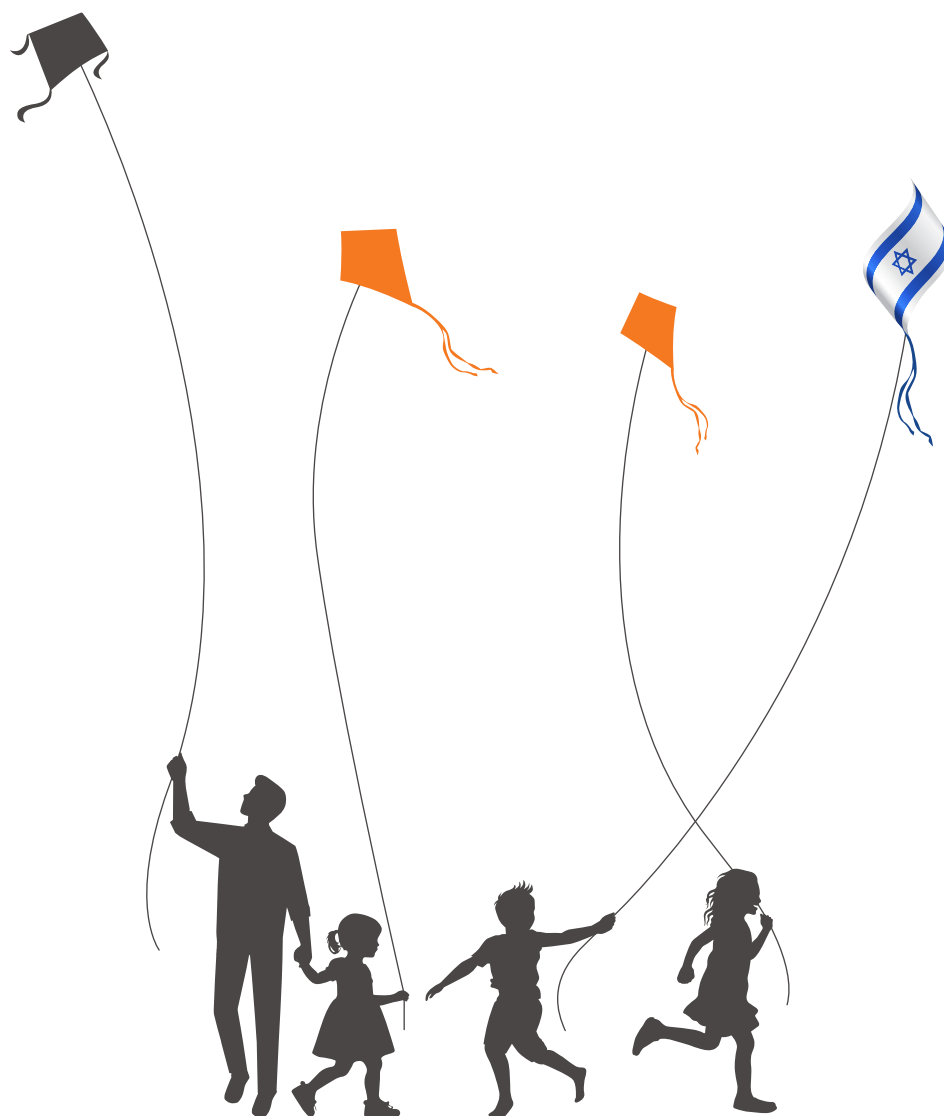


BUSINESS RESULTS FOR THE THIRD QUARTER

# PRESS RELEASE 3 2024



**People first and foremost**

November 21, 2024

**Net profit** in the third quarter of 2024: **NIS 1,425 million**  
**Compared to** NIS 1,098 million in the corresponding quarter  
in 2023  
**29.8% increase**

**Return on equity** in the third quarter of 2024: **19.0%**  
**Compared to 16.8%** in the corresponding period last year

**Loans to the public as of** September 30, 2024:  
**NIS 348,314 million**  
**Compared to** NIS 323,590 million in the corresponding period  
last year  
**7.6% increase**

**Deposits from the public as of** September 30, 2024:  
**NIS 385,119 million**  
**Compared to** NIS 351,034 million in the corresponding period  
last year  
**9.7% increase**

**Cost-Income Ratio** in the third quarter: **33.9%**  
**Compared to 36.6%** in the third quarter of 2023

**Dividend distribution of** **NIS 570 million –**  
**40% of third quarter profit**

## Continued growth in credit and specifically in business credit

The growth in the Bank's activity was reflected in key balance sheet items, including credit to the public. As of September 30, 2024, the Bank's credit portfolio is NIS 348.3 billion, a 7.6% increase compared to the corresponding period last year and a 7.1% increase since December 31, 2023.

As of the end of the third quarter, the households and private individuals credit portfolio is NIS 246 billion, compared to NIS 231.3 billion at the end of the corresponding quarter in 2023, a 6.4% increase, and compared to a total of NIS 232.3 billion at the end of 2023, a 5.9% increase. The growth in retail credit is reflected in all components of the portfolio, and especially in the residential mortgages segment, which grew by 7.3% compared to the corresponding quarter last year, and by 6.4% since the end of 2023. Consequently, the Bank continues to maintain its position as the leader in the mortgages market while widening the lead over its competitors.

Growth in business credit played a very prominent role in the growth of the overall credit portfolio; at the end of the third quarter of the year, growth in business credit amounted to NIS 91.5 billion, compared to NIS 83.9 billion at the end of the corresponding quarter last year, a 9.0% increase, and compared to NIS 84.1 billion at the end of 2023, an 8.7% increase.

The increase in business credit in the first nine months of 2024 was reflected in all business segments, and in particular in credit to large businesses, which increased by 8.3%, thanks to the Bank's growing dominance in leading and financing the largest transactions in the Israeli economy.

## Banking reliefs and benefits in view of the ongoing war

Since the October 7, 2023 attack and the war that broke out as a consequence thereof, the Bank has joined the national effort aimed at supporting all those who were adversely affected by the escalation in security conditions; this was achieved through a range of voluntary work activities and donations. In addition, the Bank operates a broad range of solutions to provide assistance and relief to its customers, substantially larger than the scale set by the Supervisor of Banks.

As a gesture of support for reservists, the Bank decided to give specific benefits to reservists who served more than 90 days since the beginning of the war: Any such reservists, who will take a new mortgage from Mizrahi-Tefahot will benefit from up to NIS 100 thousand free of interest and linkage differences; any of those reservists, who already have a mortgage with the Bank, will be eligible to additional credit of up to NIS 100 thousand at Prime interest, to be used for any purpose. The mortgage-related benefits will be in effect for any mortgage applications, which will be granted approval in principle through the end of 2024.

Furthermore, students who served as reservists for over 90 days will be able to receive - through the end of the year - a NIS 36 thousand loan with no interest for 36 months including a six-month grace period.

Concurrently, the Bank has in place a wide range of aid tools for populations, which were particularly affected by the situation, including residents of conflict

zones and those who were evacuated, and also for victims of the war and reservists. The reliefs offered by the Bank include, among other things, deferral of mortgage payments and commercial loans, exemptions from interest on debit balances and exemptions from fees for defined periods and amounts, as well as other benefits.

In order to support businesses operating in the conflict zones and reservists, whose businesses were particularly affected since the beginning of the war, the Bank has launched the "Orange.Israel" platform on its website, which allows them to gain exposure for their businesses – free of charge - to potential customers and buyers from across the country.

## **Moshe Lari: The Bank's results in the third quarter reflect our ability to maintain growth even during a prolonged war and economic challenges**

"The Bank's results in the third quarter of 2024, including net profit of NIS 1,425 million - an increase of nearly 30% compared to the corresponding quarter last year, and return on equity of 19.0% - reflect our ability to successfully maintain the Bank's growth momentum even during a prolonged war and challenging environment. This impressive success is attributed, first and foremost, to the many thousands of the Bank's excellent employees, who push the Bank forward with their commitment and dedication, and lead it to extraordinary achievements, quarter after quarter, and for that we are immensely grateful.

The growth in the Bank's activity is reflected in most balance sheet items. Thus, among other things, credit to the public as of the end of the third quarter is NIS 348 billion, compared to NIS 338 billion at the end of the preceding quarter - the second quarter of 2024 - an increase reflecting an annual growth rate of 12.6%; deposits from the public are NIS 385 billion at the end of the third quarter of the year, compared to NIS 374 billion at the end of the second quarter - an increase reflecting an annual growth rate of 12.4%.

At the same time there was a noticeable decrease in operating and other expenses. Those expenses amounted to NIS 1,289 million in the third quarter of the year compared to NIS 1,415 million in the corresponding quarter last year - a decrease of 8.9% - which was achieved, among other things, from gaining further synergy following the completion of the merger of Union Bank into the Bank.

As a result, the Bank is able to further improve its Cost Income Ratio, which stood at 33.9% in the third quarter of the year, compared to 36.6% in the third quarter of 2023.

According to the Bank's dividend policy and having assessed the capital ratios under the different scenarios, Mizrahi Tefahot's Board of Directors resolved to distribute a dividend of 40% of the profit of the third quarter - NIS 570 million. On an aggregate basis, the dividend distributed out of the Bank's profits in the first three quarters of 2024 will amount to approximately NIS 1.7 billion.

The report for the third quarter is published more than a year since the start of the "Iron Swords War". We pay a heavy and unbearable price, body and soul, as a result of the war. The collective of Israeli bereaved families expands almost on a daily basis with names of Israeli citizens and soldiers, who acted heroically and put the interest, security, and future of the State of Israel before their own personal interests, health, and lives.

We all wish that this existential war, which was forced upon us, will end soon and that all of its objectives will be achieved, and first and foremost - we wish for the release of the hostages and for peace and quiet along our borders. As we have been doing since the beginning of the war, Mizrahi Tefahot Bank and its many thousands of employees and managers will continue supporting wounded IDF soldiers, reservists and business owners, whose livelihoods were adversely affected by the war, as well as large groups of Bank customers that require a supportive and steady hand in this difficult period", said the **Bank's CEO, Moshe Lari**.

**Mizrahi Tefahot Ltd.**  
**Highlights of condensed financial statements**  
**As of September 30, 2024 - NIS in millions**

**Key balance sheet items**

	September 30		Rate of Change
	2024	2023	in %
Loans to the public, net	348,314	323,590	7.6
Deposits from the public	385,119	351,034	9.7
Shareholders' equity (attributable to shareholders of the Bank)	30,408	26,459	14.9
Total assets	472,379	438,289	7.8

**Profit and profitability**

	Third quarter		Rate of Change
	2024	2023	in %
Total financing revenues before expenses with respect to credit losses	3,216	3,300	(2.5)
Commissions and other revenues	581	568	2.3
Total revenues	<b>3,797</b>	<b>3,868</b>	(1.8)
Expenses with respect to credit losses	130	694	-
Operating and other expenses	1,289	1,415	(8.9)
Net profit attributable to shareholders of the Bank	<b>1,425</b>	<b>1,098</b>	29.8

**Key financial ratios (in percent)**

	September 30	
	2024	2023

**Key performance benchmarks**

Net profit return on equity:		
For the third quarter	19.0	16.8
For the nine-month period	19.0	20.3
Deposits from the public to loans to the public, net	110.6	108.5
Ratio of Tier I equity to risk components	10.43	10.12
Leverage ratio	6.01	5.78
Liquidity coverage ratio (quarterly)	127	138
Cost-income ratio:		
For the third quarter	33.9	36.6
For the nine-month period	34.7	37.4

**Other information**

Share price (in NIS) as of September 30	145.5	138.1
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