

The background image features a stack of Euro coins on the left, with a blue line graph overlaid. To the right, there is a bar chart with several vertical bars of varying heights. The entire scene is set against a blurred cityscape at night.

Financial statements

December 31, 2020

Disclaimer

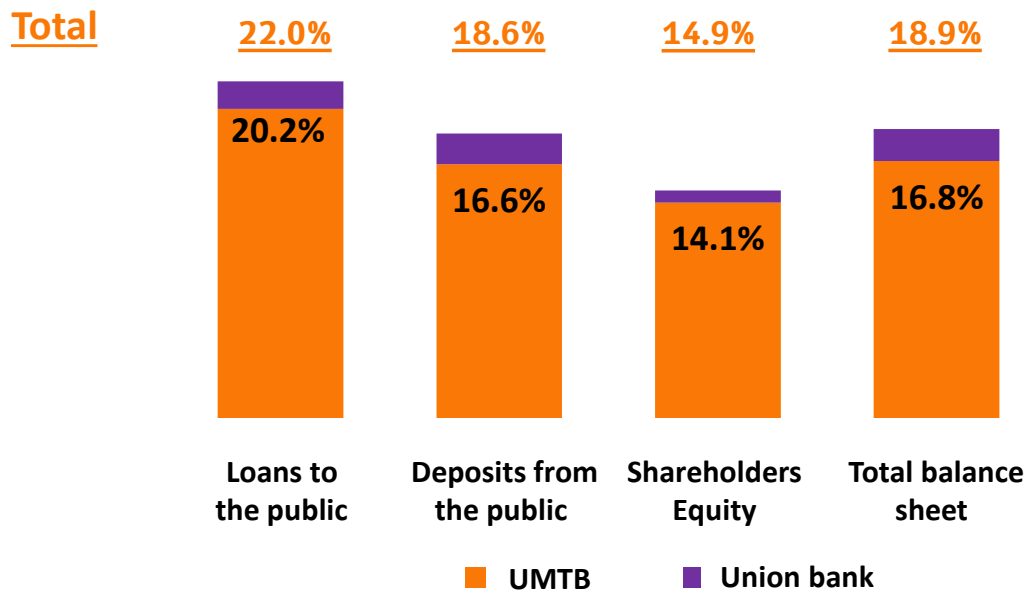
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Accounting effect of incorporation of **Union bank** into **UMTB's** consolidated financial reports

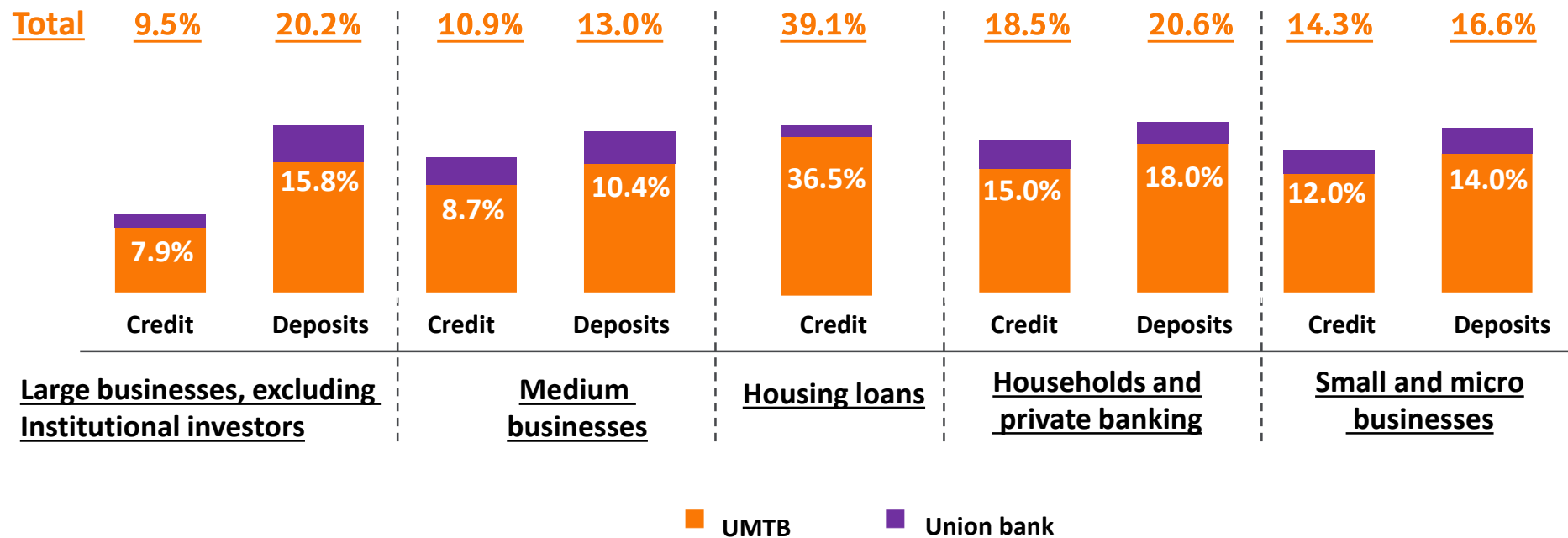


Deferred credit balance from acquisition of Union Bank (Negative Goodwill), after completion of the Purchase Price Allocation (PPA), amounts to approx. **NIS 1.2 billion**

Effect of **Union bank transaction** on market shares



Effect of **Union bank transaction** on market shares

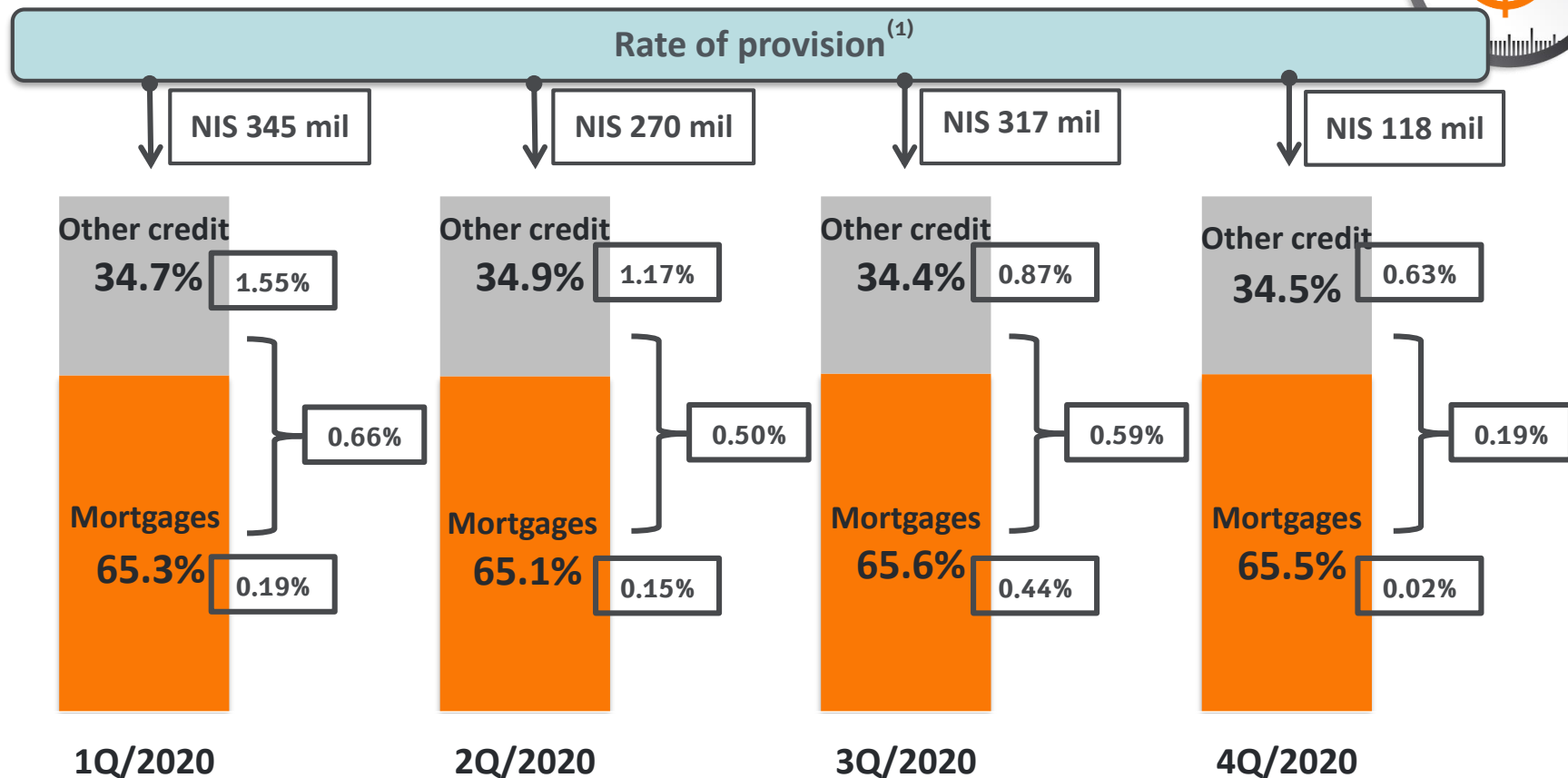


2020 – operation during Corona virus crisis



- After reducing the number of branches open to clients during the first lockdown (following the instruction of the Supervisor of Banks) - the Bank's branches were open in full layout.
- Operating the Bank's headquarter in capsules. Splitting units between locations.
- In order to break COVID-19 contagion chains the bank used monitoring and questioning tools. Applying quarantines when needed.
- Operating control, monitoring and reporting systems regarding business activities and risk parameters

Adjusting **provisions** to market conditions



(1) Excluding Union Bank

Adjusting provisions to market conditions

(NIS mil)



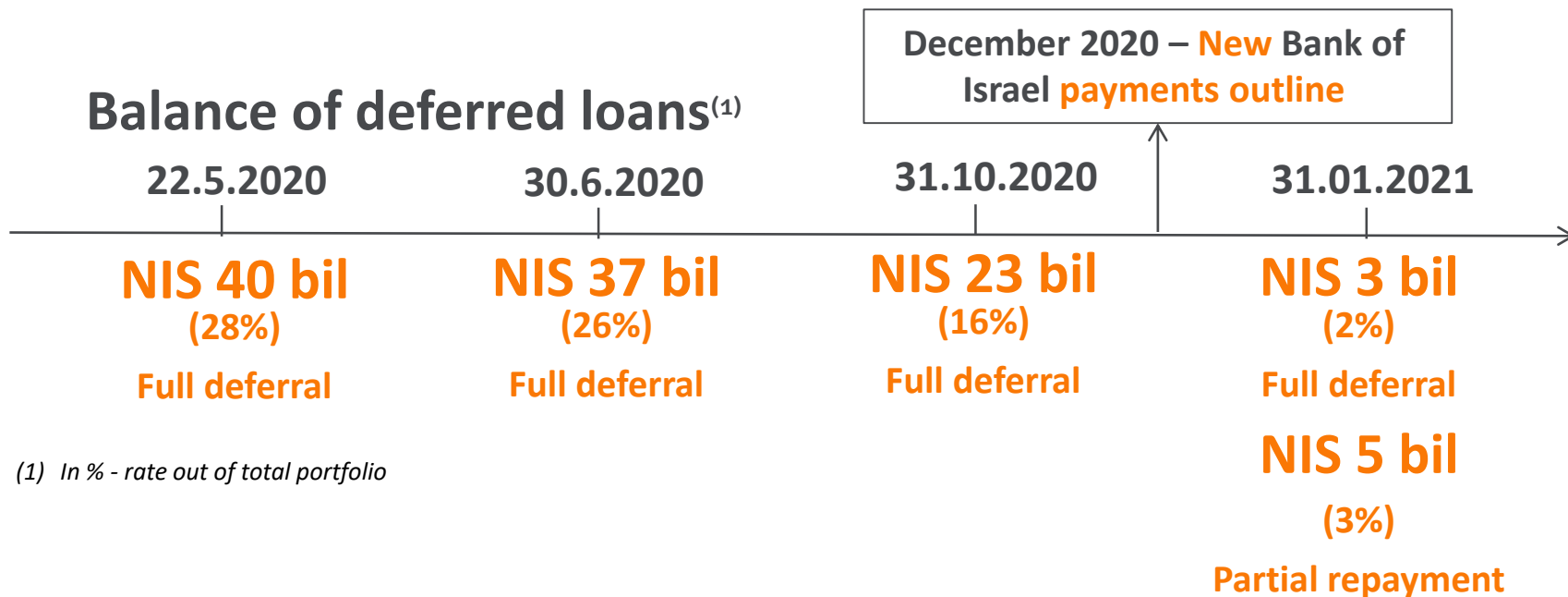
Applying a dynamic methodology suitable for developments throughout the year

Segment	2020		2019		Q4/2020		Q4/2019	
	Provision	Rate of provision	Provision	Rate of provision	Provision	Rate of provision	Provision	Rate of provision
Housing loans	279	0.18%	44	0.03%	7	0.02%	12	0.04%
Households and Private banking	136	0.53%	101	0.46%	14	0.22%	28	0.51%
Small and micro businesses	321	1.11%	166	0.80%	103	1.43%	56	1.08%
Medium businesses	136	1.44%	42	0.59%	36	1.54%	23	1.31%
Large businesses, Institutional investors and Overseas operations	177	0.68%	14	0.07%	(42)	(0.64%)	1	0.02%
Financial management	1	-	(3)	-	-	-	(1)	-
Total	1,050	0.43%	364	0.18%	118	0.19%	119	0.23%

Mortgages - return to orderly repayments of most of deferrals



Requested deferrals of housing loans since the outbreak of the Corona virus situation until today totaled NIS 46 bil

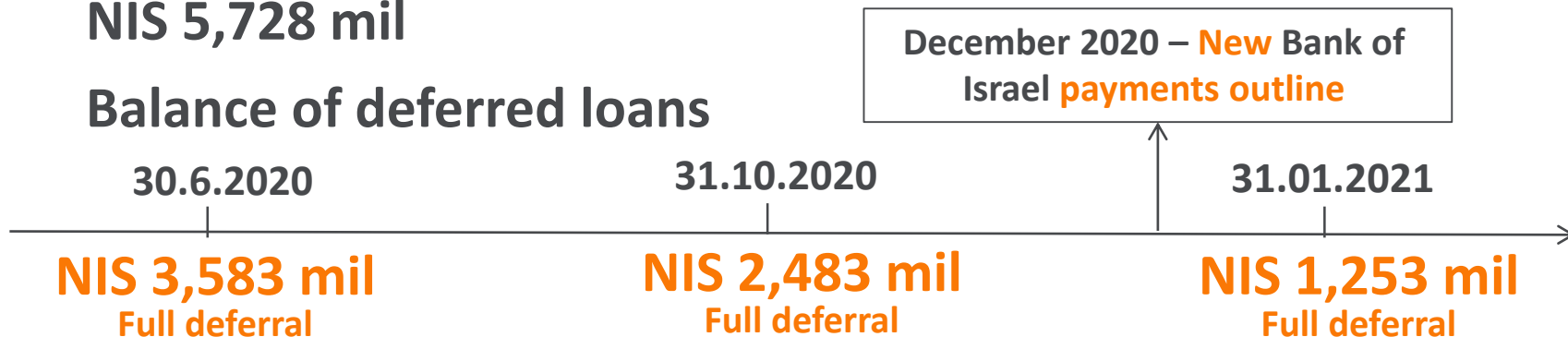


Commercial loans deferred



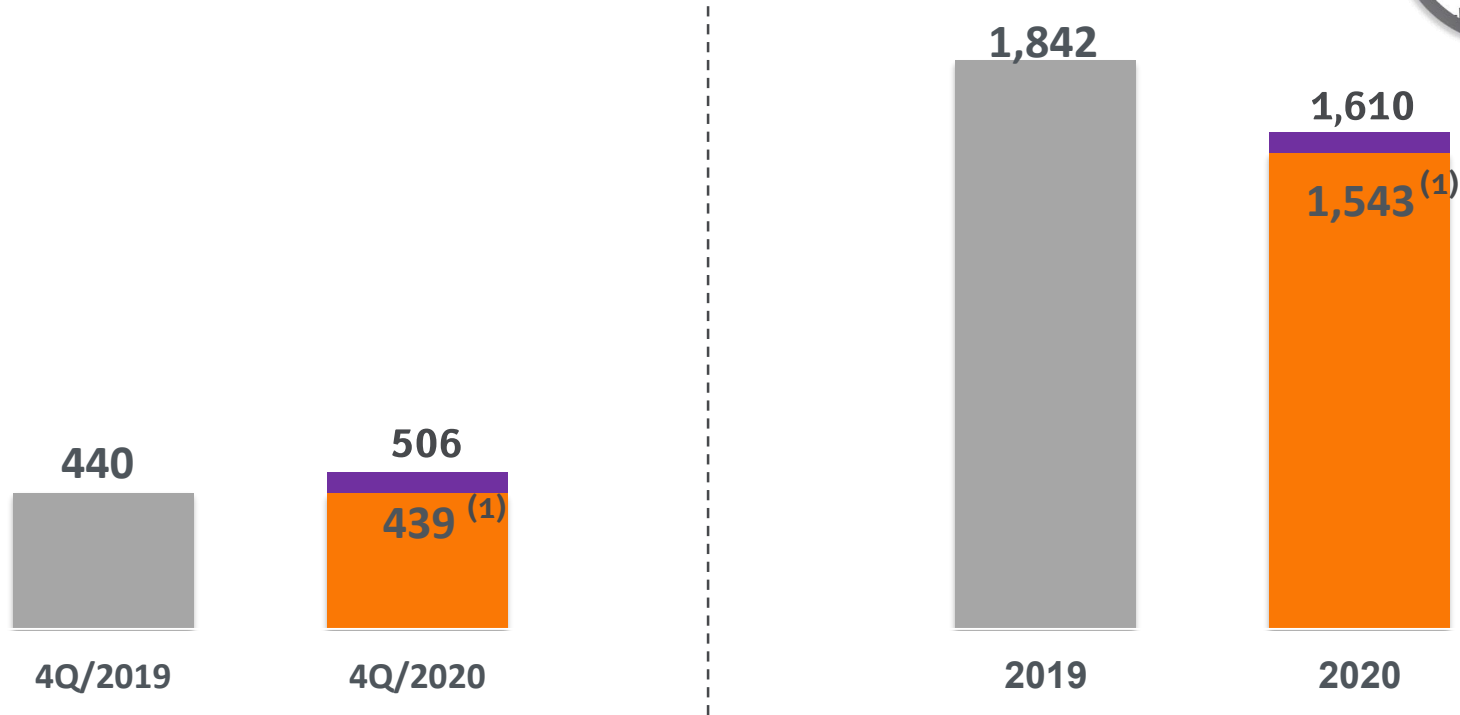
Requested deferrals of commercial loans since the outbreak of the Corona virus situation until today totaled NIS 5,728 mil

Balance of deferred loans



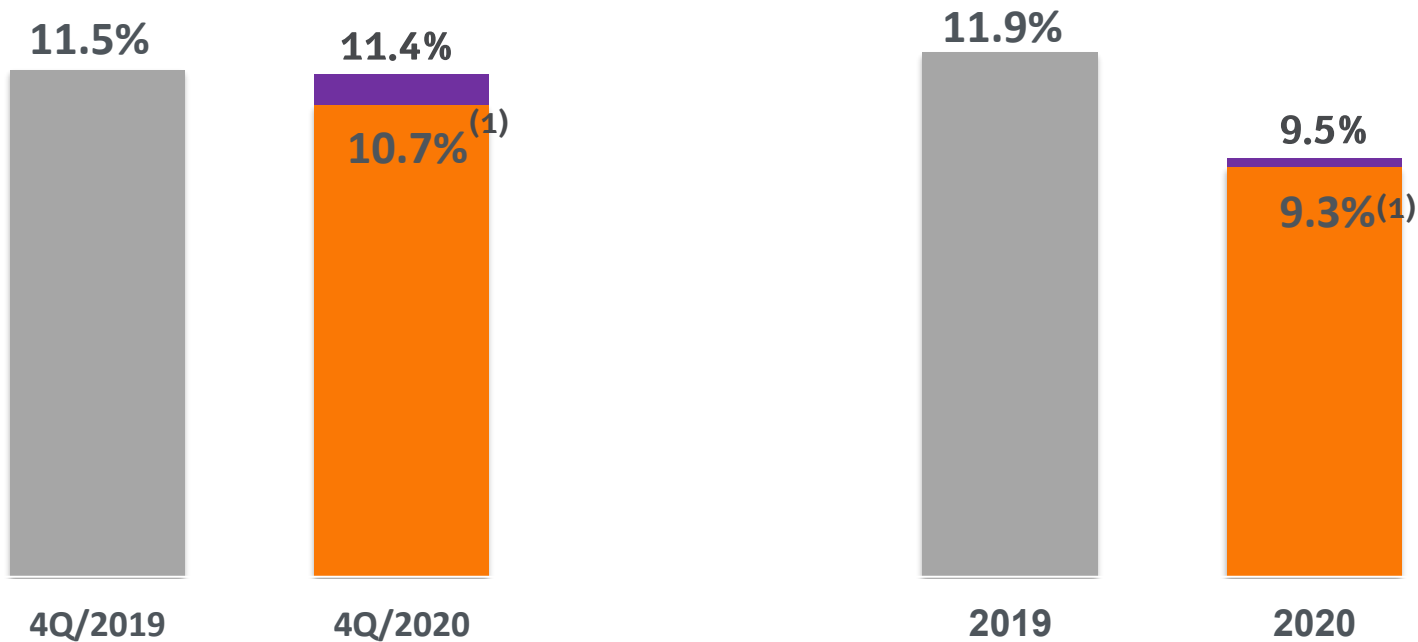
Net profit

(NIS mil)



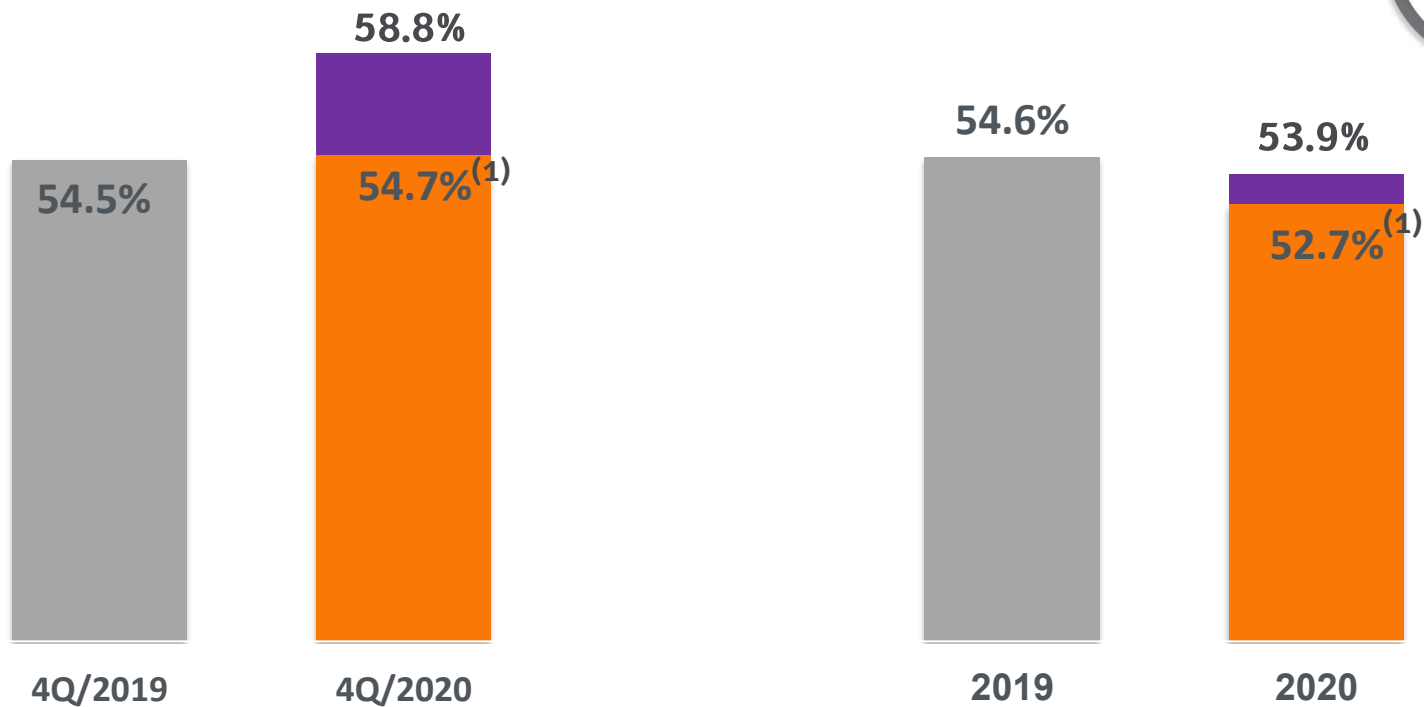
(1) Excluding profitability deriving from Union Bank transaction recorded in 4Q/2020

Return on equity



(1) Excluding profitability deriving from Union Bank transaction recorded in 4Q/2020

Cost/income ratio



(1) Excluding the effect of Union Bank transaction in 4Q/2020

Effect of **Union bank consolidation** on capital ratios



	2020	2019
Tier 1 capital adequacy	10.04%	10.14%
Total capital adequacy ratio	13.62%	13.88%
Leverage ratio	5.19%	5.55%
LCR	133%	121%
Deposits/loans ration	116%	103%

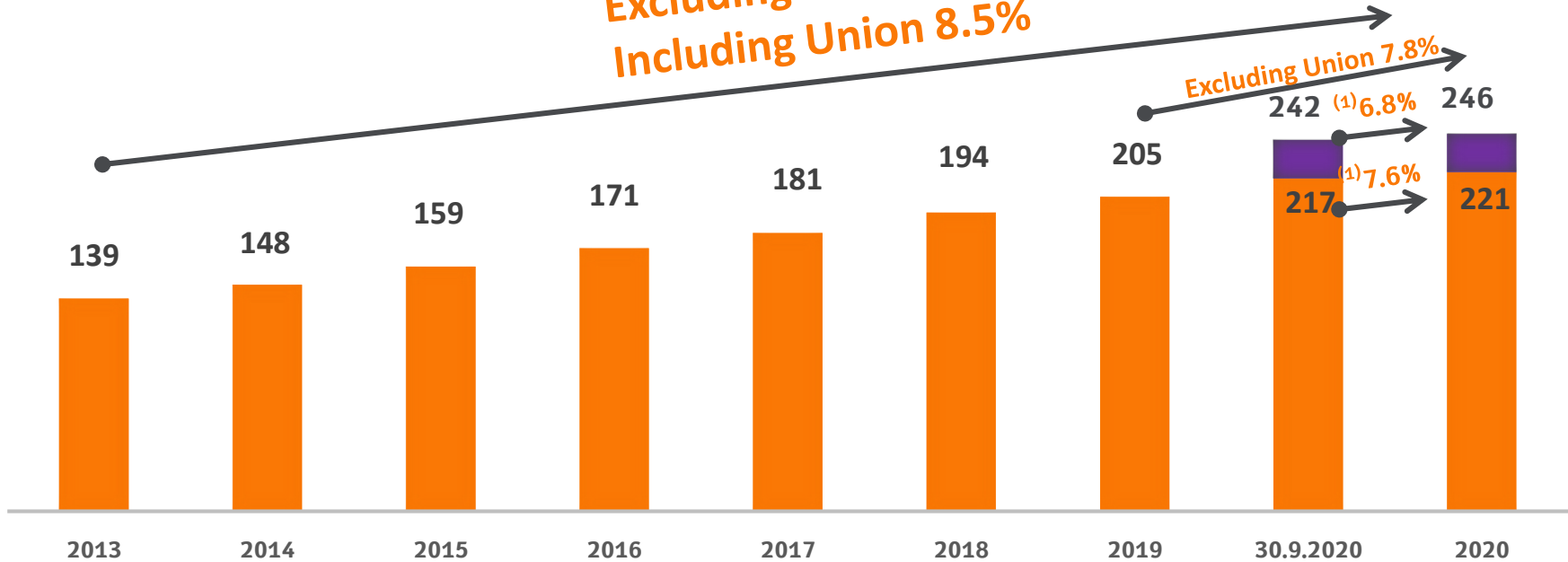
**According to the Bank of Israel the capital relief due to Corona virus crisis
will be extended until 30.9.2021**

Continuous loan growth

(NIS mil)



Average annual growth rate
Excluding Union 6.8%
Including Union 8.5%



Continuous loan growth led by business and mortgages

(NIS mil)



Business segment	31.12.20 Including Union	31.12.20 Excluding Union	30.9.20 Including Union	30.9.20 Excluding Union	31.12.19	% of change (31.12.20- 31.12.19 excluding Union)
Housing loans	155,422	145,043	152,362	142,155	134,637	7.7%
Households and Private banking	25,697	20,997	25,526	20,682	21,856	-3.9%
Small and micro businesses	28,948	24,146	27,911	23,436	20,857	15.8%
Medium businesses	9,427	7,611	9,410	7,441	7,063	7.8%
Large businesses, Institutional investors and Overseas operations	26,031	23,031	26,556	23,063	20,295	13.5%
Total	245,525	220,828	241,765	216,777	204,708	7.9%

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(NIS mil)



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54,803

48,215


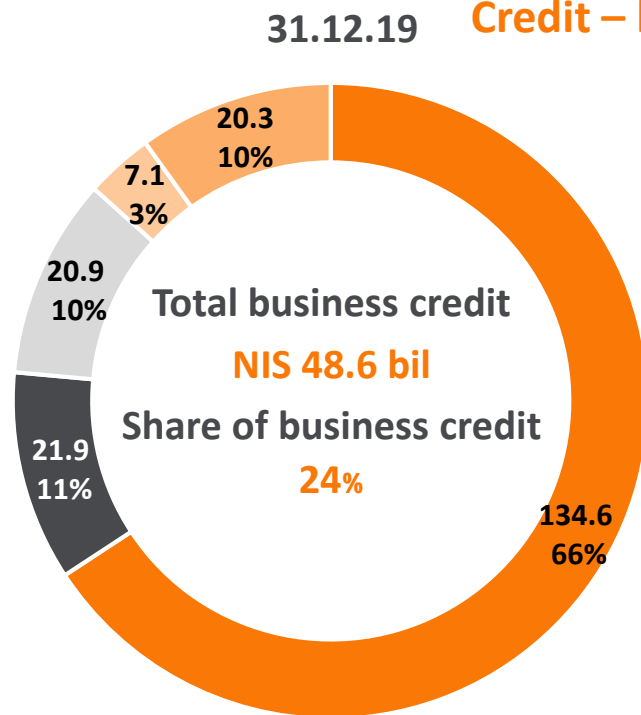
Annual growth rate of 14% in business loans (excluding Union)






Credit growth mainly in business segments*

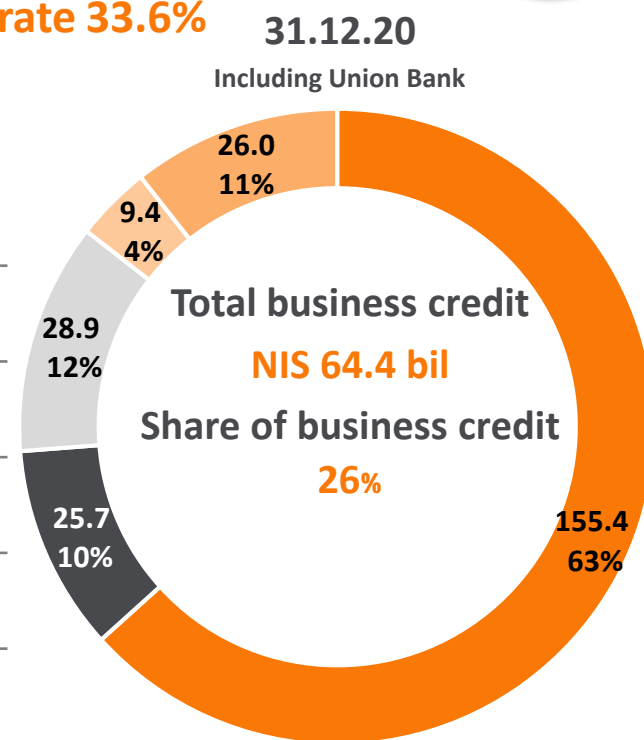


Credit to the public growth rate 19.9%

Credit – business segments growth rate 33.6%



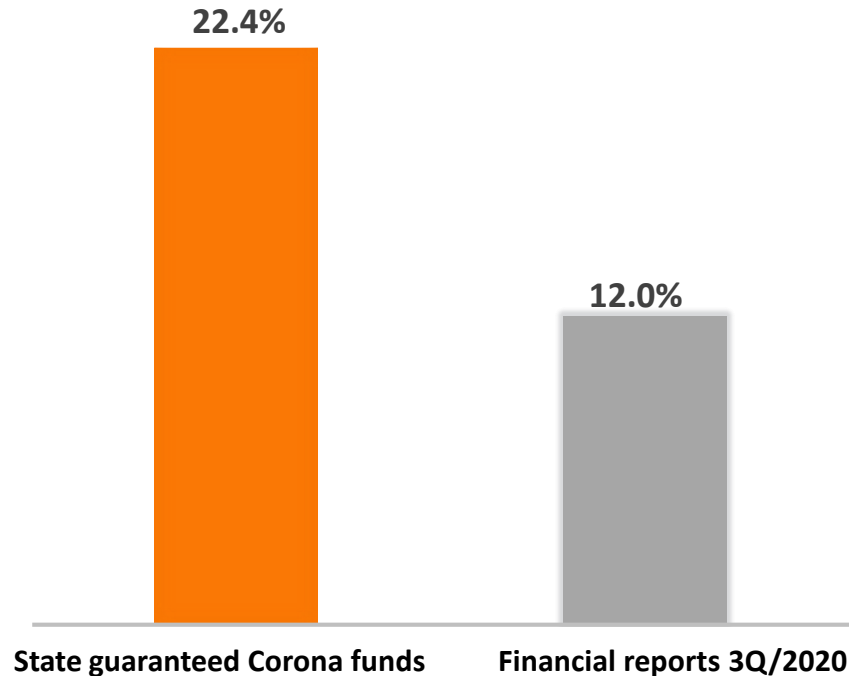
Segment		Rate of change
	Mortgages	15.4%
	House holds and Private banking	17.6%
	Small and micro businesses	38.8%
	Medium businesses	33.5%
	Large businesses, Institutional investors and Overseas operations	28.3%



Government guaranteed special Corona program – Bank's share higher than its market share



Market share of the Bank in Credit to small businesses



**Government
guaranteed Corona
program
for small and medium
businesses:**

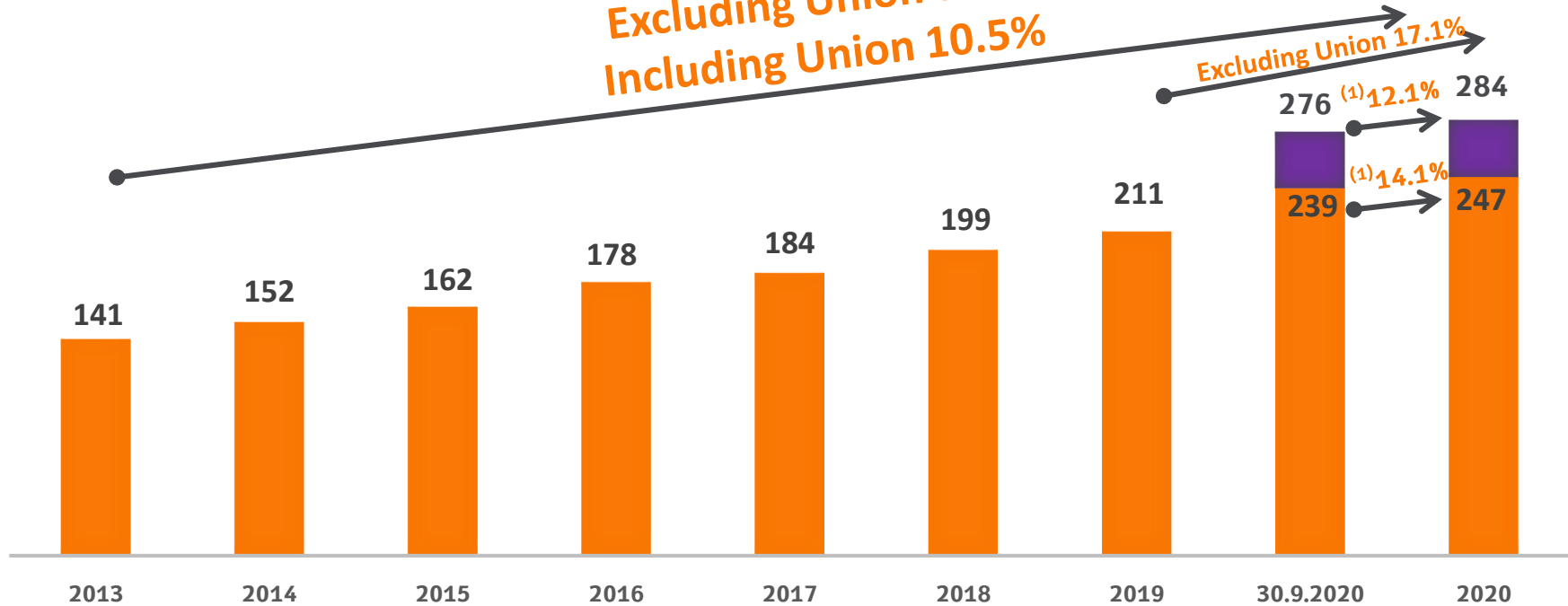
NIS 4.2 bil
(granted, as of January 31, 2021)

Continuous deposit growth

(NIS mil)



Average annual growth rate
Excluding Union 8.3%
Including Union 10.5%



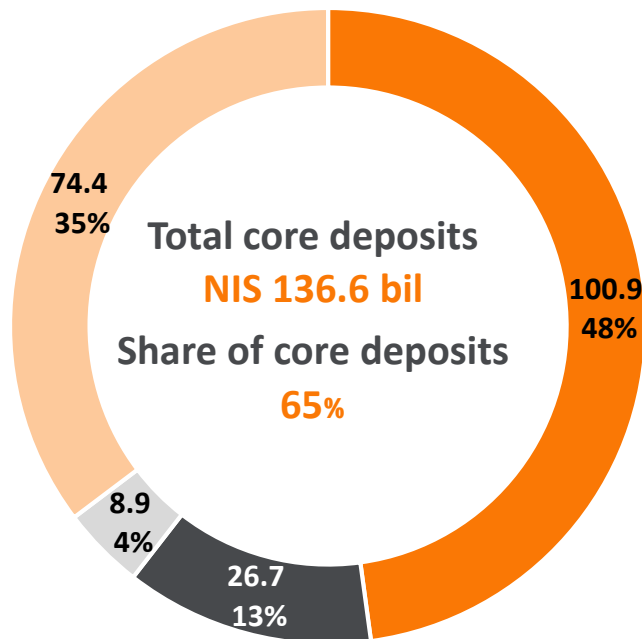
Growth of core* deposit

(NIS mil)



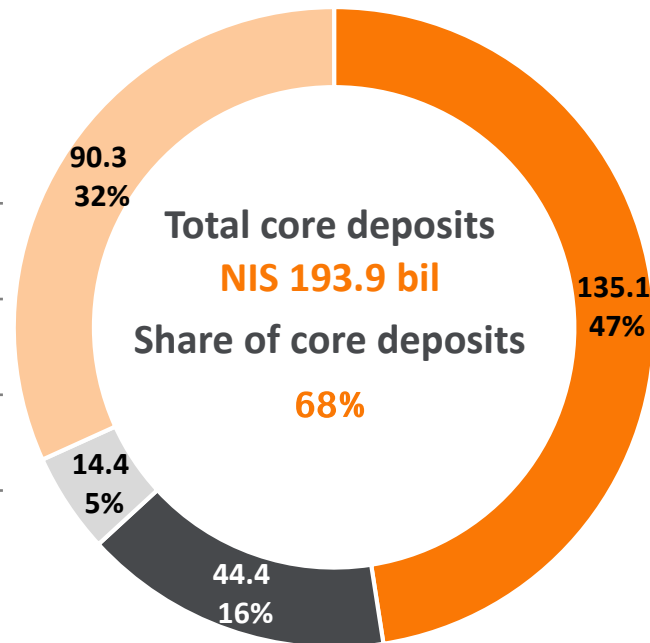
Deposits growth rate 34.7%
Core deposits growth rate 42.0%

31.12.19



31.12.20

Including Union Bank



Segment	Rate of change
House holds and Private banking	33.9%
Small and micro businesses	66.0%
Medium businesses	61.1%
Large businesses, Institutional investors and Overseas operations	21.3%

Financing revenues from current operations

continue to grow despite erosion in margins (NIS mil)



Bol rate:

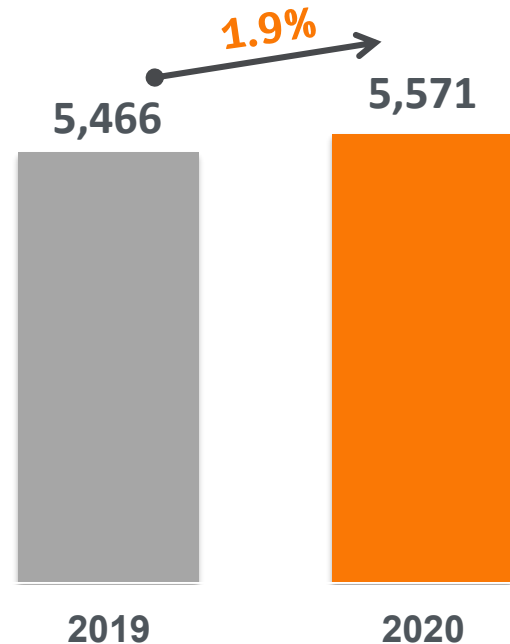
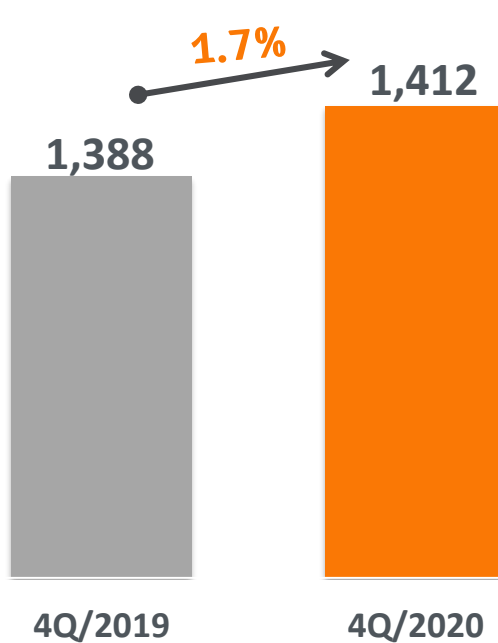
1-12/2019 0.25%

1-12/2020 0.14%

FED rate:

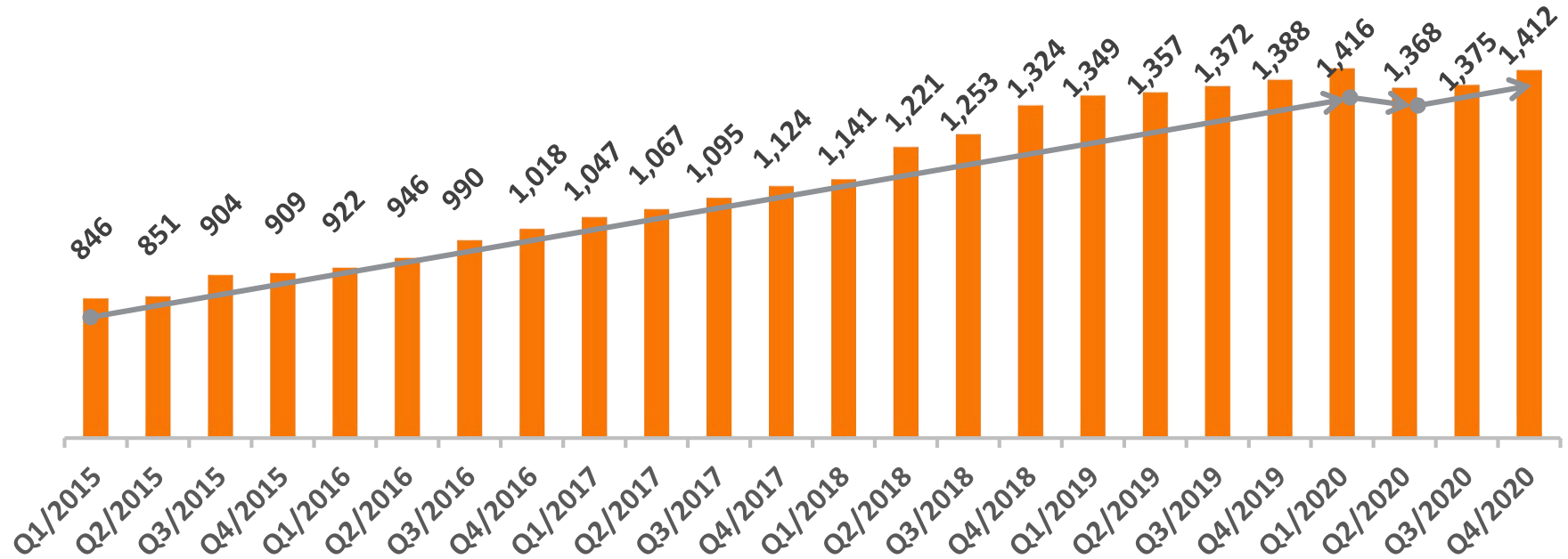
1-12/2019 2.33%

1-12/2020 0.38%



Return to growth in financing revenues from current operations

(NIS mil)



Increase in commissions

(NIS mil)



Led by the increase in activities involving securities, financing transactions and translation differences

	2020 Including Union	2020 Excluding Union	2019	Rate of change (2020 excluding Union)
Account management	356	345	360	-4.2%
Activities involving securities	282	267	193	38.3%
Translation differences	255	244	221	10.4%
Commissions from financing transactions	231	237	208	13.9%
Credit cards	190	184	190	-3.2%
Life and home insurance distribution commissions	115	115	124	-7.3%
Other commissions	236	218	239	-8.8%
Total	1,671	1,610	1,535	4.9%

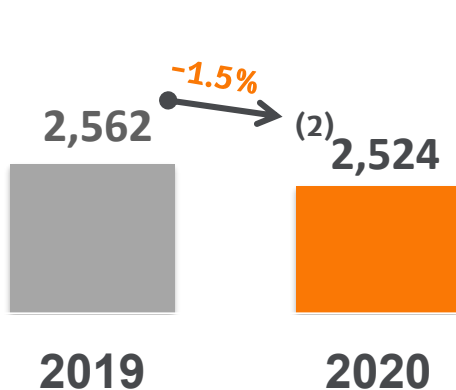
Expenses

(NIS mil)

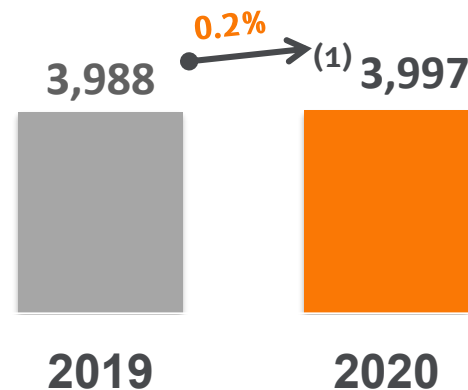


Annual growth target according to the strategic plan – 6%

Salaries



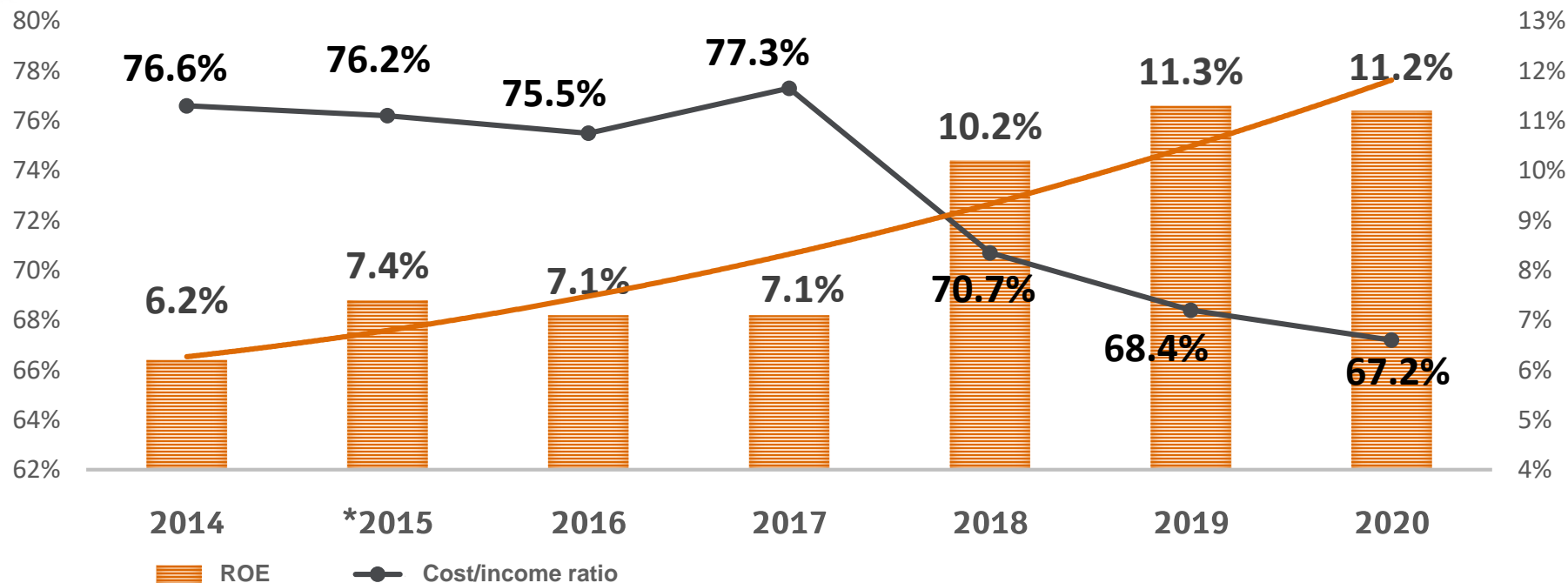
Operating and other expenses



(1) Including operating and other expenses for Union Bank for 4Q/2020 of NIS 4,279 mil, an increase of 7.3% compared to 2019

(2) Including salaries expenses for Union Bank for 4Q/2020 of NIS 2,644 mil, an increase of 3.2% compared to 2019

Bank Yahav business results continue to improve



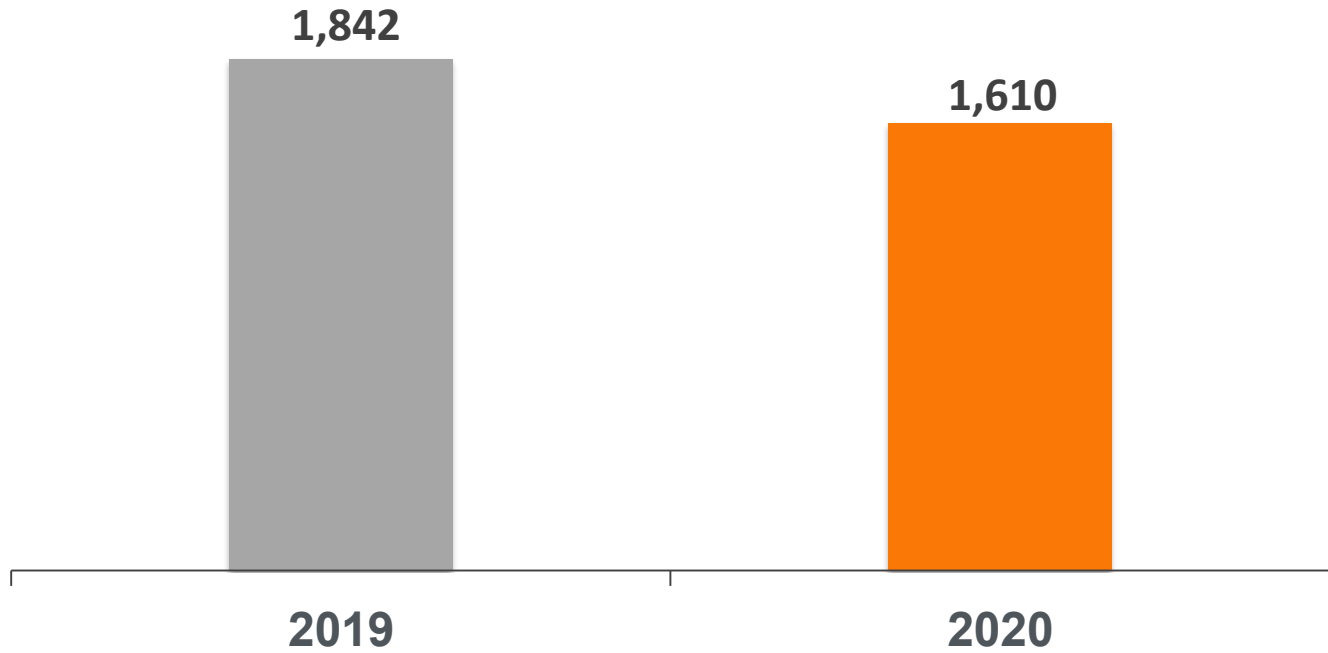
* 2015 results exclude extraordinary profit from capital market activity, the non-adjusted ROE is 11.3%, and cost/income ratio of 68.1%

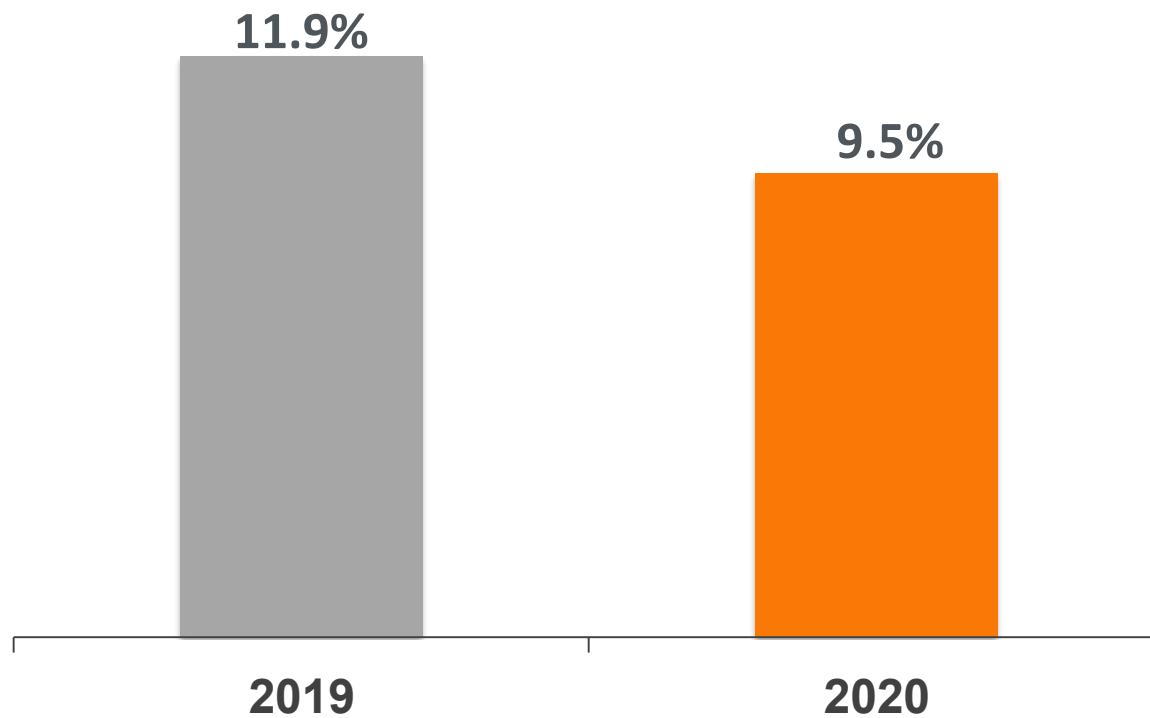


Financial Statements

Net profit

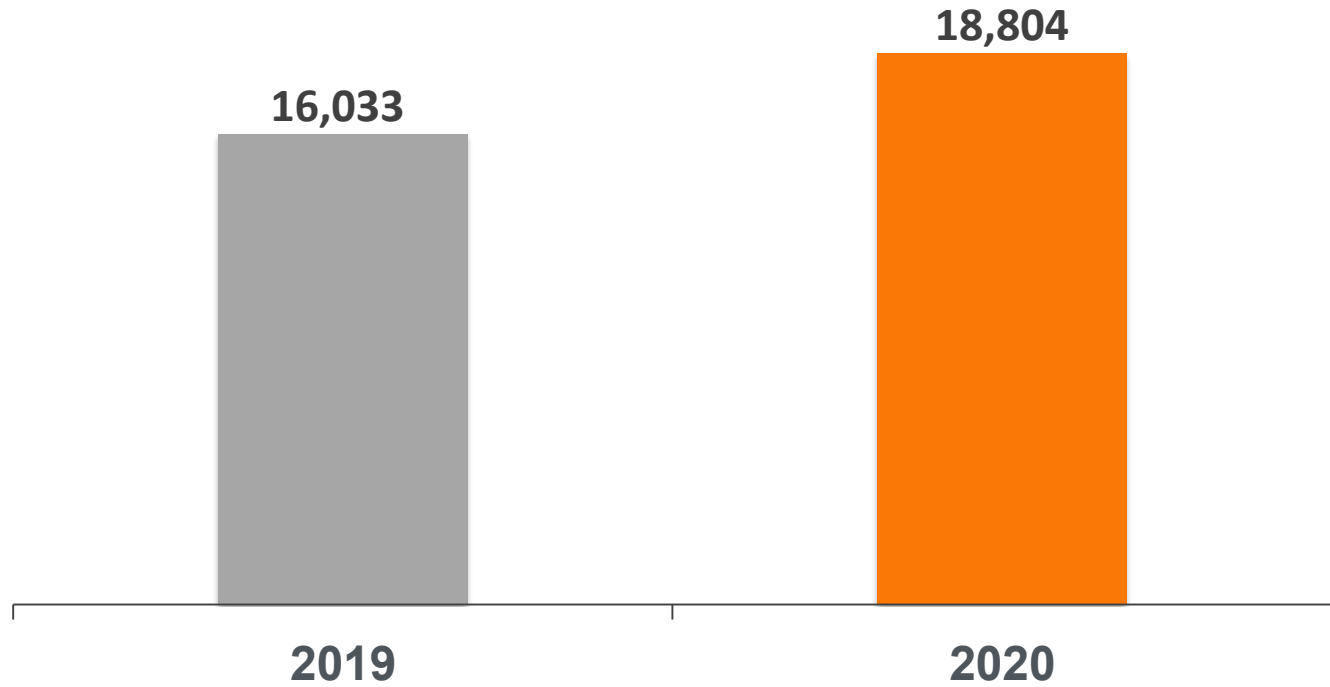
(NIS mil)





Equity

(NIS mil)



Condensed P&L report

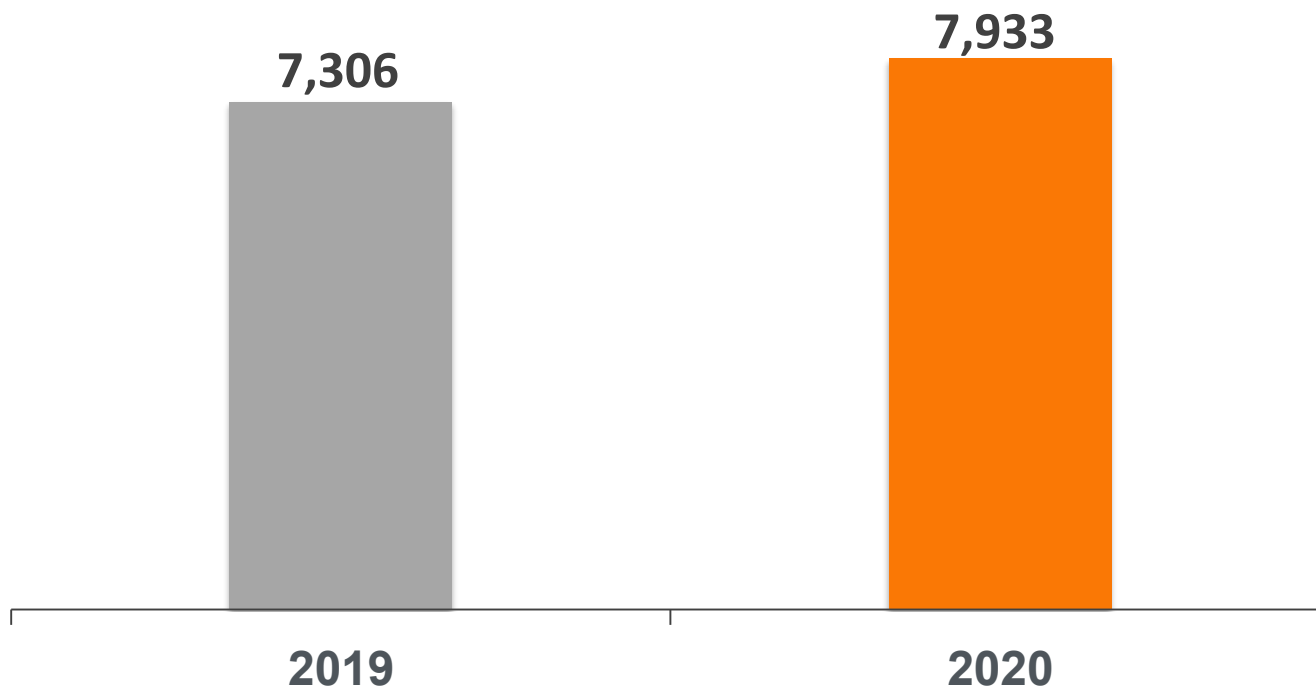
(NIS mil)



	2020	2019	Rate of change (%)
Interest revenue, net	5,820	5,340	9.0
Non interest revenues	2,113	1,966	7.5
Total	7,933	7,306	8.6
Expenses with respect to credit losses	1,050	364	188.5
Operating and other expenses	4,279	3,988	7.3
Net profit	1,610	1,842	(12.6)

Total revenues

(NIS mil)



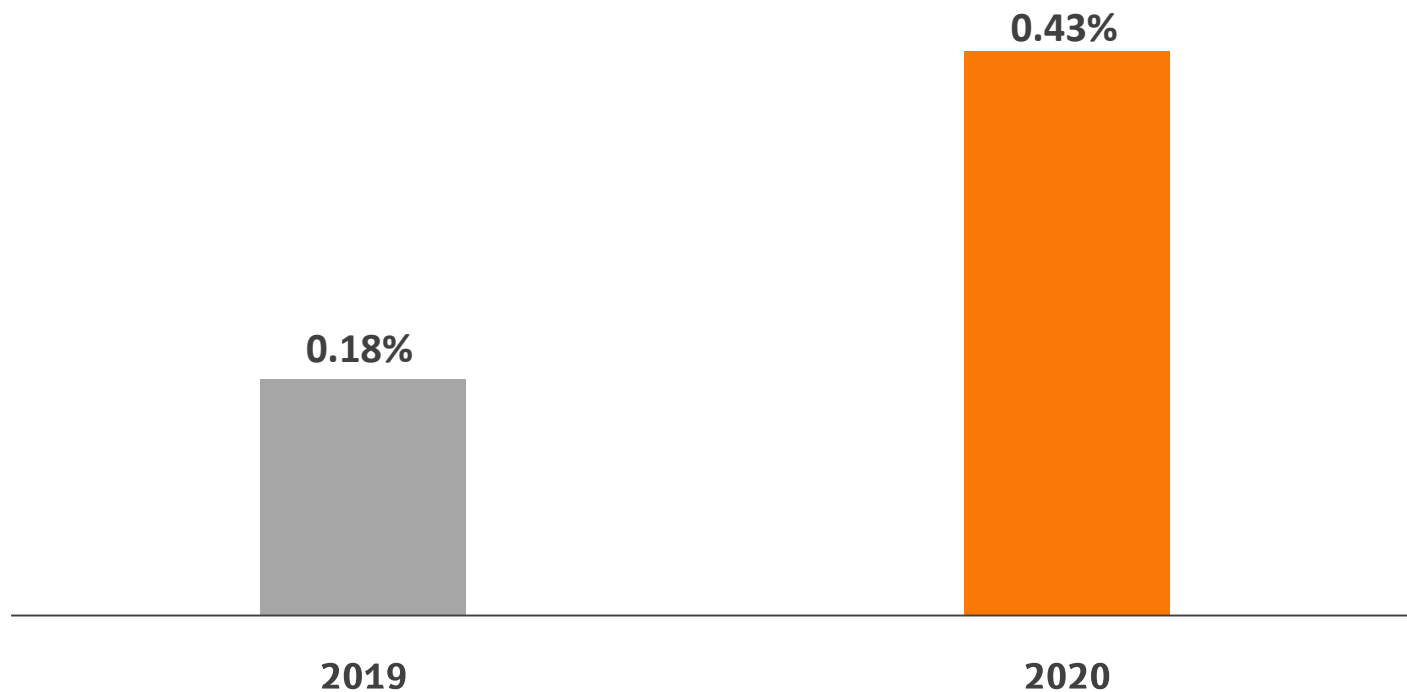
Financing revenues

(NIS mil)



	2020	2019	Rate of change (%)
Interest revenues, net	5,820	5,340	
Non-interest financing revenues	221	357	
Total financing revenues	6,041	5,697	6.0
Less: Linkage differentials with respect to CPI position	(105)	76	
Revenues from collection of interest on troubled debt	39	44	
Gain from debentures	97	46	
Effect of accounting treatment of derivatives at fair value and others	204	65	
Excluding Bank Igud financing revenues	235	-	
Total effects other than current operations	470	231	
Total financing revenues from current operations	5,571	5,466	1.9

Provisions / loans to the public



Operating and other expenses

(NIS mil)



	2020	2019	Rate of change (%)
Salaries	2,644	2,562	3.2
Building and equipment maintenance and depreciation	871	770	13.1
Others	764	656	16.5
Total	4,279	3,988	7.3

Total balance sheet items development

(NIS mil)



	31.12.2020	31.12.2019	Rate of change (%)
Total balance sheet	360,140	273,244	31.8
Loans to the public, net	245,525	204,708	19.9
Deposits from the public	284,224	210,984	34.7
Securities	17,290	10,113	71.0
Equity	18,804	16,033	17.3

Capital adequacy

