



# **FY 2024 Results Presentation**

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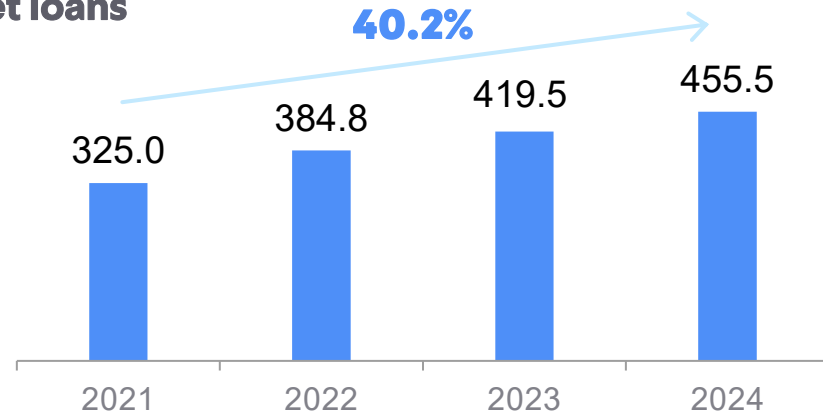
**FY 2024**

**Results  
Presentation**

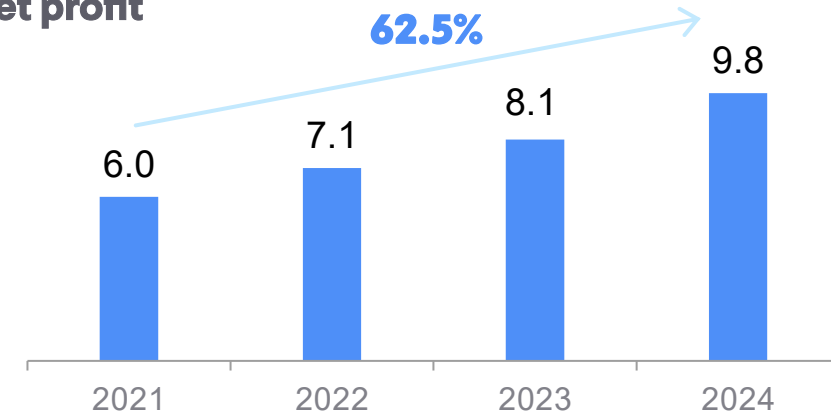
**Hanan Friedman**  
**President & CEO**

# Strong multi-year financial performance

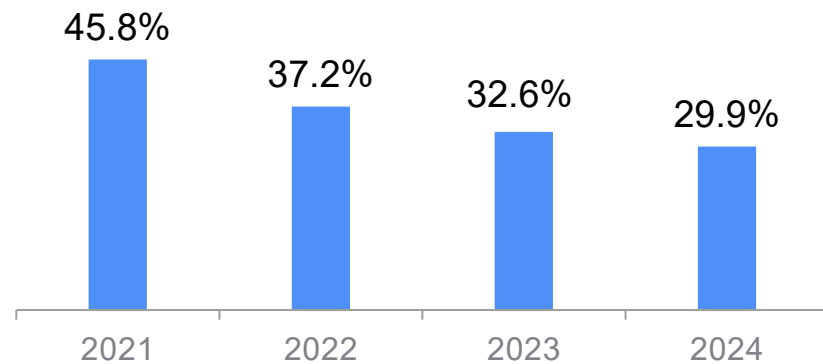
## ↗ Net loans



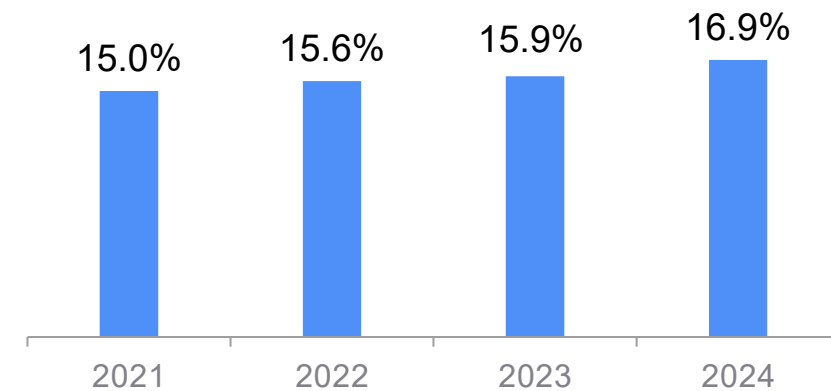
## ↗ Net profit



## ↗ Cost income



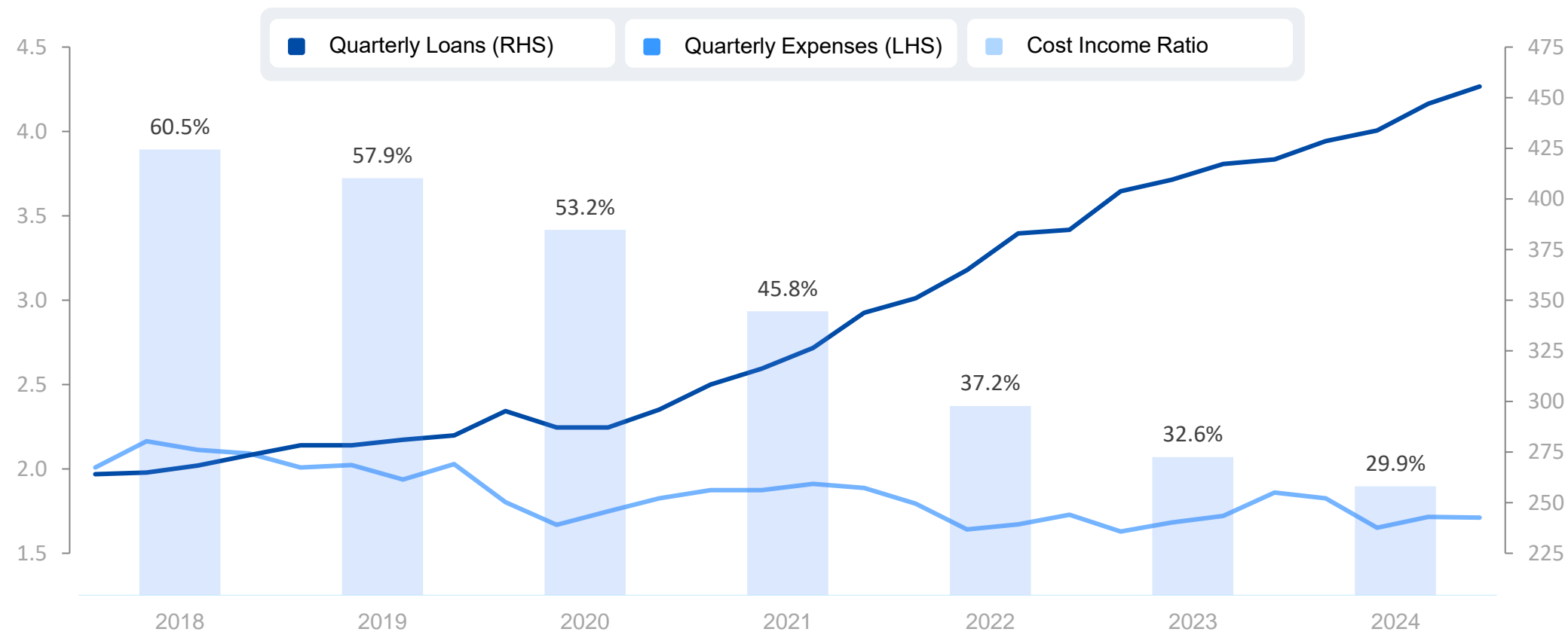
## ↗ ROE



Note: Net loans and cost income is excluding BLUSA in 2021-22. Net profit and ROE don't include BLUSA sale proceeds in 2022, Valley impairment in 2023 and real estate sales and Valley impairment in 2024.

# Doing more with less

## Powered by extensive investments in technology



Expenses and Loans are NIS Billions. Leumi cost income ratio for 2018-2019 is net of the effect of Leumi Card and for 2019-2022 excludes Leumi USA.

# Financial targets for 2025-26

Net profit

NIS 9-11 Bn

ROE

~ 15-16% \*

Credit growth

~ 8-10%

Capital return

Minimum 50% \*

Capital return = cash dividend and share buyback

\* 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.

Macroeconomic assumptions: Annual CPI averaging 2.5-3.0% and an average BOI interest rate of 3.75-4.25%.

**FY 2024**

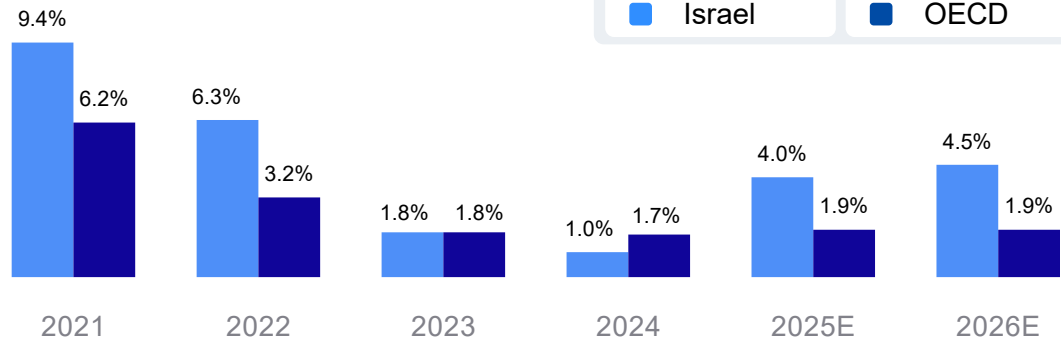
**Results  
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**Hagit Argov**  
**SVP & CFO**

# Recovery that began in 2H24 to continue in 2025-26

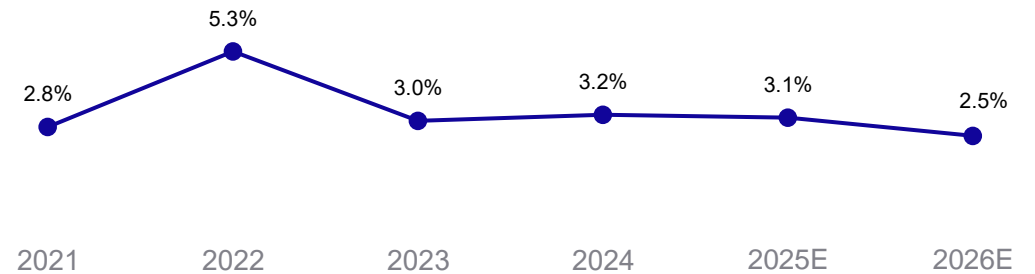
## ↗ GDP

(Real GDP Growth)



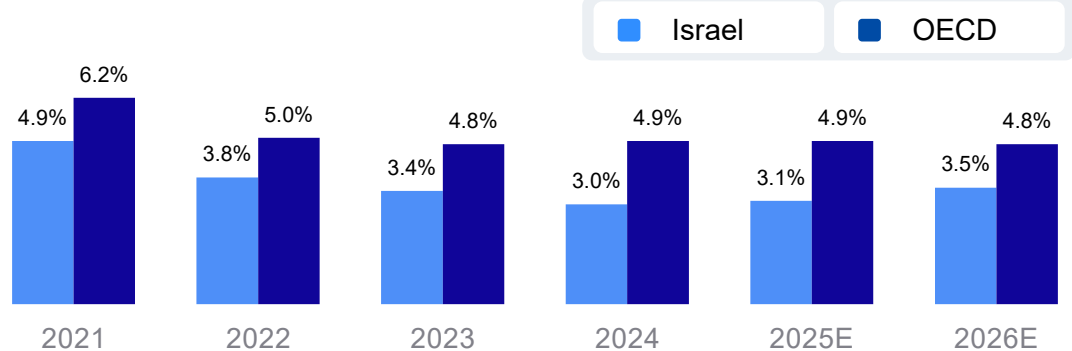
## ↗ Inflation close to higher end of BOI range

(Inflation Evolution)



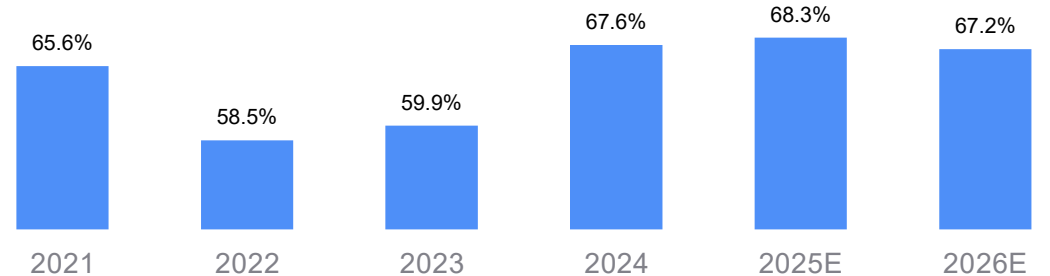
## ↗ Strong labor market

(Unemployment Rate <sup>(1)</sup> Evolution)



## ↗ Moderate increase in government debt

(Government Debt/GDP)





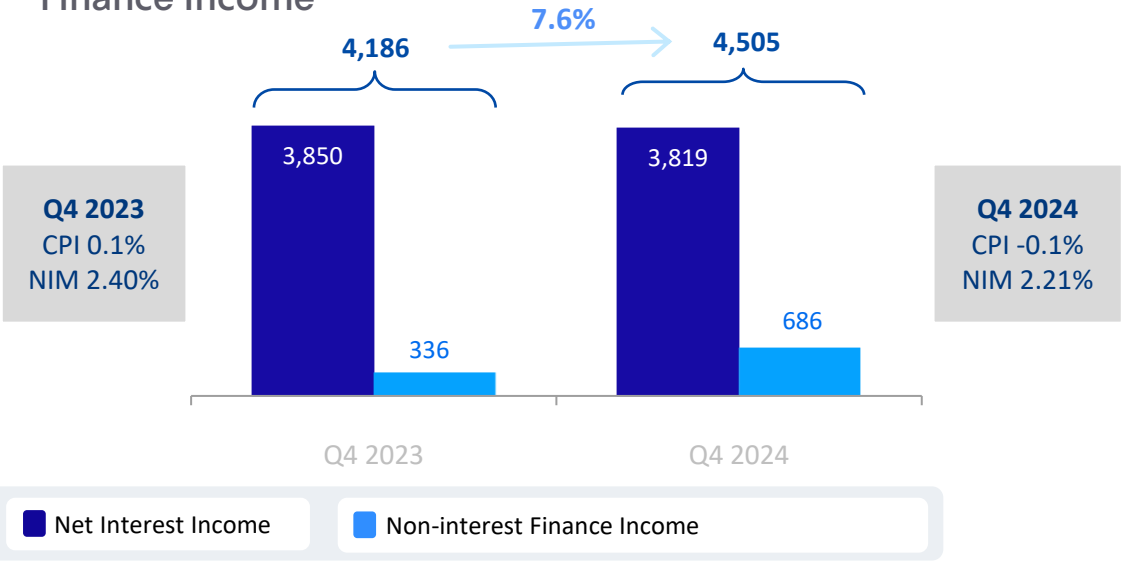
# Strong underlying performance

## Key financial metrics

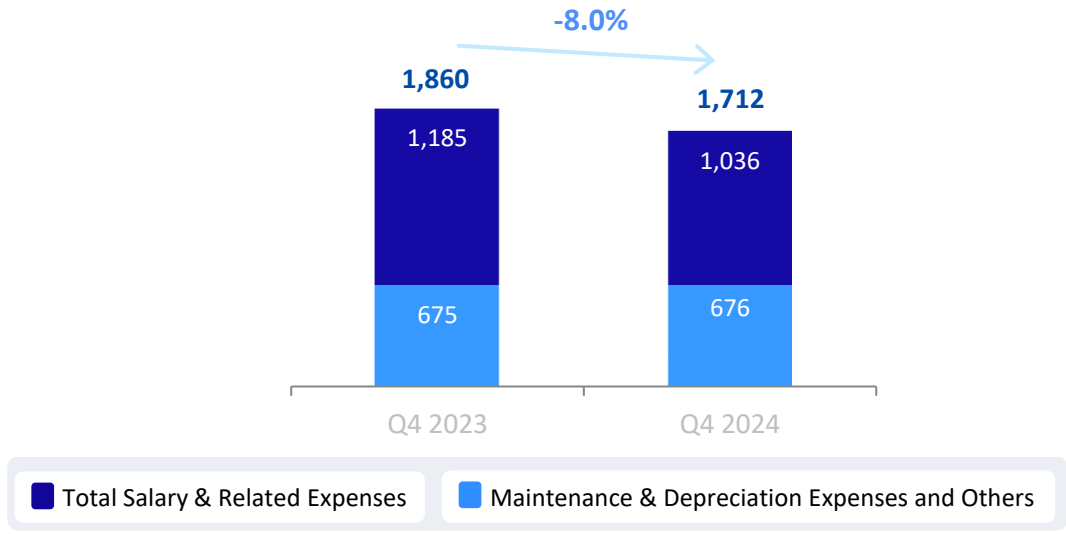
	FY 2024	FY 2023	4Q 2024
Net Income	9,798	7,027	2,451
ROE	16.9%	13.7%	16.2%
Cost Income Ratio	29.9%	32.6%	30.9%
Credit Loss Expenses	0.16%	0.58%	0.17%
Net Loan Growth	8.6% Y-o-Y	9.0% Y-o-Y	1.9% Q-o-Q
BVPS Growth	14.6% Y-o-Y	11.7% Y-o-Y	2.7% Q-o-Q

# Q4 2024 vs. Q4 2023 – Breakdown of Income and Expenses

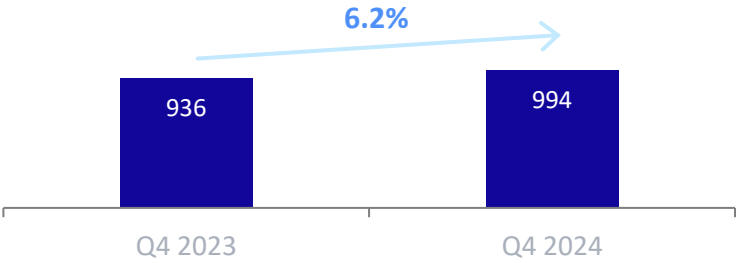
## Finance Income



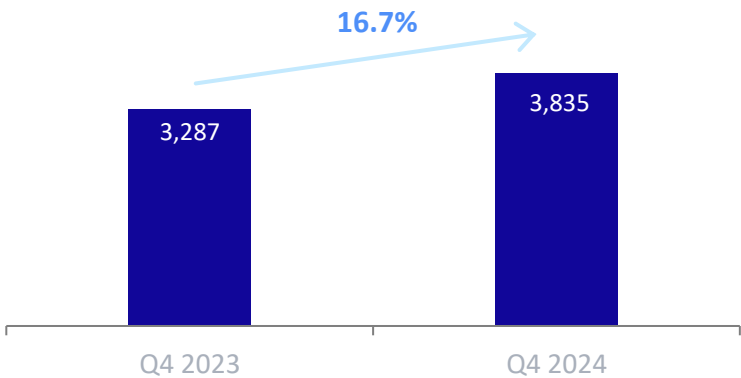
## Operating and Other Expenses



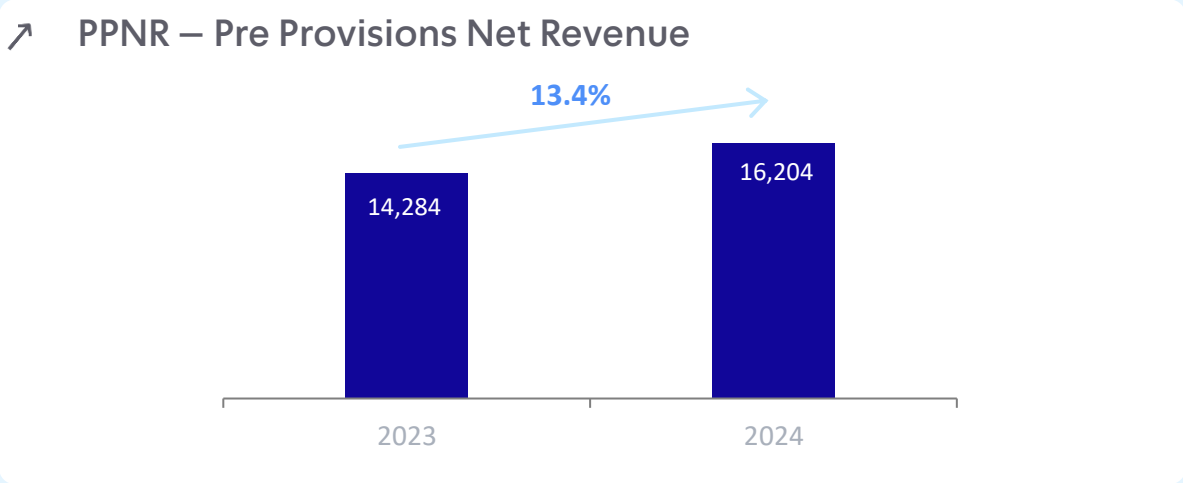
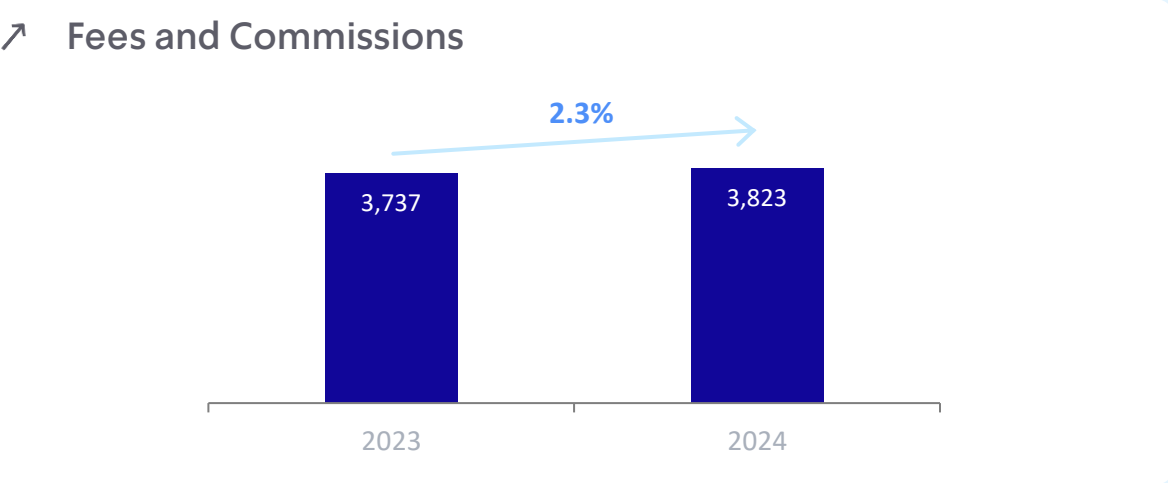
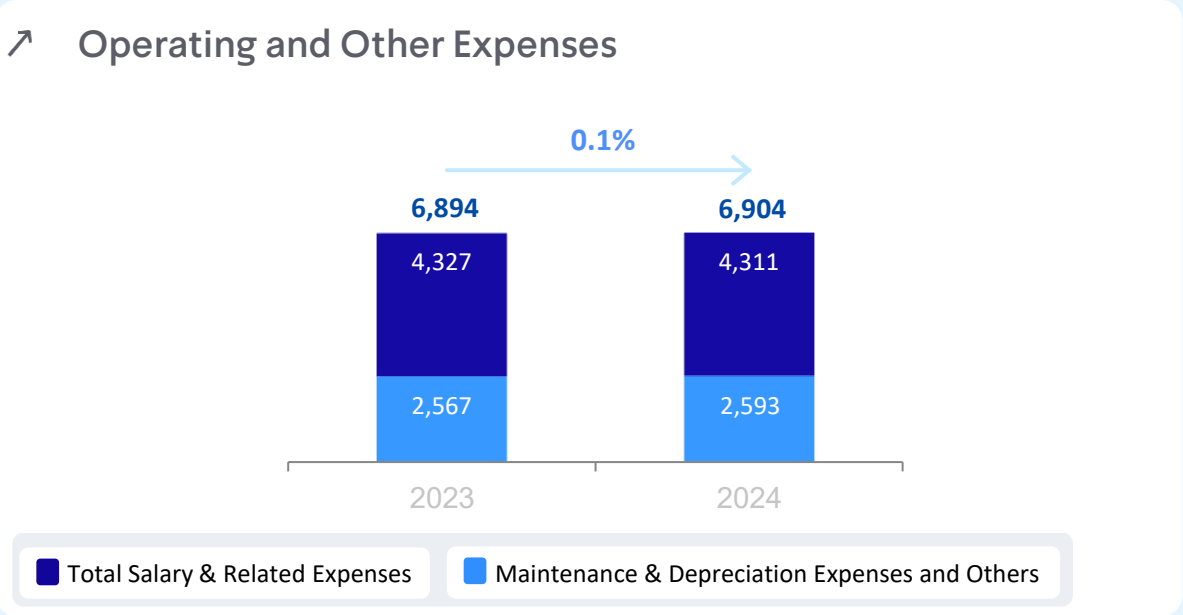
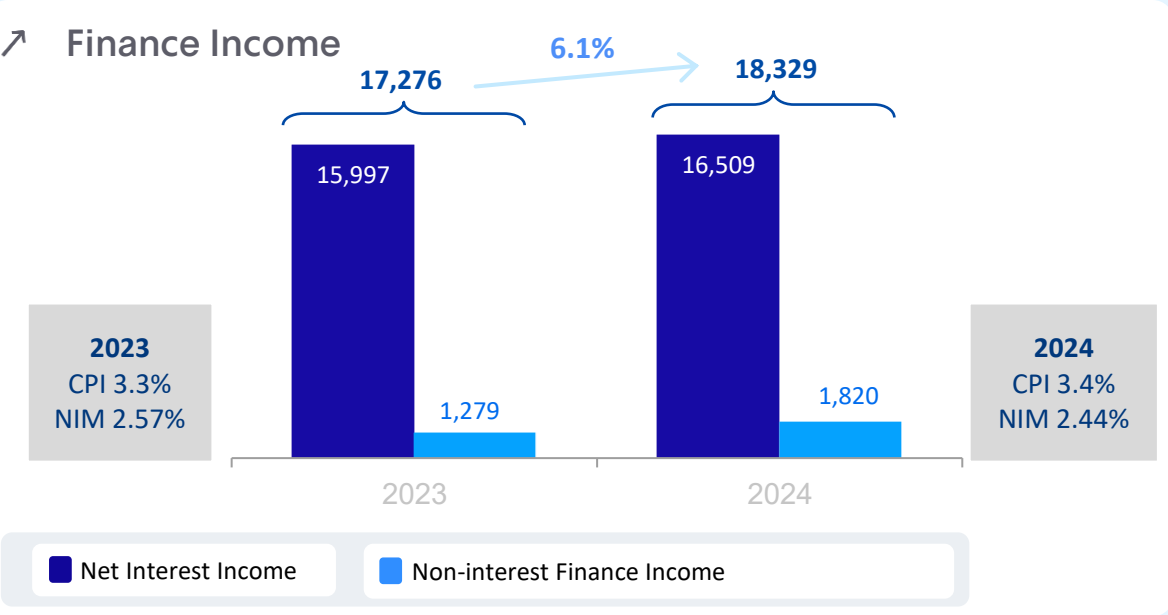
## Fees and Commissions



## PPNR – Pre Provisions Net Revenue

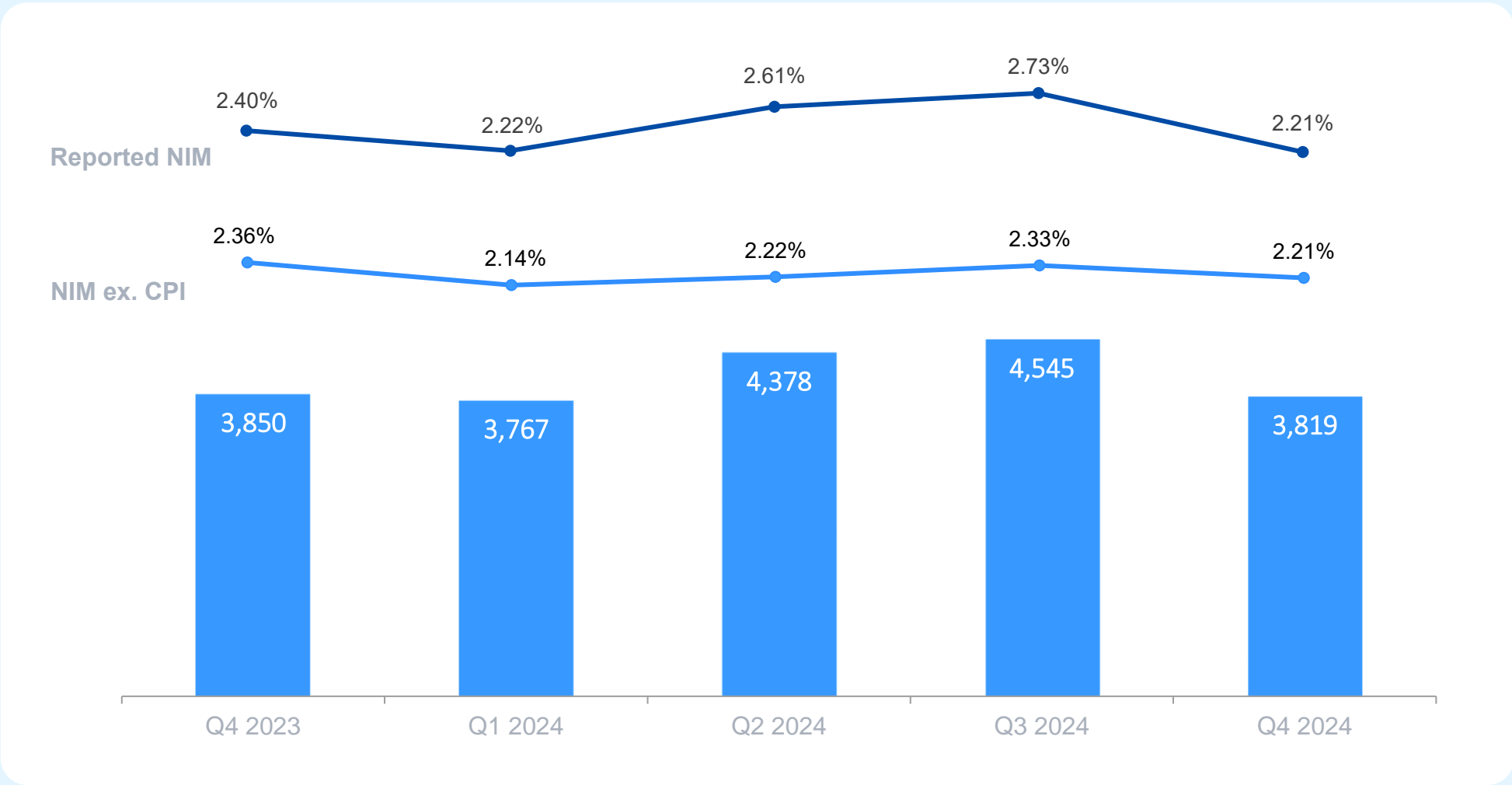


# 2024 vs. 2023 – Breakdown of Income and Expenses



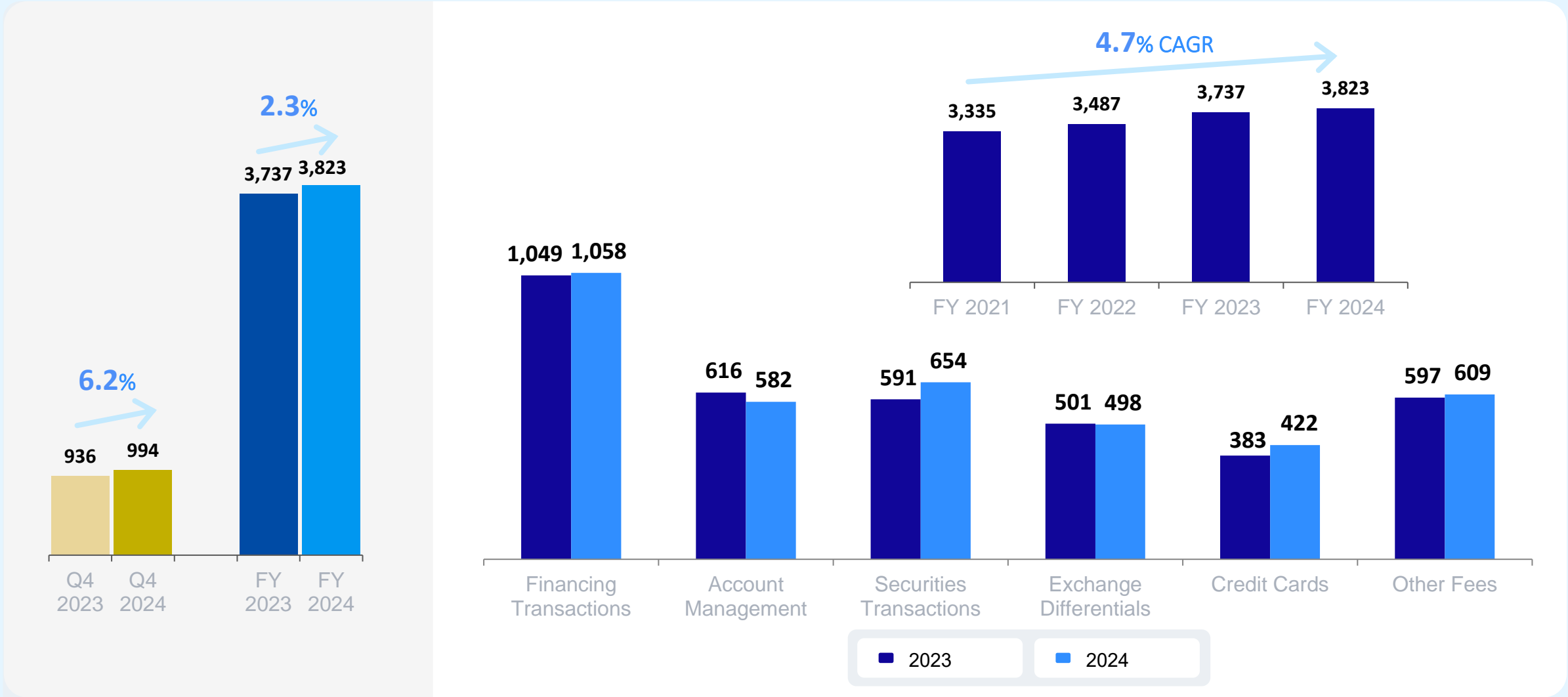
11 (NIS Millions)  
Total Salaries and Related Expenses include pension and other salary costs of NIS 843 million in 2023 and NIS 515 million in 2024.

# Net Interest Income and NIM



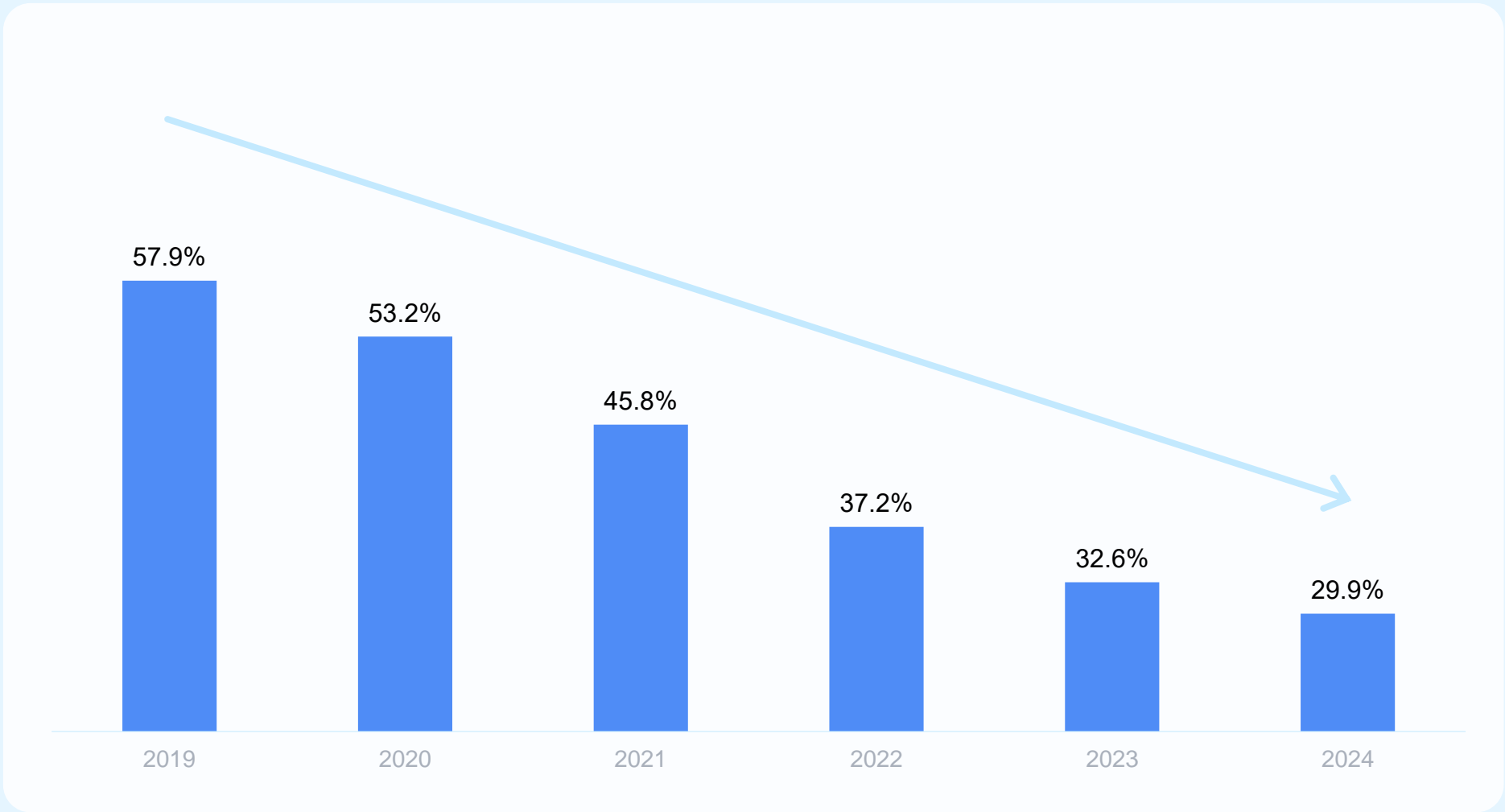
(NIS Millions)

# Growth in fees despite the war



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

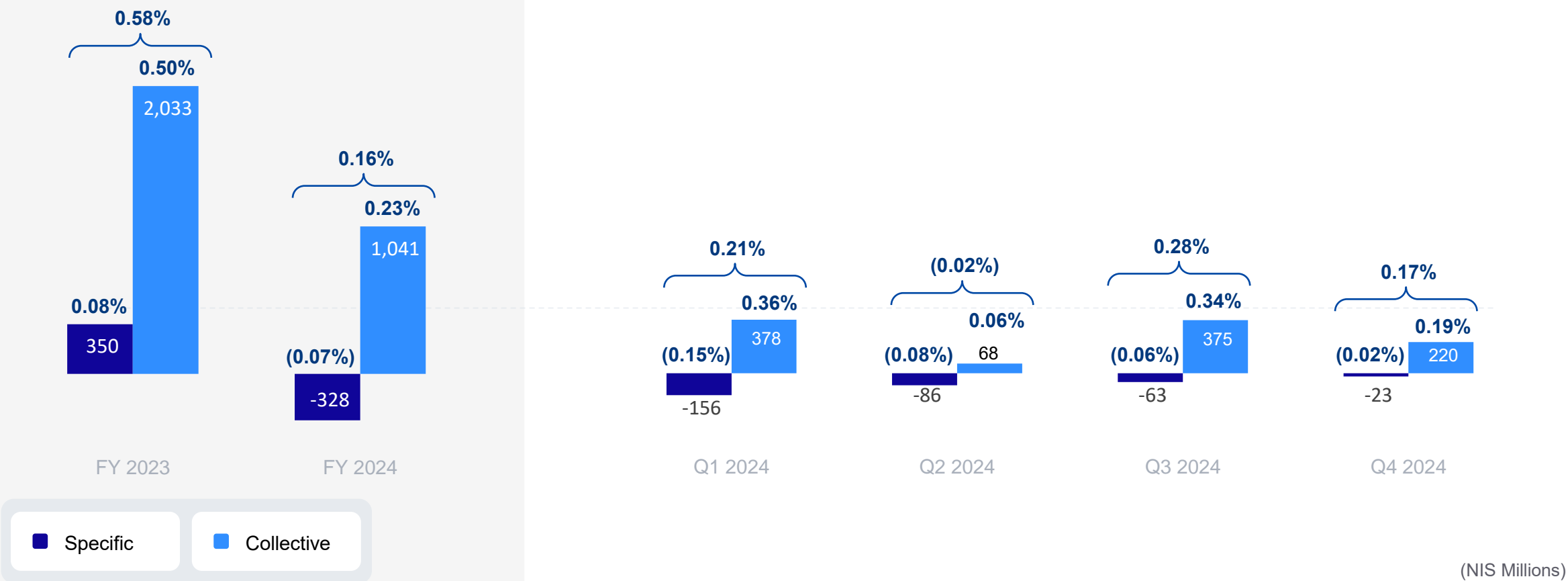
# Multi-year decline in cost-income ratio



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

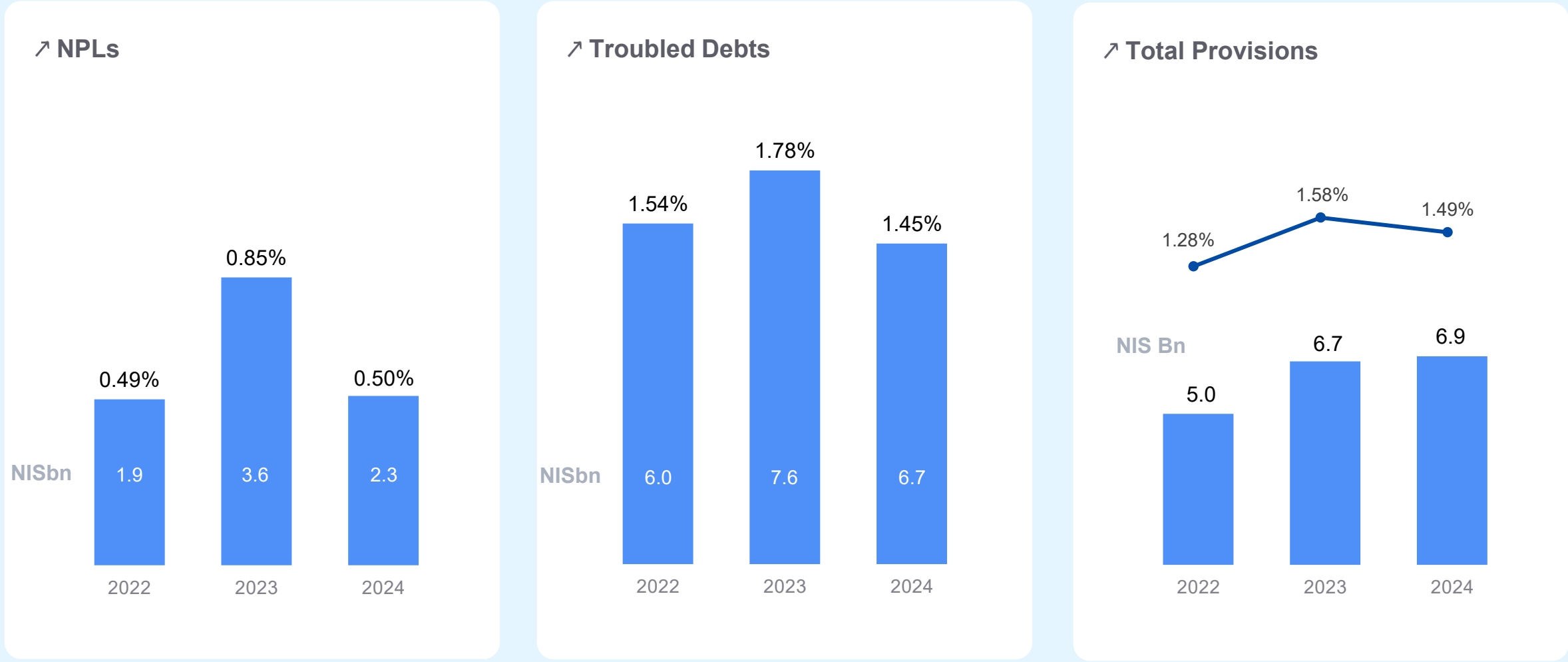
# Stable loan loss expenses, With negligible specific provisions

↗ Loan loss expenses



# Credit quality has improved

## Higher provisions and coverage despite lower NPLs

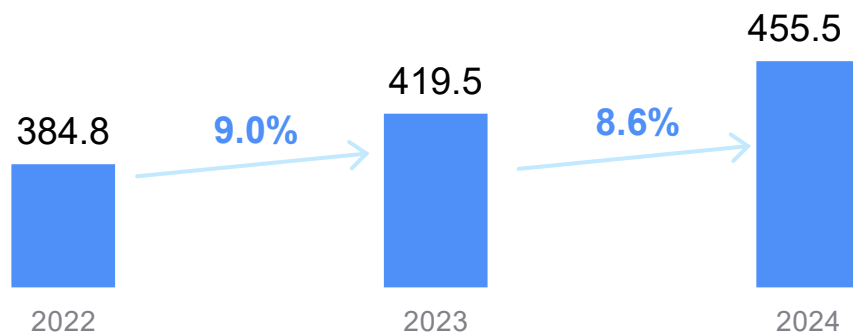


Reported. Total Troubled Debts, NPLs and Total Provisions are all as a % of Gross Loans.

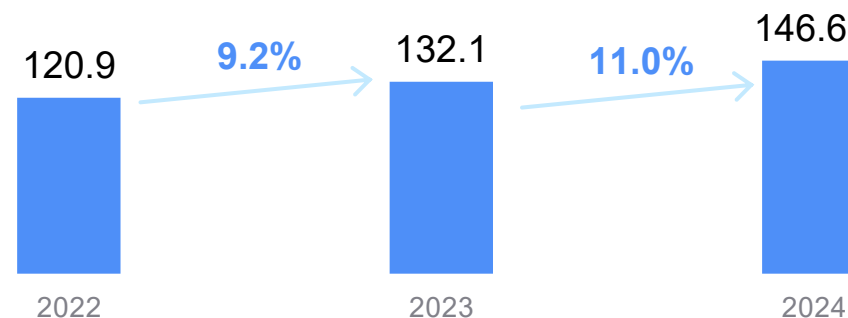


# Continuing to grow credit in target segments

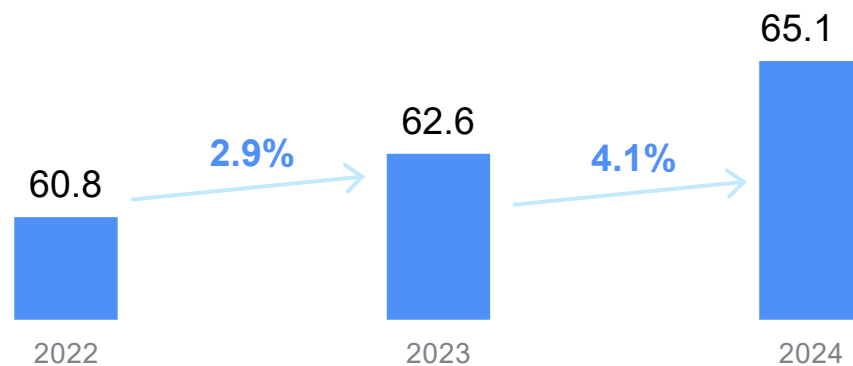
## ↗ Total Loans



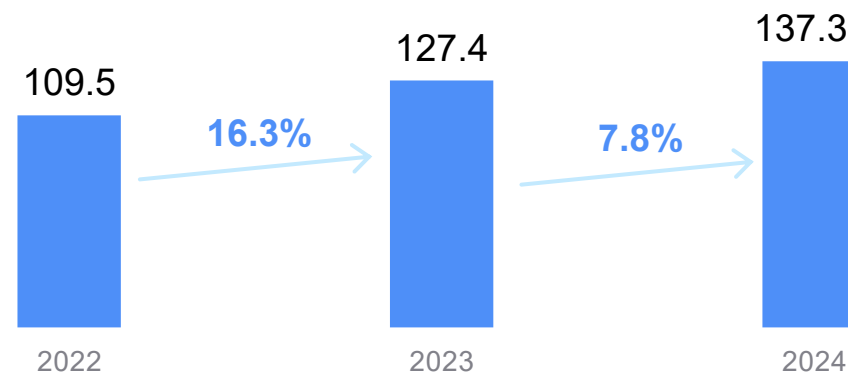
## ↗ Mortgages



## ↗ Middle-Market

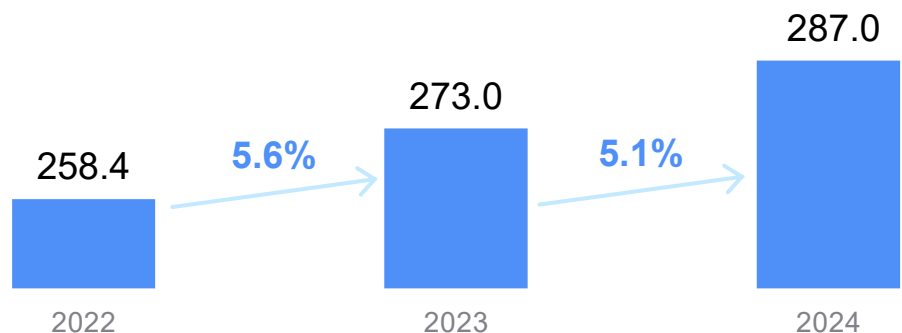


## ↗ Corporate

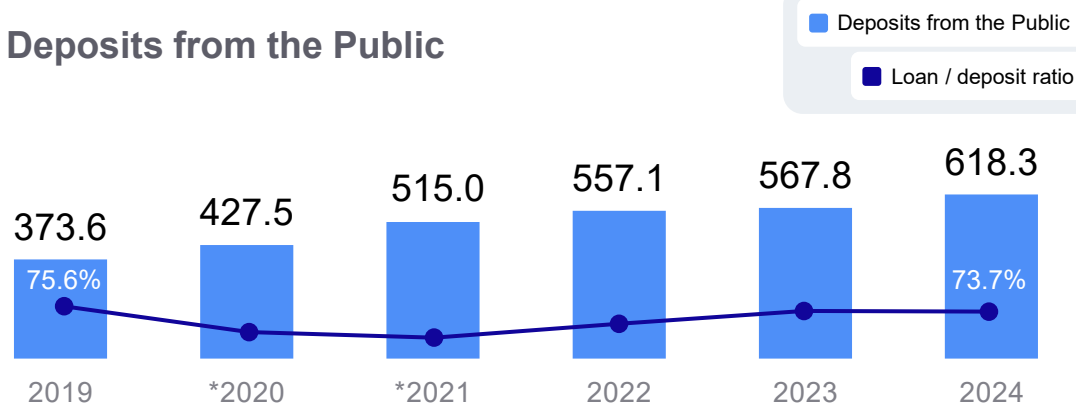


# Expanding and diversifying deposit base

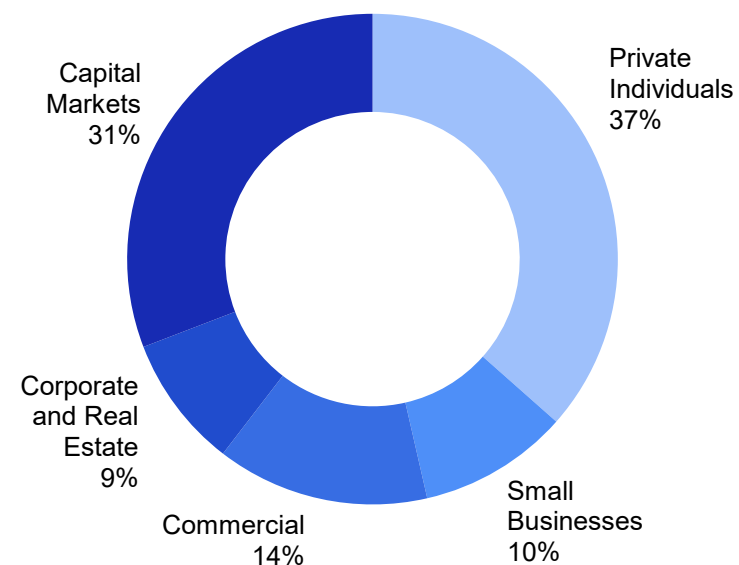
## ↗ Retail Deposits



## ↗ Deposits from the Public



## ↗ Diversified Deposit base



**118%**  
NSFR<sup>(1)</sup>

**123%**  
LCR<sup>(2)</sup>

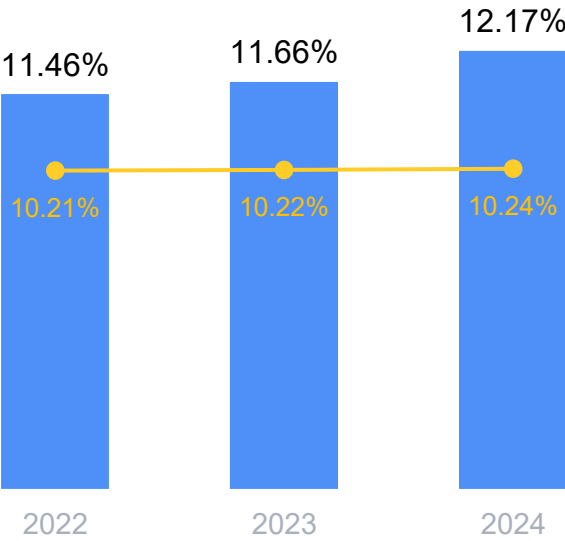
(NIS Billions)

Retail Deposits are deposits of the Retail Division and are according to the management approach.

\* Excluding Leumi USA. (1) Net Stable Funding Ratio. (2) Liquidity Coverage Ratio.

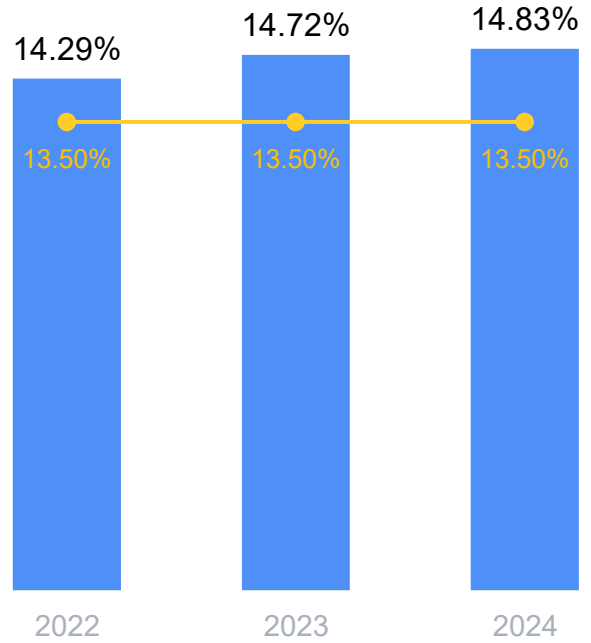
# Solid capital and leverage ratios

↗ CET1



■ CET1 Ratio ■ Minimum Regulatory Target

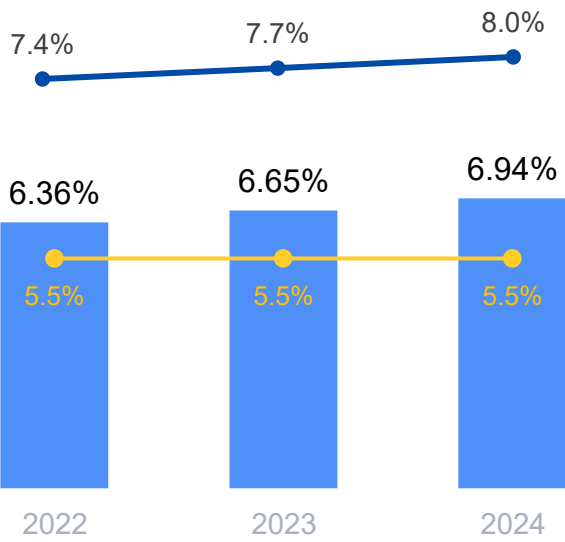
↗ Total Capital Ratio



■ TCR ■ Minimum Regulatory Target

↗ TCE and Leverage Ratios

TCE / Total Assets



■ Leverage Ratio ■ Minimum Regulatory Target

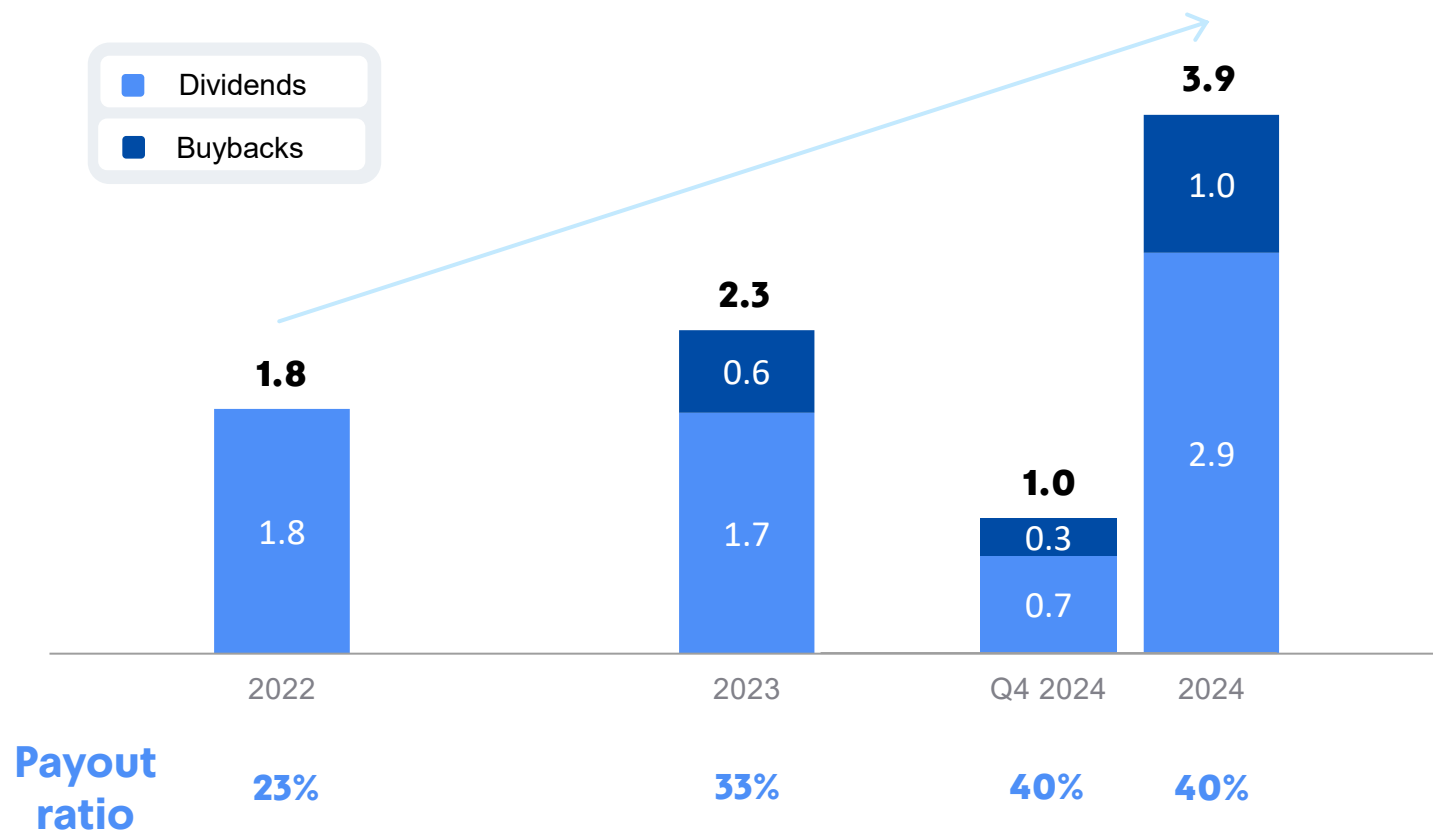
Regulatory thresholds for CET1 and TCR are as of December 31st, 2024.

19 Tangible Common Equity (TCE) = Retained Earnings + Share Capital and Reserves + Accumulated other comprehensive balance for employee benefits.



# Returning capital via dividends and buybacks

## ↗ Capital Return



- NIS 3.9 Billion capital return in 2024 is significantly higher than 2023.
- NIS 1.0 Billion capital return in Q4 2024, of which NIS 0.7 Billion is a cash dividend, reflecting a 40% total payout ratio. Total payout ratio for 2024 is 40%.
- Q4 2024 annualized yield is ~5.3%.

NIS Billion. Payout ratio is Dividends + Buyback as % of Net Income.

# Investment highlights

## Maintaining responsible growth without elevated risk

1 Record high annual net income and ROE at NIS 9.8 billion and 16.9%

2 Continued growth in target segments – mortgages, middle-market, corporate credit and core deposits

3 Best credit quality – income from specific provisions, low NPLs, low problematic debts

4 Most efficient bank – best-in-class cost income ratio

5 Strong capital position supporting growth and capital return through dividends and buybacks

6 Total payout of 40% of 4Q earnings – NIS 0.7 billion cash dividend and NIS 0.3 billion buyback

FY 2024

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Thank you / Q&A 