

# Press Release

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Financial Statements 2024





## Bank Leumi reports a 40% increase in the net income for 2024, which amounted to NIS 9.8 billion (\$2.7 billion); ROE – 17%; Capital return in 2024 totals approx. NIS 4 billion (\$1.1 billion)

- Return on equity in Q4 2024: 16.2%
- Capital return in Q4 2024 amounts to NIS 980 million (\$269 million), out of which NIS 706 million (\$194 million) is cash dividend and the remainder is share buyback – which together constitute 40% of the net income for the quarter. Total capital return for 2024 amounts to approx. NIS 4 billion (\$1.1 billion)
- Best efficiency ratio among Israeli banks: 29.9%
- In 2024, the loan portfolio was up by 8.6% and deposits by the public were up by 8.9%
- Loan portfolio quality: NPL ratio and rate of troubled debts continue to be low, standing at 0.5% and 1.4% respectively
- Robust financial indicators: liquidity coverage ratio of 123%, Tier 1 capital ratio of 12.17% and total capital ratio of 14.83%
- Bank Leumi sets financial targets for the first time: For the years 2025–26, the bank is targeting an annual net income of NIS 9–11 billion (\$2.5 – \$3.0 billion); return on equity of 15%–16% per year; capital return of at least 50% of the net income each year; and an annual growth in the loan portfolio of 8%–10%

### TEL AVIV – March 4, 2025

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

**Net income** in 2024 amounted to NIS 9.8 billion (\$2.7 billion), compared to NIS 7.0 billion (\$1.9 billion) in 2023. Net income in Q4 2024 amounted to NIS 2.5 billion (\$685 million), compared to NIS 1.8 billion (\$494 million) in the corresponding period last year.

**Return on equity** in 2024 was 16.9%, compared with 13.7% in 2023. ROE in Q4 2024 was 16.2%, compared with 13.8% in the corresponding period last year.

**The efficiency ratio** in 2024 was 29.9%, compared with 32.6% in 2023. The efficiency ratio in Q4 2024 was 30.9%, compared with 36.1% in the corresponding period last year. In 2024, the Bank increased its income without increasing expenses.

**Capital return** in Q4 2024 amounts to NIS 980 million (\$269 million), out of which NIS 706 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. Total capital return

from the beginning of the year amounts to NIS 3.9 billion (\$1.1 billion), out of which NIS 2.9 billion (\$0.8 billion) is cash dividend and NIS 1 billion (\$0.3 billion) is share buyback.

**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. In 2024, the credit portfolio grew by a total rate of 8.6%, with the corporate portfolio growing by 7.8%, the commercial portfolio growing by 4.0% and the mortgage portfolio growing by 11.0%.

**Loan portfolio quality:** Rate of troubled debts and NPL ratio continue to be low and reflect the quality of the loan portfolio, standing at 1.4% and 0.5% respectively. From the beginning of the year, troubled debts decreased by NIS 900 million (\$247 million) and NPL decreased by NIS 1.3 billion (\$356 million).

**Deposits by the public** increased by 8.9% in 2024.

**Loan loss expenses** in 2024 reflect an expense rate of 0.16% of the average outstanding loans to the public, compared to an expense rate of 0.58% in 2023. The expense in 2023 was high mainly due to the outbreak of the war. In 2024, the expense – which is entirely collective – continues to reflect a cautious approach in light of the security and economic uncertainty.

**High capital adequacy:** Common equity tier 1 capital ratio as at December 31, 2024 was 12.17% and total capital ratio was 14.83%.

**Liquidity coverage ratio** as at December 31, 2024 was 123%.

**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.

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 interest charges on current account overdraft and more.

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; 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, with an emphasis on high school students who

were evacuated from the north and south; 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; in addition, after the report period the bank launched 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.

The updated cost of the reliefs and donations provided during the war is estimated at NIS 526 million (\$144 million).

**Strategic goals:** The Bank's Board of Directors approved the Bank's strategy for the upcoming years, in accordance with the recommendation of the Bank's Senior Management, headed by President & CEO Hanan Friedman. At the same time, a number of strategic financial goals were set – for the first time – for the years 2025–2026, which are derived from the Bank's strategic plan.

#### **Key financial targets for the years 2025–2026:**

- Annual net income: NIS 9–11 billion (\$2.5 – \$3.0 billion)
- Return on equity: 15%–16% each year
- Capital return: at least 50% of the net income each year
- Loan portfolio growth: 8%–10% each year

#### **Development of balance sheet items:**

**Shareholders' equity** as at December 31, 2024 totaled NIS 61.7 billion (\$16.9 billion), compared to NIS 54.5 billion (\$14.9 billion) as at December 31, 2023 – a 13.1% increase.

**Net credit to the public** as at December 31, 2024 totaled NIS 455.5 billion (\$124.9 billion), compared to NIS 419.5 billion (\$115.0 billion) as at December 31, 2023 – a 8.6% increase.

**Housing loans (mortgages)** as at December 31, 2024 totaled NIS 146.6 billion (\$40.2 billion), compared to NIS 132.1 billion (\$36.2 billion) as at December 31, 2023 – an 11.0% increase.

**Credit to retail customers** as at December 31, 2024 totaled NIS 30.6 billion (\$8.4 billion), compared to NIS 30.2 billion (\$8.3 billion) as at December 31, 2023 – a 1.3% increase.

**Credit to small businesses** as at December 31, 2024 totaled NIS 27.6 billion (\$7.6 billion), compared to NIS 26.2 billion (\$7.2 billion) as at December 31, 2023 – a 5.4% increase.

**Middle-market credit** as at December 31, 2024 totaled NIS 65.1 billion (\$17.9 billion), compared to NIS 62.6 billion (\$17.2 billion) as at December 31, 2023 – a 4.0% increase.

**Corporate credit (including real estate)** as at December 31, 2024 totaled NIS 137.3

billion (\$37.6 billion), compared to NIS 127.4 billion (\$34.9 billion) as at December 31, 2023 – a 7.8% increase.

**Deposits by the public** as at December 31, 2024 totaled NIS 618.3 billion (\$169.5 billion), compared to NIS 567.8 billion (\$155.7 billion) as at December 31, 2023 – a 8.9% increase.

**Deposits by retail customers** as at December 31, 2024 totaled NIS 225.8 billion (\$61.9 billion), compared to NIS 216.9 billion (\$59.5 billion) as at December 31, 2023 – a 4.1% increase.

**Deposits by small businesses** as at December 31, 2024 totaled NIS 61.2 billion (\$16.8 billion), compared to NIS 56.1 billion (\$15.4 billion) as at December 31, 2023 – a 9.1% increase.

**CET1 capital ratio** as at December 31, 2024 was 12.17%, compared to 11.66% as at December 31, 2023.

**Total capital ratio** as at December 31, 2024 was 14.83%, compared to 14.72% as at December 31, 2023.

# Leumi Group – Key Financials

## Profit and Profitability (in NIS millions)

	For the three months ended December 31		Change in NIS million	Change in %
	2024	2023		
Net Interest income	3,819	3,850	(31)	(0.8)
Loan loss expenses	197	668	(471)	(70.5)
Non-interest income	1,728	1,297	431	33.2
Operating and other expenses	1,712	1,860	(148)	(8.0)
Profit before tax	3,638	2,619	1,019	38.9
Provision for tax	1,294	869	425	48.9
Profit after tax	2,344	1,750	594	33.9
The Bank's share in profits of associates	107	76	31	40.8
Net income attributable to the bank's shareholders	2,451	1,826	625	34.2
Return on equity (%)	16.2	13.8		
Earnings per share (NIS)	1.63	1.20		

	For the year ended December 31		Change in NIS million	Change in %
	2024	2023		
Net Interest income	16,509	15,997	512	3.2
Loan loss expenses	713	2,383	(1,670)	(70.1)
Non-interest income	6,599	5,181	1,418	27.4
Operating and other expenses	6,904	6,894	10	0.1
Profit before tax	15,491	11,901	3,590	30.2
Provision for tax	5,422	3,988	1,434	36.0
Profit after tax	10,069	7,913	2,156	27.2
The Bank's share in profits of associates	(271)	(886)	615	69.4
Net income attributable to the bank's shareholders	9,798	7,027	2,771	39.4
Return on equity (%)	16.9	13.7		
Earnings per share (NIS)	6.46	4.58		



## Development of Balance Sheet Items (in NIS millions)

	December 31		Change in %
	2024	2023	
Net loans to the public	455,519	419,486	8.6
Deposits by the public	618,301	567,824	8.9
Shareholders' equity	61,658	54,497	13.1
Total assets	785,551	731,497	7.4

## Principal Financial Ratios (%)

	December 31	
	2024	2023
Net loans to the public to total assets	58.0	57.3
Deposits by the public to total assets	78.7	77.6
Total equity to risk assets	14.83	14.72
Tier 1 capital to risk assets	12.17	11.66
Leverage ratio	6.94	6.65
Liquidity coverage ratio	123	124

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 December 31, 2024, NIS 3.647.