



Bank Leumi le-Israel L.T.D.

**Additional Information to the
Annual Consolidated Reports**

2023

18.03.2024

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Note 2 - Interest Income and Expenses

	Bank		
	2023	2022	2021
	(NIS millions)		
A. Interest Income (a)			
Credit to the public	24,519	14,828	9,560
Credit to governments	54	46	26
Deposits with banks	574	233	71
Deposits with Bank of Israel and cash	3,477	1,693	119
Interest income from securities borrowed or purchased under agreements to resell	127	33	6
Bonds (b)	4,507	1,456	800
Total Interest Income	33,258	18,289	10,582
B. Interest Expenses			
Deposits of the public	(15,706)	(4,391)	(812)
Deposits from governments	(2)	(2)	(2)
Deposits from Bank of Israel and cash	(12)	(11)	(10)
Deposits from banks	(136)	(53)	(4)
Debentures, bonds and subordinated notes	(1,231)	(1,073)	(461)
Interest expense from securities loaned or sold under agreements to repurchase	(630)	(61)	(1)
Total Interest Expenses	(17,717)	(5,591)	(1,290)
Total included in interest income	15,541	12,698	9,292
C. Details of the net effect of hedging derivative financial instruments on interest income and expenses (c)			
Interest income	188	(2)	(60)
Interest expenses	(17)	(2)	-
D. Details of interest income on accrual basis from bonds			
Held to maturity	493	267	135
Available for sale	3,754	1,132	644
Held for trading	260	57	21
Total included in interest income	4,507	1,456	800

(a) Including effective component of hedge relationships.

(b) Including interest in respect of mortgage-backed bonds (MBS) in the amount of NIS 422 million (2022 - NIS 214 million, 2021 - NIS 181 million).

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

Note 3 - Non-Interest Financing Income

	Bank		
	2023	2022	2021
	(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)	2,345	7,447	(1,668)
Total from activities in derivative instruments	2,345	7,447	(1,668)
A.2 From investment in bonds			
Gains on sale of debentures available for sale	48	39	255
Losses on sale of debentures available for sale	(337)	(180)	(25)
Impairment provision	(33)	(42)	-
Total from investment in debentures	(322)	(183)	230
A.3 Exchange rate differentials ,net	(1,915)	(7,238)	2,027
A.4 Gains (losses) on investment in shares			
Gains from sale of non-trading shares (b)	115	108	184
Losses from sale of non-trading shares	(15)	(54)	(50)
Gain from sale of investees' companies	-	752	-
Unrealized profits (losses), net from not held-for-trading equity securities	75	124	(55)
Dividend from non-trading shares	35	13	9
Total from investment in shares	210	943	88
A.5 Net profits in respect of loans sold	-	15	-
Total non-interest financing income in respect of activities not for trading purposes	318	984	677
B. Non-interest financing income from activities for trading purposes (c)			
Net income (expenses) in respect of other derivative instruments	618	251	333
Realized and unrealized profits (losses) from fair value adjustment of bonds for trading, net (d)	85	(166)	(18)
Realized and unrealized profits (losses) from fair value adjustment of shares for trading, net (e)	5	2	(1)
Dividend from shares held for trading	-	-	1
Total non-interest financing income in respect of activities for trading purposes (f)	708	87	315
Breakdown of noninterest finance income for trading activities, by risk exposure			
Interest rate exposure	71	(324)	80
Foreign exchange exposure	555	345	167
Exposure to equity securities	78	64	53
Exposure to commodities and others	4	2	15
TOTAL	708	87	315
Total income from Non-Interest Financing	1,026	1,071	992

(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 12.5 million on the sale of Visa (2022- 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).

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

(d) Of which part of the profits (losses) of NIS (43) million (2022 - NIS (113) million, 2021 - NIS 9 million) relating to bonds held for trading still held as of balance sheet date.

(e) Of which part of the profits (losses) of NIS 2 million (2022- NIS (1) million, 2021-NIS (1) million).

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

Note 4 - Commissions

	Bank		
	2023	2022	2021
	(NIS millions)		
Ledger fees	616	603	576
Conversion differences	501	477	402
Handling of credit	216	205	193
Commissions for distribution of financial products (a)	184	204	211
Foreign trade activities	160	131	118
Income from transactions in securities and certain derivative instruments (b)	573	630	682
Credit cards	383	382	356
Management fees and commission on life insurance and home insurance	2	2	3
Net income from servicing credit portfolios	5	5	7
Commissions on financing transactions	767	551	481
Other commissions	108	104	101
Total operating commissions	3,515	3,294	3,130

(a) Mainly distribution fees of mutual funds.

(b) Including fees and commissions from underwriting activity

Note 5 - Other Income

	Bank		
	2023	2022	2021
	(NIS millions)		
Profit from the realization of assets received for settlement of loans	2	-	6
Income from mutual funds	1	(15)	80
Capital gain from sale of buildings and equipment	36	81	163
Capital loss from sale of buildings and equipment	(9)	(15)	(7)
Other, net	126	8	22
Total other income	156	59	264

Note 6 - Salaries and Related Expenses

	Bank		
	2023	2022	2021
	(NIS millions)		
Salaries	2,091	2,430	2,401
Expenses deriving from share-based payment transactions	7	4	-
Severance pay, provident fund, training fund, pension, vacation and long service bonus	219	205	225
Long-term - Jubilee benefits	(1)	(11)	(6)
National Insurance and VAT on salaries	626	704	680
Defined benefit	124	140	188
Defined deposit	200	182	164
Other post-employment benefits and non-pension post retirement benefits (a)	14	(8)	(2)
Total salaries and related expenses	3,280	3,646	3,650
Of which: salaries and related expenses abroad	-	-	-

(a) See Note 23 on Employee Rights.

Note 7 - Other Expenses

	Bank		
	2023	2022	2021
	(NIS millions)		
Pension expenses, defined benefit, excluding service cost	700	593	672
Marketing and advertising	134	111	124
Legal, audit and professional consultants	155	144	153
Communications - postage, telephone, delivery services, etc.	119	109	108
Computers (a)	27	21	26
Office expenses	12	24	22
Insurance	29	37	25
Reductions, Eliminations	161	-	-
Training	6	5	5
Commissions	172	155	148
Loss in respect of assets received in settlement of loans	-	1	3
Fines paid to the Bank of Israel	2	1	1
Other (b)	310	258	241
Total other expenses	1,827	1,459	1,528

(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

	2023	2022	2021
	(NIS millions)		
Current taxes:			
In respect of current year	4,568	3,646	2,523
In respect of prior years	18	29	29
Total current taxes	4,586	3,675	2,552
Including (less) changes in deferred taxes:			
In respect of current year	(711)	(259)	405
In respect of prior years	-	-	-
Total changes in deferred taxes (1)	(711)	(259)	405
Tax expense on income	3,875	3,416	2,957
Of which provision for taxes abroad	-	-	-

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

	2023	2022	2021
	(NIS millions)		
Deferred tax Income (expenses) before impact of the following items:	(711)	(259)	405
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)	(711)	(259)	405

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

	2023	2022	2021
	(NIS millions)		
Profit before taxes	11,346	10,257	7,994
Statutory tax rate applying to a banking corporation	34.19%	34.19%	34.19%
Tax at the statutory tax rate	3,879	3,506	2,733
Tax (tax saving) resulting from:			
Income of foreign consolidated companies	(1)	8	11
Tax exempt and at preferred rates	-	-	-
Depreciation differences, depreciation adjustment and capital gain	(14)	(5)	(13)
Other non-deductible expenses	10	8	12
Timing differences for which deferred taxes have not been recorded	(7)	(159)	(1)
Income of Israeli consolidated companies	21	46	96
Change in deferred taxes due to change in tax rates	-	-	-
Taxes in respect of prior years	18	29	29
Change in the balance of provision for deferred-tax asset	-	-	-
Other	(31)	(17)	90
Provision for taxes on operating profit	3,875	3,416	2,957

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 2022</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>comprehensive</u> <u>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 2023</u>	<u>Average tax</u> <u>rate in 2023</u> <u>(% in)</u>
Deferred tax assets							
From allowance for credit losses	1,913	593	-	-	-	2,506	34%
From provision for unutilized vacations and long service bonuses	134	(5)	-	-	-	129	34%
From excess of provision for severance pay and pension over funds allocated	3,358	109	-	(132)	-	3,335	34%
Tax credit & losses carried forward for tax purposes	159	62	-	-	-	221	34%
Property, plant & equipment and leases	36	43	-	-	-	79	34%
Other – from non-monetary assets	45	3	-	-	-	48	15%
Gross balance of deferred tax assets	5,645	805	-	(132)	-	6,318	
Provision for deferred tax asset	(127)	(61)	-	-	-	(188)	
Balance of deferred taxes net of provision for deferred taxes	5,518	744	-	(132)	-	6,130	
Offsettable balances ^(a)	(478)					(389)	
Balance of deferred taxes net of provision for deferred taxes	5,040					5,741	
Deferred tax liabilities							
From investments in investee companies	(474)	145	-	(55)	-	(384)	11%
From the adjustment of depreciable non-monetary assets	(78)	6	-	-	-	(72)	23%
Other – from non-monetary assets	(10)	(3)	-	-	-	(13)	18%
Balance of gross deferred tax liabilities	(562)	148	-	(55)	-	(469)	
Offsettable balances ^(a)	(478)					(389)	
Balance of deferred tax liabilities	(84)					(80)	
Deferred taxes, net	4,956	892	-	(187)	-	5,661	

(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 US GAAP's ASU 2016-13, "Financial Instruments - Credit Losses". Please see Note 1.H at the consolidated annual financial report.

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>2021</u>	<u>Changes carried</u> <u>to profit and loss</u>	<u>Changes</u> <u>recognized</u> <u>in equity</u>	<u>Changes</u> <u>carried to</u> <u>other</u> <u>comprehensive</u> <u>income</u>	<u>Cumulative</u> <u>effect of the</u> <u>first application</u> <u>of US GAAP (b)</u>	<u>Balance as at</u> <u>December 31</u> <u>2022</u>	<u>Average tax</u> <u>rate in 2022</u> <u>(% in)</u>
Deferred tax assets							
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%
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	
Deferred tax liabilities							
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 US GAAP's ASU 2016-13, "Financial Instruments - Credit Losses". Please see Note 1.H at the consolidated annual financial report.

Note 8 - Provision for Taxes on Operating

(d) Carryforward tax losses and tax credits

As at December 31 2023					
	<u>Deferred tax assets</u>	<u>Provision for deferred tax assets</u>	<u>Deferred tax assets, net</u>	<u>Accumulated loss</u>	<u>First expiry year</u>
Losses for tax purposes:					
The Bank	133	(133)	-	389	-
Tax credits:					
The Bank	88	(55)	33	-	-
As at December 31 2022					
	<u>Deferred tax assets</u>	<u>Provision for deferred tax assets</u>	<u>Deferred tax assets, net</u>	<u>Accumulated loss</u>	<u>First expiry year</u>
Losses for tax purposes:					
The Bank	-	-	-	-	-
Tax credits:					
The Bank	159	(127)	32	-	-

Note 11 - Cash and Deposits with Banks - Bank

	31 December 2023	31 December 2022
	NIS millions	
Cash and deposits with central banks	85,930	168,545
Deposits with commercial banks (a)	19,342	17,721
Total (b)	105,272	186,266
Including: cash and deposits with central and commercial banks for original periods not exceeding three months	102,267	180,333

(a) Net of the allowance for credit losses.

(b) Of which pledged cash in the amount of NIS 1,763 million (31 December 2022 – NIS 4,597 million).
See the annual financial report for the consolidated note.

Note 12 - Securities - Bank

31 December 2023						31 December 2022						
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	8,093	8,093	-	1	(727)	7,367	9,631	9,631	-	2	(670)	8,963
Financial institutes Foreigners	1,388	1,388	1	-	(38)	1,351	1,320	1,320	2	-	(56)	1,266
Other foreigners	334	334	1	-	(11)	324	321	321	1	-	(19)	303
Asset-backed (ABS) or Mortgage-backed securities (MBS)	5,591	5,591	1	14	(393)	5,213	3,256	3,256	1	-	(432)	2,825
Total debentures held to maturity	15,406	15,406	3	15	(1,169)	14,255	14,528	14,528	4	2	(1,177)	13,357
2. Debentures available for sale:												
Debentures and bonds -												
The Government of Israel	72,195	74,108	-	108	(2,021)	72,195	18,683	20,390	-	63	(1,770)	18,683
Foreign governments	26,916	26,962	-	53	(99)	26,916	16,995	17,291	-	2	(298)	16,995
Israel's financial institutions	46	50	-	-	(4)	46	46	49	-	-	(3)	46
Foreign financial institutions	8,882	9,067	-	51	(236)	8,882	9,627	10,001	24	11	(409)	9,627
Asset-backed (ABS) or Mortgage-backed securities (MBS)	9,951	10,472	-	41	(562)	9,951	7,710	8,353	-	7	(650)	7,710
Others in Israel	710	729	-	12	(31)	710	554	587	2	7	(42)	554
Others abroad	4,631	4,898	-	23	(290)	4,631	4,918	5,485	7	2	(576)	4,918
Total debentures available for sale	123,331	126,286	-	288	(3,243)	123,331	58,533	62,156	33	92	(3,948)	58,533
3. Investment in available-for-sale equity securities and funds:												
Equity securities and funds	2,440	2,118	-	346	(24)	2,440	2,212	1,974	-	290	(52)	2,212
Of which: Equity securities and funds for which there is no available fair value(b)	447	447	-	-	-	447	233	233	-	-	-	233
Total shares not held for trading	2,440	2,118	-	346	(24)	2,440	2,212	1,974	-	290	(52)	2,212
4. Securities held for trading:												
Debentures and bonds -												
The Government of Israel	12,901	12,880	-	26	(5)	12,901	1,260	1,271	-	1	(12)	1,260
Israel's financial institutions	436	459	-	-	(23)	436	580	627	-	-	(47)	580
Foreign financial institutions	26	26	-	1	(1)	26	53	59	-	-	(6)	53
Asset-backed (ABS) or Mortgage-backed securities (MBS)	25	29	-	-	(4)	25	32	35	-	-	(3)	32
Others in Israel	135	143	-	-	(8)	135	233	272	-	-	(39)	233
Others abroad	38	39	-	-	(1)	38	71	78	-	-	(7)	71
Total securities held for trading	13,561	13,576	-	27	(42)	13,561	2,229	2,342	-	1	(114)	2,229
Shares	86	85	-	1	-	86	1	1	-	-	-	1
Total securities held for trading	13,647	13,661	-	28	(42)	13,647	2,230	2,343	-	1	(114)	2,230
Total securities	154,824	157,471	3	677	(4,478)	153,673	77,503	81,001	37	385	(5,091)	76,332

(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.)

31 December 2023						
	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	2,783	2,783	-	4	(226)	2,561
Securities issued by FNMA or FHLMC	1,295	1,295	-	1	(162)	1,134
Total	4,078	4,078	-	5	(388)	3,695
Other mortgage-backed bonds (including CMOs and stripped MBBS)						
Of which: Securities issued or guaranteed by GNMA, FNMA, or FHLMC	1,262	1,262	-	9	(4)	1,267
Total other mortgage-backed bonds (including CMOs and stripped MBBS)	1,262	1,262	-	9	(4)	1,267
Asset-backed bonds (ABSs)						
Others	252	252	-	-	(1)	251
Of which: CLO	252	252	-	-	(1)	251
Total asset-backed bonds (ABSs)	252	252	-	-	(1)	251
Total mortgage-backed held-to-maturity bonds	5,592	5,592	-	14	(393)	5,213
31 December 2022						
	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	1,807	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 MBBS)						
Of which: Securities issued or guaranteed by GNMA, FNMA, or FHLMC	50	50	-	-	(2)	48
Total other mortgage-backed bonds (including CMOs and stripped MBBS)	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

Note 12 - Securities - Bank (cont'd)

31 December 2023					
	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	2,096	2,310	6	(220)	2,096
Securities issued by FNMA and FHLMC	917	1,027	1	(111)	917
Total	3,013	3,337	7	(331)	3,013
Other mortgage-backed securities (including CMO and STRIPPED MBS)					
Securities issued by FNMA, FHLMC, or GNMA, or guaranteed by these entities	2,143	2,322	8	(187)	2,143
Other mortgage-backed securities	326	325	4	(3)	326
Total	2,469	2,647	12	(190)	2,469
Asset-backed securities (ABS)					
Car loans	66	66	-	-	66
CLO debentures	3,084	3,080	19	(15)	3,084
SBA debentures	1,027	1,046	1	(20)	1,027
Others	292	296	2	(6)	292
Total	4,469	4,488	22	(41)	4,469
Total asset-backed bonds available for sale	9,951	10,472	41	(562)	9,951

* 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	Other comprehensive accumulated profit (loss)*		Fair value
			Profits	Losses	
	NIS millions				
Bonds available for sale (cont'd)					
Pass-through securities:					
Securities guaranteed by GNMA	1,727	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)					
Credit for purchase of vehicles	50	52	-	(2)	50
CLO debentures	2,378	2,459	2	(83)	2,378
CDO 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 2023					
	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	18	21	-	(3)	18
Total	18	21	-	(3)	18
Asset-backed securities (ABS)					
Others	6	7	-	(1)	6
Total	6	7	-	(1)	6
Total mortgage-backed and asset-backed held-for- trading securities	25	29	-	(4)	25

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

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 (cont'd)					
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 2023						
	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	607	(4)	1,906	(327)	2,513	(331)
Mortgage-backed securities (MBS)	396	(2)	1,236	(185)	1,632	(187)
Other mortgage-backed securities (including REMIC, CMO and STRIPPED MBS)	24	-	143	(3)	167	(3)
Asset-backed securities (ABS)	197	(1)	2,551	(40)	2,748	(41)
Total	1,224	(7)	5,836	(555)	7,060	(562)

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)

(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 2023										
Less than 12 months					12 months or more					
Unrealized losses					Unrealized losses					
More than					More than					
Amortized cost	0-20%	20-35%	35%	Total	Amortized cost	0-20%	20-35%	35%	Total	
(In NIS millions)					(In NIS millions)					
Bonds										
Of the Israeli government	232	(3)	-	-	(3)	7,827	(473)	(251)	-	(724)
Of foreign financial institutions	-	-	-	-	-	1,372	(38)	-	-	(38)
Asset-backed (ABS) or mortgage-backed (MBS)	708	(4)	-	-	(4)	2,860	(340)	(49)	-	(389)
Of other foreign entities	-	-	-	-	-	334	(11)	-	-	(11)
Total held-to-maturity bonds	940	(7)	-	-	(7)	12,393	(862)	(300)	-	(1,162)

31 December 2022										
Less than 12 months					12 months or more					
Unrealized losses					Unrealized losses					
More than					More than					
Amortized cost	0-20%	20-35%	35%	Total	Amortized cost	0-20%	20-35%	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)

Note 12 - Securities - Bank (cont'd)

	31 December 2023									
	Less than 12 months					More than 12 months				
	Fair value	Unrealized	losses	More than 35%	Total	Fair value	Unrealized	losses	More than 35%	Total
		0-20%	20-35%				0-20%	20-35%		
		NIS millions								
Bonds										
The Government of Israel	4,983	(249)	-	-	(249)	19,315	(1,229)	(543)	-	(1,772)
Foreign governments	4,667	(20)	-	-	(20)	2,296	(79)	-	-	(79)
Foreign financial institutions	193	-	-	-	-	6,859	(220)	(14)	(2)	(236)
Asset-backed securities (ABS)	1,224	(7)	-	-	(7)	5,836	(325)	(230)	-	(555)
Others in Israel	112	(7)	-	-	(7)	400	(24)	-	-	(24)
Others abroad	22	-	(2)	-	(2)	3,913	(273)	(15)	-	(288)
Total securities available for sale	11,216	(283)	(2)	-	(285)	38,619	(2,154)	(802)	(2)	(2,958)

	31 December 2022									
	Less than 12 months					More than 12 months				
	Fair value	Unrealized	losses	More than 35%	Total	Fair value	Unrealized	losses	More than 35%	Total
		0-20%	20-35%				0-20%	20-35%		
		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)
Mortgage-backed securities (MBS)	-	-	-	-	-	-	-	-	-	-
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 2023						
Loans to the public						
	Commercial (NIS millions)	Housing	Private - other	Total - public	Banks, governments and bonds held- to-maturity and available-for-sale	Total
Recorded outstanding debt:(a)						
Examined on a specific basis	243,765	-	661	244,426	159,877	404,303
Examined on a collective basis	16,808	130,612	29,160	176,580	-	176,580
Total debts:(a)	260,573	130,612	29,821	421,006	159,877	580,883
Outstanding loan loss provision in respect of debts:(a)						
Examined on a specific basis	4,258	-	275	4,533	17	4,550
Examined on a collective basis	753	622	644	2,019	-	2,019
Total loan loss provision	5,011	622	919	6,552	17	6,569
Of which: Non-performing debts	550	79	196	825	-	825
Of which: Other troubled debts	779	3	379	1,161	-	1,161
31 December 2022						
Loans to the public						
	Commercial (NIS millions)	Housing	Private - other	Total - public	Banks, governments and bonds held- to-maturity and available-for-sale	Total
Recorded outstanding debt:(a)						
Examined on a specific 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:(a)	238,356	119,709	30,383	388,448	91,987	480,435
Outstanding loan loss provision in respect of debts:(a)						
Examined on a specific basis	3,236	-	164	3,400	55	3,455
Examined on a collective basis	544	418	549	1,511	-	1,511
Total loan loss provision	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

(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.

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

B. Change in Outstanding Loan Loss Provision

31 December 2023						
Loan loss provision						
Loans to the public						
	Commercial	Housing	Private - other	Total - public	Banks, governments and bonds held-to-maturity and available-for-sale	Total
	(NIS millions)					
Balance of loan loss provision as at the beginning of the year	4,336	419	734	5,489	55	5,544
Loan loss (income) expenses	1,462	220	647	2,329	(38)	2,291
Charge-offs	(455)	(5)	(662)	(1,122)	-	(1,122)
Collection of debts written off in previous years	351	-	238	589	-	589
Net charge-offs	(104)	(5)	(424)	(533)	-	(533)
Balance of loan loss provision as at year end	5,694	634	957	7,285	17	7,302
Of which: in respect of off-balance-sheet credit instruments	683	12	38	733	-	733

31 December 2022						
Loan loss provision						
Loans to the public						
	Commercial	Housing	Private - other	Total - public	Banks, governments and bonds held-to-maturity and available-for-sale	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)
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						
Loans to the public						
	Commercial	Housing	Private - other	Total - public	Banks and governments	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 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

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

Note 14 - Credit to Governments - Bank

	31 December 2023	31 December 2022
	NIS millions	
Credit to the Government	643	317
Credit to foreign Governments	1,163	792
Total credit to Governments	1,806	1,109

See the annual financial report for the consolidated note

Note 15 - Investments in Subsidiaries and Affiliated Companies -Bank

Reported Amounts

	31 December 2023			31 December 2022		
	Companies included on equity basis	(b) 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)	2,740	9,213	11,953	3,670	9,611	13,281
Other investments:						
Convertible securities	-	3,556	3,556	-	453	453
Shareholders' loans	-	-	-	-	-	-
Total other investments	-	3,556	3,556	-	453	453
Total investments	2,740	12,769	15,509	3,670	10,064	13,734
Including - Post-acquisition profits (losses)	(899)	6,639	5,740	149	6,860	7,009
Post-acquisition changes in shareholders' equity:						
Adjustments in respect of presentation						
of securities available for sale at fair value, net	-	(37)	(37)	-	(104)	(104)
Adjustments in respect of companies included on equity basis, net	360	27	387	242	13	255
Details on book value and market value of quoted securities:						
Book value	2,632	-	2,632	3,567	-	3,567
Market value	2,831	-	2,831	2,860	-	2,860

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

	Bank		
	2023	2022	2021
	NIS millions		
Group's equity in operating profits of companies included on equity basis (Bank - affiliated companies) (a)	(402)	1,053	991
Provision for taxes	67	(101)	-
Group's equity in operating profits of companies included on equity basis (Bank-affiliated companies) net of tax effect	(335)	952	991

(a) Of which: An impairment loss of associates totaling NIS 1,226 million, after tax. (2022 - NIS 0 million, 2021 - NIS 0 million).
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 2022	2,485	3,247	4,207	9,939
Additions	185	82	547	814
Disposals	(60)	(112)	(152)	(324)
As at 31 December 2023	2,610	3,217	4,602	10,429
Accumulated depreciation and losses from impairment				
As at 31 December 2022	1,305	2,471	3,461	7,237
Current year provision	46	93	521	660
Disposals	(54)	(104)	(150)	(308)
As at 31 December 2023	1,297	2,460	3,832	7,589
Balance after depreciation as at 31 December 2023	1,313	757	770	2,840
Balance after depreciation as at 31 December 2022	1,180	776	746	2,702

(a) Including installations and leasehold improvements.

See the annual financial report for the consolidated note.

Note 18 - Other Assets - Bank

	31 December 2023	31 December 2022
	NIS millions	
Deferred tax asset, net	5,741	5,040
Excess of plan funds over liabilities in respect on employee benefits	71	84
Assets transferred to ownership of the Group as a result of settlement of problem loans	10	8
Excess of advance tax payments over current provisions	3	3
Expenses to be amortized on issuance of debentures, bonds and subordinated notes	110	94
Accrued income	289	152
Prepaid expenses	210	162
Assets in respect of activity in Maof clearing house (a)	14	10
Other receivables and prepayments	74	57
Right of use assets in respect of an operating lease	647	553
Total other assets	7,169	6,163

(a) Shown at fair value.

Note 19 - Deposits of the Public - Bank

Types of deposits by location raised and type of depositor

	31 December 2023	31 December 2022
	NIS millions	
In Israel		
On demand		
Non-interest bearing (a)	150,365	197,264
Interest bearing (a)	137,805	122,454
Total on demand	288,170	319,718
Fixed term	280,820	238,219
Total deposits in Israel *	568,990	557,937
*of which: non-interest bearing deposits	150,365	197,264
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	568,990	557,937
*of which:		
Deposits of private persons	169,788	158,006
Deposits of institutional entities	138,478	130,685
Deposits of corporations and others	260,724	269,246

(a) Reclassified; during the first quarter of 2023, a reclassification was made between interest-bearing and non-interest-bearing deposits. For comparability reasons, the Bank made an immaterial adjustment to the comparative figures. The effect of the adjustment as of December 31, 2022 amounted to deposits in the amount of approx. NIS 62.7 billion, which were reclassified from interest-bearing deposits to non-interest bearing. The aforementioned had no effect on the Bank's profit and loss and equity.

Note 20 - Deposits from Banks - Bank

	31 December 2023	31 December 2022
	NIS millions	
In Israel		
Commercial banks:		
Demand deposits	8,469	4,314
Time deposits	1,778	1,512
Acceptances	454	675
Central banks:		
Demand deposits	-	-
Time deposits	10,121	16,912
Total deposits from banks	20,822	23,413

Note 21 - Debentures, Bonds and Subordinated Notes - Bank

Bank				
	Average maturity (a)	Internal yield rate (b)	31 December	
	Years	%	2023	2022
NIS millions				
Debentures and bonds (c):				
In Israeli currency Unlinked	1.29	3.51	7,648	7,153
In Israeli currency linked to the CPI	3.58	0.26	13,356	10,978
In U.S. Dollar	3.28	5.06	1,796	1,654
of which: held for trading	-	-	22,379	19,251
Subordinated notes (c):				
In Israeli currency Unlinked	-	-	-	-
In Israeli currency linked to the CPI	3.26	1.93	4,750	5,277
In U.S. Dollar	2.78	4.75	4,564	2,743
Total debentures, bonds and subordinated notes				
			32,114	27,805
Of which subordinated bonds included in Tier 2 capital^(e)				
			8,811	7,547

(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 3.14 years, in those linked to the CPI it is 2.73 years.

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

Note 22 - Other Liabilities- Bank

	31 December 2023	31 December 2022
	NIS millions	
Deferred tax liability, net	80	84
Excess of current provisions for taxes over advance payments	1,778	1,063
Excess of provisions for severance pay and pensions over amounts funded	8,181	8,398
Provision for vacation	199	196
Deferred income	431	404
Other provisions in respect of employee rights	320	327
Allowance for credit losses in respect of off-balance sheet items	734	578
Accrued expenses in respect of salaries and related expenses	478	876
Accumulated Jubilee vacation	18	19
Liabilities in respect of activity in Maof Clearing House (a)	14	10
Payables in respect of credit cards	1,289	1,176
Accrued expenses	218	215
Market value of securities sold short	161	132
Other payables and credit balances	791	570
Liabilities in respect of leases	640	551
Total other liabilities	15,332	14,599

(a) Shown at fair value.

Note 25 - Contingent Liabilities and Special Commitments-Bank

31 December				
2023		2022		
	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	642	3	1,151	1
Credit guarantees	10,202	103	8,811	83
Guarantees to apartment purchasers	35,731	19	35,572	15
Other guarantees and liabilities	26,548	96	26,336	95
Unutilized credit card facilities	13,916	34	8,395	18
Other unutilized revolving credit facilities and credit facilities in accounts on deposit	15,922	58	14,110	43
Irrevocable commitments to provide credit which has been approved and not yet granted	53,337	326	48,296	281
Commitments to issue guarantees	34,340	95	22,039	43
Unutilized facilities for activity in derivative instruments	3,188	-	3,085	-
Approval in principle for a guaranteed rate of interest	5,404	-	4,500	-
Total	199,230	734	172,295	579

B. Off-balance sheet commitments for transactions based on extent of collections (a)	31 December 2023	31 December 2022
Balance of credit from deposits on collection basis (b)		
Israeli currency unlinked	175	170
Israeli currency linked to the CPI	1,037	1,014
Foreign currency	-	-
Total	1,212	1,184

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 2023	Total 2022
(NIS millions)								
1. CPI linked sector (c)								
Cash flows of futures contracts	3	4	2	3	4	1	17	19
Expected future cash flows after management estimate of early repayments	3	4	2	4	3	-	16	18
Discounted expected future cash flows after management estimate of early repayments (d)	3	4	2	3	2	-	14	15
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 299 million, (2022-NIS 256 million), were not included in this table.

(c) Including foreign currency sector.

(d) The discounting was made at the rate of 3.99% (2022 – 2.72%).

See the annual financial report for the consolidated note.

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

	2023	2022
	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	125	102
Standing loans	48	39
C. Other contingent liabilities and special commitments:		
(1) Commitments to purchase securities	-	-
(2) Commitments to invest in and acquire buildings and equipment	9	44

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:

	2023	2022	2021
	<u>(NIS millions)</u>		
Securities received in securities borrowing transactions against cash	3,053	3,034	2,447

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

	2023	2022	2021
	<u>(NIS millions)</u>		
Securities loaned in securities lending transactions against cash	13,776	3,952	2,046

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

A. Volume of consolidated activity

31 December 2023

	Not for-trading derivatives	Held-for-trading derivatives	Total
NIS millions			
(1) Nominal amount of derivatives			
a) Interest rate contracts			
Futures and forwards	2,888	69,552	72,440
Written options	819	1,027	1,846
Call options	-	541	541
Swaps (a)	42,939	344,715	387,654
Total (b)	46,646	415,835	462,481
Of which: Hedging derivatives (c)	9,921	-	9,921
b) Foreign currency contracts			
Futures and forwards (d)	49,465	312,647	362,112
Written options	887	19,240	20,127
Call options	887	20,316	21,203
Swaps (a)	3,445	21,006	24,451
Total	54,684	373,209	427,893
Of which: Hedging derivatives (c)	-	-	-
c) Stock contracts			
Futures and forwards	1,059	206,092	207,151
Written options	332	89,662	89,994
Call options (e)	390	89,661	90,051
Swaps	351	158,285	158,636
Total	2,132	543,700	545,832
d) Commodities and other contracts			
Futures and forwards	-	7,085	7,085
Written options	-	53	53
Call options	-	53	53
Swaps	-	2,212	2,212
Total	-	9,403	9,403
e) Credit contracts			
Guaranteed by the Bank	7	-	7
Where the Bank is a beneficiary	-	-	-
Total	7	-	7
Total nominal amount	103,469	1,342,147	1,445,616

(a) Of which: Swaps for which the banking corporation pays a fixed interest of NIS 187,057 million.

(b) Of which: NIS-CPI swaps totaling NIS 16,748 million.

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

(d) Of which: Foreign exchange spots totaling NIS 14,004 million.

(e) Of which a total of NIS 89,610 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 2023						
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	1,044	8,654	9,698	628	8,072	8,700
Of which: Hedging derivatives	766	-	766	116	-	116
b) Foreign currency contracts	309	6,600	6,909	33	7,197	7,230
c) Stock contracts	48	10,566	10,614	61	10,484	10,545
d) Commodities and other contracts	-	200	200	-	199	199
Total assets/liabilities in respect of derivatives, gross (a)	1,401	26,020	27,421	722	25,952	26,674
Carrying amount	1,401	26,020	27,421	722	25,952	26,674
Of which: Not subject to a master netting- or similar arrangement, net	-	950	950	-	1,005	1,005

(a) of which: the fair value of assets in respect of embedded derivatives in the amount of NIS 8 million, the gross fair value of liabilities in respect of embedded derivatives in the amount of NIS 25 million.

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

A. Volume of consolidated activity (cont.)

31 December 2022

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
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
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 arranger	-	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.)

B. Accounting hedges

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

	For the year ended	
	31 December 2023	
	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	4

(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)

	For the year ended
	31 December 2023
	NIS millions
Total interest income (expenses) recognized in the income statement (a)	171
Effect of fair value hedges:	
a. Profit (loss) from fair value hedges	
Interest rate contracts	
Hedged items	238
Hedging derivatives	(62)
b. Gain (loss) on cash flow hedges	
Interest rate contracts	
Profit and loss reclassified to Accumulated other comprehensive income (loss)	(4)

3. Items hedged at Fair value hedges

	For the year ended		
	31 December 2023		
	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	5,046	(800)	(1)
Subordinated notes	(3,601)	115	-

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 2023	
	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	(86)	-

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

	For the year ended
	31 December 2023
	Profit (loss) recognized in income (expenses) from derivatives activity
	NIS millions
Derivatives not designated as hedging instruments	
Interest rate contracts	(58)
Foreign exchange contracts	2,768
Stock contracts	249
Commodity and other contracts	4
Total	2,963

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 2022	
	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)

	For the year ended
	31 December 2022
	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

	For the year ended		
	31 December 2022		
	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

	For the year ended	
	31 December 2022	
	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

	For the year ended
	31 December 2022
	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.)

(c) Credit risk for derivatives by contract counterparty

31 December 2023							
	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)	265	9,244	12,117	17	3,529	2,249	27,421
Gross amounts that not offset in the balance sheet:							
Mitigation of credit risk in respect of financial instruments	-	3,419	8,901	17	2,527	1,136	16,000
Mitigation of credit risk in respect of cash collateral received	-	5,595	2,998	-	770	83	9,446
Net amount of assets in respect of derivative instruments (d)	265	230	218	-	232	1,030	1,975
Off-balance sheet credit risk in respect of derivative (e)	(2)	(21)	28	-	(23)	(71)	(89)
Mitigation of off-balance sheet credit risk	263	209	246	-	209	959	1,886
Net off-balance sheet credit risk in respect of derivative instruments. (f)	950	13,583	13,907	56	8,816	2,824	40,136
Total credit risk in respect of derivative instruments	1,213	13,792	14,153	56	9,025	3,783	42,022
Book balance of liabilities in respect of derivative instruments (a)(c)	172	3,983	9,277	153	11,102	1,987	26,674
Gross amounts that not offset in the balance sheet:							
Financial instruments	-	3,419	8,901	17	2,527	1,136	16,000
Cash collateral pledged	-	484	198	103	7,320	1	8,106
Net amount of liabilities in respect of derivative instruments	172	80	178	33	1,255	850	2,568

(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 27,413 million.

(c) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 26,649 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.

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

31 December 2023					
	Up to three months	Three months to one year	One year to five years	After five years	Total
NIS millions					
Interest contracts:					
Shekel - index	2,110	5,045	6,599	2,994	16,748
Other	94,117	96,508	178,407	76,701	445,733
Foreign currency contracts	295,096	100,292	25,660	6,845	427,893
Contracts in respect of shares	399,751	141,662	4,419	-	545,832
Contracts in respect of commodities and others	2,820	6,583	7	-	9,410
Total	793,894	350,090	215,092	86,540	1,445,616

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 2022							
	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 derivatives instruments (d)	224	45	16	-	693	1,105	2,083
Off-balance sheet credit risk in respect of derivatives (e)	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 (f)	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 (a)(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 derivatives 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 26,646 million.

(c) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 23,303 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.

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

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

A. Debts (a) and off-balance sheet credit instruments

1. Change in Outstanding Loan Loss Provision

	31 December 2023					
	Loan loss provision					
	Loans to the public					
	Commercial	Housing	Private - other	Total - public	Banks, governments and bonds held-to-maturity and available-for-sale	Total
	(NIS millions)					
Balance of loan loss provision as at the beginning of the year	4,336	419	734	5,489	55	5,544
Loan loss (income) expenses	1,462	220	647	2,329	(38)	2,291
Charge-offs	(455)	(5)	(662)	(1,122)	-	(1,122)
Collection of debts written off in previous years	351	-	238	589	-	589
Net charge-offs	(104)	(5)	(424)	(533)	-	(533)
Balance of loan loss provision as at year end	5,694	634	957	7,285	17	7,302
Of which: in respect of off-balance-sheet credit instruments	683	12	38	733	-	733

	31 December 2022					
	Loan loss provision					
	Loans to the public					
	Commercial	Housing	Private - other	Total - public	Banks, governments and bonds held-to-maturity and available-for-sale	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 (b)	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)
Balance of credit loss allowance at end of year	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					
	Loans to the public					
	Commercial	Housing	Private - other	Total - public	Banks and governments	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 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

(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) Cumulative effect in respect of first-time application of US GAAP's ASU 2016-13, "Financial Instruments - Credit Losses". please see Note 1.H 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
2. Additional information on calculating the loan loss provision for debts (a), held-to-maturity bonds and available-for-sale bonds

31 December 2023						
Loans to the public						
	Commercial	Housing	Private -	Total -	Banks, governments and bonds held-to-maturity and available-for-sale	Total
	(NIS millions)					
Recorded outstanding debt:						
Examined on a specific basis	243,765	-	661	244,426	159,877	404,303
Examined on a collective basis	16,808	130,612	29,160	176,580	-	176,580
Total debts	260,573	130,612	29,821	421,006	159,877	580,883
Credit loss allowance by debts:						
Examined on a specific basis	4,258	-	275	4,533	17	4,550
Examined on a collective basis	753	622	644	2,019	-	2,019
Total loan loss provision	5,011	622	919	6,552	17	6,569
Of which: Non-performing debts	550	79	196	825	-	825
Of which: Other troubled debts	779	3	379	1,161	-	1,161
31 December 2022						
Loans to the public						
	Commercial	Housing	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 a specific basis	3,236	-	164	3,400	55	3,455
Examined on a collective basis	544	418	549	1,511	-	1,511
Total loan loss provision	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

(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. Loans to the public
1. Credit quality and arrears

31 December 2023						
(NIS millions)						
	Non-Troubled debts	Troubled debts (a)			Performing debts - additional information	
		Performing	Non-performing	Total	In arrears of 90 days or more (b)	In arrears of 30 to 89 days (c)
<u>Borrower activity in Israel</u>						
<u>Public - commercial</u>						
Construction and real estate - construction	64,676	211	1,034	65,921	19	43
Construction and real estate - real estate activities	43,442	250	139	43,831	13	56
Financial services	38,747	31	34	38,812	1	17
Commercial - other	91,007	2,020	626	93,653	36	113
Total commercial	237,872	2,512	1,833	242,217	69	229
Private individuals - housing loans	129,855	24	688	130,567	-	407
Private individuals - other	28,763	710	343	29,816	80	166
Total loans to the public - activity in Israel	396,490	3,246	2,864	402,600	149	802
<u>Borrower activity outside Israel</u>						
<u>Public - commercial</u>						
Construction and real estate	4,690	-	62	4,752	-	3
Commercial - other	12,654	549	401	13,604	-	11
Total commercial	17,344	549	463	18,356	-	14
Private individuals	50	-	-	50	-	-
Total loans to the public - foreign operations	17,394	549	463	18,406	-	14
Total loans to the public	413,884	3,795	3,327	421,006	149	816

31 December 2022						
(NIS millions)						
	Non-Troubled debts	Troubled debts (a)			Performing debts - additional information	
		Performing	Non-performing	Total	In arrears of 90 days or more (b)	In arrears of 30 to 89 days (c)
<u>Borrower activity in Israel</u>						
<u>Public - commercial</u>						
Construction and real estate - construction	52,715	849	126	53,690	6	66
Construction and 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	28 (d)	108
Total commercial	212,281	2,440	870	215,591	36	256
Private individuals - housing loans	119,063	67	559	119,689	-	412
Private individuals - other	29,631	517	222	30,370	76 (d)	142
Total loans to the public - activity in Israel	360,975	3,024	1,651	365,650	112	810
<u>Borrower activity outside Israel</u>						
<u>Public - commercial</u>						
Construction and real estate	3,584	-	59	3,643	-	2
Commercial - other	18,096	846	180	19,122	-	4
Total commercial	21,680	846	239	22,765	-	6
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	112	816

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

(b) Classified as troubled, performing debts.

(c) Accrual debt. Debts in arrears of 30 and up to 89 days, totaling NIS 155 million, were classified as troubled debts. (31 December 2022 - NIS 147 million).

(d) Reclassified.

B. Loans to the public (cont'd)

2. Additional information on non-performing debts (a)

	31 December 2023					
	(NIS millions)					
	Outstanding (b) non-performing debts for which there is a provision	Outstanding provision	Outstanding (b) non-performing debts for which there is no provision	Total outstanding balance (b) of non-performing debts	Outstanding contractual principal in respect of non-performing debts	Recorded interest income (C)
Borrower activity in Israel						
Public - commercial						
Construction and real estate	1,018	253	155	1,173	1,592	-
Commercial - Other	493	268	167	660	2,468	2
Commercial - total	1,511	521	322	1,833	4,060	2
Private individuals - housing loans	688	79	-	688	688	1
Private individuals - other	343	196	-	343	672	2
Total loans to the public - activity in Israel	2,542	796	322	2,864	5,420	5
Borrower activity outside Israel						
Total loans to the public - foreign operations	288	29	175	463	693	-
Total - public	2,830	825	497	3,327	6,113	5
Of which:						
Measured on a specific basis according to						
the present value of cash flows	1,451	587	406	1,857	3,817	
Measured on a specific basis according to						
fair value of collateral	691	159	91	782	1,608	
Measured on a collective basis	688	79	-	688	688	

(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.

Were the non-performing debts to accrue interest according to the original terms and conditions, interest income in the amount of NIS 642 million would be recorded.

Additional information: the total recorded average debt balance of non-performing debts in the year ended December 31, 2023 is NIS 2,462 million.

B. Loans to the public (cont'd)

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

31 December 2022						
(NIS millions)						
	Outstanding (b) non-performing debts for which there is a provision	Outstanding provision	Outstanding (b) non-performing debts for which there is no provision	Total outstanding balance (b) of non-performing debts	Outstanding contractual principal in respect of non-performing debts	Recorded interest income (C)
Borrower activity in Israel						
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	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
Borrower activity outside Israel						
Total loans to the public - foreign operations	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	979	349	258	1,237	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.

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 (cont'd)

2. Additional information on restructured troubled debt

31 December 2023				
(NIS millions)				
	<u>Non-performing</u>	<u>Performing (a)</u>	<u>Accrual (a)</u>	
	<u>interest income</u>	<u>in arrears of 30</u>	<u>non-delinquent</u>	<u>Total</u>
		<u>days to 89 days</u>		
<u>Borrower activity in Israel</u>				
<u>Public - commercial</u>				
Construction and real estate	289	1	80	370
Commercial - Other	271	2	345	618
Commercial - total	560	3	425	988
Private individuals - housing loans	85	-	66	151
Private individuals - other	310	4	269	583
Total loans to the public - activity in Israel	955	7	760	1,722
<u>Borrower activity outside Israel</u>				
Total public - foreign operations	121	-	365	486
Total - public	1,076	7	1,125	2,208

31 December 2022				
(NIS millions)				
	<u>Non-performing</u>	<u>Performing (a)</u>	<u>Accrual (a)</u>	
	<u>interest income</u>	<u>in arrears of 30</u>	<u>non-delinquent</u>	<u>Total</u>
		<u>days to 89 days</u>		
<u>Borrower activity in Israel</u>				
<u>Public - commercial</u>				
Construction and real estate	51	1	54	106
Commercial - Other	401	4	303	708
Commercial - total	452	5	357	814
Private individuals - housing loans	88	1	66	155
Private individuals - other	196	3	203	402
Total loans to the public - activity in Israel	736	9	626	1,371
<u>Borrower activity outside Israel</u>				
Total public - foreign operations	165	-	387	552
Total - public	901	9	1,013	1,923

(a) Performing debt.

Comment: As of December 31, 2023, troubled debt which underwent restructuring in the amount of NIS 1,417 million was classified as troubled debt (as of December 31, 2022 - NIS 1,025 million).

B. Loans to the public (cont'd)

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

1. Debt restructurings for the year ended

	2023		
	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	396	356	356
Commercial - Other	1,661	227	226
Commercial - total	2,057	583	582
Private individuals - housing loans	109	32	32
Private individuals - other	9,169	494	492
Total loans to the public - activity in Israel	11,335	1,109	1,106
<u>Borrower activity outside Israel</u>			
Total loans to the public - foreign operations	-	-	-
Total - public	11,335	1,109	1,106

B. Loans to the public (cont'd)

2. Additional information on restructured troubled debt

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

	2022			2021		
	No. of contracts	Recorded outstanding debt before restructuring	Recorded outstanding debt after restructuring	No. of contracts	Recorded outstanding debt before restructuring	Recorded outstanding debt after restructuring
	(NIS millions)			(NIS millions)		
Borrower activity in Israel						
Public - commercial						
Construction and real estate	281	40	39	221	61	59
Commercial - Other	1,209	179	177	1,105	548	545
Commercial - total	1,490	219	216	1,326	609	604
Private individuals - housing loans	111	41	41	-	-	-
Private individuals - other	6,426	297	296	4,779	243	240
Total loans to the public - activity in Israel	8,027	557	553	6,105	852	844
Borrower activity outside Israel						
Total loans to the public - foreign operations	2	1	1	1	10	10
Total - public	8,029	558	554	6,106	862	854

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 2023			
		(NIS millions)			
		Outstanding housing loans			
		Total	Of which: bullet and balloon	Of which: variable interest	Total off- balance-sheet credit risk
First pledge: LTV ratio	Up to 60%	78,936	2,538	48,141	2,555
	Above 60%	51,672	767	32,097	2,438
Unpledged secondary lien		4	-	4	-
Total		130,612	3,305	80,242	4,993

		31 December 2022			
		(NIS millions)			
		Outstanding housing loans			
		Total	Of which: bullet and balloon	Of which: variable interest	Total off- balance-sheet credit risk
First pledge: LTV ratio	Up to 60%	71,718	1,536	44,838	2,569
	Above 60%	47,987	744	29,908	2,568
Unpledged secondary lien		5	-	4	-
Total		119,710	2,280	74,750	5,137

(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 2023

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	482,704	855	1,845
10	20	220,438	1,061	2,395
20	40	212,871	2,413	3,974
40	80	192,958	5,825	5,313
80	150	134,120	10,488	4,284
150	300	103,964	18,730	3,247
300	600	71,294	27,976	2,682
600	1,200	72,660	59,638	4,346
1,200	2,000	28,859	39,174	3,996
2,000	4,000	10,042	23,243	3,479
4,000	8,000	2,891	12,992	2,938
8,000	20,000	2,151	21,425	5,748
20,000	40,000	943	19,939	6,373
40,000	200,000	1,071	64,872	29,152
200,000	400,000	199	35,210	21,441
400,000	800,000	76	24,556	18,505
800,000	1,200,000	21	10,649	9,679
1,200,000	1,600,000	11	8,613	6,845
1,600,000	2,000,000	9	7,039	8,776
2,000,000	2,400,000	3	3,656	3,373
2,400,000	2,800,000	2	4,107	1,001
2,800,000	3,200,000	1	958	2,027
3,200,000	5,740,926	6	9,271	16,680
Total		1,537,294	412,690	168,099

(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 1,677 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)

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

31 December 2023							
	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	87,259	-	10,724	2,141	2,829	2,319	105,272
Securities	80,660	4,050	58,531	4,601	4,455	2,527	154,824
Securities borrowed or purchased under agreement to resell	255	-	2,797	1	-	-	3,053
Credit to the public, net (c)	314,278	60,907	23,942	4,874	5,962	4,491	414,454
Credit to governments	645	-	685	476	-	-	1,806
Investments in companies included on equity basis	228	-	-	-	3,329	11,952	15,509
Buildings and equipment	-	-	-	-	-	2,840	2,840
Assets in respect of derivative instruments	8,329	301	7,083	515	573	10,612	27,413
Other assets	6,124	1	61	14	(1)	970	7,169
Total assets	497,778	65,259	103,823	12,622	17,147	35,711	732,340
Liabilities							
Deposits of the public	407,819	11,941	124,338	12,771	5,283	6,838	568,990
Deposits from banks	12,643	-	6,453	1,503	223	-	20,822
Deposits from governments	83	-	64	13	-	-	160
Securities loaned or sold under agreement to repurchase	80	-	13,696	-	-	-	13,776
Debentures, bonds and subordinated notes	7,648	18,106	6,360	-	-	-	32,114
Liabilities in respect of derivative instruments	9,093	308	5,249	752	708	10,539	26,649
Other liabilities	5,649	9,062	119	55	5	442	15,332
Total Liabilities	443,015	39,417	156,279	15,094	6,219	17,819	677,843
Difference (d)	54,763	25,842	(52,456)	(2,472)	10,928	17,892	54,497
Effect of derivative instruments that are hedged:							
Derivative instruments (except options)	752	(752)	-	-	-	-	-
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)	(32,064)	(4,227)	45,323	1,552	(11,848)	1,264	-
Option in the money, net (in terms of underlying asset)	(1,126)	-	1,044	128	(46)	-	-
Options out of the money, net (in terms of underlying asset)	(300)	-	197	99	4	-	-
Total	22,025	20,863	(5,892)	(693)	(962)	19,156	54,497
Option in the money, net (discounted par value)	(1,478)	-	1,379	175	(76)	-	-
Options out of the money, net (discounted par value)	(1,225)	-	714	529	(18)	-	-

(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 6,551 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 2022							
	Israeli Currency			Foreign Currency (a)			
		Linked to	IN U.S.		In other	Non-	
	Unlinked	the CPI	dollars	In Euro	currencies	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 not 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
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.

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

	31 December 2023												
	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)	Contractual yeild rate (g)
	NIS millions												
Israeli currency (c)													
Assets	175,232	46,549	101,285	51,432	36,830	29,713	24,413	82,086	86,402	33,173	667,115	4,448	5.02%
Liabilities	299,066	64,686	71,575	15,028	7,226	5,975	5,075	12,820	9,356	6,491	497,298	2,296	3.81%
Difference	(123,834)	(18,137)	29,710	36,404	29,604	23,738	19,338	69,266	77,046	26,682	169,817	2,152	80,403
Of which: credit to the public	79,120	36,165	51,644	42,888	31,309	26,263	21,621	72,643	79,927	29,428	471,008	2,123	375,192
Of which: deposits of the public	291,935	58,392	57,892	5,815	1,714	1,430	1,670	3,305	1,127	-	423,280	-	420,031
Derivative instruments (except options)	(13,460)	(9,420)	(9,157)	(1,456)	(770)	(1,045)	(239)	(958)	(249)	-	(36,754)	-	(35,764)
Options (in terms of underlying asset)	(149)	(240)	(602)	(4)	9	-	-	-	-	-	(986)	-	(979)
Difference After Effect of Derivatives instruments	(137,443)	(27,797)	19,951	34,944	28,843	22,693	19,099	68,308	76,797	26,682	132,077	2,152	43,660
Foreign currency													
Assets	40,931	18,793	27,956	12,042	8,420	7,306	5,718	21,232	16,042	7,991	166,431	1,400	4.79%
Liabilities	111,642	32,663	34,085	1,715	3,761	2,435	2,340	1,335	88	11	190,075	2	4.03%
Difference	(70,711)	(13,870)	(6,129)	10,327	4,659	4,871	3,378	19,897	15,954	7,980	(23,644)	1,398	(43,725)
Of which: credit to the public	17,967	2,988	5,877	2,822	1,729	1,349	1,441	546	235	46	35,000	1,400	34,771
Of which: deposits of the public	97,957	17,563	26,851	448	232	36	72	69	1	-	143,229	-	142,121
Of which difference in \$	(62,730)	(16,067)	(9,330)	9,134	3,579	2,279	1,819	17,002	10,951	7,743	(35,620)	981	(52,554)
Derivative instruments (except options)	13,460	9,420	9,157	1,456	770	1,045	239	958	249	-	36,754	-	35,764
Options (in terms of underlying asset)	149	240	602	4	(9)	-	-	-	-	-	986	-	979
Difference After Effect of Derivatives instruments	(57,102)	(4,210)	3,630	11,787	5,420	5,916	3,617	20,855	16,203	7,980	14,096	1,398	(6,982)
Total													
Assets	216,163	65,342	129,241	63,474	45,250	37,019	30,131	103,318	102,444	41,164	833,546	5,848	4.98%
Liabilities	410,708	97,349	105,660	16,743	10,987	8,410	7,415	14,155	9,444	6,502	687,373	2,298	3.84%
Difference (f)	(194,545)	(32,007)	23,581	46,731	34,263	28,609	22,716	89,163	93,000	34,662	146,173	3,550	36,678
Of which: credit to the public	97,087	39,153	57,521	45,710	33,038	27,612	23,062	73,189	80,162	29,474	506,008	3,523	409,963
Of which: deposits of the public	389,892	75,955	84,743	6,263	1,946	1,466	1,742	3,374	1,128	-	566,509	-	562,152

(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 1,046 million (31 December 2022- NIS 319 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 5.7 billion (31 December 2022 - NIS 6.4 billion) special credit in the amount of NIS 0.8 billion is classified without repayment date (31 December 2022 - NIS 0.6 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 2022														
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	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 Derivative 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 Derivative 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%

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

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

31 December 2023					
	Book value	Fair value			
		level 1 (1)	level 2 (1)	level 3 (1)	Total
	NIS millions				
Financial assets					
Cash and deposits with banks	105,272	85,395	13,808	5,274	104,477
Securities (2)	154,824	108,508	39,463	5,702	153,673
Securities borrowed or purchased under agreement to resell	3,053	3,053	-	-	3,053
Credit to the public, net	414,454	21,610	-	389,802	411,412
Credit to governments	1,806	-	472	1,263	1,735
assets in respect of derivative instruments	27,413	5,747	18,807	2,859	27,413
Other financial assets	383	23	-	360	383
Total financial assets	707,205 (3)	224,336	72,550	405,260	702,146
Financial liabilities					
Deposits of the public	568,990	24,491	245,330	287,918	557,739
Deposits from banks	20,822	5,758	4,220	10,629	20,607
Deposits from governments	160	-	109	49	158
Securities loaned or sold under agreement to repurchase	13,776	13,776	-	-	13,776
Debentures, bonds and subordinated notes	32,114	30,115	-	911	31,026
liabilities in respect of derivative instruments	26,649	5,812	20,716	121	26,649
Other financial liabilities	2,902	175	1,289	1,438	2,902
Total financial liabilities	665,413 (3)	80,127	271,664	301,066	652,857
Off balance financial instruments					
Deals in which the balance represents credit risk	334	-	-	334	334
Liabilities in respect of employee benefits, net	8,715	-	-	8,715	8,715
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 (3)	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

- (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 201,114 million and NIS 257,925 million (31 December 2022 – NIS 154,035 million and NIS 277,987 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.

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 2023				
	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	65,510	6,659	26	72,195
Foreign government bonds	21,896	5,020	-	26,916
Bonds of Israeli financial institutions	46	-	-	46
Bonds of financial institutions abroad	-	8,882	-	8,882
MBS/ABS	-	5,062	4,889	9,951
Others in Israel	559	151	-	710
Others abroad	-	4,631	-	4,631
Total available for sale bonds	88,011	30,405	4,915	123,331
Non-trading shares and mutual funds:				
Non-trading shares and mutual funds	1,993	-	-	1,993
Securities held for trading:				
Israeli government bonds	12,901	-	-	12,901
Foreign government bonds	-	-	-	-
Bonds of Israeli financial institutions	436	-	-	436
Bonds of financial institutions abroad	-	26	-	26
MBS/ABS	-	20	5	25
Others in Israel	135	-	-	135
Others abroad	-	36	2	38
Shares held for trading	86	-	-	86
Total securities held for trading	13,558	82	7	13,647
Assets in respect of derivative financial instruments:				
Shekel-index contracts	-	136	201	337
Interest contracts	1,080	8,163	118	9,361
Foreign currency contracts	-	4,360	2,362	6,722
Contracts in respect of shares	4,050	6,128	178	10,356
Commodities and other contracts	180	20	-	200
Maof market activity	437	-	-	437
Total assets in respect of derivative financial instruments	5,747	18,807	2,859	27,413
Others				
Credit and deposits in respect of lending of securities	14,148	-	-	14,148
Others	3,076	-	-	3,076
Total Assets	126,533	49,294	7,781	183,608
Liabilities:				
Shekel-index contracts	-	213	116	329
Interest contracts	1,166	7,205	-	8,371
Foreign currency contracts	-	7,042	5	7,047
Contracts in respect of shares	4,030	6,236	-	10,266
Commodities and other contracts	180	19	-	199
Maof market activity	437	-	-	437
Total liabilities in respect of derivative financial instruments	5,813	20,715	121	26,649
Others				
Deposits of the public	13,680	17	-	13,697
Securities loaned or sold under repurchase agreement	13,776	-	-	13,776
Credit-linked note	-	-	419	419
Others	175	-	-	175
Total Liabilities	33,444	20,732	540	54,716

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 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
NIS Millions				
Assets:				
Available for sale bonds:				
Israeli government bonds	14,040	4,619	24	18,683
Foreign government bonds	12,483	4,511	-	16,993
Corporate bonds in Israel	46	-	-	46
Corporate bonds 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	26,949	27,500	4,083	58,531
Non-trading shares and mutual funds:				
Non-trading shares and mutual funds	1,978	-	-	1,978
Securities held for trading:				
Israeli government bonds	1,259	-	-	1,259
Foreign government bonds	-	-	-	-
Corporate bonds in Israel	580	-	-	580
Corporate bonds 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	144	12	2,229
Assets in respect of derivative financial instruments:				
Shekel-index contracts	-	146	153	298
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	26,645
Others				
Credit and deposits in respect of lending of securities	14,876	-	-	14,876
Others	3,051	-	-	3,051
Total Assets	55,411	44,034	7,867	107,310
Liabilities:				
Liabilities in respect of derivative financial instruments:				
Shekel-index contracts	-	291	147	438
Interest contracts	116	8,673	-	8,789
Foreign currency contracts	-	4,750	4	4,754
Contracts in respect of shares	5,237	3,451	-	8,687
Commodities and other contracts	208	33	-	241
Maof market activity	393	-	-	393
Total liabilities in respect of derivative financial instruments	5,954	17,198	151	23,302
Others				
Deposites of the public	14,802	1	-	14,803
Others	4,115	-	-	4,115
Total Liabilities	24,871	17,199	151	42,220

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 2023					
	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	-	-	782	782	(127)
Total	-	-	782	782	(127)
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

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

31 December 2023									
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 2023	Unrealized profit/loss from instruments held 31 December 2023
NIS Millions									
Assets:									
Bonds Available for sale:									
Israeli Government	24	2	-	-	-	-	-	26	-
Financial institutes abroad	1	-	-	-	-	-	-	1	-
MBS \ ABS	4,060	84	84	881	-	(393)	174	4,890	84
Others abroad	-	-	-	-	-	-	-	-	-
Total bonds available for sale	4,085	86	84	881	-	(393)	174	4,917	84
Bonds for trade:									
MBS \ ABS	10	0	-	-	-	(5)	-	5	-
Others abroad	2	-	-	-	-	(2)	2	2	-
Total bonds available for trade	12	0	-	-	-	(7)	2	7	-
Assets in respect of derivative financial instruments:									
Shekel-index contracts	153	-	-	-	-	-	48	201	75
Interest contracts	77	475	-	-	-	(434)	-	118	58
Foreign currency contracts	1,823	(1,414)	-	1,953	-	-	-	2,362	2,131
Contracts in respect of shares	1,715	(1,537)	-	-	-	-	-	178	160
Commodities and other contracts	4	(4)	-	-	-	-	-	-	-
Total assets in respect of derivative financial instruments	3,772	(2,480)	-	1,953	-	(434)	48	2,859	2,424
Total assets	7,869	(2,394)	84	2,834	-	(834)	224	7,783	2,508
Liabilities:									
Liabilities in respect of derivative financial instruments:									
Shekel-index contracts	146	(144)	-	-	-	-	113	115	26
Foreign currency contracts	4	1	-	-	-	-	-	5	-
Total liabilities in respect of derivative financial instruments	150	(143)	-	-	-	-	113	120	26
Other	-	-	-	500	-	(81)	-	419	-
Total liabilities	150	(143)	-	500	-	(81)	113	539	26

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

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	Extinguishments	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	521	(196)	1,367	(19)	(487)	4,060	(229)
Others abroad	3	-	-	-	(3)	-	-	-
Total bonds available for sale	3,860	541	(203)	2,300	(19)	(1,474)	4,085	(234)
Bonds for trade:								
MBS \ ABS	11	1	-	-	(1)	(4)	3	10
Others abroad	-	-	-	-	-	-	2	2
Total bonds available for trade	11	1	-	-	(1)	(4)	5	12
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)	3,772	3,250
Total Assets	5,925	935	(203)	3,883	(20)	(1,755)	7,869	3,016
Liabilities:								
Liabilities in respect of derivative financial instruments:								
Shekel-index contracts	89	(87)	-	-	-	144	146	5
Foreign currency contracts	284	(280)	-	-	-	-	4	-
Total liabilities in respect of derivative financial instruments	373	(367)	-	-	-	144	150	5
other	-	-	-	-	-	-	-	-
Total Liabilities	373	(367)	-	-	-	144	150	5

Statement of Cash Flows - Bank
For the year ended 31 December 2023

	2023	2022	2021
	(NIS millions)		
Cash flows generated by operating activity			
Net profit for the year	7,027	7,709	6,028
Adjustments:			
Group share in undistributed gains (losses) of companies included on equity basis (a)	641	(870)	(990)
Expenses deriving from share-based payment transactions	7	4	-
Depreciation of buildings and equipment (including impairment)	660	570	634
Expenses in respect of credit losses	2,291	505	(819)
Net gains on sale of securities available for sale	289	141	(230)
Realized and unrealized net gain from adjustment to fair value of securities held for trading	(90)	164	19
Loss (gain) on realization of investment in companies included on equity basis	-	(752)	-
Loss (gain) on realization of buildings and equipment - net	(22)	(52)	(119)
Provision for impairment in debentures available for sale	33	42	-
Net profit realized and unrealized from fair value adjustments of non-trading shares	(175)	(178)	(79)
Excess of interest received (receivable) for available-for-sale bonds and held-to-maturity bonds over interest accrued during the period	(2,190)	(195)	367
Accrual differences and rate in respect of bonds and subordinated bonds	379	1,003	(41)
Effect of exchange rate differentials on cash and cash equivalent balances	(156)	(765)	570
Deferred taxes, net	(711)	(259)	405
Severance pay and pension - increase in excess of provision over amount funded	171	33	327
Profit on sale of loan portfolios	-	(15)	-
Other, net	(2)	(11)	5
Net change in current assets:			
Assets in respect of derivative instruments	(767)	(12,700)	1,140
Held-for-trading securities	(11,326)	713	894
Other assets	(324)	(12)	164
Net change in current liabilities:			
Liabilities in respect of derivative instruments	3,232	8,712	(1,394)
Other liabilities	472	1,788	(3,143)
Net cash generated by operating activity	(561)	5,575	3,738

(a) Net of dividend received.

Statement of Cash Flows (cont'd)
For the year ended 31 December 2023

	2023	2022	2021
	(NIS millions)		
Cash flows generated by investment activity			
Net change in deposits with banks with original maturities of more than three months	2,928	123	(1,062)
Net change in loans to the public ^(a)	(31,518)	(66,609)	(45,087)
Net change in loans to governments	(696)	(171)	(308)
Change in securities borrowed or purchased under reverse repurchase agreements	(19)	(587)	572
Purchase of held-to-maturity bonds	(3,164)	(8,550)	(1,201)
Proceeds from redemption of held-to-maturity bonds	2,311	418	898
Acquisition of securities available for sale and non-trading shares	(174,380)	(113,235)	(101,796)
Proceeds from sale of securities available for sale and non-trading shares	87,402	95,800	83,879
Proceeds from redemption of securities available for sale and non-trading shares	24,648	19,240	23,665
Acquisition of shares in companies included on equity basis	(10)	(355)	(21)
Proceeds from realization of investment in companies included on equity basis	267	-	1
Net decrease (increase) in capital notes of investee companies	(2,432)	306	-
Acquisition of buildings and equipment	(814)	(753)	(517)
Proceeds from realization of buildings and equipment	38	109	179
Proceeds from sale of loan portfolios	42	443	217
Acquisition of loan portfolios	(1,556)	-	-
Central severance pay fund	14	91	(74)
Net cash for investment activity	(96,939)	(73,730)	(40,655)

(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 2023

	2023	2022	2021
	(NIS millions)		
Cash flows generated by financing activity			
Net change in deposits from banks with original maturities of more than three months	(2,591)	(1,986)	10,322
Net change in deposits by the public	10,929	44,157	87,884
Net change in deposits by the government	(87)	(52)	106
Net change in securities loaned or sold under repurchase agreements	9,824	1,906	1,692
Proceeds from issue of bonds and subordinated bonds	10,758	11,435	2,262
Redemption of debentures and subordinated notes	(6,874)	(61)	(3,096)
Issuance of shares	-	2,736	-
Share buyback	(600)	-	-
Dividend paid to shareholders	(2,081)	(1,665)	(1,997)
Net, cash flows generated by financing activity	19,278	56,470	97,173
Increase (decrease) in cash and cash equivalents	(78,222)	(11,685)	60,256
Balance of cash and cash equivalents at beginning of year	180,333	191,253	131,567
Effect of movements in exchange rates on cash balances and cash equivalents	156	765	(570)
Balance of cash and cash equivalents at end of year	102,267	180,333	191,253
	2023	2022	2021
	(NIS millions)		
Interest received	29,078	15,106	9,667
Interest paid	(14,112)	(3,437)	(1,371)
Dividend received	151	95	11
Income tax paid	(4,268)	(2,297)	(2,807)
Income tax received	104	193	74

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.