

Press Release

Financial Statements Q1 2024



Bank Leumi concludes Q1 2024 with a net income of approx. NIS 2.8 billion (\$761 million) and ROE of 20.2%

- The Bank will distribute a cash dividend of NIS 835 million (\$227 million) and is launching an annual share buyback plan totaling NIS 1 billion (\$272 million). Total cash dividend and share buyback plan for Q1 2024 is approx. NIS 1.1 billion (\$299 million) – which constitutes 40% of the net income for the quarter
- Leumi continues to present the best efficiency ratio among Israeli banks - 29%
- Deposits by the public in Q1 2024 were up by 11.8% compared with the corresponding period last year
- The loan portfolio was up by 2.2% in Q1 2024
- NPL ratio and rate of troubled debts - which reflect the quality of the Bank's loan portfolio - continue to be one of the lowest in the banking system, standing at 0.65% and 1.61% respectively
- Robust financial indicators - liquidity coverage ratio of 133%, Tier 1 capital ratio of 11.98% and total capital ratio of 15.02%
- In Q1 2024, the Bank recorded a one-off capital gain (after tax) of NIS 632 million (\$172 million) in respect of the sale of the Bank's HQ buildings in Tel Aviv, as part of the transition of the HQ to the new Leumi Campus in Lod

TEL AVIV – May 28, 2024

Bank Leumi (TASE: LUMI) published today its financial statements for Q1 2024:

Net income in the first quarter of 2024 amounted to approx. NIS 2.8 billion (\$761 million), compared to NIS 981 million (\$267 million) in the corresponding period last year.

Return on equity in the first quarter of 2024 was 20.2%, compared with 7.8% in the corresponding period last year. ROE in the corresponding period last year was affected by the provision made with respect to Valley shares.

Deposits by the public grew by a higher rate compared to the banking system – up by 11.8% in Q1 2024 compared with the corresponding quarter last year, and up by 4.9% since the beginning of the year.

The efficiency ratio in Q1 2024 was 29%, compared with 32.6% in the corresponding period last year.

Dividend: The Bank will distribute a cash dividend of NIS 835 million (\$227 million) and is launching an annual share buyback plan totaling NIS 1 billion (\$272 million). Total cash dividend and share buyback plan for Q1 2024 is approx. NIS 1.1 billion (\$299 million) – which constitutes 40% of the net income for the quarter.

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 2.2%, with the corporate portfolio growing by 2.2%, the commercial portfolio grew by 1.1% and the mortgage portfolio grew by 1.7%.

NPL ratio and rate of troubled debts – which reflect the quality of the Bank's loan portfolio – continue to be one of the lowest in the banking system, standing at 0.65% and 1.61% respectively

Loan loss expenses in the first quarter of 2024 reflect an expense rate of 0.21% of the average outstanding loans to the public, compared to an expense rate of 0.41% in the corresponding period last year. The entire loan loss expense arises from the collective provision, mainly due macroeconomic affects (the uncertainty in light of the War) on the calculation model of the collective provision. The specific provision is negative (income).

High capital adequacy: Common Equity Tier 1 capital ratio as at March 31, 2024 was 11.98% and total capital ratio was 15.02%.

Liquidity coverage ratio as at March 31, 2024 was 133%.

The Bank's initiatives due to the War: Leumi significantly expanded 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, aid funds totaling more than NIS 1.25 billion (\$340 million), 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 440 million (\$120 million).

Development of balance sheet items:

Shareholders' equity as at March 31, 2024 totaled NIS 57.1 billion (\$15.5 billion), compared to NIS 49.8 billion (\$13.5 billion) as at March 31, 2023 – a 14.7% increase.

Net credit to the public as at March 31, 2024 totaled NIS 428.6 billion (\$116.4 billion), compared to NIS 403.8 billion (\$109.7 billion) as at March 31, 2023 – a 6.1% increase.

Housing loans (mortgages) as at March 31, 2024 totaled NIS 134.3 billion (\$36.5 billion), compared to NIS 123.3 billion (\$33.5 billion) as at March 31, 2023 – a 8.9% increase.

Credit to retail customers as at March 31, 2024 totaled NIS 29.4 billion (\$8.0 billion), compared to NIS 31.7 billion (\$8.6 billion) as at March 31, 2023 – a 7.3% decrease.

Credit to small businesses as at March 31, 2024 totaled NIS 26.5 billion (\$7.2 billion), compared to NIS 25.9 billion (\$7.0 billion) as at March 31, 2023 – a 2.3% increase.

Middle-market credit as at March 31, 2024 totaled NIS 63.3 billion (\$17.2 billion), compared to NIS 63.0 billion (\$17.1 billion) as at March 31, 2023 – a 0.5% increase.

Corporate credit as at March 31, 2024 totaled NIS 130.2 billion (\$35.4 billion), compared to NIS 120.9 billion (\$32.8 billion) as at March 31, 2023 – a 7.7% increase.

Deposits by the public as at March 31, 2024 totaled NIS 595.8 billion (\$161.9 billion), compared to NIS 532.9 billion (\$144.8 billion) as at March 31, 2023 – a 11.8% increase.

Deposits by retail customers as at March 31, 2024 totaled NIS 221.2 billion (\$60.1 billion), compared to NIS 209.4 billion (\$56.9 billion) as at March 31, 2023 – a 5.6% increase.

Deposits by small businesses as at March 31, 2024 totaled NIS 56.4 billion (\$15.3 billion), compared to NIS 53.5 billion (\$14.5 billion) as at March 31, 2023 – a 5.4% increase.

CET1 capital ratio as at March 31, 2024 was 11.98%, compared to 11.23% as at March 31, 2023.

Total capital ratio as at March 31, 2024 was 15.02%, compared to 14.45% as at March 31, 2023.

Leumi Group - Key Financials

Profit and profitability (in NIS million)

	For the three months ended March 31		Change in NIS million	Change in %
	2024	2023		
Net interest income	3,767	3,928	(161)	(4.1)
Loan loss expenses	222	406	(184)	(45.3)
Non-interest income	2,528	1,071	1,457	136
Operating and other expenses	1,825	1,629	196	12
Profit before tax	4,248	2,964	1,284	43.3
Provision for tax	1,503	889	614	69.1
Profit after tax	2,745	2,075	670	32.3
The Bank's share in the profits (losses) of associates	40	(1,094)	1,134	
Net income attributable to the banking corporation's shareholders	2,785	981	1,804	183.9
Return on equity (%)	20.2	7.8		
Earnings per share (NIS)	1.83	0.64		

Development of balance sheet items (in NIS million)

	As at March 31		Change in %
	2024	2023	
Net loans to the public net	428,582	403,817	6.1
Deposits by the public	595,805	532,906	11.8
Shareholders' equity	57,128	49,791	14.7
Total assets	753,673	682,477	10.4

Principal financial ratios (%)

	As at March 31	
	2024	2023
Net loans to the public to total assets	56.9	59.2
Deposits by the public to total assets	79.1	78.1
Total equity to risk assets	15.02	14.45
Tier 1 capital to risk assets	11.98	11.23
Leverage ratio	6.70	6.63
Liquidity coverage ratio	133	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 March 31, 2024 - NIS 3.681.