



Bank Leumi le-Israel L.T.D.

**Additional Information to the
Annual Consolidated Reports**

2025

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Note 2 - Interest Income and Expenses

	Bank		
	2025	2024	2023
	(NIS millions)		
A. Interest Income (a)			
Credit to the public	27,786	26,233	24,519
Credit to governments	92	73	54
Deposits with banks	635	609	574
Deposits with Bank of Israel and cash	4,143	4,327	3,477
Interest income from securities borrowed or purchased under agreements to resell	206	174	127
Bonds (b)	5,671	5,494	4,507
Total Interest Income	38,533	36,910	33,258
B. Interest Expenses (a)			
Deposits of the public	(19,441)	(18,476)	(15,706)
Deposits from governments	(2)	(2)	(2)
Deposits from Bank of Israel and cash	(90)	(89)	(12)
Deposits from banks	(273)	(293)	(136)
Debentures, bonds and subordinated notes	(1,797)	(1,505)	(1,231)
Interest expense from securities loaned or sold under agreements to repurchase	(709)	(633)	(630)
Total Interest Expenses	(22,312)	(20,998)	(17,717)
Total included in interest income	16,221	15,912	15,541
C. Details of the net effect of hedging derivative financial instruments on interest income and expenses (c)			
Interest income	92	180	188
Interest expenses	(60)	(57)	(17)
D. Details of interest income on accrual basis from bonds			
Held to maturity	785	748	493
Available for sale	4,456	4,371	3,754
Held for trading	430	375	260
Total included in interest income	5,671	5,494	4,507

(a) Including effective component of hedge relationships.

(b) Including interest in respect of mortgage-backed bonds (MBS) in the amount of NIS 607 million (2024 - NIS 622 million, 2023 - NIS 422 million).

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

Note 3 - Non-Interest Financing Income

	Bank		
	2025	2024	2023
	(NIS millions)		
A. Non-interest financing income from activities not for trading purposes			
A.1 From activities in derivative instruments			
Net Income (expenses) in respect of ALM derivative instruments (a)	(4,868)	1,898	2,345
Total from activities in derivative instruments	(4,868)	1,898	2,345
A.2 From investment in bonds			
Gains on sale of debentures available for sale	218	140	48
Losses on sale of debentures available for sale	(494)	(568)	(337)
Impairment provision	(25)	(53)	(33)
Total from investment in debentures	(301)	(481)	(322)
A.3 Exchange rate differentials .net	5,807	(800)	(1,915)
A.4 Gains (losses) on investment in shares			
Gains from sale of non-trading shares (b)	244	139	115
Losses from sale of non-trading shares	(100)	(7)	(15)
Impairment provision	(31)	-	-
Unrealized profits (losses), net from not held-for-trading equity securities	(3)	132	75
Dividend from non-trading shares	90	61	35
Total from investment in shares	200	325	210
Total non-interest financing income in respect of activities not for trading purposes	838	942	318
B. Non-interest financing income from activities for trading purposes (c)			
Net income (expenses) in respect of other derivative instruments	606	605	618
Realized and unrealized profits (losses) from fair value adjustment of bonds for trading, net (d)	(90)	(26)	85
Realized and unrealized profits (losses) from fair value adjustment of shares for trading, net (e)	149	7	5
Dividend from shares held for trading	19	-	-
Total non-interest financing income in respect of activities for trading purposes (f)	684	586	708
Breakdown of noninterest finance income for trading activities, by risk exposure			
Interest rate exposure	78	154	71
Foreign exchange exposure	490	327	555
Exposure to equity securities	115	103	78
Exposure to commodities and others	1	2	4
TOTAL	684	586	708
Total income from Non-Interest Financing	1,522	1,528	1,026

(a) Derivative instruments which constitute part of the Bank's assets and liability management system and were not designated for hedging relationships.

(b) Including mainly gain of NIS 84 million on the sale of Visa Inc. - Class A Common Stock Shares, gain of NIS 24 million on the sale of Brinks as well as gain of Sphera of NIS 24 million (2024-Including mainly gain of NIS 19 million on the sale of Equity.Tikehau Direct Lending V - A3, gain of NIS 13 million on the sale of POINT72 CAPITAL INT.LTD and gain of NIS 11 million on the sale of iShares PHLX Semiconductor ETF , 2023-Including mainly gain of NIS 12.5 million on the sale of SYMMETRY INTERNAT.FD.LTD, gain of NIS 11 million on the sale of Schonfeld Fundamental Equity Offshore Fund Ltd and gain of NIS 9 million on the sale of MW Eureka Fund).

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

(d) Of which part of the profits (losses) of NIS 42 million (2024 - NIS 23 million, 2023 - NIS (10) million) relating to bonds held for trading still held as of balance sheet date.

(e) Of which part of the profits (losses) of NIS 153 million (2024- NIS 2 million, 2023-NIS 1 million) relating to shares for trading held for trading still held as of balance sheet date.

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

Note 4 - Commissions

	Bank		
	2025	2024	2023
	(NIS millions)		
Ledger fees	592	583	616
Conversion differences	521	498	501
Handling of credit	222	212	216
Commissions for distribution of financial products (a)	243	203	184
Foreign trade activities	140	148	160
Income from transactions in securities and certain derivative instruments (b)	766	629	573
Credit cards	300	422	383
Management fees and commission on life insurance and home insurance	1	2	2
Net income from servicing credit portfolios	2	6	5
Commissions on financing transactions	939	766	767
Other commissions	106	103	108
Total operating commissions	3,832	3,572	3,515

(a) Mainly distribution fees of mutual funds.

(b) Including fees and commissions from underwriting activity

Note 5 - Other Income

	Bank		
	2025	2024	2023
	(NIS millions)		
Profit from the realization of assets received for settlement of loans	2	1	2
Income from mutual funds	2	5	1
Capital gain from sale of buildings and equipment	14	856	36
Capital loss from sale of buildings and equipment	(9)	(4)	(9)
Other, net	89	82	126
Total other income	98	940	156

Note 6 - Salaries and Related Expenses

	Bank		
	2025	2024	2023
	(NIS millions)		
Salaries	2,124	2,327	2,091
Expenses deriving from share-based payment transactions	4	3	7
Severance pay, provident fund, training fund, pension, vacation and long service bonus	225	226 (b)	219
Long-term - Jubilee benefits	(3)	(3) (b)	(1)
National Insurance and VAT on salaries	688	701	626
Defined benefit	105	112	124
Defined deposit	227	210	200
Other post-employment benefits and non-pension post retirement benefits (a)	12	21	14
Total salaries and related expenses	3,382	3,597	3,280
Of which: salaries and related expenses abroad	-	-	-

(a) See Note 23 on Employee Rights.

(b) Reclassified.

Note 7 - Other Expenses

	Bank		
	2025	2024	2023
	(NIS millions)		
Pension expenses, defined benefit, excluding service cost	421	529	700
Marketing and advertising	179	142	134
Legal, audit and professional consultants	110	121	155
Communications - postage, telephone, delivery services, etc.	113	118	119
Computers (a)	25	27	27
Office expenses	11	11	12
Insurance	25	29	29
Reductions, Eliminations	-	-	161
Training	5	3	6
Commissions	242	211	172
Loss in respect of assets received in settlement of loans	-	-	-
Fines paid to the Bank of Israel	7	4	2
Other (b)	420	353	310
Total other expenses	1,558	1,548	1,827

(a) The item includes outsourcing expenses and does not include the Bank's computer expenses as the Operations Division is a part of the Bank and its expenses are recorded and classified under the various expense headings

(b) Regarding directors' fees of the Bank included in this item, see Note 34.C.

Note 8 - Provision for Profit Tax - Bank

A. Composition

	2025	2024	2023
	(NIS millions)		
Current taxes:			
For the reporting year	5,192	5,214	4,568
For previous years	11	4	18
Current taxes - total	5,203	5,218	4,586
Including (excluding) changes in deferred taxes:			
For the reporting year	271	51	(711)
For previous years	-	(71)	-
Total changes in deferred taxes (1)	271	(20)	(711)
Provision for income taxes	5,474	5,198	3,875

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

	2025	2024	2023
Deferred tax expenses (income) before the effect of the following items:	281	51	(711)
Effect of changes in tax laws	(10)	(71)	-
Total deferred tax expenses (income)	271	(20)	(711)

B. Reconciliation of the Theoretical Tax Expense and the Provision for Taxes

	2025	
	Amount	Percentage
	(NIS millions)	
Profit from continuing operations before taxes	14,921	
Income taxes (Tax benefit) based on the statutory tax rate	5,101	34.19%
Local statutory tax:		
Tax Credit	(2)	-0.01%
Items that are non-taxable or non-deductible:		
Exempt income and income taxable at limited rates	(43)	-0.29%
Other non-deductible expenses	23	0.15%
Other	5	0.03%
Other adjustment items:		
Differences in depreciation, depreciation adjustments and capital gain	1	0.01%
Additional amounts payable (receivable) on troubled debts for previous years	11	0.07%
Special Payment for Achieving the Budgetary Targets	419	2.81%
Other	(41)	-0.27%
Total income taxes	5,474	36.69%

	2024	2023
	(NIS millions)	
Profit before taxes	14,601	11,346
Statutory tax rate applicable to the Bank	34.19%	34.19%
Tax amount based on the statutory tax rate	4,992	3,879
Tax (tax saving) in respect of:		
Income of foreign consolidated companies	(1)	(1)
Exempt income and income taxable at limited rates	(44)	-
Differences in depreciation, depreciation adjustments and capital gain	(95)	(14)
Other non-deductible expenses	13	10
Losses and timing differences in respect of which deferred taxes were not recorded	(1)	(7)
Income of consolidated subsidiaries in Israel	76	21
Change in deferred taxes due to changes in tax rates	(71)	-
Tax for previous years	4	18
Special tax	435	-
Other	(110)	(31)
Provision for income taxes	5,198	3,875

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

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

	<u>Balance as at</u> <u>December 31 2024</u>	<u>Changes</u> <u>carried to</u> <u>profit and</u> <u>loss</u>	<u>Effect of change in</u> <u>tax rate carried to</u> <u>profit and loss</u>	<u>Changes carried</u> <u>to other</u> <u>comprehensive</u> <u>income</u>	<u>Balance as at</u> <u>December 31 2025</u>	<u>Average tax</u> <u>rate in 2025</u> <u>(% in)</u>
(NIS millions)						
<u>Deferred tax assets</u>						
From loan loss provision	2,756	21	5		2,782	35%
From provision for paid leave and bonuses	131	(11)	(0)		120	35%
From excess of employee benefits liability over plan assets	3,159	(57)	5	(146)	2,961	35%
Tax credit and losses carried forward for tax purposes	130	(8)			122	27%
Other – from non-monetary assets	51	1			52	16%
Balance of deferred tax assets, gross	6,227	(54)	10	(146)	6,037	
Provision for deferred tax asset	(96)	3	-		(93)	
Balance of deferred tax assets less deferred tax provision	6,131	(51)	10	(146)	5,944	
Offsettable balances ^(a)	(318)				(501)	
Balance of deferred taxes less provision	5,813				5,443	
<u>Deferred tax liability</u>						
For investments in investees	(207)	(111)		86	(232)	6%
Property, plant and equipment and leases	(101)	(154)			(255)	35%
Adjustment of depreciable non-monetary assets	(71)	(3)			(74)	23%
Other – from non-monetary assets	(17)	(4)			(21)	23%
Balance of deferred tax liabilities, gross	(396)	(272)		86	(582)	
Offsettable balances ^(a)	(318)				(501)	
Balance of deferred tax liabilities	(78)				(81)	
Balance of deferred taxes, net	5,735	(323)	10	(60)	5,362	

(a) The balance of deferred taxes is presented in the standalone balance sheet according to the net balance's classification in the books of accounts of the Bank.

Note 8 - Provision for Profit Tax- Bank (cont'd)

C. Movement in deferred tax assets and liabilities relating to the following items:

	<u>Balance as at</u> <u>December 31</u> <u>2023</u>	<u>Changes carried</u> <u>to profit and loss</u>	<u>Effect of change in</u> <u>tax rate carried to</u> <u>profit and loss</u>	<u>Changes that</u> <u>are carried to</u> <u>other</u> <u>comprehensive</u> <u>income</u>	<u>Balance as at</u> <u>December 31</u> <u>2024</u>	<u>Average tax</u> <u>rate in 2024</u> <u>(% in)</u>
	(NIS millions)					
<u>Deferred tax assets</u>						
From loan loss provision	2,506	214	36	-	2,756	35%
From provision for paid leave and bonuses	129	(1)	3	-	131	35%
From excess of employee benefits liability over plan assets	3,335	(15)	40	(201)	3,159	35%
Tax credit & losses carried forward for tax purposes	221	(91)	-	-	130	27%
Property, plant and equipment and leases	79	(180)	-	-	(101)	34%
Other – from non-monetary assets	48	3	-	-	51	15%
Balance of deferred tax assets, gross	6,318	(70)	79	(201)	6,126	
Provision for deferred tax asset	(188)	92	-	-	(96)	
Balance of deferred tax asset less						
Provision for deferred taxes	6,130	22	79	(201)	6,030	
Offsettable balances ^(a)	(389)				(217)	
Balance of deferred taxes, net	5,741				5,813	
<u>Deferred tax liabilities</u>						
From investments in investee companies	(384)	186	-	(9)	(207)	6%
From the adjustment of depreciable non-monetary assets	(72)	1	-	-	(71)	23%
Other – from non-monetary assets	(13)	(4)	-	-	(17)	20%
Balance of gross deferred tax liabilities	(469)	183	-	(9)	(295)	
Offsettable balances ^(a)	(389)				(217)	
Balance of deferred tax liabilities	(80)				(78)	
Deferred taxes, net	5,661	205	79	(210)	5,735	

(a) The balance of deferred taxes is presented in the standalone balance sheet according to the net balance's classification in the books of accounts of the Bank.

Note 8 - Provision for Profit Tax - Bank (cont'd)

(d) Carryforward tax losses and tax credits

As at December 31 2025					
<u>Deferred tax assets</u> (NIS millions)	<u>Provision for deferred tax assets</u>	<u>Deferred tax assets, net</u>	<u>Accumulated loss</u>	<u>First expiry year</u>	
Losses for tax purposes:					
The Bank	74	(74)	-	321	-
Tax credits:					
The Bank	48	(19)	29	-	-
As at December 31 2024					
<u>Deferred tax assets</u>	<u>Provision for deferred tax assets</u>	<u>Deferred tax assets, net</u>	<u>Accumulated loss</u>	<u>First expiry year</u>	
Losses for tax purposes:					
The Bank	70	(70)	-	306	-
Tax credits:					
The Bank	60	(26)	34	-	-

Note 11 - Cash and Deposits with Banks - Bank

	31 December 2025	31 December 2024
	NIS millions	
Cash and deposits with central banks	131,904	137,571
Deposits with commercial banks (a)	22,471	18,001
Total (b)	154,375	155,572
Including: cash and deposits with central and commercial banks for original periods not exceeding three months	150,671	150,381

(a) Net of the allowance for credit losses.

(b) Of which pledged cash in the amount of NIS 2,751 million (31 December 2024 – NIS 4,069 million). See the annual financial report for the consolidated note.

Note 12 - Securities - Bank

31 December 2025						31 December 2024						
Amount in balance sheet	Amortized cost	Balance of loan loss provision	Unrecognized profit from adjustments to fair value	Unrecognized losses from adjustments to fair value	Fair value (a)	Amount in balance sheet	Amortized cost	Balance of loan loss provision	Unrecognized profit from adjustments to fair value	Unrecognized losses from adjustments to fair value	Fair value (a)	
NIS millions						NIS millions						
1. Debentures held to maturity:												
Debentures and bonds -												
The Government of Israel	11,602	11,602	-	126	(430)	11,298	10,835	10,835	-	21	(737)	10,119
Financial institutes Foreigners	871	871	-	2	(1)	872	1,460	1,460	-	-	(19)	1,441
Asset-backed (ABS) or Mortgage-backed securities (MBS)	4,576	4,576	1	41	(310)	4,308	6,235	6,235	1	4	(493)	5,747
Other foreigners	269	269	-	-	(3)	266	337	337	1	-	(15)	323
Total debentures held to maturity	17,318	17,318	1	169	(744)	16,744	18,867	18,867	2	25	(1,264)	17,630
31 December 2025						31 December 2024						
Amount in balance sheet	Amortized cost	Balance of loan loss provision	Accumulated other comprehensive income (loss) profits	losses	Fair value (a)	Amount in balance sheet	Amortized cost	Balance of loan loss provision	Accumulated other comprehensive income (loss) profits	losses	Fair value (a)	
NIS millions						NIS millions						
2. Debentures available for sale:												
Debentures and bonds -												
The Government of Israel	70,597	71,093	-	593	(1,089)	70,597	45,588	47,400	-	151	(1,963)	45,588
Foreign governments	21,193	21,165	-	30	(2)	21,193	17,555	17,593	-	23	(61)	17,555
Israel's financial institutions	222	219	-	4	(1)	222	176	178	-	1	(3)	176
Foreign financial institutions	7,919	7,829	-	123	(33)	7,919	8,487	8,553	-	58	(124)	8,487
Asset-backed (ABS) or Mortgage-backed securities (MBS)	10,785	11,120	-	73	(408)	10,785	11,502	12,090	-	33	(621)	11,502
Others in Israel	859	833	-	31	(5)	859	929	920	-	22	(13)	929
Others abroad	3,273	3,234	-	67	(28)	3,273	4,033	4,201	-	19	(187)	4,033
Total debentures available for sale (c)	114,848	115,493	-	921 (c)	(1,566) (c)	114,848	88,270	90,935	-	307 (c)	(2,972) (c)	88,270
31 December 2025						31 December 2024						
Amount in balance sheet	Amortized Cost (In shares cost)	Balance of loan loss provision	Unrealized profit from adjustments to fair value	Unrealized losses from adjustments to fair value	Fair value (a)	Amount in balance sheet	Amortized Cost (In shares cost)	Balance of loan loss provision	Unrealized profit from adjustments to fair value	Unrealized losses from adjustments to fair value	Fair value (a)	
NIS millions						NIS millions						
3. Investment in available-for-sale equity securities and funds:												
Equity securities and funds	3,609	3,220	-	451	(62)	3,609	4,232	3,808	-	474	(50)	4,232
Of which: Equity securities and funds for which there is no available fair value(b)	1,253	1,291	-	-	(38)	1,253	1,092	1,102	-	15	(25)	1,092
Total shares not held for trading	3,609	3,220	-	451 (d)	(62) (d)	3,609	4,232	3,808	-	474 (d)	(50) (d)	4,232
Total Securities not held for trading	135,775	136,031	1	1,541	(2,372)	135,201	111,369	113,610	2	806	(4,286)	110,132
31 December 2025						31 December 2024						
Amount in balance sheet	Amortized cost (In shares cost)	Balance of loan loss provision	Unrealized profit from adjustments to fair value	Unrealized losses from adjustments to fair value	Fair value (a)	Amount in balance sheet	Amortized cost (In shares cost)	Balance of loan loss provision	Unrealized profit from adjustments to fair value	Unrecognized losses from adjustments to fair value	Fair value (a)	
NIS millions						NIS millions						
4. Securities held for trading:												
Debentures and bonds -												
The Government of Israel	5,260	5,220	-	40	-	5,260	6,821	6,789	-	38	(6)	6,821
Foreign governments	-	-	-	-	-	307	313	-	-	-	(6)	307
Israel's financial institutions	206	204	-	2	-	206	61	63	-	-	(2)	61
Foreign financial institutions	78	77	-	1	-	78	132	131	-	1	-	132
Asset-backed (ABS) or Mortgage-backed securities (MBS)	207	208	-	-	(1)	207	12	13	-	-	(1)	12
Others in Israel	100	99	-	1	-	100	109	108	-	2	(1)	109
Others abroad	75	75	-	-	-	75	71	72	-	-	(1)	71
Total held-for-trading bonds	5,926	5,883	-	44	(1)	5,926	7,513	7,489	-	41	(17)	7,513
Shares and Trading Funds	1,369	1,216	-	161	(8)	1,369	10	10	-	-	-	10
Total securities held for trading (f)	7,295	7,099	-	205 (d)	(9) (d)	7,295	7,523	7,499	-	41 (d)	(17) (d)	7,523
Total securities	143,070	143,130	1	1,746	(2,381)	142,496	118,892	121,109	2	847	(4,303)	117,655

(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) Equity securities for which no fair value is available are presented at cost less impairment, adjusted upwards or downwards for observable prices in similar transactions or identical transactions of the same issuer.

(c) 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) Total of NIS 14.1 billion out of total foreign currency securities are rated SSA (Super-nationals, Sovereign and Agencies) (December 31, 2024 – NIS 15.5 billion).

(f) Of which bonds in the amount of approx. NIS 181 million classified as held-for-trading securities since the Bank opted to measure them according to the fair value alternative, although they were not acquired for trading purposes. (December 31, 2024 – NIS 1224 million).

See the annual financial report for the consolidated note.

Note 12 - Securities - Bank (cont.)

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

31 December 2025

	Balance sheet value (a)	Unrealized gains from adjustments to fair value	Unrealized losses from adjustments to fair value	Fair value
In NIS millions				
Held-to-maturity bonds				
Pass-through held-for-trading securities				
GNMA-backed securities	2,164	17	(180)	2,001
Securities issued by FNMA or FHLMC	1,097	5	(130)	972
Total	3,261	22	(310)	2,973
Other mortgage-backed bonds (including CMO, REMIC and stripped MBS)				
Of which: Securities issued or guaranteed by GNMA, FNMA, or FHLMC	1,258	19	-	1,277
Total other mortgage-backed bonds (including CMO and stripped MBS)	1,258	19	-	1,277
Total mortgage-backed held-to-maturity bonds	4,519	41	(310)	4,250
Asset-backed bonds (ABS)				
Others	58	-	-	58
Of which: CLO	58	-	-	58
Total asset-backed bonds (ABS)	58	-	-	58
Total mortgage-backed held-to-maturity bonds and asset-backed bonds (ABS)	4,577	41	(310)	4,308

31 December 2024

	Balance sheet value (a)	Unrealized gains from adjustments to fair value	Unrealized losses from adjustments to fair value	Fair value
In NIS millions				
Held-to-maturity bonds				
Pass-through held-for-trading securities				
GNMA-backed securities	2,815	2	(273)	2,544
Securities issued by FNMA or FHLMC	1,373	-	(199)	1,174
Total	4,188	2	(472)	3,718
Other mortgage-backed bonds (including CMO, REMIC and stripped MBS)				
Of which: Securities issued or guaranteed by GNMA, FNMA, or FHLMC	1,793	2	(21)	1,774
Total other mortgage-backed bonds (including CMO and stripped MBS)	1,793	2	(21)	1,774
Total mortgage-backed held-to-maturity bonds	5,981	4	(493)	5,492
Asset-backed bonds (ABS)				
Others	255	-	-	255
Of which: CLO	255	-	-	255
Total asset-backed bonds (ABS)	255	-	-	255
Total mortgage-backed held-to-maturity bonds and asset-backed bonds (ABS)	6,236	4	(493)	5,747

Note 12 - Securities - Bank (cont'd)

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

31 December 2025				
	Amortized cost	Other comprehensive accumulated profit (loss) (a)		Fair value
		Profits	Losses	
NIS millions				
Mortgage Back Securities (MBS) and Pass-through securities:				
Securities guaranteed by GNMA	3,237	26	(164)	3,099
Securities issued by FNMA and FHLMC	1,005	14	(80)	939
Total	4,242	40	(244)	4,038
Other mortgage-backed securities (including CMO, REMIC and STRIPPED MBS)				
Securities issued by FNMA, FHLMC, or GNMA, or guaranteed by these entities	3,282	20	(134)	3,168
Other mortgage-backed securities	325	2	(1)	326
Total	3,607	22	(135)	3,494
Total mortgage-backed available-for-sale bonds (MBS)	7,849	62	(379)	7,532
Asset-backed securities (ABS)				
Lines of credit for any purpose secured by dwelling	11	-	-	11
Credit for purchase of vehicles	79	1	-	80
Credit not to private persons				
CLO debentures	2,036	6	(1)	2,041
SBA debentures	859	1	(24)	836
Others	286	3	(4)	285
Total asset-backed available-for-sale bonds (ABS)	3,271	11	(29)	3,253
Total mortgage-backed and asset-backed available-for-sale bonds	11,120	73	(408)	10,785

(a) Amounts charged to Other Comprehensive Income, Net after tax affect.

Note 12 - Securities - Bank (cont'd)

Further information on mortgage-backed and asset-backed available-for-sale bonds (cont.)

31 December 2024

	Amortized cost	Other comprehensive accumulated profit (loss) (a)		Fair value
		Profits	Losses	
NIS millions				
Mortgage Back Securities (MBS) and Pass-through securities:				
Securities guaranteed by GNMA	2,680	2	(262)	2,420
Securities issued by FNMA and FHLMC	1,570	-	(140)	1,430
Total	4,250	2	(402)	3,850
Other mortgage-backed securities (including CMO, REMIC and STRIPPED MBS)				
Securities issued by FNMA, FHLMC, or GNMA, or guaranteed by these entities	3,049	4	(193)	2,860
Other mortgage-backed securities	387	2	(1)	388
Total	3,436	6	(194)	3,248
Total Mortgage-backed securities (MBS)	7,686	8	(596)	7,098
Asset-backed securities (ABS)				
Lines of credit for any purpose secured by dwelling	12	-	-	12
Credit for purchase of vehicles	113	1	-	114
Credit not to private persons				
CLO debentures	2,882	17	(2)	2,897
SBA debentures	1,073	3	(20)	1,056
Others	324	4	(3)	325
Total asset-backed available-for-sale bonds (ABS)	4,404	25	(25)	4,404
Total mortgage-backed and asset-backed available-for-sale bonds	12,090	33	(621)	11,502

(a) Amounts charged to Other Comprehensive Income, Net after tax affect.

Note 12 - Securities - Bank (cont'd)

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

	31 December 2025			
	Amortized cost	Unrealized profits from adjustments to fair value (a)	Unrealized losses from adjustments to fair value (a)	Fair value
NIS millions				
mortgage-backed securities (MBS)				
Pass-through securities				
Securities guaranteed by GNMA	197	-	-	197
Securities issued by FNMA and FHLMC	1	-	-	1
Total	198	-	-	198
Other mortgage-backed securities (including CMO, REMIC and STRIPPED MBS)				
Other mortgage-backed securities	5	-	(1)	4
Total	5	-	(1)	4
Total Mortgage-backed securities (MBS)	203	-	(1)	202
Asset-backed securities (ABS)				
Others	5	-	-	5
Total	5	-	-	5
Total mortgage-backed and asset-backed held-for-trading securities	208	-	(1)	207

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

Note 12 - Securities - Bank (cont'd)

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

	31 December 2024			
	Amortized cost	Unrealized profits from adjustments to fair value (a)	Unrealized losses from adjustments to fair value (a)	Fair value
	NIS millions			
mortgage-backed securities (MBS)				
Pass-through securities				
Securities issued by FNMA and FHLMC	1	-	-	1
Total	1	-	-	1
Other mortgage-backed securities (including CMO, REMIC and STRIPPED MBS)				
Other mortgage-backed securities	6	-	(1)	5
Total	6	-	(1)	5
Total Mortgage-backed securities (MBS)	7	-	(1)	6
Asset-backed securities (ABS)				
Others	6	-	-	6
Total	6	-	-	6
Total mortgage-backed and asset-backed held-for-trading securities	13	-	(1)	12

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

Note 12 - Securities - Bank (cont'd)

Further information regarding available-for-sale, mortgage-backed and asset-backed bonds in an unrealized loss position

	31 December 2025					
	Less than 12 months		More than 12 months		Total	
	Fair value	Unrealized losses from adjustments to fair value	Fair value	Unrealized losses from adjustments to fair value	Fair value	Unrealized losses from adjustments to fair value
	NIS millions					
Mortgage-backed securities (MBS)	101	-	1,473	(244)	1,574	(244)
Other mortgage-backed securities (including REMIC, CMO and STRIPPED MBS)	77	-	1,084	(135)	1,161	(135)
Asset-backed securities (ABS)	961	(4)	778	(25)	1,739	(29)
Total	1,139	(4)	3,335	(404)	4,474	(408)

	31 December 2024					
	Less than 12 months		More than 12 months		Total	
	Fair value	Unrealized losses from adjustments to fair value	Fair value	Unrealized losses from adjustments to fair value	Fair value	Unrealized losses from adjustments to fair value
	NIS millions					
Mortgage-backed securities (MBS)	1,601	(22)	2,058	(380)	3,659	(402)
Other mortgage-backed securities (including REMIC, CMO and STRIPPED MBS)	869	(10)	1,468	(184)	2,337	(194)
Asset-backed securities (ABS)	628	(1)	1,508	(24)	2,136	(25)
Total	3,098	(33)	5,034	(588)	8,132	(621)

Note 12 - Securities - Bank (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 _____

31 December 2025							
Less than 12 months				12 months or more			
Unrealized losses				Unrealized losses			
Amortized cost (In NIS millions)	0-20%	20-40%	Total cost (In NIS millions)	Amortized			Total
				0-20%	20-40%	Total	
Bonds							
Of the Israeli government	-	-	-	6,213	282	148	430
Asset-backed (ABS) or Mortgage-backed (MBS)	-	-	-	2,244	270	40	310
Of foreign financial institutions	-	-	-	746	1	-	1
Of other foreign entities	16	(a) -	-	253	3	-	3
Total held-to-maturity bonds	16	-	-	9,456	556	188	744

(a) Losses are less than 1 million NIS.

31 December 2024							
Less than 12 months				12 months or more			
Unrealized losses				Unrealized losses			
Amortized cost (In NIS millions)	0-20%	20-40%	Total cost (In NIS millions)	Amortized			Total
				0-20%	20-40%	Total	
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

Note 12 - Securities - Bank (cont'd)

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 available-for-sale bonds in an unrealized loss position, without a provision for credit losses

	31 December 2025							
	Less than 12 months				More than 12 months			
	Unrealized		losses		Unrealized		losses	
	Fair value	0-20%	20-40%	Total	Fair value	0-20%	20-40%	Total
	NIS millions							
Bonds								
The Government of Israel and financial institutions	2,047	4	-	4	13,245	582	539	1,121
Asset-backed securities (ABS) and Mortgage								
Back Securities	1,139	4	-	4	3,335	223	181	404
Others	291	6	-	6	554	27	-	27
Total securities available for sale	3,477	14	-	14	17,134	832	720	1,552

	31 December 2024							
	Less than 12 months				More than 12 months			
	Unrealized		losses		Unrealized		losses	
	Fair value	0-20%	20-40%	Total	Fair value	0-20%	20-40%	Total
	NIS millions							
Bonds								
The Government of Israel and financial institutions	19,959	254	-	254	19,613	1,121	776	1,897
Asset-backed securities (ABS) and Mortgage								
Back Securities	3,098	33	-	33	5,034	235	353	588
Others	1,384	27	3	30	1,914	142	28	170
Total securities available for sale	24,441	314	3	317	26,561	1,498	1,157	2,655

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

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

31 December 2025						
Loans to the public						
	Commercial	Housing	Private - other	Total - public	Banks, governments and bonds	Total
	(NIS millions)					
Recorded outstanding debt:						
Examined on a specific basis	315,390	-	214	315,604	158,103	473,707
Examined on a collective basis	21,105	154,233	31,052	206,390	-	206,390
Total debts:	336,495	154,233	31,266	521,994	158,103	680,097
Outstanding loan loss provision in respect of debts:						
Examined on a specific basis	4,117	-	104	4,221	60	4,281
Examined on a collective basis	970	667	866	2,503	-	2,503
Total loan loss provision	5,087	667	970	6,724	60	6,784
Of which: Non-performing debts	400	116	127	643	-	643
Of which: Other troubled debts	644	3	210	857	-	857
31 December 2024						
Loans to the public						
	Commercial	Housing	Private - other	Total - public	Banks, governments and bonds	Total
	(NIS millions)					
Recorded outstanding debt:						
Examined on a specific basis	261,655	-	652	262,307	127,672	389,979
Examined on a collective basis	20,149	144,619	29,890	194,658	-	194,658
Total debts:	281,804	144,619	30,542	456,965	127,672	584,637
Outstanding loan loss provision in respect of debts:						
Examined on a specific basis	4,160	-	219	4,379	23	4,402
Examined on a collective basis	1,016	640	734	2,390	-	2,390
Total loan loss provision	5,176	640	953	6,769	23	6,792
Of which: Non-performing debts	423	109	134	666	-	666
Of which: Other troubled debts	805	3	207	1,015	-	1,015

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

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

B. Change in Outstanding Loan Loss Provision

	31 December 2025					
	Loan loss provision					
	Loans to the public					
	Commercial	Housing	Private - other	Total - public	Banks, governments and bonds held-to-maturity and available-for-sale	Total
	(NIS millions)					
Balance of loan loss provision as at the beginning of the year	5,923	669	988	7,580	47	7,627
Loan loss (income) expenses	45	29	280	354	40	394
Charge-offs	(583)	(12)	(588)	(1,183)	-	(1,183)
Collection of debts written off in previous years	520	7	326	853	-	853
Net charge-offs	(63)	(5)	(262)	(330)	-	(330)
Balance of loan loss provision as at year end	5,905	693	1,006	7,604	87	7,691
Of which: in respect of off-balance-sheet credit instruments	818	26	36	880	27	907

	31 December 2024					
	Loan loss provision					
	Loans to the public					
	Commercial	Housing	Private - other	Total - public	Banks, governments and bonds held-to-maturity and available-for-sale	Total
	(NIS millions)					
Balance of loan loss provision as at the beginning of the year	5,694	634	957	7,285	17	7,302
Loan loss expenses	274	36	397	707	30	737
Charge-offs	(576)	(4)	(620)	(1,200)	-	(1,200)
Collection of debts written off in previous years	531	3	254	788	-	788
Net charge-offs	(45)	(1)	(366)	(412)	-	(412)
Balance of loan loss provision as at year end	5,923	669	988	7,580	47	7,627
Of which: in respect of off-balance-sheet credit instruments	747	29	35	811	24	835

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

Note 14 - Credit to Governments - Bank

	31 December 2025	31 December 2024
	NIS millions	
Credit to the Government	1,908	1,258
Credit to foreign Governments	1,498	1,251
Total credit to Governments	3,406	2,509

See the annual financial report for the consolidated note

Note 15 - Investments in Subsidiaries and Affiliated Companies -Bank

Reported Amounts

	31 December 2025			31 December 2024		
	Companies included on equity basis	Subsidiaries	Total	Companies included on equity basis	Subsidiaries	Total
	NIS millions			NIS millions		
A. Investments in shares stated on equity basis (including other assets and goodwill)	2,221	10,463	12,684	2,152	9,815	11,967
Other investments:						
Convertible securities	-	3,567	3,567	-	3,654	3,654
Shareholders' loans	-	-	-	-	-	-
Total other investments	-	3,567	3,567	-	3,654	3,654
Total investments	2,221	14,030	16,251	2,152	13,469	15,621
Including - Post-acquisition profits (losses)	(820)	7,770	6,950	(1,170)	7,305	6,135
Post-acquisition changes in shareholders' equity:						
Adjustments in respect of presentation of securities available for sale at fair value, net	-	(7)	(7)	-	(20)	(20)
Adjustments in respect of companies included on equity basis, net	180	3	183	389	27	416
Details on book value and market value of quoted securities:						
Book value	2,107	-	2,107	2,042	-	2,042
Market value	2,715	-	2,715	2,407	-	2,407

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

	Bank		
	2025	2024	2023
	NIS millions		
Group's equity in operating profits of companies included on equity basis (Bank - affiliated companies) (a)	1,332	430	(511)
Provision for taxes	(517)	(35)	67
Group's equity in operating profits of companies included on equity basis (Bank-affiliated companies) net of tax effect	815	395	(444)

a) In the year 2024 the Bank recorded an impairment loss in the investment of Valley in the amount of NIS 0.6 billion, after tax (2023 - approximately NIS 1.1 billion). See the annual financial report for the consolidated note

Note 16 - Buildings and Equipment - Bank

	Buildings and real estate (a)	Equipment, furniture and vehicles	Software	Total
NIS millions				
Cost				
As at 31 December 2024	2,234	3,177	4,916	10,327
Additions	62	51	767	880
Disposals	(45)	(184)	(106)	(335)
As at 31 December 2025	2,251	3,044	5,577	10,872
Accumulated depreciation and losses from impairment				
As at 31 December 2024	1,101	2,441	3,999	7,541
Current year provision	52	88	386	526
Recognized losses from impairment	8	0	0	8
Disposals	(39)	(181)	(100)	(320)
As at 31 December 2025	1,122	2,348	4,285	7,755
Balance after depreciation as at 31 December 2025	1,129	696	1,292	3,117
Balance after depreciation as at 31 December 2024	1,133	736	917	2,786

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

Note 18 - Other Assets - Bank

	31 December 2025	31 December 2024
	NIS millions	
Deferred tax asset, net	5,443	5,812
Excess of plan funds over liabilities in respect on employee benefits	73	74
Assets transferred to ownership of the Group as a result of settlement of problem loans	28	26
Excess of advance tax payments over current provisions	9	4
Expenses to be amortized on issuance of debentures, bonds and subordinated notes	113	96
Accrued income	236	210
Prepaid expenses	254	228
Assets in respect of activity in Maof clearing house (a)	1	24
Other receivables and prepayments	165	103
Right of use assets in respect of an operating lease	614	582
Total other assets	6,936	7,159

(a) Shown at fair value.

Note 19 - Deposits of the Public - Bank

Types of deposits by location raised and type of depositor

	31 December 2025	31 December 2024
	NIS millions	
In Israel		
On demand		
Non-interest bearing	139,257	142,366
Interest bearing	129,326	143,108
Total on demand	268,583	285,474
Fixed term	419,733	334,199
Total deposits in Israel *	688,316	619,673
*of which: non-interest bearing deposits	139,257	142,366
Outside Israel		
On demand		
Non-interest bearing	-	-
Interest bearing	-	-
Total on demand	-	-
Fixed term	-	-
Total deposits outside Israel	-	-
of which: non-interest bearing deposits	-	-
Total deposits of the public	688,316	619,673
*of which:		
Deposits of private persons	175,813	175,583
Deposits of institutional entities	211,935	171,993
Deposits of corporations and others	300,568	272,097

Note 20 - Deposits from Banks - Bank

	31 December 2025	31 December 2024
	NIS millions	
In Israel		
Commercial banks:		
Demand deposits	6,314	7,713
Time deposits	3,712	3,539
Acceptances	707	959
Central banks:		
Demand deposits	-	-
Time deposits	2,432	5,873
Total deposits from banks	13,165	18,084

Note 21 - Debentures, Bonds and Subordinated Notes - Bank

Bank				
	Average maturity (a)	Internal yield rate (b)	31 December	
	Years	%	2025	2024
NIS millions				
Debentures and bonds (c):				
In Israeli currency Unlinked	2.23	4.75	11,639	5,007
In Israeli currency linked to the CPI	3.65	1.60	23,471	17,115
In U.S. Dollar	1.49	5.66	1,614	1,803
of which: held for trading	-	-	32,268	21,956
Subordinated notes (c):				
In Israeli currency Unlinked	-	-	-	-
In Israeli currency linked to the CPI	5.32	2.77	3,464	3,497
In U.S. Dollar	0.97	5.72	4,019	4,547
Total debentures, bonds and subordinated notes			44,207	31,969
Of which subordinated bonds included in Tier 2 capital^(e)			4,970	7,594

(a) The average duration is the average of the payment periods, weighted according to the payment flow discounted at the internal rate of return.

(b) The internal rate of return is the rate of interest discounting the value of the anticipated future flow of payments to the balance sheet amount included in the financial statement.

(c) The unamortized balance of the discount less the premium on debentures and on subordinated notes not yet charged to profit and loss has been deducted from the amount of the debentures.

(d) The average duration as of the date of change in interest is based on a calculation of the effective average duration as calculated for purposes of the exposure to changes in interest rates. The unlinked subordinated notes are 5.14 years and those linked to the USD are 0.97 years (For the year ended 31.12.2024 unlinked subordinated notes are 1.64 years, and those linked to the USD are 1.88 years).

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

Note 22 - Other Liabilities- Bank

	31 December 2025	31 December 2024
	NIS millions	
Deferred tax liability, net	81	78
Excess of current provisions for taxes over advance payments	1,050	2,222
Excess of provisions for severance pay and pensions over amounts funded	6,799	7,367
Provision for vacation	200	211
Deferred income	575	574
Other provisions in respect of employee rights	283	318
Allowance for credit losses in respect of off-balance sheet items	908	834
Accrued expenses in respect of salaries and related expenses	536	672
Accumulated Jubilee vacation	13	16
Liabilities in respect of activity in Maof Clearing House (a)	1	24
Payables in respect of credit cards	1,477	1,555
Accrued expenses	273	226
Market value of securities sold short	220	414
Other payables and credit balances	707	550
Liabilities in respect of leases	583	562
Total other liabilities	13,706	15,623

(a) Shown at fair value.

Note 25 - Contingent Liabilities and Special Commitments-Bank

	31 December		2024	
	2025	Balance of allowance for credit losses	Contract balances	Balance of allowance for credit losses
	Contract balances		Contract balances	
NIS millions				
A. Off-balance sheet financial instruments				
Balances of contracts or their stated amounts as at the end of the year				
Transactions in which the balance reflects a credit risk:				
Documentary credits	1,000	2	1,177	1
Credit guarantees	9,909	73	10,539	96
Guarantees to apartment purchasers	43,867	18	42,749	21
Other guarantees and liabilities	34,837	106	30,063	107
Unutilized credit card facilities	16,787	34	14,457	33
Other unutilized revolving credit facilities and credit facilities in accounts on del	15,460	40	14,717	58
Irrevocable commitments to provide credit which has been approved and not yet granted	71,667	525	59,117	430
Commitments to issue guarantees	52,605	109	40,280	88
Unutilized facilities for activity in derivative instruments	3,058	-	2,796	-
Approval in principle for a guaranteed rate of interest	7,806	-	6,613	-
Total	256,996	907	222,508	834

B. Off-balance sheet commitments for transactions based on extent of collections (a)	31 December 2025	31 December 2024
Balance of credit from deposits on collection basis (b)		
Israeli currency unlinked	115	110
Israeli currency linked to the CPI	1,036	1,077
Foreign currency	-	-
Total	1,151	1,187

	Cash flows in respect of collection commissions and interest margins on activities based on the extent of collections as at 31 December						Total 2025	Total 2024
	Up to one year	One to three years	Three to five years	Five to ten years	Ten to twenty years	More than twenty years		
(NIS millions)								
1. CPI linked sector (c)								
Cash flows of futures contracts	2	2	2	3	4	1	14	15
Expected future cash flows after management estimate of early repayments	2	2	2	3	4	-	13	15
Discounted expected future cash flows after management estimate of early repayments (d)	2	2	2	3	3	-	12	13
2. Unlinked shekel sector								
Cash flows of futures contracts	-	-	-	-	-	-	-	-
Expected future cash flows after management estimate of early repayments	-	-	-	-	-	-	-	-
Discounted expected future cash flows after management estimate of early repayments (d)	-	-	-	-	-	-	-	-

(a) Credits and deposits from deposits for which their return to the depositor is conditional on collection of the credits, (or deposits), with a margin or collection fee, (instead of a margin).

(b) Standing loans and related Government deposits totaling NIS 295 million, (2024-NIS 320 million), were not included in this table.

(c) Including foreign currency sector.

(d) The discounting was made at the rate of 2.64% (2023 – 2.70%).

See the annual financial report for the consolidated note.

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

	2025	2024
	NIS millions	
B. Off-balance sheet commitments for transactions based on collection (cont'd)		
Information on loans granted during the year by mortgage banks:		
Loans from deposits on collection basis	94	134
Standing loans	28	37
C. Other contingent liabilities and special commitments:		
(1) Commitments to purchase securities	1,200	1,057
(2) Commitments to invest in and acquire buildings and equipment	22	6

Note 26 - Liens, Restrictive Conditions and Collaterals - Bank

Sources of securities received which the Bank may sell or pledge, by fair value, excluding set-offs:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
	<u>(NIS millions)</u>		
Securities received in securities borrowing transactions against cash	8,417	4,684	3,053

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
	<u>(NIS millions)</u>		
Securities loaned in securities lending transactions against cash	21,814	11,686	13,776

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

A. Volume of consolidated activity			
31 December 2025			
	Not for-trading derivatives	Held-for-trading derivatives	Total
NIS millions			
(1) Nominal amount of derivatives			
a) Interest rate contracts			
Futures and forwards	3,448	81,140	84,588
Written options	1,270	6,445	7,715
Call options	-	6,107	6,107
Swaps (a)	73,382	478,677	552,059
Total (b)	78,100	572,369	650,469
Of which: Hedging derivatives (c)	11,978	-	11,978
b) Foreign currency contracts			
Futures and forwards (d)	46,788	577,872	624,660
Written options	775	24,727	25,502
Call options	775	25,058	25,833
Swaps (a)	3,509	20,469	23,978
Total	51,847	648,126	699,973
Of which: Hedging derivatives (c)	-	-	-
c) Stock contracts			
Futures and forwards	588	286,625	287,213
Written options	571	175,953	176,524
Call options (e)	564	175,947	176,511
Swaps	351	381,549	381,900
Total	2,074	1,020,074	1,022,148
d) Commodities and other contracts			
Futures and forwards	-	775	775
Written options	-	887	887
Call options	-	899	899
Swaps	-	68	68
Total	-	2,629	2,629
e) Credit contracts			
Guaranteed by the Bank	-	-	-
Where the Bank is a beneficiary	-	-	-
Total	-	-	-
Total nominal amount	132,021	2,243,198	2,375,219

(a) Of which: Swaps for which the banking corporation pays a fixed interest of NIS 267,611 million.

(b) Of which: NIS-CPI swaps totaling NIS 21,899 million.

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

(d) Of which: Foreign exchange spots totaling NIS 27,299 million.

(e) Of which a total of NIS 167,977 million is traded on the Tel Aviv Stock Exchange.

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

A. Volume of consolidated activity (cont.)

31 December 2025						
	Assets in respect of derivatives, gross			Liabilities in respect of derivatives, gross		
	Not for- trading derivatives	Held-for- trading derivatives	Total	Not for- trading derivatives	Held-for- trading derivatives	Total
	NIS millions			NIS millions		
(2) Gross fair value of derivatives						
a) Interest rate contracts	975	6,153	7,128	501	5,458	5,959
Of which: Hedging derivatives	509	-	509	54	-	54
b) Foreign currency contracts	39	8,643	8,682	416	9,754	10,170
c) Stock contracts	54	8,378	8,432	35	8,483	8,518
d) Commodities and other contracts	-	43	43	-	42	42
Total assets/liabilities in respect of derivatives, gross (a)	1,068	23,217	24,285	952	23,737	24,689
Carrying amount	1,068	23,217	24,285	952	23,737	24,689
Of which: Not subject to a master netting- or similar arrangement, net	-	2,692	2,692	-	3,620	3,620

(a) of which: the fair value of assets in respect of embedded derivatives in the amount of NIS 5 million, the gross fair value of liabilities in respect of embedded derivatives in the amount of NIS 26 million.

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

A. Volume of consolidated activity (cont.)

31 December 2024

NIS millions			
(1) Nominal amount of derivatives			
a) Interest rate contracts			
Futures and forwards	2,421	98,913	101,334
Written options	1,800	5,225	7,025
Call 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			
Futures and forwards(d)	50,047	479,039	529,086
Written options	1,011	22,995	24,006
Call options	1,011	24,449	25,460
Swaps(a)	3,829	21,391	25,220
Total	55,898	547,874	603,772
c) Stock contracts			
Futures and forwards	349	272,197	272,546
Written options	365	119,617	119,982
Call options (e)	537	119,538	120,075
Swaps	290	268,084	268,374
Total	1,541	779,436	780,977
d) Commodities and other contracts			
Futures and forwards	-	1,111	1,111
Written options	-	28	28
Call options	-	28	28
Swaps	-	71	71
Total	-	1,238	1,238
Total nominal amount	125,395	1,832,105	1,957,500

(a) Of which: Swaps for which the banking corporation pays a fixed interest of NIS 218,452 million.

(b) Of which: NIS-CPI swaps totaling NIS 16,628 million.

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

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

A. Volume of consolidated activity (cont.)

31 December 2024						
	Assets in respect of derivatives, gross			Liabilities in respect of derivatives, gross		
	Not for-trading derivatives	Held-for-trading derivatives	Total	Not for-trading derivatives	Held-for-trading derivatives	Total
	NIS millions			NIS millions		
(2) Gross fair value of derivatives						
a) Interest rate contracts	1,174	8,144	9,318	547	7,678	8,225
Of which: Hedging derivatives	763	-	763	139	-	139
b) Foreign currency contracts	371	6,351	6,722	29	6,439	6,468
c) Stock contracts	52	13,082	13,134	28	13,029	13,057
d) Commodities and other contracts	-	27	27	-	27	27
Total assets/liabilities in respect of derivatives, gross(a)	1,597	27,604	29,201	604	27,173	27,777
Carrying amount	1,597	27,604	29,201	604	27,173	27,777
Of which: Not subject to a master netting- or similar arrangement, net	-	1,696	1,696	-	1,443	1,443

(a) of which: the fair value of assets in respect of embedded derivatives in the amount of NIS 5 million, the gross fair value of liabilities in respect of embedded derivatives in the amount of NIS 26 million.

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

B. Accounting hedges

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

	For the year ended	
	31 December 2025	
	Amounts recognized in other comprehensive income (loss) from derivatives	Profit (loss) reclassified from accumulated other comprehensive income (loss) to the income statement (a)
	NIS millions	
Derivatives used for cash flow hedges (b)		
Interest rate contracts	3	1

(a) Until January 1 2019, profit (loss) amounts reclassified from Accumulated other comprehensive income (loss) were included in the interest income (expenses) line item or in the noninterest finance income (expenses) line item according to the hedge effectiveness. As of January 1 2019, all of these amounts are included in the interest income (expenses) line item.

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

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

	For the year ended	
	31 December 2025	
	NIS millions	
Total interest income (expenses) recognized in the income statement	32	
Effect of fair value hedges:		
a. Profit (loss) from fair value hedges		
Interest rate contracts		
Hedged items	63	
Hedging derivatives	(30)	
b. Gain (loss) on cash flow hedges		
Interest rate contracts		
Profit and loss reclassified to Accumulated other comprehensive income (loss)	(1)	

3. Items hedged at Fair value hedges

	For the year ended		
	31 December 2025		
	Book value of hedged item	Existing hedge relationships	Discontinued hedge relationships
	Fair value adjustments which increased (decreased) the book value		
	NIS millions		
Securities - debt instruments classified as available-for-sale securities	7,913	(343)	-
Subordinated notes	(3,210)	62	-
Housing Loans	183	8	-

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

	For the year ended	
	31 December 2025	
	Amounts carried to other comprehensive income (loss)	Profit (loss) reclassified to Accumulated other comprehensive income (loss)(a)
	NIS millions	
Deposits serving as investment hedges, net		
Foreign currency deposits	231	-

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

	For the year ended	
	31 December 2025	
	Profit (loss) recognized in income (expenses) from derivatives activity	
	NIS millions	
Derivatives not designated as hedging instruments		
Interest rate contracts	224	
Foreign exchange contracts	(4,705)	
Stock contracts	219	
Commodity and other contracts	1	
Total	(4,261)	

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

B. Accounting hedges

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

	<u>For the year ended</u>	
	<u>31 December 2024</u>	
	Amounts recognized in other comprehensive income (loss) from derivatives NIS millions	Profit (loss) reclassified from accumulated other comprehensive income (loss) to the income statement (a)
Derivatives used for cash flow hedges (b)		
Interest rate contracts	(10)	8

(a) Until January 1 2019, profit (loss) amounts reclassified from Accumulated other comprehensive income (loss) were included in the interest income (expenses) line item or in the noninterest finance income (expenses) line item according to the hedge effectiveness. As of January 1 2019, all of these amounts are included in the interest income (expenses) line item.

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

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

	<u>For the year ended</u>	
	<u>31 December 2024</u>	
	NIS millions	
Total interest income (expenses) recognized in the income statement (a)	123	
Effect of fair value hedges:		
a. Profit (loss) from fair value hedges		
Interest rate contracts		
Hedged items	54	
Hedging derivatives	77	
b. Gain (loss) on cash flow hedges		
Interest rate contracts		
Profit and loss reclassified to Accumulated other comprehensive income (loss)	(8)	

3. Items hedged at Fair value hedges

	<u>For the year ended</u>		
	<u>31 December 2024</u>		
	Book value of hedged item	Fair value adjustments which increased (decreased) the book value	
		Existing hedge relationships	Discontinued hedge relationships
	NIS millions		
Securities - debt instruments classified as available-for-sale securities	5,861	(691)	-
Subordinated notes	(3,575)	161	-
Housing Loans	56	1	-

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

	<u>For the year ended</u>	
	<u>31 December 2024</u>	
	Amounts carried to other comprehensive income (loss)	Profit (loss) reclassified to Accumulated other comprehensive income (loss)
	NIS millions	
Deposits serving as investment hedges, net		
Foreign currency deposits	(34)	-

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

	<u>For the year ended</u>	
	<u>31 December 2024</u>	
	Profit (loss) recognized in income (expenses) from derivatives activity	
	NIS millions	
Derivatives not designated as hedging instruments		
Interest rate contracts	470	
Foreign exchange contracts	1,719	
Stock contracts	311	
Commodity and other contracts	2	
Total	2,502	

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

(c) Credit risk for derivatives by contract counterparty

	31 December 2025						
	Stock exchanges	Banks	Dealers/ brokers	Governments and Central Banks	Financial entities	Others	Total
	NIS millions						
Balance sheet balances of							
derived assets from derivative instruments (a) (b)	594	6,181	10,055	171	4,911	2,373	24,285
Gross amounts that not offset in the balance sheet:							
Mitigation of credit risk in respect of financial instruments	-	3,155	6,696	23	2,498	1,053	13,425
Mitigation of credit risk in respect of cash collateral received	-	2,937	3,266	148	1,528	-	7,879
Net amount of assets in respect of derivative instruments (d)	594	89	93	-	885	1,320	2,981
Off-balance sheet credit risk in respect of derivative (e)	-	1	(18)	-	(247)	(63)	(327)
Mitigation of off-balance sheet credit risk	594	90	75	-	638	1,257	2,654
Net off-balance sheet credit risk in respect of derivative instruments. (f)	2,106	18,037	23,816	76	14,788	2,853	61,676
Total credit risk in respect of derivative instruments	2,700	18,127	23,891	76	15,426	4,110	64,330
Book balance of liabilities in respect of derivative instruments (a)(c)	630	3,392	7,926	23	10,142	2,576	24,689
Gross amounts that not offset in the balance sheet:							
Financial instruments	-	3,155	6,696	23	2,498	1,053	13,425
Cash collateral pledged	-	187	616	-	6,212	160	7,175
Net amount of liabilities in respect of derivative instruments	630	50	614	-	1,432	1,363	4,089

(a) The Bank did not apply netting agreements.

(b) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 24,282 million.

(c) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 24,654 million.

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

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

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

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

	31 December 2025				
	Up to three months	Three months to one year	One year to five years	After five years	Total
	NIS millions				
Interest contracts:					
Shekel - index	2,160	9,313	5,196	5,230	21,899
Other	175,401	143,143	214,197	95,829	628,570
Foreign currency contracts	469,592	182,722	39,600	8,059	699,973
Contracts in respect of shares	800,456	219,980	1,712	-	1,022,148
Contracts in respect of commodities and others	2,310	319	-	-	2,629
Total	1,449,919	555,477	260,705	109,118	2,375,219

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

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

31 December 2024							
	Stock exchanges	Banks	Dealers/ brokers	Governments and Central Banks	Financial entities	Others	Total
NIS millions							
Balance sheet balances of derived assets from derivative instruments (a) (b)	362	6,517	10,558	26	9,713	2,025	29,201
Gross amounts that not offset in the balance sheet:							
Mitigation of credit risk in respect of financial instruments	-	3,087	9,005	26	2,652	923	15,693
Mitigation of credit risk in respect of cash collateral received	-	3,268	1,542	-	5,352	14	10,176
Net amount of assets in respect of derivatives instruments (d)	362	162	11	-	1,709	1,088	3,332
Off-balance sheet credit risk in respect of derivatives (e)	13	6	(11)	-	(262)	76	(178)
Mitigation of off-balance sheet credit risk	375	168	-	-	1,447	1,164	3,154
Net off-balance sheet credit risk in respect of derivative instruments (f)	1,211	16,023	21,243	56	13,767	2,255	54,555
Total credit risk in respect of derivative instruments	1,586	16,191	21,243	56	15,214	3,419	57,709
Book balance of liabilities in respect of derivative instruments (a)(c)	213	5,899	13,021	135	6,760	1,749	27,777
Gross amounts that not offset in the balance sheet:							
Financial instruments	-	3,087	9,005	26	2,652	923	15,693
Cash collateral pledged	-	2,347	3,335	109	2,832	-	8,623
Net amount of liabilities in respect of derivatives instruments	213	465	681	-	1,276	826	3,461

(a) The Bank did not apply netting agreements.

(b) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 29,196 million.

(c) Of which a balance sheet amount of stand-alone derivative instruments in the sum of NIS 27,751 million.

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

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

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

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

31 December 2024					
	Up to three months	Three months to one year	One year to five years	After five years	Total
NIS millions					
Interest contracts:					
Shekel - index	2,073	5,569	5,575	3,411	16,628
Other	125,464	143,962	193,598	91,861	554,885
Foreign currency contracts	387,588	182,709	28,872	4,603	603,772
Contracts in respect of shares	602,588	174,615	3,774	-	780,977
Contracts in respect of commodities and others	403	835	-	-	1,238
Total	1,118,116	507,690	231,819	99,875	1,957,500

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

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

1. Change in Outstanding Loan Loss Provision

31 December 2025						
Loan loss provision						
Loans to the public						
	Commercial	Housing	Private - other	Total - public	Banks, governments and bonds held-to-maturity and available-for-sale	Total
	(NIS millions)					
Balance of loan loss provision as at the beginning of the year	5,923	669	988	7,580	47	7,627
Loan loss (income) expenses	45	29	280	354	40	394
Charge-offs	(583)	(12)	(588)	(1,183)	-	(1,183)
Collection of debts written off in previous years	520	7	326	853	-	853
Net charge-offs	(63)	(5)	(262)	(330)	-	(330)
Balance of loan loss provision as at year end	5,905	693	1,006	7,604	87	7,691
Of which: in respect of off-balance-sheet credit instruments	818	26	36	880	27	907

31 December 2024						
Loan loss provision						
Loans to the public						
	Commercial	Housing	Private - other	Total - public	Banks, governments and bonds held-to-maturity and available-for-sale	Total
	(NIS millions)					
Balance of loan loss provision as at the beginning of the year	5,694	634	957	7,285	17	7,302
Loan loss expenses	274	36	397	707	30	737
Charge-offs	(576)	(4)	(620)	(1,200)	-	(1,200)
Collection of debts written off in previous years	531	3	254	788	-	788
Net charge-offs	(45)	(1)	(366)	(412)	-	(412)
Balance of loan loss provision as at year end	5,923	669	988	7,580	47	7,627
Of which: in respect of off-balance sheet credit instruments	747	29	35	811	24	835

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

(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.

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

31 December 2025						
Loans to the public						
	Commercial	Housing	Private - other	Total - public	Banks, governments and bonds held- to-maturity and available-for-sale	Total
	(NIS millions)					
Recorded outstanding debt:						
Examined on a specific basis	315,390	-	214	315,604	158,103	473,707
Examined on a collective basis	21,105	154,233	31,052	206,390	-	206,390
Total debts	336,495	154,233	31,266	521,994	158,103	680,097
Credit loss allowance by debts:						
Examined on a specific basis	4,117	-	104	4,221	60	4,281
Examined on a collective basis	970	667	866	2,503	-	2,503
Total loan loss provision	5,087	667	970	6,724	60	6,784
Of which: Non-performing debts	400	116	127	643	-	643
Of which: Other troubled debts	644	3	210	857	-	857

31 December 2024						
Loans to the public						
	Commercial	Housing	Private - other	Total - public	Banks, governments and bonds held- to-maturity and available-for-sale	Total
	(NIS millions)					
Recorded debt balance:						
Examined on an individual basis	261,655	-	652	262,307	127,672	389,979
Examined on a collective basis	20,149	144,619	29,890	194,658	-	194,658
Total debts	281,804	144,619	30,542	456,965	127,672	584,637
Credit loss allowance by debts:						
Examined on a specific basis	4,160	-	219	4,379	23	4,402
Examined on a collective basis	1,016	640	734	2,390	-	2,390
Total loan loss provision	5,176	640	953	6,769	23	6,792
Of which: Non-performing debts	423	109	134	666	-	666
Of which: Other troubled debts	805	3	207	1,015	-	1,015

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

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

31 December 2025						
(NIS millions)						
Non-Troubled debts (d)	Troubled debts (a)			Performing debts - additional information		
	Performing	Non-performing	Total	In arrears of 90 days or more (b)	In arrears of 30 to 89 days (c)	
Borrower activity in Israel						
Public - commercial						
Construction and real estate - construction	78,189	676	96	78,961	34	56
Construction and real estate - real estate activities	52,804	618	177	53,599	49	93
Financial services	64,493	14	5	64,512	2	6
Commercial - other	106,770	1,836	611	109,217	57	159
Total commercial	302,256	3,144	889	306,289	142	314
Private individuals - housing loans	153,400	19	770	154,189	-	840
Private individuals - other	30,357	707	196	31,260	66	166
Total loans to the public - activity in Israel	486,013	3,870	1,855	491,738	208	1,320
Borrower activity outside Israel						
Public - commercial						
Construction and real estate	5,096	-	109	5,205	-	1
Commercial - other	23,518	384	53	23,955	-	12
Total commercial	28,614	384	162	29,160	-	13
Private individuals	51	-	-	51	-	-
Total loans to the public - foreign operations	28,665	384	162	29,211	-	13
Total loans to the public	514,678	4,254	2,017	520,949	208	1,333

31 December 2024						
(NIS millions)						
Non-Troubled debts	Troubled debts (a)			Performing debts - additional information		
	Performing	Non-performing	Total	In arrears of 90 days or more (b)	In arrears of 30 to 89 days (c)	
Borrower activity in Israel						
Public - commercial						
Construction and real estate - construction	68,945	461	267	69,673	20	31
Construction and real estate - real estate activities	47,886	256	87	48,229	13	79
Financial services	40,493	8	9	40,510	1	22
Commercial - other	94,337	2,276	661	97,274	57 (d)	112
Total commercial	251,661	3,001	1,024	255,686	91	244
Private individuals - housing loans	143,885	23	677	144,585	-	856
Private individuals - other	29,635	694	204	30,533	87 (d)	174
Total loans to the public - activity in Israel	425,181	3,718	1,905	430,804	178	1,274
Borrower activity outside Israel						
Public - commercial						
Construction and real estate	6,340	-	62	6,402	-	2
Commercial - other	19,144	401	171	19,716	-	2
Total commercial	25,484	401	233	26,118	-	4
Private individuals	43	-	-	43	-	-
Total loans to the public - foreign operations	25,527	401	233	26,161	-	4
Total loans to the public	450,708	4,119	2,138	456,965	178	1,278

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

(b) Classified as troubled, performing debts.

(c) Accrual debt. Debts in arrears of 30 and up to 89 days, totaling NIS 171 million, were classified as troubled debts. (31 December 2024 - NIS 159 million).

(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 1.4 billion as at December 31, 2025. Mostly they were housing loans.

B. Loans to the public (cont'd)

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

31 December 2025						
(NIS millions)						
	Outstanding (b) non-performing debts for which there is a provision	Outstanding provision	Outstanding (b) non-performing debts for which there is no provision	Total outstanding balance (b) of non-performing debts	Outstanding contractual principal in respect of non-performing debts	Recorded interest income (c)
Borrower activity in Israel						
Public - commercial						
Construction and real estate	130	40	143	273	723	1
Commercial - Other	500	334	116	616	2,326	1
Commercial - total	630	374	259	889	3,049	2
Private individuals - housing loans	770	116	-	770	794	-
Private individuals - other	196	127	-	196	574	-
Total loans to the public - activity in Israel	1,596	617	259	1,855	4,417	2
Borrower activity outside Israel						
Total loans to the public - foreign operations	104	26	58	162	406	-
Total - public	1,700	643	317	2,017	4,823	2
Of which:						
Measured on a specific basis according to the present value of cash flows	774	499	224	998	3,151	
Measured on a specific basis according to fair value of collateral	156	28	93	249	878	
Measured on a collective basis	770	116	-	770	794	

(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 204 million would be recorded.

Additional information: the total recorded average debt balance of non-performing debts in the year ended December 31, 2025 is NIS 1,976 million.

B. Loans to the public (cont'd)

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

31 December 2024						
(NIS millions)						
	Outstanding (b) non-performing debts for which there is a provision	Outstanding provision	Outstanding (b) non-performing debts for which there is no provision	Total outstanding balance (b) of non-performing debts	Outstanding contractual principal in respect of non-performing debts	Recorded interest income (C)
Borrower activity in Israel						
Public - commercial						
Construction and real estate	205	61	149	354	874	6
Commercial - Other	540	340	130	670	2,431	2
Commercial - total	745	401	279	1,024	3,305	8
Private individuals - housing loans	677	109	-	677	677	-
Private individuals - other	204	134	-	204	573	-
Total loans to the public - activity in Israel	1,626	644	279	1,905	4,555	8
Borrower activity outside Israel						
Total loans to the public - foreign operations	128	22	106	234	522	-
Total - public	1,754	666	385	2,139	5,077	8
Of which:						
Measured according to the present value of cash flows	966	540	360	1,326	3,565	
Measured according to fair value of collateral	110	17	25	135	835	
Measured on a collective basis	678	109	-	678	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 be recorded.

Additional information: the total recorded average debt balance of non-performing debts in the year ended December 31, 2024 is NIS 2,542 million.

B. Loans to the public (cont'd)

2b. 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 condition

	As at December 31, 2025			
	<u>Recorded outstanding debt</u>			
	<u>Troubled</u>		<u>Non-troubled</u>	
	<u>Non-performing</u>	<u>Performing</u>	<u>In arrears of 30 days</u>	<u>Non-delinquent</u>
	<u>interest income</u>	<u>interest income</u>	<u>or more</u>	
	<u>(NIS millions)</u>			
<u>Borrower activity in Israel</u>				
Commercial	285	236	2	170
Private individuals - housing loans	106	19	-	36
Private individuals - other	170	149	3	222
Total loans to the public - activity in Israel	561	404	5	428
Total loans to the public - foreign operations	123	-	-	190
Total loans to the public	684	404	5	618

	As at December 31, 2024			
	<u>Recorded outstanding debt</u>			
	<u>Troubled</u>		<u>Non-troubled</u>	
	<u>Non-performing</u>	<u>Performing</u>	<u>In arrears of 30 days</u>	<u>Non-delinquent</u>
	<u>interest income</u>	<u>interest income</u>	<u>or more</u>	
	<u>(NIS millions)</u>			
<u>Borrower activity in Israel</u>				
Commercial -other	390	142	1	320
Private individuals - housing loans	108	23	-	36
Private individuals - other	173	154	3	237
Total loans to the public - activity in Israel	671	319	4	593
Total loans to the public - foreign operations	171	-	-	251
Total loans to the public	842	319	4	844

B. Loans to the public (cont'd)

2b. 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 year ended December 31, 2025				
	Recorded outstanding debt				
	Troubled		Non-troubled		Charge-offs
	Non-performing	performing Interest income	Non-delinquent	Total	
(NIS millions)					
Public - commercial					
Commercial	139	48	-	201	33
Private individuals - housing loans	37	-	-	37	5
Private individuals - other	165	79	1	245	48
Total loans to the public - activity in Israel	341	127	1	483	86
Total loans to the public - foreign operations	71	-	-	71	6
Total - public	412	127	1	554	92

	For the year ended December 31, 2024				
	Recorded outstanding debt				
	Troubled		Non-troubled		Charge-offs
	Non-performing	performing Interest income	Non-delinquent	Total	
(NIS millions)					
Public - commercial					
Commercial	165	52	17	234	50
Private individuals - housing loans	62	-	-	62	1
Private individuals - other	154	81	1	236	57
Total loans to the public - activity in Israel	381	133	18	532	108
Total loans to the public - foreign operations	65	-	129	194	-
Total - public	446	133	147	726	108

B. Loans to the public (cont'd)

2. Additional information on restructured troubled debt

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

	2023 (a)		
	No. of contracts (NIS millions)	Recorded outstanding debt before restructuring	Recorded outstanding debt after restructuring
<u>Borrower activity in Israel</u>			
<u>Public - commercial</u>			
Construction and real estate	396	356	356
Commercial - Other	1,661	227	226
Commercial - total	2,057	583	582
Private individuals - housing loans	109	32	32
Private individuals - other	9,169	494	492
Total loans to the public - activity in Israel	11,335	1,109	1,106
Borrower activity outside Israel			
Total loans to the public - foreign operations	-	-	-
Total - public	11,335	1,109	1,106

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

B. Loans to the public (cont'd)

3. Additional information on housing loans

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

		31 December 2025			
		(NIS millions)			
		Outstanding housing loans			
		<u>Total</u>	<u>Of which: bullet and balloon</u>	<u>Of which: variable interest</u>	<u>Total off- balance-sheet credit risk</u>
First pledge: LTV ratio	Up to 60%	89,830	5,608	53,757	3,111
	Above 60%	63,102	2,332	38,711	3,591
Unpledged secondary lien		1	-	1	-
Total		152,933	7,940	92,469	6,702

		31 December 2024			
		(NIS millions)			
		Outstanding housing loans			
		<u>Total</u>	<u>Of which: bullet and balloon</u>	<u>Of which: variable interest</u>	<u>Total off- balance-sheet credit risk</u>
First pledge: LTV ratio	Up to 60%	86,159	5,088	50,831	2,678
	Above 60%	58,458	1,911	35,890	2,935
Unpledged secondary lien		3	-	3	-
Total		144,620	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 29 - Additional Information on Credit Risk, Credit to the Public, and the Allowance for Credit Losses

C. Credit to the public and off-balance sheet credit risk by size of debt per borrower

31 December 2025

Maximum credit		Number of borrowers (c)	Credit (a) (NIS millions)	Off-balance sheet credit risk (a) (b)
Credit per borrower	(NIS thousands)			
From	To			
0	10	454,196	679	1,661
10	20	211,033	1,111	2,276
20	40	218,829	2,584	4,094
40	80	202,838	5,757	6,036
80	150	139,294	10,217	5,185
150	300	112,110	19,904	3,926
300	600	77,376	30,130	3,108
600	1,200	79,040	65,271	4,632
1,200	2,000	35,533	48,690	4,807
2,000	4,000	12,827	29,744	4,081
4,000	8,000	3,378	15,390	3,644
8,000	20,000	2,373	23,681	5,923
20,000	40,000	1,080	23,446	6,861
40,000	200,000	1,226	73,704	32,727
200,000	400,000	253	42,843	27,495
400,000	800,000	105	36,773	23,729
800,000	1,200,000	44	20,056	21,734
1,200,000	1,600,000	14	10,685	8,224
1,600,000	2,000,000	13	9,886	13,575
2,000,000	2,400,000	5	7,342	3,310
2,400,000	2,800,000	3	7,425	378
2,800,000	3,200,000	2	3,901	2,219
3,200,000	6,245,871	11	19,797	32,976
Total		1,551,583	509,016	222,601

(a) Before the effect of allowances for credit losses, and before the effect of collateral permitted for deduction for purposes of single borrower and group of borrowers' indebtedness; with the addition of the fair value of derivative instruments in the amount of NIS 2,566 million.

(b) Credit risk in off-balance sheet financial instruments as calculated for purposes of single borrower restrictions.

(c) Number of borrowers by total credit and credit risk.

General comments:

Commencing with a credit level of NIS 8,000 thousand, the classification is set out by the specific consolidation method; with respect to the other borrowers, credit has been classified by the category consolidation method.

The definition of "borrower" and the definition of debt, including off-balance sheet credit risk, are in accordance with the directives of the Banking Supervision Department for amendment of Proper Conduct of Banking Business Directive No. 313 - "Restrictions on the Debt of a Single Borrower and of a Group of Borrowers".

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

C. Credit to the public and off-balance sheet credit risk by size of debt per borrower (cont'd)

Maximum credit		Number of borrowers (c)	Credit (a)	Off-balance sheet credit risk (a) (b)
Credit per borrower	(NIS thousands)			
From	To		(NIS millions)	
0	10	472,017	835	1,721
10	20	213,638	1,028	2,264
20	40	210,173	2,326	3,907
40	80	194,109	5,701	5,491
80	150	133,563	10,147	4,537
150	300	107,171	19,160	3,498
300	600	73,975	28,920	2,801
600	1,200	76,805	63,228	4,388
1,200	2,000	33,134	45,165	4,452
2,000	4,000	11,749	27,016	3,947
4,000	8,000	3,131	13,996	3,158
8,000	20,000	2,188	21,945	5,545
20,000	40,000	990	20,459	7,041
40,000	200,000	1,135	69,249	28,581
200,000	400,000	215	35,095	24,363
400,000	800,000	95	30,459	22,050
800,000	1,200,000	35	16,793	16,340
1,200,000	1,600,000	11	8,991	6,489
1,600,000	2,000,000	10	5,196	12,697
2,000,000	2,400,000	4	5,356	3,664
2,400,000	2,800,000	2	4,864	263
2,800,000	3,200,000	3	4,849	4,165
3,200,000	5,895,094	6	8,741	20,709
Total		1,534,159	449,519	192,071

(a) Before the effect of allowances for credit losses, and before the effect of collateral permitted for deduction for purposes of single borrower and group of borrowers' indebtedness; with the addition of the fair value of derivative instruments in the amount of NIS 2,985 million.

(b) Credit risk in off-balance sheet financial instruments as calculated for purposes of single borrower restrictions.

(c) Number of borrowers by total credit and credit risk.

General comments:

Commencing with a credit level of NIS 8,000 thousand, the classification is set out by the specific consolidation method; with respect to the other borrowers, credit has been classified by the category consolidation method.

The definition of "borrower" and the definition of debt, including off-balance sheet credit risk, are in accordance with the directives of the Banking Supervision Department for amendment of Proper Conduct of Banking Business Directive No. 313 - "Restrictions on the Debt of a Single Borrower and of a Group of Borrowers".

Note 30 - Assets and Liabilities Classified According to Linkage Basis - Bank

31 December 2025							
	Israeli Currency		Foreign Currency (a)				
	Unlinked	Linked to the CPI	IN U.S. dollars	In Euro	In other currencies	Non-monetary items (b)	Total
	NIS millions						
Assets							
Cash and deposits with banks	134,544	-	11,736	1,497	2,177	4,421	154,375
Securities	58,100	15,524	55,787	6,276	2,406	4,977	143,070
Securities borrowed or purchased under agreement to resell	832	-	7,584	1	-	-	8,417
Credit to the public, net (c)	386,450	67,741	39,126	9,433	8,502	2,973	514,225
Credit to governments	1,590	-	313	1,503	-	-	3,406
Investments in companies included on equity basis	230	-	-	-	3,337	12,684	16,251
Buildings and equipment	-	-	-	-	-	3,117	3,117
Assets in respect of derivative instruments	11,722	246	3,440	885	198	7,791	24,282
Other assets	5,767	39	98	9	1	1,022	6,936
Total assets	599,235	83,550	118,084	19,604	16,621	36,985	874,079
Liabilities							
Deposits of the public	505,330	16,638	141,063	12,557	5,287	7,441	688,316
Deposits from banks	5,388	-	5,078	2,052	647	-	13,165
Deposits from governments	33	-	42	12	-	-	87
Securities loaned or sold under agreement to repurchase	12,746	-	9,068	-	-	-	21,814
Debentures, bonds and subordinated notes	11,639	26,935	5,633	-	-	-	44,207
Liabilities in respect of derivative instruments	12,806	168	2,563	866	386	7,865	24,654
Other liabilities	5,278	7,746	37	65	4	576	13,706
Total Liabilities	553,220	51,487	163,484	15,552	6,324	15,882	805,949
Difference (d)	46,015	32,063	(45,400)	4,052	10,297	21,103	68,130
Effect of derivative instruments that are hedged:							
Derivative instruments (except options)	422	(422)	-	-	-	-	-
Option in the money, net (in terms of underlying asset)	-	-	-	-	-	-	-
Options out of the money, net (in terms of underlying asset)	-	-	-	-	-	-	-
Effect of derivative instruments that are not hedged:							
Derivative instruments (except options)	(23,003)	(2,151)	40,418	(4,864)	(11,108)	708	-
Option in the money, net (in terms of underlying asset)	(186)	-	205	66	(28)	(57)	-
Options out of the money, net (in terms of underlying asset)	119	-	-	(66)	23	(76)	-
Total	23,367	29,490	(4,777)	(812)	(816)	21,678	68,130
Option in the money, net (discounted par value)	(745)	-	846	82	(49)	(134)	-
Options out of the money, net (discounted par value)	202	-	448	(562)	46	(134)	-

(a) Including linked to foreign currency.

(b) Including derivative instruments whose underlying asset is a non-monetary item.

(c) After deduction of provision for credit losses which were attributable to the linkage basis, totaling NIS 6,724 million.

(d) Equity.

See the annual financial report for the consolidated note.

Note 30 - Assets and Liabilities Classified According to Linkage Basis-Bank (cont'd)

31 December 2024							
Israeli Currency				Foreign Currency (a)			
	Unlinked	Linked to the CPI	IN U.S. dollars	In Euro	In other currencies	Non-	Total
						monetary items (b)	
NIS millions							
Assets							
Cash and deposits with banks	140,166	-	9,631	858	1,733	3,184	155,572
Securities	44,300	4,524	58,560	5,831	1,434	4,243	118,892
Securities borrowed or purchased under agreement to resell	1,510	-	3,170	1	3	-	4,684
Credit to the public, net (c)	337,046	66,027	31,975	6,374	6,847	1,927	450,196
Credit to governments	650	-	294	1,565	-	-	2,509
Investments in companies included on equity basis	230	-	-	-	3,424	11,967	15,621
Buildings and equipment	-	-	-	-	-	2,786	2,786
Assets in respect of derivative instruments	6,880	321	9,068	146	142	12,640	29,197
Other assets	6,078	1	104	32	-	944	7,159
Total assets	536,860	70,873	112,802	14,807	13,583	37,691	786,616
Liabilities							
Deposits of the public	453,183	11,685	131,812	12,841	5,013	5,139	619,673
Deposits from banks	8,749	-	5,900	3,027	404	4	18,084
Deposits from governments	44	-	120	8	-	-	172
Securities loaned or sold under agreement to repurchase	1,089	-	10,597	-	-	-	11,686
Debentures, bonds and Subordinated notes	5,007	20,612	6,349	-	1	-	31,969
Liabilities in respect of derivative instruments	8,104	279	6,617	117	76	12,558	27,751
Other liabilities	6,624	8,247	121	30	3	598	15,623
Total Liabilities	482,800	40,823	161,516	16,023	5,497	18,299	724,958
Difference (d)	54,060	30,050	(48,714)	(1,216)	8,086	19,392	61,658
Effect of derivative instruments that are not hedged:							
Derivative instruments (except options)	611	(611)	-	-	-	-	-
Option in the money, net (in terms of underlying asset)	-	-	-	-	-	-	-
Options out of the money, net (in terms of underlying asset)	-	-	-	-	-	-	-
Effect of derivative instruments that are not hedged:							
Derivative instruments (except options)	(30,850)	(3,517)	42,536	267	(8,958)	522	-
Option in the money, net (in terms of underlying asset)	(781)	-	731	113	(63)	-	-
Options out of the money, net (in terms of underlying asset)	(308)	-	158	122	28	-	-
Total	22,732	25,922	(5,289)	(714)	(907)	19,914	61,658
Option in the money, net (discounted par value)	(1,080)	-	1,062	119	(101)	-	-
Options out of the money, net (discounted par value)	(1,852)	-	1,310	500	42	-	-

(a) Including linked to foreign currency.

(b) Including derivative instruments whose underlying asset is a non-monetary item.

(c) After deduction of provision for credit losses which were attributable to the linkage basis, totaling NIS 6,769 million.

(d) Equity.

Note 31 - Cashflows According to the Contractual Maturity Date - Bank (a)

	31 December 2025								Book balance ^(g)		
	Cash flows according to the contractual maturity date								Total	Effective rate of return ^(h)	
	Upon demand	More than one day	More than a week	Over one month	Over three months and up to one year	More than 1 Year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Without repayment date	In %	
	And until one day	And up to a week	Up to one month	and up three months	up to one year	and up to 3 years	and up to 5 years				
	NIS millions										
Cash, deposits and tradable bonds^(f)	136,106	8,627	4,403	33	180	311	210	333	-	149,954	1.52
Cash and deposits with banks											
Tradable government bonds	-	3,214	4,015	5,627	32,590	22,581	22,940	33,155	-	108,652	3.58
Other tradable bonds	-	10	837	373	1,979	6,549	5,635	26,912	-	29,441	4.61
Total cash, deposits and tradable bonds	136,106	11,851	9,255	6,033	34,749	29,441	28,785	60,400	-	288,047	3.90
Other monetary assets											
Loans to the public ^(b)	20,428	24,641	64,100	59,906	70,703	95,192	54,691	214,122	24,871	511,252	5.03
Other monetary assets excluding derivatives	4,470	2,989	3,234	436	580	1,139	872	6,765	2,673	21,303	2.34
Total monetary assets, excluding derivatives	161,004	39,481	76,589	66,375	106,032	125,772	84,348	281,287	27,544	820,602	4.69
Monetary liabilities											
Deposits by the public ^(c)	301,024	87,788	56,474	117,761	106,770	10,090	2,468	3,064	-	680,875	2.59
Of which: households and small and micro businesses	114,175	26,174	26,649	44,924	65,779	7,591	2,046	6,005	-	288,861	3.36
Deposits by banks	7,927	228	434	601	1,041	1,339	193	2,389	-	13,165	5.08
Securities loaned or sold under repurchase agreements	13,387	-	1,377	5,809	1,303	-	-	-	-	21,814	2.12
Bonds and deferred promissory notes	-	-	4,087	510	7,264	14,904	13,370	7,775	-	44,207	2.31
Other monetary liabilities excluding derivatives	474	37	1,909	256	1,149	1,744	636	215	-	6,419	0.01
Total monetary liabilities excluding derivatives	322,812	88,053	64,281	124,937	117,527	28,077	16,667	13,443	-	766,480	2.53
Derivative instruments, Off-balance sheet items employees' rights											
The impact of derivatives	5	59	(559)	(217)	42	152	82	1,039	-	(372)	
Undertakings to extend credit	(853)	(1,036)	(1,874)	(24,287)	(37,917)	(22,241)	(10,168)	(4,940)	-	(103,314)	
Employee Benefits	-	-	9	17	(408)	(1,203)	(250)	(15,854)	-	(6,798)	
The impact of derivative instruments, off-balance sheet items and employees' rights	(848)	(977)	(2,424)	(24,487)	(38,283)	(23,292)	(10,336)	(19,755)	-	(110,484)	
Total cash flows, net (including shekels and foreign currency)^(b)	(162,656)	(49,549)	9,884	(83,049)	(49,778)	74,403	57,345	248,089	27,544	(56,362)	
Of which in foreign currency:^(c)											
Total cash, deposits and tradable bonds in foreign currency	5,794	11,849	4,672	4,708	8,755	14,383	10,864	37,280	-	79,838	4.50
Total other monetary assets, excluding derivatives in foreign currency	21,956	8,227	9,342	3,101	6,971	10,654	3,996	6,779	3,697	69,913	4.98
Total monetary liabilities excluding derivatives in foreign currency	89,059	13,800	19,697	25,021	28,008	5,029	370	2,480	-	181,290	3.68
The impact of derivative instruments, off-balance sheet items and employees' rights in foreign currency	(32)	(3,661)	13,301	372	8,315	(4,910)	(2,547)	483	-	9,806	
Total cash flows in foreign currency	(61,341)	2,615	7,618	(16,840)	(3,967)	15,098	11,943	42,062	3,697	(21,733)	

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 linkage".

(c) Excluding foreign-currency linked NIS.

(d) As included in Note 30 "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 December 31, 2025 stands at NIS 270,332 million (as at December 31, 2024 - NIS 249,190 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.

Note 31 - Cashflows According to the Contractual Maturity Date(a) - Bank (cont'd)

	31 December 2024										
	Cash flows according to the contractual maturity date									Book balance ^(a)	
	Upon demand And until one day	More than one day And up to a week	More than a week Up to one month	Over one month and up three months	Over three months and up to one year	More than 1 Year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Without repayment date	Total	Effective rate of return ^(a)
	NIS millions										
Cash, deposits and tradable bonds ^(a)	92,690	54,258	5,379	3,236	13,040	36,997	19,882	74,335	-	267,037	4.07
Other financial assets excluding derivatives	21,313	21,823	56,344	41,134	61,176	91,130	55,034	209,396	23,205	465,329	5.12
Deposits by the public ^(a)	312,967	59,861	50,230	80,850	93,331	12,232	2,980	8,693	-	614,533	3.20
Other financial liabilities excluding derivatives and deposits by the public	11,953	2,769	2,528	10,246	7,925	20,108 ⁽ⁱ⁾	9,894	7,470	538 ⁽ⁱ⁾	69,564	2.83
The impact of derivative instruments, off-balance sheet items and employees' rights	(389)	(1,767)	(14,600)	(6,123)	(37,867)	(20,580)	(4,990)	(17,900)	-	(93,690)	-
Total cash flows, net (including shekels and foreign currency)^(b)	(211,306)	11,684	(5,635)	(52,849)	(64,907)	75,207	57,052	249,668	22,667	(45,421)	-
Of which: cash flows in foreign currency ^(a)	(58,231)	(746)	9,275	(26,052)	(7,504)	23,267	14,309	49,671	3,053	(17,489)	-

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

31 December 2025

	Book value	Fair value			Total
		level 1 (1)	level 2 (1)	level 3 (1)	
NIS millions					
Financial assets					
Cash and deposits with banks	154,375	139,354	14,059	784	154,197
Securities (2)	143,070	95,134	46,109	1,253	142,496
Securities borrowed or purchased under agreement to resell	8,417	8,417	-	-	8,417
Credit to the public, net	514,225	42,103	-	470,271	512,374
Credit to governments	3,406	-	1,791	1,623	3,414
Assets in respect of derivative instruments	24,282	3,180	17,756	3,346	24,282
Other financial assets	419	28	-	391	419
Total financial assets	848,194 (3)	288,216	79,715	477,668	845,599
Financial liabilities					
Deposits of the public	688,316	41,889	348,809	296,597	687,295
Deposits from banks	13,165	4,040	4,322	4,919	13,281
Deposits from governments	87	-	64	24	88
Securities loaned or sold under agreement to repurchase	21,814	21,814	-	-	21,814
Debentures, bonds and subordinated notes	44,207	36,326	-	7,981	44,307
Liabilities in respect of derivative instruments	24,654	3,167	21,402	85	24,654
Other financial liabilities	2,803	224	1,477	1,105	2,806
Total financial liabilities	795,046 (3)	107,460	376,074	310,711	794,245
Off balance financial instruments					
Deals in which the balance represents credit risk	481	-	-	481	481
Liabilities in respect of employee benefits, net	7,290	-	-	7,290	7,290

31 December 2024

	Book value	Fair value			Total
		level 1 (1)	level 2 (1)	level 3 (1)	
NIS millions					
Financial assets					
Cash and deposits with banks	155,572	144,749	9,640	1,009	155,398
Securities (2)	118,892	67,574	48,446 (4)	1,632 (4)	117,652
Securities borrowed or purchased under agreement to resell	4,684	4,684	-	-	4,684
Credit to the public, net	450,196	23,123	-	424,904	448,027
Credit to governments	2,509	-	985	1,452	2,437
Assets in respect of derivative instruments	29,197	7,113	18,691	3,394	29,198
Other financial assets	375	49	-	326	375
Total financial assets	761,425 (3)	247,292	77,762	432,717	757,771
Financial liabilities					
Deposits of the public	619,673	30,259	324,386	263,276	617,921
Deposits from banks	18,084	3,861	5,889	8,398	18,148
Deposits from governments	172	-	137	36	173
Securities loaned or sold under agreement to repurchase	11,686	11,686	-	-	11,686
Debentures, bonds and subordinated notes	31,969	26,820	-	4,477	31,297
Liabilities in respect of derivative instruments	27,751	7,043	20,639	68	27,750
Other financial liabilities	3,002	438	1,555	1,010	3,003
Total financial liabilities	712,337 (3)	80,107	352,606	277,265	709,978
Off balance financial instruments					
Deals in which the balance represents credit risk	469	-	-	469	469
Liabilities in respect of employee benefits, net	7,913	-	-	7,913	7,913

(1) Level 1 – Fair value measurements used in prices quoted in an active market.

Level 2 - Fair value measurements used in other significant observed data.

Level 3 - Fair value measurements used in non-significant observed data

(2) For additional information on the balance sheet and fair value of securities, see security note.

(3) Of which: assets and liabilities totaling NIS 242,004 million and NIS 316,806 million (In the year 2024 – NIS 197,288 million and NIS 268,675 million respectively) , where the book value is identical to fair value, (instruments for an original period of up to 3 months , for which use is made of the book value). For additional information on instruments that were measured at fair value on a recurring and non recurring basis, see notes 32d.

(4)Reclassified.

Note 32b – Items Measured for Fair Value on a Recurring Basis- Bank

A. Instruments being measured by fair value over a repeated basis.

31 December 2025				
Fair Value Measurements using				
	Prices quoted in an active market (level 1)	Other significant observable in inputs (level 2)	Significant unobservable inputs (level 3)	Total Fair Value
NIS millions				
Assets				
Available for sale bonds:				
Israeli government bonds	60,619	9,978	-	70,597
Foreign government bonds	17,063	4,130	-	21,193
Bonds of Israeli financial institutions	222	-	-	222
Bonds of financial institutions abroad	-	7,919	-	7,919
MBS/ABS	-	10,785	-	10,785
Others in Israel	565	295	-	860
Others abroad	-	3,274	-	3,274
Total available for sale bonds	78,469	36,381	-	114,850
Non-trading shares and mutual funds:				
Non-trading shares and mutual funds	2,356	-	-	2,356
Securities held for trading:				
Israeli government bonds	5,260	-	-	5,260
Foreign government bonds	-	-	-	-
Bonds of Israeli financial institutions	206	-	-	206
Bonds of financial institutions abroad	-	78	-	78
MBS/ABS	-	207	-	207
Others in Israel	100	-	-	100
Others abroad	-	75	-	75
Shares held for trading	1,369	-	-	1,369
Total securities held for trading	6,935	360	-	7,295
Assets in respect of derivative financial instruments:				
Shekel-index contracts	-	102	211	313
Interest contracts	425	6,207	182	6,814
Foreign currency contracts	-	6,011	2,485	8,496
Contracts in respect of shares	1,530	5,417	466	7,413
Commodities and other contracts	21	19	2	42
Maof market activity	1,203	-	-	1,203
Total assets in respect of derivative financial instruments	3,179	17,756	3,346	24,281
Others				
Credit and deposits in respect of lending of securities	28,256	-	-	28,256
Others	8,444	-	16	8,460
Total Assets	127,639	54,497	3,362	185,498
Liabilities:				
Shekel-index contracts	-	121	82	203
Interest contracts	418	5,339	-	5,757
Foreign currency contracts	-	9,983	3	9,986
Contracts in respect of shares	1,527	5,938	-	7,465
Commodities and other contracts	21	21	-	42
Maof market activity	1,201	-	-	1,201
Total liabilities in respect of derivative financial instruments	3,167	21,402	85	24,654
Others				
Deposits for securities lending	25,032	27	-	25,059
Securities loaned or sold under repurchase agreement	21,814	-	-	21,814
Credit-linked note	-	-	7,597	7,597
Others	221	-	-	221
Total Liabilities	50,234	21,429	7,682	79,345

See the annual financial report for the consolidated note.

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

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

31 December 2024				
Fair Value Measurements using				
	Prices quoted in an active market (level 1)	other significant observable in inputs (level 2)	significant unobservable inputs (level 3)	Total Fair Value
NIS Millions				
Assets:				
Available for sale bonds:				
Israeli government bonds	35,522	10,042	24	45,588
Foreign government bonds	14,885	2,670	-	17,555
Corporate bonds in Israel	176	-	-	176
Corporate bonds abroad	-	8,488	-	8,488
MBS/ABS	-	(1) 11,502	(1)	11,502
Others in Israel	649	280	-	929
Others abroad	-	4,033	-	4,033
Total available for sale bonds	51,232	37,015	24	88,271
Non-trading shares and mutual funds:				
Non-trading shares and mutual funds	3,140	-	-	3,140
Securities held for trading:				
Israeli government bonds	6,821	-	-	6,821
Foreign government bonds	255	52	-	307
Corporate bonds in Israel	61	-	-	61
Corporate bonds abroad	-	(1) 132	(1)	132
MBS/ABS	-	12	-	12
Others in Israel	109	-	-	109
Others abroad	-	71	-	71
Shares held for trading	10	-	-	10
Total securities held for trading	7,256	267	-	7,523
Assets in respect of derivative financial instruments:				
Shekel-index contracts	-	62	267	329
Interest contracts	501	8,286	203	8,990
Foreign currency contracts	-	4,889	1,637	6,526
Contracts in respect of shares	6,042	5,454	1,285	12,781
Commodities and other contracts	25	1	1	27
Maof market activity	546	-	-	546
Total assets in respect of derivative financial instruments	7,114	18,692	3,393	29,199
Others				
Credit and deposits in respect of lending of securities	15,927	-	-	15,927
Others	4,733	-	-	4,733
Total Assets	89,402	55,974	3,417	148,793
Liabilities:				
Liabilities in respect of derivative financial instruments:				
Shekel-index contracts	-	223	64	287
Interest contracts	463	7,475	-	7,938
Foreign currency contracts	-	6,267	5	6,272
Contracts in respect of shares	6,009	6,672	-	12,681
Commodities and other contracts	25	2	-	27
Maof market activity	546	-	-	546
Total liabilities in respect of derivative financial instruments	7,043	20,639	69	27,751
Others				
Deposits for securities lending	14,935	21	-	14,956
Securities loaned or sold under repurchase agreement	11,686	-	-	11,686
Credit-linked note	-	-	3,962	3,962
Others	438	-	-	438
Total Liabilities	34,102	20,660	4,031	58,793

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

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

31 December 2025					
Fair Value Measurements using					
	Prices quoted in an active market (level 1)	other significant observable in inputs (level 2)	Significant unobservable inputs (level 3)	Total fair value	profits
NIS Millions					
Collateral-dependent impaired credit	-	-	249	249	(23)
Total	-	-	249	249	(23)
31 December 2024					
Fair Value Measurements using					
	Prices quoted in an active market (level 1)	other significant observable in inputs (level 2)	Significant unobservable inputs (level 3)	Total fair value	profits
NIS Millions					
Collateral-dependent impaired credit	-	-	135	135	5
Total	-	-	135	135	5

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

31 December 2025

Changes in items measured for fair value included in level 3

	Fair value at Beginning of the year	Realized/unrealized gains (losses), net, including:					Transfers at 31 to/from December 2025	Fair value December 2025	Unrealized profit/loss from instruments held 31 December 2025
		In the income statement	In Comprehensive Income		Purchases and issuanc Sales	Extinguishments level 3			
			Total	Other					
NIS Millions									
Assets:									
Bonds Available for sale:									
Israeli Government	24	-	1	-	-	-	(25)	-	-
MBS \ ABS	-	-	-	-	-	-	-	-	-
Total bonds available for sale	24	-	1	-	-	-	(25)	-	-
Bonds for trade:									
MBS \ ABS	-	-	-	-	-	-	-	-	-
Others abroad	-	-	-	-	-	-	-	-	-
Total bonds available for trade	-	-	-	-	-	-	-	-	-
Assets in respect of derivative financial instruments:									
Shekel-index contracts	267	(61)	-	-	-	-	4	210	34
Interest contracts	203	759	-	-	-	(780)	-	182	80
Foreign currency contracts	1,637	(1,817)	-	2,665	-	-	-	2,485	2,389
Contracts in respect of shares	1,285	(819)	-	-	-	-	-	466	139
Commodities and other contracts	1	1	-	-	-	-	-	2	2
Total assets in respect of derivative financial instruments	3,393	(1,937)	-	2,665	-	(780)	4	3,345	2,644
Total assets	3,417	(1,937)	1	2,681	-	(780)	(21)	3,361	2,644
Liabilities:									
Liabilities in respect of derivative financial instruments:									
Shekel-index contracts	64	(53)	-	-	-	-	71	82	8
Foreign currency contracts	5	(2)	-	-	-	-	-	3	-
Total liabilities in respect of derivative financial instruments	69	(55)	-	-	-	-	71	85	8
Other	3,962	90	21	4,272	-	(748)	-	7,597	136
Total liabilities	4,031	35	21	4,272	-	(748)	71	7,682	144

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

31 December 2024									
Changes in items measured for fair value included in level 3									
	Fair value at Beginning of the year	Realized/unrealized gains (losses), net, including:					Transfers to/from level 3	Fair value at 31 December 2024	Unrealized profit/loss from instruments held 31 December 2024
		In the income statement	In Comprehensive Income Total Other		Purchases and issuances	Sales			
NIS Millions									
Assets:									
Bonds Available for sale:									
Israeli Government	26	(1)	(1)	-	-	-	-	24	(1)
Financial institutions abroad	-	-	-	-	-	-	-	-	-
MBS \ ABS	-	-	-	-	-	-	-	-	-
Total bonds available for sale	26	(1)	(1)	-	-	-	-	24	(1)
Bonds for trade:									
MBS \ ABS	-	-	-	-	-	-	-	-	-
Others abroad	2	-	-	-	(1)	-	-	1	-
Total bonds available for trade	2	-	-	-	(1)	-	-	1	-
Assets in respect of derivative financial instruments:									
Shekel-index contracts	201	(9)	-	-	-	-	76	268	140
Interest contracts	118	710	-	-	-	(624)	-	204	143
Foreign currency contracts	2,362	(2,937)	-	2,212	-	-	-	1,637	1,351
Contracts in respect of shares	178	1,106	-	-	-	-	-	1,284	1,261
Commodities and other contracts	-	1	-	-	-	-	-	1	1
Total assets in respect of derivative financial instruments	2,859	(1,129)	-	2,212	-	(624)	76	3,394	2,896
Total Assets	2,887	(1,130)	(1)	2,212	(1)	(624)	76	3,419	2,895
Liabilities:									
Liabilities in respect of derivative financial instruments:									
Shekel-index contracts	116	(115)	-	-	-	-	63	64	7
Foreign currency contracts	5	-	-	-	-	-	-	5	-
Total liabilities in respect of derivative financial instruments	121	(115)	-	-	-	-	63	69	7
other	419	28	0	3,770	-	(252)	-	3,965	25
Total Liabilities	540	(87)	0	3,770	-	(252)	63	4,034	32

Statement of Cash Flows - Bank
For the year ended 31 December 2025

	2025	2024	2023
	(NIS millions)		
Cash flows generated by operating activity			
Net profit for the year	10,262	9,798	7,027
Adjustments:			
Group share in undistributed gains (losses) of companies included on equity basis (a)	(961)	38	641
Expenses deriving from share-based payment transactions	4	3	7
Depreciation of buildings and equipment (including impairment)	534	597	660
Provision for impairment of available for sale shares	31	-	-
Expenses in respect of credit losses	394	737	2,291
Net gains on sale of securities available for sale	276	428	289
Realized and unrealized net gain from adjustment to fair value of securities held for trading	(59)	19	(90)
Loss (gain) on realization of investment in companies included on equity basis	-	-	-
Loss (gain) on realization of buildings and equipment - net	(5)	(852)	(22)
Provision for impairment in debentures available for sale	25	53	33
Net profit realized and unrealized from fair value adjustments of non-trading shares	(141)	(264)	(175)
Excess of interest received (receivable) for available-for-sale bonds and held-to-maturity bonds over interest accrued during the period	(1,504)	(2,460)	(2,190)
Accrual differences and rate in respect of bonds and subordinated bonds	(107)	149	379
Effect of exchange rate differentials on cash and cash equivalent balances	2,640	617	(156)
Deferred taxes, net	271	(20)	(711)
Severance pay and pension - increase in excess of provision over amount funded	(133)	(207)	171
Profit on sale of loan portfolios	-	-	-
Other, net	(2)	(1)	(2)
Net change in current assets:			
Assets in respect of derivative instruments	4,915	(1,784)	(767)
Held-for-trading securities	287	6,105	(11,326)
Other assets	(145)	100	(324)
Net change in current liabilities:			
Liabilities in respect of derivative instruments	(3,418)	1,128	3,232
Other liabilities	(2,171)	606	472
Net cash generated by operating activity	10,993	14,790	(561)

(a) Net of dividend received.

Statement of Cash Flows (cont'd)
For the year ended 31 December 2025

	2025	2024	2023
	(NIS millions)		
Cash flows generated by investment activity			
Net change in deposits with banks with original maturities of more than three months	1,489	(2,190)	2,928
Net change in loans to the public ^(a)	(61,380)	(35,425)	(31,518)
Net change in loans to governments	(935)	(705)	(696)
Change in securities borrowed or purchased under reverse repurchase agreements	(3,733)	(1,631)	(19)
Purchase of held-to-maturity bonds	(2,019)	(4,666)	(3,164)
Proceeds from redemption of held-to-maturity bonds	3,641	1,407	2,311
Acquisition of securities available for sale and non-trading shares	(214,228)	(186,662)	(174,380)
Proceeds from sale of securities available for sale and non-trading shares	166,210	177,091	87,402
Proceeds from redemption of securities available for sale and non-trading shares	23,895	44,452	24,648
Acquisition of shares in companies included on equity basis	(5)	(40)	(10)
Proceeds from realization of investment in companies included on equity basis	-	-	267
Net decrease (increase) in capital notes of investee companies	91	(30)	(2,432)
Acquisition of buildings and equipment	(890)	(719)	(814)
Proceeds from realization of buildings and equipment	20	1,028	38
Proceeds from sale of loan portfolios	52	308	42
Acquisition of loan portfolios	(1,556)	(551)	(1,556)
Central severance pay fund	3	2	14
Net cash for investment activity	(89,345)	(8,331)	(96,939)

(a) Including current activities from invoice factoring. Please see Note 29.F to the consolidated annual financial report.

Statement of Cash Flows (cont'd)

For the year ended 31 December 2025

	2025	2024	2023
	(NIS millions)		
Cash flows generated by financing activity			
Net change in deposits from banks with original maturities of more than three months	(4,919)	(2,738)	(2,591)
Net change in deposits by the public	68,870	50,679	10,929
Net change in deposits by the government	(85)	12	(87)
Net change in securities loaned or sold under repurchase agreements	10,128	(2,090)	9,824
Proceeds from issue of bonds and subordinated bonds	17,909	7,668	10,758
Redemption of debentures and subordinated notes	(5,465)	(8,008)	(6,874)
Issuance of shares	-	-	-
Share buyback	(1,232)	(682)	(600)
Dividend paid to shareholders	(3,924)	(2,569)	(2,081)
Net, cash flows generated by financing activity	81,282	42,272	19,278
Increase (decrease) in cash and cash equivalents	2,930	48,731	(78,222)
Balance of cash and cash equivalents at beginning of year	150,381	102,267	180,333
Effect of movements in exchange rates on cash balances and cash equivalents	(2,640)	(617)	156
Balance of cash and cash equivalents at end of year	150,671	150,381	102,267
	2025	2024	2023
	(NIS millions)		
Interest received	35,873	32,132	29,078
Interest paid	(20,267)	(20,574)	(14,112)
Dividend received	221	270	151
Income tax paid	(7,417)	(5,594)	(4,268)
Income tax received	198	705	104