

Bank Leumi

Financial Results Presentation

FY 2025



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. 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;
3. Some of the information contained in this document and/or discussed throughout the conference call that does not refer to historical facts, constitutes forward-looking information with respect to the Bank’s business, financial condition and results of its operations, which is based, inter alia, on forecasts of the future regarding various matters, which include but are not limited to changing economic conditions in Israel and abroad, especially in the foreign exchange and capital markets, legislation, directives of regulatory bodies, the behavior of competitors, product demand, pricing, market acceptance, risks in product and technological developments, personnel issues, the effect of the Bank’s accounting policies as well as certain other risk factors which are detailed from time to time in the Bank’s filings with the securities authority, etc. and is subject to risks, uncertainties and changes in circumstances, that could cause actual results to differ materially from those included herein. For more information on the meaning of forward looking information, we would refer you to the Bank’s most recent published Consolidated Financial Statements;
4. The financial targets detailed in this presentation constitute forward-looking information and are based on plans formulated by the Bank’s management. These targets are based on forecasts, assessments and assumptions that are not certain to be realized and their realization is not necessarily within the Bank’s control. The targets are based, inter alia, on the following macro-economic assumptions: the average Bank of Israel rate during the relevant period will be between 3.2%–3.7% and the average annual inflation rate will be 1.8%–2% in the forecast years. The target for the annual payout ratio is subject, among other things, to the removal of distribution restrictions by the BOI and to the BOI guidelines. The targets are based on regulatory provisions in effect at the time of the report’s publication (such as the assumption that the impact of the special tax on banks profits in 2026–2027 and the customer benefits program will be similar to those in the last two years). The targets may not be realized, in whole or in part, and the Bank’s business results may differ materially. The Bank shall not be obligated to update the information relating to the targets, including any change in the forecasts or the assumptions on which they are based, subject to the provisions of the law.
5. Does not constitute an offer or invitation to purchase or subscribe for any securities, nor does it constitute advice.

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 afore mentioned reports.



Results
Presentation

Hanan Friedman
President & CEO

Bank Leumi: Key Financial Highlights - FY 2025

Robust Profitability

Net Profit

NIS **10.3** Bn | **+4.7%**
(\$ 3.2)

Strong Return on Equity

15.8% | **17.9%**
Reported Normalized⁽¹⁾

Increasing Capital Return⁽²⁾

NIS **5.9** Bn | **58%**
(\$ 1.9) Payout ratio
6.5% Dividend yield⁽²⁾

Continued Growth

31.12.2025

Net Loans NIS **520** Bn | **+14.1%**
(\$ 163)

Deposits NIS **687** Bn | **+11.1%**
(\$ 215)

Best-in-class Efficiency

Cost Income Ratio

29.3%

Solid Capital

CET 1 31.12.2025

Capital surplus⁽³⁾

12.05% | NIS **10** Bn
(\$ 3.1)

Data refers to the full year 2025. Dividend yield is based on an annual average market cap. Financial figures in US\$ are converted from NIS using exchange rate as of 31.12.2025.

(1) ROE adjusted for excess capital – capital normalized to the bank's internal CET 1 target. (2) Dividend + Buyback. (3) Capital excess above the regulatory CET 1 target.



From Digital Innovation To AI-Driven Financial Excellence

Scaling a Gen AI Hub to Drive the Banking Revolution



Integrating AI into Core Banking:

Smart credit underwriting and management models, automation of code writing



Hyper-Personalization & Enhancing Value Proposition:
Expanding and refining products and services for customers in real-time



Accelerating Efficiency:

AI technology integration leading to a profound shift in the Bank's expense structure

2025 performance: Strong delivery against 2025 targets

2025 Financial Targets

FY 2025 Actuals

Net Profit

NIS 9–11 Bn

NIS 10.3 Bn

ROE

15%–16%

15.8%

Credit growth

8%–10%

14%

Capital return

Minimum 50%

58%

Capital return = cash dividend and share buyback



2026–2027 Strategic targets

Net Profit	NIS 10–12 Bn
ROE	14.5%–16%*
Credit growth	8%–10%**
Capital return	50% – 65%*

Capital return = cash dividend and share buyback. All targets are in annual terms.

Macroeconomic assumptions: Annual CPI averaging 1.8–2% and an average BOI interest rate of 3.2–3.7%. Targets are based on the regulatory instructions in effect as of the publication date of the 2025 financials, including assumptions that during 2026–2027, the impact on the Bank's results regarding the special tax and the benefits program will be similar to those in 2024–2025.

* ROE and Capital Return targets are both subject, among other things, to the removal of restrictions on capital distribution set by the Bank of Israel and the Bank of Israel's instructions.

** The credit growth target reflects the activity environment and the scope of known infrastructure projects at the time of the publication of the 2025 financials. A significant expansion of national infrastructure investments beyond current estimates may support higher growth than the current target.



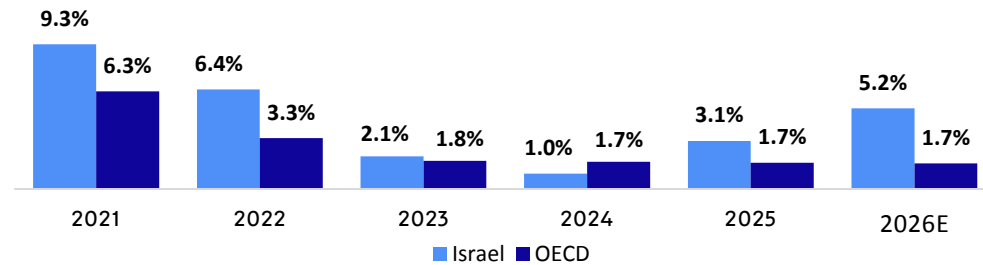
Results
Presentation

Hagit Argov
SVP & CFO

Israeli Economy: Strong GDP Rebound Expected in 2026

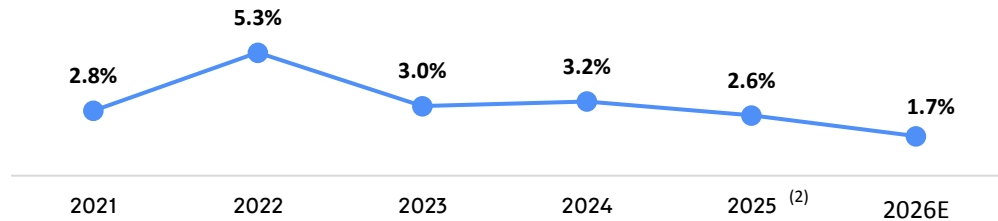
GDP

(Real GDP Growth)



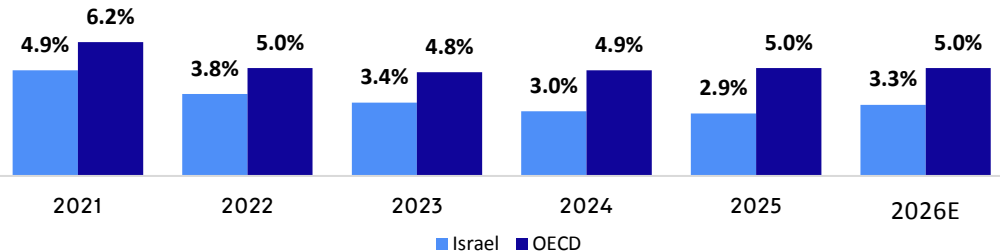
Lower inflation expected in 2026

(CPI Evolution)



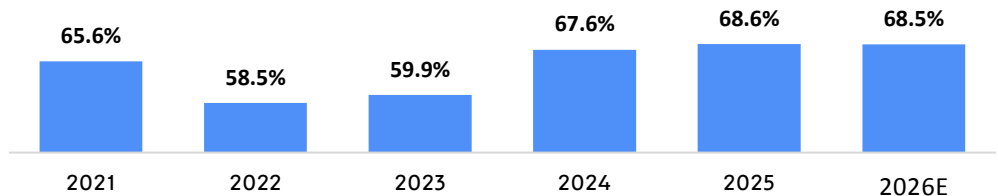
Strong labor market

(Unemployment Rate⁽¹⁾ Evolution)



Moderate increase in government debt

(Government Debt/GDP)



Source: OECD and Israeli CBS. 2025-26 forecasts for Israeli GDP, CPI and government debt are BOI (January 5, 2026). 2026 forecast for unemployment is Leumi.

(1) Unemployment rate for persons aged 15+. (2) Known CPI for FY 2025 is 2.4%.

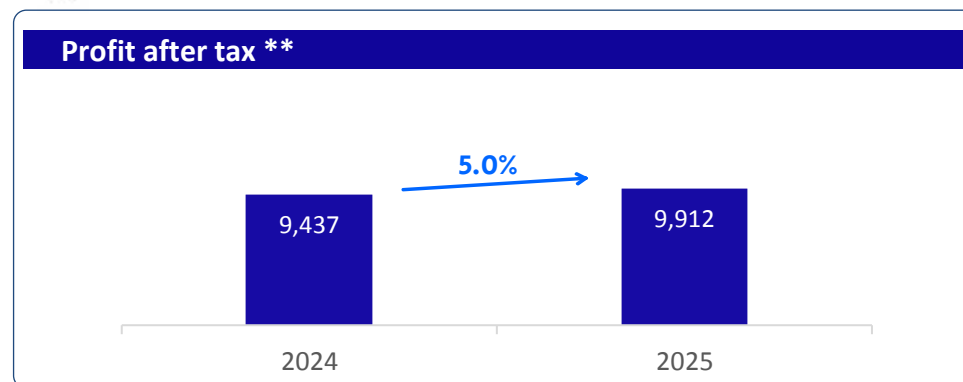
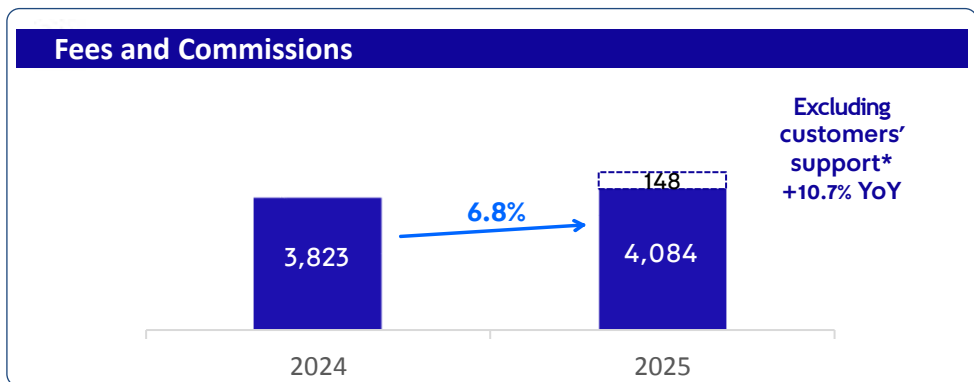
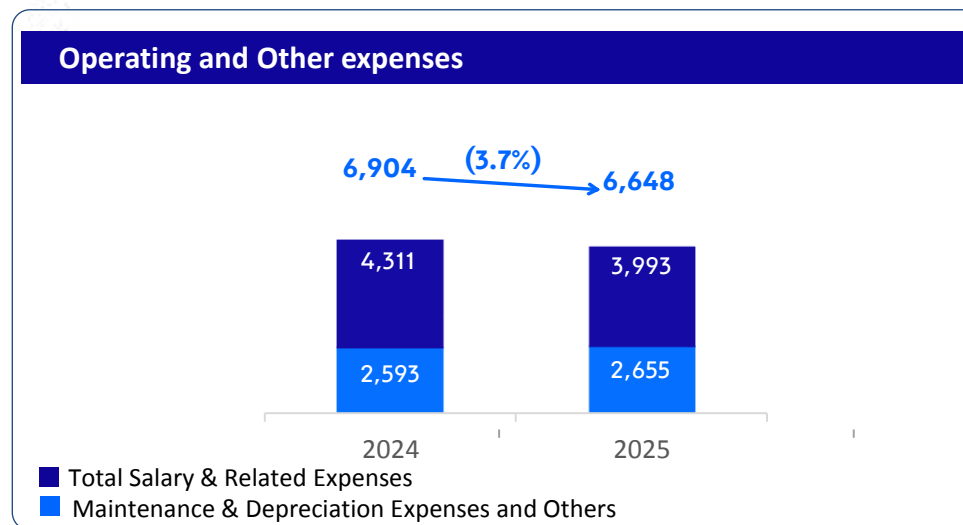
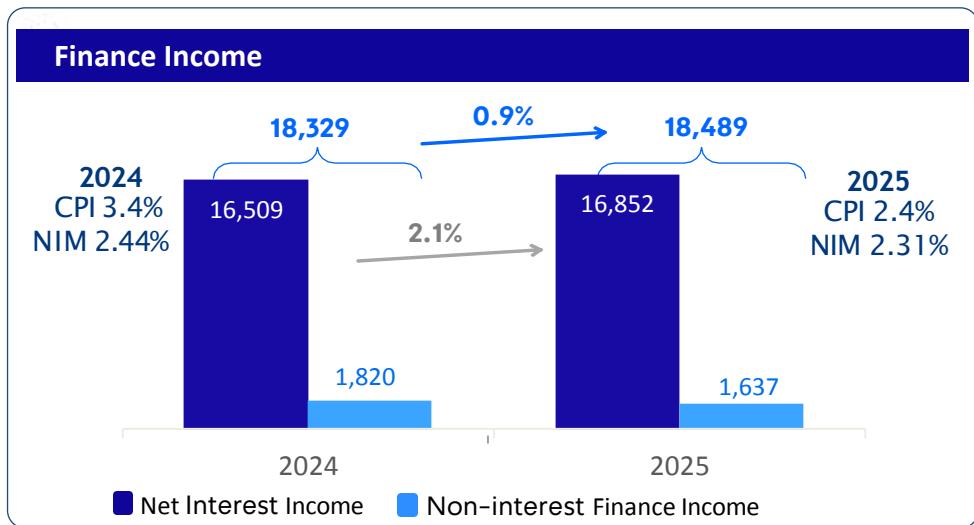
Strong underlying performance

Key financial metrics

	FY 2025	FY 2024	4Q 2025
Net Income	10,262	9,798	2,549
ROE	15.8%	16.9%	15.1%
Cost Income Ratio	29.3%	29.9%	31.8%
Credit Loss Expenses	0.09%	0.16%	0.11%
Net Loan Growth	14.1% ^{Y-o-Y}	8.6% ^{Y-o-Y}	5.0% ^{Q-o-Q}
BVPS Growth	12.0% ^{Y-o-Y}	14.6% ^{Y-o-Y}	2.0% ^{Q-o-Q}
EPS Growth	6.2% ^{Y-o-Y}	41.0% ^{Y-o-Y}	4.9% ^{Y-o-Y}

NIS Millions.

2025 vs. 2024 – Breakdown of Income and Expenses



(NIS Millions) ; Known CPI

* FY 25 reported Fees of NIS 4,084 million include customers' support of NIS 148 million.

** 2024 profit after tax excludes NIS 632m of net gains from sales of HQ real estate.

Total Salaries and Related Expenses include pension and other salary costs of 413 million in 2025 and 515 mil in 2024.

Profitability

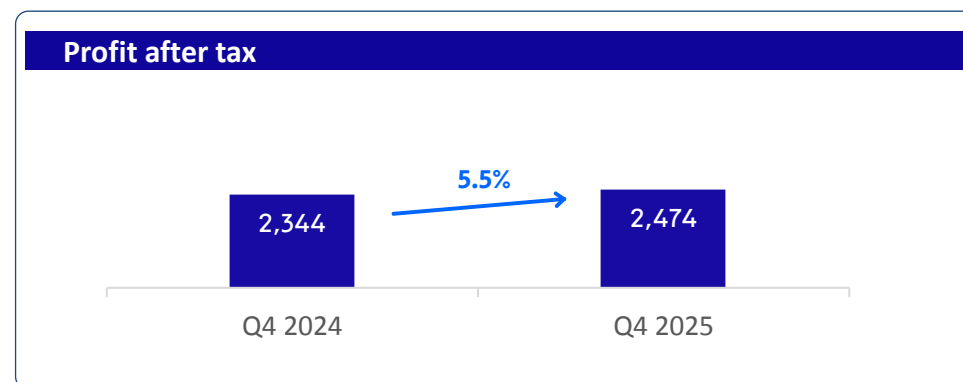
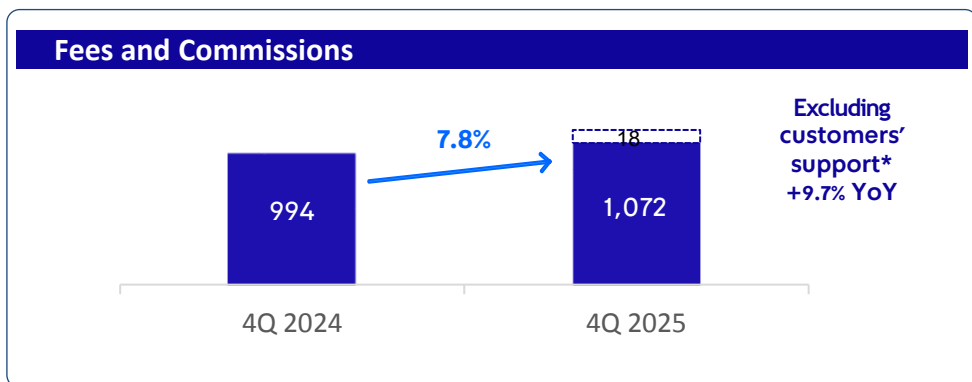
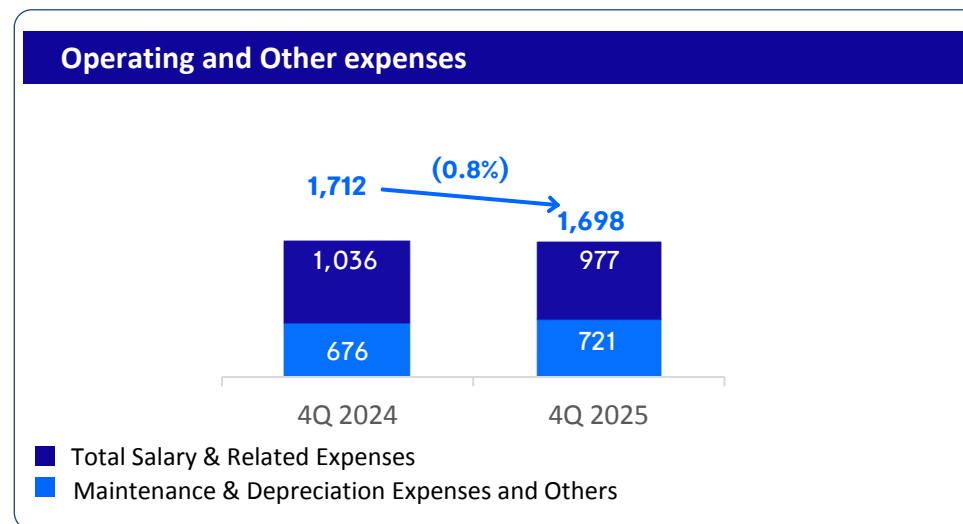
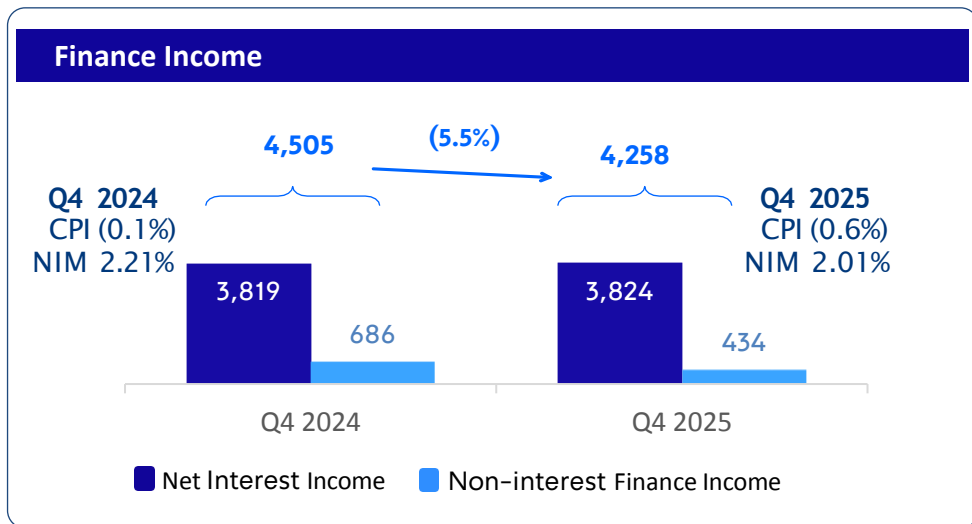
Credit Quality

Growth

Solid Capital



Q4 25 vs. Q4 24 – Breakdown of Income and Expenses



(NIS Millions) ; Known CPI

* 4Q '25 reported Fees of NIS 1,072 million include customers' support of NIS 18 million.
Total Salaries and Related Expenses include pension and other salary costs of NIS 96 million in 4Q'25, NIS 126 million in 4Q'24.

Profitability

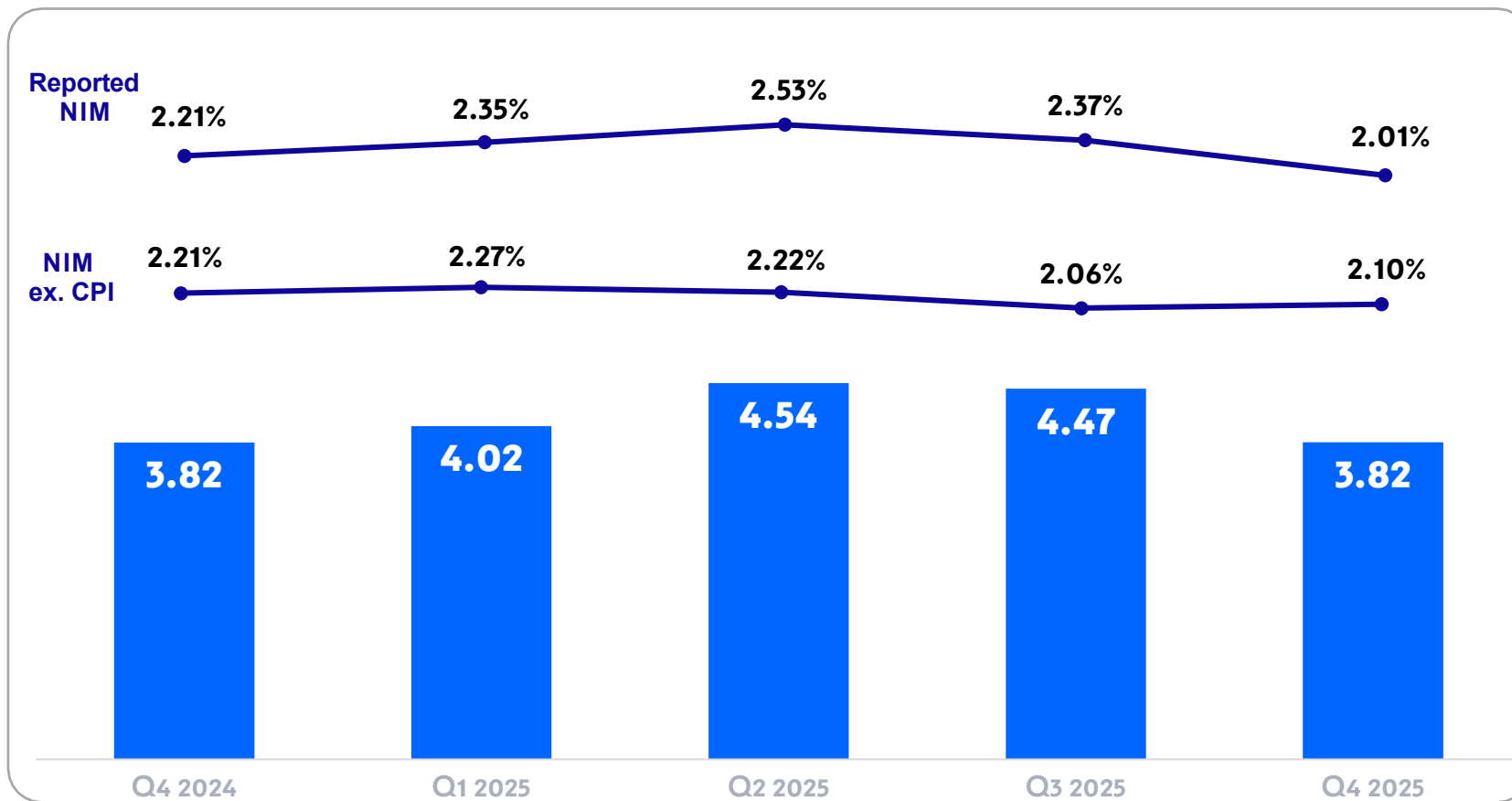
Credit Quality

Growth

Solid Capital



Net interest income and NIM



(NIS billions)

Profitability

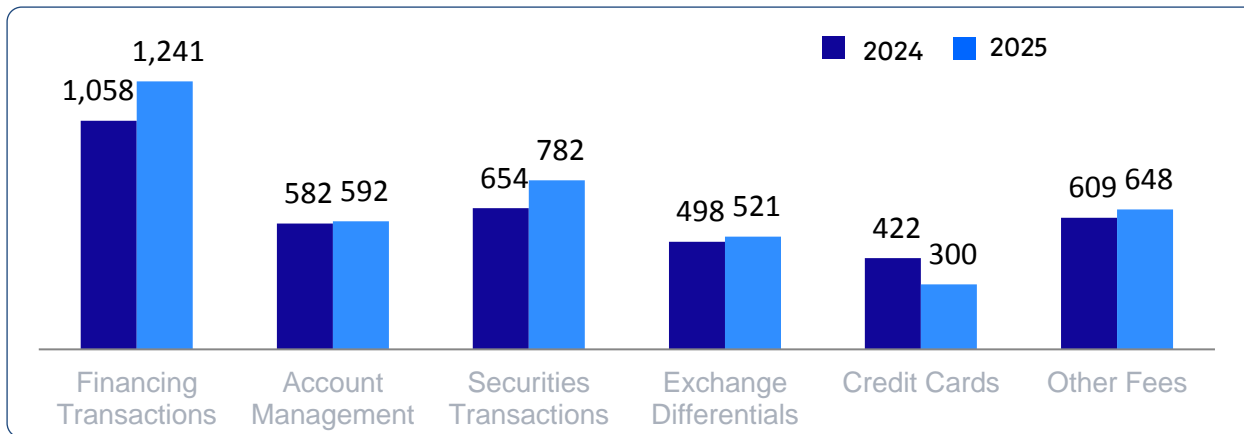
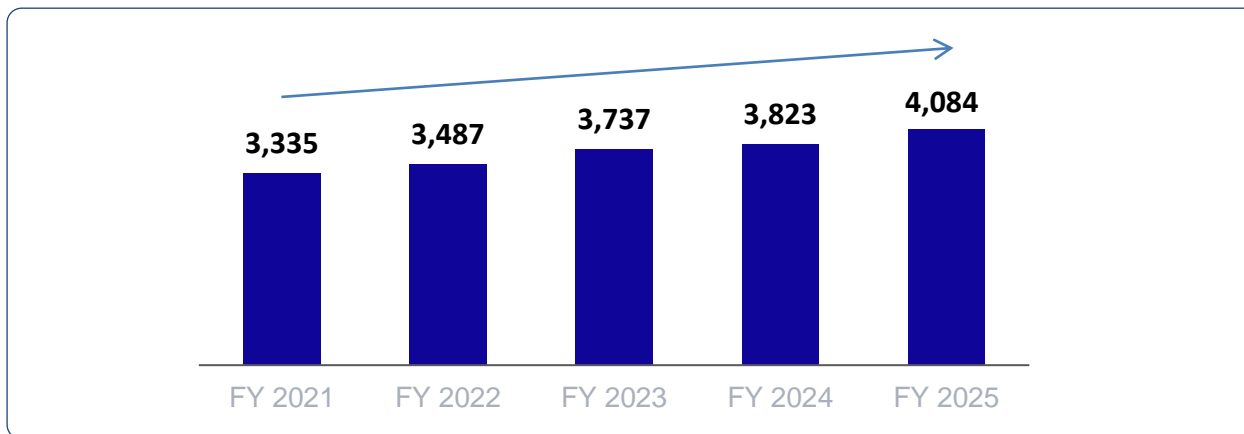
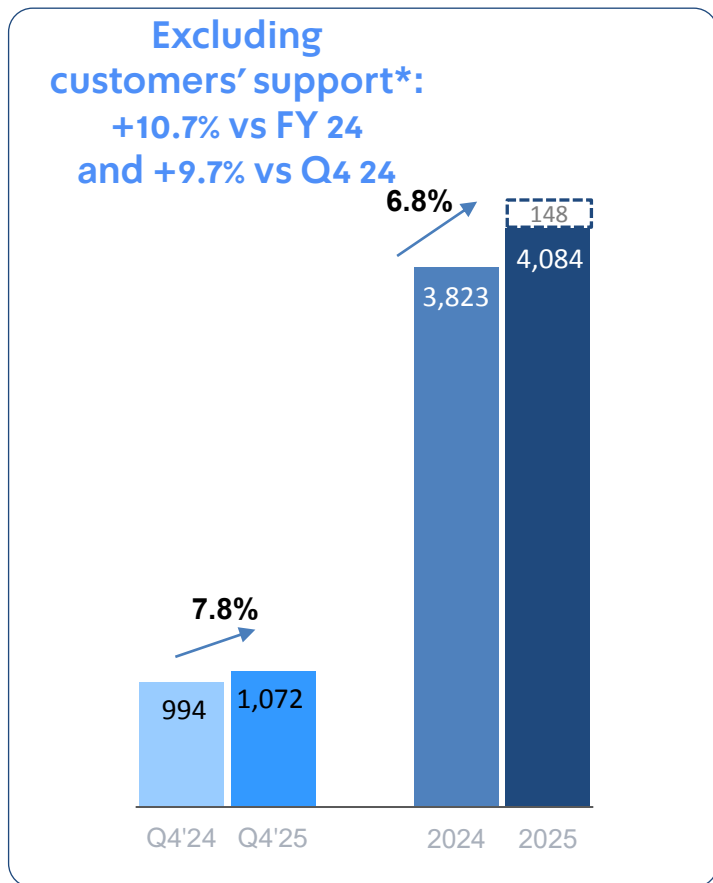
Credit Quality

Growth

Solid Capital



Growth in fees



(NIS Millions) Fees in 2021–22 are excluding BLUSA.

* FY 25 reported Fees of NIS 4,084 million include customers' support of NIS 148 million.

Q4 25 reported Fees of NIS 1,072 million include customers' support of NIS 18 million.

Profitability

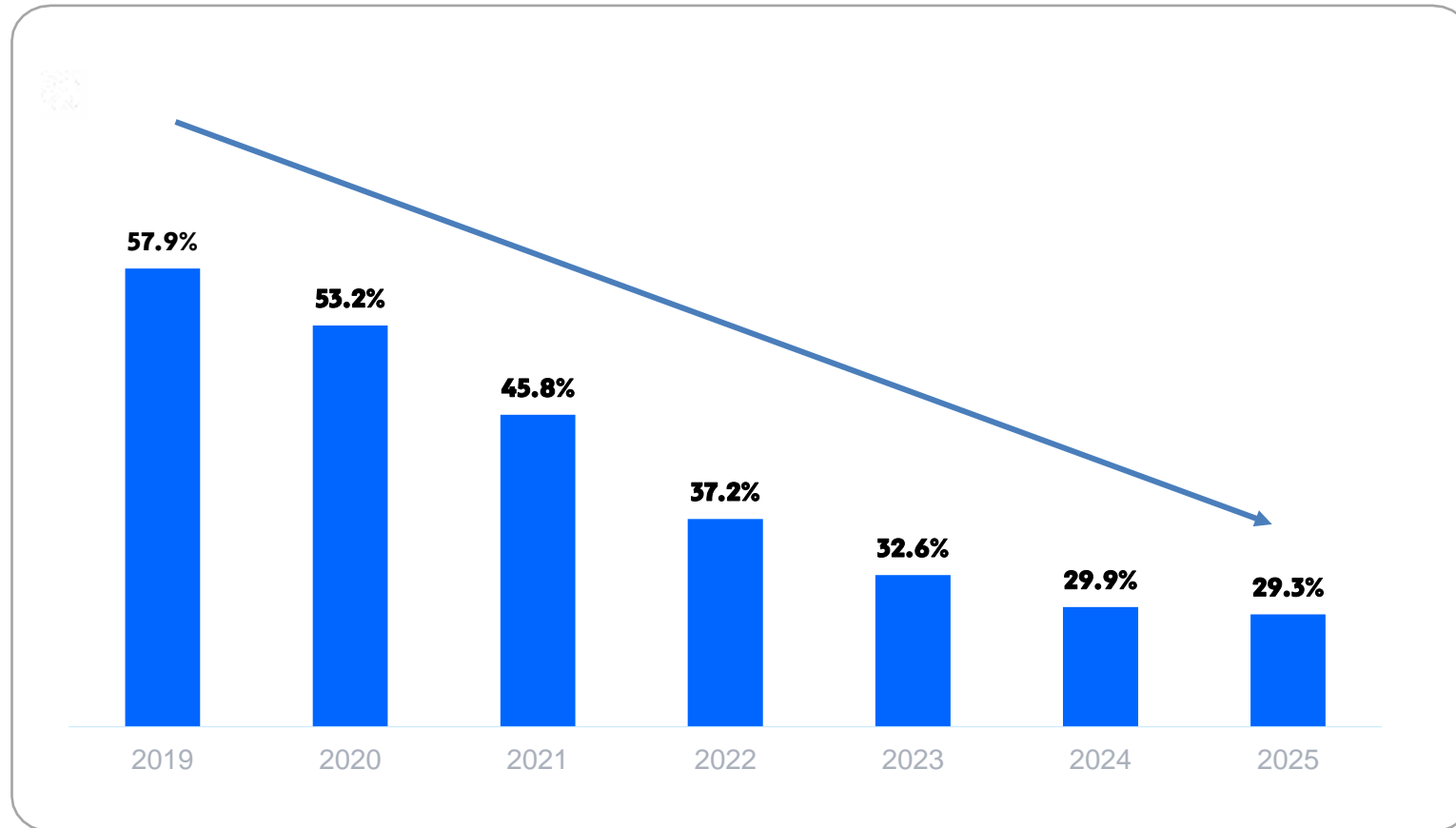
Credit Quality

Growth

Solid Capital



Multi-year decline in cost-income ratio



Technology-driven efficiency delivered a world-class Cost-to-income ratio

Leumi cost income ratio for 2019 is net of the effect of Leumi Card and for 2019–2022 excludes BLUSA.

Profitability

Credit Quality

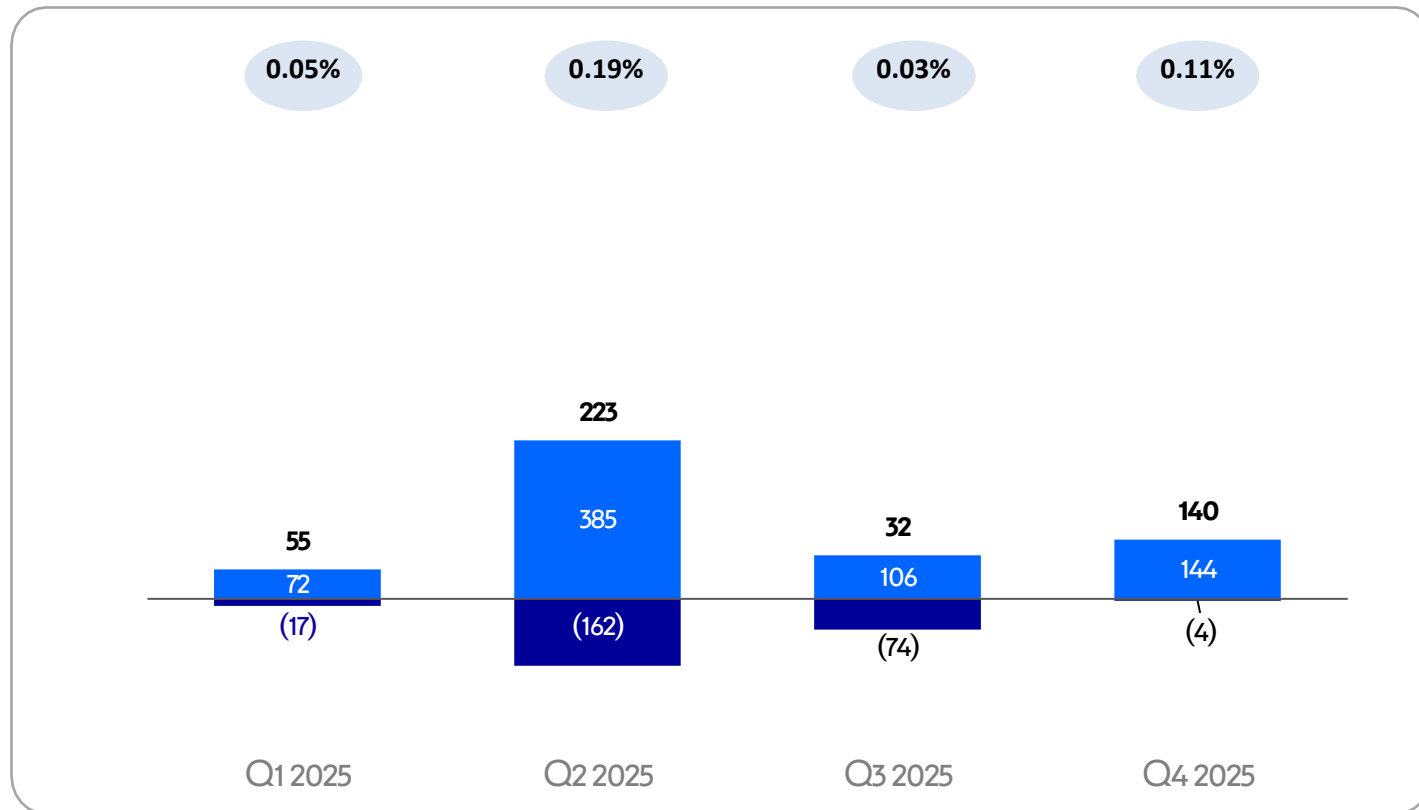
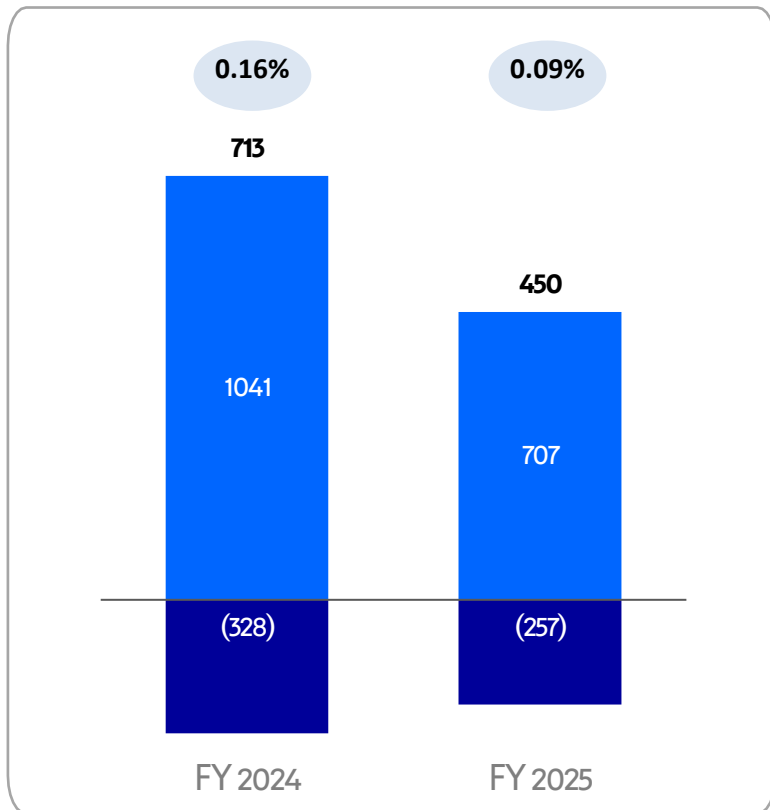
Growth

Solid Capital



Loan loss expenses

Consistently low specific provisions



■ Specific ■ Collective ● Loan Loss expenses ratio

(NIS Millions)

Profitability

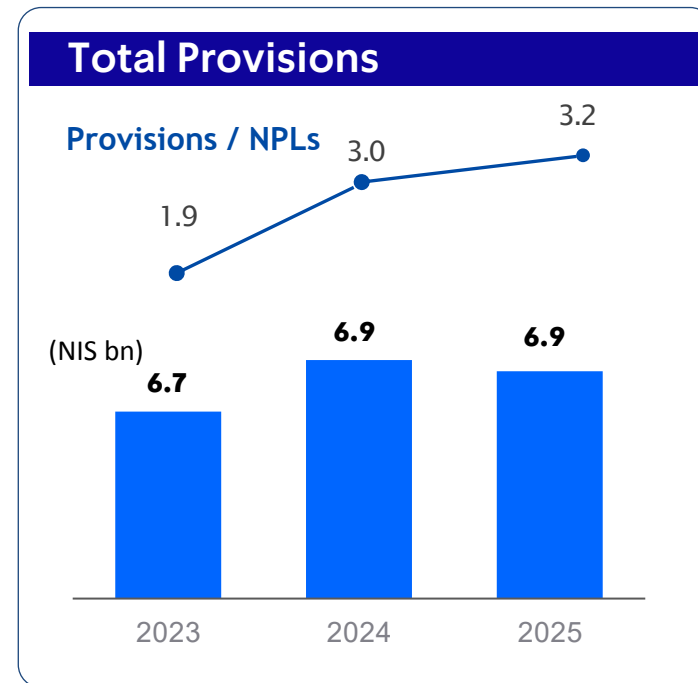
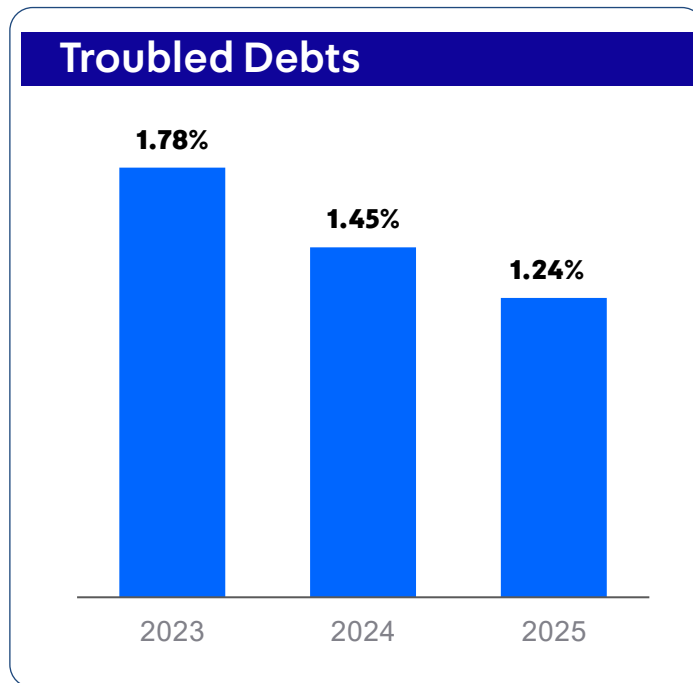
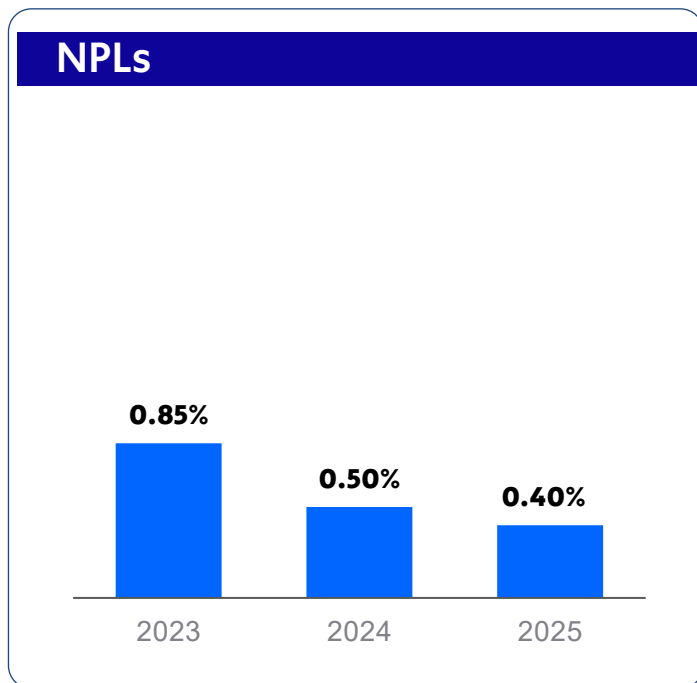
Credit Quality

Growth

Solid Capital



Credit quality indicators continued to improve



Reported. Total Troubled Debts and NPLs are all as a % of Gross Loans.

Profitability

Credit Quality

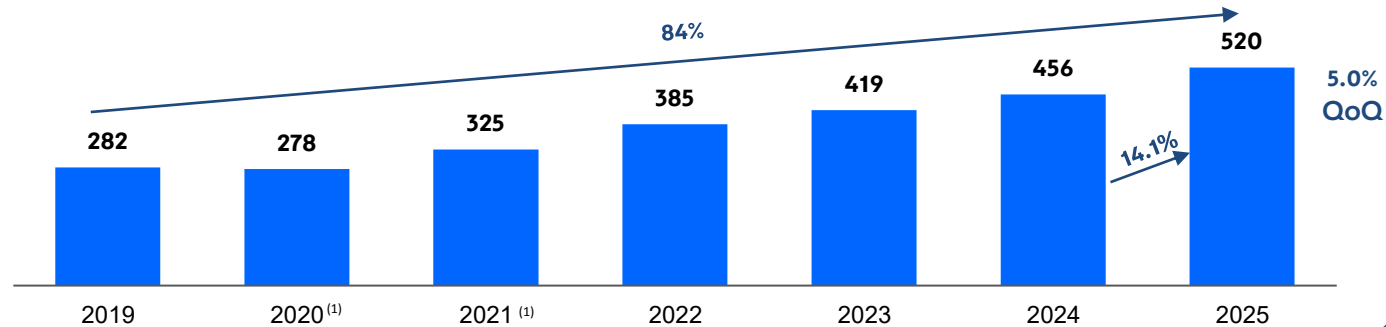
Growth

Solid Capital

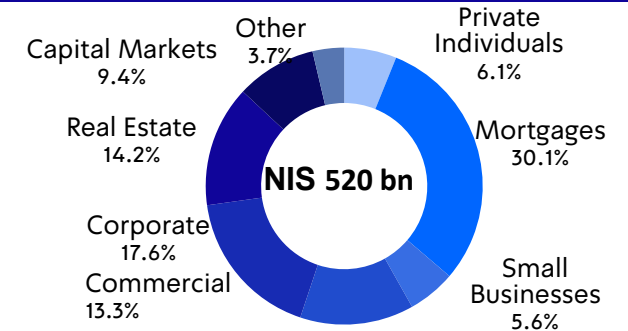


Credit growth in target segments

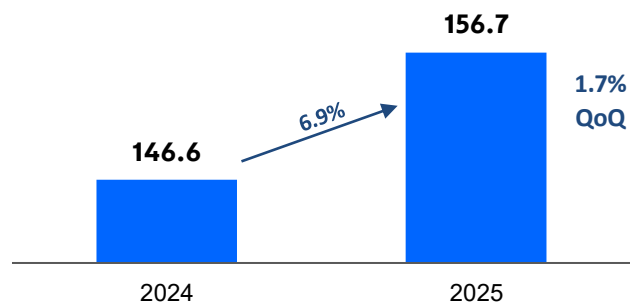
Total loans



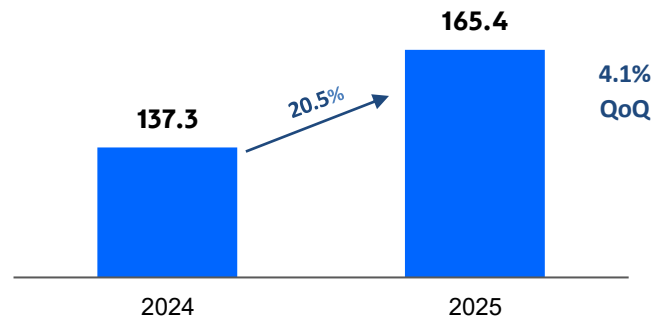
Diversified credit base



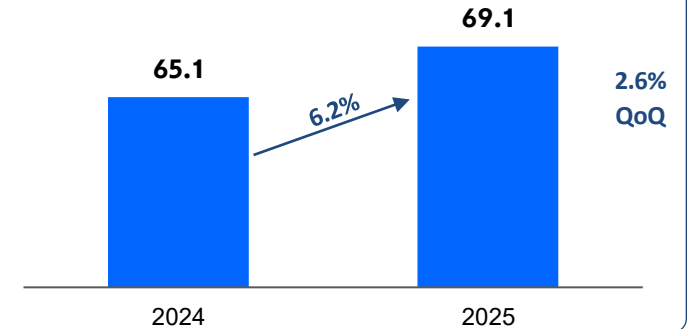
Mortgages



Corporate & Real Estate



Commercial



(Net Loans, NIS bn)

Note: Loans are presented according to management approach. 1. Excluding BLUSA.

Profitability

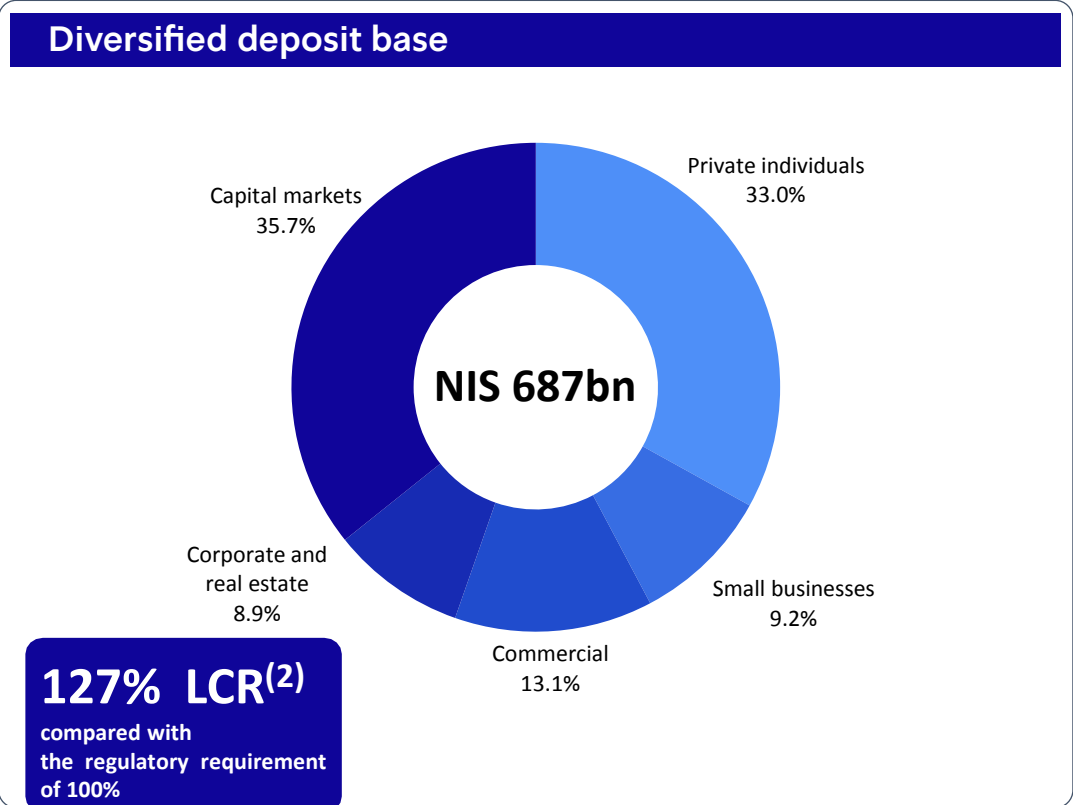
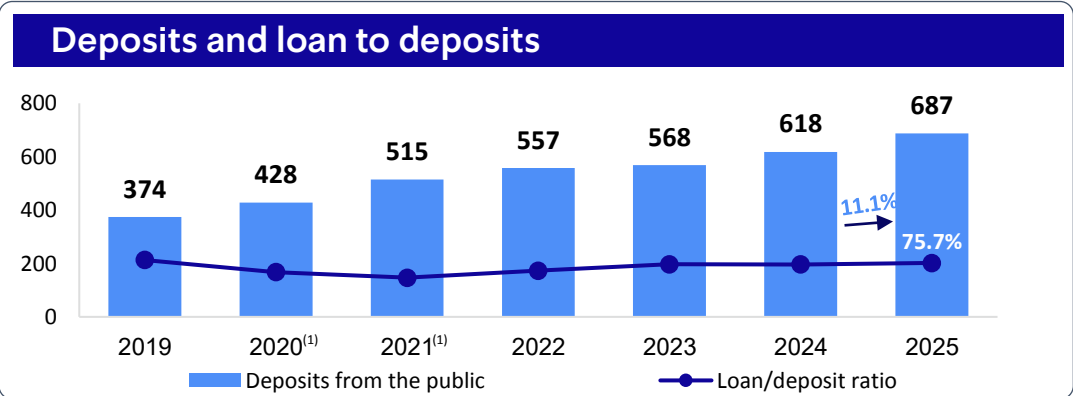
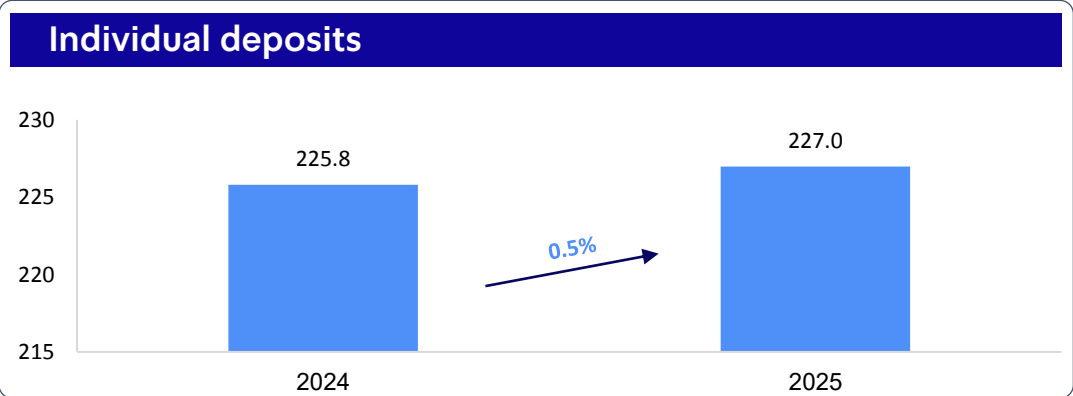
Credit Quality

Growth

Solid Capital



Expanding and Diversifying Deposit Base



(NIS bn) Deposits are presented according to management approach.
1. Excluding BLUSA. 2. Liquidity Coverage Ratio.

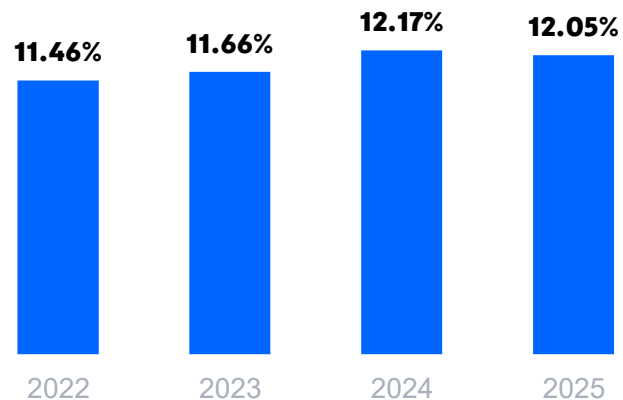
Profitability | Credit Quality | **Growth** | Solid Capital



Solid capital and leverage ratios

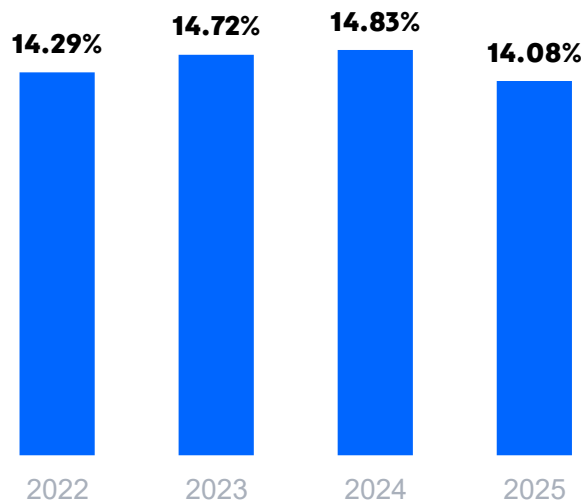
CET 1 Ratio

Minimum Regulatory Target: **10.2%**
Internal Target: **10.85%**



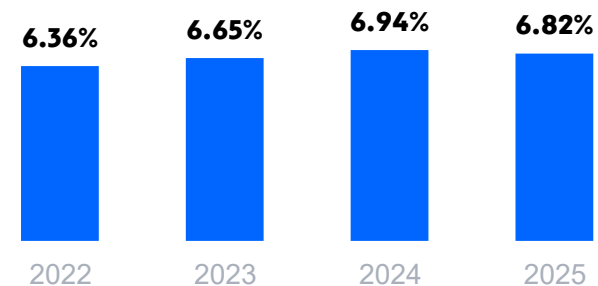
Total Capital Ratio

Minimum Regulatory Target: **13.5%**



Leverage Ratio

Minimum Regulatory Target: **5.5%**



Capital targets, both the regulatory and the internal are as of December 31, 2025.

Profitability

Credit Quality

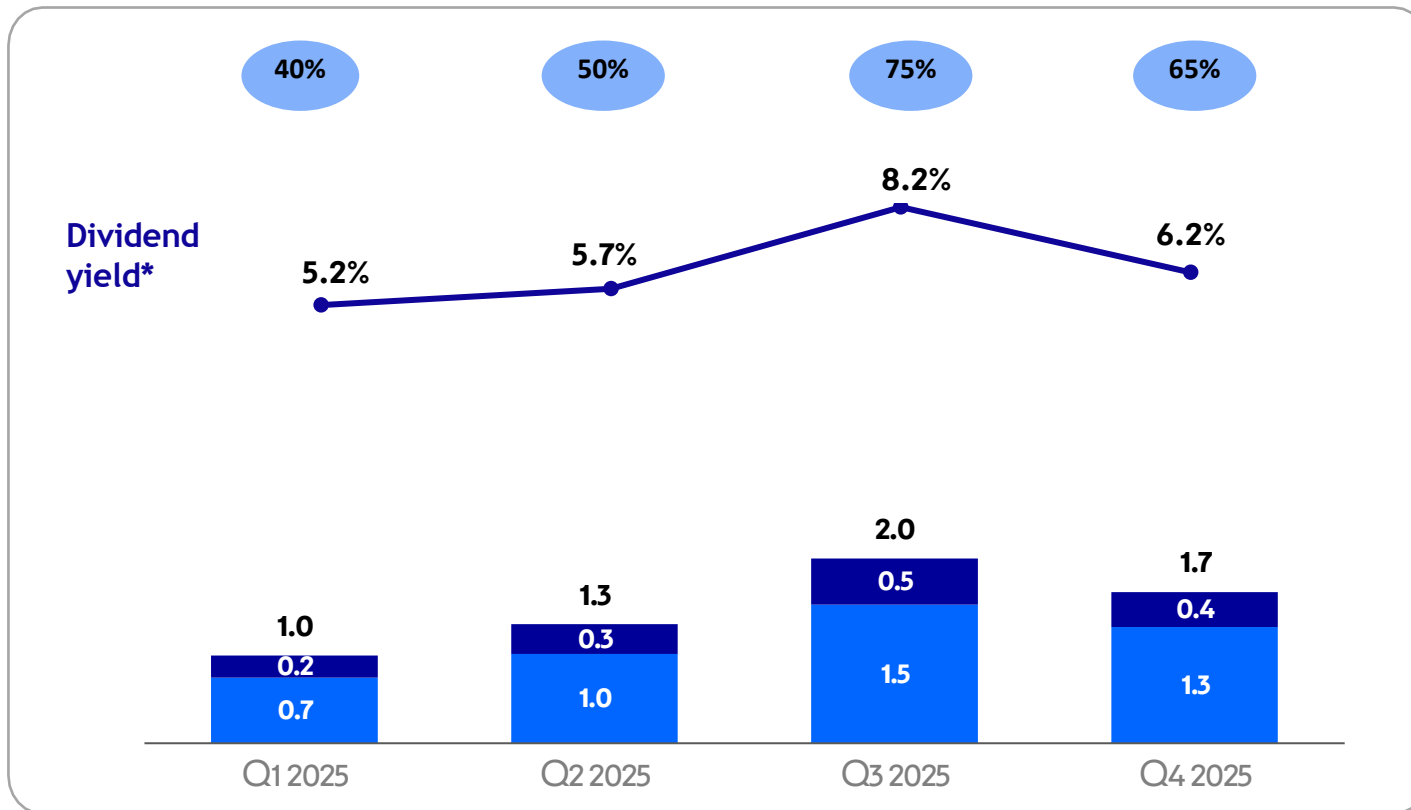
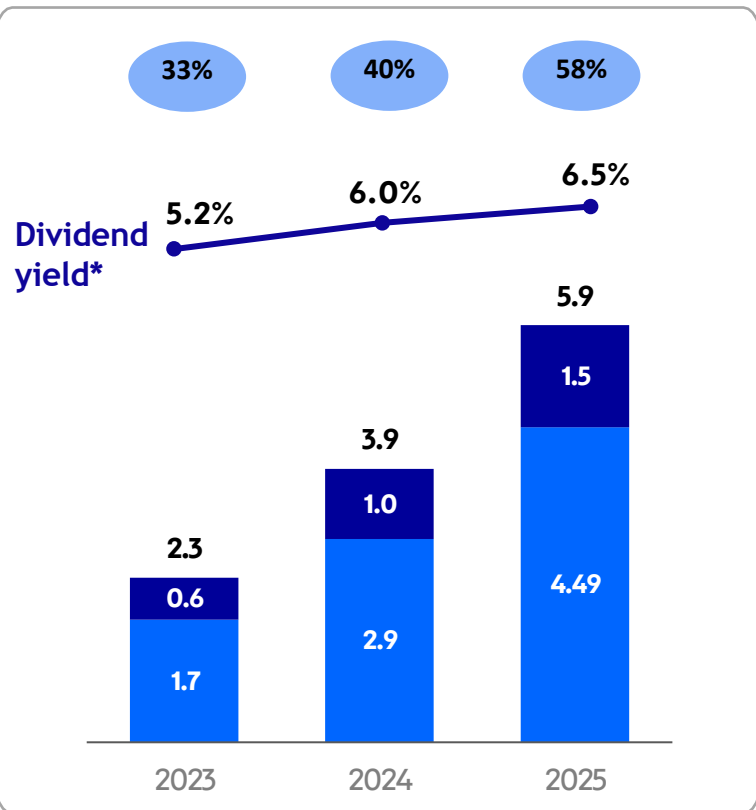
Growth

Solid Capital



Returning capital via dividends and buybacks

Capital return



■ Buyback ■ Dividend ● Payout ratio

NIS Billion. Payout ratio is Dividend + Buyback as % of Net income
* Annualized. Calculated based on an average market cap.

Profitability

Credit Quality

Growth

Solid Capital



Investment Highlights



Consistently high and stable profitability and profits



Strong capital position supporting growth and capital return



Continued growth in net loans in target segments without elevated risk



Nearly 90% of our customers use digital platforms. Technology continues to accelerate efficiency



Enhancing Gen AI in business and technology improves underwriting precision and increases scalability



Potential for increased foreign activity, supported by improving Macro and the sector's resilience

Results presentation

Thank you / Q&A

