Leumi | Financial Statements 30.09.2025

The Risk Management Report and description of the main features of issued regulatory capital instruments appear on the Bank's website at: www.leumi.co.il >About us > Financial information > Disclosure under Pillar 3 of the Basel Accord and Additional information on risks, as well as on the Magna website of the Securities Authority at: www.magna.isa.gov.il.

BANK LEUMI LE-ISRAEL B.M. AND ITS INVESTEE COMPANIES
Summary Financial Statements as at September 30, 2025

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A. Overview, Goals and Strategy

The Board of Directors and Management's Report

The Report of the Board of Directors and Management was prepared in accordance with the Reporting to the Public Directives of the Banking Supervision Department. The principles applied to the preparation of the interim financial statements are consistent with those applied to the Annual financial statements as of December 31, 2024, except as outlined in Note 1. The statements herein should be read in conjunction with the 2024 Annual Financial Statements.

Objectives and Business Strategy

For information regarding the Bank's targets and its business strategy for the years 2025 - 2027, see Description of the Leumi Group's Business to the financial statements as of December 31, 2024.

Condensed Financial Information and Key Performance Indicators

Following are the key performance indicators (in %)

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2025	2024	**2025**	2024	2024
Return on net income attributable to the Bank's shareholders in respect of capital[c]	**16.3**[j]	15.5	**16.0**[j]	17.1	16.9
Return on net income attributable to the Bank's shareholders to average assets[c][e]	**1.3**	1.2	**1.3**	1.3	1.3
Ratio of income[c] to average assets[c] [e]	**2.86**	3.00	**2.89**	3.15	3.08
Efficiency ratio	**27.0**	31.1	**28.6**	29.6	29.9
Ratio of net interest income to average assets[c] [e]	**2.14**	2.47	**2.17**	2.27	2.20
Ratio of fees and commissions to average assets[c] [e]	**0.47**	0.53	**0.50**	0.51	0.51
Rate of tax provision from profit, before taxes[i]	**39.8**	36.8	**38.4**	34.8	35.0
Net interest income to average outstanding interest-bearing assets (NIM)[c]	**2.37**	2.73	**2.42**	2.52	2.44
Total income to total average assets under management by the Group[b][c][d]	**0.91**	0.99	**0.92**	1.08	1.04
Total operating and other expenses to average total assets under management by the Group[d][c]	**0.24**	0.31	**0.26**	0.32	0.31

	As of September 30		As of December 31
	2025	2024	2024
Common Equity Tier 1 ratio[a][h]	**12.33**	12.07	12.17
Total capital ratio to risk factors[a][h]	**14.87**	14.77	14.83
Leverage ratio[g]	**7.13**	7.01	6.94
Liquidity coverage ratio[f]	**128**	124	123
Net stable funding ratio (NSFR)	116	115	118
Equity attributable to the Bank's shareholders to total assets	**8.1**	8.0	7.8

Please see comments on the next page.

Following are the key credit quality indicators (in %)

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2025	2024	**2025**	2024	2024
Percentage of expenses in respect of loan losses out of the average outstanding loans to the public[(c)]	**0.03**	0.28	**0.09**	0.16	0.16
Group expense rate due to credit losses from the average balance of credit to the public[(c)]	**0.09**	0.34	**0.16**	0.25	0.23
Percentage of balance of the loan loss provision for loans to the public out of outstanding loans to the public	**1.36**	1.50	**1.36**	1.50	1.49
Percentage of non-performing loans to the public in arrears of 90 days or more out of outstanding loans to the public	**0.45**	0.55	**0.45**	0.55	0.53
Net accounting write-off rate to average credit to the public[(c)]	**0.05**	0.10	**0.08**	0.11	0.10

a) After influence of various deductions and adjustments.
b) Total income - net interest income and noninterest income.
c) Annualized.
d) Including off-balance-sheet operations.
e) Average assets are the total assets - income-generating and others. For further information, please see Appendix 1 - Income and Expenditure Rates and Analysis of Changes in Interest Income and Expenses.
f) For further information regarding liquidity coverage ratio, please see the chapter entitled "Liquidity Risk".
g) For further information regarding the leverage ratio, please see the chapter titled "Structure and Development of Assets and Liabilities, Equity and Capital Adequacy", under the section titled "Capital and Capital Adequacy".
h) For further information, please see the Chapter titled "Equity and Capital Adequacy".
i) For further information, please see Note 17 B.
j) The return on net income attributable to the Bank's shareholders, in the normalization of Tier 1 equity requirement to the rate of 10.6% (the Bank's internal Common Equity Tier 1 target) for the three and nine moths ended September 30, 2025 is 19.0% and 18.7%, respectively.

Main income statement data

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2025	2024	**2025**	2024	2024
	In NIS million				
Net income attributable to the banking corporation's shareholders	**2,700**	2,293	**7,713**	7,347	9,798
Interest income, net	**4,471**	4,545	**13,028**	12,690	16,509
Loan loss expenses	**32**	312	**310**	516	713
Noninterest income	**1,490**	978	**4,304**	4,871	6,599
Of which: fees and commissions	**977**[(a)]	984	**3,012**[(a)]	2,829	3,823
Total operating and other expenses	**1,609**	1,716	**4,950**	5,192	6,904
Of which: Salaries and related expenses	**858**	933	**2,699**	2,886	3,796
Net earnings per share attributable to the banking corporation's shareholders (in NIS):					
Basic earnings	**1.81**	1.51	**5.15**	4.83	6.46

a) Including benefits to customers as part of the Bank of Israel's outline in the sum of approx. NIS 119 and 130 million., for the three and nine months ended September 30, 2025, respectively. For further details see the chapter titled "Main Changes in the Period Gone By".

Main balance sheet data

	As of September 30		As of December 31
	2025	2024	2024
	In NIS million		
Total assets	**827,113**	753,639	785,551
Of which: Cash and deposits with banks	**138,307**	136,673	155,828
Securities	**141,080**	121,278	124,101
Loans to the public, net	**495,387**	446,951	455,519
Total liabilities	**760,065**	693,376	723,888
Of which: deposits by the public	**641,123**	588,305	618,301
Deposits by banks	**16,874**	18,970	18,043
Bonds, promissory notes and subordinated notes	**44,883**	32,061	31,969
The banking corporation's shareholders' equity	**67,043**	60,258	61,658
Additional data:			
Price per share (in NIS)	**65.3**	36.4	43.4
Dividend per share (in agorot)[(a)(b)(c)]	**215.70**[(d)]	145.53	192.55

a) Dividend for the relevant period.
b) Cumulative figure for the period.
c) For further information see Note 9 A– The Bank's Share Buyback Plan.
d) The final dividend amount per share will be adjusted to changes due to a share buyback and the exercise of the Bank's convertible securities, and will be published two days prior to the effective date.

Forward-Looking Information in the Report of the Board of Directors and Management

The Report of the Board of Directors and Management includes, in addition to data relating to the past, information and forecasts relating to the future, defined in the Securities Law, 1968 (hereinafter: the "Law") as "Forward-Looking Information". Forward-looking information relates to a future event or matter, the materialization of which is uncertain and not under the Bank's exclusive control.

Forward-looking information is generally worded using the following words or phrases: "the Bank believes", "the Bank foresees", "the Bank expects", "the Bank intends", "the Bank plans", "the Bank estimates", "the Bank's policy", "the Bank's plans", "the Bank's forecast", "expected", "strategy", "targets", "likely to impact", "estimate", "scenarios", "likely", "may", "can", "will be", "optimistic", "pessimistic" and additional phrases indicating that the matter in question is a forecast of the future rather than past facts.

Forward-looking information included in the Report of the Board of Directors and Management is based, inter alia, on forecasts of various matters related to economic developments in Israel and abroad, especially the currency markets and capital markets, legislation, regulators' directives, competitors' behavior, technological developments, the geopolitical and security situation in Israel, and human resources issues.

As a result of the inability to foresee with certainty that these forecasts will materialized, and the fact that, in reality, events may differ from those forecasted, users should treat information defined as "forward-looking" with caution, since reliance on such information involves risks and uncertainty and the future financial and business results of the Leumi Group may be materially different.

The Bank does not undertake to publish updates on forward-looking information included in its reports. This does not derogate from the Bank's reporting obligations in accordance with any law.

B. Explanation and Analysis of the Financial Performance and Business Position

Trends, Phenomena, Developments and Material Changes

Main Developments in the Israeli Economy[1]

General Background and the Severity of the Risk Factors in the Israeli Economy

During the reporting period, the economic activity in the local economy continued to recover. During the first half of 2025 the economy grew at the annual rate of approx. 0.9%. This, against the backdrop of the campaign against Iran in June 2025, during which there has been a sharp decrease in the economic activity. Ongoing indicators point to a recovery of the economic activities in the third quarter of the year.

Looking forward, the economic activities are expected to continue to recover, as the rate of expansion will depend, among other things, on geo-security developments, on the global sentiment towards the State of Israel, as well as on global developments, including in the commerce domain. In this regard, we should note that following the reporting period, during October 2025 Israel and the Hamas signed the Trump Outline for returning the hostages immediately and ending the War at the first stage, and later the possibility of comprehensive regional regulation, with the direct involvement of the Western World Powers and most of the countries in the region. The first stage of the agreement began, upon the release of all the living hostages, withdrawal of IDF forces in Gaza to a line agreed upon, release of Palestinian prisoners and the process of returning the fallen hostages (which has not been completed). In response, an improvement of Israel's risk indicators has been recorded in the financial markets, including the strengthening of the shekel, alongside increases in the currency exchange rate. Arriving at an agreement and ceasing combat constitutes a positive development compared to the main scenario of the Bank of Israel's research division (dated September 29, 2025). As long as the ceasefire continues, and agreements will be arrived at in respect of the next stages of Trump Outline, which has far-reaching regional significant meaning, it is expected that this would have positive significance for economic stability, while improving Israel's international relations.

Shortly after the announcement of the ceasefire agreement in Gaza, credit rating agency Moody's published a statement regarding its implications for Israel, noting that while the agreement is a credit-positive development, it is not expected to lead to an immediate upgrade of Israel's credit rating. It was also noted that the risks of the agreement not being fully implemented remain high. Credit rating agency Fitch also issued a similar statement. Accordingly, credit rating agencies Moody's and Fitch maintained Israel's credit rating and outlook unchanged for the time being. On November 7, credit rating agency S&P issued a statement announcing an upgrade of Israel's rating outlook from "Negative" to "Stable", while leaving the rating itself unchanged. The statement noted that the ceasefire agreement between Israel and Hamas has reduced Israel's immediate security risk, and that Israel's credit rating may be upgraded if the growth rate and the fiscal outcomes exceed expectations and/or as a result of a significant and sustained improvement in the regional security situation. Looking ahead, if the Gaza ceasefire holds and the next stages of Trump Outline are implemented as planned, this would constitute a development that could support a continued improvement in Israel's credit rating.

[1] Data sources: publications by the Israel Central Bureau of Statistics, Bank of Israel, Ministry of Finance, Tel Aviv Stock Exchange, the IMF.

Israel's Credit Rating as of the Date of Approval of the Report

Credit rating firm	Credit Rating	Rating outlook	Last rating update
S&P	A	Stable	November 7, 2025 Ratifying the rating while raising the rating outlook to stable
Moody's	Baa1	Negative	September 27, 2024 Lowering the rating by two notches while leaving a negative outlook
Fitch	A	Negative	August 12, 2024 Lowering the rating while leaving a negative outlook

For further information regarding the credit rating and rating outlook of the State of Israel and the Bank, please see the chapter "Credit Rating in a Corporate Governance Report".

The Global Economy

On October 14, 2025, the International Monetary Fund (IMF) revised its forecasts for 2025-2026. Regarding the previous forecast from July 2025, the forecasts of global economy growth in 2025 had been revised upwards, this mainly against the backdrop of an expected more moderate custom's plan in the United States compared to previous forecasts, however no significant change had been made in the forecasts for 2026. The Monetary Fund assesses that global growth is expected to stand at 3.2% in the current year (a revision of 0.2% upward relative to the July 2025 forecast) and 3.1% in 2026. These are lower growth rates than the historical average (2000-2019), which stands at 3.7%.

The Monetary Fund expects that the US economy will grow by 2.0% in 2025 and by 2.1% in 2026. This is partially due to the approval of the OBBBA stimulus package, which is expected to support short-term investments. At the same time, the plan is expected to lead to a significant increase in USA's federal debt in the coming years, which increases the USA's fiscal risks. Additionally, the forecast of the continued process of lowering the interest rate, a certain decrease in customs rate in practice and better performances than those expected in the recent quarters, too supported revision of the forecast. In the Eurozone, the forecast for 2025 had been revised upward by 0.2% and for 2026 had been revised downwards by 0.1%. Thus, according to the Monetary Fund, the growth expected in the Eurozone will stand at 1.2% in 2025 and approx. 1.1% in 2026. In China, the forecast remained unchanged in respect of July, of a growth at the rate of 4.8% in 2025 and a growth of 4.2% in 2026.

At the same time, the Monetary Fund's inflation forecast remained mostly unchanged compared to the July forecast. Global inflation is expected to continue moderating and reach 4.2% in 2025 and 3.7% in 2026, in accordance with trends of slowdown in demands and decline in energy prices, as the IMF estimates that energy commodity prices decreased by approx. 8% in the current year, and particularly oil - which is expected to decrease by approx. 13% in 2025. However, according to the Monetary Fund, inflation in the United States is expected to remain above 2% at least until the end of 2026, inter alia due to the impacts of tariffs expected to be passed on to the American consumer.

The Monetary Fund notes that the risks to the forecast are titled to the downside. Increase of commerce barriers and increasing customs rates may impair global trade, slow down global economic activities, disrupt the global chain of supply and slow down productivity growth. In addition, it had been noted that labor supply shocks resulting from restrictive immigration policies may adversely affect growth, particularly in economies characterized by an aging population. Geopolitical tensions in the Middle East and Ukraine might trigger further supply shocks, dampen global trade even more, and generate renewed inflationary pressures. In addition, significant fiscal expansions and high public debt in many countries might lead to higher long-term yields and a more inflationary environment. Additionally, there are risks stemming from climate changes, as well as from the real estate sector crisis in China, which could impair the private consumption of Chinese consumers, and lead to negative impacts worldwide, given China's great weight in global trade.

Global growth forecast/real change rate
Source: IMF - World economic outlook/October 2025

	2026	2025
World	**3.1%**	3.2%
USA	**2.1%**	2.0%
Eurozone	**1.1%**	1.2%
Japan	**0.6%**	1.1%
UK	**1.3%**	1.3%
China	**4.2%**	4.8%

The Israeli Economy

Growth in the Israeli Economy

The monthly index for the activity of the market, replacing the integrated index, published by the Bank of Israel, serves as a monthly indicator of the economic activity (growth data for the third quarter is scheduled to be published after the financial statements are closed), and it increased by approx. 1.8% in September. This index provides an estimate of the average monthly growth during the third quarter of the year (July-September), reflecting the economy's recovery following Operation Am K'Lavie, during which a sharp decline in economic activity occurred. Against this backdrop, in the year first half of 2025, the economy grew at a moderate annual rate of approx. 0.9%.

According to the forecast of the Bank of Israel Research Department, the GDP is expected to grow by a rate of 2.5% in 2025 and by 4.7% in 2026. This is a revision of 0.8% downward in the growth forecast for 2025, due to the impact of Operation Am K'Lavie, and an revision of 0.1% upward in 2026, compared to the July forecast. The forecast was formulated prior to the signing of the Trump Outline for ending the War as returning the hostages. The Research Division emphasized that the forecast is characterized by an exceptionally high level of uncertainty, and similar to the July forecast, it incorporates both upside and downside risks - stemming from a wide range of possible security scenarios. It had further been noted that the scenario of a ceasefire agreement and ending the War is expected to ease the supply constraints in the economy, which will support expanded activity, and the impact on the inflation will also depend on how demand evolves.

The labor market continues to be tight, however a bit less compared to the end of 2024. In September 2025, the unemployment rate in its ordinary definition (unemployed persons only) stood at 3.0% compared to 2.7% in December 2024 (seasonality data excluded) and the unemployment rate in its broad definition (which also includes, in addition to the unemployed persons, who are included in the ordinary definition, also workers who are temporarily absent from work for economic reasons, workers who do not participate in the workforce who were let go in the last two years and who have given up looking for work; however not including workers who have been absent for non-economic reasons, such as: reserve duty, care of children in the absence of child care solutions, and more) stood at 4.3% in September this year, identical to its level in December last year (original data).

The State Budget and its Funding

The cumulative deficit in the State budget during January-September 2025, had amounted to approx. NIS 56.2 billion, compared to a deficit of approx. NIS 93.2 billion during the corresponding period in 2024. The decrease in the budgetary deficit, in annual terms, which began in the fourth quarter of 2024, continued also during the first nine months of the year. Government activity in the last twelve months ended September 2025 amounted to a cumulative deficit of approx. NIS 98.6 billion, which is approx. 4.7 percent of the GDP, according to Ministry of Finance estimates, compared to a deficit of approx. 6.8 percent of GDP at the end of 2024. The current level of the deficit is lower than the revised ceiling determined by the Ministry of Finance for the entire duration of 2025 and stands at 5.2% of the GDP. However, according to the forecast of the Bank of Israel Research Department, the deficit is expected to reach a rate of 5.1% of GDP in 2025.

Foreign trade and service exports data

During the first nine months of 2025, Israel's trade deficit had amounted to approx. $28.9 billion, and this compared to a trade deficit of approx. $24.0 billion during the corresponding period last year. The increase in the deficit stems from an increase in import at the same time with a decrease in the export of Israeli goods. Increases were recorded in import of the main commodity groups: raw materials, investment products and consumer products.

During the first eight months of 2025, Israel's service export amounted to approx. $57.0 billion, this compare to approx. $52.8 billion during the corresponding period in 2024. The increase in service export reflects an increase in export of business services and high-tech industry services, alongside a recovery in export of tourism services and transport services (travel fees) from the impacts of the War, although their level is still low compared to the prewar situation.

Exchange Rate and Foreign Exchange Reserves

During the first nine months of the year 2025, significant fluctuation in the shekel's currency exchange rate had been recorded against the background the global developments, emphasizing the American Government's customs tax plan; and the local, the warfare in the Gaza Strip, Operation Am K'Lavie, and the political-social risks in the local economy. During the report period, the was a 2.2% depreciation of the shekel against the euro, however, in contrast, the shekel appreciated significantly against the dollar at a rate of approx. 9.4% and against the currency basket, a significant appreciation at the rate of approx. 5.1% was also recorded. This, amid substantial variance between the first quarter of the year, during which the shekel depreciated against the dollar, the euro, and the currency basket, and the two following quarters, during which there was appreciation in the rate of the shekel against the dollar, the euro, and the currency basket. The shekel depreciation trend was halted beginning the second quarter, on the backdrop of the price increases in the stock exchanges around the world, with an emphasis on the USA and Europe, due to the lull in the intensity of the trade war. The shekel significantly appreciated toward the end of Operation Am K'Lavie, at the end of June, which caused an improvement in the risk perception of Israel among the financial markets. During October, the signing of the Trump Outline for ending the war in Gaza and returning the hostages (all of those alive and some of the deceased) led to a further strengthening of the shekel. The fluctuation in the currency markets may continue as long as the degree of uncertainty in the financial markets remains relatively high.

At the end of September 2025, the Bank of Israel's foreign exchange reserves stood at approx. USD 231.9 billion compared to approx. USD 214.6 billion as at the end of December 2024. The increase in balances is mainly explained by the effects of the government's actions in foreign currency and in revaluation. During the reporting period, Bank of Israel sold foreign currency at USD 273 million (in June, during which Operation Am K'Lavie took place).

Inflation and Monetary Policy

The Consumer Price Index (the "in lieu" index) was up by 2.6% in the first nine months of 2025. In the twelve months ended September 2025, the CPI was up by 2.5%, a rate within the price stability target range (1%-3%), the second month in a row, the lowest since February 2024. The index, excluding energy prices, increased by 2.6% over the last twelve months ended September 2025. In the main scenario, the annual inflation rate is expected to stay within the boundaries of the forecasted price stability target range, however it is not expected to settle in the target's center. This, against the backdrop of the tight labor market and the pace of wage rise in the business sector; as well as a rapid increase in demands due to the improvement in the security situation, alongside the slow and gradual lifting of supply constraints in the economy.

The CPI ("known") was up 3.0% over the first nine months of 2025.

In the first three quarters of 2025, the Bank of Israel's interest rate remained intact and stood at 4.50% at the end of the period.

In the interest rate decision that was made on September 29, 2025, the Monetary Committee decided to leave the interest rate intact, at the level of 4.50%, its level since January 2024. The Bank of Israel noted the continued recovery of the economic activity, albeit at a relatively moderate rate; the fact that the labor market remained tight; the moderation of the inflation rate, which still remains close to the upper bound of the price stability target (1%-3%), since the September index, which was lower than the early estimates, was unknown at the time of making the decision (in August 2025 the annual inflation rate stood at 2.9%); as well as the fact that the trend of improvement in Israel's risk premium had been sharply halted following Operation Am K'Lavie, although the increase in currency exchange rates in the local financial markets continued. Additionally, risks were emphasized regarding a possible acceleration of the inflation rate; geopolitical developments and their impact on market activity, increase in demand alongside supply limitations, the fiscal developments and deterioration of world trade conditions. The Monetary Committee noted that on the backdrop of the geopolitical uncertainty, the interest rate path will be determined according to the convergence of inflation to the target, stability in the financial markets, economic activity and fiscal policy. According to the Bank of Israel Research Department, the interest rate is expected to stand at 3.75 percent on average in the third quarter of 2026. In other words, the forecast includes the anticipation of three interest decreases in the upcoming year. According to the Research Division, the uncertainty regarding the forecast, both ways, remains high.

Israel's Capital Market

The shares and convertible securities index in Israel had increased over the first three quarters of 2025 by approx. 30.8%, following an increase of approx. 30.7 % in 2024. This, against the backdrop of improvement in the degree of severity of the local, security, and political risk factors, inter alia, due to signing the Trump Outline for ending the War and notwithstanding the Operation against Iran. During the reporting period, the financial markets in Israel and worldwide were characterized by fluctuation, inter alia due to significant uncertainty regarding the U.S. administration's policy and the implementation of the tariff plan, and developments in this area. It should be noted that the degree of uncertainty remained relatively high, and it may be reflected in continued volatility in the financial markets, albeit at a lesser degree of intensity, depending on developments in the global economy, and the degree of severity of the local risks.

The average daily trade turnover of shares and convertible securities amounted to approx. NIS 3.268 billion during the first nine months of 2025, an increase of approx. 49% compared to its average level in 2024.

The CPI-Linked Government Bond Index was up approx. 3.8% in the first nine months of 2025, while the Unlinked Government Bond Index was up approx. 4.9%. The index of the non-government bonds (corporate bonds) that are linked to the index had increased over the first three quarters of 2025 by approx. 5.4%.

Main Changes in the Reporting Period

The War and the Trump Outline for ending it

During October 2025, the Trump Outline for returning the hostages immediately had been published, followed by the possibility of comprehensive regional regulation, with the direct involvement of the Western World Powers and countries in the region. The first stage of the agreement began, upon the release of all the living hostages.

The War and its immediate and long-term effects on economic activity and Israel's fiscal situation also have an effect on the credit rating and outlook of the State of Israel and of the Bank.

For further information see the chapter titled "Key Developments in the Economy - General Background and Severity of Risk Factors" as well as the chapter titled "Credit Rating in a Corporate Governance Report".

In the credit risk aspect, there is still uncertainty, it is not possible to accurately assess the intensity of the potential adverse effect to the Bank's credit portfolio. These potential consequences, as well as reference to sectors exposed to the effects of the War, are expressed in the calculation of the collective provision for loan losses.

For additional information, please see the chapter entitled "Credit Risks".

In the aspect of market risks the War and the related challenges establish uncertainty in the financial markets and the fluctuations in them may continue.

The Bank's assessments regarding the long-term implications of the War, including the severity of all risk factors - future profitability of the Bank, capital and liquidity ratios are uncertain and may change in accordance with the geopolitical developments and their and impact on the economy and the Bank's business.

For further information, please see the chapter titled "Liquidity Risk" and the chapter titled "Capital and Capital Adequacy".

Against the backdrop of the War, the Bank of Israel issued directives and supervisory emphases for the banking system.

For detailed information on the Bank of Israel's relevant publications see the chapter titled "Legislation and Regulations Concerning the Banking System in a Corporate Governance Report".

The Iron Swords outline - reliefs and assistance to customers following the impacts of the War

On December 3, 2024 the Bank of Israel announced a last extension of the outline for the quarter between January 1, 2025 through March 31, 2025. The Bank had adopted the Iron Sword outline and implemented additional reliefs for its customers, as specified in the Section Major Changes in the Year Gone By in the financial statements as of December 31, 2024.

Relief baskets and assistance to customers of the banking system in accordance with the Bank of Israel's outline

On April 1, 2025 an outline of reliefs and assistance to the banking system's customers took effect, as part of which the banking system will allocate a cumulative sum of NIS 3 billion that would be comprised of NIS 1.5 billion each year, commencing the second quarter of 2025 up to the first quarter of 2027, unless it will be decided on termination of the outline prior to this.

Bank Leumi adopted this outline, and established significant relief baskets for all its customers, particularly customers who are victims of the War. The outline will be spread over two years. During the outline period, the reliefs will be reviewed every quarter anew, and the Bank may make changes in them.

(1) Reliefs for the populations who were adversely affected by the War - voluntary extension to the second quarter of 2025
Bank Leumi had extended the Iron Swords outline, which ended on March 31, 2025 for three additional months commencing April 1, 2025 through June 30, 2025, as part of the relief baskets it adopted, and granted reliefs within the mortgages domain, loan payments to private and business customers, and an exemption from mandatory interest, and an exemption from commissions to eligible customers pursuant to the Bank of Israel's Iron Swords outline as specified in the Section "Major Changes in the

Year Gone By" in the financial statements as of December 31, 2024. This relief was not extended to the following quarters.

(2) Interest on credit balances in checking accounts

Commencing May 1, 2025, eligible customers are paid interest on credit balances in checking accounts at an annual rate of 2%. The interest is be paid up to a credit ceiling of NIS 10,000 in the checking account. The credit interest is automatically credited to the shekel checking account of the eligible customers, with no need for the customer to initiate an inquiry. The date of crediting the interest is quarterly, and it will be credited to the account on the first business day of each calendar quarter month for the quarter gone by.

This benefit is designated to private customers (individuals) who transfer wages or pension payments aggregately (transfer by the employer directly to the customer's account via an interbank clearinghouse), and in whose accounts there are at least one of the following products: Leumi mortgage charges or having a securities deposits with Leumi or a minimum monthly charge of NIS 7,000 by a credit card issued by Bank Leumi. This relief was extended as part of the relief baskets in the third and fourth quarters of 2025.

(3) Daily deposit via automatic deposit

The Bank had announced development of a product, as part of which customers will be able to define a minimal balance in the checking account (above NIS 15,000), as any sum over it will be automatically deposited in a one-year deposit with daily liquidity up to a fixed amount. The product has been launched to available to all customers commencing the third quarter of 2025.

(4) Reduction of the interest rate on overdraft in a checking account

Interest on a debit balance in a checking account (overdraft) in respect of the second quarter of 2025 was decreased by 1% both in the first tier as well as the second tier, to all customers among households with an approved credit line, and who have a debit balance as March 27, 2025, which is part of the credit line approved by the Bank. The credit was granted according to the identification of the account in the Bank's systems, with no need for the customer to initiate an inquiry, on July 1, 2025. This relief was extended as part of the relief baskets in the third quarter of 2025, to all customers among households with an approved credit line, and who have a debit balance as of June 16, 2025, which is part of the credit line approved by the Bank. The credit is granted according to the identification of the account in the Bank's systems, with no need for the customer to initiate an inquiry, on October 1, 2025. This relief was extended as part of the relief baskets in the fourth quarter of 2025.

(5) Deferral of loan payments

During the period commencing April 1, 2025 through June 30, 2025, private customers eligible according to the Bank's terms were given the possibility to ask for a deferral, free of interest and free of commissions, of loan payments the balance of which stands at NIS 100,000 cumulatively for a period of three months. The deferral will be enabled in respect of loans managed in an orderly manner, with no overdue payments, and excluding loans under special terms and housing loans, and per the Bank's discretion. This relief was not extended to the following quarters.

(6) One-time Benefit

The Bank granted a onetime benefit of NIS 500 to its customers. The benefit was awarded to private customers, pursuant to the qualifying terms, whose accounts were charged a cumulative amount of at least NIS 7,000 during September 2025 for Leumi credit card transactions, in addition to receiving a salary deposit into the same account.

(7) Relief for soldiers in regular (mandatory) service

Exemption from overdraft interest of up to NIS 10,000 for the third quarter of 2025. An account of soldiers on mandatory service will be deemed the account of a customer who, from the beginning of 2025, received a deposit/credit for his regular mandatory service. The relief (0% interest) will be granted for a debit balance of the current account (overdraft) for a period of three months up to NIS 10,000, which is part of the line approved by the Bank) and whose account, as of June 16, 2025, was in debit balance. The account is credited at the end of the quarter on October 1, 2025, in accordance with the account identification and qualifying terms. This relief was not extended to the forth quarter of 2025.

(8) A 0.25% interest rate reduction on mortgages and consumer credit in the Prime rate track.

The prime interest rate, which currently stands at 6%, will be set at only 5.75% at Leumi, reducing the monthly repayment amount for customers with a mortgage or consumer in the prime rate track. The benefit will be given automatically, according to the eligibility conditions, and apply to Leumi customers who deposit their salary with Leumi, holding a mortgage with a prime-linked component and/or an existing loan based on the prime interest rate.

The relief took effect commencing September 1, 2025 and will remain in force until the Bank of Israel changes the interest rate or until a notice is published on the Bank's website, the earlier of the two.

Operation Am K'Lavie - reliefs and assistance to customers following the impacts of the Operation

Against the backdrop of the impact of the Operation Am K'Lavie on the Israeli economy, and the shutdown of large areas across the country in accordance with Home Front Command directives, the Bank of Israel formulated an assistance outline for populations that had directly incurred damages due to the fighting, including small and micro business owners, households that were damaged or whose home had been damaged by missile attacks and had to evacuate their homes, as well as reserve soldiers who were called to duty. The outline was defined for the period between July 1, 2025 and July 31, 2025. The Bank adopted the Bank of Israel Operation Am K'Lavie Outline as follows:

(1) Reliefs to business owners affected by the Operation and all business customers meeting the qualifying criteria

Interest free deferral of loan payments for three months for business customers whose income was affected. The relief was given to business owners with physical property damage due to the Operation, subject to presentation of a certificate from the local authority or another competent official on evacuation from the place of business. Businesses not operating during Operation Am K'Lavie will be identified through the submission of an accountant/tax advisor certification/an attorney-certified affidavit, attesting to the cessation of business activity during Operation Am K'Lavie, which began on June 13, 2025. Additionally, all business customers were given the option to defer loan payments for two months, paying the agreed interest payment.

Deferral for business credit up to a cumulative amount of NIS 2 million. Deferral will be made using addition of payments at the end of the loan term. The relief was given to small and micro businesses (including corporations) with activity turnover of up to NIS 25 million, excluding commercial collaboration loans with third parties. The aforesaid does not apply to customers involved in legal proceedings. Customers in arrears as at the outline publication date (June 17, 2025) may obtain deferral up to a period not exceeding 180 days from the arrears commencement. The exemption was in effect until July 31, 2025.

In addition, business owners who are also active reservists - Exemption from overdraft interest of up to NIS 30,000 for two months.

The relief (0% interest) was granted for a debit balance of the current account (overdraft) for a period of two months up to NIS 30,000 (which is part of the line approved by the Bank), provided that immediately prior to the public announcement regarding the updated outline (June 16, 2025), their current account was in debit balance. The relief was given to reservist business owners who performed reserve duty between April 1, 2025 until July 31, 2025 or part thereof and received a deposit/credit to the account for the reserve duty service. Inasmuch as no automatic identification is made possible, the benefit is given in accordance with a reference to be received from the business owner/reservist. The exemption was in effect until July 31, 2025.

(2) Deferral of loan repayments for private customers who were evacuated or affected due to the Operation, for three months with no interest and fee

The relief was given to private customers (households) with cumulative Leumi consumer credit of NIS 100,000. Deferral of principal and interest payment is free of interest for the deferral amount. The aforesaid does not apply to customers involved in legal proceedings. The relief was given to customers submitting one of the following certificates: (1) Certification from the local authority or another competent official confirming evacuation from the home/business; (2) Certification from a competent authority confirming hospitalization due to an injury caused by the Operation. The aforesaid does not apply to customers involved in legal proceedings, and customers in arrears as at the outline publication date may obtain deferral up to a period not exceeding 180 days from the arrears commencement. The exemption was in effect until July 31, 2025.

(3) Deferral of loan repayments for private customers who were evacuated or affected due to the Operation, for three months with no interest and fee

The relief was given to customers with active mortgage in Leumi, relating to mortgages for a first home or for home upgraders (not for investment property) submitting one of the following certificates: (1) Certification from the local authority or another competent official confirming evacuation from the home/business; (2) Certification from a competent authority confirming hospitalization due to an injury caused by the Operation. For customers with mortgage provided under the Housing Loans Law 5752, freezing is subject to the criteria of the Ministry of Construction and Housing. The aforesaid does not apply to customers involved in legal proceedings. Customers in arrears as at the outline publication date may obtain deferral up to a period not exceeding 180 days from the arrears commencement. Applications for mortgage payment freeze was enabled until September 30, 2025.

The Bank granted additional reliefs to its customers, included as part of the "relief baskets" outline, as detailed below:

(1) Reservists

One-time monetary refund:

A one-time refund of up to NIS 3,000 to customers who are reservists with a mortgage or a loan and receive their salary into their Leumi account. Identifying the customer account as a reservist account - Customers who, in May and/or June and/or July 2025, received a deposit/credit in their account following reserve military service. Inasmuch as the customer performed reserve duty in the said period and did not receive a deposit/credit into the account, they must submit a reference to the Bank regarding such reserve duty service. In addition, Leumi customers called up for reserve duty under Emergency Order 8, with a Leumi active mortgage/loan as at June 2025, who are the owners of the property pledged as collateral for the mortgage. The relief was given to private customers (individuals) whose salary/pension is transferred via integration (the salary is transferred directly by the employer to the customer's account using an interbank clearing system), who are among all borrowers (e.g., a couple), into their Leumi account, holding an active mortgage/loan with Leumi as at June 2025, and are the owners of the property pledged as collateral for the mortgage. The aforesaid does not apply to customers involved in legal proceedings.

Interest free freeze of mortgage payments for three months:

Identifying the customer account as a reservist account - Customers who, in May until September 2025, received a deposit/credit in their account following reserve duty service. Inasmuch as the customer performed reserve duty in the said period and did not receive a deposit/credit into the account, they must submit a reference to the Bank regarding such reserve duty service. The relief was given to customers with active mortgage in Leumi as at July 1, 2025, relating to mortgages for a first home or for home upgraders (not for investment property) Freezing of mortgage payments for up to three months (Deferral of principal and interest payment is free of interest for the deferral amount). Customers who implemented actual freezing of up to nine months will be entitled to a freezing of additional three months, subject to submission of another application to defer payments so that the total maximal freeze months commencing October 23 will be twelve months cumulatively. For customers with mortgage provided under the Housing Loans Law 5752, freezing is subject to the criteria of the Ministry of Construction and Housing. The aforesaid does not apply to customers involved in legal proceedings. Customers in arrears as at the outline publication date may obtain deferral up to a period not exceeding 180 days from the arrears commencement. Application for mortgage payment freezing under the outline was enabled until September 30, 2025.

Exemption from selected fees and commissions:

For the period between July 1, 2025 through December 31, 2025 for selected fees and commissions as specified in the Bank's tariff for individuals and small businesses in the following issues: Current account, information, messages and alerts, credit, foreign currency, foreign trade, future inter-currency and other transactions, as well as an exemption from special services excluding fees for cash withdrawals from a remote device that is not required using a card that had not been issued by the Bank, as well as an exemption from credit card fees only (excluding UNITED, FLYCARD, FIRST cards). Relief will be given through granting an exemption or a refund into the account at the end of every month or quarter, for the full amount collected for the fee listed in the Selected Fees List. Identifying the customer account as a reservist account - Customers who, in during July - December 2025, at least, will be received a deposit/credit in their account following reserve duty service. Inasmuch as the customer performed reserve duty in the said period and did not receive a deposit/credit into the account, they must submit a reference to the Bank regarding such reserve duty service.

(2) Reliefs for soldiers in regular (mandatory) service
In addition to the relief baskets in respect of the Bank of Israel outline specified below, fee exemption and reliefs are given as specified in Appendix A of the Bank's tariff, for customers belonging to the "Leumi 18+" population group.

(3) Option for loans under favorable terms for private customers evacuated or affected due to Operation Am K'Lavie
Loan of up to NIS 100 thousand up to 36 installments with a repayment option after half a year, of which: (1) interest free loan of up to NIS 30 thousand; (2) and loan of up to NIS 70 thousand with Prime interest rate of 0%+. The relief was given to Leumi customers with salary account and new activity transferring customers, private or business, who were injured, whose home or property was damaged, or who were evacuated from their home/business, in accordance with submission of the appropriate certification. Applications may be submitted between June 25, 2025 and July 31, 2025. Evaluation of the loan and its terms is subject to the Bank's discretion. Deferral of loan payment date involves more costs.

Option for a loan to purchase first-hand car up to an amount of NIS 400 thousand with a Prime interest rate of 0.2%+ for five years with an option to defer 50% of the total loan. Evaluation of the loan and its terms is subject to the Bank's discretion. Deferral of loan payment date involves more costs. The exemption was in effect until July 31, 2025.

Option for a loan to purchase second-hand car, with a road age of up to five years, valued up to NIS 200 thousand with a Prime interest rate of 1%+ for three years with an option to defer 30% of the total loan. Evaluation of the loan and its terms is subject to the Bank's discretion. Deferral of loan payment date involves more costs. The exemption was in effect until July 31, 2025.

(4) Increasing bank credit card facilities
For Leumi credit card holders who stayed abroad until rescued, aiming to allow them to carry out transactions with the card until they return to Israel, subject to the bank's discretion.

In addition to the relief baskets the Bank established, a new trust plan had been launched for its "Leumi Bonus" customers. As part of the plan those holding Bank Leumi credit cards and those holding debit cards will be grated benefits and discounts, pursuant to the plan's terms as may vary from time to time, in a variety of areas: vacations, shows and sport events in Israel and abroad, restaurants, family attractions, marketing chains and more, and will be able to save up to thousands of shekel annually.

Donations and bonuses

The Bank continues its extensive activities for the benefit of the Israeli society during this quarter as well, maintaining a deep connection to needs arising from the field- particularly against the backdrop of the War. During the reporting period, Bank Leumi continued to lead and finance initiatives aimed at rehabilitating communities and regions affected in the south and north, to support reservists and active-duty soldiers and continues to accompany to Kibbutz Be'eri. In addition, the "National Appreciation Initiative" remained active this quarter, honoring additional families for their dedication and volunteerism throughout the War.

For information regarding the issue please see the Chapter "Major Changes in the Year Gone By in the financial statements as of December 31, 2024

Benefits awarded to the public as part of Bank of Israel's outline from 2025 and in respect of the War*

	For the three months ended September 30, 2025					For the nine months ended September 30, 2025	for 2024
	Housing	Individuals - Other	Micro- and small-businesses	Medium and large-sized businesses	Total	Total	Total
	In NIS million						
A. Benefits awarded to the public							
A.1. Benefit amounts carried to the income statement during the reporting period							
Interest rate benefits via changes to credit terms[a]	11	26	17	–	54	105	70
Other interest rate benefits on credit[b]	–	1	–	–	1	1	27
Interest rate benefits on demand deposits	–	11	–	–	11	22	–
Interest rate benefits on other deposits	–	–	–	–	–	–	2
Waiver of fees and commissions[c]	–	100	18	1	119	139	71
Donations and other income	–	–	–	–	–	30	64
Total	11	138	35	1	185	297	234
Of which: As part of Bank of Israel's outline from 2025							
Interest rate benefits via changes to credit terms[a]	11	25	5	–	41	81	–
Other interest rate benefits on credit[b]	–	1	–	–	1	1	–
Interest rate benefits on demand deposits	–	11	–	–	11	22	–
Waiver of fees and commissions[c]	–	100	18	1	119	130	–
Total	11	137	23	1	172	234	–
A.2. Estimate of benefit amounts not yet carried to the income statement, as at the reporting date[d]						676	156

	For the three months ended September 30, 2025						For the nine months ended September 30, 2025	for 2024
	Housing	Individuals - Other	Micro- and small-businesses	Mid-market businesses	Corporations	Total	Total	Total
	In NIS million							
B. Additional information on activities for the benefit of borrowers as part of dealing with the War								
b.1.a. Total credit that underwent a change in terms and conditions, during the reporting period[e]:								
Change in terms and conditions for borrowers who are struggling financially (see Note 13.b.2b.)[g]	8	79	44	–	–	131	377	533
Change in terms and conditions for borrowers who are not struggling financially	2,740	25	700	169	37	3,671	8,673	21,296
Total credit	2,748	104	744	169	37	3,802	9,050	21,829

	As of September 30, 2025						As of June 30, 2025	As of 31 December 2024
	Housing	Individuals - Other	Micro- and small-businesses	Mid-market businesses	Corporations	Total	Total	Total
	In NIS million							
B.1.b. Total credit that underwent a change in terms and conditions, as of the reporting date:								
Change in terms and conditions for borrowers who are struggling financially (see Note 13.b.2b.)[(g)]	**154**	**545**	**370**	**185**	**147**	**1,401**	1,464	1,587
Change in terms and conditions for borrowers who are not struggling financially:								
Credit with waiver of interest	**275**	**-**	**-**	**-**	**-**	**275**	261	254
Credit with a deferral of payments and/or period extension, for which the deferral period has not yet ended[(f)]	**3,556**	**142**	**758**	**259**	**37**	**4,752**	3,906	4,791
Average deferral of payments in months[(f)]	**10**	**5**	**5**	**5**	**2**	**9**	9[(i)]	8
Credit with another change in terms and conditions	**953**	**-**	**-**	**-**	**-**	**953**	988	991
Total	**4,938**	**687**	**1,128**	**444**	**184**	**7,381**	6,619	7,623
Additional information regarding changes in terms and conditions for borrowers who are not struggling financially:								
Balance of credit for which the deferral of payments has ended	**11,755**	**1,230**	**3,438**	**1,509**	**1,186**	**19,118**	20,053	20,933
Of which: Debt that defaulted after undergoing a change in terms and conditions	**447**	**93**	**199**	**13**	**-**	**752**	781	558
B.2. Outstanding Balance on the reporting date of Zero-Interest or Reduced Interest Rates Loans Extended[(h)]								
Outstanding loan balance	**54**	**2,381**	**2,074**	**287**	**63**	**4,859**	5,153	3,401

C. Special payment to the State for the War

For reference to expenses that were listed in the section titled "Taxes on Income due to the "Special Payment for Achieving the Budgetary Targets Law (Temporary Order - Iron Swords)", 5784-2024, see Note 17 B.

* This appendix includes the impact of benefits awarded by the Bank to the public as part of Bank of Israel's outline from 2025, as well as benefits that the Bank awarded to the public due to the War, including as part of previous outlines. The benefits awarded as part of Bank of Israel's outline from 2025 commences on April 1, 2025.

Please see comments on the next page.

Comments:
a) Including through waive of interest for accounts receivable, through deferral of loan payments and through provision of grants for credit.
b) Including through zero interest or reduced interest rates loans
c) Including provision of benefits/refunds for fees and commissions.
d) Estimate of benefit amounts not yet attributed to the income statement as at the reporting date reflects the amounts expected by the Bank to be attributed in the future for adopting the voluntary outlines, should such continue over a period of two years, until the first quarter of 2027.
e) Credit that underwent a change in terms and conditions during the reporting period also includes credit for which an additional payment deferral was given during the reporting period.
f) Including a deferral of payments without interest in the deferral period. If an additional deferral of payments is given for a debt, the total duration of the deferral is presented. The deferral of payments does not include a deferral to which the borrower is eligible under any law.
g) For activity in Israel, neutralizing changes in terms and conditions for borrowers who are struggling financially that were applied to customers in subsidiaries.
h) Including loans granted as part of state-backed funds and/or financed by Bank of Israel.
i) Reclassified.

The estimate and the above forecast and quantitative effects on the Bank's financial results in respect of the above reliefs is considered forward-looking information, within its meaning in the Securities Law, based on significant judgments, assumptions and forecasts that were applied, characterized by substantial uncertainty in view of the economic and security situation, its continuity and immediate and cumulative effect on the economy as a whole and on the Bank's customers in particular. Therefore, the above information and data may not fully materialize or may materialize in part, depending on the actual materialization of the above assumptions and forecasts and/or changes in the reliefs that may occur in the future.

The Special Payment for Achieving the Budgetary Targets (temporary Order - Iron Swords), 5784-2024.

Following that stated in Note 8.L. and Note 8.M in the financial statements as of December 31, 2024. The tax rate for 2025 stands at 34.19%, plus a special tax. It is noted that due to the influence of the aforementioned law, with respect to the reporting period, the Bank recorded tax expenses of approx. NIS 563 million.

Sectoral agreement with the Tax Authority

Further to that mentioned in Noter 8.H to the financial statements as of December 31, 2024, on July 8, 2025, the Bank signed a new sectoral memorandum of understanding with the Tax Authority regarding the manner in which credit losses are recognized for tax purposes (hereinafter: the "Agreement"). The Bank believes that no material effect on the Bank's financial statements resulting from implementation of the Agreement is expected.

Material Changes in Financial Statement Line Items

The War

For more information regarding the effects of the War, please see the section entitled "Main Changes in the Reporting Period".

Below is an analysis of the results of nine months of 2025:

The net gain attributed to the shareholders (hereinafter - the "Net Gain") in the third quarter of 2025 amounted to the sum of approx. NIS 2,700 million, compared to a gain in the sum of approx. NIS 2,293 million in the corresponding quarter last year, an increase of approx. 18%. The net gain in the reporting period amounted to the sum of approx. 7,713 NIS million compared to a gain of approx. NIS 7,347 million in the corresponding period last year, an increase of 5%.

During the reporting period, the economic activity in the local economy continued to grow. The GDP grew at a relatively good annual rate, led by investments in construction, exports and current private consumption of households. Looking forward, the economic activities are expected to continue recovering, as the rate of expansion will depend, among other things, on the security and geo-political developments.

In this regard, we should note that following the reporting period, during October 2025 the Trump Outline for returning the hostages immediately and ceasefire had been published, including the possibility of comprehensive regional regulation, with the direct involvement of the Western World Powers and countries in the region. In response, an improvement of Israel's risk indicators has been recorded in the financial markets, including the strengthening of the shekel, alongside increases in the currency exchange rate. As long as the ceasefire continues, and agreements will be arrived at in respect of the next stages of Trump Outline, which has far-reaching regional significant meaning, it is expected that this would have positive significance for economic stability, while improving Israel's international relations.

Despite the improvement in the economic situation, the estimate of the loan loss collective provision still reflects the security and economic uncertainty, as well as conservatism in macroeconomic indicators and the parameters used for the assumptions underlying the model for predicting customers' future default rates.

The return on equity in the third quarter stood at the rate of approx. 16.3% compared to the rate of approx. 15.5% in the corresponding quarter last year. The increase in return between the periods stems mainly from the continued growth in credit activity, which was partially offset against erosion of spreads, a decrease in the collective expenses for credit losses, and an increase in non-interest financing income.

The return on equity in the reporting period stood at the rate of approx. 16.0% compared to the rate of approx. 17.1% in the corresponding period last year.

The decrease in the return on equity compared to the corresponding period last year stems mainly from a significant increase in the Bank's equity.

The net interest income in the reporting period amounted to the sum of approx. NIS 13,028 million, compared to the sum of approx. NIS 12,690 million in the corresponding period last year, an increase of approx. 2.7%. The increase in the interest income stems from the increase in the Bank's credit portfolio. This effect was partly offset against the erosion of the credit spreads and deposits.

During the reporting period the index had been positive and stood at the rate of approx. 3.0% compared to a positive index at the rate of approx. 3.5% during the corresponding period last year. The index in the third quarter of the year stood at approx. 1.4%, compared with an index of 1.6% in the corresponding quarter last year.

The expenses due to loan losses during the reporting period reflect an expense at the rate of approx. 0.09% of the average balance of loans to the public compared to an expense at the rate of approx. 0.16% during the corresponding period last year. The decrease in the expense rate is mainly due to the expenses of the collective provision. The rate of the individual income due to loan losses during the reporting period stood at the rate of approx. 0.07 percent compared to income at the rate of 0.09 percent during the corresponding period last year. The collective expense rate for loan losses in the reporting period was approx. 0.16 percent compared to a an expense rate of 0.25 percent in the corresponding period last year, the decrease stems mainly from a decrease in the rate of troubled debts. The rate of the balance of the provision for credit losses compared to the balance of the credit to the public as at September 30, 2025 stood at the rate of approx. 1.36%

Noninterest financing income in the reporting period totaled approx. NIS 1,203 million, compared to a total of approx. NIS 1,134 million in the corresponding period last year.

The operational and other commissions in the reporting period amounted to the sum of approx. NIS 3,012 million, compared to the sum of approx. NIS 2,829 million in the corresponding period last year. The growth is mainly due to fees from activity in securities as well as an increase in income from commissions on financing businesses resulting from the growth in the business activities, which were partially offset by the benefits granted to the customers.

The operational and other expenses in the reporting period amounted to the sum of approx. NIS 4,950 million, compared to the sum of approx. NIS 5,192 million in the corresponding period last year. The decrease in the expenses stems mainly from salary expenses due to a decrease in return-based bonuses.

The Bank's share in associates' profits/losses, after tax totaled a profit of approx. NIS 275 million during the reported period, compared to a loss of NIS 378 million in the corresponding period last year. The loss in the corresponding period stems mainly from recording a loss due to impairment of the value of the investment in Valley in the sum of approx. NIS 0.6 billion.

The efficiency ratio for the reporting period stands at approx. 28.6% compared to 29.6% in the corresponding period last year. The efficiency ratio in the third quarter of 2025 was stood at approx. 27.0%, compared with 31.1% in the corresponding quarter last year.

The net basic gain per share attributable to the shareholders in the reporting period totaled a gain of approx. NIS 5.15 compared to a gain of approx. NIS 4.83 in the corresponding period last year.

The ratio of the CET1 capital to risk components stood at the rate of 12.33% as at September 30, 2025 compared to 12.07% as at September 30, 2024.

The total capital ratio stood at the rate of 14.87% as at September 30, 2025 compared to 14.77% as at September 30, 2024.

For further details, including anticipated regulatory changes regarding the measurement of capital adequacy, please see the chapter entitled "Equity and Capital Adequacy".

On November 17, 2025, the Bank's Board of Directors approved a distribution of profits at a total rate of 75% of the net profit in the third quarter of 2025, of which approx. 75% as cash dividend in the sum of approx. NIS 1,518 million, and the balance by means of a share buyback in the sum of up to NIS 506 million.

For additional details see Chapter Equity and Capital Adequacy.

For details regarding the Special Payment for Achieving the Budgetary Targets (temporary Order - Iron Swords), 5784-2024, see Note 8.L. and 8.m. to the financial statements as at December 31, 2024.

Material Developments in Income, Expenses and Other Comprehensive Income

Following are the changes in the net profit in the third quarter of 2025 and in the reporting period compared to the corresponding quarter last year and the corresponding period last year.

	For the three months ended September 30		Change	
	2025	2024		
	In NIS million		In NIS million	In %
Interest income, net	**4,471**	4,545	(74)	(1.6)
Loan loss expenses	**32**	312	(280)	(89.7)
Noninterest income	**1,490**	978	512	52.4
Operating and other expenses	**1,609**	1,716	(107)	(6.2)
Profit before taxes	**4,320**	3,495	825	23.6
Provision for taxes[d]	**1,719**	1,285	434	33.8
Profit after taxes	**2,601**	2,210	391	17.7
The Bank's share in the profits (losses) of associates	**99**	83	16	19.3
Net income attributable to non-controlling right holders[b]	**-**	-	-	-
Net income attributable to the Bank's shareholders	**2,700**	2,293	407	17.7
Returnon equity (in %)	**16.3**	15.5		
Net basic earnings per share (in NIS)	**1.81**	1.51		

	For the nine months ended September 30		Change	
	2025	2024		
	In NIS million		In NIS million	In %
Interest income, net	**13,028**	12,690	338	2.7
Loan loss expenses	**310**	516	(206)	(39.9)
Noninterest income	**4,304**	4,871[c]	(567)	(11.6)
Operating and other expenses	**4,950**	5,192	(242)	(4.7)
Profit before taxes	**12,072**	11,853	219	1.8
Provision for taxes[d]	**4,634**	4,128	506	12.3
Profit after taxes	**7,438**	7,725	(287)	(3.7)
The Bank's share in the profits (losses) of associates	**275**	(378)[a]	653	
Net income attributable to non-controlling right holders[b]	**-**	-	-	-
Net income attributable to the Bank's shareholders	**7,713**	7,347	366	5.0
Return on equity (in %)	**16.0**	17.1		
Net basic earnings per share (in NIS)	**5.15**	4.83		

Net income development by quarter

	2025			2024			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	In NIS million						
Interest income, net	**4,471**	4,540	4,017	3,819	4,545	4,378	3,767
Loan loss expenses (income)	**32**	223	55	197	312	(18)	222
Noninterest income	**1,490**	1,446	1,368	1,728	978	1,365	2,528[c]
Operating and other expenses	**1,609**	1,610	1,731	1,712	1,716	1,651	1,825
Profit before taxes	**4,320**	4,153	3,599	3,638	3,495	4,110	4,248
Provision for taxes[d]	**1,719**	1,623	1,292	1,294	1,285	1,340	1,503
Profit after taxes	**2,601**	2,530	2,307	2,344	2,210	2,770	2,745
The Bank's share in the profits (losses) of associates	**99**	80	96	107	83	(501)[a]	40
Net income attributable to non-controlling right holders[b]	**-**	-	-	-	-	-	-
Net income attributable to the Bank's shareholders	**2,700**	2,610	2,403	2,451	2,293	2,269	2,785
Return on equity (in %)	**16.3**	16.2	15.4	16.2	15.5	15.9	20.2
Net basic earnings per share (in NIS)	**1.81**	1.74	1.60	1.63	1.51	1.49	1.83

a) Including impairment losses on an investment in an affiliated company Valley in the amount of NIS 0.6 billion. For additional information see Note 15.A to the financial statements as of December 31, 2024.
b) Sums lower than NIS 1 million.
c) Including capital gains from the sale of the main office buildings in Tel Aviv in the sum of approx. NIS 830 million. For more information please see Note 35.C to the financial statements as at December 31, 2024.
d) For further information, please see Note 17 B.

Interest Income, Net

	For the three months ended September 30				For the nine months ended September 30			
	2025		2024		**2025**		2024	
	Interest income (expenses)	% of income (expense)	Interest income (expenses)	% of income (expense)	Interest income (expenses)	% of income (expense)	Interest income (expenses)	% of income (expense)
	In NIS million	In %	In NIS million	In %	In NIS million	In %	In NIS million	In %
Interest income	**10,630**	**5.64**	9,966	6.00	**29,894**	**5.55**	28,585	5.67
Interest expenses	**(6,159)**	**(4.24)**	(5,421)	(4.41)	**(16,866)**	**(4.11)**	(15,895)	(4.26)
Interest income, net	**4,471**	**1.40**	4,545	1.59	**13,028**	**1.44**	12,690	1.41
Net yield on interest-bearing assets (NIM)		**2.37**		2.73		**2.42**		2.52
Additional information:								
Credit spread[(a)]	**2,141**		2,109		**6,380**		6,226	
Deposit spread[(a)]	**1,694**		1,994[(c)]		**5,148**		5,862[(c)]	
Other[(b)]	**636**		442[(c)]		**1,500**		602[(c)]	

a) The spread from credit granting to the public activity is the difference between the interest received from credit and the cost of raising the sources used for granting the credit (hereinafter – "transfer prices"). These transfer prices are subject to the period, currency and type of interest in the transaction. Transfer prices are the Bank's internal pricing tool and are based on internal models and the Bank's judgment. The spread from obtaining deposits activity is the difference between the transfer prices and the interest paid to customers for those deposits. The credit spread and deposits, on the table above, are affected both by the quantity as well as the price.
b) "Other" is attributed to the financial management segment and includes the segment's interest income and expenses transferred to the Bank's divisions in respect of the sources.
c) Reclassified.

The net interest income in the reporting period amounted to the sum of approx. NIS 13,028 million compared to the sum of approx. NIS 12,690 million in the corresponding period last year, an increase of approx. 2.7%. The increase in the interest income stems primarily from growth in the Bank's credit portfolio. This effect was partly offset against the impact of the index and the erosion of the credit spreads and deposits.

The deposit spread is affected by the mix of interest bearing and non-interest bearing deposits, and therefore – as long as the trend for the transfer to interest bearing deposits continues, an erosion in the deposit spread is expected.

The Prime interest rate stood at an average rate of approx. 6.0%, during the reporting period, similar to that in the corresponding period last year.

The net interest income during the reporting period had been positively affected by the linkage to the index of the principal and contractual interest in the sum of approx. NIS 1,274 million, while during the corresponding period last year they were positively affected by the linkage to the index of the principal and contractual interest in the sum of approx. NIS 1,460 million.

The income rate decreased by 0.12% mainly as a result of a decrease in the foreign currency interest, narrowing of credit spreads and the impact of the index.

The expense rate decreased by 0.15% mainly as a result of a decrease in the foreign currency interest rate and the impact of the index.

The decrease in the net interest margin (NIM) on interest-bearing assets in the reporting period stems mainly from the lower CPI effect compared to the corresponding period last year and from the erosion of the deposit spreads, which was partially offset against the growth in the credit portfolio.

The total interest rate gap in the reporting period is approx. 1.44% compared to the gap of approx. 1.41% in the corresponding period last year.

The following table presents interest spread information from activity in Israel by linkage segment in the reporting period:

In the non-linked NIS segment, the interest rate is 1.70%, similar to the corresponding period last year. In the index segment, the interest rate gap is 1.15% compared to 1.75% during the corresponding period last year. In the foreign currency segment, the interest rate gap is 0.21%, compared to (0.09%) during the corresponding period last year.

The following are data regarding net interest income, by quarter

	2025					
	Q3		Q2		Q1	
	Interest income (expenses)	% of income (expense)	Interest income (expenses)	% of income (expense)	Interest income (expenses)	% of income (expense)
	In NIS million	In %	In NIS million	In %	In NIS million	In %
Interest income	**10,630**	**5.64**	10,211	5.69	9,053	5.29
Interest expenses	**(6,159)**	**(4.24)**	(5,671)	(4.14)	(5,036)	(3.92)
Interest income, net	**4,471**	**1.40**	4,540	1.55	4,017	1.37
Net yield on interest-bearing assets (NIM)		**2.37**		2.53		2.35
Additional information:						
Credit spread	**2,141**		2,121		2,118	
Deposit spread	**1,694**		1,726		1,728	
Other	**636**		693		171	

	2024							
	Q4		Q3		Q2		Q1	
	Interest income (expenses)	% of income (expense)	Interest income (expenses)	% of income (expense)	Interest income (expenses)	% of income (expense)	Interest income (expenses)	% of income (expense)
	In NIS million	In %	In NIS million	In %	In NIS million	In %	In NIS million	In %
Interest income	8,877	5.14	9,966	6.00	9,792	5.83	8,827	5.20
Interest expenses	(5,058)	(3.90)	(5,421)	(4.41)	(5,414)	(4.37)	(5,060)	(4.02)
Interest income, net	3,819	1.24	4,545	1.59	4,378	1.46	3,767	1.18
Net yield on interest-bearing assets (NIM)		2.21		2.73		2.61		2.22
Additional information:								
Credit spread	2,120		2,109		2,144		1,973	
Deposit spread	1,878[(a)]		1,994		1,989		1,879	
Other	(179)[(a)]		442		245		(85)	

a) Reclassified.

For more information regarding the credit spreads and deposits spr eads by operating segment, please see Note 12A.

For more information regarding interest income and expenses, see Appendix 1 – Interest Income and Expense Rates and Analysis of Changes in Interest Income and Expenses.

For details regarding exposure to interest rate risk, please see the section entitled "Market Risks" below.

Loan loss expenses

	For the nine months ended September 30		Change	
	2025	2024		
	In NIS million		In NIS million	In %
Specific loan loss income	**(253)**	(305)	52	17.0
Collective loan loss expense	**563**	821	(258)	(31.4)
Total loan loss expenses	**310**	516	(206)	(39.9)
Of which:				
Loan loss expenses in respect of commercial credit risk	**68**	181	(113)	(62.4)
Loan loss expenses in respect of housing credit risk	**27**	(10)	37	
Loan loss expenses for other credit risk for private individuals	**187**	326	(139)	(42.6)
Loan loss expenses for credit risk for banks, governments and bonds	**28**	19	9	47.4
Total loan loss expenses	**310**	516	(206)	(39.9)
Ratios (in %):[(a)]				
Percentage of the specific loan loss income out of the average outstanding loans to the public	**(0.07)**	(0.09)	0.02	22.2
Percentage of collective loan loss expense out of the average outstanding loans to the public	**0.16**	0.25	(0.09)	(36)
Percentage of loan loss expenses out of average outstanding loans to the public	**0.09**	0.16	(0.07)	(43.8)
Percentage of net write-offs for loans to the public out of the average outstanding loans to the public	**0.08**	0.11	(0.03)	(27.3)
Percentage of net write-offs for loans to the public out of the outstanding loan loss provisions for loans to the public	**5.64**	6.82	(1.18)	(17.3)

a) Annualized.

Development of loan loss expenses (income) by quarter

	2025			2024			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	In NIS million						
Specific loan loss income	**(74)**	(162)	(17)	(23)	(63)	(86)	(156)
Collective loan loss expense	**106**	385	72	220	375	68	378
Total Loan loss expenses (income)	**32**	223	55	197	312	(18)	222
Of which:							
Loan loss expenses in respect of commercial credit risk	**(15)**	91	(8)	69	166	(60)	75
Loan loss expenses in respect of housing credit risk	**–**	41	(14)	46	14	(27)	3
Loan loss expenses for other credit risk for private individuals	**27**	96	64	71	113	69	144
Loan loss expenses (income) for credit risk for banks, governments and bonds	**20**	(5)	13	11	19	–	–
Total Loan loss expenses (income)	**32**	223	55	197	312	(18)	222
Ratios (in %):[(a)]							
Percentage of the specific loan loss income out of the average outstanding loans to the public	**(0.06)**	(0.14)	(0.01)	(0.02)	(0.06)	(0.08)	(0.15)
Percentage of collective loan loss expense out of the average outstanding loans to the public	**0.09**	0.33	0.06	0.19	0.34	0.06	0.36
Percentage of loan loss expense (income) out of the average outstanding loans to the public	**0.03**	0.19	0.05	0.17	0.28	(0.02)	0.21
Percentage of net charge-offs for loans to the public out of the average outstanding loans to the public	**0.05**	0.08	0.11	0.08	0.10	0.20	0.03
Percentage of net charge-offs out of the outstanding loan loss provisions for loans to the public	**3.64**	5.52	7.78	5.40	6.16	12.81	1.73

a) Annualized.

For more information regarding loan loss expenses, please see Note 6 and Note 13.

The expenses for loan losses in the reporting period amounted to NIS 310 million, compared to expenses in the sum of NIS 516 million in the corresponding period last year. The decrease in loan loss expenses stems mainly from a decrease in the collective expenses.

The expenses due to loan losses during the reporting period reflect an expense at the rate of approx. 0.09% of the average balance of loans to the public compared to an expense at the rate of approx. 0.16% during the corresponding period last year. The decrease in the expense rate is mainly due to the expenses of the collective provision. The rate of the individual income due to loan losses during the reporting period stood at the rate of approx. 0.07 percent compared to income at the rate of 0.09 percent during the corresponding period last year. The collective expense rate for loan losses in the reporting period was approx. 0.16 percent compared to an expense rate of 0.25 percent in the corresponding period last year, the decrease stems mainly from a decrease in the rate of troubled debts and the improvement in the economic and geopolitical state.

The estimated provision for credit losses, as stated, reflects the continued uncertainty in light of the ongoing security and economic challenges.

The trends descried above are reflected in the rate of the balance of the provision for loan losses compared to loans to the public as at September 30, 2025, which stood at approx. 1.36 percent, compared to the rate of 1.49 percent as of December 31, 2024.

For further details regarding credit risks and their effect on the loan loss provision, please see the section entitled "Credit Risks".

Noninterest income

	For the nine months ended September 30		Change	
	2025	2024		
	In NIS million		In NIS million	In %
Noninterest Finance Income	**1,203**	1,134	69	6.1
Fees and commissions	**3,012**[(a)]	2,829	183	6.5
Other income	**89**	908[(b)]	(819)	(90.2)
Total	**4,304**	4,871	(567)	(11.6)

a) Including benefits to customers as part of the Bank of Israel's outline in the sum of approx. NIS 130 million. For further details see the chapter titled "Main Changes in the Period Gone By".
b) Including capital gains from the sale of the main office buildings in Tel Aviv in the sum of approx. NIS 830 million. For more information, please see Note 35.C to the financial statements as at December 31, 2024.

The weight of noninterest income of total income (meaning, income from interest, net and noninterest income) during the reporting period stood at the rate of 24.8% compared to 27.7% during the corresponding period last year. In the third quarter of 2025 stood at the rate of approx. 25.0% compared to 17.7% in the corresponding quarter last year and 28.6% throughout 2024. The difference between the reporting periods is mainly due to capital gains from the sale of the main office buildings in Tel Aviv, which were recorded in the corresponding period last year, as well as from an increase in fees and commissions due to growth in activity.

Development of noninterest income by quarter

	2025			2024			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	In NIS million						
Noninterest finance income (expenses)	**500**	410	293	686	(46)	446	734
Fees and commissions	**977**[(a)]	1,014	1,021	994	984	910	935
Other income	**13**	22	54	48	40	9	859[(b)]
Total	**1,490**	1,446	1,368	1,728	978	1,365	2,528

a) Including benefits to customers as part of the Bank of Israel's outline in the sum of approx. NIS 119 million. For further details see the chapter titled "Main Changes in the Period Gone By".
b) Including capital gains from the sale of the main office buildings in Tel Aviv in the sum of approx. NIS 830 million. For more information, please see Note 35.C to the financial statements as at December 31, 2024.

Breakdown of noninterest finance income

	For the nine months ended September 30		Change	
	2025	2024		
	In NIS million		In NIS million	In %
Net income for derivatives and net exchange rate differentials for non-trading activities	**458**	531	(73)	(13.7)
Losses on sale of available-for-sale bonds, net	**(301)**	(309)	8	2.6
Realized and unrealized gains, net[(a)] and dividend from equity securities not held for trading	**343**	481	(138)	(28.7)
Gain on sale of investees' equity	**100**[(b)]	-	100	-
Net revenues from derivative instruments for trading activities for trading	**589**	393	196	49.9
Profits that had been realized and had not been realized as of yet due to fair value adjustments of bonds and tradeable stock, net and dividend from tradeable stock[(A)]	**14**	38	(24)	(63.2)
Total	**1,203**	1,134	69	6.1

a) Realized and unrealized gains from fair value adjustments of held-for-trading and not held for-trading bonds and equity securities, net also include the effect of exchange rate differentials and impairments.
b) Including a gain of approx. NIS 94 million from the merger of Leumi Partners Underwrites Ltd. and Barak Capital Underwriting Ltd. For further details see the chapter titled "Major Investee Companies".

Breakdown of noninterest finance income by quarter

	2025			2024			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	In NIS million						
Net income (expense) in respect of derivatives and net exchange rate differentials for non-trading activities	**64**	465	(71)	516	(172)	215	488
Losses on sale of available-for-sale bonds, net	**(21)**	(174)	(106)	(156)	(130)	(96)	(83)
Realized and unrealized gains (losses), net[a] and dividend from equity securities not held for trading	**166**	(90)	267	177	91	212	178
Gain on sale of investees' equity	**95**[b]	–	5	–	–	–	–
Net revenues from derivative instruments for trading activities for trading	**160**	281	148	206	121	112	160
Realized and unrealized gains (losses) from fair value adjustments of held-for-trading bonds and equity securities, net[a] and dividend from held-for-trading equity securities	**36**	(72)	50	(57)	44	3	(9)
Total	**500**	410	293	686	(46)	446	734

a) Realized and unrealized gains from fair value adjustments of held-for-trading and not held for-trading bonds and equity securities, net also include the effect of exchange rate differentials and impairments.
b) Including a gain of approx. NIS 94 million from the merger of Leumi Partners Underwrites Ltd. and Barak Capital Underwriting Ltd. For further details see the chapter titled "Major Investee Companies".

Breakdown of fees and commissions

	For the nine months ended September 30		Change	
	2025	2024		
	In NIS million		In NIS million	In %
Account management	**443**	435	8	1.8
Activity in securities and certain derivatives	**578**	478	100	20.9
Credit cards	**201**[a]	318	(117)	(36.8)
Credit handling	**188**	189	(1)	(0.5)
Fees and commissions for financial product distribution	**203**	177	26	14.7
Exchange rate differentials	**390**	366	24	6.6
Financing fees and commissions	**732**	591	141	23.9
Other fees and commissions	**277**	275	2	0.7
Total fees and commissions	**3,012**	2,829	183	6.5

a) Including benefits to customers as part of the Bank of Israel's. For further details see the chapter titled "Main Changes in the Period Gone By".

The increase in fees and commissions at the rate of 6.5% compared to the corresponding period last year, originates mainly from fees and commissions on activities in securities and financing businesses resulting from the increase in the business activities.

Breakdown of fees and commissions by quarter

	2025	2024					
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	In NIS million						
Account management	**150**	145	148	147	147	143	145
Activity in securities and certain derivatives	**190**	198	190	176	165	149	164
Credit cards	**(10)**[(a)]	100	111	104	109	112	97
Credit handling	**58**	61	69	66	63	54	72
Fees and commissions for financial product distribution	**71**	67	65	64	61	58	58
Exchange rate differentials	**132**	129	129	132	139	116	111
Financing fees and commissions	**290**	224	218	212	206	189	196
Other fees and commissions	**96**	90	91	93	94	89	92
Total fees and commissions	**977**	1,014	1,021	994	984	910	935

a) Including benefits to customers as part of the Bank of Israel's outline. For further details see the chapter titled "Main Changes in the Period Gone By".

Breakdown of other income

	For the nine months ended September 30			
	2025	2024	Change	
	In NIS million		In NIS million	In %
Gains on central severance pay fund	**2**	7	(5)	(71.4)
Other income, including on sale of buildings and equipment, net	**87**	901[(a)]	(814)	(90.3)
Total	**89**	908	(819)	(90.2)

a) Mainly stems from capital gains from the sale of the main office buildings in Tel Aviv in the sum of approx. NIS 830 million. For more information, please see Note 35.C to the financial statements as at December 31, 2024.

Breakdown of other income by quarter

	2025	2024					
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	In NIS million						
Gains (losses) on central severance pay fund	**2**	(4)	4	–	1	4	2
Other income, including on sale of buildings and equipment, net	**11**	26	50	48	39	5	857[(a)]
Total	**13**	22	54	48	40	9	859

a) Mainly stems from capital gains from the sale of the main office buildings in Tel Aviv in the sum of approx. NIS 830 million. For more information, please see Note 35.C to the financial statements as at December 31, 2024.

Operating and other expenses

	For the nine months ended September 30		Change	
	2025	2024		
	In NIS million		In NIS million	In %
Salaries and related expenses	**2,699**	2,886	(187)	(6.5)
Depreciation and amortization	**403**	465	(62)	(13.3)
Maintenance expenses for buildings and equipment	**648**	670	(22)	(3.3)
Other Expenses	**1,200**	1,171	29	2.5
Total operating and other expenses	**4,950**	5,192	(242)	(4.7)

In the reporting period there has been a decrease of approx. NIS 242 million in operating and other expenses compared to the corresponding period last year. The decrease stems mainly from a decrease in salary expenses, resulting from a decrease in return-based bonuses.

The efficiency ratio for the reporting period stood at approx. 28.6% compared to 29.6% in the reporting period last year. The decrease in the efficiency ratio stems from a decrease in operating expenses.

The total operating and other expenses (in annual terms) constitute approx. 0.80% of the total balance sheet, compared with approx. 0.92% in the reporting period last year.

Operating and other expenses by quarter

	2025			2024			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	In NIS million						
Salaries and related expenses	**858**	881	960	910	933	882	1,071
Depreciation and amortization	**128**	132	143	148	152	157	156
Maintenance expenses for buildings and equipment	**215**	202	231	237	234	217	219
Other Expenses	**408**	395	397	417	397	395	379
Total operating and other expenses	**1,609**	1,610	1,731	1,712	1,716	1,651	1,825

Salary expenses

	For the nine months ended September 30		Change	
	2025	2024		
	In NIS million		In NIS million	In %
Salaries and related expenses	**2,431**	2,628	(197)	(7.5)
Pension, severance and retirement expenses	**268**	258	10	3.9
Total salary expenses	**2,699**	2,886	(187)	(6.5)

Salary and ancillary expenses constitute approx. 54.5% of the total operational and other expenses in the reporting period, compared to approx. 55.6% in the corresponding period last year.
The decrease in salary expenses is mainly due to the decrease in return-based bonus expenses.

Salary expenses by quarter

	2025			2024			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	In NIS million						
Salaries and related expenses	**768**	792	871	811	846	796	986
Pension, severance and retirement expenses	**90**	89	89	99	87	86	85
Total salary expenses	**858**	881	960	910	933	882	1,071

Condensed comprehensive income statement

The total profit during the reporting period amounted to the sum of approx. NIS 8,606 million, compared to the sum of approx. NIS 8,100 million in the corresponding period last year.

Positive adjustments had been recorded during the reporting period due to securities available for sale in the sum of NIS 1,374 million before tax. These adjustments were added to positive adjustments of liabilities for employee benefits in the sum of NIS 123 million before tax that originate primarily from reductions of the capital reserve. The positive adjustments that had been affected by the plan's assets were offset against negative adjustments due to the impact of the index. These adjustments were stated directly in other comprehensive income.

It should be noted that the change in the value of the bonds is immediately recorded in regulatory capital. Regarding the manner of measuring the pension liabilities and assets designated for hedging , for regulatory capital purposes, as of July 1, 2022, see the section entitled Capital and Capital Adequacy.

For the periods of three and nine months ended September 30, 2025 and 2024 and for the year ended December 31, 2024

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2025	2024	**2025**	2024	2024
	In NIS million				
Net income attributable to the Bank's shareholders	**2,700**	2,293	**7,713**	7,347	9,798
Changes in other comprehensive income attributable to the Bank's shareholders:					
Adjustments in respect of presentation of available-for-sale bonds at fair value, net	**379**	1,200	**1,374**	65	298
Adjustments of liabilities for employee benefits	**(152)**	(327)	**123**	1,024	606
Other adjustments[(a)]	**(9)**	45	**(31)**	41	29
Related tax effect	**(97)**	(357)	**(573)**	(377)	(322)
Other comprehensive income before attribution to non-controlling interests, after taxes	**121**	561	**893**	753	611
Less comprehensive other profit attributable to non-controlling rights owners[(b)]	**-**	-	**-**	-	-
Other comprehensive income attributable to the Bank's shareholders, after taxes	**121**	561	**893**	753	611
Comprehensive income attributable to the Bank's shareholders	**2,821**	2,854	**8,606**	8,100	10,409

a) For the composition of the other adjustments, please see Note 4.
b) Sums lower than NIS 1 million.

Structure and Development of Assets and Liabilities, Equity and Capital Adequacy

On September 30, 2025, the total balance of the Leumi Group amounted to NIS 827.1 billion compared to NIS 785.6 billion at the end of 2024, an increase of 5.3%, and an increase of 9.7% compared to September 2024.

The value of financial assets denominated in, and linked to, foreign currency out of the Group's total balance sheet as at September 30, 2025 stands at approx. NIS 143.5 billion, approx. 17.4% of the total assets. In the first nine months of 2025, the shekel appreciated against the US dollar by 9.4%, devalued by 2.2% against the euro, and appreciated by 2.9% against the pound sterling. The change in the shekel's exchange rate against all foreign currencies in the reporting period contributed to a 1.3% decrease in the Group's total consolidated balance sheet.

Following are the changes in the main balance sheet line items

	September 30	December 31	Change	
			From	From
	2025	2024	December 2024	September 2024
	In NIS million		In %	
Total assets	**827,113**	785,551	5.3	9.7
Cash and deposits with banks	**138,307**	155,828	(11.2)	1.2
Securities	**141,080**	124,101	13.7	16.3
Loans to the public, net	**495,387**	455,519	8.8	10.8
Buildings and equipment	**3,016**	2,822	6.9	10.8
Deposits by the public	**641,123**	618,301	3.7	9.0
Deposits by banks	**16,874**	18,043	(6.5)	(11.0)
Bonds, promissory notes and deferred liability letters[(a)]	**44,883**	31,969	40.4	40.0
Shareholders' equity	**67,043**	61,658	8.7	11.3

a) For further information see the chapter titled "Bonds, Promissory Notes and Deferred Liability Letters.

Changes in the main off-balance-sheet items

	September 30	December 31	Change	
			From	From
	2025	2024	December 2024	September 2024
	In NIS million		In %	
Documentary credit, net	**1,162**	1,176	(1.2)	(33.3)
Guarantees and other commitments, net	**84,975**	81,202	4.6	11.9
Unutilized credit card credit facilities, net	**16,528**	14,424	14.6	17.4
Unutilized current loan account facilities and other credit facilities in demand accounts, net	**18,966**	17,349	9.3	11.9
Irrevocable loan commitments approved but not yet granted and commitments to issue guarantees, net	**122,192**	106,419	14.8	16.8
Derivative instruments[(a)(b)]	**1,819,487**	1,655,783	9.9	15.4
Options – all types[(b)]	**520,246**	301,001	72.8	123.4

a) Including forward transactions, financial swap contracts, swaps, futures and credit derivatives.
b) For further information, please see Note 11.

Loans to the Public, Net

The balance of credit to the public, net, in the Leumi Group as at September 30, 2025 amounted to the sum of approx. NIS 495.4 billion compared to the sum of approx. NIS 455.5 billion as of December 31, 2024, an increase at the rate of approx. 8.8% and compared to September 2024 an increase at the rate of approx. 10.8%.

The loan loss provision balance in the Leumi Group as at September 30, 2025 totaled approx. NIS 6.8 billion, similar to that on December 31, 2024.

In addition to loans to the public, the Group invests in companies' securities, which as at September 30, 2025 totaled approx. NIS 23,389 million, compared to the sum of approx. NIS 26,429 million at the end of 2024, which also embody credit risks.

Development in loans to the public, after loan loss provision by main economic sectors

	September 30	December 31		
	2025	2024	Change	
	In NIS million		In NIS million	In %
Private individuals - housing loans	**151,099**	143,993	7,106	4.9
Private individuals - other	**29,771**	29,590	181	0.6
Construction and real estate	**137,675**	127,498	10,177	8.0
Financial services	**60,368**	49,971	10,397	20.8
Commerce	**36,831**	33,382	3,449	10.3
Industry	**23,079**	21,613	1,466	6.8
Other	**56,564**	49,472	7,092	14.3
Total	**495,387**	455,519	39,868	8.8

For additional information regarding the provision for credit losses due to the War and information regarding the development of credit and credit risk by economic sector, please see the chapter titled "Credit Risks".

Troubled Credit Risk

Following is the troubled credit risk after specific and collective provisions

	September 30			December 31		
	2025			2024		
	On-balance-sheet	Off-balance-sheet	Total	On-balance-sheet	Off-balance-sheet	Total
	In NIS million					
Non-performing credit risk, net	**1,428**	**70**	**1,498**	1,588	90	1,678
Performing credit risk, net	**3,666**	**378**	**4,044**	3,361	416	3,777
Total	**5,094**	**448**	**5,542**	4,949	506	5,455

	September 30	December 31
	2025	2024
	In NIS million	
Troubled credit risk - Commercial	**5,617**	5,711
Troubled credit risk - retail	**1,686**	1,631
Total	**7,303**	7,342
Balance of loan loss provision	**1,761**	1,887
Troubled loans after loan loss provision	**5,542**	5,455

For additional information regarding troubled credit, please see the chapter titled "Credit Risks" and Note 13.

Securities

As at September 30, 2025, the Leumi Group's investments in securities amounted approx. NIS 141.1 billion, compared to NIS 124.1 billion as of the end of 2024, an increase of approx.14%.

The Group's securities are divided into four classes: held-for-trading securities, not held-for-trading equity securities and mutual funds, available-for-sale bonds and held-to-maturity bonds.

Fair value calculation method

The fair value of Israeli securities is based mainly on quoted prices on the Tel Aviv Stock Exchange and foreign securities is based on prices received from external sources. Equity securities and mutual funds 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.

Non-marketable Israeli bonds denominated in NIS are revalued using a fair value model, since these bonds do not have an active market.

Following is the classification and analysis of the securities line item in the consolidated balance sheet

	September 30, 2025					December 31, 2024				
	Held-to-maturity bonds[e]	Available-for-sale bonds[a][e]	Not held-for-trading equity securities and mutual funds[b]	Held-for-trading securities[c][f]	Total	Held-to-maturity bonds[e]	Available-for-sale bonds[a][e]	Not held-for-trading equity securities and mutual funds[b]	Held-for-trading securities[c][f]	Total
	In NIS million									
Bonds										
Of the Israeli Government	**11,664**	**67,010**		**8,695**	**87,369**	10,835	47,725		6,825	65,385
Of foreign governments[d]	**-**	**16,321**		**-**	**16,321**	-	17,555		307	17,862
Of Israeli financial institutions	**-**	**244**		**58**	**302**	-	176		61	237
Of foreign financial institutions	**907**	**7,608**		**68**	**8,583**	1,460	8,487		132	10,079
Asset-backed (ABS) or Mortgage-backed (MBS)	**5,095**	**10,933**		**42**	**16,070**	6,235	11,502		12	17,749
Of other Israeli entities	**-**	**966**		**138**	**1,104**	-	1,022		137	1,159
Of other foreign entities	**278**	**3,579**		**51**	**3,908**	337	4,033		71	4,441
Equity securities and mutual funds			**6,792**	**631**	**7,423**			7,178	11	7,189
Total securities	**17,944**	**106,661**	**6,792**	**9,683**	**141,080**	18,867	90,500	7,178	7,556	124,101

a) Including unrealized losses, net from fair value adjustments in the amount of NIS (1,084) million recorded in other comprehensive income (December 31, 2024 - losses, net of NIS (2,695) million).

b) Including unrealized gains, net of fair value adjustments in the amount of NIS 140 million recorded in profit and loss (December 31, 2024 - net gains of NIS 150 million).

c) Including unrealized gains, net of fair value adjustments in the amount of NIS 99 million recorded in the income statement (December 31, 2024 - gains, net of NIS 24 million).

d) Of which: the US government - NIS 12.9 billion (December 31, 2024 — NIS 15.1 billion).

e) The outstanding balance of held-to-maturity bonds are presented net of a NIS 1 million loan loss provision(As of December 31, 2024 - 2 NIS million). As at September 30, 2025, as well as of December 31, 2024 there is no remaining provision for credit losses due to available-for-sale bonds.

f) Of which bonds in the amount of approx. NIS 583 million classified as held-for-trading securities since the Bank chose to measure them according to the fair value alternative, although they were not acquired for trading purposes (as of December 31, 2024 - NIS 1,224 million).

As at September 30, 2025, approx. 75.6 percent of the Group's own (nostro) portfolio was classified as available-for-sale, approx. 6.9 percent - as held for trading, approx. 4.8 percent as not held-for-trading equity securities and mutual funds and approx. 12.7 percent as held-to-maturity.

For information on the value of securities by method of measurement, please see Note 16 A.

Available-for-sale portfolio

1. In the reporting period, there was approx. a NIS 1,374 million increase (before tax effect) in other comprehensive income in respect of available-for-sale bonds, compared with an increase of NIS 65 million (before tax) in the corresponding period last year.
2. During the reporting period, net losses on the sale of available-for-sale bonds, stated in the income statement, amounted to approx. NIS 301 million (before tax), compared with net losses of NIS 309 million (before tax) in the corresponding period last year.

The net accumulated balance of fair value adjustments of available-for-sale bonds portfolio as at September 30, 2025 total a negative sum of approx. NIS (499) million (after tax) compared with a negative sum of approx. NIS (1,334) million as at the end of 2024 (after tax). These amounts represent net unrealized losses (after tax) as at the reporting dates.

For information regarding fair value adjustments of available-for-sale securities recognized in equity, please see Note 5.

Held-for-trading portfolio

As at September 30, 2025, approx. NIS 9.7 billion are included in the trading portfolio, compared to NIS 7.6 billion as of December 31, 2024. As at September 30, 2025, the held-for-trading portfolio constitutes approx. 6.9% of the Group's total nostro portfolio, compared with 6.1% as at December 31, 2024.

Due to the held-for-trading portfolio during the reporting period, net gains that had been materialized and not yet been materialized (including dividend) in the sum of NIS 14 million had been recorded in the profit and loss report, compared to net gains in the sum of NIS 38 million during the corresponding period last year.

Investments in not held for-trading equity securities and mutual funds

The total investments in not held for-trading shares and mutual funds amount to approx. NIS 6,792 million as at September 30, 2025, of which tradable shares and mutual funds in the sum of approx. NIS 2,555 million and non-tradable in the sum of approx. NIS 4,237 million.

Realized and unrealized gains (including dividend) in respect of not held for-trading equity securities and mutual funds in the amount of approx. NIS 343 million were recorded net in the income statement in the reporting period, compared with net gains of NIS 481 million in the corresponding period last year.

For more information on the portfolio's composition, please see Note 5.

Investments in foreign securities

A. Investments in foreign asset-backed securities

The Group's asset-backed (mortgage and non-mortgage) securities portfolio, all investment-grade, amounted to approx. NIS 16.1 billion (approx. USD 4.9 billion) as at September 30, 2025, compared to NIS 17.7 billion (approx. USD 4.9 billion) as at the end of 2024. Out of the above portfolio, as at September 30, 2025, NIS 10.9 billion (about USD 3.3 billion) was classified to the available-for-sale portfolio and the remainder - to the held-for-trading and held-to-maturity portfolios.

The available-for-sale portfolio of investments in asset-backed bonds abroad as at September 30, 2025 includes an investment in mortgage-backed bonds in the sum of approx. NIS 7.6 billion. 95.8% of the total mortgage-backed bonds in the available portfolio had been issued by federal agencies in the United States (FNMA, FHLMC, GNMA) and rated, as of the date of the report, AA+.

As at September 30, 2025, the total cumulative adjustments to fair value, net from the mortgage-backed bonds portfolio charged to shareholders' equity was a negative amount of approx. NIS (365) million.

The total mortgage-backed bonds that are not State guaranteed (the United States) and are not backed by American federal agencies, amounts to approx. NIS 326 million.

The expected period for maturity of the entire mortgage-backed bond portfolio is approx. 3.7 years on average (average duration). In addition to the mortgage-backed bonds, the Group's available-for-sale portfolio includes also other asset-backed bonds that are not mortgages in the sum of approx. NIS 3.3 billion, of which bonds classified as CLO in the sum of approx. NIS 2.1 billion. The expected maturity period of asset-backed that are not mortgages portfolio is approx. 4.19 years on average.

For more information on investments in asset-backed bonds, please see Note 5.

B. Investments in foreign non-asset-backed securities

As at September 30, 2025, the Group's securities portfolio includes approx. NIS 48.7 billion (USD 14.7 billion) in foreign non-asset-backed securities. Out of the above portfolio, NIS 37.9 billion (USD 11.5 billion) is classified to the available-for-sale portfolio and the remainder - to the held-for-trading and held-to-maturity portfolios. 97.73% of the total securities are investment grade and include mainly securities issued by the US government, banks and financial institutions, bonds of investment-grade corporations, and the remainder are mainly securities issued by the Israeli government.

For more information regarding exposure to foreign financial institutions, please see the section entitled "Credit Risks".

As at September 30, 2025, the aggregate decrease in the value of the capital reserve due to securities that are not backed by assets issued abroad included in the available-for sale portfolio amounted to NIS 407 million (NIS 247 million after tax).

As aforesaid, in addition to the available-for-sale portfolio, the held-for-trading portfolio and held-to-maturity portfolio also include non-asset-backed securities. The held-for-trading portfolio mainly includes securities issued by governments, banks and financial institutions. 86.18% of the securities in the held-for-trading portfolio are investment grade.

As at September 30, 2025, the value of the non-asset-backed held-for-trading portfolio amounted to NIS 918 million (approx. USD 277.7 million).

Investments in bonds issued in Israel

As at September 30, 2025 the investments in bonds that were issued in Israel amounted to NIS 73.3 billion, of which NIS 71.9 billion bonds that were issued by the Israeli government in shekels, and the balance bonds that were issued by companies. Approx. 86.1% of the investments in corporate bonds, which constitutes approx. NIS 1.2 billion were included in the available-for-sale portfolio and the balance in the held-for-trading portfolio.

The available-for-sale corporate bonds portfolio in the sum of NIS 1.2 billion includes a positive capital reserve in the sum of NIS 15 million.

All corporate bonds in the held-for-trading portfolio are listed and traded on the Tel Aviv Stock Exchange.

For further information, please see Note 5.

Deposits by the Public

Following are balances of deposits by the public

	As of September 30	As of December 31	
	2025	2024	Change
	In NIS million		In %
Demand deposits			
Non-interest bearing deposits	**133,988**	142,366	(5.9)
Interest-bearing deposits	**118,633**	142,950	(17.0)
Total demand deposits	**252,621**	285,316	(11.5)
Fixed deposits	**388,502**	332,985	16.7
Total deposits by the public	**641,123**	618,301	3.7

The increase in the deposits balance during the period stemmed mainly from an increase in deposits of capital market customers.

Off-balance-sheet activity in securities held by the public

	September 30	December 31		
	2025	2024	Change	
	In NIS million		In NIS million	In %
Securities portfolios[(a)]	**1,342,814**	1,160,059	182,755	15.8
Assets for which operating services are provided:[(a)(b)(c)]				
Provident funds, pension funds and study funds	**500,399**	454,098	46,301	10.2

a) Including the changes in the market value of securities and the value of custody securities of mutual funds and provident funds in respect of which operational and deposit management services are provided.
b) The Group does not manage mutual funds, provident funds or study funds.
c) Assets of customers to which the Group provides operational management services, including provident fund balances of customers who receive consulting services from Leumi.

Securities Bonds, Commercial Securities, and Deferred Notes

Shelf Prospectus, Issue of bonds, subordinated bonds, and commercial securities

On May 28 2024, the Bank published a shelf prospectus in accordance with a permit granted by the Israel Securities Authority. The shelf prospectus will be in effect for a period of two years from its publication date.

On January 23, 2025, the Bank issued a total of approx. NIS 1,346 million p.v. in bonds (Series 185), issued by way of expanding a Series in consideration of approx. NIS 1,387 million, and a total of approx. NIS 1,501 million p.v. in commercial securities (Series 7) issued by way of issuance of a new Series.

In addition, on January 23, 2025, the Bank issued a total of NIS 1,535 million par value in Subordinated Notes (Series 406).

On April 8, 2025, the Bank issued a total of approx. NIS 1,748 million nominal value, commercial securities (Series 8), issued by way of issuance of a new Series.

On May 26, 2025, the Bank issued a total of approx. NIS 1,801 million p.v. in bonds (Series 183), issued by way of expansion of a series in consideration of approx. NIS 1,826 million, as well as a total of approx. NIS 835 million p.v. in bonds (Series 184), issued by way of expansion of a series in consideration of approx. NIS 796 million.

On September 9, 2025, the Bank issued a total of approx. NIS 1,869 million p.v. in bonds (Series 187), a total of approx. NIS 1,836 million p.v. in bonds (Series 188), and a total of approx. NIS 1,474 million p.v. in commercial securities (Series 9) issued by way of issuance of a new Series.

Bonds (Series 183-185 and Series 187-188) and commercial securities (Series 7-9) are not recognized for supervised capital purposes.
These subordinated bonds Series 406 are eligible for inclusion in Tier 2 capital as of the issue date.

For further information regarding the issue terms, please see Note 9A. and immediate reports dated January 23, 2025, April 8, 2025, May 26, 2025 and September 9, 2025.

The issuance of credit-linked notes

On May 21, 2025 the Bank issued a total of approx. NIS 1,566 million p.v in credit linked notes, Leumi Variable Rate Bonds Series 4.

The proceeds of the issuance of 4 v.r. bonds are recognized as a qualified financial collateral in accordance with Proper Conduct of Banking Business Directive No. 203, as well as collateral deductible in calculating indebtedness of a customer under Proper Conduct of Banking Business Directive No. 313.

For more information, please see the Note 9.A Immediate report dated May 21, 2025.

Early redemption of subordinated notes

On January 29, 2025, the Bank's Board of Directors decided to exercise full early redemption of Deferred Bonds (Series 403), which were issued to the public in January and March 2019. Accordingly, on February 28, 2025, a total of approx. NIS 1,706 million in letters of undertaking were redeemed (including linkage differentials).

For more information, please see the immediate reports dated February 17, 2025, and January 29, 2025.

Equity and Capital Adequacy

As at September 30, 2025, **the equity attributable to the Bank's shareholders** amounted to NIS 67,043 million compared to NIS 61,658 million as at the end of 2024.

This capital serves as the basis for calculating the regulatory capital which, in turn, is used to calculate the Bank's capital adequacy ratio, with the addition of capital instruments and regulatory adjustments, as set out in the Banking Supervision Department's Proper Conduct of Banking Business Directive No. 202.

As at September 30, 2025 the capital to balance sheet ratio is 8.1%.

Capital Adequacy Structure[(a)]

	September 30		December 31
	2025	2024	2024
	In NIS million		
Capital base for capital ratio purposes			
CET1 capital, after regulatory capital deductions and adjustments[(c)]	**66,611**	59,703	61,255
Tier 2 capital, after deductions	**13,726**	13,366	13,372
Total capital – total	**80,337**	73,069	74,627
Balance of risk-weighted assets			
Credit risk[(d)]	**494,898**	453,371	460,765
Market Risks	**7,900**	7,444	7,332
Operational risk	**37,628**	33,834	35,182
Total balance of risk-weighted assets	**540,426**	494,649	503,279
Ratio of capital to risk-weighted assets			
Ratio of CET1 capital to risk-weighted assets	**12.33%**	12.07%	12.17%
Ratio of total capital to risk-weighted assets	**14.87%**	14.77%	14.83%
Minimum CET1 capital ratio set by the Banking Supervision Department[(b)]	**10.24%**	10.23%	10.24%
Minimum total capital ratio set by the Banking Supervision Department[(b)]	**13.50%**	13.50%	13.50%

a) For additional information regarding the capital adequacy structure, please see Note 9B.
b) The minimum Common Equity Tier 1 capital ratio required and the minimum total capital ratio required as at September 30, 2025 are 10 percent and 13.5 percent, respectively. In addition to the Common Equity Tier 1 capital is a capital requirement of 1 percent of the outstanding housing loans.
c) These figures include adjustments due to the initial implementation of accounting rules regarding expected credit losses, which came into full effect as of January 2025. For further details regarding the adjustments see the section entitled "Equity and Capital Adequacy" in the Report of the Board of Directors and Management as at December 31, 2024.
d) Credit risk was calculated after implementing the revisions to Proper Conduct of Banking Business Directives 203 and 203A, "Measurement and Capital Adequacy - The Standardized Approach - Credit Risk". Moreover, as of January 1, 2025, Directive 208A on the subject of capital allocation for CVA risk has been implemented, establishing a basic BA-CVA approach that replaced the existing directive. It is based primarily on risk considerations as a function of the economic sector and the credit quality of the counterparty.
For further details, please see directives pertaining to the attribution of capital for derivative financial instruments in this chapter.

In the first nine months of 2025, the Common Equity Tier 1 capital was mainly affected by the net profit for the period, net of the dividend and buyback, and from the increase in the loan portfolio.

For additional information on additional regulatory changes in the reporting period and anticipated changes regarding the measurement of capital adequacy, please see below in this chapter.

Regulatory capital structure

In May 2013, the Banking Supervision Department published the final directives for the implementation of Basel III in Israel, by amending Proper Conduct of Banking Business Directives Nos. 201-211 (hereinafter in this section - the "Directives"). The Directive will enter into effect on January 1, 2014.

Pursuant to the Directives, the Group's capital components for the purpose of calculating capital adequacy are attributed to two tiers:

1. Tier 1 capital, which includes Common Equity Tier 1 capital (CET1) and Additional Tier 1 capital.
2. Tier 2 capital.

The sum of these tiers is also known as "capital basis for capital adequacy purposes" or "regulatory capital" or "total capital".

Common Equity Tier 1 capital

Common Equity Tier capital 1 includes the banking corporation's shareholders' equity, with the addition of some of the minority interests (non-controlling interests of consolidated subsidiaries) less goodwill, other intangible assets, regulatory adjustments and additional deductions.

In addition to these, adjustments to Common Equity Tier 1 capital, which arise from measuring the pension liabilities and assets designated for hedging for regulatory capital purposes, commencing July 1, 2022, as outlined above, as well as the application of various regulatory provisions, as outlined below.

A breakdown of the minimum Common Equity Tier 1 capital regulatory requirement appears in the section entitled "Capital Adequacy".

Tier 1 capital

According to the Banking Supervision Department's directives, Tier 1 capital will include - in addition to CET1 capital - Additional Tier 1 capital, which is comprised of equity instruments complying with the criteria set forth in Proper Conduct of Banking Business Directive No. 202.

To date, Israel has set no regulatory requirement regarding minimum Additional Tier 1 capital ratio, and the Leumi Group has no Additional Tier 1 capital instruments.

Tier 2 capital

Tier 2 capital includes equity instruments and the outstanding balance of the collective loan loss provision, subject to the ceiling prescribed by the directives.

Capital instruments must comply with the criteria set forth in Proper Conduct of Banking Business Directive No. 202 in order to be included in capital. The main criteria the instrument is required to include are: (1) a mechanism for principal loss absorption through conversion into ordinary shares or amortization of the instrument as the banking corporation's Common Equity Tier 1 capital ratio falls below 5%; (2) a clause determining that, upon the occurrence of the defining event for non-viability (as defined in Appendix E to the Proper Conduct of Banking Business Directive No. 202), the instrument shall be immediately converted to ordinary shares or written off.

For a description of the main features of regulatory capital instruments which have been issued, please see the Bank's website: www.leumi.co.il under About us > Financial information > Disclosure under Pillar 3 of the Basel Accord and Additional information on risks.

Capital Adequacy

Capital ratios are calculated as the ratio of capital to risk-weighted assets. The Common Equity Tier 1 capital ratio is calculated as the ratio of Common Equity Tier 1 capital to the risk-weighted assets, and the total capital ratio is calculated as the ratio of total capital to the risk-weighted assets.

The Bank of Israel's capital adequacy targets

Under Proper Conduct of Banking Business Directive No. 201, Capital Measurement and Adequacy - Introduction, Application and Calculation of Requirements, a large banking corporation whose consolidated on-balance sheet assets total at least 24 percent of the Israeli banking system's total assets, is required to meet a Common Equity Tier

1 capital ratio of at least 10 percent and a total capital ratio of at least 13.5 percent. This requirement applies to Bank Leumi.

In addition to the Common Equity Tier 1 capital is a capital requirement of 1 percent of the outstanding housing loans, for the purpose of financing real estate rights. Accordingly, the minimum capital requirements applicable to the Bank as at September 30, 2025 are 10.24 percent for Common Equity Tier 1 capital ratio (including capital requirement for outstanding housing loans) and 13.50 percent for total capital ratio.

The Bank's capital planning and capital adequacy targets

The Leumi Group's capital planning reflects a forward-looking view of its risk appetite and profile, business strategy and the capital adequacy required as a result. The capital plan is approved by the Bank's management and Board of Directors and takes into account the Group's various P&L centers and other factors that affect the Bank's compliance with the capital requirements, such as: profit forecasts, changes in other comprehensive income, regulatory adjustments, the effect of the transitional provisions and the rate of increase in risk-weighted assets. The capital ratios forecast is also subject to various sensitivity tests and stress scenarios.

The Group's policy, which was approved by the Board of Directors, is to maintain a capital adequacy level that is higher than the minimum threshold set by the Bank of Israel from time to time and no less than the rate of capital required to cover the risks as assessed using the ICAAP process. In addition, the Group has set capital targets in case of a stress scenario event. For additional information on the ICAAP process and the use of stress tests, please see the Risk Management Report as at December 31, 2024.

On November 17, 2025, the Bank's Board of Directors approved an increase in the Bank's internal Tier 1 capital target, setting it at 10.85 percent instead of 10.6 percent.

Dividend Distribution Policy

On March 6, 2019, the Bank's Board of Directors approved a dividend distribution policy, under which the Bank will distribute, each quarter, a dividend of up to 50 percent of the Bank's net income in accordance with the Bank's financial statements for the previous quarter. This was subject to, inter alia, the Bank's meeting its capital adequacy targets, even after the dividend distribution. The actual dividend distribution is subject to the specific resolutions being passed by the Board of Directors prior to each distribution, and to the provisions of the law which apply to dividend distribution, including the provisions of the Companies Law and directives of the Bank of Israel.

On November 17, 2025, the Board of Directors approved a distribution of dividend at a total rate of 75% of the net gain for the third quarter of 2025, of which, approx. 75% as a cash dividend totaling to approx. NIS 1,518 million, and the remaining balance through share buyback in the sum of up to NIS 506 million, as detailed below. The sum of the dividend approved for each NIS 1 par value share is approx. 102.01 agorot. The final dividend amount per share will be adjusted to changes due to a share buyback and the exercise of the Bank's convertible securities, and will be published two days prior to the effective date. The Board of Directors designated November 25 2025 as the record date for purposes of payment of the dividend and December 2, 2025 as the payment date.

Details of paid cash dividend

Declaration date	Payment date	Dividend per share	Paid cash dividend
		In agorot	In NIS million
November 29, 2023	December 17, 2023	23.21	353
March 19, 2024	April 11, 2024	23.97	365
May 28, 2024	June 20, 2024	54.91	835
August 14, 2024	September 5, 2024	44.99	681
November 19, 2024	December 5, 2024	45.63	688
March 4, 2025	March 20, 2025	47.02	706
May 20, 2025	June 10, 2025	48.16	721
August 13, 2025	September 3, 2025	[1]65.52	979

[1] Further to a supplementary immediate report dated August 18, 2025.

The Bank's share buyback plan 2024

On May 27, 2024, the Bank's Board of Directors approved a share buyback plan in a total not to exceed NIS 1 billion, commencing May 29, 2024 up to May 22, 2025 or until the total buyback amount has been reached, the earlier of the two, hereinafter: the "2024 Buyback Plan".

The 2024 Share Buyback Plan was executed as part of the trading on the Tel Aviv Stock Exchange (TASE) and/or through transactions outside the TASE, in accordance with the safe harbor mechanism published by the Israel Securities Authority in four separate stages, each of which irreversible, in accordance with the safe harbor mechanism.

The 2024 Share Buyback Plan was fully executed, ending on May 14, 2025, as part of which 25,821,601 Bank shares were purchased, amounting to NIS 1 million.

For more information, please see the immediate report dated May 28, 2024.

The Bank's share buyback plan 2025

On May 19, 2025, the Bank's Board of Directors approved a share buyback plan in a total not to exceed NIS 1.5 billion, commencing May 21, 2025 up to May 7, 2026 or until the total buyback amount has been reached, the earlier of the two.

The share buyback plan will be executed as part of the trading on the Tel Aviv Stock Exchange (TASE), through an external, independent member of the TASE, who will act under an irrevocable power of appointment, in accordance with the safe harbor mechanism published by the Israel Securities Authority. The buyback plan is executed in four separate stages, each of which irreversible, in accordance with the safe harbor mechanism (hereinafter – "Stage A", "Stage B", "Stage C" and "Stage D"). The maximum scope of the buyback at any stage will not exceed 25% of the rate of the total distribution approved for that quarter, and in any event will be as follows:

The implementation of Stage A commenced on May 21, 2025 and ended on July 16, 2025, during which time the Bank purchased (through the independent Stock Exchange member it had engaged with) 4,081,931 Bank shares amounting to NIS 240 million under the said plan.

The implementation of Stage B commenced August 14, 2025 and ended on October 21, 2025, during which time the Bank purchased (through the independent Stock Exchange member it had engaged with) 5,182,183 Bank shares amounting to NIS 326 million under the plan.

Immediately prior to publishing this report, the Bank decided to proceed to Stage C, granting the TASE member an irreversible order to initiate Stage C on November 19, 2025.

Stage C will end on the earlier of: (a) February 19, 2026; or (b) Completion of the Bank's share buyback at a rate that does not exceed 25% of the total current distribution amount approved by the Board of Directors for that quarter. After the completion of Stage C, if the Bank decides to proceed to Stage D, Stage D will begin on the second trading day following the publication of the first financial statements after the decision to go forward with Stage D has been made. In such a case, Stage D will end on the earlier of: (a) May 7, 2026; or (b) Completion of the Bank's share buyback at a rate that does not exceed the lower of: 25% of the total current distribution amount approved by the Board of Directors for that quarter, or an amount of NIS 1.5 billion less the total buybacks that were actually executed in Stages A, B, and C. If, following the completion of Stage C, a decision will be made not to proceed with Stage D, as the case may be, the Bank will publish an immediate report to that effect.

Approval of the Banking Supervision Department to carry out the buyback plan, as required under Proper Conduct of Banking Business Directive No. 332, was received on May 11, 2025, subject to meeting the restrictions and capital targets, including the condition whereby the plan will be discontinued effective immediately if, during the plan term, the most recent financial statements published by the Bank will not comply with a Common Equity Tier 1 capital ratio of at least 10.9 percent, subject to the determination of the buyback amount in each stage taking into account the geopolitical situation as well as the Bank's actual capital ratios and the capital cushions required in the various scenarios.

As of the report publication date, the Bank owns 127,858,982 treasury shares.

For more information, please see the immediate report dated May 20, 2025.

Adjustments to Common Equity Tier 1 capital and Regulatory Changes in Measuring the Capital Requirements

Measurement of the employee benefits liability and hedging assets

Starting from July 1, 2022, calculation of the pension liabilities for the purpose of regulatory capital is as follows: Each quarter, the Bank calculates the change in the pension liability as a result of changes in the discount rate, net of the change in the value of assets designated in advance for hedging these liabilities. The change in the net pension liability, after tax, is spread in a linear manner over four quarters, beginning in the quarter for which the calculation was made. This method shall be in effect until the earlier of the following: a) the financial statements as at December 31, 2029 (inclusive) or b) the date of the financial statements in which the average pension liability amount for the past four quarters is lower than NIS 10 billion, linked to the CPI (from the known CPI as of July 1, 2022 until the known CPI on the date of the relevant financial statements).

For information regarding the discounting methodology, please see "Critical Accounting Policies and Estimates".

Draft Revising Proper Conduct of Banking Business Directive No. 201, "Introduction to Measurement and Capital Adequacy, Applicability and calculation of requirements.

On February 11, 2025, a draft directive was sent to banking corporations for their comments. The draft proposes replacing Banking Supervision Directive No. 201 with a new directive, aiming to improve the alignment between the regulatory capital requirements applicable to banking corporations in Israel and the recommendations of the Basel Committee, as well as internationally accepted practices.

The draft directive includes references to regulatory capital ratio requirements, according to which the banking corporation would be required to meet minimum capital ratios and maintain capital buffers and adding capital above the minimum capital ratios.

Draft Revising Proper Conduct of Banking Business Directive No. 203, "Measurement and Capital Adequacy" – the Standardized Approach – Credit Risk

On April 6, 2025, the Bank of Israel published a circular stating that to the list exposures weighted at 150% risk, credit provided under a financing agreement for a residential construction project will be added, in cases, where the proportion of apartment sale contracts in which a significant portion of the sale price (40% or more) is deferred to the delivery date (non-linear payment) exceeds 25%. Regarding existing projects in which this rate exceeds 25%, they will only be weighted at 150% when the proportion of contracts increases by more than 5 percent points compared with the rate at the starting date. The refund is valid as at December 31, 2026. Implementation of the new Directive is not expected to have a material effect on the Bank's capital ratios.

Revision of Proper Conduct of Banking Business Directive No. 218 – Leverage Ratio

On July 10, 2025 the Bank of Israel published a circular draft according to which the validity of the relief regarding minimum leverage ratio of 5.5% (rather than 6%) had been extended by a year up to December 31, 2026. A corporation which will utilize the easement until that date will be required to once again meet the required leverage ratio that was in place prior to the relief in two quarters' time, by June 30, 2027.

Developments in the guidance of the Basel Committee on Banking Supervision regarding capital adequacy measurement

In 2017, the Basel Committee on Banking Supervision completed its revision of the overall capital adequacy Basel III framework. As part of the revisions, also known as Basel IV, significant revisions were made in the manner of calculating risk-weighted assets for the purpose of the Tier 1 capital requirements. Implementation of the various standards included in the revision, as determined by the Basel Committee, the implementation is expected to begin in 2025.

In accordance with the policy for the adoption of accepted international standards, the Banking Supervision Department is adopting the Basel Committee provisions from 2017 on the calculation of capital requirements in respect of operational risk. On June 19, 2024, the Banking Supervision Department published a circular to update Proper Conduct of Banking Business Directive 206 "Capital easurement and Adequacy – Operational

Risk"; the circular established an updated definition of the calculation of the capital allocation in respect of operational risk such that it is based, among other things, on the business indicator components and on the internal loss multiplier based on the average historical losses of the banking corporation. Implementation of the Directive will become effective on January 1, 2026. However, until December 31, 2028 the internal loss multiplier will be set at one.

Additionally, on February 11, 2025, the Banking Supervision Deparment sent a survey to banking corporations to assess the quantitative impact of the reform (QIS) on the calculation of risk-weighted assets under the standardized approach - "Measurement and Capital Adequacy - Calculation of Risk-Weighted Assets for Credit Risk" - in accordance with the updates establised by the BaseL Committee, as mentioned above. The survey results were sent to the Bank of Israel in June 2025.

Directives pertaining to the attribution of capital for derivative financial instruments

On December 1, 2021, the Banking Supervision Department published a circular revising directives on capital allocation for derivative financial instruments (application of the provisions of Proper Conduct of Banking Business Directives Nos. 203A and 208A), in an effort to adjust the directives of the Bank of Israel to the revised Basel Committee provisions regarding counterparty credit risk.

As of July 1, 2022, the Bank applies Directive No. 203A, Treating Counterparty Credit Risk.

As of January 1, 2025, Directive 208A on the subject of capital allocation for CVA risk has been implemented, establishing a basic BA-CVA approach that replaced the existing directive. It is based primarily on risk considerations as a function of the economic sector and the credit quality of the counterparty.

The directive's implementation has no material impact on the capital ratio.

Circular entitled "Regulatory Capital - Effect of Implementation of Accounting Principles regarding Current Expected Credit Losses", Proper Conduct of Banking Business Directive No. 299 and circular entitled "Expected Loan Losses from Financial Instruments"

As of January 1, 2022, the Bank applies the transitional provisions published by the Banking Supervision Department - Regulatory Capital - Effect of Application of GAAP, as well as additional adjustments to "Proper Conduct of Banking Business Directives, as a result of the new rules on expected credit losses". Among other things, the Bank is applying Proper Conduct of Banking Business Directive No. 202, "Capital Measurement and Adequacy - Regulatory Capital", and deducts from Common Equity Tier 1 amounts to cover for housing loans classified over time as non-performing.

In accordance with the transitional provisions published by the Banking Supervision Department, the impact of the initial implementation on the Bank's Common Equity Tier 1 (CETI) capital was spread over several years, starting in January 2022 and concluding with full implementation in January 2025.

Sensitivity analysis of the main factors affecting the capital adequacy of the Leumi Group

- Change of the scope of risk assets - as at September 30, 2025 Leumi's risk assets amount to approx. NIS 540 billion. Each increase of NIS 1 billion in risk assets will reduce the CET1 capital ratio and the total capital ratio by approx. 0.03%.
- Change of CET1 capital - As at September 30, 2025, the CET1 capital amounts to approx. NIS 66.6 billion. An NIS 100 million decrease in the CET1 capital will decrease the CET1 capital ratio and the total capital ratio by approx. 0.02%.
- Change in the foreign exchange rate - a 1 percent depreciation in the shekel's exchange rate against all currencies will decrease the Common Equity Tier 1 capital and total capital ratio by 0.02 percent.
- A 1 percent increase in the risk-free interest rate curve across all currencies for the regulatory capital exposure signifies a decrease of 0.1% in the Common Equity Tier 1 capital ratio and total capital ratio.

The above information regarding capital adequacy and its management refers to the Bank's future activities and constitutes forward-looking information. For the meaning of the term, please see the chapter "Forward-Looking Information".

Leverage Ratio

Leverage ratio is expressed as a percentage and defined as measured regulatory capital divided by the measured exposure. The regulatory capital for the purpose of leverage ratio measurement is Tier 1 capital, as defined in Proper Conduct of Banking Business Directive No. 202, according to regulatory adjustments regarding the capital calculation. A banking corporation's exposure is the sum of the balance sheet exposures, exposure to derivatives, exposure to securities financing transactions and off-balance-sheet items. The leverage ratio complements the capital ratio and constitutes yet another restriction on the banking sector's leverage level.

	September 30		December 31
	2025	2024	2024
	In NIS million		
Consolidated data			
Tier 1 capital[c]	**66,611**	59,703	61,255
Total exposures[b]	**933,784**	851,607	882,958
Leverage Ratio			
Leverage Ratio	**7.13%**	7.01%	6.94%
Minimum total leverage ratio set by the Banking Supervision Department[a]	**5.50%**	5.50%	5.50%

For more information on capital adequacy and leverage, please see Note 9B.

a) Regarding the relief in minimum leverage ratio requirement, see the Section Adjustments to Common Equity Tier 1 capital and Regulatory Changes in Measuring the Capital Requirements, above.

b) Total exposures was calculated after implementing the revisions to Proper Conduct of Banking Business Directive 218, "Leverage Ratio", following the revision of Directives 203 and 203A, "Measurement and Capital Adequacy - the Standardized Approach - Credit Risk". For further details, please see directives pertaining to the attribution of capital for derivative financial instruments above.

c) Calculation of the leverage ratio took into account adjustments in respect of the effect of first-time application of GAAP concerning expected credit losses, which are gradually reduced until January 2025, and adjustments due to implementation of the measuring method in respect of certain actuarial liabilities. For more information, please see Note 9B.

Operating Segments – Management Approach

Operating segments reporting according to management approach presents the Bank's results by business line, in accordance with the Bank's organizational structure.
The Bank's business lines specialize in providing services to customer segments with similar characteristics and needs.

For more information regarding the business lines according to the management approach, please see section entitled "Operating Segments" in the financial statements as at December 31, 2024.

Set forth below are the condensed financial performance according to management approach

	For the three months ended September 30, 2025											
	The Bank									Subsidiaries in Israel	Foreign subsidiaries	Total
	Private individuals	Small businesses	Retail banking – total	Mortgages	Commercial	Corporate	Real estate	Capital markets	Other and adjustments			
	In NIS million											
Interest income, net:												
From external	(899)	170	(729)	2,293	442	981	1,019	195	22	63	185	4,471
Inter-segmental	2,189	336	2,525	(1,986)	173	(603)	(676)	649	–	18	(100)	–
Interest income, net	1,290	506	1,796	307	615	378	343	844	22	81	85	4,471
Noninterest income	310	111	421	2	159	158	120	296	151	166	17	1,490
Total income	1,600	617	2,217	309	774	536	463	1,140	173	247	102	5,961
Loan loss expenses (income)	77	(24)	53	(2)	(36)	9	10	12	(4)	(5)	(5)	32
Total operating and other expenses	699	225	924	99	162	82	36	109	121	52	24	1,609
Profit before taxes	824	416	1,240	212	648	445	417	1,019	56	200	83	4,320
Provision for taxes	314	158	472	81	246	169	159	343	165	57	27	1,719
Net income (loss) attributable to the Bank's shareholders	510	258	768	131	402	276	258	749	(109)	169	56	2,700

Condensed financial performance according to management approach (cont.)

	For the three months ended September 30, 2024											
	The Bank									Subsidiaries in Israel	Foreign subsidiaries	Total
	Private individuals	Small businesses	Retail banking – total	Mortgages	Commercial	Corporate	Real estate	Capital markets	Other and adjustments			
	In NIS million											
Interest income, net:												
From external	(824)	224	(600)	2,276	361	629	1,123	479	18	51	208	4,545
Inter-segmental	2,212	305	2,517	(1,932)	309	(343)	(750)	303	(3)	9	(110)	-
Interest income, net	1,388	529	1,917	344	670	286	373	782	15	60	98	4,545
Noninterest income (expenses)	406	126	532	2	147	80	109	164	(131)	52	23	978
Total income (expenses)	1,794	655	2,449	346	817	366	482	946	(116)	112	121	5,523
Loan loss expenses	144	67	211	30	2	5	39	18	1	12	(6)	312
Total operating and other expenses	757	228	985	110	168	66	45	126	143	45	28	1,716
Profit (loss) before tax	893	360	1,253	206	647	295	398	802	(260)	55	99	3,495
Provision (benefit) for taxes	340	136	476	78	246	113	152	391	(198)	(12)	39	1,285
Net income (loss) attributable to the Bank's shareholders	553	224	777	128	401	182	246	479	(62)	82	60	2,293

Condensed financial performance according to management approach (cont.)

	For the nine months ended September 30, 2025											
	The Bank									Subsidiaries in Israel	Foreign subsidiaries	Total
	Private individuals	Small businesses	Retail banking - total	Mortgages	Commercial	Corporate[(a)]	Real estate[(a)]	Capital markets	Other and adjustments			
	In NIS million											
Interest income, net:												
From external	(2,503)	578	(1,925)	6,248	1,343	2,439	2,958	1,172	57	166	570	13,028
Inter-segmental	6,349	941	7,290	(5,293)	520	(1,399)	(1,949)	1,084	5	51	(309)	-
Interest income, net	3,846	1,519	5,365	955	1,863	1,040	1,009	2,256	62	217	261	13,028
Noninterest income	1,136	362	1,498	5	466	339	351	1,051	127	396	71	4,304
Total income	4,982	1,881	6,863	960	2,329	1,379	1,360	3,307	189	613	332	17,332
Loan loss expenses (income)	250	(9)	241	9	(55)	13	66	8	(4)	(5)	37	310
Total operating and other expenses	2,111	659	2,770	329	525	240	112	364	377	150	83	4,950
Profit (loss) before tax	2,621	1,231	3,852	622	1,859	1,126	1,182	2,935	(184)	468	212	12,072
Provision for taxes	997	468	1,465	237	707	428	450	1,084	68	124	71	4,634
Net income (loss) attributable to the Bank's shareholders	1,624	763	2,387	385	1,152	698	732	2,069	(252)	401	141	7,713

Balances as at September 30, 2025												
Loans to the public, net	31,109	27,857	58,966	154,085	67,343	87,513	71,360	37,603	6,865	1,306	10,346	495,387
Deposits by the public	229,081	60,380	289,461	-	82,718	39,665	10,714	218,562	3	-	-	641,123

a) During the first quarter of 2025, an organizational change in the Corporate Division had been completed, establishing an infrastructure and complex financing system presented on the corporate sector. As part of said organizational change, *inter alia*, units that formerly were presented to the real estate business line were transferred to the corporate business line.

Condensed financial performance according to management approach (cont.)

	For the nine months ended September 30, 2024											
	The Bank									Subsidiaries in Israel	Foreign subsidiaries	Total
	Private individuals	Small businesses	Retail banking - total	Mortgages	Commercial	Corporate	Real estate	Capital markets	Other and adjustments			
	In NIS million											
Interest income, net:												
From external	(2,392)	663	(1,729)	5,998	1,070	1,594	3,212	1,786	44	151	564	12,690
Inter-segmental	6,522	915	7,437	(4,954)	981	(758)	(2,119)	(321)	(4)	28	(290)	–
Interest income, net	4,130	1,578	5,708	1,044	2,051	836	1,093	1,465	40	179	274	12,690
Noninterest income	1,142	357	1,499	8	434	248	311	1,323	632[(a)]	360	56	4,871
Total income	5,272	1,935	7,207	1,052	2,485	1,084	1,404	2,788	672	539	330	17,561
Loan loss expenses (income)	368	109	477	8	139	(107)	10	16	–	10	(37)	516
Total operating and other expenses	2,228	694	2,922	334	543	219	130	346	463	154	81	5,192
Profit before taxes	2,676	1,132	3,808	710	1,803	972	1,264	2,426	209	375	286	11,853
Provision (benefit) for taxes	1,018	430	1,448	270	686	370	481	1,009	(268)	40	92	4,128
Net income attributable to the Bank's shareholders	1,658	702	2,360	440	1,117	602	783	996[(b)]	477	378	194	7,347
Balances as at September 30, 2024												
Loans to the public, net	30,276	26,951	57,227	142,656	64,550	64,614	71,158	28,675	6,910	1,272	9,889	446,951
Deposits by the public	226,023	57,049	283,072	–	86,743	37,902	9,334	171,249	5	–	–	588,305

a) Including capital gains dueto the sale of the main office buildings in Tel Aviv in the sum of approx. NIS 0.8 billion.
b) Including the impairment loss due to the investment in Valley shares in the amount of approx. NIS 0.6 billion.

Condensed financial performance according to management approach (cont.)

	For the year ended December 31, 2024											
	The Bank									Subsidiaries in Israel	Foreign subsidiaries	Total
	Private individuals	Small businesses	Retail banking - total	Mortgages	Commercial	Corporate	Real estate	Capital markets	Other and adjustments			
	In NIS million											
Interest income, net:												
From external	(3,133)	894	(2,239)	7,482	1,482	2,081	4,250	2,457	58	204	734	16,509
Inter-segmental	8,607	1,206	9,813	(6,144)	1,236	(961)	(2,792)	(809)	(4)	45	(384)	-
Interest income, net	5,474	2,100	7,574	1,338	2,718	1,120	1,458	1,648	54	249	350	16,509
Noninterest income	1,557	483	2,040	9	584	323	426	1,651	963[b]	521	82	6,599
Total income	7,031	2,583	9,614	1,347	3,302	1,443	1,884	3,299	1,017	770	432	23,108
Loan loss expenses (income)	470	94	564	62	194	(139)	55	8	(8)	14	(37)	713
Total operating and other expenses	2,922	920	3,842	439	723	304	179	463	629	209	116	6,904
Profit before taxes	3,639	1,569	5,208	846	2,385	1,278	1,650	2,828	396	547	353	15,491
Provision (benefit) for taxes	1,384	597	1,981	322	907	486	627	1,064	(198)	113	120	5,422
Net income attributable to the Bank's shareholders	2,255	972	3,227	524	1,478	792	1,023	1,441[A]	594	486	233	9,798
Balances as at December 31, 2024												
Loans to the public, net	30,579	27,574	58,153	146,630	65,101	66,216	71,054	31,057	6,843	1,256	9,209	455,51
Deposits by the public	225,833	61,164	286,997	-	86,666	41,773	13,640	189,221	4	-	-	618,30

a) Including impairment loss due to theinvestment inValleyshares in the amount of approx. NIS 0.6 billion. For further information please see Note 15.A to the financial statements as of December 31, 2024

b) Including capital gains due to the sale of the main office buildings in Tel Aviv in the sum of approx. NIS 0.8 billion.

Regulatory Operating Segments

For a description of the main operating segments, see Regulatory Operating Segments to the financial statements as of December 31, 2024.

Summary of activities by regulatory operating segment

	For the three months ended September 30, 2025										
	Activity in Israel									Foreign operations	Total
	Households										
	Housing loans	Other	Private banking	Small- and micro-businesses	Mid-market businesses	Corporations	Institutional entities	Financial management	Other		
	In NIS million										
Interest income, net	364	1,022	79	923	450	1,030	139	366	13	85	4,471
Noninterest income	9	154	50	234	85	325	54	556	6	17	1,490
Total income	373	1,176	129	1,157	535	1,355	193	922	19	102	5,961
Loan loss expenses (income)	-	28	(1)	(6)	(77)	81	3	9	-	(5)	32
Total operating and other expenses	98	562	34	383	108	145	54	93	108	24	1,609
Profit (loss) before tax	275	586	96	780	504	1,129	136	820	(89)	83	4,320
Provision for taxes	106	240	40	305	197	446	55	272	31	27	1,719
Net income (loss) attributable to the Bank's shareholders	169	346	56	475	307	683	81	647	(120)	56	2,700

	For the three months ended September 30, 2024										
	Activity in Israel									Foreign operations	Total
	Households										
	Housing loans	Other	Private banking	Small- and micro-businesses	Mid-market businesses	Corporations	Institutional entities	Financial management	Other		
	In NIS million										
Interest income, net	413	1,089	90	983	495	981	234	147	15	98	4,545
Noninterest income	10	268	41	242	88	240	52	3	11	23	978
Total income	423	1,357	131	1,225	583	1,221	286	150	26	121	5,523
Loan loss expenses (income)	14	134	-	117	12	16	1	24	-	(6)	312
Total operating and other expenses	109	632	26	399	114	131	71	85	121	28	1,716
Profit (loss) before tax	300	591	105	709	457	1,074	214	41	(95)	99	3,495
Provision (benefit) for taxes	110	220	40	262	168	407	80	56	(97)	39	1,285
Net income attributable to the Bank's shareholders	190	371	65	447	289	667	134	68	2	60	2,293

Following is the summary of activities by regulatory operating segments (cont.)

	For the nine months ended September 30, 2025										
	Activity in Israel									Foreign operations	Total
	Households										
	Housing loans	Other	Private banking	Small- and micro-businesses	Mid-market businesses	Corporations	Institutional entities	Financial management	Other		
	In NIS million										
Interest income, net	1,171	3,068	251	2,806	1,370	3,118	508	429	46	261	13,028
Noninterest income	27	668	147	730	274	824	176	1,365	22	71	4,304
Total income	1,198	3,736	398	3,536	1,644	3,942	684	1,794	68	332	17,332
Loan loss expenses (income)	27	187	–	16	(99)	145	2	(5)	–	37	310
Total operating and other expenses	329	1,687	98	1,190	336	426	171	296	334	83	4,950
Profit (loss) before tax	842	1,862	300	2,330	1,407	3,371	511	1,503	(266)	212	12,072
Provision for taxes	310	722	114	878	533	1,261	194	546	5	71	4,634
Net income (loss) attributable to the Bank's shareholders	532	1,140	186	1,452	874	2,110	317	1,232	(271)	141	7,713

Balance as at September 30, 2025											
Loans to the public, gross	151,482	30,673	599[(a)]	81,718	41,010	176,906	9,396	–	–	10,409	502,193
Deposits by the public	–	141,115	36,797	106,513	56,856	110,015	189,827	–	–	–	641,123

a) Including outstanding housing loans as at September 30, 2025 in the sum of NIS 273 million.

Following is the summary of activities by regulatory operating segments (cont.)

	For the nine months ended September 30, 2024										
	Activity in Israel									Foreign operations	Total
	Households										
	Housing loans	Other	Private banking	Small- and micro-businesses	Mid-market businesses	Corporations	Institutional entities	Financial management	Other		
	In NIS million										
Interest income (expenses), net	1,223	3,222	288	2,914	1,479	2,916	601	(267)	40	274	12,690
Noninterest income	32	737	129	687	254	693	153	1,277	853(b)	56	4,871
Total income	1,255	3,959	417	3,601	1,733	3,609	754	1,010	893	330	17,561
Loan loss expenses (income)	(10)	347	–	166	13	(3)	2	38	–	(37)	516
Total operating and other expenses	337	1,844	92	1,221	367	405	203	240	402	81	5,192
Profit before taxes	928	1,768	325	2,214	1,353	3,207	549	732	491	286	11,853
Provision (benefit) for taxes	340	648	120	812	496	1,185	202	245	(12)	92	4,128
Net income attributable to the Bank's shareholders	588	1,120	205	1,402	857	2,022	347	109(c)	503	194	7,347

Balance as at September 30, 2024											
Loans to the public, gross	140,552	30,461	410(a)	70,892	39,732	153,784	7,990	–	–	9,951	453,772
Deposits by the public	–	141,186	35,015	101,308	59,425	96,058	155,313	–	–	–	588,305

a) Including outstanding housing loans as at September 30, 2024 in the sum of NIS 211 million.
b) Including capital gains due to the sale of the main office buildings in Tel Aviv in the sum of approx. NIS 0.8 million.
c) Including the impairment loss due to the investment in Valley shares in the amount of approx. NIS 0.6 billion.

Following is the summary of activities by regulatory operating segments (cont.)

	For the year ended December 31, 2024										
	Activity in Israel									Foreign operations	Total
	Households										
	Housing loans	Other	Private banking	Small- and micro-businesses	Mid-market businesses	Corporations	Institutional entities	Financial management	Other		
	In NIS million										
Interest income (expenses), net	1,602	4,291	366	3,868	1,968	4,053	804	(850)	57	350	16,509
Noninterest income	41	1,002	175	925	343	948	205	2,011	867[(c)]	82	6,599
Total income	1,643	5,293	541	4,793	2,311	5,001	1,009	1,161	924	432	23,108
Loan loss expenses (income)	36	397	–	168	3	118	3	25	–	(37)	713
Total operating and other expenses	446	2,390	128	1,634	489	575	268	323	535	116	6,904
Profit before taxes	1,161	2,506	413	2,991	1,819	4,308	738	813	389	353	15,491
Provision for taxes	423	908	149	1,084	660	1,564	267	174	73	120	5,422
Net income attributable to the Bank's shareholders	738	1,598	264	1,907	1,159	2,744	471	368[(b)]	316	233	9,798
Balance as at December 31, 2024											
Loans to the public, gross	144,387	30,670	458[(a)]	75,044	39,611	159,390	3,604	–	–	9,242	462,406
Deposits by the public	–	139,802	35,781	101,224	59,641	109,860	171,993	–	–	–	618,301

a) Including outstanding housing loans as at December 31, 2024 in the amount of NIS 232 million.
b) Including impairment loss due to theinvestment inValleyshares in the amount of approx. NIS 0.6 billion. For further information please see Note 15.A to the financial statements as of December 31, 2024
c) Including capital gains due to the sale of the main office buildings in Tel Aviv in the sum of approx. NIS 0.8 billion.

Main changes in the operating results of the regulatory segments

Households segment

The net gain attributable to shareholders of the households segment for the reporting period of 2025 amounted to NIS 1,672 million, compared to a gain of NIS 1,708 million in the corresponding period last year. The decrease stems mainly from a decrease in net interest income.

The net interest income in the reporting period of 2025 totaled NIS 4,239 million compared to NIS 4,445 million in the corresponding period last year. The decrease in interest income stems mainly from an erosion of the credit spreads and deposits, which was offset by a growth in the segment's loan portfolio.

The net interest income in the third quarter of 2025 totaled NIS 1,386 million compared to NIS 1,502 million in the corresponding period last year. The decrease stems mainly from an erosion of credit and deposit spreads, which was offset by a growth in the segment's loan portfolio.

The non-interest income in the reporting period of 2025 totaled NIS 695 million compared to NIS 769 million in the corresponding period last year. The main decrease stems from benefits granted to customers in the current period as part of the Bank of Israel's outline (For details see the chapter titled "Main Changes in the Period Gone By"), partially offset by an increase in fees and commissions for securities.

The non-interest income in the third quarter of 2025 totaled NIS 163 million compared to NIS 278 million in the corresponding quarter last year. The main decrease stems from benefits granted to customers in the current period as part of the Bank of Israel's outline (For details see the chapter titled "Main Changes in the Period Gone By").

In the reporting period of 2025, loan loss expenses were recorded, in the amount of approx. NIS 214 million, compared to the sum of approx. NIS 337 million in the corresponding quarter last year. The decrease is due to both the collective and the individual provisions.

In the third quarter of 2025, loan loss expenses were recorded, in the amount of approx. NIS 28 million, compared to an expense of approx. NIS 148 million in the corresponding quarter last year. The decrease stems mainly from collective provision.

The operating and other expenses in the reporting period of 2025 totaled NIS 2,016 million compared to NIS 2,181 million in the corresponding period last year, the decrease stems mainly from a decrease in return-based bonuses.

The outstanding loans to the public as at September 30, 2025 amounted to NIS 182.2 billion compared to NIS 175.1 billion as at the end of 2024.

The balance of public deposits as at September 30, 2025 amounted to NIS 141.1 billion compared to approx. NIS 139.8 billion at the end of 2024.

Private banking segment

The net gain attributable to shareholders in the private banking segment in the reporting period of 2025 totaled NIS 186 million, compared to the sum of NIS 205 million in the corresponding period last year. The decrease stems mainly from a decrease in net interest income.

The net interest income in the reporting period of 2025 totaled NIS 251 million compared to NIS 288 million in the corresponding period last year. The decrease stems mainly from the erosion of the deposits spread.

The net interest income in the third quarter of 2025 totaled NIS 79 million compared to NIS 90 million in the corresponding quarter last year. Most of the decrease stems from a decrease in the balance of deposits.

Non-interest income in the reporting period of 2025 totaled NIS 147 million compared to NIS 129 million in the corresponding period last year. The increase stems mainly from fees in respect of distribution of financial products.

Noninterest income in the third quarter of 2025 amounted to approx. NIS 50 million, compared to approx. NIS 41 million in the corresponding quarter last year. The increase stems mainly from fees in respect of distribution of financial products fees.

Micro- and small-business segment

The net gain attributable to shareholders in the micro- and small business segment in the reporting period of 2025 totaled NIS 1,452 million, compared to NIS 1,402 million in the corresponding period last year. The increase stems mainly from a decrease in loan loss expenses.

The net interest income in the reporting period of 2025 totaled NIS 2,806 million compared to NIS 2,914 million in the corresponding period last year. The decrease stems mainly from the erosion of credit spreads and deposits.

The net interest income in the third quarter of 2025 totaled NIS 923 million compared to NIS 983 million in the corresponding quarter last year. The decrease stems mainly from the erosion of credit and deposit spreads.

The non-interest income in the reporting period of 2025 totaled NIS 730 million compared to NIS 687 million in the corresponding period last year. The increase stems mainly from commissions on securities activity that was partially offset against the benefits granted to customers as part of the Bank of Israel's outline. (for details see the chapter titled "Main Changes in the Period Gone By)".

The non-interest income in the third quarter of 2025 totaled NIS 234 million compared to NIS 242 million in the corresponding quarter last year. The main decrease stems from benefits granted to customers as part of the Bank of Israel's outline. (For details see the chapter titled "Main Changes in the Period Gone By").

In the reporting period of 2025, loan loss expenses were recorded, in the amount of approx. NIS 16 million, compared to an expense of approx. NIS 166 million in the corresponding period last year. Most of the decrease stems from a decrease in collective expense.

In the third quarter of 2025, loan loss income was recorded, in the amount of NIS (6) million, compared to an expense of approx. NIS 117 million in the corresponding quarter last year. Most of the decrease stems from a decrease in collective expense.

The operating and other expenses in the reporting period of 2025 totaled NIS 1,190 million compared to NIS 1,221 million in the corresponding period last year, the decrease stems mainly from a decrease in return-based bonuses.

The outstanding loans to the public as at September 30, 2025 amounted to NIS 81.7 billion compared to NIS 75.0 billion as at the end of 2024.

The balance of public deposits as at September 30, 2025 amounted to NIS 106.5 billion compared to approx. NIS 101.2 billion at the end of 2024.

Mid-market segment

The net gain attributable to shareholders in the mid-size businesses segment in the reporting period of 2025 totaled NIS 874 million, compared to the sum of NIS 857 million in the corresponding period last year. The increase stems mainly from a decrease in expenses of loan losses and an increase in non-interest income.

The net interest income in the reporting period of 2025 totaled NIS 1,370 million compared to NIS 1,479 million in the corresponding period last year. The decrease stems mainly from the erosion of credit and deposit spreads.

The net interest income in the third quarter of 2025 totaled NIS 450 million compared to NIS 495 million in the corresponding quarter last year. The decrease stems mainly from the erosion of the deposits spread.

The non-interest income in the reporting period of 2025 totaled NIS 274 million compared to NIS 254 million in the corresponding period last year. The increase stemmed mainly from fees and commissions from financing businesses.

The non-interest income in the third quarter of 2025 totaled NIS 85 million compared to NIS 88 million in the corresponding quarter last year.

In the reporting period of 2025, loan loss income was recorded, in the amount of NIS (99) million, compared to an expense of NIS 13 million in the corresponding period last year. Most of the decrease stems from a decrease in collective expense.

In the third quarter of 2025, loan loss income had been recorded, in the amount of NIS (77) million, compared to an expense of NIS 12 million in the corresponding quarter last year. Most of the decrease stems from a decrease in collective expense.

The operating and other expenses in the reporting period of 2025 totaled NIS 336 million compared to NIS 367 million in the corresponding period last year, the decrease stems mainly from a decrease in return-based bonuses.

The operating and other expenses in the third quarter of 2025 totaled NIS 108 million compared to NIS 114 million in the corresponding quarter last year.

The outstanding loans to the public as at September 30, 2025 amounted to NIS 41.0 billion, similar to NIS 39.6 billion as at the end of 2024.

The outstanding public deposits as at September 30, 2025 amounted to NIS 56.9 billion, compared to NIS 59.6 billion at the end of 2024.

Corporate segment

The net gain attributable to shareholders in the large business segment in the reporting period of 2025 totaled NIS 2,110 million, compared to NIS 2,022 million in the corresponding period last year. The increase stems mainly from a increase in net interest income.

The net interest income in the reporting period of 2025 totaled NIS 3,118 million compared to approx. NIS 2,916 million in the corresponding period last year. The increase stems mainly from a growth in the credit portfolio and the deposits portfolio, which was partially offset against the erosion of credit and deposits spreads.

The net interest income in the third quarter of 2025 totaled NIS 1,030 million compared to NIS 981 million in the corresponding quarter last year. The increase stems mainly from a growth in the credit portfolio and the deposits portfolio, which was partially offset against the erosion of credit and deposits spreads.

The non-interest income in the reporting period of 2025 totaled NIS 824 million compared to NIS 693 million in the corresponding period last year. The increase stemmed mainly from fees and commissions for financing businesses.

The non-interest income in the third quarter of 2025 totaled NIS 325 million compared to NIS 240 million in the corresponding quarter last year. The increase stemmed mainly from fees and commissions for financing businesses.

In the reporting period of 2025, loan loss expenses were recorded, in the amount of NIS 145 million, compared to an income of NIS (3) million in the corresponding period last year. The increase stems mainly from lower collections in relation to the corresponding period last year.

In the third quarter of 2025, loan loss expenses were recorded, in the amount of approx. NIS 81 million, compared to an expense of approx. NIS 16 million in the corresponding quarter last year. The increase stems mainly from lower collections in relation to the corresponding period last year.

The operating and other expenses in the reporting period of 2025 totaled NIS 426 million compared to an expense in the sum of approx. NIS 405 million in the corresponding period last year. The increase stems mainly from an increase in customer activity in the capital market.

The operating and other expenses in the third quarter of 2025 totaled NIS 145 million compared to NIS 131 million in the corresponding quarter last year. The increase stems mainly from an increase in customer activity in the capital market.

The outstanding loans to the public as at September 30, 2025 totaled NIS 176.9 billion compared to NIS 159.4 billion as at the end of 2024.

The outstanding public deposits as at September 30, 2025 amounted to NIS 110.0 billion, compared to NIS 109.9 billion as at the end of 2024.

Financial management segment

The net gain of the financial management segment attributable to the Bank's shareholders in the reporting period of 2025 totaled approx. NIS 1,232 million, compared to a gain of approx. NIS 109 million in the corresponding period last year. The increase in profit stems mainly from an increase in net interest income, and since the profit in the corresponding period last year includes expenses for impairment of the investment in the associate company Valley in the sum of NIS 0.6 billion after tax.

The total income in the reporting period of 2025 totaled approx. NIS 1,794 million compared to NIS 1,010 million in the corresponding quarter last year. The increase in income stems mainly from an increase in net finance income, mainly due to income recorded in this segment from transfer pricing as a result of the Bank's credit portfolio refinancing, from the investment portfolio, and from a decrease in expenses in this segment following the decline in the SOFR interest rate.

The total income in the third quarter of 2025 amounted to the sum of approx. NIS 922 million, compared to the income in the sum of approx. NIS 150 million in the corresponding quarter last year. The increase in income stems mainly from an increase in net finance income, mainly due to higher income from the Bank's investment portfolio and improved income recorded in this segment from transfer pricing as a result of the Bank's credit portfolio refinancing. It should be noted that part of the increase in financing income from interest rate derivatives was offset by a decrease in income attributed to the capital fund.

The operating and other expenses in the reporting period of 2025 totaled NIS 296 million, compared to approx. NIS 240 million in the corresponding period last year; the increase is due mainly to the operating expenses for the activities in the capital market.

The operating and other expenses in the third quarter of 2025 totaled NIS 93 million compared to NIS 85 million in the corresponding quarter last year. The increase is mainly due to the operating expenses for the activities in the capital market.

Other segment

The loss attributable to the shareholders in the reporting period of 2025 totaled NIS (271) million, compared to a gain of approx. NIS 503 million in the corresponding period last year. The gain in the corresponding period stemmed mostly from the capital gain income from the sale of the main office buildings in Tel Aviv.

The operating and other expenses in thereporting period of 2025 totaled NIS 334 million compared to approx. NIS 402 million in the corresponding period last year, the decrease stems mainly from a decrease in expenses for pension liabilities.

Major Investee Companies

As of the report publication date, the Leumi Group is mainly active in Israel, through the Bank and subsidiaries which serve as financial services companies. In addition, the Group continues to invest both in financial and non-financial corporations which do not engage in banking.

As at September 30, 2025, the Bank's total investments in investees (including in capital notes) amounted to approx. NIS 16.2 billion, compared with NIS 15.6 billion as at December 31, 2024. The contribution of the associate companies in the first nine months of 2025 to the Group's net gain amounted to a gain of approx. NIS 730 million, compared with approx. NIS 208 million in the corresponding period last year. The results in the corresponding period included, inter alia, impairment of the investment in Valley shares in the amount of approx. NIS 0.6 billion, recorded in the second quarter of 2024 and partially offset by the gains of all investees.

For further information, please see Note 15.A to the financial statements as of December 31, 2024.

Consolidated Companies in Israel

The Bank's total investments (including in capital notes) in its Israeli consolidated subsidiaries amounted to NIS 9,525 million as at September 30, 2025, compared to NIS 9,108 million as of December 31, 2024. The contribution of the consolidated companies in Israel to the Group's net gain in the first nine months of 2025 amounted to a gain of NIS 416 million, compared with a gain of NIS 378 million in the corresponding period last year.

Leumi Partners Ltd.

Leumi Partners is Leumi Group's non-financial arm.

On June 17, 2025 Leumi Partners, Leumi Partners Underwriters Ltd. (a company fully owned by Leumi Partners Ltd.) ("**Leumi Underwriting**") Barak Capital Underwriting Ltd. ("**Barak Capital**") and Barak Capital's shareholders signed an agreement for merging Leumi Underwriting and Barak Underwriting existing operations (the"Merger"). Upon completion of the merger Leumi Underwriting will merge with and into Barak Underwriting. The merged underwriting company will be controlled by Mr. Tzvika Menes (the current controlling shareholder of Barak Underwriting), who will also serve as CEO of the merged underwriting company. Leumi Partners, which will not control the merged underwriting company, will be entitled to appoint one director who will serve as Chairman of the Board of Directors of the merged company. On July 23, 2025, the merger had been approved by the Israel Competition Authority. On September 30, 2025, the merger transaction was completed upon receipt of a merger certificate from the Companies Registrar and the fulfillment of all the conditions precedent to the transaction.
Upon completion of the transaction, a gain totaling NIS 94 million had been recorded.

For further information on the company's areas of activity see section Major Investee Companies to the financial statements as at December 31, 2024.

Consolidated Companies Outside Israel

The Bank's total investments (including in capital notes) in its consolidated companies abroad stood at NIS 4,453 million as at September 30, 2025, compared to NIS 4,365 million as of December 31, 2024.

In the first nine months of 2025, the foreign consolidated companies' contribution to the Group's shekel net gain stood at NIS 96 million, compared with a gain of NIS 251 million in the corresponding period last year. The decrease in profit stemmed mainly from the effect of exchange rate differentials as well erosion in gains from the source currency.

Leumi UK Group

The Bank's activity through foreign offices is currently carried out only through the Bank's office in the UK.

Leumi UK Group provides credit primarily in the fields of real estate, hotels and ABL, only to commercial customers in the UK and Europe, including Israeli customers active in these geographic areas, including investments and development of residential real estate and financing for commercial real estate.

C. Risk Review

Risk Exposure and Management Thereof

The information in this chapter does not include all the information required in full annual financial statements, and this section should be read along with the detailed information provided in the Report of the Board of Directors and Management as of December 31, 2024 and the Risk ManagementReport for the year 2024.

The Bank's business activity involves managing financial and non-financial risks. The key financial risks managed by the Bank are as follows: credit risks, which are integral to the Bank's core business, as well as market and liquidity risks. In addition to financial risks, the Bank's activity poses non-financial risks, the management of which is a necessary precondition to meeting the Group's ongoing and long-term goals. These risks include operational risks, such as technological and cyber risks, regulatory risk, compliance risk, legal risk, reputational risk, strategic risk, model risk, environmental risk, conduct risk, and macroeconomic risk.

Leumi's risk strategy management is to maintain the Group's stability and support the achievement of its business objectives. These objectives are achieved while meeting the predefined risk appetite, the policy and the limitations deriving therefrom, which form the boundaries for the Bank's business activity. The risk management framework includes mechanisms for identifying and estimating risks, defining the corporate structure and areas of responsibility for managing risk as well as putting in place adequate control and reporting mechanisms.

The Bank continually upgrades its risk management infrastructure and analyzes the risk outlook, to enable informed decision-making.

Credit Risks

Credit provision is a core activity of the Bank and Group and is conducted in a decentralized manner by various business lines.

Credit risk is the Bank's risk of loss as a result of the possibility that a counterparty fails to meet its agreed commitments towards the banking corporation.

Activities which embody credit risk include on- and off-balance sheet credit risk, such as: Loans to the public; loans to banks; loans to governments; deposits with banks; investments in bonds and exposures for activity in derivatives.

The Bank applies a comprehensive risk management policy in line with the requirements of Proper Conduct of Banking Business Directive No. 311, "Credit Risk Management", Proper Conduct of Banking Business Directive 311A, "Management of Consumer Credit" and Proper Conduct of Banking Business Directive No. 314, "Sound Credit Risk Assessment and Valuation for Debts", including the liability of management and the Board of Directors. In addition, the Bank is meticulous about managing risk in compliance with further guidelines and requirements included in the Banking Supervision Department's directives, implementing corporate governance which includes three "lines of defense".

As part of its credit risk management, the Bank monitors the quality of its credit portfolio, including the overall adequacy of its loan loss provision to cover losses embodied in the loan portfolio; the credit portfolio concentration level and activity by main products, such as: credit granted to the construction and real estate sector; housing loans; credit granted to private individuals; housing loans and leveraged credit.

As part of the credit risk management, on a regular basis, adjustments are made to the credit risk management and risk appetite, as necessary.

During the third quarter of 2025, there were no material changes in the corporate governance structure related to credit risk.

Macro-Economics Impacts, the War and the Trump Outline for Ending It

The Bank's activity is affected, among other things, by macroeconomic developments in the local global business environment.

During the reporting period, the economic activity in the local economy continued to recover. During the first half of 2025 the economy grew at the annual rate of approx. 0.9%. This, against the backdrop of the campaign against Iran in June 2025, during which there has been a sharp decrease in the economic activity. Ongoing indicators

point to a recovery of the economic activities in the third quarter of the year.

Looking forward, the economic activities are expected to continue to recover, as the rate of expansion will depend, among other things, on geo-security developments, on the global sentiment towards the State of Israel, as well as on global developments, including in the commerce domain.

In this regard, we should note that during October 2025, the Trump Outline, which is a multi-stage outline, had been published, as the first stage includes an immediate ceasefire and returning the hostages, followed by the possibility of comprehensive regional regulation, with the direct involvement of the Western World Powers and most countries in the region. As long as the ceasefire continues, and agreements will be arrived at in respect of the next stages of Trump Outline, which has far-reaching regional significant meaning, it is expected that this would have positive significance for economic stability, while improving Israel's international relations.

There is still a great degree of uncertainty, and it is not possible to accurately assess the intensity of the potential harm to the Bank's credit portfolio, which depends, inter alia, on the developments as aforementioned.

In view of the increase in the risk level, emphases were honed in relation to credit and in the various business lines. Adjustments and changes are conducted from time to time in accordance with the situation and the pace of the economy's recovery.

For further information, please see the chapter titled "Key Developments in the Economy" in the Report of the Board o f Directors and Management.

Loan loss expenses

The Bank's loan loss provision reflects the Bank's estimates. The provision is an estimate based on judgment, which was applied during the third quarter in a changing environment characterized by uncertainty. In order to estimate the current expected credit losses, the Bank consistently takes into account the directives of the Banking Supervision Department in its forecasts, scenarios, assumptions and estimates pertaining to the possible consequences of the War.

The estimation process is adapted to forecasts pertaining to the War conditions and its development and includes the Bank's expected collective loss. In this context, the Bank relies on assessing the risk profile of the various economic sectors, especially economic sectors the Bank believes to be more exposed to the War, using measurement tools at its disposal, such as: the amount of write-offs, the risk profile of the economic sector, debt period, debt classification, risk appetite, macroeconomic models for estimating credit losses reflecting the effects of changes in forecasts for the main economic parameters in the coming year (such as: forecasts for growth, private consumption, foreign exchange rates, unemployment rate in the economy, and interest rate). The estimate is based on scenarios at various levels of severity, and in view of the security and economic uncertainty, the Bank's assessment of credit losses continues to reflect also the probability of realization of the more pessimistic scenarios compared to the base scenario. A further worsening of any of these criteria and/or worsening of the weighting of pessimistic scenarios may bring about an increase in the loan loss provision.

Due to the rapid changes in the financial and economy-wide conditions, the Bank examined in the third quarter of 2025 and until shortly before the date of publication of the report, the key parameters used in the provision process and revised them accordingly.

Despite the improvement in the economic situation as aforementioned, the estimate of the loan loss collective provision still reflects the security and economic uncertainty, as well as conservatism in macroeconomic indicators and the parameters used for the assumptions underlying the model for predicting customers' future default rates.

The expenses due to credit losses amounted NIS 32 million in the third quarter of 2025, of which expenses in the sum of NIS 106 million due to the collective provision that had been made were recorded.

In order to examine the sensitivity of the collective provision to hypothetical changes at the risk level of economic sectors and the macroeconomic parameters underlying the forecast, the Bank assessed the effect of a uniform change in the macroeconomic parameters (worsening and improvement by a uniform rate of 1%) and the odds of materialization of the various scenarios (a main, pessimistic and extreme scenario), through each of the sensitivity tests.

The key macroeconomic parameters in which the base scenario was altered are, among others, the GDP, personal consumption, the Bank of Israel's interest rate, and the currency exchange rate.

The impact of worsening the parameters will reflect an addition to the group provision for credit losses in the third quarter of 2025 in the sum of approx. NIS 657 million, an improvement of the parameters will lead to, a decrease in the collective provision for credit losses in the third quarter of 2025 relative to the reference scenario in the sum of approx. NIS 808 million.

Some of the above information constitutes "forward-looking information". For the meaning of the term, please see the chapter "Forward-Looking Information".

Reliefs and changes for coping with the War's ramifications

For further information concerning all the reliefs and changes, please see the Section entitled "Major Changes in the Period Gone By" in this report.

For additional information on all the relevant publications of the Bank of Israel, please see the chapter entitled "Legislation and Regulations Governing the Banking System" under "Regulatory Measures following the War and Operation "Am K'Lavie", in a Corporate Governance Report.

Risk assessment and classification of debt that have undergone changes in terms against the backdrop of the War

In accordance with the directives of the Banking Supervision Department to allow borrowers who were affected by the War additional flexibility in the repayment of loans. In accordance with the directives of the Banking Supervision Department to allow borrowers who were affected by the war additional flexibility in the repayment of loans and repayment arrangements.

Comprehensive repayment arrangements were determined for customers who meet the Bank of Israel Outline criteria, and changes were made for other customers, with a risk assessment of the debt and the borrower in order to identify troubled debts or debts with difficulties whose terms and conditions have changed. This, noting that as a general rule and according to the Bank of Israel's guidelines, such repayment arrangements, in themselves, do not necessarily indicate that the customer is in financial difficulties regarding classification of the debts as debts to borrowers in financial difficulties that have undergone changes in terms and conditions.

In the risk assessment of the debts for which repayment arrangements were made, the situation of the borrower or the debt on the date of the change is examined, among other things, in relation to the following topics:

- The background for the change in terms and conditions, in other words does the requested change stem from financial or operational difficulties resulting from the consequences of the War
- The repayment history of the borrowers debts, with an emphasis on the proper payment of the loans without exceptions before the War
- The debt coverage ability, taking into consideration all the customers cash flows, including from government support
- The deferral/rescheduling period requested, taking into consideration the expected duration of the effect of the consequences of the War

To the extent that according to the risk assessment, this is identified as a temporary impairment of the customer's debt service ability (in other words, this customer did not have difficulties before the War, the change in the debt terms and conditions is against the backdrop of the War and the repayment of the debt is expected at the new terms and conditions), the debt is not classified as a troubled debt or as a debt with difficulties that has undergone changes in its terms and conditions. On the other hand, to the extent that the risk assessment indicates that the borrower's financial difficulties began before the War and an impairment of the ability to fully service the debt is expected, the need to classify the debt as a troubled debt or as a debt in difficulties whose terms and conditions have changed is examined according to criteria and quantitative calculations customary at the Bank.

It should be emphasized that debts for which debt settlement arrangements have been made and are not classified as troubled debts with modified terms, are monitored as part of the ongoing management of debts for which the risk has worsened, in accordance with the criteria and guidelines customary at the Bank.

A debt which was not in arrears at the outbreak of the War is not reported as a delinquent debt if payments are made on time in accordance with the revised terms and conditions of the debt. In addition, for debts which had payments in arrears at the outbreak of the War, the extent of arrears was adjusted to the situation at the outbreak of the War, and in fact, the counting of the arrears during the payment deferral period was frozen.

For information regarding the reliefs given by the Bank and details of the expected quantitative effect in respect of the reliefs, until shortly before to the report publication date, please see under "Main Changes in the Reporting Year - The War in the Report of the Board of Directors and Management.

Credit risk and non-performing assets

	September 30, 2025			
	Commercial	For housing	Other Private individuals[d]	Total
	In NIS million			
Credit risk in credit performance rating[a]				
On-balance-sheet credit risk	325,495	148,435	27,054	500,984
Off-balance-sheet credit risk[c]	183,977	5,965	18,793	208,735
Total non-investment grade credit risk	509,472	154,400	45,847	709,719
Non-investment grade credit risk				
a. Non-troubled	1,236	2,567	2,775	6,578
b. Total troubled	5,083	767	880	6,730
Troubled performing	3,949	21	711	4,681
Troubled non-performing	1,134	746	169	2,049
Total on-balance-sheet credit risk	6,319	3,334	3,655	13,308
Off-balance-sheet credit risk[c]	914	21	238	1,173
Total non-investment grade credit risk	7,233	3,355	3,893	14,481
Of which: Performing debts, in arrears of 90 days or more	143	-	74	217
Overall credit risk incl. of the public[b]	516,705	157,755	49,740	724,200

Additional information on non-performing assets				
a. Non-performing debts	1,134	746	169	2,049
b. Assets received for settled loans	37	-	-	37
Total non-performing assets of the public	1,171	746	169	2,086
Percentage of non-performing loans to the public (NPL) out of total loans to the public				0.41%

a) Credit risk whose credit rating at the reporting date matches the credit rating for granting new credit in accordance with the Bank's policy.
b) On- and off-balance sheet credit risk, including for derivatives. Including debts, bonds, securities borrowed or purchased under purchase agreements.
c) Credit risk for off-balance sheet financial instruments as calculated for the purpose of per borrower credit indebtedness limitations.
d) During the third quarter of the year the model of internal rating of the Bank's private customers been updated, and commencing this date the data are presented according to the new model.

For additional information with regards to deferred payments debts of 180 days or more, not classified as troubled payments, please see Note 13.B.1

Credit risk and non-performing assets (cont.)

	September 30, 2024			
	Commercial	For housing	Private individuals - Other	Total
	In NIS million			
Credit risk in credit performance rating[(a)]				
On-balance-sheet credit risk	295,285	137,496	28,017	460,798
Off-balance-sheet credit risk[(c)]	163,373	5,566	17,264	186,203
Total non-investment grade credit risk	458,658	143,062	45,281	647,001
Non-investment grade credit risk				
a. Non-troubled	681	2,704	1,451	4,836
b. Total troubled	5,017	578	953	6,548
Troubled performing	3,415	21	736	4,172
Troubled non-performing	1,602	557	217	2,376
Total on-balance-sheet credit risk	5,698	3,282	2,404	11,384
Off-balance-sheet credit risk[(c)]	735	50	162	947
Total non-investment grade credit risk	6,433	3,332	2,566	12,331
Of which: Performing debts, in arrears of 90 days or more	63	-	71	134
Overall credit risk incl. of the public[(b)]	465,091	146,394	47,847	659,332
Additional information on non-performing assets				
a. Non-performing debts	1,602	557	217	2,376
b. Assets received for settled loans	11	-	-	11
Total non-performing assets of the public	1,613	557	217	2,387
Percentage of non-performing loans to the public (NPL) out of total loans to the public				0.52%

a) Credit risk whose credit rating at the reporting date matches the credit rating for granting new credit in accordance with the Bank's policy.

b) On- and off-balance sheet credit risk, including for derivatives. Including debts, bonds, securities borrowed or purchased under purchase agreements.

c) Credit risk for off-balance sheet financial instruments as calculated for the purpose of per borrower credit indebtedness limitations.

Credit risk and non-performing assets (cont.)

	December 31, 2024			
	Commercial	For housing	Private individuals – Other	Total
	In NIS million			
Credit risk in credit performance rating[a]				
On-balance-sheet credit risk	300,149	141,410	28,041	469,600
Off-balance-sheet credit risk[c]	166,945	5,745	17,209	189,899
Total non-investment grade credit risk	467,094	147,155	45,250	659,499
Non-investment grade credit risk				
a. Non-troubled	959	2,523	1,612	5,094
b. Total troubled	5,096	700	899	6,695
Troubled performing	3,683	23	694	4,400
Troubled non-performing	1,413	677	205	2,295
Total on-balance-sheet credit risk	6,055	3,223	2,511	11,789
Off-balance-sheet credit risk[c]	793	63	195	1,051
Total non-investment grade credit risk	6,848	3,286	2,706	12,840
Of which: Performing debts, in arrears of 90 days or more	91	–	87	178
Overall credit risk incl. of the public[b]	473,942	150,441	47,956	672,339
Additional information on non-performing assets				
a. Non-performing debts	1,413	677	205	2,295
b. Assets received for settled loans	26	–	–	26
Total non-performing assets of the public	1,439	677	205	2,321
Percentage of non-performing loans to the public (NPL) out of total loans to the public				0.50%

a) Credit risk whose credit rating at the reporting date matches the credit rating for granting new credit in accordance with the Bank's policy.
b) On- and off-balance sheet credit risk, including for derivatives. Including debts, bonds, securities borrowed or purchased under purchase agreements.
c) Credit risk for off-balance sheet financial instruments as calculated for the purpose of per borrower credit indebtedness limitations.

For additional information with regards to deferred payments debts of 180 days or more, not classified as troubled payments, please see Note 13.B.1

Movement in Non-Performing Loans to the Public

	For the nine months ended September 30, 2025		
	Commercial	Private(a)	Total
	In NIS million		
Outstanding balance of non-performing debts at the beginning of the period	**1,413**	**882**	**2,295**
Loans classified as non-performing debts during the period	**581**	**403**	**984**
Debts reclassified as performing	**(240)**	**(206)**	**(446)**
Written-off non-performing debts	**(210)**	**(89)**	**(299)**
Repaid non-performing debts	**(410)**	**(75)**	**(485)**
Outstanding balance of non-performing debts at the end of the period	**1,134**	**915**	**2,049**

	For the nine months ended September 30, 2024		
	Commercial	Private(a)	Total
	In NIS million		
Outstanding balance of non-performing debts at the beginning of the period	2,579	1,031	3,610
Loans classified as non-performing debts during the period	421	579	1,000
Debts reclassified as performing	(694)	(459)	(1,153)
Written-off non-performing debts	(312)	(132)	(444)
Repaid non-performing debts	(392)	(245)	(637)
Outstanding balance of non-performing debts at the end of the period	1,602	774	2,376

a) Including outstanding debts of private individuals - other and housing loans.

Following is a breakdown of qualitative analysis indicators of loans to the public, expenses and loan loss provision

	September 30, 2025			
	Commercial	Housing	Private individuals -	Total
	In %			
Analysis of quality of loans to the public				
Percentage of non-performing loans (NPL) to the public out of outstanding loans to the public	0.35	0.49	0.55	0.41
Percentage of non-performing loans to the public or in arrears of 90 days or more out of outstanding loans to the public	0.40	0.49	0.79	0.45
Percentage of troubled loans to the public out of outstanding loans to the public	1.59	0.51	2.87	1.34
Percentage of non-investment grade credit out of outstanding loans to the public	1.98	2.20	11.90	2.65
Analysis of expenses for loan losses for the reporting period[a]				
Percentage of loan loss expenses out of average outstanding loans to the public	0.03	0.02	0.83	0.09[b]
Percentage of net charge-offs for loans to the public out of average outstanding loans to the public	0.04	-[d]	0.86	0.08
Analysis of the loan loss provision in respect of loans to the public				
Percentage of balance of the loan loss provision for loans to the public out of outstanding loans to the public	1.63	0.44	3.03	1.36
Percentage of balance of the loan loss provision for loans to the public out of non-performing outstanding loans to the public	458.99	89.81	550.89	332.16
Percentage of balance of the loan loss provision for loans to the public out of outstanding non-performing loans to the public or in arrears of 90 days or more	407.60	89.81	383.13	300.35
The ratio of outstanding loan loss provision for loans to the public out of the net charge-offs for loans to the public[A][C]	44.36	100.50	3.58	17.72

a) Annualized.
b) Including loan loss expenses for loans to the public, banks, governments and bonds.
c) Not presented as percentage.
d) Rate lower than 0.01 percent.

In the third quarter of 2025, there had been an improvement in most of the credit quality indices on the entire Bank level regarding the comparison periods. The improvement the in the credit indices is reflected, inter alia, by a decrease in the rate of non-performing credit, a decrease in the rate of troubled credit, and a decrease in the rate of write-offs, net.

Following is a breakdown of qualitative analysis indicators of loans to the public, expenses and loan loss provision (cont.)

	September 30, 2024			
	Commercial	Housing	Private individuals -	Total
	In %			
Analysis of quality of loans to the public				
Percentage of non-performing loans (NPL) to the public out of outstanding loans to the public	0.57	0.40	0.71	0.52
Percentage of non-performing loans to the public or in arrears of 90 days or more out of outstanding loans to the public	0.59	0.40	0.95	0.55
Percentage of troubled loans to the public out of outstanding loans to the public	1.78	0.41	3.13	1.44
Percentage of non-investment grade credit out of outstanding loans to the public	2.02	2.33	7.90	2.51
Analysis of expenses (income) for loan losses for the reporting period(a)				
The percentage of loan loss expenses (income) for credit losses due to the public out of the average outstanding balance of loans to the public	0.09	(0.01)	1.49	0.16(b)
Percentage of net charge-offs for loans to the public out of average outstanding loans to the public	0.02	-(c)	1.36	0.11
Analysis of the loan loss provision in respect of loans to the public				
Percentage of balance of the loan loss provision for loans to the public out of outstanding loans to the public	1.86	0.43	3.12	1.50
Percentage of balance of the loan loss provision for loans to the public out of non-performing outstanding loans to the public	328.71	108.98	436.87	287.08
Percentage of balance of the loan loss provision for loans to the public out of outstanding non-performing loans to the public or in arrears of 90 days or more	316.28	108.98	329.17	271.75
Ratio of outstanding loan loss provision for loans to the public out of the net write-offs for loans to the public(A)(D)	78.99	-(c)	2.38	14.66

a) Annualized.
b) Including loan loss expenses for loans to the public, banks, governments and bonds.
c) Rate lower than 0.01 percent.
d) Not presented as percentage.

Following is a breakdown of qualitative analysis indicators of loans to the public, expenses and loan loss provision (cont.)

	December 31, 2024			
	Commercial	Housing	Private individuals –	Total
	In %			
Analysis of quality of loans to the public				
Percentage of non-performing loans (NPL) to the public out of outstanding loans to the public	0.49	0.47	0.67	0.50
Percentage of non-performing loans to the public or in arrears of 90 days or more out of outstanding loans to the public	0.52	0.47	0.96	0.53
Percentage of troubled loans to the public out of outstanding loans to the public	1.77	0.48	2.94	1.45
Percentage of non-investment grade credit out of outstanding loans to the public	2.11	2.23	8.22	2.55
Analysis of expenses for loan losses for the reporting period				
Percentage of loan loss expenses for the public out of the average outstanding balance of loans to the public	0.09	0.03	1.35	0.16[a]
Percentage of net charge-offs for loans to the public out of average outstanding loans to the public	0.03	–[b]	1.25	0.10
Analysis of the loan loss provision in respect of loans to the public				
Percentage of balance of the loan loss provision for loans to the public out of outstanding loans to the public	1.84	0.44	3.12	1.49
Percentage of balance of the loan loss provision for loans to the public out of non-performing outstanding loans to the public	374.66	94.53	464.88	300.09
Percentage of balance of the loan loss provision for loans to the public out of outstanding non-performing loans to the public or in arrears of 90 days or more	351.99	94.53	326.37	278.49
The ratio of provision for loan loss due to loans to the public out of the net write-offs for loans to the public[c]	70.59	640.00	2.60	15.58

a) Including loan loss expenses for loans to the public, banks, governments and bonds.
b) Rate lower than 0.01 percent.
c) Not presented as percentage.

Total Credit Risk by Economic Sector

	September 30, 2025						
					Loan losses(c)		
	Overall credit risk(a)	Credit performance rating(e)	Of which: Troubled credit risk(d)	Of which: Non-performing credit risk	Loan loss expenses (income)	Charge-offs, net	Balance of loan loss provision
	In NIS million						
For borrowers activity in Israel Public-commercial							
Industry	39,233	38,573	618	136	(83)	9	(474)
Construction and real estate – construction(f)	151,458	149,918	1,136	206	166	27	(1,763)
Construction and real estate – real estate activity	58,840	57,909	767	127	(48)	(5)	(1,167)
Commerce	45,321	44,478	719	323	29	96	(673)
Financial services	74,106	73,829	39	17	37	(1)	(246)
Other sectors	69,687	67,820	1,484	217	(10)	2	(1,410)
Commercial – total	438,645	432,527	4,763	1,026	91	128	(5,733)
Private individuals – housing loans	157,685	154,330	767	746	27	5	(691)
Private individuals – other	49,722	45,830	918	167	187	195	(980)
Total loans to the public – activity in Israel	646,052	632,687	6,448	1,939	305	328	(7,404)
Banks and governments – in Israel	93,850	93,850	–	–	(4)	–	(15)
Total activity in Israel	739,902	726,537	6,448	1,939	301	328	(7,419)
For borrowers activity outside Israel							
Total loans to the public – foreign operations	78,148(g)	77,032	855	244	(24)	(40)	(296)
Foreign banks and governments	64,751	64,751	–	–	33	–	(59)
Total activity outside Israel	142,899	141,783	855	244	9	(40)	(355)
Total activity in and outside Israel	882,801	868,320	7,303	2,183	310	288	(7,774)

a) On- and off-balance sheet credit risk, including for derivatives. Including: debts(b), bonds, securities borrowed or purchased under reverse repurchase agreements, credit risk due to derivative instruments and credit risk in off-balance-sheet financial instruments, as calculated for the purpose of per-borrower indebtedness limitations in the amounts of NIS 509,022, 133,658, 5,883, 61,013 and 173,225 million, respectively.
b) 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.
c) Including for off-balance-sheet credit instruments (presented in the balance sheet under "other liabilities").
d) On-balance sheet credit risk and off-balance-sheet credit risk that is non-performing, substandard or special mention.
e) Credit risk whose credit rating at the reporting date matches the credit rating for granting new credit in accordance with the Bank's policy.
f) Including housing loans extended to certain purchasing groups currently in the process of construction.
g) Including credit risk stemming from investments in asset-backed bonds. For further information, please see Note 5.

Total Credit Risk to the Public by Economic Sector (cont.)

	September 30, 2024						
					Loan losses[c]		
	Overall credit risk[a]	Credit performance rating[e]	Of which: Troubled credit risk[d]	Of which: Non-performing credit risk	Loan loss expenses (income)	Charge-offs, net	Balance of loan loss provision
	In NIS million						
For borrowers activity in Israel Public-commercial							
Industry	35,920	35,028	759	174	(14)	(77)	(578)
Construction and real estate – construction[f]	129,650	128,230	1,075	648	55	100	(1,641)
Construction and real estate – real estate activity	54,377	53,845	349	113	27	(64)	(1,161)
Commerce	41,525	40,649	824	309	35	29	(757)
Financial services	61,414	61,372	42	27	(13)	3	(231)
Other sectors	63,280	61,890	1,208	225	79	10	(1,324)
Commercial – total	386,166	381,014	4,257	1,496	169	1	(5,692)
Private individuals – housing loans	146,343	143,011	578	557	(10)	–	(624)
Private individuals – other	47,823	45,258	993	217	328	299	(984)
Total loans to the public – activity in Israel	580,332	569,283	5,828	2,270	487	300	(7,300)
Banks and governments – in Israel	67,826	67,826	–	–	14	–	(16)
Total activity in Israel	648,158	637,109	5,828	2,270	501	300	(7,316)
For borrowers activity outside Israel							
Total loans to the public – foreign operations	79,000[g]	77,718	1,271	267	10	49	(314)
Foreign banks and governments	68,019	68,019	–	–	5	–	(18)
Total activity outside Israel	147,019	145,737	1,271	267	15	49	(332)
Total activity in and outside Israel	795,177	782,846	7,099	2,537	516	349	(7,648)

a) On- and off-balance sheet credit risk, including for derivatives. Including: debts[B], bonds, securities borrowed or purchased under reverse repurchase agreements, credit risk due to derivative instruments and credit risk embodied in off-balance-sheet financial instruments, as calculated for the purpose of per-borrower indebtedness limitations in the amounts of NIS 463,035, 115,256, 5,936, 59,231 and 151,719 million, respectively.
b) 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.
c) Including for off-balance-sheet credit instruments (presented in the balance sheet under "other liabilities").
d) On-balance sheet credit risk and off-balance-sheet credit risk that is non-performing, substandard or special mention.
e) Credit risk whose credit rating at the reporting date matches the credit rating for granting new credit in accordance with the Bank's policy.
f) Including housing loans extended to certain purchasing groups currently in the process of construction.
g) Including credit risk stemming from investments in asset-backed bonds. For further information, please see Note 5.

Total Credit Risk to the Public by Economic Sector (cont.)

	December 31, 2024						
					Loan losses[c]		
	Overall credit risk[a]	Credit performance rating[e]	Of which: Troubled credit risk[d]	Of which: Non-performing credit risk	Loan loss expenses (income)	Charge-offs, net	Balance of loan loss provision
	In NIS million						
For borrowers activity in Israel Public-commercial							
Industry	35,312	34,495	791	188	(17)	(71)	(569)
Construction and real estate – construction[f]	132,957	131,625	1,023	407	100	118	(1,638)
Construction and real estate – real estate activity	55,413	54,774	380	117	42	(68)	(1,186)
Commerce	42,736	41,879	813	332	42	50	(744)
Financial services	66,665	66,633	30	20	(27)	8	(216)
Other sectors	63,067	60,980	1,674	246	113	(31)	(1,416)
Commercial – total	396,150	390,386	4,711	1,310	253	6	(5,769)
Private individuals – housing loans	150,383	147,097	700	677	36	1	(669)
Private individuals – other	47,933	45,228	930	204	397	366	(988)
Total loans to the public – activity in Israel	594,466	582,711	6,341	2,191	686	373	(7,426)
Banks and governments – in Israel	71,182	71,182	–	–	17	–	(19)
Total activity in Israel	665,648	653,893	6,341	2,191	703	373	(7,445)
For borrowers activity outside Israel							
Total loans to the public – foreign operations	77,873[g]	76,788	1,001	267	(3)	69	(281)
Foreign banks and governments	60,673	60,673	–	–	13	–	(26)
Total activity outside Israel	138,546	137,461	1,001	267	10	69	(307)
Total activity in and outside Israel	804,194	791,354	7,342	2,458	713	442	(7,752)

a) On- and off-balance sheet credit risk, including for derivatives. Including: debts[B], bonds, securities borrowed or purchased under reverse repurchase agreements, credit risk due to derivative instruments and credit risk embodied in off-balance-sheet financial instruments, as calculated for the purpose of per-borrower indebtedness limitations in the amounts of NIS 468.801, 116,912, 4,684, 57,625 and 156,172 million, respectively.
b) 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.
c) Including for off-balance-sheet credit instruments (presented in the balance sheet under "other liabilities").
d) On-balance sheet credit risk and off-balance-sheet credit risk that is non-performing, substandard or special mention.
e) Credit risk whose credit rating at the reporting date matches the credit rating for granting new credit in accordance with the Bank's policy.
f) Including housing loans extended to certain purchasing groups currently in the process of construction.
g) Including credit risk stemming from investments in asset-backed bonds. For further information, please see Note 5.

Risks to the construction and real estate industries

Activity and risk boundaries in the construction and real estate industry

The construction and real estate sector is an area of activity to which the Bank has a significant credit exposure, among other things in view of the natural demand for housing in Israel, which increases over time, the fact that the credit is backed by real collateral. As with the other economic sectors, the Bank's credit policy outlines internal methodologies and criteria for financing transactions in each of the industry's sub-sectors in the real estate domain. Leumi continues to proactively expand development of the real estate portfolio, focusing on the housing segment and selected financially resilient customers The Bank is careful to maintain geographical diversification in which the projects are located, according to demand and macroeconomic forecasts, and routinely monitors the risk characteristics, including the impacts of the War, the increase in interest rates and the demands for housing, on the real estate companies.

Credit granted to the real estate sector is in line with the Bank's risk appetite, in accordance with strict underwriting, a stringent financing and supervision method, property collateral and adequate pricing.

The challenges of the period due to the War, including the shortage of workers, the increase of input prices and the increase in financing expenses, as well as the increase in the prevalence of non-linear payment methods (20/80), led to the increase in the projects' budgets and the prolongation of the construction at some of the sites.

Regarding the non-linear payment methods and the loans subsided by the entrepreneurs, on April 6, 2025 the Bank of Israel published a temporary provision for revising the directives as follows:

1. Directive 329 - restrictions on granting housing loans; in section 8a of the provision it had been prescribed that the rate of performances due to bullet and balloon loans subsidized by a contractor would not exceed 10% of the total quarterly performances due to housing loans, excluding housing loans for purposes other than for purchasing real estate rights. As at September 30, 2025, the Bank is in compliance with the regulatory limitation pertaining to this directive.
2. Directive No. 203 - measurement and adequate capital, the standard credit risk approach; in section 79 of the Directive it had been prescribed that to the list of debts weighed for a risk at 150% would be added credit as part of a loan agreement for a residential construction project, in which the rate of contracts for home sales in which a significant portion (exceeding 40%) of the sale price is deferred until the delivery date (non-linear payment) exceeds 25%. Regarding existing projects, in which this rate exceeds 25% of the total residential units, these would be weighted by 150% only as the rate of contracts, as aforementioned, exceeds 5 percent points of the rate on the starting date. Implementation of the new Directive is not expected to have a material effect on the Bank's capital ratios.

   The Temporary Directive is in effect commencing the date of publication thereof through December 31, 2026.

As at September 30, 2025, the Bank complies with the regulatory limitation pertaining to the concentration ratio. In addition, the Bank set internal limitations that are in line with the Bank's assessment of the risk in the various sub-sectors. Nevertheless, considering the significant credit needs in the sector on the one hand and the regulatory limitation on the other, the Bank is working on implementing a plan to reduce the concentration ratio using various instruments. The Bank insures part of the guarantees portfolio under the Sales Law (Apartments), part of the financial loan portfolio for the financing of land, as well as part of the performance and formal guarantee portfolio associated with the construction and real estate sectors.

The balance of the provision for credit losses due to the overall credit risk in the construction and real estate segments in Israel as at September 30, 2025 in the sum of NIS 2,930 million, compared to the sum of NIS 2,824 million as of December 31, 2024. The balance of the provision due to the overall credit risk in the construction and real estate segments from the overall credit risk in the portfolio as at September 30, 2025 is 1.39%. The outstanding provision for credit loss reflects the effects of the continued uncertainty in the economy regarding the construction and real estate segments.

The balance of the problematic credit risk in the construction and real estate segments in Israel as at September 30, 2025 stands at the sum of NIS 1,903 million, compared to the sum of NIS 1,403 million as of December 31, 2024. The balance of the problematic credit risk in the construction and real estate segments from the overall credit risk in the portfolio as at September 30, 2025 is 0.90% compared to the rate of 0.74% as of December 31, 2024.

For further information on the absorption capacity and the rate of financing in the economy, construction and real estate segments in Israel at the Bank see further down this chapter.

Some of the above information constitutes "forward-looking information". For the meaning of the term, please see the chapter "Forward-Looking Information".

For further information on the activity and risk boundaries in the construction and real estate industry, please see the Section "Credit Risks" in the Report of the Board of Directors and Management as at December 31, 2024.

Macro-economic effects, the War and Operation Am K'Lavie

In addition to that specified in the credit chapter above, in the housing construction sector, during the first half of 2025 an increase had been recorded compared with the second half of 2024 in construction beginnings and building permits (rolling annual volume), however a decline was recorded in completed construction. At the same time, while the scope of construction commencement is still relatively high and provides a solution for the economy's ongoing housing need, the scope of construction completion is still relatively low for the economy's needs, and this against the backdrop of cumulative impact of the shortage in workers in the sector during most of the period since the outbreak of the War.

Alongside the demand, after a temporary increase in housing transactions at the end of 2024, driven by a desire to accelerate execution of transactions prior to raising the VAT in early 2025, there had been a decrease in the scope of activities in the housing market during the first half of 2025, continuing the trend in most of the second half of 2024. During the third quarter of 2025, a certain recovery was recorded. The relatively low level of transactions reflects the combined impact of the high housing prices and the high interest rate, as well as the impact of the restrictions the Bank of Israel imposed commencing April 2025 on benefits in the terms of payment contractors' grant buyers in the sale of new apartments. A certain recovery in sales is expected once the Bank of Israel's interest rate begins to decline - a process we estimate will commence towards the end of 2025, at the earliest.

Against the backdrop of slowing sales and a rise in unsold inventory of contractor-built apartments, housing prices have recently begun to decline, although they remain slightly higher than their level a year ago. In the main scenario the apartment prices may range over the upcoming year from stability to a moderate decline in value, thus assuming that the Bank of Israel's interest rate will start decreasing towards the end of 2025.

In the commercial real estate sector, since the outbreak of the War, the activity in shopping centers has been positively affected by the extensive government supports of households and the reduced number of Israelis traveling abroad. The impairment of the public's purchasing power due to tax increases and increases in government service fees in early 2025 and the decline in government supports of households and businesses since the beginning of the year may lead to impairments of the shopping centers' activity during 2025. Operation Am K'Lavie also had an adverse impact on the centers' activities, although short-term in nature, given the limited duration of the Operation. Most of the adverse effect may be felt in large shopping centers, while neighborhood shopping centers may continue to fare better.

The office sector experienced a significant slowdown in demand since the second half of 2022, including a substantial decrease in rental prices in Tel Aviv and surrounding areas, along with significant decline in occupancy rates in some areas of Tel Aviv. The first half of 2025 was characterized by continued gradual recovery in the field. Although the level of uncertainty remains relatively high, a moderate increase in demand for investment and rental has been observed across most areas was evident. The process of the economic recovery from the war, as it gains momentum, may support the stabilization of office rental prices over the coming year and potentially lead to a renewed increase, particularly in Tel Aviv. Conversely, the continued substantial growth in the supply of new office space (especially in the suburbs of Tel Aviv and Jerusalem) is a factor that is expected to put pressure on prices and occupancy rates in the market during the coming year and may even result in their decrease, especially on the outskirts of Tel Aviv and Jerusalem.

In order to reflect the uncertainty regarding the effects of the war on the construction and real estate sectors, upon the outbreak of the war and continuance thereof a collective provision for credit losses in these sectors had been made, as aforementioned.

It is clarified that the geopolitical uncertainty is still high, so that the provision may change – increase or decrease – in the future in accordance with the developments.

Some of the above information constitutes "forward-looking information". For the meaning of the term, please see the chapter "Forward-Looking Information".

Development of overall credit risk for the construction and real estate industry (in and outside Israel)

	September 30		December 31	Changes compared to December 31, 2024	
	2025	2024	2024		
	In NIS million			In NIS million	In %
On-balance-sheet credit risk	**140,442**	128,886	130,376	10,066	7.7
Guarantees for apartment buyers[(a)]	**12,631**	11,089	12,203	428	3.5
Other off balance sheet credit risk[(a)]	**71,124**	58,700	60,967	10,157	16.7
Total overall credit risk	**224,197**	198,675	203,546	20,651	10.1

a) In credit risk terms.

Following are the details on overall credit risk in the real estate and construction sector in Israel, by LTV and absorption capacity - the Bank

	September 30, 2025			
	Overall credit risk[(a)]			
	Land	Housing real estate under construction	Finished real estate properties	Total
	In NIS million			
LTV ratio[(b)]				
Up to 45%	**1,119**		**11,184**	**12,303**
More than 45% to 65%	**5,514**		**17,758**	**23,272**
More than 65% to 80%	**26,747**		**21,966**	**48,713**
More than 80%	**2,626[(d)]**		**4,215**	**6,841**
Absorption capacity[(c)]				
More than 25% and up to 50%		**17,798**		**17,798**
More than 50% and up to 75%		**10,759**		**10,759**
More than 75%		**12,791**		**12,791**
Projects that had not commenced as of now		**21,592**		**21,592**
Other[(e)]				**55,736**
Total credit risk for construction and real estate in Israel				**209,805**

	December 31, 2024			
	Overall credit risk[(a)]			
	Land	Housing real estate under construction	Finished real estate properties	Total
	In NIS million			
LTV ratio[(b)]				
Up to 45%	2,014		9,945	11,959
More than 45% to 65%	4,360		16,396	20,756
More than 65% to 80%	26,230		18,520	44,750
More than 80%	3.049[(d)]		3,793	6,842
Absorption capacity[(c)]				
More than 25% and up to 50%		9,633		9,633
More than 50% and up to 75%		10,309		10,309
More than 75%		16,350		16,350
Projects that had not commenced as of now		19,023		19,023
Other[(e)]				48,245
Total credit risk for construction and real estate in Israel				187,867

a) On-balance sheet credit risk and off-balance-sheet credit risk are stated before the effect of loan loss provision and the effect of permitted collateral for borrower indebtedness.
b) LTV rate - the ratio between the balance of total credit risk as of the reporting date and the value of the real estate security guaranteeing the credit risk as of the reporting date.
c) Absorption capacity — an indicator reflecting the maximum rate of erosion of apartment inventory prices such that it provides adequate coverage to the project's costs, taking into account own capital invested and presale.
d) Most of the outstanding balance is in respect of credit that is also backed by non-land collateral and/or another repayment source.
e) Other credit refers to all credit that does not meet the definition above and includes, among other things, credit provided against collateral that is not real estate and that is non-residential real estate under construction and real estate under construction that is not available for sale.

Following is the composition of credit secured by real estate properties in Israel - the Bank

	September 30 2025	December 31 2024
	Overall credit risk[(a)]	
	In NIS million	
Housing	**109,334**	98,089
Office space	**25,780**	23,429
Industry	**10,173**	9,363
Commerce and services	**28,932**	26,907
Total overall credit risk secured by real estate collateral in Israel	**174,219**	157,788

a) On-balance sheet credit risk and off-balance-sheet credit risk are stated before the effect of loan loss provision and the effect of permitted collateral for borrower indebtedness.

Analysis of total credit risk in the construction and real estate sectors (in Israel and abroad)

	September 30 2025	December 31 2024	Change
	In NIS million		In %
Credit risk in credit performance rating			
Non-troubled Credit Risk	**221,460**	201,275	10.0
Non-investment grade credit risk			
Non-troubled	**616**	568	8.5
Troubled performing	**1,622**	1,096	48.0
Non-performing	**499**	607	(17.8)
Total non-investment grade credit risk	**2,737**	2,271	20.5
Total	**224,197**	203,546	10.1

Sector concentration in the credit portfolio

The Bank conducts orderly monitoring processes to ensure it complies with the restrictions imposed by Proper Conduct of Banking Business Directive No. 315, "Branch Liability Limitation", in the Banking Supervision Department directives.

As at September 30, 2025, the Bank meets the restrictions prescribed by the directive.

Borrower groups[1]

The Bank conducts orderly tracking and monitoring processes to ensure it complies with the restrictions imposed by Proper Conduct of Banking Business Directive No. 313, "Limitations on the Indebtedness of a Borrower or a Group of Borrowers".

As at September 30, 2025, the Bank meets the restrictions prescribed by the directive.

In accordance with the policy for the adoption of accepted international standards, the Banking Supervision Department had adopted the Basel Committee provisions regarding supervision of large-scale exposures. Within this framework, the Banking Supervision Department published a circular including revision of Proper Conduct of Banking Business Directive No. 313, "Regulatory Framework for Measurement and Control of Large-Scale Exposures". Accordingly, adjustments for measuring exposure will be carried out.

The date this provision will take effect will be July 1, 2026.

1 A group of borrowers are all of the following together: the borrower, a person controlling it and all those controlled by them. If a corporation is controlled by more than one person, it is necessary to include in the same group of borrowers the controlling parties for which the controlled corporation is material (such as from an equity standpoint), including the corporation or any other entity under their control. An investee which is material to a holder that is not a controlling shareholder, and any entity under their control. Borrowers that are associated with the investee in such a manner that harming the financial stability of any one of them could affect the financial stability of the other or that the same factors could affect the financial stability of both.

Exposure to Foreign Countries

Part A - Information regarding total exposure to foreign countries and to countries where the total exposure to each country is the lower of the following: More than 1 percent of consolidated total assets or more than 20 percent of total capital for the purpose of calculating the capital ratio:

	September 30, 2025		
	Exposure[a][b][c]		
	On-balance-sheet	Off-balance-sheet[d]	Total
	In NIS million		
USA	41,145	14,382	55,527
UK	19,756	31,577	51,333
France	3,953	3,766	7,719
Switzerland	4,344	3,640	7,984
Germany	3,655	5,939	9,594
Cayman Islands[i]	7,727	577	8,304
Other	17,134	7,413	24,547
Total exposure to foreign countries	97,714	67,294	165,008
Of which: total exposure to GIPS countries[e]	623	52	675
Of which: total exposure to LDC countries[f]	1,754	1,460	3,214
Of which: total exposure to countries with liquidity issues[g]	1.932[h]	515	2,447

	September 30, 2024		
	Exposure[a][b][c]		
	On-balance-sheet	Off-balance-sheet[d]	Total
	In NIS million		
USA	45,987	9,817	55,804
UK	19,025	31,247	50,272
France	1,705	4,947	6,652
Switzerland	3,369	3,668	7,037
Germany	4,450	5,162	9,612
Cayman Islands[i]	7,610	611	8,221
Other	20,745	7,881	28,626
Total exposure to foreign countries	102,891	63,333	166,224
Of which: total exposure to GIPS countries[e]	562	113	675
Of which: total exposure to LDC countries[f]	1,311	1,684	2,995
Of which: total exposure to countries with liquidity issues[g]	236	1,774	2,010

Please see comments on the next page.

Exposure to Foreign Countries (cont.)

	December 31, 2024		
	Exposure(a)(b)(c)		
	On-balance-sheet	Off-balance-sheet(d)	Total
	In NIS million		
USA	45,681	9,161	54,842
UK	18,299	30,651	48,950
France	1,033	4,624	5,657
Switzerland	2,831	3,657	6,488
Germany	3,458	5,692	9,150
Cayman Islands(i)	8,562	673	9,235
Other	15,453	7,586	23,039
Total exposure to foreign countries	95,317	62,044	157,361
Of which: total exposure to GIPS countries(e)	604	167	771
Of which: total exposure to LDC countries(f)	1,207	1,591	2,798
Of which: total exposure to countries with liquidity issues(g)	685	1,648	2,333

a) Exposure to foreign countries is presented based on the final risk.
b) On-balance sheet credit risk and off-balance-sheet credit risk are stated before the effect of loan loss provision and the effect of deductible collateral for the purpose of restricting indebtedness of individual borrowers and borrower groups.
c) On balance-sheet credit risk and off-balance-sheet credit risk for derivatives are presented after deducting credit risk.
d) Credit risk for off-balance sheet financial instruments as calculated for the purpose of per borrower credit indebtedness limitations.
e) Exposure to the GIPS countries includes: Greece, Italy, Portugal, and Spain.
f) The Exposure to LDCs line item includes total exposure to countries defined as Less Developed Countries (LDCs), which are classified by the World Bank as low- or mid-income countries.
g) The Bank set several criteria, according to which a list of several countries was drawn, where the current conditions may reflect liquidity problems and which may have an effect on their solvency. The balance refers to30 countries (as at September 30, 2024, 28 countries, as of December 31, 2024 - 30 countries). The measurement does not include exposures to investment-grade countries, unless they were individually identified as having liquidity issues which may have a material effect on their solvency.
h) The balance includes exposure for insurance policies backing mortgage portfolios in Israel, with the Barbados-based insurance company being a subsidiary of a global Canadian-based insurance group.

Credit Exposure to Foreign Financial Institutions

Credit exposure to foreign financial institutions relates to banks, investment banks, brokers/dealers, insurers and institutional entities.

The Bank closely monitors the position of banks worldwide and frequently analyzes their financial robustness. The Bank maintains a shortlist of high-quality banks to which it has collective credit exposures and as a rule, adequately distributes exposures among the various banks.

The geopolitical events, as well as the measures taken by central banks across the world, may impact the financial position of financial institutions with which the Bank cooperates. The Bank monitors the financial position of the foreign financial institutions as part of the management of its exposure to foreign financial institutions and is adjusting its exposure in accordance with changes in the risk environment and assessment of the effect of these changes on the various financial institutions.

Following is the credit exposure to foreign financial institutions[a]

	As at September 30, 2025[e]		
	On-balance-sheet credit risk[b]	Current off-balance-sheet credit risk[c]	Current credit exposure
	In NIS million		
Current credit exposure to foreign financial institutions[d]			
AAA to AA-	**27,307**	**1,195**	**28,502**
A+ to A-	**6,184**	**760**	**6,944**
BBB+ to BBB-	**49**	**56**	**105**
BB+ to B-	**120**	**6**	**126**
Lower than: B-	**17**	**-**	**17**
No rating	**976**	**-**	**976**
Total current credit exposure to foreign financial institutions[g]	**34,653**	**2,017**	**36,670**

	As at September 30, 2024[e]		
	On-balance-sheet credit risk[B]	Current off-balance-sheet credit risk[c]	Current credit exposure
	In NIS million		
Current credit exposure to foreign financial institutions[d]			
AAA to AA-	31,094	1,662	32,756
A+ to A-	5,289	1,298	6,587
BBB+ to BBB-	253	130	383
BB+ to B-	113	3	116
Lower than: B-	13	-	13
No rating	1,187	-	1,187
Total current credit exposure to foreign financial institutions	37,949	3,093	41,042

	As at December 31, 2024[e]		
	On-balance-sheet credit risk[b]	Current off-balance-sheet credit risk[c]	Current credit exposure
	In NIS million		
Current credit exposure to foreign financial institutions[d]			
AAA to AA-	25,981	1,374	27,355
A+ to A-	7,228	1,235	8,463
BBB+ to BBB-	354	156	510
BB+ to B-	101	3	104
Lower than: B-	3	-	3
No rating	1,025	-	1,025
Total current credit exposure to foreign financial institutions	34,692	2,768	37,460

a) Foreign financial institutions include the following: banks, investment banks, brokers/dealers, insurers and institutional entities, as well as entities under their control.
b) On-balance-sheet credit risk includes: deposits in banks, credit to the public, securities borrowed or purchased under reverse repurchase agreements, other on-balance sheet credit risk in respect of derivative instruments, and investments in bonds, including bonds of banks of the "subordinated" type as at September 30, 2025, valued at NIS 877 million (as at September 30, 2024 - NIS 1,849 million and on December 31, 2024 - NIS 1,002 million).
c) Mainly guarantees and commitments to extend credit (excluding off-balance-sheet derivatives).
d) The Bank uses ratings of well-known rating agencies (ECAIs).
e) As at September 30, 2025, September 30, 2024 and December 31, 2024, there is no troubled credit risk vis a vis foreign financial institutions.
f) Of which: concerning the US - on-balance sheet credit risk of NIS 4,775 million and off-balance sheet credit risk of NIS 236 million. The vast majority of the institutions in which there is a credit risk are rated A or higher and are not regional banks.

Comments:
1. The credit exposures do not include investments in asset-backed securities (for more information, please see Note 5).)
2. Some of the banks received various forms of government support, including by way of direct equity investment, government guarantees for certain asset portfolios, guarantees for raising funds for the banks, etc.
3. For further information regarding the composition of credit exposures due to derivative instruments vis-a-vis banks and brokers/dealers (local and foreign), please see Note 11.

Housing Loans Portfolio Risks

Credit risk developments

Regarding the background conditions affecting housing credit demand, After the substantial impairment of the economic activities at the beginning of the War, during 2024 and the first six months of 2025 (until Operation Am K'Lavie) there had been a gradual recovery, although the level of activities in the economy remained low compared to the trend prior to the War. The activity indicators show a return to recovery trend during the third quarter of the year. The labor market remains tight, primarily due to a shortage of workers in the economy. However, inflation returned to the price stability target during the third quarter - a development that may allow the Bank of Israel to lower the interest in its final resolution of 2025. As well, the shortage of workers supported a low rate of unemployment. Looking forward, the shortage of workers in the economy is expected to gradually diminish, in a manner that would support the recovery of the economy's activities, moderation of the inflation, decrease of the interest rate, however, on the other hand it may also lead to a moderate increase in unemployment over the upcoming year. Overall, the macroeconomic environment is expected to be more supportive of housing credit demand, as inflation and interest rates begin to decline.

In this context we shall note that after signing the Trump Outline in October 2025, and as long as the ceasefire continues, and agreements will be reached also in respect of the next stages of the Outline, which has far-reaching regional significant meaning, there is an expectation that this would support demand for housing credit.

Housing prices have recently begun to decline (although they remain slightly higher than their level a year ago), amid a continued slowdown in apartment sales since mid-2024 and a growing inventory of unsold new apartments. The main factors currently weighing on demand and prices in the market are high housing prices relative to household incomes, elevated interest rates, and tighter regulation on financing benefits for contractors. In the main scenario the apartment prices may range over the upcoming year from stability to a moderate decline, thus assuming that the Bank of Israel's interest rate will start decreasing towards the end of 2025.

On April 6, 2025 the Bank of Israel published a temporary directive for the amendment to Directive No. 329, which restricts the rate of performances of bullet loans subsided by a contractor to 10% of the quarterly performances due to loans for residential purposes. The temporary Directive is in effect commencing the date of publication thereof through December 31, 2026. It should be emphasized that as part of the meticulous underwriting process on the full scope of the financing an underwiring is conducted in respect of the mortgage for the full scope of financing already at the initial stage of the subsidized loan, in order to ensure that the borrower obtaining the credit is of full repayment capacity under the customary terms. Tighter regulation may weigh on the transaction volume in the market in the short term.

At the end of the first quarter of 2025, the reliefs given to the customers by the Bank of Israel had ended, including reliefs in freezing mortgage payments. At the same time, Leumi had voluntarily extended the Bank of Israel's outline for a period of six additional months, commencing April 1, 2025. Additionally, the Bank had adopted the Bank of Israel's "Am K'Lavie" outline, which was published on June 17, 2025, and expanded it with a series of additional reliefs for reserve soldiers and customers who were injured, their house or property had been damaged, or who were evacuated from their home.

The volume of the loans in which there are payment deferrals as of the end of September 2025 is approx. NIS 3.6 billion, compared to approx. NIS 2.9 billion in June 2025.

For additional information of all the relevant publications of the Bank of Israel and additional reliefs provided by the Bank, please see the chapter titled "Main Changes in the Period Gone By - The War" in the Report of the Board of Directors and Management and the chapter entitled "Legislation and Regulations Governing the Banking System" in the Corporate Governance Report.

The Bank continues to adhere to a underwriting policy that takes into consideration the borrower's repayment capacity, linkage base and interest, loan-to-value ratio (LTV), etc., while complying with all of the requirements of the Banking Supervision Department.

The housing loan portfolio is monitored on a regular basis, including analysis of the trends in terms of characteristics and risk.

For additional information and details regarding macroeconomic effects and the War, please see the section entitled "Macroeconomic Effects and the War" at the beginning of this chapter.

Performance of new loans and refinancing loans for the purchase of residential apartments and mortgaging of residential apartments in Israel

	For the nine months ended September 30		Rate of change
	2025	2024	
	In NIS million		In %
By the Bank	**18,908**	19,600	(3.5)
By the Government of Israel	**94**	128	(26.6)
Total new loans	**19,002**	19,728	(3.7)
Old recycled loans, from the Bank's funds[(a)]	**6,098**	4,418	38.0
Total performance	**25,100**	24,146	4.0

a) Including freezes that were carried out for a period of more than three months.

The average loan extended by the Bank in the first nine months of 2025 was NIS 1.010 thousand, compared to NIS 963 thousand in the corresponding period in 2024, and compared to NIS 987 thousand in all of 2024.

Development of total outstanding housing loans, net

	Outstanding loans portfolio	Rate of change
	In NIS million	In %
December 31, 2023	129,987	9.0
December 31, 2024	143,979	10.8
September 30, 2025	**151,086**	**4.9**

As part of its monitoring of risk centers in the housing loans portfolio, the Bank also monitors characteristics of the portfolio and new credit, including the new credit's breakdown by loan-to-value ratios (loan-to-value ratio (LTV) is the ratio of total credit approved for the borrower - even if it has not yet been actually extended either in full or in part - out of the value of the mortgaged property during the approval of the credit facility) and the repayment ratio (the repayment ratio is defined as the ratio between the available monthly income and monthly repayment).

Development of the outstanding housing loans portfolio based on linkage bases and as a percentage of the Bank's outstanding loans portfolio

	Non-linked segment				CPI-linked segment				Foreign exchange segment		
	Fixed interest		Variable interest		Fixed interest		Variable interest		Variable interest		
	Balance in NIS million	Percentage of the loans portfolio in %	Balance in NIS million	Percentage of the loans portfolio in %	Balance in NIS million	Percentage of the loans portfolio in %	Balance in NIS million	Percentage of the loans portfolio in %	Balance in NIS million	Percentage of the loans portfolio in %	Total loans portfolio, in NIS million
December 31, 2023	32,114	24.7	54,005	41.5	18,313	14.1	25,119	19.3	436	0.3	129,987
December 31, 2024	38,011	26.4	60,067	41.7	20,059	13.9	25,455	17.7	387	0.3	143,979
September 30, 2025	**40,092**	**26.5**	**66,165**	**43.8**	**17,336**	**11.5**	**27,159**	**18.0**	**334**	**0.2**	**151,086**

Variable interest loans are exposed to the impact of increases in interest and inflation rates, which may affect the borrowers' repayment capacity.

Development of new housing loans by interest track, in Israel

The following table outlines the development of the new credit performance by variable and fixed interest tracks (a variable-interest loan's interest rate may change over the loan period):

	2025	2024			2023			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual average
	Rate of performance							
	In %							
Fixed - linked	**11.2**	10.7	13.2	11.8	14.6	16.6	14.8	17.6
Variable every 5 years or more - linked	**1.4**	1.2	1.3	1.3	1.8	2.6	3.5	8.6
Variable up to 5 years - linked	**4.0**	5.1	7.7	7.0	7.6	7.5	6.9	4.6
Fixed - non-linked	**30.9**	31.5	29.3	35.3	31.8	28.9	29.8	25.4
Variable every 5 years or more - non-linked	**3.4**	3.8	3.3(b)	4.2(b)	6.4(b)	18.5(b)	21.5	17.3
Variable up to 5 years - non-linked	**48.9**	47.7	45.0(b)	40.3(b)	37.7(b)	25.7(b)	23.3	26.3
Variable - Foreign currency	**0.2**	-(a)	0.2	0.1	0.1	0.2	0.2	0.3

a) A rate lower than 0.1%.
b) Reclassified.

The rate of new credit the Bank extended for variable-interest housing loans during the first nine months of 2025 stood at 57.7% compared to 54.1% throughout 2024.

Following is a balance of the housing loans portfolio and balances of non-performing debts or in arrears of over 90 days.

	Recorded outstanding debt	Debt in arrears of 90 days or more or non-performing	Percentage of recorded outstanding debt
	In NIS million		In %
December 31, 2023	130,609	688	0.53
December 31, 2024	144,619	677	0.47
September 30, 2025	**151,755**	**746**	**0.49**

The outstanding on-balance sheet provision for credit losses, as at September 30, 2025, due to the housing loans portfolio stands at NIS 670 million, constituting 0.44% of the outstanding on-balance- sheet loan of that date, the balance of the provision, as of December 31, 2024 in the sum of NIS 640 million, constitutes 0.44% of the outstanding housing loans as of that date.

Development of LTV ratio for new loans over 60 percent, in Israel

Following is the development in new credit granted by the Bank at an LTV ratio of over 60 percent, (LTV ratio is the ratio of the total loan granted to the borrower - even if it has not yet been granted in effect either in full or in part - out of the value of the pledged property during the approval of the credit facility):

	2025	2024			2023			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual average
LTV ratio	In %(a)							
Over 60 and up to 70, inclusive	**24.7**	25.0	23.7	24.1	24.2	22.2	20.1	21.1
Over 70 and up to 75, inclusive	**20.6**	20.2	20.4	20.2	21.2	21.4	18.6	21.9
Over 75	**0.5**	0.5	0.5	0.1	0.2	0.4	0.2	0.2

a) Out of total new credit granted by the Bank.

Development of the loan-to-value (LTV) ratio, outstanding loans portfolio in Israel

The average financing rate of the outstanding loan portfolio as at September 30, 2025 stood at 49.1%, similar to 2024.

Development of new credit, in which the repayment ratio is higher than 40 percent in Israel

Repayment ratio is defined as the ratio between the monthly repayment amount and the monthly available income. The calculation is in accordance with the Bank of Israel's Reporting Directive No. 876.

In the first nine months of 2025, the percentage of loans extended (for housing purposes and with monthly repayment) with a repayment of rate higher than 40% on the loan approval date stood at 0.8% of the total number of new loans extended (for housing purposes and with monthly repayment) compared with 0.7% throughout 2024.

Development of new credit, with repayment dates longer than 25 years, in Israel

In the first nine months of 2025, the rate of new housing loans in which the repayment dates under the loan agreements are longer than 25 years, stood at an average of 53.4% of total new loans extended, similar to the average rate throughout 2024.

For further information, please see the Section entitled "Credit Risks in the Report of the Board of Directors and Management" as at December 31, 2024.

Credit Risk for Loans to Private Individuals (Excluding Housing Loans)

Credit granted to private individuals whose repayment capacity is largely based on their household's earning capacity is characterized by a very significant diversification of borrowers and a variety of credit products (various types of loans, current accounts, credit cards) and – to a lesser extent (on average) – credit per individual customer.
Individual customers' activity is almost entirely concentrated in the Retail Banking Division.

The retail credit policy, formulated by the Risk Management Division in collaboration with the Retail Banking Division, constitutes a key element in outlining the risk appetite and ongoing management of this domain.

The Bank extended and boosted the ongoing monitoring of its entire consumer credit portfolio, while adhering to strict underwriting, there is ongoing monitoring at the individual borrower and aggregate level, based, inter alia, on an internal set of metrics and constraints, and ongoing tracking and maintenance of the different models used for the underwriting processes are performed.

The set of measures is regularly monitored, at least once per quarter. The parameters under consideration address numerous aspects and characteristics which reflect diverse and complementary points of view regarding the new credit risk profile and reflect the limits of the desired risk appetite at the level of the private credit portfolio.

The potential effects of the War, in addition to the macroeconomic trends of the past two years (mainly the increase in interest rates and inflation) affect the repayment capacity of private borrowers; the severity of the effect depends, among other things, on developments related to the macroeconomic environment, the continuation of the war, and the extent of government support.

The Bank closely monitors, on an ongoing basis, the credit portfolio and the effects of these developments on the portfolio's risk profile.

For additional information and details regarding macroeconomic effects and the War, please see the "Macroeconomic Effects and the War" at the beginning of this chapter.

Developments in outstanding total credit risk (excluding derivatives) for loans granted to private individuals (in Israel, excluding housing loans)

	Balance of credit risk
	In NIS million
December 31, 2023	47,287
December 31, 2024	47,891
September 30, 2025	**49,687**

Breakdown of on-balance-sheet credit risk (excluding derivatives) for loans to private individuals, by term to maturity (in Israel, excluding housing loans)

	September 30, 2025		December 31, 2024	
	In NIS million	% of portfolio	In NIS million	% of the portfolio
Up to one year[(a)]	**9,598**	**31.3**	9,694	31.7
Over one year to 3 years	**4,568**	**14.9**	4,472	14.6
Over 3 years to 5 years	**6,481**	**21.1**	6,865	22.5
Over 5 years to 7 years	**3,811**	**12.4**	3,831	12.6
Over 7 years	**6,238**	**20.3**	5,671	18.6
Total on-balance-sheet credit risk	**30,696**	**100.0**	30,533	100.0

a) Including balances with no repayment term.

Breakdown of the total credit risk (excluding derivatives) in respect of loans granted by the Bank to private individuals, by individual borrower's indebtedness (in Israel, excluding housing loans)

Credit risk amount in NIS thousands		September 30, 2025		December 31, 2024	
From	To	In NIS million	% of portfolio	In NIS million	% of portfolio
–	25	6,335	12.7	6,406	13.3
25	50	6,926	13.9	6,741	14.1
50	75	5,717	11.5	5,599	11.7
75	100	4,824	9.7	4,682	9.8
100	150	6,955	14.0	6,812	14.2
150	200	5,391	10.8	5,209	10.9
200	300	6,902	13.9	6,644	13.9
Over 300		6,637	13.5	5,798	12.1
	Total overall credit risk	49,687	100.0	47,891	100.0

Breakdown of the total credit risk (excluding derivatives) for loans granted by the Bank to private individuals, by main credit products (in Israel, excluding housing loans)

	September 30, 2025		December 31, 2024	
	In NIS million	% of portfolio	In NIS million	% of the portfolio
Current account balances and utilized credit card balances	7,414	14.9	7,476	15.6
Car purchase loans (secured)	1,214	2.4	1,353	2.8
Other loans	22,068	44.4	21,704	45.4
Total on-balance-sheet credit risk	30,696	61.7	30,533	63.8
Unutilized current account credit facilities	7,842	15.9	7,588	15.8
Unutilized credit card facilities	10,848	21.8	9,473	19.8
Other off-balance-sheet credit risk	301	0.6	297	0.6
Total off-balance-sheet credit risk	18,991	38.3	17,358	36.2
Total overall credit risk	49,687	100.0	47,891	100.0

Breakdown of on-balance-sheet credit risk (excluding derivatives) for loans granted by the Bank to private individuals on an interest basis (activities in Israel, excluding housing loans)

	September 30, 2025		December 31, 2024	
	Total on-balance-sheet credit risk	% of portfolio	Total on-balance-sheet credit risk	% of portfolio
	In NIS million	In %	In NIS million	In %
Variable interest loans[a]	23,944	78.0	23,128[c]	75.7
Fixed interest loans[b]	6,752	22.0	7,405[c]	24.3
Total on-balance-sheet credit risk	30,696	100.0	30,533	100.0

a) Variable interest loans are exposed to the effect of the changes in interest rates, which could affect borrowers' repayment capacity.
As stated above, the Bank monitors the private individuals loan portfolio on an ongoing basis, including analysis of the expected effects should the interest rate continue to rise.

b) In view of the changing interest rate environment, the Bank indicates to its customers the possibility of taking a loan at fixed interest rather than at variable interest.

c) Reclassified.

Balances of the financial assets portfolio of private individuals with the Bank, with an overall credit risk (in Israel, excluding housing loans)

	September 30	December 31
	2025	2024
	In NIS million	
Deposits by the public	**152,483**	114,989
Securities portfolios	**121,195**	73,055
Total financial asset portfolio	**273,678**	188,044
Total indebtedness to customers with financial asset portfolios	**34,777**	35,108

Following is the breakdown of the on-balance-sheet credit risk (excluding derivatives) due to loans granted by the Bank to private individuals, according to the account fixed income amount [(a)] (activities in Israel, excluding housing loans)

	September 30, 2025		December 31, 2024	
Level of income	In NIS million	In %	In NIS million	In %
Accounts without fixed income	**3,497**	**11.4**	3,385	11.1
Of which: loan accounts[(b)]	**1,211**	**3.9**	1,446	4.7
Lower by NIS 10 thousands	**4,716**	**15.4**	4,975	16.3
That is higher than NIS 10 thousand and lower than NIS 20 thousand	**10,259**	**33.4**	10,649	34.9
NIS 20 thousand or more	**12,224**	**39.8**	11,524	37.7
Total on-balance-sheet credit risk	**30,696**	**100.0**	30,533	100.0

a) The fixed income amount deposited in a customer's current account (by ID number) includes the fixed credits to the customer's account, such as salary, transfers from another bank or bank account, cash deposits, checks, etc. The fixed monthly income is calculated according to the average income on several consecutive months, less exceptional credits.

b) A loan account is an account whose only purpose is to repay a loan, while most of the customer's current account activity takes place in another bank.

As aforesaid, the Bank's credit policy towards private individuals is based on a borrower's repayment capacity in relation to his/her income. Correspondingly, over 85 percent of balance-sheet credit is from fixed-income earners.

Breakdown of on-balance-sheet credit risk (excluding derivatives) in respect of loans granted by the Bank to private individuals (in Israel, excluding housing loans)

	September 30	December 31
	2025	2024
	In NIS million	
Non-troubled credit	**29,817**	29,635
Troubled performing credit	**711**	694
Troubled non-performing loans	**168**	204
Total on-balance-sheet credit risk	**30,696**	30,533
Percentage of troubled credit risk out of balance sheet credit risk for private individuals	**2.9%**	2.9%
Charge-offs, net (for the period ended)	**195**	366
The outstanding on-balance sheet provision for credit losses	**931**	953

As at September 30, 2025, the provisionfor outstanding on-balance sheet loan losses for private individuals (net of housing) stands at NIS 931 million, constituting 3.03% of the outstanding on-balance-sheet loans for private individuals (net of housing) as of that date, compared to the provision for outstanding on-balance sheet loan losses in the sum of NIS 953 million as at December 31, 2024, constituting 3.12% of the outstanding loans to private individuals (net of housing, on-balance sheet) as of that date. The provisions for credit losses embody, inter alia, from the effects of the war and high interest rate environment.

For more information, including regarding troubled debt and loan loss expenses, please see Note 6,. Note 13, and the section entitled Risk Exposure, Credit Risk, under the Total Credit Risk to the Public by Economic Sector.and in the Credit Risks section in the Report of the Board of Directors and Management as at December 31, 2024.

For further information concerning this segment, please see the Section "Credit Risks in the Report of the Board of Directors and Management" as at December 31, 2024.

The Bank's Exposure to Leveraged Loans

According to Proper Conduct of Banking Business Directive No. 311, the Bank's credit policy should also address leveraged financing. The Bank's credit policy for this segment is subject to unique principles, including with respect to financial criteria, credit authorizations, etc.

For further information, please see the "Report of the Board of Directors and Management" as at December 31, 2024.

Outstanding aggregated credit granted to leveraged borrowers

	September 30						December 31		
	2025			2024			2024		
	On-balance-sheet	Off-balance-sheet	Total	On-balance-sheet	Off-balance-sheet	Total	On-balance-sheet	Off-balance-sheet	Total
Economic sector	In NIS million								
Commerce	**375**	**2**	**377**	372	1	373	512	2	514
Transportation and storage	**809**	**24**	**833**	930	24	954	883	25	908
Hotels, accommodation and food services	**398**	**-**	**398**	436	-	436	400	-	400
Construction and real estate	**-**	**-**	**-**	220	283	503	97	219	316
Provision of power, gas, steam and air conditioning	**-**	**-**	**-**	164	510	674	415	275	690
Total	**1,582**	**26**	**1,608**	2,122	818	2,940	2,307	521	2,828

The outstanding exposure in the table above is after charge-offs.

For further qualitative and quantitative information regarding credit risks , please see the Risk Management Report as at September 30, 2025.

Market risks

Market risk is defined as the risk of loss arising from a change in the value of assets and liabilities due to changes in market prices, interest rates, exchange rates, inflation rate and stock prices. Market risk exposure is reflected in the financial performance, in the fair value of the assets and liabilities, in shareholders' equity and in cash flows.

The Bank complies with the Banking Supervision Department's directives regarding management of the Group's market risks, including Proper Conduct of Banking Business Directives No. 333, "Interest Rate Risk Management", effective July 1, 2025 and No. 339, "Market Risk Management". To implement these directives, the Bank established basic principles and control mechanisms for these risks, including defining the purviews of management and the Board of Directors, the means of control and tools for measuring risk and the means of control as well as oversight of these risks, while implementing corporate governance which includes three lines of defense. For a description of the organizational structure and responsibility for the risk management, please see the Additional Information regarding the Exposure to Risk and its Assessment in the Risk Management Report.

In the third quarter of 2025, there were no significant changes in the corporate governance structure, policies and market risk management.

At present, it appears that the leading trend among the central banks in the US and Europe is to decrease the interest rate in the coming years, taking into consideration developments in key economic parameters, such as: unemployment rates, growth and a move towards the inflation goals. Two interest rate cuts by the U.S. Federal Reserve in September and October, along with market expectations for two additional cuts by the June 2026, signal a shift in the U.S. economy and the recent weakness in the American labor market over the past few months. Additionally, the uncertainty regarding the impact of the United States' tariffs plan, with particular emphasis on inflation, the U.S. labor market and the U.S. trade balance, continues to be high.

The War and the Trump Outline for Ending It

The War and the related challenges established uncertainty and fluctuations in the financial markets.

The Bank tracked and closely monitored developments, applying stringent risk management practices, applying extreme scenarios, and continuously examining the development of events and modes of operation in order to prepare in advance and adapt its activity as needed.

At the beginning of October the Trump Outline had been announced, which led to a decline in Israel's risk premium in the markets. Provided that the Outline is maintained by the parties involved, this trend is expected to continue against the backdrop of the significant shift in Israel's security reality and the potential for further diplomatic arrangements. In addition, the decline in risk is expected to support a recovery in foreign trade, in line with global trends, as well as an increase in the domestic labor supply.

The easing of security tensions and the moderation in the inflation rate have raised expectations for an interest rate cut by the Bank of Israel in the near term.

For additional information on market risks, interest and investment and the manner of managing them, please see the Risk Management Report as of December 31, 2024.

Interest Rate Risk

Interest rate risk is the risk of gains or capital from interest rate fluctuations and stems from several sources, as follows: repricing risk (timing differences in terms to maturity and repricing dates of assets, off-balance-sheet liabilities and positions); yield curve risk (unexpected fluctuations in the yield curve); basis risk (less than perfect correlation between interest rate changes in various financial markets or in various instruments with similar repricing characteristics); and optionality risk (change in the timing or scope of cash flows from a financial instrument due to changes in market interest rates).

The Bank manages the interest rate risk and its effect on profitability, equity, assets and liabilities, under various assumptions of interest rate changes, including severe interest rate stress scenarios based on historic scenarios and hypothetical simulations. The Bank also uses a model which estimates the change in the expected finance income as a result of changes in the interest rate and future interest rate spread as well as the sensitivity of regulatory capital, which includes the effects on capital and capital reserve of a sudden change in the interest rate. These indicators are restricted by various hierarchical levels.

In effect, the interest rate risk is measured and managed on the basis of various behavioral assumptions regarding repayment dates of the assets and liabilities. According to past experience, the Bank treats some of the current account balances as a long-term liability. In addition, assumptions about early repayments of mortgages are based on a statistical model that attempts to forecast early repayment based on interest rates. Such estimates are significant for managing interest rate risks, inter alia, due to the significant increase in these balances in recent years. The tools for managing the exposures in the banking portfolio are: the price policy; the management of the Bank's own bonds portfolio; the issue of debt instruments; off-balance sheet transactions, and more. In addition, the exposures management relies, inter alia, on forecasts and work assumptions regarding the expected developments in the money and capital markets in Israel and abroad.

The exposure to interest rate changes is measured for both increases and decreases in interest rates in each linkage segment. The measurement is designed to test the sensitivity of the current value structure of assets and liabilities, including pension liabilities, to an interest rate change.

As a rule, interest rate sensitivity is measured at least once a month.

On July 1, 2025 Proper Conduct of Banking Business Directive No. 333, took effect, concerning the issue of interest risk in the banking portfolio. The Directive specifies the requirements for taking proactive actions for identification, measurement, monitoring, control and disclosure of the risk, and the Bank performed the required adjustments. Implementation of the Directive had no significant impact on the Bank's business activities and/or the financial results.

For additionalinformation, please see the chapter entitledInterest Rate Risk, in the Risk Management Report as of December 31, 2024.

Quantitative information about interest rate risk - sensitivity analysis
The net balance sheet value and adjusted fair value[(a)] of the Bank and its consolidated companies' financial instruments

	September 30, 2025		
	NIS	Foreign currency	Total
	In NIS million		
Book balance, net[(a)]	**50,576**	**(5,904)**	**44,672**
Adjusted net fair value[(a)]	**59,816**	**(4,205)**	**55,611**
Of which: Banking portfolio	**52,549**	**(4,299)**	**48,250**
Of which: The effect of behavioral assumptions	**9,709**	**2,711**	**12,420**
Of which: Effect of attribution to periods of demand deposits[(b)]	**10,066**	**2,712**	**12,778**
Of which: the effect of early repayments of housing loans	**(203)**	**(1)**	**(204)**

	September 30, 2024		
	NIS	Foreign currency	Total
	In NIS million		
Book balance, net[(a)]	45,306	(5,894)	39,412
Adjusted net fair value[(a)]	53,395	(4,184)	49,211
Of which: Banking portfolio	48,350	(4,551)	43,799
Of which: The effect of behavioral assumptions	8,517	2,001	10,518
Of which: Effect of attribution to periods of demand deposits	9,275	2,016	11,291
Of which: effect of early repayments on housing loans	(758)	(15)	(773)

	December 31, 2024		
	NIS	Foreign currency	Total
	In NIS million		
Book balance, net[(a)]	47,654	(6,476)	41,178
Adjusted net fair value[(a)]	54,832	(4,831)	50,001
Of which: Banking portfolio	51,420	(4,802)	46,618
Of which: The effect of behavioral assumptions	8,341	2,251	10,592
Of which: Effect of attribution to periods of demand deposits	8,758	2,261	11,019
Of which: effect of early repayments on housing loans	(417)	(10)	(427)

a) Net fair value of the financial instruments, including the liability for employee benefits, offset against all plan assets conducted vis-a-vis it and attributed to deposit periods upon demand.
b) On July 1, 2025 the current account rescheduling model had been updated, which led to an increase of approx. NIS 2.2 billion in the impact of the attribution to deposit periods upon demand, as of the date of the update.

For further information regarding the assumptions used to calculate the adjusted fair value of the financial instruments, please see Note 16A.

The spread between the adjusted net fair value and the net on-balance-sheet amount stands at approx. NIS 10.9 billion, an increase of approx. NIS 2.1 billion, compared to the spread as of December 31, 2024.

The effect of scenarios of interest rate changes on the net adjusted fair value[(a)] of the Bank and its consolidated companies

	September 30, 2025		
	NIS	Foreign currency	Total*
	In NIS million		
Simultaneous changes			
Simultaneous increase of 1 percent	(1,449)	(661)	(2,110)
Of which: Banking portfolio	(1,398)	(650)	(2,048)
Of which: The effect of behavioral assumptions	3,017	516	3,533
Of which: Effect of attribution to periods of demand deposits	2,188	541	2,729
Of which: effect of early repayments on housing loans	909	-	909
Simulltaneous increase of 2%	(2,839)	(1,358)	(4,197)
Of which: Banking portfolio	(2,744)	(1,337)	(4,081)
Simultaneous decrease of 1 percent	1,137	666	1,803
Of which: Banking portfolio	1,082	656	1,738
Of which: The effect of behavioral assumptions	(3,704)	(648)	(4,352)
Of which: Effect of attribution to periods of demand deposits	(2,317)	(572)	(2,889)
Of which: effect of early repayments on housing loans	(1,463)	-	(1,463)
Simultaneous decrease of 2%	2,263	1,287	3,550
Of which: Banking portfolio	2,151	1,266	3,417
Non-simultaneous changes			
Steepening[(b)]	(576)	(746)	(1,322)
Flattening[(c)]	59	361	420
Short-term interest rate increase	(368)	(123)	(491)
Short-term interest rate decrease	394	145	539

a) The net fair value of the financial instruments, excluding non-monetary items and after the effect of the employee benefits liability, which takes into account the related plan's assets vis-a-vis it, which are sensitive to interest rates only, and attribution of deposit periods upon demand.
b) Steepening - a short-term decrease in the interest rate and long-term increase in the interest rate.
c) Flattening - increase in interest rate in the short-term and decrease in the long-term.

* After netting effects.

Since the beginning of the year, in the total linkage sectors, there had been a decrease of NIS 1,078 in exposure to an increase of 1%.

Exposure in Israeli currency in the banking portfolio - Since the beginning of the year there had been a decrease of approx. NIS 700 million in the exposure to a 1% increase, mainly due to the update of the current account rescheduling model, update of the early repayment rate in mortgages in the scenario f an increase in the interest rate, as specified below, as well as due to the impact of the increase in the banking portfolio and nostro activities that had been partially offset by issuance of promissory notes.

Foreign currency exposure in the banking portfolio - since the beginning of the year, there has been a decrease of approx. NIS 340 million in exposure to a 1% increase, as the decrease being mainly due to Nostro portfolio activities and revision of the rescheduling current account model.

In 2024 and in the first half of 2025 no update was made to the behavioral models. Commencing July 1, 2025 the Bank updated the current account model used for interest rate risk management. The model update reduced the fair value exposure to an increase of 1% in interest rate by approx. NIS 660 million as of the date of performing the update. In the scenario of a 1% decrease in the interest rate, the update of the model reduced the increase in fair value by a similar sum, as of the date of performing the update.

In addition, as part of the implementation of Proper Banking Management Directive No. 333, effective July 1, 2025, and in accordance with the requirements of the Directive, the Bank updated the mortgage early repayment rate in the scenario of an increase/decrease of a 1% interest rate increase scenario to 1.2/0.8, relative to the base early repayment rate, respectively. Implementation of this revision reduced the fair value exposure to an increase of 1% in interest rate by approx. NIS 200 million, and contributed to an increase in fair value in the scenario of a 1% decrease in interest rate by approx. NIS 270 as of the date of performing the update.

Details regarding the effect of significant behavioral models are presented in the table above. We should also note that had the Bank assumed full utilization of the first exit option in public deposits that include an exit option, the net fair value exposure in the event of a respective 1% increase, as at September 30, 2025, would have increased by approx. NIS 230 million compared to the exposure reported in the table above.

Comment: The table presents the change in the net adjusted fair value of all the financial instruments, under the assumption that the noted change occurred for all interest curves in all linkage segments.

The effect of scenarios of interest rate changes on the net adjusted fair value[(a)] of the Bank and its consolidated companies (cont.)

	September 30, 2024		
	NIS	Foreign currency	Total*
	In NIS million		
Simultaneous changes			
Simultaneous increase of 1 percent	(1,892)	(804)	(2,696)
Of which: Banking portfolio	(1,972)	(793)	(2,765)
Of which: The effect of behavioral assumptions	2,568	447	3,015
Of which: Effect of attribution to periods of demand deposits	1,722	512	2,234
Of which: effect of early repayments on housing loans	846	6	852
Simulltaneous increase of 2%	(3,823)	(1,689)	(5,512)
Of which: Banking portfolio	(3,983)	(1,657)	(5,640)
Simultaneous decrease of 1 percent	1,199	825	2,024
Of which: Banking portfolio	1,278	843	2,121
Of which: The effect of behavioral assumptions	(3,699)	(574)	(4,273)
Of which: Effect of attribution to periods of demand deposits	(1,852)	(549)	(2,401)
Of which: effect of early repayments on housing loans	(1,847)	(5)	(1,852)
Simultaneous decrease of 2%	1,377	1,567	2,944
Of which: Banking portfolio	1,530	1,623	3,153
Non-simultaneous changes			
Steepening[(b)]	(897)	(753)	(1,650)
Flattening[(c)]	517	339	856
Short-term interest rate increase	(159)	(179)	(338)
Short-term interest rate decrease	176	208	384

a) The net fair value of the financial instruments, excluding non-monetary items and after the effect of the employee benefits liability, which takes into account the related plan's assets vis-a-vis it, which are sensitive to interest rates only, and attribution of deposit periods upon demand.
b) Steepening - a short-term decrease in the interest rate and long-term increase in the interest rate.
c) Flattening - increase in interest rate in the short-term and decrease in the long-term.

* After netting effects.

The effect of scenarios of interest rate changes on the net adjusted fair value[a] of the Bank and its consolidated companies (cont.)

	December 31, 2024		
	NIS	Foreign currency	Total*
	In NIS million		
Simultaneous changes			
Simultaneous increase of 1 percent	(2,165)	(1,023)	(3,188)
Of which: Banking portfolio	(2,106)	(992)	(3,098)
Of which: The effect of behavioral assumptions	2,504	531	3,035
Of which: Effect of attribution to periods of demand deposits	1,754	477	2,231
Of which: effect of early repayments on housing loans	751	4	755
Simulltaneous increase of 2%	(4,298)	(2,071)	(6,369)
Of which: Banking portfolio	(4,186)	(2,010)	(6,196)
Simultaneous decrease of 1 percent	1,419	1,028	2,447
Of which: Banking portfolio	1,359	1,018	2,377
Of which: The effect of behavioral assumptions	(3,675)	(661)	(4,336)
Of which: Effect of attribution to periods of demand deposits	(1,885)	(510)	(2,395)
Of which: effect of early repayments on housing loans	(1,789)	(4)	(1,793)
Simultaneous decrease of 2%	1,757	1,967	3,724
Of which: Banking portfolio	1,618	1,982	3,600
Non-simultaneous changes			
Steepening[b]	(981)	(819)	(1,800)
Flattening[c]	574	325	899
Short-term interest rate increase	(179)	(316)	(495)
Short-term interest rate decrease	193	348	541

a) The net fair value of the financial instruments, excluding non-monetary items and after the effect of the employee benefits liability, which takes into account the related plan's assets vis-a-vis it, which are sensitive to interest rates only, and attribution of deposit periods upon demand.
b) Steepening - a short-term decrease in the interest rate and long-term increase in the interest rate.
c) Flattening - increase in interest rate in the short-term and decrease in the long-term.

* After netting effects.

Effect of scenarios of interest rate changes on net interest income and on noninterest finance income

	September 30, 2025		
	Interest income	Noninterest finance income	Total*
	In NIS million		
Simultaneous changes			
Simultaneous increase of 1 percent	**325**	**212**	**537**
Of which: Banking portfolio	**325**	**276**	**601**
Simultaneous decrease of 1 percent	**(590)**	**(208)**	**(798)**
Of which: Banking portfolio	**(590)**	**(276)**	**(866)**

	September 30, 2024		
	Interest income	Noninterest finance income	Total*
	In NIS million		
Simultaneous changes			
Simultaneous increase of 1 percent	575	328	903
Of which: Banking portfolio	575	255	830
Simultaneous decrease of 1 percent	(758)	(357)	(1,115)
Of which: Banking portfolio	(758)	(255)	(1,013)

	December 31, 2024		
	Interest income	Noninterest finance income	Total*
	In NIS million		
Simultaneous changes			
Simultaneous increase of 1 percent	516	36	552
Of which: Banking portfolio	516	123	639
Simultaneous decrease of 1 percent	(704)	(55)	(759)
Of which: Banking portfolio	(704)	(123)	(827)

* After netting effects.

The sensitivity of the income in the above table is a theoretical estimate calculated based on a parallel shift of the entire yield curve in all the interest rate curves using assumptions regarding changes in the spreads on deposits and regarding transfer of funds from checking accounts to interest- bearing deposits in the event of an increase in interest rates, with no change in the composition of the assets and liabilities. During the third quarter of 2025, assumptions have been revised in such manner that impacted interest income section, however with no material effect.

Since the beginning of the year, the total exposure of the income to a decrease of 1% interest rate had increased by approx. NIS 40 million, the main change stems from activities in the nostro portfolios.

The effect of scenarios of interest rate changes on equity[a]

	September 30, 2025
	In NIS million
Simultaneous increase of 1 percent	**(1,047)**
Simultaneous decrease of 1 percent	**883**

	September 30, 2024
	In NIS million
Simultaneous increase of 1 percent	(664)
Simultaneous decrease of 1 percent	488

	December 31, 2024
	In NIS million
Simultaneous increase of 1 percent	(1,041)
Simultaneous decrease of 1 percent	875

a) The effect presented is before the tax effect.

Foreign exchange rate risk

During the first nine months of 2025, the effect of the change in foreign currency rates on the net gain is immaterial since the Bank, as a rule, does not have substantial foreign exchange exposures.

Liquidity Risk

Liquidity risk is the risk to the banking corporation's profits and stability resulting from the inability to meet its liquidity needs.

Funding risk is the risk of being unable to raise new sources fof funding or refinance existing sources needed for ongoing operations, or that such funding will be obtained under conditions and timeframes that would significantly impair the bank's net interest income.

The concentration of the sources is audited and managed by the Bank as part of its liquidity risk management. The Bank performs follow-up on the composition and concentration of sources by several categories, including: Customer size and type, single depositor. The bank conducts continuous and close monitoring of liquidity indications and tracks warning signs that enable early identification of liquidity needs and trends related to its funding sources.

Leumi maintains an adequate liquidity level by investing its own (Nostro) portfolio in high-quality diversified assets in NIS and foreign currencies, so as to meet the liquidity needs under a variety of stress scenarios, as well as through a policy of raising diversified and solid sources for different periods of time, with emphasis on raising deposits from retail customers and issuing long-maturity bonds.

The public deposits in Israeli and foreign currencies are the Bank's main financing source, constituting approx. 89% of the total monitory liabilities, except for derivatives as at September 30, 2025, retail deposits by households and small businesses constitute approx. 45% of all public deposits in Israeli and foreign currencies. The contractual term of deposits is short, based on the contractual maturity date of public deposits (including credit balances in customers' checking accounts), approx. 97% of the cash flow, having a contractual maturity period of up to one year. However, public deposits are generally rolled over and remain in the bank for an extended period.

During the first nine months of 2025 the average balances of public deposits increased by approx. NIS 36 billion compared to the corresponding period in 2024. The increase is mainly due to an increase of approx. NIS 27 billion in the institutional entities' segment, approx. NIS 7 billion in the large-businesses segment, approx. NIS 2 billion in the private banking segment and approx. NIS 1 billion in the micro-businesses segment, which had been offset against a decrease of approx. NIS 2 billion in the mid-businesses segment and the small businesses segment together.

The weighted average expense rate on all public deposits in annual terms for the first nine months of 2025 stood at approx. 3.1%, a rate similar to the figures in the corresponding period in 2024. By distribution according to segments, an increase had been recorded in the rate of expenditure on small businesses and households, of approx. 0.27% and approx. 0.08%, respectively. On the other hand, a decrease had been recorded in the rate of expenses on the segments of large, mid, and institutional businesses of approx. 0.29%, 0.12% and approx. 0.11%, respectively.

As at September 30, 2025 the balance of deposits of the three large depositor groups pursuant to the Banking Law, 5741-1981, stands at approx. NIS 46 billion. These three depositors are included under the definition of public deposits by financial corporations as defined in Proper Conduct of Banking Business Directive No. 221 Liquidity Coverage, and constitute approx. 23% of the total public deposits by financial corporations (respectively approx. NIS 58 billion and approx. 35% as of December 31, 2024 and approx. NIS 52 billion and approx. 27% as of June 30, 2025). The majority of the balances of the three largest depositors have a maturity period of up to one month. As a result, they receive a 100% withdrawal rate both in the measurement of the regulatory liquidity coverage rate (LCR) according to Proper Conduct of Banking Business Directive No. 221 and under the Bank's internal model, in accordance with Proper Conduct of Banking Business Directive No. 342. In other words, these financial deposits do not serve as a source that the bank relies on for liquidity risk management. We note that these clients engage in business activities with the bank across various products. Therefore, the bank classifies a small portion of these balances as operational deposits, which receive reduced withdrawal rates in accordance with Proper Conduct of Banking Business Directive No. 221.

Bonds and subordinated notes serve as additional source of funding of the bank, a longer term source compared to public deposits. As at September 30, 2025 bonds and deferred promissory notes constitute approx. 6% of the total financial liabilities, excluding derivatives. Approx. 73% of the future contractual cash flow from bonds and deferred promissory notes have a contractual maturity date of over one year.

The balance of bonds and deferred promissory notes as at September 30, 2025 stands at approx. NIS 45 billion, higher by approx. NIS 13 billion than the balance as of December 31, 2024. The average balance during the third quarter of 2025 stood at approx. NIS 41 billion, compared to an average cumulative balance of approx. NIS 37 billion during 2025. The rate of expenses in the third quarter stood at approx. 6.85%, compared to approx. 5.65% during 2025.

For further information regarding these instruments, please see Note 20 in the financial statements as of December 31, 2024.

The outstanding credit balance in Israeli and foreign currency as at September 30, 2025 amounts to approx. NIS 488 billion. The contractual term of public credit is generally longer compared to public deposits, approx. 54% of the future contractual cash flow of the credit is for a period exceeding one year.

For further information regarding cash flows according to the contractual repayment date see Note 15.

A gap between the future contractual cash flows of deposits and credit is a key component in managing liquidity risk.

The Bank sets growth targets for both sources and uses and conducts an ongoing monitoring process to ensure compliance with these targets. As part of liquidity and funding risk management, the bank monitors, among other factors, the projected repayment of large deposits, as well as the expected reddemption of bonds and deferred promissory notes. It aslo manages forecasts and tracks the pace of credit issuance, aligning its preparation in advance for sourcing necessary funding.

The Bank monitors liquidity risk using various regulatory models, including the Liquidity coverage ratio (LCR) and the Net Stable Funding Ration (NSFR). Regulatory directives define stablity coefficients for different types of funding sources (based on customer type), which are taken as part of liquidity risk management and influence the liquid assets the back holds.

The liquidity risk management policy

The Leumi Group's liquidity risk management policy is part and parcel of its strategic business management and is adapted to the requirements of Proper Conduct of Banking Business Directives. The management of exposure to liquidity risks is regularly examined, controlled and discussed by the forums and committees at the Board of Directors and management. In this framework, ongoing follow-up is conducted on cash flow forecasts, trends in various deposit segments, concentration of depositors and fund raising costs.

The Bank has a comprehensive infrastructure, management routines, and specialized tools for managing liquidiy in foreign currency. This includes daily montoring of a set of internal risk indicators, as well as internal and regulatory limits. Leumi monitors its liquidity position using indicators capable of providing early warning of changes in the liquidity position, inter alia, by using a regulatory model, as well as internal models developed by Leumi in accordance with the Bank of Israel's directives and accepted international standards. The Bank has a contingency plan in place for early identification handling of a liquidity crisis, which includes a system of warning signs that can indicate a change in the Bank's liquidity status, and establishes an action plan for hadling such situations.

The Bank's Board of Directors defines the risk probability and sets internal limits that thar are stricter than regulatory requirements for the purpose fo managing liquidity risk. The CRO sets internal limits that are stricter than those established by the board of directors for day-to-day management purposes. Internal limits serve as additional reserve to ensure compliance in a liquidity stress scenario.

The Bank measures and manages liquidity risk using models for all currencies combined and separately for foreign currency, as follows:

- The regulatory metric LCR, in accordance with Proper Conduct of Banking Business Directive No. 221, measures the ratio between the bank's available high quality liquid assets (HQLA inventory) and the net cash outflows in a 30 day stress scenario. The ratio is measured for all currencies combined as well as specifically for foreign currency.

Liquidity Coverage Ratio is intended to ensure that a banking corporation will hold an adequate inventory of high quality unencumbered liquid assets, comprised of cash or assets that can be converted into cash in private markets with little or no loss of value, in order to meet the banking corporation's liquidity needs. Liquidity Coverage Ratio (LCR) simulates the Bank's liquidity position under a combined liquidity stress scenario, which applies both to Leumi and the overall financial system and lasts for 30 days.

The LCR ratio is measured on a daily basis. Regulatory requirement is it is not to fall below 100% on a solo and consolidated basis. The report on the liquidity coverage ratio to the senior management is made at least once each month and to the Board of Directors at least once each quarter.

- Internal moded for Liquidity Risk Assessment:
  Measures the minimum liquidity coverage ratio, the Bank manages an internal model for estimating liquidity risk in accordance with a Proper Conduct of Banking Business Directive No. 342, under a variety of scenarios between a week to three months, relating to various market situations, which pertain to the entire banking system and to Leumi in particular. The internal constraints of the internal model are higher than the limits on the LCR ratio and are designed to ensure an additional buffer for meeting liquidity scenarios. The internal model is measured for all currencies and for foreign exchange and includes 4 types of scenarios:
  - A scenario simulating normal conditions ("Normal Scenario")
  - A scenario stress in the banking system in Israel against the backdrop of global stress ("Systemic Scenario")
  - Stress scenario simulation at Bank Leumi ("specific scenario")
  - The stress scenario combines a systemic scenarion and a bank specific scenario ("combined scenario" which is considered the most severe scenario.
- Net stable funding ratio (NSFR), in accordance with Proper Conduct of Banking Business Directive No. 222:
  The NSFR rate is intended to improve the liquidity risk profile and the Bank's stability bin the long term (one year) and requires the banking corporations to maintain a stable funding profile according to their asset composition and off-balance sheet operations.
  Maintaining a sustainable financing structure over time is intended to reduce the chances that disruptions in the banking corporation's permanent sources of financing will erode its liquidity situation in a way that will increase its risk of default and lead to a broader systemic scenario.

  The net stable funding ratio restricts over-reliance on short-term wholesale funding, encourages an improved assessment of the liquidity finance raising risk, liquidity raising in all on-balance sheet and off-balance sheet items, and promotes funding stability, by maintaining an available funding scope (on the sources' part) adapted to the required scope of financing (on the use's part).

  The NSFR ratio's result is affected by the Bank's financial position, as reflected by all balance sheet items as of the date of the examination.

  Net Stable Funding Ratio (NSFR) is measured quarterly and reported in the financial statements at both the solo and consolidated levels for all currencies. Addiionally, the Bank conducts an internal calculation to estimate the ratio on a monthly basis.

  The regulatory requirement is that the ratio should not fall below 100% on a solo and consolidated basis. The Net Stable Funding Ratio is reported to the senior management and Board of Directors at least once each quarter.

Liquidity coverage ratio

	For the three months ended		
	September 30		December 31
	2025	2024	2024
	Average in %		
a. Consolidated data			
Liquidity coverage ratio	**128**	124	123
Minimum liquidity coverage ratio set by the Banking Supervision Department	**100**	100	100
b. According to the banking corporation's data			
Liquidity coverage ratio	**126**	121	120
Minimum liquidity coverage ratio set by the Banking Supervision Department	**100**	100	100

Note: Based on an average of daily observations.

For further information, please see the Section entitled Liquidity Risk inthe Risk Report as at September 30, 2025 and Note 9B.

In the third quarter of 2025, the Bank complied with the regulatory limits and Board-imposed limits regarding the Liquidity coverage ratio (LCR).
The average liquidity coverage ratio for the three months ended September 30, 2025, standing at 128% had decreased by approx. 2% compared to the average liquidity coverage ratio for the three months ended June 30, 2025, resulting mainly from the impact of business activities for extending credit, which was offset mostly by an increase of public deposits and raising bonds.

In the third quarter of 2025, the LCR ratio in foreign currency and across all currencies had been above the regulatory requirement and the Board- imposed limit, the total consolidated ratio as at September 30, 2025, stood at approx.135%.

Net stable funding ratio

	As of September 30		As of December 31
	2025	2024	2024
	In %		
a. Consolidated data			
Net stable funding ratio	**116**	115	118
Net stable funding ratio set by the Banking Supervision Department	**100**	100	100
b. According to the banking corporation's data			
Net stable funding ratio	**115**	114	116
Net stable funding ratio set by the Banking Supervision Department	**100**	100	100

The Bank set internal Net stable funding ratio restrictions, in addition to the Liquidity Risk Management restrictions.

The Bank met the regulatory restriction and the restriction set by the Board of Directors regarding the net stable financing ratio as at September 30, 2025.

The consolidated net stable financing ratio as at September 30, 2025 stands at approx. 116%, a similar ratio as of June 30, 2025. This impact of raising bond and the increase in deposits was offset against the increase in loans to the public.

For further information, please see the chapter titled "Key Developments in the Economy" in the Report of the Board of Directors and Management.

For qualitative and quantitative information regarding financing and liquidity risk, please see also under "Liquidity Risk and Financing Risk" in the Risk Report as at December 31, 2024 and Note 15.

Table Inventory - Composition of high-quality liquid assets[(a)] by average balance per

	For the three months ended					
	September 30, 2025			December 31, 2024		
	NIS	Foreign currency	CPI-linked NIS	NIS	Foreign currency	CPI-linked NIS
	Total weighted value in NIS millions					
Total Tier 1 assets	**154,368**	**41,440**	**195,808**	137,058	45,118	182,176
Total Tier 2a assets	**-**	**3,344**	**3,344**	-	3,352	3,352
Total Tier 2b assets	**71**	**101**	**172**	118	158	276
Total high-quality liquid assets	**154,439**	**44,885**	**199,324**	137,176	48,628	185,804

a) SeeProper Conduct of Banking Business Directive No. 221.

The inventory of high-quality liquid assets, as the Bank of Israel's methodology as of the end of the period

	As of September 30			As of December 31		
	2025			2024		
	NIS	Foreign currency	CPI-linked NIS	NIS	Foreign currency	CPI-linked NIS
	Total weighted value in NIS millions					
Total Tier 1 assets	**160,096**	**39,631**	**199,727**	157,255	39,939	197,194
Total Tier 2a assets	**-**	**3,003**	**3,003**	-	3,575	3,575
Total Tier 2b assets	**46**	**98**	**144**	77	128	205
Total high-quality liquid assets	**160,142**	**42,732**	**202,874**	157,332	43,642	200,974

The high quality liquid asset inventory includes assets that can be easily and quickly converted into cash with little or no loss of value. Classification of Assets according to Proper Conduct of Banking Business Directive No. 221. Not pledged assets.

For specification of the assets the Bank pledges to the central bank, clearinghouses, and others see Note 26 of the financial statements as of December 31, 2024 and the Risk Report dated December 31, 2024.

Level 1 assets constitute approx. 98% of the Bank's total high quality liquid assets as at September 30,, 2025. These assets primarily include cash, balances at the Bank of Israel, Israeli Government bonds in both NIS and foreign currency, U.S. government bonds, and bonds fully guaranteed by the U. S. government.

The balances at the Bank of Israel (checking accounts and monetary deposits) as at September 30, 2025 stood at approx. NIS 115 billion, compared to approx. NIS 134 billion at the end of December 2024.

The Bank can increase its high quality liquid (NQLA) both by selling them in the markets and by conducting REPO (Repurchase Agreement Transactions) The Bank has an operational and legal infrastructure in place to execute these transactions.

Additionally, the Bank has the options to obtain credit from the Bank of Israel through the central bank's monetary auctions. This credit is privided against collateral or deposits held at the Bank of Israel, incuding Israeli Government bonsd and foreign sercurities issued by government and coproations that meet specific criteria (such as credit rating, duration, etc.)

Operational Risks

For further information concerning the operational risk and main risk areas, please see the Section "Operational Risks" in the Report of the Board of Directors and Management as at December 31, 2024, and the Section "Developing Risks" in the Risk Report as of June 30, 2025.

Climate and Environmental Risk

For further information on this issue and environmental risk, please see the Section entitled "Climate and Environmental Risk" in the Report of the Board of Directors and Management as of December 31, 2024- and the Section "Environment" in the Bank's Environmental, Social and Governance (ESG) Report for 2024.

Other Risks

Regulatory Risk

For information concerning the issue, please see the Section entitled "Other Risks" in the Report of the Board of Directors" as at December 31, 2024 as well as the Section "Most Material Leading and Emerging Risks in the Risk Report as at September 30, 2025.

For information regarding significant regulatory initiatives that were published during the reporting period, please see the Section "Legislation and Regulations concerning the Banking System in a Corporate Governance Report".

Compliance Risk

On August 14, 2025, Amendment 13 to the Privacy Protection Law took effect. As part of this, the supervision and enforcement powers vested in the Privacy Protection Authority had been expanded - administrative enforcement powers, including the option to impose financial sanctions, in significant sums due to violations of the Law, alongside criminal enforcement powers. Additionally, the Amendment expanded the courts' power to order compensation of the plaintiff without proving damages due to violation of the Law in certain cases.
The Group's Chief Compliance Officer also serves as Supervisor of Privacy.
The Bank acted for adjusting the work processes relevant to the changes in the Law following the Amendment.

On September 21, 2025, a financial sanction was imposed by the Banking Supervision Department due to a violation of Section 9 and Section 2A of the Prohibition on Money Laundering Order.

For more information on the sanction, please see the immediate report dated September 21, 2025 and Note 10.C..

For further information concerning compliance risk, please see the "Report of the Board of Directors and Management" as at December 31, 2024.

Macroeconomic Risk

For information concerning the issue, please see the Section "Developing Risks" in the Risk Report as at September 30, 2025.

For further information, please see the Section titled "Key Developments in the Economy".

Models Risk

A risk model is the potential of adverse consequences resulting from decisions or actions (including reporting), based on erroneous model outputs or improper use of model outputs.

The models risk management policy was approved by the Bank's management and Board of Directors with the approach that the nature and quality of models are vital to ongoing business activity. The policy covers principles of model risk management, definition of corporate governance, officers and reporting hierarchies.

The Bank's strategy for transitioning to using digital tools and models-based processes increase the reliance on models in work processes. This trend increases the efficiency, transparency and objectivity of the processes, thereby mitigating fair conduct, service, credit underwriting risks but increasing models risks. The work plan to manage and monitor models risks has been adjusted to these heightened risks.

The Bank continues tracking the impact of the macro economic changes on the environment of the risk management models.

In August 2025 a new Proper Conduct of Banking Business Directive No. 369 took effect, concerning effective management of risk models. The Directive refers to, *inter alia*, processes of appropriate development, implementation and use of the models, a process of verification of the model as well as the corporate governance and monitoring mechanisms. The directive replaces the Banking Supervision Department's October 2010 letter regarding model validation, and it is based on the guidelines of the US regulators regarding the risk management model (SR Letter 11-7).

The Bank is prepared to implement the Directive.

Strategic, legal, goodwill and fair banking conduct risks (Conduct)

For information concerning the issue, please see the Section entitled "Other Risks" in the Report of the Board of Directors and Management" as at December 31, 2024.

D. Critical Accounting Policies and Estimates, Controls and Procedures

Critical Accounting Policies and Estimates

General

The financial statements are prepared in accordance with the generally accepted accounting principles and pursuant to the directives and instructions of the Banking Supervision Department regarding the preparation of annual and quarterly financial statements of a banking corporation as detailed in Note 1.

The preparation of the consolidated financial statements in accordance with the directives of the Banking Supervision Department requires Management to use estimates and assessments which affect the reported amounts of assets and liabilities as well as income and expense amounts. This type of estimates and assessments, changes in which may materially affect the financial results presented in the financial statements, are considered by the Bank to be estimates and assessments regarding "critical" issues.

The actual results of these estimates may differ from the estimates and/or assessments. In most cases, the estimates and assessments are based on economic forecasts, assessments regarding various markets and past experience, while exercising discretion. Management believes the estimates and assessments to be reasonable at the time of signing the financial statements.

For additional information, please see the Section entitled Critical Accounting Policies and Estimates in the financial statements as at December 31, 2024.

Collective Loan Loss Provision and Classification of Troubled Debts

Collective provision

The Bank is implementing the directives of the Banking Supervision Department regarding Current Expected Credit Losses (CECL) as published on the issue in ASC 326, Financial Instruments – Credit Losses.

The process of estimating the collective provision has become highly complex following the War, which is a significant event that casts a heavy shadow on the business and economic activity and is accompanied by substantial uncertainty in terms of the degree and extent of its impact. Accordingly, the risk profile of the various economic sectors and macroeconomic scenarios were examined, among other things with respect to business credit in the economy and to foreign exchange rates, and adjustments were made in respect of the provision estimates. Due to the high level of uncertainty during this period, there may be significant deviations in estimates made to determine the outstanding loan loss provision as presented in the financial statements. These estimates are adjusted later on, subject to economic developments and their impact on the level of risk embodied in the portfolio and accordingly – on the current expected credit losses.

For more information regarding adjusting the loan loss estimates due to the War, please see the section entitled "Credit Risks".

Classification of troubled debts and specific provision

The Bank assesses the loan portfolio on an ongoing basis and, in accordance with procedures, in order to identify, as quickly as possible, borrowers whose risk level and exposure have increased and who require special supervision and close monitoring by management. either due to risk characteristics or as a result of economic/market conditions that might have an adverse effect on the borrowers, aiming to improve their condition. As to corporate customers, judgment is exercised by corporate department's employees dealing with the borrower in order to assess the extent of the problem, which is then assessed by the Credit Risk Management units of the Risk Management Division with the aim of making an objective assessment, to the extent possible, of the identified problems in order to determine the borrower's risk rating.

As a rule, a commercial debt with a contractual balance of NIS 1 million or more is examined on an individual basis by the competent functions at the Bank regarding their classification as troubled debts, including recording a charge-off if relevant. As a rule, other Bank customers are examined for the purpose of their classification on the basis of their extent of arrears and according to certain automated defined negative indicators.

Non-performing debts, excluding housing loans, are debts which the Bank believes do not share the risk characteristics with performing debts, and therefore assesses their respective provision on a specific basis.

The methodology for dealing with troubled debts requires, among other things, a methodical examination of the adequacy of the loan loss provision for debts classified as non-performing. The provision is assessed according to the difference between the recorded outstanding debt and the present value of the future cash flows expected to service the debt from the customer's activity and the realization of collaterals and other assets, discounted at the effective interest rate of the debt. For debts the repayment of which relies on collaterals (collateral-contingent debts) and there are no other available and reliable sources of repayment, the provision is determined based on the fair value of the collateral less costs of disposal and after triggering buffers for the collateral's value such that it will be possible to realize the collateral and have the debt repaid therefrom. In this context, it should be noted that the Bank is implementing the requirements of the Bank of Israel, according to which debts are classified based on the debtor's repayment capacity; i.e. – the expected strength of the primary repayment source of the debt, despite support by secondary and tertiary repayment sources, such as collateral and guarantors.
Similarly, to examining the adequacy of the classifications, the liability adequacy was also tested on a quarterly basis, in accordance with the requirements of the Bank of Israel.

According to Proper Conduct of Banking Business Directives, the Risk Management Division is responsible for setting appropriate classifications and allowances for credit losses. In addition to the discussions held by business divisions' managements and by representatives of the Risk Management Division, the Bank's Provisions Committee, headed by the President and CEO, holds quarterly discussions as to the aggregate amount of the provisions required for that quarter and the classification of specific provisions (in excess for a stipulated threshold amount).

For additional information regarding the accounting policy regarding the provision for collective loan losses and the classification of troubled debts, please see the Section entitled Critical Accounting Policies and Estimates in the financial statements as at December 31, 2024.

For further information regarding risk assessment and accounting policy regarding classification of debt that have undergone changes against the backdrop of the War please the Section titled "Credit Risks"

Impairment of securities in the available-for-sale portfolio

The Bank estimates the current expected credit losses for bonds in the available-for-sale portfolio at each reporting date if the fair value of the security is lower than its amortized cost. In any such case, the Bank examines whether there is an intent to sell the security or whether the Bank believes that it is more likely than not that it will be required to sell the security before recovering its carrying amount. If yes - the entire difference between the carrying amount and the fair value is recognized in profit and loss. If not - the Bank examines whether the fair value impairment arises from loan losses or other factors, and if the Bank believes that the impairment stems from loan losses, it is recognized under the loan loss provision, while other types of impairments are recognized against other comprehensive income. A loan loss exists when the Bank does not expect principal and interest inflows to adequately recover the entire amortized cost of the security. The loan loss provision is limited to the amount in which it exceeds the security's amortized cost over its fair value. The provision amount is updated upwards or downwards according to changes in assessments in subsequent periods.

As part of the Bank's assessment regarding the existence of a loan loss, the Bank examines data, assessments and various information items.

According to the rules, the Bank does not take into consideration the time during which the security's fair value was lower than its cost.

If the Bank decides to carry out a quantitative test, the latter shall be done using the PD LGD method. As part of the test, a comparison is made between the discounted cash flows and the fair value and amortized cost. If the expected cash flows are lower than the amortized cost, the difference will be recognized as a loan loss provision. If the fair value of the bond is higher than the discounted cash flow amount, the provision is recognized up to the minimum fair value.

Impairment of investments in equity-accounted associates

Each reporting period, the Bank examines the need to record losses in respect of impairment of an other-than-temporary nature for its investment in associates.

An investment in an associate is tested for impairment when events or changes in circumstances indicate that the impairment is of an other-than-temporary nature.

In that case, impairment of an other-than-temporary nature is tested for.

Testing for impairment of an other-than-temporary nature is carried out while taking into account, among other things, the following indicators:

- A lack of intention to sell the investment before recovering the impairment.
- No expectation that it is more probably than not that the Bank will be required to sell the investment before recovering the impairment.
- The length of time that the fair value of the investment is lower than its book value and the severity of the impairment.
- The financial position of the investee, including the quality of the investee's assets, its profit and profitability and its liquidity.
- Changes in the investee's credit rating.
- Legal or regulatory events related to the investee.
- Analysts' assessments and valuations of the investee.
- Legal or regulatory changes that affect the investee's operating segment.
- Significant change in the market environment that may affect the value of the investee's assets and securities (for example, a decrease in real estate prices).
- Significant changes in economic conditions related to the investee.
- Changes in the investee's business model as a result of changes in technology or new competitors in the industry.
- The intention and ability of the banking corporation to hold an investment until a date when it is expected that the investment will not be sold at a loss.

An impairment of an other-than-temporary nature is recognized in the income statement according to the fair value of the investee, and the book value after the impairment constitutes the new cost basis. The recognized loss shall not be reversed in subsequent periods, unless an appreciation occurs.

Liabilities for Employee Benefits

As at September 30, 2025, the balance of accumulated other comprehensive income for employee benefits amounted to a negative post-tax balance of NIS 654 million, compared to a negative post-tax reserve of NIS 740 million as at December 31, 2024.

The outstanding liability for employee benefits as at September 30, 2025, according to a discount rate based on Israeli corporate bonds ("deep market" according to the Israel Securities Authority's approach") is approx. NIS 680 million less than the actual outstanding liability.

The actuarial assessment of the employee benefits is on the Israel Securities Authority's website, on the following address www.magna.isa.gov.il

For additional information, please see the Section entitled Critical Accounting Policies and Estimates in the financial statements as at December 31, 2024.

Controls and Procedures Regarding Fair Disclosure in Financial Statements

The Banking Supervision Department's directives impose the requirements of Sections 302 and 404 of the SOX Act on banking corporations. The SEC and the Public Company Accounting Oversight Board have established provisions with regard to the abovementioned sections, on management's responsibility for instating and maintaining disclosure controls and procedures and for exercising internal control over financial reporting and the opinion of the independent auditors on the audit of internal control over financial reporting.

The Banking Supervision Department's directives require the following:

- Banking corporations shall apply Sections 302 and 404 and the SEC directives issued thereunder.
- Adequate internal control requires an auditing system that follows a predefined, recognized framework, and the COSO model. (Committee of Sponsoring Organizations of the Treadway Commission) meets these requirements and may be used to evaluate the internal controls.

The Bank regularly applies the directive to the Leumi Group.

During 2025, the Bank validates and updates material control processes and conducts effective evaluations of its entire internal control over financial reporting system.

Evaluation of disclosure controls and procedures

The Bank's management, with the cooperation of the President and CEO and Head of the Finance Division and Chief Accountant, have evaluated the effectiveness of the Bank's disclosure controls and procedures as at the end of the reporting period. Based on this evaluation, the Bank's President and CEO and the Head of the Finance Division and the Chief Accountant have concluded that, as at the end of the reporting period, the Bank's disclosure controls and procedures are effective for the purpose of recording, processing, summarizing and reporting the information the Bank is required to disclose in its financial statements pursuant to the Banking Supervision Department's Reporting to the Public Directives and as at the date prescribed by the Directives.

Internal control changes

In the quarter ended September 30, 2025, no material change has occurred in the Bank's internal control over financial reporting which has had a material effect, or is reasonably expected to have a material effect, on the Bank's internal control over financial reporting.

The Board of Directors

In the period between July– August 2025, Leumi's Board of Directors held 11 plenum meetings and its committees held 11 meetings.

At a Board meeting held on November 17, 2025, the Board resolved to approve and publish the Group's unaudited condensed consolidated financial statements as at September 30, 2025 and for the period then ended.

The Bank's Board of Directors would like to express its appreciation and gratitude to the employees and managers of the Bank and the Group's subsidiaries – both in Israel and overseas – for their dedicated work and contribution to the Group's business.

Uri Alon
Chairman of the Board

Hanan Friedman
Chief Executive Officer

17 November 2025

Certification

I, Hanan Friedman, hereby certify as follows:

1. I have reviewed the quarterly report of Bank Leumi le-Israel B.M. (hereinafter – the "Bank") for the quarter ended September 30, 2025 (hereinafter – the "Report").

2. To my knowledge, the Financial Statements do not contain any misrepresentation of a material fact, nor do they omit a representation of a material fact that is necessary in order for the representations included therein – under the circumstances in which such representations were included – to be misleading as to the reporting period.

3. To my knowledge, the quarterly financial statements and other financial information included in the statements fairly represent, in all material aspects, the Bank's financial position, financial performance and changes in shareholders' equity and cash flows as at the dates and for the periods presented in the statements.

4. I and others at the Bank signing this certification are responsible for the establishment and implementation of controls and procedures regarding the Bank's disclosure and internal control over financial reporting (as defined in the Reporting to the Public Directives regarding "Report of the Board of Directors and Management"), as well as:

   a) We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Bank and its consolidated companies is brought to our attention by others in the Bank and said companies, especially during the preparation of the Financial Statements;

   b) We have established such internal control over financial reporting or have caused such internal control to be established under our oversight, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements for external purposes have been prepared in accordance with the generally accepted accounting principles and the directives and guidance of the Banking Supervision Department;

   c) We have evaluated the effectiveness of the Bank's disclosure controls and procedures and presented in the report our conclusions regarding the effectiveness of the disclosure controls and procedures as at the end of the reporting period according to our evaluation;

   d) The Report discloses any change in the Bank's internal control over financial reporting which occurred during this quarter that had materially affected, or is reasonably expected to affect the Bank's internal control over financial reporting;

5. I and others at the Bank signing this certification have disclosed to the joint independent auditors, the Board of Directors, and the Board of Directors' committees, based on our most recent evaluation of the internal control over financial reporting, the following:

   a) All significant deficiencies and material weaknesses in the establishment or implementation of the internal control over financial reporting that are reasonably expected to harm the Bank's ability to record, process, calculate and report financial information;

   b) Any fraud, whether or not material, involving management or other employees who have a significant role in the Bank's internal control over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

November 17, 2025.

Hanan Friedman
President and Chief Executive Officer

Certification

I, Hagit Argov, hereby certify as follows:

1. I have reviewed the quarterly report of Bank Leumi le-Israel B.M. (hereinafter – the "Bank") for the quarter ended September 30, 2025 (hereinafter – the "Report").

2. To my knowledge, the Financial Statements do not contain any misrepresentation of a material fact, nor do they omit a representation of a material fact that is necessary in order for the representations included therein – under the circumstances in which such representations were included – to be misleading as to the reporting period.

3. To my knowledge, the quarterly financial statements and other financial information included in the statements fairly represent, in all material aspects, the Bank's financial position, financial performance and changes in shareholders' equity and cash flows as at the dates and for the periods presented in the statements.

4. I and others at the Bank signing this certification are responsible for the establishment and implementation of controls and procedures regarding the Bank's disclosure and internal control over financial reporting (as defined in the Reporting to the Public Directives regarding "Report of the Board of Directors and Management"), as well as:

   a) We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Bank and its consolidated companies is brought to our attention by others in the Bank and said companies, especially during the preparation of the Financial Statements;

   b) We have established such internal control over financial reporting or have caused such internal control to be established under our oversight, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements for external purposes have been prepared in accordance with the generally accepted accounting principles and the directives and guidance of the Banking Supervision Department;

   c) We have evaluated the effectiveness of the Bank's disclosure controls and procedures and presented in the report our conclusions regarding the effectiveness of the disclosure controls and procedures as at the end of the reporting period according to our evaluation;

   d) The Report discloses any change in the Bank's internal control over financial reporting which occurred during this quarter that had materially affected, or is reasonably expected to affect the Bank's internal control over financial reporting;

5. I and others at the Bank signing this certification have disclosed to the joint independent auditors, the Board of Directors, and the Board of Directors' committees, based on our most recent evaluation of the internal control over financial reporting, the following:

   a) All significant deficiencies and material weaknesses in the establishment or implementation of the internal control over financial reporting that are reasonably expected to harm the Bank's ability to record, process, calculate and report financial information;

   b) Any fraud, whether or not material, involving management or other employees who have a significant role in the Bank's internal control over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

November 17, 2025.

Hagit Argov
Executive Vice President
Chief Accounting Officer
Head of Finance Division

BANK LEUMI LE-ISRAEL B.M. AND ITS INVESTEE COMPANIES
Condensed Financial Statements
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Deloitte. KPMG

Review report of the Joint Independent Auditors to the Shareholders. of Bank Leumi Le-Israel Ltd.

Introduction

We have reviewed the accompanying financial information of Bank Leumi le-Israel B.M. and its subsidiaries (hereinafter: "the Bank"), comprising of the condensed consolidated interim balance sheet as of September 30, 2025 and the condensed consolidated interim income statement, comprehensive income statement, statement of changes in equity, and cash flow statement for the nine-month and three-month periods then ended. The Board of Directors and Management are responsible for the preparation and presentation of this interim financial information for these interim periods in accordance with the directives and guidance of the Banking Supervision Department (hereinafter: "the Directives"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Review scope

We conducted our review in accordance with Standard on Review Engagements (Israel) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Institute of Certified Public Accountants in Israel and a review standard applied in the review of banking institutions according to the instructions and directives of the Supervisor of Banks. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and, as a result, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we are not expressing an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information was not prepared, in all material respects, in accordance with the Directives.

As set forth in Note 1 to the Financial Information, the Directives adopt, primarily, the generally accepted accounting principles in the United States (US GAAP).

Somekh Chaikin
A registered partnership in Israel and a partner firm
in KPMG's complex global network
of independent firms affiliated with
KPMG International Limited
a privately-owned limited liability British company
Certified Public Accountants

Brightman Almagor Zohar & Co.
A Firm in the Deloitte Global Network
Certified Public Accountants

Joint Independent Auditors

November 17, 2025

BANK LEUMI LE-ISRAEL B.M. AND ITS CONSOLIDATED COMPANIES
Condensed Consolidated Profit and Loss Statement
For the period ended September 30, 2025

		For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
		2025	2024	**2025**	2024	2024
		Unaudited				Audited
	Note	In NIS million				
Interest income	2	**10,630**	9,966	**29,894**	28,585	37,462
Interest expenses	2	**6,159**	5,421	**16,866**	15,895	20,953
Interest income, net	2	**4,471**	4,545	**13,028**	12,690	16,509
Loan loss expenses	13 ,6	**32**	312	**310**	516	713
Interest income, net after loan loss expenses		**4,439**	4,233	**12,718**	12,174	15,796
Noninterest income						
Noninterest finance income (expenses)	3A	**500**	(46)	**1,203**	1,134	1,820
Fees and commissions		**977**	984	**3,012**	2,829	3,823
Other income		**13**	40	**89**	908	956
Total noninterest income		**1,490**	978	**4,304**	4,871	6,599
Operating and other expenses						
Salaries and related expenses		**858**	933	**2,699**	2,886	3,796
Buildings and equipment - maintenance and depreciation		**343**	386	**1,051**	1,135	1,520
Other Expenses		**408**	397	**1,200**	1,171	1,588
Total operating and other expenses		**1,609**	1,716	**4,950**	5,192	6,904
Profit before taxes		**4,320**	3,495	**12,072**	11,853	15,491
Provision for profit taxes		**1,719**	1,285	**4,634**	4,128	5,422
Profit after taxes		**2,601**	2,210	**7,438**	7,725	10,069
The Bank's share in the associates' gains (losses), after taxes		**99**	83	**275**	(378)	(271)
Net income						
Before attribution to non-controlling interests		**2,700**	2,293	**7,713**	7,347	9,798
attributable to non-controlling right holders[(A)]		**-**	-	**-**	-	-
Attributable to the Bank's shareholders		**2,700**	2,293	**7,713**	7,347	9,798
Basic and diluted earnings per share (in NIS)						
Basic earnings attributable to the Bank's shareholders	3B	**1.81**	1.51	**5.15**	4.83	6.46
Diluted net income per share attributable to the Bank's shareholders	3B	**1.81**	1.51	**5.14**	4.83	6.46

a) Sums lower than NIS 1 million.

The notes to the condensed consolidated financial statements constitute an integral part thereof.

Uri Alon
Chairman of the Board

Hanan Friedman
President and Chief Executive Officer

Hagit Argov
Executive Vice President
Chief Accounting Officer
Head of Finance Division

Date of approval of the financial statements: November 17, 2025

BANK LEUMI LE-ISRAEL B.M. AND ITS CONSOLIDATED COMPANIES
Condensed Consolidated Comprehensice Income Statement
For the period ended September 30, 2025

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2025	2024	**2025**	2024	2024
	Unaudited				Audited
	In NIS million				
Net income before attribution to non-controlling interests	**2,700**	2,293	**7,713**	7,347	9,798
Less net profit attributable to non-controlling right holders(B)	**-**	-	**-**	-	-
Net income attributable to the Bank's shareholders	**2,700**	2,293	**7,713**	7,347	9,798
Other comprehensive profit, before taxes					
Adjustments in respect of available-for-sale bonds according to at fair value, net.	**379**	1,200	**1,374**	65	298
Net gains (losses) for cash flow hedges	**-(b)**	-(b)	**3**	(3)	(2)
Adjustments of liabilities for employee benefits(A)	**(152)**	(327)	**123**	1,024	606
Impact of changes in the credit risk of the liabilities	**6**	3	**(4)**	3	3
Other comprehensive gain (loss) due to equity-accounted investees	**(15)**	42	**(30)**	41	28
Other comprehensive profit, before taxes	**218**	918	**1,466**	1,130	933
Related tax effect	**(97)**	(357)	**(573)**	(377)	(322)
Other comprehensive income before attribution to non-controlling interests, after taxes	**121**	561	**893**	753	611
Less comprehensive other profit attributable to non-controlling rights owners(b)	**-**	-	**-**	-	-
Other comprehensive income attributable to the Bank's shareholders, after taxes	**121**	561	**893**	753	611
Comprehensive profit before attribution to non-controlling right holders	**2,821**	2,854	**8,606**	8,100	10,409
Less comprehensive profit attributable to non-controlling right holders(B)	**-**	-	**-**	-	-
Comprehensive income attributable to the Bank's shareholders	**2,821**	2,854	**8,606**	8,100	10,409

a) Mostly reflects adjustments in respect of changes in capitalization interest and actuarial estimates, as at the end of a period of defined benefit pension plans and a deduction of amounts previously recorded in other comprehensive profit. Please see also Note 8.

b) Sums lower than NIS 1 million.

See alsoNote 4 regarding other comprehensive cumulative profit (losses)

The notes to the condensed consolidated financial statements constitute an integral part thereof.

BANK LEUMI LE-ISRAEL B.M. AND ITS CONSOLIDATED COMPANIES
Condensed Consolidated Balance Sheet
As at September 30, 2025

		September 30		December 31
		2025	2024	2024
		Unaudited		Audited
	Note	In NIS million		
Assets				
Cash and deposits with banks		**138,307**	136,673	155,828
Securities:				
Held-to-maturity bonds		**17,944**	19,036	18,867
Available-for-sale bonds		**106,661**	87,756	90,500
Equity securities not held for trading		**6,792**	6,021	7,178
Held-for-trading securities		**9,683**	8,465	7,556
Total securities[(a)(b)]	5	**141,080**	121,278	124,101
Securities borrowed or purchased under reverse repurchase agreements		**5,883**	5,936	4,684
Loans to the public	6, 13	**502,193**	453,772	462,406
Loan loss provision	6, 13	**(6,806)**	(6,821)	(6,887)
Loans to the public, net		**495,387**	446,951	455,519
Loans to governments		**2,992**	1,957	2,509
Investments in associates		**3,724**	3,462	3,580
Buildings and equipment		**3,016**	2,721	2,822
Assets in respect of derivatives	11	**29,412**	27,509	29,193
Other assets[(A)]		**7,312**	7,152	7,315
Total assets		**827,113**	753,639	785,551
Liabilities and equity				
Deposits by the public	7	**641,123**	588,305	618,301
Deposits by banks		**16,874**	18,970	18,043
Deposits by governments		**107**	102	172
Securities loaned or sold under repurchase agreements		**12,372**	12,312	11,686
Bonds, promissory notes and subordinated notes		**44,883**	32,061	31,969
Liabilities for derivatives	11	**30,265**	26,500	27,752
Other liabilities[(a)(c)]		**14,441**	15,126	15,965
Total liabilities		**760,065**	693,376	723,888
Shareholders' equity	9	**67,043**	60,258	61,658
Non-controlling interests		**5**	5	5
Total equity		**67,048**	60,263	61,663
Total liabilities and equity		**827,113**	753,639	785,551

a) For details regarding amounts measured at fair value, please see Note 16A.
b) Of which: securities amounting to NIS 13,459 million (September 30, 2024 - NIS 15,417 million, December 31, 2024 - NIS 13,007 million) that were pledged to lenders.
c) Of which: a provision for credit losses due to off-balance-sheet credit instruments totaling NIS 915 million (as at September 30, 2024 - NIS 807 million; as of December 31, 2024 - NIS 842 million).

The notes to the condensed consolidated financial statements constitute an integral part thereof.

BANK LEUMI LE-ISRAEL B.M. AND ITS CONSOLIDATED COMPANIES
Condensed Statement on Changes in Equity
For the period ended September 30, 2025

	For the three months ended September 30, 2025 (unaudited)									
		Capital reserves								
	Share capital	From premiums	From stock-based payment and other benefits[a]	Total share capital and capital reserves	Accumulated other comprehensive income (loss)	Retained earnings[b]	Total	Non-controlling interests	Total equity
	In NIS million								
Balance as at June 30, 2025	7,083	1,121	60	8,264	(1,264)	58,535	65,535	5	65,540
Net profit for the period	-	-	-	-	-	**2,700**	**2,700**	-	**2,700**
Other comprehensive income, net of tax effect	-	-	-	-	**121**	-	**121**	-	**121**
Dividend paid	-	-	-	-	-	**(979)**	**(979)**	-	**(979)**
Issuance of shares	-[c]	-[c]	-	-	-	-	-	-	-
Share buyback	**(6)**	**(329)**	-	**(335)**	-	-	**(335)**	-	**(335)**
Employee benefit for stock-based compensation transactions	-[c]	**3**	**(2)**	**1**	-	-	**1**	-	**1**
Balance as of September 30, 2025	**7,077**	**795**	**58**	**7,930**	**(1,143)**	**60,256**	**67,043**	**5**	**67,048**

	For the three months ended September 30, 2024 (unaudited)								
		Capital reserves							
	Share capital	From premiums	From stock-based payment and other benefits[a]	Total share capital and capital reserves	Accumulated other comprehensive income (loss)	Retained earnings[b]	Total	Non-controlling interests	Total equity
	In NIS million								
Balance as at June 30, 2024	7,107	2,144	65	9,316	(2,455)	51,574	58,435	5	58,440
Net profit for the period	-	-	-	-	-	2,293	2,293	-	2,293
Other comprehensive income, net of tax effect	-	-	-	-	561	-	561	-	561
Dividend paid	-	-	-	-	-	(681)	(681)	-	(681)
Share buyback	(10)	(341)	-	(351)	-	-	(351)	-	(351)
Employee benefit for stock-based compensation transactions	-	-	1	1	-	-	1	-	1
Balance as of September 30, 2024	7,097	1,803	66	8,966	(1,894)	53,186	60,258	5	60,263

a) Including NIS 10 million in other capital reserves.
b) Including NIS 5,086 million that are non-distributable as dividend, of which NIS 3,749 million in respect of share buyback (September 30, 2024 - NIS 5,028 million, of which NIS 2,711 million for share buyback). The remaining distributable amount is subject to the Bank of Israel's directives and to the restrictions set out in the Proper Conduct of Banking Business Directives.
c) Sums lower than NIS 1 million.

The notes to the condensed consolidated financial statements constitute an integral part thereof.

BANK LEUMI LE-ISRAEL B.M. AND ITS CONSOLIDATED COMPANIES

Condensed Statement on Changes in Equity (cont.)

For the period ended September 30, 2025

	For the nine months ended September 30, 2025 (unaudited)								
		Capital reserves							
	Share capital	From premiums	From stock-based payment and other benefits[(a)]	Total share capital and capital reserves	Accumulated other comprehensive income (loss)	Retained earnings[(b)]	Total	Non-controlling interests	Total equity
	In NIS million								
Balance as at December 31, 2024 (audited)	7,092	1,590	63	8,745	(2,036)	54,949	61,658	5	61,663
Net profit for the period	-	-	-	-	-	7,713	7,713	-	7,713
Other comprehensive income, net of tax effect	-	-	-	-	893	-	893	-	893
Dividend paid	-	-	-	-	-	(2,406)	(2,406)	-	(2,406)
Issuance of shares	-[(c)]	-[(c)]	-	-	-	-	-	-	-
Share buyback	(15)	(802)	-	(817)	-	-	(817)	-	(817)
Employee benefit for stock-based compensation transactions	-[(c)]	7	(5)	2	-	-	2	-	2
Balance as of September 30, 2025	7,077	795	58	7,930	(1,143)	60,256	67,043	5	67,048

	For the nine months ended September 30, 2024 (unaudited)								
		Capital reserves							
	Share capital	From premiums	From stock-based payment and other benefits[(a)]	Total share capital and capital reserves	Accumulated other comprehensive income (loss)	Retained earnings[(b)]	Total	Non-controlling interests	Total equity
	In NIS million								
Balance as at December 31, 2023 (audited)	7,111	2,250	63	9,424	(2,647)	47,720	54,497	5	54,502
Net profit for the period	-	-	-	-	-	7,347	7,347	-	7,347
Other comprehensive income, net of tax effect	-	-	-	-	753	-	753	-	753
Dividend paid	-	-	-	-	-	(1,881)	(1,881)	-	(1,881)
Share buyback	(14)	(447)	-	(461)	-	-	(461)	-	(461)
Employee benefit for stock-based compensation transactions	-	-	3	3	-	-	3	-	3
Balance as of September 30, 2024	7,097	1,803	66	8,966	(1,894)	53,186	60,258	5	60,263

a) Including NIS 10 million in other capital reserves.
b) Including NIS 5,086 million that are non-distributable as dividend, of which NIS 3,749 million in respect of share buyback (September 30, 2024 - NIS 5,028 million, of which NIS 2,711 million for share buyback). The remaining distributable amount is subject to the Bank of Israel's directives and to the restrictions set out in the Proper Conduct of Banking Business Directives.
c) Sums lower than NIS 1 million.

The notes to the condensed consolidated financial statements constitute an integral part thereof.

BANK LEUMI LE-ISRAEL B.M. AND ITS CONSOLIDATED COMPANIES

Condensed Statement on Changes in Equity (cont.)

For the period ended September 30, 2025

	For the year ended December 31, 2024 (audited)								
		Capital reserves							
	Share capital	From premiums	From stock-based payment and other benefits[a]	Total share capital and capital reserves	Accumulated other comprehensive income (loss)	Retained earnings[b]	Total	Non-controlling interests	Total equity
	In NIS million								
Balance as at December 31, 2023	7,111	2,250	63	9,424	(2,647)	47,720	54,497	5	54,502
Net income	–	–	–	–	–	9,798	9,798	–	9,798
Other comprehensive income, net of tax effect	–	–	–	–	611	–	611	–	611
Dividend paid	–	–	–	–	–	(2,569)	(2,569)	–	(2,569)
Issuance of shares[c]	–	–	–	–	–	–	–	–	–
Share buyback	(19)	(663)	–	(682)	–	–	(682)	–	(682)
Employee benefit for stock-based compensation transactions	–	3	–	3	–	–	3	–	3
Balance as at December 31, 2024	7,092	1,590	63	8,745	(2,036)	54,949	61,658	5	61,663

a) Including NIS 10 million in other capital reserves.
b) Including NIS 5,323 million that are non-distributable, of which NIS 2,932 million in respect of share buyback. The remaining distributable amount is subject to the Bank of Israel's directives and to the restrictions set out in the Proper Conduct of Banking Business Directives.
c) Sums lower than NIS 1 million.

The notes to the condensed consolidated financial statements constitute an integral part thereof.

BANK LEUMI LE-ISRAEL B.M. AND ITS CONSOLIDATED COMPANIES
Condensed Consolidated Statement of Cash Flows
For the period ended September 30, 2025

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2025	2024	**2025**	2024	2024
	Unaudited				Audited
	In NIS million				
Cash flows from operating activities					
Net profit for the period	**2,700**	2,293	**7,713**	7,347	9,798
Adjustments:					
The Group's share in the non- distributed (profits) losses of included companies[(A)]	**(89)**	(79)	**(239)**	750	672
Depreciation and amortization of buildings and equipment (including impairment)	**128**	152	**403**	465	613
Loan loss expenses	**32**	312	**310**	516	713
Net losses on sale of available-for-sale bonds	**21**	116	**295**	295	412
Net realized and unrealized losses (gains) due to fair value adjustments of held-for-trading securities	**(36)**	(44)	**(12)**	(38)	19
Gain from realized investment in associate companies	**(95)**	-	**(100)**	-	-
Gains from realization and disposals of buildings and equipment - net	**-**	(7)	**(7)**	(841)	(852)
Net realized and unrealized gains due to fair value adjustments of shares that are not held for trading	**(166)**	(89)	**(318)**	(463)	(609)
Provision for impairment of available-for-sale bonds	**-**	14	**6**	14	53
Provision for impairment of equity securities not held-for-trading	**28**	34	**96**	69	71
Expenses for stock-based compensation transactions	**1**	1	**2**	3	3
Deferred taxes - net	**83**	103	**193**	-	(45)
Severance pay and pension — (decrease) an increase in the reserve surplus over the designated amount	**(1)**	10	**58**	111	(214)
Interest receivable over interest accrued during the period due to available-for-sale bonds and held-to-maturity bonds.	**(374)**	(447)	**(1,043)**	(1,983)	(2,486)
Accrual differences and rate in respect of bonds and subordinated notes	**200**	216	**33**	309	149
Effect of exchange rate differentials on cash and cash equivalent balances	**1,223**	440	**2,026**	65	619
Other, net	**1**	-	**-**	-	-
Net change in current assets:					
Assets in respect of derivatives	**12,160**	(830)	**(219)**	(99)	(1,783)
Held-for-trading securities	**3,646**	(1,131)	**(2,115)**	5,250	6,102
Other assets	**27**	18	**(238)**	72	79
Net change in current liabilities:					
Liabilities for derivatives	**(11,812)**	1,929	**2,191**	(376)	1,142
Other liabilities	**(600)**	318	**(2,010)**	(22)	583
Net cash provided by operating activities	**7,077**	3,329	**7,025**	11,444	15,039

a) Net of dividend received.

The notes to the condensed consolidated financial statements constitute an integral part thereof.

BANK LEUMI LE-ISRAEL B.M. AND ITS CONSOLIDATED COMPANIES
Condensed Consolidated Statement on Cash Flows(cont.)
For the period ended September 30, 2025

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2025	2024	**2025**	2024	2024
	Unaudited				Audited
	In NIS million				
Cash flows from investing activities					
Net change in deposits with banks for an original period of more than three months	**458**	(1,675)	**1,622**	(1,088)	(2,186)
Net change in loans to the public[(a)]	**(4,988)**	(13,149)	**(38,170)**	(27,472)	(35,832)
Net change in loans to the government[(a)]	**(589)**	(39)	**(517)**	(151)	(705)
Net change in securities borrowed or purchased under reverse repurchase agreements	**1,700**	(4,398)	**(1,199)**	(2,883)	(1,631)
Purchase of held-to-maturity bonds	**(245)**	(1,561)	**(1,462)**	(4,390)	(4,666)
Proceeds from redemption of held-to-maturity bonds	**1,438**	185	**2,381**	887	1,407
Purchase of available-for-sale bonds and equity securities not held-for-trading	**(44,888)**	(34,780)	**(157,551)**	(134,473)	(188,183)
Proceeds from sale of available-for-sale bonds and equity securities not held-for-trading	**39,616**	32,252	**126,635**	142,972	177,752
Proceeds from redemption of available-for-sale bonds and equity securities	**2,045**	13,813	**16,906**	30,029	45,674
Purchase of associates' equity	**(105)**	-	**(134)**	(92)	(168)
Proceeds from disposal of investment in associates	**15**	-	**22**	-	-
Proceeds from sale of loan portfolios	**-**	209	**-**	473	473
Purchase of loan portfolios	**(328)**	-	**(979)**	-	(551)
Purchase of buildings and equipment	**(201)**	(191)	**(653)**	(487)	(737)
Proceeds from disposal of buildings and equipment	**-**	13	**15**	1,016	1,028
Central severance pay fund	**-**	-	**2**	3	4
Net cash (for investment activities) due to investment activities	**(6,072)**	(9,321)	**(53,082)**	4,344	(8,321)
Cash flow from financing activities					
Net change in deposits with banks for an original period of more than three months	**(5,999)**	791	**(1,169)**	(1,806)	(2,733)
Net change in deposits by the public	**(1,096)**	7,140	**22,986**	20,416	50,473
Net change in deposits by the government	**(18)**	(7)	**(65)**	(58)	12
Net change in securities loaned or sold under repurchase agreements	**(3,836)**	3,679	**686**	(1,464)	(2,090)
Proceeds from issue of bonds and subordinated notes	**6,650**	3,898	**17,909**	6,196	7,668
Redemption of bonds and subordinated notes	**(2,468)**	(1,315)	**(4,943)**	(6,555)	(8,008)
Dividend paid to shareholders	**(979)**	(681)	**(2,406)**	(1,881)	(2,569)
Share buyback	**(335)**	(351)	**(817)**	(461)	(682)
Net cash (for financing activities) due to financing activities	**(8,081)**	13,154	**32,181**	14,387	42,071
Increase (decrease) in cash and cash equivalents	**(7,076)**	7,162	**(13,876)**	30,175	48,789
Balance of cash and cash equivalents as of the beginning of the period	**143,038**	125,859	**150,641**	102,471	102,471
Effect of exchange rate fluctuations on cash and cash equivalent balances	**(1,223)**	(440)	**(2,026)**	(65)	(619)
Balance of cash and cash equivalents as of the end of the period	**134,739**	132,581	**134,739**	132,581	150,641

a) Including current activities from purchase of discounted receivables.

The notes to the condensed consolidated financial statements constitute an integral part thereof.

BANK LEUMI LE-ISRAEL B.M. AND ITS CONSOLIDATED COMPANIES

Condensed Consolidated Statement on Cash Flows(cont.)

For the period ended September 30, 2025

Interest and taxes paid and/or received and dividends received

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2025	2024	**2025**	2024	2024
	Unaudited				Audited
	In NIS million				
Interest received	**9,436**	8,248	**27,651**	24,259	32,671
Interest paid	**(5,396)**	(4,992)	**(15,170)**	(15,076)	(20,779)
Dividends received	**66**	74	**254**	211	276
Income tax paid	**(2,270)**	(2,106)	**(5,990)**	(4,816)	(5,814)
Income tax received	**6**	705	**167**	729	731

Appendix A - Non-Cash Investments and Financing Activities in the Reporting Period

For the nine months ended September 30, 2025

On March 31 part of the investment in an associate company had been sold vis-a-vis accounts receivable balance in the sum if NIS 4 million.

On September 30, the merger transaction between Leumi Partners Underwriters Ltd. with Barak Capital Underwriting Ltd. had been completed.
For further information, please see Note 17.C.

Note 1 – Significant Accounting Policies

A. Basis of Preparation of the Financial Statements

1. Reporting principles

The condensed consolidated interim financial statements as at September 30, 2025 have been prepared in accordance with directives of the Banking Supervision Department. These directives basically adopt the US GAAP.

The accepted accounting principles in the United States – accounting principles that US banks traded in the United States are required to apply.

These principles are set by the banking supervision agencies in the USA, the Securities and Exchange Commission, the Financial Accounting Standards Board and other entities in the USA. The principles are implemented according to the hierarchy established in FAS 168 (ASC 105-10), Codification of the accounting standards of the Financial Accounting Standards Board in the USA and the hierarchy of generally accepted accounting principles.

Additionally, according to the Banking Supervision Department's directives, notwithstanding the hierarchy prescribed by FAS 168, it had been clarified that any position published by the US banking regulators or by their teams regarding the manner of implementation of the US GAAP, constitutes part of US GAAP.

The accounting principles that were implemented in preparing financial statements for interim periods are consistent with the principles that served for preparing the audited financial statements as of December 31, 2024, except for that stated in section B below. Financial statements for such interim periods do not include all the required information in full annual financial statements, and these statements should be reviewed along with the annual financial statements as of December 31, 2024 and the Notes attached therewith (hereinafter: the Financial Statements).

The condensed consolidated interim financial statements were approved by the Bank's Board of Directors on November 17, 2025.

2. Use of estimates

Preparing the condensed consolidated interim financial statements in accordance with the said directives and guidance requires management to exercise judgment, and to use estimates, assessments and assumptions, which affect the reported amounts of assets and liabilities as well as the reported amounts. It is clarified that the actual results may differ from those estimates.

When developing accounting estimates used in the preparation of the Bank's financial statements, the Bank's management is required to make assumptions regarding circumstances and events involving significant uncertainty. In exercising its judgment to determine the accounting estimates, the Bank's management relies on past experience, facts, various representations, analyses and reviews, external factors and reasonable assumptions, in accordance with each estimate's particular circumstances. The lack of certainty reflected by the economy and other environmental conditions had been significantly refined and therefore assessments and estimates may be updated according to the developments of conditions and circumstances as well as changes in the economy.

The policies the Bank implements in use of assessments and estimates, as a rule, is consistent with that used in the annual financial statements as of December 31, 2024, except for that specified in section B below. The underlying estimates and assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which the estimates were adjusted and for any future affected period.

3. From time to time, the Bank makes immaterial adjustments to classifications in the comparative figures in order to adjust them to the classification in the current financial statements for comparability. These classifications do not have an effect on the results of operations.

First-Time Application of New Accounting Standards, Accounting Standard Revisions, and New Directives Issued by the Banking Supervision Department

On November 27, 2023, the FASB published ASU 2023-07, regarding improvements of disclosure requirements regarding reportable operating segments. The directives of the Update had been applied commencing the financial statements as at December 31, 2024 as well as commencing the interim periods in 2025.

On October 8, 2024, the Banking Supervision Department published a circular concerning disclosure of interest risk and disclosure of liquidity and financing risk. The directives of the Circular had been applied commencing the financial statements as at December 31, 2024 as well as commencing the interim periods in 2025. For more information, please see Note 1.24. to the financial statements as at December 31, 2024.

Note 2 - Interest Income and Expenses

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	**2025**	2024
	Unaudited			
	In NIS million			
A. Interest income[(a)]				
From loans to the public	**7,764**	7,332	**21,787**	20,520
From loans to governments	**24**	22	**66**	57
From deposits with the Bank of Israel and cash	**1,057**	1,014	**3,079**	3,234
From deposits with banks	**167**	199	**499**	467
From securities borrowed or purchased under reverse repurchase agreements	**61**	45	**143**	99
From bonds[(b)]	**1,557**	1,354	**4,320**	4,208
Total interest income	**10,630**	9,966	**29,894**	28,585
B. Interest expenses[(a)]				
For deposits by the public	**(5,178)**	(4,608)	**(14,478)**	(13,856)
For deposits by governments	**-[(d)]**	(1)	**(1)**	(2)
For deposits by banks	**(84)**	(78)	**(209)**	(215)
For deposits by the Bank of Israel	**(24)**	(22)	**(69)**	(66)
For securities loaned or sold under repurchase agreements	**(176)**	(198)	**(524)**	(488)
For bonds, promissory notes and subordinated notes	**(697)**	(514)	**(1,585)**	(1,268)
Total interest expenses	**(6,159)**	(5,421)	**(16,866)**	(15,895)
Total interest income, net	**4,471**	4,545	**13,028**	12,690
C. Details on the net effect of hedging derivatives[(c)]				
Interest income	**19**	41	**67**	137
Interest expenses	**(16)**	(11)	**(45)**	(19)
D. Details on interest income from bonds, on accrual basis				
Held-to-maturity	**157**	168	**504**	469
Available-for-sale	**1,290**	1,090	**3,467**	3,431
Held-for-trading	**110**	96	**349**	308
Total included in interest income	**1,557**	1,354	**4,320**	4,208

a) Including the effect of hedge relationships.
b) Including interest in respect of mortgage-backed bonds (MBS) in the amount of approx. NIS 144 million and approx. NIS 474 million for the three and nine month periods ended September 30, 2025 (NIS 263 million and NIS 575 million for the three and nine month periods ended September 30, 2024, respectively).
c) Specification of the effect of hedging derivatives on subsections a and b.
d) Sums lower than NIS 1 million.

Note 3A - Noninterest Finance Income

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	**2025**	2024
	Unaudited			
	In NIS million			
A. Non-interest financing income due to activities that are not for trade objectives				
A.1. From derivative activities[(a)]				
(Expenses) income in respect of derivative instruments, net[(b)]	**(319)**	(1,272)	**(4,047)**	1,154
Total from derivatives activity	**(319)**	(1,272)	**(4,047)**	1,154
A.2. From investment in bonds				
Gains due to the sale of available-for-sale bonds[(h)]	**80**	43	**180**	139
Losses on sale of available-for-sale bonds[(h)]	**(101)**	(159)	**(475)**	(434)
Provision for impairment of available-for-sale bonds[(h)]	**-**	(14)	**(6)**	(14)
Total from investment in bonds	**(21)**	(130)	**(301)**	(309)
A.3. Exchange rate differentials, net	**383**	1,100	**4,505**	(623)
A.4. Gains (losses) on investment in shares				
Gains on sale of equity securities not held for trading	**89**	35	**308**	364
Provision for impairment for equity securities not held for trading	**(28)**	(34)	**(96)**	(69)
(Losses) Gains on sale of equity securities not held for trading	**(10)**	1	**(86)**	(4)
Dividend from not held-for-trading equity securities	**28**	36	**121**	87
Unrealized gains, net, of shares not held-for-trading[(g)]	**87**	53	**96**	103
Gain on the sale of investees' shares	**95**	-	**100**	-
Total from investment in equity securities	**261**	91	**443**	481
Total financing income (expenses) that are not from interest due to activities that are not for trade	**304**	(211)	**600**	703
B. Noninterest financing income (expenses) not due to activities for trade purposes				
Income in respect of held-for-trading derivatives, net	**160**	121	**589**	393
Realized and unrealized (losses) gains from fair value adjustments of held-for-trading bonds, net[(c)(f)]	**(5)[(e)]**	43	**(34)**	34
Realized and unrealized gains from fair value adjustments of held-for-trading equity securities, net [(d)(f)]	**41**	1	**46**	4
Dividend from held-for-trading shares	**-**	-	**2**	-
Total from trading activities[(E)]	**196**	165	**603**	431
Specification of noninterest financing income (expenses) not due to activities for trade purposes, according to risk exposure				
Interest rate exposure	**9**	(155)	**87**	(87)
Foreign exchange exposure	**181**	291	**453**	449
Equity exposure	**6**	29	**62**	69
Exposure to commodities and other contracts	**-**	-	**1**	-
Total	**196**	165	**603**	431
Total noninterest finance income (expenses)	**500**	(46)	**1,203**	1,134

Please see comments on the next page.

Note 3A - Noninterest Finance Income (cont.)

Comments:

a) Excluding the effect of hedge relationships.

b) Derivatives which constitute part of the Bank's assets and liabilities management system that are not designated for hedging purposes.

c) Of which part of the gains in the amount of approx. NIS 11 million and approx. NIS 43 million for the three and nine month periods ended September 30, 2025, respectively, related to held-for-trading bonds still held as of the balance-sheet date (losses in the amount of approx. NIS 19 million and approx. NIS 16 million, for the three and nine month periods ended September 30, 2024, respectively).

d) Of which part of the gains in the amount of approx. NIS 43 million and approx. NIS 48 million in three and six month periods ended September 30, 2025, respectively, related to held-for-trading shares still held as of the balance sheet date (there were no gains or losses related to held-for-trading shares still held as of the balance sheet date in the three and six month periods ended September 30, 2024. Losses in the amount of approx. NIS 2 million for the nine month period ended September 30 2024, related to held-for-trading shares still held as of the balance sheet date).

e) For interest income from investments in held-for-trading bonds, please see Note 2.

f) Including exchange rate differentials from trading activities.

g) Including gains and losses from fair value measurement of equity securities for which there is available fair value as well as upward or downward adjustments of equity securities for which there is no available fair value.

h) Reclassification of other accumulating gains.

Note 3B – Profit per ordinary share

A. Basic Earnings Per Share

The Bank's net profit per share is calculated by dividing the gain attributed to the Bank's ordinary shareholders by the weighted average of the number of the Bank's outstanding ordinary shares, as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	**2025**	2024
	Unaudited			
Basic earnings				
Net income attributable to the Bank's shareholders (in NIS million)	**2,700**	2,293	**7,713**	7,347
Weighted average of the number of shares (in thousands of shares)				
Balance as at beginning of period[(a)]	**1,494,578**	1,519,387	**1,503,528**	1,522,856
Weighted effect of issuance of shares	**106**	1	**204**	–
Weighted effect for share buyback	**(2,255)**	(5,402)	**(6,332)**	(3,193)
Weighted average of number of shares	**1,492,429**	1,513,986	**1,497,400**	1,519,663
Basic net earnings per share (in NIS)	**1.81**	1.51	**5.15**	4.83

a) less buyback of shares.

B. Diluted Earnings Per Share

The calculated diluted earnings per share is divided by the weighted average of the number of the Bank's outstanding ordinary shares, after adjustment for all the potentially dilutive ordinary shares, as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	**2025**	2024
	Unaudited			
Diluted earnings				
Net income attributable to the Bank's shareholders (in NIS million)	**2,700**	2,293	**7,713**	7,347
Weighted average of the number of shares (in thousands of shares)				
Weighted average of the number of ordinary shares used to calculate basic profit per share	**1,492,429**	1,513,986	**1,497,400**	1,519,663
Weighted effect of issuance of options to employees	**2,098**	349	**1,852**	323
Weighted average of the number of shares, fully diluted	**1,494,527**	1,514,335	**1,499,252**	1,519,986
Diluted net earnings per share (in NIS)	**1.81**	1.51	**5.14**	4.83

C. Share Capital

As at September 30, 2025, the Bank's issued and paid up share capital less the Bank's share buyback plan during 2018 through 2020 and 2023 through 2025 is 1,489,459,989 ordinary shares of NIS 1 p.v. each.

D. Buyback after the financial statements date

From October 1, 2025 to October 21, 2025, the Bank performed a buyback of 1,049,131 shares of NIS 1 p.v. each of the Bank's issued share capital.

For further information regarding the Banking Supervision Department's approval for the buyback, please see Note 9A.

Note 4 - Other total cumulative gain (loss)

A. Changes in Accumulated Other Comprehensive Income (Loss) After Tax Effect

1. Changes in other accumulating comprehensive gain (loss) for the three month periods ended September 30, 2025 and 2024 (unaudited)

	Other comprehensive income (loss) before attribution to non-controlling interests							
	Adjustments in respect of presentation of available-for-sale bonds at fair value	Net gains (losses) for cash flow hedges	Impact of changes in the credit risk of the liabilities	Other comprehensive (loss) income of equity-accounted investees[(a)]	Adjustments in respect of employee benefits[(b)]	Total	Other comprehensive income (loss) attributable to non-controlling interests[(c)]	Other comprehensive income (loss) attributable to the Bank's shareholders
	In NIS million							
Balance as at June 30, 2024	(2,219)	(1)	–	15	(250)	(2,455)	–	(2,455)
Net change during the period	739	–	2	33	(213)	561	–	561
Balance as at September 30, 2024	(1,480)	(1)	2	48	(463)	(1,894)	–	(1,894)
Balance as at June 30, 2025	(728)	2	(4)	20	(554)	(1,264)	–	(1,264)
Net change during the period	**229**	**–**	**4**	**(12)**	**(100)**	**121**	**–**	**121**
Balance as at September 30, 2025	**(499)**	**2**	**–**	**8**	**(654)**	**(1,143)**	**–**	**(1,143)**

2. Changes in other comprehensive cumulative gain (loss) for the nine-month periods ended September 30, 2025 and 2024 (unaudited)

	Other comprehensive income (loss) before attribution to non-controlling interests							
	Adjustments in respect of presentation of available-for-sale bonds at fair value	Net gains (losses) for cash flow hedges	Impact of changes in the credit risk of the liabilities	Other comprehensive (loss) income of equity-accounted investees[(a)]	Adjustments in respect of employee benefits[(b)]	Total	Other comprehensive income (loss) attributable to non-controlling interests[(c)]	Other comprehensive income (loss) attributable to the Bank's shareholders
	In NIS million							
Balance as at December 31, 2023 (audited)	(1,517)	1	–	16	(1,147)	(2,647)	–	(2,647)
Net change during the period	37	(2)	2	32	684	753	–	753
Balance as at September 30, 2024	(1,480)	(1)	2	48	(463)	(1,894)	–	(1,894)
Balance as at December 31, 2024 (audited)	(1,334)	–	2	36	(740)	(2,036)	–	(2,036)
Net change during the period	**835**	**2**	**(2)**	**(28)**	**86**	**893**	**–**	**893**
Balance as at September 30, 2025	**(499)**	**2**	**–**	**8**	**(654)**	**(1,143)**	**–**	**(1,143)**

Please see comments on the next page.

Note 4 - Accumulated Other Comprehensive Income (Loss) (cont.)

A. Changes in accumulated other comprehensive income (loss) after tax effect (cont.)

3. Other cumulative comprehensive changes in profit (loss) for the year ended December 31, 2024 (audited)

	Other comprehensive income (loss) before attribution to non-controlling interests							
	Adjustments in respect of presentation of available-for-sale bonds at fair value	Net gains (losses) for cash flow hedges	Impact of changes in the credit risk of the liabilities	Other comprehensive (loss) income of equity-accounted investees[(a)]	Adjustments in respect of employee benefits[(b)]	Total	Other comprehensive income (loss) attributable to non-controlling interests[(c)]	Other comprehensive income (loss) attributable to the Bank's shareholders
	In NIS million							
Balance as at December 31, 2023	(1,517)	1	–	16	(1,147)	(2,647)	–	(2,647)
Net change during the year	183	(1)	2	20	407	611	–	611
Balance as at December 31, 2024	(1,334)	–	2	36	(740)	(2,036)	–	(2,036)

a) Including adjustment due to translation of financial statements of foreign operations whose functional currency is different from the Bank's functional currency, as well as net gain (losses) due to net investment hedging in foreign currency.
b) Adjustments due to employee benefits are net of adjustments due to plan assets.
c) Sums lower than NIS 1 million.

Note 4 - Accumulated Other Comprehensive Income (Loss) (cont.)

B. Changes in accumulated other comprehensive income (loss) components, before and after tax effect

	For the three months ended September 30 (unaudited)					
	2025			2024		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
	In NIS million					
Changes in other comprehensive income (loss) components before attribution to non-controlling interests:						
Adjustments in respect of presentation of available-for-sale bonds at fair value:						
Net unrealized gains from fair value adjustments	**358**	**(142)**	**216**	1,070	(411)	659
Net losses in respect of available-for-sale bonds reclassified to the income statement[(a)]	**21**	**(8)**	**13**	130	(50)	80
Net change during the period	**379**	**(150)**	**229**	1,200	(461)	739
Cash flow hedges						
Net gains for cash flow hedges[(f)]	**-**	**-**	**-**	-	-	-
Net change during the period	**-**	**-**	**-**	-	-	-
Non-performing credit risk						
Impact of changes in the credit risk of the liabilities	**6**	**(2)**	**4**	3	(1)	2
Net change during the period	**6**	**(2)**	**4**	3	(1)	2
Equity-accounted investees						
Other comprehensive gain (loss) due to equity-accounted investees[(b)]	**(49)**	**16**	**(33)**	20	-	20
Hedges[(c)]	**34**	**(13)**	**21**	22	(9)	13
Net change during the period	**(15)**	**3**	**(12)**	42	(9)	33
Employee benefits:[(d)]						
Net actuarial loss	**(184)[(g)]**	**61**	**(123)**	(341)[(g)]	119	(222)
Net losses reclassified to the income statement[(e)]	**32**	**(9)**	**23**	14	(5)	9
Net change during the period	**(152)**	**52**	**(100)**	(327)	114	(213)
Total net change during the year	**218**	**(97)**	**121**	918	(357)	561
Less changes in other comprehensive profit components attributable to non-controlling right holders						
Total change during the period, net[(f)]	**-**	**-**	**-**	-	-	-
Changes in other comprehensive income attributable to the Bank's shareholders						
Total net change during the period	**218**	**(97)**	**121**	918	(357)	561

a) The before-tax amount is reported in the income statement under the noninterest finance income line item. Please see Note 3A.
b) Including translation adjustments of financial statements of foreign operations whose functional currency is different from the Bank's functional currency.
c) Net gains (losses) for hedging a net investment in foreign currency.
d) Adjustments for employee benefits are net of adjustments for plan assets.
e) The pre-tax amount is reported in the profit and loss statement under the Section "Other Expenses". For additional information, please see Note 8.B.
f) Sums lower than NIS 1 million.
g) For additional information regarding the net actuarial gain (loss) amount, please see Note 8.B.

Note 4 - Accumulated Other Comprehensive Income (Loss) (cont.)

B. Changes in accumulated other comprehensive income (loss) components, before and after tax effect (cont.)

	For the nine months ended September 30 (unaudited)					
	2025			2024		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
	In NIS million					
Changes in other comprehensive income (loss) components before attribution to non-controlling interests:						
Adjustments in respect of presentation of available-for-sale bonds at fair value:						
Net unrealized gains (losses) due to fair value adjustments	1,073	(421)	652	(244)	90	(154)
Net losses in respect of available-for-sale bonds reclassified to the income statement[a]	301	(118)	183	309	(118)	191
Net change during the period	1,374	(539)	835	65	(28)	37
Cash flow hedges						
Net gains (losses) for cash flow hedges	3	(1)	2	(3)	1	(2)
Net change during the period	3	(1)	2	(3)	1	(2)
Non-performing credit risk						
Impact of changes in the credit risk of the liabilities	(4)	2	(2)	3	(1)	2
Net change during the period	(4)	2	(2)	3	(1)	2
Equity-accounted investees						
Other comprehensive gain (loss) due to equity-accounted investees[b]	(199)	68	(131)	102	(32)	70
Hedges[c]	169	(66)	103	(61)	23	(38)
Net change during the period	(30)	2	(28)	41	(9)	32
Employee benefits:[d]						
Net actuarial gain	34[g]	(10)	24	907[g]	(296)	611
Net losses reclassified to the income statement[e]	89	(27)	62	117	(44)	73
Net change during the period	123	(37)	86	1,024	(340)	684
Total net change during the year	1,466	(573)	893	1,130	(377)	753
Less changes in other comprehensive profit components attributable to non-controlling right holders						
Total change during the period, net[f]	-	-	-	-	-	-
Changes in other comprehensive income attributable to the Bank's shareholders						
Total net change during the period	1,466	(573)	893	1,130	(377)	753

a) The before-tax amount is reported in the income statement under the noninterest finance income line item. Please see Note 3A.
b) Including translation adjustments of financial statements of foreign operations whose functional currency is different from the Bank's functional currency.
c) Net gains (losses) for hedging a net investment in foreign currency.
d) The adjustments for employee benefits are net of adjustments for plan assets.
e) The pre-tax amount is reported in the profit and loss statement under the Section "Other Expenses". For further details, please see Note8.B.
f) Sums lower than NIS 1 million.
g) For additional information regarding the net actuarial gain amount, please see Note 8.B.

Note 4 - Accumulated Other Comprehensive Income (Loss) (cont.)

B. Changes in accumulated other comprehensive income (loss) components, before and after tax effect (cont.)

	For the year ended December 31, 2024 (audited)		
	Before tax	Tax effect	After tax
	In NIS million		
Changes in other comprehensive income (loss) components before attribution to non-controlling interests:			
Adjustments in respect of presentation of available-for-sale bonds at fair value:			
Net unrealized losses due to fair value adjustments	(167)	62	(105)
Net losses in respect of available-for-sale bonds reclassified for the profit and loss statement[a]	465	(177)	288
Net change during the year	298	(115)	183
Cash flow hedges			
Net losses due to cash flow hedges	(2)	1	(1)
Net change during the year	(2)	1	(1)
Liability Credit Risk			
Impact of changes in the credit risk of the liabilities	3	(1)	2
Net change during the year	3	(1)	2
Equity-accounted investees			
Other comprehensive income of equity-accounted investees[b]	31	(10)	21
Hedges[c]	(34)	13	(21)
Net gains reclassified to the income statement	31	(11)	20
Net change during the year	28	(8)	20
Employee benefits:[d]			
Net actuarial gain	462[g]	(152)	310
Net losses reclassified to the profit and loss statement[e]	144	(47)	97
Net change during the year	606	(199)	407
Total change during the year, net	933	(322)	611
Less changes in other comprehensive profit components attributable to non-controlling right holders			
Total change during the year, net[f]	-	-	-
Changes in other comprehensive income (loss) attributable to the Bank's shareholders			
Total change during the year, net	933	(322)	611

a) The before-tax amount is reported in the income statement under the noninterest finance income line item. Please see Note 3A.
b) Including translation adjustments of financial statements of foreign operations whose functional currency is different from the Bank's functional currency.
c) Net gains (losses) for hedging a net investment in foreign currency.
d) The adjustments for employee benefits are net of adjustments for plan assets.
e) The pre-tax amount is reported in the profit and loss statement under the Section "Other Expenses Due to Employee Benefits". For additional information, please see Note 8.B.
f) Sums lower than NIS 1 million.
g) For additional information regarding the net actuarial gain amount, please see Note 8.B.

Note 5 - Securities

	As of September 30, 2025 (unaudited)					
	Balance sheet value	Amortized cost	Balance of loan loss provision	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value[(a)]
	In NIS million					
1. Held-to-maturity bonds:						
Of the Israeli Government	11,664	11,664	–	90	(492)	11,262
Of foreign financial institutions	907	907	–	2	(4)	905
Asset-backed (ABS) or Mortgage-backed (MBS)	5,095	5,095	1	33	(336)	4,793
Of other foreign entities	278	278	–	–	(4)	274
Total held-to-maturity bonds[(e)]	17,944	17,944	1	125	(836)	17,234

	As of September 30, 2025 (unaudited)					
				Accumulated Other Comprehensive Income (Loss)		
	Balance sheet value	Amortized cost	Balance of loan loss provision	Gains	Losses	Fair value[(a)]
	In NIS million					
2. Available-for-sale bonds:						
Of the Israeli Government	67,010	67,890	–	396	(1,276)	67,010
Of foreign governments	16,321	16,298	–	27	(4)	16,321
Of Israeli financial institutions	244	243	–	3	(2)	244
Of foreign financial institutions	7,608	7,514	–	131	(37)	7,608
Asset-backed (ABS) or Mortgage-backed (MBS)	10,933	11,314	–	64	(445)	10,933
Of other Israeli entities	966	952	–	27	(13)	966
Of other foreign entities	3,579	3,534	–	78	(33)	3,579
Total available-for-sale bonds [(e)]	106,661	107,745	–	726[(c)]	(1,810)[(c)]	106,661

Please see Notes on page 144.

Note 5 - Securities (cont.)

	As of September 30, 2025 (unaudited)					
	Balance sheet value	Amortized cost (in equity securities - cost)	Balance of loan loss provision	Unrealized gains from fair value adjustments	Unrealized losses due to fair value adjustments[a]	Fair value[a]
	In NIS million					
3. Investment in not held-for-trading equity securities and mutual funds:						
Equity securities and mutual funds	6,792	6,652	-	567	(427)	6,792
Of which: equity securities and mutual funds for which there is no available fair value[b]	4,237	4,550	-	87	(400)	4,237
Total shares and mutual funds that are not held for-trading	6,792	6,652	-	567[d]	(427)[d]	6,792
Total securities that are not held-for-trading	131,397	132,341	1	1,418	(3,073)	130,687

	As of September 30, 2025 (unaudited)					
	Balance sheet value	Amortized cost (in equity securities - cost)	Balance of loan loss provision	Unrealized gains from fair value adjustments	Unrealized losses due to fair value adjustments[a]	Fair value[a]
	In NIS million					
4. Held-for-trading securities: bonds -						
Of the Israeli Government	8,695	8,646	-	49	-	8,695
Of Israeli financial institutions	58	58	-	-	-	58
Of foreign financial institutions	68	67	-	1	-	68
Asset-backed (ABS) or Mortgage-backed (MBS)	42	43	-	-	(1)	42
Of other Israeli entities	138	137	-	1	-	138
Of other foreign entities	51	50	-	1	-	51
Total held-for-trading bonds	9,052	9,001	-	52	(1)	9,052
Held-for-trading equity securities and mutual funds	631	583	-	48	-	631
Total held-for-trading securities[f]	9,683	9,584	-	100[d]	(1)[d]	9,683
Total securities	141,080	141,925	1	1,518	(3,074)	140,370

Please see Notes on page 144.

Note 5 - Securities (cont.)

	As of September 30, 2024 (unaudited)					
	Balance sheet value	Amortized cost	Balance of loan loss provision	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value(a)
	In NIS million					
1. Held-to-maturity bonds:						
Of the Israeli Government	11,021	11,021	-	17	(840)	10,198
Of foreign financial institutions	1,475	1,475	-	3	(18)	1,460
Asset-backed (ABS) or Mortgage-backed (MBS)	6,197	6,198	1	46	(363)	5,881
Of other foreign entities	343	344	1	-	(6)	338
Total held-to-maturity bonds(e)	19,036	19,038	2	66	(1,227)	17,877

	As of September 30, 2024 (unaudited)					
				Accumulated Other Comprehensive Income (Loss)		
	Balance sheet value	Amortized cost	Balance of loan loss provision	Gains	Losses	Fair value(a)
	In NIS million					
2. Available-for-sale bonds:						
Of the Israeli Government	44,196	46,469	-	154	(2,427)	44,196
Of foreign governments	17,576	17,532	-	82	(38)	17,576
Of Israeli financial institutions	190	194	-	-	(4)	190
Of foreign financial institutions	8,508	8,470	-	138	(100)	8,508
Asset-backed (ABS) or Mortgage-backed (MBS)	11,481	11,910	-	67	(496)	11,481
Of other Israeli entities	1,013	1,044	-	12	(43)	1,013
Of other foreign entities	4,792	4,848	-	88	(144)	4,792
Total available-for-sale bonds (e)	87,756	90,467	-	541(c)	(3,252)(c)	87,756

Please see Notes on page 144.

Note 5 - Securities (cont.)

	As of September 30, 2024 (unaudited)					
	Balance sheet value	Amortized cost (in equity securities - cost)	Balance of loan loss provision	Unrealized gains from fair value adjustments	Unrealized losses due to fair value adjustments[(a)]	Fair value[(a)]
	In NIS million					
3. Investment in not held-for-trading equity securities and mutual funds:						
Equity securities and mutual funds	6,021	5,975	-	459	(413)	6,021
Of which: equity securities and mutual funds for which there is no available fair value[(b)]	3,565	3,921	-	47	(403)	3,565
Total shares and mutual funds that are not held for-trading	6,021	5,975	-	459[(d)]	(413)[(d)]	6,021
Total securities that are not held-for-trading	112,813	115,480	2	1,066	(4,892)	111,654

	As of September 30, 2024 (unaudited)					
	Balance sheet value	Amortized cost (in equity securities - cost)	Balance of loan loss provision	Unrealized gains from fair value adjustments	Unrealized losses due to fair value adjustments[(a)]	Fair value[(a)]
	In NIS million					
4. Held-for-trading securities: bonds -						
Of the Israeli Government	7,225	7,223	-	29	(27)	7,225
Of foreign governments	340	329	-	11	-	340
Of Israeli financial institutions	172	181	-	-	(9)	172
Of foreign financial institutions	187	185	-	2	-	187
Asset-backed (ABS) or Mortgage-backed (MBS)	12	14	-	-	(2)	12
Of other Israeli entities	230	233	-	-	(3)	230
Of other foreign entities	296	294	-	3	(1)	296
Total held-for-trading bonds	8,462	8,459	-	45	(42)	8,462
Held-for-trading equity securities and mutual funds	3	3	-	-	-	3
Total held-for-trading securities[(f)]	8,465	8,462	-	45[(d)]	(42)[(d)]	8,465
Total securities	121,278	123,942	2	1,111	(4,934)	120,119

Please see Notes on page 144.

Note 5 - Securities (cont.)

	As of December 31, 2024 (audited)					
	Balance sheet value	Amortized cost	Balance of loan loss provision	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value[(a)]
	In NIS million					
1. Held-to-maturity bonds:						
Of the Israeli Government	10,835	10,835	–	21	(737)	10,119
Of foreign financial institutions	1,460	1,460	–	–	(19)	1,441
Asset-backed (ABS) or Mortgage-backed (MBS)	6,235	6,235	1	4	(493)	5,747
Of other foreign entities	337	337	1	–	(15)	323
Total held-to-maturity bonds[(e)]	18,867	18,867	2	25	(1,264)	17,630

	As of December 31, 2024 (audited)					
	Balance sheet value	Amortized cost	Balance of loan loss provision	Accumulated Other Comprehensive Income (Loss)		Fair value[(a)]
				Gains	Losses	
	In NIS million					
2. Available-for-sale bonds:						
Of the Israeli Government	47,725	49,562	–	151	(1,988)	47,725
Of foreign governments	17,555	17,593	–	23	(61)	17,555
Of Israeli financial institutions	176	178	–	1	(3)	176
Of foreign financial institutions	8,487	8,553	–	58	(124)	8,487
Asset-backed (ABS) or Mortgage-backed (MBS)	11,502	12,090	–	33	(621)	11,502
Of other Israeli entities	1,022	1,018	–	22	(18)	1,022
Of other foreign entities	4,033	4,201	–	19	(187)	4,033
Total available-for-sale bonds [(e)]	90,500	93,195	–	307[(c)]	(3,002)[(c)]	90,500

	As of December 31, 2024 (audited)					
	Balance sheet value	Amortized cost (in equity securities - cost)	Balance of loan loss provision	Unrealized gains from fair value adjustments	Unrealized losses due to fair value adjustments[(a)]	Fair value[(a)]
	In NIS million					
3. Investment in not held-for-trading equity securities and mutual funds:						
Equity securities and mutual funds	7,178	7,028	–	482	(332)	7,178
Of which: equity securities and mutual funds for which there is no available fair value[(b)]	3,999	4,278	–	18	(297)	3,999
Total shares and mutual funds that are not held for-trading	7,178	7,028	–	482[(D)]	(332)[(D)]	7,178
Total securities that are not held-for-trading	116,545	119,090	2	814	(4,598)	115,308

Please see Notes on page 144.

Note 5 - Securities (cont.)

	As of December 31, 2024 (audited)					
	Balance sheet value	Amortized cost (in equity securities - cost)	Balance of loan loss provision	Unrealized gains from fair value adjustments	Unrealized losses due to fair value adjustments[(a)]	Fair value[(a)]
	In NIS million					
4. Held-for-trading securities: bonds -						
Of the Israeli Government	6,825	6,793	-	38	(6)	6,825
Of foreign governments	307	313	-	-	(6)	307
Of Israeli financial institutions	61	63	-	-	(2)	61
Of foreign financial institutions	132	131	-	1	-	132
Asset-backed (ABS) or Mortgage-backed (MBS)	12	13	-	-	(1)	12
Of other Israeli entities	137	136	-	2	(1)	137
Of other foreign entities	71	72	-	-	(1)	71
Total held-for-trading bonds	7,545	7,521	-	41	(17)	7,545
Held-for-trading equity securities and mutual funds	11	11	-	-	-	11
Total held-for-trading securities[(f)]	7,556	7,532	-	41[(d)]	(17)[(d)]	7,556
Total securities	124,101	126,622	2	855	(4,615)	122,864

Comments:

a) In most cases, fair value inputs are based on quoted share prices, which do not necessarily reflect the price that can be obtained from selling large blocks of securities.

b) Shares 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. In the first nine months of 2025, upward adjustments were made, in the sum of approx. NIS 69 million, and the total cumulative upward adjustments amounted to approx. NIS 87 million. Additionally, in the first nine months of 2025 downward adjustments and amortizations were made in the amount of approx. NIS 96 million, the cumulative downward adjustments and amortizations totaled at the sum of approx. NIS 400 million.

c) Included in equity under the "Adjustments in respect of the presentation of available-for-sale bonds at fair value, net" under other comprehensive income, except for securities designated to be hedged at fair value.

d) Carried to the income statement but as yet unrealized.

e) An amount of NIS 14.2 billion out of total foreign currency securities are rated SSA (Super-nationals, Sovereign and Agencies) (September 30, 2024 - NIS 15.5 billion, December 31, 2024 - NIS 15.5 billion).

f) Of which bonds in the amount of approx. NIS 583 million classified as held-for-trading securities since the Bank chose to measure them according to the fair value alternative, although they were not acquired for trading purposes (as at September 30, 2024 - NIS 1,539 million; as at December 31, 2024 - NIS 1,224 million).

General comments:

Loaned securities in the amount of NIS 2,445 million (September 30, 2024 - NIS 1,503 million, December 31, 2024 - NIS 1,163 million) are presented under the Section "Loans to the Public".

Securities that were pledged totaled NIS 13,459 million (as at September 30, 2024 - NIS 15,417 million; as of December 31, 2024 - NIS 13,007 million).

For information on the results of activities of investment in bonds and mutual funds please see Notes 2 and 3A.

The distinction between Israeli and foreign bonds was made according to the issuer's country of residence.

Note 5 - Securities (cont.)

Further details on amortized costs and losses that had not been yet recognized, by duration and impairment rate, of held-to-maturity bonds in a deferred loss position, loss that had not been recognized without a provision for credit losses

	September 30, 2025 (unaudited)							
	Less than 12 Months[(a)]				12 months or more[(b)]			
		Unrealized losses from fair value adjustments				Unrealized losses from fair value adjustments		
	Amortized cost	0-20%[(c)]	20%-40%[(d)]	Total	Amortized cost	0-20%[(c)]	20%-40%[(d)]	Total
	In NIS million							
Bonds								
Of the Israeli Government	-	-	-	-	7,052	348	144	492
Asset-backed (ABS) or Mortgage-backed (MBS)	165	1	-	1	2,400	281	54	335
Of foreign financial institutions	-	-	-	-	769	4	-	4
Of other foreign entities	-	-	-	-	278	4	-	4
Total held-to-maturity bonds	165	1	-	1	10,499	637	198	835

	September 30, 2024 (unaudited)							
	Less than 12 Months[(a)]				12 months or more[(b)]			
		Unrealized losses from fair value adjustments				Unrealized losses from fair value adjustments		
	Amortized cost	0-20%[(c)]	20%-40%[(d)]	Total	Amortized cost	0-20%[(c)]	20%-40%[(d)]	Total
	In NIS million							
Bonds								
Of the Israeli Government	641	1	-	1	9,193	538	301	839
Asset-backed (ABS) or Mortgage-backed (MBS)	165	-[(e)]	-	-	2,810	357	6	363
Of foreign financial institutions	-	-	-	-	1,300	18	-	18
Of other foreign entities	-	-	-	-	343	6	-	6
Total held-to-maturity bonds	806	1	-	1	13,646	919	307	1,226

a) Investments in a continuous unrealized loss position for a period of less than 12 months.
b) Investments in a continuous unrealized loss position for a period of 12 months or more.
c) Investments whose unrealized loss represents up to 20 percent of their amortized cost.
d) Investments whose unrealized loss represents over 20 percent but no more than 40 percent of their amortized cost.
e) Sums lower than NIS 1 million.

Note 5 - Securities (cont.)

Further details on amortized costs and losses that had not been yet recognized, by duration and impairment rate, of held-to-maturity bonds in a deferred loss position, loss that had not been recognized without a provision for credit losses (cont.)

	December 31, 2024 (audited)							
	Less than 12 Months[(a)]				12 months or more[(b)]			
		Unrealized losses from fair value adjustments				Unrealized losses from fair value adjustments		
	Amortized cost	0-[(c)]20%	20%-[(d)]40%	Total	Amortized cost	0-[(c)]20%	20%-[(d)]40%	Total
	In NIS million							
Bonds								
Of the Israeli Government	1,202	27	-	27	8,485	358	352	710
Asset-backed (ABS) or Mortgage-backed (MBS)	2,505	23	-	23	3,316	227	243	470
Of foreign financial institutions	37	1	-	1	1,359	18	-	18
Of other foreign entities	-	-	-	-	338	15	-	15
Total held-to-maturity bonds	3,744	51	-	51	13,498	618	595	1,213

a) Investments in a continuous unrealized loss position for a period of less than 12 months.
b) Investments in a continuous unrealized loss position for a period of 12 months or more.
c) Investments whose unrealized loss represents up to 20 percent of their amortized cost.
d) Investments whose unrealized loss represents over 20 percent but no more than 40 percent of their amortized cost.

Note 5 - Securities (cont.)

Further information on fair value and unrealized losses, by duration and impairment rate of available-for-sale bonds in an unrealized loss position, without a provision for credit loses

	September 30, 2025 (unaudited)							
	Less than 12 Months[a]				12 months or more[b]			
		Unrealized losses				Unrealized losses		
	Fair value	0-[c]20%	20%-[d]40%	Total	Fair value	0-[c]20%	20%-[d]40%	Total
	In NIS million							
Bonds								
Of governments and foreign financial and institutions	19,895	18	-	18	19,605	736	565	1,301
Asset-backed (ABS) or Mortgage-backed (MBS)	1,548	8	-	8	3,368	244	193	437
Of others	344	7	-	7	725	36	3	39
Total available-for-sale bonds	21,787	33	-	33	23,698	1,016	761	1,777

	September 30, 2024 (unaudited)							
	Less than 12 Months[a]				12 months or more[b]			
		Unrealized losses				Unrealized losses		
	Fair value	0-[c]20%	20%-[d]40%	Total	Fair value	0-[c]20%	20%-[d]40%	Total
	In NIS million							
Bonds								
Of governments and foreign financial and institutions	19,949	283	-	283	20,893	1,386	900	2,286
Asset-backed (ABS) or Mortgage-backed (MBS)	817	5	-	5	5,160	354	137	491
Of others	508	31	4	35	2,306	143	9	152
Total available-for-sale bonds	21,274	319	4	323	28,359	1,883	1,046	2,929

a) Investments in a continuous unrealized loss position for a period of less than 12 months.
b) Investments in a continuous unrealized loss position for a period of 12 months or more.
c) Investments whose unrealized loss represents up to 20 percent of their amortized cost.
d) Investments whose unrealized loss represents over 20 percent but no more than 40 percent of their amortized cost.

Note 5 - Securities (cont.)

Further information on fair value and unrealized losses, by duration and impairment rate of available-for-sale bonds in an unrealized loss position, without a provision for credit loses (cont.)

	December 31, 2024 (audited)							
	Less than 12 Months[a]				12 months or more[b]			
		Unrealized losses				Unrealized losses		
	Fair value	0-[c]20%	20%-[d]40%	Total	Fair value	0-[c]20%	20%-[d]40%	Total
	In NIS million							
Bonds								
Of governments and foreign financial and institutions	21,330	276	-	276	20,360	1,124	776	1,900
Asset-backed (ABS) or Mortgage-backed (MBS)	3,098	33	-	33	5,034	236	352	588
Of others	1,477	32	3	35	1,914	142	28	170
Total available-for-sale bonds	25,905	341	3	344	27,308	1,502	1,156	2,658

a) Investments in a continuous unrealized loss position for a period of less than 12 months.
b) Investments in a continuous unrealized loss position for a period of 12 months or more.
c) Investments whose unrealized loss represents up to 20 percent of their amortized cost.
d) Investments whose unrealized loss represents over 20 percent but no more than 40 percent of their amortized cost.

Note 5 - Securities (cont.)

Further information regarding available-for-sale, mortgage-backed and asset-backed bonds in an unrealized loss position

	September 30, 2025 (unaudited)					
	Less than 12 Months[(a)]		12 months or more[(b)]		Total	
	Fair value	Unrealized losses due to fair value adjustments[(a)]	Fair value	Unrealized losses due to fair value adjustments[(a)]	Fair value	Unrealized losses due to fair value adjustments[(a)]
	In NIS million					
Mortgage-backed bonds (MBS)	**389**	**(3)**	**1,354**	**(265)**	**1,743**	**(268)**
Other mortgage-backed bonds (including REMIC, CMO, and STRIPPED MBS)	**190**	**(1)**	**1,125**	**(147)**	**1,315**	**(148)**
Asset-backed bonds (ABS)	**969**	**(4)**	**889**	**(25)**	**1,858**	**(29)**
Total	**1,548**	**(8)**	**3,368**	**(437)**	**4,916**	**(445)**

	September 30, 2024 (unaudited)					
	Less than 12 Months[(a)]		12 months or more[(b)]		Total	
	Fair value	Unrealized losses due to fair value adjustments[(a)]	Fair value	Unrealized losses due to fair value adjustments[(a)]	Fair value	Unrealized losses due to fair value adjustments[(a)]
	In NIS million					
Mortgage-backed bonds (MBS)	87	-	1,727	(297)	1,814	(297)
Other mortgage-backed bonds (including REMIC, CMO, and STRIPPED MBS)	157	(3)	1,511	(169)	1,668	(172)
Asset-backed bonds (ABS)	573	(2)	1,922	(25)	2,495	(27)
Total	817	(5)	5,160	(491)	5,977	(496)

	December 31, 2024 (audited)					
	Less than 12 Months[(a)]		12 months or more[(b)]		Total	
	Fair value	Unrealized losses due to fair value adjustments[(a)]	Fair value	Unrealized losses due to fair value adjustments[(a)]	Fair value	Unrealized losses due to fair value adjustments[(a)]
	In NIS million					
Mortgage-backed bonds (MBS)	1,601	(22)	2,058	(380)	3,659	(402)
Other mortgage-backed bonds (including REMIC, CMO, and STRIPPED MBS)	869	(10)	1,468	(184)	2,337	(194)
Asset-backed bonds (ABS)	628	(1)	1,508	(24)	2,136	(25)
Total	3,098	(33)	5,034	(588)	8,132	(621)

a) Investments in a continuous unrealized loss position for a period of less than 12 months.
b) Investments in a continuous unrealized loss position for a period of 12 months or more.

Note 5 - Securities (cont.)

Further details on Held-to-Maturity Mortgage-Backed and Asset-Backed Bonds

	September 30, 2025 (unaudited)			
	Amortized cost(a)	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value
	In NIS million			
Mortgage-backed bonds (MBS)				
Bonds classified as held-for-redemption through transfer (pass through securities)	3,512	16	(335)	3,193
Of which: GNMA-guaranteed bonds	2,346	13	(194)	2,165
Bonds issued by FNMA and by FHLMC	1,166	3	(141)	1,028
Other mortgage-backed bonds (including REMIC, CMO, and STRIPPED MBS)	1,414	17	(1)	1,430
Of which: bonds issued by FNMA, FHLMC or GNMA, or guaranteed by them	1,414	17	(1)	1,430
Total Mortgage-backed bonds (MBS)	4,926	33	(336)	4,623
Asset-backed bonds (ABS)	170	-	-	170
Of which: Loans to other than individuals - CLO-type bonds	170	-	-	170
Total held-to-maturity mortgage-backed and asset-backed bonds	5,096	33	(336)	4,793

	September 30, 2024 (unaudited)			
	Amortized cost(a)	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value
	In NIS million			
Mortgage-backed bonds (MBS)				
Bonds classified as held-for-redemption through transfer (pass through securities)	4,224	23	(358)	3,889
Of which: GNMA-guaranteed bonds	2,880	18	(205)	2,693
Bonds issued by FNMA and by FHLMC	1,344	5	(153)	1,196
Other mortgage-backed bonds (including REMIC, CMO, and STRIPPED MBS)	1,715	23	(5)	1,733
Of which: bonds issued by FNMA, FHLMC or GNMA, or guaranteed by them	1,715	23	(5)	1,733
Total Mortgage-backed bonds (MBS)	5,939	46	(363)	5,622
Asset-backed bonds (ABS)	259	-	-	259
Of which: Loans to other than individuals - CLO-type bonds	259	-	-	259
Total held-to-maturity mortgage-backed and asset-backed bonds	6,198	46	(363)	5,881

a) including a loan loss provision balance totaling NIS 1 million.

Note 5 - Securities (cont.)

Further details regarding mortgage-backed and asset-backed held-to-maturity bonds (cont.)

	December 31, 2024 (audited)			
	Amortized cost[(a)]	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value
	In NIS million			
Mortgage-backed bonds (MBS)				
Bonds classified as held-for-redemption through transfer (pass through securities)	4,188	2	(472)	3,718
Of which: GNMA-guaranteed bonds	2,815	2	(273)	2,544
Bonds issued by FNMA and by FHLMC	1,373	–	(199)	1,174
Other mortgage-backed bonds (including REMIC, CMO, and STRIPPED MBS)	1,793	2	(21)	1,774
Of which: bonds issued by FNMA, FHLMC or GNMA, or guaranteed by them	1,793	2	(21)	1,774
Total Mortgage-backed bonds (MBS)	5,981	4	(493)	5,492
Asset-backed bonds (ABS)	255	–	–	255
Of which: Loans to other than individuals – CLO-type bonds	255	–	–	255
Total held-to-maturity mortgage-backed and asset-backed bonds	6,236	4	(493)	5,747

a) including a loan loss provision balance totaling NIS 1 million.

Note 5 - Securities (cont.)

More Information on Mortgage-Backed and Asset-Backed Available-for-Sale Bonds

	September 30, 2025 (unaudited)			
		Accumulated other comprehensive income (loss)[a]		
	Amortized cost	Gains	Losses	Fair value
	In NIS million			
Mortgage-backed bonds (MBS)				
Bonds classified as pass-through bonds (pass through securities)	**4,077**	**35**	**(268)**	**3,844**
Of which: GNMA-guaranteed bonds	**2,916**	**22**	**(178)**	**2,760**
Bonds issued by FNMA and by FHLMC	**1,161**	**13**	**(90)**	**1,084**
Other mortgage-backed bonds (including REMIC, CMO, and STRIPPED MBS)	**3,920**	**16**	**(148)**	**3,788**
Of which: bonds issued by FNMA, FHLMC or GNMA, or guaranteed by them	**3,598**	**15**	**(147)**	**3,466**
Total Mortgage-backed bonds (MBS)	**7,997**	**51**	**(416)**	**7,632**
Asset-backed bonds (ABS)	**3,317**	**13**	**(29)**	**3,301**
Of which: Loans to other than individuals - CLO-type bonds	**2,110**	**8**	**(1)**	**2,117**
Credit not designated for individuals - SBA - guaranteed bonds	**801**	**-**	**(25)**	**776**
Total mortgage-backed and asset-backed available-for-sale bonds	**11,314**	**64**	**(445)**	**10,933**

	September 30, 2024 (unaudited)			
		Accumulated other comprehensive income (loss)[a]		
	Amortized cost	Gains	Losses	Fair value
	In NIS million			
Mortgage-backed bonds (MBS)				
Bonds classified as pass-through bonds (pass through securities)	3,647	20	(297)	3,370
Of which: GNMA-guaranteed bonds	2,724	18	(192)	2,550
Bonds issued by FNMA and by FHLMC	923	2	(105)	820
Other mortgage-backed bonds (including REMIC, CMO, and STRIPPED MBS)	3,603	20	(172)	3,451
Of which: bonds issued by FNMA, FHLMC or GNMA, or guaranteed by them	3,219	17	(170)	3,066
Total Mortgage-backed bonds (MBS)	7,250	40	(469)	6,821
Asset-backed bonds (ABS)	4,660	27	(27)	4,660
Of which: Loans to other than individuals - CLO-type bonds	2,996	17	(3)	3,010
Credit not designated for individuals - SBA -guaranteed bonds	1,162	2	(23)	1,141
Total mortgage-backed and asset-backed available-for-sale bonds	11,910	67	(496)	11,481

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

Note 5 - Securities (cont.)

Further information on mortgage-backed and asset-backed available-for-sale bonds (cont.)

	December 31, 2024 (audited)			
		Accumulated other comprehensive income (loss)[(a)]		
	Amortized cost	Gains	Losses	Fair value
	In NIS million			
Mortgage-backed bonds (MBS)				
Bonds classified as pass-through (pass through securities)	4,250	2	(402)	3,850
Of which: GNMA-guaranteed bonds	2,680	2	(262)	2,420
Bonds issued by FNMA and by FHLMC	1,570	-	(140)	1,430
Other mortgage-backed bonds (including REMIC, CMO, and STRIPPED MBS)	3,436	6	(194)	3,248
Of which: bonds issued by FNMA, FHLMC or GNMA, or guaranteed by them	3,049	4	(193)	2,860
Total Mortgage-backed bonds (MBS)	7,686	8	(596)	7,098
Asset-backed bonds (ABS)	4,404	25	(25)	4,404
Of which: Loans to other than individuals - CLO-type bonds	2,882	17	(2)	2,897
Credit not designated for individuals - SBA -guaranteed bonds	1,073	3	(20)	1,056
Total mortgage-backed and asset-backed available-for-sale bonds	12,090	33	(621)	11,502

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

Note 5 - Securities (cont.)

Further details on Mortgage-Backed and Asset-Backed Held-for-Trading Securities

	September 30, 2025 (unaudited)			
	Amortized cost	Unrealized gains due to fair value adjustments[a]	Unrealized losses from fair value adjustments[a]	Fair value
	In NIS million			
Mortgage-backed securities (MBSs)				
Securities classified as pass through (pass-through securities)	33	–	–	33
Of which: GNMA-guaranteed securities	32	–	–	32
Of which: securities issued by FNMA and FHLMC	1	–	–	1
Other mortgage-backed securities (including CMO, REMIC and STRIPPED MBS)	5	–	(1)	4
Of which: Securities issued or guaranteed by FNMA, FHLMC, or GNMA	–	–	–	–
Total mortgage-backed securities (MBS)	38	–	(1)	37
Total asset-backed securities (ABS)	5	–	–	5
Total held-for-trading mortgage-backed and asset-backed securities	43	–	(1)	42

	September 30, 2024 (unaudited)			
	Amortized cost	Unrealized gains due to fair value adjustments[a]	Unrealized losses from fair value adjustments[a]	Fair value
	In NIS million			
Mortgage-backed securities (MBSs)				
Securities classified as pass through (pass-through securities)	1	–	–	1
Of which: Securities issued by FNMA or FHLMC	1	–	–	1
Other mortgage-backed securities (including CMO, REMIC and STRIPPED MBS)	6	–	(1)	5
Of which: Securities issued or guaranteed by FNMA, FHLMC, or GNMA	–	–	–	–
Total mortgage-backed securities (MBS)	7	–	(1)	6
Total asset-backed securities (ABS)	7	–	(1)	6
Total held-for-trading mortgage-backed and asset-backed securities	14	–	(2)	12

a) Gains (losses) carried to the income statement.

Note 5 - Securities (cont.)

Further details on mortgage-backed and asset-backed held-for-trading securities (cont.)

	December 31, 2024 (audited)			
	Amortized cost	Unrealized gains due to fair value adjustments[a]	Unrealized losses from fair value adjustments[a]	Fair value
	In NIS million			
Mortgage-backed securities (MBSs)				
Securities classified as pass through (pass-through securities)	1	–	–	1
Of which: Securities issued by FNMA or FHLMC	1	–	–	1
Other mortgage-backed securities (including CMO, REMIC and STRIPPED MBS)	6	–	(1)	5
Of which: Securities issued or guaranteed by FNMA, FHLMC, or GNMA	–	–	–	–
Total mortgage-backed securities (MBS)	7	–	(1)	6
Total asset-backed securities (ABS)	6	–	–	6
Total held-for-trading mortgage-backed and asset-backed securities	13	–	(1)	12

a) Gains (losses) carried to the income statement.

Note 5 - Securities (cont.)

Movement in outstanding loan loss provision for available-for-sale bonds

	For the nine months ended September 30, 2025 (unaudited)			
	Asset-backed or mortgage-backed governments	and financial and institutions	Of others	Total
	In NIS million			
Balance of loan loss provision as at the beginning of the reporting period	-	-	-	-
Outstanding loan loss provision as at the end of the reporting period	-	-	-	-

	For the nine months ended September 30, 2024 (unaudited)			
	Asset-backed or mortgage-backed governments	and financial and institutions	Of others	Total
	In NIS million			
Balance of loan loss provision as at the beginning of the reporting period	-	-	-	-
Outstanding loan loss provision as at the end of the reporting period	-	-	-	-

	For the year ended December 31, 2024 (audited)			
	Asset-backed or mortgage-backed governments	and financial and institutions	Of others	Total
	In NIS million			
Balance of loan loss provision as at the beginning of the year	-	-	-	-
Balance of loan loss provision as at year end	-	-	-	-

Note 6 - Credit Risk, Loans to the Public and a Provision for Loan Losses

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

	September 30, 2025 (unaudited)					
	Loans to the public					
	Commercial	Housing	Private individuals - Other	Total - public	Banks, governments and bonds	Total
	In NIS million					
Recorded outstanding debt:						
Examined on a specific basis	299,108	-	184	299,292	147,497	446,789
Examined on a collective basis	20,614	151,769	30,518	202,901	-	202,901
Total[1]	319,722	151,769	30,702	502,193	147,497	649,690
[1]Of which:						
Non-performing debts	1,134	746	169	2,049	-	2,049
Debts in arrears of 90 days or more	143	-	74	217	-	217
Other troubled debts	3,806	21	637	4,464	-	4,464
Total troubled debts	5,083	767	880	6,730	-	6,730
Outstanding loan loss provision in respect of debts:						
Examined on a specific basis	4,182	-	86	4,268	53	4,321
Examined on a collective basis	1,023	670	845	2,538	-	2,538
Total loan loss provision[2]	5,205	670	931	6,806	53	6,859
[2]Of which:						
For non-performing debts	399	112	110	621	-	621
For other troubled debts	789	2	224	1,015	-	1,015

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 6 - Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

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

	September 30, 2024 (unaudited)					
	Loans to the public					
	Commercial	Housing	Private individuals - Other	Total - public	Banks, governments and bonds	Total
	In NIS million					
Recorded outstanding debt:						
Examined on a specific basis	251,715	–	651	252,366	130,646	383,012
Examined on a collective basis	30,861	140,778	29,767	201,406	–	201,406
Total[1]	282,576	140,778	30,418	453,772	130,646	584,418
[1]Of which:						
Non-performing debts	1,602	557	217	2,376	–	2,376
Debts in arrears of 90 days or more	63	–	71	134	–	134
Other troubled debts	3,352	21	665	4,038	–	4,038
Total troubled debts	5,017	578	953	6,548	–	6,548
Outstanding loan loss provision in respect of debts:						
Examined on a specific basis	4,167	–	243	4,410	20	4,430
Examined on a collective basis	1,099	607	705	2,411	–	2,411
Total loan loss provision[2]	5,266	607	948	6,821	20	6,841
[2]Of which:						
For non-performing debts	407	101	142	650	–	650
For other troubled debts	857	3	429	1,289	–	1,289

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 6 - Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

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

	December 31, 2024 (audited)					
	Loans to the public					
	Commercial	Housing	Private individuals - Other	Total - public	Banks, governments and bonds	Total
	In NIS million					
Recorded outstanding debt:						
Examined on a specific basis	257,989	–	653	258,642	130,156	388,798
Examined on a collective basis	29,241	144,633	29,890	203,764	–	203,764
Total[1]	287,230	144,633	30,543	462,406	130,156	592,562
[1]Of which:						
Non-performing debts	1,413	677	205	2,295	–	2,295
Debts in arrears of 90 days or more	91	–	87	178	–	178
Other troubled debts	3,592	23	607	4,222	–	4,222
Total troubled debts	5,096	700	899	6,695	–	6,695
Outstanding loan loss provision in respect of debts:						
Examined on a specific basis	4,247	–	219	4,466	23	4,489
Examined on a collective basis	1,047	640	734	2,421	–	2,421
Total loan loss provision[2]	5,294	640	953	6,887	23	6,910
[2]Of which:						
For non-performing debts	464	109	134	707	–	707
For other troubled debts	829	3	207	1,039	–	1,039

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 6 - Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Change in outstanding loan loss provision

	For the three months ended September 30, 2025 (unaudited)					
	Loan loss provision					
	Loans to the public				Banks, governments and bonds held to maturity	
	Commercial	Housing	Private individuals - Other	Total - public	Available for sale	Total
	In NIS million					
Balance of loan loss provision as at the beginning of the reporting period	6,039	692	1,018	7,749	55	7,804
Loan loss expenses (income)	(15)	-	27	12	20	32
Charge-offs	(117)	(1)	(145)	(263)	-	(263)
Collection of debts written off in previous years	121	-	80	201	-	201
Net charge-offs	4	(1)	(65)	(62)	-	(62)
Balance of the provision for credit losses as at the end of the reporting period[1]	6,028	691	980	7,699	75	7,774
[1]Of which: in respect of off-balance-sheet credit instruments	823	21	49	893	22	915

	For the three months ended September 30, 2024 (unaudited)					
	Loan loss provision					
	Loans to the public				Banks, governments and bonds held to maturity	
	Commercial	Housing	Private individuals - Other	Total - public	Available for sale	Total
	In NIS million					
Balance of loan loss provision as at the beginning of the reporting period	5,852	611	961	7,424	17	7,441
Loan loss expenses	166	14	113	293	19	312
Charge-offs	(99)	(1)	(155)	(255)	-	(255)
Collection of debts written off in previous years	85	-	65	150	-	150
Net charge-offs	(14)	(1)	(90)	(105)	-	(105)
Balance of the provision for credit losses as at the end of the reporting period[1]	6,004	624	984	7,612	36	7,648
[1]Of which: in respect of off-balance-sheet credit instruments	738	17	36	791	16	807

Note 6 – Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Transaction in balance of loan loss provision (cont.)

	For the nine months ended September 30, 2025 (unaudited)					
	Loan loss provision					
	Loans to the public				Banks, governments and bonds held to maturity	
	Commercial	Housing	Private individuals – Other	Total – public	Available for sale	Total
	In NIS million					
Balance of loan loss provision as at the beginning of the reporting period	6,048	669	988	7,705	47	7,752
Loan loss expenses	68	27	187	282	28	310
Charge-offs	(427)	(12)	(446)	(885)	–	(885)
Collection of debts written off in previous years	339	7	251	597	–	597
Net charge-offs	(88)	(5)	(195)	(288)	–	(288)
Balance of the provision for credit losses as at the end of the reporting period[1]	6,028	691	980	7,699	75	7,774
[1]Of which: in respect of off-balance-sheet credit instruments	823	21	49	893	22	915

	For the nine months ended September 30, 2024 (unaudited)					
	Loan loss provision					
	Loans to the public				Banks, governments and bonds held to maturity	
	Commercial	Housing	Private individuals – Other	Total – public	Available for sale	Total
	In NIS million					
Balance of loan loss provision as at the beginning of the reporting period	5,873	634	957	7,464	17	7,481
Loan loss expenses (income)	181	(10)	326	497	19	516
Charge-offs	(477)	(3)	(490)	(970)	–	(970)
Collection of debts written off in previous years	427	3	191	621	–	621
Net charge-offs	(50)	–	(299)	(349)	–	(349)
Balance of the provision for credit losses as at the end of the reporting period[1]	6,004	624	984	7,612	36	7,648
[1]Of which: in respect of off-balance-sheet credit instruments	738	17	36	791	16	807

Note 7 – Public Deposits

A. Types of Deposits by Location and Type of Depositor

	September 30		December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
In Israel			
Demand deposits			
Non-interest bearing deposits	**133,988**	137,446	142,366
Interest-bearing deposits	**118,633**	139,255	142,950
Total demand deposits	**252,621**	276,701	285,316
Fixed deposits	**388,502**	311,604	332,985
Total deposits in Israel[1]	**641,123**	588,305	618,301
Total deposits by the public	**641,123**	588,305	618,301
[1]Of which:			
Deposits by private individuals	**177,912**	176,201	175,583
Deposits by institutional entities	**189,827**	155,313	171,993
Deposits by corporations and others	**273,384**	256,791	270,725

B. Public deposits according to amount

	September 30		December 31
	2025	2024	2024
	Unaudited		Audited
Maximum deposit in NIS million	In NIS million		
Up to 1	**131,785**	132,586	130,770
Over 1 and up to 10	**133,847**	128,975	130,613
Over 10 and up to 100	**101,378**	100,150	106,136
Over 100 and up to 500	**90,384**	68,824	79,544
Over 500	**183,729**	157,770	171,238
Total	**641,123**	588,305	618,301

Note 8 - EmployeesRights

A. Issuance of option warrants

On June 12, 2025, the Bank published an outline for a securities offering to officers (who are not directors) and employees of the Bank and/or the Bank group up to 5,000,000 registered option warrants, that are not listed for trading on the Tel Aviv Stock Exchange Ltd.; the option warrants are exercisable up to 5,000,000 of the Bank's ordinary shares of NIS 1 par value each, according to the Bank's 2022 option plan.

On June 11, 2025 the Board of Directors of the Bank approved an allocation of up to 1,726,781 option warrants to the Bank's employees and/or employees of the Bank's subsidiaries, of which 12 are officers at the Bank (who are not directors), including the Bank's CEO. The allocation to the Bank's CEO is vis-a-vis and on account of the existing cost of his employment by the Bank, and it is subject to the approval of the Bank's General Meeting. On July2, 2025 1,697,535 option warrants were allocated to the Bank's employees and/or employees of the Bank's subsidiaries, of which 11 officers at the Bank (who are not directors). On September 15, 2025, the Bank's General Meeting approved, inter alia, allocation of 29,231 Series 2 option warrants to the Bank's CEO, which were allocated on September 30, 2025 and fully vested upon grant.

The option warrants that were allocated on July 2, 2025 had been divided into 3 different series:

1. Series 1 - 788,793 option warrants. The first portion (in the value at the date of approval of the allocation of 50% of the Series 1 options) will mature two years following the allocation date and expire 24 months following the maturity date, as aforementioned; the second portion (the remaining Series 1 options) will mature three years following the allocation date and expire 24 months following the maturity date, as aforementioned.
2. Series 2 - 464,551 option warrants. All Series 2 options had matured at the date of allocation thereof.
3. Series 3 - 444,191 option warrants. Series 3 options will mature according to the performance targets set out in the outline as aforesaid.

The Series 2 and 3 options replace the salary components of the offerees and may be exercised over the period of 60 months following the date of allocation thereof, however, in the event where upon the expiration of 48 months following the date of the allocation the internal value of the options would be equal or higher than their fair value, the exercisable period will be shortened and options that had not been exercised by this date will be exercised automatically. After the exercise of each tranche period ends, the option warrants for that tranche shall expire (if they have not expired or have not been exercised prior to that in accordance with the provisions of the option plan) and the option warrants shall not be exercisable as from that date.

The option warrants were offered to the offerees free of charge, as part of their terms of employment at the Bank. The exercise price of the option warrants that were allocated on July 2, 2025 and September 30, 2025 stands at NIS 54 per share, according to the average closing price of the Bank's share during the 30 trading days that preceded the date of the Board of Directors' approval of the allocation of the option warrants.

In respect of the issuance of the abovementioned Series 1 option warrants, the Bank records payroll expenses according to the fair value of the option warrants. This expense shall be recorded in the Bank's financial statements over the options' vesting period. Issuance of Series 2 and 3 option warrants concerns a conversion of entitlement to other salary components, as aforesaid, and therefore no additional expense will be recorded in respect of them.

The estimate of the fair value of the option warrants that were offered according to the outline (including the option warrants that had been allocated to the CEO, as of the date of approval of the allocation thereof stands at approx. NIS 21.7 million. The estimate of the fair value of the option warrants had been calculated based on the Monte Carlo model, and all according to the assumptions as included in the outline. The added expense in the report is immaterial.

For further information regarding previous allocations, please see Note 23.A to the financial statements as of December 31, 2024.

The Bank received approval from the Israel Tax Authority to designate the plan as a "plan to allocate options through a trustee", under Section 102 of the Income Tax Ordinance, using the capital gains taxation track.

Note 8 - Employee Rights (cont.)

B. Composition of the benefits

1. Employee benefits

	As of September 30		As of December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Retirement benefits - pension and severance pay			
Liability amount	**16,997**	16,334	16,899
Fair value of plan assets	**9,671**	9,036	9,520
Excess of liability over plan assets	**7,326**	7,298	7,379
Accrued jubilee vacation leave			
Liability amount	**13**	16	16
Excess of liability over plan assets	**13**	16	16
Other benefits			
Liability amount	**470**	482	518
Fair value of plan assets	**-**	-	-
Excess of liability over plan assets	**470**	482	518
Total			
Excess of liability included in the section "other liabilities"[1]	**7,829**	7,814	7,928
Of which: due to employee benefits abroad	**11**	11	11
The surplus of the assets included in the Section "Other Assets"	**20**	18	15

2. Defined benefit plan

A. Obligation and Funding Status

1. Change in the undertaking due to an expected benefit

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	In NIS million				
Undertaking due to an expected benefit as at the beginning of the period	**16,805**	15,981	**16,899**	17,210	17,210
Service cost	**27**	26	**80**	86	112
Interest cost	**207**	230	**638**	663	896
Contributions by planholders	**5**	5	**14**	16	21
Actuarial (profit) loss	**259**	339	**198**	(869)[(a)]	(307)
Changes in foreign exchange rates	**(4)**	6	**(3)**	10	(1)
Paid benefits	**(302)**	(253)	**(829)**	(782)	(1,032)
Undertaking due to an expected benefit as at the end of the reporting period	**16,997**	16,334	**16,997**	16,334	16,899
Undertaking due to a cumulative benefit as at the end of the reporting period	**16,154**	15,559	**16,154**	15,559	16,020

a) The actuarial gain is mainly due to changes in the discount rate.

Note 8 - Employee Rights (cont.)

B. Composition of the Benefits (cont.)

2. Defined benefit plan (cont.)

A. **Obligation and funding status** (cont.)

2. Change in the fair value of the plan assets and the plan's funding status

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2025	2024	**2025**	2024	2024
	Unaudited				Audited
	In NIS million				
Fair value of the plan assets as at the beginning of the period	**9,632**	9,023	**9,520**	9,018	9,018
Actual return on plan assets[(a)]	**215**	128	**612**	397	669
Plan contributions by the Bank	**11**	13	**34**	40	407
Contributions by planholders	**5**	5	**14**	16	21
Changes in foreign exchange rates	**(4)**	4	**(1)**	9	(3)
Paid benefits	**(188)**	(137)	**(508)**	(444)	(592)
Fair value of the plan assets as at the end of the reporting period	**9,671**	9,036	**9,671**	9,036	9,520
Funding status - net liability recognized at the end of the reporting period	**7,326**	7,298	**7,326**	7,298	7,379

a) Including the effect of the transition to a paying fund in respect of the retirees. See Note 22.E to the financial statements as at December 31, 2024.

3. Amounts recognized in the consolidated balance sheet

	As of September 30		As of December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Amounts recognized in the "Other liabilities" item	**7,326**	7,298	7,379
Net liability recognized at the end of the reporting period	**7,326**	7,298	7,379

4. Amounts recognized in accumulated other comprehensive income before the tax effect

	As of September 30		As of December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Net actuarial loss	**1,049**	745	1,142
Closing balance of accumulated other comprehensive income	**1,049**	745	1,142

Note 8 - Employee Rights (cont.)

B. Composition of the Benefits (cont.)

2. Defined benefit plan (cont.)

B. Expenditures for the period

1. Components of the net benefit cost recognized in profit and loss

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2025	2024	**2025**	2024	2024
	Unaudited				Audited
	In NIS million				
Service cost	**27**	26	**80**	86	112
Interest cost	**207**	230	**638**	663	896
Expected return on plan assets	**(139)**	(130)	**(414)**	(392)	(528)
Amortization of unrealized amounts - net actuarial loss	**34**	15	**93**	118	147
Total benefit cost, net	**129**	141	**397**	475	627
Total expense for defined contribution pension plan	**60**	56	**179**	168	224
Total expenses included in profit and loss	**189**	197	**576**	643	851

2. Changes in plan assets and obligation for benefit recognized in other comprehensive income before tax effect

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2025	2024	**2025**	2024	2024
	Unaudited				Audited
	In NIS million				
Net actuarial (profit) loss for period	**183**	341	**-**	(874)	(448)
Amortization of unrealized amounts - net actuarial loss	**(34)**	(15)	**(93)**	(118)	(147)
Total recognized in other comprehensive income	**149**	326	**(93)**	(992)	(595)
Total benefit cost, net	**129**	141	**397**	475	627
The total net benefit cost had been recognized for the period and other comprehensive gain	**278**	467	**304**	(517)	32

Note 8 - Employee Rights (cont.)

B. Composition of the Benefits (cont.)

3. Assumptions[(a)]

a. The assumptions, based on the weighted average, used for calculating the benefit obligation and for measuring the benefit's net cost.

1. The main assumptions used for calculating the benefit obligation

	As of September 30		As of December 31
	2025	2024	2024
	Unaudited		Audited
	In %		
Discount rate	**2.65**	2.94	2.64
Rate of increase in the CPI	**2.18**	2.64	2.49
Departure rate	**0-35.9**	0-36.4	0-35.9
Rate of compensation increase[(b)]	**0-7.09**	0-6.28	0-6.28

2. The main assumptions used for calculating the net benefit cost for the period

	As of September 30		As of December 31
	2025	2024	2024
	Unaudited		Audited
	In %		
Discount rate	**2.77**	2.67	2.74
Expected return on long-term plan assets	**6.00**	6.00	6.00
Rate of compensation increase[(b)]	**0-7.09**	0-6.28	0-6.28

B. The effect of a one percentage point change on the expected benefit obligation before the tax effect

	Increase by one percentage point			Decrease by one percentage point		
	As of September 30		As of December 31	As of September 30		As of December 31
	2025	2024	2024	**2025**	2024	2024
	Unaudited		Audited	Unaudited		Audited
	In NIS million					
Discount rate	**(1,997)**	(1,871)	(2,004)	**2,410**	2,256	2,428
Rate of increase in the CPI	**(311)**	(294)	(334)	**353**	334	381
Departure rate	**195**	208	210	**(132)**	(144)	(143)
Rate of compensation increase	**343**	327	372	**(310)**	(294)	(334)

a) The assumptions are based solely on the Bank's data.
b) In real terms.

The employee benefits liability amount is affected by several key variables, which include market variables (discount rates of the liabilities for various periods) and actuarial variables, with some of the actuarial variables being associated with employee behavior. There may be a correlation between changes in market variables and changes in the behavioral actuarial variables. For example, it is possible that in the event of a sharp increase in interest in the Israeli economy, resulting in an increase in yields from government bonds (which reduces liabilities for pension), the rate of employees opting for the pension track may also decrease (a decision that will also reduce the Bank's liabilities for pension).

Note 8 - Employee Rights (cont.)

B. Composition of the Benefits (cont.)

4. Plan assets

A. Composition of fair value of plan assets

	As of September 30		As of December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Cash and deposits with banks	**203**	113	228
Shares	**1,097**	1,147	1,070
Government bonds	**58**	59	170
Corporate bonds	**497**	394	380
Other[(a)]	**7,816**	7,323	7,672
Total	**9,671**	9,036	9,520

B. Fair value of plan assets by type of asset and allocation target for 2025

	Allocation target	Percentage of plan assets		
	As of December 31	As of September 30		As of December 31
	2025	**2025**	2024	2024
	Unaudited			Audited
	In %			
Cash and deposits with banks	**1**	**2**	1	2
Shares	**11**	**11**	13	11
Government bonds	**1**	**1**	1	2
Corporate bonds	**5**	**5**	4	4
Other[(a)]	**82**	**81**	81	81
Total	**100**	**100**	100	100

a) Mainly assets held in a disbursing fund and insurance policies. See Note 22.E to the financial statements as at December 31, 2024.

Note 8 - Employee Rights (cont.)

B. Composition of the Benefits (cont.)

5. Cash flows

A. Contributions

	Forecast[a]	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2025	**2025**	2024	**2025**	2024	2024
	Unaudited					Audited
	In NIS million					
Contributions	**216**	**16**	18	**48**	56	428

a) Estimate of deposits that the Bank forecasts will be deposited in a defined benefit plan during the period remaining until the end of 2025.

B. Benefits the Bank expects to pay in the future[a]

Year	In NIS million
2025	320
2026	1,092
2027	911
2028	876
2029	848
2030–2034	4,041
2035 onwards	9,953
Total	18,041

a) In discounted values.

Note 9A - Capital

Allocation of option warrants

For details regarding the issuance of option warrants not listed for trading to employees and officers of the Bank, including the Bank's CEO, please see Note 8.A.

Equity Compensation for Directors

On June 30, 2025, the Bank's Board of Directors ratified a material private offering of securities to nine (9) members of the Bank's Board of Directors (who constitute all of the Bank's directors, with the exception of the Chairman of the Board), pursuant to an outline to grant capital benefits ratified by the Bank's general meeting on August 10, 2023.

As part of the material private offering, on July 23, 2025 the Bank allocated to the Offerees 8,343 of its ordinary shares of NIS 1 p.v. each (hereinafter: the "Shares"), for the period from January 1, 2025 until June 30, 2025. The Shares were allocated without any consideration, except for payment for the minimum price per share pursuant to the Stock Exchange's articles, namely 30 agorot per share.

For further information, please see Note 23.A to the financial statements as of December 31, 2024.

The Bank's Share Buyback Plan

The Bank's share buyback plan 2024

On May 27, 2024, the Bank's Board of Directors approved a share buyback plan for a total of up to NIS 1 billion, from May 29, 2024 until May 22, 2025, or until the total buyback amount has been reached, whichever is earlier (herenafter: "the 2024 Share Buyback Plan".

The 2024 Share Buyback Plan had been executed as part of the trading on the Tel Aviv Stock Exchange (TASE) and/or through transactions outside the TASE, in accordance with the safe harbor mechanism published by the Israel Securities Authority in four separate stages, each of which irrevocable, in accordance with the safe harbor mechanism.

The 2024 Share Buyback Plan was fully executed, ending on May 14, 2025, as part of which 25,821,601 Bank shares were purchased, amounting to NIS 1 million under the said plan.

The Bank's share buyback plan 2025

On May 19, 2025, the Bank's Board of Directors approved a share buyback plan in a total not to exceed NIS 1.5 billion, commencing May 21, 2025 up to May 7, 2026 or until the total buyback amount has been reached, the earlier of the two.

The share buyback plan will be executed as part of the trading on the Tel Aviv Stock Exchange (TASE), through an external, independent member of the TASE, who will act under an irrevocable power of appointment, in accordance with the safe harbor mechanism published by the Israel Securities Authority. The buyback plan is executed in four separate stages, each of which irreversible, in accordance with the safe harbor mechanism (hereinafter – "Stage A", "Stage B", "Stage C" and "Stage D"). The maximum scope of the buyback at any stage will not exceed 25% of the rate of the total distribution approved for that quarter, and in any event will be as follows:

The implementation of Stage A commenced on May 21, 2025 and ended on July 16, 2025, during which time the Bank purchased (through the independent Stock Exchange member it had engaged with) 4,081,931 Bank shares amounting to NIS 240 million under the said plan.

The implementation of Stage B commenced August 14, 2025 and ended on October 21, 2025, during which time the Bank purchased (through the independent Stock Exchange member it had engaged with) 5,182,183 Bank shares amounting to NIS 326 million under the plan.

Immediately prior to publishing this report, the Bank decided to proceed to Stage C, granting the TASE member an irreversible order to initiate Stage C on November 19, 2025.

Note 9A - Capital (cont.)

Stage C will end on the earlier of: (a) February 19, 2026; or (b) Completion of the Bank's share buyback at a rate that does not exceed 25% of the total current distribution amount approved by the Board of Directors for that quarter. After the completion of Stage C, if the Bank decides to proceed to Stage D, Stage D will begin on the second trading day following the publication of the first financial statements after the decision to go forward with Stage D has been made. In such a case, Stage D will end on the earlier of the two: (a) May 7, 2026; or (b) Completion of the Bank's share buyback at a rate not to exceed the lower of: 25% of the total current distribution amount approved by the Board of Directors for that quarter, or an amount equaling NIS 1.5 billion less the total purchases executed in practice at Stages A, B, and C. If, following the completion of Stage C, a decision will be made not to proceed with Stage D, as the case may be, the Bank will publish an immediate report to that effect.

Approval of the Banking Supervision Department to carry out the buyback plan, as required under Proper Conduct of Banking Business Directive No. 332, was received on May 11, 2025, subject to meeting the restrictions and capital targets, including the condition whereby the plan will be discontinued effective immediately if, during the plan term, the most recent financial statements published by the Bank will not comply with a Common Equity Tier 1 capital ratio of at least 10.9 percent, subject to the determination of the buyback amount in each stage taking into account the geopolitical situation as well as the Bank's actual capital ratios and the capital cushions required in the various scenarios.

As of the report publication date, the Bank owns 127,858,982 treasury shares.

Capital adequacy targets

Under Proper Conduct of Banking Business Directive No. 201, Capital Measurement and Adequacy - Introduction, Application and Calculation of Requirements, a large banking corporation whose consolidated on-balance sheet assets total at least 24 percent of the Israeli banking system's total assets, is required to meet a Common Equity Tier 1 capital ratio of at least 10 percent and a total capital ratio of at least 13.5 percent. This requirement applies to Bank Leumi.

In addition to the Common Equity Tier 1 capital is a capital requirement of 1 percent of the outstanding housing loans, for the purpose of financing rights in land, excluding housing loans for which a relief was granted during the temporary order for dealing with the coronavirus crisis for the period ended September 30, 2021.

Accordingly, the minimum capital requirements applicable to the Bank as at September 30, 2025 are 10.24 percent for Common Equity Tier 1 capital ratio (including capital requirement for outstanding housing loans) and 13.50 percent for total capital ratio.

The Group's policy, which was approved by the Board of Directors, is to maintain a capital adequacy level that is higher than the minimum threshold set by the Bank of Israel from time to time and no less than the rate of capital required to cover the risks as assessed using the ICAAP process. In addition, the Group has set capital targets in case of a stress scenario event.

On November 17, 2025, the Bank's Board of Directors approved an increase in the Bank's internal Tier 1 capital target, setting it at 10.85% instead of 10.6%.

Draft Revising Proper Conduct of Banking Business Directive No. 201, "Introduction to Measurement and Capital Adequacy, Applicability and calculation of requirements.

On February 11, 2025, a draft directive was sent to banking corporations for their comments. The draft proposes replacing Banking Supervision Directive No. 201 with a new directive, aiming to improve the alignment between the regulatory capital requirements applicable to banking corporations in Israel and the recommendations of the Basel Committee, as well as internationally accepted practices.

The draft directive includes references to regulatory capital ratio requirements, according to which the banking corporation would be required to meet minimum capital ratios and maintain capital buffers and adding capital above the minimum capital ratios.

Note 9A - Capital (cont.)

Draft Revising Proper Conduct of Banking Business Directive No. 203, "Measurement and Capital Adequacy" - the Standardized Approach - Credit Risk

On February 11, 2025, the Banking Supervision Department sent a survey to banking corporations to assess the quantitative impact of the reform (QIS) on the calculation of risk-weighted assets under the standardized approach - "Measurement and Capital Adequacy - Calculation of Risk-Weighted Assets for Credit Risk". The survey results were sent to the Bank of Israel in June 2025.

On April 6, 2025, the Bank of Israel published a circular stating that to the list exposures weighted at 150% risk, credit provided under a financing agreement for a residential construction project will be added, in cases, where the proportion of apartment sale contracts in which a significant portion of the sale price (40% or more) is deferred to the delivery date (non-linear payment) exceeds 25%. Regarding existing projects in which this rate exceeds 25%, they will only be weighted at 150% when the proportion of contracts increases by more than 5 percent points compared with the rate at the starting date. The refund is valid as at December 31, 2026. Implementation of the new Directive is not expected to have a material effect on the Bank's capital ratios.

Revision of Proper Conduct of Banking Business Directive No. 218 - Leverage Ratio

On July 10, 2025 the Bank of Israel published a circular draft according to which the validity of the relief regarding minimum leverage ratio of 5.5% (rather than 6%) had been extended by a year up to December 31, 2026. A corporation which will utilize the easement until that date will be required to once again meet the required leverage ratio that was in place prior to the relief in two quarters' time, by June 30, 2027.

Dividend Distribution Policy

On March 6, 2019, the Bank's Board of Directors approved a dividend distribution policy, under which the Bank will distribute, each quarter, a dividend of up to 50% of the Bank's net income in accordance with the Bank's financial statements for the previous quarter. This was subject to, inter alia, the Bank's meeting its capital adequacy targets, even after the dividend distribution. The actual dividend distribution is subject to the specific resolutions being passed by the Board of Directors prior to each distribution, and to the provisions of the law which apply to dividend distribution, including the provisions of the Companies Law and directives of the Bank of Israel.

On November 17, 2025, the Board of Directors approved a distribution of dividend at a total rate of 75% of the net gain for the third quarter of 2025, of which, 75% as a cash dividend totaling to approx. NIS 1,518 million, and the remaining balance through share buyback in the sum of up to NIS 506 million, as detailed above. The sum of the dividend approved for each NIS 1 par value share is approx. 102.01 agorot. The final dividend amount per share will be adjusted to changes due to a share buyback and the exercise of the Bank's convertible securities, and will be published two days prior to the effective date. The Board of Directors designated November 25, 2025 as the record date for purposes of payment of the dividend and December 2, 2025 as the payment date.

Details of paid cash dividend

Declaration date	Payment date	Dividend per share	Paid cash dividend
		In agorot	In NIS million
November 29, 2023	December 17, 2023	23.21	353
March 19, 2024	April 11, 2024	23.97	365
May 28, 2024	June 20, 2024	54.91	835
August 14, 2024	September 5, 2024	44.99	681
November 19, 2024	December 5, 2024	45.63	688
March 4, 2025	March 20, 2025	47.02	706
May 20, 2025	June 10, 2025	48.16	721
August 13, 2025	September 3, 2025	[1]65.52	979

[1] Further to a supplementary immediate report dated August 18, 2025.

Note 9A - Capital (cont.)

Bond Issue and Commercial Securities

Shelf Prospectus, Issue of bonds, subordinated bonds, and commercial securities

On May 28 2024, the Bank published a shelf prospectus in accordance with a permit granted by the Israel Securities Authority. The shelf prospectus will be in effect for a period of two years from its publication date.

On January 23, 2025, the Bank issued a total of approx. NIS 1,346 million p.v. in bonds (Series 185), issued by way of expanding a Series in consideration of approx. NIS 1,387 million, and a total of approx. NIS 1,501 million p.v. in commercial securities (Series 7) issued by way of issuance of a new Series.

The principal of the Series 7 Commercial Securities and interest in respect thereof shall be payable in one lump sum on January 23, 2026; it is not linked, and carries interest at a rate of 0.02% over the Bank of Israel's interest rate.

In addition, on January 23, 2025, the Bank issued a total of NIS 1,535 million par value in Subordinated Notes (Series 406).

The Series 406 Subordinated Bonds are linked to the Consumer Price Index and carry a fixed annual interest rate of 3.1 percent payable on February 28 of each year. The Subordinated Bonds are redeemable by a lump sum on February 28, 2036, with an early repayment option for the issuer exercisable not before January 28, 2031 and no later than February 28, 2031. At that date, if the Bank does not exercise its early redemption option, the bond's nominal interest rate shall be revised according to the difference between the benchmark interest rate at the issue date and the benchmark interest rate at the interest revision date, as defined by the shelf offering report.

If circumstances of a trigger event (a point of non-viability or trigger event for absorption of the principal loss amount, the earlier of the two) were to occur, the Series 406 Subordinated Bonds shall be converted into ordinary shares according to the average closing prices of the Bank's shares on the Tel Aviv Stock Exchange in the 14 consecutive trading days preceding the date on which the conversion notice was issued or according to the set minimum rate (NIS 22.34 per share, subject to adjustments), the highest of the two.

On April 8, 2025, the Bank issued a total of approx. NIS 1,748 million nominal value, commercial securities (Series 8), issued by way of issuance of a new Series.

The principal of the Series 8 Commercial Securities and interest in respect thereof shall be payable in one lump sum on April 8, 2026; it is not linked, and carries interest at a rate of 0.03 percent over the Bank of Israel's interest rate.

On May 26, 2025, the Bank issued a total of approx. NIS 1,801 million p.v. in bonds (Series 183), issued by way of expansion of a series in consideration of approx. NIS 1,826 million, as well as a total of approx. NIS 835 million p.v. in bonds (Series 184), issued by way of expansion of a series in consideration of approx. NIS 796 million.

On September 9, 2025, the Bank issued a total of approx. NIS 1,869 million p.v. in bonds (Series 187), a total of approx. NIS 1,836 million p.v. in bonds (Series 188), and a total of approx. NIS 1,474 million p.v. in commercial securities (Series 9) issued by way of issuance of a new Series.

The Commercial Securities Fund Series 9 and the interest on it will be payable in one lump sum on September 8, 2026, it is not linked, and bears interest at the rate of 0.01% in addition to the Bank of Israel's interest rate.

Bonds (Series 183-185 and Series 187-188) and commercial securities (Series 7-9) are not recognized for supervised capital purposes.
These Subordinated Bonds (Series 406) are eligible for inclusion in Tier 2 capital as of the issue date.

The issuance of credit-linked notes

On May 21, 2025 the Bank issued a total of approx. NIS 1,566 million p.v in credit linked notes, Leumi Variable Rate Bonds Series 4.

Note 9A - Capital (cont.)

The Bonds' principal of Leumi Bonds Series 4 v.r. will be payable in one installment on June 24, 2029, as long as no credit event has occurred or as long as the Bank does not carry out early redemption, as detailed in the terms of the issuance.
The unpaid balance of the bonds' principal will bear annual fixed interest at the Bank of Israel's rate plus 2.2%. The bonds (principal and interest) will not be linked to any linkage base.

The proceeds of the issuance of 4 v.r. bonds are recognized as a qualified financial collateral in accordance with Proper Conduct of Banking Business Directive No. 203, as well as collateral deductible in calculating indebtedness of a customer under Proper Conduct of Banking Business Directive No. 313.

Early redemption of subordinated notes

On January 29, 2025, the Bank's Board of Directors decided to exercise full early redemption of Subordinated Bonds (Series 403), which were issued to the public in January and March 2019. Accordingly, on February 28, 2025, a total of approx. NIS 1,706 million in letters of undertaking were redeemed (including linkage differentials).

Note 9B - Capital Adequacy, Leverage and Liquidity

General

In May 2013, the Banking Supervision Department amended Proper Conduct of Banking Business Directives Nos. 201-211 on Capital Measurement and Adequacy, in order to adapt them to the Basel III rules.

It should be noted that Basel III rules introduce significant changes in the calculation of regulatory capital requirements, inter alia, in relation to the following:

1. Regulatory capital components
2. Capital deductions and regulatory capital adjustments
3. Treatment of exposures to financial corporations
4. Treatment of exposures to credit risk for impaired debts
5. Capital allocation for CVA risk

Volatile Capital Components

The employee benefits standard, which was first applied in January 2015, has had a material effect on Leumi's CET1 capital, mainly due to the fact that the liability was measured in accordance with market interest rates, which caused substantial volatility in the Bank's regulatory capital measurement.

In this context, on September 5, 2022, the Bank's Board of Directors approved, after obtaining the approval of the Banking Supervision Department, to change the manner in which pension liabilities are measured for regulatory capital purposes. According to the new measurement method, each quarter, the Bank will calculate the change in the pension liabilities resulting from changes in the discount rate, net of the change in the value of assets pre-designated to hedge these liabilities. The change in the net pension liabilities, after tax, will be spread in a linear fashion, over four quarters, as of the quarter for which the calculation had been made. The new method will be implemented starting on July 1, 2022 and will be in effect until the earlier of the two: a) The financial statements as at December 31, 2029 (inclusive) or b) The reporting date on which the average pension liabilities across the last four quarters will be lower than NIS 10 billion, linked to the CPI (from the known CPI as of July 1, 2022 to the known CPI on the relevant reporting date).

On November 15, 2016, the Bank's Board of Directors decided, based on the recommendation of the Audit Committee, to calculate the liabilities for employee pensions according to the fixed spread of internationally AA-rated bonds.

Following is an analysis of the effects of the changes on Common Equity Tier 1 capital as at September 30, 2025:

- Change of the scope of risk assets - as at September 30, 2025, the risk assets amount to approx. NIS 540 billion, any increase of NIS 1 billion in risk assets will reduce the CET1 capital ratio and the total capital ratio by approx. 0.03%.
- Change of CET1 capital - As at September 30, 2025, the CET1 capital amounts to approx. NIS 66.6 billion. An NIS 100 million decrease in the CET1 capital will decrease the CET1 capital ratio and the total capital ratio by approx. 0.02%.

Note 9B - Capital Adequacy, Leverage and Liquidity (cont.)

A. Capital adequacy in the consolidated data

	September 30		December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Capital for capital ratio calculation purposes			
CET1 capital, after regulatory capital deductions and adjustments[(b)(c)]	**66,611**	59,703	61,255
Tier 2 capital, after deductions	**13,726**	13,366	13,372
Total capital - total	**80,337**	73,069	74,627
Balance of risk-weighted assets			
Credit risk[(b)(d)(e)]	**494,898**	453,371	460,765
Market Risks	**7,900**	7,444	7,332
Operational risk	**37,628**	33,834	35,182
Total balance of risk-weighted assets	**540,426**	494,649	503,279
Ratio of capital to risk-weighted assets			
Ratio of CET1 capital to risk-weighted assets	**12.33%**	12.07%	12.17%
Ratio of total capital to risk-weighted assets	**14.87%**	14.77%	14.83%
Minimum CET 1 capital ratio set by the Banking Supervision Department[(a)]	**10.24%**	10.23%	10.24%
Minimum total capital ratio set by the Banking Supervision Department[(a)]	**13.50%**	13.50%	13.50%

a) The minimum Common Equity Tier 1 capital ratio required and the minimum total capital ratio required as at September 30, 2025 are 10 percent and 13.5 percent, respectively. In addition to the Common Equity Tier 1 capital is a capital requirement of 1 percent of the outstanding housing loans, excluding housing loans granted during the temporary order term.

b) These figures include adjustments due to the initial implementation of accounting rules regarding expected credit losses, which came into full effect as of January 2025. For further details regarding the adjustments for expected credit losses, please see section C below.

c) In calculating the capital ratio, adjustments in respect of the implementation of the new measurement method relating to certain actuarial liabilities were taken into account. For further details regarding the effect of implementation of the measurement method, please see the section entitled "Volatile Capital Components" above.

d) Credit risk was calculated after implementing the revisions to Proper Conduct of Banking Business Directives Nos. 203 and 203A, "Measurement and Capital Adequacy - The Standardized Approach - Credit Risk".

e) As of January 1, 2025, Directive 208A on the subject of capital allocation for CVA risk has been implemented, establishing a basic BA-CVA approach that replaced the existing directive. It is based primarily on risk considerations as a function of the economic sector and the credit quality of the counterparty.
The directive's implementation has no material impact on the capital ratio.

Note 9B – Capital Adequacy, Leverage and Liquidity (cont.)

B. Capital Components for the Calculation of Capital Ratios

	September 30		December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
1. Common Equity Tier 1 capital			
Shareholders' equity	**67,043**	60,258	61,658
Adjustments in respect of the transition from the accounting curve to the regulatory curve[a]	**(64)**	(239)	(124)
Total CET1 capital before regulatory adjustments and deductions	**66,979**	60,019	61,534
Regulatory adjustments and deductions:			
Goodwill and intangible assets	**(347)**	(414)	(379)
Regulatory adjustments and other deductions – CET1 capital	**(21)**	(22)	(20)
The total regulatory adjustments and deductions before adjustments in respect of expected credit losses – Equity Tier 1	**(368)**	(436)	(399)
Total adjustments for current expected credit losses[b]	**–**	120	120
Total CET1 capital, after regulatory adjustments and deductions	**66,611**	59,703	61,255
2. Tier 2 capital			
Tier 2 capital: Instruments before deductions	**7,526**	7,673	7,594
Tier 2 capital: Provisions for loan losses, before deductions	**6,200**	5,693	5,778
Total Tier 2 capital	**13,726**	13,366	13,372
Total capital – total	**80,337**	73,069	74,627

a) For further details, please see the section entitled "Volatile Capital Components" above.
b) Adjustments in respect of the effect of first-time application of GAAP for current expected credit losses, which were gradually reduced until December 31, 2024. For further details regarding the adjustments for expected credit losses, please see section C below.

C. Effect of adjustments on CET1 capital ratio

	September 30		December 31
	2025	2024	2024
	Unaudited		Audited
Ratio of capital to risk-weighted assets			
Ratio of CET1 capital to risk-weighted components before adjustments for loan losses	**12.33%**	12.05%	12.15%
Adjustments for expected loan losses[a]	**–**	0.02%	0.02%
Ratio of CET1 capital to risk-weighted assets	**12.33%**	12.07%	12.17%

a) These data include adjustments in respect of the effect of first-time application of GAAP for current expected credit losses, which were gradually reduced until December 31, 2024. For further information, see Note 1.X.1. in the financial statements as at December 31, 2022.

Note 9B – Capital Adequacy, Leverage and Liquidity (cont.)

D. Leverage ratio pursuant to the Banking Supervision Department's directives

On April 28, 2015, the Banking Supervision Department issued Proper Conduct of Banking Business Directive No. 218, "Leverage Ratio". The directive sets a simple, transparent and non-risk based leverage ratio to serve as a supplementary and reliable measure for risk-based capital requirements, with the purpose of limiting excess leverage in banking corporations.

The leverage ratio is expressed as a percentage, and is defined as the ratio between capital measurement and exposure measurement. As defined in Proper Conduct of Banking Business Directive No. 202, Tier 1 capital is used for calculating the leverage ratio, taking into account the transitional provisions. A bank's total exposure is the sum of its balance sheet exposures, exposure to derivatives, exposure to securities financing transactions and to off-balance-sheet items. As a rule, the measurement is consistent with the accounting values, and no risk-weighting is applied. In addition, unless specifically permitted to do so under the Directive, the Bank may not use physical or financial collaterals, guarantees or other credit risk mitigation techniques to reduce the exposure measurement. Balance sheet assets deducted from Tier 1 capital (in accordance with Directive No. 202) are deducted from the exposure measurement. Pursuant to the Directive, the Bank calculates the exposure to derivatives according to of Proper Conduct of Banking Business Directive No. 203, and the exposures for off-balance-sheet items - by converting the items' notional amount by credit conversion coefficients, as stipulated in Proper Conduct of Banking Business Directive No. 203.

Pursuant to the Directive, a banking corporation whose total consolidated assets constitute at least 24 percent of the Israeli banking system's total assets shall have a consolidated leverage ratio of no less than 6 percent. Thus, the Bank is required to have a minimum leverage ratio of 6 percent.

On November 15, 2020, the Bank of Israel published a circular outlining further amendments to Proper Conduct of Banking Business Directives for Handling the Coronavirus (Temporary Order) (Directive No. 250). The circular sets adjusts Proper Conduct of Banking Business Directive No. 218, "Leverage Ratio", such that a banking corporation whose consolidated on-balance sheet assets is 24 percent or more than the total on-balance sheet assets of the banking system, shall comply with a leverage ratio of no less than 5.5 percent. According to the above, the Bank is required to have a minimum leverage ratio of 5.5 percent.

Regarding the reduction of the leverage requirements, on December 20, 2023, the reduction was enshrined in Proper Conduct of Banking Business Directive No. 218, Leverage Ratio, and the validity of the relief was extended until December 31, 2025.

On July 10, 2025 the Bank of Israel published a circular draft according to which the validity of the relief had been extended by a year up to December 31, 2026. A corporation which will utilize the easement until that date will be required to once again meet the required leverage ratio that was in place prior to the relief in two quarters' time, by June 30, 2027.

	As of September 30		As of December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Consolidated data[b]			
Tier 1 capital[a]	**66,611**	59,703	61,255
Total exposures[c]	**933,784**	851,607	882,958
Leverage ratio			
Leverage ratio	**7.13%**	7.01%	6.94%
Minimum total leverage ratio set by the Banking Supervision Department	**5.50%**	5.50%	5.50%

a) When calculating the leverage ratio, adjustments in respect of the implementation the new measurement method in respect of certain actuarial liabilities, were taken into account. For further details regarding the effect of the transition to the new method, please see section B above.
b) The data include adjustments in respect of CECL, in accordance with the directives of the Banking Supervision Department.
c) Total exposures were calculated after implementing the revisions to Proper Conduct of Banking Business Directive 218, "Leverage Ratio", following the revision of Directives 203 and 203A, "Measurement and Capital Adequacy - the Standardized Approach - Credit Risk".

Note 9B - Capital Adequacy, Leverage and Liquidity (cont.)

E. Liquidity coverage ratio pursuant to the directives issued by the Banking Supervision Department

On September 28, 2014, a circular was published adding Proper Conduct of Banking Business Directive No. 221, "Liquidity Coverage Ratio", which applies the recommendations of the Basel Committee regarding liquidity coverage ratio to the banking system in Israel. The liquidity coverage ratio examines a time-horizon of 30 days under a stress scenario, and is intended to ensure that a banking corporation has an inventory of high-quality liquid assets that is able to cover the corporation's liquidity requirements in this time horizon. The Directive prescribes the manner of calculating the liquidity coverage ratio, including the characteristics and operational requirements for an "inventory of high-quality liquid assets" (the numerator) and sufficient buffers for them; it also prescribes the net cash outflow expected under the stress scenario defined in the Directive for 30 calendar days (the denominator).

The stress scenario set forth in the directive includes a shock scenario combining a corporation-specific shock and a systemic shock; in this context, standard withdrawal and deposit rates were defined for outflows and inflows, respectively, according to the various balance categories.

As from January 1, 2017, the required minimum liquidity coverage ratio is 100 percent. However, in a period of financial pressure, a banking corporation may fall below these minimum requirements.

	For the three months ended		
	September 30		December 31
	2025	2024	2024
	Unaudited		Audited
	Average in %		
a. Consolidated data			
Liquidity coverage ratio	**128**	124	123
Minimum liquidity coverage ratio set by the Banking Supervision Department	**100**	100	100
b. The Bank's data			
Liquidity coverage ratio	**126**	121	120
Minimum liquidity coverage ratio set by the Banking Supervision Department	**100**	100	100

The Bank is in compliance with the regulatory requirements as at September 30, 2025.

F. Stable funding ratio pursuant to the Banking Supervision Department's directives

Since the financial statements as of December 31, 2021, the Bank reports the Net Stable Funding Ratio (NSFR) Directive No. 222, which is based on a publication of the Basel Committee. The NSFR is aimed at improving the resilience of banking corporations' liquidity risk profile in the long term, by requiring them to maintain a stable financing profile according to the composition of their assets and their off-balance-sheet activities. The ratio prevents banking corporations from over-reliance on short-term wholesale financing. The measurement is made both on the consolidated and separate levels each quarter; the requirement is to meet a 100 percent ratio.

	September 30		December 31
	2025	2024	2024
	Unaudited		Audited
	In %		
a. Consolidated data			
Net stable funding ratio	**116**	115	118
Minimum net stable funding ratio set by the Banking Supervision Department	**100**	100	100

Note 10 – Contingent Liabilities and Special Commitments

A. Contingent Liabilities and Other Special Commitments

	September 30		December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Commitments to purchase securities	**2,491**	1,388	2,411
Commitments to invest in, and purchase of, buildings and equipment	**44**	56	6

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2025	2024	**2025**	2024	2024
	Unaudited				Audited
	In NIS million				
Credit sale activity					
Carrying amount of credit sold	–	209	–	473	473
Cash proceeds	–	209	–	473	473
Total net profit from credit sales	–	–	–	–	–

B. Legal Claims

During the regular course of business, legal claims have been filed against the Bank and certain consolidated companies, including class actions certification motions. In Note 25 to the Bank's annual financial statements as at December 31, 2024 (the "Annual Statements"), information was included regarding all of the material claims as of the date of publication of said Annual Statements. In the following note, information is included regarding material claims filed during the reporting period and in the proximity of its publication date, if filed, as well as changes to material claims filed during earlier reporting periods; it does not repeat information regarding claims that were reported but remained unchanged.

In the opinion of the management of the Bank and the consolidated companies, which is based on legal opinions regarding the expected results of such claims, including motions to certify class actions, the financial statements reflect adequate provisions, if needed, to cover any damages resulting from such claims.

The Bank's management and the managements of the consolidated companies believe that the sum of the total additional exposure arising from legal claims filed against the Bank and the consolidated companies on various issues, the amount of each of which exceeds NIS 2 million and regarding which the odds of the claims materializing are not remote, totals to approx. NIS 381 million.

The following are the changes to material claims that were reported:

1. On March 29, 2017, a motion for class certification was filed against the Bank and similar legal claims were filed against other banks. Alternately, the applicant, the Bank may not charge a "correspondent bank fee" when transferring foreign currency from a customer's account to a bank account abroad, contrary to the provisions of The Banking Bill (Customer Service), 1981 and the rules pursuant thereto (hereinafter – the "Banking Grounds"); alternatively, the applicant claims that the Bank may only charge a correspondent bank fee in the amount of the expense it actually incurred (the amount that it actually paid to the correspondent bank); to the extent that the Bank did not act accordingly, this constitutes a breach of contract, unjust enrichment, and is contrary to the provisions of the Agency

Law, 1965 (hereinafter - the "Agency Law Grounds"). The applicant claims that, the personal damage he has incurred is USD 30, and the damage incurred by the class of plaintiffs cannot be estimated. On February 16, 2023, a court decision was handed down certification of the claim as a class action lawsuit only on the Agency Law Grounds, and rejecting the Banking Grounds. On May 30, 2023, a request for leave to appeal was filed on behalf of the Bank (as well as several other banks) on the decision certifying the claim as a class action under the Agency Law. On August 5, 2025 the Supreme Court's ruling had been handed down, according to which the Banks application leave to appeal (as well as additional banks) would be dismissed given the parties' consent, and the proceedings would be returned to the District Court for continuing hearing thereof. On June 1, 2023, an appeal was filed by the applicant against the decision rejecting the certification of the claim as a class action regarding the banking grounds. The applicant's appeal was rejected by the Supreme Court on January 8, 2024.

2. In mid-2020, a claim was filed by borrowers with a New York, US, court, against a consortium of senior lenders which financed a project to construct a residential tower in New York (hereinafter - the "Project"), including the Bank. The claim involves the call for immediate repayment of the debt by the consortium of lenders and the violation of the financing agreement by the borrowers. In November 2022, the borrowers filed an amended claim, in which the original claim amount was revised to USD 165 million (against all defendants). In April 2024, the court decided to remove the Bank as a defendant in the proceedings. At the same time, additional legal proceedings are being heard in connection with the project - legal proceedings filed on September 2, 2022 with the New York, US Court by the mezzanine lender in the project against the consortium of lenders, including the Bank. The claim amount in this proceeding, is in the sum of USD 170 million. On January 22, 2025, the court ordered on the removal of the Bank as a defendant in this proceeding. It should be clarified that the rulings regarding removal of the Bank as a defendant in these proceedings does not change the Bank's exposure related to the claims due to the Bank's commitment to indemnify one of the other defendants in the consortium of lenders in respect of the claim, in line with the Bank's share in the financing.

C. Other proceedings

On September 21, 2025, the Bank received notification from the Banking Supervision Department regarding the decision of the Committee for the Imposition of Financial Sanctions on Banking Corporations on the imposition of a financial sanction in the amount of NIS 2,100,000 due to failure to submit certain reports to the Israel Money Laundering and Terror Financing Prohibition Authority (IMPA) pursuant to the Prohibition on Money Laundering Ordinance (Obligations of Identification, Reporting, and Record-Keeping of Banking Corporations for the Prevention of Money Laundering and Financing of Terror), 2001 (reports concerning deposits of funds in small separate amounts across 11 accounts) and due to deficiencies in Know Your Customer (KYC) questionnaires for some of these accounts, which did not reflect the true nature of account activity (violation which was classified by the Committee as a local violation of minor severity). The amount of the financial sanction that was imposed is after the Committee decided to reduce the maximum amount of the financial sanction that may be imposed in accordance with the Prohibition on Money Laundering Law, 2000, and in accordance with the Regulations Regarding the Prohibition on Money Laundering (Financial Sanction), 2001, thus, inter alia, in light of the effective actions the Bank took to correct the situation, alongside the Bank's cooperation with the audit team.

D. Contingent Liabilities and Miscellaneous Commitments

For information regarding contingent liabilities and special commitments, see Note 25 to the Bank's annual financial statements as at December 31, 2024. As of the publication of the financial statements, no material changes were made regarding the note included as aforementioned in the Annual Statements.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates

A. Volume of Consolidated Activity

	September 30, 2025 (unaudited)		
	Derivatives not held for trading	Held-for-trading derivatives	Total
	In NIS million		
(1) Nominal amount of derivatives			
a) Interest rate contracts			
Future and Forward contracts	4,306	81,049	85,355
Written options	1,526	30,270	31,796
Purchased options	-	30,220	30,220
Swaps[(a)]	80,687	466,393	547,080
Total[(b)]	86,519	607,932	694,451
Of which: Hedging derivatives[(c)]	9,345	-	9,345
b) Foreign currency contracts			
Future and Forward contracts	47,913	539,089	587,002
Written options	798	35,427	36,225
Purchased options	798	33,881	34,679
Swaps[(a)]	3,637	20,099	23,736
Total	53,146	628,496	681,642
c) Stock contracts			
Future and Forward contracts	800	271,348	272,148
Written options	564	193,024	193,588
Purchased options[(e)]	589	193,021	193,610
Other	7	-	7
Swaps	519	302,926	303,445
Total	2,479	960,319	962,798
d) Commodities and other contracts			
Future and Forward contracts	-	660	660
Written options	-	64	64
Purchased options	-	64	64
Swaps	-	54	54
Total	-	842	842
Total nominal amount	142,144	2,197,589	2,339,733

a) Of which: Swaps for which the banking corporation pays a fixed interest rate in the sum of NIS 251,847 million.
b) Of which: NIS-CPI swaps totaling NIS 20,982 million.
c) The Bank uses IRS Interest swap transactions for the hedging.
d) Of which: Foreign exchange spots totaling NIS 24,372 million.
e) Of which: a total of NIS 193,015 million is traded on the Tel Aviv Stock Exchange.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

A. Volume of Consolidated Activity (cont.)

	September 30, 2024 (unaudited)		
	Derivatives not held for trading	Held-for-trading derivatives	Total
	In NIS million		
(1) Nominal amount of derivatives			
a) Interest rate contracts			
Future and Forward contracts	2,799	86,638	89,437
Written options	1,766	2,841	4,607
Purchased options	-	2,099	2,099
Swaps[(a)]	55,865	396,260	452,125
Total[(b)]	60,430	487,838	548,268
Of which: Hedging derivatives[(c)]	11,569	-	11,569
b) Foreign currency contracts			
Future and Forward contracts	52,552	438,359	490,911
Written options	1,007	22,822	23,829
Purchased options	1,007	24,024	25,031
Swaps[(a)]	3,896	22,229	26,125
Total	58,462	507,434	565,896
c) Stock contracts			
Future and Forward contracts	1,016	260,441	261,457
Written options	371	88,208	88,579
Purchased options[(e)]	637	88,035	88,672
Other	7	-	7
Swaps	215	250,854	251,069
Total	2,246	687,538	689,784
d) Commodities and other contracts			
Future and Forward contracts	-	3,000	3,000
Written options	-	35	35
Purchased options	-	35	35
Swaps	-	2,244	2,244
Total	-	5,314	5,314
Total nominal amount	121,138	1,688,124	1,809,262

a) Of which: Swaps for which the banking corporation pays a fixed interest rate of NIS 223,196 million.
b) Of which: NIS-CPI swaps totaling NIS 15,976 million.
c) The Bank uses IRS Interest swap transactions for the hedging.
d) Of which: Foreign exchange spots totaling NIS 23,685 million.
e) Of which: A total of NIS 88,177 million is traded on the Tel Aviv Stock Exchange.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

A. Volume of Consolidated Activity (cont.)

	December 31, 2024 (audited)		
	Derivatives not held for trading	Held-for-trading derivatives	Total
	In NIS million		
(1) Nominal amount of derivatives			
a) Interest rate contracts			
Future and Forward contracts	2,421	98,913	101,334
Written options	1,800	5,225	7,025
Purchased options	–	4,396	4,396
Swaps[(a)]	63,735	395,023	458,758
Total[(b)]	67,956	503,557	571,513
Of which: Hedging derivatives[(c)]	10,806	–	10,806
b) Foreign currency contracts			
Future and Forward contracts	50,047	478,315	528,362
Written options	1,011	22,995	24,006
Purchased options	1,011	24,449	25,460
Swaps[(a)]	3,829	21,391	25,220
Total	55,898	547,150	603,048
c) Stock contracts			
Future and Forward contracts	349	272,197	272,546
Written options	365	119,617	119,982
Purchased options[(e)]	538	119,538	120,076
Other	7	–	7
Swaps	290	268,084	268,374
Total	1,549	779,436	780,985
d) Commodities and other contracts			
Future and Forward contracts	–	1,111	1,111
Written options	–	28	28
Purchased options	–	28	28
Swaps	–	71	71
Total	–	1,238	1,238
Total nominal amount	125,403	1,831,381	1,956,784

a) Of which: Swaps for which the banking corporation pays a fixed interest rate in the sum of NIS 218,452 million.
b) Of which: NIS-CPI swaps totaling NIS 16,628 million.
c) The Bank uses IRS Interest swap transactions for the hedging.
d) Of which: Foreign exchange spots totaling NIS 20,900 million.
e) Of which: a total of NIS 119,591 million is traded on the Tel Aviv Stock Exchange.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

A. Volume of Consolidated Activity (cont.)

	September 30, 2025 (unaudited)					
	Assets for derivatives, gross			Liabilities for derivatives, gross		
	Not held-for-trading derivatives	Held-for-trading derivatives	Total	Not held-for-trading derivatives	Held-for-trading derivatives	Total
	In NIS million					
(2) Gross fair value of derivatives						
a) Interest rate contracts	914	6,493	7,407	497	5,626	6,123
Of which: Hedging derivatives	517	–	517	63	–	63
b) Foreign currency contracts	105	9,266	9,371	221	11,297	11,518
Of which: Hedging derivatives	–	–	–	–	–	–
c) Stock contracts	62	12,535	12,597	38	12,576	12,614
d) Commodities and other contracts	–	41	41	–	41	41
Total assets/liabilities in respect of derivatives, gross[(a)]	1,081	28,335	29,416	756	29,540	30,296
Amounts netted on the balance sheet	–	–	–	–	–	–
Book balance	1,081	28,335	29,416	756	29,540	30,296
Of which: not subject to a master netting arrangement - or similar arrangements	–	2,791	2,791	–	3,756	3,756

a) Of which: NIS 4 million in gross fair value of assets in respect of embedded derivatives and NIS 31 million in gross fair value of liabilities in respect of embedded derivatives.

	September 30, 2024 (unaudited)					
	Assets for derivatives, gross			Liabilities for derivatives, gross		
	Not held-for-trading derivatives	Held-for-trading derivatives	Total	Not held-for-trading derivatives	Held-for-trading derivatives	Total
	In NIS million					
(2) Gross fair value of derivatives						
a) Interest rate contracts	941	6,877	7,818	577	6,685	7,262
Of which: Hedging derivatives	641	–	641	97	–	97
b) Foreign currency contracts	280	4,988	5,268	248	4,704	4,952
Of which: Hedging derivatives	–	–	–	–	–	–
c) Stock contracts	73	14,212	14,285	34	14,138	14,172
d) Commodities and other contracts	–	143	143	–	143	143
Total assets/liabilities in respect of derivatives, gross[(a)]	1,294	26,220	27,514	859	25,670	26,529
Amounts netted on the balance sheet	–	–	–	–	–	–
Book balance	1,294	26,220	27,514	859	25,670	26,529
Of which: Not subject to a master netting arrangement - or similar arrangements	–	1,530	1,530	–	1,236	1,236

a) Of which: NIS 5 million in gross fair value of assets in respect of embedded derivatives and NIS 29 million in gross fair value of liabilities in respect of embedded derivatives.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

A. Volume of Consolidated Activity (cont.)

	December 31, 2024 (audited)					
	Assets for derivatives, gross			Liabilities for derivatives, gross		
	Not held-for-trading derivatives	Held-for-trading derivatives	Total	Not held-for-trading derivatives	Held-for-trading derivatives	Total
	In NIS million					
(2) Gross fair value of derivatives						
a) Interest rate contracts	1,174	8,145	9,319	547	7,678	8,225
Of which: Hedging derivatives	763	–	763	139	–	139
b) Foreign currency contracts	366	6,352	6,718	29	6,433	6,462
Of which: Hedging derivatives	–	–	–	–	–	–
c) Stock contracts	52	13,082	13,134	36	13,028	13,064
d) Commodities and other contracts	–	27	27	–	27	27
Total assets/liabilities in respect of derivatives, gross[(a)]	1,592	27,606	29,198	612	27,166	27,778
Amounts netted on the balance sheet	–	–	–	–	–	–
Book balance	1,592	27,606	29,198	612	27,166	27,778
Of which: not subject to a master netting arrangement - or similar arrangements	–	1,696	1,696	–	1,443	1,443

a) Of which: NIS 5 million in gross fair value of assets in respect of embedded derivatives and NIS 26 million in gross fair value of liabilities in respect of embedded derivatives.

Note 11 – Derivatives Activity – Scope, Credit Risks and Maturity Dates (cont.)

B. Accounting Hedges

1. Effect of cash flow hedge accounting on accumulated other comprehensive income (loss)

	For the three months ended September 30, 2025		For the nine months ended September 30, 2025	
	Amounts recognized as total other comprehensive income (loss) from derivatives	Profit (loss) reclassified from accumulated other comprehensive income (loss) to profit and loss	Amounts recognized as total other comprehensive income (loss) from derivatives	Profit (loss) reclassified from accumulated other comprehensive income (loss) to profit and loss[a]
	Unaudited			
	In NIS million			
a. Derivatives used for cash flow hedges[b]				
Interest rate contracts[c]	(2)	2	–	3

	For the three months ended September 30, 2024		For the nine months ended September 30, 2024	
	Amounts recognized as total other comprehensive income (loss) from derivatives	Profit (loss) reclassified from accumulated other comprehensive income (loss) to profit and loss	Amounts recognized as total other comprehensive income (loss) from derivatives	Profit (loss) reclassified from accumulated other comprehensive income (loss) to profit and loss[a]
	Unaudited			
	In NIS million			
a. Derivatives used for cash flow hedges[b]				
Interest rate contracts[c]	(8)	8	(16)	13

	For the year ended December 31, 2024	
	Amounts recognized as total other comprehensive income (loss) from derivatives	Profit (loss) reclassified from accumulated other comprehensive income (loss) to profit and loss[a]
	Audited	
	In NIS million	
a. Derivatives used for cash flow hedges[b]		
Interest rate contracts[c]	(10)	8

a) Profit (loss) amounts reclassified from accumulated other comprehensive income (loss) were included in the interest income (expense) line item or in the noninterest finance income (expenses) line item according to the line item in which the effect of the hedged item is presented.
b) Represents amounts included in the hedge effectiveness assessment.
c) The Bank designates certain derivatives as hedging instruments of cash flows – derivatives hedging an exposure to changes in cash flows from given loans. The effect of hedges is expected to lower the exposure to the given loans.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

B. Accounting hedges (cont.)

2. Effect of fair value hedge and cash flow hedge accounting on accumulated income (loss)

	For the three months ended September 30, 2025	For the nine months ended September 30, 2025
	Unaudited	
	In NIS million	
Total interest income (expenses) recognized in the income statement	3	22
Effect of fair value hedges:		
a. Gain (loss) from fair value hedges		
Interest rate contracts[(a)]		
Hedged items	3	104
Hedging derivatives[(b)]	2	(79)
b. Gain (loss) on cash flow hedges		
Interest rate contracts		
Profit and loss reclassified to Accumulated other comprehensive income (loss)	(2)	(3)

	For the three months ended September 30, 2024	For the nine months ended September 30, 2024
	Unaudited	
	In NIS million	
Total interest income (expenses) recognized in the income statement	30	118
Effect of fair value hedges:		
a. Gain (loss) from fair value hedges		
Interest rate contracts[(a)]		
Hedged items	191	198
Hedging derivatives[(c)]	(153)	(67)
b. Gain (loss) on cash flow hedges		
Interest rate contracts		
Profit and loss reclassified to Accumulated other comprehensive income (loss)	(8)	(13)

	For the year ended December 31, 2024
	Audited
	In NIS million
Total interest income (expenses) recognized in the income statement	123
Effect of fair value hedges:	
a. Gain (loss) from fair value hedges	
Interest rate contracts[(a)]	
Hedged items	54
Hedging derivatives[(d)]	77
b. Gain (loss) on cash flow hedges	
Interest rate contracts	
Profit and loss reclassified to Accumulated other comprehensive income (loss)	(8)

Please see comments on the next page.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

B. Accounting hedges (cont.)

2. Effect of cash flow hedge and fair value hedge accounting on profit (loss)

Comments:

A. The Bank designates certain derivatives as hedging instruments of fair value, derivatives hedging exposure to interest rate received for bonds.

B. Gains in the amount of approx. NIS 2 million and losses in the amount of approx. NIS 79 million for three and nine month periods, respectively, in respect of the hedging instrument, were reclassified from the section titled "Financing Revenues not from Interest" to the section titled "Revenues from Interest." The gains include losses in the amount of approx. NIS 8 million and the losses include losses in the sum of approx. NIS 118 million for three and nine month periods respectively, due to the impact of a change in fair value, as well as gains in the sum of approx. NIS 10 million and approx. NIS 39 million for the periods of three and nine months respectively, due to the impact of accumulation of the interest.

C. Losses in the amount of approx. NIS 153 million and approx. NIS 67 million for three- and nine-month periods respectively, in respect of the hedging instrument that was reclassified and was transferred from the section titled "Financing Revenues not from Interest" to the section titled "Revenues from Interest." The losses include losses in the amount of approx. NIS 181 million and approx. NIS 153 million for three and nine month periods respectively, due to the impact of a change in fair value, as well as gains in the sum of approx. NIS 28 million and approx. NIS 86 million for the periods of three and nine months respectively, due to the impact of accumulation of the interest.

D. Profits in the amount of approx. NIS 77 million, due to the hedging instrument were reclassified and was transferred from the section "Financing Revenues not from Interest" to the section "Revenues from Interest." The income includes losses in the amount of approx. NIS 32 million due to the impact of a change in fair value, as well as profits in the sum of approx. NIS 109 million due to the impact of accumulation of interest.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

B. Accounting Hedges (cont.)

3. Items hedged at fair value hedges

	As of September 30, 2025 (unaudited)		
	Carrying amount	Cumulative fair value adjustments that had an effect on the carrying amount	
	of the hedged item	Existing hedge relationships	Discontinued hedge relationships
	In NIS million		
Securities - debt instruments classified as available-for-sale securities	**4,974**	**(468)**	**-**
Subordinated bonds	**(3,263)**	**76**	**-**
Housing loans[(a)]	**181**	**5**	**-**

	As of September 30, 2024 (unaudited)		
	Carrying amount	Cumulative fair value adjustments that had an effect on the carrying amount	
	of the hedged item	Existing hedge relationships	Discontinued hedge relationships
	In NIS million		
Securities - debt instruments classified as available-for-sale securities	6,533	(598)	(1)
Subordinated notes	(3,631)	112	-

	For the year ended December 31, 2024 (audited)		
	Carrying amount	Cumulative fair value adjustments that had an effect on the carrying amount	
	of the hedged item	Existing hedge relationships	Discontinued hedge relationships
	In NIS million		
Securities - debt instruments classified as available-for-sale securities	5,861	(691)	-
Subordinated bonds	(3,575)	161	-
Housing loans[(b)]	56	1	-

a) The Bank dedicated in respect of the hedging the sum of NIS 175 million using the last level method, from a closed portfolio of approx. NIS 1,268 million, as on September 30, 2025 the reduced cost balance of the closed portfolio of the loans stands at the sum of approx. NIS 1,215 million.

b) The Bank dedicated in respect of the hedging the sum of NIS 55 million using the last level method, from a closed portfolio of approx. NIS 404 million, as at December 31, 2024 the reduced cost balance of the closed portfolio of the loans stands at approx. NIS 391 million.

Note 11 – Derivatives Activity – Scope, Credit Risks and Maturity Dates (cont.)

B. Accounting hedges (cont.)

4. The effect of hedging a net investment in a foreign operations on accumulated other comprehensive income (loss) and on the income statement

	For the three months ended September 30, 2025		For the nine months ended September 30, 2025	
	Amounts carried to other comprehensive income (loss)	Profit (loss) reclassified to Accumulated other comprehensive income (loss)[a]	Amounts carried to other comprehensive income (loss)	Profit (loss) reclassified to Accumulated other comprehensive income (loss)[a]
	Unaudited			
	In NIS million			
Deposits serving as investment hedges, net				
Foreign currency deposits	**34**	**–**	**169**	**–**

	For the three months ended September 30, 2024		For the nine months ended September 30, 2024	
	Amounts carried to other comprehensive income (loss)	Profit (loss) reclassified to Accumulated other comprehensive income (loss)[a]	Amounts carried to other comprehensive income (loss)	Profit (loss) reclassified to Accumulated other comprehensive income (loss)[a]
	Unaudited			
	In NIS million			
Deposits serving as investment hedges, net				
Foreign currency deposits	22	–	(61)	–

	For the year ended December 31, 2024	
	Amounts carried to other comprehensive income (loss)	Profit (loss) reclassified to Accumulated other comprehensive income (loss)[a]
	Audited	
	In NIS million	
Deposits serving as investment hedges, net		
Foreign currency deposits	(34)	–

a) Income (loss) amounts reclassified from accumulated other comprehensive income (loss) were included in the interest income (expenses) line item or in the noninterest finance income (expense) line item.

Note 11 – Derivatives Activity – Scope, Credit Risks and Maturity Dates (cont.)

B. Accounting hedges (cont.)

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

	For the three months ended September 30, 2025	For the nine months ended September 30, 2025
	Profit (loss) recognized in income (expenses) from derivatives activity[(a)]	Profit (loss) recognized in income (expenses) from derivatives activity[(a)]
	Unaudited	
	In NIS million	
Derivatives not designated as hedging instruments		
Interest rate contracts	**(9)**	**106**
Foreign exchange contracts	**(186)**	**(3,844)**
Stock contracts	**36**	**279**
Commodity- and other contracts	**–**	**1**
Total	**(159)**	**(3,458)**

	For the three months ended September 30, 2024	For the nine months ended September 30, 2024
	Profit (loss) recognized in income (expenses) from derivatives activity[(a)]	Profit (loss) recognized in income (expenses) from derivatives activity[(a)]
	Unaudited	
	In NIS million	
Derivatives not designated as hedging instruments		
Interest rate contracts	(513)	(96)
Foreign exchange contracts	(721)	1,392
Stock contracts	83	250
Commodity- and other contracts	–	1
Total	(1,151)	1,547

	For the year ended December 31, 2024
	Profit (loss) recognized in income (expenses) from derivatives activity[(a)]
	Audited
	In NIS million
Derivatives not designated as hedging instruments	
Interest rate contracts	470
Foreign exchange contracts	1,711
Stock contracts	311
Commodity- and other contracts	2
Total	2,494

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

Note 11 – Derivatives Activity – Scope, Credit Risks and Maturity Dates (cont.)

C. Credit risk for derivatives by contract counterparty

	September 30, 2025 (unaudited)						
	Stock exchanges	Banks	Dealers/ brokers	Governments and central banks	Institutional entities	Other	Total
	In NIS million						
Book balance of assets in respect of derivatives[(a)(b)]	595	9,262	11,803	82	4,271	3,403	29,416
Gross amounts not netted on the balance sheet:							
Credit risk mitigation in respect of financial instruments	–	3,711	8,105	67	2,808	1,433	16,124
Credit risk mitigation in respect of cash collateral received	–	4,750	3,387	–	1,110	–	9,247
Total net book balance of assets in respect of derivatives[(d)]	595	801	311	15	353	1,970	4,045
Adjustment of book balance, net to on-balance-sheet credit risk[(e)]	–	17	(18)	–	(128)	(861)	(990)
Total on-balance-sheet credit risk for derivatives	595	818	293	15	225	1,109	3,055
Net off-balance-sheet credit risk for derivatives[(f)]	1,694	18,547	21,842	120	13,075	2,815	58,093
Total credit risk for derivatives	2,289	19,365	22,135	135	13,300	3,924	61,148
Book balance of liabilities in respect of derivatives[(a)(c)]	516	4,052	8,238	67	14,433	2,990	30,296
Gross amounts not netted on the balance sheet:							
Financial instruments	–	3,711	8,105	67	2,808	1,433	16,124
Pledged cash collateral	–	231	107	–	7,997	68	8,403
Net amount of liabilities in respect of derivatives	516	110	26	–	3,628	1,489	5,769

	September 30, 2024 (unaudited)						
	Stock exchanges	Banks	Dealers/ brokers	Governments and central banks	Institutional entities	Other	Total
	In NIS million						
Book balance of assets in respect of derivatives[(a)(b)]	511	9,373	11,663	–	3,940	2,027	27,514
Gross amounts not netted on the balance sheet:							
Credit risk mitigation in respect of financial instruments	–	3,143	8,781	–	2,227	744	14,895
Credit risk mitigation in respect of cash collateral received	–	5,962	2,486	–	1,291	108	9,847
Total net book balance of assets in respect of derivatives[(d)]	511	268	396	–	422	1,175	2,772
Adjustment of book balance, net to on-balance-sheet credit risk[(e)]	–	16	(48)	–	(73)	137	32
Total on-balance-sheet credit risk for derivatives	511	284	348	–	349	1,312	2,804
Net off-balance-sheet credit risk for derivatives[(f)]	1,269	17,344	21,507	117	13,296	3,010	56,543
Total credit risk for derivatives	1,780	17,628	21,855	117	13,645	4,322	59,347
Book balance of liabilities in respect of derivatives[(a)(c)]	298	3,900	10,016	230	10,726	1,359	26,529
Gross amounts not netted on the balance sheet:							
Financial instruments	–	3,143	8,781	–	2,227	754	14,905
Pledged cash collateral	–	669	1,100	230	7,061	36	9,096
Net amount of liabilities in respect of derivatives	298	88	135	–	1,438	569	2,528

Please see comments on the next page.

Note 11 – Derivatives Activity – Scope, Credit Risks and Maturity Dates (cont.)

C. Credit risk and for derivatives by contract counterparty (cont.)

	December 31, 2024 (audited)						
	Stock exchanges	Banks	Dealers/ brokers	Governments and central banks	Institutional entities	Other	Total
	In NIS million						
Book balance of assets in respect of derivatives[(a)(b)]	362	6,517	10,558	26	9,712	2,023	29,198
Gross amounts not netted on the balance sheet:							
Credit risk mitigation in respect of financial instruments	–	3,087	9,005	26	2,652	918	15,688
Credit risk mitigation in respect of cash collateral received	–	3,268	1,542	–	5,352	14	10,176
Total net book balance of assets in respect of derivatives[(d)]	362	162	11	–	1,708	1,091	3,334
Adjustment of book balance, net to on-balance-sheet credit risk[(e)]	13	6	(11)	–	(262)	75	(179)
Total on-balance-sheet credit risk for derivatives	375	168	–	–	1,446	1,166	3,155
Net off-balance-sheet credit risk for derivatives[(f)]	1,212	16,023	21,243	56	13,767	2,226	54,527
Total credit risk for derivatives	1,587	16,191	21,243	56	15,213	3,392	57,682
Book balance of liabilities in respect of derivatives[(a)(c)]	213	5,899	13,021	135	6,759	1,751	27,778
Gross amounts not netted on the balance sheet:							
Financial instruments	–	3,087	9,005	26	2,652	927	15,697
Pledged cash collateral	–	2,347	3,335	109	2,832	–	8,623
Net amount of liabilities in respect of derivatives	213	465	681	–	1,275	824	3,458

a) The Bank did not apply netting agreements.
b) Of which on-balance-sheet total assets in respect of standalone derivatives totaling NIS 29,412 million (September 30, 2024 – 27,509 million, December 31, 2024 – NIS 29,193 million).
c) Of which on-balance-sheet total liabilities in respect of standalone derivatives totaling NIS 30,265 million (September 30, 2024 – 26,500 million, December 31, 2024 – NIS 27,752 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 between 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 total of: the net book balance of assets for derivatives and off-balance-sheet credit risk.
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 on-balance sheet credit risk for the borrower's derivatives.

Comments:
1. For the periods of nine months ended September 30, 2025, September 30, 2024 and for the year ended December 31, 2024, no credit losses were recognized in respect of derivative instruments.
2. The effect of the counterparty credit risk and the effect of deferred gains at the transaction execution date on the valuation of assets for derivatives as at September 30, 2025, September 30, 2024 and December 31, 2024 stood at NIS 167 million, NIS 250 million and NIS 223 million, respectively.
   The effect of the non-performance risk on the valuation of assets for derivatives as at September 30, 2025, September 30, 2024 and December 31, 2024 was NIS 18 million, NIS 18 million and NIS 16 million, respectively.

Note 11 – Derivatives Activity – Scope, Credit Risks and Maturity Dates (cont.)

D. Breakdown of Repayment Dates – Par Value: Balances

	September 30, 2025 (unaudited)				
	Up to three months	Over three months and up to one year	Over one year and up to five years	Over five years	Total
	In NIS million				
Interest rate contracts:					
NIS – index	2,962	8,188	4,995	4,838	20,983
Other	225,920	139,756	216,362	91,430	673,468
Foreign exchange contracts	427,208	208,262	39,895	6,277	681,642
Stock contracts	719,580	241,589	1,629	–	962,798
Commodity– and other contracts	800	42	–	–	842
Total	1,376,470	597,837	262,881	102,545	2,339,733
Total as at September 30, 2024 (unaudited)	933,157	529,006	245,036	102,063	1,809,262
Total December 31, 2024 (audited)	1,118,027	507,276	231,676	99,805	1,956,784

Note 12A - Regulatory Operating Segments

Information on Regulatory Operating Segments - Consolidated

	For the three months ended September 30, 2025 (unaudited)			
	Activity in Israel[(a)]			
	Households[(e)]			
	Total	Of which: Housing loans	Of which: Credit cards	Private banking
	In NIS million			
Interest income from external	2,806	2,235	21	17
Interest expense from external	784	-	-	346
Interest income, net:				
From external	2,022	2,235	21	(329)
Inter-segmental	(636)	(1,871)	(3)	408
Total interest income, net	1,386	364	18	79
Total noninterest income (expense)	163	9	(22)	50
Total income	1,549	373	(4)	129
Loan loss expenses (income)	28	-	(45)	(1)
Operating and other expenses:				
For external	660	98	64	34
Inter-segmental	-	-	-	-
Total operating and other expenses	660	98	64	34
Profit (loss) before taxes	861	275	(23)	96
Provision (benefit) for profit taxes	346	106	(8)	40
Profit (loss) after taxes	515	169	(15)	56
The Bank's share in associates' profits, after tax effect	-	-	-	-
Net income (loss) before amount attributable to non-	515	169	(15)	56
Net income (loss) attributable to the Bank's shareholders	515	169	(15)	56
Average balance of assets[(b)]	178,333	149,270	4,794	669
Of which: Investments in associates[(b)]	-	-	-	-
Average outstanding balance of loans to the public[(b)]	179,438	149,678	4,813	660
Outstanding loans to the public as at the end of the	182,155	151,482	5,048	599
Outstanding non-performing debts in arrears of over 90	988	746	1	-
Outstanding other troubled debts	658	21	-	-
Balance of the loan loss provision for loans to the public	1,615	670	48	1
Net charge-offs during the period	66	1	-	-
Average outstanding liabilities[(b)]	140,996	46	64	36,135
Of which: Average balance of deposits by the public[(b)]	140,840	-	-	36,132
Balance of deposits by the public as at the end of the	141,115	-	-	36,797
Average balance of risk-weighted assets[(b)(c)]	116,483	89,229	4,430	1,201
Balance of risk-weighted assets as at the end of the	118,028	90,639	4,576	1,147
Average balance of assets under management[(b)(d)]	73,810	1,365	-	78,205
Breakdown of interest income, net:				
Spread[(f)] from credit granting activity	547	285	14	-
Spread[(f)] from deposit taking activity	737	-	-	78
Other	102	79	4	1
Total interest income, net	1,386	364	18	79

a) The classification is based on the office's location.
b) Average balance calculations are based on daily balances, as at the beginning of the quarter or the beginning of each month.
c) Risk-weighted assets - as calculated for capital adequacy purposes.
d) Assets under management - including customers' provident assets, study funds, mutual funds and securities.
e) Including housing loans with outstanding loans to the public as at end of period in the amount of NIS 23.0 billion to customers whose business activity is classified to business segments.
f) Spread from credit granting activity is the difference between the interest received from credit and the cost of raising the sources used to grant the credit (hereinafter - "transfer prices"). These transfer prices are subject to the period, currency and type of interest in the transaction. Transfer prices are the Bank's internal pricing tool and are based on internal models and the Bank's judgment. Spread from deposit taking activity is the difference between the transfer prices and the interest paid to customers for these deposits.

Note: operating segments are reported according to the format and classifications prescribed by the Reporting to the Public Directives of the Banking Supervision Department, as detailed in Note 29A to the Financial statements as at December 31, 2024.

							Foreign operations[(a)]	
Small businesses small	Mid-market	Corporations	Institutional entities	Financial management	Other segment	Total activity in Israel	Total foreign operations	Total
1,214	715	2,729	98	2,863	–	10,442	188	10,630
775	423	1,065	1,794	972	–	6,159	–	6,159
439	292	1,664	(1,696)	1,891	–	4,283	188	4,471
484	158	(634)	1,835	(1,525)	13	103	(103)	–
923	450	1,030	139	366	13	4,386	85	4,471
234	85	325	54	556	6	1,473	17	1,490
1,157	535	1,355	193	922	19	5,859	102	5,961
(6)	(77)	81	3	9	–	37	(5)	32
383	108	145	52	92	111	1,585	24	1,609
–	–	–	2	1	(3)	–	–	–
383	108	145	54	93	108	1,585	24	1,609
780	504	1,129	136	820	(89)	4,237	83	4,320
305	197	446	55	272	31	1,692	27	1,719
475	307	683	81	548	(120)	2,545	56	2,601
–	–	–	–	99	–	99	–	99
475	307	683	81	647	(120)	2,644	56	2,700
475	307	683	81	647	(120)	2,644	56	2,700
79,134	40,274	171,990	14,347	331,040	7,592	823,379	10,285	833,664
–	–	–	–	3,527	–	3,527	–	3,527
80,544	40,800	173,005	14,347	–	–	488,794	10,332	499,126
81,718	41,010	176,906	9,396	–	–	491,784	10,409	502,193
667	172	415	4	–	–	2,246	20	2,266
964	333	2,438	11	–	–	4,404	60	4,464
2,301	695	2,123	9	–	–	6,744	62	6,806
36	13	(53)	–	–	–	62	–	62
105,183	55,603	115,773	194,622	108,767	10,208	767,287	251	767,538
105,034	55,472	110,734	191,880	–	–	640,092	–	640,092
106,513	56,856	110,015	189,827	–	–	641,123	–	641,123
62,422	45,707	209,718	1,997	60,976	19,971	518,475	11,188	529,663
65,763	45,404	217,080	2,163	63,042	16,516	529,143	11,283	540,426
134,141	42,786	163,654	1,239,261	64,694	1	1,796,552	–	
456	227	718	5	–	–	1,953	188	2,141
415	188	143	133	–	–	1,694	–	1,694
52	35	169	1	366	13	739	(103)	636
923	450	1,030	139	366	13	4,386	85	4,471

Note 12A - Regulatory Operating Segments (cont.)

Information on Regulatory Operating Segments - Consolidated (cont.)

	For the three months ended September 30, 2024 (unaudited)			
	Activity in Israel[(a)]			
	Households[(e)]			
	Total	Of which: Housing loans	Of which: Credit cards	Private banking
	In NIS million			
Interest income from external	2,749	2,178	20	4
Interest expense from external	764	–	–	310
Interest income, net:				
From external	1,985	2,178	20	(306)
Inter-segmental	(483)	(1,765)	(1)	396
Total interest income, net	1,502	413	19	90
Total noninterest income	278	10	99	41
Total income	1,780	423	118	131
Loan loss expenses (income)	148	14	6	–
Operating and other expenses:				
For external	741	109	63	26
Inter-segmental	–	–	–	–
Total operating and other expenses	741	109	63	26
Profit (loss) before taxes	891	300	49	105
Provision (benefit) for profit taxes	330	110	19	40
Profit (loss) after taxes	561	190	30	65
The Bank's share in associates' losses, after tax effect	–	–	–	–
Net income before attribution to non-controlling interests	561	190	30	65
Net income attributable to the Bank's shareholders	561	190	30	65
Average balance of assets[(b)]	166,087	136,939	5,288	372
Of which: Investments in associates[(b)]	–	–	–	–
Average outstanding balance of loans to the public[(b)]	167,118	137,342	5,345	365
Outstanding loans to the public as at the end of the	171,013	140,552	5,163	410
Outstanding non-performing debts in arrears of over 90	845	557	2	–
Outstanding other troubled debts	685	21	36	1
Balance of the loan loss provision for loans to the public	1,553	607	62	2
Net charge-offs during the period	91	1	–	–
Average outstanding liabilities[(b)]	140,693	53	16	39,232
Of which: Average balance of deposits by the public[(b)]	140,578	1	–	39,230
Balance of deposits by the public as at the end of the	141,186	–	–	35,015
Average balance of risk-weighted assets[(b)(c)]	108,408	81,842	4,659	916
Balance of risk-weighted assets as at the end of the	110,351	83,287	4,698	1,018
Average balance of assets under management[(b)(d)]	65,751	1,370	–	62,623
Breakdown of interest income, net:				
Spread[(f)] from credit granting activity	596	329	14	1
Spread[(f)] from deposit taking activity	795	–	–	79
Other	111	84	5	10
Total interest income, net	1,502	413	19	90

a) The classification is based on the office's location.
b) Average balance calculations are based on daily balances, as at the beginning of the quarter or the beginning of each month.
c) Risk-weighted assets - as calculated for capital adequacy purposes.
d) Assets under management - including customers' provident assets, study funds, mutual funds and securities.
e) including housing loans with outstanding loans to the public as of the end of the period in the amount of NIS 21.2 billion to customers whose business activity is classified into business segments.
f) Spread from credit granting activity is the difference between the interest received from credit and the cost of raising the sources used to grant the credit (hereinafter - "transfer prices"). These transfer prices are subject to the period, currency and type of interest in the transaction. Transfer prices are the Bank's internal pricing tool and are based on internal models and the Bank's judgment. Spread from deposit taking activity is the difference between the transfer prices and the interest paid to customers for these deposits.
g) Reclassified.

							Foreign operations[a]	
Small businesses small	Mid-market	Corporations	Institutional entities	Financial management	Other segment	Total activity in Israel	Total foreign operations	Total
1,168	635	2,507	50	2,646	–	9,759	207	9,966
715	496	1,022	1,312	801	–	5,420	1	5,421
453	139	1,485	(1,262)	1,845	–	4,339	206	4,545
530	356	(504)	1,496	(1,698)	15	108	(108)	–
983	495	981	234	147	15	4,447	98	4,545
242	88	240	52	3	11	955	23	978
1,225	583	1,221	286	150	26	5,402	121	5,523
117	12	16	1	24	–	318	(6)	312
399	114	132	69	79	128	1,688	28	1,716
–	–	(1)	2	6	(7)	–	–	–
399	114	131	71	85	121	1,688	28	1,716
709	457	1,074	214	41	(95)	3,396	99	3,495
262	168	407	80	56	(97)	1,246	39	1,285
447	289	667	134	(15)	2	2,150	60	2,210
–	–	–	–	83	–	83	–	83
447	289	667	134	68	2	2,233	60	2,293
447	289	667	134	68	2	2,233	60	2,293
67,312	38,984	150,907	4,273	288,250	6,717	722,902	9,354	732,256
–	–	–	–	3,996	–	3,996	–	3,996
68,736	39,543	152,031	4,277	–	–	432,070	9,338	441,408
70,892	39,732	153,784	7,990	–	–	443,821	9,951	453,772
589	270	725	1	–	–	2,430	80	2,510
1,066	472	1,444	–	–	–	3,668	370	4,038
2,379	828	1,991	7	–	–	6,760	61	6,821
49	(7)	(27)	–	–	–	106	(1)	105
101,908	59,447	99,482	139,497	82,078	10,389	672,726	255	672,981
101,770	59,311	93,726	139,070	–	–	573,685	–	573,685
101,308	59,425	96,058	155,313	–	–	588,305	–	588,305
60,498	44,985	190,601	1,285	35,665	18,335	460,693	10,180	470,873
61,026	43,221	196,409	1,495	53,552	16,098	483,170	11,479	494,649
101,944	33,020	113,807	1,073,269	41,771	2	1,492,187	–	
449	212	638	7	–	–	1,903	206	2,109
476	240	178	226	–	–	1,994	–[g]	1,994
58	43	165	1	147	15	550	(108)[g]	442
983	495	981	234	147	15	4,447	98	4,545

Note 12A - Regulatory Operating Segments (cont.)

Information on Regulatory Operating Segments - Consolidated (cont.)

	For the nine months ended September 30, 2025			
	Activity in Israel[a]			
	Households[e]			
	Total	Of which: Housing loans	Of which: Credit cards	Private banking
	In NIS million			
Interest income from external	7,797	6,075	62	28
Interest expense from external	2,234	-	-	994
Interest income, net:				
From external	5,563	6,075	62	(966)
Inter-segmental	(1,324)	(4,904)	(7)	1,217
Total interest income (expenses), net	4,239	1,171	55	251
Total noninterest income	695	27	159	147
Total income	4,934	1,198	214	398
Loan loss expenses (income)	214	27	1	-
Operating and other expenses:				
For external	2,015	328	194	98
Inter-segmental	1	1	-	-
Total operating and other expenses	2,016	329	194	98
Profit (loss) before taxes	2,704	842	19	300
Provision for profit taxes	1,032	310	7	114
Profit (loss) after taxes	1,672	532	12	186
The Bank's share in associates' profits, after tax effect	-	-	-	-
Net income (loss) before amount attributable to non-	1,672	532	12	186
Net income (loss) attributable to the Bank's shareholders	1,672	532	12	186
Average balance of assets[b]	175,643	146,559	4,746	564
Of which: Investments in associates[b]	-	-	-	-
Average outstanding balance of loans to the public[b]	176,743	146,967	4,792	556
Outstanding loans to the public as at the end of the	182,155	151,482	5,048	599
Outstanding non-performing debts in arrears of over 90	988	746	1	-
Outstanding other troubled debts	658	21	-	-
Balance of the loan loss provision for loans to the public	1,615	670	48	1
Net charge-offs during the period	200	5	(1)	-
Average outstanding liabilities[b]	140,269	47	32	35,785
Of which: Average balance of deposits by the public[b]	140,139	-	-	35,781
Balance of deposits by the public as at the end of the	141,115	-	-	36,797
Average balance of risk-weighted assets[b][c]	114,693	87,445	4,502	1,142
Balance of risk-weighted assets as at the end of the	118,028	90,639	4,576	1,147
Average balance of assets under management[b][d]	71,639	1,372	-	73,120
Breakdown of interest income, net:				
Spread[f] from granting loans to the public	1,676	890	41	2
Spread[f] from deposit taking from the public	2,198	-	-	222
Other	365	281	14	27
Total interest income (expense), net	4,239	1,171	55	251

a) The classification is based on the office's location.
b) Average balance calculations are based on daily balances, as at the beginning of the quarter or the beginning of each month.
c) Risk-weighted assets - as calculated for capital adequacy purposes.
d) Assets under management - including customers' provident assets, study funds, mutual funds and securities.
e) Including housing loans with outstanding loans to the public as at end of period in the amount of NIS 23.0 billion to customers whose business activity is classified to business segments.
f) Spread from credit granting activity is the difference between the interest received from credit and the cost of raising the sources used to grant the credit (hereinafter - "transfer prices"). These transfer prices are subject to the period, currency and type of interest in the transaction. Transfer prices are the Bank's internal pricing tool and are based on internal models and the Bank's judgment. Spread from deposit taking activity is the difference between the transfer prices and the interest paid to customers for these deposits.

Note: Operating segments are reported according to the format and classifications prescribed by the Reporting to the Public Directives of the Banking Supervision Department, as set forth in Note 28A to the financial statements as at December 31, 2024.

							Foreign operations[(a)]	
Small businesses small	Mid-market	Corporations	Institutional entities	Financial management	Other segment	Total activity in Israel	Total activity outside Israel	Total
3,609	2,008	7,572	203	8,103	–	29,320	574	29,894
2,208	1,341	2,982	4,747	2,360	–	16,866	–	16,866
1,401	667	4,590	(4,544)	5,743	–	12,454	574	13,028
1,405	703	(1,472)	5,052	(5,314)	46	313	(313)	–
2,806	1,370	3,118	508	429	46	12,767	261	13,028
730	274	824	176	1,365	22	4,233	71	4,304
3,536	1,644	3,942	684	1,794	68	17,000	332	17,332
16	(99)	145	2	(5)	–	273	37	310
1,190	336	426	165	291	346	4,867	83	4,950
–	–	–	6	5	(12)	–	–	–
1,190	336	426	171	296	334	4,867	83	4,950
2,330	1,407	3,371	511	1,503	(266)	11,860	212	12,072
878	533	1,261	194	546	5	4,563	71	4,634
1,452	874	2,110	317	957	(271)	7,297	141	7,438
–	–	–	–	275	–	275	–	275
1,452	874	2,110	317	1,232	(271)	7,572	141	7,713
1,452	874	2,110	317	1,232	(271)	7,572	141	7,713
75,703	40,271	165,194	7,937	313,928	7,375	786,615	10,027	796,642
–	–	–	–	3,615	–	3,615	–	3,615
77,147	40,806	166,248	7,940	–	–	469,440	10,075	479,515
81,718	41,010	176,906	9,396	–	–	491,784	10,409	502,193
667	172	415	4	–	–	2,246	20	2,266
964	333	2,438	11	–	–	4,404	60	4,464
2,301	695	2,123	9	–	–	6,744	62	6,806
138	52	(103)	–	–	–	287	1	288
103,132	57,848	109,584	176,285	96,151	12,957	732,011	244	732,255
102,989	57,713	104,024	174,987	–	–	615,633	–	615,633
106,513	56,856	110,015	189,827	–	–	641,123	–	641,123
61,858	45,413	204,439	1,731	58,736	17,738	505,750	11,217	516,967
65,763	45,404	217,080	2,163	63,042	16,516	529,143	11,283	540,426
123,146	40,863	152,911	1,186,585	66,336	–	1,714,600	–	
1,360	653	2,101	16	–	–	5,808	572	6,380
1,255	578	406	489	–	–	5,148	–	5,148
191	139	611	3	429	46	1,811	(311)	1,500
2,806	1,370	3,118	508	429	46	12,767	261	13,028

Note 12A - Regulatory Operating Segments (cont.)

Information on Regulatory Operating Segments - Consolidated (cont.)

	For the nine months ended September 30, 2024 (unaudited)			
	Activity in Israel[(a)]			
	Households[(e)]			
	Total	Of which: Housing loans	Of which: Credit cards	Private banking
	In NIS million			
Interest income from external	7,486	5,804	58	11
Interest expense from external	2,215	-	-	933
Interest income, net:				
From external	5,271	5,804	58	(922)
Inter-segmental	(826)	(4,581)	(5)	1,210
Total interest income (expenses), net	4,445	1,223	53	288
Total noninterest income	769	32	262	129
Total income	5,214	1,255	315	417
Loan loss expenses (income)	337	(10)	(1)	-
Operating and other expenses:				
For external	2,180	336	180	92
Inter-segmental	1	1	-	-
Total operating and other expenses	2,181	337	180	92
Profit before taxes	2,696	928	136	325
Provision(benefit) for profit taxes	988	340	50	120
Profit after taxes	1,708	588	86	205
The Bank's share in associates' losses, after tax effect	-	-	-	-
Net income before attribution to non-controlling interests	1,708	588	86	205
Net income attributable to the Bank's shareholders	1,708	588	86	205
Average balance of assets[(b)]	161,837	133,510	4,533	384
Of which: Investments in associates[(b)]	-	-	-	-
Average outstanding balance of loans to the public[(b)]	162,929	133,942	4,598	377
Outstanding loans to the public as at the end of the	171,013	140,552	5,163	410
Outstanding non-performing debts in arrears of over 90	845	557	2	-
Outstanding other troubled debts	685	21	36	1
Balance of the loan loss provision for loans to the public	1,553	607	62	2
Net charge-offs during the period	299	-	(1)	-
Average outstanding liabilities[(b)]	139,605	54	17	33,586
Of which: Average balance of deposits by the public[(b)]	139,482	-	-	33,584
Balance of deposits by the public as at the end of the	141,186	-	-	35,015
Average balance of risk-weighted assets[(b)(c)]	107,809	81,314	4,447	920
Balance of risk-weighted assets as at the end of the	110,351	83,287	4,698	1,018
Average balance of assets under management[(b)(d)]	63,993	1,354	-	60,086
Breakdown of interest income, net:				
Spread[(f)] from granting loans to the public	1,788	991	40	2
Spread[(f)] from deposit taking from the public	2,350	-	-	259
Other	307	232	13	27
Total interest income (expense), net	4,445	1,223	53	288

a) The classification is based on the office's location.
b) Average balance calculations are based on daily balances, as at the beginning of the quarter or the beginning of each month.
c) Risk-weighted assets - as calculated for capital adequacy purposes.
d) Assets under management - including customers' provident assets, study funds, mutual funds and securities.
e) including housing loans with outstanding loans to the public as of the end of the period in the amount of NIS 21.2 billion to customers whose business activity is classified into business segments.
f) Spread from credit granting activity is the difference between the interest received from credit and the cost of raising the sources used to grant the credit (hereinafter - "transfer prices"). These transfer prices are subject to the period, currency and type of interest in the transaction. Transfer prices are the Bank's internal pricing tool and are based on internal models and the Bank's judgment. Spread from deposit taking activity is the difference between the transfer prices and the interest paid to customers for these deposits.
g) Including the impairment loss from the investment in Valley shares in the amount of NIS 0.6 billion.
h) Reclassified.

							Foreign operations[a]	
Small businesses small	Mid-market	Corporations	Institutional entities	Financial management	Other segment	Total activity in Israel	Total activity outside Israel	Total
3,370	1,932	7,005	149	8,070	–	28,023	562	28,585
2,131	1,464	3,066	4,076	2,009	–	15,894	1	15,895
1,239	468	3,939	(3,927)	6,061	–	12,129	561	12,690
1,675	1,011	(1,023)	4,528	(6,328)	40	287	(287)	–
2,914	1,479	2,916	601	(267)	40	12,416	274	12,690
687	254	693	153	1,277	853	4,815	56	4,871
3,601	1,733	3,609	754	1,010	893	17,231	330	17,561
166	13	(3)	2	38	–	553	(37)	516
1,221	367	406	197	230	418	5,111	81	5,192
–	–	(1)	6	10	(16)	–	–	–
1,221	367	405	203	240	402	5,111	81	5,192
2,214	1,353	3,207	549	732	491	11,567	286	11,853
812	496	1,185	202	245	(12)	4,036	92	4,128
1,402	857	2,022	347	487	503	7,531	194	7,725
–	–	–	–	(378)[g]	–	(378)	–	(378)
1,402	857	2,022	347	109	503	7,153	194	7,347
1,402	857	2,022	347	109	503	7,153	194	7,347
66,830	39,329	146,632	6,258	303,134	7,317	731,721	8,703	740,424
–	–	–	–	3,778	–	3,778	–	3,778
68,260	39,872	147,836	6,262	–	–	425,536	8,673	434,209
70,892	39,732	153,784	7,990	–	–	443,821	9,951	453,772
589	270	725	1	–	–	2,430	80	2,510
1,066	472	1,444	–	–	–	3,668	370	4,038
2,379	828	1,991	7	–	–	6,760	61	6,821
130	(46)	(14)	–	–	–	369	(20)	349
102,881	59,940	102,365	147,708	86,095	10,752	682,932	252	683,184
102,740	59,808	96,656	147,288	–	–	579,558	–	579,558
101,308	59,425	96,058	155,313	–	–	588,305	–	588,305
59,420	43,810	189,601	1,280	40,539	17,956	461,335	10,712	472,047
61,026	43,221	196,409	1,495	53,552	16,098	483,170	11,479	494,649
96,836	31,808	108,187	1,033,205	41,128	–	1,435,243	–	1,435,243
1,327	642	1,890	16	–	–	5,665	561	6,226
1,425	715	530	583	–	–	5,862	–[h]	5,862
162	122	496	2	(267)	40	889	(287)[h]	602
2,914	1,479	2,916	601	(267)	40	12,416	274	12,690

Note 12A - Regulatory Operating Segments (cont.)

Information on Regulatory Operating Segments - Consolidated (cont.)

	For the year ended December 31, 2024 (audited)			
	Activity in Israel[a]			
	Households[e]			
	Total	Of which: Housing loans	Of which: Credit cards	Private banking
	In NIS million			
Interest income from external	9,532	7,284	77	14
Interest expense from external	2,885	–	–	1,239
Interest income, net:				
From external	6,647	7,284	77	(1,225)
Inter-segmental	(754)	(5,682)	(7)	1,591
Total interest income (expenses), net	5,893	1,602	70	366
Total noninterest income	1,043	41	356	175
Total income	6,936	1,643	426	541
Loan loss expenses (income)	433	36	(2)	–
Operating and other expenses:				
For external	2,834	444	238	128
Inter-segmental	2	2	–	–
Total operating and other expenses	2,836	446	238	128
Profit before taxes	3,667	1,161	190	413
Provision for profit taxes	1,331	423	70	149
Profit after taxes	2,336	738	120	264
The Bank's share in associates' losses, after tax effect	–	–	–	–
Net income before attribution to non-controlling interests	2,336	738	120	264
Net income attributable to the Bank's shareholders	2,336	738	120	264
Average balance of assets[b]	163,824	135,364	4,583	400
Of which: Investments in associates[b]	–	–	–	–
Average outstanding balance of loans to the public[b]	164,915	135,789	4,647	393
Outstanding loans to the public as at the end of the	175,057	144,387	5,161	458
Outstanding non-performing debts in arrears of over 90	968	677	1	–
Outstanding other troubled debts	630	23	35	–
Balance of the loan loss provision for loans to the public	1,615	640	61	2
Net charge-offs during the period	367	1	(1)	–
Average outstanding liabilities[b]	139,633	53	17	33,899
Of which: Average balance of deposits by the public[b]	139,512	–	–	33,897
Balance of deposits by the public as at the end of the	139,802	–	–	35,781
Average balance of risk-weighted assets[b][c]	108,445	81,807	4,510	945
Balance of risk-weighted assets as at the end of the	113,081	85,989	4,515	1,079
Average balance of assets under management[b][d]	64,965	1,363	–	61,655
Breakdown of interest income, net:				
Spread[g] from granting loans to the public	2,329	1,266	52	1
Spread[g] from deposit taking from the public	3,122	–	–	331
Other	442	336	18	34
Total interest income (expense), net	5,893	1,602	70	366

a) The classification is based on the office's location.
b) Average balance calculations are based on daily balances, as at the beginning of the quarter or the beginning of each month.
c) Risk-weighted assets - as calculated for capital adequacy purposes.
d) Assets under management - including customers' provident assets, study funds, mutual funds and securities.
e) Including housing loans with outstanding loans to the public as at end of period in the amount of NIS 21.7 billion to customers whose business activity is classified to business segments.
f) Including the impairment loss due to the investment in Valley shares in the amount of approx. NIS 0.6 billion. For further information please see Note 15.A to the financial statements as at December 31, 2024.
g) Spread from credit granting activity is the difference between the interest received from credit and the cost of raising the sources used to grant the credit (hereinafter - "transfer prices"). These transfer prices are subject to the period, currency and type of interest in the transaction. Transfer prices are the Bank's internal pricing tool and are based on internal models and the Bank's judgment. Spread from deposit taking activity is the difference between the transfer prices and the interest paid to customers for these deposits.

Small businesses small	Mid-market	Corporations	Institutional entities	Financial management	Other segment	Total activity in Israel	Foreign operations[(a)] Total activity outside Israel	Total
4,543	2,529	9,310	201	10,596	–	36,725	737	37,462
2,777	1,874	4,077	5,610	2,490	–	20,952	1	20,953
1,766	655	5,233	(5,409)	8,106	–	15,773	736	16,509
2,102	1,313	(1,180)	6,213	(8,956)	57	386	(386)	–
3,868	1,968	4,053	804	(850)	57	16,159	350	16,509
925	343	948	205	2,011	867	6,517	82	6,599
4,793	2,311	5,001	1,009	1,161	924	22,676	432	23,108
168	3	118	3	25	–	750	(37)	713
1,634	489	576	260	311	556	6,788	116	6,904
–	–	(1)	8	12	(21)	–	–	–
1,634	489	575	268	323	535	6,788	116	6,904
2,991	1,819	4,308	738	813	389	15,138	353	15,491
1,084	660	1,564	267	174	73	5,302	120	5,422
1,907	1,159	2,744	471	639	316	9,836	233	10,069
–	–	–	–	(271)[(f)]	–	(271)	–	(271)
1,907	1,159	2,744	471	368	316	9,565	233	9,798
1,907	1,159	2,744	471	368	316	9,565	233	9,798
67,666	39,118	148,394	7,210	303,447	7,313	737,372	8,967	746,339
–	–	–	–	3,673	–	3,673	–	3,673
69,120	39,670	149,771	7,214	–	–	431,083	8,815	439,898
75,044	39,611	159,390	3,604	–	–	453,164	9,242	462,406
676	222	574	2	–	–	2,442	31	2,473
1,071	410	1,829	–	–	–	3,940	282	4,222
2,345	846	2,039	7	–	–	6,854	33	6,887
177	(40)	(62)	–	–	–	442	–	442
102,322	59,323	102,280	152,639	87,018	10,435	687,549	242	687,791
102,183	59,189	96,606	152,214	–	–	583,601	–	583,601
101,224	59,641	109,860	171,993	–	–	618,301	–	618,301
59,822	43,662	189,601	1,334	43,794	17,492	465,095	10,904	475,999
60,383	44,577	204,532	1,582	50,991	15,902	492,127	11,152	503,279
99,437	32,972	114,728	1,053,718	44,412	–	1,471,887	–	
1,781	850	2,625	21	–	–	7,607	739	8,346
1,853	944	710	780	–	–	7,740	–	7,740
234	174	718	3	(850)	57	812	(389)	423
3,868	1,968	4,053	804	(850)	57	16,159	350	16,509

Note 12B - Operating Segments - Management Approach

General

Operating segments reporting according to management approach presents the Bank's results by business line, in accordance with the Bank's organizational structure.
The Bank's business lines specialize in providing services to customer segments with similar characteristics and needs.

Information regarding the Operating Segments - Management Approach appears in Note 28B to the financial statements as at December 31, 2024.

Set forth below are the condensed financial performance according to management approach

	For the three months ended September 30, 2025 (unaudited)											
	The Bank									Subsidiaries in Israel	Foreign subsidiaries	Total
	Private individuals	Small businesses	Retail banking - total	Mortgages	Commercial	Corporate	Real estate	Capital markets	Other and adjustments			
	In NIS million											
Interest income, net:												
From external	(899)	170	(729)	2,293	442	981	1,019	195	22	63	185	4,471
Inter-segmental	2,189	336	2,525	(1,986)	173	(603)	(676)	649	-	18	(100)	-
Interest income, net	1,290	506	1,796	307	615	378	343	844	22	81	85	4,471
Noninterest income	310	111	421	2	159	158	120	296	151	166	17	1,490
Total income	1,600	617	2,217	309	774	536	463	1,140	173	247	102	5,961
Loan loss expenses (income)	77	(24)	53	(2)	(36)	9	10	12	(4)	(5)	(5)	32
Total operating and other expenses	699	225	924	99	162	82	36	109	121	52	24	1,609
Profit before taxes	824	416	1,240	212	648	445	417	1,019	56	200	83	4,320
Provision for taxes	314	158	472	81	246	169	159	343	165	57	27	1,719
Net income (loss) attributable to the Bank's shareholders	510	258	768	131	402	276	258	749	(109)	169	56	2,700

Note 12B - Operating Segments - Management Approach (cont.)

Condensed results of operations according to management approach (cont.)

	For the three months ended September 30, 2024 (unaudited)											
	The Bank									Subsidiaries in Israel	Foreign subsidiaries	Total
	Private individuals	Small businesses	Retail banking - total	Mortgages	Commercial	Corporate	Real estate	Capital markets	Other and adjustments			
	In NIS million											
Interest income, net:												
From external	(824)	224	(600)	2,276	361	629	1,123	479	18	51	208	4,545
Inter-segmental	2,212	305	2,517	(1,932)	309	(343)	(750)	303	(3)	9	(110)	-
Interest income, net	1,388	529	1,917	344	670	286	373	782	15	60	98	4,545
Noninterest income (expenses)	406	126	532	2	147	80	109	164	(131)	52	23	978
Total income (expenses)	1,794	655	2,449	346	817	366	482	946	(116)	112	121	5,523
Loan loss expenses (income)	144	67	211	30	2	5	39	18	1	12	(6)	312
Total operating and other expenses	757	228	985	110	168	66	45	126	143	45	28	1,716
Profit (loss) before tax	893	360	1,253	206	647	295	398	802	(260)	55	99	3,495
Provision (benefit) for taxes	340	136	476	78	246	113	152	391	(198)	(12)	39	1,285
Net income (loss) attributable to the Bank's shareholders	553	224	777	128	401	182	246	479	(62)	82	60	2,293

Note 12B - Operating Segments - Management Approach (cont.)

Condensed results of operations according to management approach (cont.)

	For the nine months ended September 30, 2025 (unaudited)											
	The Bank									Subsidiaries in Israel	Foreign subsidiaries	Total
	Private individuals	Small businesses	Retail banking - total	Mortgages	Commercial	Corporate(a)	Real estate(a)	Capital markets	Other and adjustments			
	In NIS million											
Interest income, net:												
From external	(2,503)	578	(1,925)	6,248	1,343	2,439	2,958	1,172	57	166	570	13,028
Inter-segmental	6,349	941	7,290	(5,293)	520	(1,399)	(1,949)	1,084	5	51	(309)	-
Interest income, net	3,846	1,519	5,365	955	1,863	1,040	1,009	2,256	62	217	261	13,028
Noninterest income	1,136	362	1,498	5	466	339	351	1,051	127	396	71	4,304
Total income	4,982	1,881	6,863	960	2,329	1,379	1,360	3,307	189	613	332	17,332
Loan loss expenses (income)	250	(9)	241	9	(55)	13	66	8	(4)	(5)	37	310
Total operating and other expenses	2,111	659	2,770	329	525	240	112	364	377	150	83	4,950
Profit (loss) before tax	2,621	1,231	3,852	622	1,859	1,126	1,182	2,935	(184)	468	212	12,072
Provision for taxes	997	468	1,465	237	707	428	450	1,084	68	124	71	4,634
Net income (loss) attributable to the Bank's shareholders	1,624	763	2,387	385	1,152	698	732	2,069	(252)	401	141	7,713

Balances as at September 30, 2025												
Loans to the public, net	31,109	27,857	58,966	154,085	67,343	87,513	71,360	37,603	6,865	1,306	10,346	495,387
Deposits by the public	229,081	60,380	289,461	-	82,718	39,665	10,714	218,562	3	-	-	641,123

a) During the first quarter of 2025, an organizational change in the Corporate Division had been completed, establishing an infrastructure and complex financing system presented on the corporate sector. As part of said organizational change, inter alia, units that formerly were presented to the real estate business line were transferred to the corporate business line.

Note 12B – Operating Segments – Management Approach (cont.)

Condensed results of operations according to management approach (cont.)

	For the nine months ended September 30, 2024 (unaudited)											
	The Bank									Subsidiaries in Israel	Foreign subsidiaries	Total
	Private individuals	Small businesses	Retail banking – total	Mortgages	Commercial	Corporate	Real estate	Capital markets	Other and adjustments			
	In NIS million											
Interest income, net:												
From external	(2,392)	663	(1,729)	5,998	1,070	1,594	3,212	1,786	44	151	564	12,690
Inter-segmental	6,522	915	7,437	(4,954)	981	(758)	(2,119)	(321)	(4)	28	(290)	–
Interest income, net	4,130	1,578	5,708	1,044	2,051	836	1,093	1,465	40	179	274	12,690
Noninterest income	1,142	357	1,499	8	434	248	311	1,323	632[(a)]	360	56	4,871
Total income	5,272	1,935	7,207	1,052	2,485	1,084	1,404	2,788	672	539	330	17,561
Loan loss expenses (income)	368	109	477	8	139	(107)	10	16	–	10	(37)	516
Total operating and other expenses	2,228	694	2,922	334	543	219	130	346	463	154	81	5,192
Profit before taxes	2,676	1,132	3,808	710	1,803	972	1,264	2,426	209	375	286	11,853
Provision (benefit) for taxes	1,018	430	1,448	270	686	370	481	1,009	(268)	40	92	4,128
Net income attributable to the Bank's shareholders	1,658	702	2,360	440	1,117	602	783	996[(b)]	477	378	194	7,347

Balances as at September 30, 2024												
Loans to the public, net	30,276	26,951	57,227	142,656	64,550	64,614	71,158	28,675	6,910	1,272	9,889	446,951
Deposits by the public	226,023	57,049	283,072	–	86,743	37,902	9,334	171,249	5	–	–	588,305

a) Including capital gains due to the sale of the main office buildings inTel Aviv in the sum of approx. NIS 0.8 billion.
b) Including the impairment loss due to the investment in Valley shares in the amount of approx. NIS 0.6 billion.

Note 12B - Operating Segments - Management Approach (cont.)

Condensed results of operations according to management approach (cont.)

	For the year ended December 31, 2024 (audited)											
	The Bank									Subsidiaries in Israel	Foreign subsidiaries	Total
	Private individuals	Small businesses	Retail banking - total	Mortgages	Commercial	Corporate	Real estate	Capital markets	Other and adjustments			
	In NIS million											
Interest income, net:												
From external	(3,133)	894	(2,239)	7,482	1,482	2,081	4,250	2,457	58	204	734	16,509
Inter-segmental	8,607	1,206	9,813	(6,144)	1,236	(961)	(2,792)	(809)	(4)	45	(384)	-
Interest income, net	5,474	2,100	7,574	1,338	2,718	1,120	1,458	1,648	54	249	350	16,509
Noninterest income	1,557	483	2,040	9	584	323	426	1,651	963[(a)]	521	82	6,599
Total income	7,031	2,583	9,614	1,347	3,302	1,443	1,884	3,299	1,017	770	432	23,108
Loan loss expenses (income)	470	94	564	62	194	(139)	55	8	(8)	14	(37)	713
Total operating and other expenses	2,922	920	3,842	439	723	304	179	463	629	209	116	6,904
Profit before taxes	3,639	1,569	5,208	846	2,385	1,278	1,650	2,828	396	547	353	15,491
Provision (benefit) for taxes	1,384	597	1,981	322	907	486	627	1,064	(198)	113	120	5,422
Net income attributable to the Bank's shareholders	2,255	972	3,227	524	1,478	792	1,023	1,441[(b)]	594	486	233	9,798

Balances as at December 31, 2024												
Loans to the public, net	30,579	27,574	58,153	146,630	65,101	66,216	71,054	31,057	6,843	1,256	9,209	455,519
Deposits by the public	225,833	61,164	286,997	-	86,666	41,773	13,640	189,221	4	-	-	618,301

a) Including capital gains due to the sale of the main office buildings in Tel Aviv in the sum of approx. NIS 0.8billion.
b) Including the impairment loss due to the investment in Valley shares in the amount of approx. NIS 0.6 billion. For further information please see Note 15.A to the financial statements as at December 31, 2024.

Note 13 - 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

	For the three months ended September 30, 2025 (unaudited)					
	Loan loss provision					
	Loans to the public				Banks, governments and bonds held to maturity	
	Commercial	Housing	Private individuals - Other	Total - public	Available for sale	Total
	In NIS million					
Balance of loan loss provision as at the beginning of the reporting period	6,039	692	1,018	7,749	55	7,804
Loan loss expenses (income)	(15)	-	27	12	20	32
Charge-offs	(117)	(1)	(145)	(263)	-	(263)
Collection of debts written off in previous years	121	-	80	201	-	201
Net charge-offs	4	(1)	(65)	(62)	-	(62)
Outstanding loan loss provision as at the end of the reporting period[1]	6,028	691	980	7,699	75	7,774
[1]Of which: in respect of off-balance-sheet credit instruments	823	21	49	893	22	915

	For the three months ended September 30, 2024 (unaudited)					
	Loan loss provision					
	Loans to the public				Banks, governments and bonds held to maturity	
	Commercial	Housing	Private individuals - Other	Total - public	Available for sale	Total
	In NIS million					
Balance of loan loss provision as at the beginning of the reporting period	5,852	611	961	7,424	17	7,441
Loan loss expenses	166	14	113	293	19	312
Charge-offs	(99)	(1)	(155)	(255)	-	(255)
Collection of debts written off in previous years	85	-	65	150	-	150
Net charge-offs	(14)	(1)	(90)	(105)	-	(105)
Outstanding loan loss provision as at the end of the reporting period[1]	6,004	624	984	7,612	36	7,648
[1]Of which: in respect of off-balance-sheet credit instruments	738	17	36	791	16	807

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 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

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

1. Change in balance of provision for loan losses (cont.)

	For the nine months ended September 30, 2025 (unaudited)					
	Loan loss provision					
	Loans to the public				Banks, governments and bonds held to maturity	
	Commercial	Housing	Private individuals - Other	Total - public	Available for sale	Total
	In NIS million					
Balance of loan loss provision as at the beginning of the reporting period	6,048	669	988	7,705	47	7,752
Loan loss expenses	68	27	187	282	28	310
Charge-offs	(427)	(12)	(446)	(885)	-	(885)
Collection of debts written off in previous years	339	7	251	597	-	597
Net charge-offs	(88)	(5)	(195)	(288)	-	(288)
Outstanding loan loss provision as at the end of the reporting period[1]	6,028	691	980	7,699	75	7,774
[1]Of which: in respect of off-balance-sheet credit instruments	823	21	49	893	22	915

	For the nine months ended September 30, 2024 (unaudited)					
	Loan loss provision					
	Loans to the public				Banks, governments and bonds held to maturity	
	Commercial	Housing	Private individuals - Other	Total - public	Available for sale	Total
	In NIS million					
Balance of loan loss provision as at the beginning of the reporting period	5,873	634	957	7,464	17	7,481
Loan loss expenses (income)	181	(10)	326	497	19	516
Charge-offs	(477)	(3)	(490)	(970)	-	(970)
Collection of debts written off in previous years	427	3	191	621	-	621
Net charge-offs	(50)	-	(299)	(349)	-	(349)
Outstanding loan loss provision as at the end of the reporting period[1]	6,004	624	984	7,612	36	7,648
[1]Of which: in respect of off-balance-sheet credit instruments	738	17	36	791	16	807

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 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

A. Debts[a] due to held-to-maturity bonds and available-for-sale bonds, loans to the public and the balance of the provision for credit losses

2. Additional information on calculating the loan loss provision for debts,[a] held-to-maturity bonds and available-for-sale bonds

	September 30, 2025 (unaudited)					
	Loans to the public				Banks, governments and bonds held to maturity	
	Commercial	Housing	Private individuals – Other	Total – public	Available for sale	Total
	In NIS million					
Recorded outstanding debt:[a]						
Examined on a specific basis	299,108	–	184	299,292	147,497	446,789
Examined on a collective basis	20,614	151,769	30,518	202,901	–	202,901
Total debts[a]	319,722	151,769	30,702	502,193	147,497	649,690
Outstanding loan loss provision in respect of debts:[a]						
Examined on a specific basis	4,182	–	86	4,268	53	4,321
Examined on a collective basis	1,023	670	845	2,538	–	2,538
Total loan loss provision	5,205	670	931	6,806	53	6,859

	September 30, 2024 (unaudited)					
	Loans to the public				Banks, governments and bonds held to maturity	
	Commercial	Housing	Private individuals – Other	Total – public	Available for sale	Total
	In NIS million					
Recorded outstanding debt:[a]						
Examined on a specific basis	251,715	–	651	252,366	130,646	383,012
Examined on a collective basis	30,861	140,778	29,767	201,406	–	201,406
Total debts[a]	282,576	140,778	30,418	453,772	130,646	584,418
Outstanding loan loss provision in respect of debts:[a]						
Examined on a specific basis	4,167	–	243	4,410	20	4,430
Examined on a collective basis	1,099	607	705	2,411	–	2,411
Total loan loss provision	5,266	607	948	6,821	20	6,841

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 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

A. Debts[a] due to held-to-maturity bonds and available-for-sale bonds, loans to the public and the balance of the provision for credit losses (cont.)

2. Additional information on calculating the loan loss provision for debts,[a] held-to-maturity bonds and available-for-sale bonds (cont.)

	December 31, 2024 (audited)					
	Loans to the public				Banks, governments and bonds held to maturity	
	Commercial	Housing	Private individuals – Other	Total – public	Available for sale	Total
	In NIS million					
Recorded outstanding debt:[a]						
Examined on a specific basis	257,989	–	653	258,642	130,156	388,798
Examined on a collective basis	29,241	144,633	29,890	203,764	–	203,764
Total debts[a]	287,230	144,633	30,543	462,406	130,156	592,562
Outstanding loan loss provision in respect of debts:[a]						
Examined on a specific basis	4,247	–	219	4,466	23	4,489
Examined on a collective basis	1,047	640	734	2,421	–	2,421
Total loan loss provision	5,294	640	953	6,887	23	6,910

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 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public

1. Credit quality and arrears

	September 30, 2025 (unaudited)					
		Troubled[a]			Performing debts - additional information	
	Non-troubled[D]	Performing	Non-performing	Total	In arrears of 90 days or more[b]	In arrears of 30 to 89 days[c]
	In NIS million					
Borrower activity in Israel						
Public - commercial						
Construction & real estate - construction	76,874	711	164	77,749	38	48
Construction & real estate - real estate activities	50,186	634	102	50,922	44	198
Financial services	53,344	20	6	53,370	2	11
Commercial - Other	104,672	1,973	620	107,265	59	143
Commercial - total	285,076	3,338	892	289,306	143	400
Private individuals - housing loans	150,937	21	746	151,704	-	578
Private individuals - other	29,817	711	168	30,696	74	165
Total loans to the public - activity in Israel	465,830	4,070	1,806	471,706	217	1,143
Borrower activity outside Israel						
Public - commercial						
Construction and real estate	11,255	52	164	11,471	-	1
Commercial - Other	18,308	559	78	18,945	-	-
Commercial - total	29,563	611	242	30,416	-	1
Private individuals	70	-	1	71	-	-
Total loans to the public - foreign operations	29,633	611	243	30,487	-	1
Total loans to the public	495,463	4,681	2,049	502,193	217	1,144

a) Non-performing loans to the public, substandard or special mention.
b) Classified as troubled, performing debts.
c) Accumulates interest income Debts in arrears of 30 and up to 89 days, totaling NIS 172 million, were classified as troubled debt.
d) Non-troubled debts include debts that are not classified as troubled, with a deferral of payments of 180 days or more, that was given during the War to borrowers who were not in financial difficulties, in the sum of NIS 1.8 billion as at September 30, 2025, mostly housing loans.

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

1. Credit quality and delinquency (cont.)

	September 30, 2024 (unaudited)					
		Troubled[(a)]			Performing debts - additional information	
	Non-troubled	Performing	Non-performing	Total	In arrears of 90 days or more[(b)]	In arrears of 30 to 89 days[(c)]
	In NIS million					
Borrower activity in Israel						
Public - commercial						
Construction & real estate - construction	69,167	267	597	70,031	16	37
Construction & real estate - real estate activities	46,230	229	82	46,541	4	102
Financial services	40,748	14	16	40,778	1	7
Commercial - Other	94,185	1,958	644	96,787	23	114
Commercial - total	250,330	2,468	1,339	254,137	44	260
Private individuals - housing loans	140,152	21	557	140,730	-	578
Private individuals - other	29,455	736	217	30,408	71	172
Total loans to the public - activity in Israel	419,937	3,225	2,113	425,275	115	1,010
Borrower activity outside Israel						
Public - commercial						
Construction and real estate	11,565	166	4	11,735	-	2
Commercial - Other	15,664	781	259	16,704	19	205
Commercial - total	27,229	947	263	28,439	19	207
Private individuals	58	-	-	58	-	-
Total loans to the public - foreign operations	27,287	947	263	28,497	19	207
Total loans to the public	447,224	4,172	2,376	453,772	134	1,217

a) Non-performing loans to the public, substandard or special mention.
b) Classified as troubled, performing debts.
c) Accumulates interest income Debts in arrears of 30 and up to 89 days, totaling NIS 360 million, were classified as troubled debt.

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

1. Credit quality and delinquency (cont.)

	December 31, 2024 (audited)					
		Troubled[a]			Performing debts - additional information	
	Non-troubled[D]	Performing	Non-performing	Total	In arrears of 90 days or more[b]	In arrears of 30 to 89 days[c]
	In NIS million					
Borrower activity in Israel						
Public - commercial						
Construction & real estate - construction	69,273	461	352	70,086	20	31
Construction & real estate - real estate activities	47,886	256	87	48,229	13	79
Financial services	40,502	10	9	40,521	1	22
Commercial - Other	94,678	2,274	702	97,654	57	113
Commercial - total	252,339	3,001	1,150	256,490	91	245
Private individuals - housing loans	143,885	23	677	144,585	-	856
Private individuals - other	29,635	694	204	30,533	87	174
Total loans to the public - activity in Israel	425,859	3,718	2,031	431,608	178	1,275
Borrower activity outside Israel						
Public - commercial						
Construction and real estate	11,401	165	80	11,646	-	2
Commercial - Other	18,394	517	183	19,094	-	2
Commercial - total	29,795	682	263	30,740	-	4
Private individuals	57	-	1	58	-	-
Total loans to the public - foreign operations	29,852	682	264	30,798	-	4
Total loans to the public	455,711	4,400	2,295	462,406	178	1,279

a) Non-performing loans to the public, substandard or special mention.
b) Classified as troubled, performing debts.
c) Accumulates interest income Debts in arrears of 30 and up to 89 days, totaling NIS 159 million, were classified as troubled debt.
d) Non-troubled debts include debts that are not classified as troubled, with a deferral of payments of 180 days or more, that was given during the War to borrowers who were not in financial difficulties, in the sum of NIS 2.2 billion as at December 31, 2024 (commercial in the sum of NIS 0.5 billion, housing loans in the sum of NIS 1.6 billion, other private individuals, in the sum of NIS 0.1 billion).

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

1.1. Credit quality by credit granting year

	September 30, 2025 (unaudited)								
	Recorded outstanding debt of fixed loans to the public						Recorded outstanding debt of renewed loans	Recorded outstanding balance of revolving loans that had been converted to term loans	Total
	2025	2024	2023	2022	2021	Past			
	In NIS million								
Borrower activity in Israel									
Public - commercial									
Construction and real estate - total	17,473	18,777	10,953	9,637	6,637	6,660	55,960	2,574	128,671
Credit that is rated as performing	17,416	18,422	10,552	9,030	6,528	6,507	55,597	2,568	126,620
Credit that is non-investment-grade nor troubled	26	143	61	56	51	12	90	1	440
Troubled performing credit	24	187	254	511	43	86	239	1	1,345
Non-performing credit	7	25	86	40	15	55	34	4	266
Gross charge-offs during the period	(1)	(6)	(14)	(9)	(5)	(4)	(33)	(1)	(73)
Commercial - other, total	43,017	25,989	14,881	10,727	6,769	9,925	47,056	2,271	160,635
Credit that is rated as performing	42,913	25,531	14,475	10,360	6,174	9,638	45,989	2,237	157,317
Credit that is non-investment-grade nor troubled	38	196	40	21	24	50	329	1	699
Troubled performing credit	49	156	241	227	481	172	648	19	1,993
Non-performing credit	17	106	125	119	90	65	90	14	626
Gross charge-offs during the period	(5)	(65)	(59)	(46)	(37)	(43)	(91)	(2)	(348)
Private individuals - housing loans - total	22,214	26,825	17,478	20,335	18,044	46,808	-	-	151,704
LTV of up to 60%	12,010	15,010	9,793	11,253	10,277	31,698	-	-	90,041
LTV of more than 60%	10,059	11,640	7,491	8,699	7,449	14,197	-	-	59,535
LTV over 75%	145	175	194	383	318	913	-	-	2,128
Credit that is non-delinquent and investment-grade	22,116	26,472	16,955	19,650	17,563	45,543	-	-	148,299
Credit that is non-delinquent and non-investment grade	47	204	343	486	345	656	-	-	2,081
In arrears of 30-89	39	83	91	85	52	228	-	-	578
Non-performing credit	12	66	89	114	84	381	-	-	746
Gross charge-offs during the period	-	-	-	-	-	(12)	-	-	(12)

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

	September 30, 2025 (unaudited)								
	Recorded outstanding debt of fixed loans to the public						Recorded outstanding debt of renewed loans	Recorded outstanding balance of revolving loans that had been converted to term loans	Total
	2025	2024	2023	2022	2021	Past			
	In NIS million								
Private individuals - other - total	8,896	6,391	3,473	2,337	1,343	954	7,064	238	30,696
Credit that is non-delinquent and investment-grade	8,201	5,507	2,902	1,931	1,148	865	6,318	170	27,042
Credit that is non-delinquent and non-investment grade	658	788	496	356	167	71	669	42	3,247
In arrears of 30-89 days	19	40	27	20	9	3	46	1	165
In arrears of over 90	5	18	12	6	4	5	24	-	74
Non-performing credit	13	38	36	24	15	10	7	25	168
Gross charge-offs during the period	(7)	(79)	(93)	(71)	(30)	(52)	(110)	(4)	(446)
Total loans to the public - activity in Israel	91,600	77,982	46,785	43,036	32,793	64,347	110,080	5,083	471,706
Total loans to the public - foreign operations	6,414	5,895	3,134	2,083	1,016	174	11,565	206	30,487
Non-troubled credit	6,406	5,879	3,116	1,733	998	174	11,121	206	29,633
Troubled performing	-	13	13	151	-	-	434	-	611
Non-performing credit	8	3	5	199	18	-	10	-	243
Gross charge-offs during the period	-	-	-	-	-	-	(6)	-	(6)
Total loans to the public	98,014	83,877	49,919	45,119	33,809	64,521	121,645	5,289	502,193

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

1.1. Credit quality by credit granting year (cont.)

	September 30, 2024 (unaudited)								
	Recorded outstanding debt of fixed loans to the public						Recorded outstanding debt of renewed loans	Recorded outstanding debt of renewed loans converted to fixed loans	Total
	2024	2023	2022	2021	2020	Past			
	In NIS million								
Borrower activity in Israel									
Public - commercial									
Construction and real estate - total	19,295	15,321	12,190	9,935	2,967	6,894	47,024	2,946	116,572
Credit that is rated as investment-grade	19,250	15,105	11,830	9,433	2,806	6,760	46,891	2,910	114,985
Credit that is non-investment-grade nor troubled	45	46	85	65	104	5	59	3	412
Troubled performing credit	-	126	192	68	21	34	52	3	496
Non-performing credit	-	44	83	369	36	95	22	30	679
Gross charge-offs during the period	-	(10)	(19)	(81)	(12)	(4)	(22)	(2)	(150)
Commercial - other, total	31,490	22,082	17,884	10,719	5,958	9,121	38,184	2,127	137,565
Credit that is rated as investment-grade	31,361	21,735	17,339	10,318	5,698	8,761	37,345	2,101	134,658
Credit that is non-investment-grade nor troubled	129	26	26	34	9	12	38	1	275
Troubled performing credit	-	233	359	254	156	288	672	10	1,972
Non-performing credit	-	88	160	113	95	60	129	15	660
Gross charge-offs during the period	-	(36)	(51)	(46)	(14)	(11)	(84)	(5)	(247)

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

September 30, 2024 (unaudited)
Recorded outstanding debt of fixed loans to the public | Recorded outstanding debt of renewed loans | Recorded outstanding debt of renewed loans converted to fixed loans | Total
2024 2023 2022 2021 2020 Past
In NIS million

	September 30, 2024 (unaudited)								
	Recorded outstanding debt of fixed loans to the public						Recorded outstanding debt of renewed loans	Recorded outstanding debt of renewed loans converted to fixed loans	Total
	2024	2023	2022	2021	2020	Past			
	In NIS million								
Private individuals - housing loans - total	20,779	20,119	23,783	20,434	12,365	43,250	–	–	140,730
LTV of up to 60%	11,623	11,295	12,759	11,466	7,661	29,631	–	–	84,435
LTV of more than 60% and up to 75%	9,075	8,728	10,940	8,793	4,646	12,609	–	–	54,791
LTV over 75%	81	96	84	175	58	1,010	–	–	1,504
Credit that is non-delinquent and investment-grade	20,697	19,651	23,079	19,874	11,986	41,592	–	–	136,879
Credit that is non-delinquent and non-investment grade	58	404	608	450	273	923	–	–	2,716
In arrears of 30-89 days	16	37	41	61	46	377	–	–	578
Non-performing credit	8	27	55	49	60	358	–	–	557
Gross charge-offs during the period	–	(3)	–	–	–	–	–	–	(3)
Private individuals - other - total	8,476	5,954	4,296	2,468	1,371	377	7,200	266	30,408
Credit that is non-delinquent and investment-grade	8,141	5,352	3,708	2,171	1,244	316	6,776	202	27,910
Credit that is non-delinquent and non-investment grade	296	510	458	236	104	52	344	38	2,038
In arrears of 30-89 days	19	42	35	17	5	2	51	1	172
In arrears of over 90 days	5	10	16	7	3	1	29	–	71
Non-performing credit	15	40	79	37	15	6	–	25	217
Gross charge-offs during the period	(4)	(87)	(113)	(70)	(18)	(46)	(147)	(5)	(490)
Total loans to the public - activity in Israel	80,040	63,476	58,153	43,556	22,661	59,642	92,408	5,339	425,275
Total loans to the public - foreign operations	6,714	4,955	3,107	2,400	172	373	10,767	9	28,497
Non-troubled credit	6,714	4,955	2,820	2,072	35	369	10,313	9	27,287
Troubled performing credit	–	–	38	328	137	–	444	–	947
Non-performing credit	–	–	249	–	–	4	10	–	263
Gross charge-offs during the period	–	–	–	–	(22)	–	(58)	–	(80)
Total loans to the public	86,754	68,431	61,260	45,956	22,833	60,015	103,175	5,348	453,772

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

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

	September 30, 2025 (unaudited)					
	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 balance of [(b)] Non-performing debts	Outstanding contractual principal in respect of non-performing debts	Recorded interest income[(c)]
	In NIS million					
Borrower activity in Israel						
Public - commercial						
Construction and real estate	159	48	107	266	784	-
Commercial - Other	528	316	98	626	2,360	2
Commercial - total	687	364	205	892	3,144	2
Private individuals - housing loans	746	112	-	746	769	-
Private individuals - other	168	110	-	168	527	-
Total loans to the public - activity in Israel	1,601	586	205	1,806	4,440	2
Borrower activity outside Israel						
Total loans to the public - foreign operations	234	35	9	243	428	-
Total public[1]	1,835	621	214	2,049	4,868	2
[1]Of which:						
Measured on a specific basis according to the present value of cash flows	920	480	182	1,102	3,273	
Measured on a specific basis according to fair value of collateral	169	29	32	201	826	
Measured on a collective basis	746	112	-	746	769	

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 161 million would have been recorded.
Additional information: the total recorded average debt balance of non-performing debts in the three months ended September 30, 2025 stands at NIS 2,223 million.

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

2.A. Additional information on non-performing debts[a] (cont.)

	September 30, 2024 (unaudited)					
	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 balance of [b] Non-performing debts	Outstanding contractual principal in respect of non-performing debts	Recorded interest income[c]
	In NIS million					
Borrower activity in Israel						
Public - commercial						
Construction and real estate	556	77	123	679	1,183	-
Commercial - Other	525	296	135	660	2,407	2
Commercial - total	1,081	373	258	1,339	3,590	2
Private individuals - housing loans	557	101	-	557	557	-
Private individuals - other	217	142	-	217	606	-
Total loans to the public - activity in Israel	1,855	616	258	2,113	4,753	2
Borrower activity outside Israel						
Total loans to the public - foreign operations	142	34	121	263	558	-
Total public[1]	1,997	650	379	2,376	5,311	2
[1]Of which:						
Measured on a specific basis according to the present value of cash flows	1,132	545	360	1,492	3,715	
Measured on a specific basis according to fair value of collateral	308	4	19	327	1,039	
Measured on a collective basis	557	101	-	557	557	

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 154 million would have been recorded.
Additional information: the total recorded average debt balance of non-performing debts in the three months ended September 30, 2024 stands at NIS 2,924 million.

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

2.A. Additional information on non-performing debts[a] (cont.)

	December 31, 2024 (audited)					
	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 balance of [b] Non-performing debts	Outstanding contractual principal in respect of non-performing debts	Recorded interest income[c]
	In NIS million					
Borrower activity in Israel						
Public - commercial						
Construction and real estate	290	77	149	439	1,044	6
Commercial - Other	581	356	130	711	2,556	2
Commercial - total	871	433	279	1,150	3,600	8
Private individuals - housing loans	677	109	-	677	677	-
Private individuals - other	204	134	-	204	573	-
Total loans to the public - activity in Israel	1,752	676	279	2,031	4,850	8
Borrower activity outside Israel						
Total loans to the public - foreign operations	147	31	117	264	496	-
Total public[1]	1,899	707	396	2,295	5,346	8
[1]Of which:						
Measured on a specific basis according to the present value of cash flows	1,112	581	371	1,483	3,834	
Measured on a specific basis according to fair value of collateral	110	17	25	135	835	
Measured on a collective basis	677	109	-	677	677	

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 163 million would have been recorded.
Additional information: the total recorded average outstanding debt of non-performing debts in the year ended December 31, 2024 is NIS 2,809 million.

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

2.B. Information regarding debts of borrowers with financial difficulties who underwent a change in terms and conditions

1. The credit quality and extent of arrears of debts of borrowers with financial difficulties who underwent a change in terms and conditions

	As of September 30, 2025 (unaudited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-performing	Performing	In arrears of 30 days or more	Non-delinquent	Total
	In NIS million				
Borrower activity in Israel					
Commercial	271	252	3	241	767
Private individuals - housing loans	100	21	-	33	154
Private individuals - other	147	163	4	231	545
Total loans to the public - activity in Israel	518	436	7	505	1,466
Total loans to the public - foreign operations	59	124	-	457	640
Total loans to the public	577	560	7	962	2,106

	As of September 30, 2024 (unaudited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-performing	Performing	In arrears of 30 days or more	Non-delinquent	Total
	In NIS million				
Borrower activity in Israel					
Commercial	447	256	1	200	904
Private individuals - housing loans	103	21	-	42	166
Private individuals - other	184	173	2	202	561
Total loans to the public - activity in Israel	734	450	3	444	1,631
Total loans to the public - foreign operations	115	140	-	150	405
Total - public	849	590	3	594	2,036

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

2.B. Information regarding debts of borrowers with financial difficulties who underwent a change in terms and conditions (cont.)

1. The credit quality and extent of arrears of debts of borrowers with financial difficulties who underwent a change in terms and conditions (cont.)

	As of December 31, 2024 (audited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-performing	Performing	In arrears of 30 days or more	Non-delinquent	Total
	In NIS million				
Borrower activity in Israel					
Commercial	390	142	1	320	853
Private individuals - housing loans	108	23	-	36	167
Private individuals - other	173	154	3	237	567
Total loans to the public - activity in Israel	671	319	4	593	1,587
Total loans to the public - foreign operations	171	-	-	619	790
Total - public	842	319	4	1,212	2,377

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

2.B. Information regarding debts of borrowers with financial difficulties who underwent a change in terms and conditions (cont.)

2. The credit quality and extent of arrears of debts of borrowers with financial difficulties who underwent a change in terms and conditions during the reporting period

	For the three months ended September 30, 2025 (unaudited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-performing	Performing	Non-delinquent	Total	Charge-offs
	In NIS million				
Borrower activity in Israel					
Commercial	39	4	1	44	5
Private individuals - housing loans	8	-	-	8	1
Private individuals - other	66	9	4	79	4
Total loans to the public - activity in Israel	113	13	5	131	10
Total - public	113	13	5	131	10

	For the three months ended September 30, 2024 (unaudited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-performing	Performing	Non-delinquent	Total	Charge-offs
	In NIS million				
Borrower activity in Israel					
Commercial	44	1	-	45	5
Private individuals - housing loans	18	-	-	18	-
Private individuals - other	82	1	-	83	7
Total loans to the public - activity in Israel	144	2	-	146	12
Total - public	144	2	-	146	12

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

2.B. Information regarding debts of borrowers with financial difficulties who underwent a change in terms and conditions (cont.)

2. The credit quality and extent of arrears of debts of borrowers with financial difficulties who underwent a change in terms and conditions during the reporting period (cont.)

	For the nine months ended September 30, 2025 (unaudited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-performing	Performing	Non-delinquent	Total	Charge-offs
	In NIS million				
Borrower activity in Israel					
Commercial	182	38	2	222	22
Private individuals - housing loans	22	-	-	22	5
Private individuals - other	137	54	7	198	28
Total loans to the public - activity in Israel	341	92	9	442	55
Total loans to the public - foreign operations	4	-	-	4	-
Total - public	345	92	9	446	55

	For the nine months ended September 30, 2024 (unaudited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-performing	Performing	Non-delinquent	Total	Charge-offs
	In NIS million				
Borrower activity in Israel					
Commercial	189	29	1	219	34
Private individuals - housing loans	49	-	-	49	-
Private individuals - other	154	51	-	205	39
Total loans to the public - activity in Israel	392	80	1	473	73
Total loans to the public - foreign operations	-	140	-	140	-
Total - public	392	220	1	613	73

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

2.B. Information regarding debts of borrowers with financial difficulties who underwent a change in terms and conditions (cont.)

3. Debts of borrowers with financial difficulties who underwent a change in terms and conditions during the reporting period

	Debts of borrowers with financial difficulties who underwent a change in terms and conditions						
	For the three months ended September 30, 2025 (unaudited)						
	Total		Type of change				
	Recorded outstanding debt	Percent of total	Waiver of interest	Period extension	Deferral of payments	Waiver of interest and period extension	Period extension and deferral of payments
	In NIS million	In %	In NIS million				
Borrower activity in Israel							
Commercial	44	0.02	3	14	-	27	-
Private individuals - housing loans	8	0.01	-	3	5	-	-
Private individuals - other	79	0.26	7	40	-	32	-
Total loans to the public - activity in Israel	131	0.03	10	57	5	59	-
Total - public	131	0.03	10	57	5	59	-

	Debts of borrowers with financial difficulties who underwent a change in terms and conditions						
	For the three months ended September 30, 2024 (unaudited)						
	Total		Type of change				
	Recorded outstanding debt	Percent of total	Waiver of interest	Period extension	Deferral of payments	Waiver of interest and period extension	Period extension and deferral of payments
	In NIS million	In %	In NIS million				
Borrower activity in Israel							
Commercial	45	0.02	29	14	-	1	1
Private individuals - housing loans	18	0.01	-	4	14	-	-
Private individuals - other	83	0.27	2	43	-	37	1
Total loans to the public - activity in Israel	146	0.03	31	61	14	38	2
Total - public	146	0.03	31	61	14	38	2

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

2.B. Information regarding debts of borrowers with financial difficulties who underwent a change in terms and conditions (cont.)

3. Debts of borrowers with financial difficulties who underwent a change in terms and conditions during the reporting period (cont.)

	Debts of borrowers with financial difficulties who underwent a change in terms and conditions							
	For the nine months ended September 30, 2025 (unaudited)							
	Total		Type of change					
	Recorded outstanding debt	Percent of total	Waiver of interest	Period extension	Deferral of payments	Waiver of interest and period extension	Waiver of interest, period extension and deferral of payments	Period extension and deferral of payments
	In NIS million	In %	In NIS million					
Borrower activity in Israel								
Commercial	222	0.08	45	52	–	123	–	2
Private individuals - housing loans	22	0.01	–	9	13	–	–	–
Private individuals - other	198	0.65	18	101	–	77	–	2
Total loans to the public - activity in Israel	442	0.09	63	162	13	200	–	4
Total loans to the public - Foreign operations	4	0.01	–	4	–	–	–	–
Total - public	446	0.09	63	166	13	200	–	4

	Debts of borrowers with financial difficulties who underwent a change in terms and conditions							
	For the nine months ended September 30, 2024 (unaudited)							
	Total		Type of change					
	Recorded outstanding debt	Percent of total	Waiver of interest	Period extension	Deferral of payments	Waiver of interest and period extension	Waiver of interest, period extension and deferral of payments	Period extension and deferral of payments
	In NIS million	In %	In NIS million					
Borrower activity in Israel								
Commercial	219	0.09	69	37	–	109	2	2
Private individuals - housing loans	49	0.03	–	9	40	–	–	–
Private individuals - other	205	0.67	11	107	1	77	2	7
Total loans to the public - activity in Israel	473	0.11	80	153	41	186	4	9
Total loans to the public - Foreign operations	140	0.49	–	140	–	–	–	–
Total - public	613	0.14	80	293	41	186	4	9

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

2.B. Information regarding debts of borrowers with financial difficulties who underwent a change in terms and conditions (cont.)

3. Debts of borrowers with financial difficulties who underwent a change in terms and conditions during the reporting period (cont.)

	Financial effects of a change in terms and conditions for debts of borrowers with financial difficulties			
	For the three months ended September 30, 2025 (unaudited)			
	Type of change			
	Waiver of principal	Average waiver of interest	Average period extension	Average deferral of payments
	In NIS million	In %	Months	Months
Borrower activity in Israel				
Commercial	10	4.45	41	-
Private individuals - housing loans	-	-	70	10
Private individuals - other	19	5.52	43	-
Total loans to the public - activity in Israel	**29**	**5.08**	**44**	**6**
Total - public	**29**	**5.08**	**44**	**6**

	Financial effects of a change in terms and conditions for debts of borrowers with financial difficulties			
	For the three months ended September 30, 2024 (unaudited)			
	Type of change			
	Waiver of principal	Average waiver of interest	Average period extension	Average deferral of payments
	In NIS million	In %	Months	Months
Borrower activity in Israel				
Commercial	7	3.65	43	3
Private individuals - housing loans	-	-	55	10
Private individuals - other	8	4.25	46	3
Total loans to the public - activity in Israel	15	4.01	46	10
Total - public	15	4.01	46	10

Note 13 – Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

2.B. Information regarding debts of borrowers with financial difficulties who underwent a change in terms and conditions (cont.)

3. Debts of borrowers with financial difficulties who underwent a change in terms and conditions during the reporting period (cont.)

	Financial effects of a change in terms and conditions for debts of borrowers with financial difficulties			
	For the nine months ended September 30, 2025 (unaudited)			
	Type of change			
	Waiver of principal	Average waiver of interest	Average period extension	Average deferral of payments
	In NIS million	In %	Months	Months
Borrower activity in Israel				
Commercial	32	4.27	40	3
Private individuals – housing loans	–	–	75	9
Private individuals – other	47	5.46	43	3
Total loans to the public – activity in Israel	79	4.82	45	8
Total loans to the public – foreign operations	–	–	9	–
Total – public	79	4.82	45	8

	Financial effects of a change in terms and conditions for debts of borrowers with financial difficulties			
	For the nine months ended September 30, 2024 (unaudited)			
	Type of change			
	Waiver of principal	Average waiver of interest	Average period extension	Average deferral of payments
	In NIS million	In %	Months	Months
Borrower activity in Israel				
Commercial	18	3.27	44	3
Private individuals – housing loans	–	–	68	11
Private individuals – other	21	4.01	45	3
Total loans to the public – activity in Israel	39	3.65	46	11
Total loans to the public – foreign operations	–	–	5	–
Total – public	39	3.65	26	11

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

2.B. Information regarding debts of borrowers with financial difficulties who underwent a change in terms and conditions (cont.)

3. Debts of borrowers with financial difficulties who underwent a change in terms and conditions during the reporting period (cont.)

	Debts of borrowers with financial difficulties who defaulted in the reporting year following a change in terms and conditions				
	For the three months ended September 30, 2025 (unaudited)				
	Total	Type of change			
	Recorded outstanding debt	Waiver of interest	Period extension	Deferral of payments	Waiver of interest and period extension
	In NIS million				
Borrower activity in Israel					
Commercial	10	–	4	–	6
Private individuals – housing loans	4	–	1	3	–
Private individuals – other	16	1	5	–	10
Total loans to the public – activity in Israel	30	1	10	3	16
Total – public	30	1	10	3	16

	Debts of borrowers with financial difficulties who defaulted in the reporting year following a change in terms and conditions				
	For the three months ended September 30, 2024 (unaudited)				
	Total	Type of change			
	Recorded outstanding debt	Waiver of interest	Period extension	Deferral of payments	Waiver of interest And extension of period
	In NIS million				
Borrower activity in Israel					
Commercial	10	–	2	–	8
Private individuals – other	16	1	7	–	8
Total loans to the public – activity in Israel	26	1	9	–	16
Total – public	26	1	9	–	16

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

2.B. Information regarding debts of borrowers with financial difficulties who underwent a change in terms and conditions (cont.)

3. Debts of borrowers with financial difficulties who underwent a change in terms and conditions during the reporting period (cont.)

	Debts of borrowers with financial difficulties who defaulted in the reporting year following a change in terms and conditions				
	For the nine months ended September 30, 2025 (unaudited)				
	Total	Type of change			
	Recorded outstanding debt	Waiver of interest	Period extension	Deferral of payments	Waiver of interest and period extension
	In NIS million				
Borrower activity in Israel					
Commercial	17	1	7	–	9
Private individuals – housing loans	8	–	4	4	–
Private individuals – other	23	2	9	–	12
Total loans to the public – activity in Israel	48	3	20	4	21
Total – public	48	3	20	4	21

	Debts of borrowers with financial difficulties who defaulted in the reporting year following a change in terms and conditions				
	For the nine months ended September 30, 2024 (unaudited)				
	Total	Type of change			
	Recorded outstanding debt	Waiver of interest	Period extension	Deferral of payments	Waiver of interest And extension of period
	In NIS million				
Borrower activity in Israel					
Commercial	19	–	3	–	16
Private individuals – housing loans	10	–	10	–	–
Private individuals – other	28	2	12	–	14
Total loans to the public – activity in Israel	57	2	25	–	30
Total – public	57	2	25	–	30

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

2.C. Additional information on non-performing delinquent credit

	September 30, 2025 (unaudited)							
	Is not in arrears of 90 days or more	In arrears of 90 days to 180 days	In arrears over 180 days and up to one year	In arrears of over one year and up to 3 years	In arrears of over 3 years and up to 5 years	In arrears of over 5 years and up to 7 years	In arrears of over 7 years	Total
	In NIS million							
Commercial	**833**	**58**	**91**	**144**	**3**	**3**	**2**	**1,134**
Housing loans	**69**	**345**	**177**	**136**	**13**	**2**	**5**	**747**
Private individuals - other	**168**	**-**	**-**	**-**	**-**	**-**	**-**	**168**
Total	**1,070**	**403**	**268**	**280**	**16**	**5**	**7**	**2,049**

	September 30, 2024 (unaudited)							
	Is not in arrears of 90 days or more	In arrears of 90 days to 180 days	In arrears over 180 days and up to one year	In arrears of over one year and up to 3 years	In arrears of over 3 years and up to 5 years	In arrears of over 5 years and up to 7 years	In arrears of over 7 years	Total
	In NIS million							
Commercial	907	119	455	117	3	1	-	1,602
Housing loans	60	222	140	110	14	6	5	557
Private individuals - other	217	-	-	-	-	-	-	217
Total	1,184	341	595	227	17	7	5	2,376

	December 31, 2024 (audited)							
	Is not in arrears of 90 days or more	In arrears of 90 days to 180 days	In arrears over 180 days and up to one year	In arrears of over one year and up to 3 years	In arrears of over 3 years and up to 5 years	In arrears of over 5 years and up to 7 years	In arrears of over 7 years	Total
	In NIS million							
Commercial	1,067	66	122	149	4	3	2	1,413
Housing loans	70	330	138	117	12	5	6	678
Private individuals - other	204	-	-	-	-	-	-	204
Total	1,341	396	260	266	16	8	8	2,295

Note 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

B. Loans to the public (cont.)

3. Additional information on housing loans

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

		September 30, 2025 (unaudited)			
		Outstanding housing loans			
		Total[1]	[1]Of which: bullet balloon	[1]Of which: Interest rate Variable	Credit risk Off-balance-sheet Total
		In NIS million			
First pledge: LTV ratio	Up to 60%	**89,849**	**5,450**	**53,159**	**2,875**
	Over 60%	**61,919**	**2,210**	**38,019**	**3,110**
Secondary pledge or unpledged		**1**	**-**	**1**	**-**
Total		**151,769**	**7,660**	**91,179**	**5,985**

		September 30, 2024 (unaudited)			
		Outstanding housing loans			
		Total[1]	[1]Of which: bullet balloon	[1]Of which: Interest rate Variable	Credit risk Off-balance-sheet Total
		In NIS million			
First pledge: LTV ratio	Up to 60%	84,184	4,224	50,048	2,812
	Over 60%	56,591	1,474	34,899	2,801
Secondary pledge or unpledged		3	-	3	-
Total		140,778	5,698	84,950	5,613

		December 31, 2024 (audited)			
		Outstanding housing loans			
		Total[1]	[1]Of which: bullet balloon	[1]Of which: Interest rate Variable	Credit risk Off-balance-sheet Total
		In NIS million			
First pledge: LTV ratio	Up to 60%	86,172	5,088	50,831	2,678
	Over 60%	58,458	1,911	35,890	2,935
Secondary pledge or unpledged		3	-	3	-
Total		144,633	6,999	86,724	5,613

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 13 - Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

C. Off-balance-sheet financial instruments

	September 30				December 31	
	2025		2024		2024	
	Contract balances[a]	Balance of loan loss provision	Outstanding loan contracts[a]	Balance of loan loss provision	Outstanding loan contracts[a]	Balance of loan loss provision
	Unaudited				Audited	
	In NIS million					
Off-balance-sheet financial instruments						
Transactions in which the outstanding balance embodies credit risk:						
Documentary credit	**1,163**	**1**	1,744	2	1,177	1
Loan guarantees	**7,767**	**92**	8,431	95	8,614	96
Guarantees for apartment buyers	**44,332**	**21**	39,160	19	42,749	21
Guarantees and other commitments[b]	**33,084**	**95**	28,566	109	30,063	107
Unutilized credit card credit facilities	**16,583**	**55**	14,113	33	14,457	33
Unutilized current loan account facilities and other credit facilities in demand accounts	**15,855**	**43**	14,219	54	14,717	58
Irrevocable loan commitments approved and not yet given	**67,505**	**491**	58,816	405	60,052	438
Commitments to issue guarantees	**49,732**	**117**	39,492	90	40,280	88
Unutilized credit facilities for derivatives activity	**3,154**	**-**	2,789	-	2,690	-
Approval in principle to maintain interest rate[c]	**5,563**	**-**	6,843	-	6,613	-

a) The balance of the contracts or their par value as at the end of the period, before the effect of the loan loss provision.
b) including the Bank's liabilities for its share in the risk reserve fund of the TASE Clearing House in the amount of NIS 308 million (on September 30, 2024 in the amount of NIS 171 million and on December 31, 2024 in the amount of NIS 293 million).
c) Liabilities to extend credit to customers in the framework of "Authorization in principle and preserving the interest rate" to Proper Conduct of Banking Business Directive No. 451, "Procedures for Extending Housing Loans".

Note 13 – Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

D. Guarantees by repayment date

	September 30, 2025 (unaudited)				
	Up to one year	Year To three Years	three To Five Years	Over Five Years	Total
	In NIS million				
Loan guarantees	**5,269**	**1,508**	**277**	**713**	**7,767**
Guarantees for apartment buyers	**–**	**44,332**	**–**	**–**	**44,332**
Guarantees and other commitments	**16,971**	**6,235**	**1,630**	**8,248**	**33,084**
Total guarantees	**22,240**	**52,075**	**1,907**	**8,961**	**85,183**

	September 30, 2024 (unaudited)				
	Up to one year	Year To three Years	three To Five Years	Over Five Years	Total
	In NIS million				
Loan guarantees	6,285	1,119	365	662	8,431
Guarantees for apartment buyers	–	39,160	–	–	39,160
Guarantees and other commitments	15,529	6,679	1,251	5,107	28,566
Total guarantees	21,814	46,958	1,616	5,769	76,157

	December 31, 2024 (audited)				
	Up to one year	Year To three Years	three To Five Years	Over Five Years	Total
	In NIS million				
Loan guarantees	6,161	1,421	355	677	8,614
Guarantees for apartment buyers	–	42,749	–	–	42,749
Guarantees and other commitments	15,745	6,267	1,396	6,655	30,063
Total guarantees	21,906	50,437	1,751	7,332	81,426

The following collateral information reflects collaterals the Bank has received specifically against guarantees: If the balance of cash available to the Bank to cover for losses realized under these guarantees and indemnities totaled approx. NIS 360 million (as at September 30, 2024 – NIS 283 million, as at December 31, 2024 – NIS 250 million). In addition, the balance of securities and other marketable assets held as collateral, totaled approx. NIS 14 million (as at September 30, 2024 – NIS 11 million, as at December 31, 2024 – NIS 12 million).

Note 14 – Assets and Liabilities by Linkage Basis

	September 30, 2025 (unaudited)						
	NIS		Foreign currency[a]				
	Non-linked	Linked to the Consumer Price Index	In USD	In EUR	Other	Non-monetary items[b]	Total
	In NIS million						
Assets							
Cash and deposits with banks	121,600	9	9,937	464	2,720	3,577	138,307
Securities	57,805	15,041	52,154	6,601	2,056	7,423	141,080
Securities borrowed or purchased under reverse repurchase agreement	1,106	–	4,776	1	–	–	5,883
Loans to the public, net[c]	368,572	67,076	34,895	9,404	13,191	2,249	495,387
Loans to governments	1,389	–	349	1,254	–	–	2,992
Investments in associates	–	–	–	–	–	3,724	3,724
Buildings and equipment	–	–	–	–	–	3,016	3,016
Assets in respect of derivatives	11,470	290	3,637	1,682	249	12,084	29,412
Other assets	6,020	8	38	24	86	1,136	7,312
Total assets	567,962	82,424	105,786	19,430	18,302	33,209	827,113
Liabilities							
Deposits by the public	470,668	16,479	130,899	12,784	4,427	5,866	641,123
Deposits by banks	6,983	–	6,840	2,446	605	–	16,874
Deposits by governments	37	–	62	8	–	–	107
Securities loaned or sold under reverse repurchase agreement	3,967	–	8,405	–	–	–	12,372
Bonds, promissory notes and deferred liability letters[A] Subordinated notes	11,846	27,280	5,757	–	–	–	44,883
Liabilities for derivatives	13,082	216	2,625	1,932	336	12,074	30,265
Other liabilities	5,326	8,264	34	35	131	651	14,441
Total liabilities	511,909	52,239	154,622	17,205	5,499	18,591	760,065
Difference[d]	56,053	30,185	(48,836)	2,225	12,803	14,618	67,048
Effect of hedging derivatives:							
Derivatives (excluding options)	528	(528)	–	–	–	–	–
Effect of non-hedging derivatives:							
Derivatives (excluding options)	(26,815)	(1,864)	43,702	(3,012)	(12,893)	882	–
In the money options, net (according to underlying asset)	1,244	–	(1,219)	34	8	(67)	–
Out of the money options, net (according to underlying asset)	(1,841)	–	1,834	3	(15)	19	–
Grand total	29,169	27,793	(4,519)	(750)	(97)	15,452	67,048
In the money options, net (discounted nominal value)	1,812	–	(1,783)	9	2	(40)	–
Out of the money options, net (discounted nominal value)	(3,766)	–	3,660	165	(19)	(40)	–

a) Including those linked to foreign currency.
b) Including derivatives whose underlying asset relates to a non-monetary item.
c) After deducting provisions for loan losses attributed to a linkage basis, according to the credit linkage due to which it had been established, in the amount of NIS 6,806 million.
d) Shareholders' equity includes non-controlling interests.

Note 14 - Assets and Liabilities by Linkage Basis (cont.)

	September 30, 2024 (unaudited)						
	NIS		Foreign currency[a]				
	Non-linked	Linked to the Consumer Price Index	In USD	In EUR	Other	Non-monetary items[b]	Total
	In NIS million						
Assets							
Cash and deposits with banks	115,942	1	13,395	974	3,058	3,303	136,673
Securities	44,518	3,749	58,212	6,666	2,109	6,024	121,278
Securities borrowed or purchased under reverse repurchase agreement	1,599	–	4,336	1	–	–	5,936
Loans to the public, net[c]	326,055	66,513	31,708	7,302	11,999	3,374	446,951
Loans to governments	637	–	296	1,024	–	–	1,957
Investments in associates	–	–	–	–	–	3,462	3,462
Buildings and equipment	–	–	–	–	–	2,721	2,721
Assets in respect of derivatives	5,140	406	6,091	1,028	691	14,153	27,509
Other assets	6,027	11	47	21	82	964	7,152
Total assets	499,918	70,680	114,085	17,016	17,939	34,001	753,639
Liabilities							
Deposits by the public	420,862	10,361	133,436	12,241	4,708	6,697	588,305
Deposits by banks	8,634	–	6,091	2,978	1,261	6	18,970
Deposits by governments	35	–	57	10	–	–	102
Securities loaned or sold under reverse repurchase agreement	1,215	–	11,097	–	–	–	12,312
Bonds, promissory notes Subordinated notes	6,477	19,155	6,429	–	–	–	32,061
Liabilities for derivatives	5,634	388	4,689	961	800	14,028	26,500
Other liabilities	6,019	8,246	123	52	150	536	15,126
Total liabilities	448,876	38,150	161,922	16,242	6,919	21,267	693,376
Difference[d]	51,042	32,530	(47,837)	774	11,020	12,734	60,263
Effect of hedging derivatives:							
Derivatives (excluding options)	765	(765)	–	–	–	–	–
Effect of non-hedging derivatives:							
Derivatives (excluding options)	(27,284)	(3,294)	42,121	(1,631)	(11,122)	1,210	–
In the money options, net (according to underlying asset)	(1,162)	–	913	204	45	–	–
Out of the money options, net (according to underlying asset)	(291)	–	108	168	15	–	–
Grand total	23,070	28,471	(4,695)	(485)	(42)	13,944	60,263
In the money options, net (discounted nominal value)	(1,739)	–	1,398	279	62	–	–
Out of the money options, net (discounted nominal value)	(1,232)	–	860	343	29	–	–

a) Including those linked to foreign currency.
b) Including derivatives whose underlying asset relates to a non-monetary item.
c) After the deduction of loan loss provisions attributed to a linkage basis, in accordance with the linkage of the underlying credit, in the amount of NIS 6,821 million.
d) Shareholders' equity includes non-controlling interests.

Note 14 – Assets and Liabilities by Linkage Basis (cont.)

	December 31, 2024 (audited)						
	NIS		Foreign currency[a]				
	Non-linked	Linked to the Consumer Price Index	In USD	In EUR	Other	Non-monetary items[b]	Total
	In NIS million						
Assets							
Cash and deposits with banks	140,163	–	9,661	856	1,964	3,184	155,828
Securities	46,481	4,607	58,560	5,831	1,433	7,189	124,101
Securities borrowed or purchased under reverse repurchase agreement	1,510	–	3,170	1	3	–	4,684
Loans to the public, net[c]	337,629	66,050	32,530	6,385	10,998	1,927	455,519
Loans to governments	650	–	294	1,565	–	–	2,509
Investments in associates	–	–	–	–	–	3,580	3,580
Buildings and equipment	–	–	–	–	–	2,822	2,822
Assets in respect of derivatives	6,880	321	9,065	146	141	12,640	29,193
Other assets	6,205	1	43	32	71	963	7,315
Total assets	539,518	70,979	113,323	14,816	14,610	32,305	785,551
Liabilities							
Deposits by the public	452,040	11,685	131,669	12,841	4,927	5,139	618,301
Deposits by banks	8,750	–	5,900	3,027	362	4	18,043
Deposits by governments	44	–	120	8	–	–	172
Securities loaned or sold under reverse repurchase agreement	1,089	–	10,597	–	–	–	11,686
Bonds, promissory notes and deferred liability letters[A] Subordinated notes	5,008	20,612	6,349	–	–	–	31,969
Liabilities for derivatives	8,104	279	6,617	117	77	12,558	27,752
Other liabilities	6,746	8,254	124	30	138	673	15,965
Total liabilities	481,781	40,830	161,376	16,023	5,504	18,374	723,888
Difference[d]	57,737	30,149	(48,053)	(1,207)	9,106	13,931	61,663
Effect of hedging derivatives:							
Derivatives (excluding options)	611	(611)	–	–	–	–	–
Effect of non-hedging derivatives:							
Derivatives (excluding options)	(30,150)	(3,518)	41,962	267	(9,083)	522	–
In the money options, net (according to underlying asset)	(781)	–	730	113	(62)	–	–
Out of the money options, net (according to underlying asset)	(308)	–	157	122	29	–	–
Grand total	27,109	26,020	(5,204)	(705)	(10)	14,453	61,663
In the money options, net (discounted nominal value)	(1,079)	–	1,062	118	(101)	–	–
Out of the money options, net (discounted nominal value)	(1,853)	–	1,310	501	42	–	–

a) Including those linked to foreign currency.
b) Including derivatives whose underlying asset relates to a non-monetary item.
c) After the deduction of loan loss provisions attributed to a linkage basis, in accordance with the linkage of the underlying credit, in the amount of NIS 6,887 million.
d) Shareholders' equity includes non-controlling interests.

Note 15 - Cashflows According to the Contractual Maturity Date[a]

	September 30, 2025 (unaudited)		
	Cash flows according to the contractual maturity date		
	Upon demand And until	More than one day And up to a week	More than a week Up to one month
	In NIS million		
Cash, deposits and tradable bonds[F]			
Cash and deposits with banks	39,499	19,385	70,078
Tradable government bonds	21	113	4,618
Other tradable bonds	13	13	130
Total cash, deposits and tradable bonds	39,533	19,511	74,826
Other monetary assets			
Loans to the public[B]	18,713	17,420	68,520
Other monetary assets excluding derivatives	3,816	118	3,438
Total monetary assets, excluding derivatives	62,062	37,049	146,784
Monetary liabilities			
Deposits by the public[G]	256,181	86,101	59,349
Of which: households and small and micro businesses	107,397	28,901	28,111
Deposits by banks	11,064	8	144
Securities loaned or sold under repurchase agreements	1,198	3,103	7
Bonds and deferred promissory notes	-	-	-
Other monetary liabilities excluding derivatives	493	30	1,449
Total monetary liabilities excluding derivatives	268,936	89,242	60,949
Derivative instruments, Off-balance sheet items employees' rights			
The impact of derivatives	18	(73)	(338)
Undertakings to extend credit	(973)	(478)	(17,573)
Employee Benefits	-	-	8
The impact of derivative instruments, off-balance sheet items and employees' rights	(955)	(551)	(17,903)
Total cash flows, net (including shekels and foreign currency)[H]	(207,829)	(52,744)	67,932
Of which in foreign currency:[C]			
Total cash, deposits and tradable bonds in foreign currency	11,155	21	4,889
Total other monetary assets, excluding derivatives in foreign currency	20,538	1,046	9,370
Total monetary liabilities excluding derivatives in foreign currency	84,960	6,839	16,996
The impact of derivative instruments, off-balance sheet items and employees' rights in foreign currency	-	7,371	4,513
Total cash flows in foreign currency	(53,267)	1,599	1,776

	December 31, 2024 (audited)		
	Cash flows according to the contractual maturity date		
	Upon demand And until	More than one day And up to a week	More than a week Up to one month
	In NIS million		
Cash, deposits and tradable bonds[(F)]	92,992	54,262	5,585
Other financial assets excluding derivatives	21,044	21,821	56,314
Deposits by the public[(G)]	312,699	59,843	50,167
Other financial liabilities excluding derivatives and deposits by the public	11,940	2,769	2,531
The impact of derivative instruments, off-balance sheet items and employees' rights	(392)	(1,767)	(14,884)
Total cash flows, net (including shekels and foreign currency)[(H)]	(210,995)	11,704	(5,683)
Of which: cash flows in foreign currency[(C)]	(58,045)	(745)	9,224

Please see comments on page 247.

						Book balance[d]	
Over one month and up three months	Over three months and up to one year	More than 12 months and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Without repayment date	Total	Effective rate of return[E]
							In %
4,456	159	952	222	319		134,730	2.12
4,231	22,315	27,665	19,139	40,269		102,010	3.66
512	4,338	6,709	5,990	27,144		31,647	4.63
9,199	26,812	35,326	25,351	67,732		268,387	3.97
57,403	65,233	95,915	54,877	210,612	23,283	493,138	5.21
501	639	744	480	2,908	3,064	15,051	1.75
67,103	92,684	131,985	80,708	281,252	26,347	776,576	4.85
111,800	101,139	9,388	3,090	17,413		635,257	3.36
45,456	66,725	6,466	2,463	1,817		284,425	3.03
1,387	421	2,182	192	2,489		16,874	4.67
5,637	2,508	–	–	–		12,372	3.49
463	11,630	15,684	13,399	7,928		44,883	2.88
287	1,234	2,164	630	223	71	6,578	0.02
119,574	116,932	29,418	17,311	28,053	71	715,964	3.19
(657)	(287)	246	168	1,035	–	(853)	
(14,084)	(32,541)	(20,589)	(8,430)	(4,685)		(99,354)	
16	(587)	(1,191)	(308)	(16,263)		(7,319)	
(14,725)	(33,415)	(21,534)	(8,570)	(19,913)	–	(107,526)	
(67,196)	(57,663)	81,033	54,827	233,286	26,276	(46,914)	
4,462	4,372	18,439	11,465	38,337		73,889	4.50
5,685	7,561	12,846	4,544	2,511	3,922	64,018	6.18
25,266	32,436	5,198	312	2,593	–	172,203	3.93
4,133	2,254	(3,645)	821	503	–	14,633	
(10,986)	(18,249)	22,442	16,518	38,758	3,922	(19,663)	

						Book balance[d]	
Over one month and up three months	Over three months and up to one year	More than 12 months and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Without repayment date	Total	Effective rate of return[E]
							In %
3,514	14,130	37,584	19,959	74,382		269,556	4.07
41,978	63,182	93,256	55,657	205,296	23,554	467,137	5.19
80,653	92,668	12,163	2,870	8,693	–	613,162	3.21
10,267	8,001	20,118[i]	9,894	7,470	631[i]	69,751	2.94
(6,134)	(37,995)	(20,951)	(5,164)	(17,903)	–	(94,663)	
(51,562)	(61,352)	77,608	57,688	245,612	22,923	(40,883)	
(25,395)	(6,185)	24,432	14,758	45,529	3,053	(17,181)	

Note 15 - Cashflows According to the Contractual Maturity Date[(A)] (cont.)

Comments:

a) This note presents the expected contractual future cash flows in respect of the assets and liabilities sections according to the remaining periods until the contractual maturity date. The provision for credit losses is deducted from the relevant cash flows.
b) The future cash flows of loans to the public are presented according to the contractual maturity date of the loans. Credit in checking accounts or revolving credit accounts of the "ON CALL" type and credit in arrears of 30 days or more are presented in the column "with no maturity date".
c) Excluding foreign-currency linked NIS.
d) As included in Note 14 "Assets and Liabilities by Linkage Basis", including off-balance sheet amounts in respect of derivatives that are not settled on a net basis.
e) The rate of effective return is the interest rate used to discount the projected contractual cash flows due to a monetary item to its book balance.
f) The fair value of cash, deposits and tradable bonds that are not pledged as at September 30, 2025 stands at NIS 249,916 million (as at December 31, 2024 - NIS 250,198 million).
g) The future cash flows of the deposits are presented according to the earliest possible date pursuant to the contract. Deposits made for immediate withdrawal are presented on the "upon demand and up to a day" column
h) This difference does not necessarily reflect exposure to interest and/or linkage basis.
i) Reclassified.

Note 16A – Financial Instruments – Balances and Fair Value Measurements

	September 30, 2025 (unaudited)				
	Book balance	Fair value			
		(Level 1)	(Level 2)	(Level 3)	Total
	In NIS million				
Financial assets					
Cash and deposits with banks	138,307	124,943	11,874	1,351	138,168
Securities[b]	141,080	89,707	41,350	9,313	140,370
Securities borrowed or purchased under reverse repurchase agreements	5,883	5,883	–	–	5,883
Loans to the public, net	495,387	31,314	–	462,170	493,484
Loans to governments	2,992	–	1,312	1,670	2,982
Assets in respect of derivatives	29,412	5,168	20,287	3,957	29,412
Other financial assets	531	41	–	490	531
Total financial assets	813,592[C]	257,056	74,823	478,951	810,830
Financial liabilities					
Deposits by the public	641,123	34,423	290,195	315,354	639,972
Deposits by banks	16,874	5,195	6,151	5,666	17,012
Deposits by governments	107	–	93	14	107
Securities loaned or sold under repurchase agreements	12,372	12,372	–	–	12,372
Bonds, promissory notes and subordinated notes	44,883	36,776	–	8,206	44,982
Liabilities for derivatives	30,265	5,169	25,005	91	30,265
Other financial liabilities	2,771	152	1,132	1,290	2,574
Total financial liabilities	748,395[C]	94,087	322,576	330,621	747,284
Off-balance-sheet financial instruments					
Transactions in which the outstanding balance embodies credit risk	460	–	–	460	460
In addition, liabilities in respect of employee benefits, net[d]	7,809	–	–	7,809	7,809

a) Level 1 – Fair value measurements using quoted prices in an active market.
Level 2 – Fair value measurements using other significant observable inputs.
Level 3 – Fair value measurements using significant unobservable inputs.

b) For further information regarding the book balance and fair value of securities, please see Note 5.

c) Of which: Assets and liabilities in the amount of NIS 228,069 million and NIS 304,292 million, respectively, as the outstanding balance-sheet amount of which is equal to their fair value (instruments presented in the balance sheet at fair value) or approximates their fair value (instruments for an original period of up to three months for which the outstanding balance sheet amount is used as an approximation of the fair value). For further information on instruments measured at fair value on recurring and non-recurring bases, please see Notes 16B – 16D.

d) The liability is presented on a net basis and takes into account plan assets managed against it.

Note 16A - Financial Instruments - Balances and Fair Value Measurements (cont.)

	September 30, 2024 (unaudited)				
	Book balance	Fair value (Level 1)	(Level 2)	(Level 3)	Total
	In NIS million				
Financial assets					
Cash and deposits with banks	136,673	121,206	14,236	1,082	136,524
Securities[b]	121,278	64,773	46,457	8,889	120,119
Securities borrowed or purchased under reverse repurchase agreements	5,936	5,936	-	-	5,936
Loans to the public, net	446,951	23,082	-	422,180	445,262
Loans to governments	1,957	-	382	1,497	1,879
Assets in respect of derivatives	27,509	5,655	19,505	2,349	27,509
Other financial assets	295	28	-	267	295
Total financial assets	740,599[c]	220,680	80,580	436,264	737,524
Financial liabilities					
Deposits by the public	588,305	26,658	311,439	248,712	586,809
Deposits by banks	18,970	6,527	5,116	7,320	18,963
Deposits by governments	102	-	64	39	103
Securities loaned or sold under repurchase agreements	12,312	12,312	-	-	12,312
Bonds, promissory notes and subordinated notes	32,061	28,102	-	3,064	31,166
Liabilities for derivatives	26,500	5,630	20,748	122	26,500
Other financial liabilities	3,177	385	1,701	1,091	3,177
Total financial liabilities	681,427[c]	79,614	339,068	260,348	679,030
Off-balance-sheet financial instruments					
Transactions in which the outstanding balance embodies credit risk	438	-	-	438	438
In addition, liabilities in respect of employee benefits, net[d]	7,796	-	-	7,796	7,796

a) Level 1 - Fair value measurements using quoted prices in an active market.
Level 2 - Fair value measurements using other significant observable inputs.
Level 3 - Fair value measurements using significant unobservable inputs.

b) For further information regarding the book balance and fair value of securities, please see Note 5.

c) Of which: Assets and liabilities in the amount of NIS 198,509 million and NIS 266,337 million, respectively, the outstanding balance-sheet amount of which is equal to their fair value (instruments presented in the balance sheet at fair value) or approximates their fair value (instruments with original maturities of up to three months for which the carrying amount is used as an approximation of the fair value). For further information on instruments measured at fair value on recurring and non-recurring bases, please see Notes 16B - 16D.

d) The liability is presented on a net basis and takes into account plan assets managed against it.

Note 16A - Financial Instruments - Balances and Fair Value Measurements (cont.)

	December 31, 2024 (audited)				
	Book balance	Fair value			
		(Level 1)	(Level 2)	(Level 3)	Total
	In NIS million				
Financial assets					
Cash and deposits with banks	155,828	144,754	9,865	1,037	155,656
Securities[b]	124,101	69,879	43,486	9,499	122,864
Securities borrowed or purchased under reverse repurchase agreements	4,684	4,684	–	–	4,684
Loans to the public, net	455,519	23,123	–	430,227	453,350
Loans to governments	2,509	–	984	1,453	2,437
Assets in respect of derivatives	29,193	7,113	18,688	3,392	29,193
Other financial assets	340	49	–	291	340
Total financial assets	772,174[C]	249,602	73,023	445,899	768,524
Financial liabilities					
Deposits by the public	618,301	30,259	324,386	261,905	616,550
Deposits by banks	18,043	3,861	5,847	8,399	18,107
Deposits by governments	172	–	137	35	172
Securities loaned or sold under repurchase agreements	11,686	11,686	–	–	11,686
Bonds, promissory notes and subordinated notes	31,969	26,820	–	4,479	31,299
Liabilities for derivatives	27,752	7,043	20,633	76	27,752
Other financial liabilities	3,132	438	1,555	1,139	3,132
Total financial liabilities	711,055[C]	80,107	352,558	276,033	708,698
Off-balance-sheet financial instruments					
Transactions in which the outstanding balance embodies credit risk	476	–	–	476	476
In addition, liabilities in respect of employee benefits, net[d]	7,913	–	–	7,913	7,913

a) Level 1 - Fair value measurements using quoted prices in an active market.
Level 2 - Fair value measurements using other significant observable inputs.
Level 3 - Fair value measurements using significant unobservable inputs.

b) For further information regarding the book balance and fair value of securities, please see Note 5.

c) Of which: Assets and liabilities in the amount of NIS 197,689 million and NIS 267,393 million, respectively, as the outstanding balance-sheet amount of which is equal to their fair value (instruments presented in the balance sheet at fair value) or approximates their fair value (instruments for an original period of up to three months for which the outstanding balance sheet amount is used as an approximation of the fair value). For further information on instruments measured at fair value on recurring and non-recurring bases, please see Notes 16B - 16D.

d) The liability is presented on a net basis and takes into account plan assets managed against it.

Note 16B – Items Measured at Fair Value

A. Items Measured at Fair Value on a Recurring Basis

	September 30, 2025 (unaudited)			
	Fair value measurements using			
	Prices quoted in an active market (Level 1)	Observable inputs Other significant (Level 2)	Unobservable inputs significant (Level 3)	Total Fair value
	In NIS million			
Assets				
Available-for-sale bonds:				
Government of Israel bonds	56,599	10,411	–	67,010
Foreign governments bonds	12,920	3,401	–	16,321
Bonds of Israeli financial institutions	244	–	–	244
Bonds of foreign financial institutions	–	7,608	–	7,608
Asset-backed (ABS) or Mortgage-backed (MBS) bonds	–	6,272	4,661	10,933
Other Israeli bonds	643	323	–	966
Other foreign bonds	–	3,579	–	3,579
Total available-for-sale bonds	70,406	31,594	4,661	106,661
Not held for-trading equity securities and mutual funds:				
Not held for-trading equity securities and mutual funds	2,529	26	–	2,555
Held-for-trading securities:				
Government of Israel bonds	8,695	–	–	8,695
Bonds of Israeli financial institutions	58	–	–	58
Bonds of foreign financial institutions	–	68	–	68
Asset-backed (ABS) or Mortgage-backed (MBS) bonds	–	42	–	42
Other Israeli bonds	138	–	–	138
Other foreign bonds	–	51	–	51
Equity securities and mutual funds	631	–	–	631
Total held-for-trading securities	9,522	161	–	9,683
Assets in respect of derivatives:				
NIS-CPI contracts	–	86	220	306
Interest rate contracts	394	6,555	152	7,101
Foreign exchange contracts	–	6,162	3,050	9,212
Stock contracts	3,666	7,458	534	11,658
Commodity- and other contracts	30	10	1	41
MAOF (Israeli financial instruments and futures) market activity	1,078	16	–	1,094
Total underlying assets for derivatives	5,168	20,287	3,957	29,412
Other:				
Credit and deposits for loaned securities	21,438	–	–	21,438
Securities borrowed or purchased under reverse repurchase agreement	5,883	–	–	5,883
Other	41	–	–	41
Other - total	27,362	–	–	27,362
Total assets	114,987	52,068	8,618	175,673

Note 16B – Items Measured at Fair Value (cont.)

A. Items Measured at Fair Value on a Recurring Basis (cont.)

	September 30, 2025 (unaudited)			
	Fair value measurements using			
	Prices quoted in an active market (Level 1)	In other significant observable inputs (Level 2)	Unobservable inputs In significant unobservable inputs (Level 3)	Total Fair value
	In NIS million			
Liabilities				
Liabilities for derivatives:				
NIS-CPI contracts	–	144	80	224
Interest rate contracts	389	5,508	–	5,897
Foreign exchange contracts	–	11,366	4	11,370
Stock contracts	3,653	7,976	7	11,636
Commodity- and other contracts	30	11	–	41
MAOF (Israeli financial instruments and futures) market activity	1,097	–	–	1,097
Total liabilities in respect of derivatives	5,169	25,005	91	30,265
Other:				
Deposits for loaned securities	18,993	27	–	19,020
Securities loaned or sold under reverse repurchase agreement	12,372	–	–	12,372
Credit-linked notes (CLNs)	–	–	7,802	7,802
Other	226	–	–	226
Other - total	31,591	27	7,802	39,420
Total liabilities	36,760	25,032	7,893	69,685

Note 16B – Items Measured at Fair Value (cont.)

A. Items Measured at Fair Value on a Recurring Basis (cont.)

	September 30, 2024 (unaudited)			
	Fair value measurements using			
	Prices quoted in an active market (Level 1)	In other significant observable inputs (Level 2)	Unobservable inputs In significant unobservable inputs (Level 3)	Total Fair value
	In NIS million			
Assets				
Available-for-sale bonds:				
Government of Israel bonds	34,200	9,968	28	44,196
Foreign governments bonds	13,450	4,126	–	17,576
Bonds of Israeli financial institutions	190	–	–	190
Bonds of foreign financial institutions	–	8,508	–	8,508
Asset-backed (ABS) or Mortgage-backed (MBS) bonds	–	6,453	5,028	11,481
Other Israeli bonds	698	315	–	1,013
Other foreign bonds	–	4,792	–	4,792
Total available-for-sale bonds	48,538	34,162	5,056	87,756
Not held for-trading equity securities and mutual funds:				
Not held for-trading equity securities and mutual funds	2,456	–	–	2,456
Held-for-trading securities:				
Government of Israel bonds	7,225	–	–	7,225
Foreign governments bonds	278	62	–	340
Bonds of Israeli financial institutions	172	–	–	172
Bonds of foreign financial institutions	–	187	–	187
Asset-backed (ABS) or Mortgage-backed (MBS) bonds	–	11	1	12
Other Israeli bonds	230	–	–	230
Other foreign bonds	–	296	–	296
Equity securities and mutual funds	3	–	–	3
Total held-for-trading securities	7,908	556	1	8,465
Assets in respect of derivatives:				
NIS-CPI contracts	–	98	325	423
Interest rate contracts	39	7,176	180	7,395
Foreign exchange contracts	–	3,444	1,580	5,024
Stock contracts	4,724	8,775	263	13,762
Commodity- and other contracts	130	12	1	143
MAOF (Israeli financial instruments and futures) market activity	762	–	–	762
Total underlying assets for derivatives	5,655	19,505	2,349	27,509
Other:				
Credit and deposits for loaned securities	14,890	–	–	14,890
Securities borrowed or purchased under reverse repurchase agreement	5,936	–	–	5,936
Other	27	–	–	27
Other – total	20,853	–	–	20,853
Total assets	85,410	54,223	7,406	147,039

Note 16B – Items Measured at Fair Value (cont.)

A. Items Measured at Fair Value on a Recurring Basis (cont.)

	September 30, 2024 (unaudited)			
	Fair value measurements using			
	Prices quoted in an active market (Level 1)	In other significant observable inputs (Level 2)	Unobservable inputs In significant unobservable inputs (Level 3)	Total Fair value
	In NIS million			
Liabilities				
Liabilities for derivatives:				
NIS-CPI contracts	–	289	109	398
Interest rate contracts	38	6,825	–	6,863
Foreign exchange contracts	–	4,703	6	4,709
Stock contracts	4,700	8,918	7	13,625
Commodity- and other contracts	130	13	–	143
MAOF (Israeli financial instruments and futures) market activity	762	–	–	762
Total liabilities in respect of derivatives	5,630	20,748	122	26,500
Other:				
Deposits in respect of loaned securities	13,426	24	–	13,450
Securities loaned or sold under reverse repurchase agreement	12,312	–	–	12,312
Credit-linked notes (CLNs)	–	–	2,553	2,553
Other	385	–	–	385
Other - total	26,123	24	2,553	28,700
Total liabilities	31,753	20,772	2,675	55,200

Note 16B – Items Measured at Fair Value (cont.)

A. Items Measured at Fair Value on a Recurring Basis (cont.)

	December 31, 2024 (audited)			
	Fair value measurements using			
	Prices quoted in an active market (Level 1)	In other significant observable inputs (Level 2)	Unobservable inputs In significant unobservable inputs (Level 3)	Total Fair value
	In NIS million			
Assets				
Available-for-sale bonds:				
Government of Israel bonds	37,658	10,043	24	47,725
Foreign governments bonds	14,885	2,670	–	17,555
Bonds of Israeli financial institutions	176	–	–	176
Bonds of foreign financial institutions	–	8,487	–	8,487
Asset-backed (ABS) or Mortgage-backed (MBS) bonds	–	6,542	4,960	11,502
Other Israeli bonds	741	281	–	1,022
Other foreign bonds	–	4,033	–	4,033
Total available-for-sale bonds	53,460	32,056	4,984	90,500
Not held for-trading equity securities and mutual funds:				
Not held for-trading equity securities and mutual funds	3,180	–	–	3,180
Held-for-trading securities:				
Government of Israel bonds	6,825	–	–	6,825
Foreign governments bonds	255	52	–	307
Bonds of Israeli financial institutions	61	–	–	61
Bonds of foreign financial institutions	–	132	–	132
Asset-backed (ABS) or Mortgage-backed (MBS) bonds	–	11	1	12
Other Israeli bonds	137	–	–	137
Other foreign bonds	–	71	–	71
Equity securities and mutual funds	11	–	–	11
Total held-for-trading securities	7,289	266	1	7,556
Assets in respect of derivatives:				
NIS-CPI contracts	–	63	267	330
Interest rate contracts	500	8,286	203	8,989
Foreign exchange contracts	–	4,884	1,637	6,521
Stock contracts	6,042	5,454	1,284	12,780
Commodity- and other contracts	25	1	1	27
MAOF (Israeli financial instruments and futures) market activity	546	–	–	546
Total underlying assets for derivatives	7,113	18,688	3,392	29,193
Other:				
Credit and deposits for loaned securities	15,928	–	–	15,928
Securities borrowed or purchased under reverse repurchase agreement	4,684	–	–	4,684
Other	48	–	–	48
Other - total	20,660	–	–	20,660
Total assets	91,702	51,010	8,377	151,089

Note 16B – Items Measured at Fair Value (cont.)

A. Items Measured at Fair Value on a Recurring Basis (cont.)

	December 31, 2024 (audited)			
	Fair value measurements using			
	Prices quoted in an active market (Level 1)	In other significant observable inputs (Level 2)	Unobservable inputs In significant unobservable inputs (Level 3)	Total Fair value
	In NIS million			
Liabilities				
Liabilities for derivatives:				
NIS-CPI contracts	–	223	64	287
Interest rate contracts	463	7,475	–	7,938
Foreign exchange contracts	–	6,261	5	6,266
Stock contracts	6,009	6,672	7	12,688
Commodity- and other contracts	25	2	–	27
MAOF (Israeli financial instruments and futures) market activity	546	–	–	546
Total liabilities in respect of derivatives	7,043	20,633	76	27,752
Other:				
Deposits for loaned securities	14,935	21	–	14,956
Securities loaned or sold under reverse repurchase agreement	11,686	–	–	11,686
Credit-linked notes (CLNs)	–	–	3,962	3,962
Other	438	–	–	438
Other - total	27,059	21	3,962	31,042
Total liabilities	34,102	20,654	4,038	58,794

Note 16B – Items Measured at Fair Value (cont.)

B. Items Measured at Fair Value on a Non-Recurring Basis

	September 30, 2025 (unaudited)				
	Fair value measurements using				
	prices quoted in an active market (Level 1)	Observable inputs Other significant (Level 2)	Unobservable inputs In significant unobservable inputs (Level 3)	Total Fair value	Total Profit (loss) for changes in value for the period
	In NIS million				
Collateral-dependent non-performing credit	-	-	201	201	25
Total	-	-	201	201	25

	September 30, 2024 (unaudited)				
	Fair value measurements using				
	Prices quoted in an active market (Level 1)	In other significant observable inputs (Level 2)	Unobservable inputs In significant unobservable inputs (Level 3)	Total Fair value	Total Profit (loss) for changes in value for the period
	In NIS million				
Collateral-dependent non-performing credit	-	-	327	327	59
Total	-	-	327	327	59

	December 31, 2024 (audited)				
	Fair value measurements using				
	prices quoted in an active market (Level 1)	Observable inputs Other significant (Level 2)	Unobservable inputs In significant unobservable inputs (Level 3)	Total Fair value	Total Profit (loss) for changes in value for the period
	In NIS million				
Collateral-dependent non-performing credit	-	-	135	135	5
Total	-	-	135	135	5

Note 16C - Changes to Items Measured at Fair Value on a Recurring Basis Included in Level 3

	For the three months ended September 30, 2025 (unaudited)										
	Fair value as at the beginning of the period	Profits (losses), net Realized/unrealized and included:		Purchases and issuances	Sales	Discharges	Adjustments from translation of financial statements	Transfers to Level 3[c]	Transfers from level 3[c]	Fair value as at September 30, 2025	Gains (Losses) not yet Realized in respect of Instruments held As at September 30, 2025
		In the income statement[a]	In income Total Other[b]								
	In NIS million										
Assets											
Available-for-sale bonds:											
Israeli Government	26	–	1	–	–	24	–	(26)	(25)	–	–
MBS/ABS	5,147	120	16	458	(170)	(523)	–	(387)	–	4,661	16
Total available-for-sale bonds	5,173	120	17	458	(170)	(499)	–	(413)	(25)	4,661	16
Held-for-trading bonds:											
Assets in respect of derivatives:											
NIS-CPI contracts	220	(1)	–	–	–	–	–	1	–	220	5
Interest rate contracts	–	180	–	3	–	(31)	–	–	–	152	156
Foreign exchange contracts	5,517	(2,549)	–	82	–	–	–	–	–	3,050	1,234
Stock contracts	1,160	(626)	–	–	–	–	–	–	–	534	62
Commodity- and other contracts	2	(1)	–	–	–	–	–	–	–	1	–
Total underlying assets for derivatives	6,899	(2,997)	–	85	–	(31)	–	1	–	3,957	1,457
Total assets	12,072	(2,877)	17	543	(170)	(530)	–	(412)	(25)	8,618	1,473
Liabilities											
Liabilities for derivatives:											
NIS-CPI contracts	92	(21)	–	–	–	–	–	9	–	80	8
Foreign exchange contracts	3	1	–	–	–	–	–	–	–	4	–
Stock contracts	7	–	–	–	–	–	–	–	–	7	–
Total liabilities in respect of derivatives	102	(20)	–	–	–	–	–	9	–	91	8
Other - total	6,643	34	(7)	1,472	–	(340)	–	–	–	7,802	27
Total liabilities	6,745	14	(7)	1,472	–	(340)	–	9	–	7,893	35

a) Net realized gains (losses) reported in the income statement under the noninterest finance income line item.
b) Unrealized gains included in the Statement of Changes in Equity under accumulated other comprehensive income (loss). The balance of profit (loss), including unrealized other income, in respect of available-for-sale bonds held as at September 30, 2025, amounted to NIS 16 million.
c) Transfers from Level 2 to Level 3 — forward CPI contracts for a period of more than one year were transferred when at the date of the financial statements the term to maturity was less than one year.

Note 16C - Changes to Items Measured at Fair Value on a Recurring Basis Included in Level 3 (cont.)

	For the three months ended September 30, 2024 (unaudited)										
	Fair value as at the beginning of the period	Gains (losses), net Realized/unrealized and included: In the income statement[(a)]	In income Total Other[(b)]	Purchases and issuances	Sales	Discharges	Adjustments from translation of financial statements	Transfers to Level 3[(c)]	Transfers from Level 3[(c)]	Fair value as at September 30, 2024	Gains (Losses) not yet Realized in respect of Instruments held As at September 30, 2024
	In NIS million										
Assets											
Available-for-sale bonds:											
Israeli Government	26	2	–	–	–	–	–	–	–	28	–
MBS/ABS	5,262	(69)	15	158	–	(338)	–	–	–	5,028	16
Total available-for-sale bonds	5,288	(67)	15	158	–	(338)	–	–	–	5,056	16
Held-for-trading bonds:											
MBS/ABS	1	–	–	–	–	–	–	–	–	1	–
Total held-for-trading bonds	1	–	–	–	–	–	–	–	–	1	–
Assets in respect of derivatives:											
NIS-CPI contracts	263	37	–	–	–	–	–	25	–	325	72
Interest rate contracts	104	117	–	–	–	(41)	–	–	–	180	81
Foreign exchange contracts	1,281	232	–	67	–	–	–	–	–	1,580	965
Stock contracts	224	39	–	–	–	–	–	–	–	263	122
Commodity- and other contracts	–	1	–	–	–	–	–	–	–	1	1
Total underlying assets for derivatives	1,872	426	–	67	–	(41)	–	25	–	2,349	1,241
Total assets	7,161	359	15	225	–	(379)	–	25	–	7,406	1,257
Liabilities											
Liabilities for derivatives:											
NIS-CPI contracts	90	(26)	–	–	–	–	–	45	–	109	52
Foreign exchange contracts	6	–	–	–	–	–	–	–	–	6	–
Stock contracts	7	–	–	–	–	–	–	–	–	7	–
Total liabilities in respect of derivatives	103	(26)	–	–	–	–	–	45	–	122	52
Other - total	2,609	19	–	–	–	(75)	–	–	–	2,553	19
Total liabilities	2,712	(7)	–	–	–	(75)	–	45	–	2,675	71

a) Net realized gains (losses) reported in the income statement under the noninterest finance income line item.

b) Unrealized gains included in the Statement of Changes in Equity under accumulated other comprehensive income (loss). The balance of profit (loss), including unrealized other income, in respect of available-for-sale bonds held as at September 30, 2024, amounted to NIS 16 million.

c) Transfers from Level 2 to Level 3 — forward CPI contracts for a period of more than one year were transferred when at the date of the financial statements the term to maturity was less than one year.

Note 16C - Changes in Items Measured at Fair Value on a Recurring Basis Included in Level 3 (cont.)

	For the nine months ended September 30, 2025 (unaudited)										
	Fair value as at the beginning of the year	Gains (losses), net Realized/unrealized and included: In the income statement[(a)]	In income Total Other[(b)]	Purchases and issuances	Sales	Discharges	Adjustments from translation of financial statements	Transfers to level 3[(c)]	Transfers from Level 3[(c)]	Fair value as at September 30, 2025	Gains (Losses) not yet Realized in respect of Instruments held As at September 30, 2025
	In NIS million										
Assets											
Available-for-sale bonds:											
Israeli Government	24	-	1	-	-	-	-	-	(25)	-	-
MBS/ABS	4,960	(313)	12	1,001	(239)	(1,412)	-	652	-	4,661	11
Total available-for-sale bonds	4,984	(313)	13	1,001	(239)	(1,412)	-	652	(25)	4,661	11
Held-for-trading bonds:											
MBS/ABS	1	-	-	-	(1)	-	-	-	-	-	-
Other - foreign	-	-	-	-	-	-	-	-	-	-	-
Total held-for-trading bonds	1	-	-	-	(1)	-	-	-	-	-	-
Assets in respect of derivatives:											
NIS-CPI contracts	267	(49)	-	-	-	-	-	2	-	220	28
Interest rate contracts	203	745	-	-	-	(796)	-	-	-	152	27
Foreign exchange contracts	1,637	(1,169)	-	2,582	-	-	-	-	-	3,050	2,677
Stock contracts	1,284	(751)	-	1	-	-	-	-	-	534	(196)
Commodity- and other contracts	1	-	-	-	-	-	-	-	-	1	1
Total underlying assets for derivatives	3,392	(1,224)	-	2,583	-	(796)	-	2	-	3,957	2,537
Total assets	8,377	(1,537)	13	3,584	(240)	(2,208)	-	654	(25)	8,618	2,548
Liabilities											
Liabilities for derivatives:											
NIS-CPI contracts	64	(54)	-	-	-	-	-	70	-	80	4
Foreign exchange contracts	5	(1)	-	-	-	-	-	-	-	4	-
Stock contracts	7	-	-	-	-	-	-	-	-	7	-
Total liabilities in respect of derivatives	76	(55)	-	-	-	-	-	70	-	91	4
Other - total	3,962	85	4	4,272	-	(521)	-	-	-	7,802	113
Total liabilities	4,038	30	4	4,272	-	(521)	-	70	-	7,893	117

a) Net realized gains (losses) reported in the income statement under the noninterest finance income line item.
b) Unrealized income (losses) included in the Statement of Changes in Equity under accumulated other comprehensive income (loss). The balance of profit (loss), including unrealized other income, in respect of available-for-sale bonds held as at September 30, 2025, amounted to NIS 11 million.
c) Transfers from Level 2 to Level 3 — forward CPI contracts for a period of more than one year were transferred when at the date of the financial statements the term to maturity was less than one year.

Note 16C - Changes to Items Measured at Fair Value on a Recurring Basis Included in Level 3 (cont.)

	For the nine months ended September 30, 2024 (unaudited)										
	Fair value as at the beginning of year	Gains (losses), net Realized/unrealized and included: In the income statement[(a)]	Gains (losses), net Realized/unrealized and included: In income Total Other[(b)]	Purchases and issuances	Sales	Discharges	Adjustments from translation of financial statements	Transfers to level 3[(c)]	Transfers from Level 3[(c)]	Fair value as at September 30, 2024	Gains (Losses) not yet Realized in respect of Instruments held As at September 30, 2024
	In NIS million										
Assets											
Available-for-sale bonds:											
Israeli Government	26	2	–	–	–	–	–	–	–	28	(1)
MBS/ABS	4,889	40	10	812	–	(715)	–	–	(8)	5,028	9
Total available-for-sale bonds	4,915	42	10	812	–	(715)	–	–	(8)	5,056	8
Held-for-trading bonds:											
MBS/ABS	5	–	–	–	–	(4)	–	–	–	1	–
Other - foreign	2	–	–	–	(2)	–	–	–	–	–	–
Total held-for-trading bonds	7	–	–	–	(2)	(4)	–	–	–	1	–
Assets in respect of derivatives:											
NIS-CPI contracts	200	57	–	–	–	–	–	68	–	325	142
Interest rate contracts	118	635	–	–	–	(573)	–	–	–	180	105
Foreign exchange contracts	2,363	(2,920)	–	2,137	–	–	–	–	–	1,580	1,223
Stock contracts	179	84	–	–	–	–	–	–	–	263	228
Commodity- and other contracts	–	1	–	–	–	–	–	–	–	1	1
Total underlying assets for derivatives	2,860	(2,143)	–	2,137	–	(573)	–	68	–	2,349	1,699
Total assets	7,782	(2,101)	10	2,949	(2)	(1,292)	–	68	(8)	7,406	1,707
Liabilities											
Liabilities for derivatives:											
NIS-CPI contracts	116	(81)	–	–	–	–	–	74	–	109	26
Foreign exchange contracts	6	–	–	–	–	–	–	–	–	6	–
Stock contracts	7	–	–	–	–	–	–	–	–	7	–
Total liabilities in respect of derivatives	129	(81)	–	–	–	–	–	74	–	122	26
Other - total	419	17	(3)	2,298	–	(178)	–	–	–	2,553	13
Total liabilities	548	(64)	(3)	2,298	–	(178)	–	74	–	2,675	39

a) Net realized gains (losses) reported in the income statement under the noninterest finance income line item.
b) Unrealized income (losses) included in the Statement of Changes in Equity under accumulated other comprehensive income (loss). The balance of profit (loss), including unrealized other income, in respect of available-for-sale bonds held as at September 30, 2024, amounted to NIS 8 million.
c) Transfers from Level 2 to Level 3 — forward CPI contracts for a period of more than one year were transferred when at the date of the financial statements the term to maturity was less than one year.

Note 16C - Changes to Items Measured at Fair Value on a Recurring Basis Included in Level 3 (cont.)

	For the year ended December 31, 2024 (audited)										
	Fair value as at the beginning of year	Gains (losses), net Realized/unrealized and included: In the income statement[(a)]	In income Total Other[(b)]	Purchases and issuances	Sales	Discharges	Adjustments from translation of financial statements	Transfers to level 3[(c)]	Transfers from Level 3[(c)]	Fair value as at December 31, 2024	Gains (Losses) not yet Realized in respect of Instruments held As of 31 December 2024
	In NIS million										
Assets											
Available-for-sale bonds:											
Israeli Government	26	(1)	(1)	–	–	–	–	–	–	24	(1)
MBS/ABS	4,889	(49)	4	1,061	–	(1,092)	–	147	–	4,960	3
Total available-for-sale bonds	4,915	(50)	3	1,061	–	(1,092)	–	147	–	4,984	2
Held-for-trading bonds:											
MBS/ABS	5	–	–	–	–	(4)	–	–	–	1	–
Other - foreign	2	–	–	–	(2)	–	–	–	–	–	–
Total held-for-trading bonds	7	–	–	–	(2)	(4)	–	–	–	1	–
Assets in respect of derivatives:											
NIS-CPI contracts	200	(10)	–	–	–	–	–	77	–	267	140
Interest rate contracts	118	709	–	–	–	(624)	–	–	–	203	143
Foreign exchange contracts	2,363	(2,938)	–	2,212	–	–	–	–	–	1,637	1,351
Stock contracts	179	1,105	–	–	–	–	–	–	–	1,284	1,261
Commodity- and other contracts	–	1	–	–	–	–	–	–	–	1	1
Total underlying assets for derivatives	2,860	(1,133)	–	2,212	–	(624)	–	77	–	3,392	2,896
Total assets	7,782	(1,183)	3	3,273	(2)	(1,720)	–	224	–	8,377	2,898
Liabilities											
Liabilities for derivatives:											
NIS-CPI contracts	116	(115)	–	–	–	–	–	63	–	64	7
Foreign exchange contracts	6	(1)	–	–	–	–	–	–	–	5	–
Stock contracts	7	–	–	–	–	–	–	–	–	7	–
Total liabilities in respect of derivatives	129	(116)	–	–	–	–	–	63	–	76	7
Other - total	419	28	(3)	3,770	–	(252)	–	–	–	3,962	25
Total liabilities	548	(88)	(3)	3,770	–	(252)	–	63	–	4,038	32

a) Net realized gains (losses) reported in the income statement under the noninterest finance income line item.
b) Unrealized income (losses) included in the Statement of Changes in Equity under accumulated other comprehensive income (loss). The balance of unrealized other comprehensive income (loss) in respect of available-for-sale bonds as at December 31, 2024, amounted to NIS 2 million.
c) Transfers from Level 2 to Level 3 — forward CPI contracts for a period of more than one year were transferred when at the date of the financial statements the term to maturity was less than one year.

Note 16D - Quantitative Information on Items Measured at Fair Value and Included in Level 3

Quantitative Information on Fair Value Measurement in Level 3

	September 30, 2025 (unaudited)				
	Fair value	Valuation technique	Unobservable inputs	Range	Average[3]
	In NIS million				
A. Items Measured at Fair Value on a Recurring Basis					
Assets					
Available-for-sale bonds[1]					
Asset-backed (ABS) or Mortgage-backed (MBS) bonds	4,661	Discounted cash flows	Spread	bp 100-230	bp 165
			Probability of default	2%-3.8%	2.90%
			Early repayment rate	20%	20%
			% of loss	30%	30%
Assets for derivatives[2]					
NIS-CPI interest contracts	218	Discounted cash flows	Expected inflation	(0.09%)-1.90%	0.90%
	2	Discounted cash flows	Counterparty risk	0%-75%[*]	0.85%
Interest rate contracts	152	Discounted cash flows	Counterparty risk	0%-75%[*]	0.85%
Foreign exchange contracts	8	Discounted cash flows	Expected inflation	(0.09%)-1.90%	0.90%
	3,042	Discounted cash flows	Counterparty risk	0%-75%[*]	0.85%
Stock contracts	534	Discounted cash flows	Counterparty risk	0%-75%[*]	0.85%
Commodity contracts	1	Discounted cash flows	Counterparty risk	0%-75%[*]	0.85%
Liabilities					
Liabilities for derivatives[2]					
NIS-CPI interest contracts	80	Discounted cash flows	Expected inflation	(0.09%)-1.90%	0.90%
Foreign exchange contracts	4	Discounted cash flows	Expected inflation	(0.09%)-1.90%	0.90%
Stock contracts	7	Discounted cash flows	Counterparty risk	0%-75%	0.85%
Other liabilities	86	Discounted cash flows	Probability of default	3.62%-3.95%	3.70%
			Effective average duration in years	0.13-0.37	0.28
	617	Discounted cash flows	Probability of default	3.62%-3.95%	3.70%
			Effective average duration in years	0.25-1.20	0.95
	576	Discounted cash flows	Probability of default	3.63%-3.80%	3.72%
			Effective average duration in years	3.77	3.77
	150	Discounted cash flows	Probability of default	3.63%-3.75%	3.69%
			Effective average duration in years	0.24	0.24
	230	Discounted cash flows	Probability of default	3.63%-3.76%	3.72%
			Effective average duration in years	1.64	1.64
	566	Discounted cash flows	Probability of default	3.63%-3.76%	3.72%
			Effective average duration in years	1.69	1.69
	1,311	Discounted cash flows	Probability of default	3.63%-3.85%	3.72%
			Effective average duration in years	2.02	2.02
	527	Discounted cash flows	Probability of default	3.63%-3.76%	3.72%
			Effective average duration in years	1.52	1.52
	1,545	Discounted cash flows	Probability of default	3.63%-3.75%	3.71%
			Effective average duration in years	0.92	0.01
	713	Discounted cash flows	Probability of default	3.63%-3.76%	3.71%
			Effective average duration in years	1.28	1.28
	1,481	Discounted cash flows	Probability of default	3.63%-3.80%	3.70%
			Effective average duration in years	3.26	3.26
B. Items Measured at Fair Value on a Non-Recurring Basis					
Collateral-dependent non-performing credit	201	Collateral's fair value			

* For a defaulted counterparty.

Please see comments on page 266.

Note 16D - Quantitative Information on Items Measured at Fair Value and Included in Level 3 (cont.)

Quantitative Information on Fair Value Measurement in Level 3 (cont.)

	September 30, 2024 (unaudited)				
	Fair value	Valuation technique	Unobservable inputs	Range	Average[3]
	In NIS million				
A. Items Measured at Fair Value on a Recurring Basis					
Assets					
Available-for-sale bonds[1]					
Government of Israel bonds	28	Discounted cash flows	Spread	bp 205	bp 205
			Probability of default	1.68%	1.68%
			% of loss	25%	25%
Asset-backed (ABS) or Mortgage-backed (MBS) bonds	5,028	Discounted cash flows	Spread	bp 110-210	bp 160
			Probability of default	2%-3.8%	2.90%
			Early repayment rate	20%	20%
			% of loss	30%	30%
Held-for-trading securities[1]					
Asset-backed (ABS) or Mortgage-backed (MBS) bonds	1	Discounted cash flows	Spread	110-210 bp	160bp
			Probability of default	2%-3.8%	2.90%
			Early repayment rate	20%	20%
			% of loss	30%	30%
Assets for derivatives[2]					
NIS-CPI interest contracts	325	Discounted cash flows	Expected inflation	0.18%-2.94%	1.56%
Interest rate contracts	180	Discounted cash flows	Counterparty risk	0.16%-100%(*)	0.81%
Foreign exchange contracts	1,580	Discounted cash flows	Counterparty risk	0.16%-100%(*)	0.81%
Stock contracts	263	Discounted cash flows	Counterparty risk	0.16%-100%(*)	0.81%
Commodity contracts	1	Discounted cash flows	Counterparty risk	0.16%-100%(*)	0.81%
Liabilities					
Liabilities for derivatives[2]					
NIS-CPI interest contracts	109	Discounted cash flows	Expected inflation	0.18%-2.94%	1.56%
Foreign exchange contracts	6	Discounted cash flows	Expected inflation	0.18%-2.94%	1.56%
Stock contracts	7	Discounted cash flows	Counterparty risk	0.16%-100%	0.81%
Other liabilities	290	Discounted cash flows	Probability of default	4.00%-5.12%	4.74%
			Effective average duration in years	0.21-0.52	0.44
	755	Discounted cash flows	Probability of default	4.00%-5.12%	4.74%
			Effective average duration in years	0.68-1.62	1.34
	575	Discounted cash flows	Probability of default	4.00%-5.12%	4.75%
			Effective average duration in years	4.36	4.36
	151	Discounted cash flows	Probability of default	4.00%-5.12%	4.70%
			Effective average duration in years	1.17	1.17
	234	Discounted cash flows	Probability of default	4.00%-5.12%	4.75%
			Effective average duration in years	2.43	2.43
	548	Discounted cash flows	Probability of default	4.00%-5.12%	4.58%
			Effective average duration in years	1.35	1.35
B. Items Measured at Fair Value on a Non-Recurring Basis					
Collateral-dependent non-performing credit	327	Collateral's fair value			

* For a defaulted counterparty.

Please see comments on page 266.

Note 16D - Quantitative Information on Items Measured at Fair Value and Included in Level 3 (cont.)

Quantitative Information on Fair Value Measurement in Level 3 (cont.)

	December 31, 2024 (audited)				
	Fair value	Valuation technique	Unobservable inputs	Range	Average[3]
	In NIS million				
A. Items Measured at Fair Value on a Recurring Basis					
Assets					
Available-for-sale bonds[1]					
Government of Israel bonds	24	Discounted cash flows	Spread	bp 205	bp 205
			Probability of default	1.68%	1.68%
			% of loss	25%	25%
Asset-backed (ABS) or Mortgage-backed (MBS) bonds	4,960	Discounted cash flows	Spread	bp 100-230	bp 165
			Probability of default	2%-3.8%	2.90%
			Early repayment rate	20%	20%
			% of loss	30%	30%
Held-for-trading securities[1]					
Asset-backed (ABS) or Mortgage-backed (MBS) bonds	1	Discounted cash flows	Spread	bp 100-230	bp 165
			Probability of default	2%-3.8%	2.90%
			Early repayment rate	20%	20%
			% of loss	30%	30%
Assets for derivatives[2]					
NIS-CPI interest contracts	267	Discounted cash flows	Expected inflation	0.13%-2.58%	1.35%
Interest rate contracts	203	Discounted cash flows	Counterparty risk	0.15%-100%[*]	0.72%
Foreign exchange contracts	1,637	Discounted cash flows	Counterparty risk	0.15%-100%[*]	0.72%
Stock contracts	1,284	Discounted cash flows	Counterparty risk	0.15%-100%[*]	0.72%
Commodity contracts	1	Discounted cash flows	Counterparty risk	0.15%-100%[*]	0.72%
Liabilities					
Liabilities due to derivative instruments[2]					
NIS-CPI interest contracts	64	Discounted cash flows	Expected inflation	0.13%-2.58%	1.35%
Foreign exchange contracts	5	Discounted cash flows	Expected inflation	0.13%-2.58%	1.35%
Stock contracts	7	Discounted cash flows	Counterparty risk	0.15%-100%	0.72%
Other liabilities	255	Discounted cash flows	Probability of default	3.22%-3.76%	3.42%
			Effective average duration in years	0.09-0.52	0.25
	722	Discounted cash flows	Probability of default	3.22%-3.76%	3.40%
			Effective average duration in years	0.56-1.53	0.93
	578	Discounted cash flows	Probability of default	3.19%-3.56%	3.38%
			Effective average duration in years	4.28	4.28
	150	Discounted cash flows	Probability of default	3.30%-3.46%	3.39%
			Effective average duration in years	0.95	0.95
	234	Discounted cash flows	Probability of default	3.31%-3.51%	3.43%
			Effective average duration in years	2.27	2.27
	548	Discounted cash flows	Probability of default	3.29%-3.46%	3.40%
			Effective average duration in years	1.13	1.13
	1,475	Discounted cash flows	Probability of default	3.16%-3.54%	3.37%
			Effective average duration in years	3.08	3.08
B. Items Measured at Fair Value on a Non-Recurring Basis					
Collateral-dependent non-performing credit	135	Collateral's fair value			

* For a defaulted counterparty.

Please see Notes on page 266.

Note 16D - Quantitative Information on Items Measured at Fair Value and Included in Level 3 (cont.)

Quantitative Information on Fair Value Measurement in Level 3 (cont.)

Comments:

(1) The following unobservable inputs were used to measure the fair value of asset-backed or mortgage-backed securities: Spread, probability of default, early repayment rate, and severity of loss in the event of a default.
A significant increase/decrease in the unobservable inputs will be reflected in a significantly lower/higher fair value, respectively.

(2) The following unobservable inputs were used to measure the derivatives' fair value: counterparty credit risk and expected inflation rate. The higher/lower a counterparty's credit risk, the lower/higher the contract's fair value, respectively.
A change in the expected inflation rate will affect the contracts' fair value in accordance with the Bank's CPI-linked position on these contracts. The higher (lower) the expected inflation rate with the Bank committed to paying the CPI-linked amount, the lower (higher) the contracts' fair value, respectively. The higher (lower) the expected inflation rate with the counterparty committed to paying the Bank the CPI-linked amount, the higher (lower) the contracts' fair value, respectively.

(3) The average figure for the unobservable input "counterparty risk" reflects a weighted average. The weighted average was calculated based on the relative fair value of the exposures.

Note 17 - Miscellaneous Topics and Events after the Balance Sheet Date

A. The War and Operation Am K'Lavie

During the reporting period, the trend of recovery in the economic activity continued.

During October 2025, Trump Outline for returning the hostages immediately and ceasefire as a first stage had been published, followed by the possibility of comprehensive regional regulation, with the direct involvement of the Western World Powers and countries in the region. The first stage of the agreement began, upon the release of all the living hostages. In response, an improvement of Israel's risk indicators has been recorded in the financial markets, including the strengthening of the shekel, alongside increases in the currency exchange rate.

During the reporting period, the credit rating companies Moody's and Fitch left Israel's rating and rating outlook unchanged, despite signing Trump Outline for ending the War and the return of the hostages. Shortly after the announcement of the ceasefire agreement in Gaza, credit rating agency Moody's published a statement regarding its implications for Israel, noting that while the agreement is a credit-positive development, it is not expected to lead to an immediate upgrade of Israel's credit rating. It was also noted that the risks of the agreement not being fully implemented remain high. Credit rating agency Fitch also issued a similar statement.

Credit rating agency S&P issued a statement announcing an upgrade of Israel's rating outlook from "Negative" to "Stable", while leaving the rating itself unchanged. The statement noted that the ceasefire agreement between Israel and Hamas has reduced Israel's immediate security risk, and that Israel's credit rating may be upgraded if the growth rate and the fiscal outcomes exceed expectations and/or as a result of a significant and sustained improvement in the regional security situation.

Looking ahead, if the Gaza ceasefire holds and the next stages of Trump Outline are implemented as planned, this would constitute a development that could support a continued improvement in Israel's credit rating.

Credit rating agency Moody's left the Bank's rating unchanged, while rating companies S&P, S&P Maalot and Fitch announced raising the Bank's rating outlook to "stable" from "negative", and also ratified the Bank's rating. In addition, credit rating agency Midroog ratified the Bank's rating and the stable rating forecast.

The Iron Swords outline - reliefs and assistance to customers following the impacts of the War

On December 3, 2024 the Bank of Israel announced a last extension of the outline for the quarter between January 1, 2025 through March 31, 2025. The Bank had adopted the Iron Sword outline and implemented additional reliefs for its customers, as specified in Note 35.A. to the financial statements as of December 31, 2024.

On April 1, 2025 the Bank of Israel's outline of reliefs and assistance to the banking system's customers took effect, as part of which the banking system will allocate a cumulative sum of NIS 3 billion that would be comprised of NIS 1.5 billion each year, commencing the second quarter of 2025 up to the first quarter of 2027, unless it will be decided on termination of the outline prior to this.

Bank Leumi adopted this outline, and established significant relief baskets for all its customers, and particularly customers who are victims of the War. The outline will be spread over two years and the sums in respect of the reliefs will be transferred to the customers on a quarterly basis. During the outline period, the reliefs will be reviewed every quarter anew, and the Bank may make changes in them.

Reliefs include voluntary extension of the Iron Swords outline to the second quarter of 2025 In addition, in the second and third quarters of 2025, other reliefs were granted, including: interest paid on credit balances in checking accounts to eligible customers; daily deposit via automated deposit; decreasing the interest rate on debit balances in checking accounts for eligible customers; deferral of loan repayments without interest or fees, for private customers who are eligible according to the Bank's terms; exemption from interest on debit balances in checking accounts up to the sum of NIS 10,000 for

Note 17 - Miscellaneous Topics (cont.)

active-duty soldiers for the third quarter of 2025 and in accordance with the Bank's terms; as well as lowering the Prime interest rate by 0.25% on mortgages and consumer credit in the Prime track. In addition to all the aforementioned, the Bank granted a onetime bonus of NIS 500. A bonus was awarded to private customers, pursuant to the qualifying terms, whose accounts were charged a cumulative amount of at least NIS 7,000 during September 2025 for Leumi credit card transactions, in addition to receiving a salary deposit into the same account.

Operation Am K'Lavie - reliefs and assistance to customers following the impacts of the Operation

Against the backdrop of the impact of the Operation Am K'Lavie on the Israeli economy, the Bank of Israel formulated an assistance outline for populations that had directly incurred damages due to combat. The outline was defined for the period between July 1, 2025 and July 31, 2025. The Bank adopted the Am K'Lavie outline set out by the Bank of Israel and includes reliefs to customers who incurred damages during the Operation and who meet the qualifying conditions, and all in accordance with the terms of the outline, including deferral of loan repayments interest free for business customers whose income had been adversely affected, an exemption from interest on a debit balance in checking accounts for business owners who are also soldiers in army reserve, deferral of loan and mortgage repayments for evacuated private customers, or who were hurt following the Operation.

Additionally, the Bank granted its customers reliefs as part of the "reliefs basket" - benefits to soldiers in army reserve, a one-time refund of up to NIS 3,000 to customers who have a mortgage or a loan and receive their salary into a Leumi account, freeze of mortgage repayments free of interest and an exemption from selected fees.

To soldiers in active duty, and subject to eligibility and the outline's terms, in addition were granted an exemption from and reliefs in certain fees were granted. Private customers evacuated or affected due to Operation Am K'Lavie, and subject to eligibility and the terms of the outline, are given options to take loans at convenient terms Additionally, Leumi credit card holders who stayed abroad until rescued and subject to the Bank's discretion, the credit line in the credit card and bank credit had been increased.

In addition to the relief baskets the Bank established, a new trust plan had been launched for its "Leumi Bonus" customers, as part of which holders of Bank Leumi credit cards and debit cards will be granted benefits and discounts in various domains, pursuant to the terms of the plan.

Donations and bonuses

Duringthe reporting period, the Bank continued to lead and finance initiatives aimed at rehabilitating communities and regions affected in the south and north, to support reservists and active-duty soldiers and continues to accompany Kibbutz Be'eri. In addition, the "National Appreciation Initiative" remained active this quarter, honoring additional families for their dedication and volunteerism throughout the War.

For further information, please see Note 35.A to the financial statements as of December 31, 2024.

B. [1]The Special Payment for Achieving the Budgetary Targets (temporary Order - Iron Swords), 5784-2024.

Following that stated in Note 8.L and 8.M. in the financial statements as at December 31, 2024. The tax rate for 2025 stands at 34.19%, plus a special tax. It is noted that due to the influence of the aforementioned law, with respect to the reporting period, the Bank recorded tax expenses of approx. NIS 563 million.

C. The engagement in a merger agreement between Leumi Partners Ltd. and Leumi Partners Underwriters Ltd.

On June 17, 2025 Leumi Partners, Leumi Partners Underwriters Ltd. (a company fully owned by Leumi Partners Ltd.) ("**Leumi Underwriting**"), Barak Capital Underwriting Ltd. ("**Barak Capital**") and Barak Capital's shareholders signed an agreement for merging Leumi Underwriting and Barak Underwriting existing operations (the "Merger"). Upon completion of the merger Leumi Underwriting will merge with and into Barak Underwriting. The merged underwriting company will be controlled by Mr. Tzvika Menes (the current controlling shareholder of Barak Underwriting), who will also serve as CEO of the merged underwriting company. Leumi Partners, which will not control the merged underwriting company, will be entitled to appoint one director who will serve as Chairman of the Board of Directors of the merged company. On July 23, 2025, the merger had been approved by the Israel Competition Authority. On September 30, 2025, the merger transaction was completed upon receipt of a merger certificate from the Companies Registrar and the fulfillment of all the conditions precedent to the transaction. Upon completion of the transaction, a gain totaling NIS 94 million had been recorded.

D. Sectoral agreement with the Tax Authority

Further to that mentioned in Noter 8.H to the financial statements as of December 31, 2024, on July 8, 2025, the Bank signed a new sectoral memorandum of understanding with the Tax Authority regarding the manner in which taxes on credit losses would be recognized (hereinafter: the "Agreement"). The Bank believes that no material effect on the Bank's financial statements resulting from implementation of the Agreement is expected.

E. Allocation of option warrants

For details regarding the issuance of option warrants not listed for trading to employees and officers of the Bank, including the Bank's CEO, please see Note 8.A.

F. Equity Compensation for Directors

On June 30, 2025, the Bank's Board of Directors ratified a material private offering of securities to nine (9) members of the Bank's Board of Directors (who constitute all of the Bank's directors, with the exception of the Chairman of the Board), pursuant to an outline to grant capital benefits ratified by the Bank's general meeting on August 10, 2023. As part of the material private offering, on July 23, 2025, the Bank allocated to the Offerees 8,343 of its ordinary shares of NIS 1 p.v. each, for the period from January 1, 2025 until June 30, 2025.

For more information, please see Note 9A.

G. The inter-office team's report for assessing means for increasing competition in the banking system for the retail sector and a memorandum of the Promotion of Competition in the Banking Market Law (Legislation Amendments), 5786-2025

On August 6, 2025 the team's summary report for examining an outline for granting banking licenses to non-banking entities had been published. The team's recommendations address, inter alia, to increase the number of potential players that could apply for a banking license, with regulatory terms adapted to the activity, including, inter alia: granting a small bank the option to develop a flexible business model, so as it would not be required to offer the full services currently required of a banking corporation; expansion of the permitted activities permitted to a small bank beyond the closed list currently available to banks; and setting three supervisory tiers and gradual regulation of a banking licenses to which the regulatory directives would be adjusted according to the proportionality approach. In addition, according to the recommendations, financial holding companies would be permitted to simultaneously control an institutional body and a bank that seeks to obtain a banking license under the proposed outline and subject to meeting the assets' requirement while ensuring prevention of conflict of interest with the institutional body by prohibition of engaging in consulting, mediating or marketing regarding investment instruments, insurance and savings produced by insurers and companies managing provident funds or a investment fund for joint investments in trust. The report also includes recommendations for regulating the supervision over holding companies as stated, in various aspects, such as capital requirements and corporate governance. Additionally, the report recommends that it would be determined that a bank with a broad scope of activities and a bank that had controlled or held means of control over debit card companies immediately prior to application of the Banking Regulations (Licensing) (A Bank with a Broad Scope of Activities), 5783-2023, which issues debit cards, would not operate over 40% of the new debit cards it issues to its customers through another operating company. The report includes additional recommendations concerning reliefs that would be granted to a small bank, including the need to obtain a holding permit of a holding rate exceeding 10%; reliefs concerning the restrictions applying to senior offices' wages; the possibility to engage in elementary insurance mediation; an exemption from the duty of providing access in open banking and mobility of banks, adjustments of the customary rules regarding the commissions' tariff, the due discovery rules, and more.

On November 4, 2025, a draft bill had been published proposing legislative amendments aimed at enabling the establishment of small banks, setting tailored supervisory mechanisms, reducing regulatory barriers and promoting competition and innovation in the banking market, in accordance with the team's recommendations.

H. The Bank's internal Tier 1 capital target

On November 17, 2025, the Bank's Board of Directors approved setting the Bank's Tier 1 capital target at 10.85% rather than 10.6%.

I. The Competition Commissioner's announcement of her intention, subject to a supplementary hearing, to declare the five central banking groups a concentration group and each of the banks therein as a member of a concentration group regarding the basket of banking services for retail customers

Further to the section on Laws and Regulations Governing the Banking System in Corporate Governance Report for 2024 regarding the Competition Commissioner's announcement dated March 26, 2024 of her intention, subject to a hearing, to declare the five central banking groups (including the Bank) a concentration group regarding the basket of banking services for retail customers (households and small businesses) and each of the banks therein as a member of the concentration group, and to a hearing held before the Competition Commissioner during September and October, 2024. On October 23, 2025, the Commissioner announces that, following additional reviews and considering the claims of the banks within the five banking groups, she found that these did not warrant a change in her intention to exercise her power and determine, subject to a supplementary hearing, that the five banking groups are a concentration group and that each of the banks therein is a member of a concentration group (the "Revised Announcement"). In the Revised Announcement, the Commissioner specified the provisions it considers imposing, within its authority, on the aforesaid banks (some of which changed compared to the provisions detailed in her announcement dated March 2024), as specified below: (1) provisions on the accessibility of common deposits (as defined in the Revised Announcement) and money market funds, including the conditions for their presentation and the manner in which services related to them are provided, covering the format of presentation, offering and purchase through a simple and convenient process. (2) Duties regarding proactive outreach to retail customers at, and around, key decision points concerning the renewal or redemption of a deposit. (3) Prohibition imposed on a bank with wide-scale activity (as defined in the announcement) to unreasonably refuse to accept a deposit from a financial center. (4) Mandatory portability of deposits.

The aforesaid banks must submit their written position to the Commissioner by November 23, 2025.

J. Investments in the Bank's Capital and Transactions Related to its Shares

On August 18, 2025, the Bank engaged with the Tel Aviv Stock Exchange Ltd. (the "Stock Exchange") in an agreement, as part of which a tailor made market-making plan had been formulated concerning the Bank's shares and options on the Bank's shares (the "Agreement" and the "Plan", respectively). The plan is based on the principles set out in the resolution of the Stock Exchange's board of directors' dated March 4, 2025, and will be implemented in accordance with that set out in the agreement, the Stock Exchange's bylaws and guidelines issued thereunder, and pursuant to the resolutions of the Stock Exchange's board of directors, as may be made from time to time.

According to the main terms of the agreement and the plan, the Stock Exchange will be responsible for monitoring the market maker's compliance with the rules. The payments to the market makers, will be comprised of a fixed component that depends on the market maker's activity, and a variable component that depends on the market maker's relative part in the trading cycles of the Bank's stock/options for the Bank's stock. The Bank will make payments to the market makers, as aforementioned, in amounts that are not expected to material to the Bank.

Note 17 – Miscellaneous Topics (cont.)

The market making plan commenced September 17, 2025, and the for market making for options on the Bank's stock plan commenced November 2, 2025. The Bank and the Stock Exchange intend to exercise the plan for a period of at least one year.

BANK LEUMI LE-ISRAEL B.M. AND ITS INVESTEE COMPANIES
Corporate Governance, Additional Details and Appendices

Table of Contents

A. Corporate Governance

Changes in the Board of Directors

As of the report publication date, the Board of Directors includes 10 members, in accordance with the number of directors allowed in banking corporations pursuant to Proper Conduct of Banking Business Directive No. 301 (hereinafter: "**Directive 301**"). During the third quarter of 2025, there were no changes in the composition of the Board of Directors.

On May 21, 2025, the Bank received from the Committee for the Appointment of Directors in Banking Corporations the list of the candidates to serve as the Bank's directors for election at the Bank's 2025 annual general meeting [1]. Accordingly, the Bank convened a Special Annual General Meeting of the Bank's shareholders that took place on September 15, 2025, with the following items on its agenda, thus in addition to appointment of directors from among the list of candidates as stated: (1) discussion of the annual financial statements of the Bank as of December 31, 2024; (2) appointment of independent auditors and authorization to set their fees; (3) appointment of one (1) External Director; (4) appointment of two (2) directors with the status of "Other Director"; (5) approval of the renumeration policy for Bank officers; (6) approval of the Board of Directors' resolution dated June 11, 2025 regarding allocation of option warrants to Mr. Hanan Friedman, the Bank's CEO, without any change in his total employment cost (the options on account of the renumeration components to which the CEO is entitled under his terms of employment at the Bank). For further details, please see the immediate report published by the Bank on August 6, 2025 (Ref. No. 2025-01-058446) (the "**Notice of** Meeting").

On September 15, 2025, the Special Annual General Meeting approved the following resolutions:[2]

1. To reappoint the auditing firms Somekh Chaikin (KPMG) and Brightman Almagor Zohar & Co. (Deloitte) as the Bank's joint independent auditors for the period starting on the date of approval of the current annual general meeting through the end of the Bank's next annual general meeting and to authorize the Bank's Board of Directors to set their fees.
2. To reappoint Mr. Zvika Nagan as an External Director for an additional term of office of three years. On October 23, 2025, the Bank received notification from the Banking Supervision Department to the effect that it had no objection to his appointment. As such, the beginning of his second term of office will be counted from October 27, 2025.
3. To reappoint Mrs. Irit Shlomi as an Other Director for an additional term of office of three years. On September 16, 2025, the Bank received notification from the Banking Supervision Department to the effect that it had no objection to her appointment. As such, the beginning of her third term of office will be counted from September 19, 2025.
4. To appoint Dr. Naomi Shpirer Belfer as an External Director for a first term of office of three years, subject to the approval of the Banking Supervision Department or the absence of objection to this appointment.
5. To approve the updated renumeration policy for the Bank's officers as specified in Appendix C to the Notice of Meeting for the years 2026 to 2028, pursuant to the provisions of Sections 267A and 267B of the Companies Law.
6. To approve allocation of option warrants to the Bank's CEO, Mr. Hanan Friedman, in accordance with the provisions of Section 272(c1)(1) of the Companies Law.

For information regarding the qualifications of the directors as required under Directive 301 on the subject of the Board of Directors, see Chapter Members of the Bank's Board of Directors in the Corporate Governance Report as of December 31, 2024.

[1] For further details, please see the immediate report published by the Bank on May 21, 2025 (Ref. No. 2025-01-035748) and immediate report published by the Bank on June 19, 2025 (Ref. No. 2025-01-043601).

[2] For more information on the Special Annual General Meeting, please see the immediate report on the convening a meeting dated August 6, 2025 (Ref. No. 2025-01-058446) and supplementary report dated September 12, 2025 (Ref. No. 2025-01-068944), as well as a report on the results of the meeting dated September 15, 2025 (2025-01-069602) and supplementary report dated September 18, 2025 (Ref. No. 2025-01-070433).

The Chief Internal Auditor

Information regarding the internal audit of the Group, the professional standards by which the internal audit operates, the annual and multi-year work plan, and the considerations for its formulation were included in the Corporate Governance Report as of December 31, 2024.

The Internal Audit Report for 2024 in the Leumi Group was submitted to the Audit Committee on February 17, 2025, discussed by the Committee on February 24, 2025, submitted to the Board of Directors on March 31, 2025 and presented to the Board of Directors on April 7, 2025.

A bi-annual compilation of audit reports and records for the first half of 2025 was submitted to the Audit Committee on July 28, 2025 and reported to the Committee on August 4, 2025; submitted to the Board of Directors on August 6, 2025; and reported to the Board of Directors on August 12, 2025.

B. Additional Information

Control of the Bank

The Bank is defined by law as a banking corporation without a controlling core, and no shareholder meets the definition of a controlling shareholder of the Bank.

For up-to-date information on stakeholders' holdings in the Bank as at September 30 2025, please see the immediate report entitled "Status of Holdings of Stakeholders and Senior Officers," dated October 20, 2025 (Ref. No. 2025-01-077673). Additionally, please see also the immediate report on the list of holders of significant means of control in the Bank as of March 31, 2025, dated April 7, 2025 (Ref. No.: 2025-01-025775).

Appointments and Departures

Appointments

Ms. Tamar Mass, Head of the Strategy and Data Division, and member of the Bank's management as First Executive Vice President, had been appointed to be also Head of the Human Resources Division commencing March 3, 2025.

Mr. **Victor Vakart**, was appointed CEO of Leumi Partners and will assume office by the end of 2025.

Departures

Uri Yonissi, CPA, Head of the Mortgagees Division and a member of the Bank's management, concluded his term of office on July 14, 2025, after serving for 5 years.

Mr. **Ron Ben Haim**, CEO of Leumi Partners, will conclude his term of office by the end of 2025.

Corporate Structure

Commencing July 2025 the mortgages activities are managed as a sub-division as part of the Banking Division.

For further information, see Organizational Structure in the Corporate Governance Report as at December 31, 2024.

Material Agreements

For further information regarding material agreements, see Note 17 and the chapter Material Agreements in the financial statements as at December 31, 2024.

Laws and Regulations Governing the Banking System

Some of the information in this section constitutes forward-looking information. For the meaning of the term, please see the chapter "Forward-Looking Information".

During the reporting period, several proposals for regulatory amendments and changes to various legal provisions were published, which could have an impact on the characteristics, scope and profitability of some of the Group's activities and on the credit, operational and legal risks to which it is exposed. Some of the directives are at various stages of discussion and, consequently, it is impossible to assess whether or not they will be issued as binding provisions and, if issued, what the ultimate provisions will be. As a result, at this stage, it is impossible to assess the effect of these provisions on the Group's overall activity, if any.

The following section provides detailed information on newly enacted legislation, which came into effect during the reporting period and provisions expected to enter into effect, which were published after the signing date of the financial statements for 2024, which may have a significant effect on the Bank.

For a description of directives published in the reporting period before the date of signing the financial statements for 2024, please see the chapter entitled "Legislation and Regulation of the Banking System" in the Corporate Governance Report of 2024.

Directives Issued by the Banking Supervision Department

Letter of the Banking Supervision Department to the Banking Corporations regarding risks related to UNWRA's financial activity

On March 6 2025, the letter had been published, noting, inter alia, that financial activities that enable UNWRA to operate within the State of Israel expose the banking corporations to risks including compliance risks, legal risks, and goodwill risks. Therefore, pursuant to the obligations applicable to the banking corporations, as set forth in Proper Conduct of Banking Business Directive No. 310 regarding "Risk Management," the banking corporations must manage their risks when providing any financial service related to illegal activity of UNWRA, including with third parties or through them.

Revision of Proper Conduct of Banking Business Directive No. 203, "Measurement and Capital Adequacy" - the standard approach - credit risk, and Directive No. 329 regarding restrictions for housing loans.

On April 6, 2025, a circular was published updating the directives, on the backdrop of additional increases in credit risk for the construction and real estate sector and the housing market, inter alia, in light of a significant increase in home sales due to various incentives offered by developers.

The update includes, inter alia, the following issues:

To Proper Conduct of Banking Business Directive No. 203 was added the list of the debts weighted at 150% risk: credit provided under a financing agreement for a residential construction project, in cases where the rate of apartment sale contracts in which a significant portion of the sale price is deferred to the delivery date (non-linear payment) exceeds 25%. Regarding existing projects in which this rate exceeds 25%, they will only be weighted at 150% when the proportion of contracts increases by more than 5 percent points compared with the rate at the starting date.

To Proper Conduct of Banking Business Directive No. 329 were added definitions of grace loans and bullet and balloon loans; it was also proposed to add a section that establishes that the performance rate for bullet and balloon loans subsidized by the contractor will not exceed 10% f the total quarterly performance with respect to housing loans, with the exception of housing loans granted by mortgaging a residential home. The amendments will apply until the end of 2026.

Revision of the Proper Conduct of Banking Business Directive No. 367 concerning banking through communication channels

On July 17, 2025, the Directive's revision was published prescribing that a banking corporation will be required to provide a different banking corporation with substantiated information in its possession that could assist in identifying and preventing fraud at the other banking corporation, including misuse of an account (including a payment account) or misuse of a means of payment. Provision of the information will be done as soon as possible, meaning as close to the date of discovery as possible. In addition, as part of the banking corporation's duty to track the development of fraud methods and threats on banking through communication channels in Israel and globally, and to update the monitoring mechanism required in the directive if necessary, clarification was added regarding the fact that the information received from a different banking corporation will also be used for these purposes. Date of commencement of the revisions in the Directive – December 31, 2025.

Draft of The Banking Bill (Customer Service) (Amendment – Distribution of Credit Cards from All of the Credit Card Companies) – 2025

On March 17, 2025, the bill was submitted for a preliminary reading. Pursuant to the proposal, the banking corporations will be obligated to engage with all of the credit card companies in distribution agreements at uniform terms, and the customer will decide which company's card it chooses. In order to track implementation of the provisions of the bill, it is proposed that a tracking committee be established that will include representatives from Bank of Israel, the Ministry of Finance, and the Competition Authority, and that a banking corporation that is bank with an extensive scope of operations would deliver to the tracking committee, once every six months, a report including data regarding the rate of credit cards of each issuer distributed by it from the total credit cards that it distributes. This tracking committee will be required to submit periodic reports to the Knesset's Economy Committee.

Proper Conduct of Banking Business Directive No. 447A regarding publication of concentrated information on monetary funds and treasury bills.

On April 9, 2025, the Directive had been published, with the intent of increasing the exposure of customers in the banking system to existing and new monetary funds and increasing the customers' ability to make comparisons, as well as competition in the financial system. The Directive prescribes the duty of making information accessible to the entire public of customers of the banks, so that along with publication of the required information related to deposits as set forth in Proper Conduct of Banking Business Directive No. 447 – "Publication of Interest Rates on Deposits and Credit Balances in an Account", information will be published, in a uniform format regarding financial funds and treasury bills. Implementation of that set in the Directive will take effect gradually on October 9, 2025 and February 9, 2026. On September 25, 2025, a draft amendment to the directive has been published, proposing to defer the effective date of the provisions that were scheduled to come into force on October 9, 2025 to October 19, 2025.

Revision of Proper Conduct of Banking Business Directive No. 368, on the Subject of the Open Banking Standard in Israel

On April 22, 2025, an update was published revising the amendment to the directive, which describes the technological standard that the banking system must implement in order to meet the requirement to provide access to payment accounts. This revision was prepared pursuant to the amendment to the directive published in October 2024, which was intended to define the necessary adjustments that must be made in the directive and its appendices, after the Knesset passed the Regulation of the Engagement in Payment and Payment Initiation Services Law, 2023, particularly following the regulation of basic initiation services in the law. According to the revision to the directive, enforcement measures will not be implemented against a payment account manager while the user completes development of the standard regarding charge authorization, as revised in the amendment to the directive, until six months after publication of the revised directive, meaning until October 20, 2025. On September 2, 2025, a revision to the directive has been published, deferring the effective date of the directives regarding the receipt of a request to cancel a payment instruction issued by the same basic initiator, including a single foreign currency payment instruction, a recurring instruction, a payment batch, drafting the instruction details for cancelling a payment instruction, and the submission of payment requests, from September 1, 2025 to November 2, 2025. In addition, the effective date of the section of directive addressing the payer's notice of their desire not to receive requests to their account, deferred to March 15, 2026.

Update of Proper Conduct of Banking Business Directive No. 301 regarding the Board of Directors

On July 14, 2025 the revised Directive had been published, as part of which the section concerning approval of office holders in a corporation had been revised – including questionnaire appendices to a notification on the appointment of an office holder, a requirement of filing a new questionnaire rather than noting the changes in the previous questionnaire, an exemption from filing a questionnaire in certain cases, a requirement of updating the Banking Supervision Department in cases of changes that could affect aspects regarding the position of the office holder; the cooling-off period of a director in the transition from one banking corporation to another had been shortened given the consent of the board of directors he had been a member of would be not less than six months; revisions had been made regarding a questionnaire for a candidate for an office holder in the banking corporation - addressing the candidate's availability for performing the position and lack of conflict of interest; the section concerning the consent to contact the Israel Police with an affidavit had been deleted; an affidavit of an office holder in the banking corporation who is a candidate for another or additional office in the same banking group, according to which there had been no changes in the information regarding him compared to a prior questionnaire he had provided the Banking Supervision Department with; an affidavit by the office holder had been added upon updating the information regarding him - a statement according to which the continued tenure of the office holder in the position is not contrary the provisions of any law and/or any Proper Conduct of Banking Business Directive provided by the Banking Supervision Department. Date of commencement of the revisions in the Directive - December 1, 2025.

The revision of Proper Conduct of Banking Business Directive No. 221, regarding liquidity coverage ratio, Proper Conduct of Banking Business Directive No. 222, regarding a stable financing ratio net and a revision of a questions and answers file for implementing Proper Conduct of Banking Business Directive No. 221

On September 17, 2025 the revisions had been published, which raise the determining bar regarding a possible exemption from implementation of the liquidity coverage rate as well as implementation of stabilization of net financing ratio from NIS 15 billion to NIS 25 billion, and change the basis for calculating two year average; a clarification was added regarding the Israeli Government's bonds for calculating the liquidity ratio applying to a foreign branch; a requirement was added of notifying the Banking Supervision Department of crossing the bar of scope of assets; and a question and answer were also added, clarifying that fixed deposits at the Bank of Israel, as there is no operational, legal or other prevention for recognizing them as such, would be classified as high-quality liquid assets.

Draft of Proper Conduct of Banking Business Directive (new) regarding provision of services to customers against the backdrop of sanction regimes

On June 5, 2025 the draft had been published. According to the Banking Supervision Department, in recent years the use of various economic sanctions has been increasing, as a legal enforcement tool operated for various purposes, constituting a pressure and deterrence lever in the international arena. Bypassing foreign sanction regimes through the Israeli banking system exposes the banking corporations to various risks they are required to manage, including compliance risks, money laundering and financing terrorism risks, legal risks and goodwill risks. This risk management affects the relations between the banking corporation and the customer. In light of this, a directive draft had been established, regulating the duties imposed on the banking corporations in all concerning risk management and providing banking services to customers. As part of the draft it is proposed, inter alia, to set a policy and procedures regarding the manner in which use would be made of sanction lists, while assessing the risks of a violation of the sanctions or abuse of a banking corporation for bypassing sanctions; to determine that risks arising from sanction regimes would not be managed by way of sweepingly avoiding in advance providing the services to customers affected by them; as well as determine that refusal to provide a service to a customer, including refusal to engage in an agreement or termination of the engagement, due to implementation of a risk management policy regarding use of a sanction list set pursuant to this directive, would not be deemed unreasonable refusal to provide a service.

Road map draft for adjusting the Supervision Department's directives to supervision levels

On June 23, 2025 the draft had been published, which includes a road map intended to expand the implementation of the supervisory proportionality approach, and in so enable continued support of new bodies' entrance to the banking system, including such that had previously operated as non-banking bodies. The draft noted that the proportional regulation to be established would be set according to the size of the banks and the types of activities they manage. The draft includes specification of definition of the supervisory tiers, the planned adjustments in Proper Conduct of Banking Business Directives regarding tiered capital requirements, tiered liquidity requirements, corporate governance, risk management, credit, investments, and operations regarding securities and financial risks, as well as adjustments in the supervisory reporting requirements and the public disclosure requirements. The roadmap does not constitute regulation in itself, and is of no legal status.

The Banking Supervision Department's policy document for examining requests for closing permanent branches

On July 2, 2025 the document had been published including, inter alia, specification of the criteria taken into account in reviewing requests for closing branches and the proposed alternatives, the reasonability of the distance from the receiving branch, data cross-referencing with the existing layout of deployment of branches and other requests for closing branches, the deployment of the discounted ATM around the closing branch, the characteristics of the surroundings of the closing branch, the characteristics of the customers of the specific branch, the characteristics of the receiving branch and other consideration under the circumstances of the matter, The document also notes the decision making process at the Banking Supervision Department regarding requests for closing permanent branches and also specifies the requirements that would appear on any approval of a closing request, whether conditional or not. These requirements include, inter alia, granting adequate support and assistance to all the customers' needs, direct phone calling certain populations, continued follow-up on behalf of the Bank after the change, updating the Banking Supervision Department in the event of new significant information or a substantial change in circumstances.

The Banking Supervision Department's reform draft in the field of fees collected from households and small businesses on account management services, payment and debit cards

On July 15, 2025 the reform draft had been published, as part of which a draft of an amendment to the Rules of Banking (Customer Service) (Fees), 5768-2008, a draft of the Banking Order (Customer Service) (Supervision of Account Management Payment Service), 5785-2025, as well as the draft of the Banking Order (Customer Service) (Supervision of Debit Card Fees Service), 5785-2025.

As part of the drafts, inter alia, the Banking Supervision Department is promoting an update of the manner of charging fees the in respect of regular payment activities, and sets a new service of "management of a payment account" as well as a maximal supervised price that would be allowed to be charged for this service. According to the new method, it is proposed that a banking corporation would be permitted to collect from a customer (an individual or small business) holding an active payment account, "management of a payment account" fixed fees for 100 operations per month. These operations include the common services, as mapped by the Banking Supervision Department, including deposit, withdrawal and breaking bills, including via an automated machine; transfer to another account; withdrawal of a check from the payer's account; check redemption; deposit of a check for repayment in the beneficiary's account' payment of vouchers; crediting an account through a clearing house; charging the payment account for credit card payments; authorization for charging an account or a standing order; an instruction to cancel a charge; information services, etc. Additionally, it is proposed to change the default, so that all customers would automatically be added to the service and no proactive operation on their part would be necessary. In addition to setting the aforesaid payment method, as part of the reform it is proposed to impose supervision on the following prices - as part of "management of a payment account" the fees for the first 100 operations would stand at a sum not to exceed NIS 10. It is proposed that for each additional operation included in this service the sum would not exceed NIS 1. It is proposed that the new method would replace the existing tracks' services that had been set out in 2014. Additionally, it is proposed to integrate into the reform supervision of debit card fees, not to exceed NIS 5. It is proposed that this arrangement would replace the existing arrangement, according to which there is an exemption from debit card fees for three years, provided that such customer holds a credit card at the same time.

Draft of updating Proper Conduct of Banking Business Directive No. 313 regarding large-scale exposures and updating the references to definitions in Proper Conduct of Banking Business Directives

On July 24, 2025 the draft had been published, the key points of which are as follows: (1) deferral of the date of implementation of the Directive "Supervisory Framework for Measuring and Monitoring Large-Scale Exposures LEX10-LEX40)" (the "New Directive"), which concerns the measurement and restriction of large-scale exposures intended to protect the stability of the banking corporations against losses stemming from a sudden failure of a counterparty and replaces Proper Conduct of Banking Business Directive No. 313 "Restrictions on indebtedness of a borrower and a group of borrowers" (the "Existing Directive"), commencing January 1, 2026, through July 1, 2026 or the early implementation date of the New Directive, the earlier of the two. (2) Extension of the period of the relief concerning exclusion of credit card companies from meeting the restriction regarding the liability of a group of borrowers as well as from the aggregate limit of large-scale borrowers commencing January 1, 2026 through July 1, 2026 or the early implementation date of the New Directive, the earlier of the two. (3) Updating the references and definitions in Proper Conduct of Banking Business Directives according to the New Directive, such as "counterparty", "related counterparties group", etc., as well as additional issues related to them.

Draft of an updating of Proper Conduct of Banking Business Directive No. 448 on the subject of online transfer of a customer's financial activity between banks

On August 31, 2025, the draft has been published, proposing that in the framework of the rules to inform customers of the option to transfer financial activity as part of the account opening process, the Bank will be subject to an obligation to document the manner of updating customers and the customer decision on the manner of transferring financial activity. It is also proposed to add to these rules duties of transparent disclosure to customers on the option to transfer financial activity online prior to the stage of applying for activity transfer, as well as detail on the required content for disclosure in cases in which the customer seeks to transfer financial activity between banks.

Draft of an updating of Proper Conduct of Banking Business Directive No. 426 on the subject of providing professional human telephone support

On August 31, 2025, the draft has been published, proposing to establish a requirement for providing professional human response to customers in cases of suspected fraud in payment services and for receiving customer notifications regarding suspected misuse, in accordance with the Payment Services Law, 2019, via a continuously staffed telephone support center, with a maximum waiting time not exceeding six minutes from the beginning of the call.

Financial Accessibility Charter for Supporting Mandatory Service Soldiers

On September 9, 2025 the Banking Supervision Department published a voluntary charter to facilitate the financial coping of mandatory service soldiers. The Charter was formulated by the Banking Supervision Department jointly with banks, credit card companies, the Association of Banks, the Legal Aid at the Ministry of Justice, "Nadan" Association and the Law Enforcement and Collection System Authority. The Charter deals with the creation of various tools to enhance the financial conducting of IDF soldiers, considering their background, the nature of service and their physical and economic needs, aiming at helping soldiers to settle their debts created throughout their military service better and easier in such manner to help them prevent the future reoccurrence of similar situations. As part of the Charter, the banking system will formulate a special process for handling soldiers' debts, which will include direct communication with indebted soldiers, enhancement of their financial literacy, and cooperation with representatives of the relevant institutions.

The Bank of Israel's notifications

The Bank of Israel's announcement on completion of the transition to ISO 20022 in the RTGS system

On June 30, 2025, the Bank of Israel's announcement had been published, according to which the Bank of Israel had adopted ISO20022 adapted by SWIFT, as a platform for transferring international payment and pursuant to the international standard, similar to leading markets such as the European Union, Britain and Canada. The new standard that had been embedded enables transfer of elaborate, structured and uniform information in the payment message, which would assist in the future in executing efficient, quick payment transfers at a lower cost for the customer. This is a move of great potential in the long term for pervasive impact on all the players in the market – the customers' public, banks, payment systems, non-bank financial institutions, fintech companies and businesses.

The Bank of Israel's announcement – discontinuing publication of the Telbor interest rate

On July 1, 2025 it had been published that pursuant to the Telbor Committee's decision, on June 30, 2025, the Telbor interest rate had been published for the last time, for all periods. From now on the SHIR interest will replace the Telbor interest and serve as the basis for derivatives' transactions.

The decision on replacing the Telbor interest by SHIR interest matches the decisions made in central countries worldwide, according to which IBOR type interest would be replaced by risk-free Over Night interest. The SHIR interest rate is equal to the Bank of Israel's interest rate, however on dates where there is no publication of the SHIR interest rate, its value would be as it had been on the last publication date.

Directives of the Supervisor of Credit Data Sharing

Supervisor's Directive No. 407 regarding "Use of the Credit Data System", and amendment to the Supervisor's Directive No. 401 regarding "Means of Identification", as well as amendment to Supervisor's Directive No. 401A regarding "Remote Identification Means.

On November 2, 2025 the Directives had been published. Supervisor's Directive No. 407 regarding the use of the credit data system establishes a work framework for properly using a credit data system, including regulating mechanisms for identification, handling, and reporting of events of usage of the credit data system in contravention of the law or information security events related to use of the credit data system, including cyber attacks. According to the directive, as of the effective date of the proposed directive, a user of credit data will report unusual events, including information security and cyber events related to customer identification processes, or a material suspicion of such events, according to Supervisor's Directive No. 407 and not according to Supervisor's Directive No. 401 on means of identification and No. 401A regarding remote identification methods. The Directive's commencement date is May 2, 2026.

Update of Supervisor's Directive No. 405 regarding obtaining customer consent

On September 29, 2025, the update has been published. Following Amendment 13 to the Protection of Privacy Law, 2024, revisions were made to the directive, within which credit data users are required to inform the customer of the consequences of non-consent. Updates effective date – March 1, 2026. Credit data users may implement them prior to the effective date.

The Supervisor of Credit Data Sharing – Updating of a questions and answers file to Supervisor Directive No. 201 regarding "Reporting on Credit Data"

On September 21, 2025, an update has been published to a questions and answers file relating to the aspects of reporting credit data, addressing the following questions: When is it required to report a "guarantee" transaction provided by the data source to the customer; What constitutes a payment default; Should a payment default be reported in the same month in which the customer is granted debt relief; How should a transaction be reported in which the customer acts as a guarantor for a corporate transaction; How should transaction amounts be updated; Is it required to report advances and prepayments granted to a business; How should transactions involving a current account without an overdraft facility be reported; When is daily reporting required for the marking of a legal proceeding; What is the interest benchmark to be entered for transactions in which the Libor benchmark was replaced due to the cessation of Libor publication; In the "interest track" section, should late payment interest rates also be reported; Which legal proceedings are included in the definition of a "legal proceeding"; How should the renewal of a current account credit facility be reported; How should a transaction be reported when the debtor has been granted debt relief; How should payments made toward a debt be reported after the transaction was previously reported as closed due to a debt settlement that included forgiveness; How can a misleading representation of exceeding a credit card limit be prevented;

For additional Directives issued by the Banking Supervision Department regarding sharing credit data that were published following Operation "Am K'Lavie" see the section Regulatory Measures Following the War and Operation "Am K'Lavie" – Measures Published by Additional Entities and Specific Legislation.

Initiatives for Increasing Competition

Establishment of a team to examine the reduction of regulatory arbitrage in short- and medium-term investment and savings instruments and publication of the team's interim report

Pursuant to the Public Appeal published by the Ministry of Finance on April 18, 2024 (for further information, see the chapter Laws and Regulations Governing the Banking System in the Corporate Governance Report for 2024), on February 13, 2025, an interim report was published for public commenting by the team for reducing discrepancies between short- and medium-term investment and savings instruments. According to the interim report, regulatory and tax arbitrage was identified among the products, which impact the saver's decisions and wellbeing. Moreover, the report noted that the lack of a financial agent that provides the saver with "holistic" advice makes it difficult for the saver to properly plan management of its savings and leads to the selection of products that are not necessarily optimal. The tax arbitrage is liable to result in preferring products due to considerations that are not necessarily in the best interest of the consumer, and do not comply with the principle of neutrality of an optimal tax system. In this context and due to other challenges, the team proposes several proposals, including application of a uniform tax deferral system for a range of investment and savings products; promotion of a proper infrastructure for establishing one platform for viewing and managing all of the savings and investment instruments of the savers; minimizing tax benefits in the field; changing the types of licenses of the agents.

Financial Information Service Bill (Amendment No. 3 and Temporary Provision), 5785-2025

On March 12, 2025, the draft law was published. According to the draft law, in light of the existing difficulties in connecting accounts of corporations to the financial information service performed via the interface system for financial information, it was proposed to establish transition provisions for accounts of a corporation established before the starting date of this amendment. Accordingly, it will not be necessary to provide unique authorization to grant access to the service provider of financial information; rather, the holder of the highest authorization at the corporation will be entitled, as a default, to also grant authorization to provide access to the service provider of financial information. Moreover, it is proposed to provide a second transition period for license holders of financial information. As such, it is proposed to allow license holders of financial information service providers to access the financial information about the customer by means of accessing information using the customer's details and based on this, to provide service to the customer, only with regard to accounts of corporations.

The inter-office team's report for assessing means for increasing competition in the banking system for the retail sector and a memorandum of the Promotion of Competition in the Banking Market Law (Legislation Amendments), 5786-2025

On August 6, 2025, a summary report was published, following the recommendations of the interim report published on March, 31 2025 and the recommendations of the interim report of October 2024 of the team for examining an outline for granting banking licenses to non-banking entities. The team's recommendations address, inter alia, to increase the number of potential players that could apply for a banking license, with regulatory terms adapted to the activity, including, inter alia: granting a small bank the option to develop a flexible business model, so as it would not be required to offer the full services currently required of a banking corporation; expansion of the permitted activities permitted to a small bank beyond the closed list currently available to banks; and setting three supervisory tiers and gradual regulation of a banking licenses to which the regulatory directives would be adjusted according to the proportionality approach. In addition, according to the recommendations, financial holding companies would be permitted to simultaneously control an institutional body and a bank that seeks to obtain a banking license under the proposed outline and subject to meeting the assets' requirement while ensuring prevention of conflict of interest with the institutional body by prohibition of engaging in consulting, mediating or marketing regarding investment instruments, insurance and savings produced by insurers and companies managing provident funds or a investment fund for joint investments in trust. The report also includes recommendations for regulating the supervision over holding companies as stated, in various aspects, such as capital requirements and corporate governance. Additionally, the report recommends that it would be determined that a bank with a broad scope of activities and a bank that had controlled or held means of control over debit card companies immediately prior to application of the Banking Regulations (Licensing) (A Bank with a Broad Scope of Activities), 5783-2023, which issues debit cards, would not operate over 40% of the new debit cards it issues to its customers through another operating company. The report includes additional recommendations concerning reliefs that would be granted to a small bank, including the need to obtain a holding permit of a holding rate exceeding 10%; reliefs concerning the restrictions applying to senior offices' wages; the possibility to engage in elementary insurance mediation; an exemption from the duty of providing access in open banking and mobility of banks, adjustments of the customary rules regarding the commissions' tariff, the due discovery rules, and more.

On November 4, 2025, a draft bill had been published proposing legislative amendments aimed at enabling the establishment of small banks, setting tailored supervisory mechanisms, reducing regulatory barriers and promoting competition and innovation in the banking market, in accordance with the team's recommendations.

The Banking Bill (Customer Service) (Amendment No. 38), 5785-2025

On May 14, 2025 the Amendment to the Law had been published, according to which banks will be obligated to enable all customers cash deposits, even where the same customer does not have a checking account at that bank. The funds would be deposited through a "closed system account" – meaning, an individual's account used for holding and managing monetary deposits at the bank, the source of which is the account of that individual who has the deposit at a different bank or at the Postal Bank, provided that the funds managed therein are transferred back only to the account from which they were transferred.

The Banking Supervision Department may set in Proper Conduct of Banking Business Directives that the provisions of the Section would apply also to depositing funds in foreign currency through a closed system account. Date of commencement of the Amendment date shall be December 1, 2025.

The Banking Bill (Customer Service) (Amendment No. 39), 5785-2025

On May 21, 2025 the Amendment to the Law had been published, concerning "notifying a customer of a credit balance in a checking account". As part of the Amendment it had been prescribed that in the event where an individual customer has a credit balance of NIS 15,000 and above for at least one quarter in his checking account, the Bank will be required to notify him at the beginning of each quarter and include in the notification information regarding investment options that could yield higher returns the customer may review. Over the first 18 months following commencement of the Law, the notification will be delivered at the beginning of each month in respect of the preceding month, and later will be given at the beginning of each quarter. It had further been prescribed that the notification would be given to the customer in writing, in a manner that would enable immediate and accessible communication to the extent possible, unless the customer asked not to receive notifications in this manner, and would also be delivered in a manner that the banking corporation delivers notices to that customer as agreed between them. In cases where the banking corporation knows that the customer is unable to receive a written notice, a voice message will be sent as an alternative to the written notice. Banking Supervision Department would be entitled to establish guidelines regarding those notices, including the wording of the notices and reference to information regarding investment options. Date of commencement of the Law – November 21, 2025.

The Banking Bill (Customer Service) (Amendment – Interest on a Credit Balance), 5783-2023.

On may 28, 2025 the Bill had been delivered for discussion by the Knesset Economic Committee as preparation for first reading. Pursuant to the Bill, an arrangement would be set obligating the banks to pay their customers interest on credit balances in their account. It is also proposed that the Governor of the Bank of Israel, after consulting with the Advisory Committee and approved by the Minister of Finances would set the interest's minimum rate. On August 11, 2025 a discussion had been held at the Economics Committee on this matter. As part of the discussion, after letters had been received from the banks that they intend to grant interest on a credit balance or other benefit within this area, and this up to October 1, 2027, each according to the outline it proposed, it had been decided not to promote the bill.

The Banking Bill (Customer Service) (Amendment – Cancelation of Line Fees and Custody Fees), 5785-2024

On June 29, 2025 the Ministerial Committee for Legislation approved the Bill, according to which it is proposed to prohibit a banking corporation to collect from a customer line fees and custody fees.

Regulation of Securities Trade Services Bill, 5785-2025

On July 9, 2025 the Bill had been published, intended to regulate the activities of securities trading service providers in Israel, including via digital platforms. The Bill includes, inter alia, registration requirements, compliance duties, reporting duties, equity requirements, risk management mechanism and separation of customers' funds.

Report of the team for examining the banks' involvement in setting the housing prices

On July 27, 2025 a final report had been published by the team for examining the banks' involvement in setting the housing prices, chaired by Prof. Avi Simhon (the "Team"), which had been established following the asymmetric rigidity of housing prices in recent years (as the demand increased, there had been a sharp increase in the price, however when the demand returned to its ordinary level the housing prices remained high, and even continued rising). The team's recommendation is to prescribe that the financing entity of a project for accompanying a housing project may not intervene in the initiator's considerations in setting the sale price of residential units in that project, after engaging in the financing agreement. As part of this it would be prescribed that it is required to avoid including in a financing agreement for accompanying the project a contractual provision related to changes in the prices of residential units in the project. The team believe that there is preference of implementing this conclusion by a Banking Supervision Department Directive, or by another effective manner by the Banking Supervision Department, however, should this be impossible, it is recommended to implement it via legislation. Additionally, the team recommends, in order to achieve at a competitive market in the mid-long term, to act for reducing the centrality in the housing financing sector, both within the banking system as well as increasing the market share of non-banking entities.

Letter of the Banking Supervision Department - Addressing the price of an individual apartment in residential project financing agreements

On August 27, 2025, the letter of the Banking Supervision Department has been published, following the recommendations of the Team for Examining the Banks' Involvement in Setting the Housing Prices. This letter repeats the team's recommendations, according to which it is required "to prescribe that the financing entity of a project for accompanying a housing project may not intervene in the initiator's considerations in setting the sale price of residential units in that project, after engaging in the financing agreement. As part of this it would be prescribed that it is required to avoid including in a financing agreement for accompanying the project a contractual provision related to changes in the prices of residential units in the project". Nonetheless, the report notes that "it is important to emphasize that there is nothing inherently wrong with banks including provisions in their financing agreements that relate to the borrower's business plan," including, among other things, conditions regarding project revenues, repayment capacity and similar factors, and that "however,... the Team believes that going down to the level of an individual apartment's price is not necessary to safeguard the Bank's rights and may harm market competition." The letter further states that, as detailed in the report, even though no direct evidence was found that banks actively prevent reductions in housing prices, the recommendations aim to address concerns raised by some team members. These concerns suggest that the current wording of financial covenants - particularly those referencing the price of an individual apartment - could influence housing prices.

In light of the above, the letter calls on banking corporations to adjust their conduct with developers in the financing of residential construction projects in a manner that implements the Team's recommendations, and to report to the Banking Supervision Department on the steps taken in this regard, by October 31, 2025.

The Competition Commissioner's announcement regarding the ownership structure in the Bank Clearing Center Ltd. (MASAV)

Following that stated in the Chapter "Legislation and Regulation" concerning the banking system in the Organizational Corporate Governance Report for 2024 regarding the Commissioner of Competition's directive in respect of the structure of ownership in a limited liability banking clearinghouse center system, and as part of the application the Bank submitted together to the Court of Competition, along with the four additional banks holding such a system, for obtaining a declaratory relief, according to which the structure of ownership in a limited liability banking clearinghouse center system, is a restrictive arrangement that had been lawfully set, and alternatively an application for approval of a restrictive arrangement the details of which are specified in the application. On June 3, 2025 and given the recommendation of the Commissioner of Competition, the Court of Competition granted the banks request, a temporary permit to continue full jointly holding of structure of ownership in a limited liability banking clearinghouse center system, subject to the provisions of the temporary permit, for the period between June 18, 2025 (the date of expiration of the last exemption decision) until February 1, 2026, or until the handing don fo a judgment on the application Additionally, on July 30, 2025 the Commissioner of Competition filed with the Court his position. The Commissioner's position is that the collaboration as presented in the application is a restrictive arrange that is not for the public benefit, and should not be approved. The position noted that the restrictive arrangement may impair competition in two main aspects: (a) the concern of impairment of the competition between the banks and the non-banking entities' service provider competing with the banks in the payment domain, as the banks' joint holding of the structure of ownership in a limited liability banking clearinghouse system may prevent or delay access to the competing payment service providers or lead to their receiving inferior service from the system. (b) The concern that the banks' ownership of the structure of ownership in a limited liability banking clearinghouse system would prevent the promotion of competition in the system's payment and innovation means, and in so, also the competition between the structure of ownership in a limited liability banking clearinghouse system with the Automated Banking Services Ltd., held by the banks along with other entities.

An interim report concerning remuneration models in the public activity regarding securities

On September 21, 2025, the interim report of the joint working team of the Israel Securities Authority, the Bank of Israel and the Budget Department has been published for public comments, following the Public Appeal issued by the team in November 2024. In the interim report, the team outlines a proposed framework for updating the renumeration model, aiming to enhance transparency, comparability, and alignment between the service provided and the renumeration received, while also promoting competition among market participants in a way that benefits clients and strengthens their position. The report details the proposed updated renumeration structure, the core principles underlying it, and the key advantages and challenges identified by the working group in relation to the proposed model. The authors of the interim report note that the proposed renumeration model is based on several core principles, which are: a simple and transparent fee mechanism that clearly reflects the cost of the service; strengthening the alignment between the service provided and the fee charged; shifting the emphasis toward direct fees paid by the client rather than indirect fees from the product manufacturer; protecting clients with low-value securities portfolios; ensuring consistency in payment models across similar financial products; preserving money market funds as a viable alternative to bank deposits within the money market ecosystem; and promoting uniformity in renumeration mechanisms for service providers. The proposed outline addresses two main categories: (1) fees charged directly from investors - including securities deposit management fees, dedicated advisory fees paid by clients, buying and selling commissions, and investment track fees; (2) fees charged between among participants - mediation fees, passive mutual fund units.

The Competition Commissioner's announcement of her intention, subject to a supplementary hearing, to declare the five central banking groups a concentration group and each of the banks therein as a member of a concentration group regarding the basket of banking services for retail customers

Further to the section on Laws and Regulations Governing the Banking System in Corporate Governance Report for 2024 regarding the Competition Commissioner's announcement dated March 26, 2024 of her intention, subject to a hearing, to declare the five central banking groups (including the Bank) a concentration group regarding the basket of banking services for retail customers (households and small businesses) and each of the banks therein as a member of the concentration group, and to a hearing held before the Competition Commissioner during September and October, 2024, on October 23, 2025, the Commissioner announces that, following additional reviews and considering the claims of the banks within the five banking groups, she found that these did not warrant a change in her intention to exercise her power and determine, subject to a supplementary hearing, that the five banking groups are a concentration group and that each of the banks therein is a member of a concentration group (the "Revised Announcement"). In the Revised Announcement, the Commissioner specified the provisions it considers imposing, within its authority, on the aforesaid banks (some of which changed compared to the provisions detailed in her announcement dated March 2024), as specified below: (1) provisions on the accessibility of common deposits (as defined in the Revised Announcement) and money market funds, including the conditions for their presentation and the manner in which services related to them are provided, covering the format of presentation, offering and purchase through a simple and convenient process. (2) Duties regarding proactive outreach to retail customers at, and around, key decision points concerning the renewal or redemption of a deposit. (3) Prohibition imposed on a bank with wide-scale activity (as defined in the announcement) to unreasonably refuse to accept a deposit from a financial center. (4) Mandatory portability of deposits.

The aforesaid banks must submit their written position to the Commissioner by November 23, 2025.

Regulatory measures following the War and Operation Am K'Lavie

Against the backdrop of the continuation of the War and Operation Am K'Lavie and its consequences for the Israeli population and economy, including for households and businesses, the Banking Supervision Department and other regulators established a series of regulatory measures – including adjustments, reliefs, and deferral of dates in various regulatory provisions – with the aim of ensuring business continuity and provision of ongoing services by the banking system, in accordance with the limitations of the security situation for the purpose of providing the assistance required by customers of the banking system, with heightened sensitivity to the customers' needs and difficulties with which they cope. Various arrangements were also approved in legislation to meet the needs of the economy, certain population groups and the public following the War, and some have an impact on the Bank's activities. Following are the main measures:

Directives Issued by the Banking Supervision Department

For further information regarding Proper Conduct of Banking Business Directive No. 251, "Adjustments to Proper Conduct of Banking Business Directives for Dealing with the Iron Swords" War (Temporary Order), see the chapter Laws and Regulations Governing the Banking System in the Corporate Governance Report for 2024.

Outline for assistance to bank customers in dealing with the consequences of the "Iron Swords" War

Pursuant to the information regarding the assistance outline in the chapter Laws and Regulations Governing the Banking System, in the Corporate Governance Report for 2024, on March 30, 2025, Bank of Israel published a notice regarding an additional assistance outline. In general, the outline commenced in the second quarter of 2025 and end in the first quarter of 2027. The outline period may be updated in certain cases, such as a significant change in the geopolitical uncertainty, or profitability of the banking system and market conditions where it is operating. Under the outline, the entire banking system will allocate a comprehensive annual sum of NIS 1.5 billion. Should the outline continue for two years, the cost will be NIS 3 billion. The monetary scope of each bank during the first year of the outline is derived from its relative share in the gains during the years 2023-2024, as had been on the date of publication of the principles of the outline; the monetary reliefs to customers of each bank will be formulated according to different packages as set forth: provision of interest or benefits in the area of positive balances in checking accounts and a proven improvement in interest rates paid for the short term; reduction of the interest rates on debit balances; development of a mechanism for automatically diverting amounts above a pre-determined minimum balance in the checking account to yield-generating tracks; full or partial exemptions for a set period from monthly repayments or decrease of the interest rate collected on existing loans, for the duration of the outline period. The decision regarding the amount allocated for each package will be at the corporate discretion of each bank. In Bank of Israel's view, the outline is better suited for the needs of customers of the banking system than to specific taxation processes and legislative processes that propose intervening in pricing of banking products, management of checking account funds and yield-generating tracks, or strengthening the transmission from the Bank of Israel interest rate to interest-bearing deposits.

The outline for assistance to bank customers in coping with the consequences of Operation Am K'Lavie

On June 17, 2025 the Bank of Israel published a new assistance outline for populations that had directly incurred damages due to Operation Am K'Lavie, including small and micro business owners, households that were damaged or whose home had been damaged by missile attacks and had to evacuate their homes, as well as reserve soldiers who were called to duty. The outline that had been established presents the minimal terms, and each bank may expand it in favor of its customers and at their request. The outline will commence on July 1, 2025 and end on July 31, 2025. The outline will apply to various population groups, according to the provisions set out therein. The principles of the outline: regarding households that following Operation Am K'Lavie their home was damaged and they are evacuated or households that were impaired following the Operation – a deferral of payment of mortgages, unlimited in sum, for a period of three months, without charging interest and fees; deferral of consumer loans in an aggregate sum of NIS 100,000 for a period of three months, without charging interest and fees. Regarding micro and small businesses (with an annual activity turnover of up to NIS 25 million, and regarding small corporations, according to the characteristics to be published by the bank) who were adversely affected following Operation Am K'Lavie – a deferral of two months for loans in an aggregate sum of up to NIS 2 million for a business, without payment of interest and fees; additionally, for businesses of reserve soldiers – an exemption for a period of two months from payment of interest on a debit balance in the business checking account (up to NIS 30,000 in a debit balance); business that do not meet the criteria set out ("Secondary Circle") would be able to defer the businesses' loans in an aggregate sum of up to NIS 2 million for a period of two months with contractual interest. The outline set out the manner of identifying the eligible customers.

Letter sent by the Banking Supervision Department to the banking system following Operation Am K'Lavie

On June 17, 2025 the letter had been published including key points the banking system should consider in its activities following the Operation related to the following issues: availability and continuity of the banking services: handling, assistance and response to customers' inquiries against the backdrop of the Operation, placing an emphasis on urgent inquiries and inquiries on humanitarian basis; assistance to customers whose return to Israel is delayed due to the situation; alleviating the burden and assistance to customers in meeting liabilities; an expectation to show sensitivity and proactiveness aiming at assisting customers to avoid a situation of insufficient check coverage; the branches' activity in emergencies; finding solutions for the public arriving at the banks' branches on days allowances are paid, noting the fact that some of the branches in certain areas are closed or operate in a limited manner; providing phone response to customers; cyber and customer fraud aspects; assessment of risk management; reporting in emergency times and the need to conduct board of directors' discussions on the issues detailed below.

Proper Conduct of Banking Business Directive No. 252 – Adjustments to Proper Conduct of Banking Business Directives for Coping with Operation Am K'Lavie (Temporary Provision)

On June 24 2025 the Directive had been published, in which various adjustments had been made to Proper Conduct of Banking Business Directives Until July 24, 2025. The Directive noted that it is not to derogate from that stated in Proper Conduct of Banking Business Directive No. 251 for Adjustments to Proper Conduct of Banking Business Directives for Coping with the "Iron Swords War" (Temporary Provision), and it remains intact according to that prescribed in it. The adjustments concern the following issues:

- Proper Conduct of Banking Business Directive No.308A concerning "Handling Public Complaints" – adjustments were made in Sections 9(a)-(c) of Directive308A so flexibility was granted to the banking corporations regarding the manner in which a reply and notices are given to customers who had not made contact online or where the banking corporation is unable to deliver a reply online.
- Proper Conduct of Banking Business Directive No.311A, "Consumer Credit Management" prescribes that until expiration of the Temporary Provision, Section 21.4 of the provision would not apply, according to which it is required to refrain from imitating contact with a customer, who answered "no" to a similar credit offer in the past, for three months at least.
- Proper Conduct of Banking Business Directive No. 325 regarding "Managing Credit Lines in Checking Accounts" – deviation sums from the credit limit had been set according to type of customer in which the banking corporation would be allowed to refrain from setting and agreeing in advance and in writing on a credit line within one business day, provided that it would act for settling the credit line as early as possible.

- Proper Conduct of Banking Business Directive No. 367, concerning "media banking" prescribes that banks and credit card companies are given the option, in addition to sending messages in the manner agreed upon with the customer, to deliver to their customers through media banking channels notifications of a material impact, provided it is urgent that the customers receive the message, even where they are not a party to a media banking agreement. The Section's provision would not apply in cases where the customer explicitly asked not to receive notices via media banking. Additionally, it had been set that the scope of activities of customers with clearing accounts in respect of whom it is possible to use simplified identification and verification procedures, between NIS 50,000 to NIS 200,000, provided that increasing the clearing volume is required for assistance against the backdrop of the emergency situation.
- Proper Conduct of Banking Business Directive No. 411 concerning "managing money laundering and financing terrorism risks" – intended to assist the banking corporation to provide an optimal solution for customers' needs against the backdrop of the emergency situation, including damage incurred by the customers' home or property, it had been set that the scope of activity upon providing payment services to the beneficiary in respect of whom it is possible to use simplified identification and verification procedures would be increased from NIS 100,000 to NIS 200,000.
- Additionally, an Appendix had been attached to the Directive, intended to provide an option in exceptional cases, where there are special reasons arising from the emergency situation and according to the banking corporations' risk assessment, to act pursuant to the provisions under Sections 6A(a)(2and6(a)(b) of the Prohibition of Money Laundering Order (Identification, Reporting and Documentation Duties of Banking Corporations for Preventing Money Laundering and Financing Terrorism), 5761-2001 regarding operations with credit cards issued to an individual up to a credit line of NIS 100,000, including obtaining credit, subject to documentation of the reasons for this. Additionally, the option in those cases had been expanded as to rely on a copy of an identification document issued by the State of Israel bearing a name, ID number, date of birth and photo at the time of identifying a customer who is an Israeli resident, which is not an ID card.
- Proper Conduct of Banking Business Directive No. 432 concerning "transfer of activities and closing a customer's account" – the period for handling a customer's request to close an account had been extended to 10 business days (rather than 5 business days) following the date on which the customer completed the operations he is required to make pursuant to the Directive.
- Proper Conduct of Banking Business Directive No. 451 concerning "procedures for granting housing loans" – a duty had been added as for the banking corporation to examine the possibility to extend the period of principled approvals that were valid on the date of commencement of the Operation, noting the circumstances, as needed and at the banking corporation's discretion. In addition, the following dates set out in the Directive had been extended: in Section 11(b)(2) (Insurance, Assets and Life Insurance) – replacing "fourteen days" will be stated "one calendar month"; in Section 15B(e) (Notification by a Customer on His Intent to Perform Early Repayment) – replacing "three business days" will be stated "eight business days"; in Section 15C(b) (Approval due to Repayment of a Loan) – replacing "five business days" will be stated "eight business days." In Section 19A (Second Ranking Lien on an Asset) – replacing "seven days" will be stated "ten days".
- The Banking Supervision Department's Directive pursuant to Section 3(A1) of the Rules of Banking (Customer Service) (Fair Disclosure and Delivery of Documents), 5752-1992 – prescribes that a customer's signature will not be required for a customer's request to defer payments, provided that this is a deferral pursuant to the Outline for Assistance to Customers in Coping with the Consequences of Operation Am K'Lavie, published on the Bank of Israel's website, provided that the customer's consent is given and documented; it had been further prescribed that in a housing loan taken by two or more borrowers, in which there is difficulty in having one of the borrowers' signing the loan documents, and this due to Operation Am K'Lavie, that borrower's signature would not be required on the loan documents, provided that suitable steps are taken for identifying him and his documented consent is given.

Planning and Building Regulations (Works and Structures Exempt from Permit) (Temporary Provision) (Amendment), 2025

On October 19, 2025, the amendment has been published. Proper Conduct of Banking Business Directive No. 251, "Adjustments to Proper Conduct of Banking Business Directives for Dealing with the Iron Swords" War (Temporary Order)") determines that the reliefs related to loans for constructing residential protected spaces and improving fortification measures in Proper Conduct of Banking Business Directive No. 329 ("Restrictions on the Provision of Housing Loans") will be in effect until the expiration of the validity period of the Planning and Building Regulations (Works and Structures Exempt from Permit) (Temporary Provision) (Amendment), 2023. On October 19, 2025, the Temporary order of the Planning and Building Regulations (Works and Structures Exempt from Permit) has been extended by another year, until October 25, 2026, and therefore the validity of the reliefs outlined in Proper Conduct of Banking Business Directive No. 251, which pertain to the reliefs described above in Proper Conduct of Banking Business Directive No. 329, is also extended accordingly.

For further information, please see the Section entitled "Major Changes in the Year Gone By" in the Board of Directors and Management's report.

Measures Published by Additional Entities and Specific Legislation

The Insurance, Capital Market and Savings Authority - extension of the non-enforcement position regarding pension consulting by a banking corporation outside the bank's branches to existing customers regarding pension advice

On June 19, 2025 the position had been published, according to which the Authority would not take administrative enforcement measures pursuant to the provisions of Section 34 of the Supervision of Financial Services Law (Pension Advice, Marketing and Clearing System), 5765-2005 (the "Pension Advice Law") in respect of an offense pursuant to Section 38(b)(4) of the Pension Advice Law against banking corporations that would provide pension advice via digital means or by phone, to customers within the pension advice domain, who immediately prior to this notification are existing customers of the banking corporations within the pension advice domain. This position will remain in effect until the expiration of the declared special situation in the home front, or until June 30, 2025, the earlier of the two, so long as the Authority had not instructed otherwise.

The Supervisor of Credit Data Sharing - Amendment to Supervisor Directive No. 201, regarding "Reporting on Credit Data" - Temporary Provision Following Operation "Am K'Lavie"

On June 18, 2025 the Supervisor of Credit Data Sharing at the Bank of Israel notified the data sources that extend credit reporting to the datapool, that a temporary extension is granted for reporting loan payments in arrears, so that rather than reporting the arrears after 30 days, they would report only after 60 days. The Directive will apply also to the monthly reporting for the months June 2025 until August 2025. On September 2, 2025, the Temporary Provision was extended so it will apply also to the monthly reporting for the months June 2025 until the end of December 2025, or alternatively the official end of the War, the earlier of the two.

The Supervisor of Credit Data Sharing - Supervisor Directive No. 802 - Adjustments to the Supervisor of Information Sources Directives for Coping with Operation "Am K'Lavie" (Temporary Provision)

The Temporary Order had been published on July 2, 2025. As part of temporary adjustments in the Supervisor's that apply to the information sources, the Supervisor of Credit Data Sharing Directive No. 502 on the issue of "correcting information in a credit data system" had been amended, so that the rate of exceptional cases that would be given a reply by the information source within a period of 21 days would not exceed 20% of the total applications for correcting information that had been delivered to the information source by the Bank of Israel in a calendar month, and this rather than 5%. The Amendment will apply to customers' applications commencing June 1, 2025 and will be in effect until August 31, 2025.

The Ministry of Housing and Construction and the Chief Accountant at the Ministry of Finances – Operation Am K'Lavie – reliefs in mortgage repayments

On June 18, 2025 the letter had been published, according to which the Accountant General and the Ministry of Building and Housing decided on granting reliefs in repayment of mortgage payments to borrowers throughout the country who have an outstanding loan granted by virtue of the Housing Loans Law, 5752-1992. According to the letter, the banks are required to act pursuant to the Bank of Israel's outline for assisting customers in coping with the implications of Operation Am K'Lavie, which had been published on June 17, 2025 as well as enable borrowers to file the applications for freezing the loans and execute them, to the extent possible, without needing to arrive at the branch. In loans where the banks' share in the loan, deducting grants, stands at 40% at least, the bank may grant an additional relief by deferral of mortgage payments. Additionally, the letter addressed the extension of the date of the Committees' decisions for payment in cash approved by the bank, to enable the bank to combine reliefs and powers, execution of special operations, and reporting for maintaining the Special Committee's power for granting reliefs in mortgage repayments. The Directive's validity – up to July 31, 2025, unless another directive had been issued before then. Should the Bank of Israel publish a notice regarding a new outline in respect of housing loans by this date, the reliefs mentioned in the Bank of Israel' Directives regarding housing loans would apply also to the loans extended to those eligible at the Ministry of Construction and Housing, according to the same terms, provided than the bank would act in respect of the loans granted through the Government's funds or under its responsibility as it acts in respect of loans that had been extended through its sources.

The Authority for the Prohibition of Money Laundering's call to the reporting entities to increase awareness of money laundering and terrorist financing attempts during the War and the state of emergency

On June 24, 2025 the Authority notice had been published, according to which at this time increased attention and awareness are required of all the financial entities of the possibility of abusing the financial services they provide, including cross-boarder activities, emphasizing activities vis-a-vis countries at risk.

It had also been noted that also during this period it is required to continue reporting on unusual activities to the Prohibition of Money Laundering and Financing Terrorism Authority in any event where unusual activities are identified requiring such reporting, and this as close as possible to the execution (or attempt to execute) the unusual activity. In cases where the reporting entity believes this is reporting on unusual activities of special urgency, it s required to inform, at the same time and immediately, the contact person of the relevant sector at the Collection and Monitoring Department at the Authority.

Draft of the Bad Checks Regulations (Restrictions of the Applicability of the Law) (Operation Am K'Lavie), 5785-2025

On July 30, 2025 the draft had been published, according to which, in light of the unusual situation in the Israeli home front as a result of Operation Am K'Lavie, it is proposed to set exceptions to the Bad Checks Law, 5741-1981, for a certain period. In this way, bad checks for the reason of "insufficient coverage" during the time set out in the Regulations (between June 13, 2025 through June 24, 2025) would be deleted from the number of checks for restricting the customer's account, for a notice spiffing the number of bad checks during the 12 months prior to the date of joining an individual as account owner or legal representative, as well as in respect of a warning regarding 5 bad checks in the account.

Further details regarding measures published by additional bodies and designated legislation may be found in the chapter entitled "Legislation and Regulation Governing the Banking System," in the Corporate Governance Report for 2024.

Additional Topics

The Notaries Bill (Amendment No. 12) (Cancellation of the Requirement of Notarial Power of Attorney to a Banking Corporation in a Mortgage Transaction), 5785-2025

On June 11, 2025, the Bill had been published, with the intent of easing the burden imposed on people seeking housing loans from the bank (mortgages) and granting effect to a general power of attorney and a power of attorney for performing real estate transactions that require registration in the Land Register, which are provided to a banking corporation, even if these were not prepared by a notary or a notary had not certified the signatures on them, under the conditions set forth in the Bill.

Prohibition of Money Laundering Bill (Amendment No. 36) (Temporary Freeze of Property or Operation with Property), 5785-2025.

On June 11, 2025, the Bill had been published, proposing to grant the Prohibition of Money Laundering and Terror Financing Authority the power to order bodies supervised by virtue of the Prohibition of Money Laundering Law to temporarily freeze activities and property regarding which suspicion arises of a connection to money laundering crimes, terror financing, or source crimes, without requiring a judicial order.

Public Appeal for applications to receive public feedback regarding examination of the promotion of submitting financial date for official, policy-supporting research and statistics purposes

On March 26, 2025, a Public Appeal for applications was published by the committee established on the subject. The committee invites the public to submit feedback, inter alia regarding the following questions: mapping the various of needs of different bodies to make financial data in the possession of financial regulators and institutions available for the purpose of data processing and research that supports public policy; characteristics of the relevant data to be made accessible; which financial data is vital for the need defined; mapping the risks involved in making the financial data available, and so forth.

Draft guideline by the Privacy Protection Authority regarding the applicability of the Privacy Protection Law to artificial intelligence systems.

On April 28, 2025, the draft was published, explaining how the authority plans to interpret and enforce the applicability of the Privacy Protection Law, 5741-1981 on AI technologies throughout all of its development and implementation stages and on information that was produced by means thereof.

A Public Appeal for comments on the issuance and circulation of a stable digital currency

On May 18, 2025 the Capital Market, Insurance and Savings Authority published a Public Appeal for comments on the issuance and circulation of a representative exchange rate, and this as part of promoting the regulation of activities with digital assets. In light of the unique challenges that characterize issuance and circulation of a stable digital currency, and as part of the regulation process, the Authority called the public to comment on the issue, and particularly in respect of the following aspects: the base asset types required to enable issuing digital coins for them, what is the optimal mechanism for maintaining the value of the stable digital currency, examination of a technological infrastructure underlying the issuance and management of a stable digital currency, the manner of managing the reserves, disclosure and consumer protection requirements, coping with cyber risks, privacy protection and more.

Bill for Regulating Securitization Transactions, 5785-2025

On May 26, 2025 the Bill passed its first reading at the Knesset plenum. The Bill had been filed, aiming at regulating the issue of securitization transactions in Israel in order to bring about the market's development in this regard. A securitization transaction is a transaction in which an assignment is made of an expected and known in advance cashflow, arising from a credit portfolio or other charges (referred to in the Law as a "Back-Up Asset") from one or more individuals (referred to in the Law as a "Developer") to a corporation that issues promissory notes, repayment of which is secured by the aforementioned cashflow (referred to in the Law as a "Dedicated Corporation"). The use of the dedicated corporation is intended to enable an investment in promissory notes as the risk involved in them is focused on only the backing assets, without the risk involved in the investment in all the developer's assets. According to the bill, no securitization transaction would be executed other than pursuant to the bill. In addition, the bill includes provisions and restrictions regarding the types of the backing assets and the manner of executing the securitization transactions, alongside setting the liability on the entities involved in such transactions and the regulatory supervision over them, including imposition of financial sanctions on such parties that are regulated corporations and imposition of criminal penalties on developers that are unregulated corporations that engaged in securitization transaction contrary to the provisions of the Law, and this in order to ensure that the securitization transactions would be executed with adequate risk management and appropriate regulation.

The decision made by the National Ethics Committee of the Israeli Bar Association - Position Paper on the Authentication of Affidavits and Power of Attorney Abroad

On June 23, 2025 the Position Paper had been published, according to which from now on it is possible to authenticate via visual video-conference affidavits, power of attorney, transaction deeds and the like, also when the declarator is staying abroad, for administrative or civil purposes, before administrative authorities, dual or personal entities - such as Tax Authorities, the National Insurance Institute and the Authority for Registration and Arrangement of Land Rights, and subject to the terms specified in the decision. In this decision it had been clarified that as of this stage, the decision does not include authentication of an affidavit for filing it in legal proceedings. This decision applies simultaneously and does not cancel the National Ethics Committee's decision that it is possible to authenticate affidavits via visual conference when both parties are staying in Israel.

The Consumer Protection Bill (Amendment No.70)(Mandatory Recording Conversations, Maintaining Such and Provision of Such to the Consumer), 5785-2025

On July 9, 2025 the Bill had been presented for discussion by the Knesset Economics Committee. According to the Bill, a banking corporation that markets services and products via phone calls it initiates would bear the duty of recording phone calls (including a call made via electronic communication, in the absence of the joint presence of the representative on behalf of the banking corporation and the customer), maintaining such and providing thereof to the consumer. It is also proposed that the Banking Supervision Department would be entitled to set in Proper Conduct of Banking Business Directives that these instructions would apply to a non-voice conversation, including a conversation held by exchanging written messages or other types of conversations as it would set out.

Israel's Central Bureau of Statistics - Public Appeal for Comments for Examination of Advancing the Time of Publication of the Consumer Price Index

On June 10, 2025 the Public Appeal for Comments had been published following a request by TASE addressed to Israel's Central Bureau of Statistics, asking to advance the time of publication of the Consumer Price Index As a rule, the Consumer Price Index for a certain month is published on the 15th of the following month at 18:30, meaning the end of the business day and after completion of trade on the Stock Exchange (on Fridays and holiday eves the time of publication is 14:00). Israel Central Bureau requests obtaining the public's position on the proposed change, according to which the Consumer Price Index would be regularly published on the 15th of the month, for the previous month, at 10:00 on weekdays, holiday eves and Fridays (should the 15th of the month be Saturday or holiday - the Index would be published on the holiday eve or the Friday preceding it at 10:00). The Public Appeal notes, inter alia, that advancing the time of publication would reduce the uncertainty during the trading day in respect of the actual Index, expand the trade possibilities and enable "trading the Index" immediately and analyze its impact on the markets, without the "offsetting" events that may occur due to its publication after the end of the trading day until the next trading day.

The Legal Competency and Guardianship Bill (Amendment No. 24) (Management of a Payment Account by a Guardian or Legal Representative), 5785-2025

On July 9, 2025 a revised version of the Bill had been published, according to which it is proposed to clarify that a guardian and legal representative may manage the bank account of the person for whom the guardian had been appointed, or the appointer, as the case may be, to use any means of payment, including credit cards, and perform online operations in connection with this, such as operations in the account through the website of the payment service provider. Additionally, it is proposed to clarify that the payment service provider, including a banking corporation, may not refuse a request to obtain one or more of the said services only due to the fact the one requesting the service is a guardian or legal representative, and that it would not be possible to sweepingly prevent guardians and legal representatives to perform operations or obtain the stated services. It had been further clarified that the proposed issue would not restrict the service providers' discretion regarding refusal to perform operations in a certain payment account, for example, based on individual circumstances related to the case indicating concern of exploitation of the person for whom a guardian had been appointed or the appointer, as the case may be, or based on individual considerations in granting credit through use of certain means of payment, and subject to law.

The Contracts Bill (General Part) (Amendment No. 3), 5785-2025

On July 9, 2025 the Bill had been laid before the Knesset for second and third readings, according to which it is proposed to amend section 25 of the Contracts Law (General Part), 5733-1973, which discusses the manner of interpretation of a contract. According to the Bill, inter alia, a business contract that does net set out instructions as to the manner of interpretation would be interpreted only according to its wording, unless the terms specified in the Bill hold true. A contract that is not a business contract, a standard contract a well as an employment contract or a collective agreement, would be interpreted according to the parties' intent, as implied by the contract and the circumstances of the issue.

The Privacy Protection Authority - Position Paper's Draft - Appointment of a Commissioner of Privacy Protection in an Organization Pursuant to the Requirements of Amendment 13 of the Privacy Protection Law

On July 23, 2025 the draft of the Position Paper had been published, following Amendment 13 to the Privacy Protection Law, 5784-2024 (the "Law", "Amendment 13"). Amendment 13 prescribes a duty to appoint a commissioner of privacy protection in public entities and in a long line of additional organizations from all across the economy, whose activities involve a risk to privacy. The Position Paper is intended to present the Privacy "Protection Authority's position (the "Authority") regarding the scope of the duty, the designation of the commissioner of privacy protection and his duties, the knowledge and skills required of him (elaborate knowledge of privacy protection laws, adequate understanding of technology and information security, familiarity with the organization's areas of activities and its purposes), and in respect of additional provisions under law that regulate the status of the commissioner at the organization, the format of his employment and the means that should be allocated to him. The interpretation proposed in the Position Paper will serve the Authority when exercising the powers vested in it, including the power to impose financial sanctions due to violation of the duty to appoint a commissioner of privacy protection and other provisions under law concerning his status and the format of its employment. At the same time, the draft notes that upon exercising the Authority's powers, including the enforcement powers, the Authority will consider the fact that at this stage the Position Paper is not a final document.

The Privacy Protection Authority - Announcement of temporary non-enforcement relating to an appointment of a Commissioner of Privacy Protection in an Organization

On August 13, 2025, the Authority's announcement has been published, thus following the new obligation prescribed by Amendment No. 13 to the Protection of Privacy Law, 2024 (the "Law") to appoint a Commissioner of Privacy Protection in every public body, as well as in a wide range of entities in the private sector. According to the Authority's announcement, considering that this is a new obligation, and given that public bodies require a procedure to appoint a Commissioner of Privacy Protection in accordance with the laws applicable to appointment procedures in these bodies, and at least some bodies practically struggle to complete the appointment procedure until the Law comes into effect - the Authority does not intent to initiate enforcement proceedings with regard to the appointment of a Commissioner of Privacy Protection of an organization in entities that are legally required to appoint a Commissioner, until October 31, 2025. The announcement clarifies that until the said date, it is required to take all actions necessary to complete the procedures of appointment and fill in the position. Entities that, until now, have taken significant steps to comply with the obligation of appointment (such as publishing a tender or a Public Appeal), will be granted a short additional period to complete the process, thus as part of the Authority's enforcement policy.

The Privacy Protection Authority - Professional Guide regarding Amendment No. 13 to the Protection of Privacy Law

On August 14, 2025, the Guide has been published. The Guide outlines the key provisions of Amendment No. 13 and includes practical highlights and examples for implementing the Law requirements, including having regard to updating core definitions in the Law, reducing the obligation to register databases, and introducing a notification requirement for large databases containing highly sensitive information, the mandatory appointment of a Data Protection Officer (DPO), financial sanctions mechanism, new criminal offences, the repeal of the shortened statute of limitations for privacy violations, and more. The Guide is intended to serve as a practical tool for organizations preparing the Amendment's entry into force and to support the advancement of privacy protection within the organization.

Public Appeal - Capital Market Authority: Amendment to the Circular on Joining a Provident Fund or a Pension Fund

On August 12,2025, the Public Appeal has been published, through which the Capital Market Authority formulates a draft Amendment to the Circular on Joining a Provident Fund or a Pension Fund, which will include, inter alia, adjustments to reflect recent legal developments, updates to the wording of the enrollment forms attached to the circular, revised timelines for submitting and receiving documents, and changes to the beneficiary designation process. The Authority invites the public to propose amendments in accordance with the aspects outlined in the Public Appeal.

Draft Protection of Privacy Regulations (Administrative Safeguards), 2025

On September 2, 2025, a draft Regulations has been published, detailing the circumstances under which the Head of Privacy Protection Authority may exercise discretion to issue an administrative warning instead of imposing a financial sanction.

The Securities Authority's decision regarding moving to a Monday-Friday trading week

On August 4, 2025 the Authority announced an amendment to the Stock Exchange Regulations and the provisions by virtue thereof so that trading on the Tel Aviv Stock Exchange Ltd. (the "Stock Exchange") would be conducted on Monday-Friday, this instead of the current situation in which trading is conducted on Sunday-Thursday, commencing January 5, 2026. The Stock Exchange CEO, approved by the Chairman of the Securities Authority, will be enabled to defer the date of taking effect for operational reasons or other reasons for the public good for a period not to exceed 90 days.

Israel Money Laundering and Terror Financing Prohibition Authority - Document on the "Misuse of Generative Artificial Intelligence ("GenAI") for Fraud and Money Laundering Purposes"

On September 16, 2025, the document has been published, aimed at raising awareness of the emerging challenges posed by GenAI, thus by reviewing potential risks associated with the misuse of GenAI applications (including "Deepfake" technology), presenting case studies from Israel and abroad; outlining evolving threats stemming from AI usage, and highlighting red flags that can assist financial institutions in identifying and reporting suspected abuse of this technology to the Authority.

Capital Market Authority - Draft Guidelines for Managing Liquidity Risks in Foreign Currency-Denominated Derivative Exposures

On October 19, 2025, the draft document has been released, setting out guiding principles for managing liquidity risks inherent in exposure to derivatives denominated in foreign currency. According to the proposed framework, institutional entities are expected to implement structured monitoring and evaluation processes, under the active supervision of the Investment Committee. Additionally, they must maintain a minimum level of foreign currency liquidity relative to their exposure to future contracts, to ensure compliance with collateral requirements, even during periods of high volatility or financial crisis.

In addition, as a complementary measure, on October 19, 2025, the Israel Securities Authority has published a draft amendment for fund managers regarding the management of investments in index-tracking mutual funds, pursuant to Section 97(b) of the Joint Investment Trust Law, 1994. The draft proposes that institutional entities maintain a minimum foreign currency liquidity ratio of 10% when engaging in derivative transactions on foreign indices.

For details regarding additional subjects, please see the chapter entitled "Legislation and Regulation of the Banking System" in the Corporate Governance Report of 2024.

Credit Rating

Credit ratings and outlook for the State of Israel and the Bank as at November 17, 2025

	Rating agency	Long term	Outlook	Short term
State of Israel	Moody's	Baa1	Negative	P-2
	S&P	A	Stable	A-1
	Fitch	A	Negative	F1
Bank Leumi: Foreign exchange	Moody's	Baa1	Negative	P-2
	S&P	BBB+	Stable	A-2
	Fitch	A-	Stable	F1
	Fitch	A-(xgs)	Stable	F1 (xgs)
Local rating (in Israel)	S&P Maalot	AAA	Stable	A-1+
	Midroog	Aaa	Stable	P-1

Development of the Bank's credit rating and credit outlook from January 1, 2025 to November 17, 2025

On April 29, 2025, the credit rating agency Moody's ratified the Bank's rating and the negative rating outlook.

On May 29, 2025, credit rating agency S&P announced raising the Bank's rating outlook from Negative to Stable given solid performance, and also ratified the Bank's rating.

On May 29, 2025, credit rating agency S&P Maalot announced raising the Bank's rating outlook from Negative to Stable, and also ratified the Bank's rating.

On July 29, 2025, credit rating agency Fitch reiterated the Bank's rating and the negative rating outlook.

On October 15, 2025, credit rating agency Moody's announced completing a periodic review of the Bank's rating, with no change to the rating or the Bank's forecast.

On October 29, 2025, credit rating Fitch announced raising the Bank's rating outlook from Negative to Stable, and also ratified the Bank's rating.

On November 10, 2025, credit rating agency Midroog ratified the Bank's rating and the stable rating forecast. Shortly after the announcement of the ceasefire agreement in Gaza, credit rating agency Moody's published a statement regarding its implications for Israel, noting that while the agreement is a credit-positive development, it is not expected to lead to an immediate upgrade of Israel's credit rating. It was also noted that the risks of the agreement not being fully implemented remain high. Credit rating agency Fitch also issued a similar statement. Accordingly, credit rating agencies Moody's and Fitch maintained Israel's credit rating and outlook unchanged for the time being. On November 7, credit rating agency S&P issued a statement announcing an upgrade of Israel's rating outlook from "Negative" to "Stable", while leaving the rating itself unchanged. The statement noted that the ceasefire agreement between Israel and Hamas has reduced Israel's immediate security risk, and that Israel's credit rating may be upgraded if the growth rate and the fiscal outcomes exceed expectations and/or as a result of a significant and sustained improvement in the regional security situation. Looking ahead, if the Gaza ceasefire holds and the next stages of Trump Outline are implemented as planned, this would constitute a development that could support a continued improvement in Israel's credit rating.

C.Appendices

Income and Expenditure Rates[a] and Analysis of the Changes in Interest Income and Expenses

Part A - Average Balances and Interest Rates — Assets

	For the three months ended September 30					
	2025			2024		
	Average balance[b]	Interest income	Rate of income	Average outstanding balance[b]	Interest income	% of income
	In NIS million		In %	In NIS million		In %
Interest-bearing assets						
Loans to the public[c]						
In Israel	**481,530**	**7,578**	**6.29**	424,826	7,128	6.71
Outside Israel	**10,332**	**186**	**7.20**	9,338	204	8.74
Total[i]	**491,862**	**7,764**	**6.31**	434,164	7,332	6.76
Loans to the government						
In Israel	**2,428**	**24**	**3.95**	1,730	22	5.09
Outside Israel	**–**	**–**	**–**	–	–	–
Total	**2,428**	**24**	**3.95**	1,730	22	5.09
Deposits with banks						
In Israel	**19,209**	**166**	**3.46**	11,792	199	6.75
Outside Israel	**218**	**1**	**1.83**	291	–	–
Total	**19,427**	**167**	**3.44**	12,083	199	6.59
Deposits with central banks						
In Israel	**93,774**	**1,057**	**4.51**	91,264	1,014	4.44
Outside Israel	**–**	**–**	**–**	–	–	–
Total	**93,774**	**1,057**	**4.51**	91,264	1,014	4.44
Securities borrowed or purchased under reverse repurchase agreements						
In Israel	**6,726**	**61**	**3.63**	2,655	45	6.78
Outside Israel	**–**	**–**	**–**	–	–	–
Total	**6,726**	**61**	**3.63**	2,655	45	6.78
Bonds held to maturity and available for sale[d]						
In Israel	**129,930**	**1,447**	**4.45**	113,608	1,258	4.43
Outside Israel	**–**	**–**	**–**	–	–	–
Total	**129,930**	**1,447**	**4.45**	113,608	1,258	4.43
Bonds - held-for-trading[d]						
In Israel	**10,249**	**110**	**4.29**	9,386	96	4.09
Outside Israel	**–**	**–**	**–**	–	–	–
Total	**10,249**	**110**	**4.29**	9,386	96	4.09
Total interest-bearing assets	**754,396**	**10,630**	**5.64**	664,890	9,966	6.00
Non-interest-bearing receivables for credit cards	**6,731**			6,830		
Other non-interest-bearing assets[e]	**73,993**			64,039		
Total assets	**835,120**	**10,630**		735,759	9,966	
Total interest-bearing assets attributed to outside Israel	**10,550**	**187**	**7.09**	9,629	204	8.47

Please see notes on page 301.

Part B - Average Balances and Interest Rates - Liabilities and Equity

	For the three months ended September 30					
	2025			2024		
	Average balance[(b)]	Interest expenses	% of expense	Average balance[(b)]	Interest expenses	% of expense
	In NIS million		In %	In NIS million		In %
Interest-bearing liabilities						
Deposits by the public						
In Israel	**505,468**	**5,178**	**4.10**	433,679	4,608	4.25
Demand deposits	**130,366**	**1,182**	**3.63**	131,898	1,227	3.72
Fixed deposits	**375,102**	**3,996**	**4.26**	301,781	3,381	4.48
Outside Israel	**-**	**-**	**-**	-	-	-
Demand deposits	**-**	**-**	**-**	-	-	-
Fixed deposits	**-**	**-**	**-**	-	-	-
Total	**505,468**	**5,178**	**4.10**	433,679	4,608	4.25
Deposits by the Israeli Government						
In Israel	**127**	**-**	**-**	110	1	3.64
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**127**	**-**	**-**	110	1	3.64
Deposits by central banks						
In Israel	**3,247**	**24**	**2.96**	6,711	22	1.31
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**3,247**	**24**	**2.96**	6,711	22	1.31
Deposits by banks						
In Israel	**16,333**	**84**	**2.06**	9,523	77	3.23
Outside Israel	**-**	**-**	**-**	59	1	6.78
Total	**16,333**	**84**	**2.06**	9,582	78	3.26
Securities loaned or sold under repurchase agreements						
In Israel	**14,781**	**176**	**4.76**	11,982	198	6.61
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**14,781**	**176**	**4.76**	11,982	198	6.61
Bonds						
In Israel	**40,725**	**697**	**6.85**	29,786	514	6.90
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**40,725**	**697**	**6.85**	29,786	514	6.90
Total interest-bearing liabilities and equity	**580,681**	**6,159**	**4.24**	491,850	5,421	4.41
Non-interest bearing deposits by the public	**134,624**			140,006		
Non-interest-bearing receivables for credit cards	**1,923**			1,829		
Other non-interest bearing liabilities[(f)]	**50,310**			39,296		
Total liabilities	**767,538**	**6,159**		672,981	5,421	
Total capital resources	**67,582**			62,778		
Total liabilities and capital resources	**835,120**	**6,159**		735,759	5,421	
Interest rate spread			**1.40**			1.59
Net yield[(g)] on interest-bearing assets						
In Israel	**743,846**	**4,284**	**2.30**	655,261	4,342	2.65
Outside Israel	**10,550**	**187**	**7.09**	9,629	203	8.43
Total	**754,396**	**4,471**	**2.37**	664,890	4,545	2.73
Total interest-bearing liabilities attributed to operations abroad	**-**	**-**	**-**	59	1	6.78

Please see Notes on page 301.

Part A - Average Balances and Interest Rates — Assets (cont.)

	For the nine months ended September 30					
	2025			2024		
	Average balance[(b)]	Interest income	Rate of income	Average outstanding balance[(b)]	Interest income	% of income
	In NIS million		In %	In NIS million		In %
Interest-bearing assets						
Loans to the public[(c)]						
In Israel	461,961	21,217	6.12	418,648	19,959	6.36
Outside Israel	10,075	570	7.54	8,673	561	8.62
Total[(i)]	472,036	21,787	6.15	427,321	20,520	6.40
Loans to the government						
In Israel	2,258	66	3.90	1,555	57	4.89
Outside Israel	–	–	–	–	–	–
Total	2,258	66	3.90	1,555	57	4.89
Deposits with banks						
In Israel	17,354	497	3.82	12,748	466	4.87
Outside Israel	177	2	1.51	313	1	0.43
Total	17,531	499	3.80	13,061	467	4.77
Deposits with central banks						
In Israel	91,650	3,079	4.48	96,678	3,234	4.46
Outside Israel	–	–	–	–	–	–
Total	91,650	3,079	4.48	96,678	3,234	4.46
Securities borrowed or purchased repurchase agreements						
In Israel	4,814	143	3.96	2,271	99	5.81
Outside Israel	–	–	–	–	–	–
Total	4,814	143	3.96	2,271	99	5.81
Bonds held to maturity and available for sale[(d)]						
In Israel	118,719	3,971	4.46	120,771	3,900	4.31
Outside Israel	–	–	–	–	–	–
Total	118,719	3,971	4.46	120,771	3,900	4.31
Bonds - held-for-trading[(d)]						
In Israel	11,793	349	3.95	10,119	308	4.06
Outside Israel	–	–	–	–	–	–
Total	11,793	349	3.95	10,119	308	4.06
Total interest-bearing assets	718,801	29,894	5.55	671,776	28,585	5.67
Non-interest-bearing receivables for credit cards	6,899			6,484		
Other non-interest-bearing assets[(e)]	72,967			65,756		
Total assets	798,667	29,894		744,016	28,585	
Total interest-bearing assets attributed to outside Israel	10,252	572	7.44	8,986	562	8.34

Please see Notes on page 301.

Part B – Average Balances and Interest Rates – Liabilities and Equity (cont.)

	For the nine months ended September 30					
	2025			2024		
	Average balance[(b)]	Interest expenses	% of expense	Average outstanding balance[(b)]	Interest expenses	% of expense
	In NIS million		In %	In NIS million		In %
Interest-bearing liabilities						
Deposits by the public						
In Israel	479,887	14,478	4.02	436,624	13,856	4.23
Demand deposits	127,311	3,422	3.58	134,970	3,758	3.71
Fixed deposits	352,576	11,056	4.18	301,654	10,098	4.46
Outside Israel	–	–	–	–	–	–
Demand deposits	–	–	–	–	–	–
Fixed deposits	–	–	–	–	–	–
Total	479,887	14,478	4.02	436,624	13,856	4.23
Deposits by the Israeli Government						
In Israel	141	1	0.95	110	2	2.42
Outside Israel	–	–	–	–	–	–
Total	141	1	0.95	110	2	2.42
Deposits by central banks						
In Israel	4,169	69	2.21	8,601	66	1.02
Outside Israel	–	–	–	–	–	–
Total	4,169	69	2.21	8,601	66	1.02
Deposits by banks						
In Israel	11,977	209	2.33	10,068	214	2.83
Outside Israel	2	–	–	64	1	2.08
Total	11,979	209	2.33	10,132	215	2.83
Securities loaned or sold under reverse repurchase agreement						
In Israel	14,032	524	4.98	10,702	488	6.08
Outside Israel	–	–	–	–	–	–
Total	14,032	524	4.98	10,702	488	6.08
Bonds						
In Israel	37,374	1,585	5.65	30,887	1,268	5.47
Outside Israel	–	–	–	–	–	–
Total	37,374	1,585	5.65	30,887	1,268	5.47
Total interest-bearing liabilities and equity	547,582	16,866	4.11	497,056	15,895	4.26
Non-interest bearing deposits by the public	135,746			142,934		
Non-interest-bearing receivables for credit cards	1,872			1,747		
Other non-interest bearing liabilities[(f)]	47,055			41,447		
Total liabilities	732,255	16,866		683,184	15,895	
Total capital resources	66,412			60,832		
Total liabilities and capital resources	798,667	16,866		744,016	15,895	
Interest rate spread			1.44			1.41
Net yield[(g)] on interest-bearing assets						
In Israel	708,549	12,456	2.34	662,790	12,129	2.44
Outside Israel	10,252	572	7.44	8,986	561	8.32
Total	718,801	13,028	2.42	671,776	12,690	2.52
Total interest-bearing liabilities attributed to operations abroad	2	–	–	64	1	2.08

Please see Notes on page 301.

Part C - Average Balances and Interest Rates - Additional Information on Interest-Bearing Assets and Interest-Bearing Liabilities Attributed to Activities in Israel

	For the three months ended September 30					
	2025			2024		
	Balance Average balance(b)	Income (Expenses) Interest rate	% Income (Expense)	Balance Average balance(b)	Income (Expenses) Interest rate	% Income (Expense)
	In NIS million		In %	In NIS million		In %
CPI-linked NIS						
Total interest-bearing assets	**81,129**	**1,671**	**8.24**	70,175	1,584	9.03
Total interest-bearing liabilities	**39,284**	**(720)**	**(7.33)**	28,432	(541)	(7.61)
Interest rate spread			**0.91**			1.42
Non-linked NIS						
Total interest-bearing assets	**519,464**	**7,293**	**5.62**	465,189	6,553	5.63
Total interest-bearing liabilities	**396,239**	**(3,945)**	**(3.98)**	337,186	(3,224)	(3.82)
Interest rate spread			**1.64**			1.81
Foreign currency						
Total interest-bearing assets	**143,253**	**1,479**	**4.13**	119,897	1,625	5.42
Total interest-bearing liabilities	**145,158**	**(1,494)**	**(4.12)**	126,173	(1,655)	(5.25)
Interest rate spread			**0.01**			0.17
Total activity in Israel						
Total interest-bearing assets	**743,846**	**10,443**	**5.62**	655,261	9,762	5.96
Total interest-bearing liabilities	**580,681**	**(6,159)**	**(4.24)**	491,791	(5,420)	(4.41)
Interest rate spread			**1.38**			1.55

Please see notes on page 301.

Part C - Average Balances and Interest Rates - Additional Information on Interest-Bearing Assets and Interest-Bearing Liabilities Attributed to Activities in Israel (cont.)

	For the nine months ended September 30					
	2025			2024		
	Average balance(b)	Interest income (expenses)	Rate of income (expense)	Average outstanding balance(b)	Interest income (expenses)	% of income (expense)
	In NIS million		In %	In NIS million		In %
CPI-linked NIS						
Total interest-bearing assets	**76,171**	**3,907**	**6.84**	68,217	3,762	7.35
Total interest-bearing liabilities	**36,039**	**(1,537)**	**(5.69)**	29,067	(1,221)	(5.60)
Interest rate spread			**1.15**			1.75
Non-linked NIS						
Total interest-bearing assets	**499,139**	**20,955**	**5.60**	478,192	19,878	5.54
Total interest-bearing liabilities	**374,303**	**(10,952)**	**(3.90)**	343,107	(9,890)	(3.84)
Interest rate spread			**1.70**			1.70
Foreign currency						
Total interest-bearing assets	**133,239**	**4,460**	**4.46**	116,381	4,383	5.02
Total interest-bearing liabilities	**137,238**	**(4,377)**	**(4.25)**	124,818	(4,783)	(5.11)
Interest rate spread			**0.21**			(0.09)
Total activity in Israel						
Total interest-bearing assets	**708,549**	**29,322**	**5.52**	662,790	28,023	5.64
Total interest-bearing liabilities	**547,580**	**(16,866)**	**(4.11)**	496,992	(15,894)	(4.26)
Interest rate spread			**1.41**			1.38

Please see Notes on page 301.

Part D - Analysis of Changes in Interest Income and Interest Expenses

	2025 vs. 2024			2025 vs. 2024		
	For the three months ended September 30			For the nine months ended September 30		
	Increase (decrease) due to change[h]		Change Net	Increase (decrease) due to change[h]		Net change
	Quantity	Price		Quantity	Price	
	In NIS million					
Interest-bearing assets						
Loans to the public						
In Israel	892	(442)	450	1,989	(731)	1,258
Outside Israel	18	(36)	(18)	79	(70)	9
Total	910	(478)	432	2,068	(801)	1,267
Other interest-bearing assets						
In Israel	348	(117)	231	80	(39)	41
Outside Israel	–	1	1	(2)	3	1
Total	348	(116)	232	78	(36)	42
Total interest income	1,258	(594)	664	2,146	(837)	1,309
Interest-bearing liabilities						
Deposits by the public						
In Israel	735	(165)	570	1,305	(683)	622
Outside Israel	–	–	–	–	–	–
Total	735	(165)	570	1,305	(683)	622
Other interest-bearing liabilities						
In Israel	223	(54)	169	258	92	350
Outside Israel	–	(1)	(1)	–	(1)	(1)
Total	223	(55)	168	258	91	349
Total interest expenses	958	(220)	738	1,563	(592)	971

Comments:

a) The data in the above tables are stated after the effect of derivatives instruments hedging.

b) Based on monthly opening balances, except for the unlinked Israeli currency segment where the average balance is calculated according to daily inputs, and before deducting the average on-balance sheet loan loss provisions. Foreign subsidiaries based on balances at the beginning of the quarters.

c) Before deducting the average balance of loan loss provisions. Including non-accrual debts.

d) The average balance of unrealized gains/losses from fair value adjustments of held-for-trading bonds were deducted from/added to the average outstanding held-for-trading bonds and available-for-sale bonds, as were gains/losses in respect of available-for-trading bonds included in shareholders' equity under accumulated other comprehensive income (loss), in the Adjustments in respect of presentation of available-for-sale securities at fair value item in respect of bonds transferred from the available-for-sale portfolio for the three and nine month periods ended September 30, 2025, in the amount of NIS (1,456) million and NIS (2,025) million, respectively, and for the three and nine month periods ended September 30, 2024 - NIS (3,503) million and NIS (3,592) million, respectively.

e) Including book balances of derivatives, other non-interest-bearing assets, non-monetary assets, and less loan loss provision.

f) Including book balances of derivative instruments and non-monetary liabilities.

g) Net yield — net interest income divided by total interest-bearing assets.

h) The change attributable to the quantity change was calculated by multiplying the new price by the change in quantity. The change attributable to the change in price was calculated by multiplying the former quantity by the new price.

i) Fees and commissions for the three-month and nine-month periods ended September 30, 2025 in the amount of NIS 131 million and NIS 350 million, respectively, were included in the interest income from loans to the public (fees and commissions for the three-month and nine-month periods ended September 30, 2024 in the amount of NIS 95 million and NIS 284 million, respectively).

Glossary of Terms

Term	Definition
A	
ABS - Assets Back Securities (Asset-Backed Bonds)	Securities concerning which the guarantees provided for them, or the lien on them, with regard to the payment of interest and principal, are the yield on a specific financial document.
Active market	A market in which transactions in an asset or a liability are conducted at a frequency and volume sufficient for the provision of information about pricing on an ongoing basis.
Actuarial calculation	Any calculation that expresses a condition of uncertainty, that is, which has been adapted to take into account the possibility of a risk. For example, an Actuarial Calculation reflects past experience and management's estimates as to the expected retirement dates of the Bank's employees and the expected retirement benefits allocated on a linear basis over the expected service period.
Actuarial gain/loss	Mostly reflects adjustments in respect of actuarial estimates, as at the end of the year, of defined benefit pension plans and a deduction of amounts previously recorded in Other comprehensive income.
Asset and Liability Management (ALM)	The management of the Bank's assets and liabilities with the aim of avoiding a mismatch between the assets and liabilities and, in the long-term, increasing the Bank's capital for the benefit of its shareholders.
Auxiliary Corporation	A corporation that is not itself a banking corporation but whose activities are only in the field of activity that is permitted to the banking corporation that controls this corporation, except for activities that have been especially designated for banking corporations in accordance with the law.
Average duration (AD)	Average Duration (AD), which is measured in years, weights the periodic interest payments of the financial instrument over its life span until its final redemption.
B	
B.O.T - Build Operate Transfer	The financing of public projects where a private entity receives a franchise from a public agency to finance, plan, build, and operate a public facility for a limited period at the end of which ownership of the project is assumed by the government.
Balanced Score Card (BSC)	A management tool for the measurement of the performance of the Bank and the lines of its business in a variety of quantitative and qualitative topics that have been defined by the Bank's management in the context of its strategic plan.
Base Point (BP)	Base Point (BP), which is 1/100th of 1%, is used as a measurement unit for the calculation of interest rates.
Basel 2/Basel 3	Directives regarding risk management by the banks that have been established by the Basel Committee for Banking Supervision (BCBS), which deals with supervision and which sets standards for the supervision of banks throughout the world. The directives of the Basel Committee constitute the benchmark for the fundamental standards intended to ensure the stability of financial institutions.

Glossary of Terms

Term	Definition
Basic Earnings Per Share	Basic profit per share are calculated through the division of the profit or loss attributed to ordinary shareholders of the parent company (numerator) by the weighted average number of ordinary shares outstanding during a given period (denominator).
Basis risks	A Basis Risk is the potential loss resulting from changes in the Consumer Price Index or in foreign exchange rates, due to the difference between the value of a customer's assets and the value of that customer's liabilities, including the impact of future transactions in each of the linkage sectors.
Benchmark Interest Rate	Interest rate determined on an external objective basis, that is, according to a pre-set formula, where the Banking Corporation plays no direct role in the determination of that interest rate.
C	
Capital Adequacy Ratio (CAR)	The ratio between the Bank's qualifying Regulatory Capital and its risk-weighted assets, that is, the Bank's assets weighted to reflect credit, market and operational risks, calculated in accordance with the Bank of Israel's directives and reflecting the risk stemming from exposures undertaken by the Bank in the course of its activities.
CECL - Current Expected Credit Losses	Model of provisions for anticipated credit losses.
Collateralized Debt Obligation (CDO)	Bonds backed by a bonds portfolio and/or "seniority" loans and various rankings.
Collateralized Loan Obligation (CLO)	A bond backed by a loan portfolio.
Collective provision	The collective allowance for credit losses is applied for large groups of homogenous and relatively small debts, as well as of specifically-assessed debts that were found to be unimpaired. The collective provision for off-balance-sheet credit instruments is based on provision rates determined for balance- sheet credit, with the Bank taking into account its assessments regarding the likelihood of utilizing various off-balance-sheet items.
Common Equity Tier 1 capital	Going Concern Capital Common Equity Tier 1 (CET1) Capital includes the equity of the banking corporation's shareholders, with the addition of some of the rights that do not provide control of the capital of consolidated subsidiaries (minority interests), less goodwill, other intangible assets, regulatory adjustments, and additional deductions, pursuant to what is specified in Proper Conduct of Banking Business Directive No. 202, "Measurement and Capital Adequacy – Regulatory Capital," and pursuant to the transitional provisions of Proper Conduct of Banking Business Directive No. 299, "Measurement and Capital Adequacy – Regulatory Capital – Transitional Provisions."
Conduct Risk (Conduct vis-à-vis customers)	Conduct Risk (conduct vis-a-vis customers) is the risk that any dealings with the Bank's customers that are not fair, transparent, or aimed to meet their needs will lead to losses resulting from the payment of legal damages or fines, or from reputational damage.

Glossary of Terms

Term	Definition
COSO - Committee Of Sponsoring Organizations of the Treadway Commission	Structured model of internal audit. The framework of the model is intended to assist businesses and other entities in estimating, assessing and empowering the internal audit systems they operate.
Credit Default Swap (CDS)	A financial instrument transferring credit exposure to the issuer between the parties to the transaction.
Credit derivative	A contract that transfers a credit risk from a buyer to a seller. Credit derivatives can take various forms: options for protection against credit failure, note for coverage of segments of a credit risk, SWAP for full coverage of the risk, etc.
Credit risk	Credit risk is the Bank's risk of loss as a result of the possibility that a borrower or counterparty fails to meet its agreed commitments towards the banking corporation.
Credit spread (Bid-Ask)	The spread between the proposed purchase price and the selling price. This is, in effect, the difference between the highest price that the buyer is willing to pay for an asset and the lowest price at which the seller is willing to sell it.
Cross Border Activity	A term referring to various financing arrangements that cross national borders, such as extending loans to people and entities in another country, credit letters, banking receipts, etc.
CVA - Credit Valuation Adjustment	Calculation of the credit risk in derivatives reflects the expected loss the Bank may incur in the event where the opposite party to the transaction will encounter a situation of credit failure.
Cybernetic (cyber) event	An event during which the Bank's IT and/or computer-embedded systems and infrastructures are attacked by, or on behalf of, opponents (whether external or internal to the banking corporation) and such attack may result in the materialization of the cyber risk, including an attempted attack even if it did not result in actual damage.
D	
Defined benefit plan	The fixed and known-in-advance amounts of the allowance or insurance policy that are paid to eligible persons, whether these amounts are dependent on the investment expenses of the allocation fund or on the insurer.
Delinquent Debt	The delinquency (arrears) status of a debt is determined according to its contractual repayment terms. The debt is in arrears if the debt (whether all of it or part of it) has not been repaid within 30 days of the date set for repayment. For this purpose, a debt in a current account in excess of the authorized credit facility will be regarded as being in arrears if not repaid within 30 days, or if that account is not credited with sums sufficient to cover the debt under the credit facility within a period determined by the Bank's management.
Diluted Earnings Per Share	The distribution of the profit and loss attributable to the shareholders of the parent company, in accordance with the average weighting of the number of shares current in a given cycle and with the impact of all the diluted potential standard shares being taken into account.

Glossary of Terms

Term	Definition
Dodd Frank Wall Street Reform and Consumer Protection Act (DFA)	The DFA is an American federal law, which took effect on July 28, 2010, and includes a comprehensive reform of the financial regulation, which has various impacts on the Leumi Group, the main one refers to transactions in derivatives over the counter (OTC) of the Swap domain.
Dormant shares	Shares directly held by a company. These shares do not provide equity or voting rights.
E	
Embedded Derivative Instruments	Embedded derivatives are derived instruments that are embedded in contracts and in other financial instruments or in commercial purchase/sale contracts of commodities and services (in accounting literature, these contracts are termed host contracts). The accounting process is carried out in accordance with the economic substance of the items and transactions and not in accordance with their legal form; thus, embedded derivatives, that, in accordance with economic characteristics, are not clearly and closely connected with the host contract are separated from it for the purpose of measurement in the Bank's books.
EMIR - European Market Infrastructure Regulation	The European Union's regulation, which is intended to increase the stability of OTC markets in all the European Union countries.
Exposure at Default (EAD)	The expected scale of exposure of an opposing side in the event of a credit failure.
F	
Fair value	The value reflecting the price according to which a financial asset can be materialized or the financial obligation in a transaction can be transferred between a willing buyer and a willing seller. This value is determined according to the fair value hierarchy set in accounting standards: • Level 1 – Value based on quoted market prices; • Level 2 - Value assessed in the course of the use of observed data; • Level 3 - Value assessed in the course of the use of unobserved data.
FDIC - Federal Deposit Insurance Corporation	The Federal Deposit Insurance Corporation and one of the agencies of the supervision of banks in the USA.
Foreign Accounts Tax Compliance Act (FATCA)	An American law that is intended to improve tax enforcement, prescribes that financial entities outside the USA are required to report to the American Tax Authority on accounts they manage and belong to one who is required to report, even if he is not a USA resident.
Future (Future option)	A contract between two parties for the sale of any asset amount at a specific price on a date known in advance (the expiration date). The contract is binding on both parties to the agreement. This future contract is a standard contract traded in organized capital markets.

Glossary of Terms

Term	Definition
G	
Ginnie Mae (GNMA)	A federal mortgage company. The bonds it issues are guaranteed by the Government National Mortgage Association.
I	
ICAAP - Internal Capital Adequacy Assessment Process	The Capital Adequacy Assessment Process (ICAAP) is aimed at calculating the capital required to support the various risks to which the Group is exposed, in order to ensure that the Group's effective capital exceeds the capital requirements at any given time.
Indebtedness	The Bank's total credit exposure to a borrower or group of borrowers, including credit for which the bank has assumed responsibility, investments in the borrower's securities, the commitment of the Banking Corporation to pay money on a customer's behalf (including guarantees and Documentary Credit), and transactions in over- the-counter (OTC) derivatives. Liability is calculated pursuant to the Proper Conduct of Banking Business Directive No. 313 of the Banking Supervision Department.
Interest cost	The interest component allocated to a current year and classified as part of payroll expenses.
Interest Rate Risks	The risk of loss or reduction of value as a result of changes in interest rates across various currencies.
Internal Rate of Return (IRR)	A measure used to estimate the profitability of potential investments. The index indicates the effectiveness and quality of a specific investment, as opposed to the present net value indicating the investment's value and scope. The Internal Rate of Return is the interest rate that deducts expected cash flow from a financial instrument vis-a-vis its balance in the Bank's balance sheet.
Israel's Capital Model	The Bank employs Israel's Capital Model, which is based on the ranking of the borrowers, in order to assess the credit risk at the overall level of the credit portfolio and in the portfolio's different cross-sections.
L	
Leverage ratio	Defined as the measured capital (the numerator) divided by the measured exposure (the denominator), with the ratio expressed as a percentage.
LGD - Loss Given Default	The rate from the borrower's overall credit exposure on the date of the exposure at default (EAD), which is expected to adversely affect the Bank upon the occurrence of the default event.
Linkage-based and foreign-exchange-rate-based exposures	Exposure to the Basis Risk is the potential loss resulting from changes in the Consumer Price Index or in foreign exchange rates, due to the difference between the value of a customer's assets and the value of that customer's liabilities, including the impact of future transactions in each of the linkage sectors. Exposure to the base exposure risks are measured as a percentage of the Group's exposed capital. The exposed capital of the Bank, including equity and certain reserves, less fixed assets and investments in held companies.

Glossary of Terms

Term	Definition
Liquidity coverage ratio	Liquidity coverage ratio examines a time-horizon of 30 days under a stress scenario, and is intended to ensure that a banking corporation has an inventory of high-quality liquid assets that is able to cover the corporation's liquidity requirements in this time horizon.
Liquidity Risk	Liquidity risk is the risk arising from uncertainty regarding the possibility of raising resources and/or disposing of assets, unexpectedly and within a very short time, without incurring a substantial loss.
LTV LTV ratio))	The rate constituting the Bank's financing in the purchase transaction relative to the value of the purchased asset, The financing rate reflects another dimension of the loan risk, as a high LTV ratio reflects a higher risk for the bank extending the credit.
M	
Market risks	Market risk is defined as the risk of loss in balance sheet and off-balance sheet positions as a result of a change in the fair-value of a financial instrument due to change in market conditions (i.e., changes in: price levels in various markets; interest rate volatility; foreign exchange rates; inflation rates; share prices and commodities, as well as in other economic measures).
MBS - Mortgage Back Securities (Mortgage-Backed Bonds)	Bonds backed by financial assets in which the interest and capital payments are based on the cashflow stemming from repayment of loans guaranteed by financial assets. The backing assets may be groups of loans, including mortgages for residence or other financial assets.
N	
Net stable funding ratio	The NSFR is aimed at improving the resilience of banking corporations' liquidity risk profile in the long term, by requiring them to maintain a stable financing profile according to the composition of their assets and their off-balance-sheet activities. The ratio prevents banking corporations from over-reliance on short-term wholesale financing. The measurement is made both on the consolidated and separate levels each quarter; the requirement is to meet a 100 percent ratio.
NIM - Net Interest Margin	Ratio between net interest income and the average balance of interest-bearing assets.

Glossary of Terms

Term	Definition
Non-performing credit risk	Balance-sheet loans which examined on an individual basis, and which, based on present circumstances and information, it is probable that the Bank will not be able not to collect the full amounts payable to it (principal and interest) under the contractual terms of the debt agreement. A debt shall be classified as non-performing whenever the principal or interest has been in arrears of 90 days or more, unless it is both well secured and in the process of collection. Off-balance-sheet loans are classified as non-performing debts if the materialization of the contingent liability, as specified in the relevant clause, is defined as "reasonably possible" and if the debts that may be recognized as a result of the materialization of the contingent liability meet the criteria for classification into this category. Additionally, a non-performing debt can also be considered as a debt whose terms and conditions were changed due to the restructuring of a troubled debt.
NPL - Non Preforming Loan	Problematic credit that does not bear interest.
O	
Obligo	Represents the customers' total indebtedness to the bank.
OECD	An international organization of the developed countries accepting the principles of liberal democracy and free market. The Organization is a platform for discussing policies, comparing performances, finding solutions for difficulties and formulating codes, guiding principles and common standards for executing an economic and social policy on the national level. Within the framework of the Organization, each member-country may significantly contribute to the Organization's policies and drafting common lines of action.
Off-Balance-Sheet Exposures	These exposures arise from the Bank's undertakings to its borrowers that have not yet been realized/utilized by the borrowers as of the reporting date and which therefore have not yet been recorded as a balance-sheet asset or liability. Examples of these exposures are, inter alia: • An undertaking to extend credit that has not yet been utilized; • Unutilized credit facilities • An undertaking that is in accordance with guarantee agreements; • An undertaking that is in accordance with an authorization in principle that commits the bank to maintain a certain interest rate for a specific period of time. and so forth.
On-call credit	Credit extended for a number of days and which is repaid after a call has been issued, in accordance with the terms and conditions of the agreement between the Bank and the customer.

Glossary of Terms

Term	Definition
Operational risk	Operational risk is the risk of loss as a result of inadequate, or failure of, internal processes, people and systems, or external events. This definition includes legal risk but does not include strategic risk and image risk.
Other options	Breaking down into purchase contracts (CALL) and sale contracts (PUT). A call option is the right to buy a specified asset at an agreed price (strike price) up to (American-style option) or on (European-style option) a stipulated date. A sale contract is the right to sell a certain quantity of a specific asset at a realized price until (American)/on (European) a specified date.
P	
PD - Probability of Default (A failure within a year following the rating within a given period).	A term describing the odds that the borrower will arrive at a situation of credit failure within a given period following the date of rating. The term provides an assessment of the probability that a borrower would not be able to meet his liabilities per the contractual terms of his debts.
Pillar 1	The allocation of minimal capital against credit risks, market risks, and operational risks, by a technique that links the extent of exposure to various risks and the regulatory capital demand. The provisions of Pillar 1 that have been established by the Basel Committee within the context of the provisions of Proper Conduct of Banking Business Directives Nos. 201 to 209 establish both a monitoring method for the calculation of risk-weighted assets and the manner in which capital demands are calculated in respect of risk assets as noted above.
Private individuals	Individuals who are not corporations (whether registered or .non-registered) and who are not engaged in business activity Private individuals defined, in accordance with the directives of the Bank of Israel, as belonging to a category that includes loans to individuals that are not intended for business purposes, with such individuals being classified as belonging to the Private Individuals Economic Branch, in accordance with the uniform definitions of the Central Bureau of Statistics, which also includes private households and private banking.
PSU (Performance-pending RSUs)	A bonus in the form of shares that are blocked and depend on future performances of the banking corporation.
R	
Regulatory capital	Capital that is used for the calculation of the Bank's capital adequacy ratio (CAR) and for the establishment of additional regulatory ratios (such as: leverage ratio, credit concentration, etc.). Accounting capital components and other qualifying Regulatory Capital instruments (such as subordinated notes that qualify as Regulatory Capital).

Glossary of Terms

Term	Definition
Repurchase Agreement or Reverse Repurchase	These ameliatory agreements are agreements for the purchase or sale of securities in return for cash or securities, when, at the time of the transaction, both the buyer and the seller agree to carry out a reverse transaction, which would be the reverse of the original transaction, on a date and at a price that have been agreed upon in advance.
Reputational Risk	The risk that the publicizing or the public disclosure of conduct or a transaction relating to customers, as well as business results and events relating to a group, will have an adverse effect on the public's faith in the group, or will cause a reduction in the customer base, or will lead to high legal costs or a reduction in revenues.
Residual Risk	Residual risk is the risk remaining after the attribution of all specific risks. For example: When a person purchases an asset, that person is exposed to various risks. Many of these risks are not unique to the purchased asset, but rather reflect broader scenarios, such as an increase or decrease in share prices, an increase or decrease in interest rates, or a change in the growth rate of the economy or of a specific industry. Exposure to this risk can be reduced by diversification.
Restructuring of a Problem Debt	A debt for which, because of economic or legal reasons related to the debtor's financial difficulties, the Bank has granted a concession by changing the terms and conditions of the debt to alleviate the burden of the debtor's near-term cash payments or by accepting other assets in lieu of repayment.
Return on Equity (ROE)	The ratio between the yield of a business (net profit) and its equity. The Return on Equity (ROE) measures the Bank's ability to create net profits from assets and demonstrates to what extent the Bank is effective in utilizing additional investments in order to increase its revenues. The Return on Equity (ROE) in banks is expressed in the following ratios: • Net profit attributed to shareholders of the Bank, less a dividend to preferred shares that was not registered as an expense in the profit and loss report and which was declared only in the reporting period and is being distributed in the context of the average equity; • Net profit attributed to shareholders of the Bank, less a dividend to preferred shares that was not registered as an expense in the profit and loss report and which was declared only in the reporting period and is being distributed in the context of the average equity, less the average balance of preferred shares that were included in the equity.
Return on Equity (ROE)	Net profit, less a dividend to preferred shares that was not registered as an expense in the profit and loss report and which was declared only in the reporting period and is being distributed in the context of the average equity.

Glossary of Terms

Term	Definition
Return on Risk-Adjusted Capital (RORAC)	A method that compares returns on various investments that takes into account the risk. The actual return is adjusted by measuring the degree of the asset's risk exposure and adjusts downwards the return on riskier assets. The method's efficiency depends on the accuracy of the assessment of the risk in various assets, and to what degree is the "penalty" imposed on riskier assets indeed reflects the degree of risk aversion of each given investor. For new types of assets, such as financial derivatives, risk assessment is a very uncertain issue, in light of the experience concerning the conduct of their prices in practice.
Risk-weighted assets (RWA)	Risk-weighted assets reflect the Bank's balance-sheet exposure resulting from the Bank's activities, and they are weighted with their own specific risks, in accordance with Proper Banking Conduct Directives Nos. 203-209 and everything that they specify with regard to credit risk, market risk, and operational risk. Risk assets, as noted above, are intended to reflect the weighted risk in respect of which the Bank is expected to maintain the regulatory capital demand in the context of the demands for capital adequacy.
RSU (RSUs)	An ordinary share as per the terms of its issuance cannot be freely traded over a certain period of time, or until the occurrence or non-occurrence of a certain event, and this period had not yet expired and/or this event had not yet materialized.
S	
SBA - Small Business Administration	An American government agency for supporting small businesses in the USA.
SCDO - Synthetic Collateralized Debt Obligation	An agreement backed by a CDS portfolio (which are derivatives) at various seniority levels.
Securitization	A process whereby bank loans and credit are pooled to create a long-term loan through bonds.
Securitization structures	Structures created for the purpose of transferring to bond holders the cash flow generated by other instruments/assets. For this purpose, the Bank is creating a Special Purpose Entity (SPE), whose function is to absorb the assets generating the cash flow being transferred by its originator and to channel the receipt of this cash flow to the bond holders, in accordance with the structure agreed upon with the bond holders and in accordance with the order of priorities as defined in the various bond series (tranche). The assignment of the above rights creates a legal structure in which the SPE's creditors will be unable to access the assets of the transferring entity but will not be exposed to the risks inherent in the entity's other activities, it being taken into consideration that the essence of the SPE is the absorption of the receipt of the above cash flow and its transfer to bond holders.
Service cost	All of the components of the cost of employee benefits that are allocated to a specific period of time.

Glossary of Terms

Term	Definition
Special mention credit	On-balance-sheet special mention credit for which there are potential weaknesses which should be monitored closely by the Bank's management. Off-balance sheet loans are classified as special mention credit if the materialization of the contingent liability in respect of the item is defined as "reasonably possible" and if the debts that may be recognized as a result of the materialization of the contingent liability meet the criteria for classification into this category.
Specific Provision	An allowance determined for any debt analyzed on a case-by-case basis, except for housing loans (including any debt that is the reorganization of a problematic debt and which is subject to a case-by-case analysis, in accordance with the policies of the Bank). The amount of the allowance is assessed in accordance with the anticipated capitalized cash flow at the original effective interest rate of the debt or when the debt is defined as a security-conditional debt or when a seizure of assets is expected, in accordance with fair value of the security, after the deduction of the costs of materialization and with the implementation of cautious security factors. In order to determine the suitable amount of the allowance, the Bank conducts an ongoing check, in accordance with procedures, of the relevant borrowers.
Standby Letter of Credit (SBLC)	A Standby Letter of Credit is a bank guarantee defined as a commercial letter of credit whose primary goal is to ensure the execution of payment. A Standby Letter of Credit is similar to a guarantee in the sense that it constitutes a commitment undertaken by the Bank to pay the amount specified therein against a payment demand from the beneficiary, whereas, in the case of a commercial letter of credit, one is required to present various documents in order to realize the Bank's guarantee.
Strategic Risk	A business risk that includes current and future adverse effects on capital, profits, reputation, or standing as a result of erroneous business decisions, inappropriate implementation of decisions, or lack of response to industry- specific, economic, regulatory, or technological changes.
Subordinated bonds	Bonds the rights to which have been deferred because of the claims of all the other creditors of the Banking Corporation, less other bonds in the same category.
Substandard loan	Loans which are insufficiently guaranteed by the current sound worth and repayment capacity of the borrower or the pledged collateral, if any. On-balance sheet credit risk that has been classified in this way should have a well-defined weakness or weaknesses, which jeopardize the liquidation of the debt. Loans, in respect of which a collective loan loss provision is recorded, shall be classified as a substandard loan when it has been in arrears of 90 days or more.

Glossary of Terms

Term	Definition
Supervisory Review Process (SREP)	This process is intended to ensure that banking corporations will allocate adequate capital in order to support all of the risks inherent in their activities, and also in order to encourage banking corporations to develop and use improved risk management techniques for the purpose of monitoring and managing their risks. In the context of this process, the Banking Supervision Department examines the risk profile of the banking corporation and the internal process that the Bank undertakes in order to assess the overall suitability of the regulatory capital adequacy held by the Bank against exposure. This process is intended to provide the Regulator with the tools needed for an independent assessment of the Bank's risk profile and its risk management, and to define the measures needed for early intervention for the purpose of preventing any impairment of the Bank's stability and its financial strength.
SWAP	A series of future contracts or series of forward contracts for several periods, known in advance, in which both parties agree to replace payment flows on a conceptual principal.
Syndication	A transaction in which several lenders share the extension of a loan to a single borrower, but in which each lender extends a loan in a certain amount to the borrower and has the right to be directly repaid by that borrower. Groups of lenders frequently finance such loans together, with the amount extended being greater than what any single lender is willing to lend.
T	
Tier 2 capital	A tier of capital included in the calculation of qualifying regulatory capital. Tier 2 capital (also known as "gone concern capital") is a substandard component of the Bank's capital; it mainly comprises qualifying capital instruments previously issued by the Bank that have been included in Tier 2 capital, pursuant to the transitional provisions for the implementation of Basel 3 Directives, as well as the new qualifying capital instruments that constitute the Contingent Convertible (CoCo) capital instruments issued by the Bank that will be converted into the Bank's shares if the situation reaches a point of non-viability. In addition, Tier 2 capital includes components such as the balance of the collective credit loss allowance before the related tax effect, up to a maximum of 1.25% of total credit risk-weighted assets.
V	
VaR - Value at Risk Value at Risk	Is a model for measuring the maximal loss expected due to materialization of the market risks within a given period of time, and at a statistical level of security set out in advance. The use of this method requires ongoing evaluation of all the corporation's positions based on the assets' fair value and liabilities. The model's goal is assessing the risks the banking institutions are exposed to, as well as for returning adequate capital for covering losses resulting from materialization of the market risks in various activities.

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