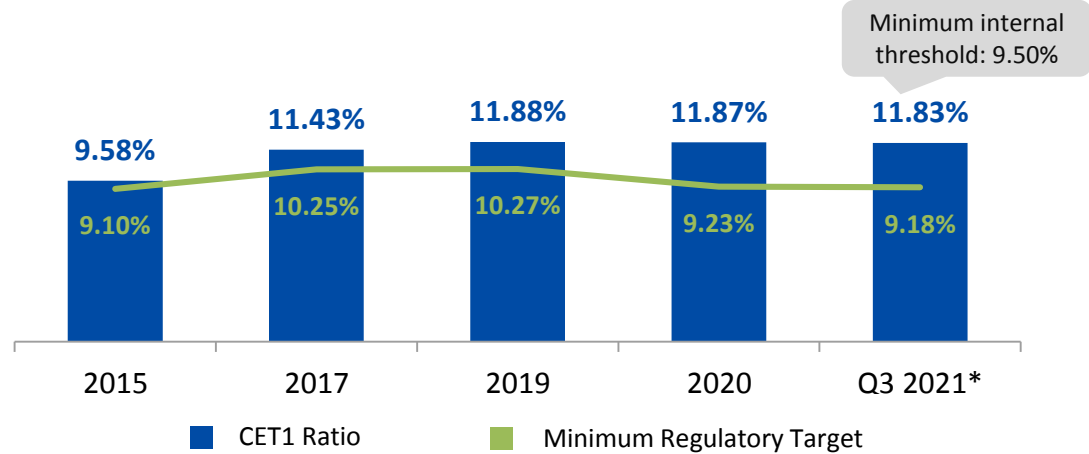
## Dividends

- Since Covid-19 eruption until June 2021 BOI restricted dividends and buy-backs.
- BOI allowed dividend distribution of up to 30% of 2020 net income ; Leumi distributed the maximum totaling NIS 630M.
- New BOI instructions allow distribution of 30% of 2021 net income until December 31, 2021
- Leumi announced a dividend of NIS 1,367M.

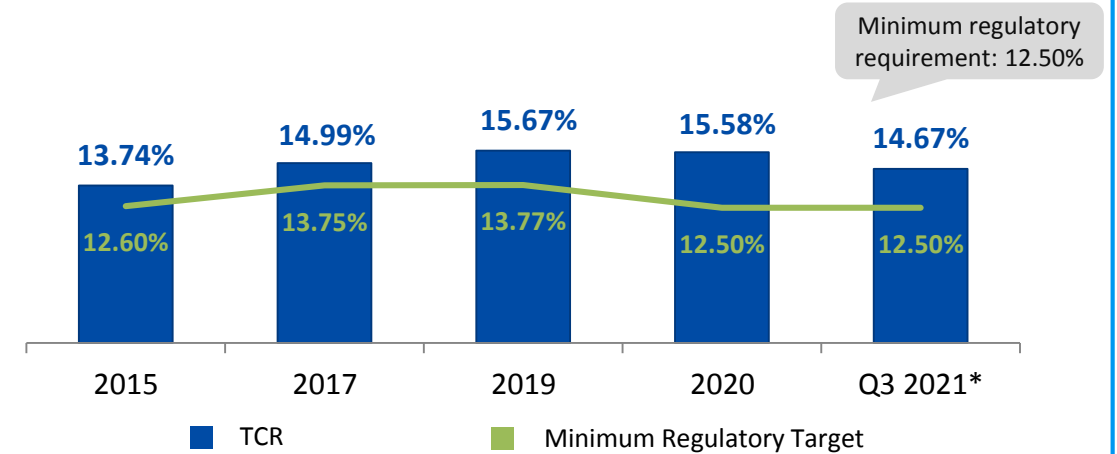


# Solid Capital and Leverage Ratios

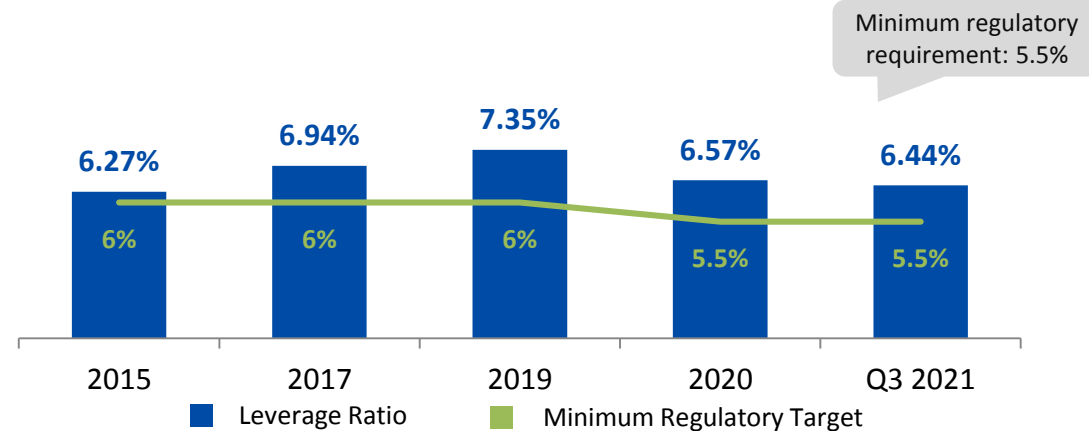
## CET1



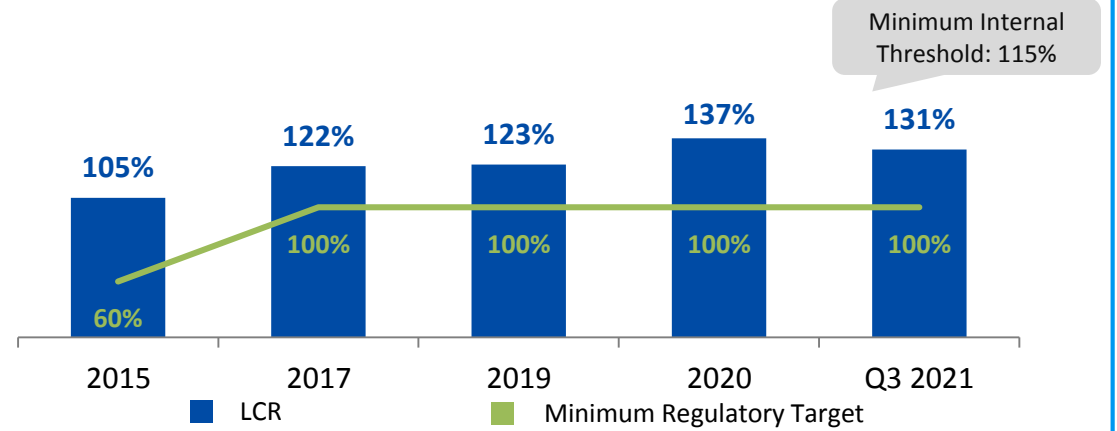
## Total Capital Ratio



## Leverage Ratio



## Liquidity Coverage Ratio



\* Regulatory target currently valid through September 30, 2022



# Strategic Merger of Leumi USA with Valley National Bancorp

Leumi is expected to record a one off profit- NIS 650-750M (net of tax).

Leumi CET1 ratio is expected to improve by 0.5%.

Reflects a ~ \$1.2 billion valuation (140% of shareholders equity) for BLUSA.

Merged bank is expected to be 29th largest in the USA (Market Cap).

Leumi will become the largest shareholder (~14.2%) in Valley National.

Ongoing cooperation agreements signed between Leumi and Valley National.

The Agreement is expected to be completed by H1 2022.



**Pre Merger as of September 30, 2021**

Total Assets	41,278
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Net Loans	32,264
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Deposits	33,633
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Shareholders' Equity	4,822
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Current market cap*	5,860
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לא נבדקה  
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# Q&A



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# THANK YOU