

Bank Leumi le-Israel L.T.D.

**Additional Information to the
Annual Consolidated Reports**

2022

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Note 2 - Interest Income and Expenses

	Bank		
	2022	2021	2020
	(NIS millions)		
A. Interest Income (a)			
Credit to the public	14,828	9,560	7,912
Credit to governments	46	26	24
Deposits with banks	233	71	104
Deposits with Bank of Israel and cash	1,693	119	90
Interest income from securities borrowed or purchased under agreements to resell	33	6	6
Bonds (b)	1,456	800	892
Total Interest Income	18,289	10,582	9,028
B. Interest Expenses			
Deposits of the public	(4,391)	(812)	(958)
Deposits from governments	(2)	(2)	(3)
Deposits from Bank of Israel and cash	(11)	(10)	(3)
Deposits from banks	(53)	(4)	(11)
Debentures, bonds and subordinated notes	(1,073)	(461)	(376)
Interest expense from securities loaned or sold under agreements to repurchase	(61)	(1)	(8)
Total Interest Expenses	(5,591)	(1,290)	(1,359)
Total included in interest income	12,698	9,292	7,669
C. Details of the net effect of hedging derivative financial instruments on interest income and expenses (c)			
Interest income	(2)	(60)	(50)
Interest expenses	(2)	-	-
D. Details of interest income on accrual basis from bonds			
Held to maturity	267	135	155
Available for sale	1,132	644	712
Held for trading	57	21	25
Total included in interest income	1,456	800	892

(a) Including effective component of hedge relationships.

(b) Including interest in respect of mortgage-backed bonds (MBS) in the amount of NIS 214 million (2021 - NIS 181 million, 2020 - NIS 165 million).

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

Note 3 - Non-Interest Financing Income

	Bank		
	2022	2021	2020
	(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)	7,447	(1,668)	(1,814)
Total from activities in derivative instruments	7,447	(1,668)	(1,814)
A.2 From investment in bonds			
Gains on sale of debentures available for sale	39	255	366
Losses on sale of debentures available for sale	(180)	(25)	(4)
Impairment provision	(42)	-	(33)
Total from investment in debentures	(183)	230	329
A.3 Exchange rate differentials ,net	(7,238)	2,027	1,853
A.4 Gains (losses) on investment in shares			
Gains from sale of shares available for sale (b)	108	184	143
Losses from sale of shares available for sale	(54)	(50)	(45)
Gain from sale of shares in holding companies	752	-	-
Losses from sale of shares in holding companies	-	-	(2)
Unrealized profits/losses, net from not held-for-trading equity securities	124	(55)	69
Dividend from shares available for sale	13	9	8
Total from investment in shares	943	88	173
A.5 Net profits in respect of loans sold	15	-	-
Total non-interest financing income in respect of activities not for trading purposes	984	677	541
B. Non-interest financing income from activities for trading purposes (c)			
Net income (expenses) in respect of other derivative instruments	251	333	364
Realized and unrealized profits (losses) from fair value adjustment of bonds for trading, net (d)	(166)	(18)	51
Realized and unrealized profits (losses) from fair value adjustment of shares for trading, net (e)	2	(1)	7
Dividend from shares held for trading	-	1	-
Total non-interest financing income in respect of activities for trading purposes (f)	87	315	422
Breakdown of noninterest finance income for trading activities, by risk exposure			
Interest rate exposure	(324)	80	(107)
Foreign exchange exposure	345	167	488
Exposure to equity securities	64	53	37
Exposure to commodities and other contracts	2	15	4
TOTAL	87	315	422
Total income from Non-Interest Financing	1,071	992	963

(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 35 million on the sale of Visa (2021- 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).

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

(d) Of which part of the profits (losses) of NIS (113) million (2021 - NIS 9 million, 2020 - NIS 40 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 (2021- NIS (1) million, 2020-NIS 0 million).

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

Note 4 - Commissions

	Bank		
	2022	2021	2020
	(NIS millions)		
Ledger fees	603	576	578
Conversion differences	477	402	392
Handling of credit	205	193	171
Commissions for distribution of financial products (a)	204	211	198
Foreign trade activities	131	118	112
Income from transactions in securities and certain derivative instruments (b)	630	682	649
Credit cards	382	356	321
Management fees and commission on life insurance and home insurance	2	3	2
Net income from servicing credit portfolios	5	7	9
Commissions on financing transactions	551	481	427
Other commissions	104	101	96
Total operating commissions	3,294	3,130	2,955

(a) Mainly distribution fees of mutual funds.

(b) Including fees and commissions from underwriting activity

Note 5 - Other Income

	Bank		
	2022	2021	2020
	(NIS millions)		
Profit from the realization of assets received for settlement of loans	-	6	1
Income from mutual funds	(15)	80	6
Capital gain from sale of buildings and equipment	81	163	1
Capital loss from sale of buildings and equipment	(15)	(7)	(11)
Other, net	8	22	20
Total other income	59	264	17

Note 6 - Salaries and Related Expenses

	Bank		
	2022	2021	2020
	(NIS millions)		
Salaries	2,430	2,401	2,074
Expenses deriving from share-based payment transactions	4	-	(10)
Severance pay, provident fund, training fund, pension, vacation and long service bonus	205	225	221
Long-term - Jubilee benefits	(11)	(6)	-
National Insurance and VAT on salaries	704	680	563
Defined benefit	140	188	173
Defined deposit	182	164	158
Other post-employment benefits and non-pension post retirement benefits (a)	(8)	(2)	12
Total salaries and related expenses	3,646	3,650	3,191
Of which: salaries and related expenses abroad	-	-	-

(a) See Note 23 on Employee Rights.

Note 7 - Other Expenses

	Bank		
	2022	2021	2020
	(NIS millions)		
Pension expenses, defined benefit, excluding service cost	593	672	700
Marketing and advertising	111	124	122
Legal, audit and professional consultants	144	153	157
Communications - postage, telephone, delivery services, etc.	109	108	113
Computers (a)	21	26	35
Office expenses	24	22	27
Insurance	37	25	26
Training	5	5	4
Commissions	155	148	139
Loss in respect of assets received in settlement of loans	1	3	-
Fines paid to the Bank of Israel	1	1	-
Other (b)	258	241	252
Total other expenses	1,459	1,528	1,575

(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

	2022	2021	2020
	(NIS millions)		
Current taxes:			
In respect of current year	3,646	2,523	1,941
In respect of prior years	29	29	40
Total current taxes	3,675	2,552	1,981
Including (less) changes in deferred taxes:			
In respect of current year	(259)	405	(700)
In respect of prior years	-	-	-
Total changes in deferred taxes (1)	(259)	405	(700)
Tax expense on income	3,416	2,957	1,281
Of which provision for taxes abroad	-	-	-

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

	2022	2021	2020
	(NIS millions)		
Deferred tax Income (expenses) before impact of the following items:	(259)	405	(700)
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)	(259)	405	(700)

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

	2022	2021	2020
Statutory tax rate applying to a banking corporation	34.19%	34.19%	34.19%
	NIS millions		
Tax at the statutory tax rate	3,506	2,733	1,100
Tax (tax saving) resulting from:			
Income of foreign consolidated companies	8	11	18
Tax exempt and at preferred rates	-	-	-
Depreciation differences, depreciation adjustment and capital gain	(5)	(13)	2
Other non-deductible expenses	8	12	10
Timing differences for which deferred taxes have not been recorded	(159)	(1)	15
Income of Israeli consolidated companies	46	96	22
Change in deferred taxes due to change in tax rates	-	-	-
Taxes in respect of prior years	29	29	40
Change in the balance of provision for deferred-tax asset	-	-	-
Other	(17)	90	74
Provision for taxes on operating profit	3,416	2,957	1,281

See the annual financial report for the consolidated note.

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

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

	<u>Balance as at</u> <u>December 31 2021</u>	<u>Changes</u> <u>carried to</u> <u>profit and</u> <u>loss</u>	<u>Changes</u> <u>recognized</u> <u>in equity</u>	<u>Changes</u> <u>carried to</u> <u>other</u> <u>comprehensi</u> <u>ve income</u>	<u>Cumulative</u> <u>effect of the</u> <u>first</u> <u>application of</u> <u>US GAAP (b)</u>	<u>Balance as at</u> <u>December 31 2022</u>	<u>Average tax</u> <u>rate in 2022</u> <u>(% in)</u>
<u>Deferred tax assets</u>							
From allowance for credit losses	1,421	252	-	-	240	1,913	34%
From provision for unutilized vacations and long service bonuses	152	(18)	-	-	-	134	34%
From excess of provision for severance pay and pension over funds allocated	4,401	(4)	-	(1,039)	-	3,358	34%
Tax credit & losses carried forward for tax purposes	114	45	-	-	-	159	18%
From securities	-	-	-	-	-	-	
Property, plant & equipment and leases	-	36	-	-	-	36	34%
Other – from non-monetary assets	41	4	-	-	-	45	14%
Gross balance of deferred tax assets	6,129	315	-	(1,039)	240	5,645	
Provision for deferred tax asset	(86)	(41)	-	-	-	(127)	
Balance of deferred taxes net of provision for deferred taxes	6,043	274	-	(1,039)	240	5,518	
Offsettable balances ^(a)	(375)					(478)	
Balance of deferred taxes net of provision for deferred taxes	5,668					5,040	
<u>Deferred tax liabilities</u>							
From investments in investee companies	(323)	(95)	(56)	-	-	(474)	12%
From the adjustment of depreciable non-monetary assets	(126)	48	-	-	-	(78)	24%
Other – from non-monetary assets	(10)	-	-	-	-	(10)	16%
Balance of gross deferred tax liabilities	(459)	(47)	(56)	-	-	(562)	
Offsettable balances ^(a)	(375)					(478)	
Balance of deferred tax liabilities	(84)					(84)	
Deferred taxes, net	5,584	227	(56)	(1,039)	240	4,956	

(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.

(b) Cumulative effect in respect of first-time application of provision for current expected credit losses, as outlined in US GAAP's ASU 2016-13, Financial Instruments - Credit Losses.

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>2020</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>2021</u>	<u>Average tax</u> <u>rate in 2021</u> <u>(% 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(b)	-	-	-	-	-	-	-	-	
Property, plant & equipment and leases	-	-	-	-	-	-	-	-	
Other – from non-monetary assets	44	(3)	-	-	-	-	-	41	13%
Gross balance of deferred tax assets	6,455	(200)	-	(126)	-	-	-	6,129	
Provision for deferred tax asset	(113)	27	-	-	-	-	-	(86)	
Balance of deferred taxes net of provision for deferred taxes	6,342	(173)	-	(126)	-	-	-	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	(299)	-	(126)	-	-	-	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.

(b) Reclassified

Note 8 - Provision for Taxes on Operating

(d) Carryforward tax losses and tax credits

As at December 31 2022					
	<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	159	(127)	32	-	-
As at December 31 2021					
	<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	-	-

Note 11 - Cash and Deposits with Banks - Bank

	31 December 2022	31 December 2021
	NIS millions	
Cash and deposits with central banks	168,545	181,073
Deposits with commercial banks (a)	17,721	16,247
Total (b)	186,266	197,320
Including: cash and deposits with central and commercial banks for original periods not exceeding three months	180,333	191,253

(a) Net of the allowance for credit losses.

(b) Of which pledged cash in the amount of NIS 4,597 million (31 December 2021 – NIS 1,232 million).
See the annual financial report for the consolidated note.

Note 12 - Securities - Bank

31 December 2022						31 December 2021						
	Amount in balance sheet	Amortized cost	Balance of loan loss provision (e)	Unrecognized profit from adjustments to fair value	Unrecognized losses from adjustments to fair value	Fair value (a)	Amount in balance sheet	Amortized cost	Balance of loan loss provision	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	9,631	9,631	-	2	(670)	8,963	4,022	4,022	-	389	(2)	4,409
Financial institutes Foreigners	1,320	1,320	2	-	(56)	1,266	-	-	-	-	-	-
Other foreigners	321	321	1	-	(19)	303	51	51	-	4	-	55
Asset-backed (ABS) or Mortgage-backed securities (MBS)	3,256	3,256	1	-	(432)	2,825	2,274	2,274	-	13	(34)	2,253
Total debentures held to maturity	14,528	14,528	4	2	(1,177)	13,357	6,347	6,347	-	406	(36)	6,717
31 December 2022						31 December 2021						
	Amount in balance sheet	Amortized cost	Balance of loan loss provision (e)	Accumulated other comprehensive income (loss) profits losses		Fair value (a)	Amount in balance sheet	Amortized cost	Balance of loan loss provision	Accumulated other comprehensive income (loss) profits losses		Fair value (a)
	NIS millions					NIS millions						
2. Debentures available for sale:												
Debentures and bonds -												
The Government of Israel	18,683	20,390	-	63	(1,770)	18,683	20,835	19,666	-	1,181	(12)	20,835
Foreign governments	16,995	17,291	-	2	(298)	16,995	25,501	25,497	-	33	(29)	25,501
Israel's financial institutions	46	49	-	-	(3)	46	54	48	-	6	-	54
Foreign financial institutions	9,627	10,001	24	11	(409)	9,627	8,207	8,100	-	119	(12)	8,207
Asset-backed (ABS) or Mortgage-backed securities (MBS)	7,710	8,353	-	7	(650)	7,710	5,851	5,912	-	15	(76)	5,851
Others in Israel	554	587	2	7	(42)	554	488	465	-	23	-	488
Others abroad	4,918	5,485	7	2	(576)	4,918	4,229	4,127	-	130	(28)	4,229
Total debentures available for sale	58,533	62,156	33 (C)	92 (C)	(3,748)	58,533	65,165	63,815	-	1,507 (C)	(157) (C)	65,165
31 December 2022						31 December 2021						
	Amount in balance sheet	cost	Balance of loan loss provision (e)	Unrealized profit from adjustments to fair value	Unrealized losses from adjustments to fair value	Fair value (a)	Amount in balance sheet	cost	Balance of loan loss provision	Accumulated other comprehensive income (loss) profits losses		Fair value (a)
	NIS millions					NIS millions						
3. Investment in available-for-sale equity securities and funds:												
Equity securities and funds	2,212	1,974	-	290	(52)	2,212	2,297	2,207	-	180	(90)	2,297
Of which: Equity securities and funds for which there is no available fair value(b)	233	233	-	-	-	233	59	59	-	-	-	59
Total shares not held for trading	2,212	1,974	-	290	(52)	2,212	2,297	2,207	-	180	(90)	2,297
31 December 2022						31 December 2021						
	Amount in balance sheet	Amortized cost (In shares cost)	Balance of loan loss provision (e)	Unrealized profit from adjustments to fair value	Unrealized losses from adjustments to fair value	Fair value (a)	Amount in balance sheet	Unrealized cost (In shares cost)	Balance of loan loss provision	Unrealized profit from adjustments to fair value	Unrecognized losses from adjustments to fair value	Fair value (a)
	NIS millions					NIS millions						
4. Securities held for trading:												
Debentures and bonds -												
The Government of Israel	1,260	1,271	-	1	(12)	1,260	2,590	2,588	-	4	(2)	2,590
Israel's financial institutions	580	627	-	-	(47)	580	288	284	-	4	-	288
Foreign financial institutions	53	59	-	-	(6)	53	27	27	-	-	-	27
Asset-backed (ABS) or Mortgage-backed securities (MBS)	32	35	-	-	(3)	32	42	44	-	-	(2)	42
Others in Israel	233	272	-	-	(39)	233	105	102	-	3	-	105
Others abroad	71	78	-	-	(7)	71	54	51	-	3	-	54
	2,229	2,342	-	1	(114)	2,229	3,106	3,096	-	14	(4)	3,106
Shares	1	1	-	-	-	1	3	4	-	-	(1)	3
Total securities held for trading	2,230	2,343	-	1	(114) (d)	2,230	3,109	3,100	-	14 (d)	(5) (d)	3,109
Total securities	77,503	81,001	37	385	(5,091)	76,332	76,918	75,469	-	2,107	(288)	77,288

(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.

(e) Balance of loan loss provision- for more information, please see Note 1 at the consolidated annual financial report.

See the annual financial report for the consolidated note.

Note 12 - Securities - Bank (cont.)

December 31 2022						
	Balance sheet value	Amortized cost (a)	Balance of loan loss provision	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	1,807	1,807	-	-	(246)	1,561
Securities issued by FNMA or FHLMC	1,161	1,161	-	-	(180)	981
Total	2,968	2,968	-	-	(426)	2,542
Other mortgage-backed bonds (including CMOs and stripped MBSs)						
Of which: Securities issued or guaranteed by GNMA, FNMA, or FHLMC	50	50	-	-	(2)	48
Total other mortgage-backed bonds (including CMOs and stripped MBSs)	50	50	-	-	(2)	48
Asset-backed bonds (ABSs)						
Others	239	239	-	-	(4)	235
Of which: CLO	239	239	-	-	(4)	235
Total asset-backed bonds (ABSs)	239	239	-	-	(4)	235
Total mortgage-backed held-to-maturity bonds	3,257	3,257	-	-	(432)	2,825
December 31 2021						
	Balance sheet value	Amortized cost	Balance of loan loss provision	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

(a) Including a provision balance for credit differences in the amount of NIS 1 million.

Note 12 - Securities - Bank (cont'd)

31 December 2022					
	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	1,727	1,956	1	(230)	1,727
Securities issued by FNMA and FHLMC	591	704	-	(113)	591
Total	2,318	2,660	1	(343)	2,318
Other mortgage-backed securities					
(including CMO and STRIPPED MBS)					
Securities issued by FNMA, FHLMC, or GNMA, or guaranteed by these entities	1,441	1,619	-	(178)	1,441
Other mortgage-backed securities	321	324	4	(7)	321
Total	1,762	1,943	4	(185)	1,762
Asset-backed securities (ABS)					
Car loans	50	52	-	(2)	50
CLO debentures	2,378	2,459	2	(83)	2,378
SBA debentures	1,015	1,042	-	(27)	1,015
Others	187	197	-	(10)	187
Total	3,630	3,750	2	(122)	3,630
Total asset-backed bonds available for sale	7,710	8,353	7	(650)	7,710

* 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	Other comprehensive accumulated profit (loss)*		Fair value
			Profits	Losses	
	NIS millions				
Bonds available for sale (cont'd)					
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)					
Credit for purchase of vehicles	20	20	-	-	20
CLO debentures	1,761	1,758	5	(2)	1,761
CDO 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 2022					
	Book value	Amortized cost	Unrealized profits from adjustments to fair value*	Unrealized losses from adjustments to fair value*	Fair value
	NIS millions				
Debentures for trading					
Pass-through securities					
Securities issued by FNMA and FHLMC	1	1	-	-	1
Total	1	1	-	-	1
Other mortgage-backed securities (including CMO and STRIPPED MBS)					
Other mortgage-backed securities	23	24	-	(1)	23
Total	23	24	-	(1)	23
Asset-backed securities (ABS)					
Others	8	10	-	(2)	8
Total	8	10	-	(2)	8
Total mortgage-backed and asset-backed held-for-trading securities					
	32	35	-	(3)	32

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

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				
Debentures for trading (cont'd)					
Pass-through securities					
Securities issued by FNMA and FHLMC	2	1	-	-	2
Total	2	1	-	-	2
Other mortgage-backed securities (including CMO and STRIPPED MBS)					
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 mortgage-backed and asset-backed held-for- trading securities	42	44	-	(3)	42

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

Note 12 - Securities - Bank (cont'd)

31 December 2022						
	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	690	(45)	1,438	(298)	2,128	(343)
Mortgage-backed securities (MBS)	758	(39)	630	(139)	1,388	(178)
Other mortgage-backed securities (including REMIC, CMO and STRIPPED MBS)	128	(3)	125	(4)	253	(7)
Asset-backed securities (ABS)	2,429	(78)	971	(44)	3,400	(122)
Total	4,005	(165)	3,164	(485)	7,169	(650)

31 December 2021						
	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	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)

(a) Amounts carried to the capital reserve as part of other comprehensive income, net, after the tax effect.

Note 12 - Securities - Bank (cont.)

31 December 2022										
Less than 12 months					12 months or more					
Unrealized losses					Unrealized losses					
Amortized cost	0-20%	20-35%	More than 35%	Total	Amortized cost	0-20%	20-35%	More than 35%	Total	
(In NIS millions)					(In NIS millions)					
Bonds										
Of the Israeli government	9,417	(467)	(166)	-	(633)	183	(29)	(8)	-	(37)
Of foreign financial institutions	1,321	(56)	-	-	(56)	-	-	-	-	-
Asset-backed (ABS) or mortgage-backed (MBS)	1,541	(121)	(14)	-	(135)	1,715	(217)	(80)	-	(297)
Of other foreign entities	320	(19)	-	-	(19)	-	-	-	-	-
Total held-to-maturity bonds	12,599	(663)	(180)	-	(843)	1,898	(246)	(88)	-	(334)

31 December 2021									
Less than 12 months					12 months or more				
Unrealized losses					Unrealized losses				
		More			Amortized		More than		
Amortized cost	0-20%	20-35%	than 35%	Total	cost	0-20%	20-35%	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)

Note 12 - Securities - Bank (cont'd)

	31 December 2022									
	Less than 12 months					More than 12 months				
	Unrealized		losses		More than 35%	Unrealized		losses		More than 35%
	Fair value	0-20%	20-35%	Total		Fair value	0-20%	20-35%	Total	
	NIS millions									
Bonds										
The Government of Israel	13,165	(1,141)	(412)	-	(1,553)	1,240	(217)	-	-	(217)
Foreign governments	8,357	(191)	-	-	(191)	1,995	(67)	(40)	-	(107)
Foreign financial institutions	7,117	(265)	(29)	-	(294)	2,005	(82)	(21)	(12)	(115)
Asset-backed securities (ABS)	4,005	(161)	(4)	-	(165)	3,164	(300)	(185)	-	(485)
Others in Israel	466	(34)	(7)	-	(41)	21	(1)	-	-	(1)
Others abroad	3,299	(234)	(62)	-	(296)	1,561	(147)	(133)	-	(280)
Total securities available for sale	36,441	(2,029)	(514)	-	(2,543)	9,986	(814)	(379)	(12)	(1,205)

Note 13 - Credit Risk, Loans to the Public and Loan Loss Provision - Bank

A. Debts,(a) held-to-maturity bonds and available-for-sale bonds, loans to the public and balance of loan loss provision

31 December 2022						
Allowance for credit losses						
Credit to the public				Banks, governments and bonds held-to-maturity and available-for-sale	Total	
Commercial (NIS millions)	Residential	Other private	Total			
Recorded debt balance:						
Examined on an individual basis	218,745	-	460	219,205	91,987	311,192
Examined on a collective basis	19,611	119,709	29,923	169,243	-	169,243
Total debts	238,356	119,709	30,383	388,448	91,987	480,435
Credit loss allowance by debts:						
Examined on an individual basis	3,236	-	164	3,400	55	3,455
Examined on a collective basis	544	418	549	1,511	-	1,511
Total Credit loss allowance (1)	3,780	418	713	4,911	55	4,966
(1) Of which: Non-performing debts	235	77	115	427	-	427
Of which: Other troubled debts	633	9	243	885	-	885

31 December 2021 (b)						
Credit loss allowance						
Credit to the public				Banks, governments and bonds held-to-maturity and available-for-sale	Total	
Commercial (NIS millions)	Residential	Other private	Total			
Recorded debt balance:						
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
Total debts	191,235	103,610	27,666	322,511	17,189	339,700
Credit loss allowance by debts:						
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
Total Credit loss allowance (1)	2,930	489	716	4,135	3	4,138
(1) Of which: Non-performing debts	548	5	155	708	- (c)	708
Of which: Other troubled debts	409	122	200	731	-	731

(a) Loans to the public, loans to governments, deposits with banks (excluding deposits with the Bank of Israel) and other debts, excluding securities borrowed or purchased under reverse repurchase agreements.

(b) Comparative figures are presented according to the new disclosure format.

For more information about the application of the accounting policy on identification and classification of performing and non-performing debts (in lieu of impaired debts), please see Note 1.B.2 to the consolidated annual financial report.

(c) Balances of less than NIS 1 million.

Note 13 - Credit Risk, Loans to the Public and Loan Loss Provision - Bank

B. Change in Outstanding Loan Loss Provision

	31 December 2022					
	Loan loss provision					Total
	Loans to the public				Banks and governments	
	Commercial (NIS millions)	Residential	Other private	Total		
Balance of loan loss provision as at the beginning of the year	3,379	489	732	4,600	3	4,603
Adjustment to the opening balance due to the effect of first-time application (a)	786	(165)	22	643	17	660
Loan loss expenses	246	112	112	470	35	505
Charge-offs	(544)	(17)	(374)	(935)	0	(935)
Collection of debts written off in previous years	469	0	242	711	0	711
Net charge-offs	(75)	(17)	(132)	(224)	0	(224)
Other	0	0	0	0	0	0
Balance of loan loss provision as at year end	4,336	419	734	5,489	55	5,544
Of which: in respect of off-balance-sheet credit instruments	556	1	21	578	-	578

	31 December 2021					
	Loan loss provision					Total
	Loans to the public				Banks and governments	
	Commercial (NIS millions)	Residential	Other private	Total		
Balance of loan loss provision as at the beginning of the year	3,828	634	796	5,258	3	5,261
Loan loss income	(633)	(141)	(45)	(819)	-	(819)
Charge-offs	(353)	(4)	(279)	(636)	-	(636)
Collection of debts written off in previous years	537	-	260	797	-	797
Net charge-offs	184	(4)	(19)	161	-	161
Balance of loan loss provision as at year end	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					
	Loan loss provision					Total
	Loans to the public				Banks and governments	
	Commercial (NIS millions)	Residential	Other private	Total		
Balance of loan loss provision as at the beginning of the year	2,304	466	661	3,431	2	3,433
Loan loss expenses	1,824	174	271	2,269	1	2,270
Charge-offs	(675)	(6)	(382)	(1,063)	-	(1,063)
Collection of debts written off in previous years	375	-	246	621	-	621
Net charge-offs	(300)	(6)	(136)	(442)	-	(442)
Balance of loan loss provision as at year end	3,828	634	796	5,258	3	5,261
Of which: in respect of off-balance-sheet credit instruments	396	-	20	416	-	416

(a) Cumulative effect in respect of first-time application of US GAAP's ASU 2016-13, "Financial Instruments - Credit Losses".
please see Note 1.B.2 to the consolidated annual financial report.

Note 14 - Credit to Governments - Bank

	31 December 2022	31 December 2021
	NIS millions	
Credit to the Government	317	205
Credit to foreign Governments	792	735
Total credit to Governments	1,109	940

See the annual financial report for the consolidated note

Note 15 - Investments in Subsidiaries and Affiliated Companies -Bank

Reported Amounts

	31 December 2022			31 December 2021		
	Companies included on equity basis	(a) Subsidiaries	Total	Companies included on equity basis	Subsidiaries	Total
	NIS millions			NIS millions		
A. Investments in shares stated on equity basis (including other assets and goodwill)	3,670	9,611	13,281	35	11,174	11,209
Other investments:						
Convertible securities	-	453	453	-	449	449
Shareholders' loans	-	-	-	-	-	-
Total other investments	-	453	453	-	449	449
Total investments	3,670	10,064	13,734	35	11,623	11,658
Including - Post-acquisition profits	149	6,860	7,009	7	6,708	6,715
Post-acquisition changes in shareholders' equity:						
Adjustments in respect of presentation						
of securities available for sale at fair value, net	-	(104)	(104)	-	(13)	(13)
Adjustments in respect of companies included on equity basis, net	242	13	255	-	(508)	(508)
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		
	2022	2021	2020
	NIS millions		
Group's equity in operating profits of companies included on equity basis (Bank - affiliated companies)	1,053	991	166
Provision for deferred taxes	(101)	-	-
Group's equity in operating profits of companies included on equity basis (Bank-affiliated companies) net of tax effect	952	991	166

(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 2021	2,529	3,187	4,139	9,855
Additions	49	134	574	757
Disposals	(93)	(74)	(506)	(673)
As at 31 December 2022	2,485	3,247	4,207	9,939
Accumulated depreciation and losses from impairment				
As at 31 December 2021	1,321	2,452	3,510	7,283
Current year provision	50	88	433	571
Disposals	(66)	(69)	(482)	(617)
As at 31 December 2022	1,305	2,471	3,461	7,237
Balance after depreciation as at 31 December 2022	1,180	776	746	2,702
Balance after depreciation as at 31 December 2021	1,208	735	629	2,572

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

Note 18 - Other Assets - Bank

	31 December 2022	31 December 2021
	NIS millions	
Deferred tax asset, net	5,040	5,668
Excess of plan funds over liabilities in respect on employee benefits	84	190
Assets transferred to ownership of the Group as a result of settlement of problem loans	8	9
Excess of advance tax payments over current provisions	3	7
Expenses to be amortized on issuance of debentures, bonds and subordinated notes	94	60
Accrued income	152	183
Prepaid expenses	162	161
Assets in respect of activity in Maof clearing house (a)	10	18
Other receivables and prepayments	57	36
Right of use assets in respect of an operating lease	553	483
Total other assets	6,163	6,815

(a) Shown at fair value.

Note 19 - Deposits of the Public - Bank

Types of deposits by location raised and type of depositor

	31 December 2022	31 December 2021
	NIS millions	
In Israel		
On demand		
Non-interest bearing	134,511	161,328
Interest bearing	185,207	211,300
Total on demand	319,718	372,628
Fixed term	238,219	140,846
Total deposits in Israel *	557,937	513,474
*of which: non-interest bearing deposits	134,511	161,328
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	557,937	513,474
*of which:		
Deposits of private persons	158,006	146,235
Deposits of institutional entities	130,685	127,883
Deposits of corporations and others	269,246	239,356

Note 20 - Deposits from Banks - Bank

	31 December 2022	31 December 2021
	NIS millions	
In Israel		
Commercial banks:		
Demand deposits	4,314	7,273
Time deposits	1,512	477
Acceptances	675	531
Central banks:		
Demand deposits	-	216
Time deposits	16,912	16,902
Total deposits from banks	23,413	25,399

Note 21 - Debentures, Bonds and Subordinated Notes - Bank

Bank				
	Average maturity (a)	Internal yield rate (b)	31 December	
	Years	%	2022	2021
NIS millions				
Debentures and bonds (c):				
In Israeli currency Unlinked	1.56	2.88	7,153	2,877
In Israeli currency linked to the CPI	3.24	0.41	10,978	6,528
In U.S. Dollar	4.12	5.06	1,654	-
of which: held for trading	0.0	0.0	19,251	8,834
Subordinated notes (c):				
In Israeli currency Unlinked	-	-	-	-
In Israeli currency linked to the CPI	2.75(d)	1.89	5,277	3,659
In U.S. Dollar	2.93(d)	3.25	2,743	2,364
Total debentures, bonds and subordinated notes			27,805	15,428
Of which subordinated bonds included in Tier 2 capital^(e)			7,547	6,072

(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 3.2 years, in those linked to the CPI it is 2.6 years.

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

Note 22 - Other Liabilities- Bank

	31 December 2022	31 December 2021
	NIS millions	
Deferred tax liability, net	84	84
Excess of current provisions for taxes over advance payments	1,063	1,071
Excess of provisions for severance pay and pensions over amounts funded	8,398	11,468
Provision for vacation	196	223
Deferred income	404	358
Other provisions in respect of employee rights	327	395
Allowance for credit losses in respect of off-balance sheet items	578	465
Accrued expenses in respect of salaries and related expenses	876	678
Accumulated Jubilee vacation	19	30
Liabilities in respect of activity in Maof Clearing House (a)	10	18
Payables in respect of credit cards	1,176	987
Accrued expenses	215	176
Market value of securities sold short	132	441
Other payables and credit balances	570	406
Liabilities in respect of leases	551	481
Total other liabilities	14,599	17,281

(a) Shown at fair value.

Note 25 - Contingent Liabilities and Special Commitments-Bank

31 December				
2022		2021		
	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	1,151	1	1,450	3
Credit guarantees	8,811	83	6,425	83
Guarantees to apartment purchasers	35,572	15	28,061	29
Other guarantees and liabilities	26,336	95	19,088	148
Unutilized credit card facilities	8,395	18	8,001	7
Other unutilized revolving credit facilities and credit facilities in accounts on deposit	14,110	43	13,665	27
Irrevocable commitments to provide credit which has been approved and not yet granted	48,296	281	39,514	148
Commitments to issue guarantees	22,039	43	18,579	20
Unutilized facilities for activity in derivative instruments	3,085	-	2,912	-
Approval in principle for a guaranteed rate of interest	4,500	-	8,397	-
Total	172,295	579	146,092	465

B. Off-balance sheet commitments for transactions based on extent of collections (a)	31 December 2022	31 December 2021
Balance of credit from deposits on collection basis (b)		
Israeli currency unlinked	170	145
Israeli currency linked to the CPI	1,014	1,037
Foreign currency	-	-
Total	1,184	1,182

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 2022	Total 2021
(NIS millions)								
1. CPI linked sector (c)								
Cash flows of futures contracts	3	5	3	4	3	1	19	22
Expected future cash flows after management estimate of early repayments	3	5	3	4	3	-	18	20
Discounted expected future cash flows after management estimate of early repayments (d)	3	4	3	3	2	-	15	18
2. Unlinked shekel sector								
Cash flows of futures contracts	-	-	-	-	-	-	-	-
Expected future cash flows after management estimate of early repayments	-	-	-	-	-	-	-	-
Discounted expected future cash flows after management estimate of early repayments (d)	-	-	-	-	-	-	-	-

(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 256 million, (2021-NIS 209 million), were not included in this table.

(c) Including foreign currency sector.

(d) The discounting was made at the rate of 2.72% (2021 – 1.78%).

See the annual financial report for the consolidated note.

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

	2022	2021
	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	102	101
Standing loans	39	49
C. Other contingent liabilities and special commitments:		
(1) Commitments to purchase securities	-	-
(2) Commitments to invest in and acquire buildings and equipment	44	23

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:

	2022	2021	2020
	(NIS millions)		
Securities received in securities borrowing transactions against cash	3,034	2,447	3,019

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

	2022	2021	2020
	(NIS millions)		
Securities loaned in securities lending transactions against cash	3,952	2,046	354

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

A. Volume of consolidated activity

31 December 2022

	Not for-trading derivatives	Held-for-trading derivatives	Total
NIS millions			
(1) Nominal amount of derivatives			
a) Interest rate contracts			
Futures and forwards	7,227	45,758	52,985
Written options	1,218	341	1,559
Call options	-	-	-
Swaps (a)	48,246	339,761	388,007
Total (b)	56,691	385,860	442,551
Of which: Hedging derivatives (c)	7,681	-	7,681
b) Foreign currency contracts			
Futures and forwards (d)	65,645	246,463	312,108
Written options	983	15,908	16,891
Call options	983	16,256	17,239
Swaps (a)	1,935	21,123	23,058
Total	69,546	299,750	369,296
Of which: Hedging derivatives (c)	-	-	-
c) Stock contracts			
Futures and forwards	694	169,363	170,057
Written options	629	66,708	67,337
Call options (e)	484	66,569	67,053
Swaps	244	116,267	116,511
Total	2,051	418,907	420,958
d) Commodities and other contracts			
Futures and forwards	-	10,151	10,151
Written options	-	175	175
Call options	-	173	173
Swaps	-	3,939	3,939
Total	-	14,438	14,438
e) Credit contracts			
Guaranteed by the Bank	-	-	-
Where the Bank is a beneficiary	-	-	-
Total	-	-	-
Total nominal amount	128,288	1,118,955	1,247,243

(a) Of which: Swaps for which the banking corporation pays a fixed interest of NIS 186,539 million.

(b) Of which: NIS-CPI swaps totaling NIS 15,137 million.

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

(d) Of which: Foreign exchange spots totaling NIS 10,150 million.

(e) Of which a total of NIS 66,368 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 2022						
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	1,159	8,292	9,451	870	8,357	9,227
Of which: Hedging derivatives	878	-	878	85	-	85
b) Foreign currency contracts	259	7,214	7,473	47	4,809	4,856
c) Stock contracts	25	9,470	9,495	48	8,946	8,994
d) Commodities and other contracts	-	242	242	-	241	241
Total assets/liabilities in respect of derivatives, gross (a)	1,443	25,218	26,661	965	22,353	23,318
Carrying amount	1,443	25,218	26,661	965	22,353	23,318
Of which: Not subject to a master netting- or similar arrangement, net	-	1,553	1,553	-	472	472

(a) of which: the fair value of assets in respect of embedded derivatives in the amount of NIS 15 million, the gross fair value of liabilities in respect of embedded derivatives in the amount of NIS 15 million.

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

A. Volume of consolidated activity (cont.)

31 December 2021

NIS millions			
(1) 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 (b)	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
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
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 arranger	-	239	239	-	381	381

(a) of which: the 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.)

B. Accounting hedges

.1 The effect of hedge accounting of cash flows on accumulated other comprehensive income (loss)

	<u>For the year ended</u>	
	<u>31 December 2022</u>	
	Amounts recognized in other comprehensive income (loss) from derivatives	Profit (loss) reclassified from accumulated other comprehensive income (loss) to the income statement (a)
	NIS millions	
Derivatives used for cash flow hedges (b)		
Interest rate contracts	(14)	11

(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.

(b) Represents amounts included in the hedge effectiveness assessment.

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

	<u>For the year ended</u>
	<u>31 December 2022</u>
	NIS millions
Total interest income (expenses) recognized in the income statement (a)	(4)
Effect of fair value hedges:	
a. Profit (loss) from fair value hedges	
Interest rate contracts	
Hedged items	(800)
Hedging derivatives	807
b. Gain (loss) on cash flow hedges	
Interest rate contracts	
Profit and loss reclassified to Accumulated other comprehensive income (loss)	(11)

3. Items hedged at Fair value hedges

	<u>For the year ended</u>		
	<u>31 December 2022</u>		
	Fair value adjustments which increased (decreased) the book value		
	Book value of hedged item	Existing hedge relationships	Discontinued hedge relationships
	NIS millions		
Securities - debt instruments classified as available-for-sale securities	4,931	(887)	1
Subordinated notes	(1,720)	69	-

4. 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 2022</u>	
	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	(306)	-

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

	<u>For the year ended</u>
	<u>31 December 2022</u>
	Profit (loss) recognized in income (expenses) from derivatives activity
	NIS millions
Derivatives not designated as hedging instruments	
Interest rate contracts	(263)
Foreign exchange contracts	7,883
Stock contracts	76
Commodity and other contracts	2
Total	7,698

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

B. Accounting hedges

.1 The effect of hedge accounting of cash flows on accumulated other comprehensive income (loss)

	For the year ended	
	31 December 2021	
	Amounts recognized in other comprehensive income (loss) from derivatives	Profit (loss) reclassified from accumulated other comprehensive income (loss) to the income statement (a)
	NIS millions	
Derivatives used for cash flow hedges (b)		
Interest rate contracts	(1)	(1)

(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.

(b) Represents amounts included in the hedge effectiveness assessment.

	For the year ended
	31 December 2021
	NIS millions
2. Effect of hedge accounting of fair value on the profit (loss)	
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
b. Gain (loss) on cash flow hedges	
Interest rate contracts	
Profit and loss reclassified to Accumulated other comprehensive income (loss)	1

3. Items hedged at Fair value hedges

	For the year ended		
	31 December 2021		
	Book value of hedged item	Fair value adjustments which increased (decreased) the book value	Discontinued hedge relationships
	NIS millions		
Securities - debt instruments classified as available-for-sale securities	5,023	63	13
Subordinated notes	-	-	-

4. 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 2021	
	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	71	-

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

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

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

(c) Credit risk for derivatives by contract counterparty

31 December 2022 ^(g)							
	Stock exchanges	Banks	Dealers/ brokers	Governments and Central Banks	Financial entities	Others	Total
NIS millions							
Balance sheet balances of							
derived assets from derivative instruments (a) (b)	224	4,342	9,204	14	10,752	2,125	26,661
Gross amounts that not offset in the balance sheet:							
Mitigation of credit risk in respect of financial instruments	-	3,671	8,951	14	2,049	861	15,546
Mitigation of credit risk in respect of cash collateral received	-	626	237	-	8,010	159	9,032
Net amount of assets in respect of derivative instruments	224	45	16	-	693	1,105	2,083
Off-balance sheet credit risk in respect of derivative (d)	1	(9)	26	-	(117)	136	37
Mitigation of off-balance sheet credit risk	225	36	42	-	576	1,241	2,120
Net off-balance sheet credit risk in respect of derivative instruments.	912	11,903	15,089	44	5,733	3,073	36,754
Total credit risk in respect of derivative instruments	1,137	11,939	15,131	44	6,309	4,314	38,874
Book balance of liabilities in respect of derivative instruments (c)	170	7,198	11,709	120	2,487	1,634	23,318
Gross amounts that not offset in the balance sheet:							
Financial instruments	-	3,670	8,951	14	2,049	862	15,546
Cash collateral pledged	-	3,352	2,611	88	284	-	6,335
Net amount of liabilities in respect of derivative instruments	170	176	147	18	154	772	1,437

(a) The Bank did not apply netting agreements.

(b) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 26,661 million.

(c) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 23,318 million.

(d) Book balance of assets for derivatives after offsetting fair value and collateral amounts that meet the offsetting guidance, in accordance with the circular regarding offsetting assets and liabilities.

(e) The difference, if negative, between all total amounts for derivatives (including derivatives with negative fair value) included in the borrower's indebtedness, as calculated for the purpose of borrower indebtedness limitations, after credit risk mitigation, and the net book balance of assets for the derivatives.

(f) The difference, if positive, between all total amounts for derivatives (including derivatives with negative fair value) included in the borrower's indebtedness, as calculated for the purpose of borrower indebtedness limitations, before credit risk mitigation, and the book balance of assets for the borrower's derivatives.

(g) On-balance-sheet credit risk and off-balance-sheet credit risk, as revised in the Reporting to the Public Directives, in a circular dated July 24, 2022, following the publication of Directive 203A (for additional details, see under Capital and Capital Adequacy); comparative results were not restated.

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

31 December 2022					
	Up to three months	Three months to one year	One year to five years	After five years	Total
NIS millions					
Interest contracts:					
Shekel - index	1,789	4,500	6,027	2,821	15,137
Other	66,276	126,149	161,683	73,306	427,414
Foreign currency contracts	231,289	104,845	25,561	7,601	369,296
Contracts in respect of shares	247,720	167,825	5,413	-	420,958
Contracts in respect of commodities and others	600	11,852	1,986	-	14,438
Total	547,674	415,171	200,670	83,728	1,247,243

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

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

31 December 2021							
	Stock exchanges	Banks	Dealers/ brokers	Governments and Central Banks	Financial entities	Others	Total
NIS millions							
Balance sheet balances of derived assets from derivative instruments (a) (b)	315	6,103	4,181	220	1,992	1,140	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	1,467	465	7,311
Mitigation of credit risk in respect of cash collateral received	-	3,410	1,139	216	178	4	4,947
Net amount of assets in respect of derivatives instruments	315	132	226	2	347	671	1,693
Off-balance sheet credit risk in respect of derivatives	563	8,091	6,824	105	9,831	1,591	27,005
Mitigation of off-balance sheet credit risk	-	1,835	2,307	-	5,600	568	10,310
Net off-balance sheet credit risk in respect of derivative instruments.	563	6,256	4,517	105	4,231	1,023	16,695
Total credit risk in respect of derivative instruments	878	6,388	4,743	107	4,578	1,694	18,388
Book balance of liabilities in respect of derivative instruments (c)	222	3,030	3,575	2	7,140	1,496	15,465
Gross amounts that not offset in the balance sheet:							
Financial instruments	-	2,561	2,816	2	1,467	465	7,311
Cash collateral pledged	-	415	755	-	4,786	76	6,032
Net amount of liabilities in respect of derivatives instruments	222	54	4	-	887	955	2,122

(a) The Bank did not apply netting agreements.

(b) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 13,946 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 for derivatives (including derivatives with negative fair value) before credit risk mitigation, as calculated for the purpose of limitations on borrower indebtedness.

(e) On-balance-sheet credit risk and off-balance-sheet credit risk, as revised in the Reporting to the Public Directives, in a circular dated July 24, 2022, following the publication of Directive 203A (for additional details, see under Capital and Capital Adequacy); comparative results were not restated.

(f) Restated.

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

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 29 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision

B. Debts* and off-balance sheet credit instruments

1. Change in Outstanding Loan Loss Provision

	31 December 2022					
	Credit loss allowance					
	Credit to the public				Banks and governments	Total
	Commercial	Residential	Other private	Total		
	(NIS millions)					
Balance of loan loss provision as at the beginning of the year	3,379	489	732	4,600	3	4,603
Adjustment to the opening balance due to the effect of first-time application (a)	786	(165)	22	643	17	660
Loan loss expenses	246	112	112	470	35	505
Charge-offs	(544)	(17)	(374)	(935)	-	(935)
Collection of debts written off in previous years	469	-	242	711	-	711
Net charge-offs	(75)	(17)	(132)	(224)	-	(224)
Other	-	-	-	-	-	-
Balance of loan loss provision as at year end	4,336	419	734	5,489	55	5,544
Of which: in respect of off-balance-sheet credit instruments	556	1	21	578	-	578

	31 December 2021					
	Credit loss allowance					
	Credit to the public				Banks and governments	Total
	Commercial	Residential	Other private	Total		
	(NIS millions)					
Balance of loan loss provision as at the beginning of the year	3,828	634	796	5,258	3	5,261
Loan loss income	(633)	(141)	(45)	(819)	-	(819)
Charge-offs	(353)	(4)	(279)	(636)	-	(636)
Collection of debts written off in previous years	537	-	260	797	-	797
Net charge-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 loan loss provision as at the beginning of the year	2,304	466	661	3,431	2	3,433
Loan loss expenses	1,824	174	271	2,269	1	2,270
Charge-offs	(675)	(6)	(382)	(1,063)	-	(1,063)
Collection of debts written off in previous years	375	-	246	621	-	621
Net charge-offs	(300)	(6)	(136)	(442)	-	(442)
Balance of loan loss provision as at year end	3,828	634	796	5,258	3	5,261
Of which: in respect of off-balance-sheet credit instruments	396	-	20	416	-	416

(a) Cumulative effect in respect of first-time application of US GAAP's ASU 2016-13, "Financial Instruments - Credit Losses".
please see Note 1.B.2 to the consolidated annual financial report.

A. Debts, (a) held-to-maturity bonds and available-for-sale bonds, loans to the public and balance of loan loss provision
A. Additional information on calculating the loan loss provision for debts,(a) held-to-maturity bonds and available-for-sale bonds

31 December 2022						
Credit to the public						
	Commercial	Residential	Other private	Total	Banks, governments and bonds held-to-maturity and available-for-sale	Total
	(NIS millions)					
Recorded debt balance:						
Examined on an individual basis	218,745	-	460	219,205	91,987	311,192
Examined on a collective basis	19,611	119,709	29,923	169,243	-	169,243
Total debts	238,356	119,709	30,383	388,448	91,987	480,435
Credit loss allowance by debts:						
Examined on an individual basis	3,236	-	164	3,400	55	3,455
Examined on a collective basis	544	418	549	1,511	-	1,511
Total Credit loss allowance	3,780	418	713	4,911	55	4,966
Of which: Non-performing debts	235	77	115	427	-	427
Of which: Other troubled debts	633	9	243	885	-	885

31 December 2021 (b)						
Credit to the public						
	Commercial	Residential	Other private	Total	Banks, governments and bonds	Total
	(NIS millions)					
Recorded debt balance:						
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
Total debts	191,235	103,610	27,666	322,511	17,189	339,700
Credit loss allowance by debts:						
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	-	-	-	-	-	-
Total Credit loss allowance	2,930	489	716	4,135	3	4,138
Of which: Non-performing debts	548	5	155	708	- (c)	708
Of which: Other troubled debts	409	122	200	731	-	731

(a) Loans to the public, loans to governments, deposits with banks (excluding deposits with the Bank of Israel) and other debts, excluding securities borrowed or purchased under reverse repurchase agreements.

(b) Comparative figures are presented according to the new disclosure format.

For more information about the application of the accounting policy on identification and classification of performing and non-performing debts (in lieu of impaired debts), please see Note 1 to the consolidated annual financial report.

(c) Balances of less than NIS 1 million.

B. Loans to the public
1. Credit quality and delinquency

31 December 2022						
(NIS millions)						
Activity of borrowers in Israel	Non-problem debts	Problem debts ^a			Unimpaired debts - additional information	
		Not impaired	Impaired	Total	In arrears of 90 days or more ^b	In arrears of 30 to 89 days ^c
Public - commercial						
Construction & real estate - construction	52,715	849	126	53,690	6	66
Construction & real estate - real estate activities	39,124	74	51	39,249	1	52
Financial services	29,132	17	53	29,202	1	30
Commercial - other	91,310	1,500	640	93,450	23	108
Total commercial	212,281	2,440	870	215,591	31	256
Private individuals - housing loans	119,063	67	559	119,689	-	412
Private individuals - other	29,631	517	222	30,370	44	142
Total loans to the public - activity in Israel	360,975	3,024	1,651	365,650	75	810
Borrower activity outside Israel						
Public - commercial						
Construction & real estate	3,584	-	59	3,643	-	2
Commercial - other	18,096	846	180	19,122	-	5
Total commercial	21,680	846	239	22,765	-	7
Private individuals	33	-	-	33	-	-
Total loans to the public - foreign operations	21,713	846	239	22,798	-	6
Total loans to the public	382,688	3,870	1,890	388,448	75	816

31 December 2021 (d)						
(NIS millions)						
Activity of borrowers in Israel	Non-problem debts	Problem debts ^a			Unimpaired debts - additional information	
		Not impaired	Impaired	Total	In arrears of 90 days or more ^b	In arrears of 30 to 89 days ^c
Public - commercial						
Construction & real estate - construction	40,667	100	62	40,829	6	58
Construction & real estate - real estate activities	34,616	96	138	34,850	36	35
Financial services	23,502	17	3	23,522	2	16
Commercial - other	77,831	1,384	935	80,150	36	100
Total commercial	176,616	1,597	1,138	179,351	80	209
Private individuals - housing loans	102,969	609	20	103,598	609	555
Private individuals - other	27,022	433	204	27,659	48	137
Total loans to the public - activity in Israel	306,607	2,639	1,362	310,608	737	901
Borrower activity outside Israel						
Public - commercial						
Construction & real estate	2,744	172	210	3,126	-	-
Commercial - other	7,872	270	616	8,758	-	6
Total commercial	10,616	442	826	11,884	-	6
Private individuals	19	-	-	19	-	-
Total loans to the public - foreign operations	10,635	442	826	11,903	-	6
Total loans to the public	317,242	3,081	2,188	322,511	737	907

(a) Non-performing loans to the public, substandard or special mention.

(b) Classified as troubled, performing debts.

(c) Performing. Debts in arrears of 30 and up to 89 days, totaling NIS 147 million, were classified as troubled debt.

(d) Comparative results are presented in accordance with the new disclosure format;
for more information about the application of the accounting policy on identification
and classification of performing and non-performing debts (in lieu of impaired debts), see Note 1 to the consolidated annual financial report.

B. Loans to the public ^a (cont'd)

2. Additional information on non-performing debts ^a

	31 December 2022					
			(NIS millions)			
A. Impaired debts and individual allowance	Outstand-ing (b) non-perform-ing debts for which there is a provision	Outstand-ing provision	Outstand-ing (b) non-perform-ing debts for which there is no provision	Total outstand-ing balance (b) of non-perform-ing debts	Outstanding contractual principal in respect of non-performing debts	Recorded interest income (C)
<u>Borrower activity in Israel</u>						
Public - commercial						
Construction and real estate	136	47	41	177	571	2
Commercial - Other	481	155	212	693	2,367	3
Commercial - total	617	202	253	870	2,938	5
Private individuals - housing loans (d)	559	77	-	559	579	-
Private individuals - other	222	115	-	222	474	1
Total loans to the public - activity in Israel	1,398	394	253	1,651	3,991	6
<u>Borrower activity outside Israel</u>						
Total public - foreign activity	186	33	53	239	460	-
Total - public	1,584	427	306	1,890	4,451	6
Of which:						
Measured according to the present value of cash flows	978	350	258	1,236	3,606	
Measured according to fair value of collateral	46	1	48	94	266	
Measured on a collective basis	559	77	-	559	579	

(a) Loans to the public, loans to governments, deposits with banks (excluding deposits with the Bank of Israel) and other debts, excluding bonds and securities borrowed or purchased under reverse repurchase agreements.

(b) Recorded outstanding debt.

(c) Interest income amount recorded for the reporting period in respect of the average balance of outstanding non-performing debts during the period in which the debts were classified as non-performing.

(d) As from January 1, 2022, the Bank applies a new accounting policy regarding identification and classification of performing debts and non-performing debts (in lieu of impaired debts), see Note 1.h to the consolidated annual financial report., according to which, inter alia, housing loans in arrears of more than 90 days will be classified as non-performing debts in lieu of performing debts in accordance with the former directive.

Were the non-performing debts to accrue interest according to the original terms and conditions, interest income in the amount of NIS 467 million would be recorded.

Additional information: the total recorded average debt balance of non-performing debts in the year ended December 31, 2022 is NIS 2,572 million.

B. Loans to the public ^a (cont'd)

2. Additional information on non-performing debts ^a (cont'd)

2. Additional information on non-performing debts (cont'd)						
31 December 2021 (d)						
(NIS millions)						
A. Impaired debts and individual allowance	Outstand-ing (b) non-perform-ing debts for which there is a provision	Outstand-ing provision	Outstand-ing (b) non-perform-ing debts for which there is no provision	Total outstand-ing balance (b) of non-perform-ing debts	Outstanding contractual principal in respect of non-performing debts	Recorded interest income (C)
Borrower activity in Israel						
Public - commercial						
Construction and real estate	131	35	72	203	647	2
Commercial - Other	735	289	203	938	2,871	1
Commercial - total	866	324	275	1,141	3,518	3
Private individuals - housing loans	20	5	-	20	20	-
Private individuals - other	202	155	2	204	455	-
Total loans to the public - activity in Israel	1,088	484	277	1,365	3,993	3
Borrower activity outside Israel						
Total public - foreign activity	826	224	-	826	915	1
Total - public	1,914	708	277	2,191	4,908	4
Of which:						
Measured according to the present value of cash flows	1,716	619	239	1,955	4,246	
Measured according to fair value of collateral	178	83	38	216	642	
Measured on a collective basis	20	(5)	-	20	20	

(a) Loans to the public, loans to governments, deposits with banks (excluding deposits with the Bank of Israel) and other debts, excluding bonds and securities borrowed or purchased under reverse repurchase agreements.

(b) Recorded outstanding debt.

(c) Interest income amount recorded for the reporting period in respect of the average balance of outstanding non-performing debts during the period in which the debts were classified as non-performing.

(d) Comparative results are presented in accordance with the new disclosure format; for more information about the application of the accounting policy on identification and classification of performing and non-performing debts (in lieu of impaired debts), see Note 1 to the consolidated annual financial report.

Were the non-performing debts to accrue interest according to the original terms and conditions, interest income in the amount of NIS 431 million would be recorded.

Additional information: the total recorded average debt balance of non-performing debts in the year ended December 31, 2021 is NIS 2,528 million.

B. Loans to the public ^a (cont'd)

2. Additional information on restructured troubled debt

31 December 2022					
(NIS millions)					
C. Impaired debts under restructuring					
<u>Borrower activity in Israel</u>	<u>Non-performing</u>	<u>Performing (a)</u>	<u>Performing (a)</u>	<u>Accrual (a)</u>	
<u>Public - commercial</u>	<u>interest income</u>	<u>in arrears of 90</u>	<u>in arrears of 30</u>	<u>non-delinquent</u>	<u>Total</u>
		<u>days or more</u>	<u>days to 89 days</u>		
Construction and real estate	51	-	1	55	107
Commercial - Other	401	1	4	302	708
Commercial - total	452	1	5	357	815
Private individuals - housing loans	88	-	1	66	155
Private individuals - other	196	-	3	203	402
Total loans to the public - activity in Israel	736	1	9	626	1,372
<u>Borrower activity outside Israel</u>					
Total public - foreign activity	165	1	-	387	553
Total - public	901	2	9	1,013	1,925
31 December 2021					
(NIS millions)					
<u>Borrower activity in Israel</u>	<u>Non-performing</u>	<u>Performing (a)</u>	<u>Performing (a)</u>	<u>Accrual (a)</u>	
<u>Public - commercial</u>	<u>interest income</u>	<u>in arrears of 90</u>	<u>in arrears of 30</u>	<u>non-delinquent</u>	<u>Total</u>
		<u>days or more</u>	<u>days to 89 days</u>		
Construction and real estate	125	-	2	25	152
Commercial - Other	722	-	6	157	885
Commercial - total	847	-	8	182	1,037
Private individuals - housing loans	-	-	-	-	-
Private individuals - other	185	-	5	161	351
Total loans to the public - activity in Israel	1,032	-	13	343	1,388
<u>Borrower activity outside Israel</u>					
Total public - foreign activity	683	-	-	-	683
Total - public	1,715	-	13	343	2,071

(a) Performing debt.

Comment: As of December 31, 2022, troubled debt which underwent restructuring in the amount of NIS 1,025 million was classified as troubled debt (as of December 31, 2021 - NIS 2,071 million).

B. Loans to the public ^a (cont'd)

2. Additional information on restructured troubled debt (cont'd)

1. Debt restructurings for the year ended

	2022		
	No. of contracts (NIS millions)	Recorded outstanding debt before restructuring	Recorded outstanding debt after restructuring
<u>Borrower activity in Israel</u>			
<u>Public - commercial</u>			
Construction and real estate	281	40	39
Commercial - Other	1,209	179	177
Commercial - total	1,490	219	216
Private individuals - housing loans	111	41	41
Private individuals - other	6,426	297	296
Total loans to the public - activity in Israel	8,027	557	553
Borrower activity outside Israel			
Total public - foreign activity	2	1	1
Total - public	8,029	558	554

B. Loans to the public ^a (cont'd)

2. Additional information on restructured troubled debt (cont'd)

1. Debt restructurings for the year ended (cont'd)

	2021			2020		
	No. of contracts (NIS millions)	Recorded outstanding debt before restructuring	Recorded outstanding debt after restructuring	No. of contracts (NIS millions)	Recorded outstanding debt before restructuring	Recorded outstanding debt after restructuring
Borrower activity in Israel						
Public - commercial						
Construction and real estate	221	61	59	452	232	231
Commercial - Other	1,105	548	545	24	852	847
Commercial - total	1,326	609	604	476	1,084	1,078
Private individuals - housing loans	-	-	-	-	-	-
Private individuals - other	4,779	243	240	6,092	217	214
Total loans to the public - activity in Israel	6,105	852	844	6,568	1,301	1,292
Borrower activity outside Israel						
Total public - foreign activity	1	10	10	1	10	10
Total - public	6,106	862	854	6,569	1,311	1,302

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

B. Loans to the public (cont'd)

3. Additional information on housing loans

Outstanding end of period loan-to-value (LTV) ^a type of repayment and interest

31 December 2022					
(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%	71,718	1,536	44,838	2,569
	Above 60%	47,987	744	29,908	2,568
Second or without charge		5	-	4	-
Total		119,710	2,280	74,750	5,137

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	40,462	1,816 (2)
	Above 60%	39,490	753	24,931	1,911 (2)
Second or without charge		6	0	5	-
Total		103,610	2,243	65,397	3,726

(a) The ratio between the approved credit facility on the date granted and the value of the asset, as approved by the Bank when granting the credit facility. The LTV ratio provides an additional indication of the Bank's risk assessment of a customer on granting a credit facility.

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 2022

Maximum credit		Number of borrowers (c)	Credit (a) (NIS millions)	Off-balance sheet credit risk (a) (b)
Credit per borrower	(NIS thousands)			
From	To			
0	10	540,557	921	2,041
10	20	221,572	1,244	2,107
20	40	200,032	2,778	3,181
40	80	177,173	6,270	3,858
80	150	125,173	11,077	2,701
150	300	102,352	18,962	2,500
300	600	69,827	28,039	2,301
600	1,200	68,572	54,911	4,178
1,200	2,000	26,094	35,157	3,803
2,000	4,000	9,251	21,673	3,143
4,000	8,000	2,720	12,290	2,779
8,000	20,000	2,144	21,495	5,423
20,000	40,000	930	19,722	6,202
40,000	200,000	1,006	60,690	26,608
200,000	400,000	166	29,378	17,663
400,000	800,000	71	22,275	14,709
800,000	1,200,000	22	9,205	12,578
1,200,000	1,600,000	12	8,122	8,270
1,600,000	2,000,000	4	3,482	3,405
2,000,000	2,400,000	2	3,954	316
2,400,000	2,800,000	2	2,085	3,203
2,800,000	3,200,000	1	1,701	1,300
3,200,000	6,781,818	5	8,775	16,011
Total		1,547,688	384,206	148,280

(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 2,085 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 2021

Maximum credit		Number of borrowers (c)	Credit (a)	Off-balance sheet credit risk (a) (b)
Credit per borrower (NIS thousands)		(NIS millions)		
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 30 - Assets and Liabilities Classified According to Linkage Basis - Bank

	31 December 2022						
	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	169,226	-	10,290	3,699	636	2,415	186,266
Securities	19,475	4,360	44,685	3,221	3,549	2,213	77,503
Securities borrowed or purchased under agreement to resell	524	-	2,509	1	-	-	3,034
Credit to the public, net (c)	294,679	54,120	17,278	4,938	7,484	5,038	383,537
Credit to governments	316	-	446	347	-	-	1,109
Investments in companies included on equity basis	226	-	-	-	228	13,280	13,734
Buildings and equipment	-	-	-	-	-	2,702	2,702
Assets in respect of derivative instruments	4,560	294	10,428	1,534	661	9,169	26,646
Other assets	5,328	-	20	3	-	812	6,163
Total assets	494,334	58,774	85,656	13,743	12,558	35,629	700,694
Liabilities							
Deposits of the public	394,406	9,809	130,868	10,813	4,589	7,452	557,937
Deposits from banks	19,777	-	1,958	467	1,189	22	23,413
Deposits from governments	130	-	109	8	-	-	247
Securities loaned or sold under agreement to repurchase	349	-	3,577	26	-	-	3,952
Debentures, bonds and subordinated notes	7,154	16,254	4,397	-	-	-	27,805
Liabilities in respect of derivative instruments	6,238	357	6,477	981	610	8,640	23,303
Other liabilities	4,795	9,154	145	90	3	412	14,599
Total Liabilities	432,849	35,574	147,531	12,385	6,391	16,526	651,256
Difference (d)	61,485	23,200	(61,875)	1,358	6,167	19,103	49,438
Effect of derivative instruments that are hedged:							
Derivative instruments (except options)	430	(430)	-	-	-	-	-
Option in the money, net (in terms of underlying asset)	-	-	-	-	-	-	-
Options out of the money, net (in terms of underlying asset)	-	-	-	-	-	-	-
Effect of derivative instruments that are not hedged:							
Derivative instruments (except options)	(40,747)	(1,604)	52,397	(2,328)	(8,063)	345	-
Option in the money, net (in terms of underlying asset)	(773)	-	588	174	11	-	-
Options out of the money, net (in terms of underlying asset)	(987)	-	852	136	(9)	8	-
Total	19,408	21,166	(8,038)	(660)	(1,894)	19,456	49,438
Effect of derivative instruments that are not hedged:							
Option in the money, net (discounted par value)	(956)	-	695	245	16	-	-
Options out of the money, net (discounted par value)	(3,500)	-	3,185	342	(73)	46	-

(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 4,911 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 2021							
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	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)	-	-	-	-	-	-	-
Option in the money, net (in terms of underlying asset)	-	-	-	-	-	-	-
Options out of the money, net (in terms of underlying asset)							
	-	-	-	-	-	-	-
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.

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

31 December 2022														
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 yeild rate (g)	
NIS millions														
Israeli currency (c)														
Assets	244,044	29,904	55,431	41,906	38,535	27,373	23,252	74,383	74,906	27,223	636,957	4,692	553,527	4.47%
Liabilities	303,874	53,297	56,888	22,139	9,175	3,507	6,114	10,827	7,943	6,474	480,238	1,609	468,787	3.59%
Difference	(59,830)	(23,393)	(1,457)	19,767	29,360	23,866	17,138	63,556	66,963	20,749	156,719	3,083	84,740	
Of which: credit to the public	73,393	28,570	50,263	38,324	31,257	24,319	20,489	67,209	69,894	24,101	427,819	2,820	348,800	
Of which: deposits of the public	297,746	50,758	39,393	9,658	2,127	858	1,102	3,483	779	-	405,904	-	404,260	
Derivative instruments (except options)	(18,508)	(12,342)	(8,245)	(2,046)	(866)	(356)	(455)	(56)	(278)	-	(43,152)	-	(41,744)	
Options (in terms of underlying asset)	(568)	(316)	(681)	(1)	11	-	-	-	-	-	(1,555)	-	(1,537)	
Difference After Effect of Derivatives instruments	(78,906)	(36,051)	(10,383)	17,720	28,505	23,510	16,683	63,500	66,685	20,749	112,012	3,083	41,459	
Foreign currency														
Assets	31,806	17,334	19,848	15,773	7,535	5,863	5,175	18,017	8,969	6,479	136,799	2,753	120,707	4.68%
Liabilities	104,177	24,180	39,342	2,088	943	3,405	2,263	1,060	84	(4)	177,538	37	174,583	3.41%
Difference	(72,371)	(6,846)	(19,494)	13,685	6,592	2,458	2,912	16,957	8,885	6,483	(40,739)	2,716	(53,876)	
Of which: credit to the public	9,788	3,138	5,739	4,929	3,012	819	480	579	237	38	28,759	2,526	29,699	
Of which: deposits of the public	96,452	17,875	31,949	606	74	152	36	44	-	-	147,188	-	146,225	
Of which difference in \$	(66,334)	(8,513)	(21,121)	9,553	4,180	1,965	1,765	15,060	7,764	6,262	(49,419)	1,962	(60,799)	
Derivative instruments (except options)	18,508	12,342	8,245	2,046	866	356	455	56	278	-	43,152	-	41,744	
Options (in terms of underlying asset)	568	316	681	1	(11)	-	-	-	-	-	1,555	-	1,537	
Difference After Effect of Derivatives instruments	(53,295)	5,812	(10,568)	15,732	7,447	2,814	3,367	17,013	9,163	6,483	3,968	2,716	(10,595)	
Total														
Assets	275,850	47,238	75,279	57,679	46,070	33,236	28,427	92,400	83,875	33,702	773,756	7,445	674,234	4.50%
Liabilities	408,051	77,477	96,230	24,227	10,118	6,912	8,377	11,887	8,027	6,470	657,776	1,646	643,370	3.57%
Difference (f)	(132,201)	(30,239)	(20,951)	33,452	35,952	26,324	20,050	80,513	75,848	27,232	115,980	5,799	30,864	
Of which: credit to the public	83,181	31,708	56,002	43,253	34,269	25,138	20,969	67,788	70,131	24,139	456,578	5,346	378,499	4.66%
Of which: deposits of the public	394,198	68,633	71,342	10,264	2,201	1,010	1,138	3,527	779	-	553,092	-	550,485	1.74%

(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 319 million (31 December 2021- NIS 359 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 6.4 billion (31 December 2021 - NIS 10.9 billion) special credit in the amount of NIS 0.6 billion is classified without repayment date (31 December 2021 - NIS 0.9 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.

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 2021														
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	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 (h)	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 Derivative 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)	(168)	308	-	45,704	-	45,695	
Options (in terms of underlying asset)	(53)	191	156	(24)	-	-	-	-	-	-	270	-	268	
Difference After Effect of Derivative 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%
Notes (a) - (g) are on the previous page														
(h) Reclassified														

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

31 December 2022					
	Book value	Fair value			
		level 1 (1)	level 2 (1)	level 3 (1)	Total
NIS millions					
Financial assets					
Cash and deposits with banks	186,266	170,760	9,197	5,570	185,527
Securities (2)	77,503	37,917	34,087	4,328	76,332
Securities borrowed or purchased under agreement to resell	3,034	3,034	-	-	3,034
Credit to the public, net	383,537	18,673	-	357,039	375,712
Credit to governments	1,109	-	18	1,009	1,027
assets in respect of derivative instruments	26,646	6,484	16,390	3,772	26,646
Other financial assets	228	17	-	210	227
Total financial assets	678,323	236,885	59,692	371,928	668,505
Financial liabilities					
Deposits of the public	557,937	32,142	278,401	236,464	547,007
Deposits from banks	23,413	948	4,321	17,429	22,698
Deposits from governments	247	-	207	34	241
Securities loaned or sold under agreement to repurchase	3,952	3,952	-	-	3,952
Debentures, bonds and subordinated notes	27,805	25,977	-	661	26,638
liabilities in respect of derivative instruments	23,303	5,955	17,197	151	23,303
Other financial liabilities	2,487	142	1,176	1,170	2,488
Total financial liabilities	639,144 (3)	69,116	301,302	255,909	626,327
Off balance financial instruments					
Deals in which the balance represents credit risk	371	-	-	371	371
Liabilities in respect of employee benefits, net	8,925	-	-	8,925	8,925
31 December 2021					
	Book value	Fair value			
		level 1 (1)	level 2 (1)	level 3 (1)	Total
NIS millions					
Financial assets					
Cash and deposits with banks	197,320	178,508 (4)	9,757	9,057 (4)	197,322
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)	241,200	49,325	320,293	610,818
Financial liabilities					
Deposits of the public	513,474	16,020	307,410 (4)	188,853 (4)	512,283
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	325,336	208,053	574,144
Off balance financial instruments					
Deals in which the balance represents credit risk	320	-	-	320	320
Liabilities in respect of employee benefits, net	12,104	-	-	12,104	12,104

(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 154,035 million and NIS 277,987 million (31 December 2021 – NIS 148,170 million and NIS 368,673 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 2022				
	Fair Value Measurements using			
	Prices quoted in an active market (level 1)	Other significant observable inputs (level 2)	Significant unobservable inputs (level 3)	Total Fair Value
	NIS millions			
Assets				
Available for sale bonds:				
Israeli government bonds	14,040	4,619	24	18,683
Foreign government bonds	12,484	4,511	-	16,995
Bonds of Israeli financial institutions	46	-	-	46
Bonds of financial institutions abroad	-	9,627	-	9,627
MBS/ABS	-	3,651	4,059	7,710
Others in Israel	380	174	-	554
Others abroad	-	4,918	-	4,918
Total available for sale bonds	26,950	27,500	4,083	58,533
Non-trading shares and mutual funds:				
Non-trading shares and mutual funds	1,979	-	-	1,979
Securities held for trading:				
Israeli government bonds	1,259	1	-	1,260
Foreign government bonds	-	-	-	-
Bonds of Israeli financial institutions	580	-	-	580
Bonds of financial institutions abroad	-	53	-	53
MBS/ABS	-	22	10	32
Others in Israel	233	-	-	233
Others abroad	-	69	2	71
Shares held for trading	1	-	-	1
Total securities held for trading	2,073	145	12	2,230
Assets in respect of derivative financial instruments:				
Shekel-index contracts	-	146	153	299
Interest contracts	175	8,900	77	9,152
Foreign currency contracts	-	5,545	1,823	7,368
Contracts in respect of shares	5,710	1,767	1,715	9,192
Commodities and other contracts	206	32	4	242
Maof market activity	393	-	-	393
Total assets in respect of derivative financial instruments	6,484	16,390	3,772	26,646
Others				
Credit and deposits in respect of lending of securities	14,876	-	-	14,876
Others	3,049	-	-	3,049
Total Assets	55,411	44,035	7,867	107,313
Liabilities:				
Shekel-index contracts	-	291	147	438
Interest contracts	117	8,673	-	8,790
Foreign currency contracts	-	4,749	4	4,753
Contracts in respect of shares	5,237	3,451	-	8,688
Commodities and other contracts	208	33	-	241
Maof market activity	393	-	-	393
Total liabilities in respect of derivative financial instruments	5,955	17,197	151	23,303
Others				
Deposites of the public	14,824	1	-	14,825
Others	4,093	-	-	4,093
Total Liabilities	24,872	17,198	151	42,221

See the annual financial report for the consolidated note.

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

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

	31 December 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
Corporate bonds in Israel	54	-	-	54
Corporate bonds 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	-	-	-	-
Corporate bonds in Israel	288	-	-	288
Corporate bonds 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:				
Liabilities in respect of derivative financial instruments:				
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				
Deposits of the public	8,173	6	-	8,179
Others	2,509	-	-	2,509
Total Liabilities	13,355	12,415	373	26,143

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 2022					
	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
	NIS Millions				
Collateral-dependent impaired credit	-	-	94	94	135
Total	-	-	94	94	135
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
	NIS Millions				
Collateral-dependent impaired credit	-	-	220	220	110
Total	-	-	220	220	110

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

31 December 2022									
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 2022	Unrealized profit/loss from instruments held 31 December 2022	
NIS Millions									
Assets:									
Bonds Available for sale:									
Israeli Government	31	-	(7)	-	-	-	24	(5)	
Financial institutes abroad	32	20	-	933	-	(984)	1	-	
MBS \ ABS	3,794	520	(196)	1,367	(19)	(487)	(920)	4,059	(229)
Others abroad	2	-	-	-	-	(4)	(2)	-	
Total bonds available for sale	3,859	540	(203)	2,300	(19)	(1,475)	(920)	4,082	(234)
Bonds for trade:									
MBS \ ABS	12	1	-	-	-	(4)	3	12	-
Others abroad	-	-	-	-	-	-	2	2	-
Total bonds available for trade	12	1	-	-	-	(4)	5	14	-
Assets in respect of derivative financial instruments:									
Shekel-index contracts	146	(12)	-	-	-	-	19	153	67
Interest contracts	124	230	-	-	-	(277)	-	77	(144)
Foreign currency contracts	728	(488)	-	1,583	-	-	-	1,823	1,623
Contracts in respect of shares	802	913	-	-	-	-	-	1,715	1,700
Commodities and other contracts	254	(250)	-	-	-	-	-	4	4
Total assets in respect of derivative financial instruments	2,054	393	-	1,583	-	(277)	19	3,772	3,250
Total assets	5,925	934	(203)	3,883	(19)	(1,756)	(896)	7,868	3,016
Liabilities:									
Liabilities in respect of derivative financial instruments:									
Shekel-index contracts	89	(86)	-	-	-	-	144	147	5
Foreign currency contracts	284	(280)	-	-	-	-	-	4	-
Total liabilities in respect of derivative financial instruments	373	(366)	-	-	-	-	144	151	5
Other	-	-	-	-	-	-	-	-	-
Total liabilities	373	(366)	-	-	-	-	144	151	5

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

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	Extinguishments	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)	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	-	-	-	-	(8)	(2)	12	-
Others abroad	2	-	-	-	-	-	(2)	-	-
Total bonds available for trade	24	-	-	-	-	(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

Statement of Cash Flows - Bank

For the year ended 31 December 2022

	2022	2021	2020
	(NIS millions)		
Cash flows generated by operating activity			
Net profit for the year	7,709	6,028	2,102
Adjustments:			
Group share in undistributed gains (losses) of companies included on equity basis (a)	(870)	(990)	48
Expenses deriving from share-based payment transactions	4	-	-
Depreciation of buildings and equipment (including impairment)	570	634	597
Expenses in respect of credit losses	505	(819)	2,270
Net gains on sale of securities available for sale	141	(230)	(362)
Realized and unrealized net gain from adjustment to fair value of securities held for trading	164	19	(58)
Loss (gain) on realization of investment in companies included on equity basis	(752)	-	2
Loss (gain) on realization of buildings and equipment - net	(52)	(119)	7
Provision for impairment in debentures available for sale	42	-	33
Net profit realized and unrealized from fair value adjustments of non-trading shares	(178)	(79)	(167)
Excess of interest received (receivable) for available-for-sale bonds and held-to-maturity bonds over interest accrued during the period	(195)	367	237
Accrual differences and rate in respect of bonds and subordinated bonds	1,003	(41)	(393)
Effect of exchange rate differentials on cash and cash equivalent balances	(765)	570	1,266
Deferred taxes, net	(259)	405	(700)
Severance pay and pension - increase in excess of provision over amount funded	33	327	(975)
Profit on sale of loan portfolios	(15)	-	-
Other, net	(11)	5	-
Net change in current assets:			
Assets in respect of derivative instruments	(12,700)	1,140	(4,189)
Held-for-trading securities	713	894	(463)
Other assets	(12)	164	(642)
Net change in current liabilities:			
Liabilities in respect of derivative instruments	8,712	(1,394)	5,568
Other liabilities	1,788	(3,143)	1,055
Net cash generated by operating activity	5,575	3,738	5,236

(a) Net of dividend received.

Statement of Cash Flows (cont'd)
For the year ended 31 December 2022

	2022	2021	2020
	(NIS millions)		
Cash flows generated by investment activity			
Net change in deposits with banks with original maturities of more than three months	123	(1,062)	(268)
Net change in loans to the public ^(a)	(66,609)	(45,087)	(16,376)
Net change in loans to governments	(171)	(308)	112
Change in securities borrowed or purchased under reverse repurchase agreements	(587)	572	(1,902)
Purchase of held-to-maturity bonds	(8,550)	(1,201)	(2,340)
Proceeds from redemption of held-to-maturity bonds	418	898	902
Acquisition of securities available for sale and non-trading shares	(113,235)	(101,796)	(129,536)
Proceeds from sale of securities available for sale and non-trading shares	95,800	83,879	97,147
Proceeds from redemption of securities available for sale and non-trading shares	19,240	23,665	30,442
Acquisition of shares in companies included on equity basis	(355)	(21)	(16)
Proceeds from realization of investment in companies included on equity basis	-	1	9
Net decrease (indecrease) in capital notes of investee companies	306	-	973
Acquisition of buildings and equipment	(753)	(517)	(554)
Proceeds from realization of buildings and equipment	109	179	6
Proceeds from sale of loan portfolios	443	217	-
Central severance pay fund	91	(74)	135
Net cash for investment activity	(73,730)	(40,655)	(21,266)

(a) Including current activities from invoice factoring. Please see Note 30.F to the consolidated annual financial report.

Statement of Cash Flows (cont'd)

For the year ended 31 December 2022

	2022	2021	2020
	(NIS millions)		
Cash flows generated by financing activity			
Net change in deposits from banks with original maturities of more than three months	(1,986)	10,322	8,962
Net change in deposits by the public	44,157	87,884	70,605
Net change in deposits by the government	(52)	106	9
Net change in securities loaned or sold under repurchase agreements	1,906	1,692	231
Proceeds from issue of bonds and subordinated bonds	11,435	2,262	4,986
Redemption of debentures and subordinated notes	(61)	(3,096)	(8,248)
Issuance of shares	2,736	-	-
Share buyback	-	-	(250)
Dividend paid to shareholders	(1,665)	(1,997)	(297)
Net, cash flows generated by financing activity	56,470	97,173	75,998
Increase (decrease) in cash and cash equivalents	(11,685)	60,256	59,968
Balance of cash and cash equivalents at beginning of year	191,253	131,567	72,865
Effect of movements in exchange rates on cash balances and cash equivalents	765	(570)	(1,266)
Balance of cash and cash equivalents at end of year	180,333	191,253	131,567
	2022	2021	2020
	(NIS millions)		
Interest received	15,106	9,667	9,512
Interest paid	(3,437)	(1,371)	(2,356)
Dividend received	95	11	222
Income tax paid	(2,297)	(2,807)	(1,633)
Income tax received	193	74	221

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

2022

On September 23, 2021, Bank Leumi Corporation (hereinafter - "BLC"), a US-based corporation (85 percent of which is held by the Bank), which wholly owns BLUSA, entered into a merger agreement with On April 1, 2022, the merger was completed and, part of the consideration - NIS 3,047 million in Valley shares - was received.

2021

On March 1, 2021, a NIS 750 million balance was reclassified from the available-for-sale bonds portfolio to the held-to-maturity bonds portfolio.