

MIZRAHI TEFAHOT BANK LTD
No. with the Registrar of Companies: 520000522

To	<u>Israel Securities Authority</u>	To	<u>Tel Aviv Stock Exchange Ltd</u>	T121 (Public)	Date of transmission: August 15, 2022
	www.isa.gov.il		www.tase.co.il		Ref: 2022-01-103201

Immediate Report for General Essential Information

Explanation: This form may not be used if an appropriate form exists for the reported event.

This form is intended for essential reports for which no suitable designated form exists.

Issue results must be reported under T20 and not under this form.

Bond rating or corporation rating reports must be submitted through Form T125.

Nature of the Event: *Presentation of Financial Reports for Q2/2022*

The reference numbers of previous documents on the subject: _____, _____, _____

Attached file *[investor presentation second quarter2022isa.pdf](#)*

The company *is not* a shell company, as defined in the TASE Rules and Regulations.

Date on which the corporation first learned of the event: *August 15, 2022 at 09:35*

Details of the signatories authorized to sign on behalf of the corporation:

	Signatory's Name	Position
1	<i>Mr. Menahem Aviv</i>	<i>Other Chief Accountant</i>
2	<i>Mr. Adi Shahaf</i>	<i>Other Head of the Financial Division</i>

Explanation: According to Regulation 5 of the Securities (Periodic and Immediate Reports) Regulations, 5730-1970, a report filed under these regulations shall be signed by those authorized to sign on behalf of the corporation. The position of the senior staff on the matter (in Hebrew) can be found on the ISA's website: [Click here](#)

The reference numbers of previous documents on the subject (reference does not constitute incorporation by reference):

Previous name of the reporting entity: **United Mizrahi Bank Ltd**

Name of the person reporting electronically:
Horwitz Ofer

Position:
Bank Secretary

Name of Employing
Company: **Mizrahi Tefahot
Bank Ltd**

Address: **7 Jabotinsky Street, Ramat Gan,
52520**

Tel:
03-7559207

Fax:
03-7559913

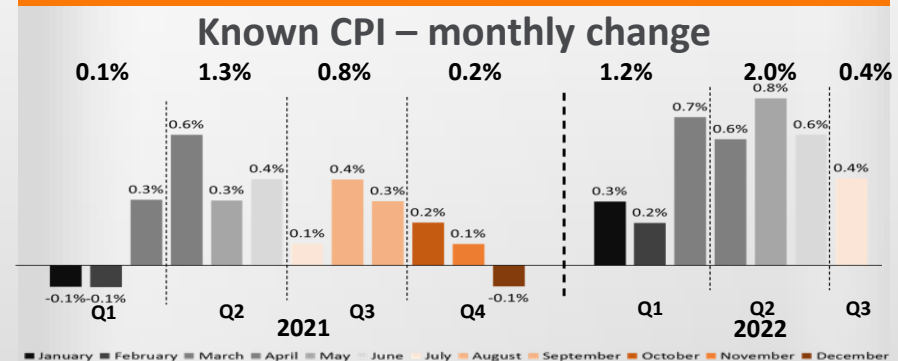
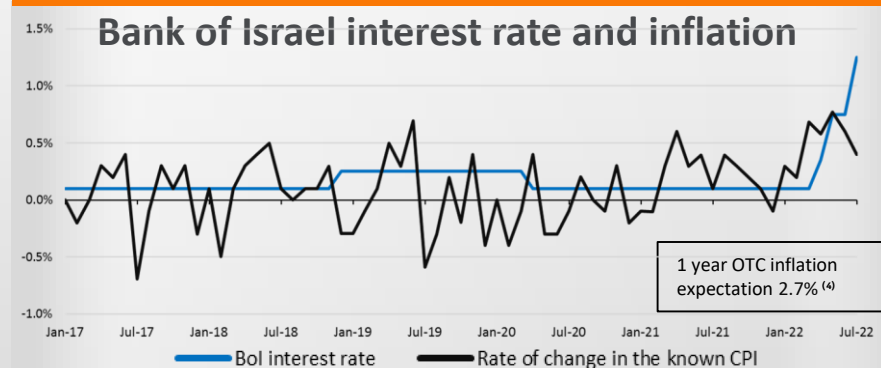
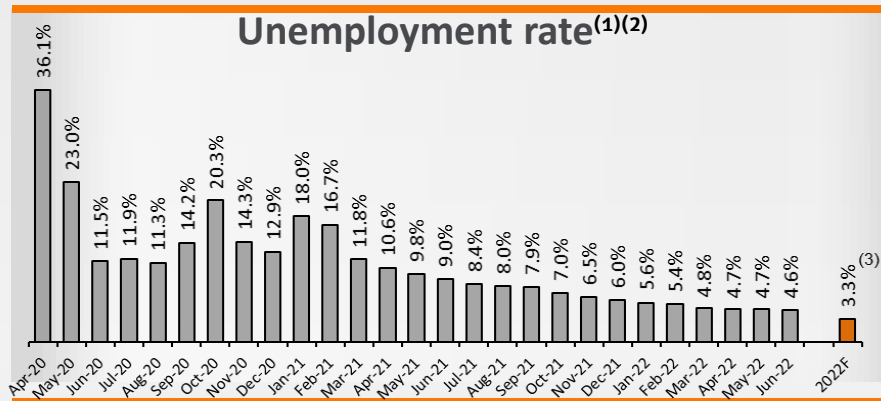
E-mail:
**management@umtb.co
.il**



Financial statements

June 30, 2022

- This document has been prepared by Mizrahi-Tefahot Bank Ltd (UMTB) solely for use at the company's presentation. The information contained in this document constitutes information from the bank's 2022 quarterly reports and/ or immediate reports, as well as the periodic, quarterly and annual reports and/or immediate reports published by the bank in previous years.
- 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 2022 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.



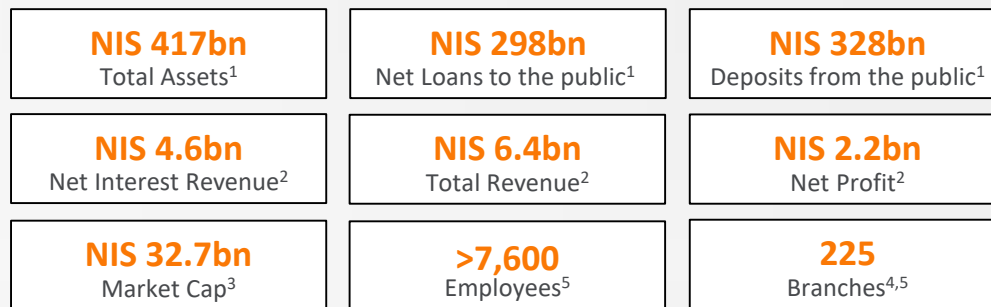
1) 2022F according to Bol forecast from July 2022

2) From March 2020 onwards – Broad Unemployment Rate, including unemployed persons, temporarily absent from work for reasons related to Coronavirus and not participating in the labor force who stopped working due to dismissal. Original data, excluding seasonality.

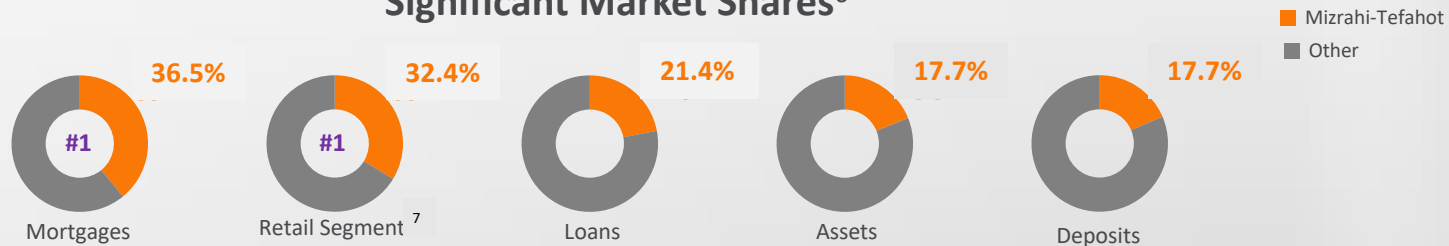
3) Unemployment Rate. 4) As of Aug 11, 2022.



Leading Israeli Bank



Significant Market Shares⁶

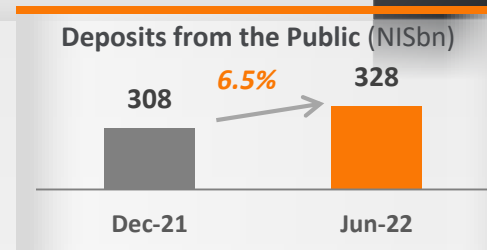
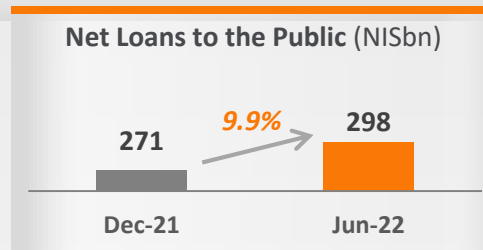
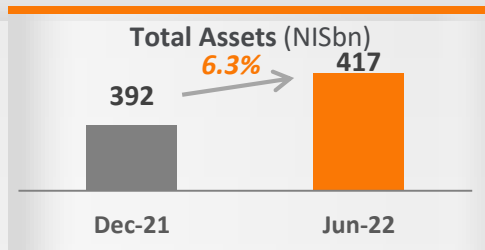


(1) As of June 30, 2022. (2) For H1 2022. (3) Tel Aviv Stock Exchange (as of Aug 11, 2022)

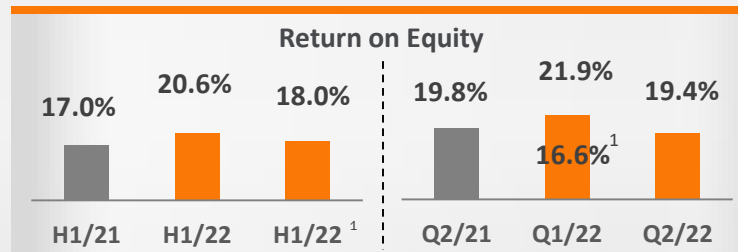
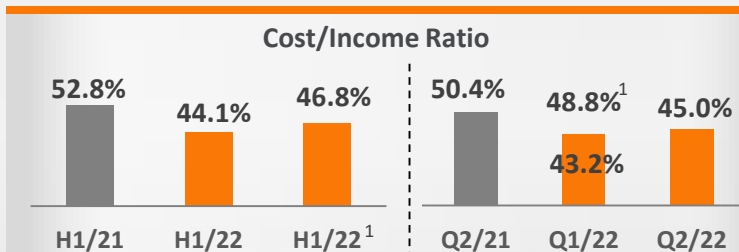
(4) The Bank is in the process of merging some of Union Bank's branches with UMTB's branches, towards 205 branches in total by the end of the process. As of reporting date, due to the merger, most of Union Bank's branches have been closed. (5) As of December 31, 2021. (6) As of March 31, 2022. (7) Market share in credit to Households and Private Banking segments (supervisory operating segments).



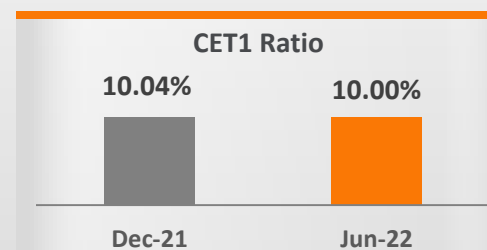
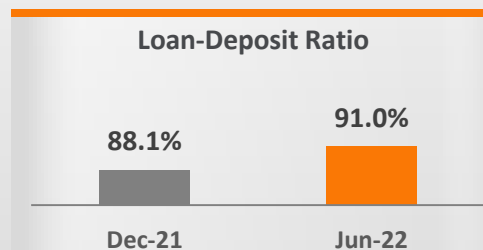
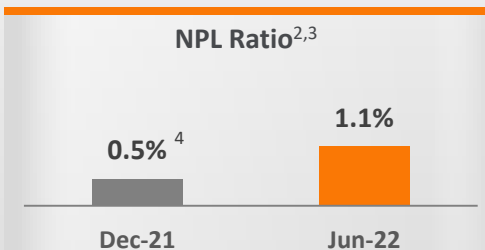
Balance Sheet Growth



Profitability



Asset Quality, Liquidity and Capitalisation



(1) Excluding effect of capital gain in the first quarter of 2022. (2) NPL Ratio is calculated as Impaired Credit not Accruing Interest Income, divided by Gross Loans to the Public. (3) As from the first quarter of 2022, due to application of CECL and other directives, residential mortgages in arrears or under re-structuring, which according to the new directives do not accrue interest revenues on the financial statements, previously presented under "Accruing problematic credit risk – housing" are now presented under "Non-accruing credit". Moreover, "Accruing problematic loans to the public – housing" includes loans accruing interest, which are classified as problematic due to lack of qualitative indications. (4) 1.0% Applying CECL definitions to December 2021 figures.

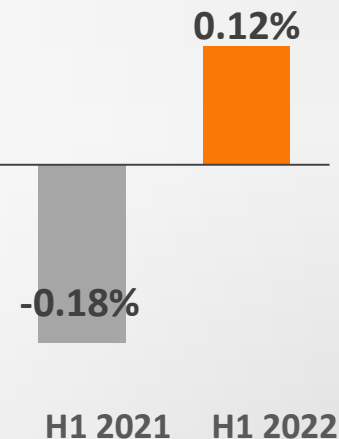


Segment	H1/2022		H1/2021		Q2/2022		Q2/2021	
	Provision	Rate of provision	Provision	Rate of provision	Provision	Rate of provision	Provision	Rate of provision
Housing loans	52	0.05%	(82)	(0.10%)	38	0.08%	(59)	(0.20%)
Business	102	0.12%	(110)	(0.34%)	51	0.27%	(156)	(0.54%)
Households	32	0.24%	(35)	(0.27%)	18	0.25%	(25)	(0.68%)
Total	186	0.12%	(227)	(0.18%)	107	0.14%	(240)	(0.38%)

CECL - The Bank has applied the new directives with regard to provisions for credit losses as from January 1, 2022.

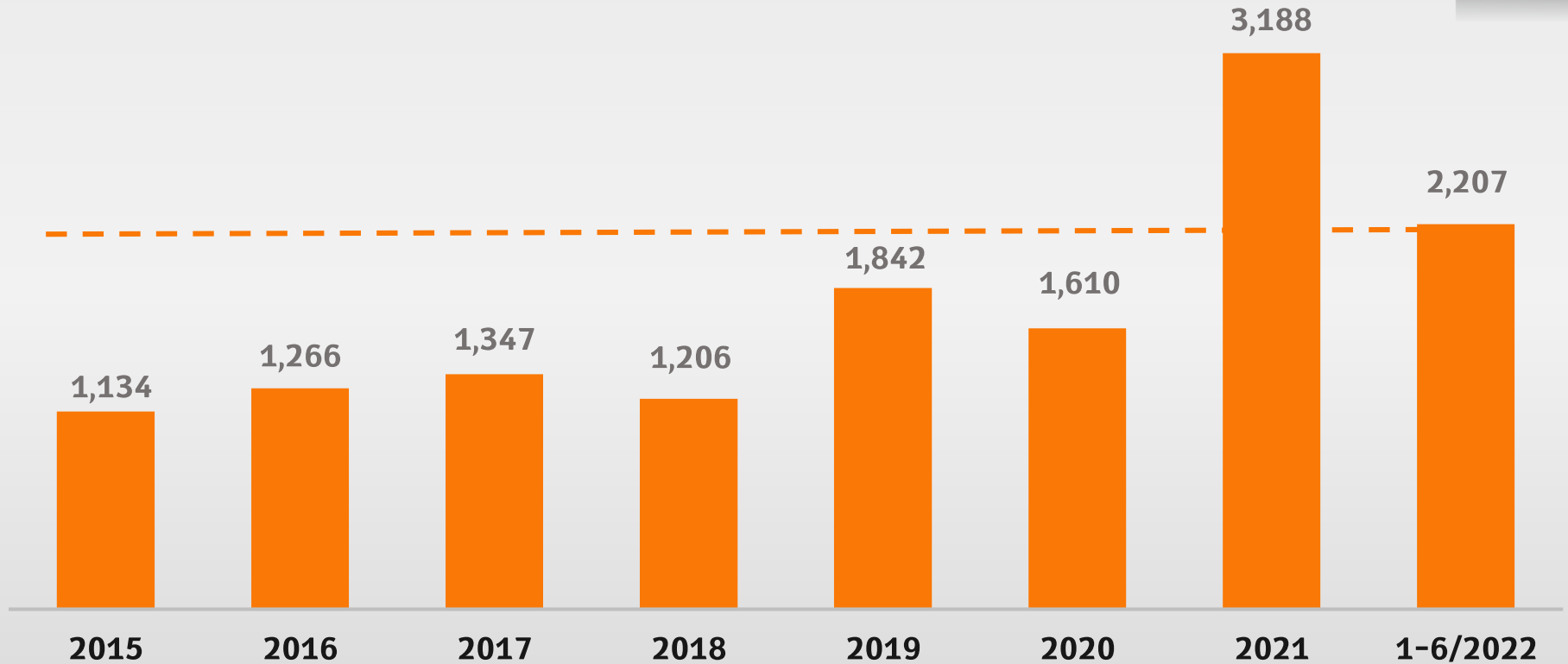
Expenses with respect to credit losses in the first half of 2022 are primarily due to adjustments to the group-based provision due to growth of the Bank's business loan portfolio and residential mortgages portfolio. In the first half of 2021, due to the gradual emergence from the Corona Virus crisis, there was improvement in the economic environment, that influenced the level of provision.

Provisions / loans to the public



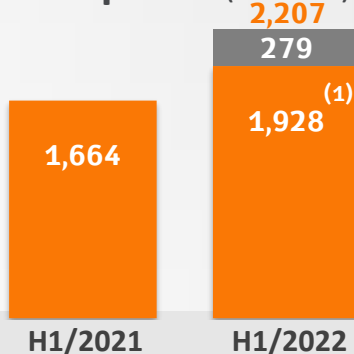
Q2/22

Net profit in the first half of 2022 is higher than the annual profit until 2020

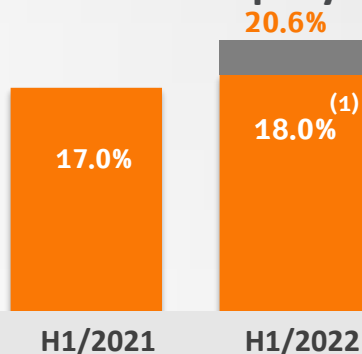




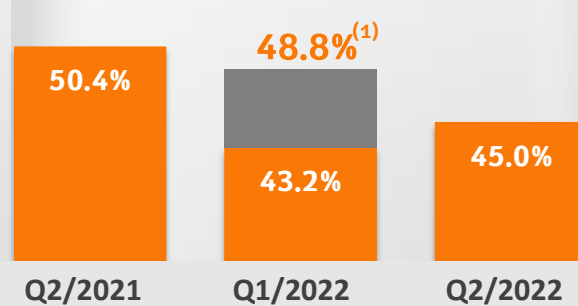
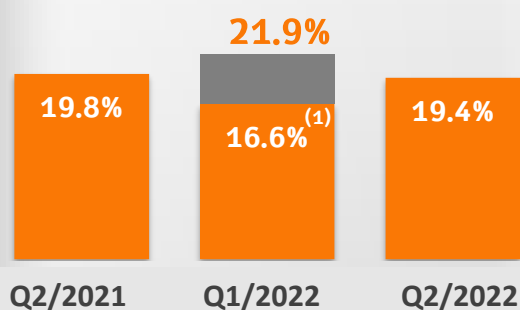
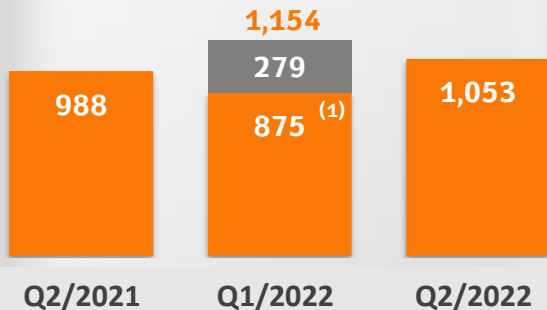
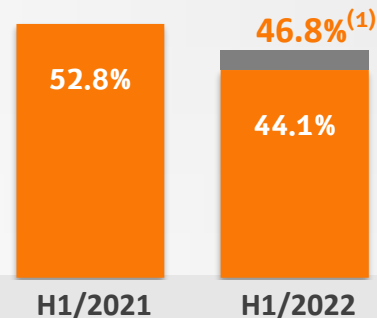
Net profit (NIS mil)



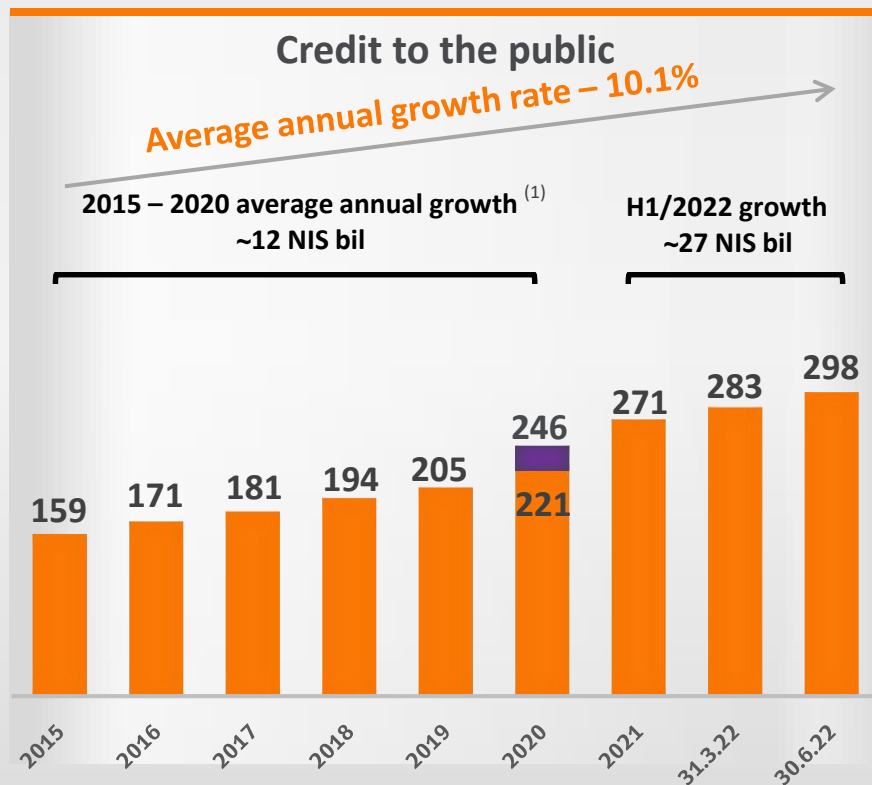
Return on equity



Cost/income ratio



(1) Excluding effect of capital gain in the first quarter of 2022



(1) Excluding Union Bank credit

Business segment	30.6.22	30.6.21	% change in
Housing loans	189.4	163.5	15.8
Households + private banking	26.6	25.9	2.9
Total individuals	216.0	189.4	14.0
Total businesses ⁽²⁾	82.2	64.8	26.9
Total	298.2	254.2	17.3

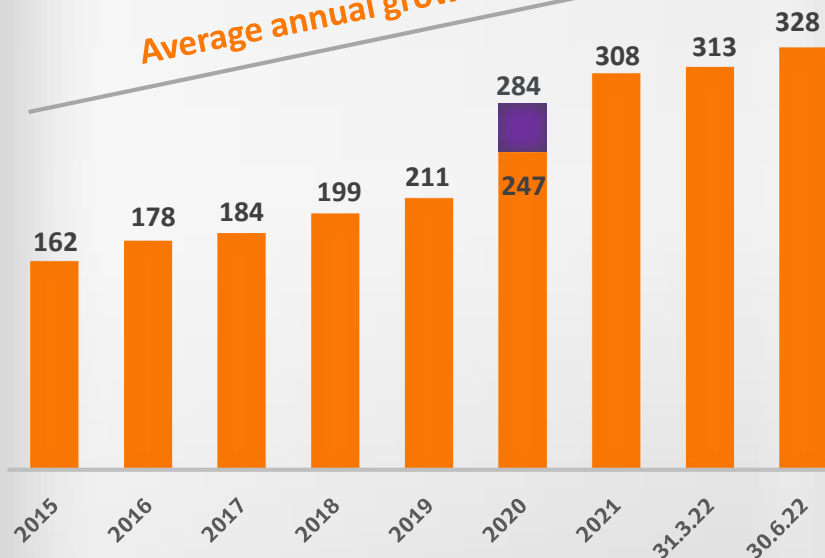
Supervisory operating segments

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



Deposits from the public (NIS bil)

Average annual growth rate – 11.5%

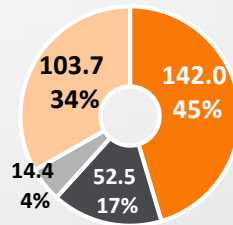


Core deposits⁽¹⁾ (NIS bil)

Average annual growth rate – 13.4%



Core deposits⁽¹⁾ by segments



Segment

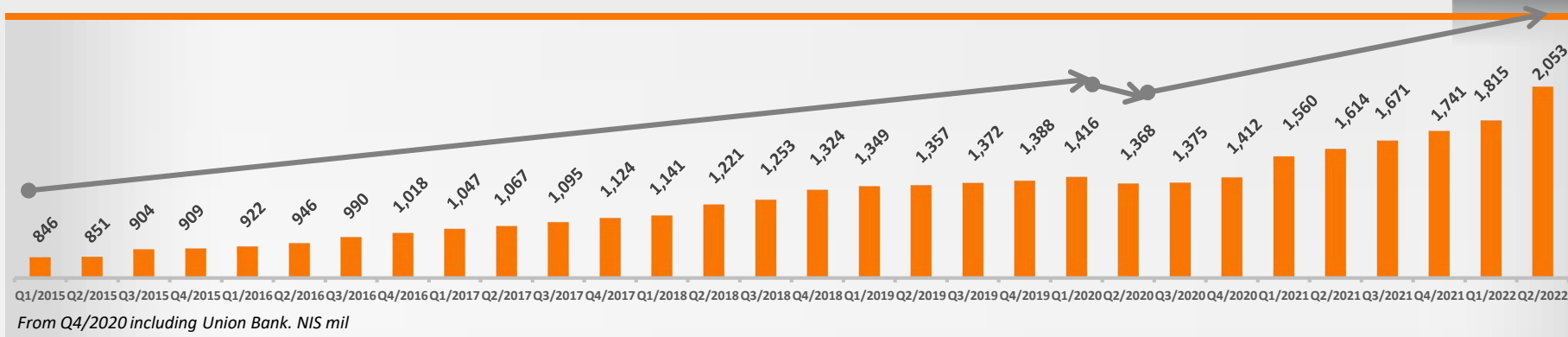
- House holds and Private banking
- Small and micro businesses
- Medium businesses
- Large businesses, Institutional investors and Overseas operations

Total core deposits: NIS 217.2 bil
Share of core deposits: 66%

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

Q2/22

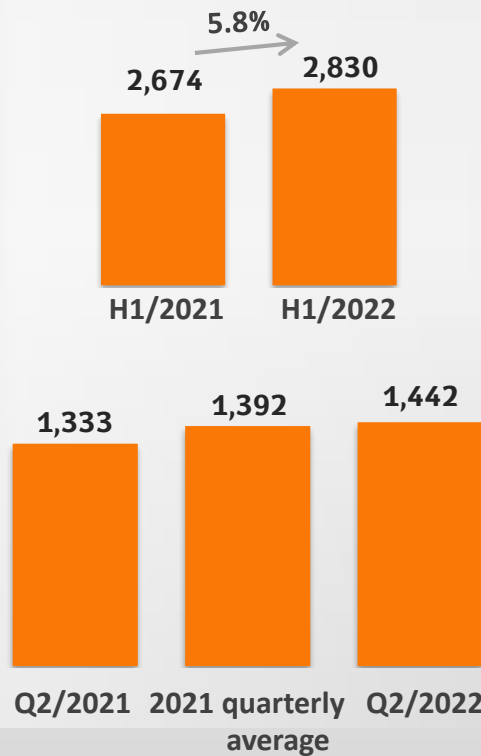
Financing revenues from current operations continue to grow



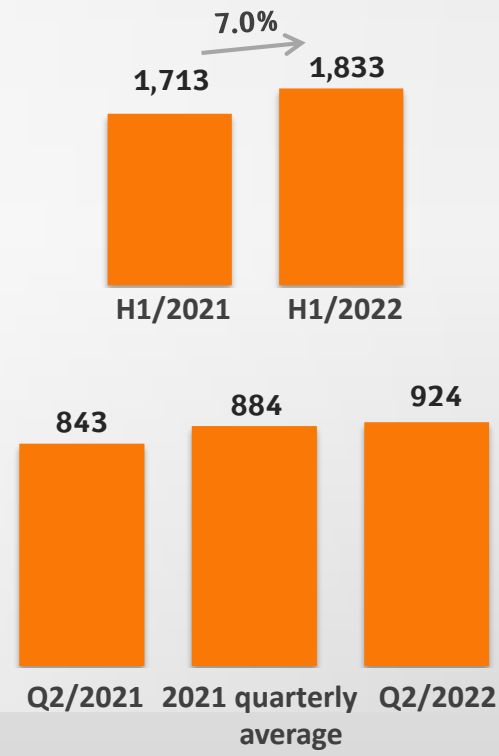
	Q2 2022	Q2 2021	Rate of change
Interest revenues, net	2,453	2,035	
Non-interest financing revenues	176	66	
Total financing revenues	2,629	2,101	25.1%
less:			
Linkage differentials with respect to CPI position	379	251	
Revenues from collection of interest on troubled debt	20	14	
Gain from debentures	(3)	13	
Effect of accounting treatment of derivatives at fair value and others	180	209	
Total effects other than current operations	576	487	
Total financing revenues from current operations	2,053	1,614	27.2%



Operating and other expenses (NIS mil)



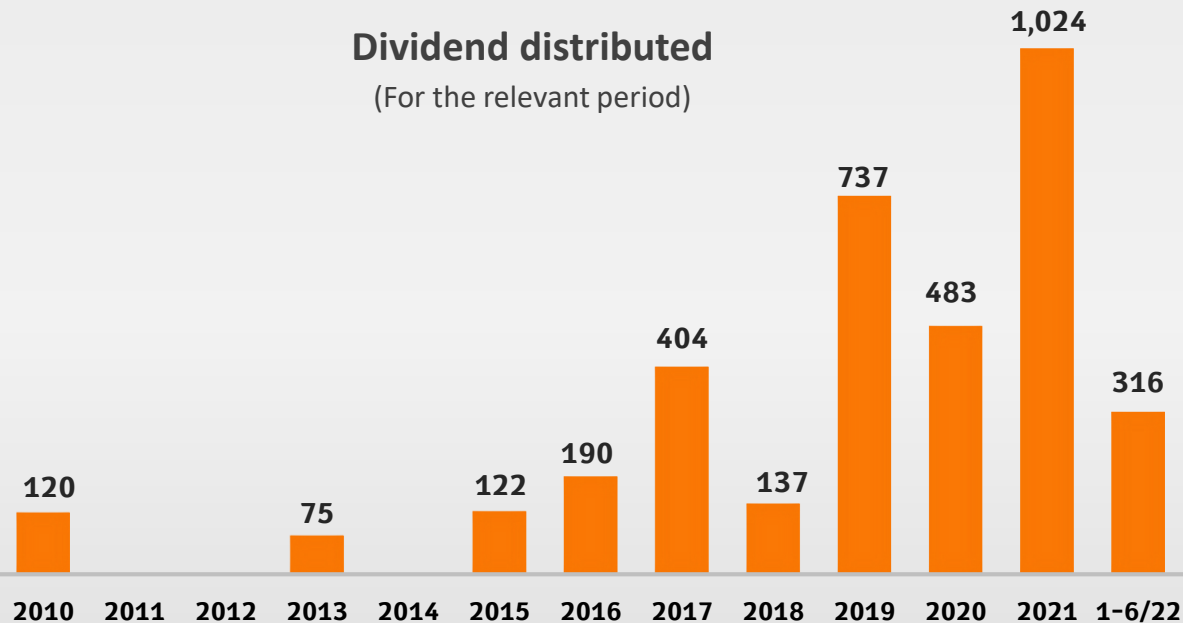
Salaries (NIS mil)





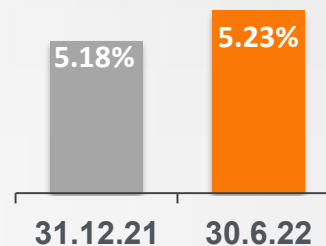
Dividend distributed

(For the relevant period)

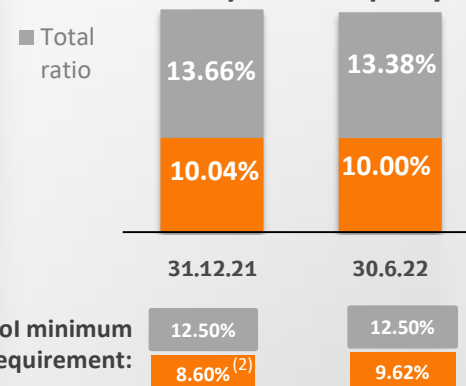


Dividend distributed for Q2/2022 at a rate of 30% of the net profit of that period ⁽¹⁾

Leverage ratio



Capital adequacy



(1) 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).

(2) Including the interim BOI directive for the COVID period of reduction of regulatory capital requirements applicable to banks by one percentage point, that expired January 1, 2022



Thank you