

Press Release

Financial Statements Q1 2025





Consistent with the strategic plan presented at the beginning of the year:

Leumi continues to show high double-digit returns – and a net income of NIS 2.4 billion (\$646 million) in the first quarter of 2025

- **Return on equity in Q1 2025: 15.4%**
- **Net income increased by 12% compared to the corresponding period last year***
- **Capital return in Q1 2025 amounts to NIS 961 million (\$258 million), out of which NIS 721 million (\$194 million) is cash dividend and the remainder is share buyback – which together constitute 40% of the net income for the quarter**
- **Loan portfolio quality: NPL ratio and rate of troubled debts are among the lowest in the banking system, standing at 0.51% and 1.39% respectively**
- **Robust financial indicators: Tier 1 capital ratio of 12.15%, total capital ratio of 14.83% and liquidity coverage ratio of 124%**

TEL AVIV – May 20, 2025

Bank Leumi (TASE: LUMI) published today its financial statements for Q1 2025:

Net income in the first quarter of 2025 amounted to NIS 2.4 billion (\$646 million), compared to NIS 2.1 billion (\$565 million) in the corresponding period last year*.

Return on equity in the first quarter of 2025 was 15.4%, compared with 15.6% in the corresponding period last year*.

The efficiency ratio in Q1 2025 was 32.1%, compared with 33.4% in the corresponding period last year*.

Capital return in Q1 2025 amounts to NIS 961 million (\$258 million), out of which NIS 721 million (\$194 million) is cash dividend and the remainder is share buyback. The dividend and share buyback constitute 40% of the net income for the quarter.

*Net of the one-off capital gain (after tax) of NIS 632 million (\$170 million) recorded in the corresponding period last year in respect of the sale of the Bank's HQ buildings in Tel Aviv

Responsible growth in the loan portfolio in strategic segments: The Bank continues to focus its growth in 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 1.6%, with the corporate portfolio (including real estate) growing by 4.2%, the commercial portfolio growing by 0.8% and the mortgage portfolio growing by 1.2%.

Loan portfolio quality: Rate of troubled debts and NPL ratio continue to be low and reflect the quality of the loan portfolio, standing at 1.39% and 0.51% respectively. From the beginning of the year, troubled debts decreased by NIS 157 million (\$42 million).

Loan loss expenses in Q1 2025 reflect an expense rate of 0.05% of the average outstanding loans to the public, compared to an expense rate of 0.21% in the corresponding period last year. The expense – which is entirely collective – was partially offset by income due to collections. The corresponding period last year was affected by an increase in provisions made in light of the war which broke out in October 2023. Despite the improvement in the portfolio's credit quality indicators, the loan loss provision continues to reflect the continued geopolitical and economic uncertainty against the backdrop of global and local developments.

High capital adequacy: Common equity tier 1 capital ratio as at March 31, 2025 was 12.15% and total capital ratio was 14.83%.

Liquidity coverage ratio as at March 31, 2025 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 (in several stages) to business and retail customers from across Israel – with an emphasis on residents of the southern and northern confrontation lines, including during Q1 2025.

The updated reliefs to eligible customers include, among others: interest on positive balances in the current account, reduction or exemption from interest on negative balances in the current account, mortgage payment deferrals, exemption from common current account fees and more.

Since the outbreak of the war, the Bank made substantial donations to residents of the 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 unique aid projects, including: **Providing ongoing multi-year assistance to Kibbutz Be'eri; the "National Harvest" project** – under which college and university students who volunteered to assist farmers in harvesting crops on an ongoing basis received a full year's academic tuition from the Bank; **the "Leumi Matriculation" initiative**, under which the Bank assists youth across the country to prepare for their matriculation exams; **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; and the **"National Recognition Project"**, under which the Bank financed hundreds of vacations in Northern Israel to individuals who established a significant voluntary initiative during the war – thus also assisting the rehabilitation of the North.

The updated cost of the reliefs and donations provided during the war is estimated at NIS 428 million (\$115 million).

Development of balance sheet items:

Shareholders' equity as at March 31, 2025 totaled NIS 63.8 billion (\$17.2 billion), compared to NIS 57.1 billion (\$15.4 billion) as at March 31, 2024 – an 11.7% increase.

Net credit to the public as at March 31, 2025 totaled NIS 462.8 billion (\$124.5 billion), compared to NIS 428.6 billion (\$115.3 billion) as at March 31, 2024 – an 8.0% increase.

Housing loans (mortgages) as at March 31, 2025 totaled NIS 148.3 billion (\$39.9 billion), compared to NIS 134.3 billion (\$36.1 billion) as at March 31, 2024 – a 10.4% increase.

Credit to retail customers as at March 31, 2025 totaled NIS 30.4 billion (\$8.2 billion), compared to NIS 29.4 billion (\$7.9 billion) as at March 31, 2024 – a 3.4% increase.

Credit to small businesses as at March 31, 2025 totaled NIS 27.5 billion (\$7.4 billion), compared to NIS 26.5 billion (\$7.1 billion) as at March 31, 2024 – a 3.8% increase.

Middle-market credit as at March 31, 2025 totaled NIS 65.6 billion (\$17.6 billion), compared to NIS 63.3 billion (\$17.0 billion) as at March 31, 2024 – a 3.6% increase.

Corporate credit as at March 31, 2025 totaled NIS 143.1 billion (\$38.5 billion), compared to NIS 130.2 billion (\$35.0 billion) as at March 31, 2024 – a 9.9% increase.

Deposits by the public as at March 31, 2025 totaled NIS 596.4 billion (\$160.4 billion), compared to NIS 595.8 billion (\$160.2 billion) as at March 31, 2024 – a 0.1% increase.

Deposits by retail customers as at March 31, 2025 totaled NIS 225.9 billion (\$60.8 billion), compared to NIS 221.2 billion (\$59.5 billion) as at March 31, 2024 – a 2.1% increase.

Deposits by small businesses as at March 31, 2025 totaled NIS 59.0 billion (\$15.9 billion), compared to NIS 56.4 billion (\$15.2 billion) as at March 31, 2024 – a 4.6% increase.

CET1 capital ratio as at March 31, 2025 was 12.15%, compared to 11.98% as at March 31, 2024.

Total capital ratio as at March 31, 2025 was 14.83%, compared to 15.02% as at March 31, 2024.

Leumi Group – Key Financials

Profit and profitability (in NIS million)

	For the three months ended March 31		Change in NIS million	Change in %
	2025	2024		
Net interest income	4,017	3,767	250	6.6
Loan loss expenses	55	222	(167)	(75.2)
Non-interest income	1,368	2,528	(1,160)	(45.9)
Operating and other expenses	1,731	1,825	(94)	(5.2)
Profit before tax	3,599	4,248	(649)	(15.3)
Provision for tax	1,292	1,503	(211)	(14.0)
Profit after tax	2,307	2,745	(438)	(16.0)
The Bank's share in profits of associates	96	40	56	140
Net income attributable to the Bank's shareholders	2,403	2,785	(382)	(13.7)
Return on equity (%)	15.4	20.2		
Earnings per share (NIS)	1.60	1.83		

Development of balance sheet items (in NIS million)

	As at March 31		Change in %
	2025	2024	
Net loans to the public	462,847	428,582	8.0
Deposits by the public	596,447	595,805	0.1
Shareholders' equity	63,788	57,128	11.7
Total assets	763,750	753,673	1.3

Principal financial ratios (%)

	As at March 31	
	2025	2024
Net loans to the public to total assets	60.6	56.9
Deposits by the public to total assets	78.1	79.1
Total equity to risk assets	14.83	15.02
Tier 1 capital to risk assets	12.15	11.98
Leverage ratio	7.27	6.70
Liquidity coverage ratio	124	133

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, 2025 – NIS 3.718.