



Bank Leumi le-Israel L.T.D.

**Additional Information to the
Annual Consolidated Reports**

2021

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Note 2 - Interest Income and Expenses

	Bank		
	2021	2020	2019
	(NIS millions)		
A. Interest Income (a)			
Credit to the public	9,560	7,912	8,568
Credit to governments	26	24	32
Deposits with banks	71	104	211
Deposits with Bank of Israel and cash	119	90	122
Interest income from securities borrowed or purchased under agreements to resell	6	6	4
Bonds (b)	800	892	1,132
Total Interest Income	10,582	9,028	10,069
B. Interest Expenses			
Deposits of the public	(812)	(958)	(1,758)
Deposits from governments	(2)	(3)	(3)
Deposits from Bank of Israel and cash	(10)	(3)	(1)
Deposits from banks	(4)	(11)	(26)
Debentures, bonds and subordinated notes	(461)	(376)	(537)
Interest expense from securities loaned or sold under agreements to repurchase	(1)	(8)	(3)
Total Interest Expenses	(1,290)	(1,359)	(2,328)
Total included in interest income	9,292	7,669	7,741
C. Details of the net effect of hedging derivative financial instruments on interest income and expenses (c)			
Interest income	(60)	(50)	(13)
D. Details of interest income on accrual basis from bonds			
Held to maturity	135	155	143
Available for sale	644	712	958
Held for trading	21	25	31
Total included in interest income	800	892	1,132

(a) Including effective component of hedge relationships.

(b) Including interest in respect of mortgage-backed bonds (MBS) in the amount of NIS 113 million (2020 - NIS 100 million, 2019 - NIS 106 million).

(c) Details of the effect of hedging derivative instruments on sub-section A.

Note 3 - Non-Interest Financing Income

	Bank		
	2021	2020	2019
	(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)	(1,668)	(1,814)	(1,279)
Total from activities in derivative instruments	(1,668)	(1,814)	(1,279)
A.2 From investment in bonds			
Gains on sale of debentures available for sale	255	366	188
Losses on sale of debentures available for sale	(25)	(4)	(17)
Impairment provision	-	(33)	(2)
Total from investment in debentures	230	329	169
A.3 Exchange rate differentials ,net	2,027	1,853	2,059
A.4 Gains (losses) on investment in shares			
Gains from sale of shares available for sale (b)	184	143	77
Losses from sale of shares available for sale	(50)	(45)	(16)
Gain from sale of shares in holding companies	-	-	314
Losses from sale of shares in holding companies	-	(2)	(99)
Unrealized profits\losses, net from not held-for-trading equity securities	(55)	69	49
Dividend from shares available for sale	9	8	11
Total from investment in shares	88	173	336
A.5 Net profits in respect of loans sold	-	-	15
Total non-interest financing income in respect of activities not for trading purposes	677	541	1,300
B. Non-interest financing income from activities for trading purposes (c)			
Net income (expenses) in respect of other derivative instruments	333	364	128
Realized and unrealized profits (losses) from fair value adjustment of bonds for trading, net (d)	(18)	51	146
Realized and unrealized profits (losses) from fair value adjustment of shares for trading, net (e)	(1)	7	3
Dividend from shares held for trading	1	-	-
Total non-interest financing income in respect of activities for trading purposes (f)	315	422	277
Breakdown of noninterest finance income for trading activities, by risk exposure			
Interest rate exposure	80	(107)	30
Foreign exchange exposure	167	488	208
Exposure to equity securities	53	37	35
Exposure to commodities and other contracts	15	4	4
TOTAL	315	422	277
Total income from Non-Interest Financing	992	963	1,577

(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 59 million on the sale of Zim, (2020 - Including mainly gain of NIS 86 million on the sale of Visa, 2019 - including mainly gain of NIS 33 million on the sale of Shva).

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

(d) Of which part of the profits (losses) of NIS 9 million (2020 - NIS 40 million, 2019 - NIS 34 million) relating to bonds held for trading still held as of balance sheet date.

(e) Of which part of the profits (losses) of NIS (1) million (2020- NIS 0 million, 2019-NIS 0 million).

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

Note 4 - Commissions

	Bank		
	2021	2020	2019
	(NIS millions)		
Ledger fees	576	578	619
Conversion differences	402	392	358
Handling of credit	193	171	191
Commissions for distribution of financial products (a)	211	198	221
Foreign trade activities	118	112	117
Income from transactions in securities and certain derivative instruments (b)	682	649	566
Credit cards	356	321	301
Management fees and commission on life insurance and home insurance	3	2	5
Net income from servicing credit portfolios	7	9	11
Commissions on financing transactions	481	427	411
Other commissions	101	96	89
Total operating commissions	3,130	2,955	2,889

(a) Mainly distribution fees of mutual funds.

(b) Including fees and commissions from underwriting activity

Note 5 - Other Income

	Bank		
	2021	2020	2019
	(NIS millions)		
Profit from the realization of assets received for settlement of loans	6	1	-
Income from mutual funds	80	6	18
Capital gain from sale of buildings and equipment	163	1	93
Capital loss from sale of buildings and equipment	(7)	(11)	(3)
Other, net	22	20	39
Total other income	264	17	147

Note 6 - Salaries and Related Expenses

	Bank		
	2021	2020	2019
	(NIS millions)		
Salaries	2,401	2,074	2,525
Expenses deriving from share-based payment transactions	-	(10)	5
Severance pay, provident fund, training fund, pension, vacation and long service bonus	225	221	241
Long-term - Jubilee benefits	(6)	-	(5)
National Insurance and VAT on salaries	680	563	649
Defined benefit	188	173	147
Defined deposit	164	158	149
Other post-employment benefits and non-pension post retirement benefits (a)	(2)	12	37
Total salaries and related expenses	3,650	3,191	3,748
Of which: salaries and related expenses abroad	-	-	-

(a) See Note 23 on Employee Rights.

Note 7 - Other Expenses

	Bank		
	2021	2020	2019
	(NIS millions)		
Pension expenses, defined benefit, excluding service cost	672	700	701
Marketing and advertising	124	122	207
Legal, audit and professional consultants	153	157	178
Communications - postage, telephone, delivery services, etc.	108	113	122
Computers (a)	26	35	28
Office expenses	22	27	30
Insurance	25	26	25
Training	5	4	9
Commissions	148	139	137
Loss in respect of assets received in settlement of loans	3	-	1
Fines paid to the Bank of Israel	1	-	-
Other (b)	241	252	410
Total other expenses	1,528	1,575	1,848

(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.

Note 8 - Provision for Taxes on Operating Profit - Bank

A. Composition

	2021	2020	2019
	(NIS millions)		
Current taxes:			
In respect of current year	2,523	1,941	2,268
In respect of prior years	29	40	21
Total current taxes	2,552	1,981	2,289
Including (less) changes in deferred taxes:			
In respect of current year	405	(700)	(577)
In respect of prior years	-	-	-
Total changes in deferred taxes (1)	405	(700)	(577)
Tax expense on income	2,957	1,281	1,712
Of which provision for taxes abroad	-	-	-

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

	2021	2020	2019
	(NIS millions)		
Deferred tax Income (expenses) before impact of the following items:	405	(700)	(577)
Increase in carry forward deductions for tax purposes	-	-	-
Impact of changes to tax-related rules	-	-	-

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

	-	-	-
Total deferred tax expenses (income)	405	(700)	(577)

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

	2021	2020	2019
Statutory tax rate applying to a banking corporation	34.19%	34.19%	34.19%
	NIS millions		
Tax at the statutory tax rate	2,733	1,100	1,675
Tax (tax saving) resulting from:			
Income of foreign consolidated companies	11	18	31
Tax exempt and at preferred rates	-	-	(3)
Depreciation differences, depreciation adjustment and capital gain	(13)	2	(21)
Other non-deductible expenses	12	10	5
Timing differences for which deferred taxes have not been recorded	(1)	15	(86)
Income of Israeli consolidated companies	96	22	24
Change in deferred taxes due to change in tax rates	-	-	-
Taxes in respect of prior years	29	40	21
Change in the balance of provision for deferred-tax asset	-	-	-
Other	90	74	66
Provision for taxes on operating profit	2,957	1,281	1,712

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 December 31 2020</u>	<u>Changes carried to profit and loss</u>	<u>Effect of change in tax rate carried to profit and loss</u>	<u>Changes recognized in equity</u>	<u>Effect of change in tax rate carried to equity</u>	<u>Changes carried to other comprehen- sive income</u>	<u>Other</u>	<u>Balance as at December 31 2021</u>	<u>Average tax rate in 2021 (% in)</u>
Deferred tax assets									
From allowance for credit losses	1,680	(259)	-	-	-	-	-	1,421	34%
From provision for unutilized vacations and long service bonuses	167	(15)	-	-	-	-	-	152	34%
From excess of provision for severance pay and pension over funds allocated	4,423	104	-	(126)	-	-	-	4,401	34%
From interest not credited to current income	-	-	-	-	-	-	-	-	-
Tax credit & losses carried forward for tax purposes	141	(27)	-	-	-	-	-	114	15%
From securities	-	(106)	-	106	-	-	-	-	-
Other – from non-monetary assets	44	(3)	-	-	-	-	-	41	13%
Gross balance of deferred tax assets	6,455	(306)	-	(20)	-	-	-	6,129	
Provision for deferred tax asset	(113)	27	-	-	-	-	-	(86)	
Balance of deferred taxes net of provision for deferred taxes	6,342	(279)	-	(20)	-	-	-	6,043	
Offsettable balances ^(a)	(248)							(375)	
Balance of deferred taxes net of provision for deferred taxes	6,094							5,668	
Deferred tax liabilities									
From investments in investee companies	(202)	(121)	-	-	-	-	-	(323)	12%
From the adjustment of depreciable non-monetary assets	(120)	(6)	-	-	-	-	-	(126)	26%
Other – from non-monetary assets	(11)	1	-	-	-	-	-	(10)	17%
Balance of gross deferred tax liabilities	(333)	(126)	-	-	-	-	-	(459)	
Offsettable balances ^(a)	(248)							(375)	
Balance of deferred tax liabilities	(85)							(84)	
Deferred taxes, net	6,009	(405)	-	(20)	-	-	-	5,584	

(a) 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:

	<u>Balance as at</u> <u>December 31</u> <u>2019</u>	<u>Changes carried</u> <u>to profit and loss</u>	<u>Effect of change in</u> <u>tax rate carried to</u> <u>profit and loss</u>	<u>Changes</u> <u>recognized</u> <u>in equity</u>	<u>Effect of</u> <u>change in</u> <u>tax rate</u> <u>carried to</u> <u>equity</u>	<u>Changes</u> <u>carried to</u> <u>other</u> <u>comprehensive</u> <u>income</u>	<u>Other</u>	<u>Balance as at</u> <u>December 31</u> <u>2020</u>	<u>Average tax</u> <u>rate in 2020</u> <u>(% in)</u>
Deferred tax assets									
From allowance for credit losses	1,223	457	-	-	-	-	-	1,680	34%
From provision for unutilized vacations and long service bonuses	198	(31)	-	-	-	-	-	167	34%
From excess of provision for severance pay and pension over funds allocated	4,481	77	-	(135)	-	-	-	4,423	34%
From interest not credited to current income	1	(1)	-	-	-	-	-	-	
Tax credit & losses carried forward for tax purposes	146	(5)	-	-	-	-	-	141	17%
From securities	-	260	-	(260)	-	-	-	-	
Other – from non-monetary assets	48	(4)	-	-	-	-	-	44	14%
Gross balance of deferred tax assets	6,097	753	-	(395)	-	-	-	6,455	
Provision for deferred tax asset	(116)	3	-	-	-	-	-	(113)	
Balance of deferred taxes net of provision for deferred taxes	5,981	756	-	(395)	-	-	-	6,342	
Offsettable balances ^(a)	(196)							(248)	
Balance of deferred taxes net of provision for deferred taxes	5,785							6,094	
Deferred tax liabilities									
From investments in investee companies	(165)	(37)	-	-	-	-	-	(202)	12%
From the adjustment of depreciable non-monetary assets	(102)	(18)	-	-	-	-	-	(120)	26%
Other – from non-monetary assets	(10)	(1)	-	-	-	-	-	(11)	17%
Balance of gross deferred tax liabilities	(277)	(56)	-	-	-	-	-	(333)	
Offsettable balances ^(a)	(196)							(248)	
Balance of deferred tax liabilities	(81)							(85)	
Deferred taxes, net	5,704	700	-	(395)	-	-	-	6,009	

(a) 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

		<u>As at December 31 2021</u>				
		<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		114	(86)	28	-	-
		<u>As at December 31 2020</u>				
		<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		141	(113)	28	-	-

Note 11 - Cash and Deposits with Banks - Bank

	31 December 2021	31 December 2020
	NIS millions	
Cash and deposits with central banks	181,073	125,789
Deposits with commercial banks (a)	16,247	10,783
Total (b)	197,320	136,572
Including: cash and deposits with central and commercial banks for original periods not exceeding three months	191,253	131,567

(a) Net of the allowance for credit losses.

(b) Of which pledged cash in the amount of NIS 1,232 million (31 December 2020 – NIS 1,919 million). See the annual financial report for the consolidated note.

Note 12 - Securities - Bank

31 December 2021					31 December 2020					
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	4,022	4,022	389	(2)	4,409	3,919	3,919	557	(1)	4,475
Other foreigners	51	51	4	-	55	53	53	7	-	60
Asset-backed (ABS) or Mortgage-backed securities (MBS)	2,274	2,274	13	(34)	2,253	2,102	2,102	40	(5)	2,137
Total debentures held to maturity	6,347	6,347	406	(36)	6,717	6,074	6,074	604	(6)	6,672
2. Debentures available for sale:										
Debentures and bonds -										
The Government of Israel	20,835	19,666	1,181	(12)	20,835	32,376	31,163	1,217	(4)	32,376
Foreign governments	25,501	25,497	33	(29)	25,501	19,582	19,471	112	(1)	19,582
Israel's financial institutions	54	48	6	-	54	69	64	5	-	69
Foreign financial institutions	8,207	8,100	119	(12)	8,207	8,771	8,502	269	-	8,771
Asset-backed (ABS) or Mortgage-backed securities (MBS)	5,851	5,912	15	(76)	5,851	5,262	5,242	42	(22)	5,262
Others in Israel	488	465	23	-	488	220	209	11	-	220
Others abroad	4,229	4,127	130	(28)	4,229	4,821	4,484	340	(3)	4,821
Total debentures available for sale	65,165	63,815	1,507 (c)	(157) (c)	65,165	71,101	69,135	1,996 (c)	(30) (c)	71,101
3. Investment in available-for-sale equity securities and funds:										
Equity securities and funds	2,297	2,207	180	(90)	2,297	2,687	2,545	185	(43)	2,687
Of which: Equity securities and funds for which there is no available fair value(b)	59	59	-	-	59	62	62	-	-	62
Total shares not held for trading	2,297	2,207	180	(90)	2,297	2,687	2,545	185	(43)	2,687
4. Securities held for trading:										
Debentures and bonds -										
The Government of Israel	2,590	2,588	4	(2)	2,590	3,141	3,132	9	-	3,141
Foreign governments	-	-	-	-	-	223	192	31	-	223
Israel's financial institutions	288	284	4	-	288	319	319	4	-	323
Foreign financial institutions	27	27	-	-	27	97	96	3	(2)	97
Asset-backed (ABS) or Mortgage-backed securities (MBS)	42	44	-	(2)	42	80	85	-	(5)	80
Others in Israel	105	102	3	-	105	55	53	2	-	55
Others abroad	54	51	3	-	54	46	43	3	-	46
	3,106	3,096	14	(4)	3,106	3,965	3,920	52	(7)	3,965
Shares	3	4	-	(1)	3	56	50	7	(1)	56
Total securities held for trading	3,109	3,100	14 (d)	(5) (d)	3,109	4,021	3,970	59 (d)	(8) (d)	4,021
Total securities	76,918	75,469	2,107	(288)	77,288	83,883	81,724	2,844	(87)	84,481

(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.

(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.

See the annual financial report for the consolidated note.

Note 12 - Securities - Bank (cont.)

December 31 2021					
	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	1,343	1,343	7	(20)	1,330
Securities issued by FNMA or FHLMC	931	931	6	(14)	923
Total	2,274	2,274	13	(34)	2,253
Total mortgage-backed held-to-maturity bonds	2,274	2,274	13	(34)	2,253
December 31 2020					
	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	1,114	1,114	19	(5)	1,128
Securities issued by FNMA or FHLMC	988	988	21	-	1,009
Total	2,102	2,102	40	(5)	2,137
Total mortgage-backed held-to-maturity bonds	2,102	2,102	40	(5)	2,137

Note 12 - Securities - Bank (cont'd)

31 December 2021					
	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	1,442	1,458	2	(18)	1,442
Securities issued by FNMA and FHLMC	667	675	2	(10)	667
Total	2,109	2,133	4	(28)	2,109
Other mortgage-backed securities (including CMO and STRIPPED MBS)					
Securities issued by FNMA, FHLMC, or GNMA, or guaranteed by these entities	1,341	1,369	4	(32)	1,341
Other mortgage-backed securities	301	301	2	(2)	301
Total	1,642	1,670	6	(34)	1,642
Asset-backed securities (ABS)					
Car loans	20	20	-	-	20
CLO debentures	1,761	1,758	5	(2)	1,761
SBA debentures	238	250	-	(12)	238
Others	81	81	-	-	81
Total	2,100	2,109	5	(14)	2,100
Total asset-backed bonds available for sale	5,851	5,912	15	(76)	5,851

* 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 2020				
	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	743	735	9	(1)	743
Securities issued by FNMA and FHLMC	629	623	7	(1)	629
Total	1,372	1,358	16	(2)	1,372
Other mortgage-backed securities (including CMO and STRIPPED MBS)					
Securities issued by FNMA, FHLMC, or GNMA, or guaranteed by these entities	1,727	1,724	10	(7)	1,727
Other mortgage-backed securities	239	234	6	(1)	239
Total	1,966	1,958	16	(8)	1,966
Asset-backed securities (ABS)					
Credit for purchase of vehicles	9	9	-	-	9
Other credit to private persons	11	11	-	-	11
CLO debentures	1,514	1,509	9	(4)	1,514
CDO debentures	323	330	-	(7)	323
Others	67	67	1	(1)	67
Total	1,924	1,926	10	(12)	1,924
Total asset-backed bonds available for sale	5,262	5,242	42	(22)	5,262

* 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 2021					
	Book value	Amortized cost	Unrealized profits from adjustments to fair value*	Unrealized losses from adjustments to fair value*	Fair value
NIS millions					
Debtures for trading					
Pass-through securities					
Securities issued by FNMA and FHLMC	2	1	-	1	2
Total	2	1	-	1	2
Other mortgage-backed securities (including CMO and STRIPPED MBS)					
Securities issued by FNMA, FHLMC, or GNMA, or					
Other mortgage-backed securities	24	25	-	(1)	24
Total	24	25	-	(1)	24
Asset-backed securities (ABS)					
Others	16	18	-	(2)	16
Total	16	18	-	(2)	16
Total asset-backed securities for trading	42	44	-	(2)	42

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

Note 12 - Securities - Bank (cont'd)

31 December 2020					
	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 issued by FNMA and FHLMC	2	2	-	-	2
Total	2	2	-	-	2
Other mortgage-backed securities (including CMO and STRIPPED MBS)					
Securities issued by FNMA, FHLMC, or GNMA, or guaranteed by these entities	33	35	-	(2)	33
Other mortgage-backed securities	1	1	-	-	1
Total	34	36	-	(2)	34
Asset-backed securities (ABS)					
Credit for purchase of vehicles	2	2	-	-	2
Others	42	45	-	(3)	42
Total	44	47	-	(3)	44
Total asset-backed securities for trading	80	85	-	(5)	80

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

Note 12 - Securities - Bank (cont'd)

31 December 2021						
	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	1,747	(26)	34	(2)	1,781	(28)
Mortgage-backed securities (MBS)	415	(16)	354	(16)	769	(32)
Other mortgage-backed securities (including REMIC, CMO and STRIPPED MBS)	164	(2)	19	-	183	(2)
Asset-backed securities (ABS)	390	(1)	633	(13)	1,023	(14)
Total	2,716	(45)	1,040	(31)	3,756	(76)

31 December 2020						
	Less than 12 months		More than 12 months		Total	
	Fair value	Unrealized losses from adjustments to fair value (a)	Fair value	Unrealized losses from adjustments to fair value (a)	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	107	(1)	40	(1)	147	(2)
Mortgage-backed securities (MBS)	547	(6)	63	(1)	610	(7)
Other mortgage-backed securities (including REMIC, CMO and STRIPPED MBS)	13	-	14	(1)	27	(1)
Asset-backed securities (ABS)	242	(2)	901	(10)	1,143	(12)
Total	909	(9)	1,018	(13)	1,927	(22)

Note 12 - Securities - Bank (cont.)

31 December 2020										
Less than 12 months					12 months or more					
Unrealized losses					Unrealized losses					
Amortized cost	0-20%	20-35%	More than 35%	Total d cost	Amortize	0-20%	20-35%	More than 35%	Total	
(In NIS millions)					(In NIS millions)					
Bonds										
Of the Israeli government	156	-	-	-	-	31	(2)	-	-	(2)
mortgage-backed (MBS)	1,694	(28)	-	-	(28)	65	(6)	-	-	(6)
Total held-to-maturity bonds	1,850	(28)	-	-	(28)	96	(8)	-	-	(8)

31 December 2019										
Less than 12 months					12 months or more					
Unrealized losses					Unrealized losses					
Amortized cost	0-20%	20-35%	More than 35%	Total d cost	Amortize	0-20%	20-35%	More than 35%	Total	
(In NIS millions)					(In NIS millions)					
Bonds										
Of the Israeli government	31	(1)	0	0	(1)	0	0	0	0	0
mortgage-backed (MBS)	233	(2)	-	-	(2)	117	(3)	-	-	(3)
Total held-to-maturity bonds	264	(3)	-	-	(3)	117	(3)	-	-	(3)

Note 12 - Securities - Bank (cont'd)

	31 December 2021										
	Less than 12 months					More than 12 months					
	Fair value	Unrealized	losses			Total	Fair value	Unrealized	losses		
			0-20%	20-35%	More than 35%				0-20%	20-35%	More than 35%
NIS millions											
bonds											
The Government of Israel	944	(12)	-	-	(12)	-	-	-	-	-	
Foreign governments	12,654	(28)	-	-	(28)	26	(1)	-	-	(1)	
Foreign financial institutions	2,243	(12)	-	-	(12)	-	-	-	-	-	
backed securities (ABS) or	390	(2)	-	-	(2)	634	(13)	-	-	(13)	
backed securities (MBS)	2,326	(43)	-	-	(43)	406	(18)	-	-	(18)	
Others in Israel	12	-	-	-	-	-	-	-	-	-	
Others abroad	1,315	(19)	-	-	(19)	195	(9)	-	-	(9)	
Total securities available for sale	19,884	(116)	-	-	(116)	1,261	(41)	-	-	(41)	

	31 December 2020										
	Less than 12 months					More than 12 months					
	Fair value	Unrealized	losses			Total	Fair value	Unrealized	losses		
			0-20%	20-35%	More than 35%				0-20%	20-35%	More than 35%
NIS millions											
bonds											
The Government of Israel	1,437	(4)	-	-	(4)	-	-	-	-	-	
Foreign governments	3,796	(1)	-	-	(1)	-	-	-	-	-	
Foreign financial institutions	363	-	-	-	-	-	-	-	-	-	
backed securities (ABS) or	242	(3)	-	-	(3)	901	(10)	-	-	(10)	
backed securities (MBS)	667	(6)	-	-	(6)	116	(3)	-	-	(3)	
Others in Israel	5	-	-	-	-	-	-	-	-	-	
Others abroad	295	(3)	-	-	(3)	-	-	-	-	-	
Total securities available for sale	6,805	(17)	-	-	(17)	1,017	(13)	-	-	(13)	

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 2021						
Allowance for credit losses						
Commercial (NIS millions)	Credit to the public			Total	Banks and governments	Total
	Residential	Other private				
Recorded debt balance of debts (a):						
Examined on an individual basis	172,152	-	914	173,066	17,189	190,255
Examined on a collective basis	19,083	103,610	26,752	149,445	-	149,445
Of which: the allowance was calculated by extent of arrears	(c)	466	103,610	-	104,076	-
Total debts (a)	191,235	103,610	27,666	322,511	17,189	339,700
Credit loss allowance by debts (a):						
Examined on an individual basis	2,534	-	295	2,829	3	2,832
Examined on a collective basis	396	489	421	1,306	-	1,306
Of which: the allowance was calculated by extent of arrea	-	489 (b)	-	489	-	489
Total Credit loss allowance	2,930	489	716	4,135	3	4,138
Of which: in respect of impaired debts	595	5	234	834	- (d)	834
31 December 2020						
Credit loss allowance						
Commercial (NIS millions)	Credit to the public			Total	Banks and governments	Total
	Residential	Other private				
Recorded debt balance of debts (a):						
Examined on an individual basis	142,762	-	785	143,547	11,418 (d)	154,965
Examined on a collective basis	18,750	90,237	25,016	134,003	-	134,003
Of which the allowance was calculated by extent of arrears	624 (c)	90,237	-	90,861	-	90,861
Total debts (a)	161,512	90,237	25,801	277,550	11,418	288,968
Credit loss allowance by debts (a):						
Examined on an individual basis	2,989	-	227	3,216	3	3,219
Examined on a collective basis	443	634	549	1,626	-	1,626
Of which the allowance was calculated by extent of arrears	-	634 (b)	-	634	-	634
Total Credit loss allowance	3,432	634	776	4,842	3	4,845
Of which: in respect of impaired debts	744	6	212	962	- (d)	962

(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 360 million (2020 - 460 million)

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

(d) Balances of less than NIS 1 million.

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 2021					
	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	3,828	634	796	5,258	3	5,261
Income in respect of credit losses	(633)	(141)	(45)	(819)	-	(819)
Accounting write-offs	(353)	(4)	(279)	(636)	-	(636)
Collection of debts written off in previous years	537	-	260	797	-	797
Net accounting write-offs	184	(4)	(19)	161	-	161
Balance of credit loss allowance at end of year	3,379	489	732	4,600	3	4,603
Of which in respect of off-balance sheet credit instruments	449	-	16	465	-	465
	31 December 2020					
	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	2,304	466	661	3,431	2	3,433
Expenses in respect of credit losses	1,824	174	271	2,269	1	2,270
Accounting write-offs	(675)	(6)	(382)	(1,063)	-	(1,063)
Collection of debts written off in previous years	375	-	246	621	-	621
Net accounting write-offs	(300)	(6)	(136)	(442)	-	(442)
Balance of credit loss allowance at end of year	3,828	634	796	5,258	3	5,261
Of which in respect of off-balance sheet credit instruments	396	-	20	416	-	416
	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 (income) in respect of credit losses	361	22	137	520	(1)	519
Accounting write-offs	(845)	(29)	(385)	(1,259)	-	(1,259)
Collection of debts written off in previous years	443	-	274	717	-	717
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

*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 2021	31 December 2020
	NIS millions	
Credit to the Government	205	9
Credit to foreign Governments	735	623
Total credit to Governments	940	632

See the annual financial report for the consolidated note

Note 15 - Investments in Subsidiaries and Affiliated Companies -Bank

Reported Amounts

	31 December 2021			31 December 2020		
	Companies included on equity basis NIS millions	(a) Subsidiaries	Total	Companies included on equity basis NIS millions	Subsidiaries	Total
A. Investments in shares stated on equity basis (including other assets and goodwill)	35	11,174	11,209	31	10,329	10,360
Other investments:						
Convertible securities	-	449	449	-	457	457
Shareholders' loans	-	-	-	-	-	-
Total other investments	-	449	449	-	457	457
Total investments	35	11,623	11,658	31	10,786	10,817
Including - Post-acquisition profits	7	6,708	6,715	4	5,721	5,725
Post-acquisition changes in shareholders' equity:						
Adjustments in respect of presentation						
of securities available for sale at fair value, net	-	(13)	(13)	-	56	56
Adjustments in respect of companies included on equity basis, net	-	(508)	(508)	-	(415)	(415)
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		
	2021	2020	2019
	NIS millions		
Group's equity in operating profits of companies included on equity basis (Bank - affiliated companies)	991	166	333
Provision for deferred taxes	-	-	-
Group's equity in operating profits of companies included on equity basis (Bank-affiliated companies) net of tax effect	991	166	333

(a) For more information, please see Note 36G 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 2020	2,612	3,182	3,785	9,579
Additions	44	75	398	517
Disposals	(127)	(70)	(44)	(241)
As at 31 December 2021	2,529	3,187	4,139	9,855
Accumulated depreciation and losses from impairment				
As at 31 December 2020	1,345	2,419	3,066	6,830
Current year provision	53	99	483	635
Disposals	(77)	(66)	(39)	(182)
As at 31 December 2021	1,321	2,452	3,510	7,283
Balance after depreciation as at 31 December 2021	1,208	735	629	2,572
Balance after depreciation as at 31 December 2020	1,267	763	719	2,749

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

Note 18 - Other Assets - Bank

	31 December 2021	31 December 2020
	NIS millions	
Deferred tax asset, net	5,668	6,094
Excess of plan funds over liabilities in respect on employee benefits	190	110
Assets transferred to ownership of the Group as a result of settlement of problem loans	9	6
Excess of advance tax payments over current provisions	7	8
Expenses to be amortized on issuance of debentures, bonds and subordinated notes	60	60
Accrued income	183	153
Prepaid expenses	161	166
Assets in respect of activity in Maof clearing house (a)	18	37
Other receivables and prepayments	36	108
Right of use assets in respect of an operating lease	483	580
Total other assets	6,815	7,322

(a) Shown at fair value.

Note 19 - Deposits of the Public - Bank

Types of deposits by location raised and type of depositor

	31 December 2021	31 December 2020
	NIS millions	
In Israel		
On demand		
Non-interest bearing	161,328	116,041
Interest bearing	211,300	176,833
Total on demand	372,628	292,874
Fixed term	140,846	132,787
Total deposits in Israel *	513,474	425,661
*of which: non-interest bearing deposits	161,328	116,041
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	513,474	425,661
*of which:		
Deposits of private persons	146,235	147,227
Deposits of institutional entities	127,883	80,499
Deposits of corporations and others	239,356	197,935

Note 20 - Deposits from Banks - Bank

	31 December 2021	31 December 2020
	NIS millions	
In Israel		
Commercial banks:		
Demand deposits	7,273	5,834 (a)
Time deposits	477	-
Acceptances	531	331
Central banks:		
Demand deposits	216	135
Time deposits	16,902	8,777
Total deposits from banks	25,399	15,077

(a) Reclassified

Note 21 - Debentures, Bonds and Subordinated Notes - Bank

Bank				
	Average maturity (a)	Internal yield rate (b)	31 December	
			2021	2020
	Years	%	NIS millions	
Debentures and bonds (c):				
In Israeli currency Unlinked	2.1	2.4	2,877	3,689
In Israeli currency linked to the CPI	4.0	0.4	6,528	5,718
of which: held for trading			8,834	8,847
Subordinated notes (c):				
In Israeli currency Unlinked	-	-	-	926
In Israeli currency linked to the CPI	2.9 (d)	2.2	3,659	3,525
In U.S. Dollar	3.8 (d)	3.3	2,364	2,445
Total debentures, bonds and subordinated notes			15,428	16,303
Of which subordinated bonds included in Tier 2 capital^(e)			6,072	8,438

(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 2.1 years, in those linked to the CPI it is 4 years.

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

Note 22 - Other Liabilities- Bank

	31 December 2021	31 December 2020
	NIS millions	
Deferred tax liability, net	84	85
Excess of current provisions for taxes over advance payments	1,071	1,224
Excess of provisions for severance pay and pensions over amounts funded	11,468	11,495
Provision for vacation	223	228
Deferred income	358	289
Other provisions in respect of employee rights	395	387
Allowance for credit losses in respect of off-balance sheet items	465	417
Accrued expenses in respect of salaries and related expenses	678	401
Accumulated Jubilee vacation	30	36
Liabilities in respect of activity in Maof Clearing House (a)	18	37
Payables in respect of credit cards	987	4,272
Accrued expenses	176	163
Market value of securities sold short	441	220
Other payables and credit balances	406	544
Liabilities in respect of leases	481	582
Total other liabilities	17,281	20,380

(a) Shown at fair value.

Note 25 - Contingent Liabilities and Special Commitments-Bank

31 December				
2021				
2020				
	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	1,450	3	898	3
Credit guarantees	6,425	83	5,329	68
Guarantees to apartment purchasers	28,061	29	20,141	18
Other guarantees and liabilities	19,088	148	17,147	171
Unutilized credit card facilities	8,001	7	15,670	15
Other unutilized revolving credit facilities and credit facilities in accounts on demand	13,665	27	12,888	28
Irrevocable commitments to provide credit which has been approved and not yet granted	39,514	148	29,633	94
Commitments to issue guarantees	18,579	20	20,461	20
Unutilized facilities for activity in derivative instruments	2,912	-	3,083	-
Approval in principle for a guaranteed rate of interest	8,397	-	7,175	-
Total	146,092	465	132,425	417

B. Off-balance sheet commitments for transactions based on extent of collections (a)	31 December 2021	31 December 2020
Balance of credit from deposits on collection basis (b)		
Israeli currency unlinked	145	254
Israeli currency linked to the CPI	1,037	1,101
Foreign currency	-	-
Total	1,182	1,355

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 2021	Total 2020
(NIS millions)								
1. CPI linked sector (c)								
Cash flows of futures contracts	4	6	4	4	3	1	22	28
Expected future cash flows after management estimate of early repayments	4	6	4	3	3	-	20	27
Discounted expected future cash flows after management estimate of early repayments (d)	4	6	2	4	2	-	18	25
2. Unlinked shekel sector								
Cash flows of futures contracts	-	-	-	-	-	-	-	1
Expected future cash flows after management estimate of early repayments	-	-	-	-	-	-	-	1
Discounted expected future cash flows after management estimate of early repayments (d)	-	-	-	-	-	-	-	1

(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 209 million, (NIS 159 million last year), were not included in this table.

(c) Including foreign currency sector.

(d) The discounting was made at the rate of 1.78% (2020 – 2.26%).

See the annual financial report for the consolidated note.

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

	2021	2020
	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	101	105
Standing loans	49	45
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	94	102
Second year	67	67
Third year	45	58
Fourth year	37	53
Fifth year	13	43
After five years	37	48
Total	293	371
(2) Commitments to purchase securities	-	17
(3) Commitments to invest in and acquire buildings and equipment	23	24

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:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
	<u>(NIS millions)</u>		
Securities received in securities borrowing transactions against cash	2,447	3,019	1,117 (a)

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
	<u>(NIS millions)</u>		
Securities loaned in securities lending transactions against cash	2,046	354	123 (a)
(a) Reclassified			

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

A. Volume of consolidated activity			
31 December 2021			
	Not for-trading derivatives	Held-for-trading derivatives	Total
NIS millions			
(I) Nominal amount of derivatives			
a) Interest rate contracts			
Futures and forwards	5,775	19,214	24,989
Written options	-	1,906	1,906
Call options	-	1,523	1,523
Swaps (a)	23,820	205,309	229,129
Total	29,595	227,952	257,547
Of which: Hedging derivatives(c)	4,867	-	4,867
b) Foreign currency contracts			
Futures and forwards(d)	60,233	239,478	299,711
Written options	1,160	29,376	30,536
Call options	1,160	26,506	27,666
Swaps(a)	156	18,295	18,451
Total	62,709	313,655	376,364
Of which: Hedging derivatives(c)	-	-	-
c) Stock contracts			
Futures and forwards	299	195,851	196,150
Written options	1,098	22,234	23,332
Call options(e)	983	22,343	23,326
Swaps	572	101,155	101,727
Total	2,952	341,583	344,535
d) Commodities and other contracts			
Futures and forwards	-	420	420
Written options	-	261	261
Call options	-	260	260
Swaps	-	15,826	15,826
Total	-	16,767	16,767
e) Credit contracts			
Guaranteed by the Bank	-	-	-
Where the Bank is a beneficiary	-	-	-
Total	-	-	-
Total nominal amount	95,256	899,957	995,213

(a) Of which: Swaps for which the banking corporation pays a fixed interest of NIS 117,628 million.

(b) Of which: NIS-CPI swaps totaling NIS 15,102 million.

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

(d) Of which: Foreign exchange spots totaling NIS 10,839 million.

(e) Of which a total of NIS 22,166 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 2021						
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	229	2,826	3,055	302	2,980	3,282
Of which: Hedging derivatives	139	-	139	166	-	166
b) Foreign currency contracts	107	4,628	4,735	106	5,933	6,039
c) Stock contracts	46	5,766	5,812	62	5,745	5,807
d) Commodities and other contracts	-	349	349	-	337	337
Total assets/liabilities in respect of derivatives, gross(a)	382	13,569	13,951	470	14,995	15,465
Carrying amount	382	13,569	13,951	470	14,995	15,465
Of which: Not subject to a master netting- or similar arrangement, net	-	239	239	-	381	381

(a) of which: the fair fair value of assets in respect of embedded derivatives in the amount of NIS 4 million, the gross fair value of liabilities in respect of embedded derivatives in the amount of NIS 10 million.

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

A. Volume of consolidated activity (cont.)

31 December 2020

NIS millions			
(1) Nominal amount of derivatives			
a) Interest rate contracts			
Futures and forwards	2,309	21,497	23,806
Written options	64	6,732	6,796
Call options	-	3,899	3,899
Swaps	22,330	182,582	204,912
Total	24,703	214,710	239,413
Of which: Hedging derivatives(c)	4,687	-	4,687
b) Foreign currency contracts			
Futures and forwards(d)	39,488	188,508	227,996
Written options	844	15,463	16,307
Call options	844	16,505	17,349
Swaps(a)	711	18,541	19,252
Total	41,887	239,017	280,904
c) Stock contracts			
Futures and forwards	462	134,763	135,225
Written options	824	22,340	23,164
Call options(e)	730	22,341	23,071
Swaps	73	75,894	75,967
Total	2,089	255,338	257,427
d) Commodities and other contracts			
Futures and forwards	-	2,778	2,778
Written options	-	254	254
Call options	-	254	254
Swaps	-	157	157
Total	-	3,443	3,443
Total nominal amount	68,679	712,508	781,187

- (a) Of which: Swaps for which the banking corporation pays a fixed interest of NIS 130,226 million.
- (b) Of which: NIS-CPI swaps totaling NIS 12,553 million.
- (c) The Bank makes the hedging through interest rate swaps (IRSs).
- (d) Of which: Foreign exchange spots totaling NIS 12,852 million.
- (e) Of which a total of NIS 22,272 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 2020						
	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	223	4,832	5,055	633	4,958	5,591
Of which: Hedging derivatives	53	-	53	384	-	384
b) Foreign currency contracts	14	4,816	4,830	309	6,115	6,424
c) Stock contracts	34	4,998	5,032	25	4,969	4,994
d) Commodities and other contracts	-	172	172	-	171	171
Total assets/liabilities in respect of derivatives, gross(a)	271	14,818	15,089	967	16,213	17,180
Carrying amount	271	14,818	15,089	967	16,213	17,180
Of which: Not subject to a master netting- or similar arrange	-	211	211	-	315	315

(a) of which: the fair value of assets in respect of embedded derivatives in the amount of NIS 3 million, the gross fair value of liabilities in respect of embedded derivatives in the amount of NIS 24 million.

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

B. Accounting hedges

<u>1. Effect of hedge accounting of fair value on the profit (loss)</u>	<u>For the year ended</u> <u>31 December 2021</u>
	NIS millions
Total interest income (expenses) recognized in the income statement (a)	(60)
Effect of fair value hedges:	
a. Profit (loss) from fair value hedges	
Interest rate contracts	
Hedged items	(293)
Hedging derivatives	232

(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

	<u>For the year ended</u> <u>31 December 2021</u>		
	Fair value adjustments which increased (decreased) the book value	Fair value adjustments which increased (decreased) the book value	
	Book value of hedged item	Existing hedge ratios	Discontinued
Securities - debt instruments classified as available-for-sale securities	5,023	63	13

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

	<u>For the year ended</u> <u>31 December 2021</u>	
	Amounts carried to other comprehensive income (loss) NIS millions	Profit (loss) reclassified to Accumulated other comprehensive income (loss)(a)
Deposits serving as investment hedges, net		
Foreign currency deposits	71	-

(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

	<u>For the year ended</u> <u>31 December 2021</u>
	Profit (loss) recognized in income (expenses) from derivatives activity(a) NIS millions
Derivatives not designated as hedging instruments	
Interest rate contracts	136
Foreign exchange contracts	(1,651)
Option contracts	166
Commodity and other contracts	15
Total	(1,334)

(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 2020
	NIS millions
Total interest income (expenses) recognized in the income statement (a)	(50)
:Effect of fair value hedges	
a. Profit (loss) from fair value hedges	
Interest rate contracts	
Hedged items	166
Hedging derivatives	(216)

(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 2020		
	Fair value adjustments which increased (decreased) the book value	Fair value adjustments which increased (decreased) the book value	Discontinued
	Book value of hedged item	Existing hedge ratios	
Securities - debt instruments classified as available-for-sale securities	5,465	303	14

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 2020	
	Amounts carried to other comprehensive income (loss)	Profit (loss) reclassified to Accumulated other comprehensive income (loss)(a)
	NIS millions	
Deposits serving as investment hedges, net		
Foreign currency deposits	147	-

(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 2020	
	Profit (loss) recognized in income (expenses) from derivatives activity(a)	
	NIS millions	
Derivatives not designated as hedging instruments		
Interest rate contracts		(526)
Foreign exchange contracts		(1,114)
Option contracts		182
Commodity and other contracts		4
Total		(1,454)

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

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

(c) Credit risk for derivatives by contract counterparty

	31 December 2021					
	Stock exchanges	Banks	Dealers/ brokers	Governments and Central Banks	Others	Total
	NIS millions					
Balance sheet balances of						
derived assets from derivative instruments (a) (b)	315	6,103	4,181	220	3,132	13,951
Gross amounts that not offset in the balance sheet:						
Mitigation of credit risk in respect of financial instruments	-	2,561	2,816	2	1,932	7,311
Mitigation of credit risk in respect of cash collateral received	-	3,410	1,139	216	182	4,947
Net amount of assets in respect of derivative instruments	315	132	226	2	1,017	1,693
Off-balance sheet credit risk in respect of derivative (d)	563	8,091	6,824	105	11,422	27,005
Mitigation of off-balance sheet credit risk	-	1,835	2,307	-	6,168	10,310
Net off-balance sheet credit risk in respect of derivative instruments.	563	6,256	4,517	105	5,254	16,695
Total credit risk in respect of derivative instruments	878	6,388	4,743	107	6,271	18,388
Book balance of liabilities in respect of derivative instruments (c)	222	3,030	3,575	2	8,636	15,465
Gross amounts that not offset in the balance sheet:						
Financial instruments	-	2,561	2,816	2	1,932	7,311
Cash collateral pledged	-	415	755	-	4,862	6,032
Net amount of liabilities in respect of derivative instruments	222	54	4	-	1,842	2,122

(a) Net accounting arrangements do not exist.

(b) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 13,950 million.

(c) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 15,455 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 2021				
	Up to three months	Three months to one year	One year to five years	After five years	Total
	NIS millions				
Interest contracts:					
Shekel - index	1,245	3,958	7,771	2,128	15,102
Other	25,032	28,895	124,903	63,615	242,445
Foreign currency contracts	218,672	130,145	21,660	5,887	376,364
Contracts in respect of shares	265,204	75,727	3,604	-	344,535
Contracts in respect of commodities and others	11,098	5,669	-	-	16,767
Total	521,251	244,394	157,938	71,630	995,213

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 2020						
	Stock exchanges	Banks	Dealers/ brokers	Governments and Central Banks	Others	Total
NIS millions						
Balance sheet balances of derived assets from derivative instruments (a) (b)	228	8,821	2,764	166	3,110	15,089
Gross amounts that not offset in the balance sheet:	-	-	-	-	-	-
Mitigation of credit risk in respect of financial instruments	-	6,201	1,409	28	1,710	9,348
Mitigation of credit risk in respect of cash collateral received	-	2,304	1,020	135	325	3,784
Net amount of assets in respect of derivatives instruments	228	316	334	4	1,075	1,957
Off-balance sheet credit risk in respect of derivatives	352	6,616	4,061	91	8,197	19,317
Mitigation of off-balance sheet credit risk	-	2,218	912	9	4,431	7,570
Net off-balance sheet credit risk in respect of derivative instruments.	352	4,399	3,149	82	3,766	11,748
Total credit risk in respect of derivative instruments	580	4,715	3,483	86	4,841	13,705
Book balance of liabilities in respect of derivative instruments (c)	191	7,368	1,562	28	8,031	17,180
Gross amounts that not offset in the balance sheet:	-	-	-	-	-	-
Financial instruments	-	6,201	1,409	28	1,710	9,348
Cash collateral pledged	-	1,025	148	-	4,321	5,494
Net amount of liabilities in respect of derivatives instruments	191	142	5	-	2,000	2,338

(a) Net accounting arrangements do not exist.

(b) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 15,086 million.

(c) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 17,156 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.

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

31 December 2020					
	Up to three months	Three months to one year	One year to five years	After five years	Total
NIS millions					
Interest contracts:					
Shekel - index	1,423	2,005	6,881	2,245	12,554
Other	30,259	35,121	98,125	63,354	226,859
Foreign currency contracts	170,517	86,676	18,952	4,759	280,904
Contracts in respect of shares	204,914	51,825	688	-	257,427
Contracts in respect of commodities and others	964	2,479	-	-	3,443
Total	408,077	178,106	124,646	70,358	781,187

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 2021					
	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	3,828	634	796	5,258	3	5,261
income in respect of credit losses	(633)	(141)	(45)	(819)	-	(819)
Accounting write-offs	(353)	(4)	(279)	(636)	-	(636)
Collection of debts written off in previous years	537	0	260	797	-	797
Net accounting write-offs	184	(4)	(19)	161	-	161
Balance of credit loss allowance at end of year	3,379	489	732	4,600	3	4,603
Of which: in respect of off-balance sheet credit instruments	449	-	16	465	-	465

	31 December 2020					
	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	2,304	466	661	3,431	2	3,433
Expenses in respect of credit losses	1,824	174	271	2,269	1	2,270
Accounting write-offs	(675)	(6)	(382)	(1,063)	-	(1,063)
Collection of debts written off in previous years	375	-	246	621	-	621
Net accounting write-offs	(300)	(6)	(136)	(442)	-	(442)
Balance of credit loss allowance at end of year	3,828	634	796	5,258	3	5,261
Of which: in respect of off-balance sheet credit instruments	396	-	20	416	-	416

	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 (income) in respect of credit losses	361	22	137	520	(1)	519
Accounting write-offs	(845)	(29)	(385)	(1,259)	-	(1,259)
Collection of debts written off in previous years	443	-	274	717	-	717
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

* 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 2021						
Credit loss allowance						
	Credit to the public			Total	Banks and	Total
	Commercial	Residential	Other private		governments	
(NIS millions)						
Recorded debt balance of debts (a):						
Examined on an individual basis	172,152	-	914	173,066	17,189	190,255
Examined on a collective basis	19,083	103,610	26,752	149,445	-	149,445
Of which the allowance was calculated by extent of arrears	466 (c)	103,610	-	104,076	-	104,076
Total debts (a)	191,235	103,610	27,666	322,511	17,189	339,700
Credit loss allowance by debts (a):						
Examined on an individual basis	2,534	-	295	2,829	3	2,832
Examined on a collective basis	396	489	421	1,306	-	1,306
Of which: the allowance was calculated by extent of arrears	-	489 (b)	-	489	-	489
Total Credit loss allowance	2,930	489	716	4,135	3	4,138
Of which: in respect of impaired debts	595	5	234	834	- (d)	834
31 December 2020						
Credit loss allowance						
	Credit to the public			Total	Banks and	Total
	Commercial	Residential	Other private		governments	
(NIS millions)						
Recorded debt balance of debts(a):						
Examined on an individual basis	142,762	-	785	143,547	11,418	154,965
Examined on a collective basis	18,750	90,237	25,016	134,003	-	134,003
Of which the allowance was calculated by extent of arrears	624 (c)	90,237	-	90,861	-	90,861
Total debts (a)	161,512	90,237	25,801	277,550	11,418	288,968
Credit loss allowance by debts(a):						
Examined on an individual basis	2,989	-	227	3,216	3	3,219
Examined on a collective basis	443	634	549	1,626	-	1,626
Of which the allowance was calculated by extent of arrears	-	634 (b)	-	634	-	634
Total Credit loss allowance	3,432	634	776	4,842	3	4,845
Of which: in respect of impaired debts	744	6	212	962	- (d)	962

(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 360 million (2020 - NIS 460 million)

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

(d) Balances of less than NIS 1 million.

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 2021						
(NIS millions)						
Activity of borrowers in Israel	Non-problem debts	Problem debts ²			Unimpaired debts - additional information	
		Not impaired	Impaired ³	Total	In arrears of 90 days or more ⁴	In arrears of 30 to 89 days ⁵
Public - commercial						
Construction & real estate - construction	40,667	81	81	40,829	6	57
Construction & real estate - real estate activities	34,616	85	210	34,911	36	34
Financial services	23,502	15	4	23,521	2	16
Commercial - other	77,831	1,222	1,097	80,150	36	94
Total commercial	176,616	1,403	1,392	179,411	80	201
Private individuals - housing loans ⁶	102,969	609	20	103,598	609	555
Private individuals - other	27,022	267	370	27,659	48	132
Total public - activity in Israel	306,607	2,279	1,782	310,668	737	888
Israeli banks	1,098	-	-	1,098	-	-
Government of Israel	204	-	-	204	-	-
Total activity in Israel	307,909	2,279	1,782	311,970	737	888
Activity of borrowers abroad						
Public - commercial						
Construction & real estate	2,744	172	149	3,065	-	-
Commercial - other	7,872	270	617	8,759	-	6
Total commercial	10,616	442	766	11,824	-	6
Private individuals	19	-	-	19	-	-
Total public - activity abroad	10,635	442	766	11,843	-	6
Foreign banks	15,152	-	-	15,152	-	-
Foreign governments	735	-	-	735	-	-
Total	26,522	442	766	27,730	-	6

31 December 2020						
(NIS millions)						
Activity of borrowers in Israel	Non-problem debts	problem debts ²			Unimpaired debts - additional information	
		Not impaired	Impaired ³	Total	In arrears of 90 days or more ⁴	In arrears of 30 to 89 days ⁵
Public - commercial						
Construction & real estate - construction	28,272	130	111	28,513	9	29
Construction & real estate - real estate activities	29,010	99	325	29,434	3	23
Financial services	19,329	7	4	19,340	1	28
Commercial - other	71,949	1,634	1,592	75,175	29	118
Total commercial	148,560	1,870	2,032	152,462	42	198
Private individuals - housing loans ⁶	89,480	721	26	90,227	720	512
Private individuals - other	25,156	304	336	25,796	38	103
Total public - activity in Israel	263,196	2,895	2,394	268,485	800	813
Israeli banks	1,630	-	-	1,630	-	-
Government of Israel	9	-	-	9	-	-
Total activity in Israel	264,835	2,895	2,394	270,124	800	813
Activity of borrowers abroad						
Public - commercial						
Construction & real estate	2,224	211	151	2,586	-	-
Commercial - other	5,102	519	843	6,464	-	-
Total commercial	7,326	730	994	9,050	-	-
Private individuals	15	-	-	15	-	-
Total public - activity abroad	7,341	730	994	9,065	-	-
Foreign banks	9,156	-	-	9,156	-	-
Foreign governments	608	-	15	623	-	-
Total	17,105	730	1,009	18,844	-	-

(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 100 million were classified as problem debts that are not impaired.

(6) Including housing loans in the amount of NIS 67 million (31 December 2020 – NIS 78 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.

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 2021				
	(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
A. Impaired debts and individual allowance					
Activity of borrowers in Israel					
Public - commercial					
Construction & real estate - construction	67	(25)	14	81	330
Construction & real estate - real estate activities	149	(14)	61	210	930
Financial services	3	-	1	4	397
Commercial - other	875	(332)	222	1,097	2,684
Total commercial	1,094	(371)	298	1,392	4,341
Private individuals - housing loans	-	-	20	20	20
Private individuals - other	368	(234)	2	370	885
Total public - activity in Israel	1,462	(605)	320	1,782	5,246
Israeli banks	-	-	-	-	-
Government of Israel	-	-	-	-	-
Total activity in Israel	1,462	(605)	320	1,782	5,246
Activity of borrowers abroad					
Public - commercial					
Construction & real estate	149	(76)	-	149	211
Commercial - other	617	(148)	-	617	643
Total commercial	766	(224)	-	766	854
Private individuals	-	-	-	-	-
Total public - activity abroad	766	(224)	-	766	854
Foreign banks	-	-	-	-	-
Foreign governments	-	-	-	-	-
Total - activity abroad	766	(224)	-	766	854
Of which:*					
Measured by present value of cash flows	2,049	(745)	258	2,307	
Debts under troubled debt restructuring	1,889	(632)	182	2,071	

(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 2020				
	(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
A. Impaired debts and individual allowance					
<u>Activity of borrowers in Israel</u>					
<u>Public - commercial</u>					
Construction & real estate - construction	48	(14)	63	111	357
Construction & real estate - real estate activities	195	(21)	130	325	1,086
Financial services	1	(1)	4	5	403
Commercial - other	1,104	(432)	487	1,591	3,431
Total commercial	1,348	(468)	684	2,032	5,277
Private individuals - housing loans	-	-	26	26	26
Private individuals - other	334	(212)	2	336	834
Total public - activity in Israel	1,682	(680)	712	2,394	6,137
Israeli banks	-	-	-	-	-
Government of Israel	-	-	-	-	-
Total activity in Israel	1,682	(680)	712	2,394	6,137
<u>Activity of borrowers abroad</u>					
<u>Public - commercial</u>					
Construction & real estate	151	(51)	-	151	219
Commercial - other	842	(226)	1	843	888
Total commercial	993	(277)	1	994	1,107
Private individuals	-	-	-	-	-
Total public - activity abroad	993	(277)	1	994	1,107
Foreign banks	-	-	-	-	-
Foreign governments	15	-	-	15	15
Total *	1,008	(277)	1	1,009	1,122
*Of which:					
Measured by present value of cash flows	2,495	(894)	594	3,089	
Debts under troubled debt restructuring	1,854	(520)	492	2,346	

(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)

B. Average balance and interest income

	31 December 2021		
	Average balance of impaired debts ² (NIS millions)	Interest income recorded ³	Of which: recorded on cash basis
Activity of borrowers in Israel			
Public - commercial			
Construction & real estate - construction	83	2	1
Construction & real estate - real estate activities	265	1	1
Financial services	5	- (5)	- (5)
Commercial - other	1,362	9	1
Total commercial	1,715	12	3
Private individuals - housing loans	22	-	-
Private individuals - other	352	7	- (5)
Total public - activity in Israel	2,089	19	3
Israeli banks	-	-	-
Government of Israel	-	-	-
Total activity in Israel	2,089	19	3
Activity of borrowers abroad			
Public - commercial			
Construction & real estate	154	-	-
Other commercial	757	1	1
Total commercial	911	1	1
Private individuals	-	-	-
Total public - activity abroad	911	1	1
Foreign banks	-	-	-
Foreign governments	6	-	-
Total activity abroad¹	917	1	1
Total public	3,000	20	4
Total banks	-	-	-
Total governments	6	-	-
Total	3,006	20 (4)	4

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

(3) 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.

(4) If the impaired debts had accrued interest under their original terms, interest income would have been recorded in the amount of NIS 425 million

(5) Balances of less than NIS 1 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)

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

	31 December 2020		
	Average balance of impaired debts ²	Interest income recorded ³	Of which: recorded on cash basis
	(NIS millions)		
Activity of borrowers in Israel			
Public - commercial			
Construction & real estate - construction	103	1	- (5)
Construction & real estate - real estate activities	242	4	1
Financial services	5	- (5)	- (5)
Commercial - other	1,284	8	2
Total commercial	1,634	13	3
Private individuals - housing loans	9	-	-
Private individuals - other	316	4	- (5)
Total public - activity in Israel	1,959	17	3
Israeli banks	-	-	-
Government of Israel	-	-	-
Total activity in Israel	1,959	17	3
Activity of borrowers abroad			
Public - commercial			
Construction & real estate	176	-	-
Other commercial	197	- (5)	- (5)
Total commercial	373	-	-
Private individuals	-	-	-
Total public - activity abroad	373	-	-
Foreign banks	-	-	-
Foreign governments	11	-	-
Total activity abroad	384	-	-
Total public	2,332	17	3
Total banks	-	-	-
Total governments	11	-	-
Total	2,343	17 (4)	3

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

(3) 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.

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

(5) Balances of less than NIS 1 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 2021					
(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	28	-	1	16	45
Construction & real estate - real estate activities	158	-	1	9	168
Financial services	2	-	-	1	3
Commercial - other	720	-	6	156	882
Total commercial	908	-	8	182	1,098
Private individuals - housing loans	-	-	-	-	-
Private individuals - other	185	-	5	161	351
Total public - activity in Israel	1,093	-	13	343	1,449
Israeli banks	-	-	-	-	-
Government of Israel	-	-	-	-	-
Total activity in Israel	1,093	-	13	343	1,449
Activity of borrowers abroad					
<u>Public - commercial</u>					
Construction & real estate	8	-	-	-	8
Commercial - other	614	-	-	-	614
Total commercial	622	-	-	-	622
Private individuals	-	-	-	-	-
Total public - activity abroad	622	-	-	-	622
Foreign banks	-	-	-	-	-
Foreign governments	-	-	-	-	-
Total - activity abroad	622	-	-	-	622
Total public	1,715	-	13	343	2,071

(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 2020

(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	72	-	1	14	87
Construction & real estate - real estate activities	192	-	-	67	259
Financial services	1	-	-	1	2
Commercial - other	562	-	8	325	895
Total commercial	827	-	9	407	1,243
Private individuals - housing loans	-	-	-	-	-
Private individuals - other	188	-	4	125	317
Total public - activity in Israel	1,015	-	13	532	1,560
Israeli banks	-	-	-	-	-
Government of Israel	-	-	-	-	-
Total activity in Israel	1,015	-	13	532	1,560
Activity of borrowers abroad					
<u>Public - commercial</u>					
Construction & real estate	12	-	-	-	12
Commercial - other	774	-	-	-	774
Total commercial	786	-	-	-	786
Private individuals	-	-	-	-	-
Total public - activity abroad	786	-	-	-	786
Foreign banks	-	-	-	-	-
Foreign governments	-	-	-	-	-
Total - activity abroad	786	-	-	-	786
Total public	1,801	-	13	532	2,346
Total banks	-	-	-	-	-
Total governments	-	-	-	-	-
Total	1,801	-	13	532	2,346

(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 - 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 2021		
	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	181	34	33
Construction & real estate - real estate activities	40	27	26
Financial services	23	2	2
Commercial - other	1,082	546	543
Total commercial	1,326	609	604
Private individuals - housing loans	-	-	-
Private individuals - other	4,779	243	240
Total public - activity in Israel	6,105	852	844
Israeli banks	-	-	-
Government of Israel	-	-	-
Total activity in Israel	6,105	852	844
Activity of borrowers abroad			
Public - commercial			
Construction & real estate	-	-	-
Other commercial	1	10	10
Total commercial	1	10	10
Private individuals	-	-	-
Total public - activity abroad	1	10	10
Foreign banks	-	-	-
Foreign governments	-	-	-
Total activity abroad	1	10	10
Total public	6,106	862	854
Total banks	-	-	-
Total governments	-	-	-
Total	6,106	862	854

* 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 2020			31 December 2019		
	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	348	74	73	344	41	40
Construction & real estate - real estate activities	104	158	158	89	26	26
Financial services	12	1	1	22	2	2
Commercial - other	2,067	851	846	1,690	234	230
Total commercial	2,531	1,084	1,078	2,145	303	298
Private individuals - housing loans	-	-	-	-	-	-
Private individuals - other	6,092	217	214	5,317	171	168
Total public - activity in Israel	8,623	1,301	1,292	7,462	474	466
Israeli banks	-	-	-	-	-	-
Government of Israel						
Total activity in Israel (1)	8,623	1,301	1,292	7,462	474	466
Activity of borrowers abroad						
Public - commercial						
Construction & real estate	2	13	13	-	-	-
Other commercial	8	761	761	-	-	-
Total commercial	10	774	774	-	-	-
Private individuals	-	-	-	-	-	-
Total public - activity abroad	10	774	774	-	-	-
Foreign banks	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-
Total activity abroad	10	774	774	-	-	-
Total public	8,633	2,075	2,066	7,462	474	466
Total banks	-	-	-	-	-	-
Total governments	-	-	-	-	-	-
Total	8,633	2,075	2,066	7,462	474	466

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 2021			
		(NIS millions)			
		Balance of housing loans			
		<u>Total</u>	<u>Of which: bullet and balloon</u>	<u>Of which: variable interest</u>	<u>Off-balance sheet credit risk total</u>
First charge: rate of financing	Up to 60%	64,114	1,490	40,463	1,815
	Above 60%	39,490	753	24,931	1,910
Second or without charge		6	-	4	-
Total		103,610	2,243	65,398	3,725

		31 December 2020			
		(NIS millions)			
		Balance of housing loans			
		<u>Total</u>	<u>Of which: bullet and balloon</u>	<u>Of which: variable interest</u>	<u>Off-balance sheet credit risk total</u>
First charge: rate of financing	Up to 60%	57,909	1,507	36,604	1,612 (2)
	Above 60%	32,321	610	20,907	1,615 (2)
Second or without charge		7	0	4	-
Total		90,237	2,117	57,515	3,227

(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.

(2) Reclassified

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 2021

Credit per borrower (NIS thousands)		Number of borrowers (c)	Credit (a) (NIS millions)	Off-balance sheet credit risk (a) (b)
From	To			
0	10	534,300	749	1,641
10	20	204,016	1,155	1,936
20	40	195,287	2,701	3,081
40	80	176,104	6,236	3,834
80	150	124,634	10,977	2,688
150	300	94,906	17,493	2,370
300	600	68,503	27,253	2,224
600	1,200	63,084	49,876	3,934
1,200	2,000	20,916	28,051	3,112
2,000	4,000	7,483	17,442	2,657
4,000	8,000	2,558	11,927	2,580
8,000	20,000	1,931	19,443	4,776
20,000	40,000	828	17,900	5,161
40,000	200,000	835	49,965	21,267
200,000	400,000	132	22,242	14,475
400,000	800,000	62	18,003	15,035
800,000	1,200,000	19	9,229	10,028
1,200,000	1,600,000	7	6,642	2,862
1,600,000	2,000,000	3	1,693	3,318
2,000,000	2,400,000	5	5,553	5,657
2,400,000	2,800,000	3	3,312	4,538
2,800,000	3,131,858	2	2,295	3,638
Total		1,495,618	330,137	120,812

(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 7,626 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 2020

Credit per borrower (NIS thousands)		Number of borrowers (c)	Credit (a) (NIS millions)	Off-balance sheet credit risk (a) (b)
From	To			
0	10	468,091	554	1,315
10	20	176,862	975	1,771
20	40	195,965	2,483	3,436
40	80	203,774	6,105	5,655
80	150	145,737	10,857	5,125
150	300	100,221	17,031	3,851
300	600	69,028	26,554	3,084
600	1,200	58,461	45,033	4,441
1,200	2,000	17,117	22,498	2,973
2,000	4,000	6,107	13,910	2,551
4,000	8,000	2,344	10,377	2,533
8,000	20,000	1,701	17,138	4,159
20,000	40,000	749	16,090	4,700
40,000	200,000	743	44,448	19,289
200,000	400,000	106	18,726	10,310
400,000	800,000	43	11,047	11,248
800,000	1,200,000	17	8,462	7,264
1,200,000	1,600,000	5	1,959	4,892
1,600,000	2,000,000	5	5,047	3,309
2,000,000	2,400,000	2	1,641	2,743
2,400,000	2,670,975	2	2,717	2,419
Total		1,447,080	283,652	107,068

(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 6,102 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 30 - Assets and Liabilities Classified According to Linkage Basis - Bank

31 December 2021							
	Israeli Currency		Foreign Currency (a)				Total
	Unlinked	Linked to the CPI	IN U.S. dollars	In Euro	In other currencies	Non-monetary items (b)	
	NIS millions						
Assets							
Cash and deposits with banks	176,337	-	13,310	843	5,682	1,148	197,320
Securities	16,184	5,648	44,763	2,612	5,409	2,302	76,918
Securities borrowed or purchased under agreement to resell	1,599	-	832	16	-	-	2,447
Credit to the public, net (c)	247,359	48,039	17,390	2,531	1,277	1,780	318,376
Credit to governments	8	196	469	267	-	-	940
Investments in companies included on equity basis	224	-	-	-	225	11,209	11,658
Buildings and equipment	-	-	-	-	-	2,572	2,572
Assets in respect of derivative instruments	4,544	162	3,097	63	116	5,964	13,946
Other assets	6,064	1	26	13	-	711	6,815
Total assets	452,319	54,046	79,887	6,345	12,709	25,686	630,992
Liabilities							
Deposits of the public	362,021	10,650	123,869	9,736	4,262	2,936	513,474
Deposits from banks	18,397	-	5,495	1,374	128	5	25,399
Deposits from governments	222	-	69	8	-	-	299
Securities loaned or sold under agreement to repurchase	1,025	-	1,021	-	-	-	2,046
Debentures, bonds and subordinated notes	2,877	10,187	2,364	-	-	-	15,428
Liabilities in respect of derivative instruments	6,359	456	2,373	92	225	5,950	15,455
Other liabilities	4,349	12,372	144	51	2	363	17,281
Total Liabilities	395,250	33,665	135,335	11,261	4,617	9,254	589,382
Difference (d)	57,069	20,381	(55,448)	(4,916)	8,092	16,432	41,610
Effect of derivative instruments that are not hedged:							
Derivative instruments (except options)	(42,103)	(4,190)	50,688	5,246	(9,515)	(126)	-
Option in the money, net (in terms of underlying asset)	788	-	(135)	(447)	(108)	(98)	-
Options out of the money, net (in terms of underlying asset)	(1,016)	-	1,409	(12)	(12)	(369)	-
Total	14,738	16,191	(3,486)	(129)	(1,543)	15,839	41,610
Effect of derivative instruments that are not hedged:							
Option in the money, net (discounted par value)	422	-	422	(517)	(171)	(156)	-
Options out of the money, net (discounted par value)	(104)	-	955	41	41	(933)	-

(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 4,135 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 2020							
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	126,476	-	5,326	1,442	2,480	848	136,572
Securities	28,637	5,097	38,370	3,895	5,141	2,743	83,883
Securities borrowed or purchased under agreement to resell	584	-	1,554	1	880	-	3,019
Credit to the public, net (c)	210,858	43,196	13,524	3,045	1,161	924	272,708
Credit to governments	9	-	613	10	-	-	632
Investments in companies included on equity basis	222	-	-	-	235	10,360	10,817
Buildings and equipment	-	-	-	-	-	2,749	2,749
Assets in respect of derivative instruments	6,008	12	2,853	807	449	4,957	15,086
Other assets	6,467	1	45	-	-	809	7,322
Total assets	379,261	48,306	62,285	9,200	10,346	23,390	532,788
Liabilities							
Deposits of the public	311,821	10,925	87,901	9,019	4,319	1,676	425,661
Deposits from banks	10,633	-	3,590	642	99	113	15,077
Deposits from governments	115	-	69	9	-	-	193
Securities loaned or sold under agreement to repurchase	354	-	-	-	-	-	354
Debentures, bonds and Subordinated notes	4,614	9,244	2,445	-	-	-	16,303
Liabilities in respect of derivative instruments	7,016	178	3,048	1,159	847	4,908	17,156
Other liabilities	7,652	12,254	153	20	4	297	20,380
Total Liabilities	342,205	32,601	97,206	10,849	5,269	6,994	495,124
Difference (d)	37,056	15,705	(34,921)	(1,649)	5,077	16,396	37,664
Effect of derivative instruments that are not hedged:							
Derivative instruments (except options)	(25,848)	(700)	31,743	1,155	(6,832)	482	-
Option in the money, net (in terms of underlying asset)	660	-	(960)	236	64	-	-
Options out of the money, net (in terms of underlying asset)	(89)	-	(44)	102	19	12	-
Total	11,779	15,005	(4,182)	(156)	(1,672)	16,890	37,664
Effect of derivative instruments that are not hedged:							
Option in the money, net (discounted par value)	774	-	(1,110)	252	84	-	-
Options out of the money, net (discounted par value)	(756)	-	181	420	(83)	238	-

(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 4,842 million.

(d) Equity.

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

31 December 2021														
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	232,170	25,806	45,323	34,453	29,048	27,235	20,254	60,825	58,872	19,979	553,965	2,808	506,503	2.94%
Liabilities	319,162	25,242	30,646	18,209	11,646	6,248	2,282	6,938	7,626	6,799	434,798	1,659	429,044	1.99%
Difference	(86,992)	564	14,677	16,244	17,402	20,987	17,972	53,887	51,246	13,180	119,167	1,149	77,459	
Of which: credit to the public	52,753	24,818	42,265	32,054	26,385	21,578	16,781	54,165	54,197	16,702	341,698	1,315	295,397	
Of which: deposits of the public	312,764	23,232	27,694	4,054	1,561	1,298	597	1,464	597	-	373,261	-	372,714	
Derivative instruments (except options)	(24,939)	(2,059)	(17,332)	(1,588)	441	(644)	557	168	(308)	-	(45,704)	-	(45,695)	
Options (in terms of underlying asset)	53	(191)	(156)	24	-	-	-	-	-	-	(270)	-	(268)	
Difference After Effect of Derivatives instruments	(111,878)	(1,686)	(2,811)	14,680	17,843	20,343	18,529	54,055	50,938	13,180	73,193	1,149	31,496	
Foreign currency														
Assets	37,092	7,640	22,992	7,355	6,202	3,535	2,684	11,559	5,870	5,193	110,122	1,590	104,767	2.42%
Liabilities	119,801	17,769	14,470	1,426	515	345	2,539	397	107	57	157,426	3	157,034	1.26%
Difference	(82,709)	(10,129)	8,522	5,929	5,687	3,190	145	11,162	5,763	5,136	(47,304)	1,587	(52,267)	
Of which: credit to the public	11,317	2,174	2,617	1,458	1,048	628	336	418	161	22	20,179	1,365	21,199	
Of which: deposits of the public	110,624	14,917	11,427	785	87	22	6	28	9	-	137,905	-	137,824	
Of which difference in \$	(70,236)	(9,705)	7,716	5,744	3,023	2,423	85	9,704	5,014	5,057	(41,175)	1,163	(45,762)	
Derivative instruments (except options)	24,939	2,059	17,332	1,588	(441)	644	(557)	308	(168)	-	45,704	-	45,695	
Options (in terms of underlying asset)	(53)	191	156	(24)	-	-	-	-	-	-	270	-	268	
Difference After Effect of Derivatives instruments	(57,823)	(7,879)	26,010	7,493	5,246	3,834	(412)	10,994	6,071	5,136	(1,330)	1,587	(6,304)	
Total														
Assets	269,262	33,446	68,315	41,808	35,250	30,770	22,938	72,384	64,742	25,172	664,087	4,398	611,270	2.86%
Liabilities	438,963	43,011	45,116	19,635	12,161	6,593	4,821	7,335	7,733	6,856	592,224	1,662	586,078	1.92%
Difference (f)	(169,701)	(9,565)	23,199	22,173	23,089	24,177	18,117	65,049	57,009	18,316	71,863	2,736	25,192	
Of which: credit to the public	64,070	26,992	44,882	33,512	27,433	22,206	17,117	54,583	54,358	16,724	361,877	2,680	316,596	3.20%
Of which: deposits of the public	423,388	38,149	39,121	4,839	1,648	1,320	603	1,492	606	-	511,166	-	510,538	0.61%

(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 359 million (31 December 2020- NIS 645 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 10.9 billion (31 December 2020 - NIS 8.7 billion) special credit in the amount of NIS 0.9 billion is classified without repayment date (31 December 2020 - NIS 0.8 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 6.7 billion (31 December 2020 - NIS 6 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 2020														
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	175,327	22,272	39,029	36,096	32,589	24,006	20,064	54,396	49,571	17,668	471,018	2,780	428,734	3.04%
Liabilities (h)	276,584	27,541	24,446	8,993	15,411	5,376	2,949	5,003	8,087	7,928	382,318	1,807	376,620	1.37%
Difference	(101,257)	(5,269)	14,583	27,103	17,178	18,630	17,115	49,393	41,484	9,740	88,700	973	52,114	
Of which: credit to the public	47,007	20,419	32,200	30,916	24,283	19,444	14,911	46,729	46,195	13,643	295,747	1,221	254,053	
Of which: deposits of the public	267,236	23,205	21,454	7,092	1,474	1,031	757	1,200	683	-	324,132	-	322,792	
Derivative instruments (except options)	(8,324)	(3,844)	(13,271)	(1,069)	808	235	(812)	967	(286)	-	(25,596)	-	(25,832)	
Options (in terms of underlying asset)	(300)	193	688	131	1	-	-	-	-	-	713	-	713	
Difference After Effect of Derivative instruments	(109,881)	(8,920)	2,000	26,165	17,987	18,865	16,303	50,360	41,198	9,740	63,817	973	26,995	
Foreign currency														
Assets	18,221	8,400	22,204	8,885	5,843	3,599	2,665	12,048	5,946	5,038	92,849	1,335	85,621	2.82%
Liabilities	84,922	12,313	14,903	1,516	1,185	600	503	3,256	157	80	119,435	6	116,418	1.50%
Difference	(66,701)	(3,913)	7,301	7,369	4,658	2,999	2,162	8,792	5,789	4,958	(26,586)	1,329	(30,797)	
Of which: credit to the public	7,436	2,455	3,457	1,342	1,077	893	308	361	187	18	17,534	1,100	17,731	
Of which: deposits of the public	79,579	9,368	11,409	500	396	15	-	4	-	-	101,271	-	101,193	
Of which difference in \$	(58,501)	(6,789)	2,041	6,436	4,085	2,394	2,015	7,526	5,190	4,817	(30,786)	909	(34,729)	
Of which: difference in respect of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	
Derivative instruments (except options)	8,324	3,844	13,271	1,069	(808)	(235)	812	(967)	286	-	25,596	-	25,832	
Options (in terms of underlying asset)	300	(193)	(688)	(131)	(1)	-	-	-	-	-	(713)	-	(713)	
Difference After Effect of Derivative instruments	(58,077)	(262)	19,884	8,307	3,849	2,764	2,974	7,825	6,075	4,958	(1,703)	1,329	(5,678)	
Total														
Assets	193,548	30,672	61,233	44,981	38,432	27,605	22,729	66,444	55,517	22,706	563,867	4,115	514,355	2.93%
Liabilities	361,506	39,854	39,349	10,509	16,596	5,976	3,452	8,259	8,244	8,008	501,753	1,813	493,038	1.38%
Difference (f)	(167,958)	(9,182)	21,884	34,472	21,836	21,629	19,277	58,185	47,273	14,698	62,114	2,302	21,317	
Of which: credit to the public	54,443	22,874	35,657	32,258	25,360	20,337	15,219	47,090	46,382	13,661	313,281	2,321	271,784	3.44%
Of which: deposits of the public	346,815	32,573	32,863	7,592	1,870	1,046	757	1,204	683	-	425,403	-	423,985	1.52%

Notes (a) - (g) are on the previous page
(h) Reclassified

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

31 December 2021

	Book value	Fair value			Total
		level 1(1)	level 2 (1)	level 3 (1)	
NIS millions					
Financial assets					
Cash and deposits with banks	197,320	183,425	9,757	4,141	197,323
Securities (2)	76,918	43,019	30,341	3,928	77,288
Securities borrowed or purchased under agreement to resell	2,447	2,447	-	-	2,447
Credit to the public, net	318,376	14,526	-	304,065	318,591
Credit to governments	940	-	10	968	978
assets in respect of derivative instruments	13,946	2,675	9,217	2,054	13,946
Other financial assets	247	25	-	221	246
Total financial assets	610,194 (3)	246,117	49,325	315,377	610,819
Financial liabilities					
Deposits of the public	513,474	16,020	388,581	107,683	512,284
Deposits from banks	25,399	3,918	4,342	17,046	25,306
Deposits from governments	299	-	188	98	286
Securities loaned or sold under agreement to repurchase	2,046	2,046	-	-	2,046
Debentures, bonds and subordinated notes	15,428	15,639	-	824	16,463
liabilities in respect of derivative instruments	15,455	2,673	12,409	373	15,455
Other financial liabilities	2,305	459	987	859	2,305
Total financial liabilities	574,406 (3)	40,755	406,507	126,883	574,145
Off balance financial instruments					
Deals in which the balance represents credit risk	320	-	-	320	320

31 December 2020

	Book value	Fair value			Total
		level 1 (1)	level 2 (1)	level 3 (1)	
NIS millions					
Financial assets					
Cash and deposits with banks	136,572	128,690 (4)	4,902 (4)	3,015 (4)	136,607
Securities (2)	83,883	47,910	33,887	2,684	84,481
Securities borrowed or purchased under agreement to resell	3,019	3,019	-	-	3,019
Credit to the public, net	272,708	8,059 (4)	- (4)	265,498 (4)	273,557
Credit to governments	632	-	24	589	613
assets in respect of derivative instruments	15,086	2,643	10,677	1,766	15,086
Other financial assets	303	38	-	265	303
Total financial assets	512,203 (3)	190,359	49,490	273,817	513,666
Financial liabilities					
Deposits of the public	425,661	9,650 (4)	309,639 (4)	106,397 (4)	425,686
Deposits from banks	15,077	2,612	3,479	8,924	15,015
Deposits from governments	193	-	80	121	201
Securities loaned or sold under agreement to repurchase	354	354	-	-	354
Debentures, bonds and subordinated notes	16,303	16,233	-	802	17,035
liabilities in respect of derivative instruments	17,156	2,631	14,286	239	17,156
Other financial liabilities	5,554	257	4,272	1,025	5,554
Total financial liabilities	480,298(3)	31,737	331,756	117,508	481,001
Off balance financial instruments					
Deals in which the balance represents credit risk	296	-	-	296	296

(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 136,006 million and NIS 292,236 million (31 December 2019– NIS 123,557 million and NIS 220,119 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) 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 2021			
	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	16,057	4,747	31	20,835
Foreign government bonds	18,703	6,798	-	25,501
Bonds of Israeli financial institutions	54	-	-	54
Bonds of financial institutions abroad	-	8,175	32	8,207
MBS/ABS	-	2,057	3,794	5,851
Others in Israel	321	167	-	488
Others abroad	-	4,226	3	4,229
Total available for sale bonds	35,135	26,170	3,860	65,165
Non-trading shares and mutual funds:				
Non-trading shares and mutual funds	2,238	-	-	2,238
Securities held for trading:				
Israeli government bonds	2,590	-	-	2,590
Foreign government bonds	-	-	-	-
Bonds of Israeli financial institutions	288	-	-	288
Bonds of financial institutions abroad	-	27	-	27
MBS/ABS	-	31	11	42
Others in Israel	105	-	-	105
Others abroad	-	54	-	54
Shares held for trading	3	-	-	3
Total securities held for trading	2,986	112	11	3,109
Assets in respect of derivative financial instruments:				
Shekel-index contracts	-	91	146	237
Interest contracts	45	2,647	124	2,816
Foreign currency contracts	-	3,877	728	4,605
Contracts in respect of shares	2,077	2,523	802	5,402
Commodities and other contracts	16	79	254	349
Maof market activity	537	-	-	537
Total assets in respect of derivative financial instruments	2,675	9,217	2,054	13,946
Others				
Credit and deposits in respect of lending of securities	8,202	-	-	8,202
Others	2,473	-	-	2,473
Total Assets	53,709	35,499	5,925	95,133
Liabilities:				
Shekel-index contracts	-	257	89	346
Interest contracts	52	2,881	-	2,933
Foreign currency contracts	-	5,623	284	5,907
Contracts in respect of shares	2,074	3,321	-	5,395
Commodities and other contracts	10	327	-	337
Maof market activity	537	-	-	537
Total liabilities in respect of derivative financial instruments	2,673	12,409	373	15,455
Others				
Deposites of the public	8,173	6	-	8,179
Others	2,509	-	-	2,509
Total Liabilities	13,355	12,415	373	26,143

See the annual financial report for the consolidated note.

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

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

	31 December 2020			
	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	27,653	4,690	33	32,376
Foreign government bonds	11,012	8,570	-	19,582
Corporate bonds abroad	-	8,771	-	8,771
MBS/ABS	-	2,705	2,557	5,262
Others in Israel	105	115	-	220
Others abroad	-	4,813	8	4,821
Total available for sale bonds	38,770	29,733	2,598	71,101
Non-trading shares and mutual funds:				
Non-trading shares and mutual funds	2,625	-	-	2,625
Securities held for trading:				
Israeli government bonds	3,141	-	-	3,141
Foreign government bonds	223	-	-	223
Corporate bonds in Israel	323	-	-	323
Corporate bonds abroad	-	97	-	97
MBS/ABS	-	58	22	80
Others in Israel	55	-	-	55
Others abroad	-	44	2	46
Shares held for trading	56	-	-	56
Total securities held for trading	3,798	199	24	4,021
Assets in respect of derivative financial instruments:				
Shekel-index contracts	-	144	147	291
Interest contracts	14	4,311	439	4,764
Foreign currency contracts	-	3,526	1,158	4,684
Contracts in respect of shares	2,060	2,678	18	4,756
Commodities and other contracts	150	18	4	172
Maof market activity	419	-	-	419
Total assets in respect of derivative financial instruments	2,643	10,677	1,766	15,086
Others				
Credit and deposits in respect of lending of securities	3,567	-	-	3,567
Others	(1) 3,058	-	-	3,058
Total Assets	54,461	40,609	4,388	99,458
Liabilities:				
Liabilities in respect of derivative financial instruments:				
Shekel-index contracts	-	332	63	395
Interest contracts	14	5,177	-	5,191
Foreign currency contracts	-	6,097	176	6,273
Contracts in respect of shares	2,050	2,657	-	4,707
Commodities and other contracts	148	23	-	171
Maof market activity	419	-	-	419
Total liabilities in respect of derivative financial instruments	2,631	14,286	239	17,156
Others				
Deposites of the public	3,473	21	-	3,494
Others	(1) 610	-	-	610
Total Liabilities	6,714	14,307	239	21,260

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

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

31 December 2021					
	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	-	-	220	220	110
Total	-	-	220	220	110
31 December 2020					
	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	-	-	289	289	(11)
Total	-	-	289	289	(11)

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

31 December 2021

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 2021	Unrealized profit/loss from instruments held 31 December 2021
NIS Millions								
Assets:								
Bonds Available for sale:								
Israeli Government	33	(2)	-	-	-	-	31	2
Financial institutes abroad	-	-	-	-	-	32	32	-
MBS \ ABS	2,557	120	(37)	1,538	(80)	(1,380)	1,076	3,794 (32)
Others abroad	8	-	-	-	-	(4)	2	-
Total bonds available for sale	2,598	118	(37)	1,538	(80)	(1,384)	1,106	3,859 (30)
Bonds for trade:								
MBS \ ABS	22	(0)	-	-	-	(8)	(2)	12 -
Others abroad	2	0	-	-	-	-	(2)	0 -
Total bonds available for trade	24	(0)	-	-	-	(8)	(4)	12 -
Assets in respect of derivative financial instruments:								
Shekel-index contracts	147	(13)	-	-	-	-	12	146 (6)
Interest contracts	439	(106)	-	-	-	(209)	-	124 (309)
Foreign currency contracts	1,158	(1,592)	-	1,162	-	-	-	728 499
Contracts in respect of shares	18	784	-	-	-	-	-	802 789
Commodities and other contracts	4	250	-	-	-	-	-	254 254
Total assets in respect of derivative financial instruments	1,766	(677)	-	1,162	-	(209)	12	2,054 1,227
Total assets	4,388	(559)	(37)	2,700	(80)	(1,601)	1,114	5,925 1,197
Liabilities:								
Liabilities in respect of derivative financial instruments:								
Shekel-index contracts	63	(60)	-	-	-	-	86	89 18
Foreign currency contracts	176	108	-	-	-	-	-	284 -
Total liabilities in respect of derivative financial instruments	239	48	-	-	-	-	86	373 18
Other	-	-	-	-	-	-	-	-
Total liabilities	239	48	-	-	-	-	86	373 18

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

31 December 2020

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	Fair value at 31 December 2020	Unrealized profit/loss from instruments held 31 December 2020
	NIS Millions								
Assets:									
Bonds Available for sale:									
Israeli Government	-	(1)	-	-	-	-	34	33	2
Financial institutes abroad	-	-	-	7	-	-	(7)	-	-
MBS \ ABS	1,456	(39)	8	1,323	(70)	(565)	444	2,557	5
Others abroad	-	(1)	-	-	-	-	9	8	-
Total bonds available for sale	1,456	(41)	8	1,330	(70)	(565)	480	2,598	7
Bonds for trade:									
MBS \ ABS	-	-	-	-	-	-	22	22	-
Others abroad	-	-	-	-	-	-	2	2	-
Total bonds available for trade	-	-	-	-	-	-	24	24	-
Assets in respect of derivative financial instruments:									
Shekel-index contracts	82	21	-	-	-	-	44	147	11
Interest contracts	764	(116)	-	-	-	(209)	-	439	(319)
Foreign currency contracts	379	(122)	-	901	-	-	-	1,158	878
Contracts in respect of shares	8	10	-	-	-	-	-	18	12
Commodities and other contracts	4	-	-	-	-	-	-	4	4
Total assets in respect of derivative financial instruments	1,237	(207)	-	901	-	(209)	44	1,766	586
Total Assets	2,693	(248)	8	2,231	(70)	(774)	548	4,388	593
Liabilities:									
Liabilities in respect of derivative financial instruments:									
Shekel-index contracts	38	(31)	-	-	-	-	56	63	-
Foreign currency contracts	256	(80)	-	-	-	-	-	176	-
Total liabilities in respect of derivative financial instruments	294	(111)	-	-	-	-	56	239	-
other	6	(6)	-	-	-	-	-	-	-
Total Liabilities	300	(117)	-	-	-	-	56	239	-

(1) Reclassified

Statement of Cash Flows - Bank
For the year ended 31 December 2021

	2021	2020	2019
	(NIS millions)		
Cash flows generated by operating activity			
Net profit for the year	6,028	2,102	3,522
Adjustments:			
Group share in undistributed gains (losses) of companies included on equity basis (a)	(990)	48	(123)
Expenses deriving from share-based payment transactions	-	-	2
Depreciation of buildings and equipment (including impairment)	634	597	516
Expenses in respect of credit losses	(819)	2,270	519
Net gains on sale of securities available for sale	(230)	(362)	(171)
Realized and unrealized net gain from adjustment to fair value of securities held for trading	19	(58)	(149)
Loss (gain) on realization of investment in companies included on equity basis	-	2	(73)
Loss (gain) on realization of buildings and equipment - net	(119)	7	(70)
Provision for impairment in debentures available for sale	0	33	2
Net profit realized and unrealized from fair value adjustments of non-trading shares	(79)	(167)	(110)
Excess of interest received (receivable) for available-for-sale bonds and held-to-maturity bonds over interest accrued during the period	367	237	(157)
Accrual differences and rate in respect of bonds and subordinated bonds	(41)	(393)	(88)
Effect of exchange rate differentials on cash and cash equivalent balances	570	1,266	682
Deferred taxes, net	405	(700)	(577)
Severance pay and pension - increase in excess of provision over amount funded	327	(975)	(94)
Profit on sale of loan portfolios	0	0	(15)
Other, net	5	0	55
Net change in current assets:			
Assets in respect of derivative instruments	1,140	(4,189)	1,770
Held-for-trading securities	894	(463)	3,315
Other assets	164	(642)	425
Net change in current liabilities:			
Liabilities in respect of derivative instruments	(1,394)	5,568	(756)
Other liabilities	(3,143)	1,055	(2,182)
Net cash generated by operating activity	3,738	5,236	6,243

(a) Net of dividend received.

Statement of Cash Flows (cont'd)
For the year ended 31 December 2021

	2021	2020	2019
	(NIS millions)		
Cash flows generated by investment activity			
Net change in deposits with banks with original maturities of more than three months	(1,062)	(268)	3,816
Net change in loans to the public ^(a)	(45,087)	(16,376)	(9,464)
Net change in loans to governments	(308)	112	38
Change in securities borrowed or purchased under reverse repurchase agreements	572	(1,902)	(80)
Purchase of held-to-maturity bonds	(1,201)	(2,340)	(1,530)
Proceeds from redemption of held-to-maturity bonds	898	902	487
Acquisition of securities available for sale and non-trading shares	(101,796)	(129,536)	(83,011)
Proceeds from sale of securities available for sale and non-trading shares	83,879	97,147	40,182
Proceeds from redemption of securities available for sale and non-trading shares	23,665	30,442	30,987
Acquisition of shares in companies included on equity basis	(21)	(16)	(28)
Proceeds from realization of investment in companies included on equity basis	1	9	98
Net decrease (increase) in capital notes of investee companies	-	973	(130)
Acquisition of buildings and equipment	(517)	(554)	(899)
Proceeds from realization of buildings and equipment	179	6	107
Proceeds from sale of loan portfolios	217	0	656
Central severance pay fund	(74)	135	157
Net cash for investment activity	(40,655)	(21,266)	(18,614)

(a) Including current activities from invoice factoring. Please see Note 30.F.

Statement of Cash Flows (cont'd)

For the year ended 31 December 2021

	2021	2020	2019
	(NIS millions)		
Cash flows generated by financing activity			
Net change in deposits from banks with original maturities of more than three months	10,322	8,962	726
Net change in deposits by the public	87,884	70,605	12,767
Net change in deposits by the government	106	9	(23)
Net change in securities loaned or sold under repurchase agreements	1,692	231	(198)
Proceeds from issue of bonds and subordinated bonds	2,262	4,986	3,152
Redemption of debentures and subordinated notes	(3,096)	(8,248)	(958)
Share buyback	-	(250)	(700)
Dividend paid to shareholders	(1,997)	(297)	(1,387)
Net, cash flows generated by financing activity	97,173	75,998	13,379
Increase (decrease) in cash and cash equivalents	60,256	59,968	1,008
Balance of cash and cash equivalents at beginning of year	131,567	72,865	72,539
Effect of movements in exchange rates on cash balances and cash equivalents	(570)	(1,266)	(682)
Balance of cash and cash equivalents at end of year	191,253	131,567	72,865
	2021	2020	2019
	(NIS millions)		
Interest received	9,667	9,512	9,852
Interest paid	(1,371)	(2,356)	(3,106)
Dividend received	11	222	221
Income tax paid	(2,807)	(1,633)	(2,190)
Income tax received	74	221	9

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

2020

As of December 31, 2020, the right of use property and liabilities recognized in respect of new operating leases were included as non-cash activities.

2019

On July 15, 2019, approximately NIS 139.9 million in respect of Series 201 was exchanged for NIS 142 million in respect of Series 404, and NIS 976.9 million in respect of Series Y was replaced in exchange for approximately NIS 1,099 in respect of Series 404, So that a total of approximately NIS 1241 million was issued in accordance with Series 404, as a result of the replacement an accounting loss of approximately NIS 54 million was recorded.