



EQUITY CAPITAL RAISE

Increasing the Momentum of our Growth

Investor Relations

March 27, 2022

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STRONG 2021 PERFORMANCE ACROSS KEY INDICATORS

2021 NET INCOME

2,773_M

NIS 2,070m
adjusted and normalized

2021 ROE

13.6%

10.1%
adjusted and normalized

2021 CREDIT GROWTH

+12.3%

2021 EMPLOYEE PRODUCTIVITY

+12.2%

2021 MORTGAGE ORIGINATIONS

+69.3%

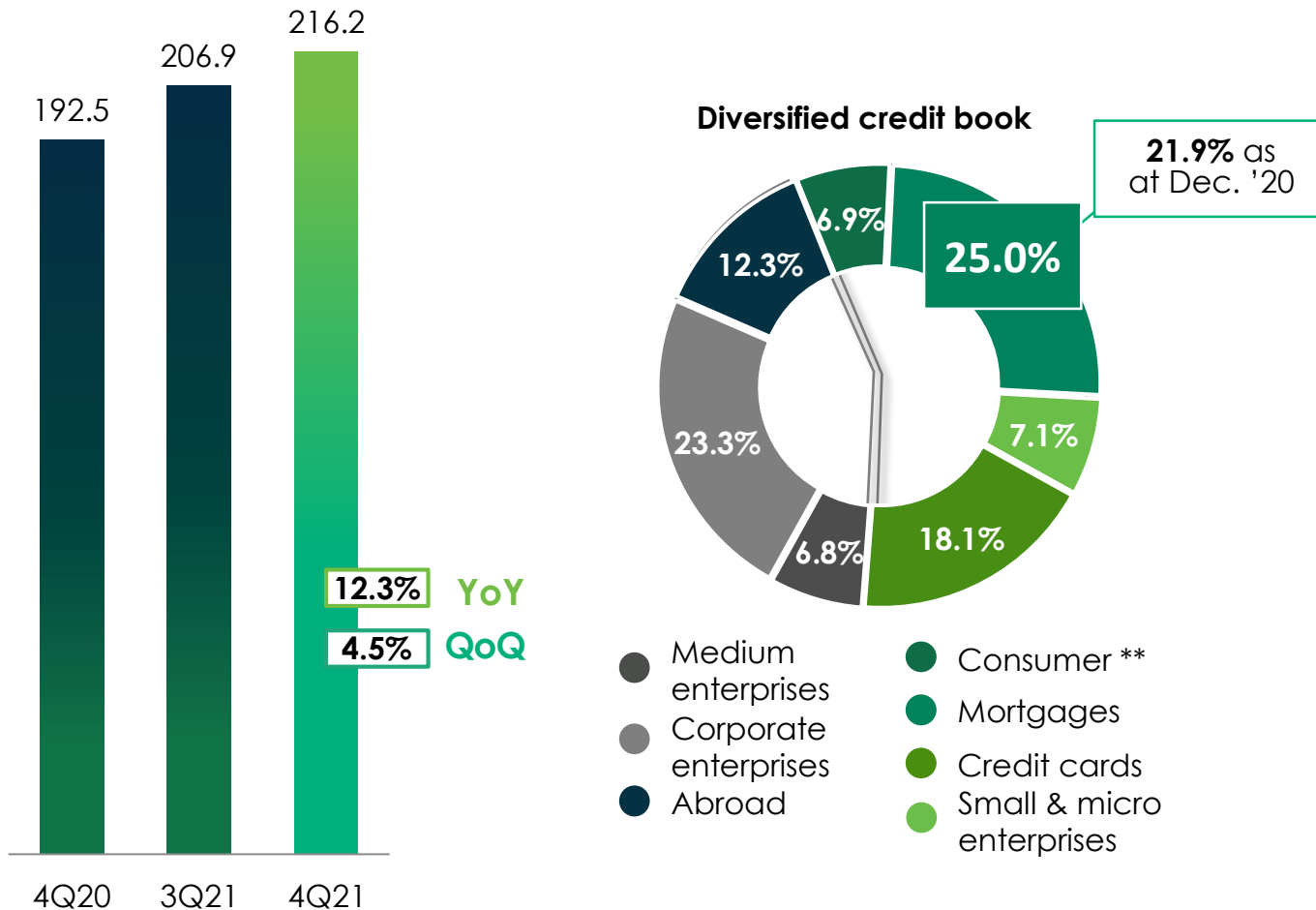
3 * Adjusted for certain items presented on slide 13

** Normalized ROE = Replaces current credit loss expense ratio with the average credit loss expense ratio for the years 2016-2019 of 0.37%.

ROBUST, SUSTAINABLE AND RESPONSIBLE GROWTH ACROSS ALL SECTORS ESPECIALLY TARGETED SEGMENTS

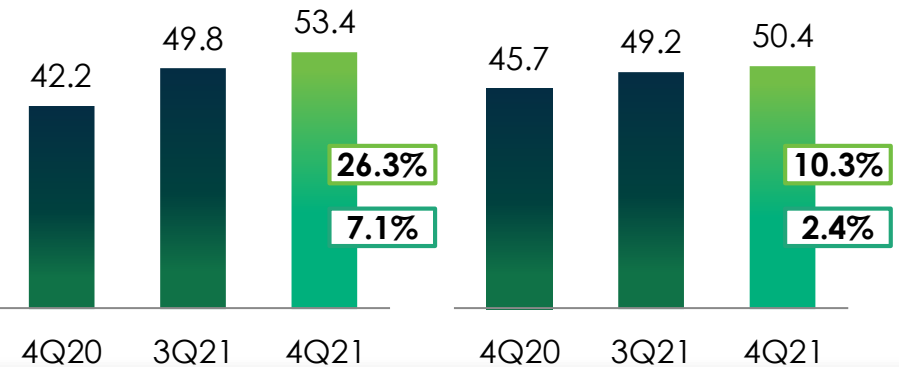
Credit to the public segments and composition*

in NIS bn; growth %



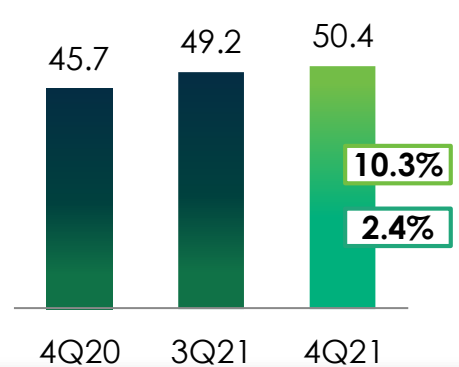
Mortgages (in households)

in NIS bn; growth %



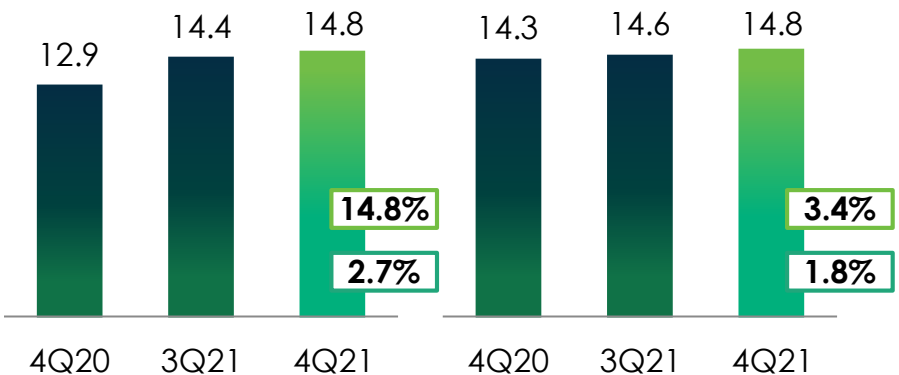
Corporate

in NIS bn; growth %



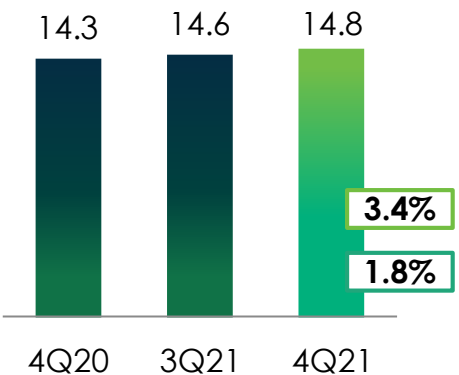
Medium enterprises

in NIS bn; growth %

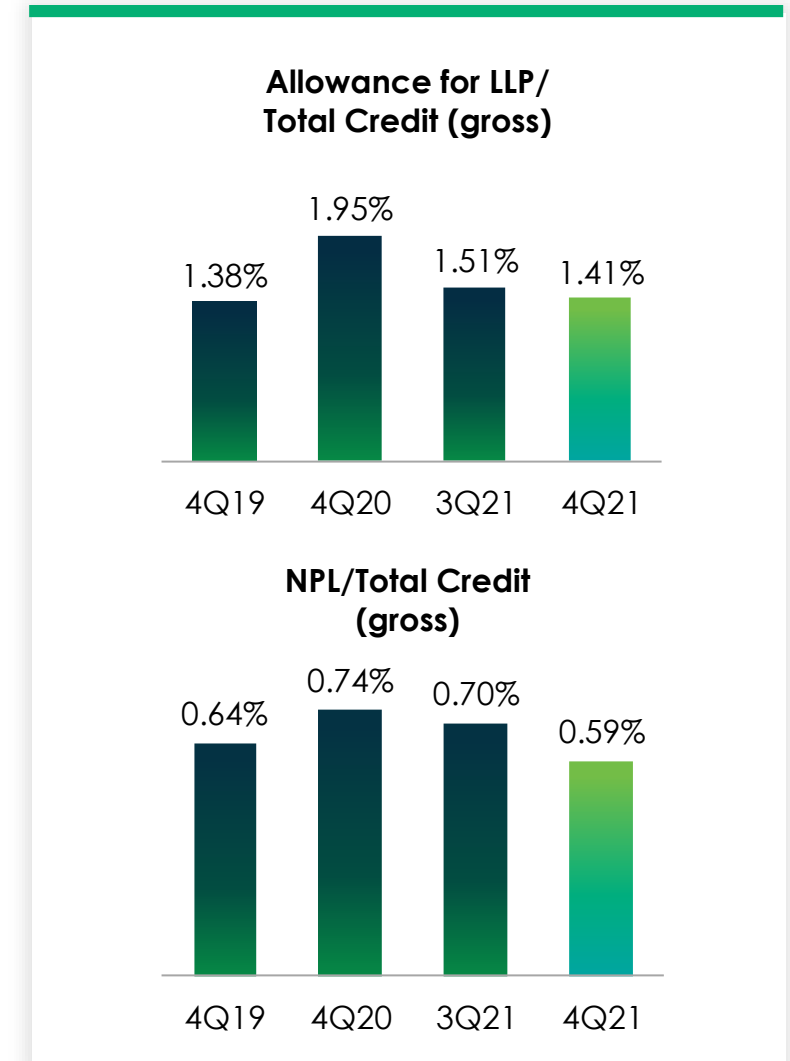
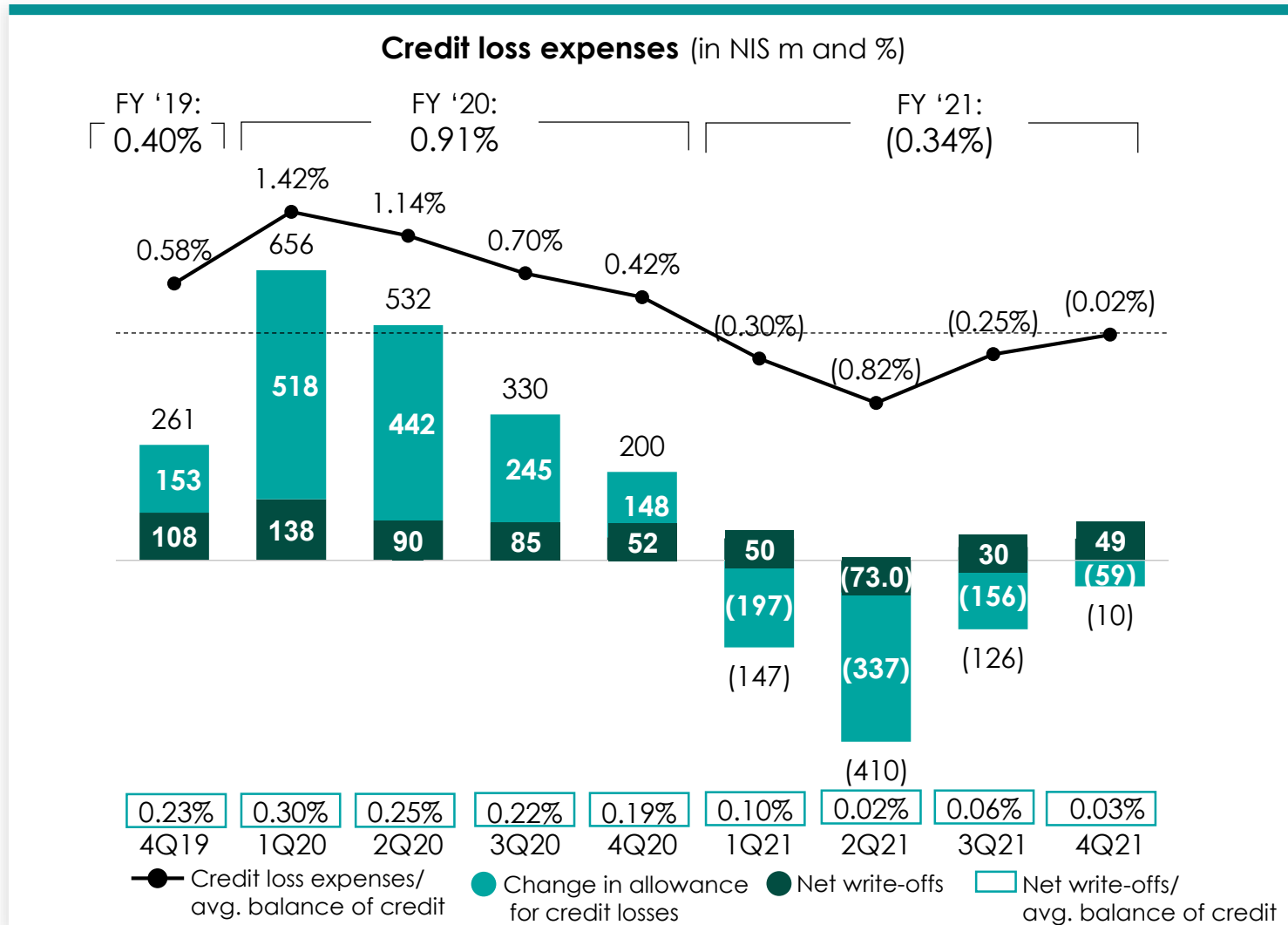


Consumer **

in NIS bn; growth %



HIGH QUALITY LOANS AND CONSERVATIVE UNDERWRITING PRODUCE SOLID CREDIT METRICS



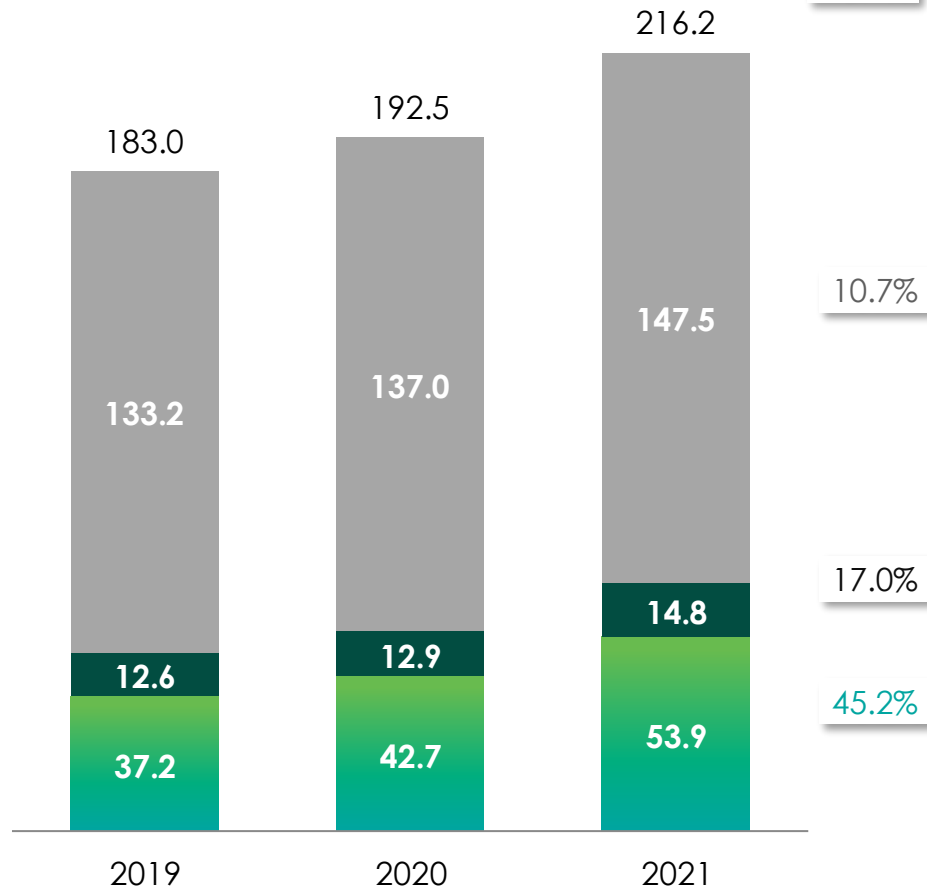
WHY WE ARE RAISING CAPITAL

- 1 **Realize** significant growth potential, with an emphasis on mortgages and medium sized enterprises
- 2 **Take advantage** of the unique market opportunities created by our leverage ratio and relative exposure to real estate that have significant buffers to regulatory requirements
- 3 **Act on** the sharp rise in yields that imply an increase in interest rates which will have two impacts on the Bank:
 - a short term negative impact on our capital adequacy ratios of 0.3%
 - a significant increase in net interest income which coupled with continued growth of credit will deliver superior value for shareholders, if the current market expectations are realized

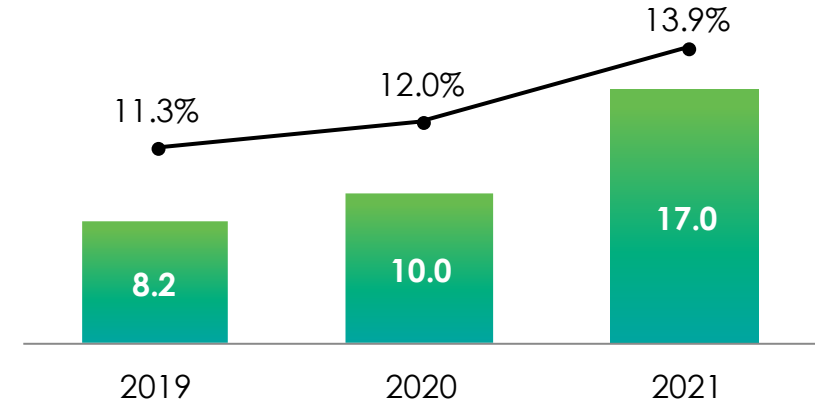
CONTINUING THE MOMENTUM OF RESPONSIBLE, PROFITABLE AND FOCUSED GROWTH

Total Credit with focus on mortgage and medium enterprises (NIS bn)

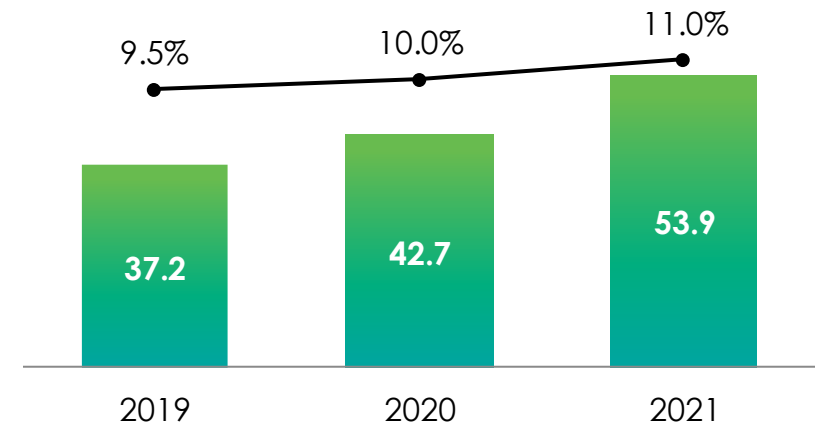
2 Yr
growth
18.1%



Mortgage origination (NIS bn) and market share

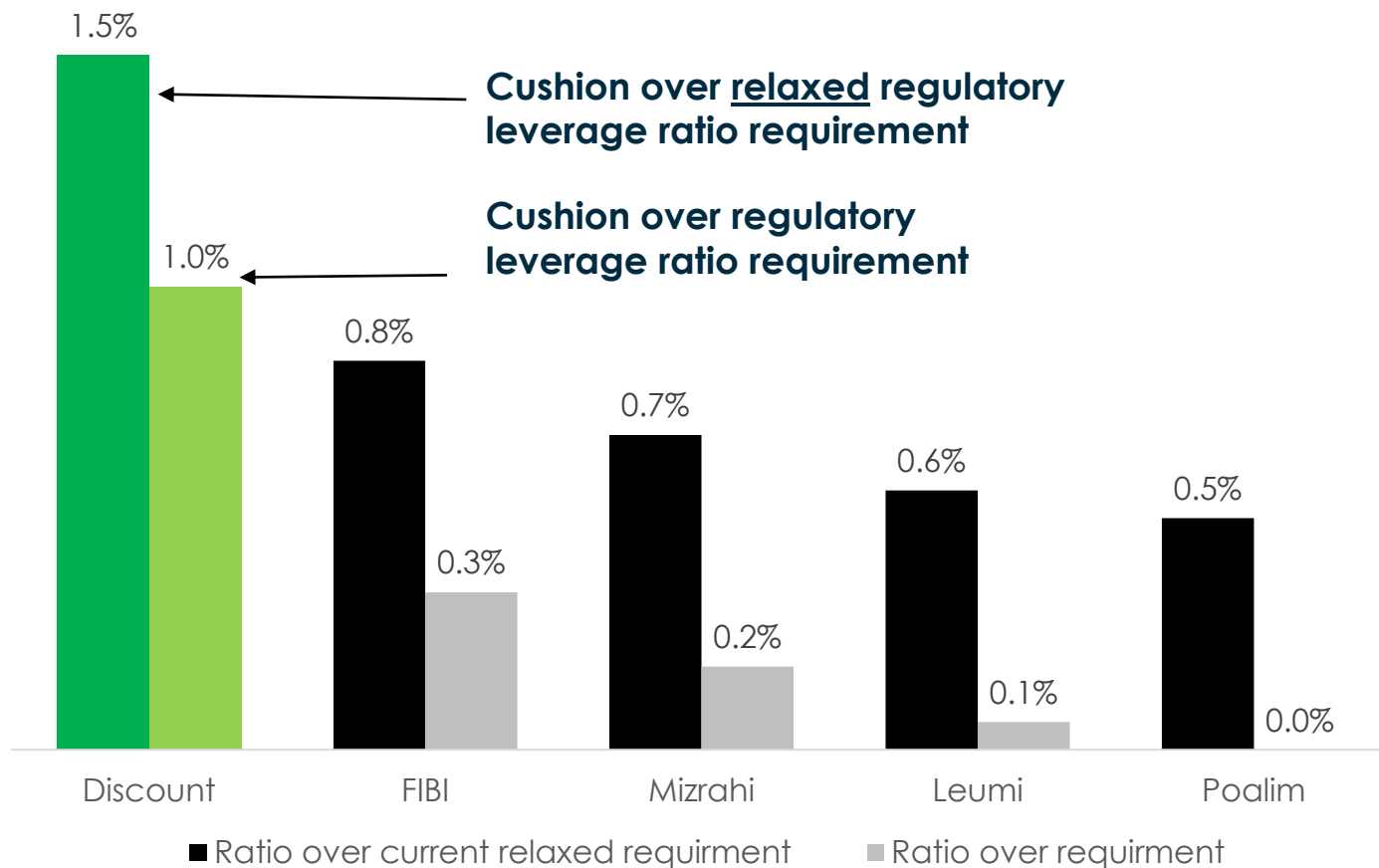


Mortgage Balance (NIS bn) and market share

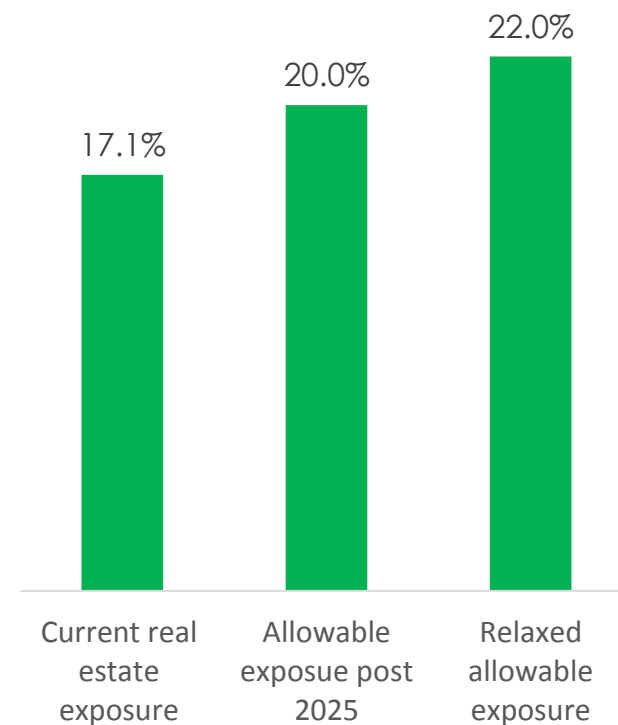


TAKING ADVANTAGE OF CURRENT MARKET OPPORTUNITIES

Well above regulatory limits on leverage ratio

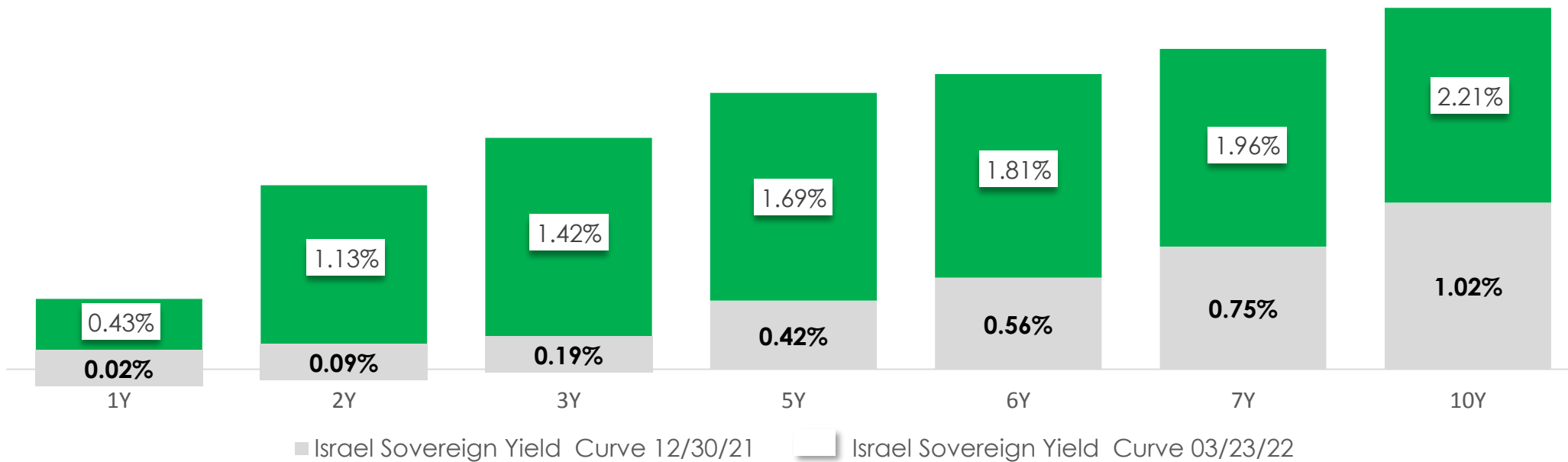


Below regulatory limits of real estate exposure



INCREASE IN YIELDS AND INTEREST EXPECTATIONS TO IMPROVE PROFITABILITY OVER TIME

Market expectations for a rise in interest rate have increased significantly since the beginning of the year



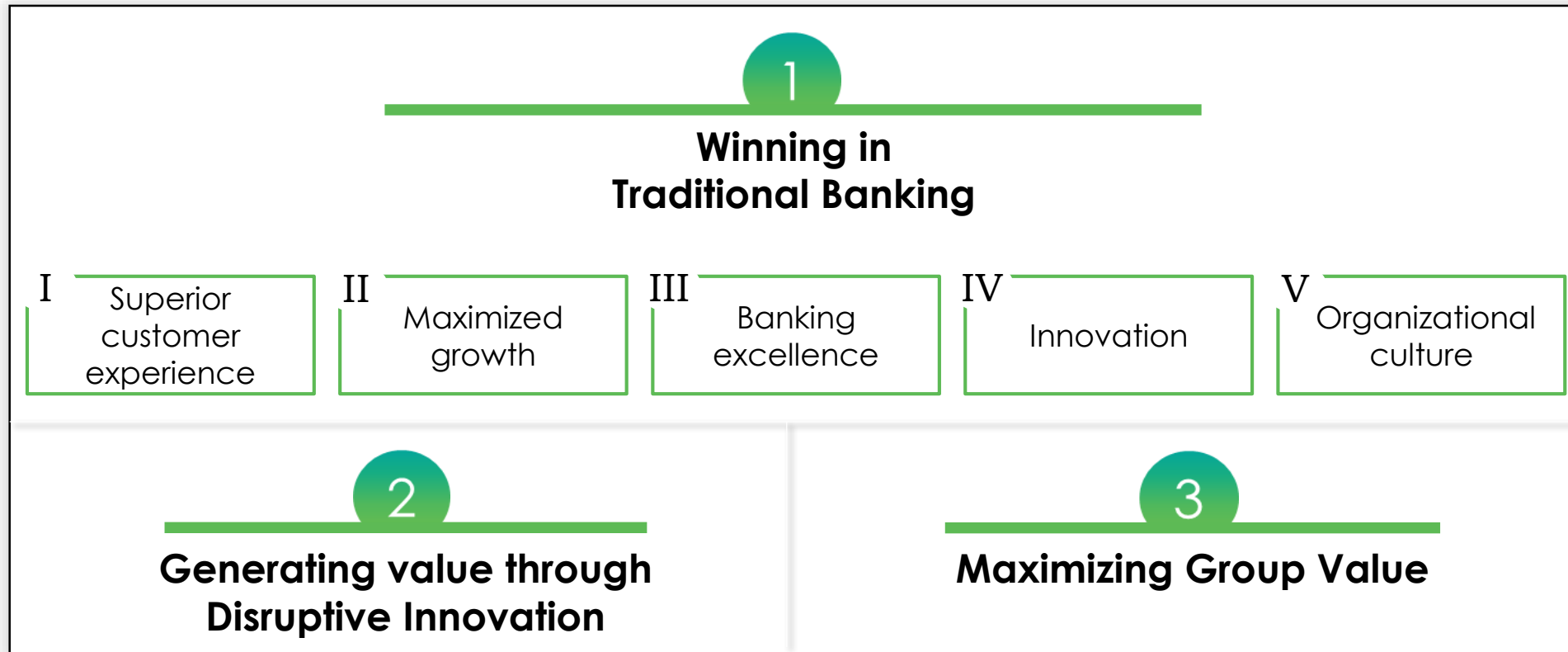
Short term negative impact on assets held for sale in the securities portfolio impacts the CET-1 ratio of 0.3%

Significant upside to net interest income from increases in interest rates in the mid to long term

ADDITIONAL CAPITAL TO BOOST DRIVING VALUE THROUGH OUR STRATEGIC PLAN

ULTIMATE GOAL:

TO BE THE BEST FINANCIAL INSTITUTION FOR ITS CUSTOMERS, DELIVERING SUPERIOR VALUE FOR SHAREHOLDERS, OVER TIME



INCREASING THE PACE OF VALUE GENERATION TOWARDS OUR 2025 FINANCIAL TARGETS

2014
WHERE WE STARTED

2021
WHERE WE ARE

2025
WHERE WE ARE GOING

Net income
(Adjusted and normalized**)

896m



2,070m



3,500m

ROE
(Adjusted and normalized)

7.4%



10.1%



12.5%

Efficiency Ratio
(Adjusted)

78.6%



61.6%



55.0%

* Adjusted for certain items presented on slide 13

11 ** The word "normalized" applies only to 2021 in which the current credit loss expense ratio is replaced with the average credit loss expense ratio for the years 2016-2019 of 0.37%.

APPENDIX

ADJUSTMENTS TO PROFIT & LOSS

NIS m	Gross			Net			Gross		Net	
	4Q21	3Q21	4Q20	4Q21	3Q21	4Q20	2021	2020	2021	2020
Retirement benefits	14	7	373	9	4	246	143	413	94	272
Early redemption of long term benefits	29			19			29		19	
Provisions for new salary agreement	235		(7)	155		(3)	235	31	155	15
Income from real estate sales	-48			(38)			(48)		(38)	
Australia			(174)			(112)		65		43
Sales of Visa Inc. shares								(88)		(44)
Depreciation (NY Headquarters)			40			26	19	40	13	26
Total	230	7	232	145	4	157	378	461	243	312