

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

# Financial statements

June 30, 2020

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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 or immediate reports published by the bank. In order to receive the full picture regarding the bank's 2020 quarterly reports, the aforesaid reports should be perused fully, as published to the public.
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- 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.
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# Continuous growth in UMTB's core activities



Continuous growth in **credit**



Significant growth in **deposit gathering**



Notable execution of credit in **government guaranteed funds**



Increase in **commissions**



Controlling **operating expenses**, with emphasis on **salaries**

# Working under **Corona virus crisis**



Extensive  
operational  
preparation which  
enabled  
appropriate service  
to bank customers

- Splitting of units
- Remote operation from home
- Servicing clients through a mobile branch

Response to  
customers in  
light of social  
distancing  
limitations and  
the economic  
situation

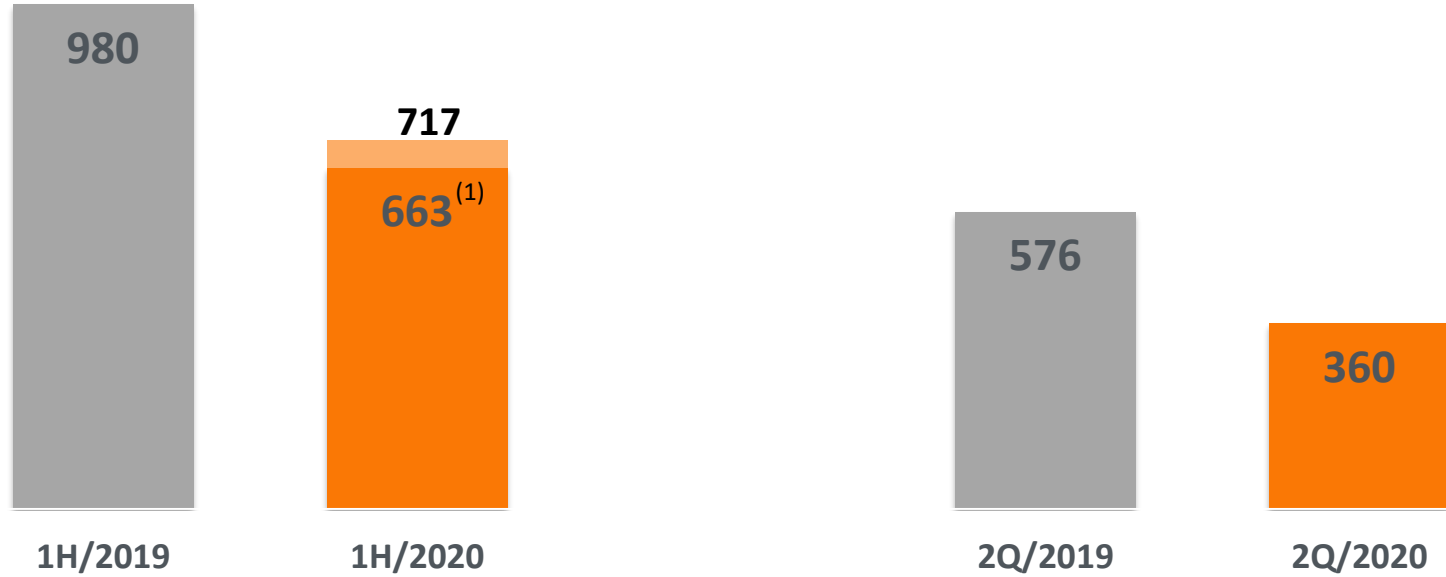
- Deferral of monthly repayments and updating of payment schedules in business, retail and mortgage loans
- Launching new products: “mortgage at your own pace” and “retirement mortgage”

Leveraging  
business  
opportunities

- Core deposits gathering
- Government-guaranteed loans
- Leveraging the bank’s operational capabilities proven during the crisis period, to continue to recruit quality customers and improve operational efficiency

# Net profit

(NIS mil)

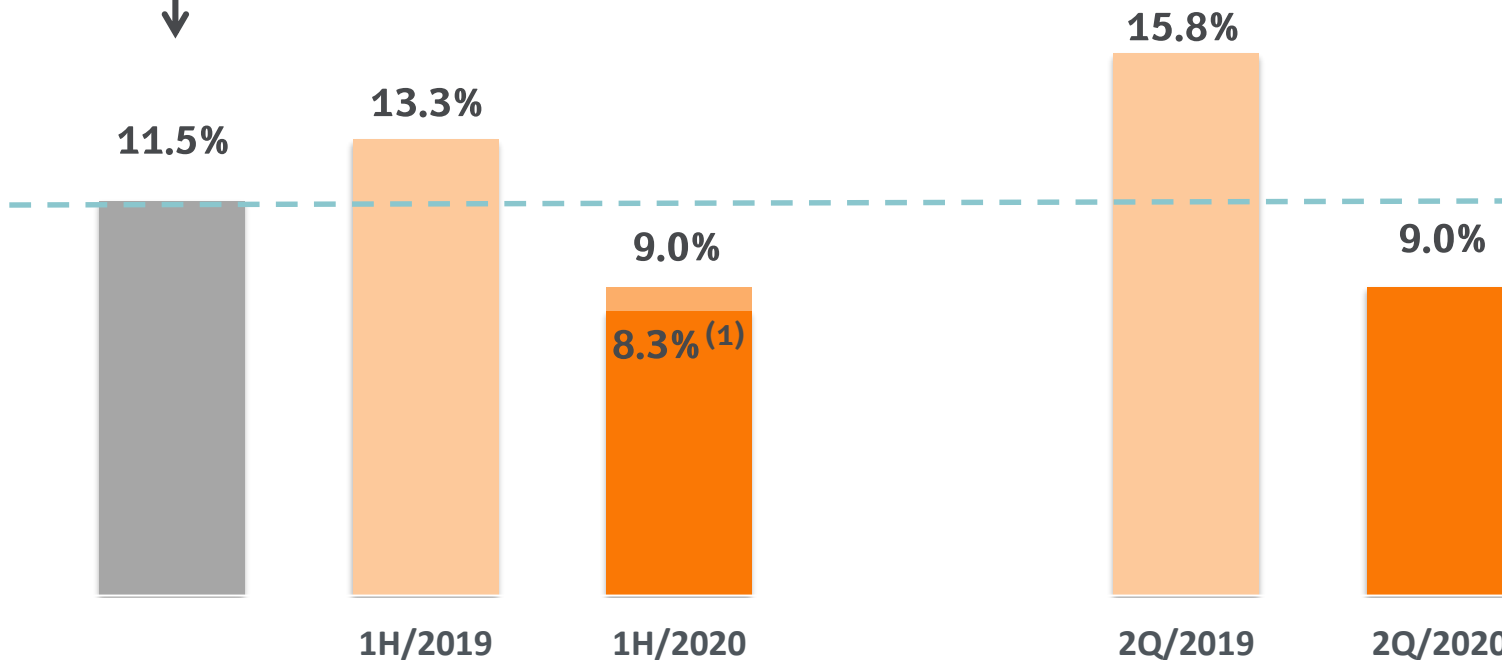


(1) Excluding revenues amounting NIS 82 million (net of taxes NIS 54 million) with respect to agreement with insurers to conclude derivative proceedings, recorded in 1Q/2020.

# Return on equity



ROE 2021 target according to the strategic plan

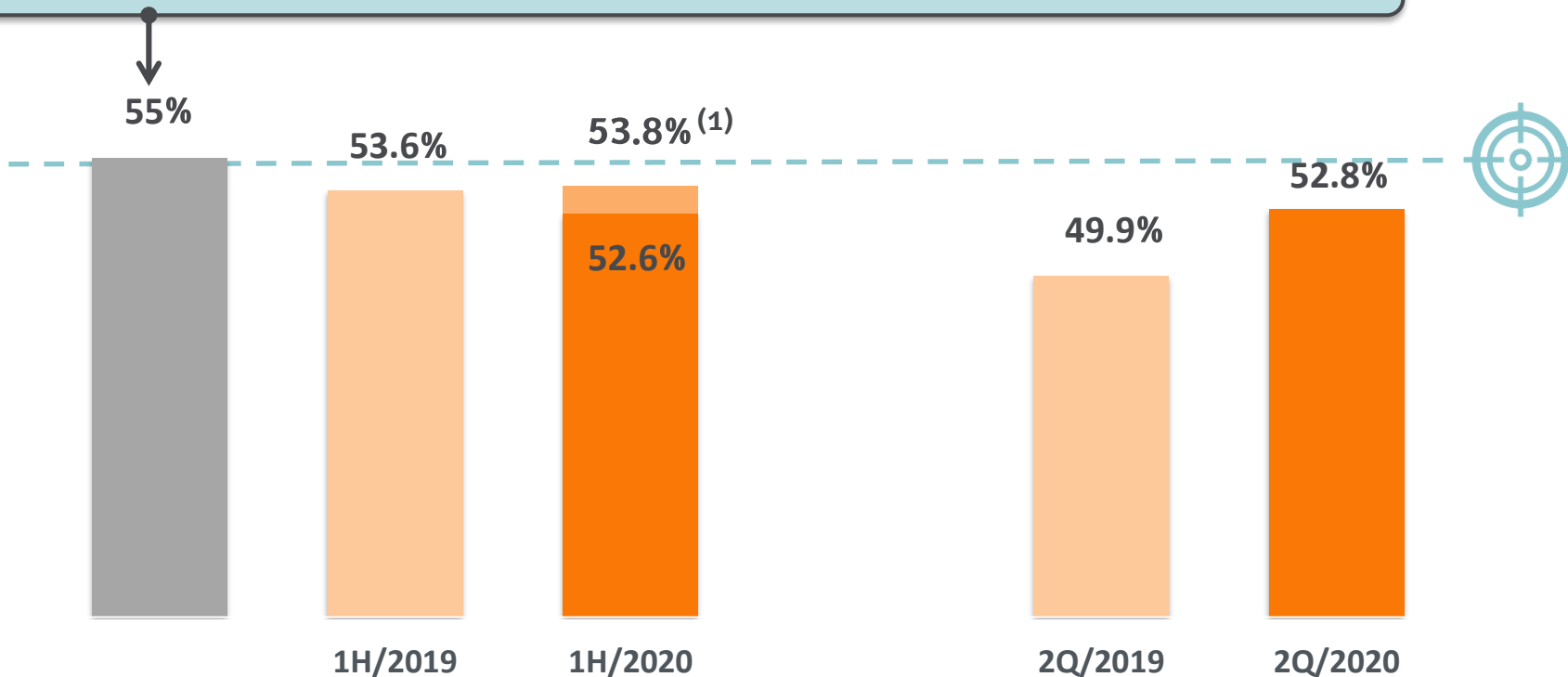


(1) Excluding revenues amounting NIS 82 million (net of taxes NIS 54 million) with respect to agreement with insurers to conclude derivative proceedings, recorded in 1Q/2020.

# Efficiency ratio



Cost/income ratio 2021 target according to the strategic plan



(1) Excluding revenues amounting NIS 82 million (net of taxes NIS 54 million) with respect to agreement with insurers to conclude derivative proceedings, recorded in 1Q/2020.

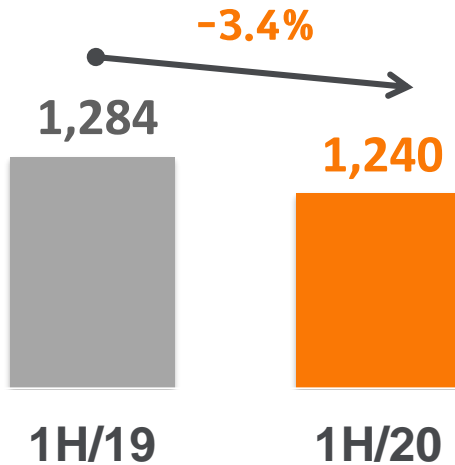
# Expenses

(NIS mil)

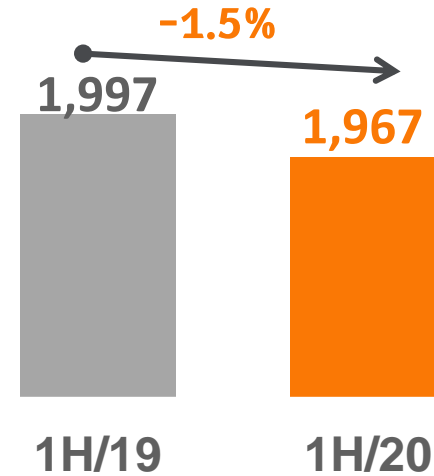


Annual growth target according to the strategic plan – 6%

## Salaries



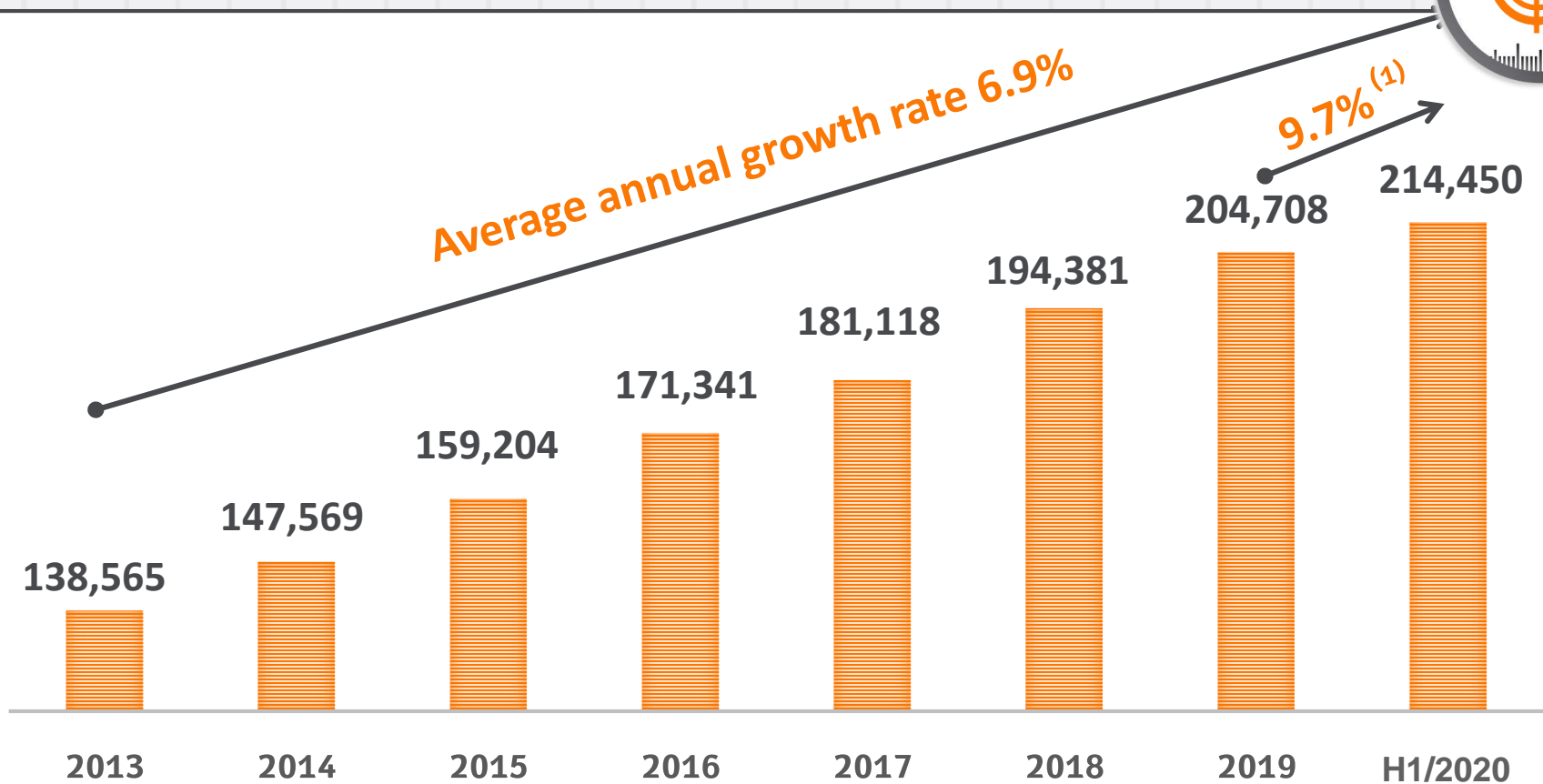
## Operating and other expenses





# Continuous loan growth

(NIS mil)



(1) In annual terms

# Continuous loan growth led by business and mortgages



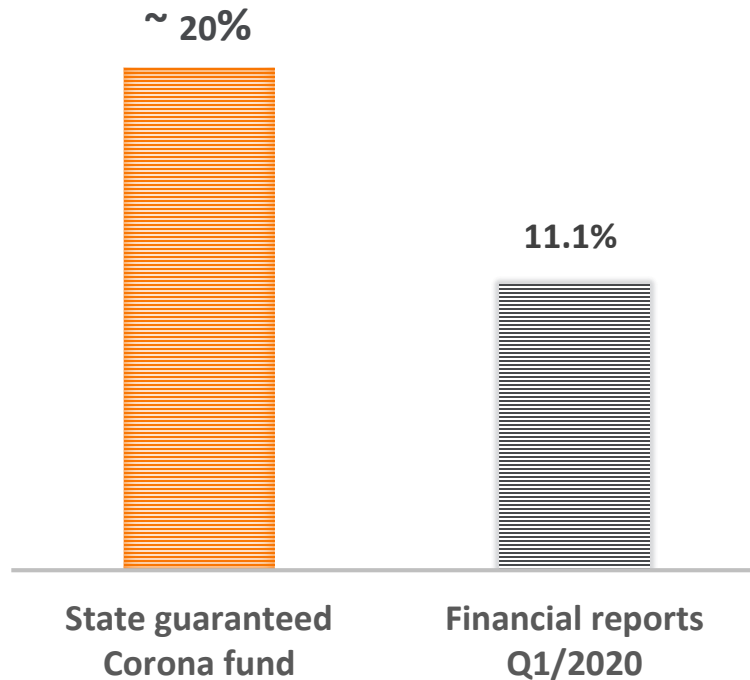
(NIS mil)

Business segment	30.06.20	31.12.19	30.06.19	% of change 30.6.2020- 31.12.2019 <sup>(1)</sup>	% of change 30.6.2020- 30.6.2019
Housing loans	139,605	134,637	130,140	7.5%	7.3%
Households and Private banking	20,893	21,856	21,165	-8.6%	-1.3%
Small and micro businesses	22,613	20,857	20,059	17.5%	12.7%
Medium businesses	7,219	7,063	7,196	4.5%	0.3%
Large businesses, Institutional investors and Overseas operations	24,120	20,295	22,168	41.2%	8.8%
<b>Total</b>	<b>214,450</b>	<b>204,708</b>	<b>200,728</b>	<b>9.7%</b>	<b>6.8%</b>

# 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 3.2 bil**  
(as of August 10, 2020)

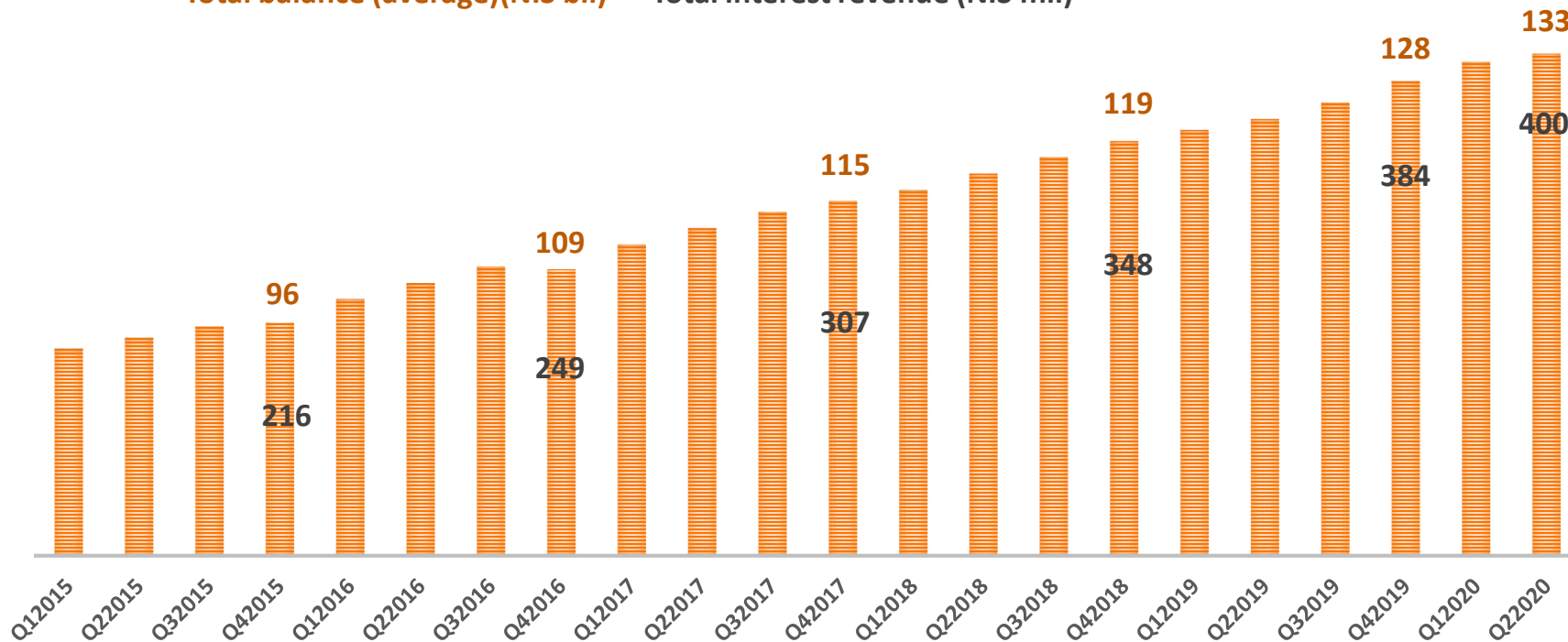
# Mortgages - maintaining leading position



## Continuous growth of balance and revenues

Total balance (average)(NIS bil)

Total interest revenue (NIS mil)



# Adjusting provisions to market conditions

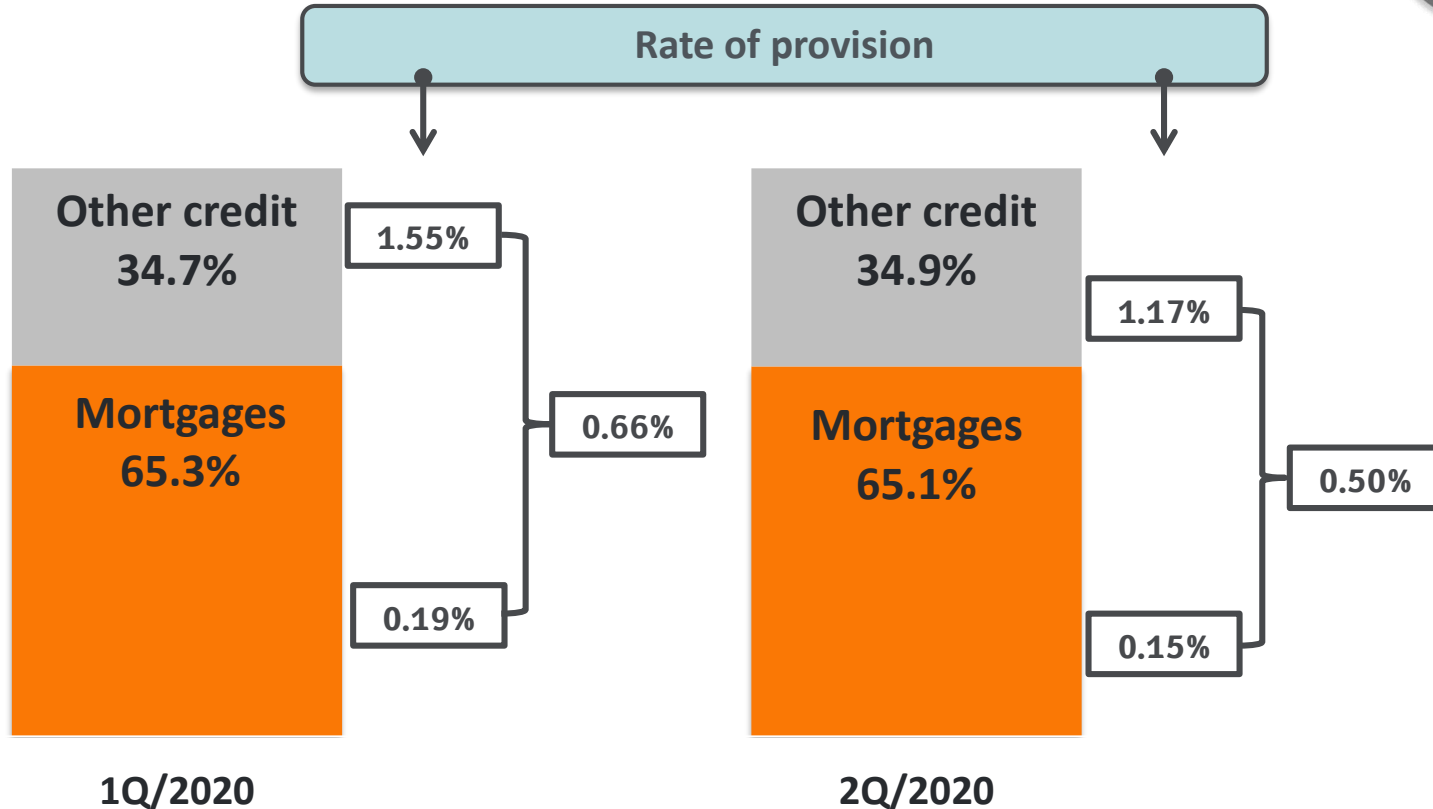
(NIS mil)



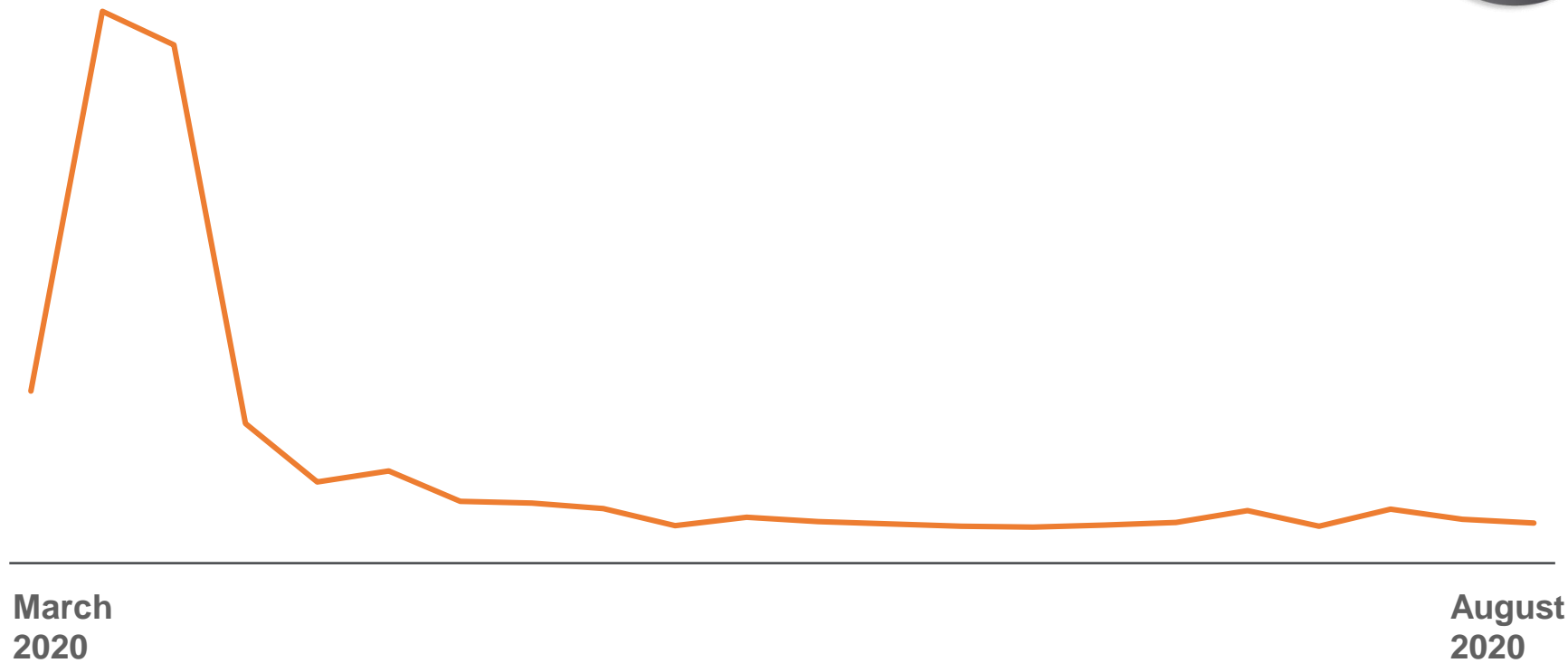
Applying methodology for possible future impact of the Corona virus on economic conditions and regulatory guidance

Segment	H1/2020		H1/2019		2019	
	Provision	Rate of provision	Provision	Rate of provision	Provision	Rate of provision
Housing loans	118	0.17%	19	0.03%	44	0.03%
Households and Private banking	84	0.81%	51	0.48%	101	0.46%
Small and micro businesses	155	1.38%	66	0.66%	166	0.80%
Medium businesses	79	2.20%	16	0.45%	42	0.59%
Large businesses, Institutional investors and Overseas operations	178	1.48%	26	0.23%	14	0.07%
Financial management	1	-	(3)	-	(3)	-
<b>Total</b>	<b>615</b>	<b>0.57%</b>	<b>175</b>	<b>0.17%</b>	<b>364</b>	<b>0.18%</b>

# Robust, resilient balance sheet, **tilted towards mortgages with lower risk level**



# Deferral requests distribution over time



# Housing loans - gradual return of clients to monthly repayments



## Balance of deferred loans:



As of August 10, 2020:

NIS 16 bil - Still in first deferral period

NIS 7 bil - Additional deferral granted

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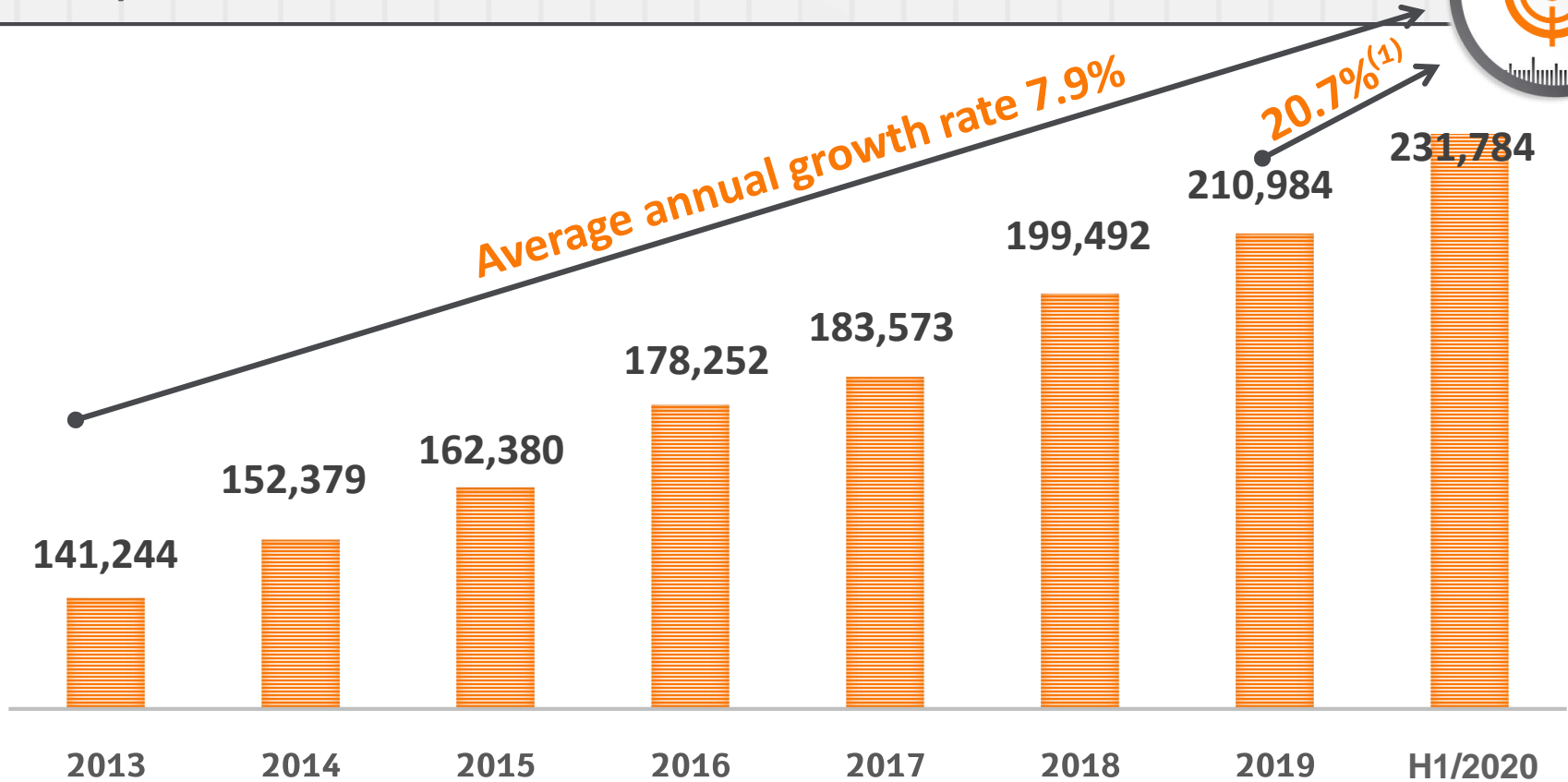
NIS 23 bil

NIS 14 bil - Returning to repayments



# Continuous deposit growth

(NIS mil)

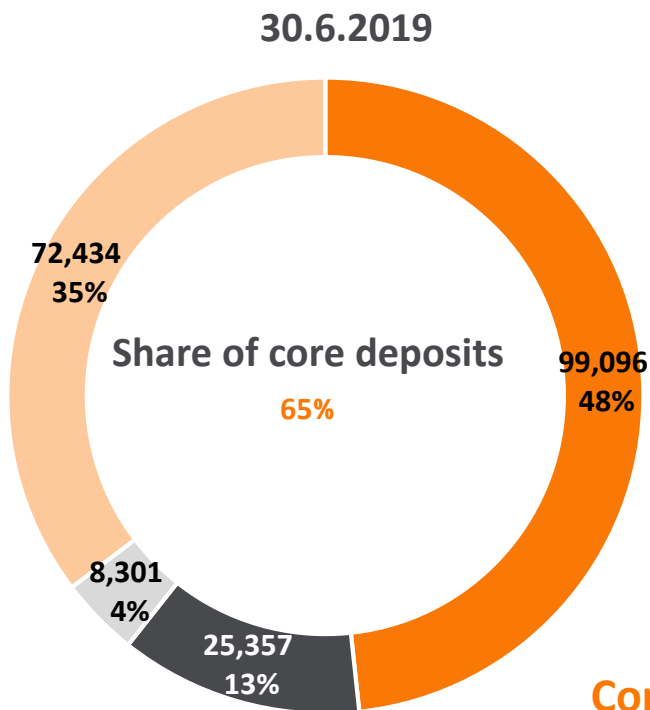


# Growth of core\* deposit

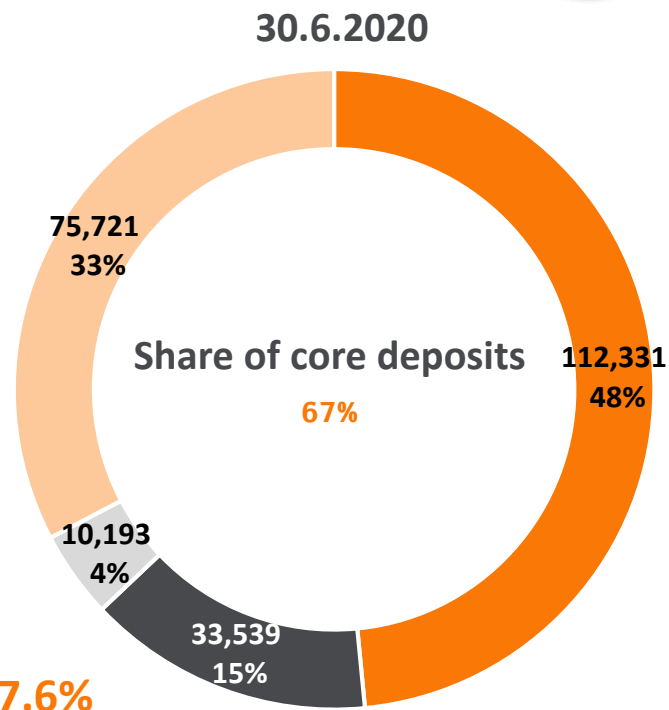
(NIS mil)



Deposits growth rate 13.0%



Segment	Rate of change
House holds and Private banking	13.4%
Small and micro businesses	32.3%
Medium businesses	22.8%
Large businesses, Institutional investors and Overseas operations	4.5%

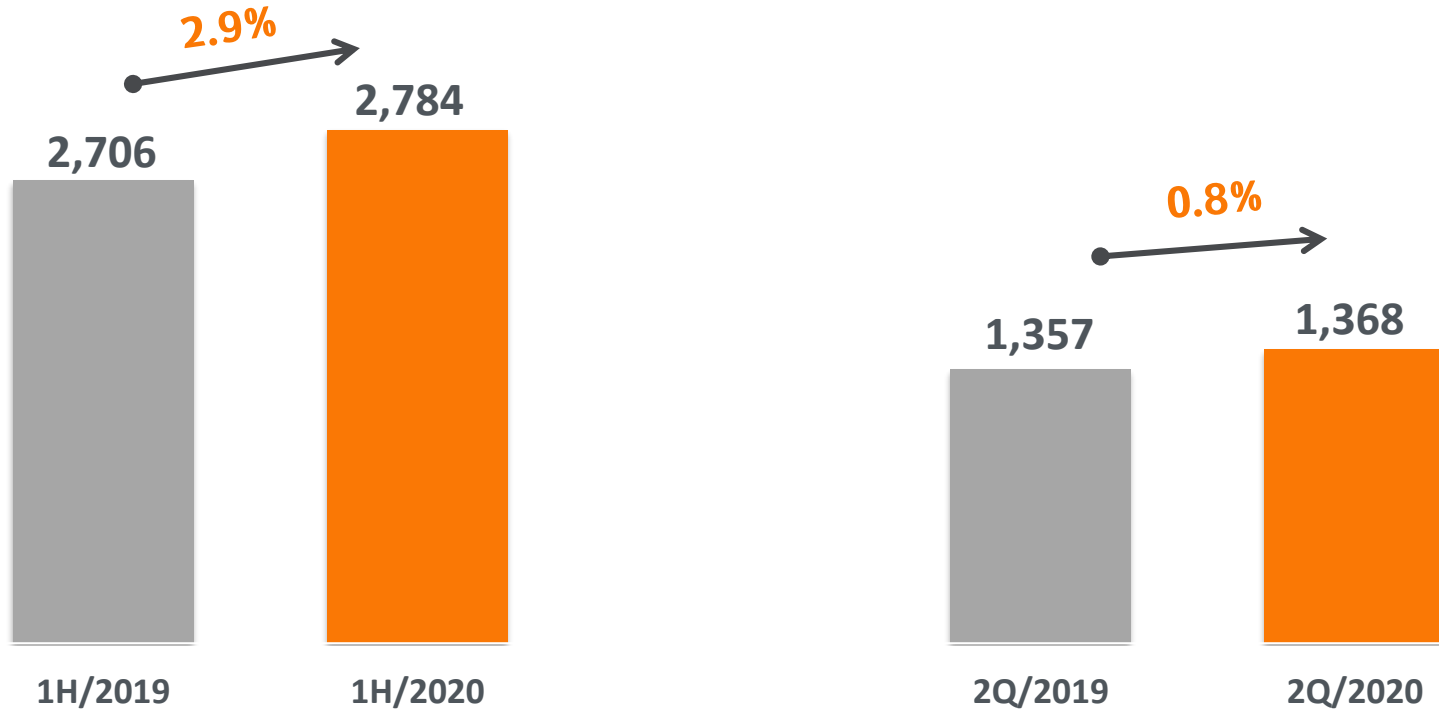


Core deposits growth rate 17.6%

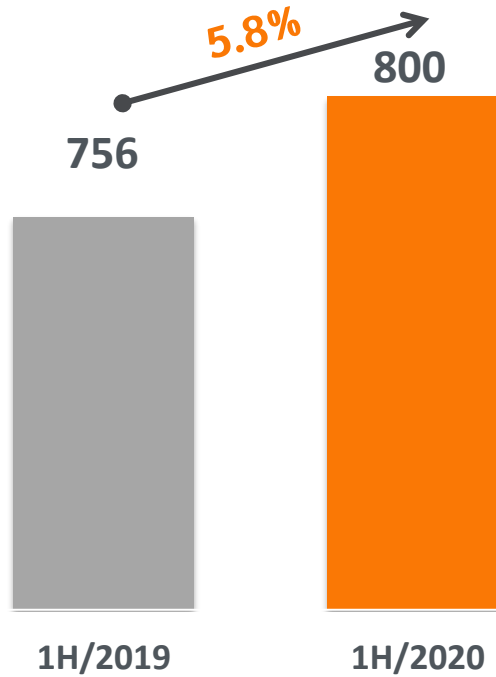


# Financing revenues from current operations

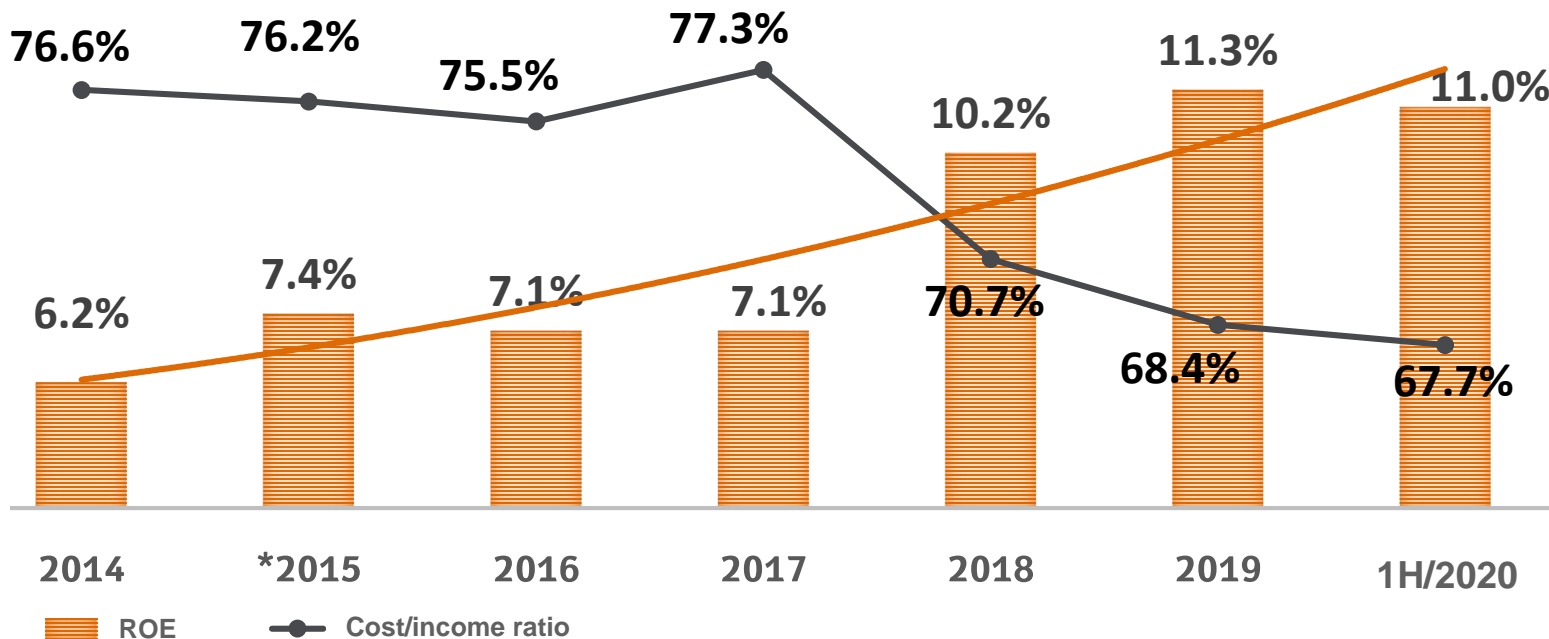
**continue to grow** despite erosion in margins (NIS mil)



# Increase in **commissions** (NIS mil)



# Bank Yahav business results continue to improve

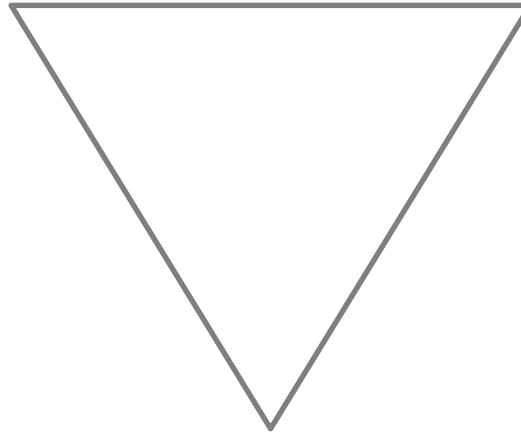


\*2015 results exclude extraordinary profit from capital market activity, the non-adjusted ROE is 11.3%, and cost/income ratio of 68.1%

# Merger with Union bank – the next step



Competition commissioner's approval received



Signing an agreement for the sale of Union's diamond sector credit activities to Peninsula

Publication of purchase offer

# Merger with Union bank



Capital in NIS mil	
Union bank's total capital	2,532
60% of Union bank's total capital	1,519
UMTB's total capital	16,653
108% of UMTB's total capital	17,985

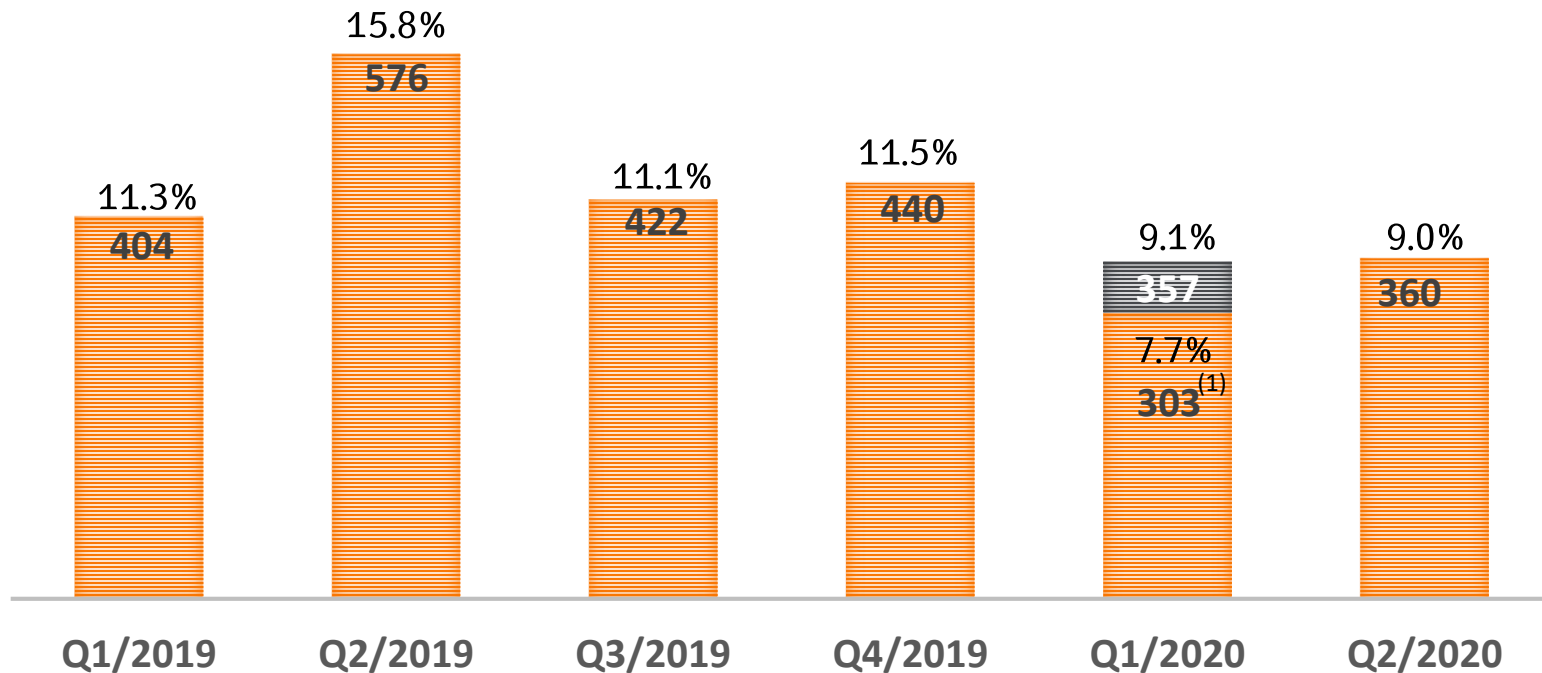


# *Financial Statements*



# Net profit and ROE

(NIS mil)



(1) Excluding revenues amounting NIS 82 million (net of taxes NIS 54 million) with respect to agreement with insurers to conclude derivative proceedings.

# Condensed P&L report

(NIS mil)



	H1/2020	H1/2019	% of change
<b>Interest revenue, net</b>	2,670	2,774	(3.7)
<b>Non interest revenues</b>	1,068	950	12.4
<b>Total</b>	<b>3,738</b>	<b>3,724</b>	<b>0.4</b>
<b>Expenses with respect to credit losses</b>	615	175	251.4
<b>Operating and other expenses</b>	1,967	1,997	(1.5)
<b>Net profit</b>	<b>717</b>	<b>980</b>	<b>(26.8)</b>

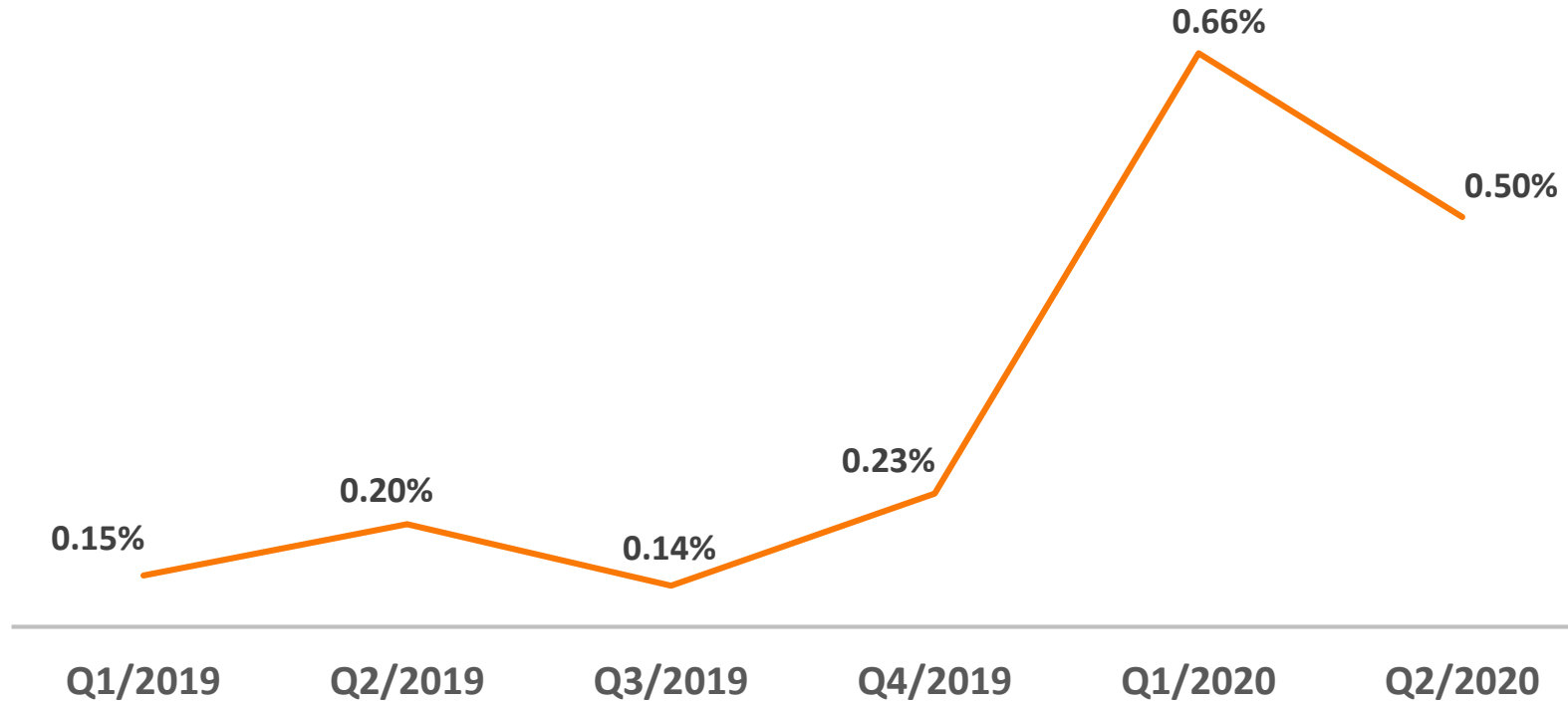
# Financing revenues

(NIS mil)



	H1/2020	H1/2019	Rate of change
<b>Interest revenues, net</b>	2,670	2,774	
<b>Non-interest financing revenues</b>	140	146	
<b>Total financing revenues</b>	<b>2,810</b>	<b>2,920</b>	<b>(3.8)</b>
<b>Less:</b>			
<b>Linkage differentials with respect to CPI position</b>	(123)	193	
<b>Revenues from collection of interest on troubled debt</b>	16	21	
<b>Gain from debentures</b>	82	13	
<b>Effect of accounting treatment of derivatives at fair value and others</b>	51	(13)	
<b>Total effects other than current operations</b>	<b>26</b>	<b>214</b>	
<b>Total financing revenues from current operations</b>	<b>2,784</b>	<b>2,706</b>	<b>2.9</b>

# Provisions / loans to the public



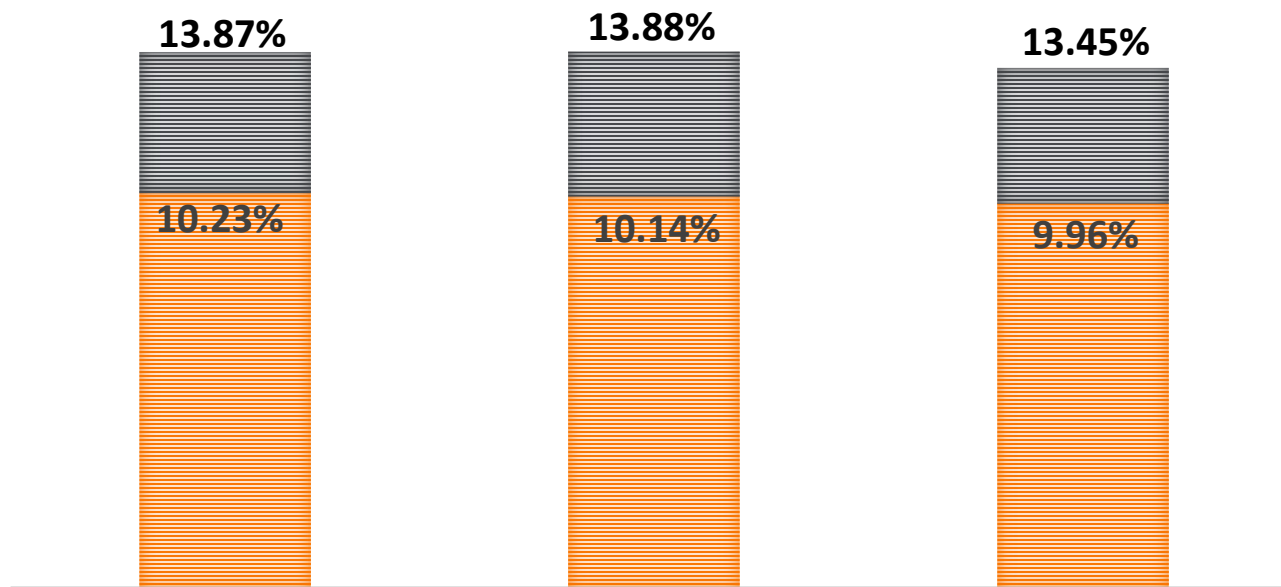
# Total balance sheet items development

(NIS mil)



	30.6.2020	30.6.2019	% of change
<b>Total balance sheet</b>	291,560	264,223	10.3
<b>Loans to the public, net</b>	214,450	200,728	6.8
<b>Deposits from the public</b>	231,784	205,188	13.0
<b>Securities</b>	8,440	8,816	(4.3)
<b>Equity</b>	16,653	15,740	5.8

# Capital adequacy



■ Total Ratio  
■ Tier 1

30.6.2019

31.12.2019

30.6.2020

**Bol minimum requirement**

**Tier 1**

**9.83%**

**Total Ratio**

**13.33%**

**9.83%**

**13.33%**

**8.82%**

**12.32%**

# Equity

(NIS mil)

