

Bank Leumi le-Israel L.T.D.

**Additional Information to the
Annual Consolidated Reports**

2019

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Note 2 - Interest Income and Expenses

	Bank		
	2019	2018	2017
	(NIS millions)		
A. Interest Income (a)			
Credit to the public	8,568	8,500	7,954
Credit to governments	32	33	25
Deposits with banks	211	164	105
Deposits with Bank of Israel and cash	122	56	47
Interest income from securities borrowed or purchased under agreements to resell	4	2	3
Bonds (b)	1,132	871	561
Total Interest Income	10,069	9,626	8,695
B. Interest Expenses			
Deposits of the public	(1,758)	(1,601)	(1,199)
Deposits from governments	(3)	(3)	(3)
Deposits from Bank of Israel and cash	(1)	-	-
Deposits from banks	(26)	(21)	(15)
Debentures, bonds and subordinated notes	(537)	(572)	(672)
Interest expense from securities loaned or sold under agreements to repurchase	(3)	(2)	(3)
Total Interest Expenses	(2,328)	(2,199)	(1,892)
Total included in interest income	-	-	-
C. Details of the net effect of hedging derivative financial instruments on interest income and expenses (c)			
Interest income	(13)	7	(16)
D. Details of interest income on accrual basis from bonds			
Held to maturity	143	65	17
Available for sale	958	769	497
Held for trading	31	37	47
Total included in interest income	1,132	871	561

(a) Including effective component of hedge relationships.

(b) Including interest in respect of mortgage-backed bonds (MBS) in the amount of NIS 106 million (104 - NIS 104 million, 109 - NIS 109 million).

(c) Details of the effect of hedging derivative instruments on sub-sections A and B.

Note 3 - Non-Interest Financing Income

	Bank		
	2019	2018	2017
	(NIS millions)		
A. Non-interest financing income from activities not for trading purposes			
A.1 From activities in derivative instruments			
Net Income (expenses) in respect of ALM derivative instruments (a)	(1,279)	2,347	(1,936)
Total from activities in derivative instruments	(1,279)	2,347	(1,936)
A.2 From investment in bonds			
Gains on sale of debentures available for sale	188	54	153
Losses on sale of debentures available for sale(h)	(17)	(71)	(45)
Total from investment in debentures	171	(17)	108
A.3 Exchange rate differentials ,net	2,057	(2,310)	2,519
A.4 Gains (losses) on investment in shares			
Gains from sale of shares available for sale (b)	(16)	(2)	(15)
Losses from sale of shares available for sale (c)	(16)	(2)	(15)
Gain from sale of shares in holding companies	314	7	-
Losses from sale of shares in holding companies	(99)	(1)	(15)
Unrealized profits\losses, net from not held-for-trading equity securities	49	-	-
Dividend from shares available for sale	11	5	3
Total from investment in shares	336	206	(3)
A.5 Net profits in respect of loans sold	15	-	9
Total non-interest financing income in respect of activities not for trading purposes	1,300	226	697
B. Non-interest financing income from activities for trading purposes (d)			
Net income (expenses) in respect of other derivative instruments	128	115	170
Realized and unrealized profits (losses) from fair value adjustment of bonds for trading, net (e)	146	(27)	(80)
Realized and unrealized profits (losses) from fair value adjustment of shares for trading, net (f)	3	85	30
Total non-interest financing income in respect of activities for trading purposes (g)	277	173	120
Breakdown of noninterest finance income for trading activities, by risk exposure			
Interest rate exposure	31	(48)	(129)
Foreign exchange exposure	207	201	201
Exposure to equity securities	35	19	47
Exposure to commodities and other contracts	4	1	1
TOTAL	277	173	120
Total income from Non-Interest Financing	1,577	399	817

(a) Derivative instruments which constitute part of the Bank's assets and liability management system and were not designated for hedging relationships.

(b) Including mainly gain of NIS 33 million on the sale of Shva, (2018 - includind mainly gain of NIS 64 million on the sale of Orom and gain of NIS 46 million on the sale of Tel Aviv Stock Exchange shares, 2017 - includind mainly gain of NIS 14 million on the sale of kenon).

(c) Including provisions for impairment relating to bonds available for sale in the amount of NIS 0 million (2018 – NIS 1 million, 2017– NIS 11 million).

(d) Including exchange rate differences resulting from trading activity.

(e) Of which part of the profits (losses) of NIS 34 million (2018 - NIS (23) million, 2017 - NIS 23 million) relating to bonds held for trading still held as of balance sheet date.

(f) Of which part of the profits (losses) of NIS 0 million (2018- NIS 0 million, 2017-NIS (15) million) relating to shares held for trading still held as of balance sheet date.

(g) For interest income from investment in bonds held for trading, see Note 2.

(h) including provisions for impairment in amount of NIS 2 million (2018 - NIS 19 million, 2017 - NIS 3 million)

Note 4 - Commissions

	Bank		
	2019	2018	2017
	(NIS millions)		
Ledger fees	619	634	626
Conversion differences	358	354	332
Handling of credit	191	175	175
Commissions for distribution of financial products (a)	221	243	237 (c)
Foreign trade activities	117	118	124
Income from transactions in securities and certain derivative instruments (b)	566	588	549
Credit cards	301	300	277
Management fees and commission on life insurance and home insurance	5	5	7 (c)
Net income from servicing credit portfolios	11	12	14
Commissions on financing transactions	411	431	432 (c)
Other commissions	89	90	88
Total operating commissions	2,889	2,950	2,861

(a) Mainly distribution fees of mutual funds.

(b) Including fees and commissions from underwriting activity

(c) Reclassified

Note 5 - Other Income

	Bank		
	2019	2018	2017
	(NIS millions)		
Income from mutual funds	18	4	36
Capital gain from sale of buildings and equipment	93	43	301 (a)
Capital loss from sale of buildings and equipment	(3)	(5)	-
Other, net	39	4	4
Total other income	147	46	341

(a) Including gain on sale of main branch building in Tel Aviv for a total of NIS 265 million in 2017.

Note 6 - Salaries and Related Expenses

	Bank		
	2019	2018	2017
	(NIS millions)		
Salaries	2,525	2,436	2,543
Expenses deriving from share-based payment transactions	5	40	-
Severance pay, provident fund, training fund, pension, vacation and long service bonus	241	228	221
Long-term - Jubilee benefits	(5)	(5)	(14)
National Insurance and VAT on salaries	649	635	642
Defined benefit	147	142	146
Defined deposit	149	133	122
Other post-employment benefits and non-pension post retirement benefits (a)	37	3	17 (c)
Total salaries and related expenses	3,748	3,612	3,677
Of which: salaries and related expenses abroad	-	-	-

(a) See Note 23 on Employee Rights.

(b) Expenses related to early retirement of employees as part of the plan for structural change in the Bank.

(c) Restated.

Note 7 - Other Expenses

	Bank		
	2019	2018	2017
	(NIS millions)		
Pension expenses, defined benefit, excluding service cost	701	675	687 (c)
Marketing and advertising	207	173	179
Legal, audit and professional consultants	178	173	177
Communications - postage, telephone, delivery services, etc.	122	121	116
Computers (a)	28	51	41
Office expenses	30	32	37
Insurance	25	18	28 (c)
Training	9	10	16
Commissions	137	122	117
Loss in respect of assets received in settlement of loans	1	1	1
Other (b)	410	297	274
Total other expenses	1,848	1,673	1,673

(a) The item includes outsourcing expenses and does not include the Bank's computer expenses as the Operations Division is a part of the Bank and its expenses are recorded and classified under the various expense headings

(b) Regarding directors' fees of the Bank included in this item, see Note 34.C.

(c) Restated.

Note 8 - Provision for Taxes on Operating Profit - Bank

A. Composition

	2019	2018	2017
	(NIS millions)		
Current taxes:			
In respect of current year	2,268	1,187	1,787 (a)
In respect of prior years	21	(68)	(95)
Total current taxes	2,289	1,119	1,692
Including (less) changes in deferred taxes:			
In respect of current year	(577)	252	(238) (a)
In respect of prior years	-	-	-
Total changes in deferred taxes (1)	(577)	252	(238)
Tax expense on income	1,712	1,371	1,454
Of which provision for taxes abroad	-	-	-

(1) composition of deferred tax expenses (income) attributed to continuing operations:

	2019	2018	2017
	(NIS millions)		
Deferred tax Income (expenses) before impact of the following items:	(577)	252	(207) (a)
Increase in carry forward deductions for tax purposes	-	-	-
Impact of changes to tax-related rules	-	-	(31)

Changes in deferred taxes provision due to change in circumstances that resulted in a judgement change regarding the ability to utilize the deferred taxes asset

	-	-	(31)
Total deferred tax expenses (income)	(577)	252	(269)

(a) Restated

B. Reconciliation between the theoretical amount of tax amount and the tax provision

	2019	2018	2017
Statutory tax rate applying to a banking corporation	34.19%	34.19%	35.04%
	NIS millions		
Tax at the statutory tax rate	1,675	1,339	1,435
Tax (tax saving) resulting from:			
Income of foreign consolidated companies	31	3	7
Tax exempt and at preferred rates	(3)	-	(5)
Depreciation differences, depreciation adjustment and capital gain	(21)	(22)	(35)
Other non-deductible expenses	5	17	34
Timing differences for which deferred taxes have not been recorded	(86)	(40)	-
Income of Israeli consolidated companies	24	62	40
Change in deferred taxes due to change in tax rates	-	-	11
Taxes in respect of prior years	21	(68)	(95)
Change in the balance of provision for deferred-tax asset	-	-	(31)
Other	66	80	93
Provision for taxes on operating profit	1,712	1,371	1,454

See the annual financial report for the consolidated note.

Note 8 - Provision for Taxes on Operating Profit - Bank (cont'd)

C. Components of deferred tax assets and deferred tax liabilities are as follows:

	<u>Balance as at</u>	<u>Utilization following</u>	<u>Changes</u>	<u>Effect of change in</u>	<u>Changes</u>	<u>Effect of</u>	<u>Changes</u>		<u>Cumulative</u>		<u>Average tax</u>
	<u>December 31 2018</u>	<u>sale of subsidiary</u>	<u>carried to</u>	<u>tax rate carried to</u>	<u>recognized</u>	<u>change in</u>	<u>carried to</u>		<u>effect of the</u>	<u>Balance as at</u>	<u>rate in 2019</u>
			<u>profit and</u>	<u>profit and loss</u>	<u>in equity</u>	<u>tax rate</u>	<u>other</u>	<u>Other</u>	<u>first</u>	<u>December 31 2019</u>	<u>(% in)</u>
			<u>loss</u>			<u>carried to</u>	<u>comprehensi</u>		<u>application of</u>		
						<u>equity</u>	<u>ve income</u>		<u>US GAAP</u>		
Deferred tax assets											
From allowance for credit losses	1,206	-	17	-	-	-	-	-	-	1,223	34%
From provision for unutilized vacations and long service bonuses	209	-	(11)	-	-	-	-	-	-	198	34%
From excess of provision for severance pay and pension over funds allocated	3,203	(8)	151	-	1,135	-	-	-	-	4,481	34%
From interest not credited to current income	3	-	(2)	-	-	-	-	-	-	1	34%
Tax credit & losses carried forward for tax purposes	161	-	(15)	-	-	-	-	-	-	146	18%
From activity abroad	-	-	-	-	-	-	-	-	-	-	
From securities	-	-	416	-	(435)	-	-	-	19	-	
Property, plant & equipment and leases	-	-	-	-	-	-	-	-	-	-	
Other – from non-monetary assets	41	-	7	-	-	-	-	-	-	48	16%
Gross balance of deferred tax assets	4,823	(8)	563	-	700	-	-	-	19	6,097	
Provision for deferred tax asset	(127)		11	-	-	-	-	-	-	(116)	
Balance of deferred taxes net of provision for deferred taxes	4,696	(8)	574	-	700	-	-	-	19	5,981	
Offsettable balances ^(b)	(134)									(196)	
Balance of deferred taxes net of provision for deferred taxes	4,562									5,785	
Deferred tax liabilities											
From securities	-	-	-	-	-	-	-	-	-	-	
From investments in investee companies	(114)	(71)	20	-	-	-	-	-	-	(165)	11%
Tax credit & losses carried forward for tax purposes	-	-	-	-	-	-	-	-	-	-	
From the adjustment of depreciable non-monetary assets	(89)	-	(13)	-	-	-	-	-	-	(102)	25%
Other from monetary items	-	-	-	-	-	-	-	-	-	-	
Other – from non-monetary assets	(6)	-	(4)	-	-	-	-	-	-	(10)	16%
Balance of gross deferred tax liabilities	(209)	(71)	3	-	-	-	-	-	-	(277)	
Offsettable balances ^(b)	(134)									(196)	
Balance of deferred tax liabilities	(75)									(81)	
Deferred taxes, net	4,487	(79)	577	-	700	-	-	-	19	5,704	

(a) Cumulative effect of the first application of US GAAP on financial instruments (AUS 2016-01), including the related updates.

(b) Deferred tax balances are presented in the standalone balance sheet according to the net balance's classification in the Bank's books of accounts.

Note 8 - Provision for Taxes on Operating Profit (cont'd)

C. Movement in deferred tax assets and liabilities relating to the following items:

	Balance as at December 31 2017	Utilization following sale of subsidiary	Changes carried to profit and loss	Effect of change in tax rate carried to profit and loss	Changes recognized in equity	Effect of change in tax rate carried to equity	Changes carried to other comprehensiv e income	Other	Cumulative effect of the first application of US GAAP	Balance as at December 31 2018	Average tax rate in 2018 (% in)
Deferred tax assets											
From allowance for credit losses	(a) 1,164	-	42	-	-	-	-	-	-	1,206	34%
From provision for unutilized vacations and long service bonuses	354	-	(145)	-	-	-	-	-	-	209	34%
From excess of provision for severance pay and pension over funds allocated	3,725	-	96	-	(618)	-	-	-	-	3,203	34%
From interest not credited to current income	4	-	(1)	-	-	-	-	-	-	3	34%
Tax credit & losses carried forward for tax purposes	231	-	(70)	-	-	-	-	-	-	161	18%
From activity abroad	-	-	-	-	-	-	-	-	-	-	
From securities	-	-	(187)	-	187	-	-	-	-	-	
Property, plant & equipment and leases	-	-	-	-	-	-	-	-	-	-	
Other – from non-monetary assets	45	-	(4)	-	-	-	-	-	-	41	14%
Gross balance of deferred tax assets	5,523	-	(269)	-	(431)	-	-	-	-	4,823	
Provision for deferred tax asset	(200)	-	73	-	-	-	-	-	-	(127)	
Balance of deferred taxes net of provision for deferred taxes	5,323		(196)	-	(431)	-	-	-	-	4,696	
Offsettable balances ^(b)	(74)									(134)	
Balance of deferred taxes net of provision for deferred taxes	5,249									4,562	
Deferred tax liabilities											
From securities	-	-	-	-	-	-	-	-	-	-	
From investments in investee companies	(71)	-	(43)	-	-	-	-	-	-	(114)	11%
Tax credit & losses carried forward for tax purposes	-	-	-	-	-	-	-	-	-	-	
From the adjustment of depreciable non-monetary assets	(73)	-	(16)	-	-	-	-	-	-	(89)	24%
Other from monetary items	-	-	-	-	-	-	-	-	-	-	
Other – from non-monetary assets	(9)	-	3	-	-	-	-	-	-	(6)	14%
Balance of gross deferred tax liabilities	(153)		(56)	-	-	-	-	-	-	(209)	
Offsettable balances ^(b)	(74)									(134)	
Balance of deferred tax liabilities	(79)									(75)	
Deferred taxes, net	5,170	-	(252)	-	(431)	-	-	-	-	4,487	

(a) Restated.

(b) Deferred tax balances are presented in the standalone balance sheet according to the net balance's classification in the Bank's books of accounts.

Note 8 - Provision for Taxes on Operating

(d) Carryforward tax losses and tax credits

As at December 31 2019					
	<u>Deferred tax assets</u>	<u>Provision for deferred tax assets</u>	<u>Deferred tax assets, net</u>	<u>Accumul ated loss</u>	<u>First expiry year</u>
Losses for tax purposes:					
The Bank	-	-	-	-	-
Tax credits:					
The Bank	146	(115)	31	-	-
As at December 31 2018					
	<u>Deferred tax assets</u>	<u>Provision for deferred tax assets</u>	<u>Deferred tax assets, net</u>	<u>Accumul ated loss</u>	<u>First expiry year</u>
Losses for tax purposes:					
The Bank	-	-	-	-	-
Tax credits:					
The Bank	161	(127)	34	-	-

Note 11 - Cash and Deposits with Banks - Bank

	31 December 2019	31 December 2018
	NIS millions	
Cash and deposits with central banks	63,868	66,440
Deposits with commercial banks (a)	13,735	14,652 (c)
Total (b)	77,603	81,092
Including: cash and deposits with central and commercial banks for original periods not exceeding three months	72,865	72,539

(a) Net of the allowance for credit losses.

(b) Of which pledged cash in the amount of NIS 689 million (31 December 2018 – NIS 3,520 million).

(c) Reclassified.

See the annual financial report for the consolidated note.

Note 12 - Securities - Bank

31 December 2019					31 December 2018					
	Amount in balance sheet	Amortized cost	Unrecognized profit from adjustments to fair value	Unrecognized losses from adjustments to fair value	Fair value (a)	Amount in balance sheet	Amortized cost	Unrecognized profit from adjustments to fair value	Unrecognized losses from adjustments to fair value	Fair value (a)
	NIS millions					NIS millions				
1. Debentures held to maturity:										
Debentures and bonds-										
The Government of Israel	3,046	3,046	420	-	3,466	2,296	2,296	14	(3)	2,307
Asset-backed (ABS) or Mortgage-backed securities (MBS)	1,538	1,538	12	(4)	1,546	1,279	1,279	4	(3)	1,280
Other foreigners	56	56	4	-	60	-	-	-	-	-
Total debentures held to maturity	4,640	4,640	436	(4)	5,072	3,575	3,575	18	(6)	3,587
2. Debentures available for sale:										
Debentures and bonds -										
The Government of Israel	32,793	32,063	730	-	32,793	30,218	30,425	40	(247)	30,218
Foreign governments	17,831	17,773	64	(6)	17,831	5,690	5,683	12	(5)	5,690
Foreign financial institutions	9,555	9,432	124	(1)	9,555	9,665	9,758	13	(106)	9,665
Asset-backed (ABS) or Mortgage-backed securities (MBS)	5,182	5,166	25	(9)	5,182	5,680	5,736	6	(62)	5,680
Others in Israel	140	142	1	(3)	140	242	241	3	(2)	242
Others abroad	2,817	2,696	122	(1)	2,817	3,236	3,291	12	(67)	3,236
Total debentures available for sale	68,318	67,272	1,066 (c)	(20) (c)	68,318	54,731	55,134	86 (c)	(489) (c)	54,731
3. Investment in available-for-sale equity securities and funds:										
Equity securities and funds	2,349	2,301	89	(41)	2,349	2,293	2,243	92	(42)	2,293
Of which: Equity securities and funds for which there is no available fair value(b)	96	96	-	-	96	134	134	-	-	134
Total shares not held for trading	2,349	2,301	89 (d)	(41) (d)	2,349	2,293	2,243	92 (d)	(42) (d)	2,293
4. Securities held for trading:										
Debentures and bonds -										
The Government of Israel	2,702	2,686	16	-	2,702	5,674	5,677	3	(6)	5,674
Foreign governments	213	214	1	(2)	213	52	53	-	(1)	52
Israel's financial institutions	101	100	1	-	101	119	120	-	(1)	119
Foreign financial institutions	201	194	7	-	201	131	136	-	(5)	131
Asset-backed (ABS) or Mortgage-backed securities (MBS)	154	153	1	-	154	271	272	1	(2)	271
Others in Israel	45	44	1	-	45	197	204	-	(7)	197
Others abroad	87	87	1	(1)	87	220	225	-	(5)	220
	3,503	3,478	28	(3)	3,503	6,664	6,687	4	(27)	6,664
Shares	-	-	-	-	-	2	2	-	-	2
Total securities held for trading	3,503	3,478	28 (d)	(3) (d)	3,503	6,666	6,689	4 (d)	(27) (d)	6,666
Total securities	78,810	77,691	1,619	(68)	79,242	67,265	67,641	200	(564)	67,277

(a) Such quotations do not necessarily reflect the price which will be obtained upon sale of securities in large volumes.

(b) Equity securities for which no fair value is available are presented at cost less impairment, adjusted upwards

or downwards for observable prices in similar transactions or identical transactions of the same issuer (2018 – presented at cost less impairment)

(c) Regarding securities available for sale, total other income- unrealized profits (losses) are included in shareholders' equity in the item "adjustments in respect of presentation of securities available for sale according to fair value", except securities intended as hedging instruments for hedging fair value.

(d) Reported in the profit and loss statement but not yet realized.

(e) Reclassified, including in respect of retrospective application of the presentation rules of ASC 321, "Investments – Equity Securities".

The cost includes the effect of the ASCs on the presentation rules.

Securities lent amounting to NIS 127 million (31 December 2018- NIS 109 million) are shown under Credit to the Public.

See the annual financial report for the consolidated note.

Note 12 - Securities - Bank (cont.)

December 31 2019					
	Balance sheet value	Amortized cost	Unrealized gains from adjustments to fair value	Unrealized losses from adjustments to fair value	Fair value
In NIS millions					
Held-to-maturity bonds					
Pass-through held-for-trading securities					
GNMA-backed securities	876	876	6	(4)	878
Securities issued by FNMA or FHLMC	662	662	6	-	668
Other securities	-	-	-	-	-
Total	1,538	1,538	12	(4)	1,546
Total mortgage-backed held-to-maturity bonds					
	1,538	1,538	12	(4)	1,546
December 31 2018					
	Balance sheet value	Amortized cost	Unrealized gains from adjustments to fair value	Unrealized losses from adjustments to fair value	Fair value
In NIS millions					
Held-to-maturity bonds					
Pass-through held-for-trading securities					
GNMA-backed securities	1,099	1,099	4	(2)	1,101
Securities issued by FNMA or FHLMC	180	180	-	(1)	179
Other securities	-	-	-	-	-
Total	1,279	1,279	4	(3)	1,280
Total mortgage-backed held-to-maturity bonds					
	1,279	1,279	4	(3)	1,280

Note 12 - Securities - Bank (cont'd)

	31 December 2019				
	Book value	Amortized cost	Other comprehensive accumulated profit (loss)*		Fair value
			Profits	Losses	
	NIS millions				
Bonds available for sale					
Pass-through securities:					
Securities guaranteed by GNMA	540	538	3	(1)	540
Securities issued by FNMA and FHLMC	796	790	7	(1)	796
Other securities	-	-	-	-	-
Total	1,336	1,328	10	(2)	1,336
Other mortgage-backed securities (including CMO and STRIPPED MBS)					
Securities issued by FNMA, FHLMC, or GNMA, or guaranteed by these entities	1,935	1,929	8	(2)	1,935
Other mortgage-backed securities	246	244	3	(1)	246
Total	2,181	2,173	11	(3)	2,181
Asset-backed securities (ABS)					
Credit card receivables	7	7	-	-	7
Credit facilities for any purpose, secured by an apartment	-	-	-	-	-
Car loans	19	19	-	-	19
Other consumer credit	8	8	-	-	8
Other non-consumer credit	-	-	-	-	-
CLO debentures	1,153	1,152	4	(3)	1,153
SBA debentures	437	438	-	(1)	437
SCDO debentures	-	-	-	-	-
Others	41	41	-	-	41
Total	1,665	1,665	4	(4)	1,665
Total asset-backed bonds available for sale	5,182	5,166	25	(9)	5,182

* Amounts charged to capital reserve as part of the adjustments of securities available for sale to fair value.

Note 12 - Securities - Bank (cont'd)

	31 December 2018				
	Book value	Amortized cost	Other comprehensive accumulated profit (loss)*		Fair value
			Profits	Losses	
	NIS millions				
Bonds available for sale (cont'd)					
Pass-through securities:					
Securities guaranteed by GNMA	459	460	1	(2)	459
Securities issued by FNMA and FHLMC	550	555	-	(5)	550
Other securities	0	0	-	-	0
Total	1,009	1,015	1	(7)	1,009
Other mortgage-backed securities (including CMO and STRIPPED MBS)					
Securities issued by FNMA, FHLMC, or GNMA, or guaranteed by these entities	2,209	2,226	4	(21)	2,209
Other mortgage-backed securities	243	242	1	-	243
Total	2,452	2,468	5	(21)	2,452
Asset-backed securities (ABS)					
Credit card debtors	8	8	-	-	8
Lines of credit for any purpose secured by dwelling	-	-	-	-	-
Credit for purchase of vehicles	23	23	-	-	23
Other credit to private persons	-	-	-	-	-
Credit not to private persons	-	-	-	-	-
CLO debentures	1,526	1,547	-	(21)	1,526
CDO debentures	634	647	-	(13)	634
SCDO debentures	-	-	-	-	-
Others	28	28	-	-	28
Total	2,219	2,253	-	(34)	2,219
Total asset-backed bonds available for sale	5,680	5,736	6	(62)	5,680

* Amounts charged to capital reserve as part of the adjustments of securities available for sale to fair value.

Note 12 - Securities - Bank (cont'd)

	31 December 2019				
	Book value	Amortized cost	Unrealized profits from adjustments to fair value*	Unrealized losses from adjustments to fair value*	Fair value
	NIS millions				
Debentures for trading					
Pass-through securities					
Securities guaranteed by GNMA	-	-	-	-	-
Securities issued by FNMA and FHLMC	3	3	-	-	3
Other securities	-	-	-	-	-
Total	3	3	-	-	3
Other mortgage-backed securities (including CMO and STRIPPED MBS)					
Securities issued by FNMA, FHLMC, or GNMA, or guaranteed by these entities	-	-	-	-	-
Other mortgage-backed securities	40	40	-	-	40
Total	40	40	-	-	40
Asset-backed securities (ABS)					
Credit card receivables	6	6	-	-	6
Credit for purchase of vehicles	18	18	-	-	18
Other credit to private persons	15	15	-	-	15
Others	72	71	1	-	72
Total	111	110	1	-	111
Total asset-backed securities for trading	154	153	1	-	154

*These profits (losses) were charged to profit and loss account.

Note 12 - Securities - Bank (cont'd)

	31 December 2018				
	Book value	Amortized cost	Unrealized profits from adjustments to fair value*	Unrealized losses from adjustments to fair value*	Fair value
	NIS millions				
Debentures for trading (cont'd)					
Pass-through securities					
Securities guaranteed by GNMA	-	-	-	-	-
Securities issued by FNMA and FHLMC	4	4	-	-	4
Other securities	-	-	-	-	-
Total	4	4	-	-	4
Other mortgage-backed securities (including CMO and STRIPPED MBS)					
Securities issued by FNMA, FHLMC, or GNMA, or guaranteed by these entities	-	-	-	-	-
Other mortgage-backed securities	48	49	-	(1)	48
Total	48	49	-	(1)	48
Asset-backed securities (ABS)					
Credit card debtors	7	7	-	-	7
Lines of credit for any purpose secured by dwelling	-	-	-	-	-
Credit for purchase of vehicles	56	56	-	-	56
Other credit to private persons	22	22	-	-	22
Credit not to private persons	-	-	-	-	-
Of which: CLO debentures	-	-	-	-	-
Others	134	134	1	(1)	134
Total	219	219	1	(1)	219
Total asset-backed securities for trading	271	272	1	(2)	271

*These profits (losses) were charged to profit and loss account.

Note 12 - Securities - Bank (cont'd)

31 December 2019						
	Less than 12 months		More than 12 months		Total	
	Fair value	Unrealized losses from adjustments to fair value	Fair value	Unrealized losses from adjustments to fair value	Fair value	Unrealized losses from adjustments to fair value
NIS millions						
Additional details of asset-backed securities available for sale for which are included unrealized losses from adjustments to fair value						
Pass-through securities	40	-	87	(2)	127	(2)
Mortgage-backed securities (MBS)	275	-	1,163	(2)	1,438	(2)
Other mortgage-backed securities (including REMIC, CMO and STRIPPED MBS)	72	(1)	-	-	72	(1)
Asset-backed securities (ABS)	211	(1)	1,097	(3)	1,308	(4)
Total	598	(2)	2,347	(7)	2,945	(9)

31 December 2018						
	Less than 12 months		More than 12 months		Total	
	Fair value	Unrealized losses from adjustments to fair value	Fair value	Unrealized losses from adjustments to fair value	Fair value	Unrealized losses from adjustments to fair value
NIS millions						
Additional details of asset-backed securities available for sale for which are included unrealized losses from adjustments to fair value						
Pass-through securities	176	(3)	610	(4)	786	(7)
Mortgage-backed securities (MBS)	67	-	-	-	67	-
Other mortgage-backed securities (including REMIC, CMO and STRIPPED MBS)	832	(3)	870	(18)	1,702	(21)
Asset-backed securities (ABS)	1,152	(16)	940	(18)	2,092	(34)
Total	2,227	(22)	2,420	(40)	4,647	(62)

Note 12 - Securities - Bank (cont.)

31 December 2019									
Less than 12 months					12 months or more				
Unrealized losses					Unrealized losses				
Amortized cost	0-20%	20-35%	More than 35%	Amortized cost	0-20%	20-35%	More than 35%	Total	
(In NIS millions)				(In NIS millions)					
Bonds									
Of the Israeli government	0	0	0	0	0	0	0	0	0
Of foreign governments	0	0	0	0	0	0	0	0	0
Of Israeli financial institutions	0	0	0	0	0	0	0	0	0
Of foreign financial institutions	0	0	0	0	0	0	0	0	0
Asset-backed (ABS) or mortgage-backed (MBS)	299	(2)	0	0	(2)	220	(2)	0	(2)
Of other Israeli entities	0	0	0	0	0	0	0	0	0
Of other foreign entities	0	0	0	0	0	0	0	0	0
Shares	0	0	0	0	0	0	0	0	0
Total held-to-maturity bonds	299	(2)	0	0	(2)	220	(2)	0	(2)

31 December 2018									
Less than 12 months					12 months or more				
Unrealized losses					Unrealized losses				
Amortized cost	0-20%	20-35%	More than 35%	Amortized cost	0-20%	20-35%	More than 35%	Total	
(In NIS millions)				(In NIS millions)					
Bonds									
Of the Israeli government	694	(3)	0	0	(3)	0	0	0	0
Of foreign governments	0	0	0	0	0	0	0	0	0
Of Israeli financial institutions	0	0	0	0	0	0	0	0	0
Of foreign financial institutions	0	0	0	0	0	0	0	0	0
Asset-backed (ABS) or mortgage-backed (MBS)	434	(3)	0	0	(3)	0	0	0	0
Of other Israeli entities	0	0	0	0	0	0	0	0	0
Of other foreign entities	0	0	0	0	0	0	0	0	0
Shares	0	0	0	0	0	0	0	0	0
Total held-to-maturity bonds	1,128	(6)	0	0	(6)	0	0	0	0

Note 12 - Securities - Bank (cont'd)

	31 December 2019									
	Less than 12 months					More than 12 months				
	Unrealized		losses			Unrealized		losses		
			More than					More than		
	Fair value	0-20%	20-35%	35%	Total	Fair value	0-20%	20-35%	35%	Total
NIS millions										
bonds										
The Government of Israel	188	-	-	-	-	-	-	-	-	-
Foreign governments	5,039	(6)	-	-	(6)	-	-	-	-	-
Israel's financial institutions	-	-	-	-	-	-	-	-	-	-
Foreign financial institutions	1,152	(1)	-	-	(1)	225	-	-	-	-
backed securities (ABS) or	211	(1)	-	-	(1)	1,097	(3)	-	-	(3)
backed securities (MBS)	387	(1)	-	-	(1)	1,250	(4)	-	-	(4)
Others in Israel	52	(3)	-	-	(3)	-	-	-	-	-
Others abroad	86	(1)	-	-	(1)	143	-	-	-	-
Total securities available for sale	7,115	(13)	-	-	(13)	2,715	(7)	-	-	(7)

	31 December 2018									
	Less than 12 months					More than 12 months				
	Unrealized		losses			Unrealized		losses		
			More than					More than		
	Fair value	0-20%	20-35%	35%	Total	Fair value	0-20%	20-35%	35%	Total
NIS millions										
bonds										
The Government of Israel	23,891	(231)	-	-	(231)	592	(16)	-	-	(16)
Foreign governments	2,510	(3)	-	-	(3)	138	(2)	-	-	(2)
Israel's financial institutions	-	-	-	-	-	-	-	-	-	-
Foreign financial institutions	3,598	(77)	-	-	(77)	1,275	(29)	-	-	(29)
backed securities (ABS) or	1,152	(16)	-	-	(16)	940	(19)	-	-	(19)
backed securities (MBS)	1,075	(6)	-	-	(6)	1,480	(21)	-	-	(21)
Others in Israel	103	(2)	-	-	(2)	-	-	-	-	-
Others abroad	1,516	(46)	-	-	(46)	747	(21)	-	-	(21)
Total securities available for sale	33,845	(381)	-	-	(381)	5,172	(108)	-	-	(108)

Note 13 - Credit to the Public - Bank

A. Additional information on the method of calculating the credit loss allowance in respect of debts^(a) and on debts^(a) on which it was calculated:

31 December 2019						
Allowance for credit losses						
	Credit to the public				Banks and governments	Total
	Commercial	Residential	Other private	Total		
(NIS millions)						
Recorded debt balance of debts (a):						
Examined on an individual basis	130,340	-	794	131,134	14,482	145,616
Examined on a collective basis	19,361	84,220	26,892	130,473	-	130,473
Of which: the allowance was calculated by extent of arrears	(c)	714	84,220	-	84,934	-
Total debts (a)	149,701	84,220	27,686	261,607	14,482	276,089
Credit loss allowance by debts (a):						
Examined on an individual basis	1,656	-	176	1,832	2	1,834
Examined on a collective basis	290	466	465	1,221	-	1,221
Of which: the allowance was calculated by extent of arrea	-	466 (b)	-	466	-	466
Total Credit loss allowance	1,946	466	641	3,053	2	3,055
Of which: in respect of impaired debts	306	-	166	472	-	472

31 December 2018						
Credit loss allowance						
	Credit to the public				Banks and governments	Total
	Commercial	Residential	Other private	(d) Total		
(NIS millions)						
Recorded debt balance of debts (a):						
Examined on an individual basis	124,518 (d)	-	867	125,385	15,312 (d)	140,697
Examined on a collective basis	20,927 (d)	80,432	26,519	127,878	-	127,878
Of which the allowance was calculated by extent of arrears	913 (c)	80,432	-	81,345	-	81,345
Total debts (a)	145,445	80,432	27,386	253,263	15,312	268,575
Credit loss allowance by debts (a):						
Examined on an individual basis	1,684	-	159	1,843	3	1,846
Examined on a collective basis	235	473	455	1,163	-	1,163
Of which the allowance was calculated by extent of arrears	-	473 (b)	-	473	-	473
Total Credit loss allowance	1,919	473	614	3,006	3	3,009
Of which: in respect of impaired debts	351	-	149	500	-	500

(a) Credit to the public, credit to governments, deposits in banks and other debts, excluding bonds and securities borrowed or purchased under agreements to resell.

(b) Including balance of allowance in excess of that required by the extent of arrears method calculated on a collective basis in the amount of NIS 299 million (2018 - 295 million)

(c) Including housing loans granted to purchasing groups under construction

(d) Reclassified

Note 13 - Credit to the Public - Bank

B. Debts* and off-balance sheet credit instruments

1. Change in balance of credit loss allowance

	31 December 2019					
	Credit loss allowance					
	Credit to the public				Banks and	
	Commercial	Residential	Other private	Total	governments	Total
	(NIS millions)					
Balance of credit loss allowance at beginning of year	2,345	473	635	3,453	3	3,456
Expenses in respect of credit losses	361	22	137	520	(1)	519
Accounting write-offs	(882)	(29)	(417)	(1,328)	-	(1,328)
Collection of debts written off in previous years	480	-	306	786	-	786
Net accounting write-offs	(402)	(29)	(111)	(542)	-	(542)
Balance of credit loss allowance at end of year	2,304	466	661	3,431	2	3,433
Of which in respect of off-balance sheet credit instruments	358	-	20	378	-	378

	31 December 2018					
	Credit loss allowance					
	Credit to the public				Banks and	
	Commercial	Residential	Other private	Total	governments	Total
	(NIS millions)					
Balance of credit loss allowance at beginning of year	2,181	443	599	3,223	3	3,226
Expenses in respect of credit losses	140	34	136	310	-	310
Accounting write-offs (a)	(607)	(4)	(374)	(985)	-	(985)
Collection of debts written off in previous years (a)	631	-	274	905	-	905
Net accounting write-offs	24	(4)	(100)	(80)	-	(80)
Balance of credit loss allowance at end of year	2,345	473	635	3,453	3	3,456
Of which in respect of off-balance sheet credit instruments	426	-	21	447	-	447

	31 December 2017					
	Credit loss allowance					
	Credit to the public				Banks and	
	Commercial (a)	Residential	Other private	(a) Total	governments	Total
	(NIS millions)					
Balance of credit loss allowance at beginning of year	2,315	461	670	3,446	1	3,447
Expenses (income) in respect of credit losses	(70)	(10)	122	42	2	44
Accounting write-offs (a)	(635)	(8)	(468)	(1,111)	-	(1,111)
Collection of debts written off in previous years (a)	571	-	275	846	-	846
Net accounting write-offs	(64)	(8)	(193)	(265)	-	(265)
Balance of credit loss allowance at end of year	2,181	443	599	3,223	3	3,226
Of which in respect of off-balance sheet credit instruments	443	-	21	464	-	464

(a) Reclassified

*Credit to the public, credit to governments, deposits in banks and other debts, excluding bonds and securities borrowed or purchased under agreements to resell

Note 14 - Credit to Governments - Bank

	31 December 2019	31 December 2018
	NIS millions	
Credit to the Government	11	75
Credit to foreign Governments	733	707
Total credit to Governments	744	782

See the annual financial report for the consolidated note

Note 15 - Investments in Subsidiaries and Affiliated Companies -Bank

Reported Amounts

	31 December 2019			31 December 2018		
	Companies included on equity basis			Companies included on equity basis		
		Subsidiaries	Total		Subsidiaries	Total
	NIS millions			NIS millions		
A. Investments in shares stated on equity basis (including other assets and goodwill)	29	10,501	10,530	26	10,404	10,430
Other investments:						
Convertible securities	-	1,438	1,438	-	1,321	1,321
Total other investments	-	1,438	1,438	-	1,321	1,321
Total investments	29	11,939	11,968	26	11,725	11,751
Including - Post-acquisition profits	2	6,069	6,071	(2)	5,022	5,020
Post-acquisition changes in shareholders' equity:						
Adjustments in respect of presentation						
of securities available for sale at fair value, net	-	23	23	-	(112)	(112)
Adjustments in respect of companies included on equity basis, net	-	(249)	(249)	-	(25)	(25)
Details on book value and market value of quoted securities:						
Book value	-	-	-	-	-	-
Market value	-	-	-	-	-	-

B. Group's equity in profit of companies included on equity basis (in Bank - subsidiaries and affiliates) (a)

	Bank		
	2019	2018	2017
	NIS millions		
Group's equity in operating profits of companies included on equity basis (Bank - affiliated companies)	333	711	528
Provision for deferred taxes	-	(1)	-
Group's equity in operating profits of companies included on equity basis (Bank-affiliated companies) net of tax effect	333	710	528

(a) For more information, please see Note 36F at the annual financial report
See the annual financial report for the consolidated note

Note 16 - Buildings and Equipment - Bank

	Buildings and real estate (a)	Equipment, furniture and vehicles	Software	Total
	NIS millions			
Cost				
As at 31 December 2018	2,501	3,133	3,988	9,622
Additions	177	106	517	800
Disposals	(120)	(80)	(1,036)	(1,236)
As at 31 December 2019	2,558	3,159	3,469	9,186
Accumulated depreciation and losses from impairment				
As at 31 December 2018	1,329	2,344	3,391	7,064
Current year provision	54	124	338	516
Disposals	(85)	(80)	(1,034)	(1,199)
As at 31 December 2019	1,298	2,388	2,695	6,381
Balance after depreciation as at 31 December 2019	1,260	771	774	2,805
Balance after depreciation as at 31 December 2018	1,172	789	597	2,558

(a) Including installations and leasehold improvements.
See the annual financial report for the consolidated note.

Note 18 - Other Assets - Bank

	31 December 2019	31 December 2018
	NIS millions	
Deferred tax asset, net	5,785	4,562
Excess of plan funds over liabilities in respect on employee benefits	239	378
Assets transferred to ownership of the Group as a result of settlement of problem loans	2	3
Excess of advance tax payments over current provisions	3	8
Expenses to be amortized on issuance of debentures, bonds and subordinated notes	51	43
Accrued income	178	175
Prepaid expenses	159	131
Assets in respect of activity in Maof clearing house (a)	46	477
Other receivables and prepayments	32	60
Total other assets	6,495	5,837

(a) Shown at fair value.

Note 19 - Deposits of the Public - Bank

Types of deposits by location raised and type of depositor

	31 December 2019	31 December 2018
	NIS millions	
In Israel		
On demand		
Non-interest bearing	86,908	88,080
Interest bearing	135,996	124,095 (a)
Total on demand	222,904	212,175
Fixed term	132,299	130,439 (a)
Total deposits in Israel *	355,203	342,614
*of which: non-interest bearing deposits	86,908	88,080
Outside Israel		
On demand		
Non-interest bearing	-	-
Interest bearing	-	-
Total on demand	-	-
Fixed term	-	-
Total deposits outside Israel	-	-
of which: non-interest bearing deposits	-	-
Total deposits of the public	355,203	342,614
*of which:		
Deposits of private persons	130,513	130,669 (a)
Deposits of institutional entities	68,329	61,126 (a)
Deposits of corporations and others	156,361	150,819 (a)

(a) Reclassified in respect of the improvement effort carried out in 2018.

Note 20 - Deposits from Banks - Bank

	31 December 2019	31 December 2018
	NIS millions	
In Israel		
Commercial banks:		
Demand deposits	5,591	4,688 (a)
Acceptances	391	701
Central banks:		
Demand deposits	133	-
Total deposits from banks	6,115	5,389

(a) Reclassified

Note 21 - Debentures, Bonds and Subordinated Notes - Bank

Bank				
	Average maturity (a)	Internal yield rate (b)	31 December	
	Years	%	2019	2018
NIS millions				
Debentures and bonds (c):				
In Israeli currency linked to the CPI	1.5	0.8	6,679	6,660
In Israeli currency Unlinked	4.0	2.4	2,880	1,159
Subordinated notes (c) (f) (g):				
In Israeli currency Unlinked (e)	2.5 (d)	2.4	2,741	2,881
In Israeli currency linked to the CPI (e)	2.4 (d)	2.4	7,658	7,098
Total debentures, bonds and subordinated notes			19,958	17,798

(a) The average duration is the average of the payment periods, weighted according to the payment flow discounted at the internal rate of return.

(b) The internal rate of return is the rate of interest discounting the value of the anticipated future flow of payments to the balance sheet amount included in the financial statement.

(c) The unamortized balance of the discount less the premium on debentures and on subordinated notes not yet charged to profit and loss has been deducted from the amount of the debentures.

(d) The average duration as of the date of change in interest is based on a calculation of the effective average duration as calculated for purposes of the exposure to changes in interest rates. In unlinked subordinated notes it is 2.2 years, in those linked to the CPI it is 2.5 years.

(e) Of which: subordinated promissory notes (non-tradable), which constitute CPI-linked Tier 2 capital totaling of NIS 3,522 million and non-CPI-linked totaling NIS 926 million (as at December 31 2018 – CPI-linked totaling NIS 825 million and non-CPI-linked totaling NIS 926 million), which can be converted into shares under certain circumstances.

(f) Of which: listed for trading on the Tel Aviv Stock Exchange an amount of NIS 7,040 million linked to the CPI and an amount of NIS 2,738 million unlinked (31 December 2018 – NIS 5,344 million linked and NIS 2,880 million unlinked).

(g) Tier 2 capital pursuant to the Basel III transitional provisions.

Note 22 - Other Liabilities- Bank

	31 December 2019	31 December 2018
	NIS millions	
Deferred tax liability, net	81	75
Excess of current provisions for taxes over advance payments	590	625
Excess of provisions for severance pay and pensions over amounts funded	12,836	9,577
Provision for vacation	212	174
Deferred income	283	274
Other provisions in respect of employee rights	380	302
Allowance for credit losses in respect of off-balance sheet items	378	447
Accrued expenses in respect of salaries and related expenses	591	577
Accumulated Jubilee vacation	36	41
Liabilities in respect of activity in Maof Clearing House (a)	32	459
Payables in respect of credit cards	4,347	5,665
Accrued expenses	192	181
Market value of securities sold short	68	686
Other payables and credit balances	547	520
Total other liabilities	20,573	19,603

(a) Shown at fair value.

Note 25 - Contingent Liabilities and Special Commitments-Bank

31 December				
2019		2018		
	Contract balances	Balance of allowance for credit losses	Contract balances	Balance of allowance for credit losses
NIS millions				
A. Off-balance sheet financial instruments				
Balances of contracts or their stated amounts as at the end of the year				
Transactions in which the balance reflects a credit risk:				
Documentary credits	546	1	880	2
Credit guarantees	5,025	73	5,193	87
Guarantees to apartment purchasers	21,248	18	18,667	12
Other guarantees and liabilities	16,235	157	16,365	238
Unutilized credit card facilities	14,837	13	14,388	13
Other unutilized revolving credit facilities and credit facilities in accounts on demand	12,494	25	12,455	25
Irrevocable commitments to provide credit which has been approved and not yet granted (a)	25,127	74	18,738	53
Commitments to issue guarantees	16,728	15	16,367	17
Unutilized facilities for activity in derivative instruments	2,921	-	2,748	-
Approval in principle for a guaranteed rate of interest	4,778	-	4,045	-
Total	119,939	376	109,846	447

(a) Of which: non unrealized credit exposures in respect of commitments to provide liquidity to securitization) structures under the aegis of others totaled NIS 207 million (on 31 December 2018 NIS 225 million). The line supplied by the Bank constitutes a small part of total liquidity lines to those entities.

B. Off-balance sheet commitments for transactions based on extent of collections (a)	31 December 2019	31 December 2018
Balance of credit from deposits on collection basis (b)		
Israeli currency unlinked	295	288
Israeli currency linked to the CPI	1,197	1,336
Foreign currency	-	-
Total	1,492	1,624

Cash flows in respect of collection commissions and interest margins on activities based on the extent of collections as at 31 December

	Up to one year	One to three years	Three to five years	Five to ten years	Ten to twenty years	More than twenty years	Total 2019	Total 2018
(NIS millions)								
1. CPI linked sector (c)								
Cash flows of futures contracts	8	11	7	7	3	1	37	47
Expected future cash flows after management estimate of early repayments	8	11	7	7	3	-	36	46
Discounted expected future cash flows after management estimate of early repayments (d)	8	10	6	6	2	-	32	41
2. Unlinked shekel sector								
Cash flows of futures contracts	1	1	-	-	-	-	2	3
Expected future cash flows after management estimate of early repayments	1	1	-	-	-	-	2	3
Discounted expected future cash flows after management estimate of early repayments (d)	1	1	-	-	-	-	2	3

(a) Credits and deposits from deposits for which their return to the depositor is conditional on collection of the credits, (or deposits), with a margin or collection fee, (instead of a margin).

(b) Standing loans and related Government deposits totaling NIS 118 million, (NIS 99 million last year), were not included in this table.

(c) Including foreign currency sector.

(d) The discounting was made at the rate of 2.31% (2017 – 3.08%).

See the annual financial report for the consolidated note.

Note 25 - Contingent Liabilities and Special Commitments-Bank (cont'd)

	2019	2018
	NIS millions	
B. Off-balance sheet commitments for transactions based on collection (cont'd)		
Information on loans granted during the year by mortgage banks:		
Loans from deposits on collection basis	118	95
Standing loans	27	19
C. Other contingent liabilities and special commitments:		
(1) Long-term rental contracts - rental of buildings, equipment and motor vehicles and maintenance in respect of commitments payable in following years		
First year	208	184
Second year	147	142
Third year	119	85
Fourth year	82	77
Fifth year	71	67
After five years	389	418
Total	1,016	973
(2) Commitments to purchase securities	50	11
(3) Commitments to invest in and acquire buildings and equipment (a)	30	14

Note 26 - Liens Restrictive Conditions and Collaterals - Bank

Sources of securities received which the Bank may sell or pledge, by fair value, excluding set-offs:

	2019	2018	2017
	<u>(NIS millions)</u>		
Securities received in securities borrowing transactions against cash	1,470	1,257	1,161

Uses of securities received as collateral and securities of the Bank, by fair value, excluding set-offs:

	2019	2018	2017
	<u>(NIS millions)</u>		
Securities loaned in securities lending transactions against cash	476	541	558

Note 27B – Derivatives Activity - Scope, Credit Risks and Maturity Dates

A. Volume of consolidated activity			
31 December 2019			
	Not for-trading derivatives	Held-for-trading derivatives	Total
NIS millions			
(1) Nominal amount of derivatives			
a) Interest rate contracts			
Futures and forwards	1,081	24,316	25,397
Written options	-	16,688	16,688
Call options	-	16,227	16,227
Swaps (a)	37,085	270,389	307,474
Total	38,166	327,620	365,786
Of which: Hedging derivatives(c)	3,682	-	3,682
b) Foreign currency contracts			
Futures and forwards(d)	30,302	175,458	205,760
Written options	1,242	25,789	27,031
Call options	1,242	28,159	29,401
Swaps(a)	710	19,155	19,865
Total	33,496	248,561	282,057
Of which: Hedging derivatives(c)	-	-	-
c) Stock contracts			
Futures and forwards	618	141,575	142,193
Written options	1,103	61,474	62,577
Call options(e)	1,187	61,378	62,565
Swaps	29	52,584	52,613
Total	2,937	317,011	319,948
d) Commodities and other contracts			
Futures and forwards	-	1,133	1,133
Written options	-	444	444
Call options	-	441	441
Swaps	-	279	279
Total	-	2,297	2,297
e) Credit contracts			
Guaranteed by the Bank	-	-	-
Where the Bank is a beneficiary	-	-	-
Total	-	-	-
Total nominal amount	74,599	895,489	970,088

(a) Of which: Swaps for which the banking corporation pays a fixed interest of NIS 163,947 million.

(b) Of which: NIS-CPI swaps totaling NIS 15,552 million.

(c) The Bank makes the hedging through interest rate swaps (IRSs).

(d) Of which: Foreign exchange spots totaling NIS 11,436 million.

(e) Of which a total of NIS 61,181 million is traded on the Tel Aviv Stock Exchange.

Note 27B – Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

A. Volume of consolidated activity (cont.)

31 December 2019						
Assets in respect of derivatives, gross			Liabilities in respect of derivatives, gross			
	Not for- trading derivatives	Held-for- trading derivatives	Total	Not for-trading derivatives	Held-for- trading derivatives	Total
	NIS millions			NIS millions		
(2) Gross fair value of derivatives						
a) Interest rate contracts	130	4,482	4,612	250	4,446	4,696
Of which: Hedging derivatives	10	-	10	168	-	168
b) Foreign currency contracts	124	2,291	2,415	122	2,808	2,930
Of which: Hedging derivatives	-	-	-	-	-	-
c) Stock contracts	105	3,721	3,826	104	3,708	3,812
d) Commodities and other contracts	-	44	44	-	43	43
e) Credit contracts	-	-	-	-	-	-
Total assets/liabilities in respect of derivatives, gross(a)	359	10,538	10,897	476	11,005	11,481
Amounts netted on the balance sheet	-	-	-	-	-	-
Carrying amount	359	10,538	10,897	476	11,005	11,481
Of which: Not subject to a master netting- or similar arrangement, net	-	114	114	-	285	285
(a) Of which: NIS 50 million in gross fair value of liabilities in respect of embedded derivatives.						

Note 27B – Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

A. Volume of consolidated activity (cont.)

	31 December 2018		(f)
NIS millions			
(1) Nominal amount of derivatives			
a) Interest rate contracts			
Futures and forwards	4,651	69,935	74,586
Written options	-	39,682	39,682
Call options	-	37,097	37,097
Swaps	25,319	228,782	254,101
Total	29,970	375,496	405,466
Of which: Hedging derivatives(c)	2,246	-	2,246
b) Foreign currency contracts			
Futures and forwards(d)	33,168	177,249	210,417
Written options	1,181	40,535	41,716
Call options	1,181	40,901	42,082
Swaps(a)	812	23,363	24,175
Total	36,342	282,048	318,390
Of which: Hedging derivatives(c)	-	-	-
c) Stock contracts			
Futures and forwards	849	115,095	115,944
Written options	1,762	20,726	22,488
Call options(e)	1,902	20,929	22,831
Swaps	181	47,787	47,968
Total	4,694	204,537	209,231
d) Commodities and other contracts			
Futures and forwards	-	1,006	1,006
Written options	-	667	667
Call options	-	667	667
Swaps	-	211	211
Total	-	2,551	2,551
e) Credit contracts			
Guaranteed by the Bank	-	-	-
Where the Bank is a beneficiary	-	-	-
Total	-	-	-
Total nominal amount	71,006	864,632	935,638

(a) Of which: Swaps for which the banking corporation pays a fixed interest of NIS 130,341 million.

(b) Of which: NIS-CPI swaps totaling NIS 18,744 million.

(c) The Bank makes the hedging through interest rate swaps (IRSs).

(d) Of which: Foreign exchange spots totaling NIS 13,883 million.

(e) Of which a total of NIS 20,869 million is traded on the Tel Aviv Stock Exchange.

(f) Reclassified for first-time application of US GAAP for Banks' ASU 2017-12 - Derivatives and Hedging, including updates thereof. Please see Note 1.B.1.

Note 27B – Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

A. Volume of consolidated activity (cont.)

	31 December 2018 (b)					
	Assets in respect of derivatives, gross			Liabilities in respect of derivatives, gross		
	Not for-trading derivatives	Held-for-trading derivatives	Total	Not for-trading derivatives	Held-for-trading derivatives	Total
	NIS millions			NIS millions		
(2) Gross fair value of derivatives						
a) Interest rate contracts	133	3,548	3,682	284	3,303	3,586
Of which: Hedging derivatives	48	0	48	17	0	17
b) Foreign currency contracts	80	4,322	4,402	103	3,746	3,849
Of which: Hedging derivatives	-	-	-	-	-	-
c) Stock contracts	16	4,492	4,508	34	4,475	4,509
d) Commodities and other contracts	-	81	81	-	81	81
e) Credit contracts	-	-	-	-	-	-
Total assets/liabilities in respect of derivatives, gross(a)	229	12,443	12,673	421	11,605	12,025
Amounts netted on the balance sheet	-	-	-	-	-	-
Carrying amount	229	12,443	12,672	421	11,605	12,027
Of which: Not subject to a master netting- or similar arrange	-	283	283	-	857	857

(a) Of which: NIS 6 million in gross fair value of assets in respect of embedded derivatives, NIS 16 million in gross fair value of liabilities in respect of embedded derivatives.

(b) Reclassified for first-time application of US GAAP for Banks' ASU 2017-12 - Derivatives and Hedging, including updates thereof. Please see Note 1.B.1.

Note 27B – Derivatives Activity – Scope, Credit Risks and Maturity Dates (cont.)

B. Accounting hedges

1. Effect of hedge accounting of fair value on the profit (loss)

	For the year ended
	31 December 2019
	NIS millions
Total interest income (expenses) recognized in the income statement (a)	(13)
Effect of fair value hedges:	
a. Profit (loss) from fair value hedges	
Interest rate contracts	
Hedged items	176
Hedging derivatives	(188)

(a) Until January 1 2019, profit (loss) amounts reclassified from Accumulated other comprehensive income (loss) were included in interest income (expenses) or in noninterest finance income (expenses), subject to the hedge effectiveness. As of January 1 2019, these amounts are included in the interest income (expenses) line item.

2. Items hedged at Fair value hedges

	For the year ended		
	31 December 2019		
		Fair value adjustments which increased the book value(decreased)	Fair value adjustments which (decreased)increased the book value
	Book value of hedged item	Existing hedge ratios	Discontinued
Securities - debt instruments classified as available-for-sale securities	4,024	127	-

3.The effect of hedging a net investment in a foreign operation on "Accumulated other comprehensive income (loss)" and on the income statement

	For the year ended	
	31 December 2019	
	Amounts carried to other comprehensive income (loss)	(loss)Profit reclassified to Accumulated other comprehensive (a)income (loss)
	NIS millions	
Deposits serving as investment hedges, net	178	-
Foreign currency deposits		

(a) Until January 1 2019, profit (loss) amounts reclassified from Accumulated other comprehensive income (loss) were included in the interest income (expenses) line item or in the noninterest finance income (expenses) line item according to the hedge effectiveness. As of January 1 2019, all of these amounts are included in the interest income (expenses) line item.

4.The effect of derivatives not designated as hedging instruments on the income statement

	For the year ended
	31 December 2019
	Profit (loss) recognized in income (expenses) from (a)derivatives activity
	NIS millions
Derivatives not designated as hedging instruments	
Interest rate contracts	(148)
Foreign exchange contracts	(1,190)
Option contracts	183
Commodity and other contracts	4
Total	(1,151)

(a) Included in the noninterest finance income (expenses) line item.

Note 27B – Derivatives Activity – Scope, Credit Risks and Maturity Dates (cont.)

B. Accounting hedges

1. Effect of hedge accounting of fair value on the profit (loss)

	For the year ended 31 December 2018
	NIS millions
Total interest income (expenses) recognized in the income statement (a)	7
Effect of fair value hedges	
a. Profit (loss) from fair value hedges	
Interest rate contracts	
Hedged items	(11)
Hedging derivatives	17

Until January 1 2019, profit (loss) amounts reclassified from Accumulated other comprehensive income (loss) were(a) included in interest income (expenses) or in noninterest finance income (expenses), subject to the hedge effectiveness. As of January 1 2019, these amounts are included in the interest income (expenses) line item

2. Items hedged at Fair value hedges

	For the year ended 31 December 2018		
	Fair value adjustments (decreased)which increased the book value	Fair value adjustments which increased the book value(decreased)	Discontinued
	Book value of hedged item	Existing hedge ratios	
Securities - debt instruments classified as available-for-sale securities	2,259	(77)	-

3.The effect of hedging a net investment in a foreign operation on "Accumulated other comprehensive income (loss)" and on the income statement

	For the year ended 31 December 2018	
	Amounts carried to other (loss)comprehensive income	Profit (loss) reclassified to Accumulated other comprehensive income (a)(loss)
	NIS millions	
Deposits serving as investment hedges, net		
Foreign currency deposits	(182)	-

(a) Until January 1 2019, profit (loss) amounts reclassified from Accumulated other comprehensive income (loss) were included in the interest income (expenses) line item or in the noninterest finance income (expenses) line item according to the hedge effectiveness. As of January 1 2019, all of these amounts are included in the interest income (expenses) line item.

4.The effect of derivatives not designated as hedging instruments on the income statement

	For the year ended 31 December 2018
	Profit (loss) recognized in income (expenses) from (a)derivatives activity
	NIS millions
Derivatives not designated as hedging instruments	
Interest rate contracts	(100)
Foreign exchange contracts	2,708
Option contracts	(147)
Commodity and other contracts	1
Total	2,462

. Included in the noninterest finance income (expenses) line item(a)

Note 27B – Derivatives Activity – Scope, Credit Risks and Maturity Dates (cont.)

(c) Credit risk for derivatives by contract counterparty

31 December 2019						
	Stock exchanges	Banks	Dealers/ brokers	Governments and Central Banks	Others	Total
NIS millions						
Balance sheet balances of						
derived assets from derivative instruments (a) (b)	175	6,380	2,039	141	2,162	10,897
Gross amounts that not offset in the balance sheet:						
Mitigation of credit risk in respect of financial instruments	-	4,162	1,352	-	1,301	6,815
Mitigation of credit risk in respect of cash collateral received	-	2,090	617	133	474	3,314
Net amount of assets in respect of derivative instruments	175	127	70	8	387	768
Off-balance sheet credit risk in respect of derivative (d)	467	6,189	4,825	84	8,973	20,538
Mitigation of off-balance sheet credit risk	-	2,402	1,295	-	4,837	8,534
Net off-balance sheet credit risk in respect of derivative instruments.	467	3,786	3,530	84	4,136	12,003
Total credit risk in respect of derivative instruments	642	3,913	3,600	92	4,523	12,771
Book balance of liabilities in respect of derivative instruments (c)	154	4,394	1,422	-	5,511	11,481
Gross amounts that not offset in the balance sheet:	-	-	-	-	-	-
Financial instruments	-	4,162	1,352	-	1,301	6,815
Cash collateral pledged	-	178	62	-	3,095	3,335
Net amount of liabilities in respect of derivative instruments	154	54	8	-	1,115	1,331

(a) Net accounting arrangements do not exist.

(b) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 10,897 million.

(c) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 11,431 million.

(d) Off-balance sheet credit risk in respect of derivative instruments (including in respect of derivative instrument with negative fair value) as calculated for purposes of limitations on debts of borrowers.

(d) Repayment Dates - Nominal Amounts: Balances as at end of the year

31 December 2019					
	Up to three months	Three months to one year	One year to five years	After five years	Total
NIS millions					
Interest contracts:					
Shekel - index	2,001	4,635	6,268	2,618	15,522
Other	50,304	71,670	154,570	73,720	350,264
Foreign currency contracts	180,998	84,024	13,219	3,816	282,057
Contracts in respect of shares	270,121	48,177	1,650	-	319,948
Contracts in respect of commodities and others	1,990	307	-	-	2,297
Total	505,414	208,813	175,707	80,154	970,088

Note 27B – Derivative Instrument Activity - Scope, Credit Risks and Repayment Dates Bank (cont'd)

(b) Credit Risk in Respect of Derivative Instruments According to Other Party to the Contract (cont'd)

31 December 2018						
	Stock exchanges	Banks (f)	Dealers/ brokers (f)	Governments and Central Banks	Others	Total
NIS millions						
Balance sheet balances of derived assets from derivative instruments (a) (b)	204	4,552	1,200	19	6,698	12,673
Gross amounts that not offset in the balance sheet:	-	-	-	-	-	-
Mitigation of credit risk in respect of financial instruments	-	3,709	1,076	19	1,213	6,016
Mitigation of credit risk in respect of cash collateral received	-	707	68	-	4,125	4,900
Net amount of assets in respect of derivatives instruments	204	136	56	0	1,360	1,756
Off-balance sheet credit risk in respect of derivatives	446	5,338	3,833	73	6,961	16,650
Mitigation of off-balance sheet credit risk	-	2,839	1,663	44	1,010	5,556
Net off-balance sheet credit risk in respect of derivative instruments.	446	2,498	2,170	29	5,951	11,094
Total credit risk in respect of derivative instruments	650	2,634	2,227	29	7,311	12,850
Book balance of liabilities in respect of derivative instruments (c)	254	6,442	2,903	101	2,324	12,025
Gross amounts that not offset in the balance sheet:	-	-	-	-	-	-
Financial instruments	-	3,709	1,076	18	1,213	6,016
Cash collateral pledged	-	2,549	1,197	83	93	3,922
Net amount of liabilities in respect of derivatives instruments	254	184	630	1	1,018	2,087

(a) Net accounting arrangements do not exist.

(b) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 12,667 million.

(c) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 12,009 million.

(d) Off-balance sheet credit risk in respect of derivative instruments (including in respect of derivative instrument with negative fair value)
as calculated for purposes of limitations on debts of borrowers.

(f) Reclassified

(c) Repayment Dates - Nominal Amounts: Balances as at end of the year (cont'd)

31 December 2018					
	Up to three months	Three months to one year	One year to five years	After five years	Total
NIS millions					
Interest contracts:					
Shekel - index	2,029	4,319	9,648	2,748	18,744
Other	101,363	59,254	154,500	71,605	386,722
Foreign currency contracts	183,024	111,641	18,888	4,837	318,390
Contracts in respect of shares	172,096	35,879	1,256	-	209,231
Contracts in respect of commodities and others	1,254	966	331	-	2,551
Total	459,766	212,059	184,623	79,190	935,638

Note 29 - Additional Information on Credit Risk, Credit to the Public, and the Allowance for Credit Losses

B. Debts* and off-balance sheet credit instruments

1. Change in balance of credit loss allowance

	31 December 2019					
	Credit loss allowance					
	Credit to the public				Banks and governments	Total
	Commercial	Residential	Other private	Total		
	(NIS millions)					
Balance of credit loss allowance at beginning of year	2,345	473	635	3,453	3	3,456
Expenses in respect of credit losses	361	22	137	520	(1)	519
Accounting write-offs	(882)	(29)	(417)	(1,328)	-	(1,328)
Collection of debts written off in previous years	480	0	306	786	-	786
Net accounting write-offs	(402)	(29)	(111)	(542)	-	(542)
Balance of credit loss allowance at end of year	2,304	466	661	3,431	2	3,433
Of which: in respect of off-balance sheet credit instruments	358	0	20	378	-	378

	31 December 2018					
	Credit loss allowance					
	Credit to the public				Banks and governments	Total
	Commercial	Residential	Other private	Total		
	(NIS millions)					
Balance of credit loss allowance at beginning of year	2,181	443	599	3,223	3	3,226
Expenses in respect of credit losses	140	34	136	310	-	310
Accounting write-offs (a)	(607)	(4)	(374)	(985)	-	(985)
Collection of debts written off in previous years (a)	631	-	274	905	-	905
Net accounting write-offs	24	(4)	(100)	(80)	-	(80)
Balance of credit loss allowance at end of year	2,345	473	635	3,453	3	3,456
Of which: in respect of off-balance sheet credit instruments	426	0	21	447	-	447

	31 December 2017					
	Credit loss allowance					
	Credit to the public				Banks and governments	Total
	Commercial	Residential	Other private	Total		
	(NIS millions)					
Balance of credit loss allowance at beginning of year	2,315	461	670	3,446	1	3,447
Expenses in respect of credit losses	(70)	(10)	122	42	2	44
Accounting write-offs (a)	(635)	(8)	(468)	(1,111)	-	(1,111)
Collection of debts written off in previous years (a)	571	-	275	846	-	846
Net accounting write-offs	(64)	(8)	(193)	(265)	-	(265)
Balance of credit loss allowance at end of year	2,181	443	599	3,223	3	3,226
Of which: in respect of off-balance sheet credit instruments	443	-	21	464	-	464

(a) Reclassified

* Credit to the public, credit to governments, deposits in banks and other debts, excluding bonds and securities borrowed or purchased under agreements to resell.

Note 29 - Additional Information on Credit Risk, Credit to the Public, and the Allowance for Credit Losses

A. Additional information on the method of calculating the credit loss allowance in respect of debts^a and on debts^a on which it was calculated:

31 December 2019						
Credit loss allowance						
	Credit to the public			Banks and governments		
	Commercial	Residential	Other private	Total		Total
(NIS millions)						
Recorded debt balance of debts (a):						
Examined on an individual basis	130,340	-	794	131,134	14,482	145,616
Examined on a collective basis	19,361	84,220	26,892	130,473	-	130,473
Of which the allowance was calculated by extent of arrears	714 (c)	84,220	-	84,934	-	84,934
Total debts (a)	149,701	84,220	27,686	261,607	14,482	276,089
Credit loss allowance by debts (a):						
Examined on an individual basis	1,656	-	176	1,832	2	1,834
Examined on a collective basis	290	466	465	1,221	-	1,221
Of which: the allowance was calculated by extent of arrears	-	466 (b)	-	466	-	466
Total Credit loss allowance	1,946	466	641	3,053	2	3,055
Of which: in respect of impaired debts	306	-	166	472	-	472
31 December 2018						
Credit loss allowance						
	Credit to the public			Banks and governments		
	Commercial	Residential	Other private	Total		Total
(NIS millions)						
Recorded debt balance of debts(a):						
Examined on an individual basis	124,518 (d)	-	867	125,385	15,312 (d)	140,697
Examined on a collective basis	20,927 (d)	80,432	26,519	127,878	-	127,878
Of which the allowance was calculated by extent of arrears	913 (c)	80,432	-	81,345	-	81,345
Total debts (a)	145,445	80,432	27,386	253,263	15,312	268,575
Credit loss allowance by debts(a):						
Examined on an individual basis	1,684	-	159	1,843	3	1,846
Examined on a collective basis	235	473	455	1,163	-	1,163
Of which the allowance was calculated by extent of arrears	-	473 (b)	-	473	-	473
Total Credit loss allowance	1,919	473	614	3,006	3	3,009
Of which: in respect of impaired debts	351	-	149	500	-	500

(a) Credit to the public, credit to governments, deposits in banks and other debts, excluding bonds and securities borrowed or purchased under agreements to resell.

(b) Including balance of allowance in excess of that required by the extent of arrears method calculated on a collective basis in the amount of NIS 299 million (2018 - NIS 295 million)

(c) Including housing loans granted to purchasing groups under construction.

(d) Reclassified

Note 29 - Additional Information on Credit Risk, Credit to the Public, and the Allowance for Credit Losses

B. Debts¹

1. Credit quality and arrears

31 December 2019						
(NIS millions)						
Activity of borrowers in Israel	Non-problem debts	Problem debts ²		Total	Unimpaired debts - additional information	
		Not impaired	Impaired ³		In arrears of 90 days or more ⁴	In arrears of 30 to 89 days ⁵
Public - commercial						
Construction & real estate - construction	23,092	102	79	23,273	8	47
Construction & real estate - real estate activities	26,696	94	300	27,090	13	29
Financial services	17,137	11	4	17,152	4	54
Commercial - other	72,145	1,155	1,116	74,416	64	150
Total commercial	139,070	1,362	1,499	141,931	89	280
Private individuals - housing loans ⁶	83,382	830	-	84,212	830	620
Private individuals - other	27,066	302	310	27,678	58	154
Total public - activity in Israel	249,518	2,494	1,809	253,821	977	1,054
Israeli banks	2,167	-	-	2,167	-	-
Government of Israel	11	-	-	11	-	-
Total activity in Israel	251,696	2,494	1,809	255,999	977	1,054
Activity of borrowers abroad						
Public - commercial						
Construction & real estate	2,643	1	221	2,865	-	-
Commercial - other	4,870	34	1	4,905	-	-
Total commercial	7,513	35	222	7,770	-	-
Private individuals	16	-	-	16	-	-
Total public - activity abroad	7,529	35	222	7,786	-	-
Foreign banks	11,571	-	-	11,571	-	-
Foreign governments	733	-	-	733	-	-
Total	19,833	35	222	20,090	-	-

31 December 2018						
(NIS millions)						
Activity of borrowers in Israel	Non-problem debts ⁷	problem debts ²		Total	Unimpaired debts - additional information	
		Not impaired	Impaired ³		In arrears of 90 days or more ^{4,8}	In arrears of 30 to 89 days ⁵
Public - commercial						
Construction & real estate - construction	21,270	162	233	21,665	10	220
Construction & real estate - real estate activities	25,028	160	315	25,503	15	21
Financial services	14,238	7	8	14,253	2	4
Commercial - other	71,522	1,713	1,240	74,475	56	169
Total commercial	132,058	2,042	1,796	135,896	83	414
Private individuals - housing loans ⁶	79,555	862	-	80,417	862	694
Private individuals - other	26,770	258	339	27,367	51	175
Total public - activity in Israel	238,383	3,162	2,135	243,680	996	1,282
Israeli banks	2,669	-	-	2,669	-	-
Government of Israel	74	-	-	74	-	-
Total activity in Israel	241,126	3,162	2,135	246,423	996	1,282
Activity of borrowers abroad						
Public - commercial						
Construction & real estate	2,737	1	5	2,743	-	-
Commercial - other	6,805	-	1	6,806	-	7
Total commercial	9,542	1	6	9,549	-	7
Private individuals	34	-	-	34	-	-
Total public - activity abroad	9,576	1	6	9,583	-	7
Foreign banks	11,861	-	-	11,861	-	-
Foreign governments	708	-	-	708	-	-
Total	22,145	1	6	22,152	-	7

(1) Credit to the public, credit to governments, deposits in banks and other debts, excluding bonds and securities borrowed or purchased under agreements to resell.

(2) Impaired, substandard or special mention credit risk, including in respect of housing loans for which there is a provision by extent of arrears, and housing loans for which there is no provision that are in arrears of 90 days or more.

(3) As a rule, impaired debts do not accrue interest income.

(4) Classified as problem debts that are not impaired, accruing interest income.

(5) Accruing interest income. Debts in arrears of 30 to 89 days in the amount of NIS 166 million were classified as problem debts that are not impaired.

(6) Including housing loans in the amount of NIS 85 million (31 December 2018 – NIS 87 million) with a provision by extent of arrears, in which an arrangement was signed for the repayment of arrears by the borrower, with a change made to the repayment schedule in respect of the loan balance of which the repayment date has not yet arrived.

(7) Reclassified

(8) Restated

Note 29 - Additional Information on Credit Risk, Credit to the Public, and the Allowance for Credit Losses

B. Debts¹ (cont'd)

2. Additional information on impaired debts

	31 December 2019				
	(NIS millions)				
	Balance ² of impaired debts in respect of which there is an individual allowance ³	Balance of individual allowance ³	Balance ² of impaired debts in respect of which there is no individual allowance ³	Total balance ² of impaired debts	Principal contractual balance of impaired debts
<u>A. Impaired debts and individual allowance</u>					
Activity of borrowers in Israel					
Public - commercial					
Construction & real estate - construction	57	(11)	22	79	323
Construction & real estate - real estate activities	65	(2)	235	300	1,097
Financial services	3	(1)	1	4	410
Commercial - other	575	(217)	541	1,116	2,981
Total commercial	700	(231)	799	1,499	4,811
Private individuals - housing loans	-	-	-	-	-
Private individuals - other	307	(166)	3	310	765
Total public - activity in Israel	1,007	(397)	802	1,809	5,576
Israeli banks	-	-	-	-	-
Government of Israel	-	-	-	-	-
Total activity in Israel	1,007	(397)	802	1,809	5,576
Activity of borrowers abroad					
Public - commercial					
Construction & real estate	221	(76)	-	221	239
Commercial - other	1	-	-	1	35
Total commercial	222	(76)	-	222	274
Private individuals	-	-	-	-	-
Total public - activity abroad	222	(76)	-	222	274
Foreign banks	-	-	-	-	-
Foreign governments	-	-	-	-	-
Total - activity abroad	222	(76)	-	222	274
Of which:*					
Measured by present value of cash flows	1,190	(458)	693	1,883	
Debts under troubled debt restructuring	641	(180)	260	901	

(1) Credit to the public, credit to governments, deposits in banks and other debts, excluding bonds and securities borrowed or purchased under agreements to resell.

(2) Balance of recorded debt.

(3) Individual allowance for credit losses.

Note 29 - Additional Information on Credit Risk, Credit to the Public, and the Allowance for Credit Losses

B. Debts¹ (cont'd)

2. Additional information on impaired debts (cont'd)

	31 December 2018				
	(NIS millions)				
	Balance ² of impaired debts in respect of which there is an individual allowance ³	Balance of individual allowance ^{3,2}	Balance ² of impaired debts in respect of which there is no individual allowance ³	Total balance ² of impaired debts	Principal contractual balance of impaired debts ⁴
A. Impaired debts and individual allowance					
<u>Activity of borrowers in Israel</u>					
<u>Public - commercial</u>					
Construction & real estate - construction	69	(13)	164	233	426
Construction & real estate - real estate activities	121	(27)	194	315	1,176
Financial services	3	(1)	5	8	422
Commercial - other	872	(311)	368	1,240	3,233
Total commercial	1,065	(352)	731	1,796	5,257
Private individuals - housing loans	-	-	-	-	-
Private individuals - other	337	(149)	2	339	756
Total public - activity in Israel	1,402	(501)	733	2,135	6,013
Israeli banks	-	-	-	-	-
Government of Israel	-	-	-	-	-
Total activity in Israel	1,402	(501)	733	2,135	6,013
<u>Activity of borrowers abroad</u>					
<u>Public - commercial</u>					
Construction & real estate	-	-	5	5	25
Commercial - other	-	-	1	1	38
Total commercial	-	-	6	6	63
Private individuals	-	-	-	-	-
Total public - activity abroad	-	-	6	6	63
Foreign banks	-	-	-	-	-
Foreign governments	-	-	-	-	-
Total *	-	-	6	6	63
*Of which:					
Measured by present value of cash flows	1,342	(459)	675	2,017	
Debts under troubled debt restructuring	826	(137)	540	1,366	

(1) Credit to the public, credit to governments, deposits in banks and other debts, excluding bonds and securities borrowed or purchased under agreements to resell.

(2) Balance of recorded debt.

(3) Individual allowance for credit losses.

(4) Restated

Note 29 - Additional Information on Credit Risk, Credit to the Public, and the Allowance for Credit Losses

B. Debts* (cont'd)

2. Additional information on impaired debts (cont'd)

B. Average balance and interest income

	31 December 2019		
	Average balance of impaired debts**	Interest income recorded***	Of which: recorded on cash basis
	(NIS millions)		
<u>Activity of borrowers in Israel</u>			
<u>Public - commercial</u>			
Construction & real estate - construction	140	1	-
Construction & real estate - real estate activities	305	5	3
Financial services	7	-	-
Commercial - other	1,152	9	5
Total commercial	1,604	15	8
Private individuals - housing loans	-	-	-
Private individuals - other	317	2	-
Total public - activity in Israel	1,921	17	8
Israeli banks	-	-	-
Government of Israel	-	-	-
Total activity in Israel	1,921	17	8
<u>Activity of borrowers abroad</u>			
<u>Public - commercial</u>			
Construction & real estate	82	-	-
Other commercial	1	-	-
Total commercial	83	-	-
Private individuals	-	-	-
Total public - activity abroad	83	-	-
Foreign banks	-	-	-
Foreign governments	-	-	-
Total activity abroad*	83	-	-
Total public	2,004	17	8
Total banks	-	-	-
Total governments	-	-	-
Total	2,004	17 ****	8

* Credit to the public, credit to governments, deposits in banks and other debts, excluding bonds and securities borrowed or purchased under agreements to resell.

** Average debt balance recorded of impaired debts in the reporting period.

*** Interest income recorded in the reporting period in respect of the average balance of impaired debts, for the period in which the debts were classified as impaired.

**** If the impaired debts had accrued interest under their original terms, interest income would have been recorded in the amount of NIS 387 million

Note 29 - Additional Information on Credit Risk, Credit to the Public, and the Allowance for Credit Losses

B. Debts* (cont'd)

2. Additional information on impaired debts (cont'd)

B. Average balance and interest income (cont'd)

	31 December 2018		
	Average balance of impaired		Of which:
	debts**	Interest income recorded***	recorded on cash basis
	(NIS millions)		
<u>Activity of borrowers in Israel</u>			
<u>Public - commercial</u>			
Construction & real estate - construction	258	1	1
Construction & real estate - real estate activities	379	4	2
Financial services	6	-	-
Commercial - other	1,345	9	4
Total commercial	1,988	14	7
Private individuals - housing loans	-	-	-
Private individuals - other	336	1	-
Total public - activity in Israel	2,324	15	7
Israeli banks	-	-	-
Government of Israel	-	-	-
Total activity in Israel	2,324	15	7
<u>Activity of borrowers abroad</u>			
<u>Public - commercial</u>			
Construction & real estate	13	-	-
Other commercial	2	-	-
Total commercial	15	-	-
Private individuals	-	-	-
Total public - activity abroad	15	-	-
Foreign banks	-	-	-
Foreign governments	-	-	-
Total activity abroad	15	-	-
Total public	2,339	15	7
Total banks	-	-	-
Total governments	-	-	-
Total	2,339	15 ****	7

*Credit to the public, credit to governments, deposits in banks and other debts, excluding bonds and securities borrowed or purchased under agreements to resell.

** Average debt balance recorded of impaired debts in the reporting period.

*** Interest income recorded in the reporting period in respect of the average balance of impaired debts, for the period in which the debts were classified as impaired.

**** If the impaired debts had accrued interest under their original terms, interest income would have been recorded in the amount of NIS 186 million

Note 29 - Additional Information on Credit Risk, Credit to the Public, and the Allowance for Credit Losses

B. Debts¹ (cont'd)

2. Additional information on impaired debts (cont'd)

31 December 2019					
(NIS millions)					
<u>C. Impaired debts under restructuring</u>					
<u>Activity of borrowers in Israel</u>	<u>Not accruing</u>	<u>Accruing² in</u>	<u>Accruing² in</u>	<u>Accruing² not</u>	<u>Total³</u>
<u>Public - commercial</u>	<u>interest income</u>	<u>arrears of 90</u>	<u>arrears of 30</u>	<u>in arrears</u>	
		<u>days or more</u>	<u>to 89 days</u>		
Construction & real estate - construction	31	-	1	15	47
Construction & real estate - real estate activities	63	-	-	139	202
Financial services	2	-	-	1	3
Commercial - other	226	-	8	122	356
Total commercial	322	-	9	277	608
Private individuals - housing loans	-	-	-	-	-
Private individuals - other	215	-	5	72	292
Total public - activity in Israel	537	-	14	349	900
Israeli banks	-	-	-	-	-
Government of Israel	-	-	-	-	-
Total activity in Israel	537	-	14	349	900
Activity of borrowers abroad					
<u>Public - commercial</u>					
Construction & real estate	-	-	-	-	-
Commercial - other	-	-	-	1	1
Total commercial	-	-	-	1	1
Private individuals	-	-	-	-	-
Total public - activity abroad	-	-	-	1	1
Foreign banks	-	-	-	-	-
Foreign governments	-	-	-	-	-
Total - activity abroad	-	-	-	1	1
Total public	537	-	14	350	901
Total banks	-	-	-	-	-
Total governments	-	-	-	-	-
Total	537	-	14	350	901

(1) Credit to the public, credit to governments, deposits in banks and other debts, excluding bonds and securities borrowed or purchased under agreements to resell.

(2) Balance of recorded debt.

(3) Individual allowance for credit losses.

Note 29 - Additional Information on Credit Risk, Credit to the Public, and the Allowance for Credit Losses

B. Debts¹ (cont'd)

2. Additional information on impaired debts(cont'd)

31 December 2018 (4)					
(NIS millions)					
C. Impaired debts under restructuring (cont'd)					
<u>Activity of borrowers in Israel</u>	<u>Not accruing</u>	<u>Accruing² in</u>	<u>Accruing² in</u>	<u>Accruing² not</u>	
<u>Public - commercial</u>	<u>interest income</u>	<u>arrears of 90</u>	<u>arrears of 30</u>	<u>in arrears</u>	<u>Total³</u>
		<u>days or more</u>	<u>to 89 days</u>		
Construction & real estate - construction	196	-	-	5	201
Construction & real estate - real estate activities	211	-	1	21	233
Financial services	1	-	-	-	1
Commercial - other	562	-	2	48	612
Total commercial	970	-	3	74	1,047
Private individuals - housing loans	-	-	-	-	-
Private individuals - other	239	-	4	75	318
Total public - activity in Israel	1,209	-	7	149	1,365
Israeli banks	-	-	-	-	-
Government of Israel	-	-	-	-	-
Total activity in Israel	1,209	-	7	149	1,365
Activity of borrowers abroad					
<u>Public - commercial</u>					
Construction & real estate	-	-	-	-	-
Commercial - other	-	-	-	1	1
Total commercial	-	-	-	1	1
Private individuals	-	-	-	-	-
Total public - activity abroad	-	-	-	1	1
Foreign banks	-	-	-	-	-
Foreign governments	-	-	-	-	-
Total - activity abroad	-	-	-	1	1
Total public	1,209	-	7	150	1,366
Total banks	-	-	-	-	-
Total governments	-	-	-	-	-
Total	1,209	-	7	150	1,366

(1) Credit to the public, credit to governments, deposits in banks and other debts, excluding bonds and securities borrowed or purchased under agreements to resell.

(2) Balance of recorded debt.

(3) Individual allowance for credit losses.

(4) Restated

Note 29 - Credit risk, Credit to the Public and Allowance for Credit Losses - Bank

B. Debts*

2. Additional information on impaired debts:

C. Impaired debts under restructuring (cont'd)

1. Restructurings carried out

	31 December 2019		
	Number of contracts (NIS millions)	Recorded debt balance before restructuring	Recorded debt balance after restructuring
Activity of borrowers in Israel			
Public - commercial			
Construction & real estate - construction	344	41	40
Construction & real estate - real estate activities	89	26	26
Financial services	22	2	2
Commercial - other	1,690	234	230
Total commercial	2,145	303	298
Private individuals - housing loans	-	-	-
Private individuals - other	5,317	171	168
Total public - activity in Israel	7,462	474	466
Israeli banks	-	-	-
Government of Israel	-	-	-
Total activity in Israel	7,462	474	466
Activity of borrowers abroad			
Public - commercial			
Construction & real estate	-	-	-
Other commercial	-	-	-
Total commercial	-	-	-
Private individuals	-	-	-
Total public - activity abroad	-	-	-
Foreign banks	-	-	-
Foreign governments	-	-	-
Total activity abroad	-	-	-
Total public	7,462	474	466
Total banks	-	-	-
Total governments	-	-	-
Total	7,462	474	466

* Credit to the public, credit to governments, deposits in banks (excluding deposits in the Bank of Israel) and other debts, excluding bonds and securities borrowed or purchased under agreements to resell.

Note 29 - Credit risk, Credit to the Public and Allowance for Credit Losses - Bank (cont'd)

B. Debts*

2. Additional information on impaired debts:

C. Impaired debts under restructuring (cont'd)

2. Restructurings carried out (cont'd)

	31 December 2018			31 December 2017		
	Number of contracts	Recorded debt balance before restructuring	Recorded debt balance after restructuring	Number of contracts	Recorded debt balance before restructuring	Recorded debt balance after restructuring
	(NIS millions)			(NIS millions)		
Activity of borrowers in Israel						
Public - commercial						
Construction & real estate - construction	400	47	47	463	47	46
Construction & real estate - real estate activities	161	33	33	270	42	42
Financial services	24	2	2	11	7	-
Commercial - other	1,750	253	248	1,515	266	263
Total commercial	2,335	335	330	2,259	362	351
Private individuals - housing loans	-	-	-	-	-	-
Private individuals - other	5,705	180	179	6,235	161	160
Total public - activity in Israel	8,040	515	509	8,494	523	511
Israeli banks	-	-	-	-	-	-
Government of Israel	-	-	-	-	-	-
Total activity in Israel (1)	8,040	515	509	8,494	523	511
Activity of borrowers abroad						
Public - commercial						
Construction & real estate	-	-	-	-	-	-
Other commercial	-	-	-	-	-	-
Total commercial	-	-	-	-	-	-
Private individuals	-	-	-	-	-	-
Total public - activity abroad	-	-	-	-	-	-
Foreign banks	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-
Total activity abroad	-	-	-	-	-	-
Total public	8,040	515	509	8,494	523	511
Total banks	-	-	-	-	-	-
Total governments	-	-	-	-	-	-
Total	8,040	515	509	8,494	523	511

*Credit to the public, credit to governments, deposits in banks (excluding deposits in the Bank of Israel) and other debts, excluding bonds and securities borrowed or purchased under agreements to

(1) Restated

Note 29 - Additional Information on Credit Risk, Credit to the Public, and the Allowance for Credit Losses

B. Debts (cont'd)

3. Additional information on housing loans

Year end balances by rate of financing (LTV) ¹

		31 December 2019			
		(NIS millions)			
		Balance of housing loans			
			<u>Of which:</u>	<u>Of which:</u>	<u>Off-balance</u>
			<u>bullet and</u>	<u>variable</u>	<u>sheet credit</u>
		<u>Total</u>	<u>balloon</u>	<u>interest</u>	<u>risk total</u>
First charge: rate of financing	Up to 60%	54,663	1,694	35,127	2,270
	Above 60%	29,546	622	19,677	303
Second or without charge		11	-	9	-
Total		84,220	2,316	54,813	2,573

		31 December 2018			
		(NIS millions)			
		Balance of housing loans			
			<u>Of which:</u>	<u>Of which:</u>	<u>Off-balance</u>
			<u>bullet and</u>	<u>variable</u>	<u>sheet credit</u>
		<u>Total</u>	<u>balloon</u>	<u>interest</u>	<u>risk total</u>
First charge: rate of financing	Up to 60%	52,072	1,883	33,973	1,720
	Above 60%	28,323	669	19,332	203
Second or without charge		36	1	33	-
Total		80,431	2,554	53,338	1,922

(1) The ratio between the approved facility when the facility was granted and the value of the property, as approved by the Bank when the facility was granted.

Note 29 - Additional Information on Credit Risk, Credit to the Public, and the Allowance for Credit Losses

C. Credit to the public and off-balance sheet credit risk by size of debt per borrower

31 December 2019

Credit per borrower (NIS thousands)		Number of borrowers (c)	Credit (a) (NIS millions)	Off-balance sheet credit risk (a) (b)
From	To			
0	10	443,643	680	1,194
10	20	170,859	1,074	1,653
20	40	193,939	2,750	3,233
40	80	201,597	6,350	5,326
80	150	148,241	11,409	4,913
150	300	104,534	18,042	3,769
300	600	70,828	27,316	3,028
600	1,200	55,204	42,402	4,060
1,200	2,000	15,412	20,132	2,791
2,000	4,000	5,733	12,982	2,582
4,000	8,000	2,220	9,609	2,747
8,000	20,000	1,598	15,865	4,095
20,000	40,000	684	14,849	4,235
40,000	200,000	702	42,462	18,494
200,000	400,000	82	15,238	7,100
400,000	800,000	41	10,587	12,180
800,000	1,200,000	9	4,404	3,768
1,200,000	1,600,000	4	1,971	3,387
1,600,000	2,000,000	5	3,863	5,016
2,000,000	2,400,000	2	1,538	3,046
2,400,000	2,800,000	1	1,125	1,458
2,800,000	3,200,000	-	-	-
3,200,000	3,942,755	1	1,335	2,607
Total		1,415,339	265,983	100,682

(a) Before the effect of allowances for credit losses, and before the effect of collateral permitted for deduction for purposes of single borrower and group of borrowers' indebtedness; with the addition of the fair value of derivative instruments in the amount of NIS 4,377 million.

(b) Credit risk in off-balance sheet financial instruments as calculated for purposes of single borrower restrictions.

(c) Number of borrowers by total credit and credit risk.

General comments:

Commencing with a credit level of NIS 8,000 thousand, the classification is set out by the specific consolidation method; with respect to the other borrowers, credit has been classified by the category consolidation method.

The definition of "borrower" and the definition of debt, including off-balance sheet credit risk, are in accordance with the directives of the Banking Supervision Department for amendment of Proper Conduct of Banking Business Directive No. 313 - "Restrictions on the Debt of a Single Borrower and of a Group of Borrowers".

Note 29 - Additional Information on Credit Risk, Credit to the Public, and the Allowance for Credit Losses

C. Credit to the public and off-balance sheet credit risk by size of debt per borrower (cont'd)

31 December 2018

Credit per borrower (NIS thousands)		Number of borrowers (c) (d)	Credit (a) (d) (NIS millions)	Off-balance sheet credit risk (a) (b) (d)
From	To			
0	10	415,345	497	1,092
10	20	167,842	1,048	1,590
20	40	196,858	2,835	3,201
40	80	208,325	6,709	5,309
80	150	151,766	11,746	4,870
150	300	103,379	17,917	3,693
300	600	71,191	27,479	2,955
600	1,200	53,027	40,558	3,784
1,200	2,000	13,969	18,458	2,303
2,000	4,000	5,646	12,932	2,307
4,000	8,000	2,279	10,038	2,578
8,000	20,000	1,564	15,316	4,177
20,000	40,000	670	14,391	4,181
40,000	200,000	647	38,716	15,664
200,000	400,000	90	16,553	8,377
400,000	800,000	33	10,115	9,031
800,000	1,200,000	13	6,342	5,932
1,200,000	1,600,000	4	2,079	3,673
1,600,000	2,000,000	3	2,548	2,787
2,000,000	2,400,000	1	1,067	1,325
2,400,000	2,555,610	2	4,022	1,020
Total		1,392,654	261,366	89,849

(a) Before the effect of allowances for credit losses, and before the effect of collateral permitted for deduction for purposes of single borrower and group of borrowers' indebtedness; with the addition of the fair value of derivative instruments in the amount of NIS 8,103 million.

(b) Credit risk in off-balance sheet financial instruments as calculated for purposes of single borrower restrictions.

(c) Number of borrowers by total credit and credit risk.

(d) Reclassified

General comments:

Commencing with a credit level of NIS 8,000 thousand, the classification is set out by the specific consolidation method; with respect to the other borrowers, credit has been classified by the category consolidation method.

The definition of "borrower" and the definition of debt, including off-balance sheet credit risk, are in accordance with the directives of the Banking Supervision Department for amendment of Proper Conduct of Banking Business Directive No. 313 - "Restrictions on the Debt of a Single Borrower and of a Group of Borrowers".

Note 30 - Assets and Liabilities Classified According to Linkage Basis - Bank

31 December 2019							
	Israeli Currency		Foreign Currency (a)				
	Unlinked	Linked to the CPI	IN U.S. dollars	In Euro	In other currencies	Non-monetary items (b)	Total
	NIS millions						
Assets							
Cash and deposits with banks	65,554	-	7,454	1,121	2,557	917	77,603
Securities	32,367	3,186	33,937	5,059	1,912	2,349	78,810
Securities borrowed or purchased under agreement to resell	161	-	1,220	59	30	-	1,470
Credit to the public, net (c)	197,236	43,726	12,647	3,325	1,196	424	258,554
Credit to governments	11	-	713	20	-	-	744
Investments in companies included on equity basis	1,192	-	-	-	244	10,532	11,968
Buildings and equipment	-	-	-	-	-	2,805	2,805
Assets in respect of derivative instruments	4,654	97	2,051	187	215	3,693	10,897
Other assets	6,229	1	35	2	-	228	6,495
Total assets	307,404	47,010	58,057	9,773	6,154	20,948	449,346
Liabilities							
Deposits of the public	248,306	13,878	78,518	9,305	3,828	1,368	355,203
Deposits from banks	2,285	-	3,292	443	95	-	6,115
Deposits from governments	108	-	68	8	-	-	184
Securities loaned or sold under agreement to repurchase	112	-	264	59	30	11	476
Debentures, bonds and subordinated notes	5,621	14,337	-	-	-	-	19,958
Liabilities in respect of derivative instruments	5,424	285	1,633	185	267	3,637	11,431
Other liabilities	6,999	13,093	156	19	7	299	20,573
Total Liabilities	268,855	41,593	83,931	10,019	4,227	5,315	413,940
Difference (d)	38,549	5,417	(25,874)	(246)	1,927	15,633	35,406
Effect of derivative instruments that are not hedged:							
Derivative instruments (except options)	(15,714)	(3,009)	22,610	(958)	(3,562)	633	-
Option in the money, net (in terms of underlying asset)	379	-	(1,351)	973	(1)	-	-
Options out of the money, net (in terms of underlying asset)	(13)	-	(128)	133	8	-	-
Total	23,201	2,408	(4,743)	(98)	(1,628)	16,266	35,406
Effect of derivative instruments that are not hedged:							
Option in the money, net (discounted par value)	33	-	(1,531)	1,495	3	-	-
Options out of the money, net (discounted par value)	(1,146)	-	(114)	1,189	71	-	-

(a) Including linked to foreign currency.

(b) Including derivative instruments whose underlying asset is a non-monetary item.

(c) After deduction of provision for credit losses which were attributable to the linkage basis, totaling NIS 3,006 million.

(d) Equity.

See the annual financial report for the consolidated note.

Note 30 - Assets and Liabilities Classified According to Linkage Basis-Bank (cont'd)

31 December 2018								
Israeli Currency			Foreign Currency (a)					
	Unlinked	Linked to the CPI	IN U.S. dollars	In Euro	In other currencies	Non- monetary items (b)	Total	
	NIS millions							
Assets								
Cash and deposits with banks	67,755	-	8,499 (f)	2,346 (f)	2,427 (f)	65		81,092
Securities	32,834	2,832	25,089	2,523	1,692	2,295		67,265
Securities borrowed or purchased under agreement to resell	999	-	189	47	22	-		1,257
Credit to the public, net (c)	190,016	42,108	12,990 (f)	3,489	1,347	307		250,257
Credit to governments	22	53	674	33	-	-		782
Investments in companies included on equity basis	1,064	-	-	-	257	10,430		11,751
Buildings and equipment	-	-	-	-	-	2,558		2,558
Assets in respect of derivative instruments	2,525	95	5,323	261	213	4,250		12,667
Other assets	5,151	1	39	2	-	644		5,837
Total assets (e)	300,366	45,089	52,803	8,701	5,958	20,549		433,466
Liabilities								
Deposits of the public	232,692	16,696	78,421	10,300 (f)	4,102 (f)	403		342,614
Deposits from banks	2,004	-	2,271	432	682	-		5,389
Deposits from governments	114	-	84	9	-	-		207
Securities loaned or sold under agreement to repurchase	310	-	154	43	23	11		541
Debentures, bonds and Subordinated notes	4,040	13,758	-	-	-	-		17,798
Liabilities in respect of derivative instruments	2,989	222	4,254	134	187	4,223		12,009
Other liabilities	8,727	9,998	143	19	15	701		19,603
Total Liabilities (e)	250,876	40,674	85,327	10,937	5,009	5,338		398,161
Difference (d)	49,490	4,415	(32,524)	(2,236)	949	15,211		35,305
Effect of derivative instruments that are not hedged:								
Derivative instruments (except options)	(19,437)	(4,232)	24,597	1,130	(2,931)	873		-
Option in the money, net (in terms of underlying asset)	(2,204)	-	1,809	388	7	-		-
Options out of the money, net (in terms of underlying asset)	(1,549)	-	1,196	307	42	4		-
Total	26,300	183	(4,922)	(411)	(1,933)	16,088		35,305
Effect of derivative instruments that are not hedged:								
Option in the money, net (discounted par value)	(3,409)	-	2,886	517	6	-		-
Options out of the money, net (discounted par value)	(7,018)	-	5,900	871	45	202		-

(a) Including linked to foreign currency.

(b) Including derivative instruments whose underlying asset is a non-monetary item.

(c) After deduction of provision for credit losses which were attributable to the linkage basis, totaling NIS 3,006 million.

(d) Equity.

(e) For more information, please see Note 36F at the annual financial report of 2018

(f) Reclassified

Note 31 - Assets and Liabilities by Currency and Repayment Period (a)

31 December 2019														
Estimated future contractual cash flows											Balance sheet balance (d)			
upon demand and up to a month (e)	one month to three months (e)	three months to one year (e)	one year to two years	two years to three years	three years to four years	four years to five years	five years to ten years	ten years to twenty years	over twenty years	Total cash flows	without fixed maturity (b) (e)	Total	Contractual yield rate (g)	
NIS millions														
Israeli currency (c)														
Assets	115,827	23,750	49,188	33,123	26,445	19,822	15,698	49,079	44,093	15,753	392,778	3,390	355,053	2.92%
Liabilities	208,506	18,396	37,517	13,886	6,458	3,935	5,253	8,354	6,039	5,775	314,119	1,149	311,027	1.48%
Difference	(92,679)	5,354	11,671	19,237	19,987	15,887	10,445	40,725	38,054	9,978	78,659	2,241	44,026	
Of which: credit to the public	46,772	18,822	32,946	28,267	23,472	17,759	14,348	42,930	41,148	12,276	278,740	1,133	240,963	
Of which: deposits of the public	200,159	16,947	26,831	9,132	5,011	1,160	1,214	2,088	675	-	263,217	-	262,236	
Derivative instruments (except options)	(6,936)	(4,186)	(8,137)	(648)	936	632	(8)	936	62	-	(17,349)	-	(17,802)	
Options (in terms of underlying asset)	166	60	(132)	90	1	-	-	-	-	-	185	-	185	
Difference After Effect of Derivatives instruments	(99,449)	1,228	3,402	18,679	20,924	16,519	10,437	41,661	38,116	9,978	61,495	2,241	26,409	
Foreign currency														
Assets	16,802	6,584	15,198	14,128	6,187	4,175	2,557	9,328	4,334	2,729	82,022	2,125	77,038	2.96%
Liabilities	70,046	13,041	16,232	1,407	559	604	225	342	61	48	102,565	7	101,235	1.82%
Difference	(53,244)	(6,457)	(1,034)	12,721	5,628	3,571	2,332	8,986	4,273	2,681	(20,543)	2,118	(24,197)	
Of which: credit to the public	5,302	1,472	2,619	2,808	1,225	1,059	496	600	291	36	15,908	1,881	17,168	
Of which: deposits of the public	65,031	11,024	14,303	939	196	330	5	-	-	-	91,828	-	91,600	
Of which difference in \$	(46,698)	(7,960)	(4,916)	11,922	4,772	3,022	1,989	7,657	3,813	2,338	(24,061)	1,841	(26,099)	
Derivative instruments (except options)	6,936	4,186	8,137	648	(936)	(632)	8	(936)	(62)	-	17,349	-	17,802	
Options (in terms of underlying asset)	(166)	(60)	132	(90)	(1)	-	-	-	-	-	(185)	-	(185)	
Difference After Effect of Derivatives instruments	(46,474)	(2,331)	7,235	13,279	4,691	2,939	2,340	8,050	4,211	2,681	(3,379)	2,118	(6,580)	
Total														
Assets	132,629	30,334	64,386	47,251	32,632	23,997	18,255	58,407	48,427	18,482	474,800	5,515	432,091	2.92%
Liabilities	278,552	31,437	53,749	15,293	7,017	4,539	5,478	8,696	6,100	5,823	416,684	1,156	412,262	1.50%
Difference (f)	(145,923)	(1,103)	10,637	31,958	25,615	19,458	12,777	49,711	42,327	12,659	58,116	4,359	19,829	
Of which: credit to the public	52,074	20,294	35,565	31,075	24,697	18,818	14,844	43,530	41,439	12,312	294,648	3,014	258,131	3.13%
Of which: deposits of the public	265,190	27,971	41,134	10,071	5,207	1,490	1,219	2,088	675	-	355,045	-	353,836	1.38%

(a) In this Note, forecast contractual future cash flows in respect of assets and liabilities are shown according to linkage basis, in accordance with the remaining contractual period to maturity of each cash flow. The data is presented after deduction of provisions for doubtful debts.

(b) Including overdue assets which amounts in the sum of NIS 545 million (31 December 2018- NIS 719 million)

(c) Including linkage foreign currency.

(d) As included in Note 30, "Assets and liabilities According to Linkage Basis".

(e) Credit with debitory account conditions is classified in accordance with the credit framework line of NIS 8.3 billion (31 December 2017 - NIS 7.7 billion) special credit in the amount of NIS 1 billion is classified without repayment date (31 December 2018 - NIS 1 billion) .

(f) The above difference does not necessarily reflect the exposure to interest and/or linkage basis.

(g) Contractual yield rate is the interest rate discounting future anticipated contractual cash flows reported in this Note to its balance sheet figure.

Note: Total off-balance sheet restricted liabilities against with short-term credit was granted in the Bank amount to NIS 5.68 billion (31 December 2018 - NIS 4.93 billion).

See the annual financial report for the consolidated note.

Note 31 - Assets and Liabilities by Currency and Repayment Period (a) - Bank (cont'd)

31 December 2018														
Estimated future contractual cash flows												Balance sheet balance (d)		
	Upon demand and up to one month (e)	One month to three (e)	Three months to one year (e)	One year to two	Two years to three	Three years to four	Four years to five	Five years to ten	Ten years to twenty	Over twenty years	Total	Without fixed maturity (b)(e)	Total	Contractual yield rate (g)
	NIS millions													
Israeli currency (c)														
Assets	116,406	21,686	49,991	32,201	27,271	19,919	15,032	47,152	42,928	15,856	388,442	3,296	349,494	3.64%
Liabilities	199,199	14,241	32,585	17,352	8,618	4,640	2,529	7,549	5,528	5,761	298,002	1,085	294,362	2.38%
Difference	(82,793)	7,445	17,406	14,849	18,653	15,279	12,503	39,603	37,400	10,095	90,440	2,211	55,132	
Of which: credit to the public	45,400	16,701	32,389	29,403	22,542	18,428	13,996	41,726	41,172	12,719	274,476	1,272	232,159	
Of which: deposits of the public	189,719	13,478	29,430	6,356	4,216	3,716	920	2,061	463	-	250,359	-	249,500	
Derivative instruments (except options)	(18,536)	(711)	(5,801)	1,137	(769)	269	171	627	(20)	-	(23,633)	-	(23,236)	
Options (in terms of underlying asset)	-	(1,452)	(2,651)	675	-	-	-	-	-	-	(3,428)	-	(3,424)	
Difference After Effect of Derivative instruments	(101,329)	5,282	8,954	16,661	17,884	15,548	12,674	40,230	37,380	10,095	63,379	2,211	28,472	
Foreign currency														
Assets	18,252 (h)	7,228	10,125	8,312	6,229	4,726	3,645	11,658	4,482	2,178	76,835	2,841	67,673 (h)	3.38%
Liabilities	71,677 (h)	15,439	16,272	1,470	568	394	528	262	18	7	106,635	12	102,684 (h)	2.85%
Difference	(53,425)	(8,211)	(6,147)	6,842	5,661	4,332	3,117	11,396	4,464	2,171	(29,800)	2,829	(35,011)	
Of which: credit to the public	6,085 (h)	1,496	2,969	1,705	1,349	770	485	805	418	64	16,146	2,584	17,792 (h)	
Of which: deposits of the public	67,529 (h)	10,688	13,153	1,007	250	167	346	1	6	-	93,147	-	92,712 (h)	
Of which difference in \$	(45,387)	(9,053)	(7,902)	5,698	4,731	3,767	2,514	9,988	4,186	2,107	(29,351)	2,547	(33,302)	
If which: difference in respect of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	
Derivative instruments (except options)	18,536	711	5,801	(1,137)	769	(269)	(171)	(627)	20	-	23,633	-	23,236	
Options (in terms of underlying asset)	-	1,452	2,651	(675)	-	-	-	-	-	-	3,428	-	3,424	
Difference After Effect of Derivative instruments	(34,889)	(6,048)	2,305	5,030	6,430	4,063	2,946	10,769	4,484	2,171	(2,739)	2,829	(8,351)	
Total														
Assets	134,658	28,914	60,116	40,513	33,500	24,645	18,677	58,810	47,410	18,034	465,277	6,137	417,167	3.60%
Liabilities	270,876	29,680	48,857	18,822	9,186	5,034	3,057	7,811	5,546	5,768	404,637	1,097	397,046	2.42%
Difference (f)	(136,218)	(766)	11,259	21,691	24,314	19,611	15,620	50,999	41,864	12,266	60,640	5,040	20,121	
Of which: credit to the public	51,485	18,197	35,358	31,108	23,891	19,198	14,481	42,531	41,590	12,783	290,622	3,856	249,951	3.97%
Of which: deposits of the public	257,248	24,166	42,583	7,363	4,466	3,883	1,266	2,062	469	-	343,506	-	342,212	1.45%
(h) Reclassified														

Note 32a – Balances and Fair Value Assessments of Financial Instruments - Bank

31 December 2019					
	Book value	Fair value			
		level 1 (1)	level 2 (1)	level 3 (1)	Total
NIS millions					
Financial assets					
Cash and deposits with banks	77,603	66,011	7,976	3,595	77,582
Securities (2)	78,810	50,528	27,162	1,552	79,242
Securities borrowed or purchased under agreement to resell	1,470	1,470	-	-	1,470
Credit to the public, net	258,554	2,384	66,001	191,260	259,645
Credit to governments	744	-	11	759	770
assets in respect of derivative instruments	10,897	2,123	7,375	1,399	10,897
Other financial assets	254	47	-	207	254
Total financial assets	428,332 (3)	122,563	108,525	198,772	429,860
Financial liabilities					
Deposits of the public	355,203	3,437	249,172	102,059	354,668
Deposits from banks	6,115	-	5,940	170	6,110
Deposits from governments	184	-	107	87	194
Securities loaned or sold under agreement to repurchase	476	476	-	-	476
Debentures, bonds and subordinated notes	19,958	20,041	-	828	20,869
liabilities in respect of derivative instruments	11,431	2,122	9,014	295	11,431
Other financial liabilities	4,930	100	4,347	483	4,930
Total financial liabilities	398,297 (3)	26,176	268,580	103,922	398,678
Off balance financial instruments					
Deals in which the balance represents credit risk	293	-	-	293	293
31 December 2018					
	Book value	Fair value			
		level 1 (1)	level 2 (1)	level 3 (1)	Total
NIS millions					
Financial assets					
Cash and deposits with banks	81,092 (4) (5)	66,761 (4)	9,635 (5)	4,652	81,048
Securities (2)	67,265	40,047	24,275	2,955	67,277
Securities borrowed or purchased under agreement to resell	1,257	1,257	-	-	1,257
Credit to the public, net	250,257 (5)	2,663	64,189 (5)	181,787	248,639
Credit to governments	782	-	15	793	808
assets in respect of derivative instruments	12,667	3,145	7,304	2,218	12,667
Other financial assets	718	478	-	240	718
Total financial assets	414,038 (3)	114,351	105,418	192,645	412,414
Financial liabilities					
Deposits of the public	342,614 (4)	2,731 (4)	235,557 (4)	102,063	340,351
Deposits from banks	5,389	-	4,935	445	5,380
Deposits from governments	207	-	126	90	216
Securities loaned or sold under agreement to repurchase	541	541	-	-	541
Debentures, bonds and subordinated notes	17,798	16,461 (4)	-	1,973 (4)	18,434
liabilities in respect of derivative instruments	12,009	3,147	8,625	237	12,009
Other financial liabilities	7,392	1,147	5,665	580	7,392
Total financial liabilities	385,950 (3)	24,027	254,908	105,388	384,323
Off balance financial instruments					
Deals in which the balance represents credit risk	333	-	-	333	333

(1) Level 1 – Fair value measurements used in prices quoted in an active market.

Level 2 - Fair value measurements used in other significant observed data.

Level 3 - Fair value measurements used in non-significant observed data

(2) For additional information on the balance sheet and fair value of securities, see security note.

(3) Of which: assets and liabilities totaling NIS 123,910 million and NIS 220,472 million (31 December 2018– NIS 114,404 million and NIS 207,657 million) respectively, where the book value is identical to fair value, (instruments for an original period of up to 3 months, for which use is made of the book value). For additional information on instruments that were measured at fair value on a recurring and non recurring basis, see notes 32d.

(4) Restated

(5) Reclassified

Note 32b – Items Measured for Fair Value on a Recurring Basis- Bank

A. instruments being measured by fair value over a repeated basis.

31 December 2019				
	Fair Value Measurements using			
	Prices quoted in an active market (level 1)	Other significant observable inputs (level 2)	Significant unobservable inputs (level 3)	Total Fair Value
	NIS millions			
Assets				
Available for sale bonds:				
Israeli government bonds	30,470	2,323	-	32,793
Foreign government bonds	12,188	5,643	-	17,831
Bonds of Israeli financial institutions	-	-	-	-
Bonds of financial institutions abroad	-	9,555	-	9,555
MBS/ABS	-	3,726	1,456	5,182
Others in Israel	107	33	-	140
Others abroad	-	2,817	-	2,817
Total available for sale bonds	42,765	24,097	1,456	68,318
Non-trading shares and mutual funds:				
Non-trading shares and mutual funds	2,253	-	-	2,253
Securities held for trading:				
Bonds held for trading	3,060	443	-	3,503
Shares held for trading	-	-	-	-
Total securities held for trading	3,060	443	-	3,503
Assets in respect of derivative financial instruments:				
Shekel-index contracts	-	127	82	209
Interest contracts	6	3,630	767	4,403
Foreign currency contracts	-	1,713	538	2,251
Contracts in respect of shares	1,762	1,894	8	3,664
Commodities and other contracts	29	11	4	44
Maof market activity	326	-	-	326
Total assets in respect of derivative financial instruments	2,123	7,375	1,399	10,897
Others				
Credit and deposits in respect of lending of securities	3,564	-	-	3,564
Others	1,517	-	-	1,517
Total Assets	55,282	31,915	2,855	90,052
Liabilities:				
Shekel-index contracts	-	264	38	302
Interest contracts	6	4,388	-	4,394
Foreign currency contracts	-	2,464	257	2,721
Contracts in respect of shares	1,762	1,883	-	3,645
Commodities and other contracts	28	15	-	43
Maof market activity	326	-	-	326
Total liabilities in respect of derivative financial instruments	2,122	9,014	295	11,431
Others				
Deposites of the public	3,437	44	6	3,487
Others	565	-	-	565
Total Liabilities	6,124	9,058	301	15,483

See the annual financial report for the consolidated note.

Note 32B – Items Measured for Fair Value on a Recurring Basis-Bank(cont'd)

A. instruments being measured by fair value over a repeated basis (cont'd)

	31 December 2018			
	Fair Value Measurements using			
	Prices quoted in an active market (level 1)	other significant observable in inputs (level 2)	significant unobservable inputs (level 3)	Total Fair Value
	NIS Millions			
Assets:				
Available for sale bonds:				
Israeli government bonds	27,952	2,266	-	30,218
Foreign government bonds	2,203	3,487	-	5,690
Corporate bonds in Israel	-	-	-	-
Corporate bonds abroad	-	9,665	-	9,665
MBS/ABS	-	2,859	2,821	5,680
Others in Israel	81	161	-	242
Others abroad	-	3,236	-	3,236
Total available for sale bonds	30,236	21,674	2,821	54,731
Non-trading shares and mutual funds:				
Non-trading shares and mutual funds	2,158	-	-	2,158
Securities held for trading:				
Bonds held for trading	6,041	623	-	6,664
Shares held for trading	2	-	-	2
Total securities held for trading	6,043	623	-	6,666
Assets in respect of derivative financial instruments:				
Shekel-index contracts	-	86	149	235
Interest contracts	508	2,791	142	3,441
Foreign currency contracts	-	3,220	971	4,191
Contracts in respect of shares	2,133	1,195	937	4,265
Commodities and other contracts	50	12	19	81
Maof market activity	454	-	-	454
Total assets in respect of derivative financial instruments	3,145	7,304	2,218	12,667
Others				
Credit and deposits in respect of lending of securities	2,728	6	-	2,734
Others	1,734	-	-	1,734
Total Assets	46,044	29,607	5,039	80,690
Liabilities:				
Liabilities in respect of derivative financial instruments:				
Shekel-index contracts	-	236	109	345
Interest contracts	508	2,733	-	3,241
Foreign currency contracts	-	3,462	128	3,590
Contracts in respect of shares	2,132	2,164	-	4,296
Commodities and other contracts	51	30	-	81
Maof market activity	456	-	-	456
Total liabilities in respect of derivative financial instruments	3,147	8,625	237	12,009
Others				
Deposites of the public	2,608	13	3	2,624
Others	1,686	-	-	1,686
Total Liabilities	7,441	8,638	240	16,319

Note 32B – Items Measured for Fair Value on a Recurring Basis (cont'd)Bank

B. instruments being measured by fair value over a repeated basis

31 December 2019					
	Fair Value Measurements using				
	Prices quoted in an active market (level 1)	other significant observable in inputs (level 2)	Significant unobservable inputs (level 3)	Total fair value	profits (losses)
	NIS Millions				
Collateral-dependent impaired credit	-	-	135	135	146
Total	-	-	135	135	146
31 December 2018					
	Fair Value Measurements using				
	Prices quoted in an active market (level 1)	other significant observable in inputs (level 2)	Significant unobservable inputs (level 3)	Total fair value	profits (losses)
	NIS Millions				
Collateral-dependent impaired credit	-	-	82	82	124
Total	-	-	82	82	124

Note 32c – Changes in items measured for fair value on a recurring basis included in Level 3 - Bank

31 December 2019									
Changes in items measured for fair value included in level 3									
	Fair value at Beginning of the year	Total realized and un-realized profits(losses)	In overall profit after discount	Acquisition	Sales	Extinguishment	Transfers to/from level 3	Fair value at 31 December 2019	Unrealized profit/loss from instruments held 31 December 2019
NIS Millions									
Assets:									
Bonds Available for sale:									
MBS \ ABS	2,821	(144)	31	308	(315)	(234)	(1,011)	1,456	(4)
Assets in respect of derivative financial instruments:									
Shekel-index contracts	149	(80)	-	-	-	-	13	82	(25)
Interest contracts	142	731	-	-	-	(106)	-	767	618
Foreign currency contracts	971	(963)	-	530	-	-	-	538	229
Contracts in respect of shares	937	(929)	-	-	-	-	-	8	2
Commodities and other contracts	19	(15)	-	-	-	-	-	4	(2)
Total assets in respect of derivative financial instruments	2,218	(1,256)	-	530	-	(106)	13	1,399	822
Total assets	5,039	(1,400)	31	838	(315)	(340)	(998)	2,855	818
Liabilities:									
Liabilities in respect of derivative financial instruments:									
Shekel-index contracts	109	(37)	-	-	-	-	(34)	38	12
Foreign currency contracts	128	129	-	-	-	-	-	257	-
Total liabilities in respect of derivative financial instruments	237	92	-	-	-	-	(34)	295	12
Other	3	3	-	-	-	-	-	6	3
Total liabilities	240	95	-	-	-	-	(34)	301	15

Note 32c – Changes in items measured for fair value on a recurring basis included in Level 3-Bank(cont'd)

31 December 2018								
Changes in items measured for fair value included in level 3								
	Fair value at Beginning of the year	Total realized and un-realized profits(losses)	In overall profit after discount	Acquisition	Sales	Extinguishments	Transfers to/from level 3	Unrealized profit/loss from instruments held 31 December
	NIS Millions							
Assets:								
Bonds Available for sale:								
MBS \ ABS	1,369	377	(27)	287	-	(458)	1,273	2,821 (27)
Assets in respect of derivative financial instruments:								
Shekel-index contracts	166	(44)	-	-	-	-	27	149 (22)
Interest contracts	266	34	-	-	-	(158)	-	142 (109)
Foreign currency contracts	615	(77)	-	433	-	-	-	971 290
Contracts in respect of shares	63	874	-	-	-	-	-	937 935
Commodities and other contracts	3	16	-	-	-	-	-	19 19
Total assets in respect of derivative financial instruments	1,113	803	-	433	-	(158)	27	2,218 1,113
Total Assets	2,482	1,180	(27)	720	-	(616)	1,300	5,039 1,086
Liabilities:								
Liabilities in respect of derivative financial instruments:								
Shekel-index contracts	255	(125)	-	-	-	-	(21)	109 41
Foreign currency contracts	184	(56)	-	-	-	-	-	128 (16)
Total liabilities in respect of derivative financial instruments	439	(181)	-	-	-	-	(21)	237 25
other	47	(44)	-	-	-	-	-	3 1
Total Liabilities	486	(225)	-	-	-	-	(21)	240 26

Statement of Cash Flows - Bank

For the year ended 31 December 2019

	2019	2018	2017
	(NIS millions)		
Cash flows generated by operating activity			
Net profit for the year	3,522	3,257	3,172
Adjustments:			
Group share in undistributed gains (losses) of companies included on equity basis (a)	(123)	(581)	(526)
Expenses deriving from share-based payment transactions	2	28	0
Depreciation of buildings and equipment (including impairment)	516	486	501
Provision for impairment of available for sale shares	0	1	62
Expenses in respect of credit losses	519	310	44
Provision for impairment in assets transferred to group ownership	0	1	1
Net gains on sale of securities available for sale (including impairment)	(232)	(179)	(179)
Realized and unrealized gain from adjustment to fair value of securities held for trading	(128)	(58)	50
Loss (gain) on realization of investment in companies included on equity basis	(73)	(6)	15
Loss (gain) on realization of buildings and equipment	(70)	(31)	(278)
Provision for impairment in debentures available for sale	(49)	-	-
Extraordinary provisions (elimination of provisions) in connection with fixed assets after taxes	0	(1)	(6)
Interest not yet paid for debentures and subordinated notes	(157)	(182) (b)	93
Effect of exchange differentials on cash and deposits with banks for period not exceeding three months	(88)	139	(466)
Deferred taxes, net	682	(400)	604
Severance pay and pension - increase in excess of provision over amount funded (b)	(577)	252	(238)
Profit on sale of loan portfolios	(94)	148 (b)	(36)
Other, net	(15)	0	(9)
Provision for impairment of available for sale bonds	55	(19)	(4)
Net change in current assets:			
Assets in respect of derivative instruments	1,770	(3,134)	1,044
Securities held for trading	3,294	(1,270)	2,979
Other assets	425	657	(55)
Net change in current liabilities:			
Liabilities in respect of derivative instruments	(756)	2,341	(888)
Other liabilities	(2,182)	(434)	148
Net cash generated by operating activity	6,241	1,325	6,028

(a) Net of dividend received.

(b) Reclassified

Statement of Cash Flows (cont'd)
For the year ended 31 December 2019

	2019	2018	2017
	(NIS millions)		
Cash flows generated by investment activity			
Net change in deposits with banks with original maturities of more than three months	3,816	(4,022) (a)	(1,611)
Net change in loans to the public ^(b)	(9,464)	(9,124) (a)	(6,168)
Net change in loans to governments	38	(67)	(73)
Change in securities borrowed or purchased under reverse repurchase agreements	(213)	(96)	123
Purchase of held-to-maturity bonds	(1,530)	(3,559) (a)	-
Acquisition of securities available for sale	(83,009)	(85,995)	(88,150)
Proceeds from sale of securities available for sale	40,182	53,603	41,410
Proceeds from redemption of securities available for sale	30,987	40,716	43,318
Proceeds on disposal of investments in previously consolidated investees	0	-	-
Acquisition of shares in companies included on equity basis	(28)	(19) (a)	(39)
Proceeds from realization of investment in companies included on equity basis	98	10 (a)	155
Net decrease (indecrease) in capital notes of investee companies	(130)	(36)	89
Acquisition of buildings and equipment	(899)	(573)	(518)
Proceeds from realization of buildings and equipment	107	73	314
Proceeds from sale of loan portfolios	656	354	65
Central severance pay fund	157	250 (a)	383
Net cash for investment activity	(18,745)	(8,485)	(10,702)

(a) Reclassified

(b) Including current activities from invoice factoring. Please see Note 30.E.

Statement of Cash Flows (cont'd)

For the year ended 31 December 2019

	2019	2018	2017
	(NIS millions)		
Cash flows generated by financing activity			
Net change in deposits from banks with original maturities of more than three months	726	231	1,496
Net change in deposits by the public	12,767	1,809	17,254
Net change in deposits by the government	(23)	60	(31)
Net change in securities loaned or sold under repurchase agreements	(65)	(17)	19
Issue of debentures and subordinated notes	3,152	2,114	-
Redemption of debentures and subordinated notes	(958)	(32)	(6,597)
Proceeds of disposal of investments in consolidated companies without loss of control	-	512	-
Share buyback	(700)	(700)	-
Dividend paid to shareholders	(1,387)	(1,369)	(627)
Net, cash flows generated by financing activity	13,512	2,608	11,514
Increase (decrease) in cash and cash equivalents	1,008	(4,552)	6,840
Balance of cash and cash equivalents at beginning of year	72,539	76,691	70,454
Effect of movements in exchange rates on cash balances and cash equivalents	(682)	400	(603)
Balance of cash and cash equivalents at end of year	72,865	72,539	76,691
	2019	2018	2017
	(NIS millions)		
Interest received	9,852	9,005	8,753
Interest paid	(3,106)	(2,438)	(2,284)
Dividend received	221	134	5
Taxes paid on income	(2,181)	(845)	(1,651)

Appendix A – Non-cash investment and financing transactions in the reporting period:

2019

During the period, property, plant and equipment were purchased against commitments to suppliers in the amount of NIS 99 million.

2018

During the period, property, plant and equipment were purchased against commitments to suppliers in the amount of NIS 17 million.

2017

On April 6, 2017, the Bank issued PSUs. As a result, NIS 10 million were reclassified from Other liabilities to Share-based payment transactions reserve.