LEUMI

Financial Statements

31.03.2025

The report on the risks and description of the main characteristics of regulatory capital instruments that had been issued are included on the Bank's website at www.leumi.co.il > About > Financial information> Discovery pursuant to Basel Tier 3 and additional information regarding risks and on the Israel Securities Authoity's MAGNA website: www.magna.isa.gov.il

BANK LEUMI LE-ISRAEL B.M. AND ITS INVESTEE COMPANIES
Condensed Financial Statements as at March 31, 2025

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Report of the Board of Directors and Management

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 at December 31, 2024, except as outlined in Note 1 to the financial statements. The statements herein should be read in conjunction with the 2024 Annual Financial Statements.

Main Developments in the Israeli Economy[1]

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

The trend of the gradual recovery in the economic activities continued during the first quarter of 2025, which began during 2024, against the background of the geopolitical developments. The labor market continued to be tight and the inflation remained higher than the price stability target (1%-3%).

During the first quarter of the year a new increase in risks related to the markets' sentiment towards Israel had been recorded, this contrary to the decrease in these risks that took place in the fourth quarter of 2024. The shekel weakened, an increase in Israel's CDS spread had been recorded (although its level is still low compared to the peak level of the war) as also the gap in the return on equity over 10 years (the dollar) Israel-US increased again. The forecast of growth in 2025, depends to a great extent on the security developments.

On the global level, on April 2, 2025, the US government announced an extensive customs plan, which includes imposition of customs taxes on most goods imported to the country from around the world, at rates between 10% up to over 100%. The original plan includes customs taxes at the rate of 17% on import of goods to the United States from Israel. On April 9 the United States announced suspension of part of the customs taxes for a period of 90 days, so at this time, in practice, the customs taxes that were imposed on most countries, including Israel, stand at 10%. These developments in the United State's commerce policy, along with China's counter response as well as possible counter responses by additional countries worldwide to the imposition of the customs taxes by the United States (led by China) results in an increase in the level of uncertainty, increased fluctuations in the financial markets and currency exchange rates of currencies worldwide, as well as erosion of the United States' status as a leading destination for investments. Additionally, these developments may affect the inflation level worldwide, and lead to across-the-board impairment of the global trade and the global financial activities.

Recently, the leading credit rating agencies, Fitch, Moody's, and S&P, published review reports. Israel's rating remained intact (see the chart below). The reports noted that the degree of uncertainty as to the security situation in the long term and the rate of growth of the financial activities, is higher than usual. The geopolitical risk remains high, against the background of the renewal of hostilities in the Gaza Strip, and the ceasefire with Lebanon, which indeed stabilized the security situation in the north, however is perceived as being fragile. Also the change of regimes in Syria are mentioned as a new security risk to Israel. The warnings that were noted along with the negative rating forecast, constitute factors that may delay an improvement in is Israel's credit rating in the short term.

On May 16, 2025 Moody's downgraded the United States' perfect credit rating by one notch to Aa1, with a stable outlook, the downgrading of the credit rating followed the revision of the United State's outlook from stable to negative in November 2023, and while aligning with the rating given to the United State by the two other large rating companies, the downgrading of the rating had been performed against the background of the deterioration of the United State's fiscal profile and the forecast of continuation of the trend in the upcoming years.

[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 update
S&P	A	Negative	October 1, 2024 Lowering the rating while leaving a negative outlook
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 April 22, 2025, the International Monetary Fund (IMF) revised its forecasts for 2025-2026. Regarding the previous forecast from January 2025, the growth forecasts for 2025 (as well as for 2026) had been revised downwards for most of the global economies, particularly a relatively sharp revision downwards of the GDP growth in the U.S., Mexico, Canada, Japan, China and India. This, against the background of the negative impacts of the customs taxes plan the American government announced. As to Israel, the Monetary Fund revised downwards the growth forecast in 2025 to 3.2% and in 2026 to 3.6%, a slightly lower forecast than that of the Bank Of Israel's Research Department (dated April 7, 2025).

The Monetary Fund assess, according to the baseline scenario, which takes into account the impact of the entire customs taxes plan and the developments up to April 4, the global growth is expected to moderate from the rate of 3.3% in 2024, to the rate of 2.8% in 2025, and then slightly increase to 3.0% in 2026. These are significantly lower growth rates than the historical average (2000-2019), which stands at 3.7%. This is, inter alia, due to the expectation of moderate growth in the global trade at the rate of 1.7% in 2025 (1.5 percent points less than the forecast in January), and 2.5% in 2026 (revision downwards of 0.8 percent points). Additionally, the Monetary Fund noted that the growth forecast for 2025-2026 stood at 3.2%, prior to the announcement of the customs taxes plan on April 2, as also in the scenario taking into account suspension of the customs taxes for a period of 90 days, the assessments are not materially different from the reference scenario.

The Monetary Fund significantly revised downwards the growth forecast for the USA economy. The IMF assesses that the USA economy is expected to grow at the rate of approximately 1.8% in 2025 (0.9 percent points less than the forecast in January), and at the rate of 1.7% in 2026 (revision downwards of 0.4 percent points). At the same time, it should be noted that notwithstanding the significant revision downwards, the IMF's forecast is within the moderate range of the assessments compared to other forecasts (the consensus forecast stands at the growth of 1.4% in 2025).

As to the impact of the customs plan on the global inflation, the Monetary Fund revised upwards the inflation forecast in 2025 for the developed economies, led by the United States and Britain; however regarding the awakening markets, the Monetary Fund assumes a combined impact with an expectation of more moderate inflation in the awakening markets in Asia, compared to the awakening markets in Europe, in respect of which the Monetary Fund assumes acceleration of the inflation.

The Monetary Fund emphasized that some of the countries may utilize the changes in the global trade map to improve their place in the global production chains, however the long term negative impacts may supersede the positives ones. Additional shocks in supply, such as disruptions of the labor force, which result from a decrease in the flow of immigrants to the United States may reduce the potential GDP and increase inflation. Additionally, there are risks stemming from climate changes, various geopolitical developments, as well as 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 the global trade.

Global growth/real change rate
Source: MF - World economic outlook/April 2025

	2025	2024
World	2.8%	3.3%
USA	1.8%	2.8%
Eurozone	0.8%	0.9%
Japan	0.6%	0.1%
UK	1.1%	1.1%
China	4.0%	5.0%

2024 - Data in practice, 2025 - forecast.

The Israeli Economy

Growth in the Israeli Economy

The integrated index for assessing the state of the market, published by the Bank of Israel, serves as a monthly indicator of the economic activity (growth data for the first quarter is scheduled to be published after the financial statements are closed), and it increased by approximately 1.3% in the first quarter of the year compared with the previous quarter. This is the highest rate of growth over the past twelve quarters and it reflects the continued, gradual rehabilitation of the economic activity in the local market.

According to the forecast of the Bank of Israel Research Department, the GDP is expected to grow by a rate of 3.5% in 2025 and by 4.0% in 2026. This is a revision of 0.5% downwards in each of the years 2025-2026 compared to the forecast in January, against the background of an expectation of slower growth of private consumption and export. This, inter alia, in view of the assessment of the impact of the import customs plan, in its original format, which the USA government announced on April 2, 2025, and implementation of it in full had been postponed as aforementioned, the plan is expected to cut the scope of the global trade by approximately 4% by the end of 2026, as the Bank of Israel assesses, compared to the situation in which the USA would not have imposed customs taxes. The forecast assumes continuation of the war at moderate intensity, with an economic impact that is not expected to continue beyond the end of the second quarter of 2025. Additionally, according to the Research Division, the risks downwards in respect of the forecast had expanded due to the uncertainty regarding the scope and impacts of the trade war developing worldwide. The Bank of Israel notes that recovery of the activities in the construction sector, which is affected mainly by improvement of the human resources shortage, is expected to support rapid growth of investments in construction.

The labor market continues to be tight. The unemployment rate, under the ordinary definition (unemployed aged 15 or older), stood at 2.9% in March 2025, compared to a level of 3.1% in December 2024 and 4.1% in March 2024. The unemployment rate under its broad definition (which also includes, in addition to the unemployed, who are included in the ordinary definition, 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 gave up on looking for work, however not including workers who were absent for non-economic reasons, such as: reserve duty, care of children in the absence of child care solutions, and more) continued to decline and in March 2025 stood at 3.9% compared to 4.3% in December 2024 and 5.3% in March 2024.

The State Budget and its Funding

The first quarter of 2025 ended with a budgetary surplus of approx. NIS 3.7 billion compared to a deficit of approx. NIS 26.4 billion in the corresponding quarter of 2024. The decrease in the budgetary deficit, in annual terms, which began in the previous quarter, continued also in the first quarter of the year. The government's activities over the last 12 months ended March 2025 amounted in aggregate to a deficit of approximately NIS 105.5 billion, which constitute approximately 5.2% of the GDP, according to the Ministry of Finance's estimates, compared to a deficit of 6.8% of the GDP at the end of 2024. The current level of the deficit became nearly close to the ceiling determined by the Ministry of Finance for the entire duration of 2025, which stands at 4.9% of the GDP. In a central scenario, the deficit at the end of 2025 is expected to be around the ceiling the Ministry of Finance set, and according to the Bank's Research Division, the deficit is expected to amount at a lower rate than the target, approximately 4.2% of the GDP.

Foreign trade and service exports data

Israel's trade deficit amounted to approx. USD 8.1 billion in the first quarter of the year, compared with approx. USD 7.7 billion in the corresponding quarter last year. The increase in the deficit stems from a sharper increase in import than in the export of Israeli goods. Increases were recorded in import of the main commodity groups: raw materials, investment products and consumer products. Looking forward, the assessment of a slowdown in the global trade volume and the economic activities of most economies worldwide, is expected to hinder Israel's trade activities during 2025.

The service exports data (without the start-up companies) for the first two months of the year indicate an increase, both compared with the previous quarter and with the corresponding quarter last year. This is thanks to an increase across all of the primary service export components: exports of business services, most of which is from high-tech industries, and exports of tourism and transportation services. Looking forward, the negative consequences of the global trade war, if it continues and expands, on growth in the economic activity of Israel's trade partners, global demand, and the financial markets, constitute a factor that could be detrimental to exports of local services in the coming months.

Exchange Rate and Foreign Currency Reserves

In the first quarter of 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, emphasizing the renewal of the hostilities in the Gaza Strip and increase of the political-social risks in the local economy. During the reporting period, the shekel has depreciated against the dollar at the rate of approximately 1.9%, and against the euro, the shekel has depreciated by a more significant rate of approximately 5.9%; this is against the background if the significant strengthening of the euro against the dollar, due to the significant increase in the degree of uncertainty in the financial markets towards the economy of the United States, mainly due to the American government's customs policy. In respect of the currency basket, a depreciation of approximately 3.7% of the shekel's value had been recorded. The depreciation of the value of the shekel against the dollar in the first quarter of the year, took place contrary to the trend of the significant depreciation of the dollar worldwide, this, inter alia, due to the sharp decreases in the share markets abroad, as well as against the background of an increase of the risks in the local economy. The shekel depreciation trend, both against the dollar and against the euro, was halted in April on the backdrop of the price increases in the stock exchanges around the world, with an emphasis on the USA and Europe, which may be temporary in the intensity of the developing trade war. The fluctuation in the currency markets is expected to continue as long as the degree of uncertainty in the financial markets remains at a high level.

At the end of March 2025, the Bank of Israel's foreign currency reserves stood at approx. USD 218.8 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. In the reporting period, the Bank of Israel did not intervene in the foreign exchange market.

Inflation and Monetary Policy

The Consumer Price Index (CPI) (the "in lieu" index) was up by 1.1% in the first quarter of 2025. In the 12 months ended March 2025, the CPI was up by 3.3%, a pace that exceeds the price stability target range (1%-3%), for nine months consecutively, although lower than the peak pace over the last 18 months, which was recorded in January 2025 (3.8%). The index, excluding energy prices, increased by 3.4% over the last 12 months ended March 2025. In the main scenario, the annual inflation is expected to gradually moderate and return into the boundaries of the price stability target during the second half of the year. The American government's customs plan is expected to have a mixed impact on the inflation, however tends toward moderation of the inflation. This is against the background of several factors: a slowdown in the economic activities that may somewhat reduce the degree of tightening of the labor market and pressure of wages in the economy, a decrease in the pressures of demands due to a slowdown in the private consumption, as well as a combimed impathe israelict of the import prices in foreign currencies - a decrease in the price of commodities in the short term, however later they may be obstructions in the global supply chains that would lead to prices increases and depreciation in the exchange rate, which makes import more expensive in terms of the shekel. Additionally, it should be noted that the escalation of the War to additional fronts and worsening of the social-political instability in the country, alongside an increase in the risk premium in Israel, constitute risk factors for accelerating the inflation.

The "known" Consumer Price Index was up 0.3% in the first quarter of 2025.

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

In the interest rate decision that was made on April 7, 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 continuance of the recovery in the economic activity, although at a relatively moderate rate, as well as the expectation of an inflation moderation during the upcoming months. Additionally, risks were emphasized in respect to possible acceleration of inflation, *inter alia*, due to the tight employment market, ongoing supply limitations, and influences of geopolitical developments on the market. Additionally, the Commissioner emphasized that the economy's risk premium has increased, and its level is high compare to its level prior to the War. The Bank of Israel emphasized that beyond the high uncertainty in the global aspect, there is uncertainty regarding the development of the warfare, and an additional increase in the security expenses is expected. The Bank of Israel Research Department assesses that the interest rate is expected to stand at 4.00% in average in the first quarter of 2026. According to the Research Division, the risks to the growth forecast are tilted downwards, while the risks to the inflation forecast are tilted upwards. The local political-social stress had been mentioned as one of the main risks to the forecast. Expansion of the warfare beyond that embodied in the base scenario had been mentioned as an additional risk.

Israel's Capital Market

The Shares and Convertible Securities Index was down by approx. 0.2 percent in the first quarter of 2025, following an increase of approx. 30.7 percent in 2024. This is against the backdrop of high volatility in the financial markets, due to the uncertainty regarding the U.S. administration's policy and the implementation of the tariff plan. It should be noted that the drop in stock exchanges around the world, with an emphasis on the United States, were sharper to a significant degree. During the reporting period, the stock exchange of the local economy was also influenced by the local security and political risk factors. It should be noted that the degree of uncertainty remained high, and it may be reflected in continued volatility in the financial markets, albeit at a lessxxer degree of intensity, depending on developments in the global economy, and the War, and the risks arising from it, and in the realization of additional risks.

The average daily trade volume of shares and convertible securities in the first quarter of 2025 totaled approx. NIS 2.896 billion, an increase of approx. 31.7 percent over the average level in 2024.

The CPI-Linked Government Bond Index was down by approx. 0.6 percent in the first quarter of 2025, while the Unlinked Governmenet interest gainsnt Bond Index increased by approx. 0.9 percent. The CPI-linked non-government bond market (corporate bonds) rose in the first quarter of 2025 by approx. 0.5 percent.

Condensed Financial Information and Key Performance Indicators

Following are the key performance indicators (in %)

	For the three months ended March 31		For the year ended December 31
	2025	2024	2024
Return on net income attributable to the Bank's shareholders[1]	**15.4**[j]	20.2	16.9
Return on net income attributable to the Bank's shareholders to average assets[c][e]	**1.3**	1.5	1.3
Ratio of income[b] to average assets[d]	**2.84**	3.35	3.08
Efficiency ratio	**32.1**	29.0	29.9
Ratio of net interest income to average assets[d]	**2.12**	2.00	2.20
Ratio of fees and commissions to average assets[d]	**0.54**	0.50	0.51
Rate of tax provision from profit, before taxes[u]	**35.9**	35.4	35.0
Net interest income to average balance of interest-bearing assets (NIM)[c]	**2.35**	2.22	2.44
Total income to total average assets under management by the Group[b][c][d]	**0.89**	1.18	1.04
Total operating and other expenses to average total assets under management by the Group[d][c]	**0.29**	0.34	0.31

	As at March 31		As of December 31
	2025	2024	2024
Common equity tier 1 ratio[g]	**12.15**	11.98	12.17
Ratio of total capital to risk-weighted assets[a][h]	**14.83**	15.02	14.83
Leverage ratio[g][r]	**7.27**	6.70	6.94
Liquidity coverage ratio[i]	**124**	133	123
Net stable funding ratio (NSFR)	**114**	119	118
Equity attributable to the Bank's shareholders to total assets	**8.4**	7.6	7.8

Following are the key credit quality indicators (in %)

	For the three months ended March 31		For the year ended As at December 31
	2025	2024	2024
Percentage of expenses in respect of loan losses out of the average outstanding loans to the public[1]	**0.05**	0.21	0.16
Percentage of collective loan loss expense out of the average outstanding loans to the public[1]	**0.06**	0.36	0.23
Percentage of balance of the loan loss provision for loans to the public out of outstanding loans to the public	**1.45**	1.60	1.49
Percentage of non-performing loans to the public in arrears of 90 days or more out of outstanding loans to the public	**0.55**	0.68	0.53
Percentage of net charge-offs out of average loans to the public[1]	**0.11**	0.03	0.10

Please see comments on the next page.

Comments:

(a) Equity – including non-controlling interests and various 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) And for further information regarding the liquidity coverage ratio, please see chapter entitled "Risk Exposure and Management Thereof".
(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.C.
(j) Return on net income attributable to the Bank's shareholders, in the normalization of Tier 1 capital requirement to a rate of 10.6% (the Bank's internal Tier 1 equity target) is 17.6%.

Main income statement data

	For the three months ended March 31		For the year ended December 31
	2025	2024	2024
	In NIS million		
Net income attributable to the banking corporation's shareholders	**2,403**	2,785	9,798
Interest income, net	**4,017**	3,767	16,509
Loan loss expenses	**55**	222	713
Noninterest income	**1,368**	2,528	6,599
Of which: fees and commissions	**1,021**	935	3,823
Total operating and other expenses	**1,731**	1,825	6,904
Of which: Salaries and related expenses	**960**	1,071	3,796
Net earnings per share attributable to the banking corporation's shareholders (in NIS):			
Basic diluted net income	**1.60**	1.83	6.46

Main balance sheet data

	As at March 31		As of December 31
	2025	2024	2024
	In NIS million		
Total assets	**763,750**	753,673	785,551
Of which: Cash and deposits with banks	**123,917**	144,064	155,828
Securities	**130,302**	137,724	124,101
Loans to the public, net	**462,847**	428,582	455,519
Total liabilities	**699,957**	696,540	723,888
Of which: deposits by the public	**596,447**	595,805	618,301
Deposits by banks	**13,019**	24,139	18,043
Bonds, promissory notes and subordinated notes	**34,108**	30,902	31,969
The banking corporation's shareholders' equity	**63,788**	57,128	61,658
Additional data:			
Price per share (in NIS)	**49.8**	31.0	43.4
Dividend per share (In agorot)[(a)(b)(c)]	**47.02**[(d)]	54.91	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 2024.
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 assessments 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.

Trends, Phenomena, Developments and Material Changes

Main Changes in the Reporting Period

The "Iron Swords" War

Commencing October 7, 2023 the State of Israel has been in a war that has been forced upon it – the "Iron Swords" War.

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, although at lower intensity than that at the peak of the warfare, and therefore 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 implications of the War on the severity of all risk factors – future profitability of the Bank, capital and liquidity ratios are uncertain and may change in accordance with the developments, duration and ramifications of the War 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 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.

Reliefs 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, 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.

(1) Reliefs for the populations who were adversely affected by the War - voluntary extension of the Iron Swords outline 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.

(2) Interest on credit balances in checking accounts

Commencing May 1, 2025, eligible customers will be paid interest on credit balances in checking accounts at an annual rate of 2%. The interest will be paid up to a credit ceiling of NIS 10,000 in the checking account, payment of the credit balance will be 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.

The eligible customers: 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.

(3) Daily deposit via automatic deposit

The Bank had announced development of a first-of-its-kind product, which will be offered to all the private customers, as part of which customers will be able to define a minimal balance in the checking account, as any sum over it will be automatically deposited in a one-year deposit with daily liquidity. The product will be offered to the public after completion of the development, and its final and binding terms will be published upon launching thereof.

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

The interest on a debit balance in a checking account in respect of the second quarter of 2025 will be 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 will be 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.

(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.

(6) Exemption from credit card fees

During the period commencing April 1, 2025 through June 30, 2025 an exemption from credit card fees will be granted for one year for those obtaining a credit card digitally, except for special cards associated with flight clubs.

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

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

For information regarding the issue please see the Chapter "Major Changes in the Year Gone By in the financial statements as of December 31, 2024Benefits awarded to the public during the War

	For the three months ended March 31, 2025						for 2024	for 2023
	Housing	Individuals - Other	Micro- and small-businesses	Mid-market businesses	Corporations	Total	Total	Total
	In NIS million							
Benefits granted by the Bank as part of dealing with the War								
Changes in debt terms and conditions[a]	-	2	7	-	-	9	70	87
Zero interest or reduced interest rates loans	-	-	-	-	-	-	27	3
Waiver of fees and commissions	1	5	3	-	-	9	71	30
Other benefits[b]	-	9	-	-	-	9	66	16
Total benefits granted by the Bank	1	16	10	-	-	27	234	136
Outstanding benefits not yet used as of the reporting date[i]	11	16	4	-	-	31	156	317
Additional information on activities for the benefit of borrowers during the War								
Total credit that underwent a change in terms and conditions, during the reporting period[c]:								
Changes in terms for loan takers in financial difficulty[d][e][g]	9	87	98	23	-	217	533	1,106
Changes in terms for loan takers who were not in financial difficulty[h]	1,933	146	296	48	-	2,423	21,296	27,117
Total credit	1,942	233	394	71	-	2,640	21,829	28,223

	As of March 31, 2025						As at December 31, 2024	As at December 31, 2023
Total credit that underwent a change in terms and conditions:								
Changes in terms for loan takers in financial difficulty[d][e][g]	164	562	421	216	202	1,565	1,587	1,722
Changes in terms for loan takers who were not in financial difficulty[h]								
Credit with a deferral of payments and/or period extension, for which the deferral period has not yet ended[f]	2,626	209	414	57	209	3,515	4,791	25,479
Amount of payments deferred[f]	140	32	177	10	30	389	469	1,071
Average deferral of payments in months[f]	4	6	7	7	6	4	8	4
Credit with another change in terms and conditions	1,017	-	-	-	-	1,017	991	1,148
Total	3,807	771	835	273	411	6,097	7,369	28,349
Further information on changes in terms for loan takers who were not in financial difficulty[h]								
Balance of credit with a deferral of payments and/or period extension, for which the deferral period has not yet ended	2,626	209	414	57	209	3,515	4,791	25,479
Of which: Troubled credit	41	10	19	-	-	70	54	557
Of which: Non-troubled loans, in arrears of 30 days or more	-	2	5	-	-	7	45	98
Balance of credit for which the deferral of payments has ended	11,969	1,429	4,246	1,867	1,614	21,125	20,933	268
Of which: Debt that defaulted after undergoing a change in terms and conditions	399	89	197	39	2	726	558	-
Outstanding Balance of Zero-Interest or Reduced Interest Rates Loans Extended								
Outstanding loan balance	14	225	94	4	-	337	341	166
Average interest rate (%)	-	1.99	-	-	-	1.33	1.45	-
Average Prime interest rate in said period - 6.10%								
Loans granted as part of state-backed funds								
Outstanding loan balance	-	-	1,943	277	59	2,279	2,448	1,460
Average interest rate (%)	-	-	6.75	7.45	7.59	6.86	6.86	6.79
Of which:								
Outstanding balance of credit funded by the Bank of Israel	-	-	919	-	-	919	987	693
Average interest rate (%)	-	-	6.00	-	-	6.00	6.00	6.00
Outstanding balance of loans funded by the Bank of Israel (including through state-backed funds)								
Outstanding loan balance	-	-	1,349	25	5	1,379	1,586	2,247
Average interest rate (%)	-	-	6.02	5.98	6.00	6.02	6.02	6.00

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, please see Note 17.C.

Please see comments on the next page.

Comments:

A. Including a waiver of the principal, exemption from debit interest in a current account and a deferral of payments at 0 percent interest.
B. Donations and grants provided were presented under the "private individuals - other" segment.
C. 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.
D. In changes in terms and conditions until December 31, 2023 - credit that underwent a restructuring of a troubled debt.
E. For further information, please see Note 13.
F. Including a deferral of payments without interest in the deferral period. If an additional deferral of payments was 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.
H. As part of dealing with the War.
I. In the future, these benefits will constitute part of the monetary relief outline. For further information regarding the outline, see Reliefs and assistance to customers of the banking system in accordance with the Bank of Israel's outline below.

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.

[1]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 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 150 million.

Material Changes in Financial Statement Line Items

The "Iron Swords" War

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

Below are the results for the first quarter of 2025:

The net gain attributable to shareholders (hereinafter - the "Net Gain") in the first quarter of 2025 (hereinafter - the "First Quarter") amounted to approx. NIS 2,403 million compared to a gain of approx. NIS 2,785 million (approximately NIS 2,153 million deducting the capital gain from the sale of the main offices buildings in Tel Aviv) in the corresponding quarter last year..

The trend of the gradual recovery in the economic activities continued, commencing 2024. At the same time, renewed increase in risks related to the markets' sentiment towards Israel had been recorded, this contrary to the decrease in the risks that took place in the fourth quarter of 2024.

The assessment of the provision for credit losses reflects the continued security and economic uncertainty against the background the global developments, including the American government's customs tax plan; and the local, renewal of the hostilities in the Gaza Strip and increase of the political-social risks in the local economy, as well as conservativism in the macro economic indicators and the parameters that serve for assumptions in the future customers' failure rates forecast model.

The return on equity in the first quarter stood at approximately. 15.4%, compared to a rate of approx. 20.2% (approximately 15.6% deducting the capital gain from the sale of the Tel Aviv main office buildings) in the corresponding quarter last year.

The decrease in the return on equity in the first quarter compared to corresponding quarter last year stems mainly from a decrease in financing income that is not from interest and capital gains due to the sale of the main office buildings in Tel Aviv, which were recorded in the corresponding quarter last year, as well as a significant increase in the Bank's equity. This decrease had been partially offset against a decrease in the credit loss expenses and salary expenses.

The net interest income in the first quarter amounted to approx. NIS 4,017 million, compared to approx. NIS 3,767 million in the corresponding quarter last year, an increase of approx. 6.6%. 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.

The loan loss expenses **(income) - in the first quarter** reflect an expense of approx. 0.05% of the average outstanding loans to the public compared to an expense rate of approx. 0.21% in the corresponding quarter last year, the decrease in the expense rate stems mainly from a decrease in the collective expense rate. The individual income rate due to loan losses in the first quarter stood at approx. (0.01%) compared to an income rate of (0.15%) in the corresponding quarter last year. The collective loan loss expense rate in the first quarter stood at approx. 0.06% compared to a rate of 0.36% in the corresponding quarter last year. The decrease in the collective expenses stem mainly in light of the fact that a significant cushion for macro risks in previous reporting periods and the rate of the increase in it is lower than in the report period as well as shortening the average loan term. The rate of the balance of the provision for credit losses compared to the outstanding credit to the public as at March 31, 2025, stood at approximately 1.45%.

Noninterest financing income in the first quarter totaled to approx. NIS 293 million, compared to the income of approx. NIS 734 million in the corresponding quarter last year. The decrease stems mainly from derivatives and currency exchange rate differences.

The operating and other commissions in the first quarter amounted to approx. NIS 1,021 million compared to approx. NIS 935 million in the corresponding quarter last year. The growth is mainly due to fees from activity in securities and credit cards as well as an increase in commissions on financing businesses and conversion differences resulting from growth in the business activities.

The operating and other expenses in the first quarter amounted to approx. NIS 1,731 million compared to approx. NIS 1,825 million in the corresponding quarter 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 the gains of included companies, after taxes in the first quarter amounted to approx. NIS 96 million compared to NIS 40 million in the corresponding quarter last year.

The efficiency ratio in the first quarter stands at approximately 32.1% compared with 29.0% in the corresponding quarter last year. The growth in the efficiency rate is mainly due to a decrease in non-interest income, which was partially offset against the decrease in the wages and operational expenses.

The basic gain per share attributable to the shareholders in the first quarter amounted to a gain of approx. NIS 1.60 compared to a gain of approx. NIS 1.83 in the corresponding quarter last year.

The CET1 Capital Ratio as of March 31, 2025 was 12.15 percent compared to 11.98 percent ratio as of March 31, 2024.

The total capital ratio as of March 31, 2025 was 14.83 percent compared to 15.02 percent as of March 31, 2024.

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

On May 19, 2025, the Bank's Board of Directors approved a distribution of profits at a rate of 40% of the bank net income of which approx. 30% as a cash dividend in the amount of approx. NIS 721 million, and the balance by means of a share buyback in the amount of NIS 240 million.

For additional details see Chapter Equity and Capital Adequacy.

Material Developments in Income, Expenses and Other Comprehensive Income

Following the outbreak of the "Iron Swords" War, the Bank of Israel published an outline for assisting bank customers in coping with the effects of the War; for additional information on the subject, please see under "Legislation and Regulations Governing the Banking Sector" in the Corporate Governance Report.

Following are the changes in net income in the first quarter of 2025 compared to the corresponding quarter last year

	For the three months ended March 31		Change	
	2025	2024		
	In NIS million		In NIS million	In %
Interest income, net	**4,017**	3,767	250	6.6
Loan loss expenses	**55**	222	(167)	(75.2)
Noninterest income	**1,368**	2,528[(c)]	(1,160)	(45.9)
Operating and other expenses	**1,731**	1,825	(94)	(5.2)
Profit before taxes	**3,599**	4,248	(649)	(15.3)
Provision for taxes[(d)]	**1,292**	1,503	(211)	(14.0)
Profit after taxes	**2,307**	2,745	(438)	(16.0)
The Bank's share in the profits (losses) of associates	**96**	40	56	140.0
Net income attributable to non-controlling interests[(b)]	**-**	-	-	-
Net income attributable to the Bank's shareholders	**2,403**	2,785	(382)	(13.7)
Return on equity (in %)	**15.4**	20.2		
Basic earnings per share (in NIS)	**1.60**	1.83		

Net income development by quarter

	2025	2024			
	Q1	Q4	Q3	Q2	Q1
	In NIS million				
Interest income, net	**4,017**	3,819	4,545	4,378	3,767
Loan loss expenses (income)	**55**	197	312	(18)	222
Noninterest income	**1,368**	1,728	978	1,365	2,528[(c)]
Operating and other expenses	**1,731**	1,712	1,716	1,651	1,825
Profit before taxes	**3,599**	3,638	3,495	4,110	4,248
Provision for taxes[(d)]	**1,292**	1,294	1,285	1,340	1,503
Profit after taxes	**2,307**	2,344	2,210	2,770	2,745
The Bank's share in the profits (losses) of associates	**96**	107	83	(501)[(a)]	40
Net income attributable to non-controlling interests[(b)]	**-**	-	-	-	-
Net income attributable to the Bank's shareholders	**2,403**	2,451	2,293	2,269	2,785
Return on equity (in %)	**15.4**	16.2	15.5	15.9	20.2
Basic earnings per share (in NIS)	**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. For additional information see Note 35 D to the financial statements as of December 31, 2024.
D. For further information, please see Note 17.C.

Interest Income, Net

	For the three months ended March 31			
	2025		2024	
	Interest income (expenses)	% of income (expense)	Interest income (expenses)	% of income (expense)
	In NIS million	In %	In NIS million	In %
Interest income	**9,053**	**5.29**	8,827	5.20
Interest expenses	**(5,036)**	**(3.92)**	(5,060)	(4.02)
Interest income, net	**4,017**	**1.37**	3,767	1.18
Net yield on interest-bearing assets (NIM)		**2.35**		2.22
Additional information:				
Credit spread[a]	**2,118**		1,973	
Deposit spread[a]	**1,728**		1,879	
In other comprehensive income[b]	**171**		(85)	

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.

The net interest income in the first quarter of 2025 amounted to approx. NIS 4,017 million, compared to approx. NIS 3,767 million in the corresponding quarter last year, an increase of approx. 6.6%. The increase in the interest income stems primarily from growth in the Bank's credit portfolio. This effect was partly offset against 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 in the 1st quarter stood at the average rate of approximately 6.0% in the reporting period comparedd to the last year.

The net interest incomes during the first quarter had been positively affected by the linkage to the index of the contractual principal and interest in the sum of approximately NIS 135 million, similar to the corresponding period last year.

The income increased by-0.09% between the periods, mainly as a result of growth in the credit portfolio, which was partially offset against the erosion of credit spreads.

The expense rate had decreasedby (0.10%) mainly as a result of a decrease in the forex interest. This decrease was partially offset against the erosion of deposit spreads.

The increase in the net return on assets bearing interest (NIM) in the first quarter stems mainly from the growth in the credit portfolio and the influence of the forex interest decrease on the deposits. The aforementioned increase was partially offset against the erosion of the credit spreads.

The overall interest rate spread in the first quarter stands at approx. 1.37%, compared to a spread of approx. 1.18% in the corresponding quarter last year.

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

In the non-linked NIS segment, the interest rate spread stands at 1.78%, compared with 1.60% in the corresponding quarter last year. In the CPI segment, the interest rate spread stands at 1.12%, compared with 1.59% in the corresponding quarter last year. In the foreign exchange segment, the interest rate spread stands at 0.12% compared with (0.20%) in the corresponding quarter last year.

The following are data regarding net interest income, by quarter

	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	2,169		1,994		1,989		1,879	
Other	(470)		442		245		(85)	

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 three months ended March 31		Change	
	2025	2024		
	In NIS million		In NIS million	In %
Specific loan loss income	**(17)**	(156)	139	89.1
Collective loan loss expense	**72**	378	(306)	(81.0)
Total loan loss expenses	**55**	222	(167)	(75.2)
Of which:				
Loan loss (income) expenses in respect of commercial credit risk	**(8)**	75	(83)	
Loan loss (income) expenses for credit risk in respect of housing loans	**(14)**	3	(17)	
Loan loss expenses for other credit risk for private individuals	**64**	144	(80)	(55.6)
Loan loss expenses for credit risk for banks, governments and bonds	**13**	–	13	–
Total loan loss expenses	**55**	222	(167)	(75.2)
Ratios (in %):[a]				
Percentage of the specific loan loss income out of the average outstanding loans to the public	**(0.01)**	(0.15)	0.14	93.3
Percentage of collective loan loss expense out of the average outstanding loans to the public	**0.06**	0.36	(0.30)	(83.3)
Percentage of loan loss expenses out of average outstanding loans to the public	**0.05**	0.21	(0.16)	(76.2)
Percentage of net write-offs for loans to the public out of the average outstanding loans to the public	**0.11**	0.03	0.08	266.7
Percentage of net write-offs for loans to the public out of the outstanding loan loss provisions for loans to the public	**7.78**	1.73	6.05	349.7

A. Annualized.

Development of loan loss expenses (income) by quarter

	2025	2024			
	Q1	Q4	Q3	Q2	Q1
	In NIS million				
Specific loan loss income	**(17)**	(23)	(63)	(86)	(156)
Collective loan loss expense	**72**	220	375	68	378
Total Loan loss expenses (income)	**55**	197	312	(18)	222
Of which:					
Loan loss (income) expenses in respect of commercial credit risk	**(8)**	69	166	(60)	75
Loan loss (income) expenses for credit risk in respect of housing loans	**(14)**	46	14	(27)	3
Loan loss expenses for other credit risk for private individuals	**64**	71	113	69	144
Loan loss expenses for credit risk for banks, governments and bonds	**13**	11	19	–	–
Total Loan loss expenses (income)	**55**	197	312	(18)	222
Ratios (in %):[(a)]					
Percentage of the specific loan loss income out of the average outstanding loans to the public	**(0.01)**	(0.02)	(0.06)	(0.08)	(0.15)
Percentage of collective loan loss expense out of the average outstanding loans to the public	**0.06**	0.19	0.34	0.06	0.36
Percentage of loan loss expense (income) out of the average outstanding loans to the public	**0.05**	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	**0.11**	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	**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 in respect of loan losses in the first quarter amounted to NIS 55 million, compared to expenses in the amount of NIS 222 million in the corresponding quarter last year. The decrease in loan loss expenses stems mainly from a decrease in the collective expenses due to loan losses as specified below.

Loan loss expenses in the first quarter reflects an expense of approx. 1.05% of the average outstanding loans to the public compared to an expense rate of approx. 0.21% in the corresponding quarter last year. The decrease in the expense rate is mainly due to a decrease in the rate of the collective expense. The individual income rate due to loan losses in the first quarter stood at approx. (0.01%) compared to an income rate of (0.15%) in the corresponding quarter last year. The collective loan loss expense rate in the first quarter stood at approx. 0.06% compared to a rate of 0.36% in the corresponding quarter last year. The decrease in the collective expenses stem mainly in light of the fact that a significant cushion had been established for macro risks in previous reporting periods and the rate of the increase in it is lower in the report period as well as shortening the average loan term.

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 expressed by the rate of the balance of the provision for credit losses compared to the credit to the public as at March 31, 2025, stood at approximately 1.49%, compared to the rate of 1.49% 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 three months ended March 31		Change	
	2025	2024		
	In NIS million		In NIS million	In %
Noninterest Finance Income	**293**	734	(441)	(60.1)
Fees and commissions	**1,021**	935	86	9.2
Other income	**54**	859[(a)]	(805)	(93.7)
Total	**1,368**	2,528	(1,160)	(45.9)

A. Including capital gains from the sale of the main office buildings in Tel Aviv. For more information, please see Note 35.C to the financial statements as at December 31, 2024.

The weight of noninterest income out of total income (i.e., net interest income and noninterest income) in the first quarter stood at 25.4%, compared with 40.2% in the corresponding quarter last year and 28.6% throughout 2024. The difference between the two is mainly due to a decrease in derivatives and currency exchange differences, as well as capital gains from the sale of the main office buildings in Tel Aviv, which were recorded in the corresponding quarter last year.

Development of noninterest income by quarter

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

A. Including capital gains from the sale of the main office buildings in Tel Aviv. For more information, please see Note 35.C to the financial statements as at December 31, 2024.

Breakdown of noninterest finance income

	For the three months ended March 31		Change	
	2025	2024		
	In NIS million		In NIS million	In %
Net income (expenses) due to derivatives and net exchange rate differentials for non-trading activities	**(71)**	488	(559)	
Losses on sale of available-for-sale bonds, net	**(106)**	(83)	(23)	27.7
Realized and unrealized gains, net[(a)] and dividend from equity securities not held for trading	**267**	178	89	50.0
Gain on sale of investees' equity	**5**	-	5	-
Net revenues from derivative instruments for trading activities for trading	**148**	160	(12)	(7.5)
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	**50**	(9)	59	
Total	**293**	734	(441)	(60.1)

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.

Breakdown of noninterest finance income by quarter

	2025	2024			
	Q1	Q4	Q3	Q2	Q1
	In NIS million				
Net income (expenses) due to derivatives and net exchange rate differentials for non-trading activities	**(71)**	516	(172)	215	488
Losses on sale of available-for-sale bonds, net	**(106)**	(156)	(130)	(96)	(83)
Realized and unrealized gains, net[(a)] and dividend from equity securities not held for trading	**267**	177	91	212	178
Gain on sale of investees' equity	**5**	–	–	–	–
Net revenues from derivative instruments for trading activities for trading	**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	**50**	(57)	44	3	(9)
Total	**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.

Breakdown of fees and commissions

	For the three months ended March 31			
	2025	2024	Change	
	In NIS million		In NIS million	In %
Account management	**148**	145	3	2.1
Activity in securities and certain derivatives	**190**	164	26	15.9
Credit cards	**111**	97	14	14.4
Credit handling	**69**	72	(3)	(4.2)
Fees and commissions for financial product distribution	**65**	58	7	12.1
Exchange rate differentials	**129**	111	18	16.2
Financing fees and commissions	**218**	196	22	11.2
Other fees and commissions	**91**	92	(1)	(1.1)
Total fees and commissions	**1,021**	935	86	9.2

The increase in commissions at the rate of 9.2% compared to the corresponding period last year originates mainly from commissions on activities in securities, credit cards, conversion differences and financing businesses resulting from the increase in the business activities.

Breakdown of fees and commissions by quarter

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

Breakdown of other income

	For the three months ended March 31			
	2025	2024	Change	
	In NIS million		In NIS million	In %
Gains on central severance pay fund	**4**	2	2	100.0
Other income, including on sale of buildings and equipment, net	**50**	857[(a)]	(807)	(94.2)
Total	**54**	859	(805)	(93.7)

A. Stems mainly from capital gains on the sale of the headquarters buildings in Tel Aviv. 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			
	Q1	Q4	Q3	Q2	Q1
	In NIS million				
Gains on central severance pay fund	**4**	–	1	4	2
Other income, including on sale of buildings and equipment, net	**50**	48	39	5	857[(a)]
Total	**54**	48	40	9	859

A. Stems mainly from capital gains on the sale of the headquarters buildings in Tel Aviv. For more information, please see Note 35.C to the financial statements as at December 31, 2024.

Operating and other expenses

	For the three months ended March 31		Change	
	2025	2024		
	In NIS million		In NIS million	In %
Salaries and related expenses	**960**	1,071	(111)	(10.4)
Depreciation and amortization	**143**	156	(13)	(8.3)
Maintenance expenses for buildings and equipment	**231**	219	12	5.5
Other Expenses	**397**	379	18	4.7
Total operating and other expenses	**1,731**	1,825	(94)	(5.2)

In the first quarter, there had been a decrease of approx. NIS 94 million in operating and other expenses compared to the corresponding quarter last year. The decrease stems mainly from a decrease in salary expenses, resulting from a decrease in return-based bonuses.

The efficiency ratio in the first quarter stands at approximately 32.1% compared with 29.0% in the corresponding quarter last year. The growth in the efficiency rate is mainly due to a decrease in non-interest income, which was partially offset against the decrease in operational expenses.

The total operating and other expenses (in annual terms) constitute approx. 0.91% of the total balance sheet, compared with approx. 0.97% in the corresponding quarter last year.

Operating and other expenses by quarter

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

Salary expenses

	For the three months ended March 31		Change	
	2025	2024		
	In NIS million		In NIS million	In %
Salaries and related expenses	**871**	986	(115)	(11.7)
Pension, severance and retirement expenses	**89**	85	4	4.7
Total salary expenses	**960**	1,071	(111)	(10.4)

Salaries and related expenses constitute approx.55.5% of the total operating and other expenses in the first quarter, compared with approx. 58.7% in the corresponding quarter last year.
The decrease in salary expenses is mainly due to the decrease in return-based bonus expenses.

Salary expenses by quarter

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

Condensed comprehensive income statement

The comprehensive gain for the first quarter amounted to approx. NIS 2,962 million compared to approx. NIS 2,995 million in the corresponding quarter last year.

Positive adjustments had been recorded during the first quarter due to securities available for sale in the sum of NIS 240 million before tax. These adjustments were added to positive adjustments of liabilities for employee benefits in the sum of NIS 650 million before tax that originate primarily from the increase in the discount rate. 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 three months ended March 31, 2024 and 2025 and for the year ended December 31, 2024

	For the three months ended March 31		For the year ended As at December 31
	2025	2024	2024
	In NIS million		
Net income attributable to the Bank's shareholders	**2,403**	2,785	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	**240**	(302)	298
Adjustments of liabilities for employee benefits	**650**	611	606
Other adjustments[a]	**(33)**	(10)	29
Related tax effect	**(298)**	(89)	(322)
Other comprehensive income before attribution to non-controlling interests, after taxes	**559**	210	611
Less comprehensive other profit attributable to non-controlling rights owners[b]	**-**	-	-
Other comprehensive income attributable to the Bank's shareholders, after taxes	**559**	210	611
Comprehensive income attributable to the Bank's shareholders	**2,962**	2,995	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

The Leumi balance as of March 31, 2025 amounted to NIS 763.8 billion, compared to NIS 785.6 billion as at the end of 2024 – a 2.8% decrease, and compared to March 2024 a 1.3% increase.

The value of assets denominated in foreign currency, and linked to a foreign currency out of the Group's total assets as at March 31, 2025 stands at approximately NIS 144.9 billion, approx. 19.0% of the total assets. In the first quarter of 2025, the shekel depreciated against the US dollar by 1.9%, depreciated by 5.9% against the euro, and depreciated by 5.2% against the pound sterling. The change in the shekel's exchange rates against all foreign currencies in the first quarter contributed to an increase of approx. 0.5% in the Group's total consolidated assets.

The total assets under the Group's management — total assets and securities portfolios of customers, provident funds and study funds for which operational management and deposit management services are provided – amounted to approx. NIS 2,402 billion as at March 31, 2025, compared with a total of approx. NIS 2,400 billion as at the end of 2024.

Following are the developments in the main balance sheet line items

	March 31	December 31	Change	
	2025	2024	From December 2024	From March 2024
	In NIS million		In %	
Total assets	**763,750**	785,551	(2.8)	1.3
Cash and deposits with banks	**123,917**	155,828	(20.5)	(14.0)
Securities	**130,302**	124,101	5.0	(5.4)
Loans to the public, net	**462,847**	455,519	1.6	8.0
Buildings and equipment	**2,863**	2,822	1.5	6.7
Deposits by the public	**596,447**	618,301	(3.5)	0.1
Deposits by banks	**13,019**	18,043	(27.8)	(46.1)
Bonds, promissory notes and deferred liability letters[a]	**34,108**	31,969	6.7	10.4
Shareholders' equity	**63,788**	61,658	3.5	11.7

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

Following are the developments in the main off-balance-sheet items

	March 31	December 31	Change	
	2025	2024	From December 2024	From March 2024
	In NIS million		In %	
Documentary credit, net	**879**	1,176	(25.3)	(0.2)
Guarantees and other commitments, net	**84,733**	81,202	4.3	20.0
Unutilized credit card credit facilities, net	**14,701**	14,424	1.9	7.5
Unutilized current loan account facilities and other credit facilities in demand accounts, net	**17,737**	17,349	2.2	2.9
Irrevocable loan commitments approved but not yet granted and commitments to issue guarantees, net	**113,114**	106,419	6.3	14.8
Derivative instruments[a][b]	**1,647,728**	1,655,783	(0.5)	32.1
Options – all types[b]	**371,010**	301,001	23.3	52.1

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 outstanding loans to the public, net, in the Leumi Group as of March 31, 2025 totaled to approx. NIS 462.8 billion compared to approx. NIS 455.5 billion as of December 31, 2024, an increase of approx. 1.6%, and compared to March 2024 – an increase of approx. 8.0%.

The provision for loan loses in the Leumi Group as of March 31, 2025 amounted to approx. NIS 6.8 billion, similar to the sum of approx. NIS 6.9 billion as of December 31, 2024.

In addition to loans to the public, the Group invests in corporate securities, which as of March 31, 2025, these amounted to approx. NIS 27,623 million, compared to a total of approx. NIS 26,429 million as of the end of 2024, which also embody credit risks.

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

	March 31	December 31		
	2025	2024	Change	
	In NIS million		In NIS million	In %
Private individuals – housing loans	**145,343**	143,993	1,350	0.9
Private individuals – other	**29,788**	29,590	198	0.7
Construction and real estate	**132,720**	127,498	5,222	4.1
Commerce	**33,439**	33,382	57	0.2
Industry	**22,109**	21,613	496	2.3
Other	**99,448**	99,443	5	0.0
Total	**462,847**	455,519	7,328	1.6

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

	March 31			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	**1,696**	**77**	**1,773**	1,588	90	1,678
Performing credit risk, net	**3,182**	**416**	**3,598**	3,361	416	3,777
Total	**4,878**	**493**	**5,371**	4,949	506	5,455

	March 31	December 31
	2025	2024
	In NIS million	
Troubled credit risk – Commercial	**5,563**	5,711
Troubled credit risk – retail	**1,604**	1,631
Total	**7,167**	7,342
Balance of loan loss provision	**1,796**	1,887
Troubled loans after loan loss provision	**5,371**	5,455

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

Securities

As of March 31, 2025, the Leumi Group's investments in securities amounted to approx. NIS 130.3 billion, compared to NIS 124.1 billion as of the end of 2024, an increase of approx.5%.

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

	March 31, 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	10,868	49,898		12,471	73,237	10,835	47,725		6,825	65,385
Of foreign governments(d)	–	14,272		73	14,345	–	17,555		307	17,862
Of Israeli financial institutions	–	177		39	216	–	176		61	237
Of foreign financial institutions	1,288	8,802		152	10,242	1,460	8,487		132	10,079
Asset-backed (ABS) or Mortgage-backed (MBS)	6,210	12,200		271	18,681	6,235	11,502		12	17,749
Of other Israeli entities	–	1,030		170	1,200	–	1,022		137	1,159
Of other foreign entities	346	4,239		182	4,767	337	4,033		71	4,441
Equity securities and mutual funds			7,503	111	7,614			7,178	11	7,189
Total securities	18,712	90,618	7,503	13,469	130,302	18,867	90,500	7,178	7,556	124,101

A. Including unrealized losses, net from fair value adjustments in the amount of NIS (2,373) million recorded in other comprehensive income (December 31, 2024 - net losses of NIS (2,695) million).
B. Including unrealized gains, net of fair value adjustments in the amount of NIS 224 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 9 million recorded in profit and loss (December 31, 2024 - net gains of NIS 24 million).
D. Of which: the US government - NIS 10.2 billion (December 31, 2024 — NIS 15.1 billion).
E. The outstanding balance of held-to-maturity bonds are presented net of the provision for loan losses in the sum of NIS 2 million (as of December 31, 2024 - 2 NIS million). As of March 31, 2025 and as of December 31, 2024, there is no remaining allowance for credit losses in respect of available-for-sale debt securities.
F. Of which bonds in the amount of approx. NIS 2,474 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 of March 31, 2025, approx. 69.5% of the Group's own portfolio (Nostro) had been classified as available-for-sale, approx. 10.3% as held-for-trading, approx. 5.8% as not held-for-trading securities and mutual funds, and approx. 14.4% 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 first quarter there had been an increase in other comprehensive gain due to available-for trading bonds in the sum of approximately NIS 240 million (before the tax effect) compared to a decrease in the of NIS (302) million (before the tax effect) in the corresponding quarter last year.
2. In the first quarter, net losses were charged to profit and loss due to the sale of available-for-sale bonds in the sum of approximately NIS 106 million, (before the tax effect), compared with net losses of NIS 83 million (before the tax effect) in the corresponding quarter last year.

The net accumulated balance of fair value adjustments of available-for-sale bonds portfolio as at March 31, 2025 totaled to a negative sum of approximately NIS (1,187) million (after the tax effect) compared with a negative sum of approximately NIS (1,334) million as at the end of 2024 (after the tax effect). 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 of March 31, 2025, the available-for trading portfolio includes approximately NIS 13.4 billion in bonds, compared to NIS 7.5 billion in bonds as of December 31, 2024. As at March 31, 2025, the held-for-trading portfolio constitutes approx. 10.3% of the Group's total nostro portfolio, compared with 6.1% as at December 31, 2024.

In respect of of held-for-trading bonds, in the first quarter realized and unrealized gains in the amount of NIS 51 million were recorded in the profit and loss statement compared with net losses of NIS 11 million in the corresponding quarter last year.

Investments in equity securities and mutual funds

As at March 31, 2025, the total investments in shares and mutual funds totaled to approx. NIS 7,614 million, of which a total held-for-trading shares and mutual funds in the sum of approximately NIS 3,413 million and not held-for-trading in the sum of approximately NIS 4,201 million.

In respect of the shares and mutual funds, in the first quarter net realized and unrealized gains (including dividend) in the sum of approximately NIS 266 compared with net gains of NIS 180 million in the corresponding quarter 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 investment-grade portfolio, amounts to approx. NIS 18.7 billion (approx. USD 5.0 billion) as of March 31, 2025, compared to NIS 17.7 billion as at the end of 2024. Out of the above portfolio, as at March 31, 2025, approx. NIS 12.2 billion (approx. USD 3.3 billion) was classified in the available-for-trading portfolio and the remainder - in the held-for-trading and held-to-maturity portfolios.

As of March 31, 2025 the available-for-sale portfolio of investment in asset backed bonds abroad includes an investment in mortgage-backed bonds in the sum of approximately NIS 8.1 billion. 94.4% of the total mortgage-backed bonds in the available portfolio had been issued by US federal agencies (FNMA, FHLMC, GNMA) and as of reporting date, are rated AAA.

As of March 31 2025, the total net cumulative impairment charged to equity stemming from the mortgage-backed bonds portfolio amounted to approximately NIS 493 million.

The total mortgage-backed bonds that are not State guaranteed (the United States) and are not backed by American federal agencies, amounts to approximately NIS 463 million.

The expected period for maturity of the entire mortgage-backed bond portfolio is approximately 4.37 years on average (average duration). In addition to the mortgage-backed bonds, including the the Group's available-for-sale portfolio includes also other asset-backed bonds that are not mortgages in the sum of approximately NIS 4.1 billion, of which bonds classified as CLO in the sum of approximately NIS 2.7 billion. The expected maturity period of asset-backed that are not mortgages portfolio is approximately 4.71 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 of March 31 2025, the Group's securities portfolio includes approximately NIS 51.1 billion (USD 13.7 billion) in non-asset-backed securities that were issued abroad. NIS 38.3 billion (approximately USD 10.3 billion) are classified as available-for-sale and the remainder - as held-for-trading and held-to-maturity. 97.77% 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 of March 31, 2025, the aggregate impairment of the capital fund in respect of securities that are not asset-backed issued abroad, and were included in the the available-for sale portfolio amounted to NIS 929 million (NIS 564 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. 93.99% of the securities in the held-for-trading portfolio are investment-grade.

As of March 31, 2025, the value of the non-asset-backed held-for-trading portfolio stood at NIS 1,350 million (approximately USD 363.1 million).

Investments in bonds issued in Israel

As at March 31, 2025, investments in bonds issued in Israel amounted to NIS 58.0 billion, of which NIS 56.6 billion in shekel-denominated bonds issued by the Israeli Government, and the remainder - in corporate bonds. Approximately 85.2% of the investments in corporate bonds, which constitutes approximately 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 3 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 at March 31	As of December 31	
	2025	2024	Change
	In NIS million		In %
Demand deposits			
Non-interest bearing deposits	**134,600**	142,366	(5.5)
Interest-bearing deposits	**114,487**	142,950	(19.9)
Total demand deposits	**249,087**	285,316	(12.7)
Fixed deposits	**347,360**	332,985	4.3
Total deposits by the public	**596,447**	618,301	(3.5)

The decrease in the deposits balance during the first quarter stemmed mainly from a decrease in deposits by capital market customers.

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

	March 31	December 31		
	2025	2024	Change	
	In NIS million		In NIS million	In %
Securities portfolios[a]	**1,183,224**	1,160,059	23,165	2.0
Assets for which operating services are provided:[a][b][c]				
Provident and pension funds	**247,205**	246,299	906	0.4
Advanced study funds	**208,085**	207,799	286	0.1

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 billion p.v. in Series 185 Bonds, issued by expanding the series in consideration of approx. NIS 1,387 billion, and a total of approx. NIS 1.5 billion p.v. in commercial securities (CS Series 7) issued as 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 percent over the Bank of Israel's interest rate.

Series 185 Bonds and Commercial Securities (Series 7) are not recognized for regulatory capital purposes.

For more information, please see the immediate report dated January 23, 2025.

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

These subordinated bonds Series 406 are eligible for inclusion in Tier 2 capital as of the issue date.

For more information, please see the Note 9.A and the immediate report dated January 23, 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 NIS 1.71 billion in Deferred Bonds was redeemed (including linkage differentials).

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

Issuances After the Date of the Report

On April 8, 2025, the Bank issued a total of approx. NIS 1.75 billion nominal value, commercial securities in Series 8 Bonds, issued as 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.

Commercial Securities (Series 8) are not recognized for regulatory capital purposes.

For more information, please see the immediate reports dated April 8, 2025.

Equity and Capital Adequacy

The equity attributable to the Bank's shareholders amounted to NIS 63,788 million as of March 31, 2025 compared with 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.

The shareholders' equity to total assets ratio as of March 31, 2025 is 8.4 percent.

Capital Adequacy Structure[(a)]

	March 31		December 31
	2025	2024	2024
	In NIS million		
Capital base for capital ratio purposes			
CET1 capital, after regulatory capital deductions and adjustments[(c)]	**62,916**	56,427	61,255
Tier 2 capital, after deductions	**13,887**	14,298	13,372
Total capital - total	**76,803**	70,725	74,627
Balance of risk-weighted assets			
Credit risk[(c)(d)]	**473,288**	433,625	460,765
Market Risks	**8,452**	5,960	7,332
Operational risk	**36,219**	31,288	35,182
Total balance of risk-weighted assets	**517,959**	470,873	503,279
Ratio of capital to risk-weighted assets			
Ratio of CET1 capital to risk-weighted assets	**12.15%**	11.98%	12.17%
Ratio of total capital to risk-weighted assets	**14.83%**	15.02%	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 of March 31, 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 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 1 capital includes the banking corporation's equity attributable to the shareholders, with the addition of some of the minority interests (non-controlling interests of consolidated subsidiaries) less goodwill, other intangible assets and 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 issued regulatory capital instruments, please see the Bank's website at: https://english.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 of March 31, 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 29, 2023, the Bank's Board of Directors approved an set in the Bank's internal Tier 1 capital target at 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 May 19, 2025, the Board of Directors approved a dividend at a total rate of up to 40% of the net gain for the first quarter of 2025. Of which, approximately 30 percent as a cash dividend totaling to approximately NIS 721 million, and the remaining balance through share buyback in the sum of NIS 240 million, as detailed hereinafter. The dividend approved amounted is approx. 48.15 agorot p.v. per share of NIS 1 p.v. 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 set May 28, 2025 as the record date for dividend payment purposes and June 10, 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
May 23, 2023	June 15, 2023	19.10	294
August 15, 2023	September 7, 2023	48.05	736
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	[1]47.02	706

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.

The share buyback plan is 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").

As part of of Stages A, B, and C, 20,447,679 Bank shares were purchased, totaling NIS 726 million under the said plan.

The implementation of Stage D began on March 5, 2025 and ended on March 14, 2025, during which time 5,373,922 of the Bank's shares were purchased, totaling NIS 274 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:

[1] Further to the immediate supplementary report dated March 10, 2025.

Stage A will begin on May 21, 2025 and will end on the earlier of (a) July 31, 2025; or (b) Buyback of the Bank's shares in an amount that will not exceed 25% of the total current distribution amount that the Board of Directors will approve for the first quarter of 2025. After the completion of Stage A, Stage B will begin on the second trading day following the publication date of the first financial statements after the decision to go forward with Stage B has been made. In this case, Stage B will end on the earlier of (a) November 10, 2025; or (b) Buyback of the Bank's shares in an amount 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 B, if the Bank decides to proceed to Stage C, Stage C will begin on the second trading day following the publication date of the first financial statements after the decision to go forward with Stage C has been made. In such a case, 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 A, Stage B or Stage C, a decision will be made not to proceed with Stage B, Stage C or Stage D, mutatis mutandis, 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 118,594,868 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. The Bank is reviewing its position on the draft and its possible implications.

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.

The Bank is examining the implications of implementing the new directive.

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 will be 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 spearead 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 of March 31, 2025 Leumi's risk assets amount to approximately NIS 518 billion, an increase of NIS 1 billion in risk assets will reduce the CET1 capital ratio, and the total capital ratio by approximately 0.03%.
- A change of CET1 capital - As of March 31, 2025, the CET1 capital amounts to approximately NIS 62.9 billion. An NIS 100 million decrease in the CET1 capital will decrease the CET1 capital ratio and the total capital ratio by approximately 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.

	March 31		December 31
	2025	2024	2024
	In NIS million		
Consolidated data			
Tier 1 capital[c]	**62,916**	56,427	61,255
Total exposures[b]	**865,768**	842,693	882,958
Leverage Ratio			
Leverage Ratio	**7.27%**	6.70%	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. According to Proper Conduct of Banking Business Directive No. 218, "Leverage Ratio", the relief in the requirement for a minimum leverage ratio of 5.5 percent (instead of 6 percent) is in effect until December 31, 2025. 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, 2026.

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.

Condensed financial performance according to management approach

	For the three months ended March 31, 2025											
	The Bank									Subsidiaries in Israel	Foreign subsidiaries	Total
	Private individuals	Small businesses	Banking - total	Mortgages	Commercial	Corporate[(a)]	Real estate[(a)]	Capital markets Equity	Other and adjustments			Total
	In NIS million											
Interest income, net:												
From external	(745)	218	(527)	1,732	451	606	965	532	14	52	192	4,017
Inter-segmental	2,036	293	2,329	(1,406)	177	(299)	(621)	(90)	3	16	(109)	-
Interest income, net	1,291	511	1,802	326	628	307	344	442	17	68	83	4,017
Noninterest income (expenses)	424	128	552	2	153	88	110	433	(140)	145	25	1,368
Total income	1,715	639	2,354	328	781	395	454	875	(123)	213	108	5,385
Loan loss expenses (income)	71	(2)	69	(25)	9	6	(42)	23	4	1	10	55
Total operating and other expenses	738	229	967	114	187	78	40	121	139	45	40	1,731
Profit (loss) before tax	906	412	1,318	239	585	311	456	731	(266)	167	58	3,599
Provision (benefit) for taxes	346	157	503	91	222	118	173	336	(217)	43	23	1,292
Net income (loss) attributable to the Bank's shareholders	560	255	815	148	363	193	283	484	(49)	131	35	2,403
Balances as at March 31, 2025												
Loans to the public, net	30,438	27,529	57,967	148,265	65,559	75,039	68,106	28,972	7,015	1,319	10,605	462,847
Deposits by the public	225,940	58,969	284,909	-	83,363	41,456	10,728	175,986	5	-	-	596,447

A. During the first quarter of 2025, an organizational change in the Corporate Division was completed, establishing a infrastructure and complex financing system that will be presented to 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 (continuation)

	For the three months ended March 31, 2024											
	The Bank									Subsidiaries in Israel	Foreign subsidiaries	Total
	Private individuals	Small businesses	Banking - total	Mortgages	Commercial	Corporate	Real estate	Capital markets	Other and adjustments			
	In NIS million											
Interest income, net:												
From external	(759)	218	(541)	1,545	344	409	999	782	11	44	174	3,767
Inter-segmental	2,120	307	2,427	(1,192)	354	(135)	(635)	(739)	(1)	10	(89)	–
Interest income, net	1,361	525	1,886	353	698	274	364	43	10	54	85	3,767
Noninterest income	367	116	483	2	147	92	102	703	852[a]	138	9	2,528
Total income	1,728	641	2,369	355	845	366	466	746	862	192	94	6,295
Loan loss expenses (income)	146	(8)	138	1	129	87	(118)	(11)	(1)	9	(12)	222
Total operating and other expenses	777	247	1,024	117	199	80	45	112	174	45	29	1,825
Profit before taxes	805	402	1,207	237	517	199	539	645	689	138	77	4,248
Provision for tax	306	153	459	90	197	76	205	245	207	6	18	1,503
Net income attributable to the Bank's shareholders	499	249	748	147	320	123	334	421	482	151	59	2,785

Balances as at March 31, 2024												
Loans to the public, net	29,416	26,474	55,890	134,272	63,278	62,609	67,576	29,189	6,475	1,168	8,125	428,582
Deposits by the public	221,187	56,381	277,568	–	87,618	42,815	11,544	176,253	7	–	–	595,805

A. Including capital gains dueto the sale of the main office buildings in Tel Aviv in the sum of approximately NIS 830 million.

Condensed financial performance according to management approach (continuation)

	For the year ended December 31, 2024											
	The Bank									Subsidiaries in Israel	Foreign subsidiaries	Total
	Private individuals	Small businesses	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	455,519
Deposits by the public	225,833	61,164	286,997	-	86,666	41,773	13,640	189,221	4	-	-	618,301

A. Including impairment loss due to theinvestment inValleyshares in the amount of approximately 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 approximately NIS 830 million.

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 March 31, 2025										
	Activity in Israel									Foreign operations	Total
	Households										
	Housing loans	Other	Private banking	Small- and micro-businesses	Mid-market	Corpora-tions	Instituti-onal entities	Financial manag-ement	Other		
	In NIS million										
Interest income (expenses), net	389	1,021	91	926	457	1,007	170	(139)	12	83	4,017
Noninterest income	10	271	46	250	98	251	57	339	21	25	1,368
Total income	399	1,292	137	1,176	555	1,258	227	200	33	108	5,385
Loan loss expenses (income)	(14)	64	–	21	(28)	(28)	(1)	31	–	10	55
Total operating and other expenses	114	591	31	418	121	139	60	99	118	40	1,731
Profit (loss) before tax	299	637	106	737	462	1,147	168	70	(85)	58	3,599
Provision (benefit) for taxes	106	225	38	271	166	406	60	46	(49)	23	1,292
Net income (loss) attributable to the Bank's shareholders	193	412	68	466	296	741	108	120	(36)	35	2,403

Balance as at March 31, 2025											
Loans to the public, gross	145,730	30,854	532[a]	75,388	42,142	162,266	2,072	–	–	10,652	469,636
Deposits by the public	–	140,016	36,106	101,559	60,210	103,810	154,746	–	–	–	596,447

A. Including outstanding housing loans as at March 31 2025 in the amount of NIS 226 million.

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

	For the three months ended March 31, 2024										
	Activity in Israel									Foreign operations	Total
	Households										
	Housing loans	Other	Private banking	Small- and micro-businesses	Mid-market	Corpora-tions	Instituti-onal entities	Financial manag-ement	Other		
	In NIS million										
Interest income (expenses), net	411	1,060	99	962	498	832	175	(368)	13	85	3,767
Noninterest income	11	235	41	224	83	247	55	789	834[b]	9	2,528
Total income	422	1,295	140	1,186	581	1,079	230	421	847	94	6,295
Loan loss expenses (income)	3	144	–	(18)	65	34	2	4	–	(12)	222
Total operating and other expenses	117	641	31	438	135	146	67	70	151	29	1,825
Profit before taxes	302	510	109	766	381	899	161	347	696	77	4,248
Provision for tax	112	198	41	297	147	356	62	108	164	18	1,503
Net income attributable to the Bank's shareholders	190	312	68	469	234	543	99	279	532	59	2,785

Balance as at March 31, 2024											
Loans to the public, gross	132,431	29,777	415[a]	69,277	41,003	148,543	5,886	–	–	8,205	435,537
Deposits by the public	–	139,083	33,177	103,296	60,165	101,542	158,542	–	–	–	595,805

A. Including outstanding housing loans as at March 31 2024 in the amount of NIS 189 million.
B. Including capital gains due to the sale of the main office buildings in Tel Aviv in the sum of approximately NIS 830 million.

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	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 approximately 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 approximately NIS 830 million.

Main changes in the operating results of the regulatory segments

Households segment

The net income attributable to shareholders in respect of the households segment in the first quarter amounted to approx. NIS 605 million, compared to NIS 502 million in the corresponding quarter last year. The increase in gain stems mainly from a decrease in loan loss expenses and a decrease in operating and other expenses.

The net interest income in the first quarter amounted to approx. NIS 1,410 million, compared to approx. NIS 1,471 million in the corresponding quarter 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.

Noninterest income in the first quarter amounted to approx. NIS 281 million, compared to approx. NIS 246 million in the corresponding quarter last year. Most of the increase stems from credit card activities.

In the first quarter, loan loss expenses in the sum of approx. NIS 50 million had been recorded, compared to an expense of approx. NIS 147 million in the corresponding quarter last year. The main decrease stems from the reduction in the ratio of problem loans and a decrease in the write-off rate for the sector.

The operating and other expenses in the first quarter amounted to approx. NIS 705 million, compared to NIS 758 million in the corresponding quarter last year, the decrease is mainly due to an increase in yield-based bonuses.

The outstanding loans to the public as of March 31, 2025 amounted to the sum of NIS 176.6 billion compared to NIS 175.1 billion as at the end of 2024. Most of the increase stems from growth in the housing loan portfolio.

The balance of public deposits as of March 31, 2025 amounted to NIS 140.0 billion compared to NIS 139.8 billion at the end of 2024.

Private banking segment

Net income attributable to shareholders in respect of the retail banking segment in the first quarter totaled approx. NIS 68 million, similar to the corresponding quarter last year.

Net interest income in the first quarter amounted to approx. NIS 91 million, compared to approx. NIS 99 million in the corresponding quarter last year. The decrease stems mainly from the erosion of deposit spreads.

Noninterest income in the first quarter amounted to approx. NIS 46 million, compared to approx. NIS 41 million in the corresponding quarter last year. The increase stems mainly from an increase in securities activities and financial product distribution commissions, *inter alia* as a result of an increase in the balance of assets under management.

Micro- and small-business segment

The net gain attributable to shareholders in the micro- and small businesses segment in the first quarter amounted to approx. NIS 466 million, similar to NIS 469 million in the corresponding quarter last year.

Net interest income in the first quarter amounted to approx. NIS 926 million, compared to approx. NIS 962 million in the corresponding quarter last year. The decrease stems mainly from the erosion of credit spreads and deposits.

Noninterest income in the first quarter amounted to approx. NIS 250 million, compared to approx. NIS 224 million in the corresponding quarter last year. The increase stemmed mainly from fees from securities activity and forex exchange spreads.

In the first quarter, loan loss expenses in the sum of approx. NIS 21 million had been recorded, compared to income of approx. NIS (18) million in the corresponding quarter last year. The increase stems both from an increase in the specific expense and an increase in the collective expense.

The operating and other expenses in the first quarter amounted to approx. NIS 418 million, compared to NIS 438 million in the corresponding quarter last year, the decrease is mainly due to an increase in yield-based bonuses.

The outstanding loans to the public as of March 31, 2025 amounted to NIS 75.4 billion compared to NIS 75.0 billion as at the end of 2024.

The balance of public deposits deposits as of March 31, 2025 amounted to NIS 101.6 billion compared to NIS 101.2 billion at the end of 2024.

Mid-market segment

The net gain attributable to shareholders in the mid-businesses segment in the first quarteramounted to approx. NIS 296 million, compared to a gain of approx. NIS 234 million in the corresponding quarter last year. The increase in profit is primarily attributable to a decrease in credit loss expenses, which was partially offset by a decline in net interest income.

The net interest income in the first quarter amounted to approx. NIS 457 million, compared to approx. NIS 498 million in the corresponding quarter last year. The decrease stems mainly from the erosion of the deposits spread.

The noninterest income in the first quarter amounted to approx. NIS 98 million, compared to approx. NIS 83 million in the corresponding quarter last year. The increase stemmed mainly from fees for forex exchange spreads.

In the first quarter, loan loss income in the amount of approx. NIS (28) million had been recorded, compared to expenses of approx. NIS 65 million in the corresponding quarter last year. The decrease stems mainly from a drop in the rate of troubled debts during the current quarter, compared to an increase in the rate of problematic debts in the parallel quarter last year.

The operating and other expenses in the first quarter amounted to approx. NIS 121 million, compared to NIS 135 million in the corresponding quarter last year, the decrease is mainly due to an increase in yield-based bonuses.

The outstanding loans to the public as of March 31, 2025 amounted to the sum of NIS 42.1 billion similar to NIS 39.6 billion as at the end of 2024.

The balance of public deposits as of March 31, 2025 amounted to NIS 60.2 billion compared to NIS 59.6 billion at the end of 2024.

Corporate segment

The net fain attributable to shareholders in the large-businesses segment in the first quarter amounted to approx. NIS 741 million, compared to compared to NIS 543 million in the corresponding quarter last year. The increase stemmed mainly from a increase in net interest income and a decrease in loan loss expenses.

The net interest income in the first quarter amounted to approx. NIS 1,007 million, compared to approx. NIS 832 million in the corresponding quarter last year. The increase stems mainly from growth in deposits and credit activity.

The noninterest income in the first quarter amounted to approx. NIS 251 million, similar to NIS 247 million in the corresponding quarter last year.

In the first quarter, loan loss expenses in the amount of approx. NIS (28) million had been recorded, compared to expenses in the sum of approx. NIS 34 million in the corresponding quarter last year. The decrease is primarily due to the collective expense for loan losses, *inter alia* in respect of a shortening of the average duration of credit in the sector.

Operating and other expenses in the first quarter totaled approx. NIS 139 million, similar to an expense of approx. NIS 146 million in the corresponding quarter last year.

The outstanding loans to the public as of March 31, 2025 amounted to NIS 162.3 billion compared to NIS 159.4 billion as at the end of 2024.

The balance of public deposits as of March 31, 2025 amounted to NIS 103.8 billion compared to NIS 109.9 billion at the end of 2024.

Financial management segment

The net gain of the financial management segment attributable to the Bank's shareholders in the first quarter amounted to approx. NIS 120 million compared to a gain of approx. NIS 279 million in the corresponding quarter last year.

The total income in the first quarter amounted to approx. NIS 200 million compared to approx. NIS 421 million in the corresponding quarter last year. The decrease stems mainly from a decrease in derivatives' income and a decrease in income from bonds.

The operating and other expenses for the first quarter amounted toapprox. NIS 99 million compared to approx. NIS 70 million in the corresponding quarter last year, the increase is mainly due to an increase in operating expenses for capital market activity.

Other segment

Losses attributable to shareholders in the first quarter totaled approx. NIS (36) million, compared to NIS 532 million in the corresponding quarter last year. The gains in the parallel profit stemmed mainly from capital gains income in the amount of NIS 830 million (before tax) from the sale of the main offices buildings in Tel Aviv.

The operating and other expenses in the first quarter amounted toapprox. NIS 118 million compared to approx. NIS 151 million in the corresponding quarter. The decrease is mainly due to a decrease in expenses in respect of pension liabilities compared to the corresponding period.

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 of March 31, 2025, the Bank's total investments in investees (including in capital notes) stood at approx. NIS 16.1 billion, compared with NIS 15.6 billion as at December 31, 2024. The contribution of the investees to the Group's net gain in the first quarter of 2025 amounted to a gain of approx. NIS 300 million, compared to a gain of approx. NIS 236 million in the corresponding quarter last year.

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 companies amounted to NIS 9,238 million as of March 31, 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 quarter of 2025 stood at NIS 131 million, compared with NIS 151 million in the corresponding quarter last year.

Leumi Partners Ltd.

Leumi Partners is the Leumi Group's real investments arm.

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 4,653 million as of March 31, 2025, compared to NIS 4,365 million as of December 31, 2024.

In the first quarter of 2025, the contribution of the consolidated companies abroad to the Group's net gain in shekels stood at NIS 80 million, compared with a gain of NIS 64 million in the corresponding quarter last year. The increase stems mainly from the effect of exchange rate differentials that were partially offset from 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.

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

Macroeconomic effects and the "Iron Swords" War

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

The year 2024 concluded with significantly lower economic growth than initially estimated before the war Among the main areas of activity that were significantly impaired due to the war, activity of which had not yet returned to their level prior to the war, the foreign tourism and agriculture sectors should be noted. The forecast of growth in Israel for 2025 onwards depends on a variety of factors, including: global economic developments - including developments related to the Trump administration's customs plan, the financial policy in Israel given a restraining budget and continued high interest rates over most of the year, the security situation in Israel, etc..

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

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 fom time to time in accordance with the pace of economic recovery.

In the credit risk aspect, there is still uncertainty, although at a lower intensity, in respect of the war's effects, and therefore 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.

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 first 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 prolongation of the war and the 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, in the first quarter of 2025 and until shortly before the publication date of the report, the Bank examined the key parameters used in the provision process and revised them accordingly.

The trend of the gradual recovery in the economic activities continued, commencing 2024. At the same time, renewed increase in risks related to the markets' sentiment towards Israel had been recorded, this contrary to the decrease in the risks that took place in the fourth quarter of 2024.

In light of the aforementioned, and although as of the date of publishing these statements, the impacts of the War in practice are much more moderate than the assumptions included as part of the Group's provision for credit losses, the assessment of the provision for credit losses reflects the continued security and economic uncertainty alongside the security and political challenges, as well as conservativism in the macro economic indicators sand the parameters that serve for assumptions in the future customers' failure rates forecast model.

The expenses due to credit loss amounted to NIS 55 million in the first quarter of 2025, of which a NIS 72 million expense was recorded due to the collective provision.

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 first quarter of 2025 in the sum of approximately NIS 674 million, an improvement of the parameters will lead to a decrease in the collective provision for credit losses in the first quarter of 2025 compared to the reference scenario in the sum of approximately NIS 645 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

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.

Additionally, the Bank adopted the reliefs and assistance outline to the customers of the Bank of Israel's banking system dated April 1, 2025, and established significant relief baskets for all its customers, and particularly customers who are victims of the War.

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 "Iron Swords" War", in a Corporate Governance Report.

Risk assessment and classification of debt that have undergone changes in terms and conditions against the backdrop of the "Iron Swords" 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 are monitored as part of the ongoing management of debts for which the risk has worsened in accordance with the criteria 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 "Iron Swords" War in the Report of the Board of Directors and Management.

Credit risk and non-performing assets

	March 31, 2025			
	Commercial	For housing	Private individuals – Other	Total
	In NIS million			
Credit risk in credit performance rating[(a)]				
On-balance-sheet credit risk	311,638	142,957	28,364	482,959
Off-balance-sheet credit risk[(c)]	172,727	5,930	17,452	196,109
Total non-investment grade credit risk	484,365	148,887	45,816	679,068
Non-investment grade credit risk				
a. Non-troubled	1,038	2,317	1,511	4,866
b. Total troubled	4,968	697	873	6,538
Troubled performing	3,454	19	677	4,150
Troubled non-performing	1,514	678	196	2,388
Total on-balance-sheet credit risk	6,006	3,014	2,384	11,404
Off-balance-sheet credit risk[(c)]	783	37	149	969
Total non-investment grade credit risk	6,789	3,051	2,533	12,373
Of which: Performing debts, in arrears of 90 days or more	103	–	86	189
Overall credit risk incl. of the public[(b)]	491,154	151,938	48,349	691,441

Additional information on non-performing assets				
a. Non-performing debts	1,514	678	196	2,388
b. Assets received for settled loans	26	–	–	26
Total non-performing assets of the public	1,540	678	196	2,414
Percentage of non-performing loans to the public (NPL) out of total loans to the public				0.51%

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

Credit risk and non-performing assets (cont.)

	March 31, 2024			
	Commercial	For housing	Private individuals - Other	Total
	In NIS million			
Credit risk in credit performance rating[(a)]				
On-balance-sheet credit risk	287,688	128,359	27,207	443,254
Off-balance-sheet credit risk[(c)]	150,482	5,093	17,136	172,711
Total non-investment grade credit risk	438,170	133,452	44,343	615,965
Non-investment grade credit risk				
a. Non-troubled	649	3,685	1,522	5,856
b. Total troubled	5,381	635	1,011	7,027
Troubled performing	3,504	12	680	4,196
Troubled non-performing	1,877	623	331	2,831
Total on-balance-sheet credit risk	6,030	4,320	2,533	12,883
Off-balance-sheet credit risk[(c)]	859	-	165	1,024
Total non-investment grade credit risk	6,889	4,320	2,698	13,907
Of which: Performing debts, in arrears of 90 days or more	52	-	67	119
Overall credit risk incl. of the public[(b)]	445,059	137,772	47,041	629,872
More information on non-performing assets				
a. Non-performing debts	1,877	623	331	2,831
b. Assets received for settled loans	10	-	-	10
Total non-performing assets of the public	1,887	623	331	2,841
Percentage of non-performing loans to the public (NPL) out of total loans to the public				0.65%

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 three months ended March 31, 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	**303**	**248**	**551**
Debts reclassified as performing	**(6)**	**(175)**	**(181)**
Written-off non-performing debts	**(91)**	**(26)**	**(117)**
Repaid non-performing debts	**(106)**	**(55)**	**(161)**
Exchange rate differentials in respect of subsidiary's customers	**1**	**-**	**1**
Outstanding balance of non-performing debts at the end of the period	**1,514**	**874**	**2,388**

	For the three months ended March 31, 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	168	246	414
Debts reclassified as performing	(623)	(188)	(811)
Written-off non-performing debts	(65)	(23)	(88)
Repaid non-performing debts	(182)	(112)	(294)
Outstanding balance of non-performing debts at the end of the period	1,877	954	2,831

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

	March 31, 2025			
	Commercial	Housing	Private individuals - Other	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	0.52	0.46	0.64	0.51
Percentage of non-performing loans to the public or in arrears of 90 days or more out of outstanding loans to the public	0.55	0.46	0.92	0.55
Percentage of troubled loans to the public out of outstanding loans to the public	1.70	0.48	2.84	1.39
Percentage of non-investment grade credit out of outstanding loans to the public	2.05	2.06	7.76	2.43
Analysis of expenses (income) for loan losses for the reporting period[(a)]				
Percentage of loan loss expense (income) out of the average outstanding loans to the public	(0.01)	(0.04)	0.85	0.05[(b)]
Percentage of net charge-offs for loans to the public out of average outstanding loans to the public	0.09	-[(c)]	0.88	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	1.78	0.43	3.10	1.45
Percentage of balance of the loan loss provision for loans to the public out of outstanding loans to the public non-accruing interest income	344.06	92.63	485.71	284.30
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	322.14	92.63	337.59	263.45
Ratio of the credit loss allowance balance for public credit to the net accounting charge-offs for public credit[(d)]	19.73	-	3.61	12.86

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.

In the first quarter of 2025, there was an improvement in the credit quality index components in the commercial, housing and private loan portfolios compared to the corresponding period. The improvement the in the credit indices is reflected, inter alia, by a decrease in the rate of troubled credit, and a decrease in the rate of credit not classified as performing.

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

	March 31, 2024			
	Commercial	Housing	Private individuals - Other	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	0.69	0.47	1.11	0.65
Percentage of non-performing loans to the public or in arrears of 90 days or more out of outstanding loans to the public	0.71	0.47	1.34	0.68
Percentage of troubled loans to the public out of outstanding loans to the public	1.97	0.48	3.40	1.61
Percentage of non-investment grade credit out of outstanding loans to the public	2.21	3.26	8.52	2.96
Analysis of expenses for loan losses for the reporting period[a]				
Percentage of loan loss expenses for the public out of the average outstanding balance of loans to the public	0.11	0.01	1.98	0.21[b]
Percentage of net charge-offs for loans to the public out of average outstanding loans to the public	(0.10)	(0.01)	1.33	0.03
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	1.96	0.47	3.26	1.60
Percentage of balance of the loan loss provision for loans to the public out of outstanding loans to the public non-accruing interest income	285.51	100.80	292.45	245.67
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	277.81	100.80	243.22	235.76
Ratio of outstanding loan loss provision for loans to the public out of the net write-offs for loans to the public[c]	(20.61)	(78.50)	2.49	57.96

A. Annualized.
B. Including loan loss expenses for loans to the public, banks, governments and bonds.
C. 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 - Other	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 outstanding loans to the public non-accruing interest income	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
Ratio of outstanding loan loss provision for 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

	March 31, 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						
In respect of borrower activity in Israel – public – commercial							
Industry	37,718	36,900	782	155	(31)	15	(527)
Construction and real estate – construction[f][g]	138,032	136,740	954	385	(58)	7	(1,564)
Construction and real estate – real estate activity	57,105	56,625	346	106	5	–	(1,192)
Commerce[g]	41,891	41,028	759	314	19	34	(726)
Financial services	69,225	69,185	38	19	2	–	(215)
Agriculture[g]	2,466	2,362	65	14	(8)	(2)	(120)
Hotels, accommodation and food services[g]	5,096	4,751	82	21	(1)	3	(44)
Other sectors	59,862	58,267	1,509	252	73	19	(1,306)
Commercial - total	411,395	405,858	4,535	1,266	1	76	(5,694)
Private individuals – housing loans	151,876	148,825	697	678	(14)	–	(655)
Private individuals – other	48,324	45,792	906	195	64	66	(986)
Total loans to the public – activity in Israel	611,595	600,475	6,138	2,139	51	142	(7,335)
Banks and governments – in Israel	78,513	78,513	–	–	(2)	–	(17)
Total activity in Israel	690,108	678,988	6,138	2,139	49	142	(7,352)
For borrowers activity outside Israel							
Total loans to the public – foreign operations	79.846[h]	78,593	1,029	396	(9)	(10)	(282)
Foreign banks and governments	53,201	53,201	–	–	15	–	(41)
Total activity outside Israel	133,047	131,794	1,029	396	6	(10)	(323)
Total activity in and outside Israel	823,155	810,782	7,167	2,535	55	132	(7,675)

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 476,886, 122,690, 1,521, 58,213 and 163,845 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. The Bank believes that these industries are particularly exposed to the damage from the War.
H. 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.)

	March 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						
<u>In respect of borrower activity in Israel – public – commercial</u>							
Industry	35,130	34,063	957	157	50	(8)	(574)
Construction and real estate – construction[f][g] צשברם	123,257	121,756	1,198	843	(88)	2	(1,551)
Construction and real estate – real estate activity	52,243	51,700	392	73	13	(40)	(1,110)
Commerce[g]	40,121	39,308	787	270	25	12	(759)
Financial services	57,374	57,318	55	39	(32)	(3)	(220)
Agriculture[g]	2,629	2,438	128	20	15	3	(169)
Hotels, accommodation and food services[g]	4,491	4,322	101	13	8	(2)	(66)
Other sectors	53,898	52,749	1,093	208	59	3	(1,153)
Commercial – total	369,143	363,654	4,711	1,623	50	(33)	(5,602)
Private individuals – Housing loans	137,709	133,389	635	623	3	(2)	(639)
Private individuals – Other	47,024	44,327	1,049	330	144	97	(1,004)
Total loans to the public – activity in Israel	553,876	541,370	6,395	2,576	197	62	(7,245)
Banks and governments – in Israel	80,425	80,425	–	–	–	–	(2)
Total activity in Israel	634,301	621,795	6,395	2,576	197	62	(7,247)
<u>For borrowers activity outside Israel</u>							
Total loans to the public – foreign operations	75,996[h]	74,595	1,400	414	25	(32)	(412)
Foreign banks and governments	57,757	57,757	–	–	–	–	(14)
Total activity outside Israel	133,753	132,352	1,400	414	25	(32)	(426)
Total activity in and outside Israel	768,054	754,147	7,795	2,990	222	30	(7,673)

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 441.244, 132.213, 2.288, 48.587 and 143.722 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. The Bank believes that these industries are particularly exposed to the damage from the War.
H. 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						
<u>In respect of borrower activity in Israel - public - commercial</u>							
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[g]	42,736	41,879	813	332	42	50	(744)
Financial services	66,665	66,633	30	20	(27)	8	(216)
Agriculture[g]	2,443	2,342	63	12	(24)	5	(125)
Hotels, accommodation and food services[g]	4,997	4,632	86	22	(13)	(5)	(49)
Other sectors	55,627	54,006	1,525	212	150	(31)	(1,242)
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)
<u>For borrowers activity outside Israel</u>							
Total loans to the public - foreign operations	77.873[h]	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. The Bank believes that these industries are particularly exposed to the damage from the War.
H. 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 other economic sectors, the bank's credit policy outlines internal methodologies and criteria for financing transactions in each of the real estate industry's sub-sectors.

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 Bank closely monitors the real estate credit portfolio, while following macroeconomic trends and the development of the segment's risk characteristics, including the impact of the war, interest rate hikes, and housing demand on real estate companies.

Leumi continues to proactively expand the real estate portfolio, focusing on the housing segment and selected financially resilient customers. The Bank is careful to maintain geographical diversification of the projects, according to demand and macroeconomic forecasts.

The challenges of the period due to the war including absent employees, increase of input prices and increase in financing expenses led to an increase in the projects' budgets.

Commencing 2024, the scope of non-linear (20/80) payment methods and/or loans are subsidizes by developers. This is a long-time marketing move that has been common among real-estate developers for years and its scope varies according to the market fluctuations and other macroeconomic data.

It should be emphasized that in respect of each project, including projects in which there are non-linear payment methods, a meticulous underwriting process is conducted. As part of projects' underwriting, we take into account the aforementioned impacts, including the updated financing expenses, as we also ensure that the supervisors give this expression in the zero reports and the follow-up reports, and address the up-to-date costs. Additionally, as part of the underwriting process and throughout the project, the cash-flow needs of the project are examined according to the various effects, including the various payment methods for the sales in the project.

It should be further noted that all of the budgets include a significant unexpected clause, which is derived from the overall cost, which grants an additional cushion for coping with the exposure resulting from one or more of the reasons listed above.

It should be noted that regarding the payment methods specified above, on April 6, 2025 the Bank of Israel published a temporary directive for revising the provisions 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.
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 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.

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

The Bank is examining all the implications regarding the new regulatory directives.

As of March 31, 2025, the Bank meets 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 of March 31, 2025 stands at the sum of NIS 2,756 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 of the portfolio as of March 31, 2025 stands at 1.41%. The outstanding provision for credit loss reflects the effects of the continued war and uncertainty in the economy regarding the construction and real estate segments.

The balance of the troubled credit risk in the construction and real estate segments in Israel as of March 31, 2025 stands at the sum of NIS 1,300 million, compared to the sum of NIS 1,403 million as of December 31, 2024. The rate of the troubled credit risk in the construction and real estate segments from the overall credit risk in the portfolio as of March 31, 2025 stands at 0.67% 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.

Macroeconomic effects and the "Iron Swords" War

In addition to the details provided in the credit section above, in the residential construction sector, a decline in housing completions was recorded during 2024, likely due to a decrease in the labor force at some construction sites most of the year. This was driven by the replacement of Palestinian construction workers by other workers (Israeli and foreign workers) and also due to the impact on the ability to carry out work under fire. The slowdown in starting construction continued in most of 2024, following a trend that began even before the war, however in the fourth quarter of the year there had been a significant recovery thereof.

Alongside the demand, the improvement that took place in the sale of the new apartments in the first half of 2024had been halted in the second half of 2024 and at the beginning of 2025, against the background of the high interest rate. The Bank of Israel' regulation regarding the terms of financing in the sale of new apartments may encumber the volume of transactions in the market in the short term. The prices of apartments are may continue rising during 2025, at a double digit rate, as the expected decrease in the Bank of Israel's interest rate towards the end of the year may provide a tailwind for this.

In the commercial real estate domain, as of the eve of the War, there was a slowdown in retail sectors, due to the deterioration in the macro environment (the damage from inflation and rising interest rates on the public's purchasing power, along with the increasing economic uncertainty and the weakening consumer sentiment), and continued expansion in the share of online commerce. Since the outbreak of the war, activity in shopping centers has been positively affected by the extensive government support for households and the reduced number of Israelis traveling abroad. The the expected decline of these effects over the upcoming year, alongside the impairment of the public's purchasing power due to tax increases and increases in government service fees in early 2025, may lead to impairments of the centers' activity during 2025. 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 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 economic recovery process from the war, as it gains momentum, my support the stablization 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 coming year and 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 uncertainty regarding the trajectory of the War's development and its ramifications is still high, such 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)

	March 31		December 31	Changes compared to December 31, 2024	
	2025	2024	2024		
	In NIS million			In NIS million	In %
On-balance-sheet credit risk	**135,522**	121,698	130,376	5,146	3.9
Guarantees for apartment buyers[a]	**12,464**	10,038	12,203	261	2.1
Other off balance sheet credit risk[a]	**62,701**	56,816	60,967	1,734	2.8
Total overall credit risk	**210,687**	188,552	203,546	7,141	3.5

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

	March 31, 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%	**2,201**		**10,444**	**12,645**
More than 45% to 65%	**4,602**		**17,879**	**22,481**
More than 65% to 80%	**25,318**		**19,295**	**44,613**
More than 80%	**2,908[d]**		**3,967**	**6,875**
Absorption capacity[c]				
More than 25% and up to 50%		**13,905**		**13,905**
More than 50% and up to 75%		**11,423**		**11,423**
More than 75%		**15,182**		**15,182**
Projects that had not commenced as of now		**17,491**		**17,491**
Other[e]				**49,985**
Total credit risk for construction and real estate in Israel				**194,600**

	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

	March 31	December 31
	2025	2024
	Overall credit risk[(a)]	
	In NIS million	
Housing	**101,876**	98,089
Office space	**24,695**	23,429
Industry	**9,909**	9,363
Commerce and services	**27,899**	26,907
Total overall credit risk secured by real estate collateral in Israel	**164,379**	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)

	March 31	December 31	
	2025	2024	The change
	In NIS million		in %
Credit risk in credit performance rating			
Non-troubled Credit Risk	**208,607**	201,275	3.6
Non-investment grade credit risk			
Non-troubled	**472**	568	(16.9)
Troubled performing	**1,010**	1,096	(7.8)
Non-performing	**598**	607	(1.5)
Total non-investment grade credit risk	**2,080**	2,271	(8.4)
Total	**210,687**	203,546	3.5

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 of March 31 2025, the Bank meets the regulatory restrictions prescribed by the directive.

Borrower groups[1]

The Bank conducts orderly 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 of March 31 2025, the Bank meets the regulatory 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 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 it will take effect will be January 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:

	March 31, 2025		
	Exposure(a)(b)(c)		
	On-balance-sheet	Off-balance-sheet(d)	Total
	In NIS million		
USA	44,573	11,812	56,385
UK	17,911	28,123	46,034
France	1,293	3,592	4,885
Switzerland	391	3,345	3,736
Germany	3,190	5,545	8,735
Cayman Islands(i)	7,134	617	7,751
Other	17,118	6,784	23,902
Total exposure to foreign countries	91,610	59,818	151,428
Of which: total exposure to GIPS countries(e)	675	62	737
Of which: total exposure to LDC countries(f)	1,493	1,711	3,204
Of which: total exposure to countries with liquidity issues(g)	1,987(h)	892	2,879

	March 31, 2024		
	Exposure(a)(b)(c)		
	On-balance-sheet	Off-balance-sheet(d)	Total
	In NIS million		
USA	44,657	8,630	53,287
UK	20,394	29,479	49,873
France	1,271	1,646	2,917
Switzerland	896	3,753	4,649
Germany	5,805	4,766	10,571
Cayman Islands(i)	6,279	497	6,776
Other	15,498	7,583	23,081
Total exposure to foreign countries	94,800	56,354	151,154
Of which: total exposure to GIPS countries(e)	335	140	475
Of which: total exposure to LDC countries(f)	984	1,729	2,713
Of which: total exposure to countries with liquidity issues(g)	210	1,594	1,804

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 to 31 countries (as of March 31, 2024 - 24 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 of March 31 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]			
AA- to AAA	**24,739**	**1,438**	**26,177**
A- to A+	**5,620**	**935**	**6,555**
B- to BB+	**337**	**139**	**476**
B- to BB+	**120**	**2**	**122**
Lower than: B-	**2**	**-**	**2**
No rating	**16**	**-**	**16**
Total current credit exposure to foreign financial institutions[g]	**30,834**	**2,514**	**33,348**

	As at March 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]			
AA- to AAA	22,224	1,276	23,500
A- to A+	5,044	1,296	6,340
B- to BB+	154	172	326
B- to BB+	50	9	59
Lower than: B-	13	-	13
No rating	1,016	126	1,142
Total current credit exposure to foreign financial institutions	28,501	2,879	31,380

	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]			
AA- to AAA	25,981	1,374	27,355
A- to A+	7,228	1,235	8,463
B- to BB+	354	156	510
B- to BB+	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 with banks, loans 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 rated "subordinated" at the total of NIS 1,139 million as of March 31, 2025 (as of March 31, 2024 - NIS 810 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 of March 31, 2025, March 31, 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 6,960 million and off-balance sheet credit risk of NIS 306 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

On the demand side, in 2024 there had been a trend of improvement in the sale of new apartments compared to the previous two years, which was accompanied also by a raise in prices, however the momentum in sales and prices somewhat weakened during the second half of 2024 and early 2025, on the background of the high interest.

On April 6, 2025 the Bank of Israel published a temporary directive for the amendment to Directive 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 Provision 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.

The Bank of Israel' regulation regarding the terms of financing in the sale of new apartments may encumber the volume of transactions in the market in the short term. The prices of apartments are may continue rising during 2025, at a double digit rate, as the expected decrease in the Bank of Israel's interest rate towards the end of the year may provide a tailwind for this.

On the supply side, during most of the year there had been a slowdown both in commencement of construction as well as completion of construction, however in the fourth quarter there had been a real recovery in both, against the background of a substantial improvement in employment within the construction sector, and apparently also given a positive impact the ceasefire in the north had on the sector's activities.

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 extended the Bank of Israel's outline for a period of 3 additional months, commencing April 1, 2025. The scope of the loans for which payments have been frozen as the end of March 2025 stands at the sum of approx. NIS 2.7 billion, compared to approx. NIS 3.2 billion as of the end of December 2024.

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 "Iron Swords War" in the Report of the Board of Directors and Management and the chapter entitled "Legislation and Regulations Regarding 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 "Iron Swords" 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 three months ended March 31		Rate of change
	2025	2024	
	In NIS million		In %
By the Bank	**5,247**	5,214	0.6
By the Government of Israel	**28**	33	(15.2)
Total new loans	**5,275**	5,247	0.5
Old recycled loans, from the Bank's funds[(a)]	**1,523**	1,733	(12.1)
Total performance	**6,798**	6,980	(2.6)

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 quarter of 2025 stood at NIS 966 thousand, compared to NIS 920 thousand in the corresponding period in 2024, and compared to NIS 987 thousand throughout 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
March 31, 2025	**145,329**	**0.9**

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
March 31, 2025	**38,745**	**26.7**	**61,418**	**42.2**	**19,969**	**13.7**	**24,800**	**17.1**	**397**	**0.3**	**145,329**

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
	Q1	Q4	Q3	Q2	Q1	Annual average
	Rate of performance					
	In %					
Fixed - linked	**13.2**	11.8	14.6	16.6	14.8	17.6
Variable every 5 years or more - linked	**1.3**	1.3	1.8	2.6	3.5	8.6
Variable up to 5 years - linked	**7.7**	7.0	7.6	7.5	6.9	4.6
Fixed - non-linked	**29.3**	35.3	31.8	28.9	29.8	25.4
Variable every 5 years or more - non-linked	**21.0**	19.6	18.8	20.0	21.5	17.3
Variable up to 5 years - non-linked	**27.3**	24.9	25.3	24.2	23.3	26.3
Variable - Foreign currency	**0.2**	0.1	0.1	0.1	0.2	0.3

The rate of new variable-interest housing loans granted by the Bank during the first quarter of 2025 stood at 57.5% 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 which is non-cumulative	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
March 31, 2025	**145,957**	**678**	**0.46**

The outstanding on-balance sheet provision for credit losses, as of March 31, 2025, in the housing loans portfolio stands at NIS 628 million, constituting 0.43%of the housing loans' outstanding on-balance sheet balance as of that date, in contrast with the provision balance of NIS 640 million as at December 31, 2024, constituting 0.44% percent of the outstanding housing loan balance 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
	Q1	Q4	Q3	Q2	Q1	Annual average
LTV ratio	In %(a)					
Over 60 and up to 70, inclusive	**23.7**	24.1	24.2	22.2	20.1	21.1
Over 70 and up to 75, inclusive	**20.4**	20.2	21.2	21.4	18.6	21.9
Over 75	**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 credit portfolio as at March 31, 2025 stood at 48.8%, compared with 48.9% in 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 quarter of 2025, the percentage of loans (for housing purposes and with monthly repayments) with a repayment of rate higher than 40 percent on the loan approval date stood at 0.9% of the total number of new loans (for housing purposes and with monthly repayments) granted compared with 0.7% throughout 2024.

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

In the first quarter of 2025, the rate of new housing loans in which the repayment dates pursuant to the loan agreements are longer than 25 years, stood at an average of approximately 51% of the total new loans granted, 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 section entitled "Macroeconomic Effects" and "Iron Swords" 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
March 31, 2025	**48,291**

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

	March 31, 2025		December 31, 2024	
	In NIS million	% of the portfolio	In NIS million	% of the portfolio
Up to one year	**6,966**	**22.7**	6,732	22.0
Over one year to 3 years	**4,425**	**14.4**	4,472	14.6
Over 3 years to 5 years	**6,630**	**21.6**	6,865	22.5
Over 5 years to 7 years	**3,755**	**12.2**	3,831	12.6
Over 7 years	**6,005**	**19.5**	5,671	18.6
No repayment term[a]	**2,950**	**9.6**	2,962	9.7
Total on-balance-sheet credit risk	**30,731**	**100.0**	30,533	100.0

A. The amount includes outstanding overdrafts in current accounts and outstanding loans in arrears.

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		March 31, 2025		December 31, 2024	
From	To	In NIS million	% of the portfolio	In NIS million	% of the portfolio
-	25	**6,351**	**13.2**	6,406	13.3
25	50	**6,739**	**14.0**	6,741	14.1
50	75	**5,601**	**11.6**	5,599	11.7
75	100	**4,721**	**9.8**	4,682	9.8
100	150	**6,776**	**14.0**	6,812	14.2
150	200	**5,217**	**10.8**	5,209	10.9
200	300	**6,665**	**13.8**	6,644	13.9
Over 300		**6,221**	**12.8**	5,798	12.1
Total overall credit risk		**48,291**	**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)

	March 31, 2025		December 31, 2024	
	In NIS million	% of the portfolio	In NIS million	% of the portfolio
Current account balances and utilized balances in Credit cards	**7,502**	**15.5**	7,476	15.6
Car purchase loans (secured)	**1,288**	**2.7**	1,353	2.8
Other loans	**21,941**	**45.4**	21,704	45.4
Total on-balance-sheet credit risk	**30,731**	**63.6**	30,533	63.8
Unutilized current account credit facilities	**7,680**	**16.0**	7,588	15.8
Unutilized credit card facilities	**9,580**	**19.8**	9,473	19.8
Other off-balance-sheet credit risk	**300**	**0.6**	297	0.6
Total off-balance-sheet credit risk	**17,560**	**36.4**	17,358	36.2
Total overall credit risk	**48,291**	**100.0**	47,891	100.0

Breakdown of on-balance-sheet credit risk (excluding derivatives) for loans granted by the Bank to private individuals, by linkage segment and interest track (in Israel, excluding housing loans)

	March 31, 2025				
	Non-linked	Linked	Foreign currency	Total on-balance-sheet credit risk	% of portfolio
	In NIS million				In %
Variable interest loans[(a)]	**22,663**	**36**	**115**	**22,814**	**74.2**
Fixed interest loans[(b)]	**7,850**	**8**	**59**	**7,917**	**25.8**
Total on-balance-sheet credit risk	**30,513**	**44**	**174**	**30,731**	**100.0**

See the notes on the following page

Breakdown of the on-balance-sheet credit risk (excluding derivatives) for loans granted by the Bank to private individuals, by linkage segment and interest track (in Israel, excluding housing loans) (cont.)

	December 31, 2024				
	Non-linked	Linked	Foreign currency	Total on-balance-sheet credit risk	% of portfolio
	In NIS million				In %
Variable interest loans[a]	22,989[c]	37	102	23,128	75.7
Fixed interest loans[b]	7,374[c]	9	49	7,405	24.3
Total on-balance-sheet credit risk	30,336	46	151	30,533	100.0

A. Variable interest loans are exposed to an increase 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 in case the interest rate continues 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)

	March 31	December 31
	2025	2024
	In NIS million	
Deposits by the public	**115,523**	114,989
Securities portfolios	**75,118**	73,055
Total financial asset portfolio	**190,641**	188,044
Total indebtedness to customers with financial asset portfolios	**35,714**	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)

	March 31, 2025		December 31, 2024	
Level of income	In NIS million	In %	In NIS million	In %
Accounts without fixed income	**3,609**	**11.7**	3,385	11.1
Of which: loan accounts[b]	**1,419**	**4.6**	1,446	4.7
Lower by NIS 10 thousands	**4,990**	**16.2**	4,975	16.3
That is higher than NIS 10 thousand and lower than NIS 20 thousand	**10,658**	**34.7**	10,649	34.9
NIS 20 thousand or more	**11,474**	**37.4**	11,524	37.7
Total on-balance-sheet credit risk	**30,731**	**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.

Following is the distribution of the on-balance-sheet credit risk (excluding derivatives) for private individuals at the Bank (activities in Israel, excluding housing loans)

	March 31	December 31
	2025	2024
	In NIS million	
Non-troubled credit	**29,859**	29,635
Troubled performing credit	**677**	694
Troubled non-performing loans	**195**	204
Total on-balance-sheet credit risk	**30,731**	30,533
Percentage of troubled credit risk out of balance sheet credit risk for private individuals	**2.8%**	2.9%
Charge-offs, net (for the period ended)	**66**	366
The outstanding on-balance sheet provision for credit losses	**952**	953

The outstanding on-balance-sheet provisionfor loan losses as of March 31, 2025, for private individuals (net of housing) stands at the sum of NIS 952 million, constituting 3.10% the outstanding loans to private individuals (net of housing, on-balance-sheet) as of that date, similar to the on-balance-sheet provision for credit losses as of December 31, 2024 in the sum of NIS 953 million, 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

	March 31						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	**364**	**2**	**366**	-	-	-	512	2	514
Transportation and storage	**844**	**24**	**868**	948	24	972	883	25	908
Hotels, accommodation and food services	**424**	**-**	**424**	427	-	427	400	-	400
Construction and real estate	**94**	**228**	**322**	232	312	544	97	219	316
Provision of power, gas, steam and air conditioning	**-**	**-**	**-**	163	487	650	415	275	690
Total	**1,726**	**254**	**1,980**	1,770	823	2,593	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 seethe Risk Management Report as of March 31, 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", 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 Assessment thereof in the Risk Management Report.

In the first 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. In Israel, interest rate cuts are expected in the coming year, but at a more moderate pace compared to the trend set by central banks in the US and Europe. The is contingent on meeting the Bank of Israel's inflation target and occurs against the backdrop of expected increases in government spending and the associated debt issuance.

The "Iron Swords" War

The war and the related challenges established uncertainty in the financial markets and the fluctuations in them may continue.

The Bank tracks and closely monitors 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.

Interest Rate Risk

Interest rate risk is the risk of gains or capital arising 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 December 20, 2023, the final Proper Conduct of Banking Business Directive 333 was published on the subject of Interest Rate Risk in the Banking Portfolio. The Directive, which specifies the requirements for taking proactive actions for identification, measurement, monitoring, control and disclosure of the risk is expected to take effect in July 2025. and the Bank is preparing for implementation thereof, while examining the required adjustments regarding the six stress scenarios that had been defined in the Directive. Implementation of the Directive as stated above is not expected to have a 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

	March 31, 2025		
	NIS	Foreign currency	Total
	In NIS million		
Book balance, net[a]	**49,098**	**(6,859)**	**42,239**
Adjusted net fair value[a]	**55,234**	**(5,045)**	**50,189**
Of which: Banking portfolio	**47,334**	**(4,710)**	**42,624**
Of which: The effect of behavioral assumptions	**8,555**	**2,502**	**11,057**
Of which: Effect of attribution to periods of demand deposits	**8,772**	**2,512**	**11,284**
Of which: the effect of early repayments of housing loans	**(217)**	**(10)**	**(227)**

	March 31, 2024		
	NIS	Foreign currency	Total
	In NIS million		
Book balance, net[a]	41,690	(6,118)	35,572
Adjusted net fair value[a]	47,999	(4,221)	43,778
Of which: Banking portfolio	44,831	(4,098)	40,733
Of which: The effect of behavioral assumptions	8,176	2,311	10,487
Of which: Effect of attribution to periods of demand deposits	8,540	2,329	10,869
Of which: effect of early repayments on housing loans	(364)	(18)	(382)

	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.

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 approximately NIS 7.9 billion, a decrease of approximately NIS 0.9 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

	March 31, 2025		
	NIS	Foreign currency	Total*
	In NIS million		
Simultaneous changes			
Simultaneous increase of 1 percent	(2,145)	(951)	(3,096)
Of which: Banking portfolio	(2,209)	(842)	(3,051)
Of which: The effect of behavioral assumptions	2,368	533	2,901
Of which: Effect of attribution to periods of demand deposits	1,752	473	2,225
Of which: effect of early repayments on housing loans	616	4	620
Simulltaneous decrease of 2%	(4,168)	(1,959)	(6,127)
Of which: Banking portfolio	(4,300)	(1,735)	(6,035)
Simultaneous decrease of 1 percent	1,448	901	2,349
Of which: Banking portfolio	1,499	837	2,336
Of which: The effect of behavioral assumptions	(3,495)	(688)	(4,183)
Of which: Effect of attribution to periods of demand deposits	(1,883)	(506)	(2,389)
Of which: effect of early repayments on housing loans	(1,612)	(4)	(1,616)
Simultaneous decrease of 2%	1,896	1,700	3,596
Of which: Banking portfolio	1,988	1,603	3,591
Non-simultaneous changes			
Steepening[(b)]	(876)	(876)	(1,752)
Flattening[(c)]	485	366	851
Short-term interest rate increase	(261)	(245)	(506)
Short-term interest rate decrease	279	270	549

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.

Exposure to foreign currency in the banking portfolio - since the beginning of the year, there has been no significant change in the exposure to an increase of 1%.

Foreign currency exposure in the banking portfolio - since the beginning of the year, there has been a decrease of approximately NIS 150 million in the exposure to a 1% increase, with the decrease mainly, due to nostro portfolio activities.

In 2024 and during the first quarter of 2025, no update was made to the behavioral models. Details regarding the effect of significant behavioral models are presented in the table above. We should note that had the Bank assumed full utilization of the first exit point in public deposits that include and exit option, the net fair value exposure in the event of a respective 1% increase, as of March 31, 2025, would have increased by approximately NIS 200 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 (continued)

	March 31, 2024		
	NIS	Foreign currency	Total*
	In NIS million		
Simultaneous changes			
Simultaneous increase of 1 percent	(1,545)	(902)	(2,447)
Of which: banking portfolio	(1,662)	(800)	(2,462)
Of which: The effect of behavioral assumptions	2,421	417	2,838
Of which: Effect of attribution to periods of demand deposits	1,766	487	2,253
Of which: effect of early repayments on housing loans	655	7	662
Simulltaneous decrease of 2%	(3,105)	(1,837)	(4,942)
Of which: Banking portfolio	(3,340)	(1,623)	(4,963)
Simultaneous decrease of 1 percent	852	873	1,725
Of which: banking portfolio	947	815	1,762
Of which: The effect of behavioral assumptions	(3,492)	(543)	(4,035)
Of which: Effect of attribution to periods of demand deposits	(1,899)	(522)	(2,421)
Of which: effect of early repayments on housing loans	(1,593)	(6)	(1,599)
Simultaneous decrease of 2%	718	1,664	2,382
Of which: Banking portfolio	896	1,586	2,482
Non-simultaneous changes			
Steepening[b]	(576)	(742)	(1,318)
Flattening[c]	289	320	609
Short-term interest rate increase	(172)	(260)	(432)
Short-term interest rate decrease	197	270	467

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 (continued)

	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 decrease 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

	March 31, 2025		
	Interest income	Noninterest Finance Income	Total*
	In NIS million		
Simultaneous changes			
Simultaneous increase of 1 percent	594	136	730
Of which: Banking portfolio	594	198	792
Simultaneous decrease of 1 percent	(777)	(168)	(945)
Of which: Banking portfolio	(777)	(198)	(975)

	March 31, 2024		
	Interest income	Noninterest Finance Income	Total*
	In NIS million		
Simultaneous changes			
Simultaneous increase of 1 percent	331	618	949
Of which: banking portfolio	331	602	933
Simultaneous decrease of 1 percent	(508)	(640)	(1,148)
Of which: banking portfolio	(508)	(602)	(1,110)

	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 first quarter of 2025, the total exposure of the income to a 1% interest rate decline has increased by approximately NIS 186, the main change stems from hedging activities in the nostro portfolio.

For additional information , please see the Risk Management Report as of December 31, 2024.

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

	March 31, 2025
	In NIS million
Simultaneous increase of 1 percent	**(1,060)**
Simultaneous decrease of 1 percent	**892**

	March 31, 2024
	In NIS million
Simultaneous increase of 1 percent	(601)
Simultaneous decrease of 1 percent	419

	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 quarter of 2025, the effect of the change in foreign currency rates on the net income 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 local and foreign currencies are the Bank's main financing source, constituting approximately 90% of the total monitory liabilities, except for derivatives as of March 31, 2025, retail deposits by households and small businesses constitute approximately 47% 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), approximately 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 quarter of 2025, the average balances of public deposits increased by approximately NIS 9 billion, compared to the corresponding quarter in 2024. The increase is mainly due to the increase of approximately NIS 9 billion in the institutional entities' segment, approximately NIS 3 billion in the private banking segment and approximately NIS 2 billion in the large businesses segment, which had been offset against a decrease of approximately NIS 5 billion in the small businesses' segment and NIS 3 billion in the mid-sized businesses segment.

The weighted average expense rate on the total public deposits in annual terms for the first quarter of 2025 stood at approximately 3.0%, a decrease of approximately 0.1% compared to the corresponding quarter of 2024. This decrease is mainly due to a decrease in the expense rate for institutional entities and large businesses, standing at approximately 0.19% and approximately 0.14%, respectively.

As of March 31, 2025, the outstanding deposits by the three largest depositor groups, according to the definition of the Banking Law, 1981, stands at approximately NIS 33 billion. These three depositors are classified under the definition of public deposits from financial corporations, as defined in the Proper Conduct of Banking Business Directive No. 221 on the liquidity coverage ratio, and account for approx. NIS 21% of public deposits from financial corporations (approximately NIS 58 billion and approximately 35% as of December 31, 2024, respectively) 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 March 31, 2025 bonds and deferred promissory notes constitute approx.

5% of total financial liabilities, excluding derivatives. Approx. 86% of the future contractual cash flow from bonds and deferred promissory notes have a contractual maturity date of over one year.

The balance of the bonds and deferred promissory notes as of March 31, 2025 stands at approx. NIS 34 billion, higher by approximately NIS 2 billion than the balance as of December 31, 2024. The average balance during the first quarter of 2025 stood at approx. NIS 34 billion, compared to the average balance of approx. NIS 31 billion during 2024. The rate of expenses in the first quarter of 2025, amounted to approx. 3.79% compared to approx. 4.83% during 2024.

For further information regarding these instruments, please see Note 20 in the financial statements as of December 3, 2024.

The public's outstanding credit balance in local and foreign currencies as of March 31, 2025 amounts to approx. NIS 455 billion. The contractual term of public credit is generally longer compared to public deposits, approx. 76% of the future contractual cash flow of the credit is 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 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 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 it should not fall below 100% on a solo and consolidated basis. The Net Stable Funding Ratio must be reported to the senior management and Board of Directors at least once each quarter.

Liquidity coverage ratio

	For the three months ended		
	March 31		December 31
	2025	2024	2024
	Average in %		
a. Consolidated data			
Liquidity coverage ratio	**124**	133	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	**121**	130	120
Minimum liquidity coverage ratio required 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 in the Risk Report as at March 31, 2025– and Note 9B.

In the first quarter of 2025, the Bank met the regulatory restrictions regarding the liquidity coverage ratio. The average consolidated liquidity coverage ratio for the three months ended March 31, 2025, standing at 124% had increased by 1% compared to the average liquidity coverage ratio for the three months ended December 31, 2024. The increase is mainly due to the extension of the average duration of public deposits and raising bonds that increased the ratio. The increase had been partially offset by the effect of of business activities for extending credit.

In the the first quarter of 2025, the LCR ratio in foreign currency and across all currencies had been above the regulatory requirement, the total consolidated ratio as of March 31, 2025, stood at 126%.

Net stable funding ratio

	As at March 31		As of December 31
	2025	2024	2024
	In %		
a. Consolidated data			
Net stable funding ratio	**114**	119	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	**112**	117	116
Net stable funding ratio set by the Banking Supervision Department	**100**	100	100

The Bank met the regulatory restriction regarding the net stable financing ratio as of March 31, 2025.

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

The consolidated net stable financing ratio as at March 31, 2025 stands at approximately 114%, a decrease of approximately 4% compared to the ratio as of December 31, 2024. This decrease is mainly due to the increase in loans to the public and a decrease in public deposits during the quarter, the effect of which had been partially offset against the increase in capital components (the Bank's gains and long issuances).

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.

The inventory of high-quality liquid assets[(a)], as the Bank of Israel's methodology according to average balances in a quarter

	For the three months ended					
	March 31, 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	**134,646**	**36,187**	**170,833**	137,058	45,118	182,176
Total Tier 2a assets	**-**	**4,034**	**4,034**	-	3,352	3,352
Total Tier 2b assets	**71**	**124**	**195**	118	158	276
Total high-quality liquid assets	**134,717**	**40,345**	**175,062**	137,176	48,628	185,804

A. SeeBanking Business Directive No. 221.

Table Inventory - Composition of high-quality liquid assets[(a)] of Bank of Israel at the end of the period

	As at March 31			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	**128,158**	**37,490**	**165,648**	157,255	39,939	197,194
Total Tier 2a assets	**-**	**3,716**	**3,716**	-	3,575	3,575
Total Tier 2b assets	**72**	**141**	**213**	77	128	205
Total high-quality liquid assets	**128,230**	**41,347**	**169,577**	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 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.

Tier 1 assets constitute approx. 98% of the Bank's total inventory of high quality liquid assets as of March 31, 2025. These assets include primarily 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 March 31, 2025 stood at approximately NIS 102 billion, compared to approximately 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 March 31, 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 and Management" as at December 31, 2024.

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".

Macroeconomic Risk

For information concerning the issue, please see the Section "Developing Risks" in the Risk Report as of March 31, 2025.

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

Strategic, legal, compliance, models, 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.

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 Iron Swords 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 duration and extent of 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 Iron Swords 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 early as possible, borrowers whose risk level and exposure 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 assessment 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 so 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 in against the backdrop of the "Iron Swords" 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.

When testing for loan losses, the Bank reviews various inputs, assessments and information items.

According to the rules, for this matter the Bank does not take into consideration the time during which the security's fair value had been 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 March 31 2025, the balance of accumulated other comprehensive gain due to employee benefits amounted to a negative post-tax balance of NIS 309 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 March 31 2025, according to a discount rate based on Israeli corporate bonds ("deep market" according to the Israel Securities Authority's approach") is lower by approx. NIS 473 million 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. The 2013 COSO model (Committee of Sponsoring Organizations of the Treadway Commission) meets these requirements and may be used to evaluate the internal control.

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 March 31 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

Between January to March 2025, Leumi's Board of Directors held 9 plenum meetings and its committees held 17 meetings.

At a Board meeting held on May 19 2025, the Board resolved to approve and publish the Group's unaudited condensed consolidated financial statements as at March 31 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
President and Chief Executive Officer

May 19, 2025

Certification

I, Hanan Friedman, hereby certify as follows:

1. I have reviewed the annual financial statements of Bank Leumi le-Israel B.M. (hereinafter - the "Bank") for the quarter ended March 31, 2025 (hereinafter - the "Financial Statements").

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 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"). In addition:

   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; and

   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; and

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; and

   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.

May 19, 2025

Hanan Friedman
President and Chief Executive Officer

Certification

I, Hagit Argov, hereby certify as follows:

1. I have reviewed the annual financial statements of Bank Leumi le-Israel B.M. (hereinafter – the "Bank") for the quarter ended March 31, 2025 (hereinafter – the "Financial Statements").

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 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"). In addition:

   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; and

   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; and

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; and

   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.

May 19, 2025

Hagit Argov
Executive Vice President
Chief Accounting Officer
Head of Finance and Accounting Division

The review report of the Joint Independent Auditors to the Shareholders of Bank Leumi le-Israel B.M.

Introduction

We have reviewed the attached financial information of Bank Leumi Le-Israel Ltd. and its subsidiaries (herein after the "Bank"), which includes the condensed consolidated interim balance sheet as of March 31, 2025, and the condensed consolidated interim statements on profit and loss, the overall profit, the changes in equity and cash flows for the period of three months then ended. The Board of Directors and management are responsible for the preparation and presentation of financial information in these interim periods pursuant to the directives of the Banking Supervision Department and its guidelines (hereinafter: the "Directives"). Our responsibility is to express a conclusion regarding financial information for these interim periods based on our review.

The scope of the review

We have conducted our review pursuant to Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel "Review of Financial Information for Interim Periods Conducted by the Entity's Auditor" and Review Standard implemented in review of banking corporations is set pursuant to the directives of the Banking Supervision Department and its guidelines. A review of financial information for interim periods is comprised of clarifications mainly by persons responsible for financial and accounting issues, and by implementation of analytical and other review procedures. A review is significantly more limited in scope than that of an audit conducted pursuant to generally accepted auditing principles in Israel and therefore does not enable us to obtain certainty that we will be aware of all the significant issues that could be identified in an audit. Accordingly, we are not expressing an audit opinion.

Conclusion

Based on our review, we have not found anything that leads us to believe that the aforementioned financial information is not prepared, in all material aspects, pursuant to the Directives.

As described in Note 1 to the financial information. These Directives in essence adopt the generally accepted accounting principles in the United States (US GAAP).

Somekh Chaikin
A registered partnership in Israel and a partner firm in the global KPMG network, which is comprised of independent firms affiliated with KMPG International Limited, a British private company limited under the responsibility of certified public accountants

Brightman Almagor Zohar & Co.
A Firm in the Deloitte Global Network Accountants

Joint Independent Auditors

May 19, 2025

BANK LEUMI LE-ISRAEL B.M. AND ITS CONSOLIDATED COMPANIES

Condensed consolidated profit and loss statement for the period ended March 31, 2025

		For the three months ended March 31		For the year ended December 31
		2025	2024	2024
		Unaudited		Audited
	Note	In NIS million		
Interest income	2	**9,053**	8,827	37,462
Interest expenses	2	**5,036**	5,060	20,953
Interest income, net	2	**4,017**	3,767	16,509
Loan loss expenses	13 ,6	**55**	222	713
Interest income, net after loan loss expenses		**3,962**	3,545	15,796
Noninterest income				
Noninterest Finance Income	3A	**293**	734	1,820
Fees and commissions		**1,021**	935	3,823
Other income		**54**	859	956
Total noninterest income		**1,368**	2,528	6,599
Operating and other expenses				
Salaries and related expenses		**960**	1,071	3,796
Buildings and equipment - maintenance and depreciation		**374**	375	1,520
Other Expenses		**397**	379	1,588
Total operating and other expenses		**1,731**	1,825	6,904
Profit before taxes		**3,599**	4,248	15,491
Provision for profit taxes		**1,292**	1,503	5,422
Profit after taxes		**2,307**	2,745	10,069
The Bank's share in the associates' gains (losses), after taxes		**96**	40	(271)
Net income				
Before attribution to non-controlling interests		**2,403**	2,785	9,798
attributable to non-controlling right holders(a)		**-**	-	-
Attributable to the Bank's shareholders		**2,403**	2,785	9,798
Basic and diluted earnings per share (in NIS)				
Diluted basic earnings attributable to the Bank's shareholders	3B	**1.60**	1.83	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 and Accounting Division

Date of approval of the financial statements: May 19, 2025

BANK LEUMI LE-ISRAEL B.M. AND ITS CONSOLIDATED COMPANIES

Condensed Consolidated Profit Statement

For the period ended On March 31, 2025

	For the three months ended March 31		For the year ended December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Net income before amount attributable to non-controlling interests	**2,403**	2,785	9,798
Less net profit attributable to non-controlling right holders[(b)]	**-**	-	-
Net income attributable to the Bank's shareholders	**2,403**	2,785	9,798
Other comprehensive profit, before taxes			
Adjustments in respect of presentation of available-for-sale bonds at fair value, net	**240**	(302)	298
Net gains (losses) for cash flow hedges	**1**	(5)	(2)
Adjustments of liabilities for employee benefits[(a)]	**650**	611	606
Impact of changes in the credit risk of the liabilities	**(5)**		3
Other comprehensive gain (loss) due to equity-accounted investees	**(29)**	(5)	28
Other comprehensive profit, before taxes	**857**	299	933
Related tax effect	**(298)**	(89)	(322)
Other comprehensive income before attribution to non-controlling interests, after taxes	**559**	210	611
Less comprehensive other profit attributable to non-controlling rights owners[(b)]	**-**	-	-
Other comprehensive income attributable to the Bank's shareholders, after taxes	**559**	210	611
Comprehensive profit before attribution to non-controlling right holders	**2,962**	2,995	10,409
Less comprehensive profit attributable to non-controlling right holders[(b)]	**-**	-	-
Comprehensive income attributable to the Bank's shareholders	**2,962**	2,995	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 also Note 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 of March 31, 2025

	Note	March 31		December 31
		2025	2024	2024
		Unaudited		Audited
		In NIS million		
Assets				
Cash and deposits with banks		**123,917**	144,064	155,828
Securities:				
Held-to-maturity bonds		**18,712**	16,962	18,867
Available-for-sale bonds		**90,618**	110,165	90,500
Equity securities not held for trading		**7,503**	5,432	7,178
Held-for-trading securities		**13,469**	5,165	7,556
Total securities(a)(b)	5	**130,302**	137,724	124,101
Securities borrowed or purchased under reverse repurchase agreements		**1,521**	2,288	4,684
Loans to the public	6, 13	**469,636**	435,537	462,406
Loan loss provision	6, 13	**(6,789)**	(6,955)	(6,887)
Loans to the public, net		**462,847**	428,582	455,519
Loans to governments		**2,187**	1,387	2,509
Investments in associates		**3,526**	4,129	3,580
Buildings and equipment		**2,863**	2,682	2,822
Assets in respect of derivatives	11	**29,383**	25,745	29,193
Other assets(a)		**7,204**	7,072	7,315
Total assets		**763,750**	753,673	785,551
Liabilities and equity				
Deposits by the public	7	**596,447**	595,805	618,301
Deposits by banks		**13,019**	24,139	18,043
Deposits by governments		**139**	101	172
Securities loaned or sold under repurchase agreements		**14,251**	6,307	11,686
Bonds, promissory notes and subordinated notes		**34,108**	30,902	31,969
Liabilities for derivatives	11	**27,673**	23,591	27,752
Other liabilities(a)(c)		**14,320**	15,695	15,965
Total liabilities		**699,957**	696,540	723,888
Shareholders' equity	9	**63,788**	57,128	61,658
Non-controlling interests		**5**	5	5
Total equity		**63,793**	57,133	61,663
Total liabilities and equity		**763,750**	753,673	785,551

A. For details regarding amounts measured at fair value, please see Note 16A.
B. Of which: securities amounting to NIS 11,646 million (March 31, 2024 - NIS 13,924 million, December 31, 2024 - NIS 13,007 million) that were pledged to lenders.
C. Of which: a provision for loan losses due to off-balance-sheet credit instruments in the sum of of NIS 855 million (March 31, 2024 - NIS 701 million, 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 March 31, 2025

	For the three months ended March 31, 2025 (unaudited)								
		Capital reserves							
	Share capital	From prem-iums	From stock-based payment and other benefits[a]	Total share capital and capital reserves	Accumu-lated 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	–	–	–	–	–	**2,403**	**2,403**	–	**2,403**
Other comprehensive income, net of tax effect	–	–	–	–	**559**	–	**559**	–	**559**
Dividend paid	–	–	–	–	–	**(706)**	**(706)**	–	**(706)**
Share buyback	**(3)**	**(123)**	–	**(126)**	–	–	**(126)**	–	**(126)**
Employee benefit for stock-based compensation transactions	–	**2**	**(2)**	–	–	–	–	–	–
Balance as at March 31, 2025	**7,089**	**1,469**	**61**	**8,619**	**(1,477)**	**56,646**	**63,788**	**5**	**63,793**

	For the three months ended March 31, 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	–	–	–	–	–	2,785	2,785	–	2,785
Other comprehensive income, net of tax effect	–	–	–	–	210	–	210	–	210
Declared dividend	–	–	–	–	–	(365)	(365)	–	(365)
Employee benefit for stock-based compensation transactions	–	–	1	1	–	–	1	–	1
Balance as at March 31, 2024	7,111	2,250	64	9,425	(2,437)	50,140	57,128	5	57,133

A. Including NIS 10 million in other capital reserves.
B. Including NIS 4,959 million that are non-distributable, of which NIS 3,058 million in respect of share buyback (March 31,2024 – NIS 5,075 million, of which NIS 2,250 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.

The notes to the condensed consolidated financial statements constitute an integral part thereof.

BANK LEUMI LE-ISRAEL B.M. AND ITS CONSOLIDATED COMPANIES
CondensedStatement on Changes in Equity(continued)
For the period ended On March 31, 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)
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.

The notes to the condensed consolidated financial statements constitute an integral part thereof.

BANK LEUMI LE-ISRAEL B.M. AND ITS CONSOLIDATED COMPANIES

The condensed consolidated cash flow statement for the period ended March 31, 2025

	For the three months ended March 31		For the year ended December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Cash flows from operating activities			
Net profit for the period	**2,403**	2,785	9,798
Adjustments:			
The Group's share in the non- distributed (profits) losses of included companies[a]	**(61)**	(18)	672
Depreciation and amortization of buildings and equipment (including impairment)	**143**	156	613
Loan loss expenses	**55**	222	713
Net losses on sale of available-for-sale bonds	**106**	83	412
Net realized and unrealized losses (gains) due to fair value adjustments of held-for-trading securities	**(50)**	9	19
Gain from realized investment in associate companies	**(5)**	-	-
Gains from realizing buildings and equipment - net	**(9)**	(834)	(852)
Net realized and unrealized gains due to fair value adjustments of shares that are not held for trading	**(249)**	(163)	(609)
Provision for impairment of available-for-sale bonds	**-**	-	53
Provision for impairment of equity securities not held-for-trading	**34**	3	71
Expenses for stock-based compensation transactions	**-**	1	3
Deferred taxes - net	**144**	32	(45)
Severance pay and pension — increase (decrease) in the reserve surplus over the designated amount	**64**	70	(214)
Interest receivable over interest accrued during the period due to available-for-sale bonds and held-to-maturity bonds.	**(76)**	(822)	(2,486)
Accrual differences and rate in respect of bonds and subordinated notes	**(32)**	(85)	149
Effect of exchange rate differentials on cash and cash equivalent balances	**(484)**	104	619
Other, net	**-**	(1)	-
Net change in current assets:			
Assets in respect of derivatives	**(190)**	1,665	(1,783)
Held-for-trading securities	**(5,863)**	8,503	6,102
Other assets	**(276)**	(16)	79
Net change in current liabilities:			
Liabilities for derivatives	**(197)**	(2,869)	1,142
Other liabilities	**(1,074)**	356	583
Net cash (for current activities) due to current activities	**(5,617)**	9,181	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(continued)
For the period ended On March 31, 2025

	For the three months ended March 31		For the year ended December 31
	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	**(2,133)**	852	(2,186)
Net change in loans to the public[a]	**(7,052)**	(9,236)	(35,832)
Net change in loans to the Israeli Government	**313**	419	(705)
Net change in securities borrowed or purchased under reverse repurchase agreements	**3,163**	765	(1,631)
Purchase of held-to-maturity bonds	**(255)**	(2,061)	(4,666)
Proceeds from redemption of held-to-maturity bonds	**334**	566	1,407
Purchase of available-for-sale bonds and equity securities not held-for-trading	**(38,478)**	(60,145)	(188,183)
Proceeds from sale of available-for-sale bonds and equity securities not held-for-trading	**37,307**	64,613	177,752
Proceeds from redemption of available-for-sale bonds and equity securities	**1,552**	11,044	45,674
Purchase of associates' equity	**-**	(68)	(168)
Proceeds from disposal of investment in associates	**7**	-	-
Proceeds from sale of loan portfolios	**-**	165	473
Purchase of loan portfolios	**(440)**	-	(551)
Purchase of buildings and equipment	**(242)**	(133)	(737)
Proceeds from disposal of buildings and equipment	**15**	1,003	1,028
Central severance pay fund	**3**	2	4
Net cash (for investment activities) due to investment activities	**(5,906)**	7,786	(8,321)
Cash flow from financing activities			
Net change in deposits with banks for an original period of more than three months	**(5,024)**	3,363	(2,733)
Net change in deposits by the public	**(21,889)**	27,946	50,473
Net change in deposits by the government	**(33)**	(59)	12
Net change in securities loaned or sold under repurchase agreements	**2,565**	(7,469)	(2,090)
Proceeds from issue of bonds and subordinated notes	**4,608**	-	7,668
Redemption of bonds and subordinated notes	**(2,401)**	(1,204)	(8,008)
Dividend paid to shareholders	**(706)**	-	(2,569)
Share buyback	**(126)**	-	(682)
Net cash (for financing activities) due to financing activities	**(23,006)**	22,577	42,071
Increase (decrease) in cash and cash equivalents	**(34,529)**	39,544	48,789
Balance of cash and cash equivalents as of the beginning of the period	**150,641**	102,471	102,471
Effect of exchange rate fluctuations on cash and cash equivalent balances	**484**	(104)	(619)
Balance of cash and cash equivalents as of the end of the period	**116,596**	141,911	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(continued)
For the period ended On March 31, 2025

Interest and taxes paid and/or received and dividends received

	For the three months ended March 31		For the year ended December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Interest received	**8,378**	7,950	32,671
Interest paid	**(5,322)**	(5,026)	(20,779)
Dividends received	**108**	51	276
Income tax paid	**(2,388)**	(1,617)	(5,814)
Income tax received	**3**	2	731

Appendix A - Non-Cash Investments and Financing Activities in the Reporting Period

For the three months ended March 31, 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.

For the three months ended March 31, 2024

On March 19, 2024 a distribution of dividend to the shareholders had been declared, in the sum of NIS 365 million.

List of Notes

Note 1 – Significant Accounting Policies

A. Basis of Preparation of the Financial Statements

1. Reporting principles

The condensed consolidated financial statements for interim periods as of March 31, 2025 are prepared in accordance with the directives and guidelines 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).

On March 19, 2025 the Bank's Board of Directors approved the publication of the condensed consolidated financial statements for interim periods.

2. Use of estimates

At the time of preparation of the condensed consolidated financial statements for interim periods, in accordance with the directives and guidelines specified above, the management is required to exercise discretion, and make use of estimates, assessments and assumptions, which affect the reported sums of assets and liabilities as well as the reported result sums. 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 estimates, the Bank's management relies on past experience, various facts and 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 activities' results.

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 March 31	
	2025	2024
	Unaudited	
	In NIS million	
A. Interest income[(a)]		
From loans to the public	**6,587**	6,117
From loans to governments	**20**	19
From deposits with the Bank of Israel and cash	**1,008**	1,079
From deposits with banks	**133**	137
From securities borrowed or purchased under reverse repurchase agreements	**38**	28
From bonds[(b)]	**1,267**	1,447
Total interest income	**9,053**	8,827
B. Interest expenses[(a)]		
For deposits by the public	**(4,487)**	(4,565)
For deposits by governments	**(1)**	(1)
For deposits by banks	**(57)**	(64)
For deposits by the Bank of Israel	**(22)**	(21)
For securities loaned or sold under repurchase agreements	**(147)**	(151)
For bonds, promissory notes and subordinated notes	**(322)**	(258)
Total interest expenses	**(5,036)**	(5,060)
Total interest income, net	**4,017**	3,767
C. Details on the net effect of hedging derivatives[(c)]		
Interest income	**29**	54
Interest expenses	**(8)**	(3)
d. Details on interest income from bonds, on accrual basis		
Held-to-maturity	**183**	148
Available-for-sale	**990**	1,177
Held-for-trading	**94**	122
Total included in interest income	**1,267**	1,447

A. Including the effect of hedge relationships.
B. Including interest due to mortgage backed securities (MBS) in the sum of approximately NIS 149 million for the period of three months ended on March 31, 2025 (NIS 110 million for the period of three months ended on March 31, 2024).
C. Specification of the effect of hedging derivatives on subsections a and b.

Note 3A - Noninterest Finance Income

	For the three months ended March 31	
	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)]		
Income in respect of derivative instruments, net[(b)]	174	1,405
Total from derivatives activity	174	1,405
A.2. From investment in bonds		
Gains on sale of available-for-sale bonds, net[(h)]	54	64
Losses on sale of available-for-sale bonds[(h)]	(160)	(147)
Total from investment in bonds	(106)	(83)
A.3. Exchange rate differentials, net	(245)	(917)
A.4. Gains (losses) on investment in shares		
Gains on sale of equity securities not held for trading	94	121
Provision for impairment for equity securities not held for trading	(34)	(3)
Losses on sale of equity securities not held-for-trading	(15)	(3)
Dividend from not held-for-trading equity securities	52	18
Unrealized gains, net, of shares not held-for-trading[(g)]	170	45
Gain on the sale of investees' shares	5	-
Total from investment in equity securities	272	178
The total non-interest finance income due to activities that are not for trade objectives	95	583
B. Noninterest financing income (expenses) not due to activities for trade purposes		
Income in respect of held-for-trading derivatives, net	148	160
Realized and unrealized gains (losses) due to fair value adjustments of held-for-trading bonds, net[(c)(f)]	51	(11)
Realized and unrealized gains (losses) from fair value adjustments of held-for-trading securities, net [(d)(f)]	(1)	2
Total from trading activities[(e)]	198	151
Specification of noninterest financing income not due to activities for trade purposes, according to risk exposure		
Interest rate exposure	6	93
Foreign exchange exposure	166	36
Equity exposure	26	22
Total	198	151
Total noninterest finance income	293	734

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 losses in the sum of approximately NIS 3 million for the period of three months ended March 31, 2025, related to held-for-trading bonds that are still held as of the balance sheet date (losses in the sum of approximately NIS 20 million for the period of three months ended March 31, 2024).
D. Of which part of the profits in the sum of approximately NIS 2 million for the period of three months ended March 31, 2025, related to held-for-trading bonds that are still held as of the balance sheet date (profits in the sum of approximately NIS 3 million for the period of three months ended March 31, 2024).
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. Other cumulative comprehensive spread reclassified.

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 March 31	
	2025	2024
	Unaudited	
Basic earnings		
Net income attributable to the Bank's shareholders (in NIS million)	**2,403**	2,785
Weighted average of the number of shares (in thousands of shares)		
Balance as at beginning of period[(a)]	**1,503,528**	1,522,856
Weighted effect of issuance of shares	**40**	-
Weighted effect for share buyback	**(1,177)**	-
Weighted average of number of shares	**1,502,391**	1,522,856
Basic earnings per share (in NIS)	**1.60**	1.83

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 March 31	
	2025	2024
	Unaudited	
Diluted earnings		
Net income attributable to the Bank's shareholders (in NIS million)	**2,403**	2,785
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	**1,502,391**	1,522,856
Weighted effect of issuance of options to employees	**1,454**	125
Weighted average of the number of shares, fully diluted	**1,503,845**	1,522,981
Diluted earnings per share (in NIS)	**1.60**	1.83

C. Share Capital

As of March 31, 2025, the Bank's issued and paid up share capital less the Bank's share buyback plan over the years 2018-2020 and 2023-2025 stands at 1,501,004,277 ordinary shares of NIS 1 p.v. each.

D. Buyback after the financial statements date

From April 1, 2025 to May 14, 2025, the Bank performed a buyback of 3,726,77 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. Other cumulative comprehensive changes in profit (loss) for the period of three months ended March 31, 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	Oher comprehensive profit (loss) due to of equity-accounted investees(a)	Adjustments due to employee benefits(b)	Total	Other comprehensive income (loss) attributed to non-controlling right holders	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	(187)	(3)		(4)	404	210	-	210
Balance as at March 31, 2024	(1,704)	(2)		12	(743)	(2,437)	-	(2,437)
Balance as at December 31, 2024 (audited)	(1,334)	-	2	36	(740)	(2,036)	-	(2,036)
Net change during the period	**147**	**1**	**(3)**	**(17)**	**431**	**559**	**-**	**559**
Balance as at March 31, 2025	**(1,187)**	**1**	**(1)**	**19**	**(309)**	**(1,477)**	**-**	**(1,477)**

2. 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 profit (loss) due to of equity-accounted investees(a)	Adjustments due to employee benefits(b)	Total	Other comprehensive income (loss) attributed to non-controlling right holders	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.

B. Changes in accumulated other comprehensive income (loss) components, before and after tax effect

	For the three months ended March 31 (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	**134**	**(53)**	**81**	(385)	147	(238)
Net losses in respect of available-for-sale bonds reclassified to the income statement[a]	**106**	**(40)**	**66**	83	(32)	51
Net change during the period	**240**	**(93)**	**147**	(302)	115	(187)
Cash flow hedges						
Net gains (losses) for cash flow hedges	**1**	**-** [f]	**1**	(5)	2	(3)
Net change during the period	**1**	**-**	**1**	(5)	2	(3)
Non-performing credit risk						
Impact of changes in the credit risk of the liabilities	**(5)**	**2**	**(3)**			
Net change during the period	**(5)**	**2**	**(3)**			
Equity-accounted investees						
Other comprehensive profit due to equity-accounted investees[b]	**6**	**(2)**	**4**	29	(12)	17
Hedges[c]	**(35)**	**14**	**(21)**	(34)	13	(21)
Net change during the period	**(29)**	**12**	**(17)**	(5)	1	(4)
Employee benefits:[d]						
Net actuarial gain	**609**[g]	**(205)**	**404**	548[g]	(183)	365
Net losses reclassified to the income statement[e]	**41**	**(14)**	**27**	63	(24)	39
Net change during the period	**650**	**(219)**	**431**	611	(207)	404
Total net change during the year	**857**	**(298)**	**559**	299	(89)	210
Less changes in other comprehensive profit components attributable to non-controlling right holders						
Total net change during the period[f]	**-**	**-**	**-**	-	-	-
Changes in other comprehensive profit components attributable to the Bank's shareholders						
Total net change during the period	**857**	**(298)**	**559**	299	(89)	210

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 additional information, please see Note 8.
F. Sums lower than NIS 1 million.
G. For additional information regarding the net actuarial gain amount, please see Note 8.

B. Changes in accumulated other comprehensive income (loss) components, before and after tax effect (continued)

	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)
Credit risk of liabilities			
Influence of changes to credit risk of 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 for 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 profit (loss) components 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.
F. Sums lower than NIS 1 million.

G. For additional information regarding the net actuarial gain amount, please see Note 8.note 5Note 5 - **Securities**

	As of March 31, 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	10,868	10,868	-	28	(715)	10,181
Of foreign financial institutions	1,288	1,288	-	1	(12)	1,277
Asset-backed (ABS) or Mortgage-backed (MBS)	6,210	6,210	1	18	(415)	5,814
Of other foreign entities	346	346	1	-	(10)	337
Total held-to-maturity bonds[(e)]	18,712	18,712	2	47	(1,152)	17,609

	As of March 31, 2025 (unaudited)					
				Accumulated Other Comprehensive Income (Loss)		
	Balance sheet value	Amortized cost	Balance of loan loss provision	Gains	Fair value(a)	Fair value[(a)]
	In NIS million					
2. Available-for-sale bonds:						
Of the Israeli Government	49,898	51,707	-	159	(1,968)	49,898
Of foreign governments	14,272	14,243	-	30	(1)	14,272
Of Israeli financial institutions	177	179	-	1	(3)	177
Of foreign financial institutions	8,802	8,810	-	82	(90)	8,802
Asset-backed (ABS) or Mortgage-backed (MBS)	12,200	12,697	-	44	(541)	12,200
Of other Israeli entities	1,030	1,025	-	24	(19)	1,030
Of other foreign entities	4,239	4,330	-	33	(124)	4,239
Total available-for-sale bonds [(e)]	90,618	92,991	-	373[(c)]	(2,746)[(c)]	90,618

Please see Notes on p. 118.

Note 5 - Securities (cont.)

	As of March 31, 2025 (unaudited)					
	Balance sheet value	Amortized cost (in shares - cost)	Balance of loan loss provision	Unrealized gains due to fair value adjustments	Unrealized losses due to fair value adjustments[a]	Fair value[a]
	In NIS million					
3. Investment in shares and mutual funds that are not held for-trading:						
Equity securities and mutual funds	7,503	7,279	-	604	(380)	7,503
Of which: equity securities and mutual funds for which there is no available fair value[b]	4,201	4,445	-	87	(331)	4,201
Total shares and mutual funds that are not held for-trading	7,503	7,279	-	604[d]	(380)[d]	7,503
Total securities that are not held-for-trading	116,833	118,982	2	1,024	(4,278)	115,730

	As of March 31, 2025 (unaudited)					
	Balance sheet value	Amortized cost (in shares - cost)	Balance of loan loss provision	Unrealized gains due to 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	12,471	12,462	-	23	(14)	12,471
Of foreign governments	73	75	-	-	(2)	73
Of Israeli financial institutions	39	39	-	-	-	39
Of foreign financial institutions	152	152	-	1	(1)	152
Asset-backed (ABS) or Mortgage-backed (MBS)	271	270	-	2	(1)	271
Of other Israeli entities	170	170	-	1	(1)	170
Of other foreign entities	182	182	-	1	(1)	182
Total held-for-trading bonds	13,358	13,350	-	28	(20)	13,358
Held-for-trading equity securities and mutual funds	111	110	-	2	(1)	111
Total held-for-trading securities[f]	13,469	13,460	-	30[d]	(21)[d]	13,469
Total securities	130,302	132,442	2	1,054	(4,299)	129,199

Please see Notes on p. 130.

Note 5 - Securities (cont.)

	As of March 31, 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	8,957	8,957	-	1	(811)	8,147
Of foreign financial institutions	1,450	1,451	1	-	(43)	1,408
Asset-backed (ABS) or Mortgage-backed (MBS)	6,216	6,217	1	3	(478)	5,742
Of other foreign entities	339	340	1	-	(16)	324
Total held-to-maturity bonds[(e)]	16,962	16,965	3	4	(1,348)	15,621

	As of March 31, 2024 (unaudited)					
				Accumulated Other Comprehensive Income (Loss)		
	Balance sheet value	Amortized cost	Balance of loan loss provision	Gains	Fair value(a)	Fair value[(a)]
	In NIS million					
2. Available-for-sale bonds:						
Of the Israeli Government	63,156	65,418	-	56	(2,318)	63,156
Of foreign governments	20,679	20,783	-	25	(129)	20,679
Of Israeli financial institutions	75	78	-	-	(3)	75
Of foreign financial institutions	9,639	9,794	-	48	(203)	9,639
Asset-backed (ABS) or Mortgage-backed (MBS)	11,042	11,631	-	33	(622)	11,042
Of other Israeli entities	887	911	-	13	(37)	887
Of other foreign entities	4,687	4,964	-	19	(296)	4,687
Total available-for-sale bonds [(e)]	110,165	113,579	-	194[(c)]	(3,608)[(c)]	110,165

Please see Notes on p. 130.

Note 5 - Securities (cont.)

	As of March 31, 2024 (unaudited)					
	Balance sheet value	Amortized cost (in shares – cost)	Balance of loan loss provision	Unrealized gains due to fair value adjustments	Unrealized losses due to fair value adjustments[(a)]	Fair value[(a)]
	In NIS million					
3. Investment in shares and mutual funds that are not held for-trading:						
Equity securities and mutual funds	5,432	5,393	–	416	(377)	5,432
Of which: equity securities and mutual funds for which there is no available fair value[(b)]	3,114	3,114	–	–	–	3,114
Total shares and mutual funds that are not held for-trading	5,432	5,393	–	416[(d)]	377[(d)]	5,432
Total securities that are not held-for-trading	132,559	135,937	3	614	(5,333)	131,218

	As of March 31, 2024 (unaudited)					
	Balance sheet value	Amortized cost (in shares – cost)	Balance of loan loss provision	Unrealized gains due to 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	4,107	4,103	–	10	(6)	4,107
Of Israeli financial institutions	330	343	–	1	(14)	330
Of foreign financial institutions	100	99	–	1	–	100
Asset-backed (ABS) or Mortgage-backed (MBS)	42	46	–	–	(4)	42
Of other Israeli entities	188	191	–	1	(4)	188
Of other foreign entities	320	321	–	–	(1)	320
Total held-for-trading bonds	5,087	5,103	–	13	(29)	5,087
Held-for-trading equity securities and mutual funds	78	74	–	11	(7)	78
Total held-for-trading securities[(f)]	5,165	5,177	–	24[(d)]	(36)[(d)]	5,165
Total securities	137,724	141,114	3	638	(5,369)	136,383

Please see Notes on p. 130.

Note 5 - Securities (cont.)

	As at 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 at December 31, 2024 (audited)					
				Accumulated Other Comprehensive Income (Loss)		
	Balance sheet value	Amortized cost	Balance of loan loss provision	Gains	Fair value(a)	Fair value[a]
	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 at December 31, 2024 (audited)					
	Balance sheet value	Amortized cost (in shares - cost)	Balance of loan loss provision	Unrealized gains due to fair value adjustments	Unrealized losses due to fair value adjustments[a]	Fair value[a]
	In NIS million					
3. Investment in shares and mutual funds that are not held for-trading:						
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 p. 118.

Note 5 - Securities (cont.)

	As at December 31, 2024 (audited)					
	Balance sheet value	Amortized cost (in shares - cost)	Balance of loan loss provision	Unrealized gains due to 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 quarter of 2025, upward adjustments were made, in the sum of approximately NIS 69 million, and the total cumulative upward adjustments amounted to approximately NIS 87 million. Additionally, in the first quarter of 2025 downward adjustments and amortizations were made in the amount of approximately NIS 34 million, the cumulative downward adjustments and amortizations totaled at the sum of approximately NIS 331 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. A total of NIS 15.9 billion out of the total foreign currency securities are rated SSA (Super-nationals, Sovereign and Agencies) (March 31, 2024 — NIS 16.6 billion, December 31, 2024 - NIS 15.5 billion).

F. Of which bonds in the sum of approx. NIS 2,474 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 (March 31, 2024- NIS 1,024 million, December 31, 2024 - NIS 1,224 million).

General comments:

The loaned securities in the amount of NIS 1,083 million (March 31, 2024 - NIS 1,034 million, December 31, 2024 - NIS 1,163 million) are presented under the Section "Loans to the Public".

The pledged securities amounted to NIS 11,646 million (March 31, 2024 - NIS 13,924 million, 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

	March 31, 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	-	-	-	-	9,143	404	311	715
Asset-backed (ABS) or Mortgage-backed (MBS)	1,189	6	-	6	2,847	316	93	409
Of foreign financial institutions	-	-	-	-	1,133	12	-	12
Of other foreign entities	-	-	-	-	346	10	-	10
Total held-to-maturity bonds	1,189	6	-	6	13,469	742	404	1,146

	March 31, 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 Total	Amortized cost	0-20%[c]	20%-40%[d]	Total Total
	In NIS million							
Bonds								
Of the Israeli Government	868	2	-	2	7,975	486	323	809
Asset-backed (ABS) or Mortgage-backed (MBS)	2,787	21	-	21	2,864	261	196	457
Of foreign financial institutions	-	-	-	-	1,397	43	-	43
Of other foreign entities	-	-	-	-	339	16	-	16
Total held-to-maturity bonds	3,655	23	-	23	12,575	806	519	1,325

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.

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 (continued)

	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	0-20%[c]	20%-40%[d]	Total	Amortized cost	0-20%[c]	20%-40%[d]	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.

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

	March 31, 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	15,761	195	-	195	19,449	1,073	794	1,867
Asset-backed (ABS) or Mortgage-backed (MBS)	2,637	15	-	15	4,326	287	239	526
Of others	1,240	18	3	21	1,407	100	22	122
Total available-for-sale bonds	19,638	228	3	231	25,182	1,460	1,055	2,515

	March 31, 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	30,023	417	-	417	29,026	1,492	744	2,236
Asset-backed (ABS) or Mortgage-backed (MBS)	2,045	21	-	21	6,053	318	283	601
Of others	553	22	-	22	3,738	286	25	311
Total available-for-sale bonds	32,621	460	-	460	38,817	2,096	1,052	3,148

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 (continued)

	December 31, 2024 (audited)							
	Less than 12 Months[a]				12 months or more[b]			
		Unrealized losses				Unrealized losses		
	Fair value	0-20%[c]	20%-40%[d]	Total	Fair value	0-20%[c]	20%-40%[d]	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

	March 31, 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)	**983**	**(8)**	**1,617**	**(327)**	**2,600**	**(335)**
Other mortgage-backed bonds (including CMO, REMIC and stripped MBS)	**722**	**(3)**	**1,388**	**(179)**	**2,110**	**(182)**
Asset-backed bonds (ABS)	**932**	**(4)**	**1,321**	**(20)**	**2,253**	**(24)**
Total	**2,637**	**(15)**	**4,326**	**(526)**	**6,963**	**(541)**

	March 31, 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)	1,023	(14)	1,937	(372)	2,960	(386)
Other mortgage-backed bonds (including CMO, REMIC and stripped MBS)	740	(6)	1,381	(189)	2,121	(195)
Asset-backed bonds (ABS)	282	(1)	2,735	(40)	3,017	(41)
Total	2,045	(21)	6,053	(601)	8,098	(622)

	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 CMO, REMIC 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.

Further details on Held-to-Maturity Mortgage-Backed and Asset-Backed Bonds

	March 31, 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)	4,181	9	(411)	3,779
Of which: GNMA-guaranteed bonds	2,808	8	(233)	2,583
Bonds issued by FNMA and by FHLMC	1,373	1	(178)	1,196
Other mortgage-backed bonds (including CMO, REMIC and stripped MBS)	1,772	9	(4)	1,777
Of which: bonds issued by FNMA, FHLMC or GNMA, or guaranteed by them	1,772	9	(4)	1,777
Total Mortgage-backed bonds (MBS)	5,953	18	(415)	5,556
Asset-backed bonds (ABS)	258	-	-	258
Of which: Loans to other than individuals - CLO-type bonds	258	-	-	258
Total held-to-maturity mortgage-backed and asset-backed bonds	6,211	18	(415)	5,814

	March 31, 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)	4,285	3	(461)	3,827
Of which: GNMA-guaranteed bonds	2,898	3	(261)	2,640
Bonds issued by FNMA and by FHLMC	1,387	-	(200)	1,187
Other mortgage-backed bonds (including CMO, REMIC and stripped MB)	1,676	-	(16)	1,660
Of which: bonds issued by FNMA, FHLMC or GNMA, or guaranteed by them	1,676	-	(16)	1,660
Total Mortgage-backed bonds (MBS)	5,961	3	(477)	5,487
Asset-backed bonds (ABS)	256	-	(1)	255
Of which: Loans to other than individuals - CLO-type bonds	256	-	(1)	255
Total held-to-maturity mortgage-backed and asset-backed bonds	6,217	3	(478)	5,742

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 (continued)

	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 CMO, REMIC 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.

More Information on Mortgage-Backed and Asset-Backed Available-for-Sale Bonds

	March 31, 2025 (unaudited)			
		Accumulated other comprehensive income (loss)[a]		
	Amortized cost	Gains	Fair value(a)	Fair value
	In NIS million			
Mortgage-backed bonds (MBS)				
Pass-through bonds (Pass through securities)	4,413	13	(335)	4,091
Of which: GNMA-guaranteed bonds	2,953	8	(215)	2,746
Bonds issued by FNMA and by FHLMC	1,460	5	(120)	1,345
Other mortgage-backed bonds (including CMO, REMIC and stripped MBS)	4,226	11	(182)	4,055
Of which: bonds issued by FNMA, FHLMC or GNMA, or guaranteed by them	3,768	9	(180)	3,597
Total Mortgage-backed bonds (MBS)	8,639	24	(517)	8,146
Asset-backed bonds (ABS)	4,058	20	(24)	4,054
Of which: Loans to other than individuals - CLO-type bonds	2,668	13	(4)	2,677
Credit not designated for individuals - SBA - guaranteed bonds	947	2	(18)	931
Total mortgage-backed and asset-backed available-for-sale bonds	12,697	44	(541)	12,200

	March 31, 2024 (unaudited)			
		Accumulated other comprehensive income (loss)[a]		
	Amortized cost	Gains	Fair value(a)	Fair value
	In NIS million			
Mortgage-backed bonds (MBS)				
Pass-through bonds (Pass through securities)	3,771	3	(386)	3,388
Of which: GNMA-guaranteed bonds	2,369	2	(249)	2,122
Bonds issued by FNMA and by FHLMC	1,402	1	(137)	1,266
Other mortgage-backed bonds (including CMO, REMIC and stripped MBS)	3,276	6	(195)	3,087
Of which: bonds issued by FNMA, FHLMC or GNMA, or guaranteed by them	2,951	4	(193)	2,762
Total Mortgage-backed bonds (MBS)	7,047	9	(581)	6,475
Asset-backed bonds (ABS)	4,584	24	(41)	4,567
Of which: Loans to other than individuals - CLO-type bonds	3,039	20	(10)	3,049
Credit not designated for individuals - SBA - guaranteed bonds	1,170	2	(26)	1,146
Total mortgage-backed and asset-backed available-for-sale bonds	11,631	33	(622)	11,042

A. Amounts charged 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 (continued)

	December 31, 2024 (audited)			
		Accumulated other comprehensive income (loss)[(a)]		
	Amortized cost	Gains	Fair value(a)	Fair value
	In NIS million			
Mortgage-backed bonds (MBS)				
Pass-through bonds (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 CMO, REMIC 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.

Further details on Mortgage-Backed and Asset-Backed Held-for-Trading Securities

	March 31, 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)				
Pass-through securities (Pass through securities)	258	2	-	260
Of which: securities issued by FNMA and FHLMC	69	1	-	70
Other mortgage-backed securities (including CMO, REMIC and stripped MBS)	6	-	(1)	5
Of which: securities issued by FNMA, FHLMC or GNMA, or guaranteed by them	-	-	-	-
Total mortgage-backed securities (MBS)	264	2	(1)	265
Total asset-backed securities (ABS)	6	-	-	6
Total held-for-trading mortgage-backed and asset-backed securities	270	2	(1)	271

	March 31, 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)				
Pass-through securities (Pass through securities)	22	-	-	22
Of which: securities issued by FNMA and FHLMC	22	-	-	22
Other mortgage-backed securities (including CMO, REMIC and stripped MBS)	17	-	(3)	14
Of which: securities issued by FNMA, FHLMC or GNMA, or guaranteed by them	-	-	-	-
Total mortgage-backed securities (MBS)	39	-	(3)	36
Total asset-backed securities (ABS)	7	-	(1)	6
Total held-for-trading mortgage-backed and asset-backed securities	46	-	(4)	42

A. Gains (losses) carried to the income statement.

Note 5 - Securities (cont.)

Further details on mortgage-backed and asset-backed held-for-trading securities (continued)

	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)				
Pass-through securities (Pass through securities)	1	-	-	1
Of which: securities issued by FNMA and FHLMC	1	-	-	1
Other mortgage-backed securities (including CMO, REMIC and stripped MBS)	6	-	(1)	5
Of which: securities issued by FNMA, FHLMC or GNMA, or guaranteed by them	-	-	-	-
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 three months ended March 31, 2025 (unaudited)			
	Asset-backed or mortgage-backed governments	and financial and institutions	Of others	Total
	In NIS million			
Balance of the provision for loan losses as at the beginning of the reporting period	-	-	-	-
Balance of the provision for loan losses as the end of the reporting period	-	-	-	-

	For the three months ended March 31, 2024 (unaudited)			
	Asset-backed or mortgage-backed governments	and financial and institutions	Of others	Total
	In NIS million			
Balance of the provision for loan losses as at the beginning of the reporting period	-	-	-	-
Balance of the provision for loan losses as 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

	March 31, 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	262,329	-	647	262,976	129,661	392,637
Examined on a collective basis	30,596	145,971	30,093	206,660	-	206,660
Total[1]	292,925	145,971	30,740	469,636	129,661	599,297
[1]Of which:						
Non-performing debts	1,514	678	196	2,388	-	2,388
Debts in arrears of 90 days or more	103	-	86	189	-	189
Other troubled debts	3,351	19	591	3,961	-	3,961
Total troubled debts	4,968	697	873	6,538	-	6,538
Outstanding loan loss provision in respect of debts:						
Examined on a specific basis	4,211	-	203	4,414	31	4,445
Examined on a collective basis	998	628	749	2,375	-	2,375
Total loan loss provision[2]	5,209	628	952	6,789	31	6,820
[2]Of which:						
For non-performing debts	459	107	126	692	-	692
For other troubled debts	768	2	198	968	-	968

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.)

	March 31, 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	245,663	–	689	246,352	143,182	389,534
Examined on a collective basis	27,459	132,679	29,047	189,185	–	189,185
Total[1]	273,122	132,679	29,736	435,537	143,182	578,719
[1]Of which:						
Non-performing debts	1,877	623	331	2,831	–	2,831
Debts in arrears of 90 days or more	52	–	67	119	–	119
Other troubled debts	3,452	12	613	4,077	–	4,077
Total troubled debts	5,381	635	1,011	7,027	–	7,027
Outstanding loan loss provision in respect of debts:						
Examined on a specific basis	4,553	–	289	4,842	17	4,859
Examined on a collective basis	806	628	679	2,113	–	2,113
Total loan loss provision[2]	5,359	628	968	6,955	17	6,972
[2]Of which:						
For non-performing debts	571	104	211	886	–	886
For other troubled debts	859	1	434	1,294	–	1,294

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 March 31, 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 the provision for credit losses as at the beginning of the reporting period	6,048	669	988	7,705	47	7,752
Loan loss expenses (income)	(8)	(14)	64	42	13	55
Charge-offs	(158)	(2)	(157)	(317)	-	(317)
Collection of debts written off in previous years	92	2	91	185	-	185
Net charge-offs	(66)	-	(66)	(132)	-	(132)
Balance of the provision for credit losses as at the end of the reporting period[1]	5,974	655	986	7,615	60	7,675
[1]Of which: in respect of off-balance-sheet credit instruments	765	27	34	826	29	855

	For the three months ended March 31, 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 the provision for credit losses as at the beginning of the reporting period	5,873	634	957	7,464	17	7,481
Loan loss expenses	75	3	144	222	-	222
Charge-offs	(113)	(1)	(164)	(278)	-	(278)
Collection of debts written off in previous years	178	3	67	248	-	248
Net charge-offs	65	2	(97)	(30)	-	(30)
Balance of the provision for credit losses as at the end of the reporting period[1]	6,013	639	1,004	7,656	17	7,673
[1]Of which: in respect of off-balance-sheet credit instruments	654	11	36	701	-	701

Note 7 - Public Deposits

A. Types of Deposits by Location and Type of Depositor

	March 31		December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
In Israel			
Demand deposits			
Non-interest bearing deposits	**134,600**	140,795	142,366
Interest-bearing deposits	**114,487**	146,676	142,950
Total demand deposits	**249,087**	287,471	285,316
Fixed deposits	**347,360**	308,334	332,985
Total deposits in Israel[1]	**596,447**	595,805	618,301
Total deposits by the public	**596,447**	595,805	618,301
[1]Of which:			
Deposits by private individuals	**176,122**	172,260	175,583
Deposits by institutional entities	**154,746**	158,542	171,993
Deposits by corporations and others	**265,579**	265,003	270,725

B. Public deposits according to amount

	March 31		December 31
	2025	2024	2024
	Unaudited		Audited
Maximum deposit in NIS million	In NIS million		
Up to 1	**130,447**	136,290	130,770
Over 1 and up to 10	**130,415**	119,110	130,613
Over 10 and up to 100	**101,643**	88,305	106,136
Over 100 and up to 500	**85,724**	63,790	79,544
Over 500	**148,218**	188,310	171,238
Total	**596,447**	595,805	618,301

Note 8 – Employees Rights

A. Composition of the Benefits

1. Employee benefits

	As at March 31		As of December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Retirement benefits - pension and severance pay			
Liability amount	**16,200**	16,698	16,899
Fair value of plan assets	**9,404**	9,048	9,520
Excess of liability over plan assets	**6,796**	7,650	7,379
Accrued jubilee vacation leave			
Liability amount	**15**	17	16
Excess of liability over plan assets	**15**	17	16
Other benefits			
Liability amount	**501**	525	518
Fair value of plan assets	**-**	-	-
Excess of liability over plan assets	**501**	525	518
Total			
The surplus of liabilities included in the Section "Other Liabilities"[1]	**7,324**	8,204	7,928
[1]Of which: due to employee benefits abroad	**12**	10	11
The surplus of the assets included in the Section "Other Assets"	**12**	12	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 March 31		For the year ended December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Undertaking due to an expected benefit as at the beginning of the period	**16,899**	17,210	17,210
Service cost	**28**	31	112
Interest cost	**216**	215	896
Contributions by planholders	**5**	5	21
Actuarial gain	**(691)**	(507)	(307)
Changes in foreign exchange rates	**6**	1	(1)
Paid benefits	**(263)**	(257)	(1,032)
Undertaking due to an expected benefit as at the end of the reporting period	**16,200**	16,698	16,899
Undertaking due to a cumulative benefit as at the end of the reporting period	**15,364**	15,759	16,020

The actuarial changeis mainly due to an increase in the discount rate.

Note 8 - Employee Rights (cont.)

A. 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 March 31		For the year ended December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Fair value of the plan assets as at the beginning of the period	**9,520**	9,018	9,018
Actual return on plan assets[a]	**19**	162	669
Plan contributions by the Bank	**12**	13	407
Contributions by planholders	**5**	5	21
Changes in foreign exchange rates	**7**	3	(3)
Paid benefits	**(159)**	(153)	(592)
Fair value of the plan assets as at the end of the reporting period	**9,404**	9,048	9,520
Funding status - net liability recognized at the end of the reporting period	**6,796**	7,650	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 at March 31		As of December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Amounts recognized in the "Other liabilities" item	**6,796**	7,650	7,379
Net liability recognized at the end of the reporting period	**6,796**	7,650	7,379

4. Amounts recognized in accumulated other comprehensive income before the tax effect

	As at March 31		As of December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Net actuarial loss	**529**	1,136	1,142
Closing balance of accumulated other comprehensive income	**529**	1,136	1,142

A. 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 March 31		For the year ended December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Service cost	**28**	31	112
Interest cost	**216**	215	896
Expected return on plan assets	**(138)**	(131)	(528)
Amortization of unrealized amounts – net actuarial loss	**41**	63	147
Total benefit cost, net	**147**	178	627
Total expense for defined contribution pension plan	**60**	55	224
Total expenses included in profit and loss	**207**	233	851

2. Changes in plan assets and obligation for benefit recognized in other comprehensive income before tax effect

	For the three months ended March 31		For the year ended December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Net actuarial gain for the period	**(572)**	(538)	(448)
Amortization of unrealized amounts – net actuarial loss	**(41)**	(63)	(147)
Total recognized in other comprehensive income	**(613)**	(601)	(595)
Total benefit cost, net	**147**	178	627
The total net benefit cost had been recognized for the period and other comprehensive (gain) loss	**(466)**	(423)	32

Note 8 - Employee Rights (cont.)

A. 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 to measure the benefit obligation

	As at March 31		As of December 31
	2025	2024	2024
	Unaudited		Audited
	In %		
Discount rate	**2.96**	2.51	2.64
Rate of increase in the CPI	**2.35**	2.72	2.49
Departure rate	**0-35.9**	0-36.4	0-35.9
Rate of compensation increase[b]	**0-6.74**	0-6.45	0-6.28

2. The main assumptions used for calculating the net benefit cost for the period

	As at March 31		As of December 31
	2025	2024	2024
	Unaudited		Audited
	In %		
Discount rate	**2.64**	2.39	2.74
Expected return on long-term plan assets	**6.00**	6.00	6.00
Rate of compensation increase[b]	**0-6.74**	0-6.45	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 at March 31		As of December 31	As at March 31		As of December 31
	2025	2024	2024	**2025**	2024	2024
	Unaudited		Audited	Unaudited		Audited
	In NIS million					
Discount rate	**(1,902)**	(1,963)	(2,004)	**2,297**	2,381	2,428
Rate of increase in the CPI	**(316)**	(339)	(334)	**360**	387	381
Departure rate	**201**	213	210	**(139)**	(204)	(143)
Rate of compensation increase	**351**	379	372	**(315)**	(339)	(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.)

A. Composition of the Benefits (cont.)

4. Plan assets

A. Composition of fair value of plan assets

	As at March 31		As of December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Cash and deposits with banks	**90**	115	228
Shares	**1,129**	1,140	1,070
Government bonds	**58**	92	170
Corporate bonds	**443**	469	380
Other[(a)]	**7,684**	7,232	7,672
Total	**9,404**	9,048	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 at March 31		As of December 31
	2025	**2025**	2024	2024
	Unaudited			Audited
	In %			
Cash and deposits with banks	**1**	**1**	1	2
Shares	**11**	**12**	13	11
Government bonds	**1**	**1**	1	2
Corporate bonds	**5**	**5**	5	4
Other[(a)]	**82**	**81**	80	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.)

A. Composition of the Benefits (cont.)

5. Cash flows

A. Contributions

	Forecast[a]	For the three months ended March 31		For the year ended December 31
	2025	**2025**	2024	2024
	Unaudited			Audited
	In NIS million			
Contributions	**250**	**17**	18	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	906
2026	960
2027	876
2028	836
2029	810
2030-2034	3,789
2035 onwards	8,983
Total	17,160

A. In discounted values.

Note 9A - Capital

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 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.

The share buyback plan is executed as part of the trading on the Stock Exchange and/or through transactions outside the Stock Exchange, in accordance with the safe harbor mechanism published by the Israel Securities Authority (hereinafter the "Stock Exchange Member"). 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").

As part of Stages A, B, and C, 20,447,679 Bank shares were purchased, amounting to NIS 726 million under the said plan.

The implementation of Stage D began on March 5, 2025 and ended on May 14, 2025, as part of which 5,373,922 of the Bank's shares were purchased, amounting to NIS 274 million.

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 execution of Stage A will begin on May 21, 2025 and will end on the earlier of the two: (a) July 31, 2025; or (b) completion of the Bank's share buyback in the scope not to exceed 25% of the total current distribution amount that the Board of Directors will approve for the first quarter of 2025. After the completion of Stage A, Stage B will begin on the second trading day following the publication date of the first financial statements after the decision to go forward with Stage B has been made. In such a case, Stage B will end on the earlier of the two: (a) November 10, 2025; or (b) Completion of the Bank's share buyback at a rate not to exceed 25% of the total current distribution amount approved by the Board of Directors for that quarter. After completion of Stage B, should the Bank decide to proceed to Stage C, it shall commence execution of Stage C on the second trading day following publication of the first financial statements after the date the decision is made regarding execution of Stage C. In such a case, Stage C will end on the earlier of the two: (a) February 19, 2026; or (b) Completion of the Bank's share buyback at a rate not to exceed 25% of the total current distribution amount to be 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 A, Stage B or Stage C, a decision will be made not to proceed with Stage B, Stage C or Stage D, mutatis mutandis, 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 118,594,868 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 of March 31, 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.

Note 9A - Capital (cont.)

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 29, 2023, the Bank's Board of Directors approved an set in the Bank's internal Tier 1 capital target at 10.6 percent.

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. The Bank is reviewing its position on the draft and its possible implications.

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" - in accordance with the updates established by the BaseL Committee, as mentioned above. The survey results will be sent to the Bank of Israel in June 2025.

Temporary directive regarding additional capital allocation for credit within the framework of project financing for residential construction, with contracts that include deferred payment terms until the delivery date.

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.

The Bank is examining the implications of implementing the new directive.

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 May 19, 2025, the Board of Directors approved distribution of profits at a total rate of up to 40% of the net gain for the first quarter of 2025. Of which, approximately 30% as cash dividends in the sum of approximately NIS 721 million, and the remaining balance through share buyback in the sum of approximately NIS 240 million, as specified above. The dividend approved amounted is approx. 48.15 agorot p.v. per share of NIS 1 p.v. 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 set May 28, 2025 as the record date for dividend payment purposes and June 10, 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
May 23, 2023	June 15, 2023	19.10	294
August 15, 2023	September 7, 2023	48.05	736
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[1]	706

[1] Further to the immediate supplementary report dated March 10, 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 billion p.v. in Series 185 Bonds, issued by expanding the series in consideration of approx. NIS 1,387 billion, and a total of approx. NIS 1.5 billion p.v. in commercial securities (CS Series 7) issued as 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 percent over the Bank of Israel's interest rate.

Series 185 Bonds and Commercial Securities (Series 7) are not recognized for regulatory capital purposes.

In addition, on January 23, 2025, the Bank issued a total of NIS 1,535 billion 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.

These Subordinated Bonds (Series 406) are eligible for inclusion in Tier 2 capital as of the issue date.

Issuances After the Date of the Report

On April 8, 2025, the Bank issued a total of approx. NIS 1.75 billion nominal value, commercial securities in Series 8 Bonds, issued as 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.

Commercial Securities (Series 8) are not recognized for regulatory capital purposes.

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 NIS 1.71 billion in Deferred Bonds was 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 March 31, 2025:

- Change of the scope of risk assets - as of March 31, 2025, the risk assets amount to approximately NIS 518 billion, an increase of NIS 1 billion in risk assets will reduce the CET1 capital ratio, and the total capital ratio by approximately 0.03%.
- A change of CET1 capital - As of March 31, 2025, the CET1 capital amounts to approximately NIS 62.9 billion. An NIS 100 million decrease in the CET1 capital will decrease the CET1 capital ratio and the total capital ratio by approximately 0.02%.

A. Capital adequacy in the consolidated data

	March 31		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)(e)]	**62,916**	56,427	61,255
Tier 2 capital, after deductions	**13,887**	14,298	13,372
Total capital - total	**76,803**	70,725	74,627
Balance of risk-weighted assets			
Credit risk[(b)(d)(f)]	**473,288**	433,625	460,765
Market Risks	**8,452**	5,960	7,332
Operational risk	**36,219**	31,288	35,182
Total balance of risk-weighted assets	**517,959**	470,873	503,279
Ratio of capital to risk-weighted assets			
Ratio of CET1 capital to risk-weighted assets	**12.15%**	11.98%	12.17%
Ratio of total capital to risk-weighted assets	**14.83%**	15.02%	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 of March 31, 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 the capital ratio calculations, 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 the transition to the new 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. These data include adjustments in respect of the efficiency plan in accordance with the directives of the Banking Supervision Department. On June 30, 2024, the adjustments in respect of the efficiency plan were fully reduced.

F. 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.

B. Capital Components for the Calculation of Capital Ratios

	March 31		December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
1. Common Equity Tier 1 capital			
Shareholders' equity	**63,788**	57,128	61,658
Adjustments in respect of the transition from the accounting curve to the regulatory curve[a]	**(469)**	(160)	(124)
Total CET1 capital before regulatory adjustments and deductions	**63,319**	56,968	61,534
Regulatory adjustments and deductions:			
Goodwill and intangible assets	**(386)**	(652)	(379)
Regulatory adjustments and other deductions – CET1 capital	**(17)**	(16)	(20)
The total regulatory adjustments and deductions before adjustments in respect of efficiency plans and before adjustments for expected credit losses – equity Tier 1	**(403)**	(668)	(399)
Total adjustments for the efficiency plan[c]	**–**	7	–
Total adjustments for current expected credit losses[b]	**–**	120	120
Total CET1 capital, after regulatory adjustments and deductions	**62,916**	56,427	61,255
2. Tier 2 capital			
Tier 2 capital: Instruments before deductions	**7,957**	8,878	7,594
Tier 2 capital: Provisions for loan losses, before deductions	**5,930**	5,420	5,778
Total Tier 2 capital	**13,887**	14,298	13,372
Total capital – total	**76,803**	70,725	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. Adjustments in respect of the efficiency plans in accordance with the directives of the Banking Supervision Department, which decrease gradually. On June 30, 2024, the adjustments in respect of the efficiency plan were fully reduced.

Comment: The total capital is calculated in accordance with Proper Conduct of Banking Business Directives No. 201-211, and 299, Capital Measurement and Adequacy, which became effective on January 1, 2014.

C. Effect of adjustments on CET1 capital ratio

	March 31		December 31
	2025	2024	2024
	Unaudited		Audited
Ratio of capital to risk-weighted assets			
A ratio of CET1 capital to risk-weighted components, before the effect of adjustments to the efficiency plans and adjustments to credit losses	**12.15%**	11.96%	12.15%
Adjustments in respect of the efficiency plan[a]	**–**	–[c]	–
Adjustments for current expected credit losses[b]	**–**	0.02%	0.02%
Ratio of CET1 capital to risk-weighted assets	**12.15%**	11.98%	12.17%

A. Adjustments due to the efficiency plans in accordance with the directives of the Banking Supervision Department are charged over a five year period, on a straight-line basis, in respect of capital adequacy calculations. As at June 30, 2024, the adjustments in respect of the efficiency plan were fully reduced.
B. 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.
C. A rate lower than 0.01%.

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 Proper Conduct of Banking Business Directive No. 203A, 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 anchored in Proper Conduct of Banking Business Directive No. 218, Leverage Ratio, and the validity of the relief was extended to December 31, 2025. 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 temporary order in two quarters' time, by June 30, 2026. It was also determined that taking advantage of the easement shall not prevent the distribution of dividends, subject to an total capital planning aimed at reverting to the required leverage ratio.

	As at March 31		As of December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Consolidated data[b]			
Tier 1 capital	**62,916**	56,427[a]	61,255
Total exposures[c]	**865,768**	842,693	882,958
Leverage ratio			
Leverage ratio	**7.27%**	6.70%	6.94%
Minimum total leverage ratio set by the Banking Supervision Department	**5.50%**	5.50%	5.50%

A. The data include adjustments in respect of the efficiency plan in accordance with the directives of the Banking Supervision Department. For further details regarding the adjustments for the efficiency plan, please see section C above.
In addition, in the calculation of the leverage 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 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".

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		
	March 31		December 31
	2025	2024	2024
	Unaudited		Audited
	Average in %		
a. Consolidated data			
Liquidity coverage ratio	**124**	133	123
Minimum liquidity coverage ratio set by the Banking Supervision Department	**100**	100	100
b. The Bank's data			
Liquidity coverage ratio	**121**	130	120
Minimum liquidity coverage ratio required by the Banking Supervision Department	**100**	100	100

The Bank is in compliance with a regulatory requirement as of March 31, 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.

	March 31		December 31
	2025	2024	2024
	Unaudited		Audited
	In %		
a. Consolidated data			
Net stable funding ratio	**114**	119	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

	March 31		December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Commitments to purchase securities	**2,610**	1,223	2,411
Commitments to invest in, and purchase of, buildings and equipment	**55**	65	6

	For the three months ended March 31		For the year ended December 31
	2025	2024	2024
	Unaudited		Audited
	In NIS million		
Credit sales activity			
Carrying amount of credit sold	**–**	165	473
Cash proceeds	**–**	165	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.

In the opinion of the Bank's management and the managements of the consolidated companies, 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 approximately NIS 356 million.

The following are the changes to material claims that were reported:

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, another legal proceeding is being heard in connection with the project - a legal proceeding that was 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

For information regarding other proceedings, 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.

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

	March 31, 2025 (unaudited)		
	Derivatives not held for trading	Derivatives for trading	Total
	In NIS million		
(1) Nominal amount of derivatives			
a) Interest rate contracts			
Future and Forward contracts	4,849	70,529	75,378
Written options	1,689	30,420	32,109
Purchased options	–	29,805	29,805
Swaps[(a)]	72,595	396,755	469,350
Total[(b)]	79,133	527,509	606,642
Of which: Hedging derivatives[(c)]	10,919	–	10,919
b) Foreign currency contracts			
Future and Forward contracts	60,210	496,570	556,780
Written options	1,269	35,475	36,744
Purchased options	1,269	34,453	35,722
Swaps[(a)]	4,276	21,738	26,014
Total	67,024	588,236	655,260
c) Stock contracts			
Future and Forward contracts	411	241,569	241,980
Written options	419	117,803	118,222
Purchased options[(e)]	593	117,723	118,316
Other	7	–	7
Swaps	295	277,367	277,662
Total	1,725	754,462	756,187
d) Commodities and other contracts			
Future and Forward contracts	–	513	513
Written options	–	46	46
Purchased options	–	46	46
Swaps	–	44	44
Total	–	649	649
Total nominal amount	147,882	1,870,856	2,018,738

A. Of which: Swaps for which the banking corporation pays a fixed interest rate in the sum of NIS 219,580 million.
B. Of which: NIS-CPI swaps totaling NIS 17,317 million.
C. The Bank uses IRS Interest swap transactions for the hedging.
D. Of which: Foreign exchange spots totaling NIS 31,928 million.
E. Of which: a total of NIS 116,336 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.)

	March 31, 2024 (unaudited)		
	Derivatives not held for trading	Derivatives for trading	Total
	In NIS million		
(1) Nominal amount of derivatives			
a) Interest rate contracts			
Future and Forward contracts	3,392	56,122	59,514
Written options	793	2,934	3,727
Purchased options	–	1,658	1,658
Swaps[a]	45,411	346,564	391,975
Total[b]	49,596	407,278	456,874
Of which: Hedging derivatives[c]	9,938	–	9,938
b) Foreign currency contracts			
Future and Forward contracts	51,391	289,802	341,193
Written options	943	26,517	27,460
Purchased options	943	25,053	25,996
Swaps[a]	3,865	20,412	24,277
Total	57,142	361,784	418,926
c) Stock contracts			
Future and Forward contracts	1,146	238,589	239,735
Written options	323	92,118	92,441
Purchased options[e]	410	92,118	92,528
Other	7	–	7
Swaps	379	183,537	183,916
Total	2,265	606,362	608,627
d) Commodities and other contracts			
Future and Forward contracts	–	4,824	4,824
Written options	–	70	70
Purchased options	–	70	70
Swaps	–	2,161	2,161
Total	–	7,125	7,125
Total nominal amount	109,003	1,382,549	1,491,552

A. Of which: Swaps for which the banking corporation pays a fixed interest of NIS 193,607 million.
B. Of which: NIS-CPI swaps totaling NIS 16,825 million.
C. The Bank uses IRS Interest swap transactions for the hedging.
D. Of which: Foreign exchange spots totaling NIS 19,035 million.
E. Of which: a total of NIS 92,073 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	Derivatives for trading	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.)

	March 31, 2025 (unaudited)					
	Assets for derivatives, gross			Liabilities for derivatives, gross		
	Derivatives not held for trading	Derivatives for trading	Total	Derivatives not held for trading	Derivatives for trading	Total
	In NIS million					
(2) Gross fair value of derivatives						
a) Interest rate contracts	1,122	7,528	8,650	463	6,974	7,437
Of which: Hedging derivatives	676	-	676	87	-	87
b) Foreign currency contracts	363	7,777	8,140	108	7,568	7,676
Of which: Hedging derivatives	-	-	-	-	-	-
c) Stock contracts	84	12,511	12,595	55	12,524	12,579
d) Commodities and other contracts	-	12	12	-	11	11
Total assets/liabilities in respect of derivatives, gross[(a)]	1,569	27,828	29,397	626	27,077	27,703
Amounts netted on the balance sheet	-	-	-	-	-	-
Book balance	1,569	27,828	29,397	626	27,077	27,703
Of which: not subject to a master netting arrangement - or similar arrangements	-	2,985	2,985	-	1,954	1,954

A. Of which: NIS 14 million in gross fair value of assets in respect of embedded derivatives and NIS 30 million in gross fair value of liabilities in respect of embedded derivatives.

	March 31, 2024 (unaudited)					
	Assets for derivatives, gross			Liabilities for derivatives, gross		
	Derivatives not held for trading	Derivatives for trading	Total	Derivatives not held for trading	Derivatives for trading	Total
	In NIS million					
(2) Gross fair value of derivatives						
a) Interest rate contracts	1,211	8,123	9,334	507	7,530	8,037
Of which: Hedging derivatives	867	-	867	152	-	152
b) Foreign currency contracts	511	3,588	4,099	27	3,319	3,346
Of which: Hedging derivatives	-	-	-	-	-	-
c) Stock contracts	71	12,025	12,096	31	11,991	12,022
d) Commodities and other contracts	-	219	219	-	213	213
Total assets/liabilities in respect of derivatives, gross[(a)]	1,793	23,955	25,748	565	23,053	23,618
Amounts netted on the balance sheet	-	-	-	-	-	-
Book balance	1,793	23,955	25,748	565	23,053	23,618
Of which: not subject to a master netting arrangement - or similar arrangements	-	992	992	-	554	554

A. Of which: NIS 3 million in gross fair value of assets in respect of embedded derivatives and NIS 27 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		
	Derivatives not held for trading	Derivatives for trading	Total	Derivatives not held for trading	Derivatives for trading	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 March 31, 2025	
	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]	3	(2)

	For the three months ended March 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]
	Unaudited	
	In NIS million	
a. Derivatives used for cash flow hedges[b]		
Interest rate contracts[c]	(2)	(3)

	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 March 31, 2025
	Unaudited
	In NIS million
Total interest income (expenses) recognized in the income statement	21
Effect of fair value hedges:	
a. Gain (loss) from fair value hedges	
Interest rate contracts[a]	
Hedged items	65
Hedging derivatives[b]	(46)
b. Gain (loss) on cash flow hedges	
Interest rate contracts	
Profit and loss reclassified to Accumulated other comprehensive income (loss)	2

	For the three months ended March 31, 2024
	Unaudited
	In NIS million
Total interest income (expenses) recognized in the income statement	51
Effect of fair value hedges:	
a. Gain (loss) from fair value hedges	
Interest rate contracts[a]	
Hedged items	(15)
Hedging derivatives[c]	63
b. Gain (loss) on cash flow hedges	
Interest rate contracts	
Profit and loss reclassified to Accumulated other comprehensive income (loss)	3

	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. Losses in the amount of approximately NIS 46 million, due to the hedging instrument were reclassified and transferred from the section "Financing Revenues not from Interest" to the section "Revenues from Interest." The losses include losses in the amount of approximately NIS 63 million, due to the impact of a change in fair value, as well as profits in the sum of approximately NIS 17 million due to the impact of accumulation of interest.

C. Profits in the amount of approximately NIS 63 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 profits in the amount of approximately NIS 32 million due to the impact of a change in fair value, as well as profits in the sum of approximately NIS 31 million due to the impact of accumulation of interest.

D. Profits in the amount of approximately 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 approximately NIS 32 million due to the impact of a change in fair value, as well as profits in the sum of approximately NIS 109 million due to the impact of accumulation of interest.

3. Items hedged at fair value hedges

	As of March 31, 2025 (unaudited)		
	Carrying amount	Fair value adjustments which influenced the carrying amount	
	of hedged item	Existing hedge ratios	Discontinued hedge ratios
	In NIS million		
Securities - debt instruments classified as available-for-sale securities	**5,903**	**(603)**	**-**
Subordinated notes	**(3,628)**	**125**	**-**
Housing loans[a]	**106**	**-**	**-**

	As of March 31, 2024 (unaudited)		
	Carrying amount	Fair value adjustments which influenced the carrying amount	
	of hedged item	Existing hedge ratios	Discontinued hedge ratios
	In NIS million		
Securities - debt instruments classified as available-for-sale securities	4,912	(976)	(1)
Subordinated notes	(3,524)	192	-

	For the year ended December 31, 2024 (audited)		
	Carrying amount	Fair value adjustments which influenced the carrying amount	
	of hedged item	Existing hedge ratios	Discontinued hedge ratios
	In NIS million		
Securities - debt instruments classified as available-for-sale securities	5,861	(691)	-
Subordinated notes	(3,575)	161	-
Housing loans[b]	56	1	-

A. The Bank dedicated in respect of the hedging the sum of NIS 105 million using the last level method, from a closed portfolio of approximately NIS 759 million, as on March 31, 2025 the reduced cost balance of the closed portfolio of the loans stands at the sum of approximately NIS 743 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 approximately NIS 404 million, as at December 31, 2024 the reduced cost balance of the closed portfolio of the loans stands at approximately 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 March 31, 2025	
	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	**(35)**	-

	For the three months ended March 31, 2024	
	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)	-

	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 March 31, 2025
	Profit (loss) recognized in income (expenses) from derivatives activity[(a)]
	Unaudited
	In NIS millio
Derivatives not designated as hedging instruments	
Interest rate contracts	(75)
Foreign currency contracts	369
Stock contracts	28
Commodity- and other contracts	–
Total	322

	For the three months ended March 31, 2024
	Profit (loss) recognized in income (expenses) from derivatives activity[(a)]
	Unaudited
	In NIS millio
Derivatives not designated as hedging instruments	
Interest rate contracts	326
Foreign currency contracts	1,086
Stock contracts	153
Commodity- and other contracts	–
Total	1,565

	For the year ended December 31, 2024
	Profit (loss) recognized in income (expenses) from derivatives activity[(a)]
	Audited
	In NIS millio
Derivatives not designated as hedging instruments	
Interest rate contracts	470
Foreign currency 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

	March 31, 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]	412	3,715	11,381	-	11,427	2,462	29,397
Gross amounts not netted on the balance sheet:							
Credit risk mitigation in respect of financial instruments	-	3,504	9,877	-	3,755	998	18,134
Credit risk mitigation in respect of cash collateral received	-	98	1,471	-	5,159	96	6,824
Total net book balance of assets in respect of derivatives[d]	412	113	33	-	2,513	1,368	4,439
Adjustment of book balance, net to on-balance-sheet credit risk[e]	10	38	(13)	-	(214)	80	(99)
Total on-balance-sheet credit risk for derivatives	422	151	20	-	2,299	1,448	4,340
Net off-balance-sheet credit risk for derivatives[f]	1,351	17,046	19,112	48	13,530	2,834	53,921
Total credit risk for derivatives	1,773	17,197	19,132	48	15,829	4,282	58,261
Book balance of liabilities in respect of derivatives[a][c]	339	7,981	11,704	254	5,787	1,638	27,703
Gross amounts not netted on the balance sheet:							
Financial instruments	-	3,504	9,877	-	3,755	998	18,134
Pledged cash collateral	-	3,735	1,473	212	1,451	-	6,871
Net amount of liabilities in respect of derivatives	339	742	354	42	581	640	2,698

	March 31, 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]	321	8,428	12,907	5	2,372	1,715	25,748
Gross amounts not netted on the balance sheet:							
Credit risk mitigation in respect of financial instruments	-	3,018	9,669	5	1,268	749	14,709
Credit risk mitigation in respect of cash collateral received	-	5,041	3,164	-	880	71	9,156
Total net book balance of assets in respect of derivatives[d]	321	369	74	-	224	895	1,883
Adjustment of book balance, net to on-balance-sheet credit risk[e]	-	(23)	28	-	(40)	133	98
Total on-balance-sheet credit risk for derivatives	321	346	102	-	184	1,028	1,981
Net off-balance-sheet credit risk for derivatives[f]	962	13,628	18,510	43	10,756	2,749	46,648
Total credit risk for derivatives	1,283	13,974	18,612	43	10,940	3,777	48,629
Book balance of liabilities in respect of derivatives[a][c]	251	3,202	10,603	153	7,978	1,431	23,618
Gross amounts not netted on the balance sheet:							
Financial instruments	-	3,018	9,669	5	1,268	749	14,709
Pledged cash collateral	-	116	902	111	5,211	8	6,348
Net amount of liabilities in respect of derivatives	251	68	32	37	1,499	674	2,561

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 book balance of assets in respect of standalone derivatives totaling NIS 29,383 million (March 31, 2024 - NIS 25,745 million, December 31, 2024 - NIS 29,193 million).
C. Of which book balance of liabilities in respect of standalone derivatives totaling NIS 27,673 million (March 31, 2024 - NIS 23,591 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 all total amounts for derivatives (including derivatives with negative fair value) included in the borrower's indebtedness, as calculated for the purpose of borrower indebtedness limitations, after credit risk mitigation, and the total of: the net book balance of assets for the 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. During nine month periods that ended on March 31, 2025, March 31, 2024, and in the year ended on December 31, 2024, no credit losses were recognized for derivative instruments.
2. The effect of the counterparty credit risk and the effect of deferred gains on the transaction execution date on the valuation of assets due to derivatives as of March 31, 2025, March 31, 2024 and December 31, 2024 stood at NIS 222 million , NIS 214 milion and NIS 223 million, respectively.
The effect of the non-performance risk on the valuation of liabilities due to derivatives as of March 31, 2025, March 31, 2024 and December 31, 2024 stood at NIS 13 million, NIS 11 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

	March 31, 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	1,446	6,143	5,751	3,977	17,317
Other	103,794	196,696	199,284	89,551	589,325
Foreign currency contracts	394,161	221,296	34,226	5,577	655,260
Stock contracts	528,939	226,075	1,173	-	756,187
Commodity- and other contracts	563	86	-	-	649
Total	1,028,903	650,296	240,434	99,105	2,018,738
Total March 31, 2024 (unaudited)	745,207	438,862	218,694	88,789	1,491,552
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 March 31, 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	2,254	1,684	21	4
Interest expense from external	721	-	-	309
Interest income, net:				
From external	1,533	1,684	21	(305)
Inter-segmental	(123)	(1,295)	(3)	396
Total interest income (expenses), net	1,410	389	18	91
Total noninterest income	281	10	105	46
Total income	1,691	399	123	137
Loan loss expenses (income)	50	(14)	(3)	-
Operating and other expenses:				
For external	705	114	70	31
Inter-segmental	-	-	-	-
Total operating and other expenses	705	114	70	31
Profit (loss) before taxes	936	299	56	106
Provision for profit tax (benefit)	331	106	19	38
Profit (loss) after taxes	605	193	37	68
The Bank's share in associates' gains, after tax effect	-	-	-	-
Net income (loss) before amount attributable to non-controlling interests	605	193	37	68
Net income (loss) attributable to the Bank's shareholders	605	193	37	68
Average outstanding balance of assets[(b)]	173,176	144,197	4,644	519
Of which: Investment in associates[(b)]	-	-	-	-
Average outstanding loans to the public[(b)]	174,254	144,615	4,705	512
Outstanding loans to the public as at the end of the reporting period	176,584	145,730	5,132	532
Outstanding non-performing debts in arrears of over 90 days	959	678	1	-
Outstanding other troubled debts	610	19	33	-
Balance of the loan loss provision for loans to the public	1,597	628	58	2
Net charge-offs during the period	66	-	-	-
Average outstanding balance of liabilities[(b)]	139,057	51	16	35,258
Of which: Average balance of deposits by the public[(b)]	138,936	-	-	35,255
Balance of deposits by the public as at the end of the reporting period	140,016	-	-	36,106
Average balance of risk-weighted assets[(b)(c)]	113,081	85,989	4,515	1,079
Balance of risk-weighted assets as at the end of the reporting period[(c)]	114,514	87,116	4,560	1,145
Average balance of assets under management[(b)(d)]	69,898	1,379	-	69,431
Breakdown of interest income, net:				
Spread[(f)] from granting loans to the public	577	306	14	1
Spread[(f)] from deposit taking from the public	724	-	-	80
Other	109	83	4	10
Total interest income (expenses), net	1,410	389	18	91

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 22.0 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- and micro-businesses	Mid-market businesses	Corporations	Institutional entities	Financial management	Other segment	Total activity in Israel	Total foreign operations	Total
1,169	638	2,286	47	2,468	–	8,866	187	9,053
676	447	961	1,379	543	–	5,036	–	5,036
493	191	1,325	(1,332)	1,925	–	3,830	187	4,017
433	266	(318)	1,502	(2,064)	12	104	(104)	–
926	457	1,007	170	(139)	12	3,934	83	4,017
250	98	251	57	339	21	1,343	25	1,368
1,176	555	1,258	227	200	33	5,277	108	5,385
21	(28)	(28)	(1)	31	–	45	10	55
418	121	138	58	93	127	1,691	40	1,731
–	–	1	2	6	(9)	–	–	–
418	121	139	60	99	118	1,691	40	1,731
737	462	1,147	168	70	(85)	3,541	58	3,599
271	166	406	60	46	(49)	1,269	23	1,292
466	296	741	108	24	(36)	2,272	35	2,307
–	–	–	–	96	–	96	–	96
466	296	741	108	120	(36)	2,368	35	2,403
466	296	741	108	120	(36)	2,368	35	2,403
72,391	39,851	157,009	4,523	292,903	7,276	747,648	9,314	756,962
–	–	–	–	3,579	–	3,579	–	3,579
73,867	40,413	158,189	4,527	–	–	451,762	9,242	461,004
75,388	42,142	162,266	2,072	–	–	458,984	10,652	469,636
714	289	475	3	–	–	2,440	137	2,577
987	323	1,910	10	–	–	3,840	121	3,961
2,516	781	1,842	6	–	–	6,744	45	6,789
54	20	(8)	–	–	–	132	–	132
100,482	58,212	104,633	159,286	85,128	12,130	694,186	213	694,399
100,341	58,084	99,648	158,856	–	–	591,120	–	591,120
101,559	60,210	103,810	154,746	–	–	596,447	–	596,447
60,383	44,577	204,532	1,582	50,991	15,902	492,127	11,152	503,279
62,769	45,957	199,065	1,613	64,244	17,342	506,649	11,310	517,959
111,484	40,040	147,449	1,162,431	64,530	–	1,665,263	–	1,665,263
447	217	681	6	–	–	1,929	189	2,118
423	199	139	163	–	–	1,728	–	1,728
56	41	187	1	(139)	12	277	(106)	171
926	457	1,007	170	(139)	12	3,934	83	4,017

Note 12A - Regulatory Operating Segments (cont.)

Information on Regulatory Operating Segments - Consolidated (cont.)

	For the three months ended March 31, 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	2,058	1,507	20	3
Interest expense from external	710	–	–	299
Interest income, net:				
From external	1,348	1,507	20	(296)
Inter-segmental	123	(1,096)	(2)	395
Total interest income (expenses), net	1,471	411	18	99
Total noninterest income	246	11	80	41
Total income	1,717	422	98	140
Loan loss expenses (income)	147	3	(3)	–
Operating and other expenses:				
For external	758	117	63	31
Inter-segmental	–	–	–	–
Total operating and other expenses	758	117	63	31
Profit before taxes	812	302	38	109
Provision for profit taxes	310	112	14	41
Profit after taxes	502	190	24	68
The Bank's share in associates' gains, after tax effect	–	–	–	–
Net income before amount attributable to non-controlling interests	502	190	24	68
Net income attributable to the Bank's shareholders	502	190	24	68
Average outstanding balance of assets[b]	158,555	130,366	4,347	362
Of which: Investment in associates[b]	–	–	–	–
Average outstanding loans to the public[b]	159,705	130,842	4,407	355
Outstanding loans to the public as at the end of the reporting period	162,208	132,431	4,446	415
Outstanding non-performing debts in arrears of over 90 days	1,021	623	4	–
Outstanding other troubled debts	625	12	35	–
Balance of the loan loss provision for loans to the public	1,621	628	60	–
Net charge-offs during the period	95	(2)	–	–
Average outstanding balance of liabilities[b]	137,921	57	18	32,529
Of which: Average balance of deposits by the public[b]	137,791	–	–	32,527
Balance of deposits by the public as at the end of the reporting period	139,083	–	–	33,177
Average balance of risk-weighted assets[b][c]	101,932	75,452	3,987	736
Balance of risk-weighted assets as at the end of the reporting period[c]	108,408	81,842	4,659	916
Average balance of assets under management[b][d]	62,188	1,343	–	55,801
Breakdown of interest income, net:				
Spread[f] gains from granting loans to the public	598	335	14	–
Spread[f] from deposit taking from the public	773	–	–	90
Other	100	76	4	9
Total interest income (expenses), net	1,471	411	18	99

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 20.2 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.

							Foreign operations (a)	
Small- and micro-businesses	Mid-market	Corporations	Institutional entities	Financial management	Other segment	Total activity in Israel	Total foreign operations	Total
1,100	646	2,082	57	2,706	–	8,652	175	8,827
725	493	984	1,360	489	–	5,060	–	5,060
375	153	1,098	(1,303)	2,217	–	3,592	175	3,767
587	345	(266)	1,478	(2,585)	13	90	(90)	–
962	498	832	175	(368)	13	3,682	85	3,767
224	83	247	55	789	834	2,519	9	2,528
1,186	581	1,079	230	421	847	6,201	94	6,295
(18)	65	34	2	4	–	234	(12)	222
438	135	146	65	68	155	1,796	29	1,825
–	–	–	2	2	(4)	–	–	–
438	135	146	67	70	151	1,796	29	1,825
766	381	899	161	347	696	4,171	77	4,248
297	147	356	62	108	164	1,485	18	1,503
469	234	543	99	239	532	2,686	59	2,745
–	–	–	–	40	–	40	–	40
469	234	543	99	279	532	2,726	59	2,785
469	234	543	99	279	532	2,726	59	2,785
66,231	39,714	140,378	9,918	316,617	8,400	740,175	8,472	748,647
–	–	–	–	4,014	–	4,014	–	4,014
67,648	40,232	141,579	9,923	–	–	419,442	8,476	427,918
69,277	41,003	148,543	5,886	–	–	427,332	8,205	435,537
618	289	940	2	–	–	2,870	80	2,950
1,140	430	1,670	2	–	–	3,867	210	4,077
2,184	914	2,150	8	–	–	6,877	78	6,955
48	(3)	(91)	–	–	–	49	(19)	30
104,074	60,691	101,342	149,969	88,209	11,513	686,248	7,210	693,458
103,931	60,569	98,280	149,556	–	–	582,654	–	582,654
103,296	60,165	101,542	158,542	–	–	595,805	–	595,805
58,330	43,974	179,736	4,175	31,909	17,071	437,863	9,767	447,630
60,498	44,985	190,601	1,285	35,665	18,335	460,693	10,180	470,873
90,470	30,623	103,567	993,818	42,395	–	1,378,862	–	1,378,862
438	214	545	4	–	–	1,799	174	1,973
472	245	129	170	–	–	1,879	–	1,879
52	39	158	1	(368)	13	4	(89)	(85)
962	498	832	175	(368)	13	3,682	85	3,767

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 amount attributable to non-controlling interests	2,336	738	120	264
Net income attributable to the Bank's shareholders	2,336	738	120	264
Average outstanding balance of assets[(b)]	163,824	135,364	4,583	400
Of which: Investment in associates[(b)]	–	–	–	–
Average outstanding loans to the public[(b)]	164,915	135,789	4,647	393
Outstanding loans to the public as at the end of the reporting period	175,057	144,387	5,161	458
Outstanding non-performing debts in arrears of over 90 days	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 balance of 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 reporting period	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 reporting period[(c)]	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 (expenses), 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 Valleyshares in the amount of approximately 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.

							Foreign operations[a]	
Small- and micro-businesses	Mid-market	Corporations	Institutional entities	Financial management	Other segment	Total activity in Israel	Total foreign operations	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	–	1,471,887
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.

Condensed financial performance according to management approach

	For the three months ended March 31, 2025 (unaudited)											
	The Bank									Subsidiaries in Israel	Foreign subsidiaries	Total
	Private individuals	Small businesses	Banking - total	Mortgages	Commercial	Corporate[a]	Real estate[a]	Capital markets	Other and adjustments			
	In NIS million											
Interest income, net:												
From external	(745)	218	(527)	1,732	451	606	965	532	14	52	192	4,017
Inter-segmental	2,036	293	2,329	(1,406)	177	(299)	(621)	(90)	3	16	(109)	-
Interest income, net	1,291	511	1,802	326	628	307	344	442	17	68	83	4,017
Noninterest income (expenses)	424	128	552	2	153	88	110	433	(140)	145	25	1,368
Total income (expenses)	1,715	639	2,354	328	781	395	454	875	(123)	213	108	5,385
Loan loss expenses (income)	71	(2)	69	(25)	9	6	(42)	23	4	1	10	55
Total operating and other expenses	738	229	967	114	187	78	40	121	139	45	40	1,731
Profit (loss) before tax	906	412	1,318	239	585	311	456	731	(266)	167	58	3,599
Provision (benefit) for taxes	346	157	503	91	222	118	173	336	(217)	43	23	1,292
Net income (loss) attributable to the Bank's shareholders	560	255	815	148	363	193	283	484	(49)	131	35	2,403

Balances as at March 31, 2025												
Loans to the public, net	30,438	27,529	57,967	148,265	65,559	75,039	68,106	28,972	7,015	1,319	10,605	462,847
Deposits by the public	225,940	58,969	284,909	-	83,363	41,456	10,728	175,986	5	-	-	596,447

A. During the first quarter of 2025, an organizational change in the Corporate Division was completed, establishing a infrastructure and complex financing system that will be presented to the corporate sector. As part of the said organizational change, inter alia, units that formerly were presented on 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 three months ended March 31, 2024 (unaudited)											
	The Bank									Subsidiaries in Israel	Foreign subsidiaries	Total
	Private individuals	Small businesses	Banking - total	Mortgages	Commercial	Corporate	Real estate	Capital markets	Other and adjustments			
	In NIS million											
Interest income, net:												
From external	(759)	218	(541)	1,545	344	409	999	782	11	44	174	3,767
Inter-segmental	2,120	307	2,427	(1,192)	354	(135)	(635)	(739)	(1)	10	(89)	-
Interest income, net	1,361	525	1,886	353	698	274	364	43	10	54	85	3,767
Noninterest income	367	116	483	2	147	92	102	703	852[(a)]	138	9	2,528
Total income	1,728	641	2,369	355	845	366	466	746	862	192	94	6,295
Loan loss expenses (income)	146	(8)	138	1	129	87	(118)	(11)	(1)	9	(12)	222
Total operating and other expenses	777	247	1,024	117	199	80	45	112	174	45	29	1,825
Profit before taxes	805	402	1,207	237	517	199	539	645	689	138	77	4,248
Provision for tax	306	153	459	90	197	76	205	245	207	6	18	1,503
Net income attributable to the Bank's shareholders	499	249	748	147	320	123	334	421	482	151	59	2,785

Balances as at March 31, 2024												
Loans to the public, net	29,416	26,474	55,890	134,272	63,278	62,609	67,576	29,189	6,475	1,168	8,125	428,582
Deposits by the public	221,187	56,381	277,568	-	87,618	42,815	11,544	176,253	7	-	-	595,805

A. Including capital gains due to the sale of the main offices buildings in Tel Aviv in the sum of approximately NIS 830 million.

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	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 for taxes (benefit)	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 approximately NIS 830 million.
B. Including the impairment loss due to the investment in Valleyshares in the amount of approximately 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 March 31, 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 the provision for credit losses as at the beginning of the reporting period	**6,048**	**669**	**988**	**7,705**	**47**	**7,752**
Loan loss expenses (income)	**(8)**	**(14)**	**64**	**42**	**13**	**55**
Charge-offs	**(158)**	**(2)**	**(157)**	**(317)**	**–**	**(317)**
Collection of debts written off in previous years	**92**	**2**	**91**	**185**	**–**	**185**
Net charge-offs	**(66)**	**–**	**(66)**	**(132)**	**–**	**(132)**
Balance of loan loss provision as the end of the reporting period[1]	**5,974**	**655**	**986**	**7,615**	**60**	**7,675**
[1]Of which: in respect of off-balance-sheet credit instruments	**765**	**27**	**34**	**826**	**29**	**855**

	For the three months ended March 31, 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 the provision for credit losses as at the beginning of the reporting period	5,873	634	957	7,464	17	7,481
Loan loss expenses	75	3	144	222	–	222
Charge-offs	(113)	(1)	(164)	(278)	–	(278)
Collection of debts written off in previous years	178	3	67	248	–	248
Net charge-offs	65	2	(97)	(30)	–	(30)
Balance of loan loss provision as the end of the reporting period[1]	6,013	639	1,004	7,656	17	7,673
[1]Of which: in respect of off-balance-sheet credit instruments	654	11	36	701	–	701

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. 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

	March 31, 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	262,329	-	647	262,976	129,661	392,637
Examined on a collective basis	30,596	145,971	30,093	206,660	-	206,660
Total debts[a]	292,925	145,971	30,740	469,636	129,661	599,297
Outstanding loan loss provision in respect of debts:[a]						
Examined on a specific basis	4,211	-	203	4,414	31	4,445
Examined on a collective basis	998	628	749	2,375	-	2,375
Total loan loss provision	5,209	628	952	6,789	31	6,820

	March 31, 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	245,663	-	689	246,352	143,182	389,534
Examined on a collective basis	27,459	132,679	29,047	189,185	-	189,185
Total debts[a]	273,122	132,679	29,736	435,537	143,182	578,719
Outstanding loan loss provision in respect of debts:[a]						
Examined on a specific basis	4,553	-	289	4,842	17	4,859
Examined on a collective basis	806	628	679	2,113	-	2,113
Total loan loss provision	5,359	628	968	6,955	17	6,972

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

	March 31, 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	72,044	411	331	72,786	32	53
Construction & real estate - real estate activities	49,149	234	80	49,463	16	46
Financial services	39,469	18	8	39,495	-	14
Commercial - Other	96,057	2,211	703	98,971	51	121
Commercial - total	256,719	2,874	1,122	260,715	99	234
Private individuals - housing loans	145,221	19	678	145,918	-	850
Private individuals - other	29,859	677	195	30,731	86	163
Total loans to the public - activity in Israel	431,799	3,570	1,995	437,364	185	1,247
Borrower activity outside Israel						
Public - commercial						
Construction and real estate	12,613	148	104	12,865	-	-
Commercial - Other	18,625	432	288	19,345	4	3
Commercial - total	31,238	580	392	32,210	4	3
Private individuals	61	-	1	62	-	-
Total loans to the public - foreign operations	31,299	580	393	32,272	4	3
Total loans to the public	463,098	4,150	2,388	469,636	189	1,250

A. Non-performing loans to the public, substandard or special mention.
B. Classified as troubled, performing debts.
C. Performing. Debts in arrears of 30 and up to 89 days, totaling NIS 163 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 1.6 billion as at March 31, 2025 (commercial in the sum of NIS 0.2 billion, housing loans in the sum of NIS 1.4 billion).

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.)

	March 31, 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	66,226	206	779	67,211	21	27
Construction & real estate - real estate activities	43,944	312	64	44,320	11	97
Financial services	39,151	16	30	39,197	-	7
Commercial - Other	92,514	2,073	614	95,201	19	105
Commercial - total	241,835	2,607	1,487	245,929	51	236
Private individuals - housing loans	131,985	12	623	132,620	-	447
Private individuals - other	28,718	680	331	29,729	67	162
Total loans to the public - activity in Israel	402,538	3,299	2,441	408,278	118	845
Borrower activity outside Israel						
Public - commercial						
Construction and real estate	9,452	63	94	9,609	1	4
Commercial - Other	16,454	834	296	17,584	-	161
Commercial - total	25,906	897	390	27,193	1	165
Private individuals	66	-	-	66	-	-
Total loans to the public - foreign operations	25,972	897	390	27,259	1	165
Total loans to the public	428,510	4,196	2,831	435,537	119	1,010

A. Non-performing loans to the public, substandard or special mention.
B. Classified as troubled, performing debts.
C. Performing. Debts in arrears of 30 and up to 89 days, totaling NIS 283 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. Performing. 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

	March 31, 2025 (unaudited)								
	Recorded outstanding debt of fixed loans to the public						Recorded outstanding debt for Renewing loans	Recorded outstanding debt for Renewing loans converted to fixed-term loans	Total
	2025	2024	2023	2022	2021	Past			
	In NIS million								
Borrower activity in Israel									
Public - commercial									
Construction and real estate - total	6,144	21,147	13,112	11,213	8,041	8,020	51,792	2,780	122,249
Credit that is rated as performing	6,134	20,904	12,736	10,946	7,886	7,766	51,672	2,773	120,817
Credit that is non-investment grade and non-troubled	10	132	45	61	61	11	54	2	376
Troubled performing credit	-	75	233	126	55	110	43	3	645
Non-performing credit	-	36	98	80	39	133	23	2	411
Gross charge-offs during the period	-	(2)	(6)	(3)	(3)	(1)	(12)	-	(27)
Commercial - other, total	20,000	31,115	17,042	13,301	8,598	12,270	34,799	1,341	138,466
Credit that is rated as performing	19,996	30,872	16,585	12,878	7,934	11,724	33,763	1,331	135,083
Credit that is non-investment grade and non-troubled	4	44	45	24	36	59	230	1	443
Troubled performing credit	-	147	259	268	531	346	675	3	2,229
Non-performing credit	-	52	153	131	97	141	131	6	711
Gross charge-offs during the period	(2)	(17)	(28)	(22)	(18)	(10)	(34)	-	(131)
Private individuals - housing loans - total	6,779	28,369	18,874	22,008	19,178	50,710	-	-	145,918
LTV of up to 60%	3,669	15,754	10,603	12,046	10,847	34,279	-	-	87,198
LTV of more than 60% and up to 75%	3,058	12,463	8,077	9,699	7,993	15,445	-	-	56,735
LTV over 75%	52	152	194	263	338	986	-	-	1,985
Credit that is non-delinquent and investment-grade	6,757	28,017	18,336	21,260	18,616	49,087	-	-	142,073
Credit that is non-delinquent and non-investment grade	10	187	352	519	370	879	-	-	2,317
In arrears of 30-89 days	9	127	134	138	117	325	-	-	850
Non-performing credit	3	38	52	91	75	419	-	-	678
Gross charge-offs during the period	-	-	-	-	-	(2)	-	-	(2)
Private individuals - other - total	4,099	8,505	4,494	3,153	1,685	1,336	7,200	259	30,731
Credit that is non-delinquent and investment-grade	4,018	7,937	4,001	2,721	1,468	1,217	6,795	219	28,376
Credit that is non-delinquent and non-investment grade	80	472	398	343	173	95	324	26	1,911
In arrears of 30-89 days	1	37	32	28	13	5	47	-	163
In arrears of over 90 days	-	37	12	9	3	1	24	-	86
Non-performing credit	-	22	51	52	28	18	10	14	195
Gross charge-offs during the period	-	(26)	(41)	(23)	(11)	(4)	(51)	(1)	(157)
Total loans to the public - activity in Israel	37,022	89,136	53,522	49,675	37,502	72,336	93,791	4,380	437,364
Total loans to the public - foreign operations	3,092	7,225	4,214	2,685	1,642	417	12,966	31	32,272
Non-troubled credit	3,088	7,225	4,213	2,363	1,430	417	12,532	31	31,299
Troubled performing credit	-	-	-	57	92	-	431	-	580
Non-performing credit	4	-	1	265	120	-	3	-	393
Total loans to the public	40,114	96,361	57,736	52,360	39,144	72,753	106,757	4,411	469,636

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.)

	March 31, 2024 (unaudited)								
	Recorded outstanding debt of fixed loans to the public						Recorded outstan-ding debt for Renewing loans	Recorded outstanding debt for Renewing loans converted to fixed-term loans	Total
	2024	2023	2022	2021	2020	Past			
	In NIS million								
Borrower activity in Israel									
Public - commercial									
Construction and real estate - total	5,129	18,124	15,377	11,662	3,525	9,003	43,965	4,746	111,531
Credit that is rated as performing	5,116	17,830	14,975	11,114	3,410	8,789	43,834	4,737	109,805
Credit that is non-investment grade and non-troubled	13	61	82	46	45	59	56	3	365
Troubled performing credit	-	112	237	64	21	38	45	1	518
Non-performing credit	-	121	83	438	49	117	30	5	843
Gross charge-offs during the period	-	(2)	(11)	(3)	-	(1)	(11)	-	(28)
Commercial - other, total	20,331	29,036	21,643	12,382	7,045	11,208	29,189	3,564	134,398
Credit that is rated as performing	20,318	28,471	20,989	11,896	6,747	10,753	28,387	3,539	131,100
Credit that is non-investment grade and non-troubled	8	260	76	97	33	11	74	6	565
Troubled performing credit	5	221	440	260	178	340	638	7	2,089
Non-performing credit	-	84	138	129	87	104	90	12	644
Gross charge-offs during the period	-	(16)	(14)	(12)	(6)	(5)	(30)	(1)	(84)
Private individuals - housing loans - total	5,809	21,021	25,246	21,445	12,919	46,179	-	1	132,620
LTV of up to 60%	3,349	11,842	13,470	11,972	7,965	31,566	-	1	80,165
LTV of more than 60% and up to 75%	2,401	9,141	11,705	9,391	4,898	13,525	-	-	51,061
LTV over 75%	59	38	71	82	56	1,088	-	-	1,394
Credit that is non-delinquent and investment-grade	5,797	20,770	24,665	20,808	12,423	43,401	-	1	127,865
Credit that is non-delinquent and non-investment grade	4	165	454	515	393	2,154	-	-	3,685
In arrears of 30-89 days	8	44	58	54	39	244	-	-	447
Non-performing credit	-	42	69	68	64	380	-	-	623
Gross charge-offs during the period	-	(1)	-	-	-	-	-	-	(1)
Private individuals - other - total	3,315	7,855	5,579	3,228	1,822	611	7,130	189	29,729
Credit that is non-delinquent and investment-grade	3,262	7,401	5,040	2,926	1,715	541	6,685	152	27,722
Credit that is non-delinquent and non-investment grade	52	337	362	198	75	55	354	14	1,447
In arrears of 30-89 days	1	40	41	20	6	4	50	-	162
In arrears of over 90 days	-	13	13	7	1	2	31	-	67
Non-performing credit	-	64	123	77	25	9	10	23	331
Gross charge-offs during the period	-	(35)	(36)	(25)	(5)	(4)	(59)	-	(164)
Total loans to the public - activity in Israel	34,584	76,036	67,845	48,717	25,311	67,001	80,284	8,500	408,278
Total loans to the public - foreign operations	7,618	7,663	3,533	2,614	303	532	4,996	-	27,259
Non-troubled credit	7,618	7,649	3,157	2,614	56	461	4,417	-	25,972
Troubled performing credit	-	12	85	-	216	65	519	-	897
Non-performing credit	-	2	291	-	31	6	60	-	390
Gross charge-offs during the period	-	(1)	-	-	-	-	-	-	(1)
Total loans to the public	42,202	83,699	71,378	51,331	25,614	67,533	85,280	8,500	435,537

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]

	March 31, 2025 (unaudited)					
	Outstanding [b] non-performing debts for which there is a provision	Outsta-nding provision	Outstan-ding [b] non-perform-ing debts for which there is a 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	308	64	103	411	976	-
Commercial - Other	586	351	125	711	2,562	1
Commercial - total	894	415	228	1,122	3,538	1
Private individuals - housing loans	678	107	-	678	678	-
Private individuals - other	195	126	-	195	600	-
Total loans to the public - activity in Israel	1,767	648	228	1,995	4,816	1
Borrower activity outside Israel						
Total loans to the public - foreign operations	285	44	108	393	601	-
Total public[1]	2,052	692	336	2,388	5,417	1
[1]Of which:						
Measured on a specific basis according to the present value of cash flows	1,246	569	284	1,530	3,938	
Measured on a specific basis according to fair value of collateral	128	16	52	180	801	
Measured on a collective basis	678	107	-	678	678	

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 61 million would have been recorded.
Additional information: the total recorded average outstanding debt of non-performing debts in the three months ended March 31, 2025 is NIS 2,344 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.)

	March 31, 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	723	179	120	843	1,275	4
Commercial - Other	498	309	146	644	2,412	-
Commercial - total	1,221	488	266	1,487	3,687	4
Private individuals - housing loans	623	104	-	623	623	-
Private individuals - other	331	211	-	331	682	-
Total loans to the public - activity in Israel	2,175	803	266	2,441	4,992	4
Borrower activity outside Israel						
Total loans to the public - foreign operations	213	83	177	390	623	-
Total public[1]	2,388	886	443	2,831	5,615	4
[1]Of which:						
Measured on a specific basis according to the present value of cash flows	1,321	692	354	1,675	3,635	
Measured on a specific basis according to fair value of collateral	444	90	89	533	1,357	
Measured on a collective basis	623	104	-	623	623	

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 165 million would have been recorded.
Additional information: the total recorded average outstanding debt of non-performing debts in the three months ended March 31, 2024 is NIS 3,262 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 princip-al 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 March 31, 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	413	156	1	269	839
Private individuals - housing loans	109	19	-	36	164
Private individuals - other	168	151	4	239	562
Total loans to the public - activity in Israel	690	326	5	544	1,565
Total loans to the public - foreign operations	174	-	-	643	817
Total loans to the public	864	326	5	1,187	2,382

	As of March 31, 2024 (unaudited)				
	Recorded outstanding debt				
	Non-performing	Performing	In arrears of 30 days or more	Non-delinquent	Total
	In NIS million				
Borrower activity in Israel					
Public - commercial					
Commercial	546	291	1	226	1,064
Private individuals - housing loans	99	21	-	37	157
Private individuals - other	304	131	2	167	604
Total loans to the public - activity in Israel	949	443	3	430	1,825
Total loans to the public - foreign operations	151	-	-	354	505
Total - public	1,100	443	3	784	2,330

	As at December 31, 2024 (audited)				
	Recorded outstanding debt				
	Non-performing	Performing	In arrears of 30 days or more	Non-delinquent	Total
	In NIS million				
Borrower activity in Israel					
Public - commercial					
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 March 31, 2025 (unaudited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-performing	Performing	Non-delinquent	Total	Charge-offs
	In NIS million				
Borrower activity in Israel					
Commercial	106	15	-	121	1
Private individuals - housing loans	9	-	-	9	-
Private individuals - other	86	1	-	87	2
Total loans to the public - activity in Israel	201	16	-	217	3
Total loans to the public - foreign operations	4	-	-	4	-
Total - public	205	16	-	221	3

	For the three months ended March 31, 2024 (unaudited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-performing	Performing	Non-delinquent	Total	Charge-offs
	In NIS million				
Borrower activity in Israel					
Commercial	166	8	-	174	3
Private individuals - housing loans	21	-	-	21	2
Private individuals - other	121	2	1	124	2
Total loans to the public - activity in Israel	308	10	1	319	7
Total - public	308	10	1	319	7

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 March 31, 2025 (unaudited)						
	Total		Type of change				
	Recorded outstanding debt	Percent of total	Waiver of principal	Waiver of interest	Period extension	Deferral of payments	Waiver of interest and period extension
	In NIS million	In %	In NIS million				
Borrower activity in Israel							
Commercial	121	0.05	4	7	89	-	21
Private individuals - housing loans	9	0.01	-	-	4	5	-
Private individuals - other	87	0.28	-	9	38	-	40
Total loans to the public - activity in Israel	217	0.05	4	16	131	5	61
Total loans to the public - foreign operations	4	0.01	-	-	4	-	-
Total - public	221	0.05	4	16	135	5	61

	Debts of borrowers with financial difficulties who underwent a change in terms and conditions					
	For the three months ended March 31, 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
	In NIS million	In %	In NIS million			
Borrower activity in Israel						
Commercial	174	0.07	69	20	-	85
Private individuals - housing loans	21	0.02	-	2	19	-
Private individuals - other	124	0.42	8	52	-	64
Total loans to the public - activity in Israel	319	0.08	77	74	19	149
Total - public	319	0.07	77	74	19	149

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 March 31, 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	18	3.02	22	–
Private individuals – housing loans	–	–	51	10
Private individuals – other	20	5.69	44	–
Total loans to the public – activity in Israel	38	4.29	29	10
Total loans to the public – foreign operations	–	–	8	–
Total – public	38	4.29	29	10

	Financial effects of a change in terms and conditions for debts of borrowers with financial difficulties			
	For the three months ended March 31, 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	8	4.40	37	–
Private individuals – housing loans	–	–	97	12
Private individuals – other	11	3.84	43	–
Total loans to the public – activity in Israel	19	4.19	42	12
Total – public	19	4.19	42	12

Note 13 – Additional Information on Credit Risk, Loans to the Public and Loan Loss Provision (cont.)

ב. 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 March 31, 2025			
	(Unaudited)			
	Total	Type of change		
	Recorded outstanding debt	Waiver of interest	Period extension	Waiver of interest and period extension
	In NIS million			
Borrower activity in Israel				
Commercial	9	2	1	6
Private individuals – housing loans	2	–	2	–
Private individuals – other	10	–	4	6
Total loans to the public – activity in Israel	21	2	7	12
Total – public	21	2	7	12

	Debts of borrowers with financial difficulties who defaulted in the reporting year following a change in terms and conditions			
	For the three months ended March 31, 2024			
	(Unaudited)			
	Total	Type of change		
	Recorded outstanding debt	Waiver of interest	Period extension	Waiver of interest and period extension
	In NIS million			
Borrower activity in Israel				
Commercial	6	–	1	5
Private individuals – housing loans	7	–	7	–
Private individuals – other	12	–	6	6
Total loans to the public – activity in Israel	25	–	14	11
Total – public	25	–	14	11

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

	March 31, 2025 (unaudited)							
	Is not in arrears of 90 days or more	In arrears of 90 to 180 days	In arrears of 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	**1,214**	**68**	**107**	**120**	**1**	**2**	**2**	**1,514**
Housing loans	**77**	**303**	**161**	**113**	**14**	**5**	**6**	**679**
Private individuals - other	**195**	**-**	**-**	**-**	**-**	**-**	**-**	**195**
Total	**1,486**	**371**	**268**	**233**	**15**	**7**	**8**	**2,388**

	March 31, 2024 (unaudited)							
	Is not in arrears of 90 days or more	In arrears of 90 to 180 days	In arrears of 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	1,121	537	58	95	64	1	1	1,877
Housing loans	53	278	171	99	10	8	4	623
Private individuals - other	331	-	-	-	-	-	-	331
Total	1,505	815	229	194	74	9	5	2,831

	December 31, 2024 (audited)							
	Is not in arrears of 90 days or more	In arrears of 90 to 180 days	In arrears of 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

		March 31, 2025 (unaudited)			
		Outstanding housing loans			
		Total[1]	[1]Of which: bullet and balloon	[1]Of which: variable interest	Total off-balance-sheet credit risk
		In NIS million			
First pledge: LTV ratio	Up to 60%	**86,972**	**5,283**	**51,124**	**2,920**
	Over 60%	**58,996**	**2,036**	**36,166**	**3,045**
Secondary pledge or unpledged		**3**	**-**	**3**	**-**
Total		**145,971**	**7,319**	**87,293**	**5,965**

		March 31, 2024 (unaudited)			
		Outstanding housing loans			
		Total[1]	[1]Of which: bullet and balloon	[1]Of which: variable interest	Total off-balance-sheet credit risk
		In NIS million			
First pledge: LTV ratio	Up to 60%	79,919	2,949	48,193	2,583
	Over 60%	52,757	845	32,719	2,502
Secondary pledge or unpledged		3	-	3	-
Total		132,679	3,794	80,915	5,085

		December 31, 2024 (audited)			
		Outstanding housing loans			
		Total[1]	[1]Of which: bullet and balloon	[1]Of which: variable interest	Total off-balance-sheet credit risk
		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

	March 31				December 31	
	2025		2024		2024	
	Contract balances[a]	Balance of loan loss provision	Contract balances[a]	Balance of loan loss provision	Contract balances[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	**880**	**1**	883	2	1,177	1
Loan guarantees	**8,649**	**98**	7,950	97	8,614	96
Guarantees for apartment buyers	**43,942**	**22**	35,938	20	42,749	21
Guarantees and other commitments[b]	**32,374**	**112**	26,918	91	30,063	107
Unutilized credit card credit facilities	**14,733**	**32**	13,700	30	14,457	33
Unutilized current loan account facilities and other credit facilities in demand accounts	**14,823**	**54**	14,177	56	14,717	58
Irrevocable loan commitments approved but not yet granted	**64,336**	**446**	55,250	317	60,052	438
Commitments to issue guarantees	**42,019**	**90**	36,625	87	40,280	88
Unutilized credit facilities for derivatives activity	**2,968**	**-**	3,109	1	2,690	-
Approval in principle to maintain interest rate[c]	**7,295**	**-**	7,026	-	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 of the TASE Clearing House in the amount of NIS 338 million (as at March 31, 2024, NIS 355 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

	March 31, 2025 (unaudited)				
	Up to one year	One to three years	Three to five years	Over five years	Total
	In NIS million				
Loan guarantees	**6,037**	**1,553**	**309**	**750**	**8,649**
Guarantees for apartment buyers	**-**	**43,942**	**-**	**-**	**43,942**
Guarantees and other commitments	**16,377**	**7,467**	**1,428**	**7,102**	**32,374**
Total guarantees	**22,414**	**52,962**	**1,737**	**7,852**	**84,965**

	March 31, 2024 (unaudited)				
	Up to one year	One to three years	Three to five years	Over five years	Total
	In NIS million				
Loan guarantees	5,500	1,313	415	722	7,950
Guarantees for apartment buyers	-	35,938	-	-	35,938
Guarantees and other commitments	13,923	7,379	1,565	4,051	26,918
Total guarantees	19,423	44,630	1,980	4,773	70,806

	December 31, 2024 (audited)				
	Up to one year	One 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: The cash balance available to the Bank to cover losses, realized under these guarantees and indemnities amounted to the sum of approx. NIS 243 million (March 31, 2024 - NIS 309 million, December 31, 2024 - NIS 250 million). In addition, securities and other tradable assets held as collateral, amounted to the sum of approximately NIS 15 million (March 31, 2024 - NIS 9 million, December 31, 2024 - NIS 12 million).

Note 14 - Assets and Liabilities by Linkage Basis

	March 31, 2025 (unaudited)						
	NIS		Foreign currency[a]				
	Non-linked	Linked to the Consumer Price Index	USD	In EUR	Other	Non-monetary items[b]	Total
	In NIS million						
Assets							
Cash and deposits with banks	107,209	-	11,253	2,309	1,072	2,074	123,917
Securities	50,478	7,133	55,755	6,699	2,623	7,614	130,302
Securities borrowed or purchased under reverse repurchase agreements	1,297	-	223	1	-	-	1,521
Loans to the public, net[c]	343,782	65,614	31,337	6,642	13,134	2,338	462,847
Loans to governments	676	-	349	1,162	-	-	2,187
Investments in associates	-	-	-	-	-	3,526	3,526
Buildings and equipment	-	-	-	-	-	2,863	2,863
Assets in respect of derivatives	5,051	283	9,899	1,722	556	11,872	29,383
Other assets	5,862	4	38	24	86	1,190	7,204
Total assets	514,355	73,034	108,854	18,559	17,471	31,477	763,750
Liabilities							
Deposits by the public	435,492	12,008	126,669	13,534	4,295	4,449	596,447
Deposits by banks	6,946	-	5,195	306	572	-	13,019
Deposits by governments	43	-	84	12	-	-	139
Securities loaned or sold under repurchase agreements	1,109	-	13,142	-	-	-	14,251
Bonds, promissory notes and subordinated notes	5,607	22,069	6,432	-	-	-	34,108
Liabilities for derivatives	5,120	219	8,649	1,378	476	11,831	27,673
Other liabilities	5,583	7,676	146	36	163	716	14,320
Total liabilities	459,900	41,972	160,317	15,266	5,506	16,996	699,957
Difference[d]	54,455	31,062	(51,463)	3,293	11,965	14,481	63,793
Effect of hedging derivatives:							
Derivatives (excluding options)	616	(616)	-	-	-	-	-
Effect of non-hedging derivatives:							
Derivatives (excluding options)	(26,056)	(2,779)	44,642	(4,586)	(11,927)	706	-
In the money options, net (according to underlying asset)	(1,202)	-	740	486	(24)	-	-
Out of the money options, net (according to underlying asset)	(650)	-	628	18	4	-	-
Grand total	27,163	27,667	(5,453)	(789)	18	15,187	63,793
In the money options, net (discounted nominal value)	(2,022)	-	1,332	721	(31)	-	-
Out of the money options, net (discounted nominal value)	(1,219)	-	1,054	253	(88)	-	-

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 linkage of the credit due to which it had been established, in the amount of NIS 6,789 million.
D. Shareholders' equity includes non-controlling interests.

Note 14 - Assets and Liabilities by Linkage Basis (cont.)

	March 31, 2024 (unaudited)						
	NIS		Foreign currency[a]				
	Non-linked	Linked to the Consumer Price Index	USD	In EUR	Other	Non-monetary items[b]	Total
	In NIS million						
Assets							
Cash and deposits with banks	131,446	–	8,594	749	754	2,521	144,064
Securities	60,357	4,021	57,358	6,308	4,170	5,510	137,724
Securities borrowed or purchased under reverse repurchase agreements	874	–	1,413	1	–	–	2,288
Loans to the public, net[c]	320,114	62,334	23,871	6,210	9,713	6,340	428,582
Loans to governments	496	–	343	548	–	–	1,387
Investments in associates	–	–	–	–	–	4,129	4,129
Buildings and equipment	–	–	–	–	–	2,682	2,682
Assets in respect of derivatives	5,076	307	7,662	349	285	12,066	25,745
Other assets	5,867	9	37	9	74	1,076	7,072
Total assets	524,230	66,671	99,278	14,174	14,996	34,324	753,673
Liabilities							
Deposits by the public	433,394	11,082	124,693	12,736	5,013	8,887	595,805
Deposits by banks	14,679	–	6,908	2,372	176	4	24,139
Deposits by governments	37	–	47	17	–	–	101
Securities loaned or sold under repurchase agreements	182	–	6,125	–	–	–	6,307
Bonds, promissory notes and subordinated notes	6,485	18,116	6,301	–	–	–	30,902
Liabilities for derivatives	5,603	289	5,383	170	163	11,983	23,591
Other liabilities	6,191	8,595	125	63	187	534	15,695
Total liabilities	466,571	38,082	149,582	15,358	5,539	21,408	696,540
Difference[d]	57,659	28,589	(50,304)	(1,184)	9,457	12,916	57,133
Effect of hedging derivatives:							
Derivatives (excluding options)	753	(753)	–	–	–	–	–
Effect of non-hedging derivatives:							
Derivatives (excluding options)	(30,979)	(4,696)	43,282	482	(9,480)	1,391	–
In the money options, net (according to underlying asset)	(1,397)	–	1,283	125	(11)	–	–
Out of the money options, net (according to underlying asset)	(501)	–	544	(42)	(1)	–	–
Grand total	25,535	23,140	(5,195)	(619)	(35)	14,307	57,133
In the money options, net (discounted nominal value)	(1,689)	–	1,565	136	(12)	–	–
Out of the money options, net (discounted nominal value)	(2,143)	–	2,098	31	14	–	–

A. Including those linked to foreign currency.
B. Including derivatives whose underlying asset relates to a non-monetary item.
C. After deducting loan loss provisions attributed to a linkage basis, according to the linkage of the underlying credit, in the amount of NIS 6,955 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	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 agreements	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 repurchase agreements	1,089	–	10,597	–	–	–	11,686
Bonds, promissory notes and 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]

	March 31, 2025		
	Cash flows according to the contractual maturity date		
	Upon demand and until	Over one day and up to one week	More than one week and up to one month
	In NIS million		
Cash, deposits and tradable bonds[f]			
Cash and deposits with banks	63,227	53,152	4,415
Tradable government bonds	381	444	3,214
Other tradable bonds	99	14	228
Total cash, deposits and tradable bonds	63,707	53,610	7,857
Other monetary assets			
Loans to the public[b]	23,921	19,925	55,283
Other monetary assets excluding derivatives	1,474	312	518
Total monetary assets, excluding derivatives	89,102	73,847	63,658
Monetary liabilities			
Deposits by the public[g]	277,923	61,675	41,724
Of which: households and small and micro businesses	113,172	25,941	23,982
Deposits by banks	5,486	81	623
Securities loaned or sold under repurchase agreements	2,237	23	3
Bonds and deferred promissory notes	–	–	14
Other monetary liabilities excluding derivatives	425	1,938	164
Total monetary liabilities excluding derivatives	286,071	63,717	42,528
Derivative instruments, Off-balance sheet items employees' rights			
The impact of derivatives	11	(26)	196
Undertakings to extend credit	(465)	(992)	(15,481)
Employee Benefits	–	–	8
The impact of derivative instruments, off-balance sheet items and employees' rights	(454)	(1,018)	(15,277)
Total cash flows, net (including shekels and foreign currency)[h]	(197,423)	9,112	5,853
Of which in foreign currency:[c]			
Total cash, deposits and tradable bonds in foreign currency	13,775	445	2,233
Total other monetary assets, excluding derivatives in foreign currency	12,593	1,698	5,622
Total monetary liabilities excluding derivatives in foreign currency	79,833	7,796	11,669
The impact of derivative instruments, off-balance sheet items and employees' rights in foreign currency	2,709	3,137	5,195
Total cash flows in foreign currency	(50,756)	(2,516)	1,381

	December 31, 2024		
	Cash flows according to the contractual maturity date		
	Upon demand and until	Over one day and up to one week	More than one week and 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 214.

					Book balance[d]		
Over one month and up three months	Over three months and up to one year	Over one year and up to three years	Over three years and up to five years	Over 5 years	Without repayment date	Total	Effective rate of return[e]
							In %
74	190	475	261	352		121,843	2.09
4,040	10,050	26,549	18,132	41,290		85,901	3.88
486	4,586	6,414	7,864	32,815		36,787	4.60
4,600	14,826	33,438	26,257	74,457		244,531	4.13
45,352	59,728	91,764	53,975	204,944	24,020	460,509	5.43
574	606	609	439	2,725	3,064	9,722	1.70
50,526	75,160	125,811	80,671	282,126	27,084	714,762	5.02
92,031	100,039	10,717	2,661	13,048		591,998	3.28
41,693	64,224	7,869	2,023	1,615		277,681	3.04
1,368	1,468	2,219	225	2,858		13,019	4.98
6,785	5,331	–	–	–		14,251	3.93
106	7,776	14,612	7,989	6,620		34,108	2.56
290	1,284	1,570	445	244	598	6,954	0.04
100,580	115,898	29,118	11,320	22,770	598	660,330	3.11
(385)	912	765	501	1,097	–	1,710	
(5,904)	(43,005)	(19,233)	(6,240)	(2,039)		(93,360)	
17	(573)	(1,144)	(299)	(16,260)		(6,789)	
(6,272)	(42,666)	(19,612)	(6,038)	(17,202)	–	(98,439)	
(56,326)	(83,404)	77,081	63,313	242,154	26,486	(44,007)	
4,023	6,973	17,135	12,471	46,580		80,958	4.49
4,688	8,358	12,488	5,014	1,201	5,168	52,993	6.87
26,340	38,622	3,875	2,261	2,921	–	170,343	4.24
(6,458)	12,749	(1,076)	1,128	1,403	–	16,633	
(24,087)	(10,542)	24,672	16,352	46,263	5,168	(19,759)	

					Book balance[d]		
Over one month and up three months	Over three months and up to one year	Over one year and up to three years	Over three years and up to five 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 March 31, 2025 stands at NIS 223.823 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 Measurement

	March 31, 2025 (unaudited)				
	Balance sheet carrying amount	Fair value			
		(Level 1)[a]	(Level 2)[a]	(Level 3)[a]	Total
	In NIS million				
Financial assets					
Cash and deposits with banks	123,917	113,955	8,707	1,063	123,725
Securities[b]	130,302	71,939	48,037	9,223	129,199
Securities borrowed or purchased under reverse repurchase agreements	1,521	1,521	-	-	1,521
Loans to the public, net	462,847	21,626	-	438,736	460,362
Loans to governments	2,187	-	690	1,467	2,157
Assets in respect of derivatives	29,383	4,204	22,942	2,237	29,383
Other financial assets	418	34	-	384	418
Total financial assets	750,575[c]	213,279	80,376	453,110	746,765
Financial liabilities					
Deposits by the public	596,447	32,652	299,087	263,174	594,913
Deposits by banks	13,019	340	5,381	7,403	13,124
Deposits by governments	139	-	103	36	139
Securities loaned or sold under repurchase agreements	14,251	14,251	-	-	14,251
Bonds, promissory notes and subordinated notes	34,108	28,170	-	5,226	33,396
Liabilities for derivatives	27,673	4,267	23,328	78	27,673
Other financial liabilities	3,216	189	1,602	1,290	3,081
Total financial liabilities	688,853[c]	79,869	329,501	277,207	686,577
Off-balance-sheet financial instruments					
Transactions in which the outstanding balance embodies credit risk	477	-	-	477	477
In addition, liabilities in respect of employee benefits, net[d]	7,312	-	-	7,312	7,312

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 199,857 million and NIS 272,181 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 Measurement (cont.)

	March 31, 2024 (unaudited)				
	Balance sheet carrying amount	Fair value			
		(Level 1) (a)	(Level 2) (a)	(Level 3) (a)	Total
	In NIS million				
Financial assets					
Cash and deposits with banks	144,064	133,028	9,756	1,012	143,796
Securities(b)	137,724	81,781	45,963	8,639	136,383
Securities borrowed or purchased under reverse repurchase agreements	2,288	2,288	-	-	2,288
Loans to the public, net	428,582	25,111	-	400,958	426,069
Loans to governments	1,387	-	247	1,049	1,296
Assets in respect of derivatives	25,745	3,861	20,314	1,570	25,745
Other financial assets	288	31	-	257	288
Total financial assets	740,078(c)	246,100	76,280	413,485	735,865
Financial liabilities					
Deposits by the public	595,805	26,731	324,637	243,112	594,480
Deposits by banks	24,139	5,213	7,999	10,825	24,037
Deposits by governments	101	-	51	51	102
Securities loaned or sold under repurchase agreements	6,307	6,307	-	-	6,307
Bonds, promissory notes and subordinated notes	30,902	29,264	-	859	30,123
Liabilities for derivatives	23,591	3,846	19,640	105	23,591
Other financial liabilities	3,683	704	1,333	1,646	3,683
Total financial liabilities	684,528(c)	72,065	353,660	256,598	682,323
Off-balance-sheet financial instruments					
Transactions in which the outstanding balance embodies credit risk	409	-	-	409	409
In addition, liabilities in respect of employee benefits, net(d)	8,192	-	-	8,192	8,192

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 189,123 million and NIS 269,822 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 Measurement (cont.)

	December 31, 2024 (audited)				
	Balance sheet carrying amount	Fair value			
		(Level 1) [a]	(Level 2) [a]	(Level 3) [a]	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

	March 31, 2025 (unaudited)			
	Fair value measurements using			
	quoted prices in an active market (Level 1)	other significant observable inputs (Level 2)	significant unobservable inputs (Level 3)	Total fair value
	In NIS million			
Assets				
Available-for-sale bonds:				
Government of Israel bonds	38,878	11,020	–	49,898
Foreign governments bonds	10,212	4,060	–	14,272
Bonds of Israeli financial institutions	177	–	–	177
Bonds of foreign financial institutions	–	8,802	–	8,802
Asset-backed (ABS) or Mortgage-backed (MBS) bonds	–	7,651	4,549	12,200
Other Israeli bonds	691	339	–	1,030
Other foreign bonds	–	4,239	–	4,239
Total available-for-sale bonds	49,958	36,111	4,549	90,618
Not held for-trading equity securities and mutual funds:				
Not held for-trading equity securities and mutual funds	3,302	–	–	3,302
Held-for-trading securities:				
Government of Israel bonds	12,471	–	–	12,471
Foreign governments bonds	1	72	–	73
Bonds of Israeli financial institutions	39	–	–	39
Bonds of foreign financial institutions	–	152	–	152
Asset-backed (ABS) or Mortgage-backed (MBS) bonds	–	271	–	271
Other Israeli bonds	170	–	–	170
Other foreign bonds	–	182	–	182
Equity securities and mutual funds	111	–	–	111
Total held-for-trading securities	12,792	677	–	13,469
Assets in respect of derivatives:				
NIS-CPI contracts	–	72	242	314
Interest rate contracts	308	8,028	–	8,336
Foreign exchange contracts	–	5,885	1,972	7,857
Stock contracts	3,226	8,952	23	12,201
Commodity- and other contracts	7	5	–	12
MAOF (Israeli financial instruments and futures) market activity	663	–	–	663
Total underlying assets for derivatives	4,204	22,942	2,237	29,383
Other:				
Credit and deposits for loaned securities	16,572	–	–	16,572
Securities borrowed or purchased under reverse repurchase agreements	1,521	–	–	1,521
Other	32	–	–	32
Other - total	18,125	–	–	18,125
Total assets	88,381	59,730	6,786	154,897

Note 16B – Items Measured at Fair Value (cont.)

A. Items Measured at Fair Value on a Recurring Basis (cont.)

	March 31, 2025 (unaudited)			
	Fair value measurements using			
	quoted prices in an active market (Level 1)	other significant observable inputs (Level 2)	significant unobservable inputs (Level 3)	Total fair value
	In NIS million			
Liabilities				
Liabilities for derivatives:				
NIS-CPI contracts	–	172	66	238
Interest rate contracts	347	6,858	–	7,205
Foreign exchange contracts	–	7,381	5	7,386
Stock contracts	3,241	8,912	7	12,160
Commodity- and other contracts	6	5	–	11
MAOF (Israeli financial instruments and futures) market activity	673	–	–	673
Total liabilities in respect of derivatives	4,267	23,328	78	27,673
Other:				
Deposits for loaned securities	17,463	16	–	17,479
Securities loaned or sold under repurchase agreements	14,251	–	–	14,251
Credit-linked notes (CLN)	–	–	4,396	4,396
Other	189	–	–	189
Other - total	31,903	16	4,396	36,315
Total liabilities	36,170	23,344	4,474	63,988

Note 16B – Items Measured at Fair Value (cont.)

A. Items Measured at Fair Value on a Recurring Basis (cont.)

	March 31, 2024 (unaudited)			
	Fair value measurements using			
	quoted prices in an active market (Level 1)	other significant observable inputs (Level 2)	significant unobservable inputs (Level 3)	Total fair value
	In NIS million			
Assets				
Available-for-sale bonds:				
Government of Israel bonds	54,768	8,362	26	63,156
Foreign governments bonds	14,794	5,885	–	20,679
Bonds of Israeli financial institutions	75	–	–	75
Bonds of foreign financial institutions	–	9,639	–	9,639
Asset-backed (ABS) or Mortgage-backed (MBS) bonds	–	6,046	4,996	11,042
Other Israeli bonds	708	179	–	887
Other foreign bonds	–	4,687	–	4,687
Total available-for-sale bonds	70,345	34,798	5,022	110,165
Not held for-trading equity securities and mutual funds:				
Not held for-trading equity securities and mutual funds	2,318	–	–	2,318
Held-for-trading securities:				
Government of Israel bonds	4,107	–	–	4,107
Bonds of Israeli financial institutions	330	–	–	330
Bonds of foreign financial institutions	–	100	–	100
Asset-backed (ABS) or Mortgage-backed (MBS) bonds	–	41	1	42
Other Israeli bonds	188	–	–	188
Other foreign bonds	–	320	–	320
Equity securities and mutual funds	78	–	–	78
Total held-for-trading securities	4,703	461	1	5,165
Assets in respect of derivatives:				
NIS-CPI contracts	–	107	222	329
Interest rate contracts	78	8,808	119	9,005
Foreign exchange contracts	–	2,951	972	3,923
Stock contracts	3,022	8,435	257	11,714
Commodity- and other contracts	206	13	–	219
MAOF (Israeli financial instruments and futures) market activity	555	–	–	555
Total underlying assets for derivatives	3,861	20,314	1,570	25,745
Other:				
Credit and deposits for loaned securities	18,342	–	–	18,342
Securities borrowed or purchased under reverse repurchase agreements	2,288	–	–	2,288
Other	28	–	–	28
Other - total	20,658	–	–	20,658
Total assets	101,885	55,573	6,593	164,051

Note 16B – Items Measured at Fair Value (cont.)

A. Items Measured at Fair Value on a Recurring Basis (cont.)

	March 31, 2024 (unaudited)			
	Fair value measurements using			
	quoted prices in an active market (Level 1)	other significant observable inputs (Level 2)	significant unobservable inputs (Level 3)	Total fair value
	In NIS million			
Liabilities				
Liabilities for derivatives:				
NIS-CPI contracts	–	216	93	309
Interest rate contracts	87	7,650	–	7,737
Foreign exchange contracts	–	3,164	5	3,169
Stock contracts	2,997	8,603	7	11,607
Commodity- and other contracts	206	7	–	213
MAOF (Israeli financial instruments and futures) market activity	556	–	–	556
Total liabilities in respect of derivatives	3,846	19,640	105	23,591
Other:				
Deposits for loaned securities	15,846	24	–	15,870
Securities loaned or sold under repurchase agreements	6,307	–	–	6,307
Credit-linked notes (CLN)	–	–	374	374
Other	704	–	–	704
Other - total	22,857	24	374	23,255
Total liabilities	26,703	19,664	479	46,846

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			
	quoted prices in an active market (Level 1)	other significant observable inputs (Level 2)	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 agreements	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			
	quoted prices in an active market (Level 1)	other significant observable inputs (Level 2)	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 repurchase agreements	11,686	–	–	11,686
Credit-linked notes (CLN)	–	–	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

	March 31, 2025 (unaudited)				
	Fair value measurements using				
	quoted prices in an active market (Level 1)	other significant observable inputs (Level 2)	significant unobservable inputs (Level 3)	Total fair value	Total profit (loss) for changes in value for the period
	In NIS million				
Non-performing credit for which collection is collateral-dependent	-	-	180	180	8
Total	-	-	180	180	8

	March 31, 2024 (unaudited)				
	Fair value measurements using				
	quoted prices in an active market (Level 1)	other significant observable inputs (Level 2)	significant unobservable inputs (Level 3)	Total fair value	Total profit (loss) for changes in value for the period
	In NIS million				
Non-performing credit for which collection is collateral-dependent	-	-	533	533	88
Total	-	-	533	533	88

	December 31, 2024 (audited)				
	Fair value measurements using				
	quoted prices in an active market (Level 1)	other significant observable inputs (Level 2)	significant unobservable inputs (Level 3)	Total fair value	Total profit (loss) for changes in value for the period
	In NIS million				
Non-performing credit for which collection is collateral-dependent	-	-	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 March 31, 2025 (unaudited)										
		Profits (losses), net Realized/unrealized and included:									
	Fair value as at the beginning of the year	In the Income Statement[a]	Other comprehensive income[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 of March 31, 2025	Unrealized profits (losses) for instruments held as at March 31, 2025
	In NIS million										
Assets											
Available-for-sale bonds:											
Israeli Government	24	–	–	–	–	(24)	–	–	–	–	–
MBS/ABS	4,960	52	–	299	(69)	(492)	–	–	(201)	4,549	(1)
Total available-for-sale bonds	4,984	52	–	299	(69)	(516)	–	–	(201)	4,549	(1)
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	(26)	–	–	–	–	–	1	–	242	(3)
Interest rate contracts	203	504	–	–	–	(707)	–	–	–	–	(151)
Foreign exchange contracts	1,637	(1,976)	–	2,311	–	–	–	–	–	1,972	1,368
Stock contracts	1,284	(1,261)	–	–	–	–	–	–	–	23	(1,018)
Commodity- and other contracts	1	(1)	–	–	–	–	–	–	–	–	–
Total underlying assets for derivatives	3,392	(2,760)	–	2,311	–	(707)	–	1	–	2,237	196
Total assets	8,377	(2,708)	–	2,610	(70)	(1,223)	–	1	(201)	6,786	195
Liabilities											
Liabilities for derivatives:											
NIS-CPI contracts	64	(19)	–	–	–	–	–	21	–	66	21
Foreign exchange contracts	5	–	–	–	–	–	–	–	–	5	–
Stock contracts	7	–	–	–	–	–	–	–	–	7	–
Total liabilities in respect of derivatives	76	(19)	–	–	–	–	–	21	–	78	21
Other - total	3,962	16	6	520	–	(108)	–	–	–	4,396	46
Total liabilities	4,038	(3)	6	520	–	(108)	–	21	–	4,474	67

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 gain (loss) in respect of available-for-sale bonds held as at March 31, 2025, amounted to NIS (1) 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 March 31, 2024 (unaudited)										
	Fair value as at the beginning of year	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 of March 31, 2024	Unrealized profits (losses) for instruments held as at March 31, 2024
		In the Income Statement[a]	Other comprehensive income[b]								
	In NIS million										
Assets											
Available-for-sale bonds:											
Israeli Government	26	–	–	–	–	–	–	–	–	26	(1)
MBS/ABS	4,889	47	(1)	237	–	(108)	–	–	(68)	4,996	(2)
Total available-for-sale bonds	4,915	47	(1)	237	–	(108)	–	–	(68)	5,022	(3)
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	–	–	–	–	–	–	22	–	222	25
Interest rate contracts	118	448	–	–	–	(447)	–	–	–	119	6
Foreign exchange contracts	2,363	(3,401)	–	2,010	–	–	–	–	–	972	311
Stock contracts	179	78	–	–	–	–	–	–	–	257	94
Total underlying assets for derivatives	2,860	(2,875)	–	2,010	–	(447)	–	22	–	1,570	436
Total assets	7,782	(2,828)	(1)	2,247	(2)	(559)	–	22	(68)	6,593	433
Liabilities											
Liabilities for derivatives:											
NIS-CPI contracts	116	(32)	–	–	–	–	–	9	–	93	9
Foreign exchange contracts	6	(1)	–	–	–	–	–	–	–	5	–
Stock contracts	7	–	–	–	–	–	–	–	–	7	–
Total liabilities in respect of derivatives	129	(33)	–	–	–	–	–	9	–	105	9
Other - total	419	1	–	–	–	(46)	–	–	–	374	1
Total liabilities	548	(32)	–	–	–	(46)	–	9	–	479	10

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 March 31, 2024, amounted to NIS (3) 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	Profits (losses), net Realized/unrealized and included: In the Income Statement[(a)]	Other comprehensive income[(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	Unrealized gains (losses) for instruments held as at December 31, 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

	March 31, 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	**4,549**	Discounted cash flows	Spread	100-230 bp	165 bp
			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	**240**	Discounted cash flows	Expected inflation	0.01%-2.17%	1.09%
	2	Discounted cash flows	Counterparty risk	0.14%-100%(*)	0.99%
Foreign exchange contracts	**1,972**	Discounted cash flows	Counterparty risk	0.14%-100%(*)	0.99%
Stock contracts	**23**	Discounted cash flows	Counterparty risk	0.14%-100%(*)	0.99%
Liabilities					
Liabilities for derivatives[2]					
NIS-CPI interest contracts	**66**	Discounted cash flows	Expected inflation	0.01%-2.17%	1.09%
Foreign exchange contracts	**5**	Discounted cash flows	Expected inflation	0.01%-2.17%	1.09%
Stock contracts	**7**	Discounted cash flows	Counterparty risk	0.14%-100%	0.99%
Other liabilities	**213**	Discounted cash flows	Probability of default	3.21%-4.28%	3.76%
			Effective average duration in years	0.25-0.64	0.37
	680	Discounted cash flows	Probability of default	3.21%-4.28%	3.78%
			Effective average duration in years	0.45-1.42	1.01
	574	Discounted cash flows	Probability of default	3.72%-3.89%	3.83%
			Effective average duration in years	4.12	4.12
	149	Discounted cash flows	Probability of default	3.71%-3.84%	3.77%
			Effective average duration in years	0.72	0.72
	232	Discounted cash flows	Probability of default	3.71%-3.85%	3.79%
			Effective average duration in years	2.01	2.01
	551	Discounted cash flows	Probability of default	3.71%-3.84%	3.79%
			Effective average duration in years	0.89	0.89
	1,472	Discounted cash flows	Probability of default	3.72%-3.91%	3.81%
			Effective average duration in years	2.88	2.88
	525	Discounted cash flows	Probability of default	3.71%-3.84%	3.79%
			Effective average duration in years	1.97	1.97
B. Items Measured at Fair Value on a Non-Recurring Basis					
Non-performing credit for which collection is collateral-dependent	**180**	Collateral's fair value			

* For a defaulted counterparty.

Please see comments on page 232.

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.)

	March 31, 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	26	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	4,996	Discounted cash flows	Spread	bp 200-280	bp 240
			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 200-280	bp 240
			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	222	Discounted cash flows	Expected inflation	0.33%-2.65%	1.49%
Interest rate contracts	119	Discounted cash flows	Counterparty risk	0.19%-100%(*)	0.79%
Foreign exchange contracts	972	Discounted cash flows	Counterparty risk	0.19%-100%(*)	0.79%
Stock contracts	257	Discounted cash flows	Counterparty risk	0.19%-100%(*)	0.79%
Liabilities					
Liabilities for derivatives[2]					
NIS-CPI interest contracts	93	Discounted cash flows	Expected inflation	0.33%-2.65%	1.49%
Foreign exchange contracts	5	Discounted cash flows	Expected inflation	0.33%-2.65%	1.49%
Stock contracts	7	Discounted cash flows	Counterparty risk	0.19%-100%	0.79%
Other liabilities	374	Discounted cash flows	Probability of default	3.51%-4.84%	4.09%
			Effective average duration in years	0.41-0.76	0.602
B. Items Measured at Fair Value on a Non-Recurring Basis					
Non-performing credit for which collection is collateral-dependent	533	Collateral's fair value			

* For a defaulted counterparty.

Please see comments on page 232.

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					
Non-performing credit for which collection is collateral-dependent	135	Collateral's fair value			

* For a defaulted counterparty.

Please see notes on page 232.

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.
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. 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.

(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 "Iron Swords" War

The trend of the gradual recovery in the economic activities continued during the first quarter of 2025, which began during 2024, against the background of the geopolitical developments.

Against the background of the escalation of the geopolitical risks and returning to combat in the Gaza Strip alongside the increase of the political-legislative risks as well as the social unrest in the country, during the first quarter of the year a new increase in risks related to the markets' sentiment towards Israel had been recorded, this contrary to the decrease in these risks that took place in the fourth quarter of 2024. The shekel weakened, an increase in Israel's CDS spread had been recorded (although its level is still low compared to the peak level of the war) as also the gap in the return on equity over 10 years (the dollar) Israel-US increased again. The forecast of growth in 2025, depends to a great extent on the security developments.

The leading credit rating agencies, Fitch, Moody's, and S&P, published review reports, Israel's rating remained intact. The reports noted that the degree of uncertainty as to the security situation in the long term and the rate of growth of the financial activities, is higher than usual. The geopolitical risk remains high, against the background of the renewal of hostilities in the Gaza Strip, and the ceasefire with Lebanon, which indeed stabilized the security situation in the north, however is perceived as being fragile. Also the change of regimes in Syria are mentioned as a new security risk to Israel. The warnings that were noted along with the negative rating forecast, constitute factors that may delay an improvement in is Israel's credit rating in the short term.

Reliefs for coping with the War's ramifications

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. of 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.

The reliefs include a voluntary extension of the Iron Swords outline to the second quarter of 2025, as well as: interest will be paid on credit balances in checking accounts to eligible customers; development of a daily deposit via automated deposit, which will be offered to the public after completion of the development and establishment of the final conditions; decreasing the interest rate on debit balances in checking accounts in respect of the second quarter of 2025 to all customers among household customers with an approved credit line and which as of March 27, 2025 have a debit balance that is part of the credit line the Bank approved; deferral of loan repayments for the period of three months commencing April 1, 2025 through June 30, 2025 to private customers who are eligible according to the Bank's terms; an exemption from credit card fees for one year to those issuing credit cards online during the period commencing April 1, 2025 through June 30, 2025 and in accordance with the Bank's terms; as well as a new trust plan for the Bank's customers "Leumi Bonus", as part of which holders of Bank Leumi credit cards and holders of debit cards will granted benefits and discounts in various domains, in accordance with the terms of the plan.

Donations and bonuses

For information regarding the issue see Note 35.A in the financial statements as of December 31, 2024.

B. Imposition of customs taxes on the import to the United States and the concern of a global trade war

On April 2, 2025, the US government announced an extensive customs plan, which includes imposition of customs taxes on most goods imported to the country from around the world, at rates ranging between 10% and up to 100%. The original plan includes customs taxes at the rate of 17% on the import of goods from Israel to the United States. On April 9, the United States announced the suspension of some of the customs for a period of 90 days.

These developments in the United State's commerce policy, along with China's counter response as well as possible counter responses by additional countries worldwide to the imposition of customs taxes by the United States leads to an increase in the level of uncertainty, increased fluctuations in the financial markets and increased fluctuations in currency exchange rates worldwide. Additionally, these developments may affect the inflation level worldwide, and lead to across-the-board impairment of the global trade and the global financial activities.

The assessment of the expected provision for credit losses, including assessments reflecting, inter alia, the aforementioned implications.

C. [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 150 million.

BANK LEUMI LE-ISRAEL B.M. AND ITS INVESTEE COMPANIES
Corporate Governance, Additional Details and Appendices

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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 first quarter of 2025, there were no changes to the composition of the Board of Directors.

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.

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.

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 of March 31, 2025, please see the immediate report entitled "Status of Holdings of Stakeholders and Senior Officers," dated April 7, 2025 (Ref. No. 2025-01-025701). See also the immediate report of those who are no longer stakeholders dated April 7, 2025 (Ref. No. 2025-01-025377). 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.

Corporate Structure

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 Supervisor of Banks to the Banking Corporations regarding risks related to UNWRA's financial activity

On March 6 2025, the letter had been published, noting that based on the enactment of the laws regarding UNWRA's activities at the end of January 2025, and in light of the Ministry of Justice's response to Bank of Israel's inquiry on the matter, 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 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.

Inter alia, Proper Conduct of Banking Business Directive No. 203 added to the list exposures weighted at 150% risk, credit provided under a financing agreement for a residential construction project, in cases where the proportion 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. Proper Conduct of Banking Business Directive No. 329 added definitions for 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 of 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.

Draft revision of the Proper Conduct of Banking Business Directive No. 367 on the subject of banking through communication channels

On April 1, 2025, a draft was published proposing that a banking corporation will be required to provide a different banking corporation with substantiated information in its possession that it believes 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, it is proposed to add a clarification noting the fact that the information received from a different banking corporation will also be used for these purposes.

Banking Draft Law (Customer Service) (Amendment 38), 5785-2025

On March 17, 2025, the Amendment 38 had been published, pursuant to which, the banks will be obligated to enable to deposit funds in deposits of all custommers, eben where the customers to not manage a checking accouint in that bank. The funds will be deposited in a closed-system account – meaning an individual's account used for holding and managing monetary deposits at the bank, originating from that individual's account, who owns an account at another bank, or the Postal Bank, provided that the funds managed there are returned only to the account from which they were transferred.

The Banking Supervision Department may set forth in the Proper Conduct of Banking Business Directive that the provisions of the section would also apply to depositing funds in a monetary deposit in foreign currency through a closed-system account. The Amendment to the Law will take effect on December 1, 2025.

Proper Conduct of Banking Business Directive No. 477A 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.

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.

Directives of the Supervisor of Credit Data Sharing

Draft of the Supervisor's Directive No. 407 regarding the use of the credit data system, and draft amendment to the Supervisor's Directive No. 401 regarding means of identification, and draft amendment to Supervisor's Directive No. 401A regarding remote identification methods.

On April 29, 2025, the drafts were published. Draft of the 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 draft, as of the date that the proposed directive takes effect, 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.

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 call for proposals 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 2024, 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.

Draft Law of the Financial Information Service Law (Amendment No. 3 and Temporary Provision), 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.

Interim report of the inter-office team for assessing means of increasing competition in the banking system for the retail sector

On March 31, 2025, the interim report was published, continuing the recommendations from the interim report of October 2024 of the team for examining a framework for granting banking licenses to non-banking entities. The team's recommendations address, *inter alia*, an increase in the number of potential players that could apply for a banking license; granting a small bank the option to develop a flexible business model to offer unique services, which could also go beyond the closed list that exists for banks today, and to adjust the regulatory directives to the banks as aforementioned. In addition, according to the recommendations, financial holding companies will be able to simultaneously control an institutional body and a bank that will be limited in the scope of its assets, while ensuring the prevention of conflict of interest with the institutional body. Implementation of the recommendations will require legislative amendments and adaption of the supervisory regulations.

Regulatory measures following the "Iron Swords" War

Against the backdrop of the continuation of the "Iron Swords" War 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, expedients 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. 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 Legislation 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 Legislation 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 will be implemented 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.

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

Details regarding measures published by additional bodies and designated legislation can be found in the chapter entitled "Legislation and Regulation Governing the Banking System," in the Corporate Governance Report for 2024.

Additional Topics

Memorandum of the Notaries Law (Amendment No. ...) (Power of Attorney for a Banking Corporation), 2025

On March 9, 2025, the memorandum of the law had been published, with the intent of easing the burden 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 the 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 memorandum of the law.

Memorandum of the Anti-Money Laundering Law (Amendment No. ...) (Granting Power to the Anti-Money Laundering and Terror Financing Authority to Temporarily Freeze), 2025

On March 12, 2025, the memorandum was published, proposing to grant the Anti-Money Laundering and Terror Financing Authority the power to order bodies supervised by virtue of the Anti-Money Laundering Law to temporarily freeze activities and property regarding which a suspicion arises of a connection to money laundering crimes, terror financing, or source crimes, without requiring a judicial order.

Call 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 call 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.

For details regarding additional subjects, , please see the chapter entitled "Legislation and Regulation of the Banking System" in the Corporate Governance Report of 2024.

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.

Credit Ratings

Credit ratings and outlook for the State of Israel and the Bank as at May 19, 2025

	Rating agency	Long term	Outlook	Short term
State of Israel	Moody's	Baa1	negative	P-2
	S&P	A	negative	A-1
	Fitch	A	negative	F1
Bank Leumi: Foreign exchange	Moody's	Baa1	negative	P-2
	S&P	BBB+	negative	A-2
	Fitch	A-	negative	F1
	Fitch	A-(xgs)	negative	F1 (xgs)
Local rating (in Israel)	S&P Maalot	AAA	negative	A-1+
	Midroog	Aaa	stable	P-1

Following is the development of the Bank's credit rating and credit outlook from January 1, 2025 to May 19, 2025

On April 29, 2025, credit rating agency Moody's reiterated the Bank's credit rating and credit rating outlook.

The leading credit rating agencies, Fitch, Moody's, and S&P, published review reports, Israel's rating remained intact. The reports noted that the degree of uncertainty as to the security situation in the long term and the rate of growth of the financial activities, is higher than usual. The geopolitical risk remains high, against the background of the renewal of hostilities in the Gaza Strip, and the ceasefire with Lebanon, which indeed stabilized the security situation in the north, however is perceived as being fragile. Also the change of regimes in Syria are mentioned as a new security risk to Israel. The warnings that were noted along with the negative rating forecast, constitute factors that may delay an improvement in is Israel's credit rating in the short term.

Appendix 1 - 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 March 31					
	2025			2024		
	Average outstanding balance[(b)]	Interest income	Rate of income	Average outstanding balance[(b)]	Interest income	Rate of income
	In NIS million		In %	In NIS million		In %
Interest-bearing assets						
Loans to the public[(c)]						
In Israel	**444,287**	**6,398**	**5.76**	412,809	5,942	5.76
Outside Israel	**9,242**	**189**	**8.18**	8,476	175	8.26
Total[(i)]	**453,529**	**6,587**	**5.81**	421,285	6,117	5.81
Loans to the government						
In Israel	**2,152**	**20**	**3.72**	1,555	19	4.89
Outside Israel	**–**	**–**	**–**	–	–	–
Total	**2,152**	**20**	**3.72**	1,555	19	4.89
Deposits with banks						
In Israel	**14,997**	**132**	**3.52**	13,804	137	3.97
Outside Israel	**261**	**1**	**1.53**	230	–	–
Total	**15,258**	**133**	**3.49**	14,034	137	3.90
Deposits with central banks						
In Israel	**90,483**	**1,008**	**4.46**	96,980	1,079	4.45
Outside Israel	**–**	**–**	**–**	–	–	–
Total	**90,483**	**1,008**	**4.46**	96,980	1,079	4.45
Securities borrowed or purchased under reverse repurchase agreements						
In Israel	**3,747**	**38**	**4.06**	2,284	28	4.90
Outside Israel	**–**	**–**	**–**	–	–	–
Total	**3,747**	**38**	**4.06**	2,284	28	4.90
Bonds held to maturity and available for sale[(d)]						
In Israel	**108,741**	**1,173**	**4.31**	128,895	1,325	4.11
Outside Israel	**–**	**–**	**–**	–	–	–
Total	**108,741**	**1,173**	**4.31**	128,895	1,325	4.11
Bonds - held-for-trading[(d)]						
In Israel[(j)]	**10,360**	**94**	**3.63**	13,485	122	3.62
Outside Israel	**–**	**–**	**–**	–	–	–
Total	**10,360**	**94**	**3.63**	13,485	122	3.62
Total interest-bearing assets	**684,270**	**9,053**	**5.29**	678,518	8,827	5.20
Non-interest-bearing receivables for credit cards	**6,859**			6,251		
Other non-interest-bearing assets[(e)]	**68,168**			67,119		
Total assets	**759,297**	**9,053**		751,888	8,827	
Total interest-bearing assets attributed to outside Israel	**9,503**	**190**	**8.00**	8,706	175	8.04

Please see Notes on p. 247.

Part B - Average Balances and Interest Rates - Liabilities and Equity (cont.)

	For the three months ended March 31					
	2025			2024		
	Average outstanding 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	**454,605**	**4,487**	**3.95**	436,616	4,565	4.18
Demand deposits	**125,082**	**1,125**	**3.60**	138,710	1,284	3.70
Fixed deposits	**329,523**	**3,362**	**4.08**	297,906	3,281	4.41
Outside Israel	**-**	**-**	**-**	-	-	-
Demand deposits	**-**	**-**	**-**	-	-	-
Fixed deposits	**-**	**-**	**-**	-	-	-
Total	**454,605**	**4,487**	**3.95**	436,616	4,565	4.18
Deposits by the Israeli Government						
In Israel	**157**	**1**	**2.55**	117	1	3.42
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**157**	**1**	**2.55**	117	1	3.42
Deposits by central banks						
In Israel	**5,310**	**22**	**1.66**	10,805	21	0.78
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**5,310**	**22**	**1.66**	10,805	21	0.78
Deposits by banks						
In Israel	**9,121**	**57**	**2.50**	11,762	64	2.18
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**9,121**	**57**	**2.50**	11,762	64	2.18
Securities loaned or sold under repurchase agreements						
In Israel	**10,778**	**147**	**5.46**	11,978	151	5.04
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**10,778**	**147**	**5.46**	11,978	151	5.04
Bonds						
In Israel	**33,998**	**322**	**3.79**	32,072	258	3.22
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**33,998**	**322**	**3.79**	32,072	258	3.22
Total interest-bearing liabilities and equity	**513,969**	**5,036**	**3.92**	503,350	5,060	4.02
Non-interest bearing deposits by the public	**136,515**			146,038		
Non-interest-bearing receivables for credit cards	**1,903**			1,695		
Other non-interest-bearing liabilities(f)	**42,012**			42,375		
Total liabilities	**694,399**	**5,036**		693,458	5,060	
Total capital resources	**64,898**			58,430		
Total liabilities and capital resources	**759,297**	**5,036**		751,888	5,060	
Interest rate spread			**1.37**			1.18
Net yield(g) on interest-bearing assets						
In Israel	**674,767**	**3,827**	**2.27**	669,812	3,592	2.15
Outside Israel	**9,503**	**190**	**8.00**	8,706	175	8.04
Total	**684,270**	**4,017**	**2.35**	678,518	3,767	2.22
Total interest-bearing liabilities attributable to foreign operations	**-**	**-**	**-**	-	-	-

Please see Notes on p. 226.

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 March 31					
	2025			2024		
	Average outstanding balance[(b)]	Interest income (expenses)	% 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	71,884	734	4.08	66,320	635	3.83
Total interest-bearing liabilities	33,383	(247)	(2.96)	29,619	(166)	(2.24)
Interest rate spread			1.12			1.59
Non-linked NIS						
Total interest-bearing assets	481,219	6,730	5.59	488,021	6,688	5.48
Total interest-bearing liabilities	355,045	(3,382)	(3.81)	343,052	(3,325)	(3.88)
Interest rate spread			1.78			1.60
Foreign currency						
Total interest-bearing assets	121,664	1,399	4.60	115,471	1,329	4.60
Total interest-bearing liabilities	125,541	(1,407)	(4.48)	130,679	(1,569)	(4.80)
Interest rate spread			0.12			(0.20)
Total activity in Israel						
Total interest-bearing assets	674,767	8,863	5.25	669,812	8,652	5.17
Total interest-bearing liabilities	513,969	(5,036)	(3.92)	503,350	(5,060)	(4.02)
Interest rate spread			1.33			1.15

Please see Notes on p. 247.

Part D - Analysis of Changes in Interest Income and Interest Expenses

	2025 vs. 2024		
	For the three months ended March 31		
	Increase (decrease) due to change(h)		Net change
	Quantity	Price	
	In NIS million		
Interest-bearing assets			
Loans to the public			
In Israel	453	3	456
Outside Israel	16	(2)	14
Total	469	1	470
Other interest-bearing assets			
In Israel	(284)	39	(245)
Outside Israel	-	1	1
Total	(284)	40	(244)
Total interest income	185	41	226
Interest-bearing liabilities			
Deposits by the public			
In Israel	178	(256)	(78)
Outside Israel	-	-	-
Total	178	(256)	(78)
Other interest-bearing liabilities			
In Israel	(68)	122	54
Outside Israel	-	-	-
Total	(68)	122	54
Total interest expenses	110	(134)	(24)

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. From the average balance of the held-for-trading bonds was deducted/added the average balance of unrealized gains/losses due to fair value adjustments of held-for-trading bonds, as well as gains/losses due to available-for sale bonds included in the shareholders' equity as part of total the other cumulative gains (losses) under the Section "Adjustments in respect of presentation of available-for-sale bonds according to fair value" of bonds that were transferred from the available-for-sale portfolio in the sum of NIS (2,335) million (March 31, 2024 -(NIS (3,241) million).

E. Including book balances of derivatives, other non-interest-bearing assets, non-monetary assets, and less loan loss provision.

F. Including book balances of derivatives 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 for a period of three months ended March 31, 2025 in the amount of NIS 108 million were included in the interest income from public loans (fees for a period of three months ended March 31, 2024 in the amount of NIS 89 million).

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	
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.
Basic Earnings Per Share	Basic profit per share are calculated through the division of the profit or loss attributed to ordinary

Term	Definition
	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.
BSC - Balanced Score Card	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.
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.
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.
CDO - Collateralized Debt Obligation	Bonds backed by a bonds portfolio and/or "seniority" loans and various rankings.
CDS - Credit Default Swap	A financial instrument transferring credit exposure to the issuer between the parties to the transaction.
CLO - Collateralized Loan Obligation	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.

Term	Definition
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-a-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.
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 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 ("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.

Term	Definition
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.
DFA - Dodd Frank Wall Street Reform and Consumer Protection Act	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.
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.
Dormant shares	Shares directly held by a company. These shares do not provide equity or voting rights.

Term	Definition
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) EAD - (Exposure At Default)	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.
FATCA - Foreign Accounts Tax Compliance Act	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.
FDIC - Federal Deposit Insurance Corporation	The Federal Deposit Insurance Corporation and one of the agencies of the supervision of banks in the USA.
FHLMC - Freddie Mac	An agency affiliated with the US government that purchases mortgages, turns them into bonds and sells them to the public. (This company does not have a US government guarantee).
FNMA - Fannie Mae	A public company under the auspices of the US government that purchases mortgages, turns them into bonds and sells them in the free market (this company does not have a US government guarantee).

Term	Definition
FORWARD (Forward contract)	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 is not a standard contract and is not traded in organized capital markets, but is rather drawn according to the customer's need.
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.
G	
GNMA - Ginnie Mea	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.
Interest Rate Risks	The risk of loss or reduction of value as a result of changes in interest rates across various currencies.
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.
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.

Term	Definition
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 Loss Given Default (the loss rate)	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.
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.

Term	Definition
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.
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.

Term	Definition
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.
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.

Term	Definition
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.

Term	Definition
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).
Repurchase Agreement or Reverse Repurchase (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.

Term	Definition
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.

Term	Definition
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.
RORAC 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.
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.

Term	Definition
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.
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 troubled 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.

Term	Definition
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.

Term	Definition
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.
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.
Supervisory Review Process (SREP) (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.

Term	Definition
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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