

The background image features a stack of various coins on the left side. Overlaid on this are several data visualization elements: a blue line graph with multiple peaks and valleys, and a grey bar chart with seven vertical bars of varying heights. The overall scene is set against a blurred cityscape at night with lights reflecting on water.

Financial statements

September 30, 2020

Disclaimer

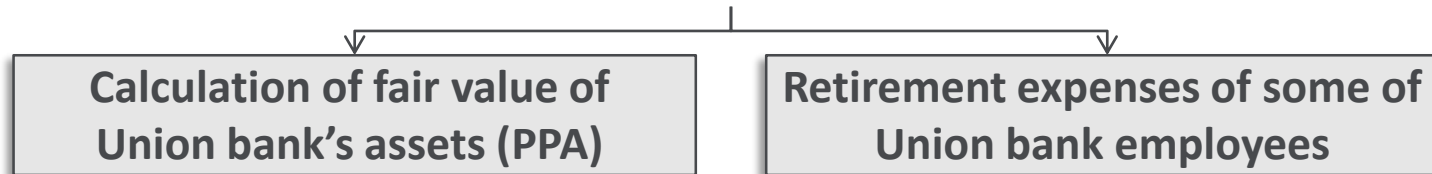
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- Accordingly, the information contained in this document is only partial, is not exhaustive and does not include the full details regarding the bank and its operations or regarding the risk factors involved in its activity and certainly does not replace 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 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.
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- *PLEASE NOTE - Unless otherwise written, data in this presentation does not include Union bank's data*

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



Net value of Union bank's assets consolidated (shareholders equity)	2,484
Total cost of acquisition	(1,223)
Issue of shares (1,207)	
Cash payment (16)	
Deferred credit balance from acquisition of Union Bank	1,261

Expected adjustments



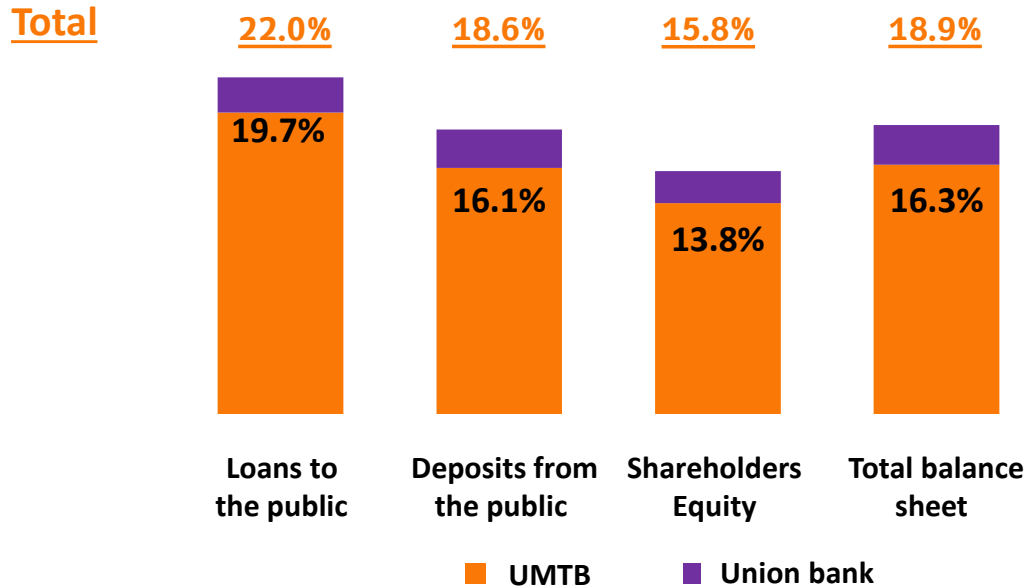
The deferred credit balance will be recognized on the financial statements over 5 years

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

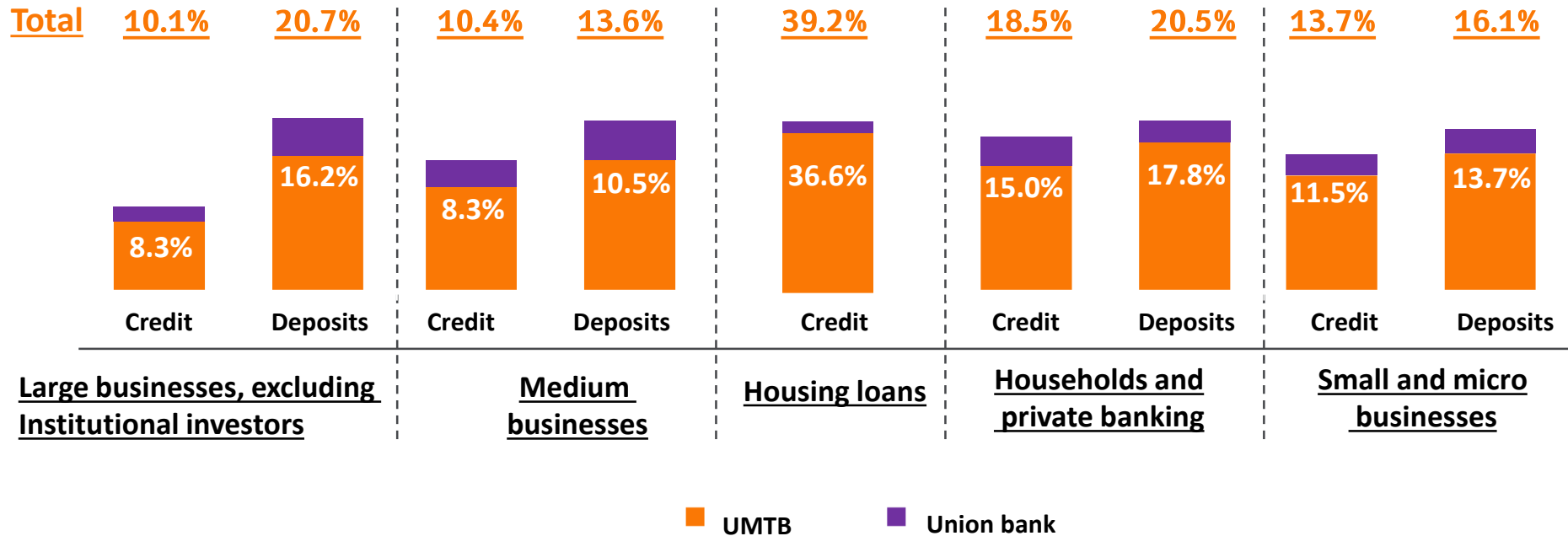


Segment	Including Union bank	Excluding Union bank	Addition (NIS m)	Addition (%)
Loans to the public (net)	241,765	216,777	24,988	12%
Securities	18,258	9,233	9,025	98%
Deposits from the public	276,156	239,403	36,753	15%
Capital attributed to the bank's shareholders	18,272	17,065	1,207	7%
Total balance	347,050	300,884	46,166	15%
Risk-weighted assets total	197,502	173,322	24,180	14%
Tier 1 capital to risk components ratio	9.98%	10.06%		
Total capital to risk components	13.41%	13.65%		
Leverage ratio	5.23%	5.31%		
Liquidity ratio	131%	128%		
Deposit to loan ratio	114%	110%		

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



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



Adjusting provisions to market conditions

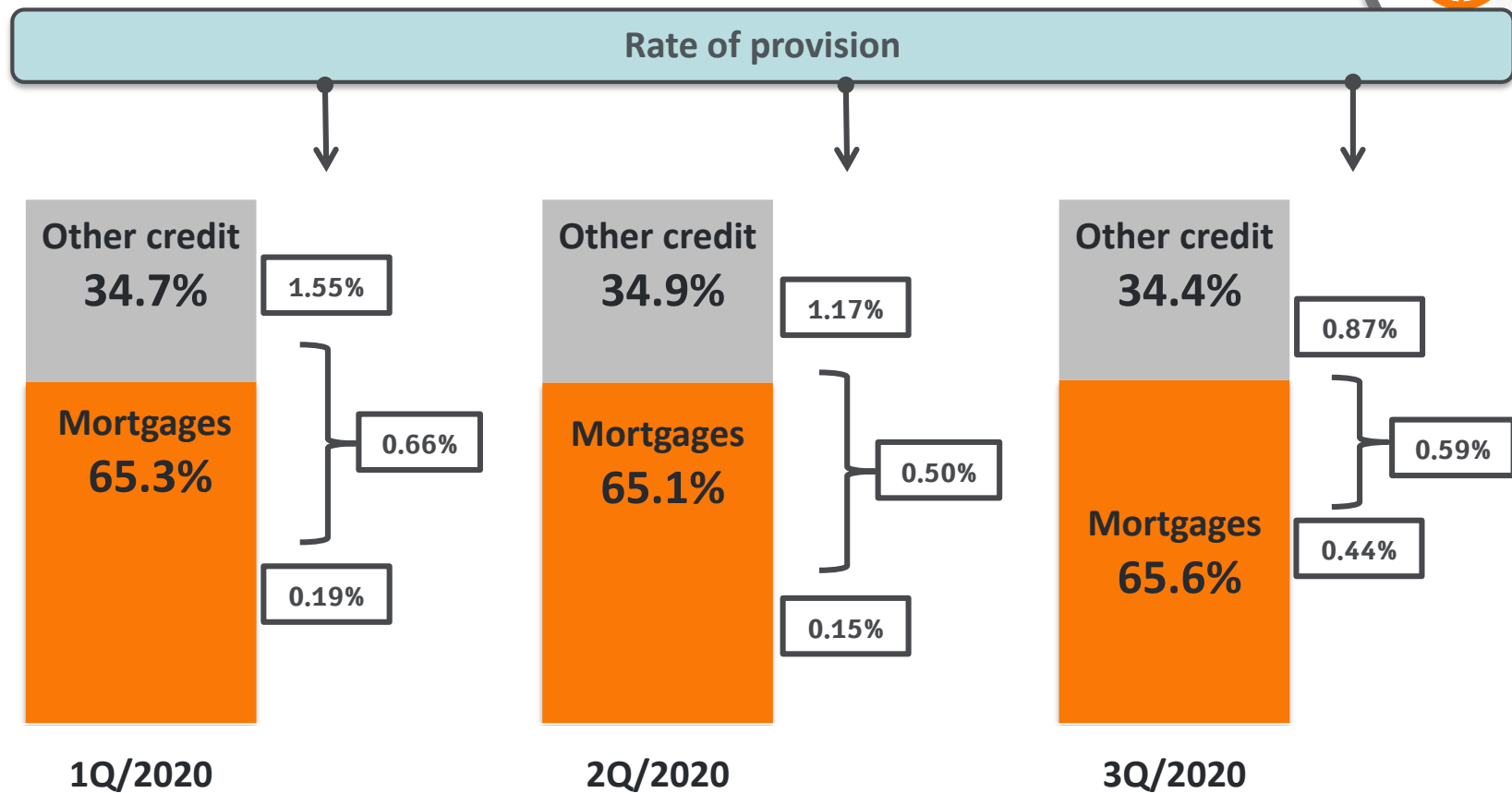
(NIS mil)



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

Segment	1-9/2020		1-9/2019		2019	
	Provision	Rate of provision	Provision	Rate of provision	Provision	Rate of provision
Housing loans	272	0.26%	32	0.03%	44	0.03%
Households and Private banking	122	0.79%	73	0.45%	101	0.46%
Small and micro businesses	218	1.24%	110	0.70%	166	0.80%
Medium businesses	100	1.80%	19	0.36%	42	0.59%
Large businesses, Institutional investors and Overseas operations	219	1.27%	13	0.08%	14	0.07%
Financial management	1	-	(2)	-	(3)	-
Total	932	0.57%	245	0.16%	364	0.18%

Adjusting **provisions** to market conditions

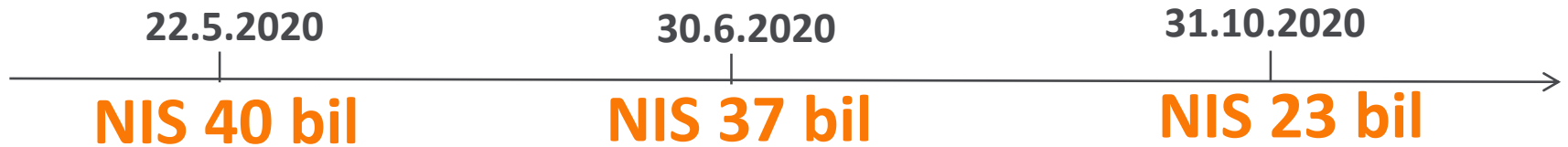


Periodic tracking of clients return to **orderly repayments** according to deferrals ending times



Requested deferrals of housing loans since the outbreak of the Corona virus situation until today totaled NIS 43 bil

Balance of deferred loans:





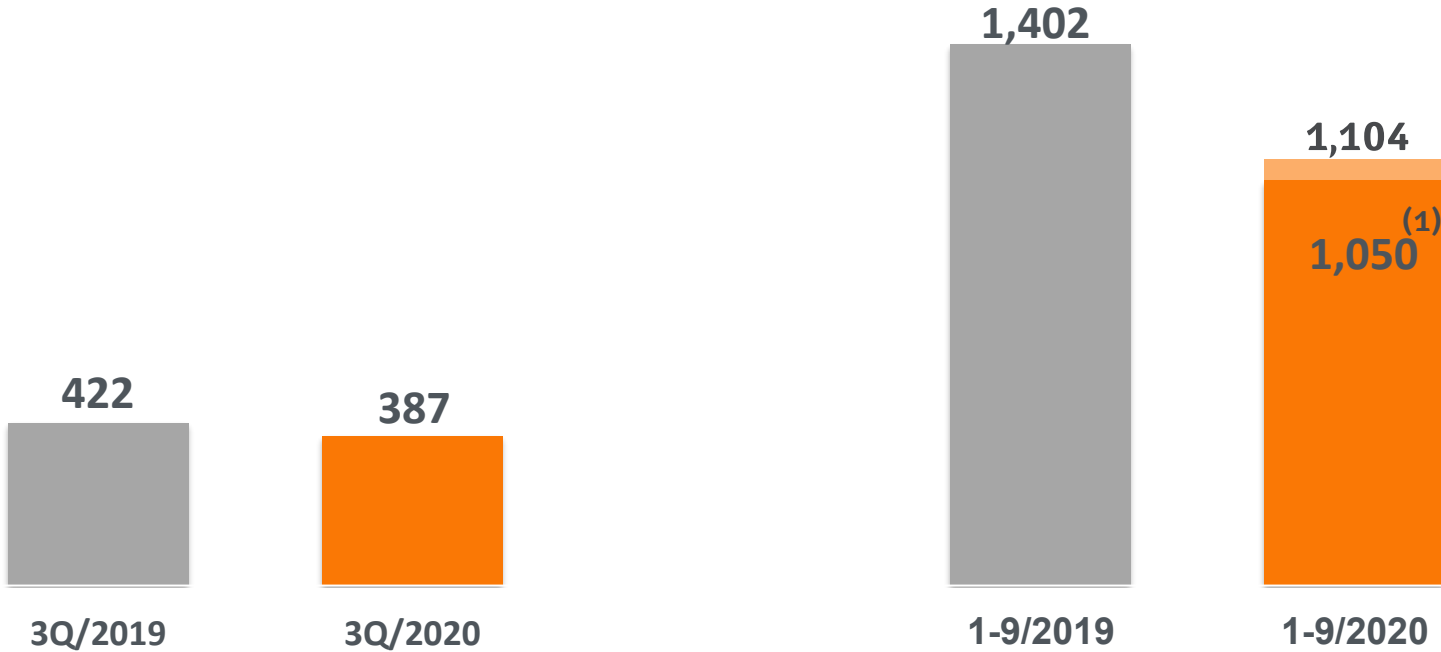
Requested deferrals of commercial loans since the outbreak of the Corona virus situation until today totaled NIS 5,728 mil

Balance of deferred loans:



Net profit

(NIS mil)

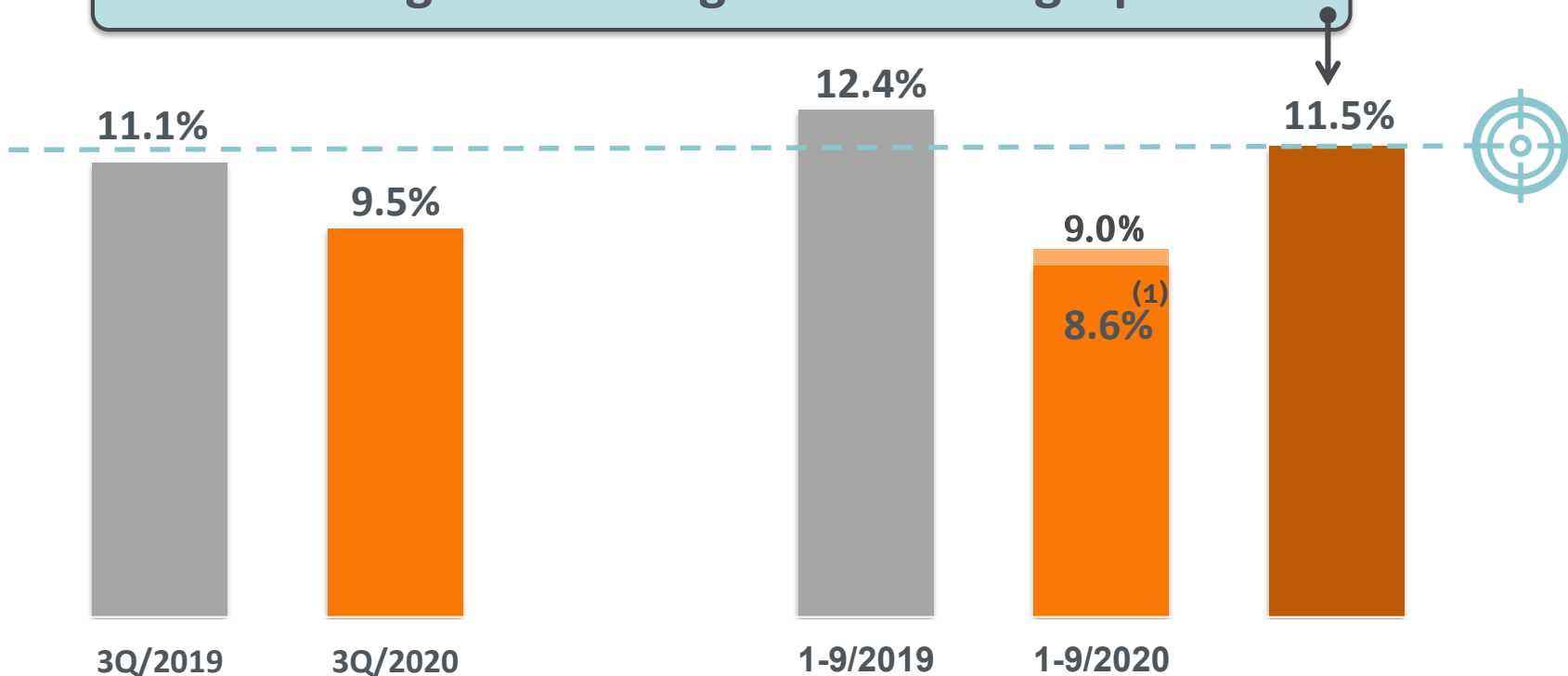


(1) Excluding revenues amounting NIS 82 million (net of taxes NIS 54 million) with respect to agreement with insurers to conclude derivative proceedings, recorded in 1Q/2020.

Return on equity



ROE target according to the strategic plan

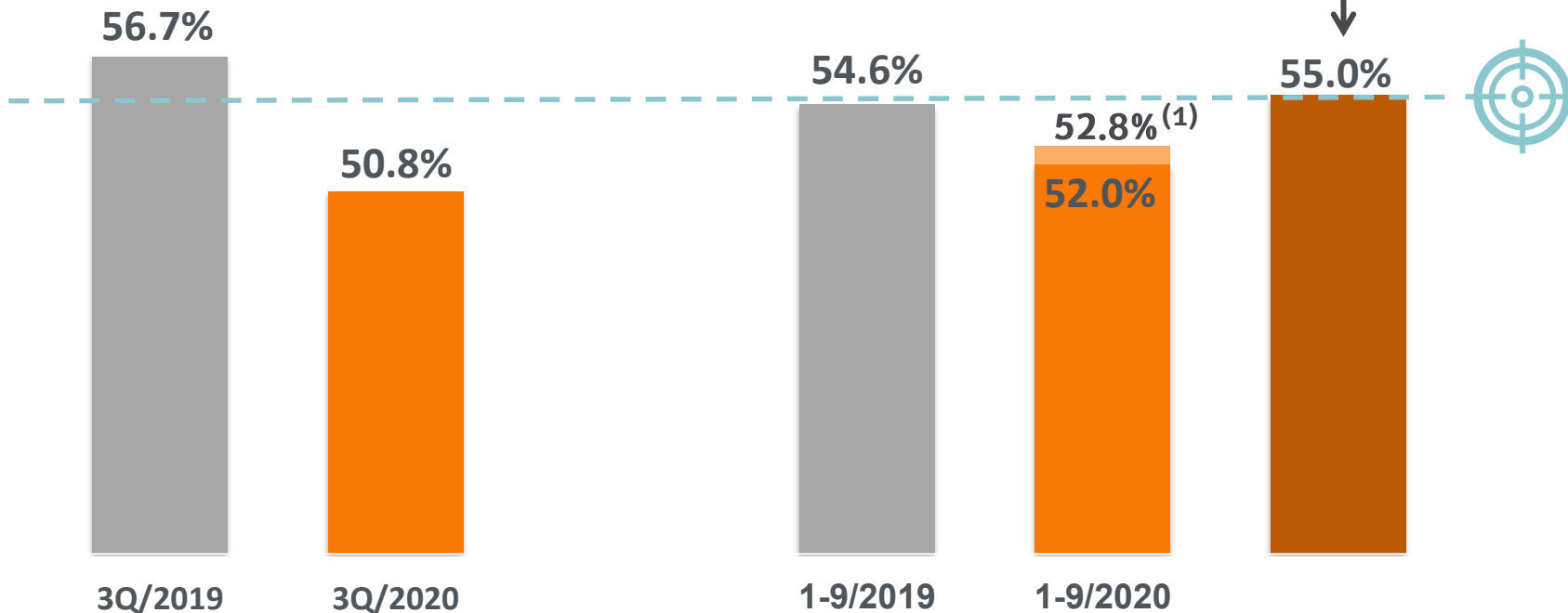


(1) Excluding revenues amounting NIS 82 million (net of taxes NIS 54 million) with respect to agreement with insurers to conclude derivative proceedings, recorded in 1Q/2020.

Efficiency ratio



Cost/income ratio 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.

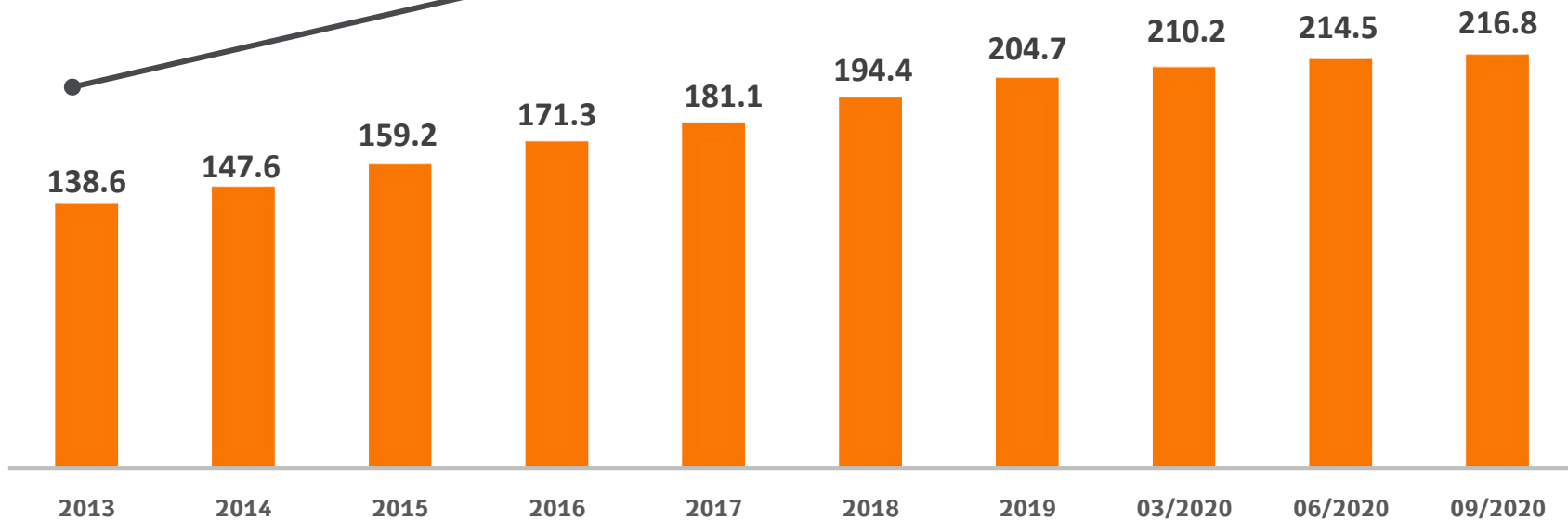
Continuous loan growth

(NIS mil)



Average annual growth rate 6.9%

7.9%⁽¹⁾



Continuous loan growth led by business and mortgages



(NIS mil)

Business segment	30.09.20	31.12.19	30.09.19	% of change 30.9.2020- 31.12.2019 ⁽¹⁾	% of change 30.9.2020- 30.9.2019
Housing loans	142,155	134,637	132,371	7.5%	7.4%
Households and Private banking	20,682	21,856	21,418	-7.1%	-3.4%
Small and micro businesses	23,436	20,857	20,830	16.8%	12.5%
Medium businesses	7,441	7,063	7,041	7.2%	5.7%
Large businesses, Institutional investors and Overseas operations	23,063	20,295	20,918	18.6%	10.3%
Total	216,777	204,708	202,578	7.9%	7.0%

Continuous loan growth led by business and mortgages



(NIS mil)

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Households and Private banking	20,682	21,856	21,418	-7.1%	-3.4%
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Medium businesses	53,940	7,441	7,063	7.2%	5.7%
Large businesses, Institutional investors and Overseas operations	23,063	20,295	20,918	18.6%	10.3%
Total	216,777	204,708	202,578	7.9%	7.0%

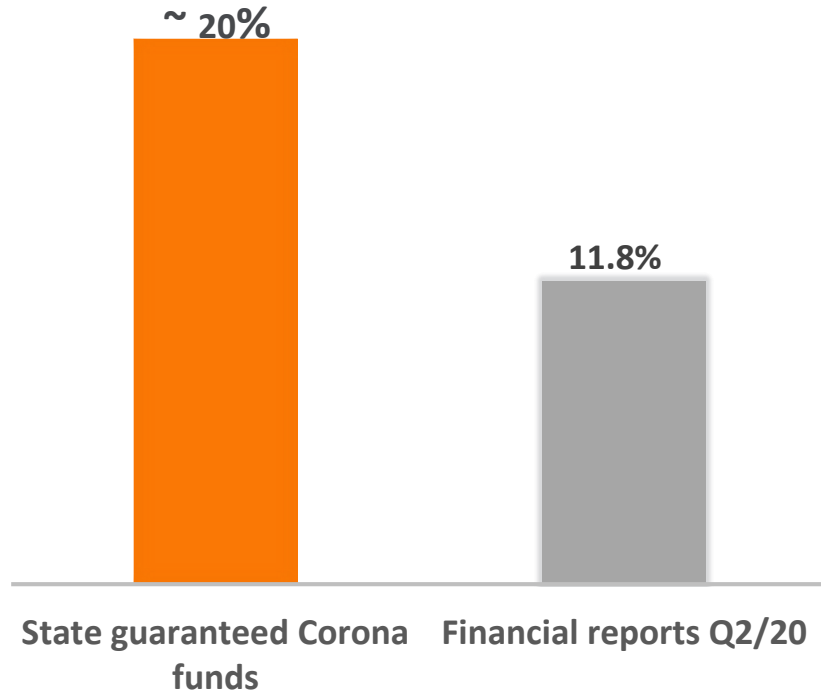
Annual growth rate of 16.1% in business loans

(1) In annual terms

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



Market share of the Bank in Credit to small businesses

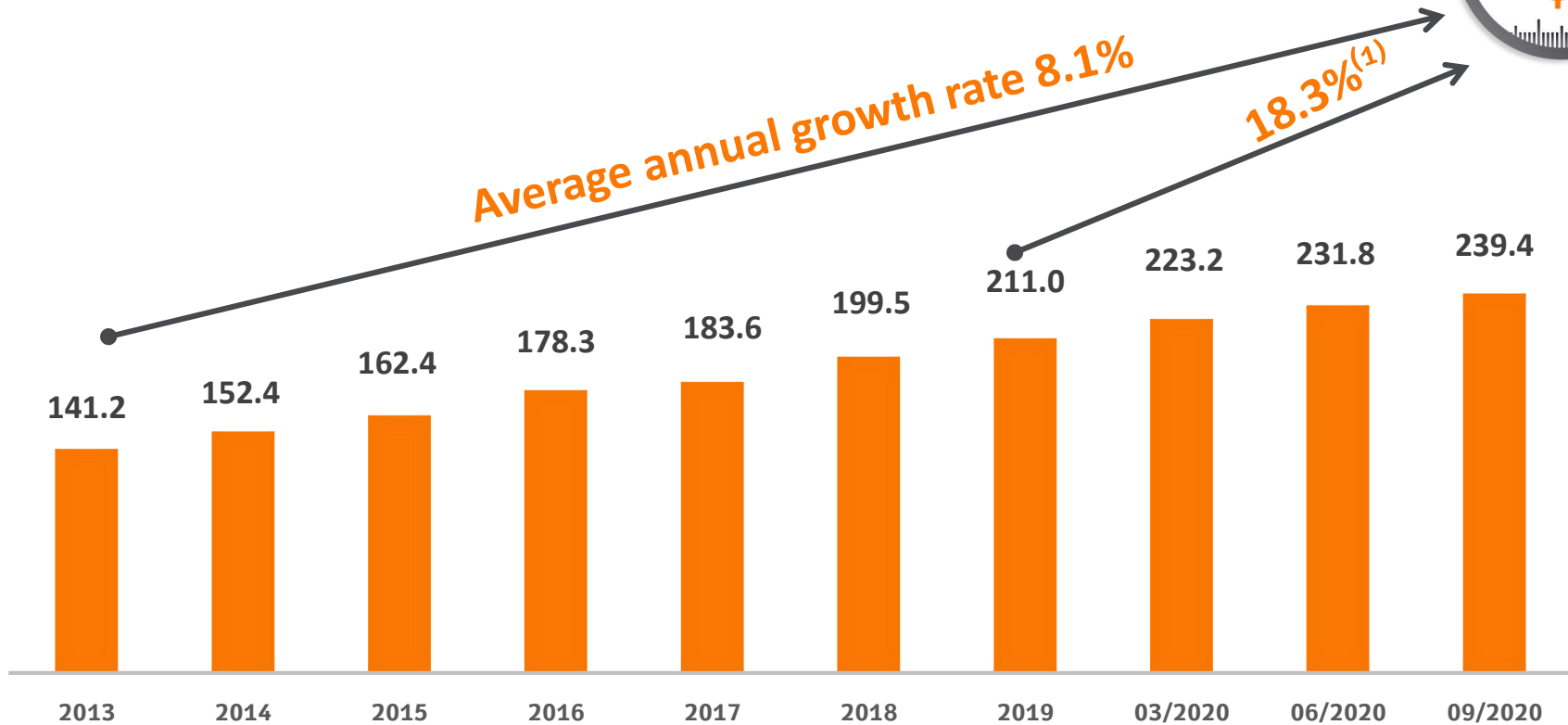


**Government
guaranteed Corona
program
for small and medium
businesses:**

NIS 3.9 bil
(granted, as of October 31, 2020)

Continuous deposit growth

(NIS mil)



Growth of core* deposit

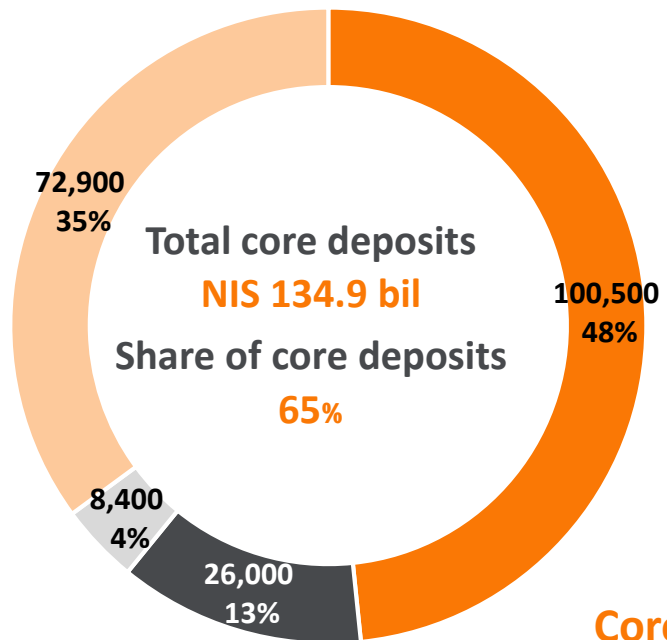
(NIS mil)



Deposits growth rate 15.2%

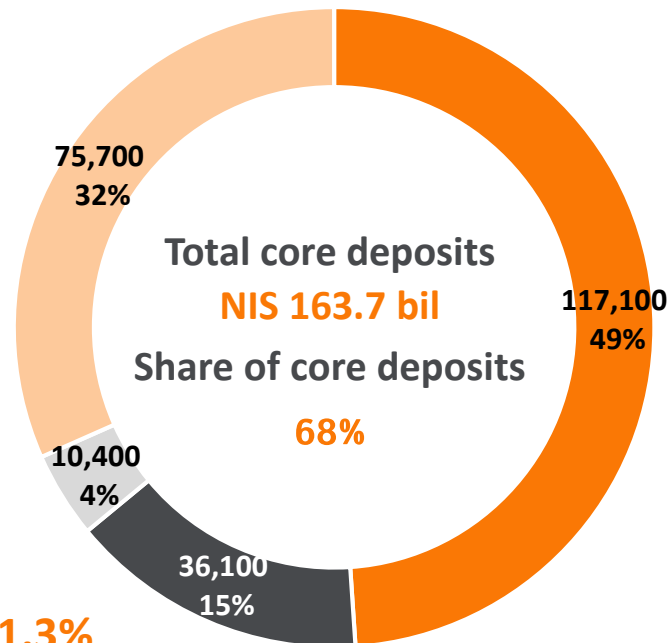


30.9.2019



Segment	Rate of change
House holds and Private banking	16.5%
Small and micro businesses	38.8%
Medium businesses	24.2%
Large businesses, Institutional investors and Overseas operations	3.8%

30.9.2020



Core deposits growth rate 21.3%



Financing revenues from current operations

continue to grow despite erosion in margins (NIS mil)



Bol rate:

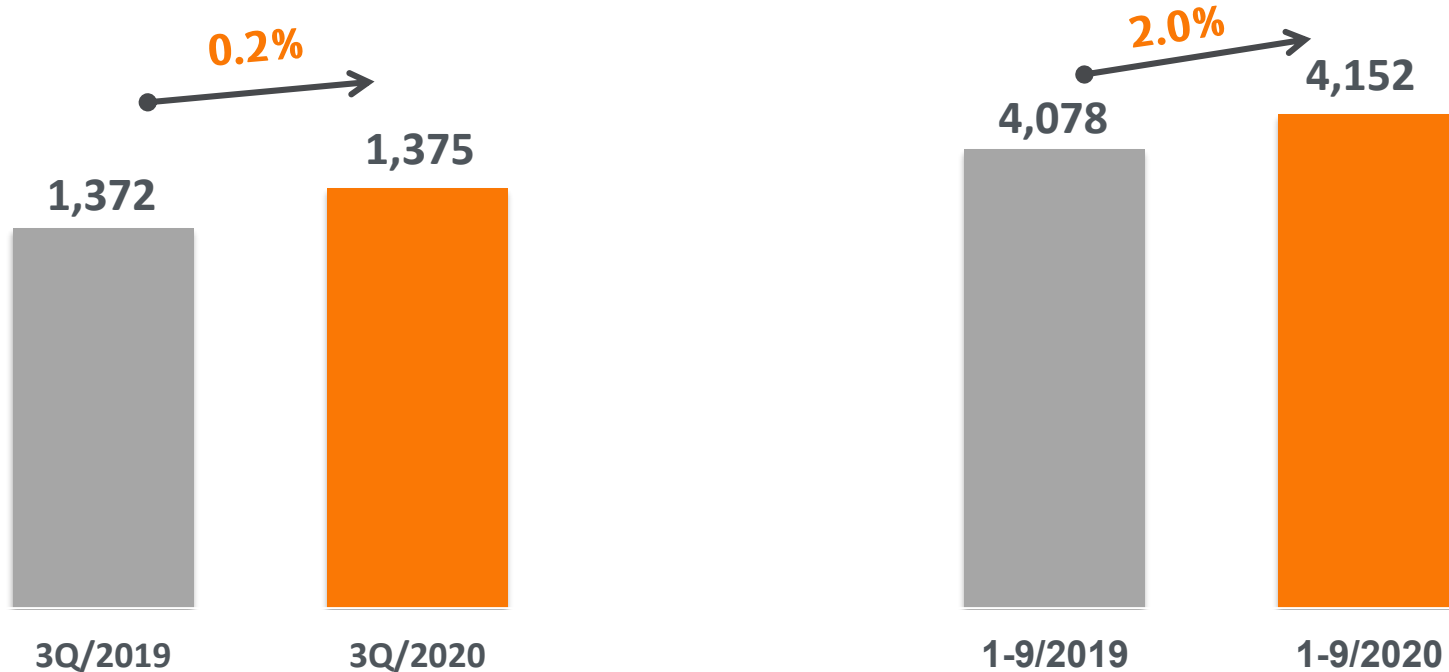
1-9/2019 0.25%

1-9/2020 0.15%

FED rate:

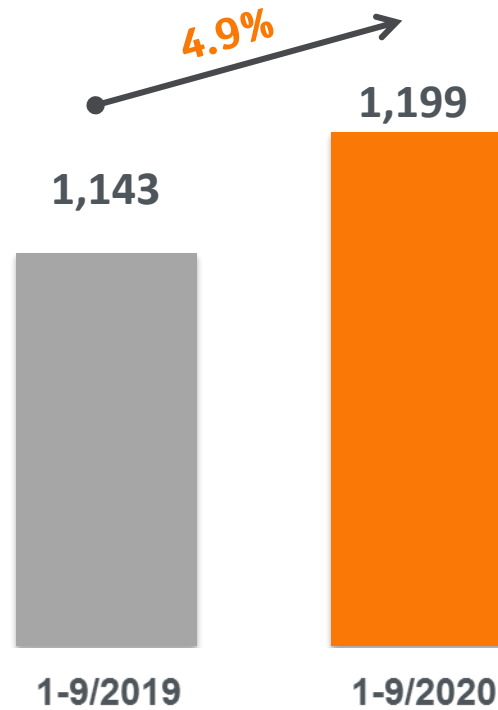
1-9/2019 2.33%

1-9/2020 0.47%



Increase in commissions

(NIS mil)



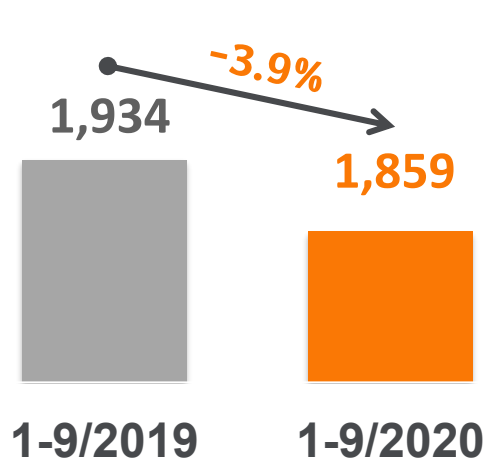
Expenses

(NIS mil)

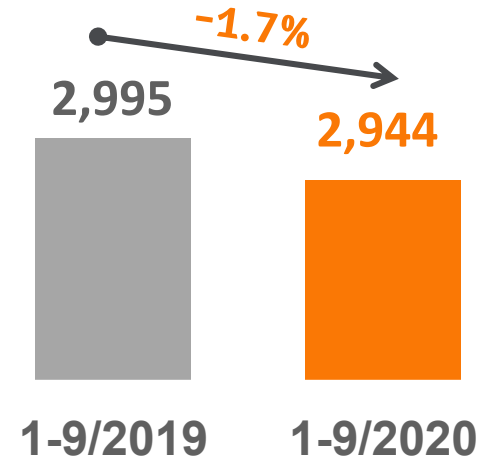


Annual growth target according to the strategic plan – 6%

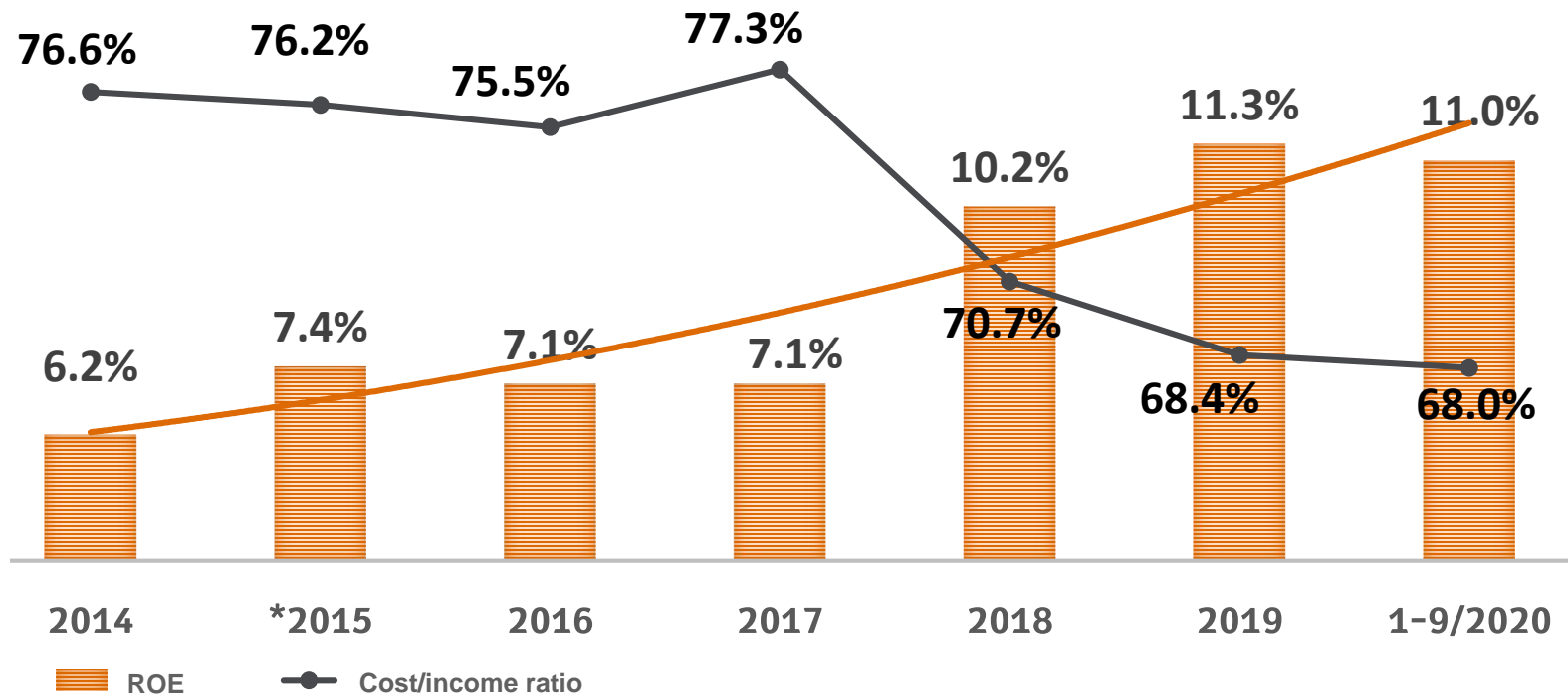
Salaries



Operating and other expenses



Bank Yahav business results continue to improve

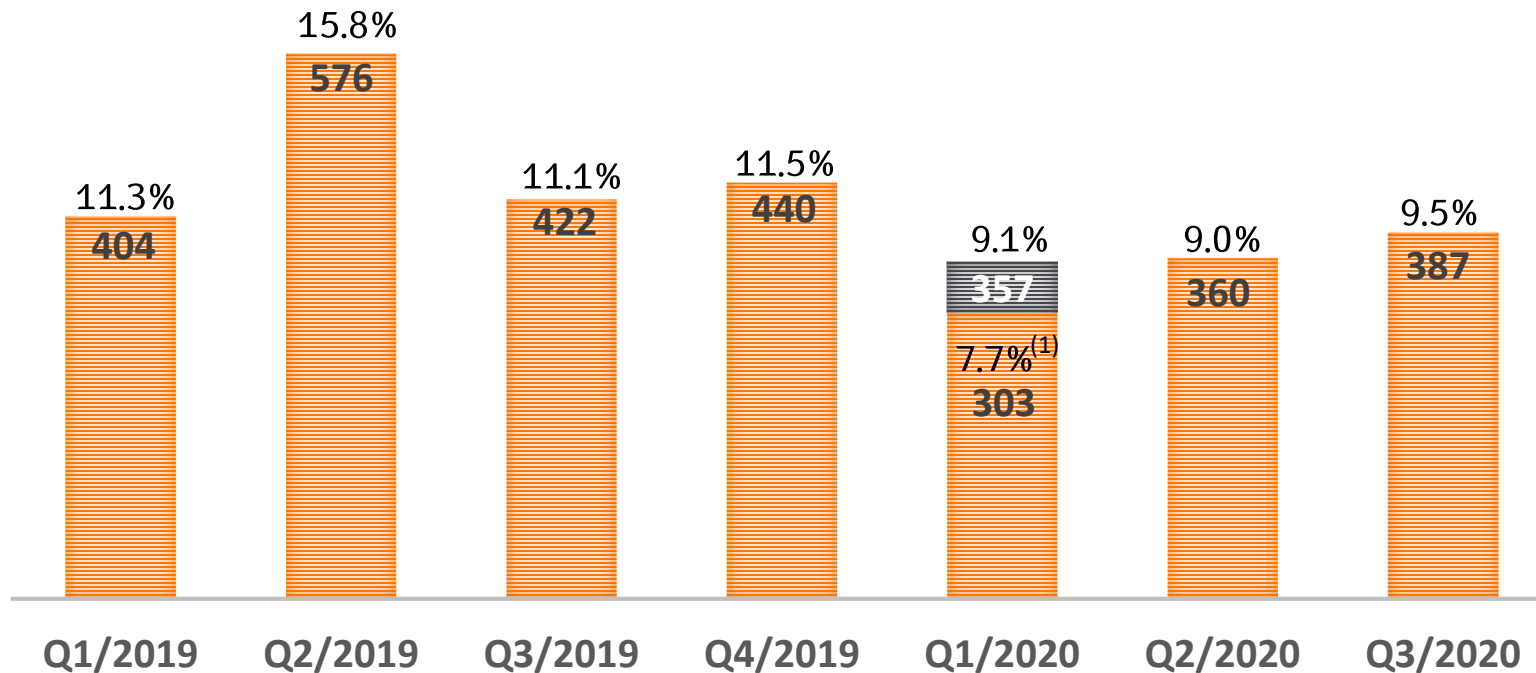




Financial Statements

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)



	1-9/2020	1-9/2019	% of change
Interest revenue, net	4,134	3,988	3.7
Non interest revenues	1,529	1,497	2.1
Total	5,663	5,485	3.2
Expenses with respect to credit losses	932	245	280.4
Operating and other expenses	2,944	2,995	(1.7)
Net profit	1,104	1,402	(21.3)

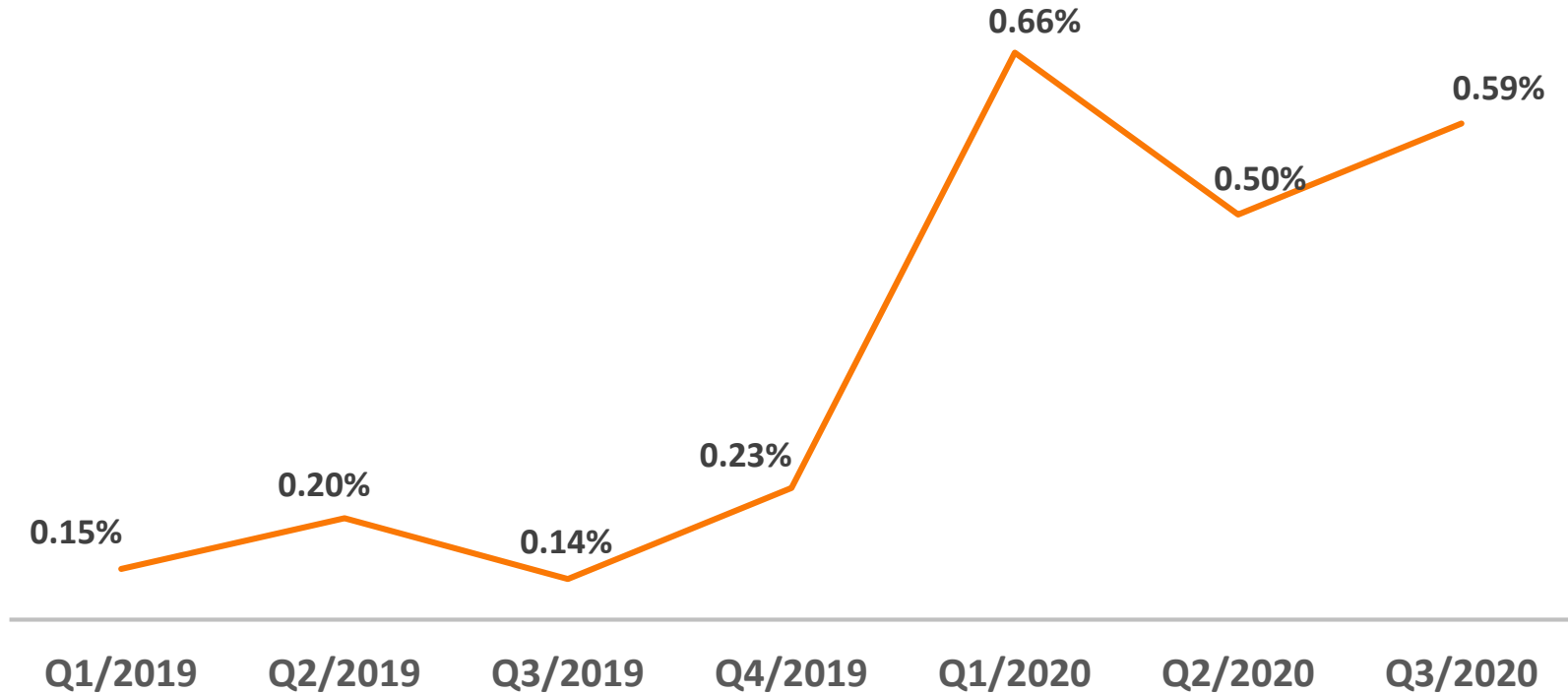
Financing revenues

(NIS mil)



	1-9/2020	1-9/2019	Rate of change
Interest revenues, net	4,134	3,988	
Non-interest financing revenues	194	293	
Total financing revenues	4,328	4,281	1.1
Less:			
Linkage differentials with respect to CPI position	(105)	112	
Revenues from collection of interest on troubled debt	27	27	
Gain from debentures	96	43	
Effect of accounting treatment of derivatives at fair value and others	151	21	
Total effects other than current operations	169	203	
Total financing revenues from current operations	4,159	4,078	2.0

Provisions / loans to the public



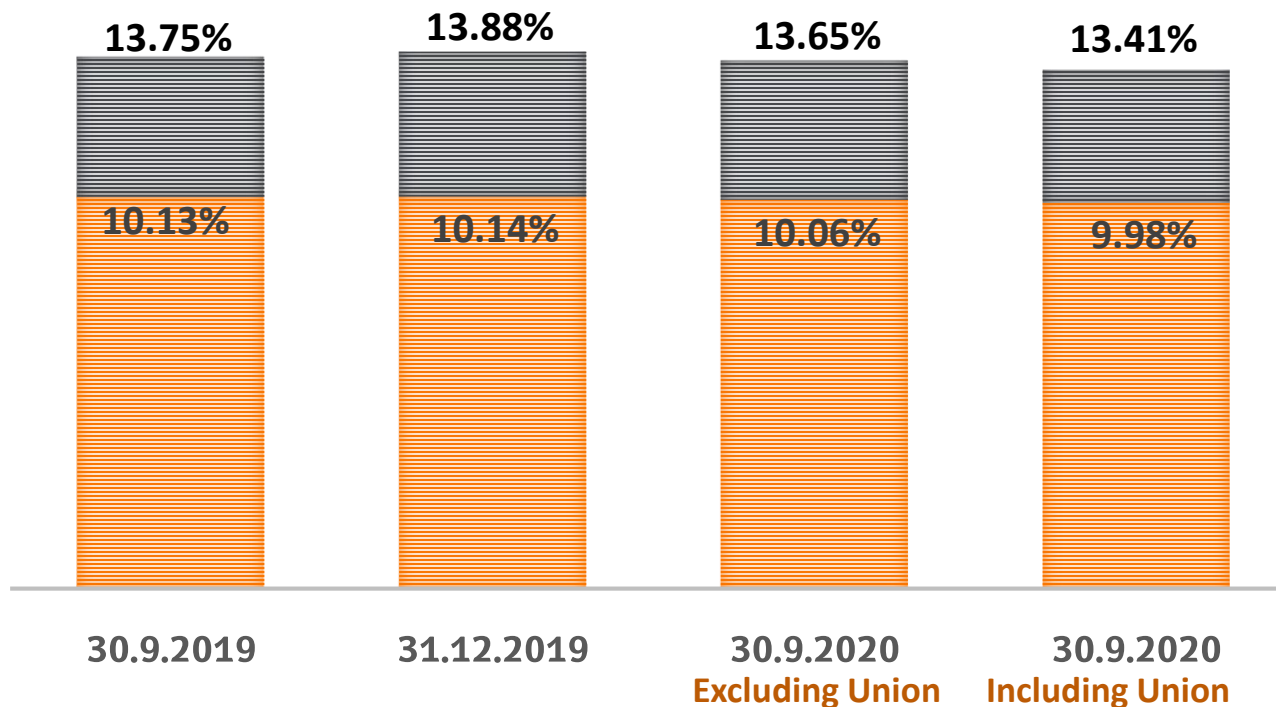
Total balance sheet items development

(NIS mil)



	Including Union	Excluding Union		% of change excluding Union
	30.9.2020	30.9.2020	30.9.2019	
Total balance sheet	347,050	300,884	267,001	12.7
Loans to the public, net	241,765	216,777	202,578	7.0
Deposits from the public	276,156	239,403	207,832	15.2
Securities	18,258	9,233	10,566	(12.6)
Equity	18,272	17,065	15,755	8.3

Capital adequacy



Total Ratio
 Tier 1

Bol minimum requirement

9.83%
13.33%

9.83%
13.33%

8.76%
12.26%

8.71%
12.21%

Tier 1
Total Ratio

Equity

(NIS mil)

