

Press Release

Financial Statements

Q3 2024





Bank Leumi reports a 30% increase in the net income for Q3 2024, which amounted to NIS 2.3 billion (\$620 million)

- Net income for Q3 2024: NIS 2.3 billion (\$620 million) compared to NIS 1.8 billion (\$485 million) in the corresponding period last year – a 29.8% increase
- Return on equity in Q3 2024: 15.5% compared with 13.6% in the corresponding period last year
- Capital return on Q3 2024 amounts to NIS 917 million (\$247 million), out of which NIS 688 million (\$185 million) is cash dividend and the remainder is share buyback – 40% of the net income for the quarter
- Efficiency ratio: 31.1% in Q3 2024, 29.6% for the first nine months of the year
- The loan portfolio was up by 7.1% compared with the corresponding period last year; deposits by the public were up by 8% compared with the corresponding period last year
- Loan portfolio quality: NPL ratio and rate of troubled debts continue to be low, standing at 0.52% and 1.44% respectively
- Robust financial indicators: liquidity coverage ratio of 124%, Tier 1 capital ratio of 12.07% and total capital ratio of 14.77%

TEL AVIV – November 19, 2024

Bank Leumi (TASE: LUMI) published today its financial statements for Q3 2024:

Net income in the third quarter of 2024 amounted to NIS 2.3 billion (\$620 million), compared to NIS 1.8 billion (\$485 million) in the corresponding period last year – a 29.8% increase. Net income in the first nine months of 2024 amounted to NIS 7.3 billion (\$2.0 billion), compared to NIS 5.2 billion (\$1.4 billion) in the corresponding period last year – a 41.2% increase.

Return on equity in the third quarter of 2024 was 15.5%, compared with 13.6% in the corresponding period last year. ROE in the first nine months of 2024 was 17.1%, compared with 13.6% in the corresponding period last year.

The efficiency ratio in Q3 2024 was 31.1%, compared with 32.3% in the corresponding period last year. The efficiency ratio in the first nine months of 2024 was 29.6%, compared with 31.4% in the corresponding period last year.

Capital return in Q3 2024 amounts to NIS 917 million (\$247 million), out of which NIS 688 million (\$185 million) is cash dividend and the remainder is share buyback. The dividend and share buyback constitute 40% of the net income for the quarter. Total capital return from the beginning of the year amounts to NIS 2.9 billion (\$782 million), out of which NIS 2.2 billion (\$593 million) is cash dividend and NIS 726 million (\$196 million) is share buyback.

The loan portfolio in Q3 2024 increased by 7.1% compared with the corresponding period last year. In the first nine months of 2024 the loan portfolio increased by 6.5%.

Deposits by the public in Q3 2024 increased by 8% compared with the corresponding quarter 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 6.5%, with the corporate portfolio growing by 6.6%, the commercial portfolio grew by 3.2% and the mortgage portfolio grew by 8%.

Loan portfolio quality: NPL ratio and rate of troubled debts continue to be low, standing at 0.52% and 1.44% respectively. From the beginning of the year troubled debts decreased by 14% and NPLs decreased by 34%.

Loan loss expenses in the third quarter of 2024 reflect an expense rate of 0.28% of the average outstanding loans to the public. The entire expense is collective, reflecting a conservative and responsible approach due to the continuation of the war. The collective expense was partially offset by specific income, in light of collections.

High capital adequacy: Common equity tier 1 capital ratio as at September 30, 2024 was 12.07% and total capital ratio was 14.77%.

Liquidity coverage ratio as at September 30, 2024 was 124%.

The Bank's initiatives due to the war: The Bank implemented many initiatives for the benefit of the general public and its customers, including a series of unique benefits for IDF reservists, business owners and self-employed.

These initiatives are part of 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; **the "Leumi Matriculation" initiative**, in which the Bank assists youth across the country to prepare for their matriculation exams, with an emphasis on high school students who were evacuated from the north and south;

and the **"Bank Leumi Wedding Project"**, under which the bank funded weddings to dozens of reservist couples whom served an extended period of reserve duty during the war.

The updated cost of the reliefs and donations provided during the war is estimated at NIS 496 million (\$134 million).

Development of balance sheet items:

Shareholders' equity as at September 30, 2024 totaled NIS 60.3 billion (\$16.3 billion), compared to NIS 52.5 billion (\$14.2 billion) as at September 30, 2023 – a 14.7% increase.

Net credit to the public as at September 30, 2024 totaled NIS 447 billion (\$120.5 billion), compared to NIS 417.3 billion (\$112.5 billion) as at September 30, 2023 – a 7.1% increase.

Housing loans (mortgages) as at September 30, 2024 totaled NIS 142.7 billion (\$38.5 billion), compared to NIS 129.6 billion (\$34.9 billion) as at September 30, 2023 – a 10.1% increase.

Credit to retail customers as at September 30, 2024 totaled NIS 30.3 billion (\$8.2 billion), compared to NIS 31.1 billion (\$8.4 billion) as at September 30, 2023 – a 2.6% decrease.

Credit to small businesses as at September 30, 2024 totaled NIS 27 billion (\$7.3 billion), compared to NIS 25.7 billion (\$6.9 billion) as at September 30, 2023 – a 5.1% increase.

Middle-market credit as at September 30, 2024 totaled NIS 64.6 billion (\$17.4 billion), compared to NIS 64.4 billion (\$17.4 billion) as at September 30, 2023 – a 0.2% increase.

Corporate credit as at September 30, 2024 totaled NIS 135.8 billion (\$36.6 billion), compared to NIS 126.7 billion (\$34.2 billion) as at September 30, 2023 – a 7.2% increase.

Deposits by the public as at September 30, 2024 totaled NIS 588.3 billion (\$158.6 billion), compared to NIS 544.5 billion (\$146.8 billion) as at September 30, 2023 – an 8% increase.

Deposits by retail customers as at September 30, 2024 totaled NIS 226 billion (\$60.9 billion), compared to NIS 215 billion (\$58.0 billion) as at September 30, 2023 – a 5.1% increase.

Deposits by small businesses as at September 30, 2024 totaled NIS 57 billion (\$15.4 billion), compared to NIS 53 billion (\$14.3 billion) as at September 30, 2023 – a 7.1% increase.

CET1 capital ratio as at September 30, 2024 was 12.07%, compared to 11.30% as at September 30, 2023.

Total capital ratio as at September 30, 2024 was 14.77%, compared to 14.42% as at September 30, 2023.

Leumi Group – Key Financials



Profit and profitability (in NIS million)

	For the three months ended September 30		Change in NIS million	Change in %
	2024	2023		
Net Interest income	4,545	3,935	610	15.5
Loan loss expenses	312	991	(679)	(68.5)
Non-interest income	978	1,401	(423)	(30.2)
Operating and other expenses	1,716	1,722	(6)	(0.3)
Profit before tax	3,495	2,623	872	33.2
Provision for tax	1,285	866	419	48.4
Profit after tax	2,210	1,757	453	25.8
The Bank's share in profits of associates	83	10	73	730
Net income attributable to the bank's shareholders	2,293	1,767	526	29.8
Return on equity (%)	15.5	13.6		
Earnings per share (NIS)	1.51	1.15		

	For the nine months ended September 30		Change in NIS million	Change in %
	2024	2023		
Net Interest income	12,690	12,147	543	4.5
Loan loss expenses	516	1,715	(1,199)	(69.9)
Non-interest income	4,871	3,884	987	25.4
Operating and other expenses	5,192	5,034	158	3.1
Profit before tax	11,853	9,282	2,571	27.7
Provision for tax	4,128	3,119	1,009	32.4
Profit after tax	7,725	6,163	1,562	25.3
The Bank's share in profits (losses) of associates	(378)	(962)	584	60.7
Net income attributable to the bank's shareholders	7,347	5,201	2,146	41.3
Return on equity (%)	17.1	13.6		
Earnings per share (NIS)	4.83	3.38		



Development of balance sheet items (in NIS millions)

	As at September 30		Change in %
	2024	2023	
Net loans to the public	446,951	417,261	7.1
Deposits by the public	588,305	544,519	8.0
Shareholders' equity	60,258	52,518	14.7
Total assets	753,639	700,761	7.5

Principal financial ratios (%)

	As at September 30	
	2024	2023
Net loans to the public to total assets	59.3	59.5
Deposits by the public to total assets	78.1	77.7
Total equity to risk assets	14.77	14.42
Tier 1 capital to risk assets	12.07	11.30
Leverage ratio	7.01	6.73
Liquidity coverage ratio	124	130

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 September 30, 2024, NIS 3.710.