

# Press Release

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Financial Statements

Q2 2024





## Bank Leumi concludes Q2 2024 with a net income of approx. NIS 2.3 billion (\$612 million) and ROE of approx. 16%

- Net of the deduction recorded with respect to the investment in Valley National Bank, return on equity in the second quarter of 2024 was 20.2%
- Dividend for Q2 2024 amounts to NIS 908 million (\$242 million), out of which NIS 681 million (\$181 million) is cash dividend and the remainder is share buyback. The dividend and share buyback constitute 40% of the net income for the quarter
- Leumi continues to consistently present an improvement in the efficiency ratio – 28.7% in Q2 2024
- Deposits by the public in Q2 2024 were up by 8.8% compared with the corresponding period last year
- The loan portfolio in Q2 2024 was up by 5.9% compared with the corresponding period last year
- Loan portfolio quality: NPL ratio and rate of troubled debts continue to be low, standing at 0.56% and 1.49% respectively
- Robust financial indicators: liquidity coverage ratio of 130%, Tier 1 capital ratio of 12.04% and total capital ratio of 15.04%

### TEL AVIV – August 14, 2024

Bank Leumi (TASE: LUMI) published today its financial statements for Q2 2024:

**Net income** in the second quarter of 2024 amounted to approx. NIS 2.3 billion (\$612 million), compared to approx. NIS 2.5 billion (\$665 million) in the corresponding period last year.

**Return on equity** in the second quarter of 2024 was approx. 16%, compared with 19.4% in the corresponding period last year. ROE in Q2 2024 – net of the NIS 0.6 billion (\$160 million) deduction with respect to the investment in Valley National Bank – was 20.2%.

**The efficiency ratio** in Q2 2024 was 28.7%, compared with 29.5% in the corresponding period last year.

**Dividend** in Q2 2024 amounts to NIS 908 million (\$242 million), out of which NIS 681 million (\$181 million) is cash dividend and the remainder is share buyback. The dividend and share buyback constitute 40% of the net income for the quarter.

**Deposits by the public** in Q2 2024 increased by 8.8% compared with the corresponding quarter last year, while deposits by retail customers were up by 4.7%.

**The loan portfolio** in Q2 2024 increased by 5.9% compared with the corresponding period last year.

**Responsible growth in the loan portfolio in strategic segments:** The Bank continues to focus its growth on the credit portfolio in the corporate, commercial and mortgage segments. Since the beginning of the year, the credit portfolio grew by a total rate of 3.4%, with the corporate portfolio growing by 5.1%, the commercial portfolio grew by 2% and the mortgage portfolio grew by 4.7%.

**Loan portfolio quality:** NPL ratio and rate of troubled debts continue to be low, standing at 0.56% and 1.49% respectively.

**Loan loss expenses (income)** in the second quarter of 2024 reflect an income rate of 0.02% of the average outstanding loans to the public, compared to an expense rate of 0.31% in the corresponding period last year. The loan loss income mainly stems from collections and a decrease in the rate of troubled debts, which were partially offset by an additional provision made in light of the uncertainty due to the war.

**High capital adequacy:** Common Equity Tier 1 capital ratio as at June 30, 2024 was 12.04% and total capital ratio was 15.04%.

**Liquidity coverage ratio** as at June 30, 2024 was 130%.

**The Bank's initiatives due to the war:** The Bank implemented many initiatives for the benefit of the general public and its customers. The latest initiative taken by the bank is a series of unique benefits for IDF reservists. In addition, the bank recently provided NIS 30 million (\$8 million) to support reservists, both business owners and self-employed.

These initiatives are part of the Leumi's policy to expand the Bank of Israel's relief program, publishing its own relief program to both business and retail customers from across Israel – with an emphasis on residents of the southern and northern confrontation lines, with the aim of assisting them as much as possible during these complex times. The reliefs to eligible customers included, among others: full exemption from mortgage payments, exemption from loan repayments for retail customers and small businesses, designated aid funds, exemption from common current account fees, exemption from charges on current account overdraft and more.

In addition, since the outbreak of the war, the Bank made substantial donations to residents of the southern and northern confrontation lines, IDF soldiers – both on active and reserve duty, hospitals and first responder and aid organizations.

In addition, the Bank initiated and financed a series of projects to rehabilitate southern Israel and other populations affected by the war, including: Providing ongoing multi-year assistance to Kibbutz Be'eri until its full rehabilitation; the "National Harvest" project – under which college and university students who volunteer to assist farmers in harvesting crops on an ongoing basis received a full year's academic tuition from the Bank; and the "Leumi Matriculation" initiative, in which the Bank assists youth across the country to prepare for their matriculation exams, with a special emphasis on high school students who were evacuated from the north and south.

The updated cost of the reliefs and donations provided following the war is estimated at NIS 554 million (\$147 million).

### Development of balance sheet items:

**Shareholders' equity** as at June 30, 2024 totaled NIS 58.4 billion (\$15.5 billion), compared to NIS 51.8 billion (\$13.8 billion) as at June 30, 2023 – a 12.9% increase.

**Net credit to the public** as at June 30, 2024 totaled NIS 433.8 billion (\$115.4 billion), compared to NIS 409.6 billion (\$109.0 billion) as at June 30, 2023 – a 5.9% increase.

**Housing loans (mortgages)** as at June 30, 2024 totaled NIS 138.3 billion (\$36.8 billion), compared to NIS 125.6 billion (\$33.4 billion) as at June 30, 2023 – a 10.1% increase.

**Credit to retail customers** as at June 30, 2024 totaled NIS 29.6 billion (\$7.9 billion), compared to NIS 31.2 billion (\$8.3 billion) as at June 30, 2023 – a 5.1% decrease.

**Credit to small businesses** as at June 30, 2024 totaled NIS 26.7 billion (\$7.1 billion), compared to NIS 25.8 billion (\$6.9 billion) as at June 30, 2023 – a 3.5% increase.

**Middle-market credit** as at June 30, 2024 totaled NIS 63.8 billion (\$17.0 billion), compared to NIS 64.1 billion (\$17.1 billion) as at June 30, 2023 – a 0.5% decrease.

**Corporate credit** as at June 30, 2024 totaled NIS 133.8 billion (\$35.6 billion), compared to NIS 125.3 billion (\$33.3 billion) as at June 30, 2023 – a 6.8% increase.

**Deposits by the public** as at June 30, 2024 totaled NIS 581.2 billion (\$154.6 billion), compared to NIS 534.0 billion (\$142.1 billion) as at June 30, 2023 – a 8.8% increase.

**Deposits by retail customers** as at June 30, 2024 totaled NIS 224.2 billion (\$59.6 billion), compared to NIS 214.1 billion (\$57.0 billion) as at June 30, 2023 – a 4.7% increase.

**Deposits by small businesses** as at June 30, 2024 totaled NIS 56.9 billion (\$15.1 billion), compared to NIS 53.3 billion (\$14.2 billion) as at June 30, 2023 – a 6.8% increase.

**CET1 capital ratio** as at June 30, 2024 was 12.04%, compared to 11.23% as at June 30, 2023.

**Total capital ratio** as at June 30, 2024 was 15.04%, compared to 14.44% as at June 30, 2023.

# Leumi Group – Key Financials



## Profit and profitability (in NIS million)

	For the three months ended June 30		Change in NIS million	Change in %
	2024	2023		
Net Interest income	4,378	4,284	94	2.2
Loan loss expenses (income)	(18)	318	(336)	
Non-interest income	1,365	1,412	(47)	(3.3)
Operating and other expenses	1,651	1,683	(32)	(1.9)
Profit before tax	4,110	3,695	415	11.2
Provision for tax	1,340	1,364	(24)	(1.8)
Profit after tax	2,770	2,331	439	18.8
The Bank's share in profits (losses) of associates	(501)	122	(623)	
Net income attributable to the bank's shareholders	2,269	2,453	(184)	(7.5)
Return on equity (%)	15.9	19.4		
Earnings per share (NIS)	1.49	1.59		

	For the six months ended June 30		Change in NIS million	Change in %
	2024	2023		
Net Interest income	8,145	8,212	(67)	(0.8)
Loan loss expenses (income)	204	724	(520)	(71.8)
Non-interest income	3,893	2,483	1,410	56.8
Operating and other expenses	3,476	3,312	164	5.0
Profit before tax	8,358	6,659	1,699	25.5
Provision for tax	2,843	2,253	590	26.2
Profit after tax	5,515	4,406	1,109	25.2
The Bank's share in profits (losses) of associates	(461)	(972)	511	52.6
Net income attributable to the bank's shareholders	5,054	3,434	1,620	47.2
Return on equity (%)	18.0	13.6		
Earnings per share (NIS)	3.32	2.23		



## Development of balance sheet items (in NIS millions)

	As at June 30		Change in %
	2024	2023	
Net loans to the public	433,799	409,565	5.9
Deposits by the public	581,187	533,977	8.8
Shareholders' equity	58,435	51,771	12.9
Total assets	734,039	686,857	6.9

## Principal financial ratios (%)

	As at June 30	
	2024	2023
Net loans to the public to total assets	59.1	59.6
Deposits by the public to total assets	79.2	77.7
Total equity to risk assets	15.04	14.44
Tier 1 capital to risk assets	12.04	11.23
Leverage ratio	6.99	6.69
Liquidity coverage ratio	130	128

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 June 30, 2024, NIS 3.759.