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DECEMBER 31, 2022 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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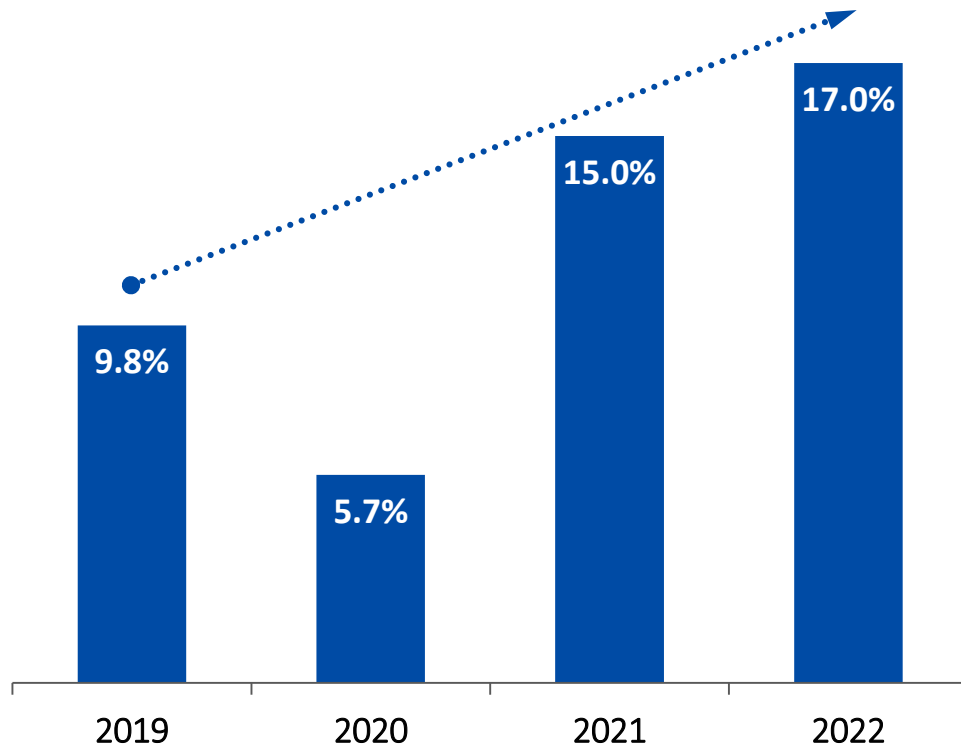
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CEO OPEN REMARKS & STRATEGY

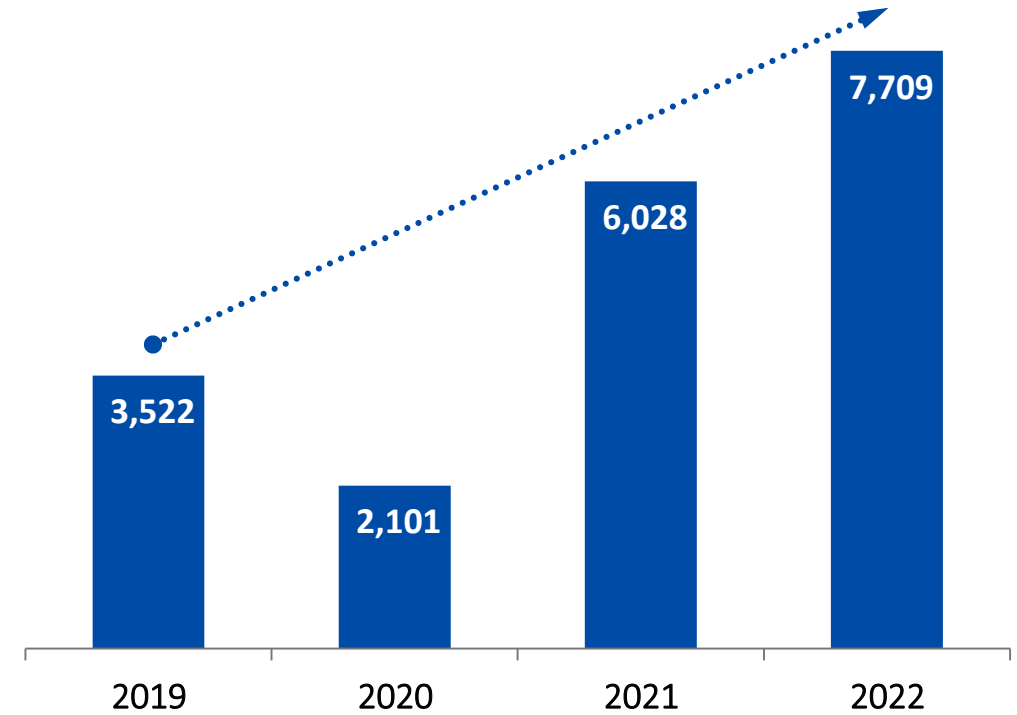


Record Results

ROE



Net Income



Reported.

(NIS Millions)

Excluding the Leumi Card sale proceeds, ROE and Net Income in 2019 was 9.2% and NIS 3.3bn.

Excluding the Leumi USA merger proceeds, ROE and Net Income in 2022 was 15.6% and NIS 7.1bn.



Key Areas of Focus

Growth in dedicated segments

- Increased middle market and corporate credit by NIS 34 billion in 2022.
- Increased share of new mortgages to more than 26% in December 2022 from 20% in mid-2020.
- Added NIS 40bn in deposits in 2022 with more than half coming from consumers and SMEs.

Differentiation

- Meetings with bankers and completion of transactions through Zoom.
- Our digital-only bank, Pepper, continues to grow and recruit new customers.
- Mortgage by Zoom enables faster and more flexible mortgage service.
- Using open banking to offer additional services.

Technology

- Digital penetration levels to >80% in 2022 from 72% in 2021.
- Substantial amount of retail loans granted in 2022 were fully automated.
- Enhancing customer journey capabilities improving customer experience and increasing retail sales.
- Simplify processes and improving profitability.

ESG

- Increase in green credit portfolio by NIS 6 billion in 2022 to NIS 18 billion.
- NIS 33 billion of social credit as of year-end 2022.
- First international green bond offering (\$500m) in January 2023.
- EIB loan (\$500m) to support green investment by SMEs in February 2023.





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FINANCIAL OVERVIEW



Key Financial Metrics

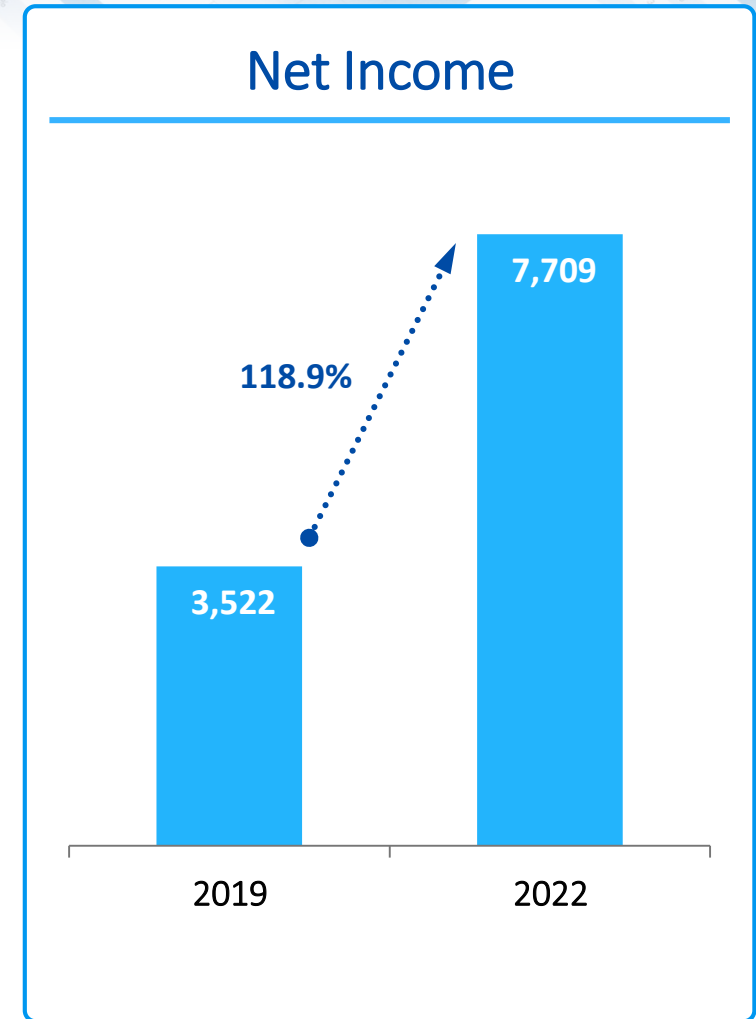
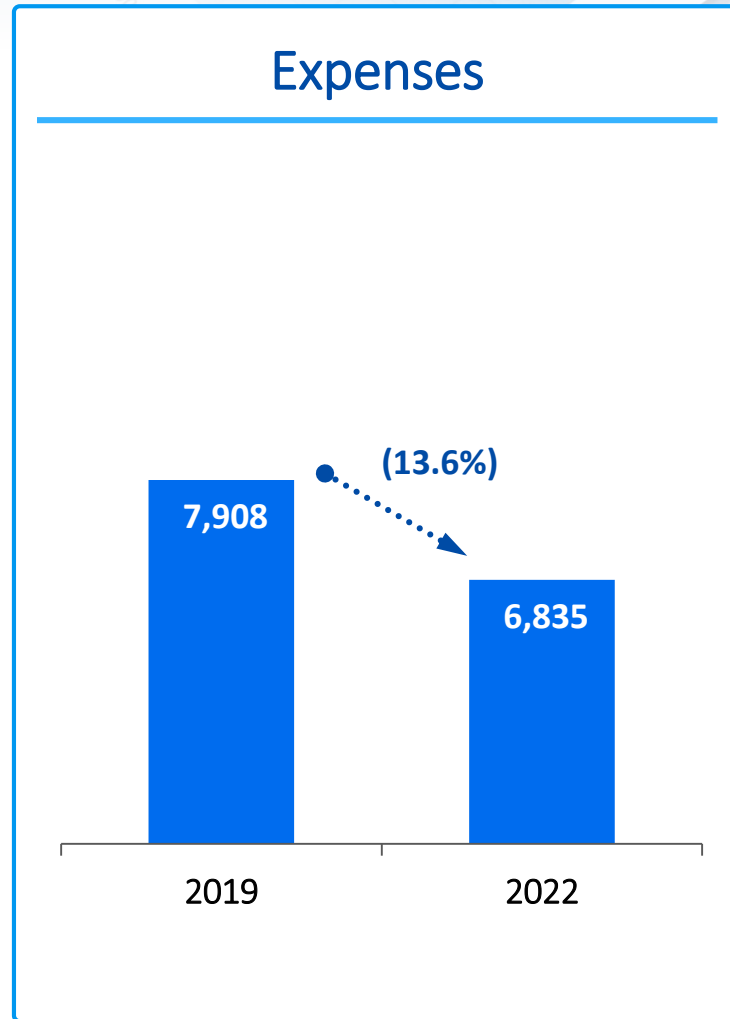
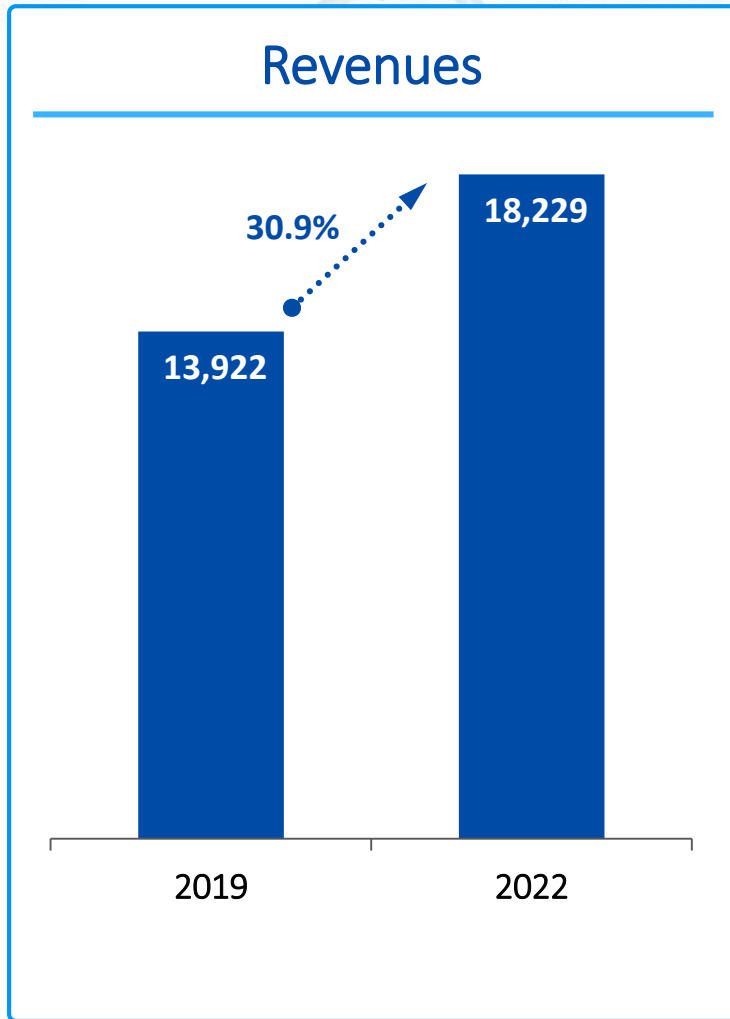
	2022	2021	Q4 2022
Net Income (NIS millions)	7,709	6,028	2,326
ROE	17.0%	15.0%	19.0%
Credit Loss Expense (Income)	0.13%	(0.25%)	0.32%
Cost / Income	37.5%	46.8%	31.8%
PPNR YoY Growth	39.9%	39.5%	88.3%
ROA	1.2%	1.0%	1.3%

Excluding the Leumi USA merger proceeds, Net Income, ROE and Cost / Income in 2022 was ILS 7.1bn, 15.6% and 38.9%.

* Pre-provision net revenue equals net interest income plus total non-interest income less total non-interest expense; presented on an annualized basis. Annual 2022 excludes Leumi USA.



Growth in Revenues and Profits



Reported.

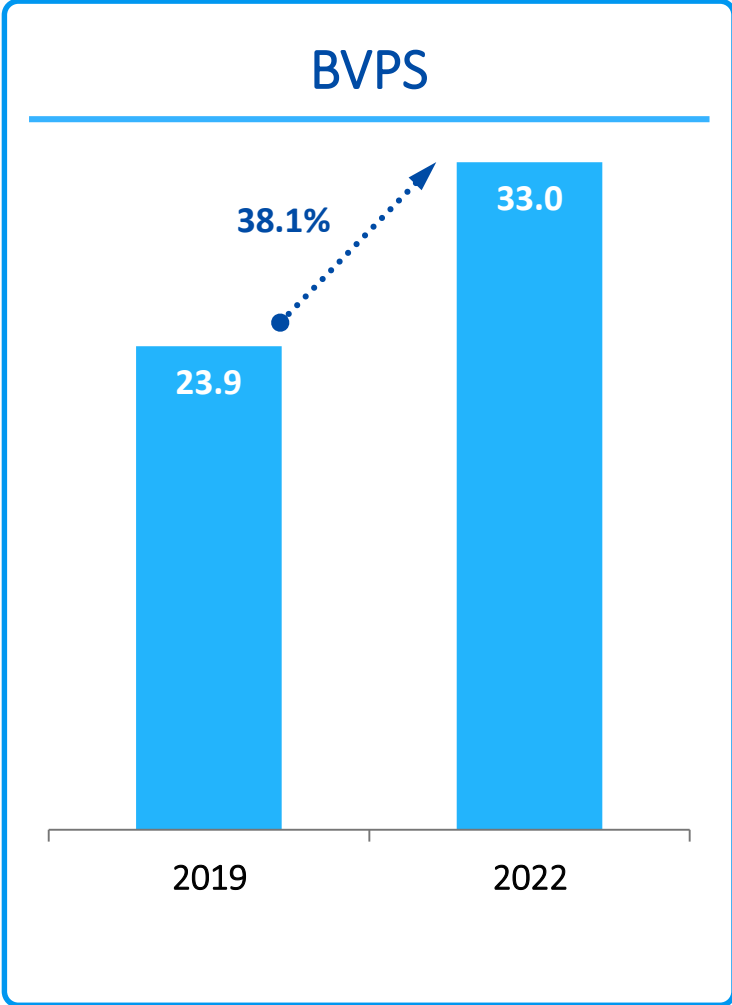
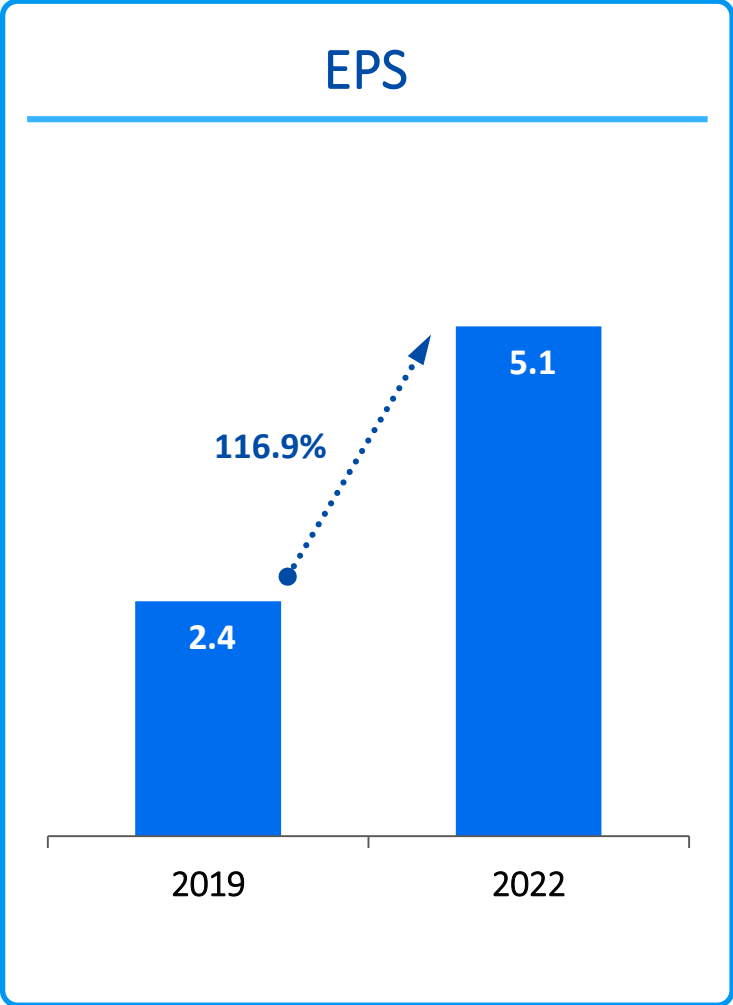
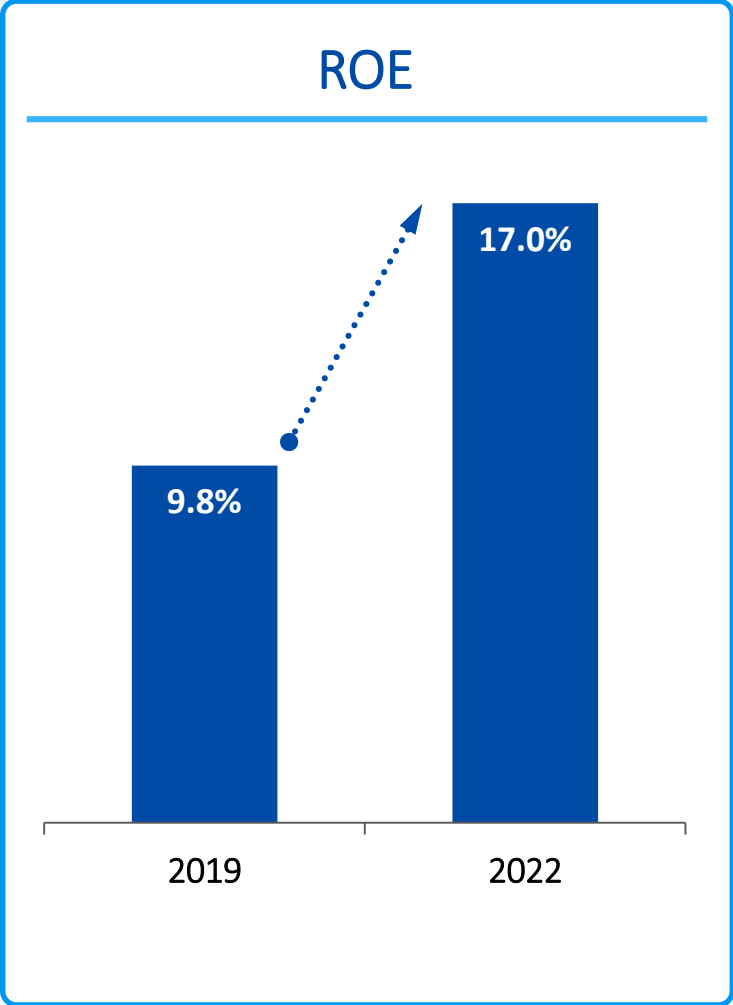
Revenues = Total Income; Revenues and Net Profit is NIS Millions, EPS is NIS.

Excluding the Leumi Card sale proceeds, Net Income in 2019 was NIS 3.3 billion.

Excluding the Leumi USA merger proceeds, Net Income in 2022 was NIS 7.1 billion.



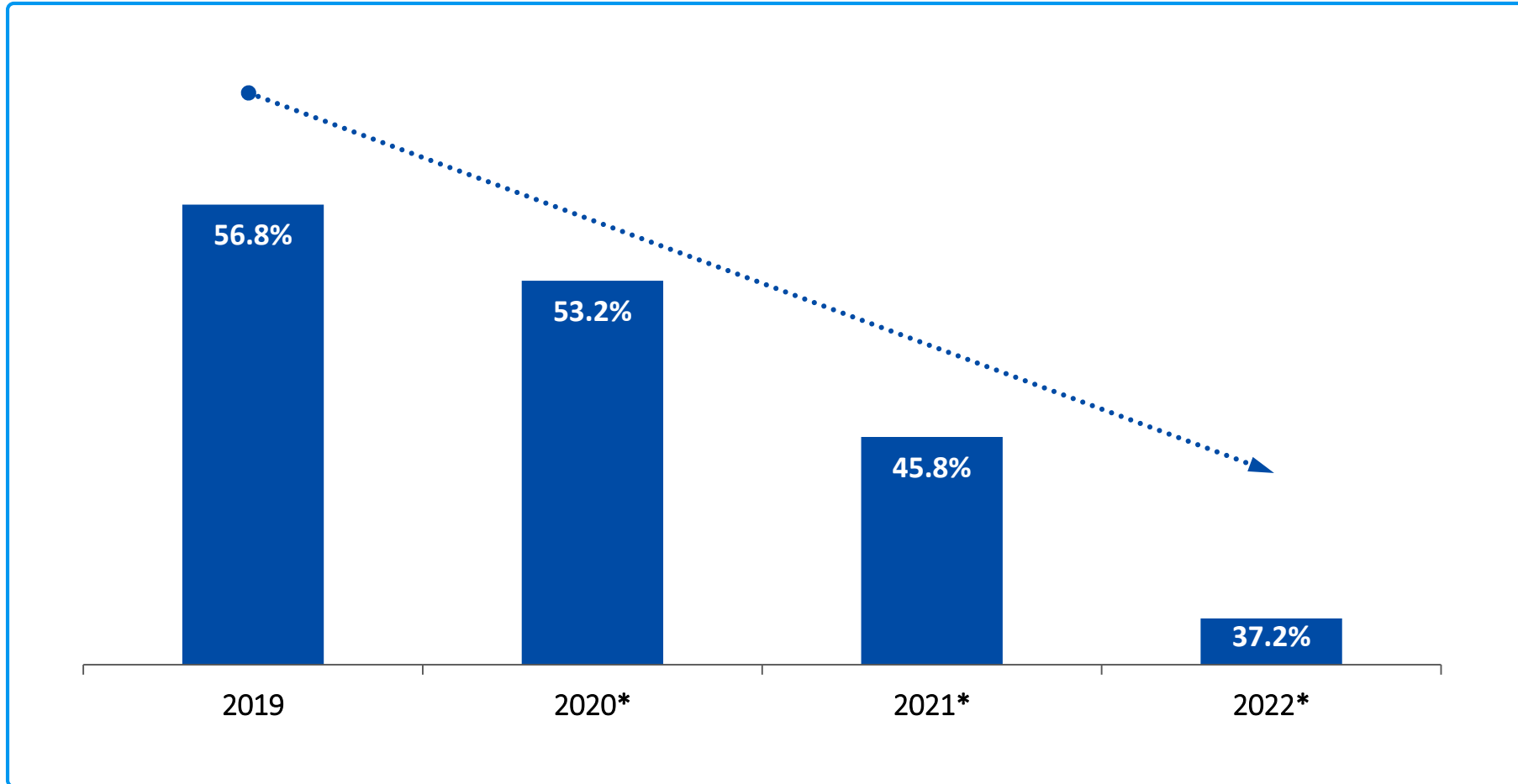
ROE Expansion and Strong EPS and BVPS Growth



Reported.
BVPS = Shareholders Equity / Weighted Average Number of Shares.
Excluding the Leumi Card sale proceeds, ROE in 2019 was 9.2%.
Excluding the Leumi USA merger proceeds, ROE in 2022 was 15.6%.

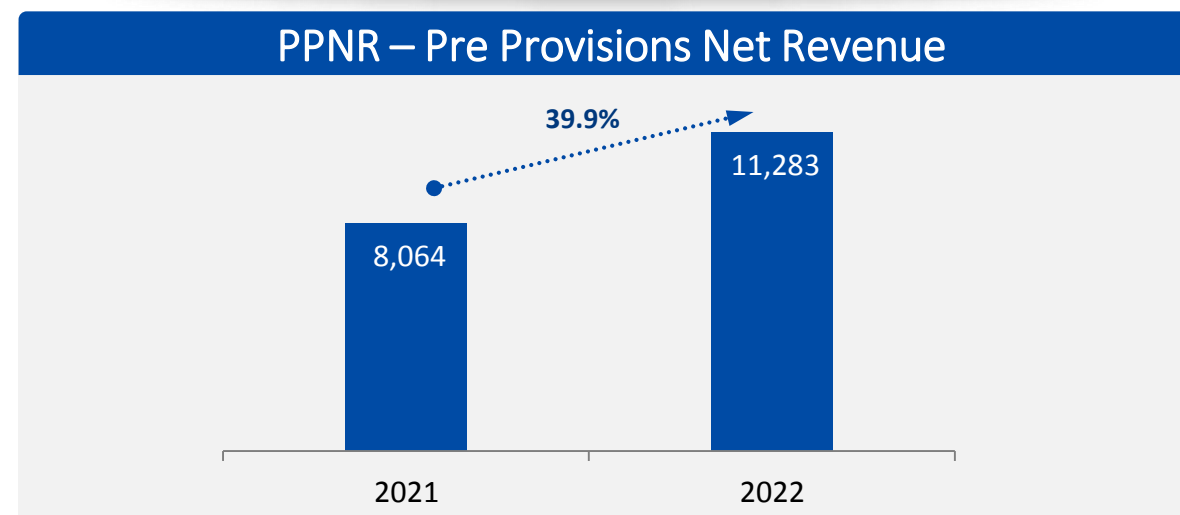
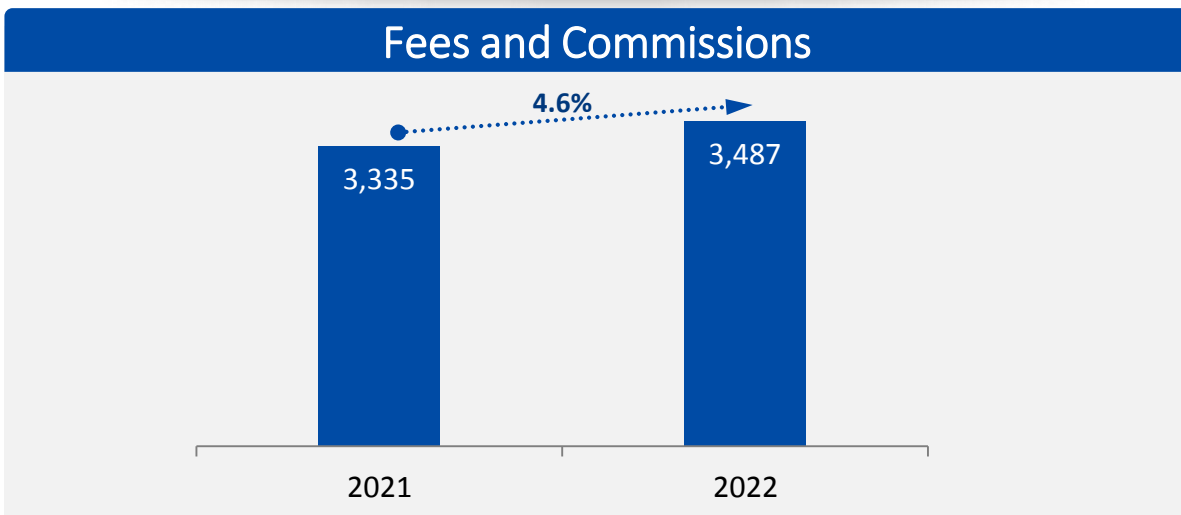
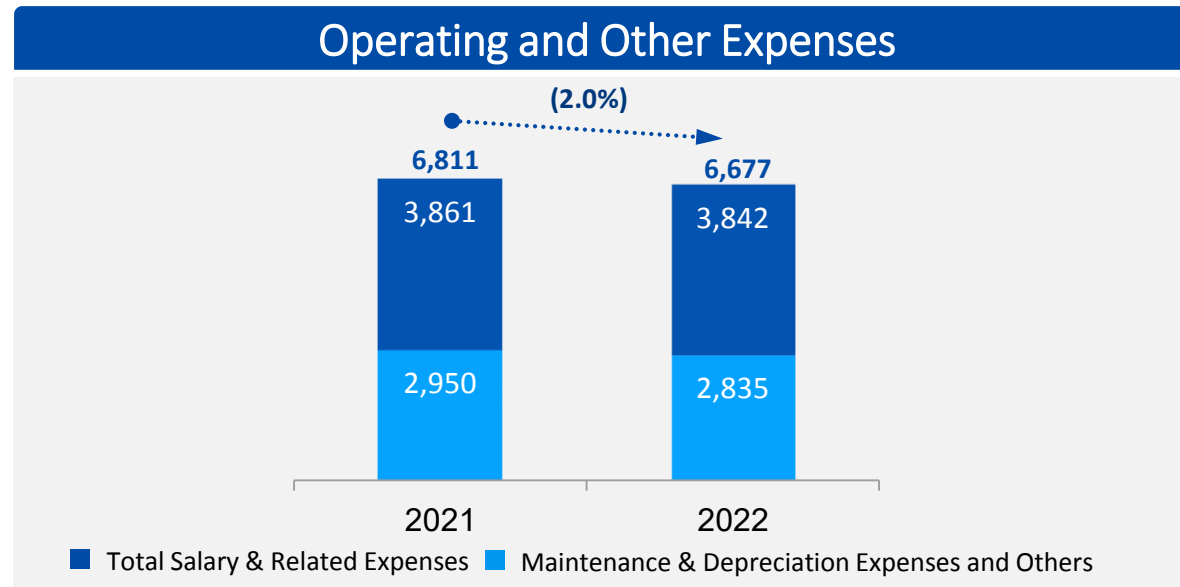
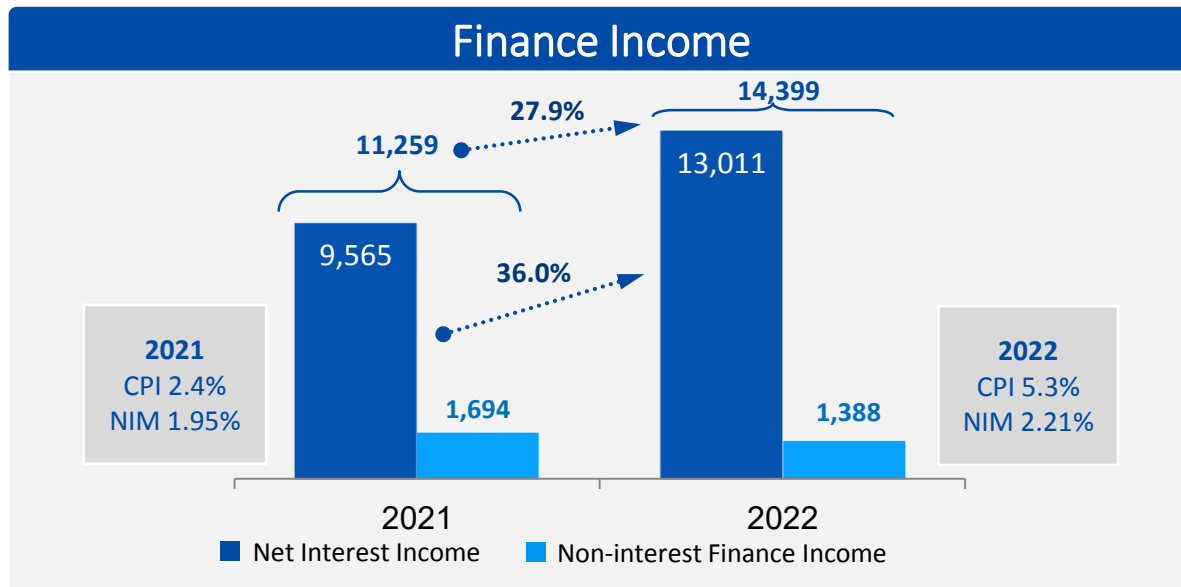


Ongoing Decline in Cost-Income Ratio; Now Comfortably <40%



* Excluding Leumi USA.

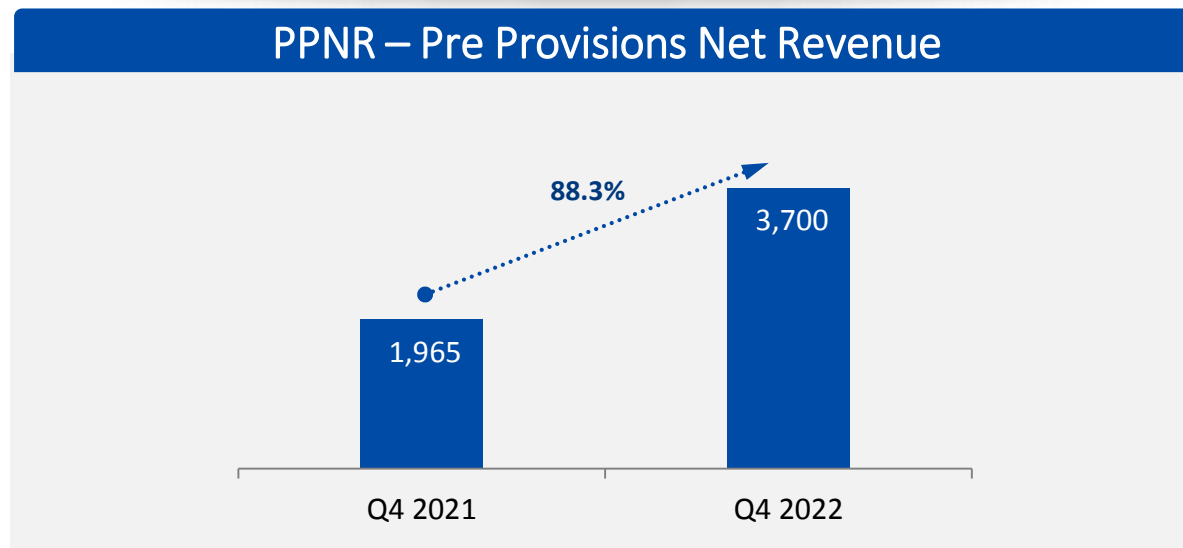
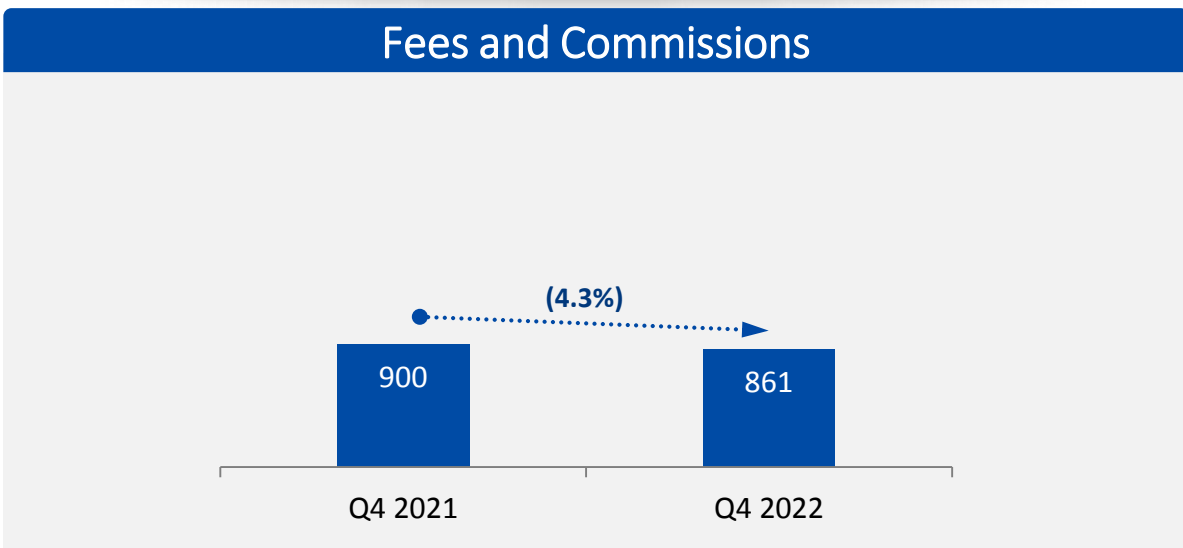
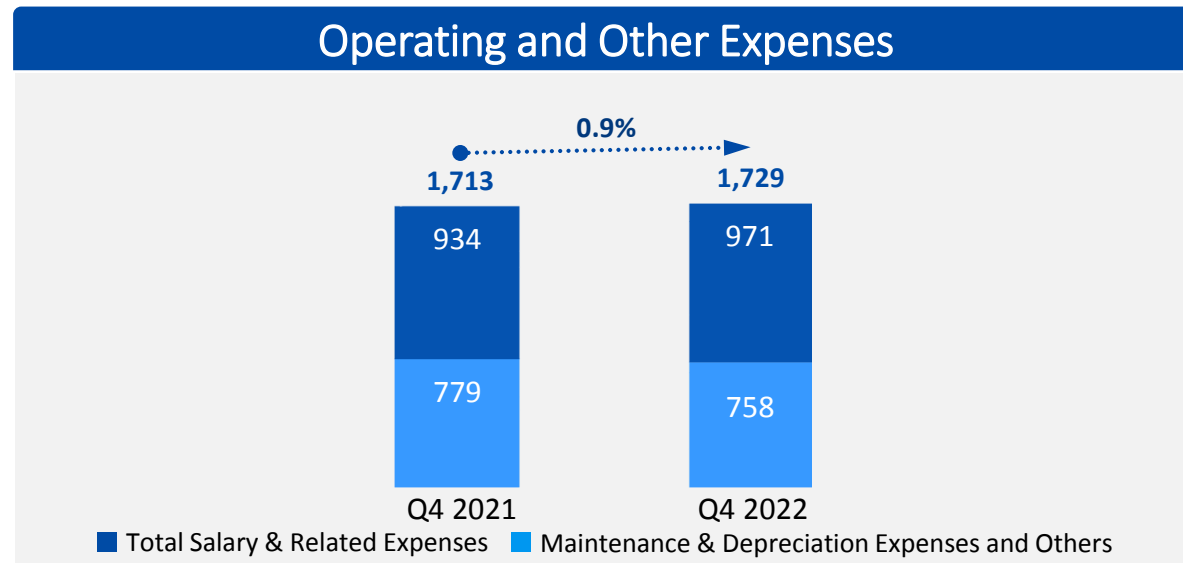
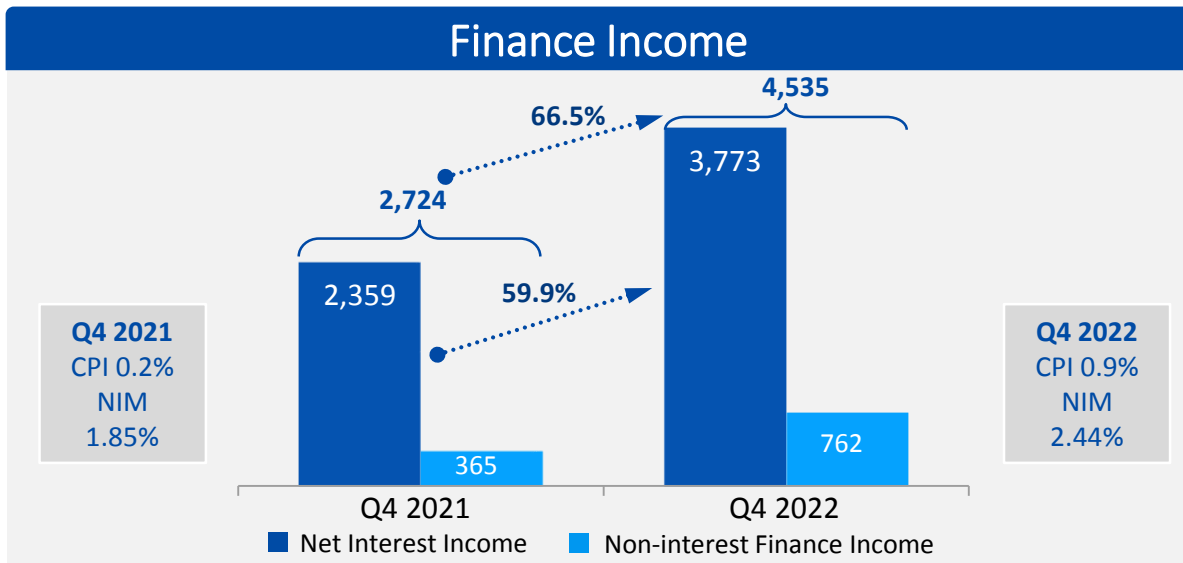
2021 vs. 2022 – Breakdown of Income and Expenses



(NIS Millions)
Excludes Leumi USA.



Q4 2021 vs. Q4 2022 – Breakdown of Income and Expenses

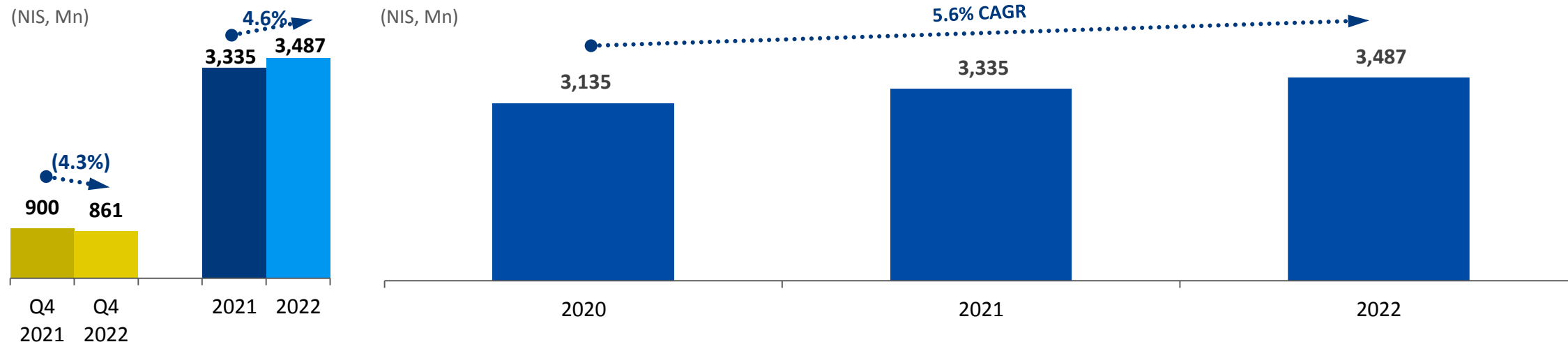


(NIS Millions)
Excludes Leumi USA.

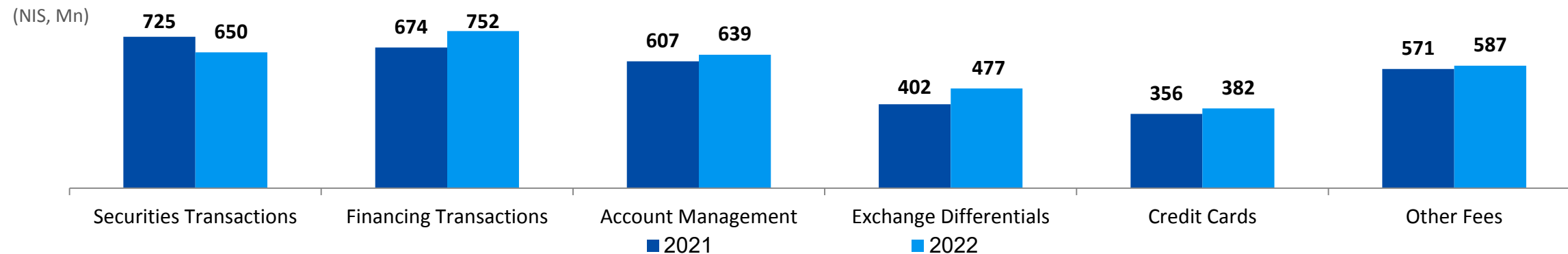


Fees and Commissions Performance Year-over-Year

Fees & Commission Evolution:



Fees & Commission Evolution by Type:

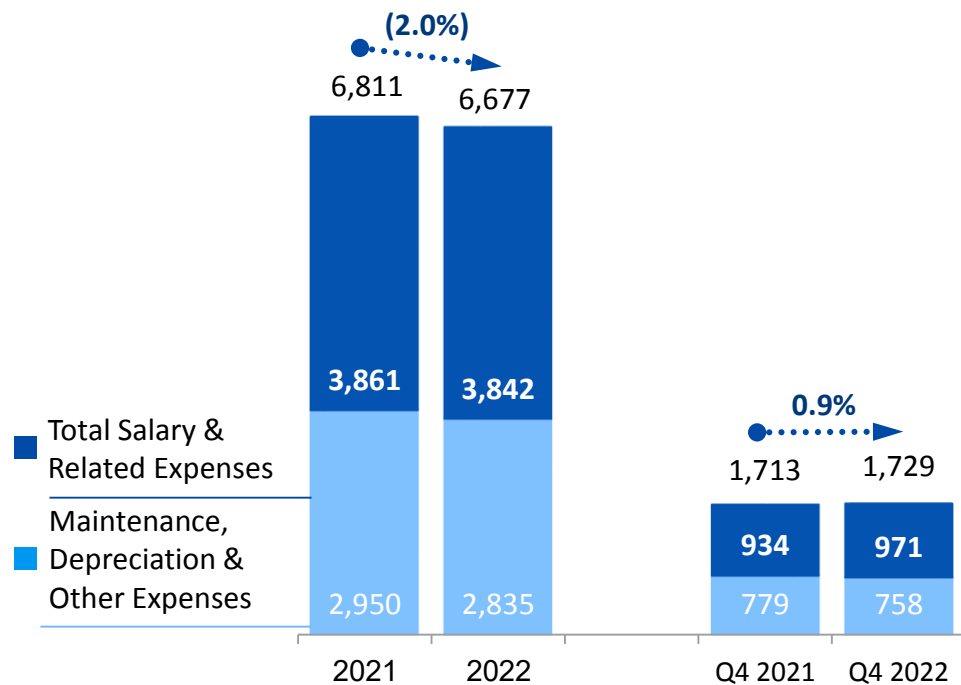


Excludes Leumi USA.

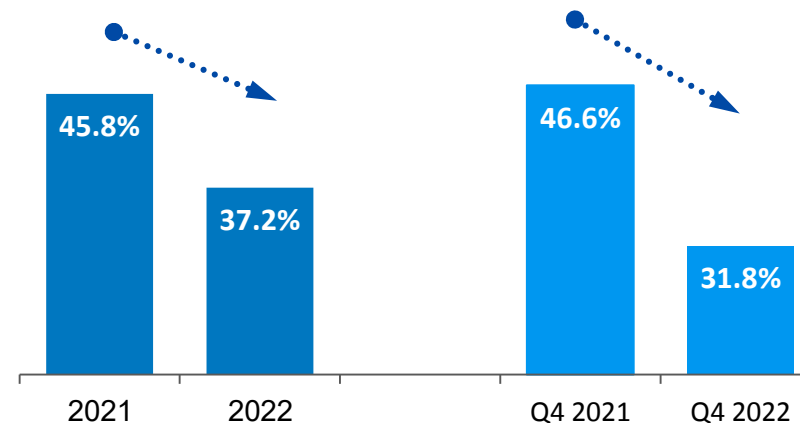


Consistent Improvement in Operating Efficiency

Disciplined Cost Structure



Cost-income Ratio

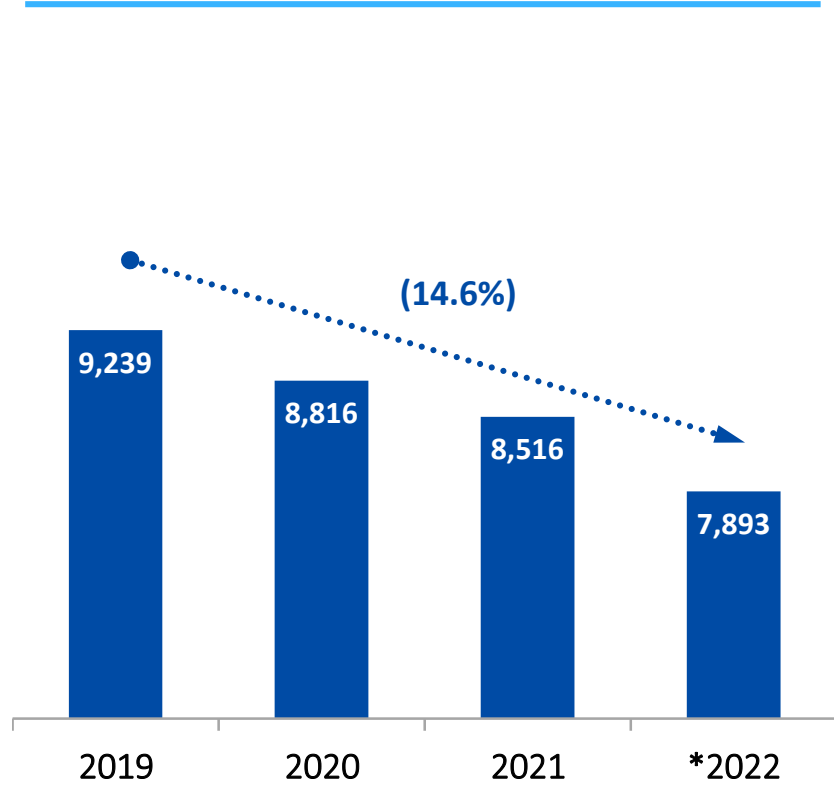


(NIS Millions)
Excludes Leumi USA.

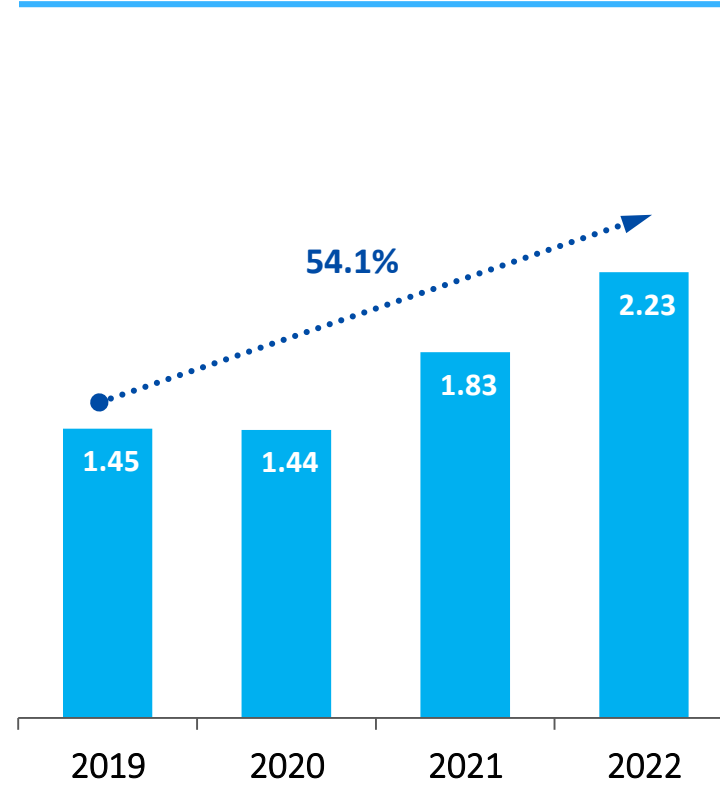


Long-term Streamlining of the Business

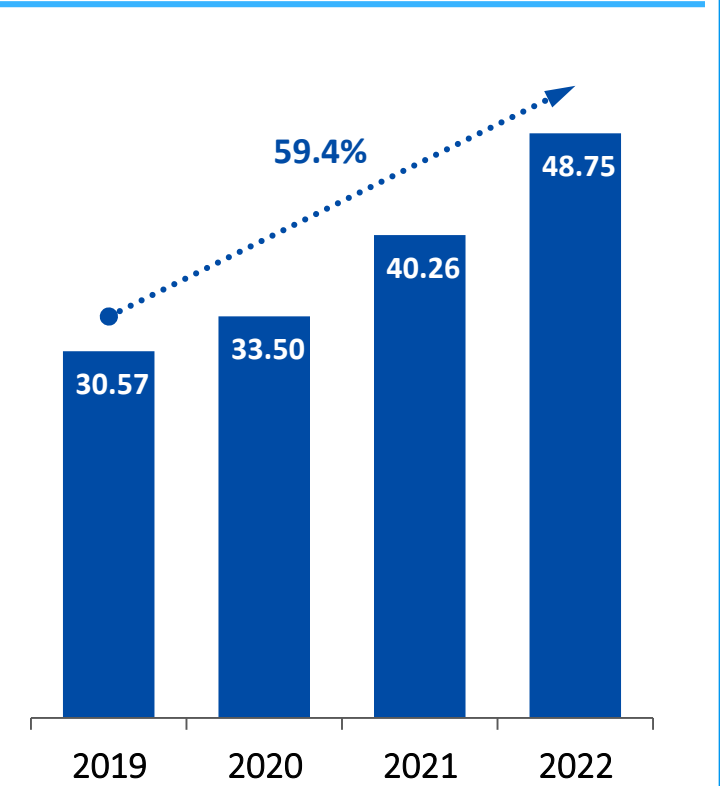
Number of Employee Positions



Income Per Employee



Net Loans Per Employee



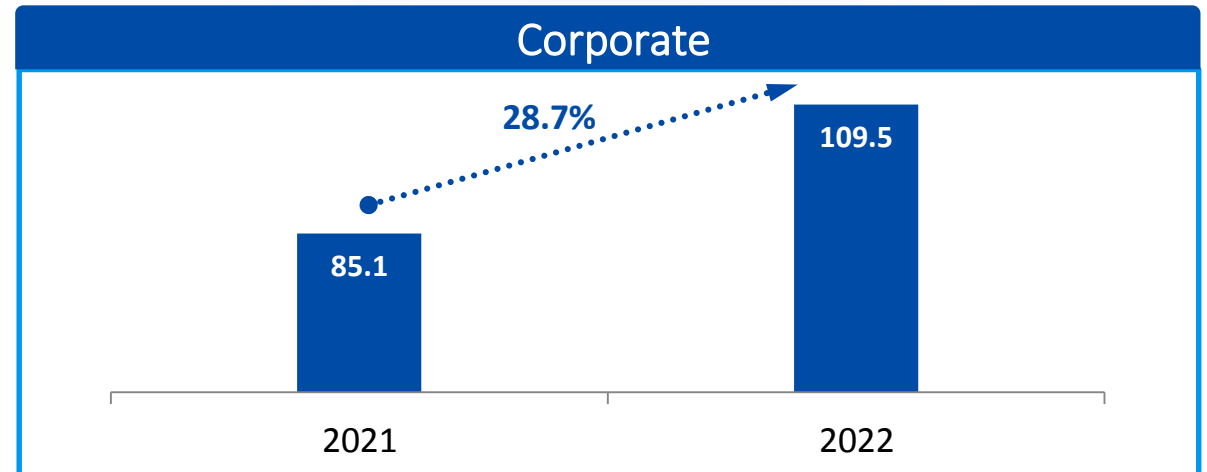
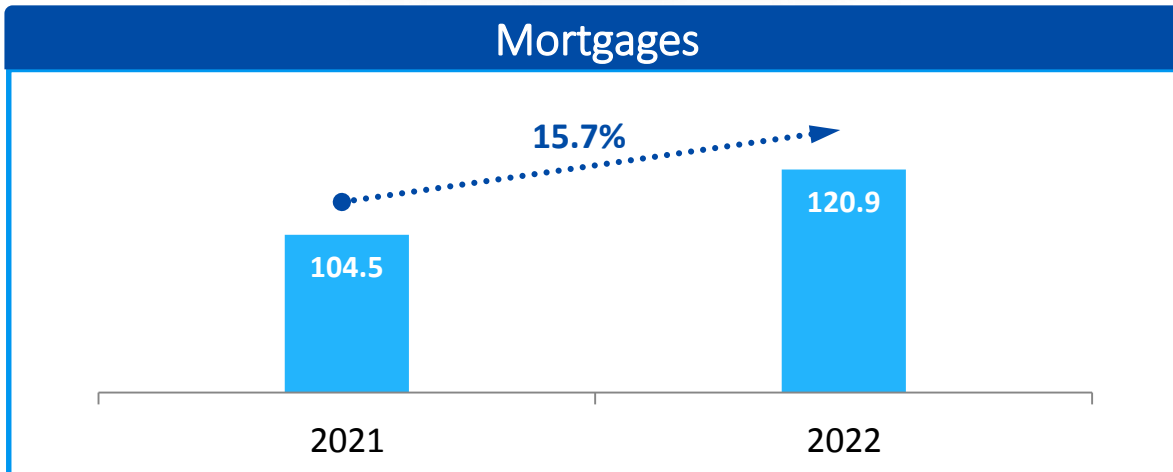
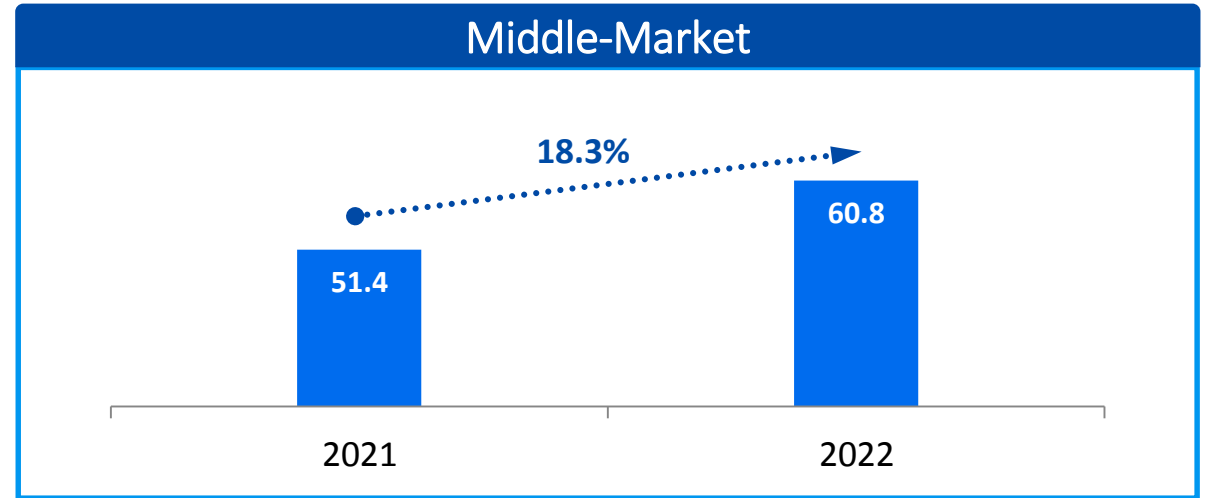
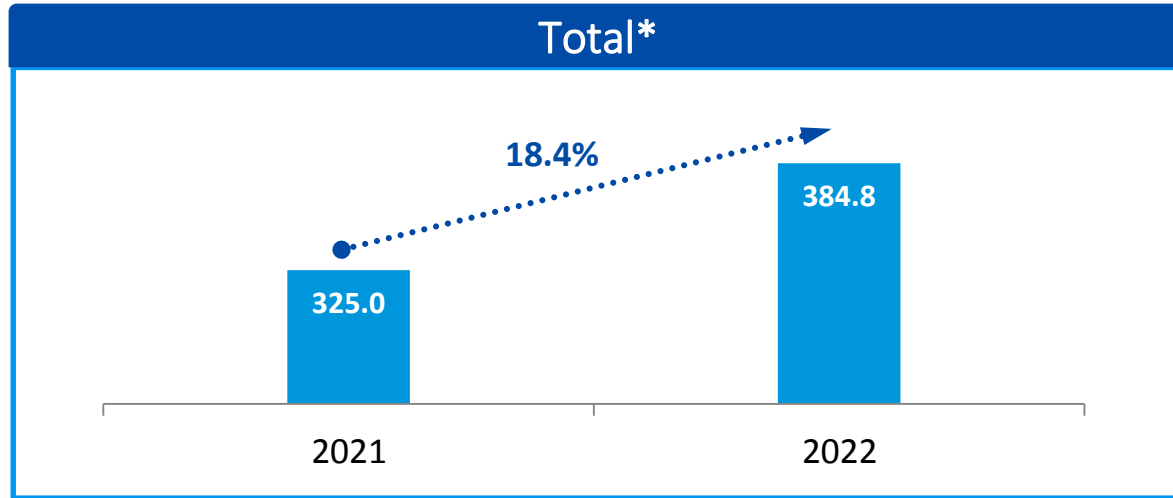
Income Per Employee in NIS millions. Total income to average annual positions.

Loans to the public, net per Employee in NIS millions. Number of positions as at December 31, 2022.

* The reduction in the employee numbers in 2022 includes 465 employees of Leumi USA which was merged into Valley Bank in April 2022.



Loan Growth Continues in Line with Strategy



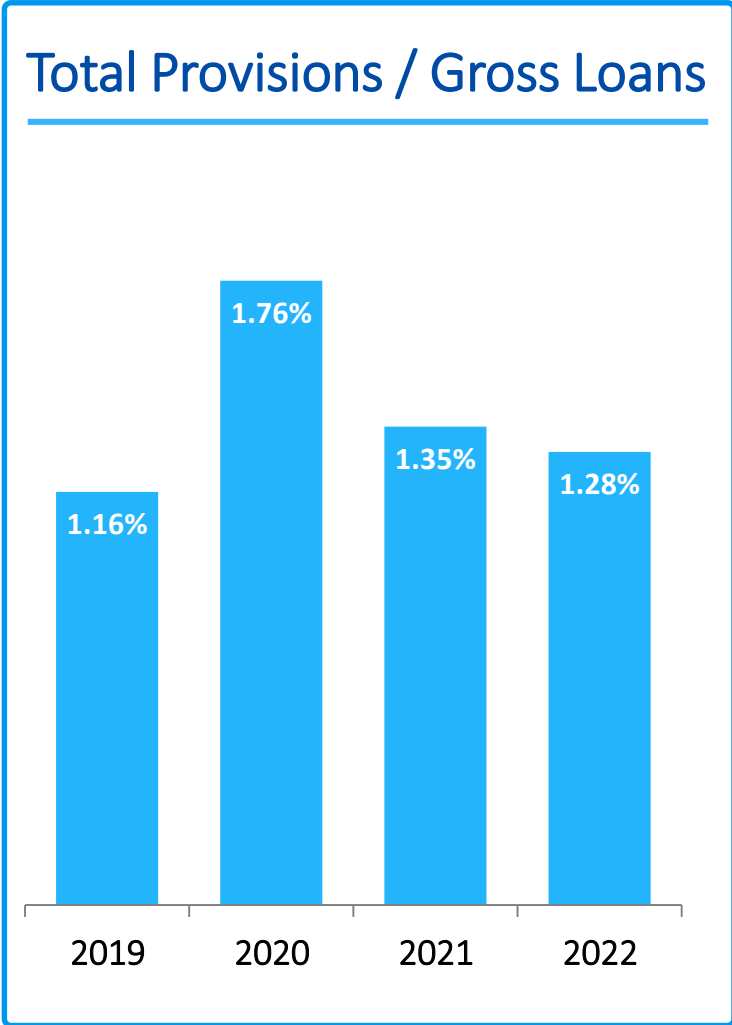
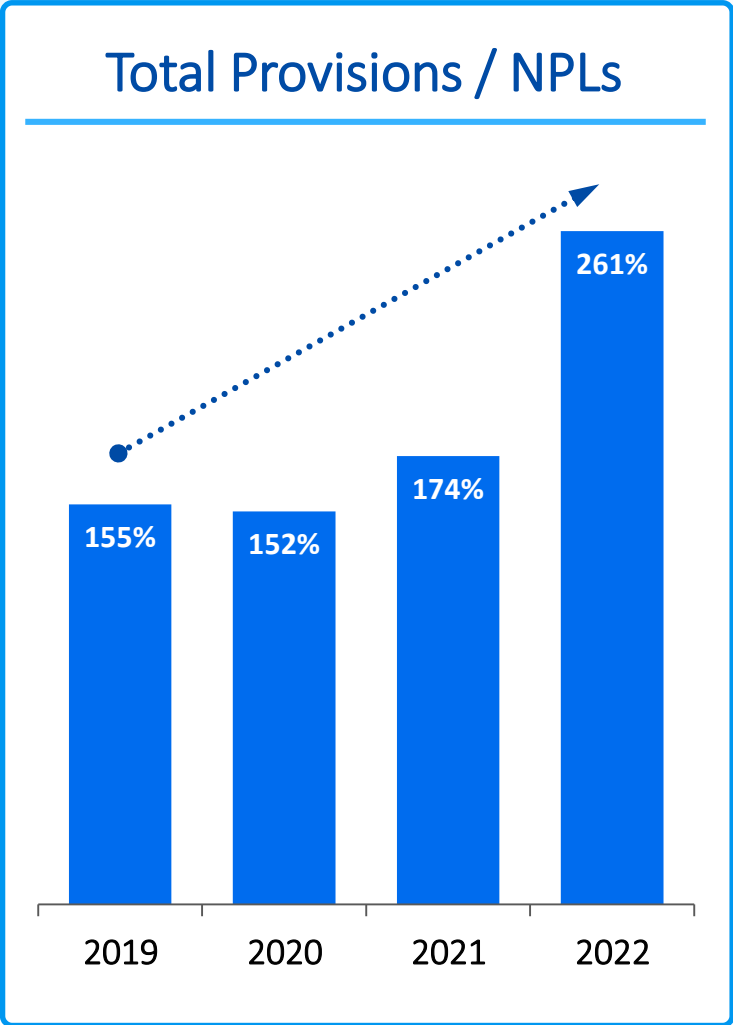
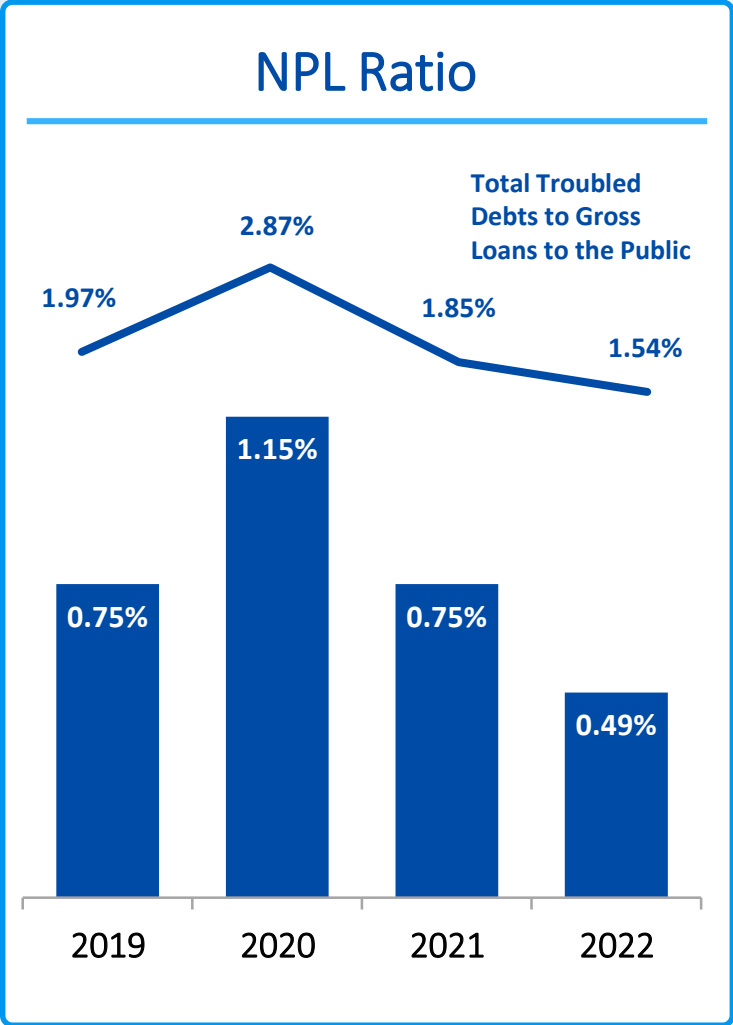
(NIS Billions)

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

* Excluding Leumi USA.



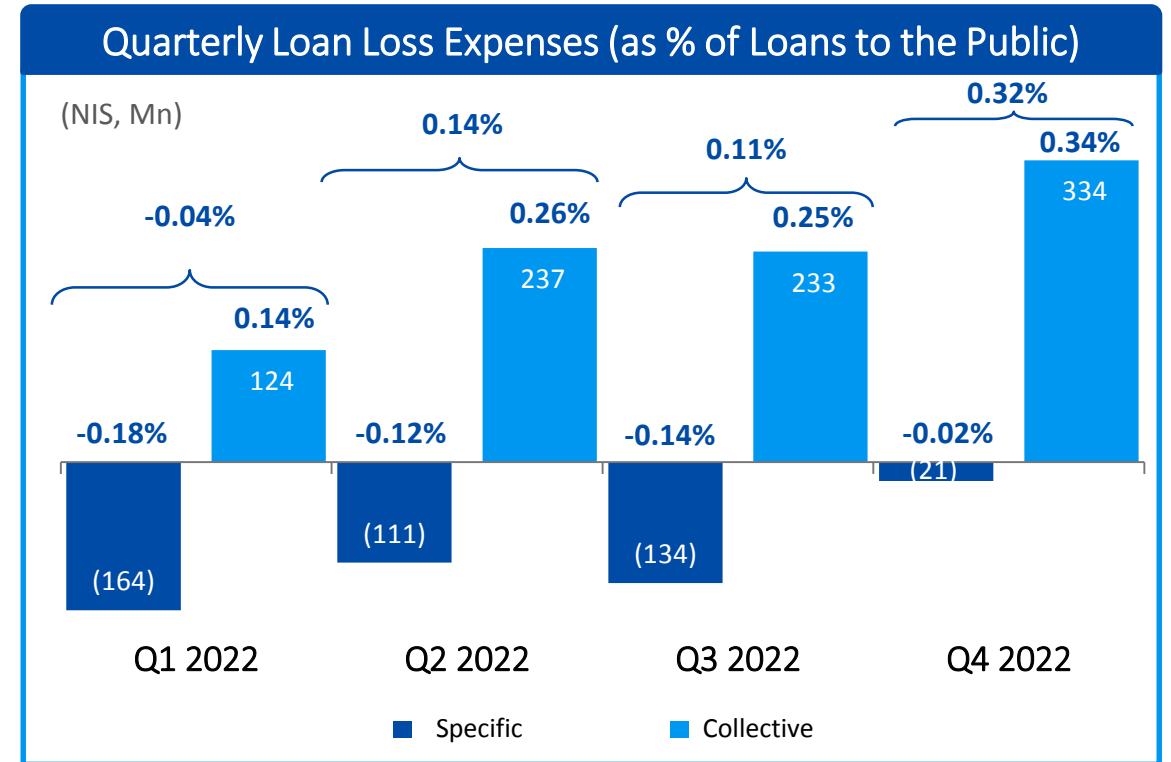
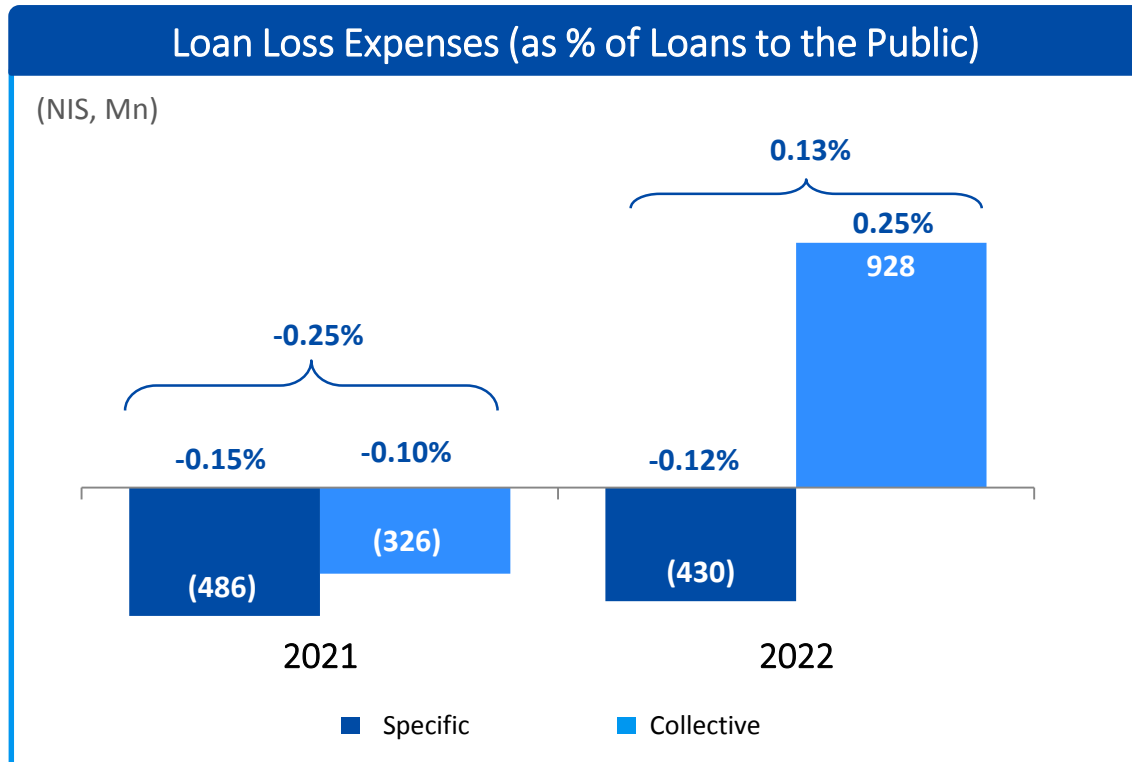
Robust Credit Quality Indicators



Total Provisions do not include provisions for off-balance sheet items.



Increase in Collective Provisions; Specific Provisions Remain Low

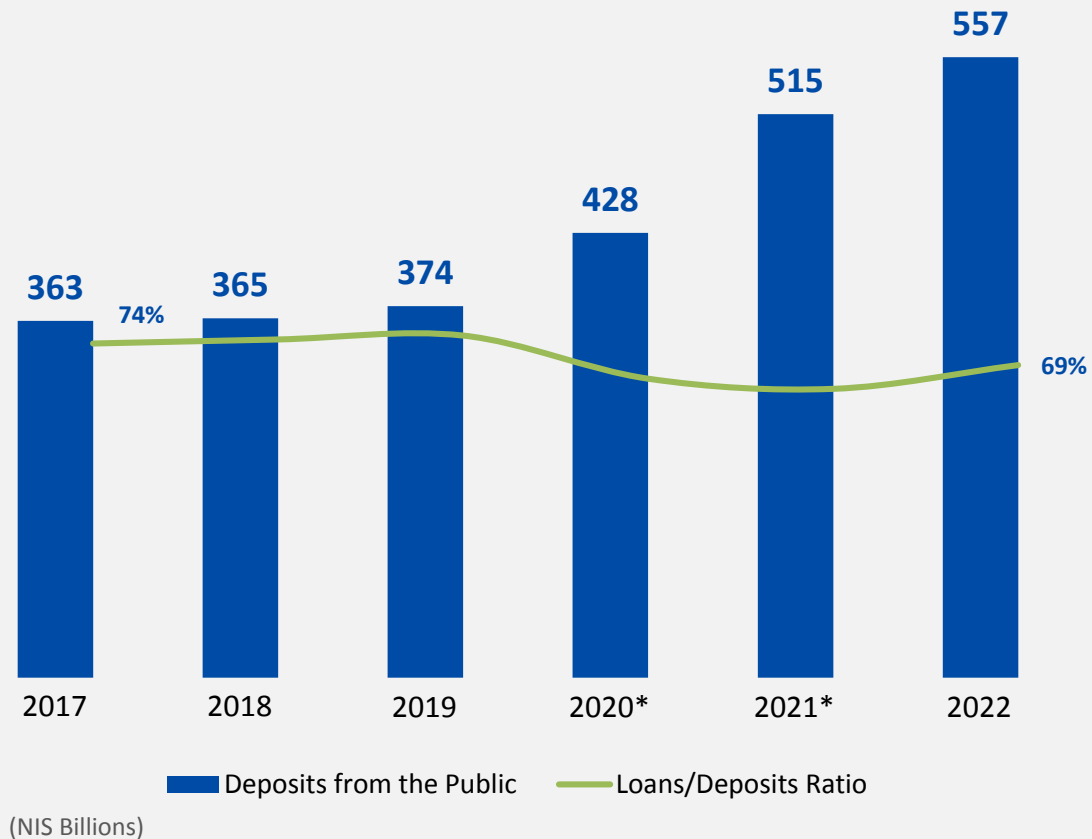


CECL- The Bank adopted the new directives starting January 1, 2022, with an effect of LLP⁽¹⁾ increase for: (1) LLP⁽¹⁾ increase for commercial credit - NIS 0.8 billion; and (2) LLP⁽²⁾ decrease for housing credit - NIS 0.2 billion.

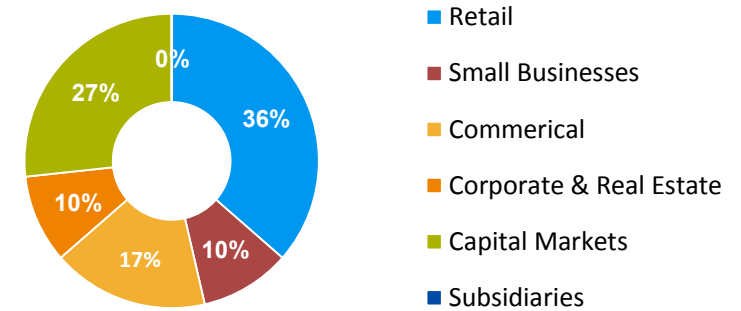
(1) Loan Loss Provisions.



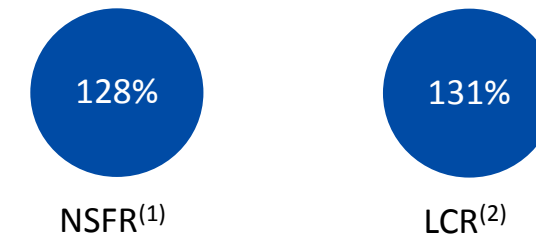
Solid and Diverse Deposit Base. Conservative, Well-funded Portfolio



Deposits from the Public December 31, 2022



Maintaining Solid LCR and NSFR



(1) Net Stable Funding Ratio. (2) Liquidity Coverage Ratio.

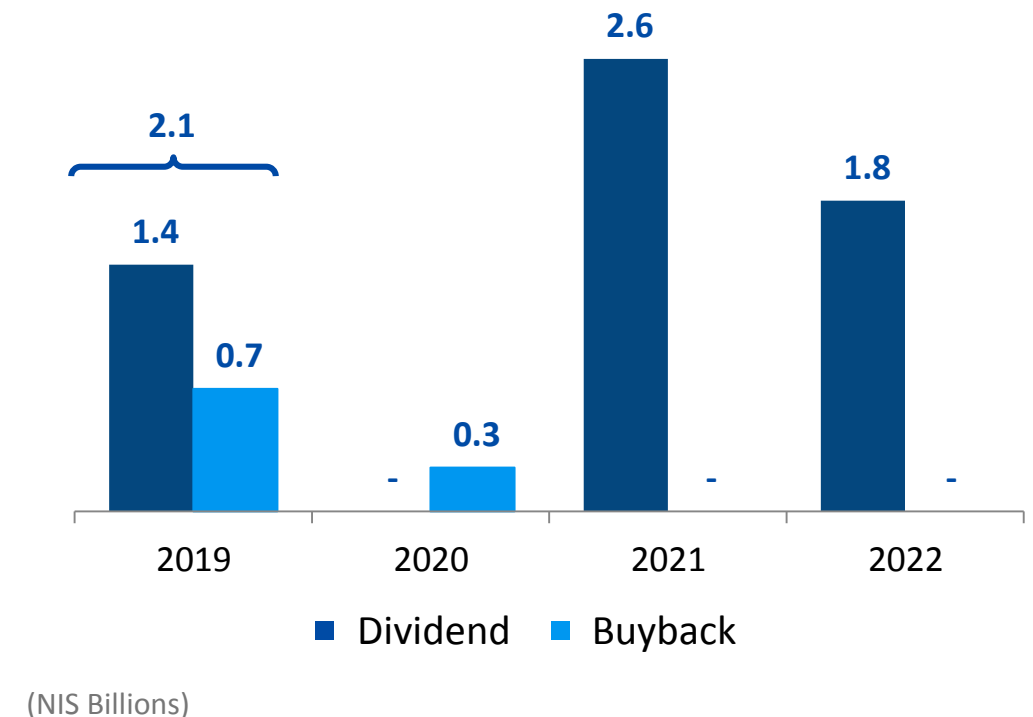
* Excluding Leumi USA.



Dividend Distribution and Policy

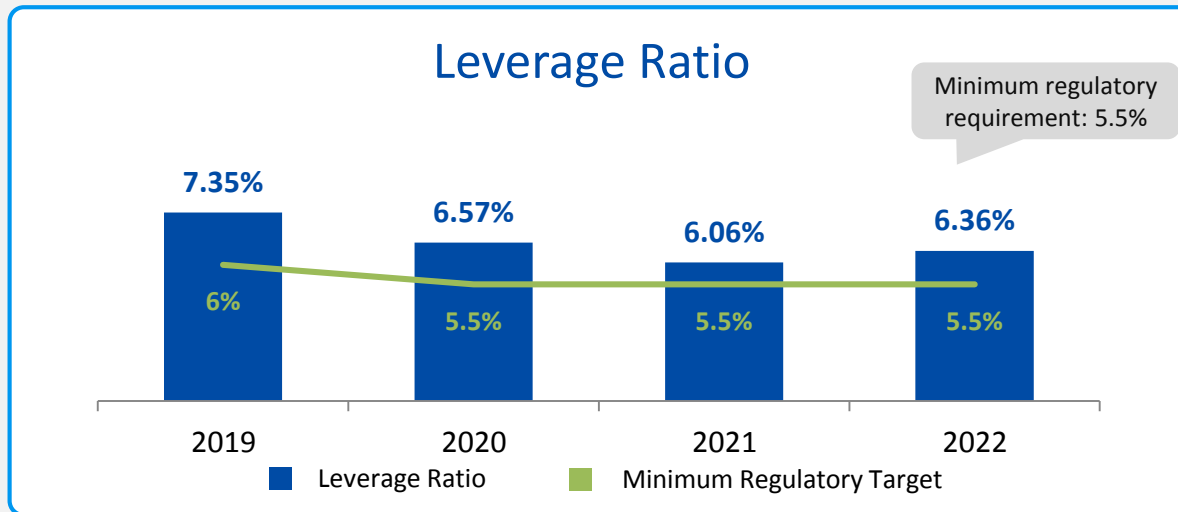
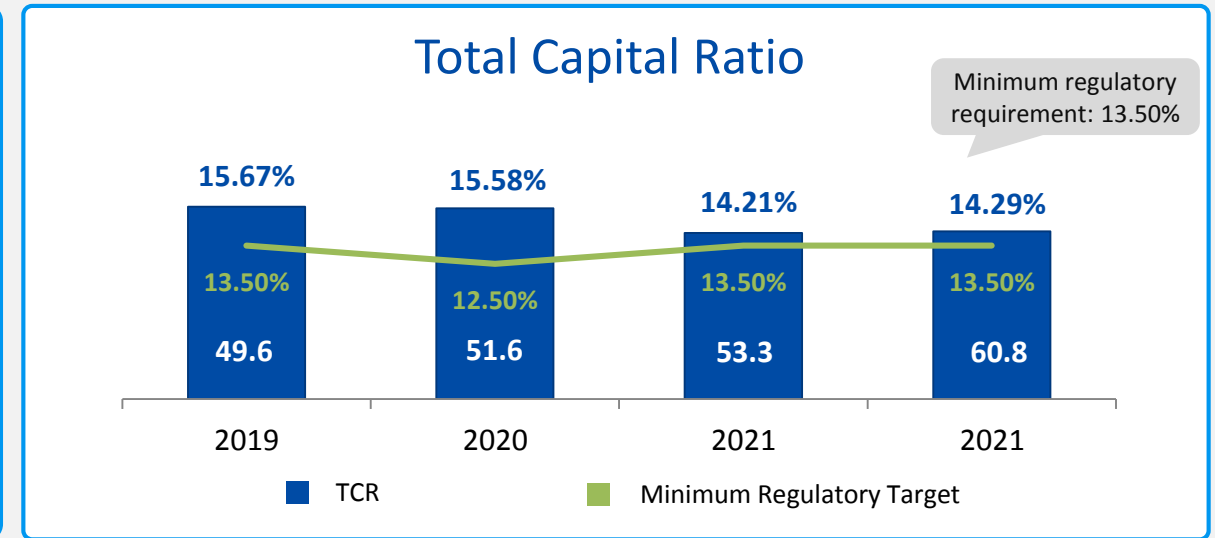
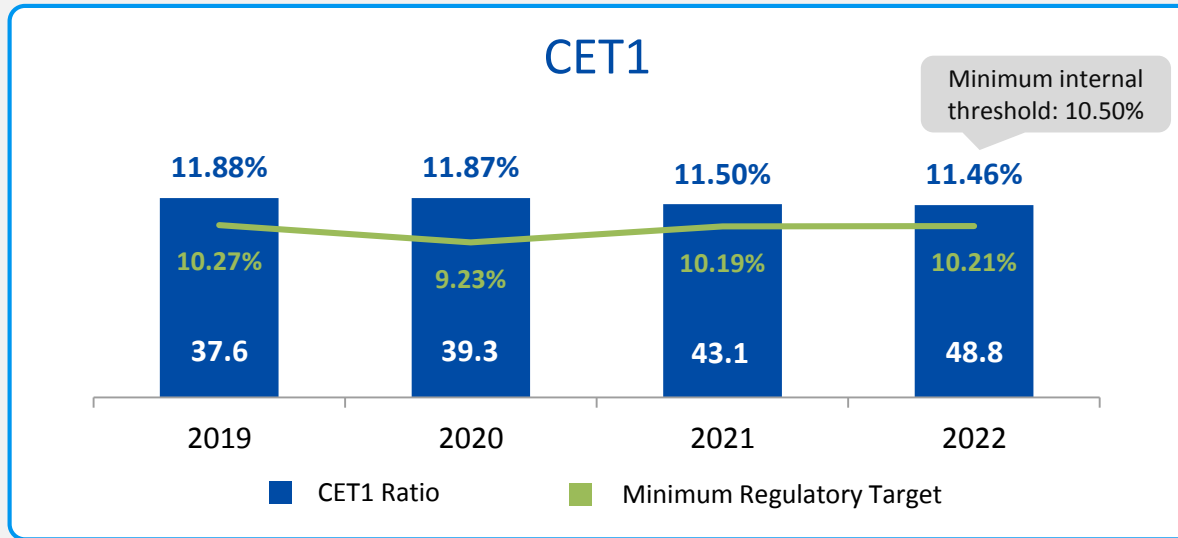
- Increase in dividend payout to 30% of 4Q 2022 net income (NIS 698 million) from 20% in 9M 2022.
- 4Q dividend payment reflects an annualized yield of 6.4% ⁽¹⁾.
- Total payout for 2022 is NIS 1.8 billion.
- Dividend distribution and buy-backs halted in 20/21 (until June) due to Covid-19 outbreak.
- Bank's dividend policy enables payment of up to 50% of net income, on a quarterly basis.

Return to Shareholders



(1) Based on share price of NIS 28.45 as of close on March 13th, 2023.

Solid Capital and Leverage Ratios

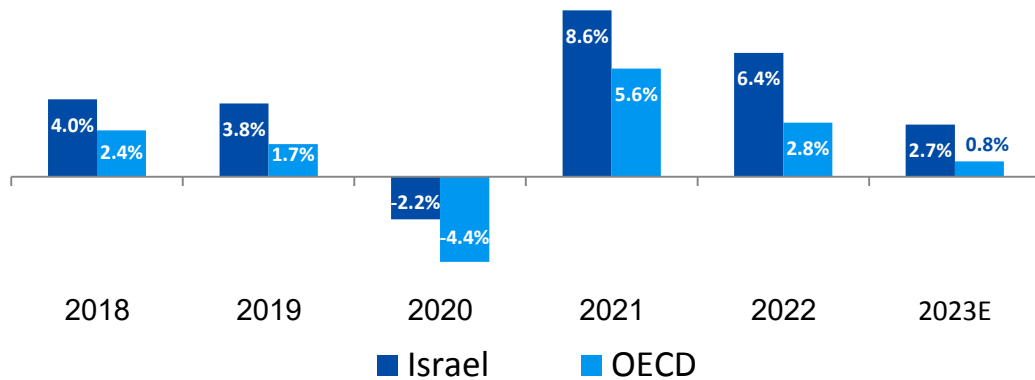


CET1 and Total Capital in NIS billions. Regulatory and internal thresholds for CET1 and TCR are as of January 1, 2022.

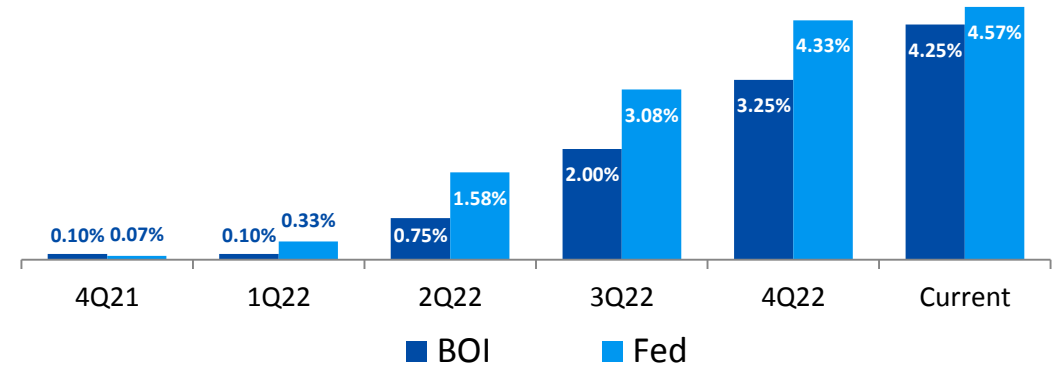


Slower Growth Expected in 2023 but Fundamentals Remain Strong

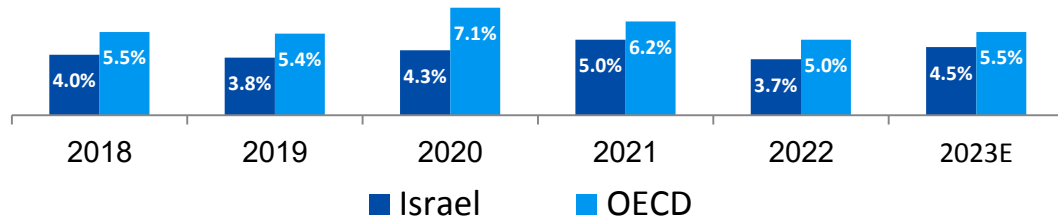
Robust Economic Growth (Real GDP Growth Evolution)



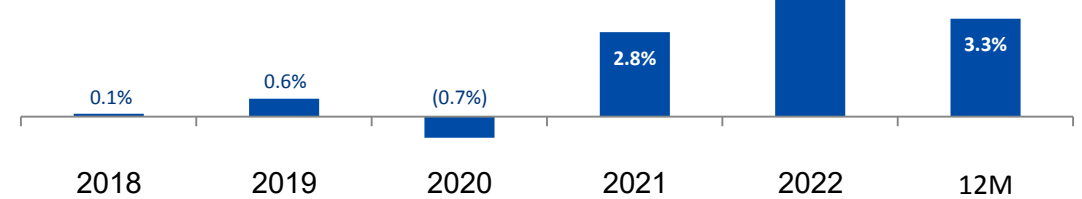
Further Rate Hikes Expected (Rates⁽²⁾ Evolution)



Strong Labor Market (Unemployment Rate⁽¹⁾ Evolution)



Inflation Slowing (Inflation⁽³⁾ Evolution)

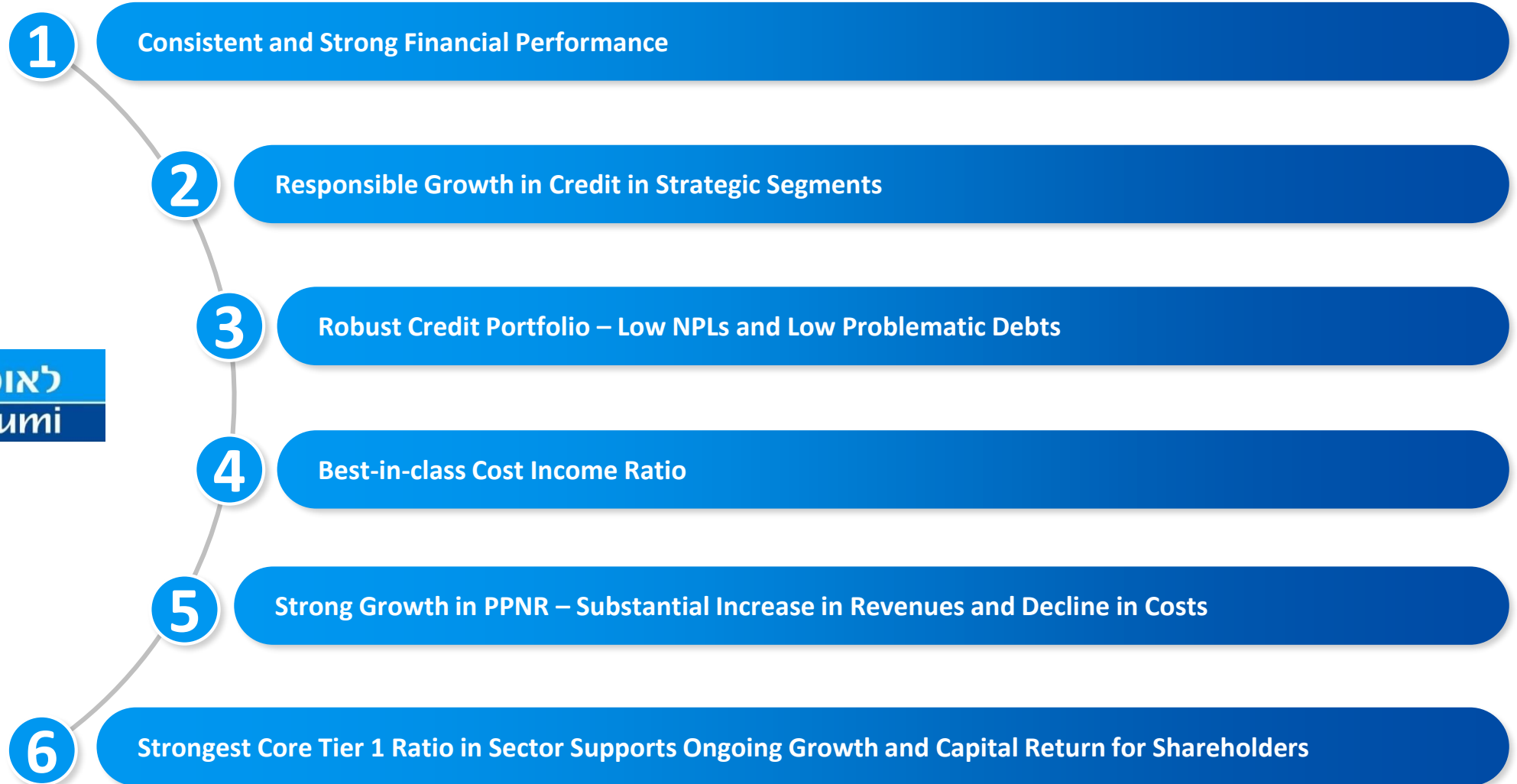


Source: OECD, BOI and CBS. 2023E Israel forecast for GDP and unemployment rate are Bank Leumi's estimates.

22 (1) Unemployment rate for the ages 25-64. (2) Fed Rates are Middle Rate. (3) 12M CPI forecast is derived from 1Y inflation swaps as of March 9th, 2023.



Main 4Q and 2022 Takeaways





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THANK YOU / Q&A

