



Leumi Reports First-Quarter 2019 Net Income of NIS 1,092 Million (\$301 million) and 12.7% Return on Equity

The Bank will distribute a dividend of 40% of its net income, totaling NIS 437 million (\$120 million);

Leumi approved an additional share buyback plan totaling NIS 700 million (\$193 million)

- > Net income in the first quarter of 2019 reached NIS 1,092 million (\$301 million), compared with NIS 730 million (\$201 million) in the same period last year – a 50% year-over-year increase.
- > Return on equity in the first quarter of 2019 was 12.7% (annualized), compared with 9.0% in the same period last year. Excluding the effect of the sale of Leumi Card, the return on equity in the first quarter was 10.1%, compared with 8.6% in the same period last year.
- > Common Equity Tier 1 capital ratio as at March 31, 2019 was 11.65%, and the total capital ratio reached 15.07%.
- > Efficiency ratio continues to improve – A 53% ratio in the first quarter of 2019, compared with 63.8% in the same period last year. Excluding the effect of the sale of Leumi Card, the efficiency ratio in the first quarter of 2019 was 57.9%, compared with 63.7% in the same period last year.
- > Leumi's credit portfolio continues to be of the highest quality in the Israeli banking system – credit loss expenses in the first quarter of 2019 were negligible (0.03%), compared to 0.15% in the same period last year (excluding Leumi Card).
- > Dividends and buybacks – The Bank's Board of Directors approved a dividend distribution policy of 40% of the net income in the first quarter of 2019, totaling NIS 437 million (\$120 million). Furthermore, the Bank's Board of Directors approved an additional share buyback plan of NIS 700 million (\$193 million).
- > Net interest income in the first quarter of 2019, excluding Leumi Card, was up by NIS 183 million (\$50.4 million) compared with the same period last year, a 9.4% increase.
- > Total operating and other expenses in the first quarter of 2019, excluding Leumi Card, were up by NIS 141 million (\$38.8 million) compared with the same period last year, a



7.8% increase. The increase mainly arose from a bonus granted to employees in respect of the Bank's strong annual results in 2018.

An Improvement in Balance Sheet Parameters:

- > Shareholders' equity was NIS 35.9 billion (\$9.9 billion) as at March 31, 2019, compared with NIS 33.6 billion (\$9.3 billion) as at March 31, 2018.
- > Net credit to the public was NIS 277.1 billion (\$76.3 billion) as at March 31, 2019, compared with NIS 263.3 billion (\$72.5 billion) as at March 31, 2018 (excluding Leumi Card). The increase is mainly due to mortgage, middle-market and corporate loans.
- > Deposits by the Public reached NIS 363.6 billion (\$100.1 billion) as at March 31, 2019, compared with NIS 362.5 billion (\$99.8 billion) as at March 31, 2018 (excluding Leumi Card).
- > Leverage ratio as at March 31, 2019 was 7.32%, compared to the 6% minimum required by the Bank of Israel.
- > Liquidity coverage ratio as at March 31, 2019 was 129%, compared to the 100% minimum required by the Bank of Israel.



Leumi Group – Principal Data from the Financial Statements

Profit and Profitability (in NIS millions)

	For the year ended March 31		Change in %	December 31
	2019	2018		2018
Net interest income	2,120	2,006	5.7	8,890
Credit loss expenses	(18)	130	-	519
Non-interest income	1,555	1,092	42.4	4,871
Operating and other expenses	1,946	1,976	(1.5)	8,337
Profit before taxes	1,747	992	76.1	4,905
Provision for taxes	621	262	+	1,619
Profit after taxes	1,126	730	54.2	3,286
The Bank's share in profits of companies included on equity basis	(24)	10	-	36
Net income attributed to non-controlling interests	(10)	(10)	-	(65)
Net income attributed to shareholders of the banking corporation	1,092	730	49.6	3,257
Return on equity (%)	12.7	9.0		9.5
Earnings per share (NIS)	0.73	0.48		2.15

Development of Balance Sheet Items (in NIS millions)

	As at March 31		December 31
	2019	2018	2018
Net credit to the public ^(a)	277,057	263,331	271,173
Deposits by the public ^(a)	363,587	362,479	364,591
Shareholders' equity	35,940	33,565	35,305
Total assets	456,198	450,568	460,657

a) Excluding the balances for Leumi Card, which have been classified as held-for-sale assets and liabilities since the balance sheet as at March 31, 2018.

Principal Financial Ratios (%)

	As at March 31		December 31
	2019	2018	2018
Net credit to the public to total assets ^(a)	60.7	58.4	58.9
Deposits by the public to total assets ^(b)	79.7	80.4	79.1
Total equity to risk assets	15.07	14.32	14.54
Total Tier 1 equity to risk assets	11.65	11.11	11.07
Leverage ratio	7.32	6.89	7.05
Liquidity coverage ratio	129	122	121

(a) Excluding the credit for Leumi Card (comparative results), which have been classified as held-for-sale assets and liabilities since the balance sheet as at March 31, 2018.

(b) Excluding the deposits for Leumi Card (comparative results), which have been classified as held-for-sale assets and liabilities since the balance sheet as at March 31, 2018.

The data in this press release has been converted into US dollars solely for convenience purposes, at the representative exchange rate published by the Bank of Israel on March 31, 2019, NIS 3.632.