

Q3 2023



Financial results presentation

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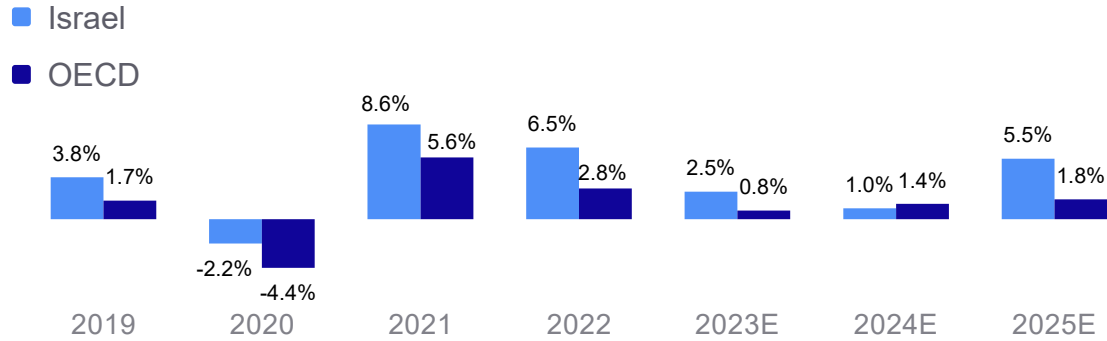
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Solid economic fundamentals

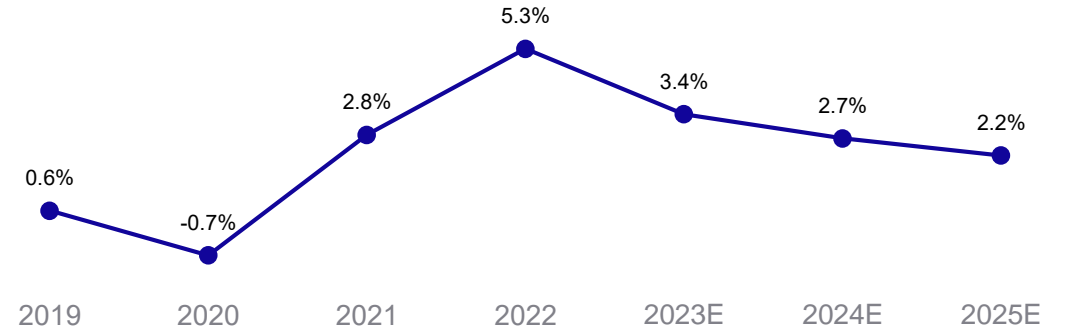
↗ GDP impact in Q4 and FY24

(Real GDP Growth)



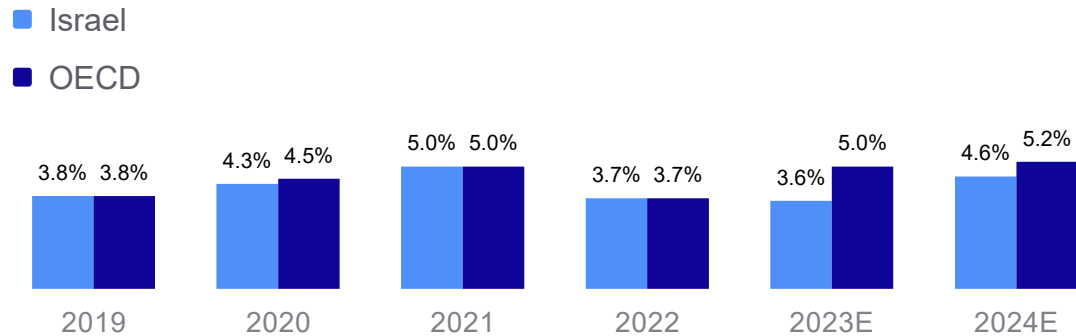
↗ Inflation slowing

(Inflation Evolution)



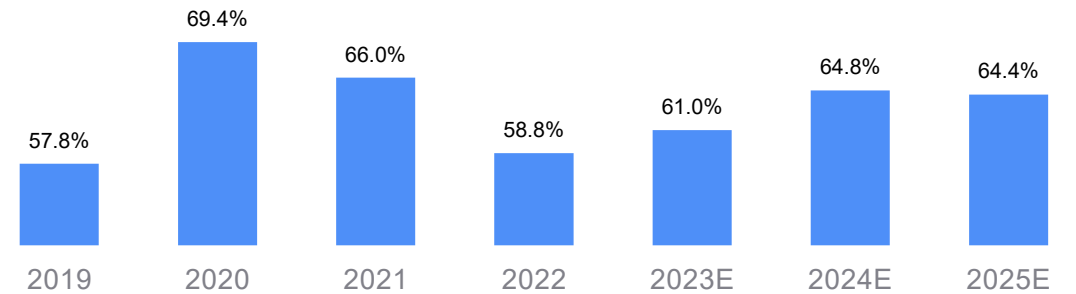
↗ Strong labor market

(Unemployment Rate ⁽¹⁾ Evolution)



↗ Moderate increase in public debts

(Government Debt/GDP)



Key 3Q 2023 Messages

- The Iron Swords War which began in Israel on October 7th has resulted – among other things – in a decline in economic activity and an increase in economic uncertainty and risk.
- 3Q 2023 results include an increased loan loss provision of NIS 1 billion (0.95%) to reflect the lower economic activity and increased uncertainty since the start of the War.
- The government, BOI and the banking system including Bank Leumi have taken various measures to soften the economic impact on households and corporates.
- Despite the higher loan loss provision, quarterly net income was NIS 1.8 billion with an ROE of 13.6% supported by a 32.3% cost income ratio.

Strong underlying performance

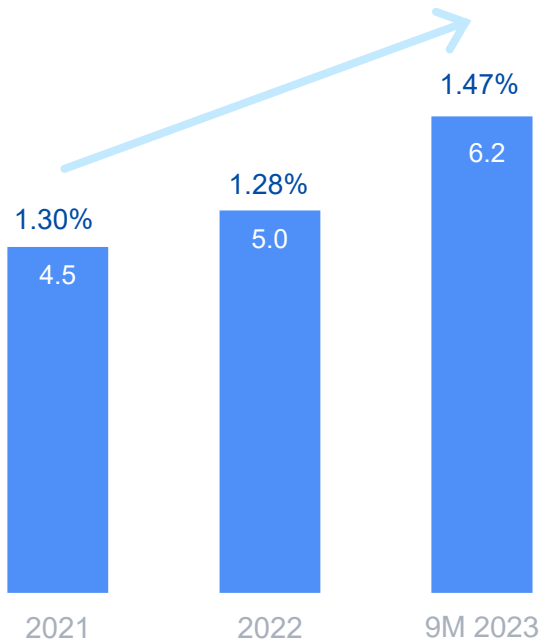
Key financial metrics

	Q3 2023	9M 2023	FY 2022
Net Income	1,767	5,201	7,709
ROE	13.6%	13.6%	17.0%
Cost Income Ratio	32.3%	31.4%	37.2%
Credit Loss Expenses	0.95%	0.56%	0.13%
Net Loan Growth	1.9% <small>Q-o-Q</small>	8.4% <small>YTD</small>	18.4% <small>Y-o-Y</small>
Core Deposit Growth	0.5% <small>Q-o-Q</small>	6.0% <small>YTD</small>	9.5% <small>Y-o-Y</small>

Bank Leumi started period in a strong position

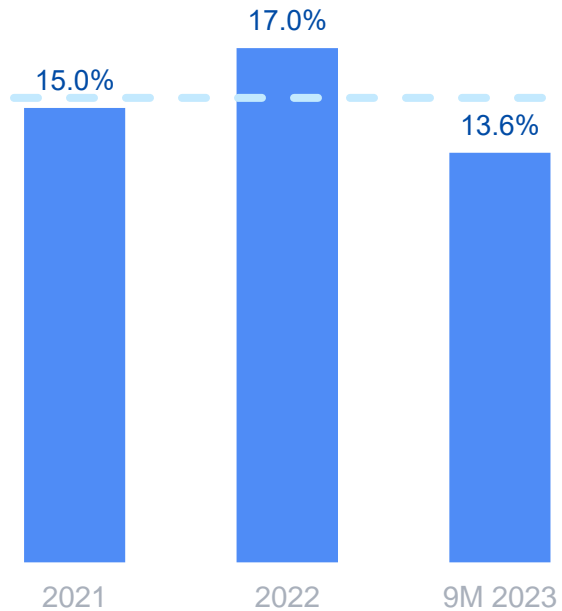
Large cushion for credit losses

- Increase in allowances for doubtful debts post Covid.



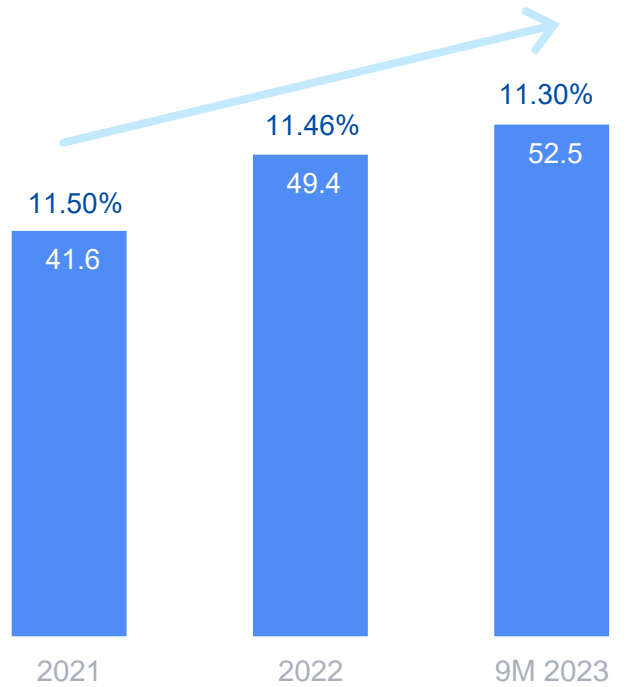
High profitability (ROE)

- ROE averaging >15% ⁽¹⁾.



Growing equity base

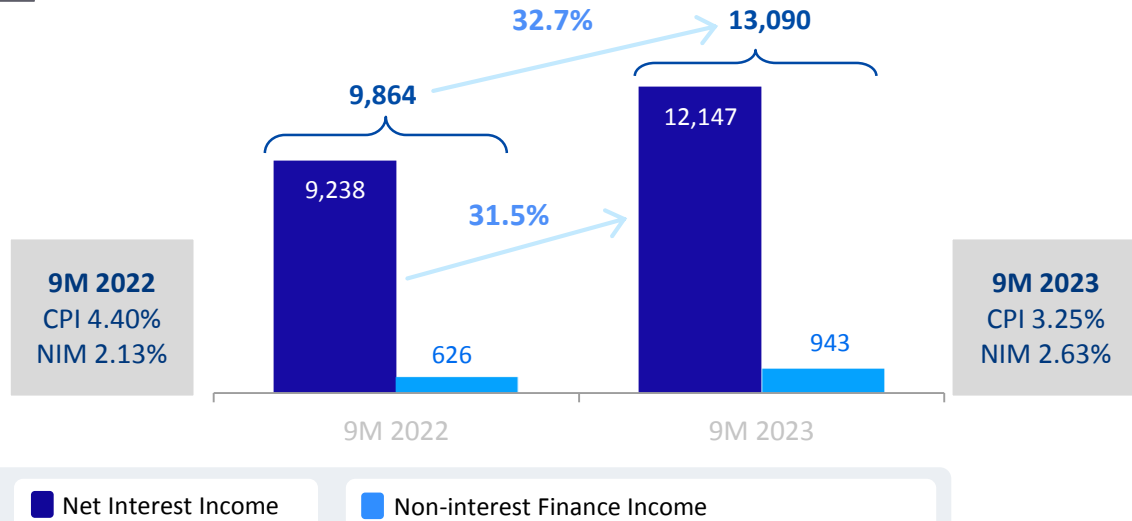
- 1.1% CET1 buffer post large 3Q 2023 collective provision.



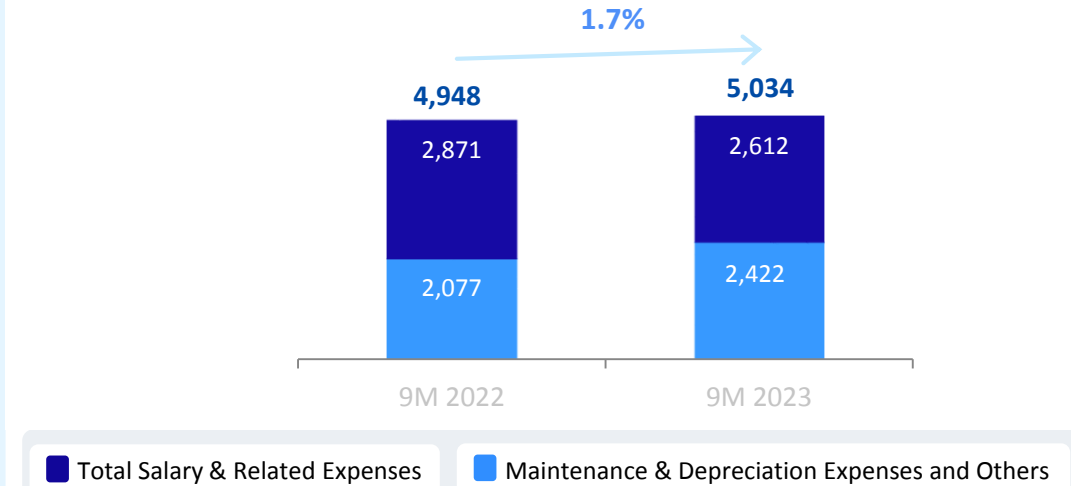
(NIS Billions)
Reported. ⁽¹⁾ 2021-9M 2023.

9m 2023 vs. 9m 2022 – Breakdown of Income and Expenses

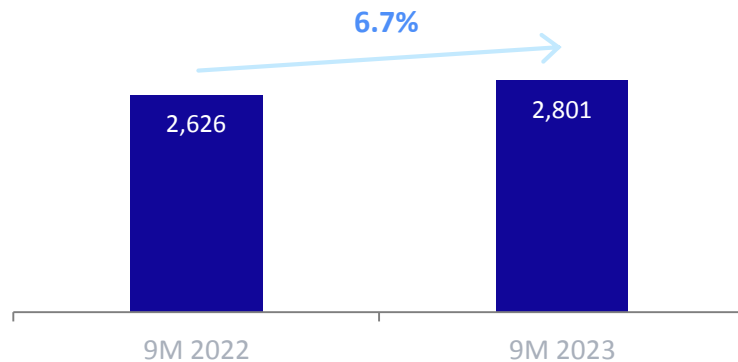
Finance Income



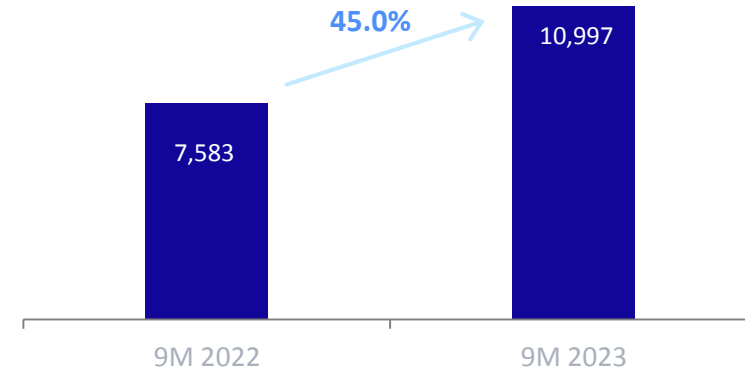
Operating and Other Expenses



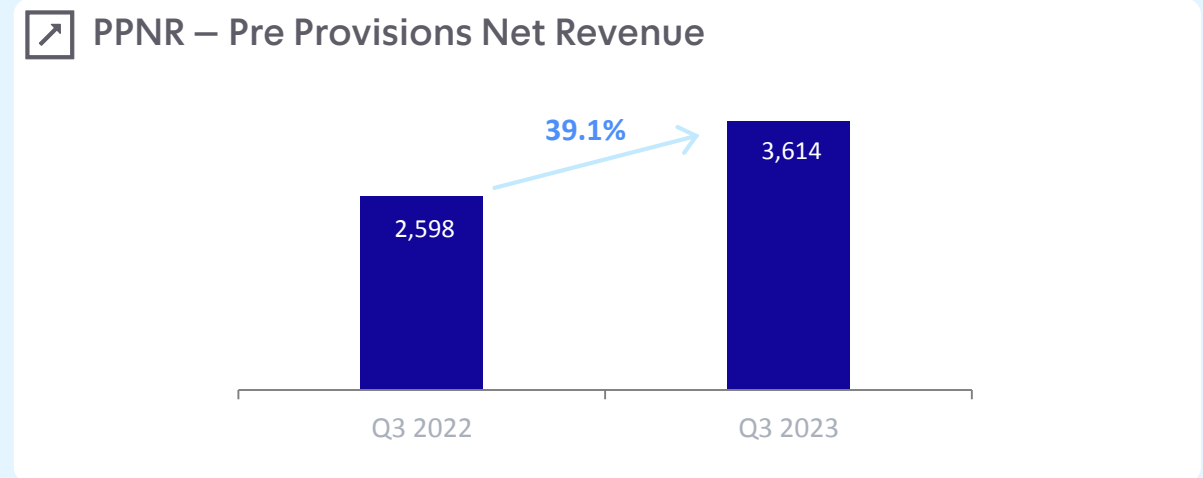
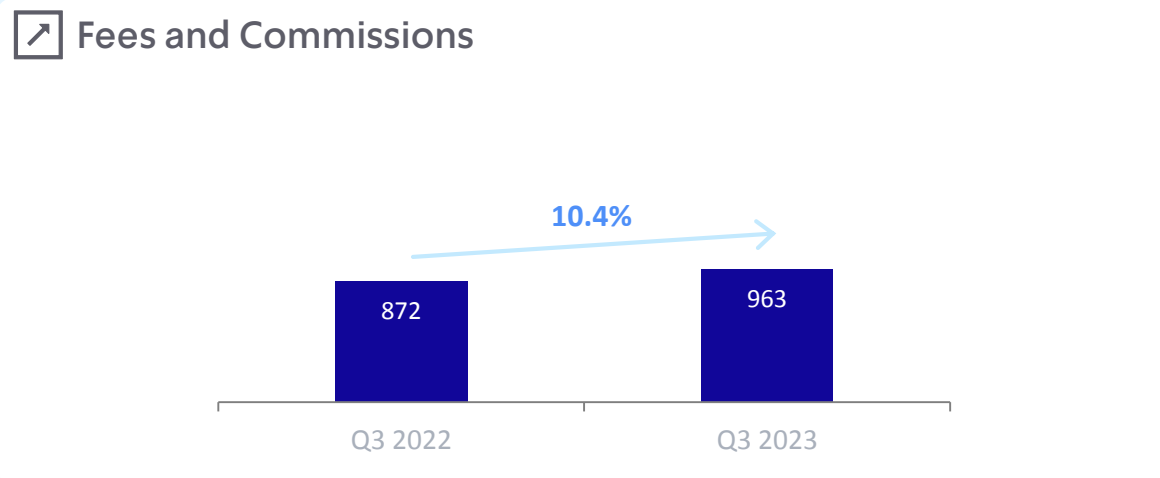
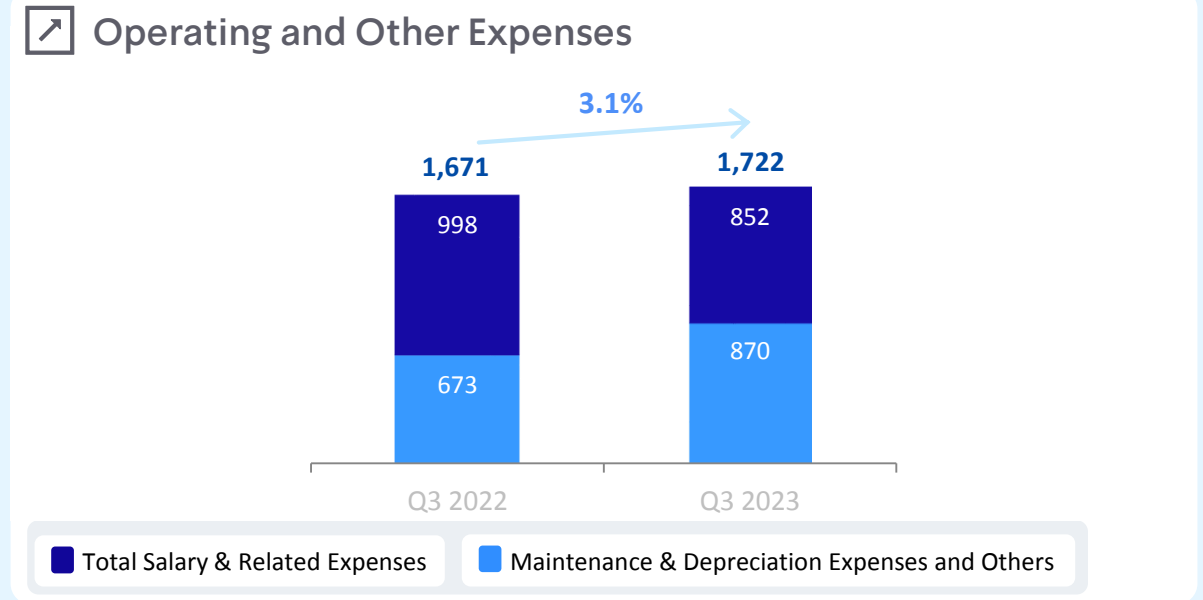
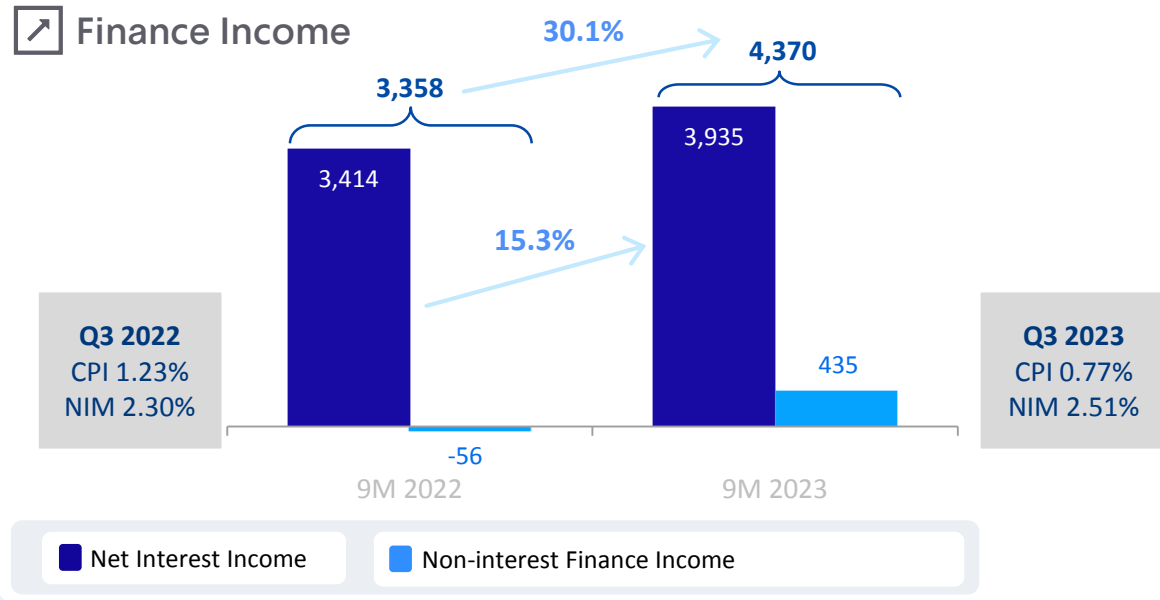
Fees and Commissions



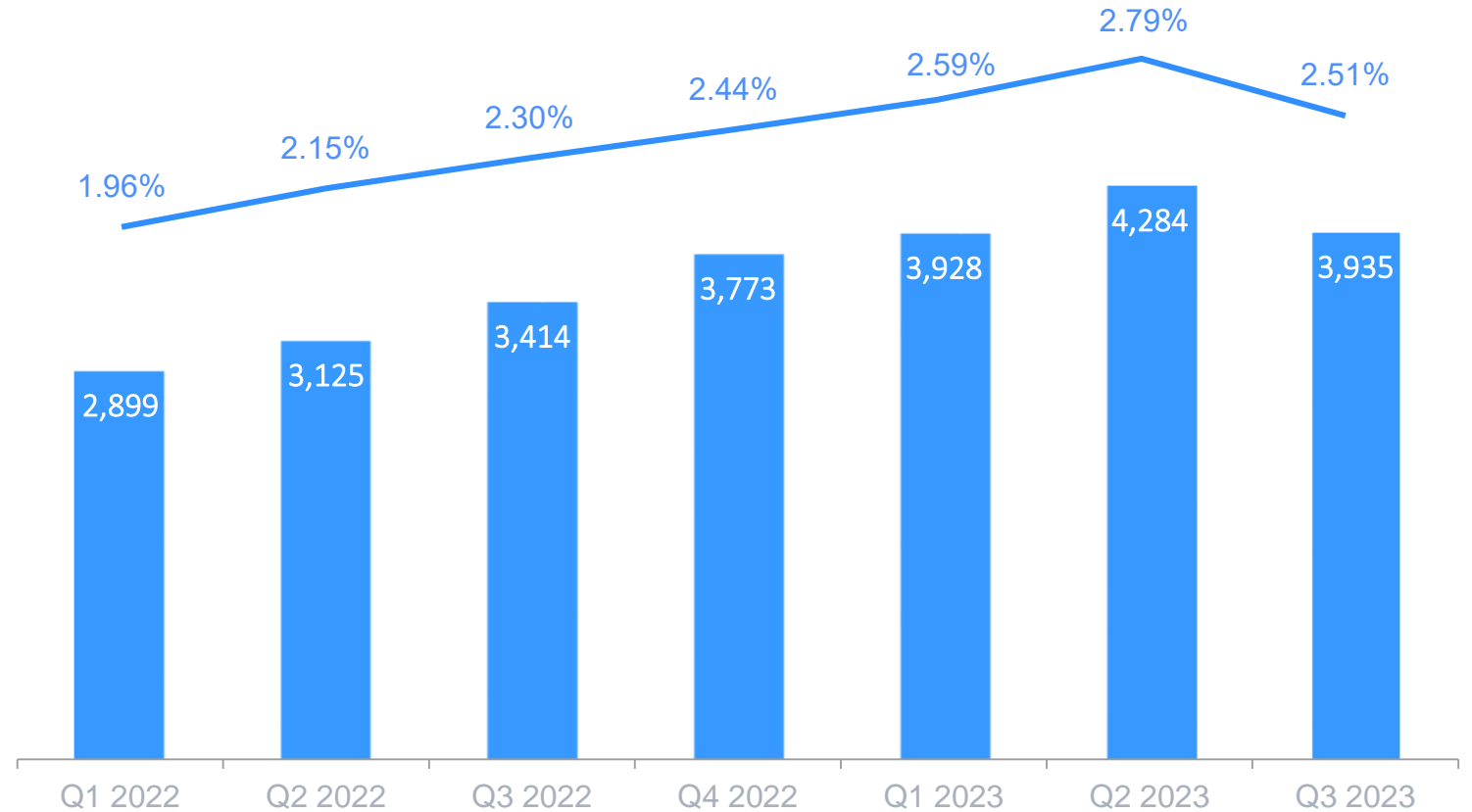
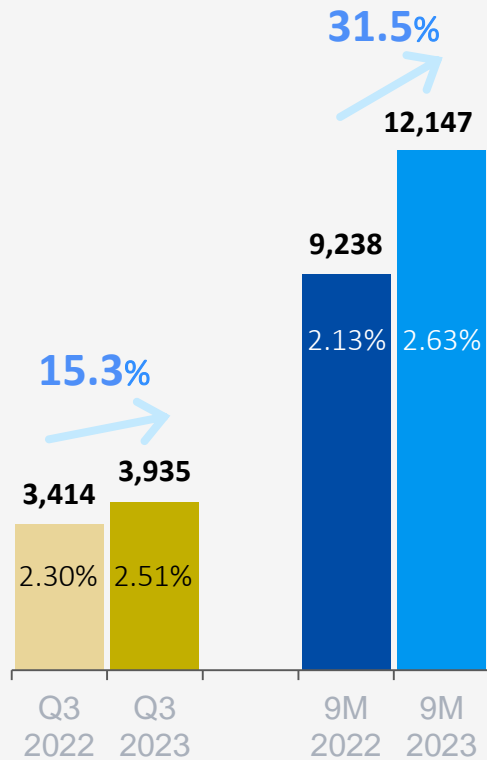
PPNR – Pre Provisions Net Revenue



Q3 2023 vs. Q3 2022 – Breakdown of Income and Expenses

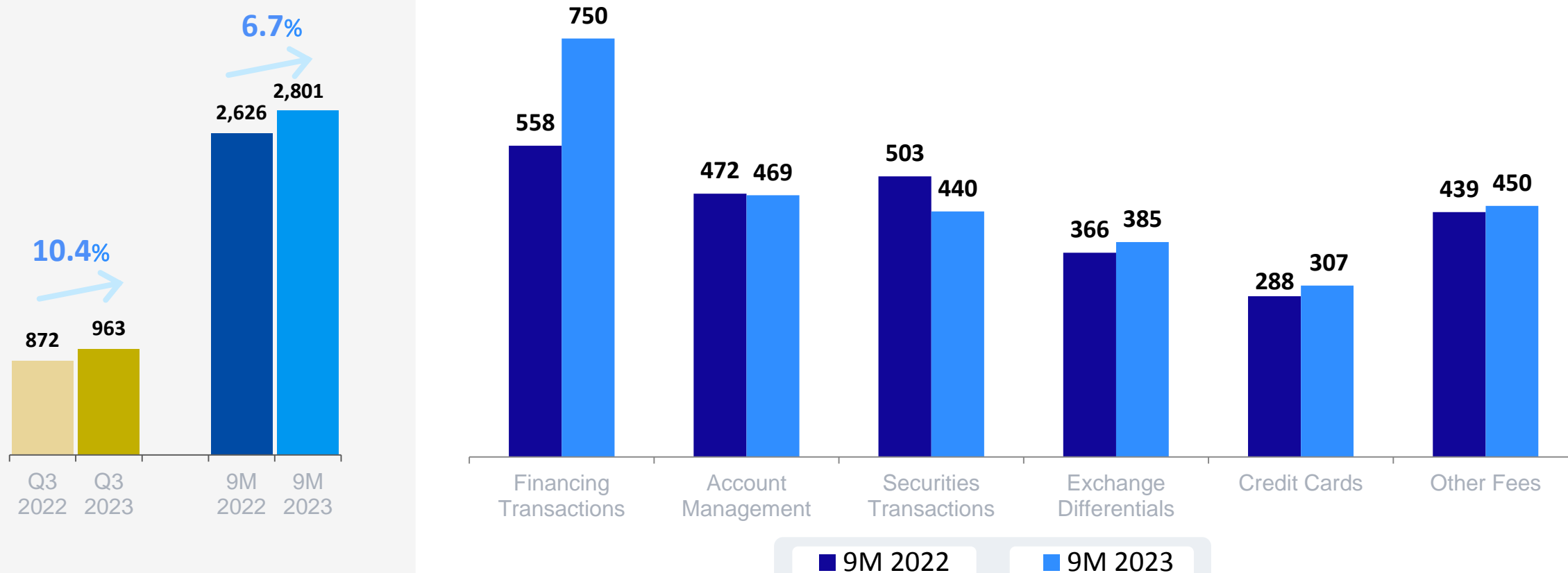


Higher Year-on-Year Net Interest Income and NIM



(NIS Millions)
9M 2022 is excluding Leumi USA.

Fees and Commissions Performance Year-on-Year

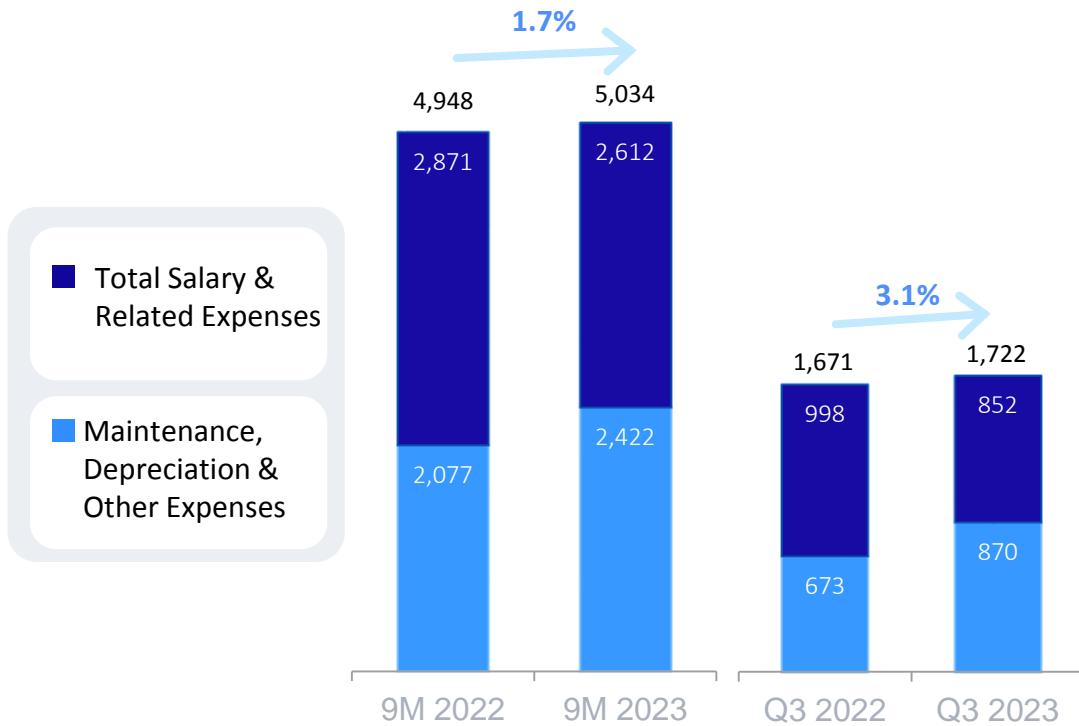


(NIS Millions)

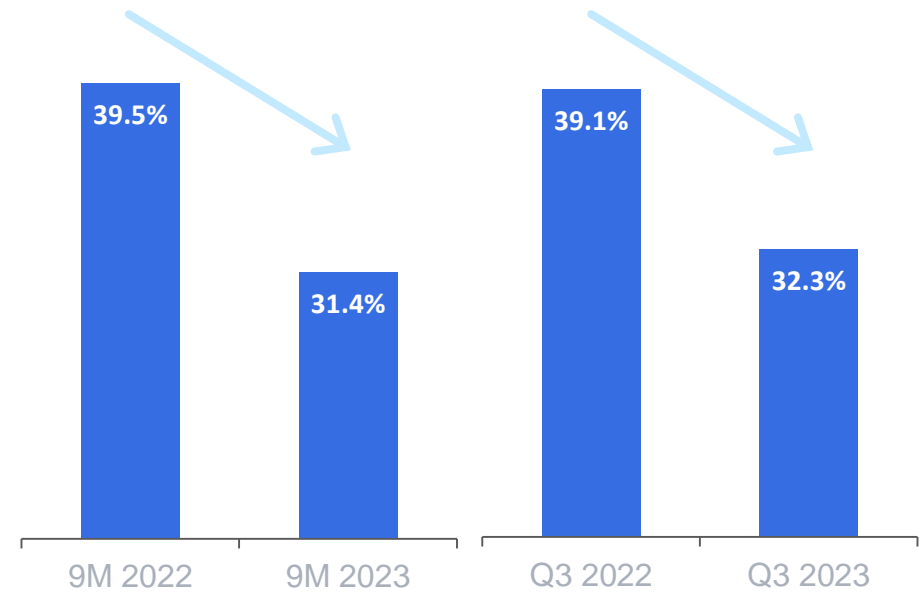
10 9M 2022 is excluding Leumi USA.

Consistent Improvement in Cost Structure

Total Expenses



Cost-Income Ratio

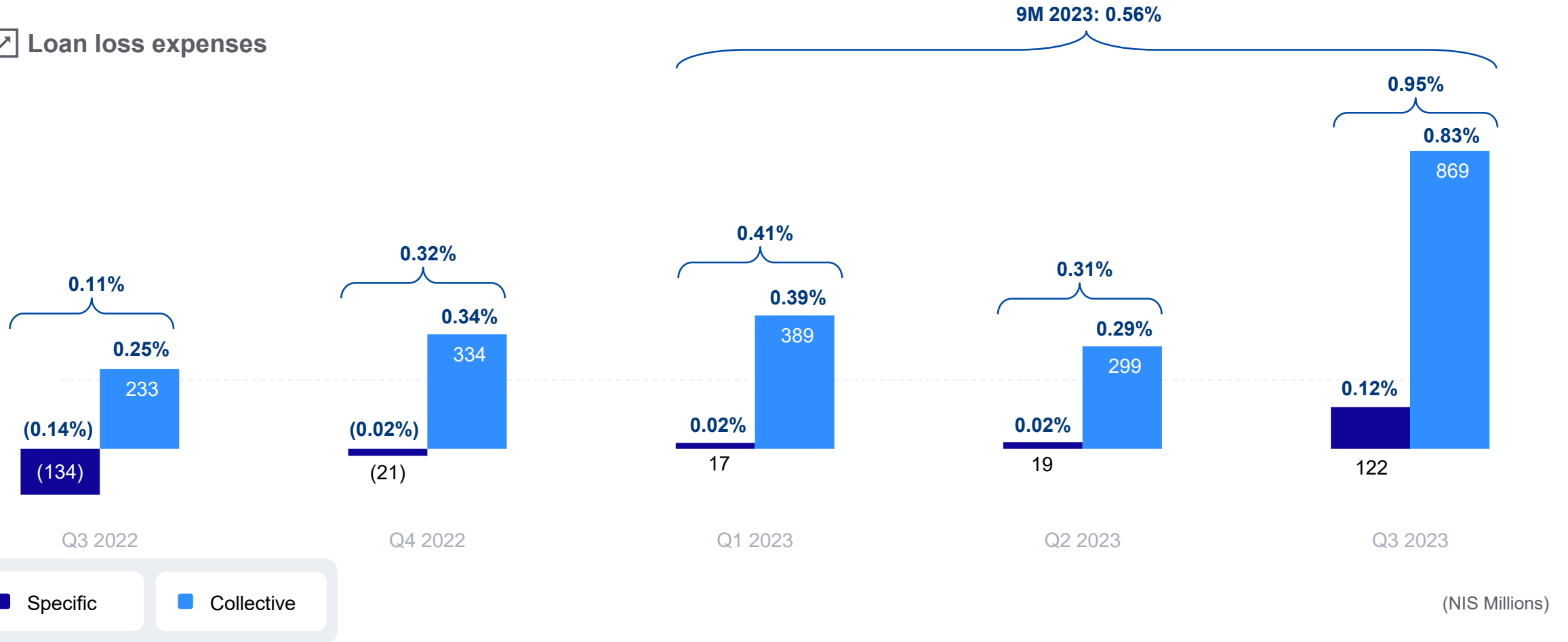


(NIS Millions)
9M 2022 is excluding Leumi USA.

Higher loan-loss expenses due to geopolitical situation

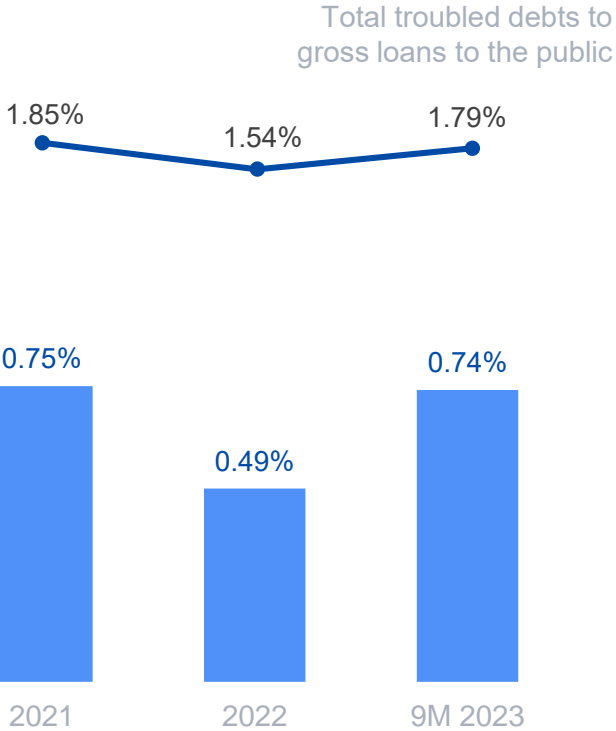
Specific provisions remain low

Loan loss expenses

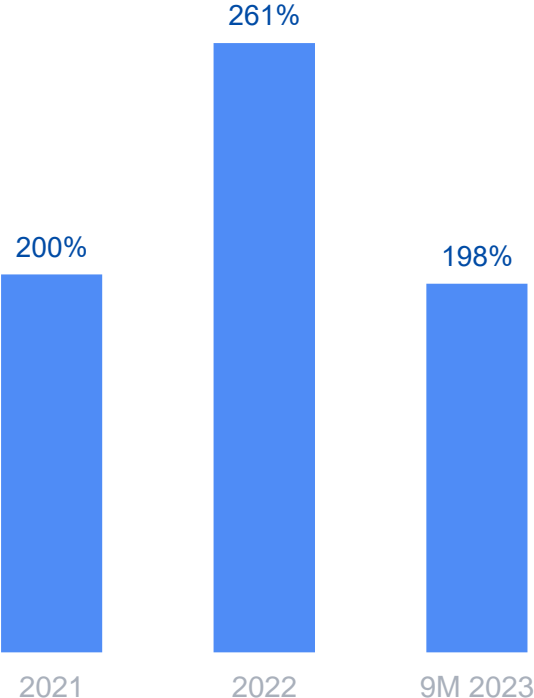


While credit quality indicators remain robust

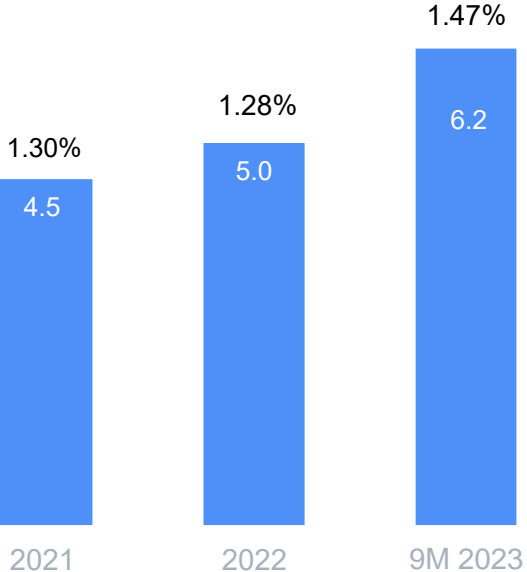
📈 NPL Ratio



📈 Total Provisions / NPLs



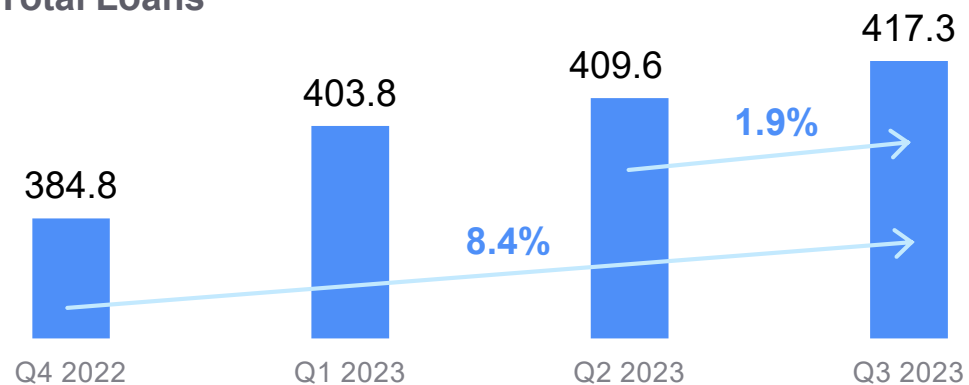
📈 Total Provisions / Gross Loans



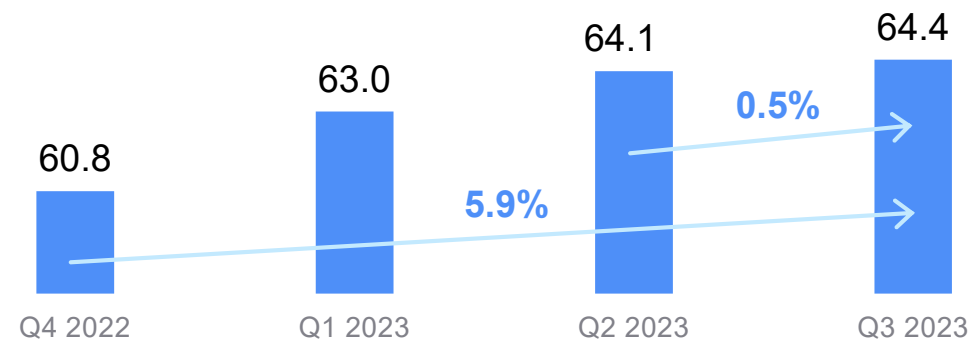
(NIS Billions)
Reported.

Loan growth in-line with strategy

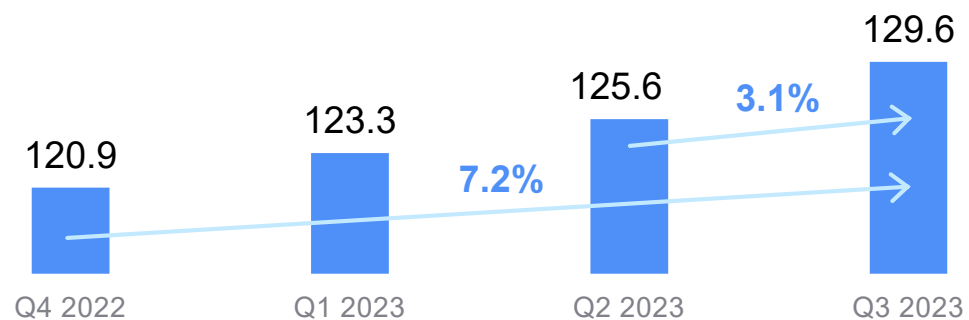
☒ Total Loans



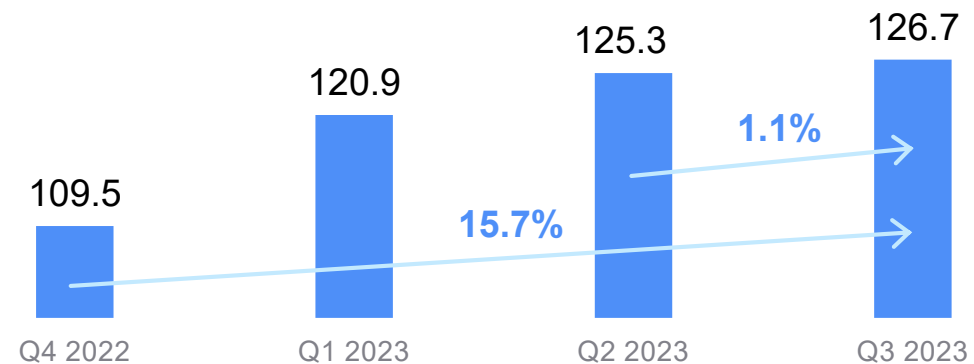
☒ Middle-Market



☒ Mortgages



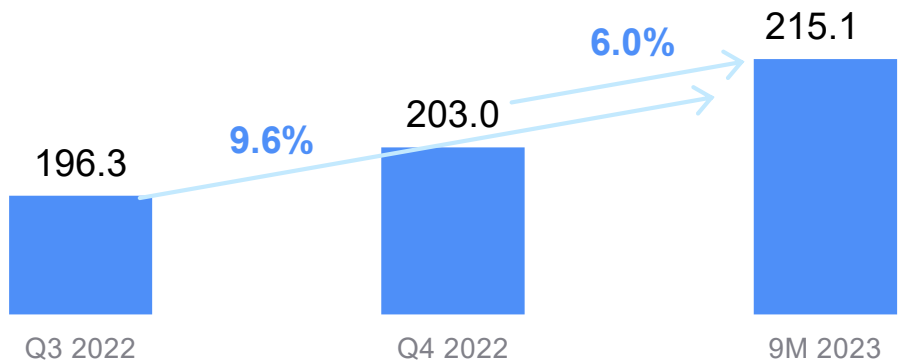
☒ Corporate



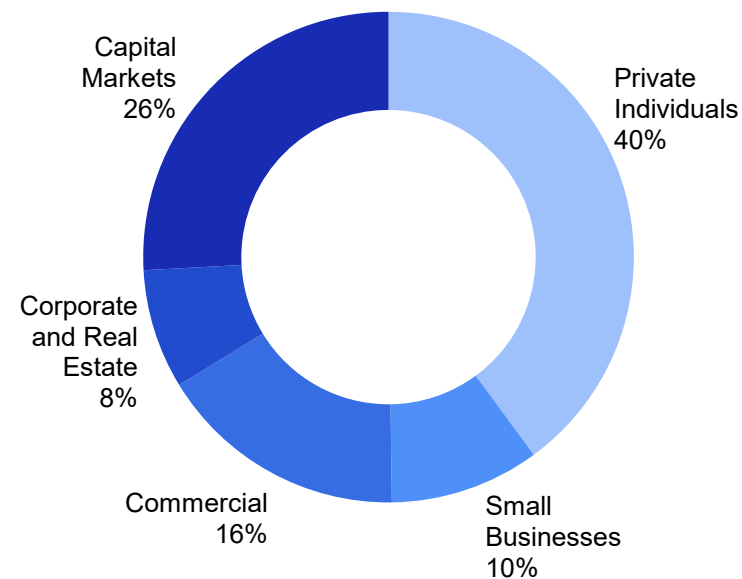
14 (NIS Billions)
Corporate includes Corporate and Real-Estate. The growth is mainly from Real-Estate.

Expanding and diversifying deposit base

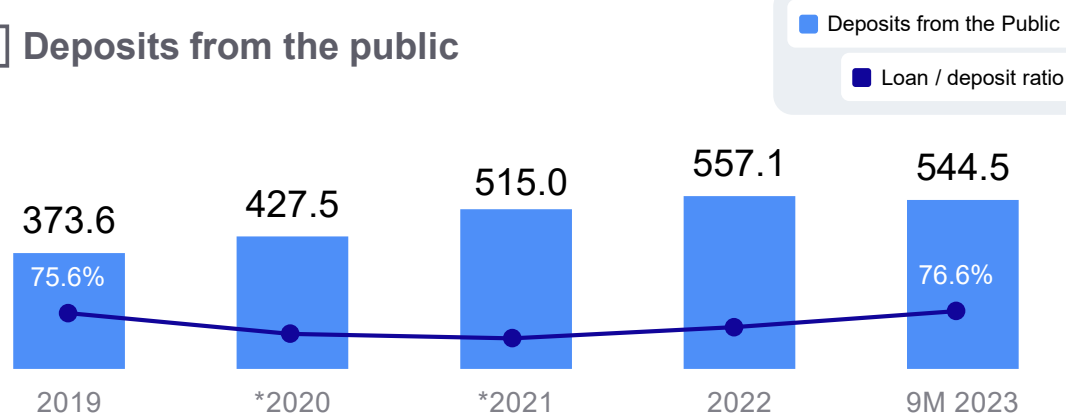
Core Deposits (in Israel)



Diversified deposit base**



Deposits from the public



118%
NSFR⁽¹⁾

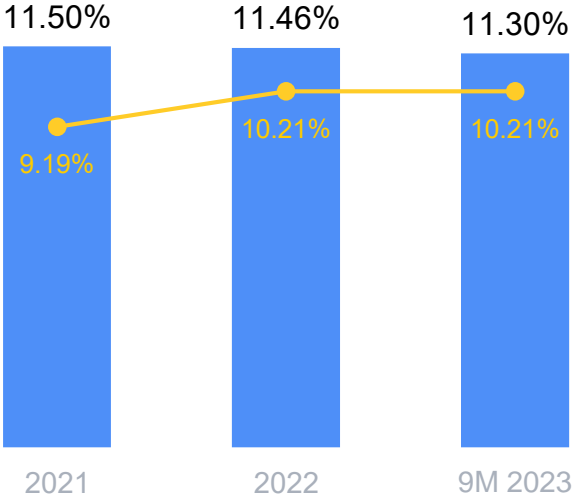
130%
LCR⁽²⁾

(NIS Billions)

15 Core Deposits = Deposits from Private Individuals. * Excluding Leumi USA. (1) Net Stable Funding Ratio. (2) Liquidity Coverage Ratio. **Including deposits from institutional entities

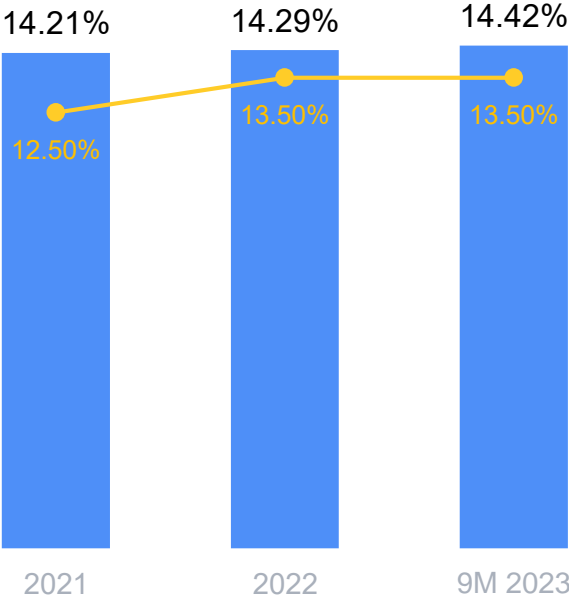
Solid capital and leverage ratios

📈 CET1



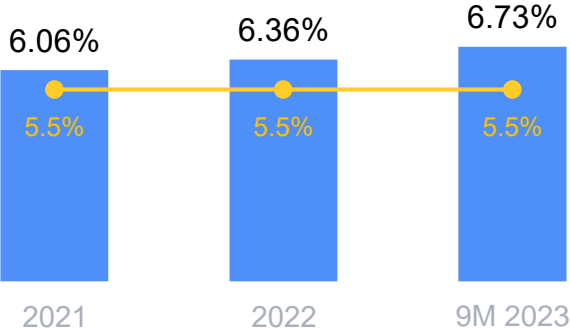
■ CET1 Ratio ■ Minimum Regulatory Target

📈 Total Capital Ratio



■ TCR ■ Minimum Regulatory Target

📈 Leverage Ratio



■ Leverage Ratio ■ Minimum Regulatory Target

Regulatory and internal thresholds for CET1 and TCR are as of September 30th, 2023.

Investment highlights

1

National banking champion with diversified business model and leading in digital transformation

2

Consistent and strong financial performance

Pre-tax profit of ~NIS 800m from selling HQ buildings to be recorded in Q1 2024

3

Best-in-class cost income ratio

4

Robust credit quality indicators – low NPLs and high coverage

5

Strong capital base and robust funding profile

6

Despite the war, the Israeli economy remains resilient with strong macro fundamentals

Q3 2023

Results
presentation

Thank you / Q&A 