



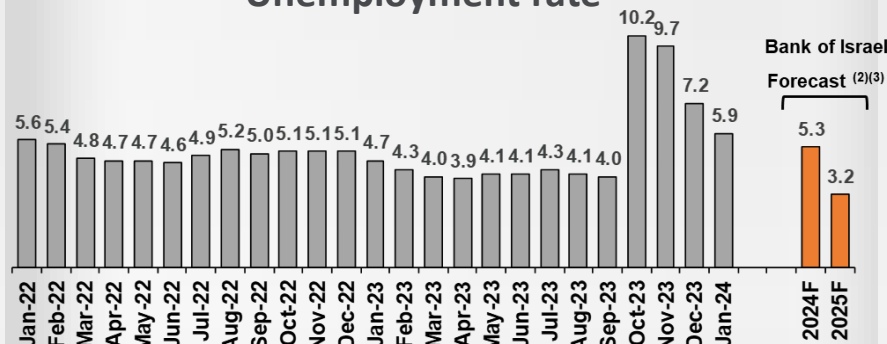
Financial statements

December 31, 2023

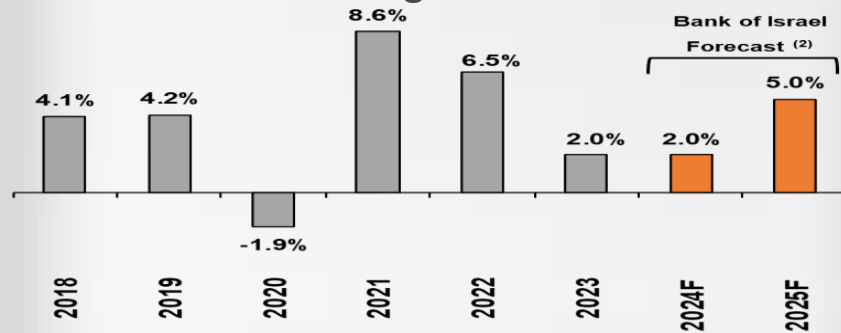
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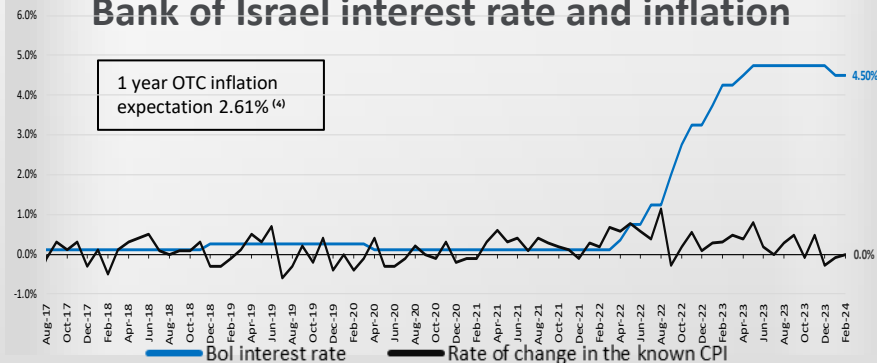
Unemployment rate⁽¹⁾



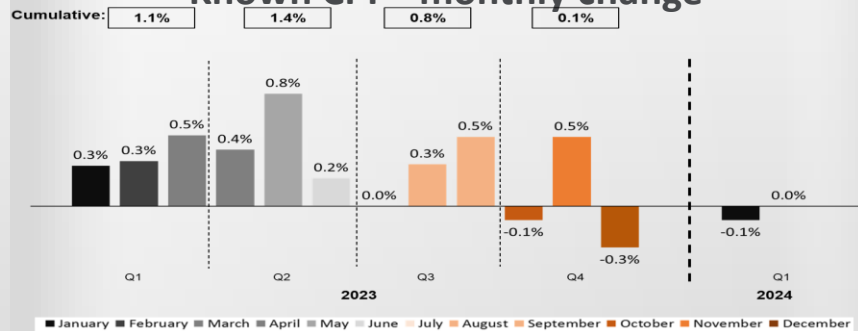
GDP growth⁽²⁾



Bank of Israel interest rate and inflation



Known CPI – monthly change



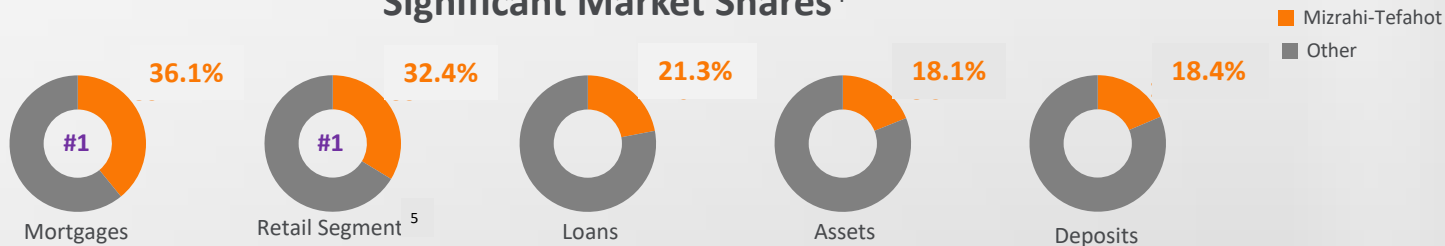
(1) Broad Unemployment Rate (general definition of unemployed, unemployed that ceased working due to dismissal or closing of their work place in the last two years and temporary absent from their work for the whole week due to economic reasons) (15 years old and above). (2) Bank of Israel forecast for 2024 – 2025 - annual average according to Bank of Israel research department forecast from January 1, 2024. (3) Broad Unemployment rate, ages 25-64. (4) As of March 7, 2024.



Leading Israeli Bank

NIS 448bn Total Assets ¹	NIS 325bn Net Loans to the public ¹	NIS 359bn Deposits from the public ¹
NIS 12.0bn Net Interest Revenue ²	NIS 14.8bn Total Revenue ²	NIS 4.9bn Net Profit ²
NIS 36.1bn Market Cap ³	>7,100 Employees ¹	206 Branches ¹

Significant Market Shares⁴



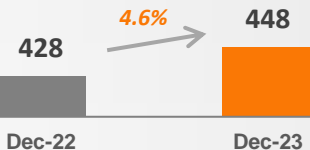
(1) As of December 31, 2023. (2) For 1-12/2023. (3) Tel Aviv Stock Exchange (as of March 6, 2024)

(4) As of September 30, 2023. (5) Market share in credit to Households and Private Banking segments (supervisory operating segments).

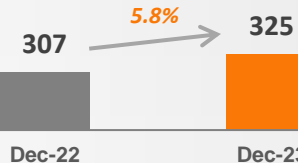


Balance Sheet Growth

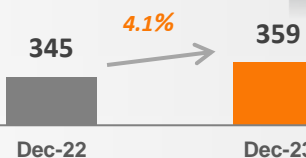
Total Assets (NISbn)



Net Loans to the Public (NISbn)

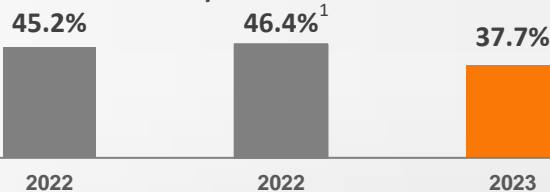


Deposits from the Public (NISbn)

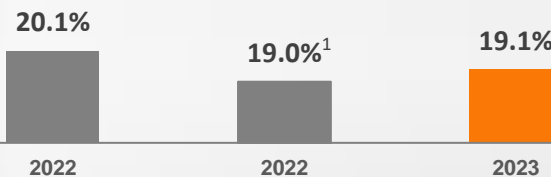


Profitability

Cost/Income Ratio



Return on Equity

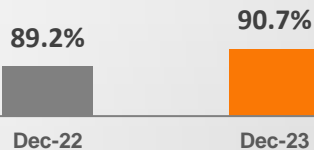


Asset Quality, Liquidity and Capitalisation

NPL Ratio²



Loan-Deposit Ratio



CET1 Ratio



(1) Excluding effect of capital gain, net from sale of assets.

(2) NPL Ratio is calculated as Impaired Credit not Accruing Interest Income, divided by Gross Loans to the Public.

The effect of Iron Swords war events

- *On October 7, 2023, the Iron Swords war was declared following a sudden murderous rampage into settlements close to the Gaza Strip border. This was concurrently with the start of military escalation on the Northern border.*
- *The Bank is prepared to continue its operations and to provide service to its customers, including in war-affected zones, in as much as possible.*
- *The Bank takes part in the national endeavor and has announced the allocation of funds for charitable donations and assistance to civilians affected by the war, and has launched programs to provide relief to Bank customers, with emphasis on customers resident in war-affected regions.*
 - *Total charitable donations allocated by the Bank for adoption of the town of Sderot and kibutz Kfar Aza and other activities to benefit residents of the Gaza border and Northern border areas is estimated at NIS 70 million.*
 - *The estimated value of relief and banking benefits extended to all Bank Group customers, beyond the charitable donation amount is NIS 531 million (including banking relief and benefits provided to residents of Sderot and Kfar Aza, as noted above), assuming full utilization of all benefits offered to the relevant population.*

Loan balance with changes to terms and conditions of debt due to the war (NIS mil)



	Loan balance with changes to terms and conditions of debt as of 31.12.2023	Loan balance with changes to terms and conditions of debt as of 29.2.2024	Total credit to this segment ⁽¹⁾	Loan balance with changes to terms and conditions of debt as of 31.12.2023 to total credit ⁽¹⁾	Loan balance with changes to terms and conditions of debt as of 29.2.2024 to total credit ⁽¹⁾
Large businesses	144	42	47,983	0.3%	0.1%
Medium businesses	219	121	12,171	1.8%	1.0%
Small businesses	3,612	1,892	34,947	10.3%	5.4%
Private individuals	855	439	27,752	3.1%	1.6%
Housing loans	23,714	18,184	206,562	11.5%	8.8%
Total	28,544	20,678	329,415	8.7%	6.3%

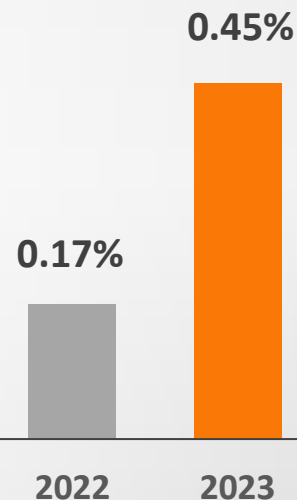


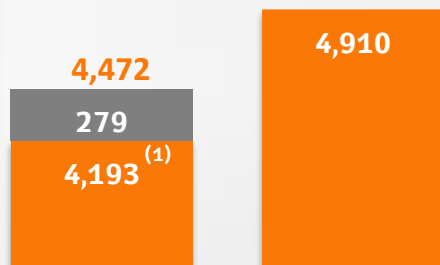
Segment	1-12/2023		1-12/2022		Q4/2023		Q4/2022	
	Provision	Rate of provision	Provision	Rate of provision	Provision	Rate of provision	Provision	Rate of provision
Housing loans	247	0.12%	99	0.05%	12	0.02%	11	0.02%
Business	892	0.96%	336	0.40%	221	0.95%	136	0.64%
Households	324	1.21%	97	0.36%	62	0.92%	44	0.65%
Total	1,463	0.45%	532	0.17%	295	0.36%	191	0.25%

Expenses with respect to credit losses in 2023 amounted to NIS 1,463 million, of which NIS 1,011 millions (0.31% of total loans to the public) are group expenses for credit losses, and NIS 452 million (0.14% of total loans to the public) are individual expense for credit losses.

The increase in provisions in 2023, and in particular in the third quarter of this year, is mostly due to group-based provision for credit losses, recognized so as to reflect the increase in credit risk in the market due to the war, though no material indicators of increase in this risk have been seen to date at the Bank. The increase in provision over the year was also due to growth in Bank's loan portfolio and to higher risk in the market, primarily due to the higher interest rates

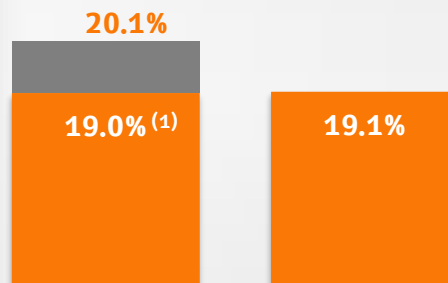
Provisions / loans to the public



**Net profit (NIS mil)**

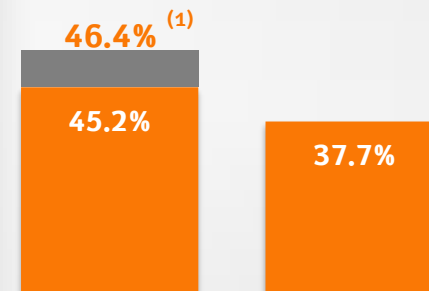
2022

2023

Return on equity

2022

2023

Cost/income ratio

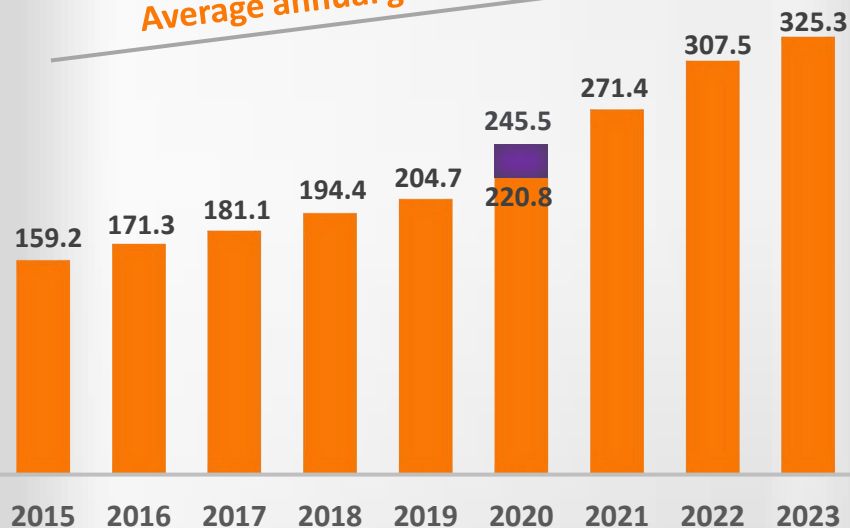
2022

2023

(1) Excluding effect of capital gain, net from sale of assets.

Credit to the public⁽¹⁾

Average annual growth rate – 9.3%



Business segment	31.12.23	31.12.22	% change in
Housing loans	205.4	195.8	4.9
Households + private banking	26.9	27.2	(1.3)
Total individuals	232.3	223.0	4.2
Total businesses ⁽²⁾	93.0	84.4	10.2
Total	325.3	307.5	5.8

(1) Net

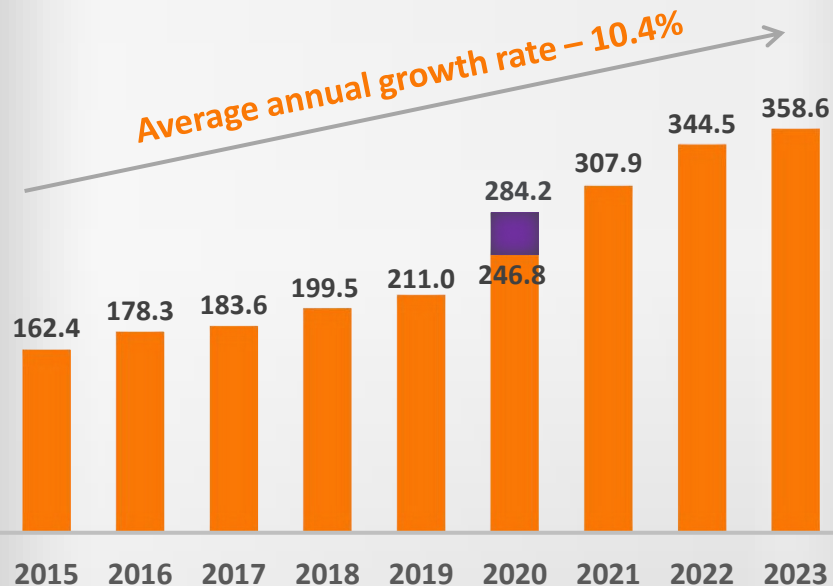
Supervisory operating segments

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

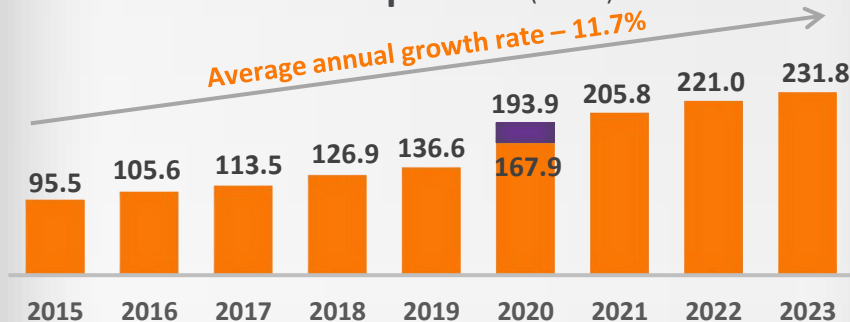
Continuous deposit growth (NIS bil)



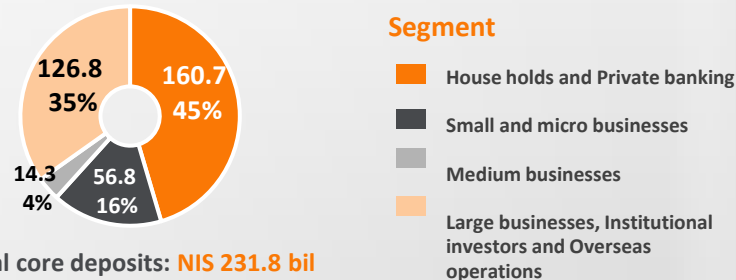
Deposits from the public (NIS bil)



Core deposits⁽¹⁾ (NIS bil)

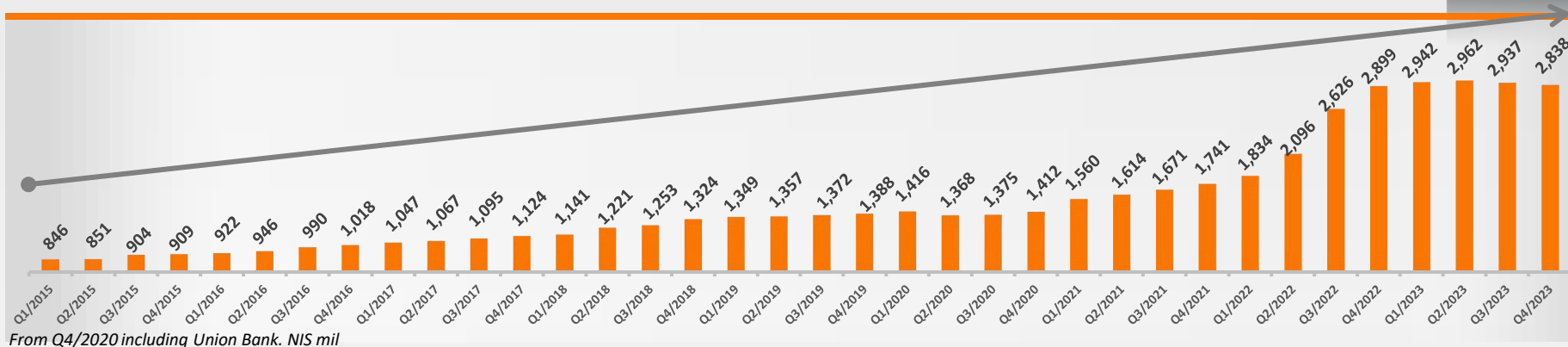


Deposits by segments



Total core deposits: NIS 231.8 bil
Share of core deposits: 65%

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



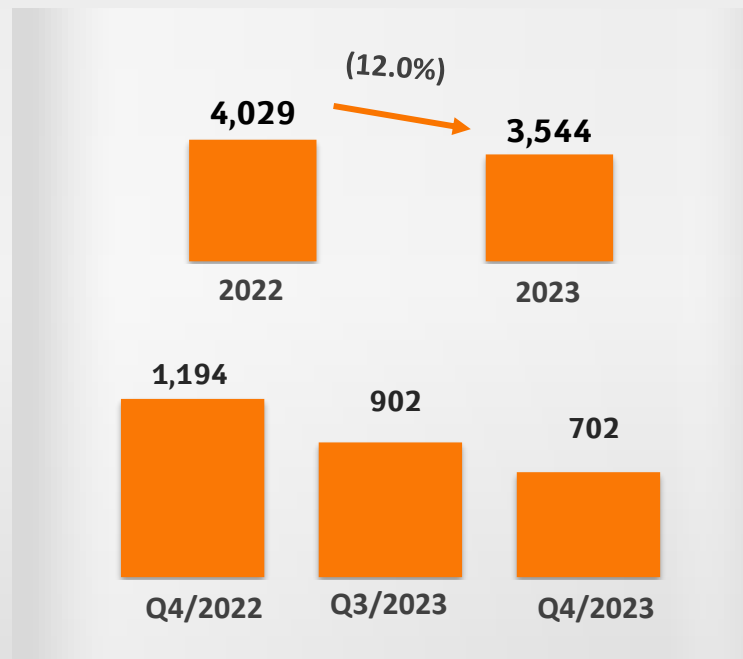
	2023	2022	Rate of change
Interest revenues, net	11,975	10,240	
Non-interest financing revenues	511	754	
Total financing revenues	12,486	10,994	13.6%
less:			
Effect of the Consumer Price Index	941	1,144	
Revenues from collection of interest on troubled debt	42	67	
Gains (losses) from bonds, shares and real investments	(108)	(3)	
Effect of accounting treatment of derivatives at fair value and others	(68)	331	
Total effects other than current operations	807	1,539	
Total financing revenues from current operations	11,679	9,455	23.5%



Operating and other expenses (NIS mil)



Salaries (NIS mil)



Operating and other expenses decreased by 9.8%, primarily due to completion of the Union Bank merger into UMTB, which resulted in termination of some employees of the former Union Bank, closure of some Union Bank branches and reduced IT expenses, and to the payroll agreement signed with the Employees' Association.



Equity (NIS mil)

23,780

27,461

2022

2023

Dividend⁽¹⁾⁽²⁾ (NIS mil)

120

75

122

190

404

137

737

483

1024

995

410

489

165

209

Dividend distributed for Q4/2023 at a rate of 20%⁽³⁾
of the net profit of that period

Leverage ratio

5.42%

5.83%

31.12.22

31.12.23

Capital adequacy

■ Total
ratio

13.12%

9.94%

31.12.22

13.36%

10.32%

31.12.23

Bol minimum
requirement:

12.50%

9.60%

12.50%

9.60%

(1) For the relevant period.

(2) 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).

(3) Given the state of uncertainty in the economy regarding, inter alia, the continued war and the extent of its effects, and so as to enable further assistance to Bank customers, including by way of extending credit to customers with repayment capacity, and further to the Supervisor of Banks' letters on this matter dated November 12, 2023 and March 5, 2024.



Thank you