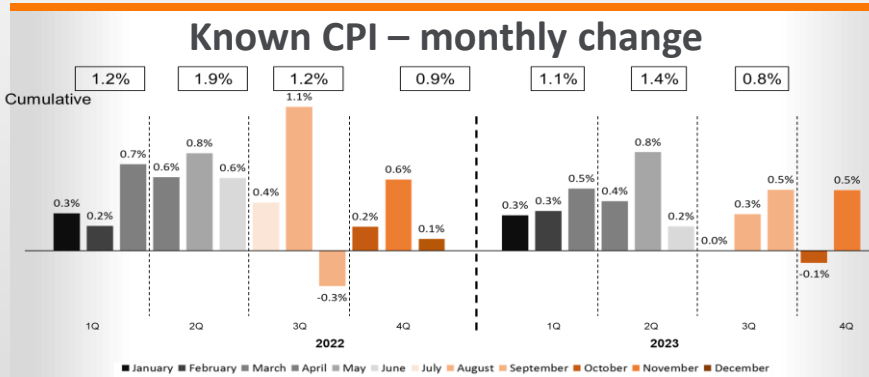
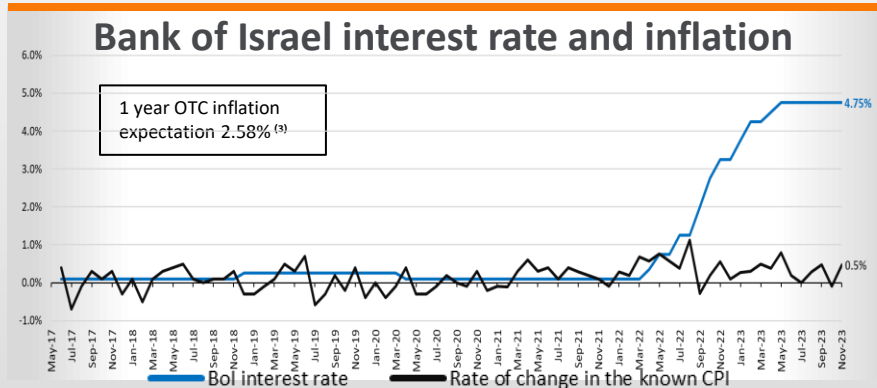
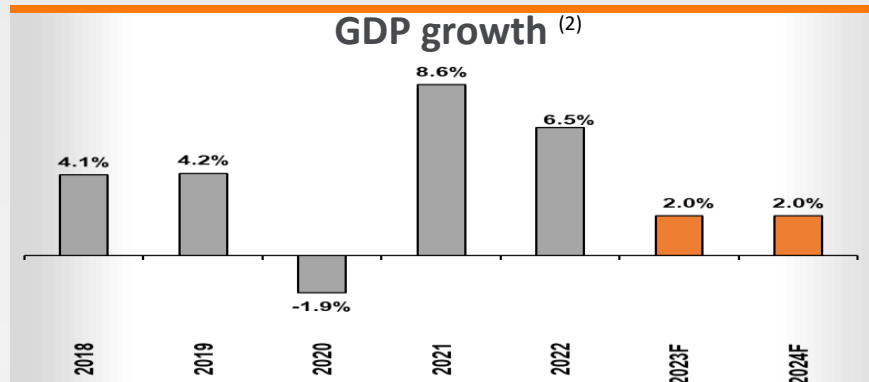
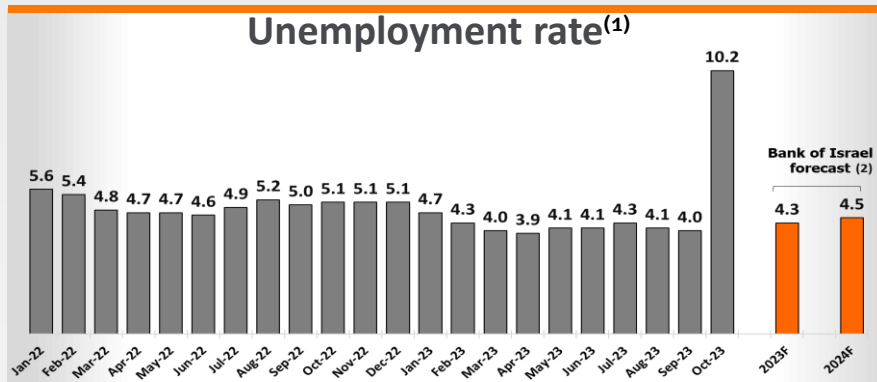




Financial statements

September 30, 2023

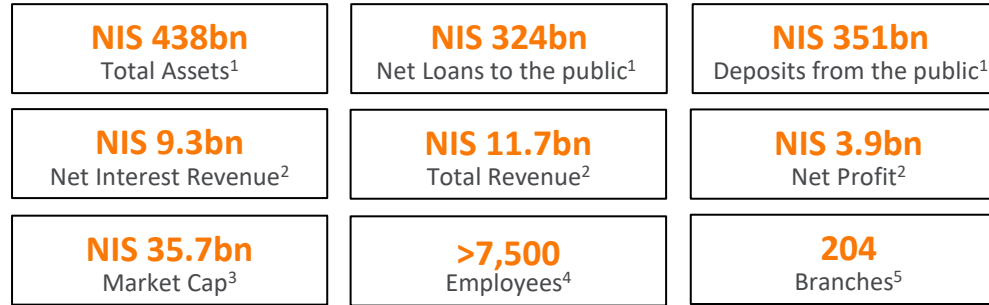
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- Accordingly, the information contained in this document is only partial, is not exhaustive and does not include the full details regarding the bank and its operations or regarding the risk factors involved in its activity and certainly does not replace the information included in the periodic, quarterly, annual or immediate reports published by the bank. In order to receive the full picture regarding the bank's 2023 quarterly reports, the aforesaid reports should be perused fully, as published to the public.
- None of the company, or any of their employees or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.
- The bank's results in practice may be significantly different from those included in the forecasting information, as a result of a large number of factors, including, inter alia, changes in the domestic and global equity markets, macro-economic changes, geo-political changes, legislation and regulation changes, and other changes that are not under the bank's control, which may lead to the estimations not realizing and/or to changes in the business plans.
- The forecasting information may change subject to risks and uncertainty, due to being based on the management's estimations regarding future events, which include, inter alia: global and local economic development forecasts, particularly regarding the economic situation in the market, including the effect of macro-economic and geo-political conditions; expectations for changes and developments in the currency and equity markets; forecasts related to other various factors affecting exposure to financial risks; forecasts with respect to changes to borrowers' financial strength, public preferences, changes in legislation and the provisions of regulators, competitors' behavior, the status of the bank's perception, technological developments and human resources developments.
- This document does not constitute an offer to sell, or a solicitation of an offer to buy, or a recommendation of any kind regarding any security or any interest in security.



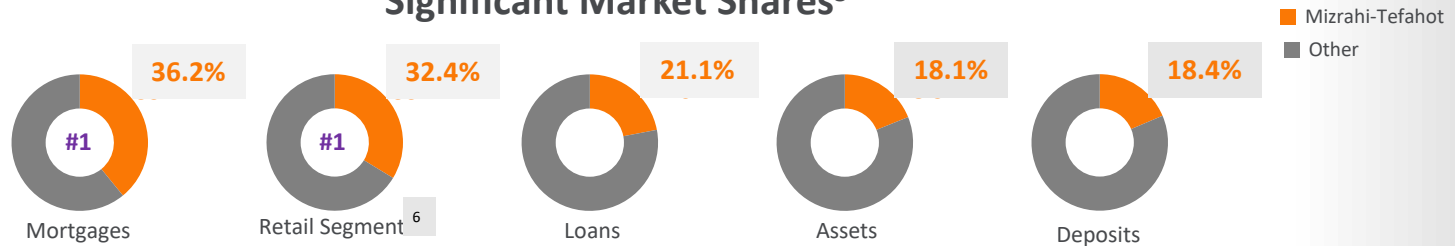
(1) Broad Unemployment Rate (general definition of unemployed, unemployed that ceased working due to dismissal or closing of their work place in the last two years and temporary absent from their work for the whole week due to economic reasons) (15 years old and above). (2) Bank of Israel forecast for 2023 – 2024 - annual average according to Bank of Israel research department forecast from November 27, 2023. Broad Unemployment rate, ages 25-64. (3) As of November 22, 2023



Leading Israeli Bank



Significant Market Shares⁵



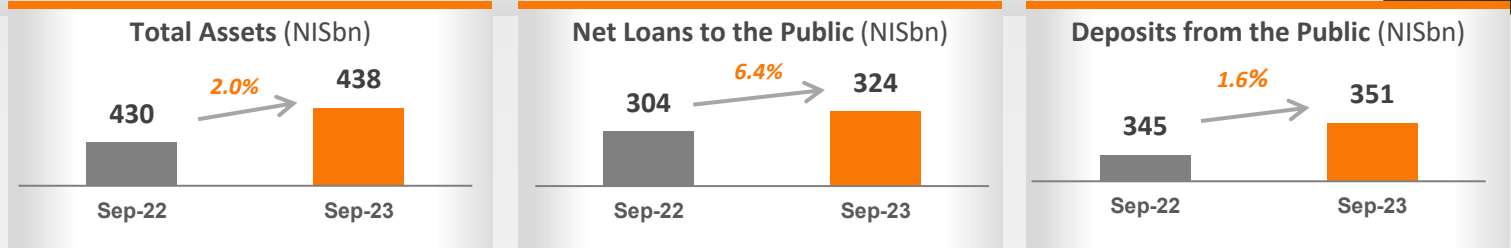
(1) As of September 30, 2023. (2) For 1-9/2023. (3) Tel Aviv Stock Exchange (as of Nov 22, 2023)

(4) Data through December 31, 2022 include 373 former Union Bank employees whose employment was terminated in early 2023.

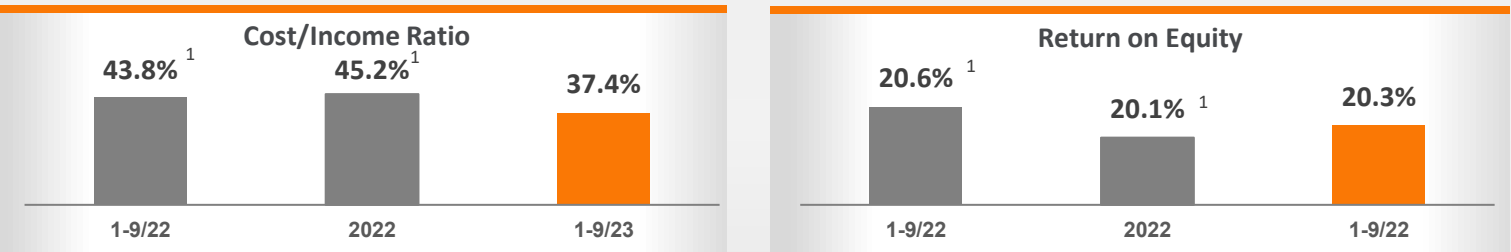
(5) As of December 31, 2022. (6) Market share in credit to Households and Private Banking segments (supervisory operating segments).



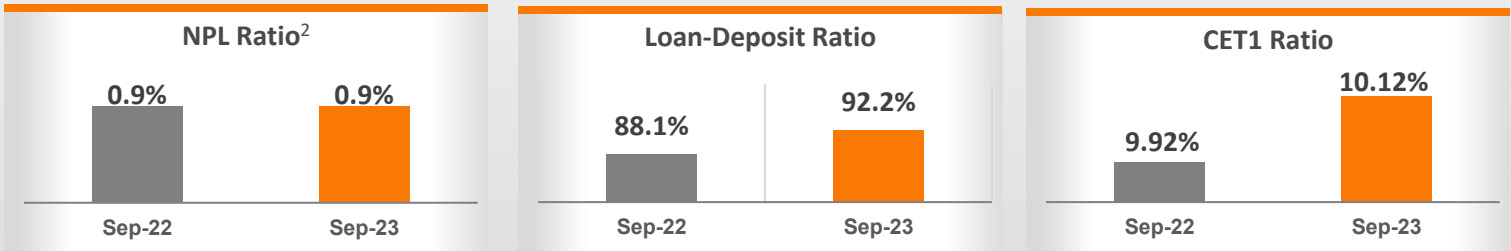
Balance Sheet Growth



Profitability



Asset Quality, Liquidity and Capitalisation



(1) Excluding effect of capital gain, net from sale of assets, ROE in the first nine months and full year 2022 is 18.9% and 19.0% respectively, and the cost/income ratio in the first nine months and full year 2022 is 45.5% and 46.4% respectively.

(2) NPL Ratio is calculated as Impaired Credit not Accruing Interest Income, divided by Gross Loans to the Public.

- *On October 7, 2023, after the balance sheet date, the Iron Swords war was declared following a sudden murderous rampage into settlements close to the Gaza Strip border. This was concurrently with the start of military escalation on the Northern border.*
- *The Bank is prepared to continue its operations and to provide service to its customers, including in war-affected zones, in as much as possible.*
- *The Bank takes part in the national endeavor and has announced the allocation of funds for charitable donations and assistance to civilians affected by the war, and has launched programs to provide relief to Bank customers, with emphasis on customers resident in war-affected regions.*
 - *The estimated amount allocated by the Bank for charitable donations, adoption of the town of Sderot and kibutz Kfar Aza and other benefits extended to the residents thereof is NIS 90 million.*
 - *The estimated value of relief and banking benefits extended to all Bank customers, beyond the aforementioned amount, is NIS 450 million, assuming full utilization of all benefits offered to the relevant population.*



Payment deferment due to the war (NIS in millions, as off November 24, 2023)

	No. of loans	Payment amounts deferred	Total credit to this segment ⁽²⁾	Payment amounts deferred to total credit
Large businesses	59	20	46,149	0.04%
Medium businesses	295	31	12,522	0.25%
Small businesses	12,014	504	35,676	1.41%
Private individuals	14,276	84	28,272	0.30%
Housing loans	19,957 ⁽¹⁾	523	204,852	0.26%
Total	46,601	1,162	327,471	0.35%

(1) No. of borrowers.

(2) As of September 30, 2023, before provisions.



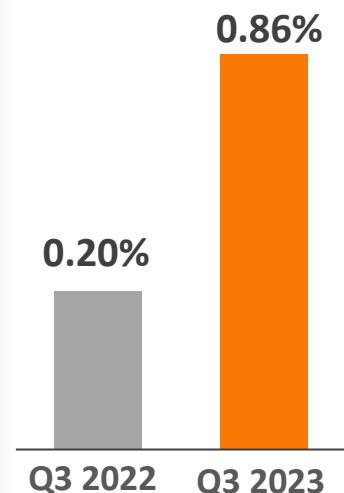
Segment	1-9/2023		1-9/2022		Q3/2023		Q3/2022	
	Provision	Rate of provision	Provision	Rate of provision	Provision	Rate of provision	Provision	Rate of provision
Housing loans	235	0.15%	88	0.06%	172	0.34%	36	0.07%
Business	671	0.97%	200	0.32%	403	1.75%	98	0.46%
Households	262	1.27%	53	0.26%	119	1.72%	21	0.31%
Total	1,168	0.48%	341	0.15%	694	0.86%	155	0.20%

The increase in provisions in the third quarter of 2023 is mostly due to group-based provision for credit losses, recognized so as to reflect the increase in credit risk in the market due to the war, though no material indicators of increase in this risk have been seen to date.

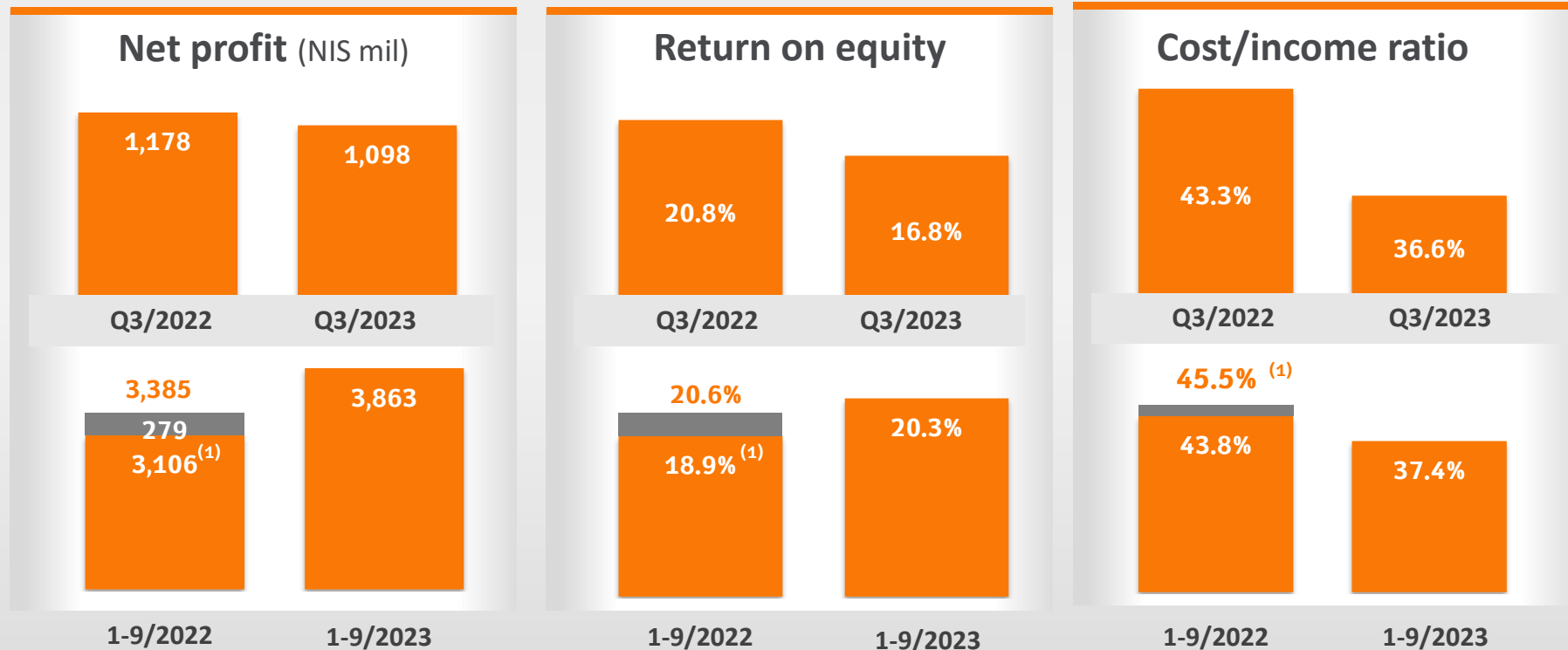
Expenses with respect to credit losses in the third quarter of 2023 amounted to NIS 694 million, of which NIS 616 millions are group expenses for credit losses, and NIS 78 million (0.10% of total loans to the public) are individual expense for credit losses.

In the first nine months of 2023 expenses with respect to credit losses amounted to NIS 1,168 million, of which NIS 935 millions are group expenses for credit losses, and NIS 233 million (0.10% of total loans to the public) are individual expense for credit losses.

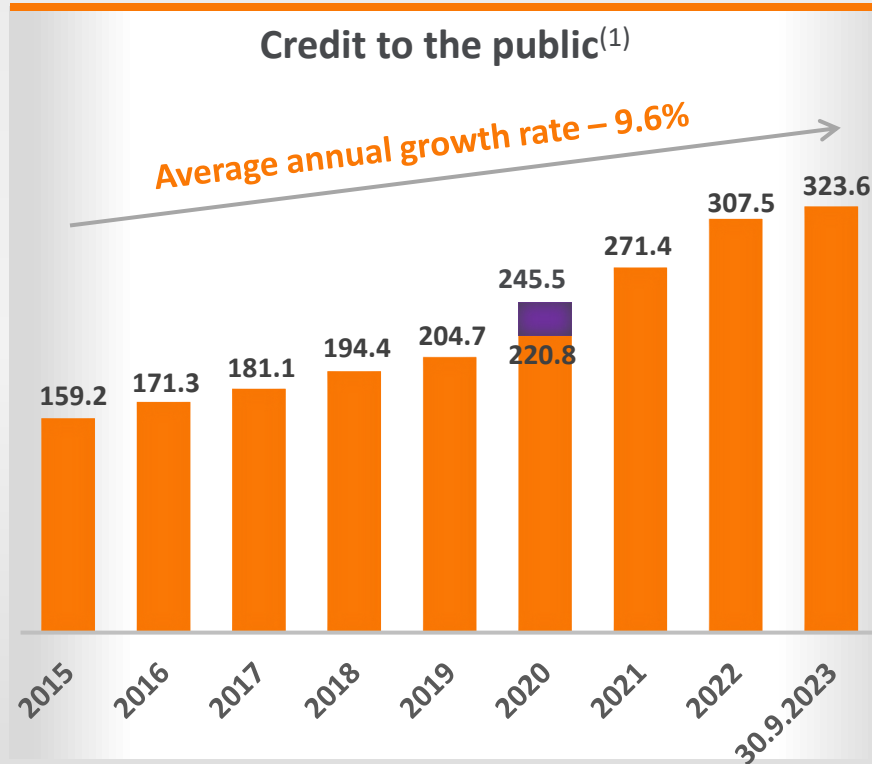
Provisions / loans to the public



- *The increase in provisions in the third quarter of 2023 is mostly due to adjustments made by the Bank to components of group-based provision for credit losses calculated on qualitative basis, recognized so as to reflect the increase in credit risk in the market due to the war started on October 7, 2023 with respect to customers resident in the conflict regions which may face difficulties, and to macro-economic and other developments which may affect everyone in Israel. This also reflects the risk potential due to customers who were granted deferment of their loan payments for a specified period, though no material indicators of increase in this risk have been seen to date.*
- *In order to establish the provision with respect to impact of the war, the Bank conducted independent sensitivity analysis of potential effects of deterioration in macro-economic parameters on default rates. The group-based provision recognized by the Bank with respect to uncertainty due to the war, is similar to total loss under the stress scenario of short-term decline by 7%-8% in GDP, a further 1% increase in Bank of Israel interest rate, an increase by 1%-2% in mortgage interest rate, and a rise in unemployment to 8%-9%. Under a stricter stress scenario reviewed by the Bank, loss was NIS 100 million higher than the provision recognized on the financial statements.*



(1) Excluding effect of capital gain, net from sale of assets.



(1) Net

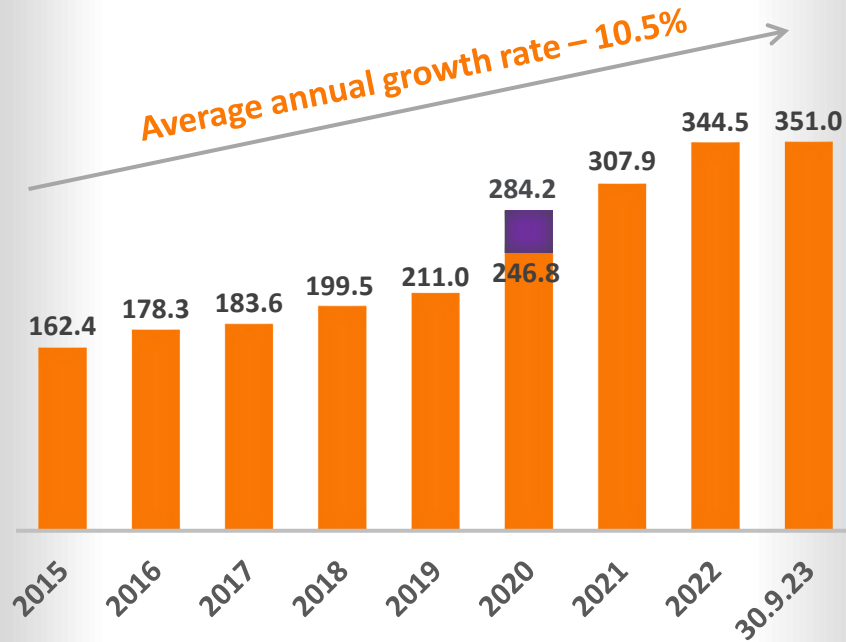
Business segment	30.9.23	30.9.22	% change in
Housing loans	203.7	192.7	5.7
Households + private banking	27.6	26.8	3.1
Total individuals	231.3	219.5	5.4
Total businesses ⁽²⁾	92.3	84.6	9.1
Total	323.6	304.1	6.4

Supervisory operating segments

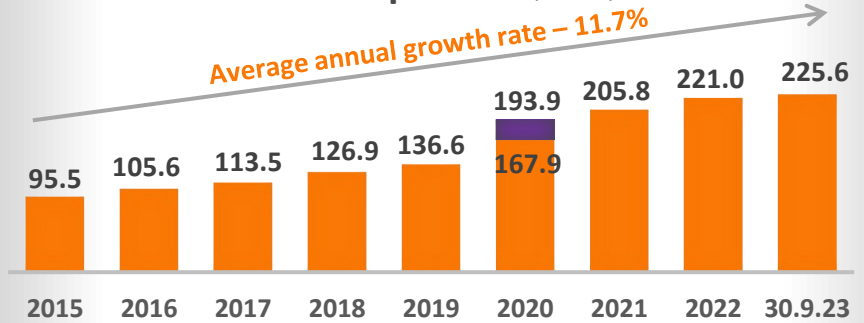
(2) Small and micro businesses, Medium businesses and Large businesses, Institutional investors and Overseas operations



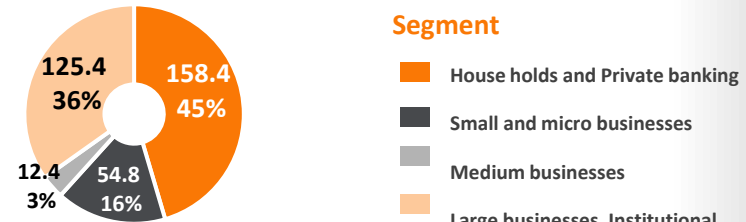
Deposits from the public (NIS bil)



Core deposits⁽¹⁾ (NIS bil)



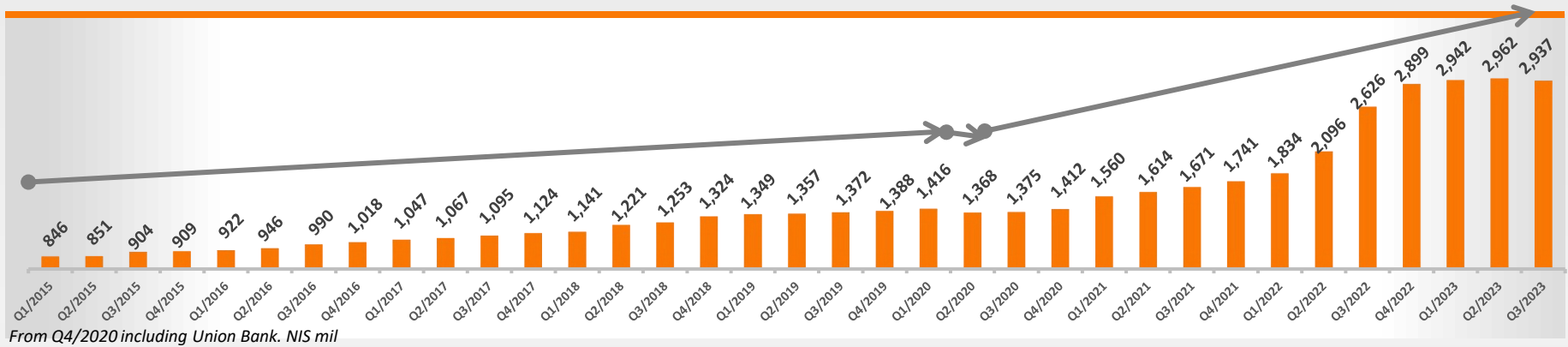
Deposits by segments



Total core deposits: NIS 225.6 bil

Share of core deposits: 64%

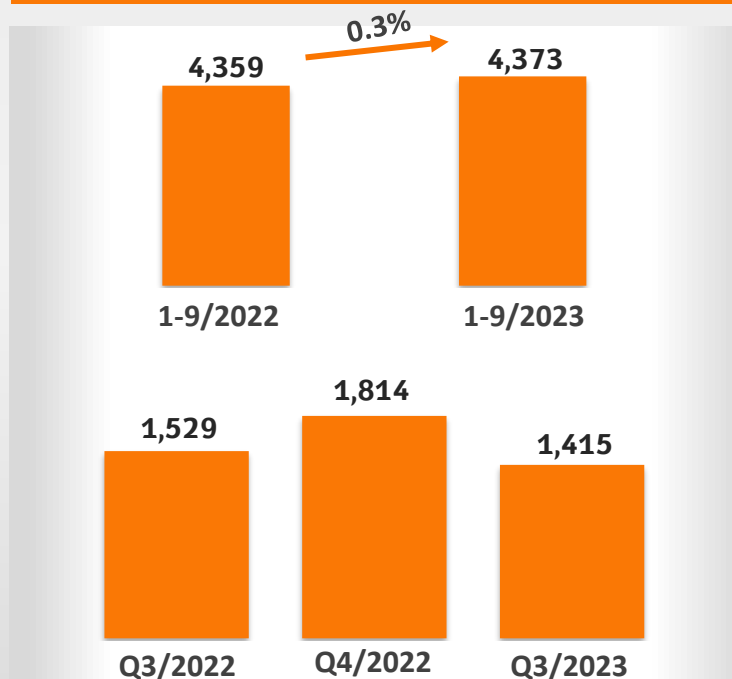
(1) Households/small and micro businesses/medium businesses



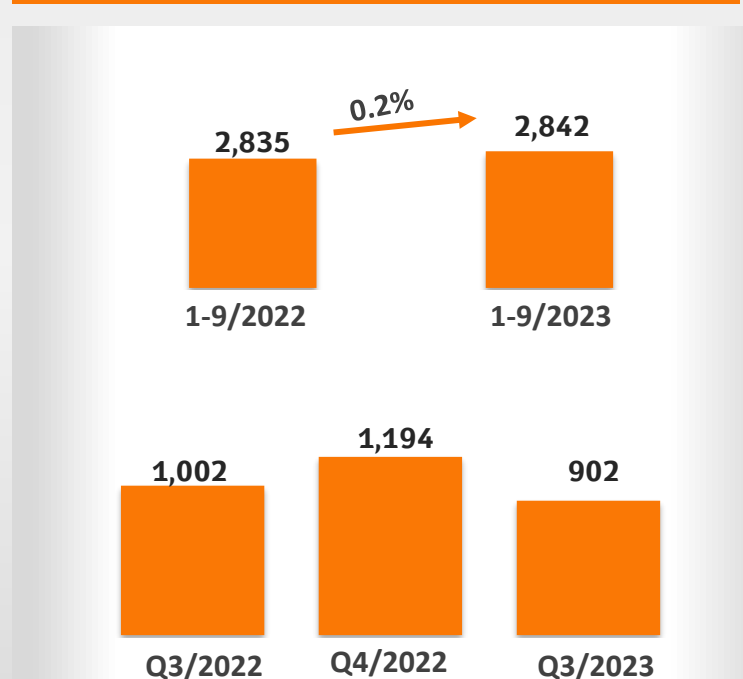
	1-9/2023	1-9/2022	Rate of change
Interest revenues, net	9,286	7,288	
Non-interest financing revenues	678	556	
Total financing revenues	9,964	7,844	27.0%
less:			
Effect of the Consumer Price Index	907	874	
Revenues from collection of interest on troubled debt	33	55	
Gains (losses) from bonds, shares and real investments	(34)	9	
Effect of accounting treatment of derivatives at fair value and others	217	350	
Total effects other than current operations	1,123	1,288	
Total financing revenues from current operations	8,841	6,556	34.9%



Operating and other expenses (NIS mil)

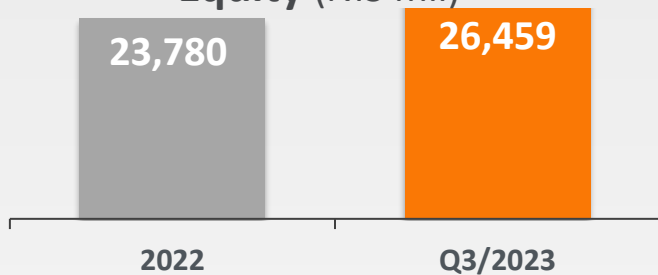


Salaries (NIS mil)

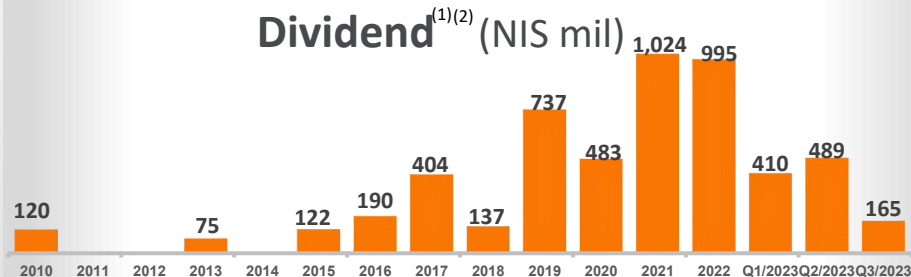




Equity (NIS mil)



Dividend⁽¹⁾⁽²⁾ (NIS mil)



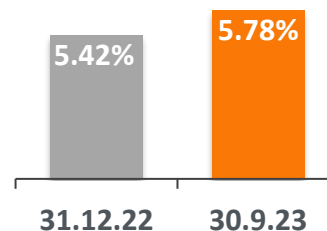
Dividend distributed for Q3/2023 at a rate of 15%⁽³⁾ of the net profit of that period

(1) For the relevant period.

(2) It is hereby clarified that there is no change to the Bank's dividend policy, as detailed in the report published by the Bank on April 27, 2021 (reference no. 2021-01-071448).

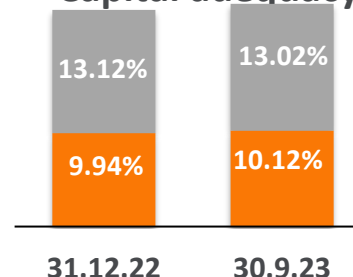
(3) Given the state of uncertainty in the economy regarding, inter alia, the continued war and the extent of its effects, and so as to enable further assistance to Bank customers, including by way of extending credit to customers with repayment capacity, and further to the Supervisor of Banks' letter on this matter dated November 12, 2023.

Leverage ratio



Capital adequacy

■ Total ratio



Bol minimum requirement:

12.50%

9.60%

12.50%

9.60%



Thank you