

August 15, 2024

Net profit in the second quarter of 2024: NIS 1,452 million
Compared to NIS 1,398 million in the corresponding period last year
3.9% increase

Return on equity in the second quarter: 19.9%

Cost-Income Ratio in the second quarter: 34.6%
Compared to a ratio of 38.1% in the corresponding period last year

Loans to the public as of June 30, 2024: NIS 337.7 billion
Compared to NIS 316.9 billion in the corresponding period last year
6.6% increase
and compared to NIS 325.3 billion at the end of 2023
Average annual growth rate of 7.6%

Deposits from the public as of June 30, 2024: NIS 373.6 billion
Compared to NIS 345.2 billion in the corresponding period last year
8.2% increase
and compared to NIS 358.6 billion at the end of 2023
Average annual growth rate of 8.4%

Dividend distribution of NIS 580.8 million – 40% of the second quarter's profit

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Active and ongoing support for reservists, households and businesses

Since the beginning of the war, Mizrahi Tefahot operates to ensure that its customers can handle the situation in an optimal manner. The Bank's thousands of personal bankers maintain daily contact with customers, and provide them with a unique tool set, that addresses their needs, in case of difficulties or problems.

Alongside specific solutions customized to the needs of the Bank's customers who require assistance, the Bank set unique benefits and reliefs for reservists, households and business owners, who are among those who suffered most from the war.

Mizrahi Tefahot - the first bank to offer dedicated benefits for reservists

The extraordinary dedication of soldiers and reservists, who prioritize the national interest over their personal interest, is greatly appreciated. In order to express the entire society's heartfelt gratitude for this important group in a tangible and practical way, Mizrahi Tefahot launched a dedicated set of benefits - the first of its kind in the banking system - aimed at those who served in reserve duty for 90 days or more:

Reservists who will take a mortgage loan from the Bank will be able to receive - as part of the loan - NIS 100 thousand without interest and linkage, and will also be exempted from file opening fee;

Those who served or are still serving in reserve duty and have a mortgage loan with the Bank will be able to receive additional credit of up to NIS 100 thousand, bearing Prime interest only;

Students who served in reserve duty for over 90 days will be able to receive a NIS 36 thousand loan with no interest and linkage for 36 months and a six-month grace period.

Orange. Israel - a dedicated platform for supporting business owners

In order to assist business owners, whose activity suffered significantly due to the war, Mizrahi Tefahot has set up a dedicated digital platform on the Bank's website allowing them to advertise their businesses to a broad target audience as well as direct purchases from those businesses.

At first, the activity focused on businesses from the combat zones, and later on it was also expanded to businesses owned by reservists; customers are actively encouraged to make purchases from those businesses. In the coming days, the Bank will launch an extensive campaign for its Orange.Israel platform; as part of this campaign, branded trucks will be positioned in several key shopping centers across Israel in order to allow the public to make direct purchases from businesses, which are owned by reservists.

Special benefits for specific populations

In order to continue supporting those who suffered most from the war and the many months of fighting, Mizrahi Tefahot offers, among other things: Freezing of mortgage repayments, free of interest, linkage and fees, for a further 3 months beyond the Bank of Israel outline for Bank customers resident in the Northern region, who have been evacuated from their homes; exemption from interest for debit balance of up to NIS 10,000 for private customers resident in the Gaza border area or in the Northern border region, those affected by the war or relatives thereof, residents evacuated from their homes, participants of the attacked parties and the reservists recruits; exemption from interest on a debit balance of up to NIS 30,000 to bank customers who own small businesses and are part of the above groups. In addition, those private and business customers will be given a 3-month exemption from fees.

Moshe Lari: The second quarter results reflect the Bank's success in continuing to grow even in a challenging security and economic climate

"The results we present in the second quarter of 2024, NIS 1,452 million net profit - a 3.9% increase compared to the corresponding quarter last year, and 19.9% ROE, should not be taken for granted; they are a remarkable achievement of our excellent employees. Thanks to their professionalism, determination and dedication, the Bank is able to maintain its growth trend even in such a challenging geopolitical and economic climate, and for that they deserve our appreciation and gratitude.

The growth in business is reflected in major balance sheet items as of end of June 2024. Thus, among other things, loans to the public amounted to NIS 337.7 billion, compared to NIS 325.3 billion at the end of 2023, annual growth rate of 7.6%; deposits from the public amounted to NIS 373.6 billion, compared to NIS 358.6 billion at the end of 2023 – annual growth rate of 8.4%, and the Bank's shareholders' equity amounted to NIS 29.5 billion, compared to NIS 27.5 billion at the end of last year, annual growth rate of 14.6%.

Commission revenues amounted to NIS 516 million in the second quarter of 2024, compared to NIS 501 million in the corresponding period last year, an increase of 3.0%. Concurrently, operating and other expenses decreased by 12.7% and amounted to NIS 1,328 million in the second quarter of the year, compared to NIS 1,521 million in the second quarter of 2023.

As a result, in the second quarter of 2024 the Bank achieved a further improvement in its cost/income ratio, which reached a level of 34.6% compared to 38.1% in the corresponding quarter in 2023.

After examining the capital ratios of the Bank in various scenarios and according to the Bank's dividends policy, Mizrahi Tefahot Board of Directors resolved to distribute a dividend of 40% of the profit of the second quarter, as was the case in the first quarter of the year. The total amount of the dividend to shareholders in respect of the first two quarters of 2024 will be NIS 1,089.6 million: NIS 508.8 million in respect of the profit of the first quarter, and NIS 580.8 million in respect of the profits of the second quarter.

More than 10 months have passed since the outbreak of the war, and the Mizrahi Tefahot family yearns for the speedy return of all those kidnapped as well as our brave soldiers who risk their life on a daily basis protecting the country and its citizens. We send our best wishes for recovery to the thousands of wounded - civilians and soldiers, and hope, together with the entire people of Israel, that a settlement will soon be found that will allow the end of the war, the removal of all threats against the State of Israel, the return home of the tens of thousands of evacuees in the North and in the South, and the resumption of safe and peaceful normal life", says **the Bank's CEO, Moshe Lari**.

Mizrahi Tefahot Ltd.
Highlights of condensed financial statements
As of June 30, 2024 (NIS in millions)

Key balance sheet items

	June 30		Rate of Change
	2024	2023	in %
Loans to the public, net	337,698	316,925	6.6
Deposits from the public	373,579	345,191	8.2
Shareholders' equity (attributable to shareholders of the Bank)	29,464	25,814	14.1
Total assets	461,684	432,722	6.7

Profit and profitability

	Second quarter		Rate of Change
	2024	2023	in %
Total financing revenues before expenses with respect to credit losses	3,246	3,431	(5.4)
Commissions and other revenues	589	564	4.4
Total revenues	3,835	3,995	(4.0)
Expenses (income) with respect to credit losses	109	247	-
Operating and other expenses	1,328	1,521	(12.7)
Net profit attributable to shareholders of the Bank	1,452	1,398	3.9

Key financial ratios (in percent)

	June 30	
	2024	2023

Key performance benchmarks

Net profit return on equity:		
For the second quarter	19.9	22.0
For the six-month period	19.0	22.2
Deposits from the public to loans to the public, net	110.6	108.9
Ratio of Tier I equity to risk components	10.44	10.23
Leverage ratio	5.99	5.73
Liquidity coverage ratio (quarterly)	131	128
Cost-income ratio:		
For the second quarter	34.6	38.1
For the six-month period	35.1	37.8

Other information

Share price (in NIS) as of June 30	130.8	123.3
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