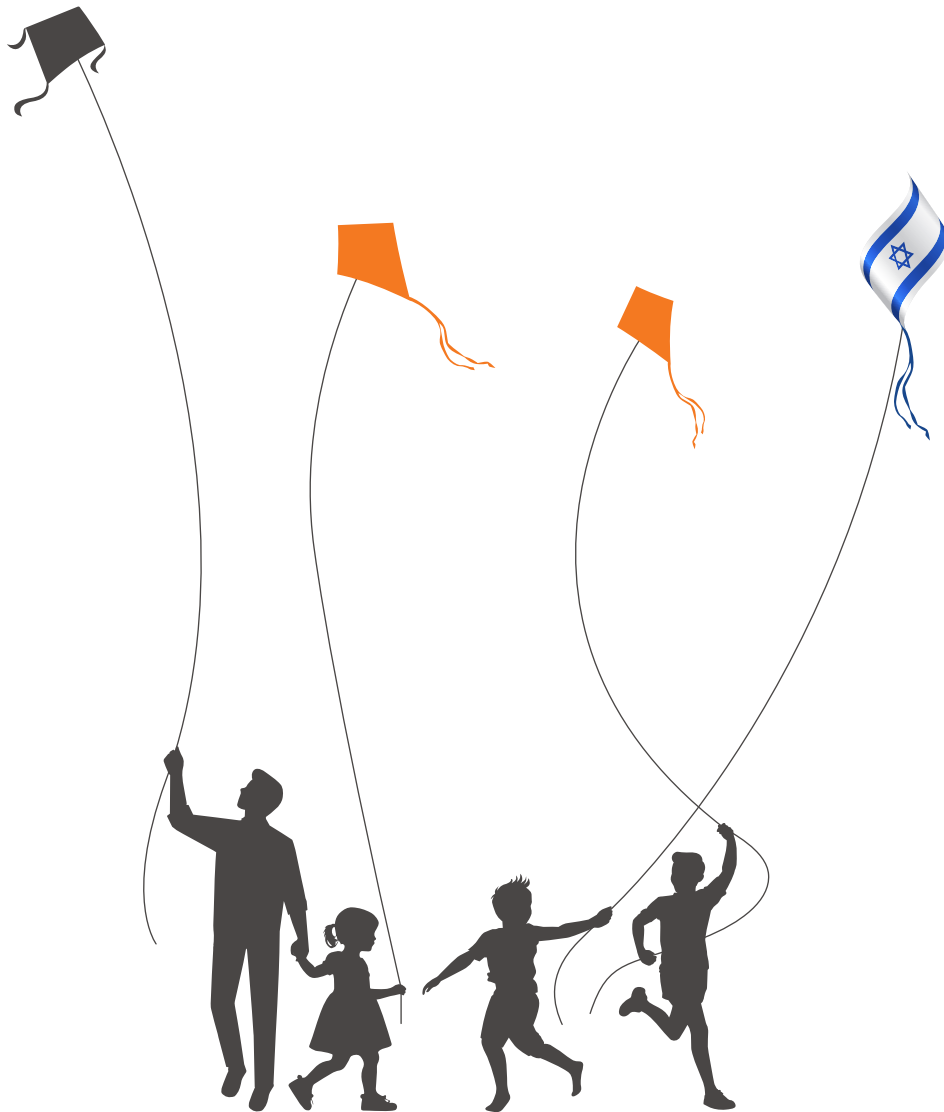


BUSINESS RESULTS FOR THE FIRST QUARTER

PRESS RELEASE 1 2024



מזרחי תפחות
MIZRAHI TEFAHOT



People first and foremost

May 23, 2024

Net profit in the first quarter: NIS 1,272 million

Compared to NIS 1,367 million in the corresponding quarter last year - 6.9% decrease

And compared to NIS 1,047 million in the fourth quarter of 2023 – 21.5% increase

Return on equity in the first quarter: 18.1%

Compared to 22.4% in the corresponding quarter last year

And compared to 15.5% in the fourth quarter of 2023

Financing revenues in the first quarter: NIS 3,030 million

Compared to NIS 3,233 million in the corresponding quarter last year – 6.3% decrease

And compared to NIS 2,522 million in the fourth quarter of 2023 – 20.1% increase

Cost Income Ratio: 35.5%

The best the Bank has presented to date

Dividend distribution amounting to NIS 508.8 million – 40% of the profit in the first quarter

Continued growth and expansion in key balance sheet items

The Bank's results in the first quarter of 2024 reflect continued responsible growth and expansion across most balance sheet items.

Total assets at the end of the first quarter amounted to NIS 450.7 billion, compared to NIS 434.1 billion in the corresponding period last year, an increase of 4%. Credit to the public at the end of the first quarter of 2024 amounted to NIS 330.5 billion, compared to NIS 312.3 billion in the corresponding period last year, an increase of 6%. Deposits from the public as of March 31, 2024 amounted to NIS 365.4 billion, compared to NIS 348.5 billion in the corresponding period last year, an increase of 5% over the first quarter of 2023, and shareholder equity at the end of the first quarter of the year amounted to NIS 28.6 billion, compared to NIS 24.8 billion in the corresponding period last year, an increase of 15%.

Continuous Leadership in Service Surveys conducted by the Bank of Israel

For several years, Mizrahi Tefahot holds a unique service concept, in which the personal banker in the branch is at the center of the customer's relationship with the bank, complemented by a surrounding envelope of advanced digital engagement channels. This way, customers can decide themselves, at any given moment, how they prefer to carry out their banking activity: With the assistance of their personal banker, independently – through one of the digital channels, or combining both.

In order to support this service approach, and to provide Bank customers with maximum access to bankers at branches, Mizrahi Tefahot has been acting contrary to the trend characterizing the banking system in recent years. Unlike its competitors, who have closed dozens and dozens of branches and drastically cut their number of employees in general and specifically their human service array, Mizrahi Tefahot has continued to expand its branch network to ~ 200 branches, along with the number of bankers at branches and call centers. As a result, bank's customers enjoy an exceptional service experience and personal, professional and active banking with maximum availability.

The success of the unique Mizrahi Tefahot service approach has also been evident in Bank of Israel service surveys that check the satisfaction of households with the quality of service at the banks. In the 2023 survey, the results of which were published over the course of last March, Mizrahi Tefahot reached first place in a series of categories, including: Satisfaction with service at the branch, satisfaction with waiting times at the branch, and satisfaction with the call center. Mizrahi Tefahot Group, which also includes Yahav Bank, received the highest scores in the "fairness perception" category, as well as the willingness of Group customers to recommend it to others.

Mizrahi Tefahot excelled continuously in all four service surveys conducted by the Bank of Israel to date.

Moshe Lari: Bank results in the first quarter of 2024 indicate continued growth even in a particularly challenging and complex period

“The reported results for the first quarter of 2024, reflect the Bank’s success in continuing to grow even in such a challenging and complex period, to the national security and the economy. In light of this, a net profit of NIS 1,272 million – higher than the average quarterly profit in 2023, and return on equity of 18.1% are notable achievements attributed, first and foremost, to all employees and managers at the Bank, and was made possible thanks to their efforts and dedication in these unusual times.

The expansion of the Bank's activity was expressed, both against the corresponding quarter last year and in comparison with the results of the previous quarter – the fourth quarter of 2023, which - like the current quarter - has taken place, a week from its start, under circumstances of the escalation in national security and its extensive impact on all aspects of life in the country.

Thus, among other things, good and responsible growth was recorded in the first quarter of 2024 in most balance sheet items, including total assets, credit to the public and deposits from the public, compared to the first and last quarters of the past year. Financing revenues in the first quarter of the year amounted to 3,030 million NIS compared to 2,522 million NIS in the fourth quarter of 2023 – a 20.1% increase.

Concurrently, operating and other expenses in the first quarter of the year amounted to 1,279 million NIS compared to 1,437 million NIS in the corresponding quarter last year, a significant decrease of 11.0%. As a result, the Bank has been displaying an unprecedented cost income ratio of 35.5% in the first quarter of the year, compared to 38.7% in the previous quarter and 37.6% in the corresponding quarter.

The war’s continuation for over 7 months, creates difficulties and risks in the various time ranges, at the national, business and personal level. Mizrahi Tefahot, with a human and proactive service concept, works day in and day out, through bankers at branches and at business units, in order to provide customers, households and businesses with an offering of products and solutions, that would allow them to optimally cross these challenging times.

Mizrahi Tefahot will distribute a dividend amounting to NIS 508.8 million – 40% of the Bank's profit in the first quarter, in accordance with the Bank’s dividend policy, and after examining the capital ratios of the Bank in various scenarios, following the letter from the Supervisor of Banks from May 16,” **says Bank CEO Moshe Lari.**

Mizrahi Tefahot Ltd.
Highlights of condensed financial statements
As of March 31, 2024 – in Millions of NIS

Key balance sheet items

	March 31		Rate of Change
	2024	2023	in %
Loans to the public, net	330,487	312,319	5.8
Deposits from the public	365,371	348,469	4.9
Shareholders' equity (attributable to shareholders of the Bank)	28,578	24,844	15.0
Total assets	450,683	434,110	3.8

Profit and profitability

	First quarter		Rate of Change
	2024	2023	in %
Total financing revenues before expenses with respect to credit losses	3,030	3,233	(6.3)
Commissions and other revenues	568	593	(4.2)
Total revenues	3,598	3,826	(6.0)
Expenses due to credit losses	175	227	-
Operating and other expenses	1,279	1,437	(11.0)
Net profit attributable to shareholders of the Bank	1,272	1,367	(6.9)

Key financial ratios (in percent)

	March 31	
	2024	2023
Key performance benchmarks		
Net profit return on equity	18.1	22.4
Deposits from the public to loans to the public, net	110.6	111.6
Ratio of Tier I equity to risk components	10.60	10.12
Leverage ratio	5.99	5.53
Liquidity coverage ratio (quarterly)	139	126
Cost-income ratio	35.5	37.6

Other information

Share price (in NIS) as of March 31	140.0	112.6
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