

May 21, 2025

Net profit in the first quarter: **NIS 1,290 million**
Compared to **NIS 1,272 million** in the corresponding
period in 2024

Return on equity in the first quarter: **16.2%**

Credit to the public: NIS 364,384 million
Compared to **NIS 330,487 million** at the end of the first
quarter last year
10.3% increase

Deposits from the public: NIS 399,275 million
Compared to **NIS 365,371 million** at the end of the
corresponding period last year
9.3% increase

Financing revenues from current operations:
NIS 2,835 million
Compared to **NIS 2,780 million** in the corresponding period
last year
2.0% increase

Cost Income Ratio: 37.8%

**Dividend of NIS 516 million will be distributed – 40% of the
profit in the first quarter**

Continued growth in key balance sheet items

The Bank's results in the first quarter of 2025 present continued growth and expansion across most balance sheet items compared to the first quarter of 2024: Deposits from the public increased by 9.3%, credit to the public increased by 10.3%, total assets increased by 10.5%, and shareholders' equity grew by 12.3%.

An analysis of the Bank's credit operations in the first quarter of the year indicates that alongside 9.2% increase in the residential mortgages portfolio (while maintaining leadership in the mortgages market and even increasing the lead over competitors) there is an impressive increase in business segments credit. The Bank's total business credit portfolio grew by 13.4%, compared to the corresponding quarter of 2024, of it, credit to large businesses increased by 18.4% and credit to medium-sized businesses increased by 12.3%.

The notable growth in the Bank's business credit portfolio is a result of continuous improvement in Mizrahi-Tefahot's ability to successfully compete with other market players, and the Bank's increasing involvement in significant transactions in general, and particularly in national infrastructure transactions.

Multiple consumer benefits and appreciation to reservists

In response to the voluntary benefits outline announced by the Bank of Israel, as from April 2025, the Bank has in place a broad consumer benefit plan for households and small businesses, which includes multiple benefits for the management of current accounts and mortgages.

Among other things, the plan (whose full details are posted on the Bank's website) includes the following: **Interest payable on positive balance in the account** - annual interest of 2% on positive balances of up to NIS 30,000 in current accounts of private customers and small businesses; **a grant to Tefahot mortgage holders** - a NIS 500 quarterly grant to mortgage holders, who meet certain criteria, and took a mortgage to acquire a single property (not for investment purposes); **'We've got the overdraft'** - private customers, who have both a mortgage and a current account overdraft facility with Mizrahi-Tefahot would be exempt from paying interest on their overdraft up to the monthly mortgage repayment amount of NIS 6,000; **reduction of the interest payable on debit balance in credit facilities** - private customers and small businesses shall benefit from a 3% reduction in the interest payable on debit balances in their credit facilities and current loan accounts; **'no interest overdraft'** - a benefit for private customers, which includes a monthly offsetting mechanism between the credit and debit balances in the account; this exempts the customer from paying interest on their overdraft up to a maximum offset amount of NIS 10,000 per day.

Showing appreciation to reservists - to show its appreciation and recognition of reservists, the Bank decided to grant them a special benefit when they take a mortgage with Tefahot: up to NIS 100 thousand mortgage free of interest and CPI linkage. Eligible to the benefit are those who were called to serve as reservists in 2025, or who served as reservists for at least 90 days since October 1, 2024. This, in addition to dedicated benefits in connection with management of current accounts.

Moshe Lari: The Bank's results in the first quarter of 2025 indicate continued growth even in a particularly challenging and complex period

"The Bank's results for the first quarter of 2025, reflect its success in continuing its growth path, even in such a challenging and complex period for national security and the economy. In light of the above, a net profit of almost NIS 1.3 billion and a return on equity of 16.2% constitute a notable achievement, which is credited, first and foremost, to all Bank employees and managers, and was made possible thanks to their efforts and dedication in these difficult times.

One year and 8 months have elapsed since the October 7 murderous surprise attack, and the end of the war is still not in sight. 58 hostages - our sisters and brothers - are still held by evil terrorists in tunnels in Gaza, under inhumane conditions, and our hearts go out to them and their families. We all pray for the speedy release of all hostages, the full recovery of all those wounded, physically and mentally, and the safe return of all of our brave soldiers from all fronts.

Since the beginning of the war, the Bank has provided its customers, particularly those adversely affected by the war and reservists, a range of tools, benefits, and banking reliefs to assist them to get through the challenging period in the best possible way. Mizrahi Tefahot's bankers across the country attend to every inquiry and issue, making sure that no one is left behind. This, while striving to meet the Bank's business targets, maintaining exceptional service standards, and achieving high satisfaction levels among our customers.

The expansion in the Bank's operations arises from key balance sheet items, which recorded impressive growth rates compared to the first quarter of 2024, and from financing revenues from current operations amounting to more than NIS 2.8 billion. The Bank's cost income ratio continues to be excellent, at 37.8% in the first quarter of 2025.

In the first quarter of the year, the net profit of Bank Yahav of the Mizrahi Tefahot Group amounted to NIS 110 million, compared to NIS 92 million in the corresponding period in 2024 - an increase of 19.6%. Bank Yahav's return on equity in the first quarter of 2025 was 15.2%, compared to 14.6% in the corresponding period last year.

In accordance with the Board of Directors' resolution, Mizrahi Tefahot will distribute a dividend amounting to NIS 516 million - 40% of the Bank's profit in the first quarter, in line with the Bank's dividend distribution policy", **said the Bank's President & CEO Moshe Lari.**

Mizrahi Tefahot Ltd.
Highlights of condensed financial statements
As of March 31, 2025 (NIS in millions)

Key balance sheet items

	March 31		Change rate (%)
	2025	2024	
Loans to the public, net	364,384	330,487	10.3
Deposits from the public	399,275	365,371	9.3
Shareholders' equity (attributable to shareholders of the Bank)	32,094	28,578	12.3
Total assets	498,029	450,683	10.5

Profit and profitability

	First quarter		Change rate (%)
	2025	2024	
Total financing revenues before expenses with respect to credit losses	2,941	3,030	(2.9)
Commissions and other revenues	605	568	6.5
Total revenues	3,546	3,598	(1.4)
Expenses due to credit losses	103	175	-
Operating and other expenses	1,339	1,279	4.7
Net profit attributable to shareholders of the Bank	1,290	1,272	1.4

Key financial ratios (in percent)

	March 31	
	2025	2024
Key performance benchmarks		
Net profit return on equity	16.2	18.1
Deposits from the public to loans to the public, net	109.6	110.6
Ratio of Tier I equity to risk components	10.37	10.60
Leverage ratio	6.03	5.99
Liquidity coverage ratio (quarterly)	139	139
Cost-income ratio	37.8	35.5
Other information		
Share price (in NIS) as of March 31	166.5	140.0