



Leumi | Environmental, Social and Governance (ESG) Report

December 31, 2025

Bank Leumi Le Israel B.M. and its Investee Companies

Environmental, Social and Governance (ESG) Report for 2025

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Bank Leumi's Environmental, Social and Governance Report for 2025

We are pleased to submit this Bank Leumi Le Israel B.M. Report as of December 31, 2025. The report has been prepared in accordance with Banking Supervision Department directives regarding reporting on environmental, social and governance aspects and climate risks, as well as in accordance with international ESG standards and practices, as specified in this report.

This report provides supplementary and accompanying information to the Bank's consolidated financial statements and the Board of Directors' and Management's report as of December 31, 2025, and should be read together with the information presented therein.



Mr. Uri Alon
Chairman of the Board
of Directors



Mr. Hanan Friedman
CEO

March 2, 2026

Introduction

Organizational profile and business activity

The Bank is a “banking corporation” operating under the Banking Law (Licensing), 1981. The bank’s activities are regulated by laws, orders and regulations, and in addition, rules, guidelines and positions of the regulators.

In order to support the Bank’s strategy implementation, the Bank operates in four main business lines, which specialize in providing banking and financial services to certain customer segments: Retail Banking, Mortgages, Business Banking, Capital Market and Financial Management, and through subsidiaries in Israel and a subsidiary in the UK.

For more information, see the Overview, Goals and Strategy chapter and the Operating Segments, Management Approach chapter in the Board of Directors’ Report as of December 31, 2025.

Leumi’s ESG vision and strategy

Leumi’s vision is “to be the outstanding financial institution in the Israeli economy and to provide proactive, innovative and responsible banking for our customers”.

The ESG vision is derived from Leumi’s vision and is “to be a leader in environmental, social and governance areas, while creating an impact in the Bank’s core activities, and in the spirit of the UN Sustainable Development Goals (SDGs)”.

The realization of the bank’s ESG vision is based on a coherent leadership strategy in all environment and climate, social and governance aspects, from the concept that these aspects combine business opportunities, risks, and social and organizational responsibility for the Bank’s shareholders and interested parties, including: investors, employees, customers, suppliers and community.

At the end of 2024, the Bank’s management and Board of Directors approved a multi-year strategic plan for the years 2025 to 2027.

The multi-year strategic plan defines the strategic stages and focus areas required to achieve the defined strategic goals. The process included an examination of global trends and the changes expected in the local business environment, changes in consumer expectations and habits, the competitive environment, regulation, and more.

As a derivative of the strategic plan, three-year goals were defined, based on which the work plans of all the Bank’s divisions are determined. Strategic initiatives and projects were also defined in several focus areas, including ESG.

Within this focus area, and as part of the Group’s strategy, the Bank resolutely promotes the implementation of environmental and social initiatives and their integration into business activities, while implementing measurement and reporting processes and mechanisms in accordance with international standards.

The ESG strategy formulated as aforesaid is based on three main anchors:

Determining strategic and business environmental, social and governance targets

As part of Bank Leumi’s effort to boost its contribution to environmental, social and governance (aspects), it developed a strategy that was approved by the management and Board of Directors as an integral part of the Bank’s strategy, including the promotion of business opportunities alongside the management of environmental and climate risks. The plan includes annual and long-term goals, which combine the Bank’s core activities with the material ESG issues.

Standardization of best practices

Leumi attributes utmost importance to the implementation of corporate governance, definition of policy, and determining optimal ESG criteria as a central milestone, taking into consideration the development of local and international regulation. In order to formulate optimal criteria, the Bank implemented a cross-organizational process to revise the main points of the Bank’s policy papers in all areas of its ESG activity, including: environment, social, and governance aspects by definition, including: an integrative environmental and climate policy covering all the responsibilities of the Board of Directors, the management, and the various Bank divisions, credit policy, investment policy and market risk management, procurement policy, investment advisory policy, and business continuity policy.

ESG collaborations with international and local entities

Leumi considers the strategic ESG collaborations with local and global entities a main anchor of the Bank’s strategy under an overall concept that the environmental and climate crisis, alongside the Bank’s implementation of its social responsibility in its activities, requires cross-segment cooperation in all aspects of corporate responsibility.

Material issues for reporting in the ESG Report

Identification and definition process for material issues

Defining material issues in the Bank's activity is a central layer in the Bank's ESG strategy as a whole. These issues are examined in several complementary vectors to form an overall concept after carrying out various processes, including a dialogue with all shareholders and interested parties: investors, employees, customers, suppliers, business partners, regulatory entities, and other professional organizations, in Israel and around the world.

The focus of the material issues and their validation was conducted in accordance with the materiality principle¹.

The integrative materiality test carried out by the Bank includes identification and examination of potential financial risks and opportunities (financial materiality) in the short, medium and long term, which affect growth engines, competitive position and value creation for interested parties. In addition, the test refers to the material impacts of the Bank's activities on the environment and society (impact materiality).

The Bank's ESG concept is derived from the Bank's strategy; it does not stand on its own, is an integral part of the activity, and is embedded in the various Bank units, in all its aspects.

The process of defining the material issues was carried out according to this concept, and was based on integrative analysis, between the three anchors, as follows:

- Strategic focus areas defined by the Bank
Continued responsible growth in focus segments; focus on the customer; technology and efficiency; advanced data capabilities; innovation and collaborations with fintech companies, and ESG.
- Leading and emerging risks identified by the Bank
Macroeconomic risk; information security and cyber risk; strategic risk; technology risks; AI risks; construction and real estate industry risk; regulatory risk; and climate and environmental risk.
- Issues identified as highly important in the active engagement between the Bank and its shareholders and interested parties
1) Business ethics and fairness towards customers; 2) commitment to the environment, responsible investments, and environmental and climate risk management; 3) making services and financial knowledge accessible to disadvantaged populations; 4) diversity and equality in employment; 5) fair employment conditions and employee development and retention; 6) involvement in the community and responsible procurement; 7) customer privacy and information security; and 8) prevention of corruption.

In 2024, as part of the validation of the materiality process, which was based on the processes defining material issues and their validation from previous years, the Bank included a comprehensive, unique and independent research and validation process, carried out in collaboration with the Israeli climate-tech company, GreenSwan.ai, for the purpose of comprehensively identifying the material issues for a wide range of interested parties and parties with a significant impact on the area of sustainability, including: regulators, investors, academic research, Big Tech companies, consulting firms, rating agencies, the World Bank, the EIB, and more. The summary of the conclusions from this process led to the fact that, as a rule, there is a congruence between the material issues identified by the Bank and the material issues for the aforementioned parties, with emphasis on service excellence aspects. The completion of the process included a survey for a group of employees, business partners and customers, to validate the Bank's conclusions, which also revealed a congruence in the importance of the material issues for them as well.

In 2025, the Bank combined the validation process of the material issues with the identification process of emerging and leading risks carried out in the Risk Management Division (ERM), such that the main information and conclusions of the validation process were shared with the ERM unit, and vice versa, as an additional source in each of these processes.

This year, AI risks were added to the leading and emerging risks. As an innovative and proactive bank, Leumi is working to implement responsible AI solutions. Accordingly, a strategy and work plan for its implementation have been formulated, a policy was established, and processes were determined for risk management in business activities and in new products. Leumi meticulously implements the solutions in stages, while adhering to risk management processes, including technology and cyber risks, model risks, and conduct risks.

¹ The process of defining and analyzing materiality generally reflects the materiality analysis processes in the GRI and ISSB standards, and refers to a double materiality approach, which includes the impacts of the environment and society on the organization's activities and the organization's impacts on the environment and society.

The material issues defined

The material issues defined by the Bank as a result of this integrative process, between the strategic focus of the Bank and the leading and emerging risks, and the material issues as seen by the Bank’s shareholders and interested parties, are as follows:

1. Sustainable activity

The climate crisis has a potential risk, but also provides a strategic and business opportunity to accompany the Bank’s customers and the economy in the transition to an economy that reduces greenhouse gas emissions as a whole. In addition, the Bank promotes social aspects in its core activity, with regard to financing and investments in the corporate sector, and promoting financial inclusion in Israel.

2. Business ethics and fairness towards customers and service excellence

The Bank ensures to conduct itself in a transparent and fair manner with the aim of providing its customers with services and products of added value. This principle is reflected in the Bank’s vision – “to be the outstanding financial institution in the Israeli economy and to provide proactive, innovative and responsible banking for our customers”, both in the strategic aspect and in the fair conduct of risk management by the Bank. Alongside this, the issue of service excellence has been defined by the Bank as a strategic goal, and the Bank is carrying out many activities and initiatives to achieve this goal.

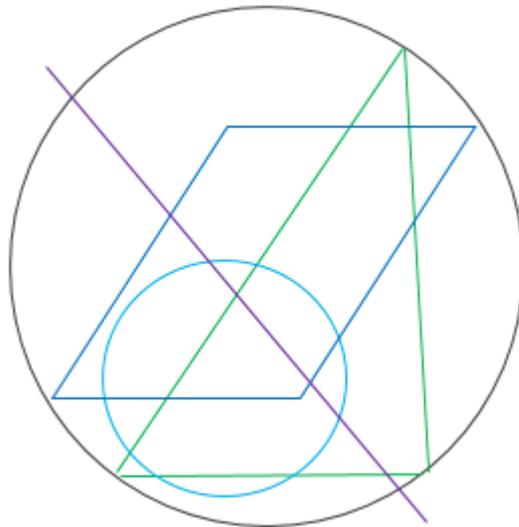
3. Gender diversity

Gender diversity has great importance at Leumi. Gender diversity has moral importance from a perspective of fairness, equal opportunities and social inclusion, and it enables management based on diverse opinions, perceptions, and perspectives.

Material matrices

The following are all the issues identified in the double materiality process, from the strategic focus areas, the leading and emerging risks from the dialogue with shareholders and interested parties, from which the three most material issues were selected:

Leumi’s materiality review process reflects a dynamic and complex process that includes many variables in the Bank’s internal and external activity environment while balancing the various interests of the Bank’s shareholders and interested parties.



For more information regarding the strategic focus areas and the leading and emerging risks, as well as the Bank’s service initiatives, please see the chapter Goals and Business Strategy and the Leading and Emerging Risks in the Annual Report as of December 31, 2025, and the chapter The Corporation’s Risk Management Approach in the Risk Report as of December 31, 2025, including their evaluation method (OVA) and their manner of management.

Strategic goals and key environmental, social and governance (ESG) indicators

	2025	2024	2030 target
Environmental financing and investments ^(a)	Approx. NIS 54.2 billion	Approx. NIS 27.2 billion	NIS 70 billion
Reduction of operational carbon footprint ^(b)	Approx. 30% reduction	24% reduction	50% reduction
Gender diversity ^(c)	Women constitute approx. 53% of senior management	Women constitute approx. 53% of senior management	Gender diversity that includes maintaining at least 50% women in senior management
Women in the Board of Directors ^(d)	40%	40%	50%

- a) Including off-balance sheet credit instruments. The main change between 2025 and 2024 stems from an increase in the renewable energy, clean transportation, and green construction financing categories (it should be noted that approx. NIS 15 billion of green construction balances stems from the inclusion of green construction credit in the construction process, in line with the international reporting standard), and the inclusion of sustainable linked loans for reporting. Accordingly, the Bank updated the green financing and investment target (in terms of balances) for 2030, from NIS 40 billion to NIS 70 billion.
- b) Relative to the base year 2021.
- c) Senior management is the layer of division heads and department heads at the Bank (solo) (generally, the layer of management at the second level below the Bank's CEO).
- d) In 2024, the Board of Directors decided that emphasis should be placed on ensuring a minimum of 40% representation of each gender on the Board of Directors and an aim to reach a rate of 50% by the end of 2030.

Targets and metrics in relation to the material issues

Issue	Details	Metrics and time frame for measurement and reporting	Performance in 2025
1. Activity Sustainable (in addition to the strategic goals for environmental financing and investment and reducing operational carbon footprint)	Social financing and investments, including financial inclusion	Annual reporting and internal measurement	A balance of approx. NIS 63 billion.
	Financial inclusion in other areas beyond the granting of credit, such as: accessibility for the disabled, service in various languages, and financial education	Inclusion of these aspects in the Bank's ongoing activities, and internal measurement according to the relevance of objectives according to the relevant units' work plans.	Initiatives and performance as detailed in this report
	Internal limit for credit exposure for coal, oil and gas extraction and refining.	Fixed limit reviewed annually	Compliance with the limit
	Climate risk management based on materiality in the main core areas of activity.	Ongoing management in accordance with the policy determined for each area (see the Climate Risk Management chapter on page 19 of this report).	Execution in accordance with the policy.
2. Business ethics and fairness towards customers and service excellence	Inclusion of these aspects in the Bank's operations, such as: conduct risk management, code of ethics, measures to prevent bribery and corruption, training and learning	KRI in the conduct risk management, which are estimated and reported to the Bank's management and Board of Directors once per quarter, alongside initiatives and ongoing activities according to a work plan, including internal measurement regarding service.	Decrease in justified public complaints, service leadership and risk management alongside initiatives and activities as detailed in this report.

Issue	Details	Metrics and time frame for measurement and reporting	Performance in 2025
3. Gender diversity	Gender diversity has great importance at Leumi. Gender diversity is important from a perspective of fairness, equal opportunities and it enables management based on diverse opinions, perceptions, and perspectives.	In 2024, the Board of Directors decided that emphasis should be placed on ensuring a minimum of 40% representation of each gender on the Board of Directors and an aim to reach a rate of 50% by the end of 2030.	<ul style="list-style-type: none"> - 40% female representation among the Bank's Board of Directors. - Approx. 53% female representation among the Bank's senior management. - Approx. 62% female representation among the Bank's employees. - Approx. 41% of the 10% of the highest paid employees at Leumi are women.

Rewarding strategic ESG goals and material issues

Some of the material issues defined by the Bank as detailed in this report, including in the area of environmental and social financing and investments, targets for reducing the carbon footprint from the Bank's operational activities, leading in service, and financial inclusion, are included in the annual quantitative and/or qualitative evaluation indicators for senior management in the relevant divisions, and consequently also for business account managers and/or employees in those divisions. The annual targets and the various initiatives for achieving them are defined in the annual work plan, and are also derived from the strategic targets determined for 2030.

Promotion of Sustainable Development Goals (SDGs)

In 2015 the United Nations adopted the Sustainable Development Goals: a series of goals and targets to be realized by 2030 for the purpose of promoting global sustainable development. The program, known as the 2030 Agenda, includes 17 goals and 169 targets for which performance indices were formulated. The targets encompass numerous topics, and include decent work and economic growth, reduced inequalities, gender equality, quality education, and the fight against climate action, among others.

As a leading financial institution in Israel, Leumi Group has a material impact on the social and economic fabric in Israel. Leumi Group attaches great importance to committing to the effort for achieving these SDGs and uses them as inspiration in its operations.

The Bank contributes in its activity to the promotion and development of the SDG targets, through two main levels, as follows²:

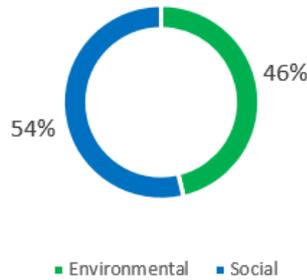
In the Bank's main core activity areas – credit and investments (Sustainable Financing Products and Services)

Sustainable finance at Leumi in 2025 amounted to a total of approx. NIS 117.2 billion, of which:
 Approx. NIS 54.2 billion for environmental areas of activity and approx. NIS 63 billion for social areas of activity³:

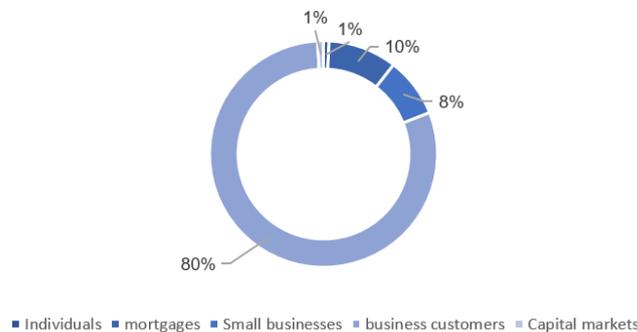
Breakdown by main SDGs



Breakdown by sustainability aspect (environment and social)



Breakdown by customer type⁴



² The Bank's reference to the SDG aspects in its activity in this chapter serves mainly for the purpose of making the SDG targets accessible to the public; it does not indicate an in-depth measurement of each of the SDG targets.

³ For more information regarding the environmental and social financing and investment categories, please see this report.

⁴ "Business Customers" refers to the Business Division, Leumi Partners and Leumi UK.

In quality issues that are materially reflected in the Bank's activities



- Setting a financing and investment target in the amount of NIS 70 billion (in terms of balances) by 2030.
- Setting a target to reduce the carbon footprint by 50% by 2030, compared to 2021.
- Determining an internal credit limit for the oil, coal and gas sector.
- Performance of a SCOPE 3 calculation in 5 categories, including 100% of the credit portfolio for the Bank's Business Division customers (including real estate, business, commercial and infrastructure), the Bank's Mortgage Division customers and 100% of the investments in tradable companies through Leumi Partners, and the holding in Valley National Bank.
- Issuing Green bonds



- The Bank entered into a strategic collaboration with the European Union's investment bank, the European Investment Bank, to provide credit in the amount of EUR 750 million, and an additional guarantee for credit related projects amounting to approx. EUR 96 million, for environmental and social purposes, under preferential conditions, for small and mid-sized businesses⁵.
- Leumi operates in accordance with basic international principles with regard to social responsibility, human rights, environment and climate.
- Leumi has been a member of the ICMA organization⁶ for several years and, starting in 2023, also in ICMA Green Bonds, which promotes the standardization of green and social bonds.



- 40% female representation among the Bank's Board of Directors.
- Approx. 53% female representation among the Bank's senior management.
- Approx. 62% female representation among the Bank's employees.



- Optimal corporate governance in the Bank's activities

⁵ This strategic engagement is part of the implementation of the EU Commission's Green Deal program, in which the European Union committed to the allocation of one third of the EUR 1.8 trillion budget from the EU Next Generation Plan to climate issues. https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en

⁶ International Capital Market Association.

Dialogue with interested parties

Having a continuous dialogue with all of Leumi’s interested parties constitutes a significant layer in the management and formulation of the corporate responsibility work plans at the Bank.

Interested parties are investors and shareholders, customers, employees, suppliers, regulators and relevant government ministries, social organizations and the social and business community, and business partners⁷. The Bank conducts a dialogue with each interested party group through a variety of dedicated and tailored channels, including a materiality validation process, initiatives and activities as detailed in this report, and as detailed below:

INTERESTED PARTIES	DIALOGUE CHANNELS
Investors and shareholders	<p>Investor relations activities focus on maintaining an ongoing, professional and transparent dialogue with investors and analysts, presenting financial results, explaining the Bank’s strategy, capital and risk management policy, with the aim of strengthening market confidence. The purpose of the activity is to mediate between the Bank’s management and the capital market, to make information accessible and to contribute to the Bank’s stability and reputation, and is carried out through the following channels:</p> <ul style="list-style-type: none"> Investor relations website Annual shareholders’ meeting Financial statements – quarterly and annual Conference call with investors shortly after publication of each report Conversations with investors, including institutional investors, analysts and rating agencies
Customers	<ul style="list-style-type: none"> Service surveys Customer service centers and public inquiries Social Networks Conferences and events
Employees	<ul style="list-style-type: none"> Conferences and employee meetings Regular written and video communication Dedicated application – Leumi Stream Tutorials and training Annual feedback and employee evaluation Risk management culture assessment surveys Internal communication channels in each division, divisional conferences, and honoring the outstanding
Suppliers	<ul style="list-style-type: none"> Tours and meetings with suppliers
Regulators and relevant government ministries	<ul style="list-style-type: none"> Periodic dialogue Participation in discussions Conversations at various levels on relevant topics
Social organizations and the social and business community	<ul style="list-style-type: none"> Ongoing dialogue with various diverse ESG entities in Israel and around the world Collaboration with associations and social and environmental organizations Volunteering by employees Participation in conferences

⁷ The bank is a member of the Israeli Banks Association. This membership does not conflict with the Bank’s climate strategy and the Paris Agreement. The Bank’s Group ESG and International Operations Manager participates in all discussions relevant to the climate in the Banks Association.



Environment and climate

TCFD TNFD ISSB

Corporate governance, strategy, risk management, objectives and indicators

Introduction

Climate change has the potential for far-reaching effects on the economy and society, and may pose a threat to global prosperity, and is also defined by the Bank as one of the strategic focuses and the leading and emerging risks in its activity.

The Bank regularly examines environmental aspects, trends in climate change, business changes, regulators and other changes in the business environment in which it operates, and forms a strategy appropriate for these changes. In environmental and climate issues, Leumi aspires to meet the 2050 Net Zero goal, established in the Paris Agreement. To that end, the Bank has defined a transition plan that includes strategic environmental and climate targets for 2030 in addition to the continuous progress with the multi-year work plan. From time to time, including according to developments in the external environment, regulation, and the availability of information, the Bank will examine its ability to meet and/or set Net Zero targets for 2050.

In order to implement the Bank's strategic environmental and climate goals and to implement the transition plan, the Bank has formulated an environmental and climate policy, which is regularly approved by the Bank's Board of Directors and management, which includes the key aspects of this TCFD⁸ report, including corporate governance, strategy, risk management, goals and indicators, as well as the policy for financing and investing in sustainability projects and companies (Sustainable Financing, Investing and Advisory Policy), to promote overall efforts to mitigate carbon emissions, and the adaptation of infrastructure to deal with climate change.

The publication of the transition plan, also in accordance with the TCFD reporting framework as an integral part of this ESG Report of the Bank, along with the publication of the financial statements, is a result of this strategy. In 2022, the Bank was the first bank in Israel to publish a TCFD Report, with its full integration into the ESG Report.

This leadership stems from the Bank's view that all of its public ESG reporting will be integrated alongside the financial statements, and in recognition of the trend of consolidation of ESG standards and reporting⁹.

Under this approach, and in recognition of the aforementioned consolidation trend, in the 2024 annual report, the Bank noted that it aims to align its ESG reporting to the public as detailed in this report, in accordance with the ISSB standard of the IFRS, which is currently the most advanced standard relating to climate reporting, while being appropriate for identifying opportunities and risks in the Corporation's activities. In fact, for the first time in Israel, in this 2025 report the Bank has included the ISSB reporting framework.

Climate change and natural environmental systems are interrelated: climate change increases pressures on natural resources and ecosystems (water, soil, and biodiversity), while damage to these systems reduces the environment's ability to regulate the climate and deal with its risks.

With this understanding, and alongside the concept of integration and consolidation in the Bank's environmental and climate strategy, and reporting on these issues, which is the [Unified ESG Reporting Architecture Approach](#), for the first time in Israel, the Bank included the environment and nature initiative, TNFD¹⁰, in this report, based on the governance, strategy and risk management infrastructures developed within the framework of TCFD management and reporting.

⁸ Taskforce on Climate related Financial Disclosures.

⁹ The Bank's approach to consolidating, harmonizing and simplifying ESG reporting, which the Bank began in 2022, is currently reflected in the European Union's decisions from November 2025 regarding reporting requirements for companies. See: Commission proposes improvements to SFDR - Finance - European Commission https://finance.ec.europa.eu/news/commission-proposes-improvements-sfdr-2025-11-21_en, and also from the EBF's position paper from July 2025: https://www.ebf.eu/wp-content/uploads/2025/09/Revised-EBF-positioning-on-data-and-transition-plans-aspects-of-the-Omnibus-proposal.pdf?utm_source=chatgpt.com.

¹⁰ Taskforce on Nature related Financial Disclosures.

Climate and nature related corporate governance

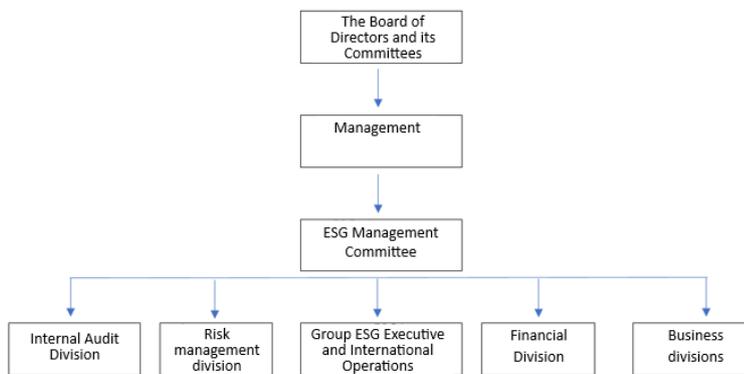
The Bank acknowledges that the climate and environmental issue has a long-term strategic impact generating new risks and opportunities in its operations, and therefore it has defined the corporate governance aspects of environmental and climate policy.

The Bank's environmental and climate policy

Fundamental to the Bank's environmental and climate policy and in accordance with the Bank's ESG vision and strategy is the commitment to environmental protection, creating awareness of environmental and climate aspects, using natural resources and energy effectively, reducing the Bank's carbon footprint and waste production, monitoring and controlling the Bank's environmental and climate performance, reporting consistently in the annual ESG report on developments in the Bank's activities regarding environmental and climate aspects, and maintaining an ongoing dialogue with the Bank's interested parties regarding environmental and climate aspects, as detailed in this chapter below.

This policy is approved by the Bank's Board of Directors.

Accordingly, within the framework of the Bank's environmental and climate policy, a management structure and division of responsibilities was defined, the main points of which are as follows:



The Board of Directors

Bank Leumi's Board of Directors is entrusted with setting the Bank's strategy on environmental and climate issues, which is updated from time to time; approving the Bank's policy, which guides it in its ongoing activity; issuing instructions to the administrative branches; overseeing the fulfillment of these instructions; and adequate oversight and control over the Bank's activities.

The Bank's Board of Directors considers it important to have a process to identify risks and business opportunities and develop the tools, products, and expertise necessary to promote the transition to a sustainable economy.

Board of Directors' Committees

The organizational structure and the environmental and climate risk management framework at the Board of Directors level are integrated into the corporate governance structure. The Board of Directors' committees, each in its respective field, discuss and oversee these aspects as an inseparable part of their activity, as follows:

Credit Committee — Responsible for integrating climate considerations into decision-making processes, and supervising the risk identification and assessment process at the relevant units, in accordance with the Bank's credit policy, which is updated annually.

Risk Management Committee: Responsible for overseeing climate risk management at a comprehensive level, holding discussions and receiving periodic reports from the Bank's management regarding its review of the Bank's climate policy, including with regard to regulatory developments, and recommending any necessary updates to the Board of Directors.

Audit Committee: In accordance with the Banking Supervision Department's instructions, the Audit Committee is the committee that reviews the financial statements, which include disclosures on climate issues as well.

Resources Committee: Responsible for recommending to the Board of Directors the corporate environmental and social responsibility (ESG) strategy of the Bank and the Group, and the extent of its suitability to the overall strategy of the Bank prior to its approval by the Board of Directors.

The Bank's management

The Bank's management outlines the ESG strategy, policy, and principles for the management of ESG aspects, of which environmental and climate aspects are a significant layer, which is approved by the Bank's Board of Directors.

Bank Leumi formulated an environment and climate policy, which was approved by the Bank's Board of Directors and management, and then brought for approval each period. The policy includes an organizational structure and a framework for managing environmental and climate risks that integrate into the existing corporate governance structure and are an integral part thereof. The framework comprises setting the strategy and the long-term goals, the policy, the division of responsibility between the Bank's different units, reporting mechanisms, and mechanisms to oversee and control the implementation of the strategy and the policy.

Discussions in the Bank's Board of Directors and management

In 2025 and until the date of publication of the report, the Board of Directors and its committees and the Bank's management held discussions on ESG issues, some of them in an integrative manner in the Bank's ongoing activities, such as credit policy, investments, business continuity, quarterly exposure reports, etc., which include relevant references to ESG aspects, alongside dedicated discussions on issues such as: environmental and climate policy, charitable donations, key collaborations, discussion of the Bank's ESG strategy in the discussions of the Bank's annual work plan and strategy, enrichment for directors through a lecture by the head of the Electricity Authority, who is responsible for regulating the renewable energy sector in Israel, as well as this report.

Inter-divisional management committee for outlining the ESG strategy

A dedicated committee was appointed in the Bank that is tasked with outlining and implementing the overall ESG strategy, including the environmental and climate risk management. The committee includes the Chief Risk Manager and members of senior management from all the Bank's divisions, and is chaired by the head of the Strategy Division and the Human Resources Division. The committee is in charge of making steering decisions on implementing the strategy, furthering the strategy, overseeing its implementation, coordinating between various organs of the Bank and regularly addressing various issues, and holding periodic discussions.

In 2025, the steering committee, including in dedicated teams, held discussions and reports on the main issues, as follows: preparation for the Bank's compliance with Israel's Proper Conduct of Banking Business Directive 345 on climate risks, specific targets and projects in the work plan, meetings with companies regarding the climate and more. Regulatory reviews and information on developments regarding the environment and climate, etc. are regularly presented, alongside committee discussions.

In addition, a dedicated team held several in-depth meetings with EIB experts and other international companies, along with independent research, for the purpose of learning, analyzing, and including environmental and ecological system aspects within the overall environmental and climate risk strategy and management, which are presented in this TNFD report.

Group ESG Executive and International Operations

The Group ESG Executive, reporting to the Head of the Strategy Division and the Human Resources Division, is responsible for formulating and recommending to the Board of Directors the strategy for environmental and climate management, creating strategic collaborations, identifying and realizing climate related opportunities, including green credit and the building of products, tools and services that promote a sustainable environment, and leading their implementation in the Bank, alongside assimilation processes with all the relevant business and operational units in the Bank. In 2025, the Group ESG Manager was a member of the "Net-Zero Forum" led by the Office of the Accountant General at the Ministry of Finance, which includes approximately 60 senior managers accountable for the climate and environment in the government ministry, government companies, and a limited number of selected private companies, to promote efficiency measures for reducing the carbon footprint.

The following is a breakdown of the responsibilities of the Bank's divisions regarding environment and climate

The Strategy Division is responsible for defining the Leumi Group's long-term strategic goals, including environmental and climate aspects.

Divisions in the first line of defense

- Business divisions - The managements of the Bank's business units (Business Division, Banking Division and Capital Markets Division) are accountable for the strategy's actual implementation and for the work plan for the management of environmental and climate related financial activity, including taking advantage of business opportunities and green financing and investment in particular. This responsibility includes, among other things, identifying, assessing, measuring, monitoring, mitigating, and reporting the risks inherent to the products, activities, processes, and systems for which they are responsible, and for managing a proper control environment in the context of their activity.

- Finance Division (Real Estate, Operation and Procurement) – Management of the issue of environmental quality, the direct effects of carbon emissions, energy consumption, water consumption, fuels, waste, and transportation. It is also the division's responsibility to collect data regarding the reduction of the carbon footprint and to carry out regular annual measurements.

The Risk Management Division, as a second line of defense, is in charge of formulating the Board of Directors' policy on climate issues and of making recommendations for its revision, while prioritizing and focusing on high-risk areas. As part of its role, methodologies were formulated for identifying and measuring climate risks, subject to materiality considerations (at the individual customer level and at the Bank level). In addition, the Division is responsible for periodic monitoring and reporting to management and the board of directors on the risk profile and ways of coping with the risk, within the risk report. In general, risks are managed with an integrated, corporate level perspective, all along the managerial chain and across business units, using consistent methodologies and terminologies. The Risk Management Division has formed a climate risks management policy, which sets the risk management principles and defines the areas of responsibility and the reporting mechanisms.

The Legal Advisory Division is responsible for managing legal risk related to environmental and climate risks, along with the inclusion of environmental and climate risk aspects in the Bank's credit and/or collateral documents, and monitoring regulatory developments in Israel and internationally that may have an impact on the Bank in environmental and climate aspects.

The Internal Audit Division, as a third line of defense, is an independent unit responsible for implementing internal audit processes in the Leumi Group. Its role is to examine the accuracy and effectiveness of the risk management processes in the first and second lines of defense, in accordance with the Bank's goals, and to examine the effectiveness of the organization's internal controls, as part of the various audit processes in accordance with a multi-year work plan, including climate risk and privacy protection aspects.

Environmental and climate training and enrichment

The bank considers the assimilation processes of the environmental and climate aspects to be a central layer in the implementation of the strategy and in the management of climate risks. In this framework, various training sessions have so far been given in most of the Bank's divisions and subsidiaries for the purpose of implementing the various methodologies in the Bank, including credit classification and green investments, and investment advice, implementing mechanical tools that support the use of the Bank, and implementing questionnaires on climate risk issues.

These training sessions were given to a wide range of employees in the Bank, according to the relevance of their activities, including: in the Business and Commercial Division, the Banking Division, the Risk Management Division, the Capital Markets Division management, the Investment and Pension Advisory Department, the Strategy Department, Public Inquiries, employees of the subsidiary company VIDEA, Leumi Partners management, Leumi UK Board of Directors and management, Operation and Service Division management, the Digital Department, the Bank's Secretariat, the Organization and Methods Department, the Procurement Department, the Construction and Headquarters Department, the Accounting Division, the Taxation Department, the Financial Division management, the Audit Division, the Special Credit Department in the Business Division, the Problematic Debt Department in the Banking Division, the Leumi Tech Division, the Credit Centers in the Banking Division, the Payments Department, the Legal Advisory Division, the Compliance and Money Laundering Division, as well as external enrichment training for the Bank's Board of Directors.

The training is delivered by the Group ESG Manager, and in addition, dedicated lectures are delivered led by the Credit Risk Management Division to relevant dedicated teams in the Business Division, with an emphasis on climate risk management at the customer level.

Upon completion of the infrastructure implementation and expansion as stated on the subject of ESG strategy and climate risks, the Bank conducts training on these subjects on an ongoing basis through: annual enrichment for the Bank's Board of Directors delivered by an external party; a lecture as a mandatory subject in the Bank's training courses for economists and credit officers; a lecture in the Bank's new employee onboarding courses; a lecture as part of the implementation of the strategic cooperation with the EIB in the business divisions; and dedicated training conducted as needed in the business units.

Compensation (Climate and Nature-Related Management Incentives)

For compensation aspects in relation to strategic ESG objectives, please see page 8 of this report, Material Issues chapter.

ESG principles in voting in companies in which the Bank has a real holding (Sustainable Stewardship – Engagement and Voting)

The Bank has adopted, as part of the activities of the Leumi Partners subsidiary, a document detailing ESG principles, which are expected to be a supporting consideration in voting and investment decisions. These principles are a layer within the framework of all the considerations regarding a decision on the manner of voting, including ESG, environment and climate, and social considerations, as far as gender and ethnic diversity is concerned. It should be noted that the bank is subject to a regulatory limit of holding no more than 20% in a company and a prohibition on controlling a company (including through a voting agreement), and therefore its ability to influence these issues is limited by its very nature. Accordingly, whenever a material event and/or risk arises, and to the extent possible, an investigation is carried out prior to the vote. To the extent that a material decision is made that is not in line with the Bank's risk appetite, the Bank considers its steps as an investor accordingly and in accordance with the discussion and/or investment agreement (Escalation Strategy).

For more information on climate risk management aspects of the Bank's investment policy, please see page 23 of this report.

Environment and climate strategy

The Bank's ESG vision is derived from Leumi's vision, based on leadership in all ESG aspects, while reflecting environmental, social, and governance challenges in the spirit of the UN's Sustainable Development Goals (SDGs). The realization of the Bank's ESG vision is based on a coherent leadership strategy in all environment and climate, governance and social aspects, from the concept that these aspects combine business opportunities, risks, and social and organizational responsibility for all of the Bank's interested parties, based on three main anchors:

1. Encouraging green initiatives through financing and investments that help reduce pollution and mitigate the effects of climate change and reduce the impact on natural resources and ecosystems (Sustainable Financing Policy)
2. Improving energy efficiency and greenhouse gas emission reduction
3. Determining a limit with regard to coal, oil and gas

More information on these layers is as follows:

1. Encouraging green initiatives through financing and investments that help reduce pollution and mitigate the effects of climate change and reduce the impact on natural resources and ecosystems (Sustainable Financing Policy)

The Bank set a strategic target according to which it aims for the balance of green financing and investments to amount to NIS 70 billion by 2030.

For this purpose, the Bank operates on several levels to identify opportunities and develop products, including the following activities and products detailed in this chapter, all in accordance with the Bank's environmental and climate policy, as follows:

Strategic collaboration with the European Union's investment bank in the amount of EUR 750 million

The Bank recognizes that dealing with the environmental and climate crisis requires cooperation and an effective effort that includes governments, regulators, financial entities and business companies. In view of the above, the Bank has defined the ESG collaborations with local and international entities as one of the main layers in the implementation of the Bank's ESG strategy.

One of the central and leading entities in the world in this context is the European Investment Bank (EIB), the investment bank of the European Union, which focuses on climate and environment, infrastructure development and support for small and mid-sized businesses.

Leumi has a unique strategic partnership with the EIB, in which the EIB will provide Leumi with a financing line totaling EUR 750 million, which will be used to provide credit on preferential terms to small and mid-sized businesses in Israel, with an emphasis on green credit and financing of green and social projects, with an emphasis on green credit and the financing of green and social projects, alongside an additional credit guarantee for sustainability projects totaling approx. EUR 96 million.

The contribution of the Bank's strategic cooperation with the EIB is not limited to economic cooperation for the Bank and its customers, but also to the implementation of best practices in its activities regarding the environment and climate. In general, this cooperation is a prime example of the Bank's implementation of its ESG strategy in its three anchors: determining strategic ESG goals and the ways to achieve them, implementing best practices in its activities, and cooperating with local and international entities regarding ESG.

In addition, this agreement is another layer in the unique collaboration that the Bank maintains with the European Investment Fund (EIF), which is an EIB fund. In the years 2016–2024, Leumi collaborated with the EIF fund of the European Union. In this framework, the Bank offered credit to customers who meet the threshold conditions and criteria established by the fund, on preferential terms for small and mid-sized businesses that promote technological and digital innovation, growing businesses, research activity, venture capital development, etc. The total credit provided in this fund is USD 570 million.

According to a detailed study submitted to the European Union Parliament by the EIF, the impact on customers who participated in this program is, among other things, in several indicators: a 20% increase in employment data for customers who took loans in the project; an average 30% increase in operating turnover; and an increase in investments in intangible assets.

For more information regarding the impact measurement from this activity, please see page 6 of the Impact Report submitted to the European Union Parliament "Report from the Commission to the European Parliament and the Council, Ex Post Evaluation of Horizon 2020"¹¹.

Development of green credit products for business and retail customers

Green value propositions for customers, such as: financing home systems for green energy production and storage and electric vehicles.

ESG principles in project finance

One of the key credit areas that has the potential to make a significant contribution to the environment is the financing of national infrastructure projects, including renewable energy projects. Given the importance that the Bank sees in this area, an Infrastructure and Large Business Division was established in the Leumi Business Division, which has expertise in this area of financing.

Leumi is assisted in these transactions by expert technical-engineering consultants, including at the due diligence stage. In this context, and according to the issue and materiality, the technical consultant also expresses his opinion on ESG aspects, among other things.

For more information on identifying and assessing climate risks in business credit, and restrictions on credit activity in the oil, coal and gas sectors, please see also pages 21 and 33 of this report.

Development of investment products and structured deposits that integrate green companies

From time to time, the Bank develops deposits that are mainly based on stock baskets of companies with high ESG ratings and on companies that are active in terms of green energy.

Trading room activity in carbon certificates

The Bank enables activity in a trading room in carbon certificates, without disclosure on the Bank's books at the request of its customers.

ESG in investment advice

The investment advisory policy includes a layer with ESG aspects¹², which is implemented in various actions, as follows:

Making ESG considerations accessible in the advisory process: the Bank's investment advisors have been trained to reflect ESG aspects in the advisory process to the Bank's customers who show interest, so that they can weigh them in the investment decision.

ESG ratings of securities and mutual funds: The Bank makes ESG ratings of securities available to customers and investment advisors on the Leumi Trade website, as well as ESG ratings of mutual funds, for use by the Bank's investment advisors.

Integrating ESG aspects in reviews for bank advisors: the Investment and Pension Division integrates ESG aspects into reviews sent to investment advisors, which the advisors will use when recommending investments, according to the customers' preferences.

¹¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2024%3A49%3AFIN&%3Bqid=1706527941657&print=true>.

¹² investment advisory policy was formulated in accordance with the directive published by the Securities Authority dated December 2022 for fund managers and large license holders regarding the integration of ESG considerations in the investment or risk management decision-making processes under Section 97(b) of the Joint Investment Trust Law, 1994 and under Section 28(b) of the Law Regulating Investment Consulting, Investment Marketing and Investment Portfolio Management, 1995.

2. Improving energy efficiency and greenhouse gas emission reduction

As part of the Bank's strategy to mitigate the environmental impact of its operational activity, while optimizing the use of resources as part of its operating activity, Leumi formulated a program for reducing emissions (GHG Reduction Program).

The program is based on the following principles: the Bank's carbon emissions are monitored and measured, an annual external audit of emissions data, setting medium-term goals and annual targets for reducing emissions, covering 100% of the Bank's activities in the emissions calculation, implementing initiatives and systems for reducing emissions with a description of their contribution to the reduction of emissions, setting targets for reducing emissions using the SBTi methodology, all while integrating these aspects into the Bank's annual TCFD report.

The program includes targets for reducing greenhouse gas emissions for 2030, at a rate of 50% from the base year 2021, as well as detailed annual quantitative targets for achieving this target in all three areas, including electricity, waste, and water.

These strategic targets were approved by the Bank's Board of Directors.

In addition, the Bank regularly calculates greenhouse gas emissions resulting from its activities (energy consumption, fuel combustion and more). Leumi performs the measurement using the calculation tools of the Ministry of Environmental Protection and the emission coefficients of DEFRA (Department for Environment, Food & Rural Affairs of the UK Government).

For more information, please see the Environmental and Climate Indicators and Performance chapter of this report.

3. Determining a limit with regard to oil, coal and gas

The finance industry as a whole is not characterized by a direct contribution to climate change impacts, but is rather indirectly exposed to these impacts by financing industries and economic activities based, among other things, on the use of fossil fuels. The Bank is working to limit its exposure to activities that contribute to the effects of climate change, and to this end, it has determined an internal limit on the amount of exposure in the credit portfolio (Solo) to customers in the fields of coal production, oil production and refining, and gas production.

Management of environmental and climate risks

Bank Leumi regards climate risks as an integral part of the Bank's overall risk management strategy, both in order to maintain its stability, and as a business opportunity. Climate risks are not considered stand-alone risks by the Bank, but as risk factors with potential to intensify the traditional risks managed by the Bank. This concept led the Bank to expand its risk management framework to include climate and environmental risks in an integrative manner. The Bank has formulated a methodology for identifying material climate risks and their impact within the framework of traditional risk assessments (Multi-Disciplinary and Wide Risk Management Processes), and integrated management tools for these risk factors into each of the relevant risk management frameworks at the Bank.

The Bank's process for assimilating climate risk management principles in the risk management processes is carried out in accordance with accepted global practices, as well as in accordance with local regulatory guidelines. As part of the processes for the integration of climate risks in traditional risk management frameworks, at this stage the Bank has identified that among the effects of climate risks on traditional risks, the most significant impact is on credit risk (with an emphasis on business credit), which the Bank perceives as the main risk exposed to climate risk, and to a lesser extent on other risks such as operational risk, market risk, regulatory risk, strategic risk, legal risk and reputational risk, and accordingly the degree of integrative implementation in the other traditional risks was determined by assessing the materiality of the potential impacts in relation to each risk according to the value chain (Own Operations, Upstream and Downstream).

Identifying climate risks and their impact on the Bank's traditional risks

Financial risks stemming from exposure to physical risks or transition risks caused by or related to climate change:

- Physical risks – Acute and Chronic – Financial risks arising from exposure to damages resulting from acute extreme events related to climate or weather (such as: heat waves, droughts, landslides, floods, fires, storms, etc.), and/or to damages from gradual, chronic processes related to climate change (such as: rising sea level, rise in average temperature).
- Transition risks – Financial risks arising from the exposure to the process of transitioning to a low-emission economy that might, for example, include changes to climate and environmental policy, technological changes, or changes in public preferences.
- Liability risk: Financial risks arising from the exposure to legal action, in which plaintiffs might seek to impose liability and/or receive compensation for damages or losses related to climate change.

All of these risks may affect the Bank's business activities and intensify the traditional risks it manages.

Alongside climate risks, the Bank is also exposed to environmental risks, which are financial risks resulting from exposure to activities that have the potential to cause environmental damage or be affected by them (air pollution, soil contamination, water shortages, desertification, loss of biodiversity, deforestation and earthquakes). From the Bank's perspective, the environmental risks are also seen as amplifying factors of the traditional risks. Despite the accepted separation between environmental and climate risks, the Bank aims to manage these risks jointly in cases where it is possible and where it creates value. This is in order to optimize work processes in the Bank, and due to the difficulty in separating the risk factors in some cases (for example, the difficulty in separating damage to a borrower's reputation due to both its environmental and climatic effects).

The Bank's potential effects stemming from these risks can be classified into two categories:

- Direct Damage may be incurred by the Bank in case, for example, of harm, due to environmental factors, to its physical infrastructure, that is critical to its business continuity, but also if the Bank is found to be responsible for an environmental hazard, including the possibility of the Bank being required to incur the costs of removing an environmental hazard or is found responsible for an environmental hazard towards a third party.
- Indirect damage may be caused due to harm to the Bank's customers, the value of their collateral or the value of their investment portfolio. For example, indirect damage may be caused to the Bank if it extended financing to a company and that company had endured damage due to environmental causes or caused environmental damage. The damage incurred by that company could compromise its repayment capacity, thus indirectly affecting the Bank's asset value.

The following are examples of the possible effects of climate risks on traditional banking risks, as identified by the Bank:

Risk	Definition of the risk	Examples of possible effects of climate and environmental risks on the risk
Credit risk	The Bank's risk of loss as a result of the possibility that a counterparty fails to meet its agreed commitments towards the Bank.	<ul style="list-style-type: none"> - Physical damage to the borrowers' assets due to extreme climate events that will lead to an impairment of the collateral and an inability of the borrower to meet his obligations to the Bank. - Damage to the borrowers' profits due to an increase in their operating expenses resulting from an increase in the prices of raw materials and energy, the imposition of a carbon tax or other costs related to regulation and market requirements to reduce the carbon footprint, in a way that will harm their ability to meet their obligations to the Bank. An impairment of borrowers' assets due to the decrease in demand for them resulting from changes in market needs due to climate change, including disruptive technological developments.
Market risk	Risk of loss stemming from a change in the value of assets and liabilities due to a change in the price level in the markets, a change in interest rates, exchange rates, inflation and share prices.	<ul style="list-style-type: none"> - An impairment of the Bank's holdings in securities of companies operating in sectors with a high environmental/climate impact, and which are expected to be the focus of regulation in the coming years and to suffer a decrease in value due to changing consumer tastes. - Extreme climate events may lead to a change in the value of financial instruments related to areas affected by that extreme event, including commodities and exchange rates.
Operational risk	The risk of loss as a result of inadequate, or failure of, internal processes, officers of the Bank and systems, or external events.	<ul style="list-style-type: none"> - Physical damage to the assets or the infrastructures necessary for the Bank's business continuity, such as damage to communication infrastructures or disruptions in the electricity supply due to the realization of extreme climate events.
Regulatory risk (current and emerging)	The risk of changes in legislation and regulation that could affect the Group's income and expenses, the capital, the Group's areas of activity or the business environment in which it operates.	<ul style="list-style-type: none"> - The increase in the regulatory burden on the Bank, which may lead to an increase in the current operating expenses required for regulatory compliance. - The increase in the regulatory burden on the bank as a result of regulations that will require the Bank to make adjustments in the strategic management of its business activities, in its risk management and in the products it provides to its customers.
Legal risk	Exposure to damage/loss resulting from lawsuits against the Bank, providing a poor legal opinion, drawing up poor agreements, failure to provide appropriate instructions due to changes in legislation, regulation and rulings and/or issues arising in the implementation of legislation, regulation and rulings and/or as a result of fines imposed on the Bank and supervisory activity.	<ul style="list-style-type: none"> - In recent years, there has been an increase in the trend of business companies' losses in climate claims, which impose liabilities on them due to their impact on the damages of the climate crisis.
Reputational Risk	The risk of compromising the trust of various interested parties (customers, shareholders, bondholders, etc.) in the Leumi Group as a result of conduct, action, or omission by the Group, its officers, employees or other involved parties. This risk refers to the perceptions of the shareholders, stakeholders, the public, influencers and	<ul style="list-style-type: none"> - Departing customers or failure to recruit new customers for whom the issue of the climate or the environment is a central issue in their choice of the financing bank. - Providing business credit to customers with a negative reputation due to a high environmental or climate impact may jeopardize the Bank's reputation as a financier of customer activities.

Risk	Definition of the risk	Examples of possible effects of climate and environmental risks on the risk
	the media, whether they are fact-based or otherwise. The risk is dynamic and changes depending on various topics and populations.	

Identification and assessment of climate risks in business credit

As part of the Bank's operations to identify, assess and manage climate risks, the Bank has formulated a methodology for identifying and assessing climate risks for business credit customers. In the methodology, different economic branches with a similar climate risk profile (according to their level of exposure to different climate risks, from a defined risk taxonomy) were grouped into sectors, and the relevant and material climate and environmental risks were mapped for each sector. Based on this process, each group's relative root level of exposure to these risks was assessed. The Bank also carried out an initial assessment of the exposure to risks at the level of each of the individual economic sectors, and it will further examine the proper way to use this level of detail within its processes.

For each of the sectors determined, a dedicated questionnaire was formulated in order to identify the level of the individual borrower's individual exposure to these risks. The purpose of the questionnaire is to assess the borrower's level of climate risk management and the climate risks that may affect its business activity, in order to assess its residual and specific risk level and to enable the decision makers to integrate climate risk considerations in the business decision-making processes. In this way, the Bank aims to identify potential risks at the individual customer level, and it adjusts the desired level of exposure according to its risk appetite. The Bank is working to implement the questionnaires as part of the credit underwriting process for business customers, in accordance with the materiality threshold determined, derived from the risk level of the sector in which the customer operates and from the amount of the customer's credit.

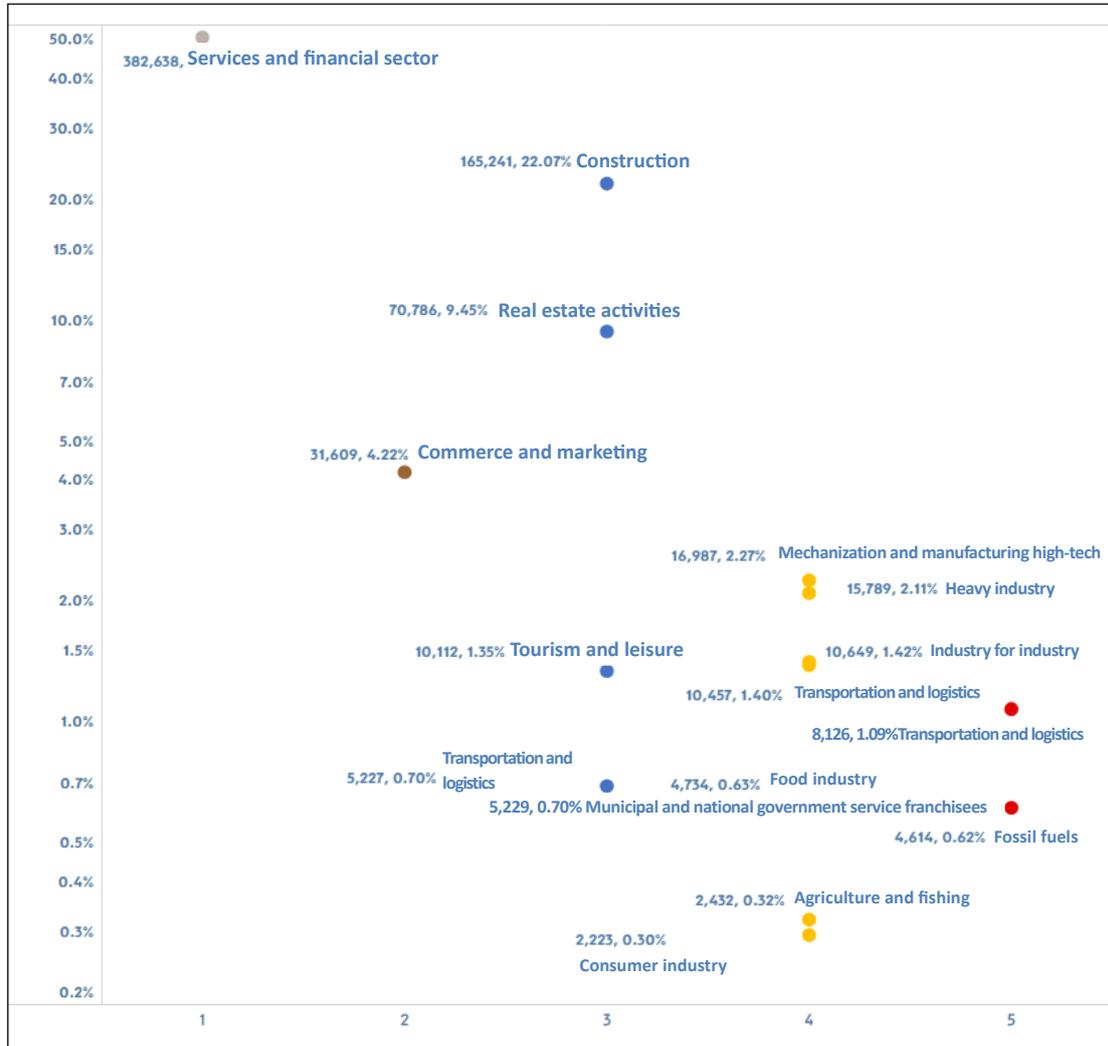
The assessment process according to the questionnaire is in addition to all other credit and customer due diligence processes, including aspects of terrorist financing, money laundering, and more.

For more information on climate aspects in project finance, please see also page 17 of this report.

Metrics for assessing the Bank's exposure to business credit risk related to climate change

In order to monitor the Bank's exposure to credit risks related to climate change, the Bank uses various indices and measurement tools. At this stage, in accordance with the data available to the Bank, for the purpose of assessing its exposure, the Bank uses data based on the underlying sector risk, while in the future, with the accumulation of more accurate data in relation to its customers, the Bank aims to make use of the residual risk data – which are more individually suited to its portfolio.

Exposure to groups of sectors with a similar climate risk profile – the Bank:



Exposure to climate risk levels – the Bank:

Climate risk level	Financial amount NIS millions	Rate from credit portfolio Percentages
1	382,638	51.1%
2	31,620	4.2%
3	252,014	33.7%
4	68,500	9.1%
5	13,900	1.9%
Total	748,672	100

Exposure to high-emission economic sectors characterized by increased transition risk – the Bank (Solo)¹³:

Liability rate	Chemical industry and cement manufacturers ¹⁴	Transportation, shipping and vehicle and manufacture ¹⁵	Manufacturers of metal products and wood and paper products ¹⁶	Electricity generation from fossil fuels ¹⁷	Animal agriculture ¹⁸	Fossil fuels ¹⁹	Total
December 31, 2025	1.17%	1.18%	0.44%	0.72%	0.12%	1.24%	4.87%

Business continuity risk management in relation to climate risk

Bank Leumi strives to maintain the continuity of its operations at all times. As an essential enterprise, it is prepared to deal with external and internal scenarios (including climate events) that may cause significant operational disruptions in its business activities.

The Bank has defined a business continuity policy that outlines guidelines and constitutes a comprehensive framework for managing business continuity at the Group level. The work includes the following components – business impact analysis, recovery strategy (including backups and retrieval capabilities), a business continuity plan and the conducting of regular technological and business practices. Leumi manages and implements processes that aim to enable rapid recovery and a return to normal in emergency and extreme events, while minimizing damage to business activities.

The Bank is prepared for dealing with climate change. Its servers are protected in a dedicated underground facility with unique protection mechanisms.

The impact of climate events on the Bank’s business continuity is managed as part of the Bank’s overall business continuity policy, including in the framework of the recovery plans and ongoing exercises.

For more information on the subject of business continuity, including in relation to climate, please see page 90 of the Risk Management Report, and page 62 of this report.

Investment risk management in view of climate risks (Sustainable Investing Policy)

As part of the Bank’s nostro investment management, the Bank also takes climate risks into account in its decision-making. Identification of the climate risks that affect the risk in securities being considered by the Bank for investment is done with the help of an external ESG rating, which is provided to companies by a leading international rater. The rating agency’s ESG rating also includes an in-depth analysis of all ESG aspects and each of its components separately, by the international rating agency, in a manner adapted for each sector, and includes reference to the exposure of the securities to climate risks. According to the work procedures of the Nostro Unit, the Bank must examine the ESG rating of companies prior to the decision to invest in their securities, and this information is taken into account as part of all considerations regarding the relevant investment.

This policy also applies to the Bank’s real investments and investments made for the Bank managed by third parties, including both active and passive investments²⁰.

For more information regarding ESG principles in voting in companies in which the Bank has a real holding, please see page 15 of this report.

Regulatory risk

Regulatory risk is a risk that is expected to increase in the coming years with the entry into effect of new environmental and climate regulations in Israel and around the world that are expected to affect the banking system in Israel and the business environment in which the Bank operates. In Israel, the Bank of Israel’s Proper Conduct of Banking Business Directive 345 – Principles for the Effective Management of Climate-Related Financial Risks, which is expected to enter into effect in June 2026, and requires banks to manage climate risk in the context of traditional financial risks. As part of the mitigation steps that the Bank has taken in this context, it implements a structured process to monitor regulatory developments in Israel and around the world that may have an impact on the Bank in

¹³In order to define sectors with high emissions, which are characterized by increased exposure to some of the transition risks related to the extent of emissions (such as carbon taxation, regulations to reduce emissions, legal liability and exposure to disruptive technology and innovation risks), the Bank used lists of industries with high emissions from leading global work frameworks on the subject – UNEP- FI, PACTA, SBTI.

¹⁴ Production of chemicals and their products, pharmaceutical industry, rubber and plastic product industry and cement manufacturers.

¹⁵ Economic sectors: land transport, sea transport, air transport, postal services and national couriers, motor vehicle industry and ship and boat building.

¹⁶ Economic sectors: manufacture of wood and paper products (except furniture) and manufacture of metal products (iron and steel, non-ferrous metals).

¹⁷Economic sector: electricity supply, gas, steam and air conditioning, transmission and distribution of electricity.

¹⁸ Economic sectors: animal husbandry, the fishing industry and aquaculture, including the management of a mixed agricultural farm.

¹⁹ Oil, natural gas and coal mining activities, including supply, transportation and retail trade of fuel. As of December 31, 2025, the Bank has no exposure to the coal mining industry..

²⁰ The bank does not engage in asset management. However, the Bank has a wholly owned subsidiary for portfolio management, VIDEA, whose scope of activity is negligible compared to the Bank’s activity, and all of the assets invested therein are in indices and/or ETFs, with no investment in specific stocks.

terms of ESG aspects, including environment and climate, with ongoing reporting to the Bank's Board of Directors, management and the inter-divisional management committee for outlining the ESG strategy.

Legal risk

As part of the legal risk management regarding environmental and climate aspects, the Bank updated the credit approval documents, the collateral and the relevant financing agreements so that various declarations, conditions and references in the environmental and climate risk aspects will be included.

Reputational Risk

This risk refers to the perceptions of the Bank's interested parties regarding the Bank and trust in it (including shareholders, bondholders, business partners, the public, influencers and the media), whether they are fact-based or otherwise. With the growing awareness of climate change and its effects, climate aspects are expected to be a more significant factor in the perception of the Bank among interested parties, and in particular global interested parties. The risk is dynamic and changes depending on various topics and populations. The Bank integrated a reference to climate aspects into the reputation risk management policy, including the publication of communications, as needed, regarding the Bank's activities in these aspects.

Strategic risk

The Bank periodically carries out a risk control process on the business strategy in which the various risks that may affect the Bank's business strategy are examined, including reference to climate risks. The Bank strives to adapt its business strategy to all the risks expected to affect its business activity and in the process also to the climate risks whose impact on the Bank's business activity is likely to increase. The Bank's ESG strategy, including environmental and climate aspects, risks and opportunities, constitutes a strategic layer in the multi-year strategy defined by the Bank's Board of Directors.

Climate scenario analysis

Climate scenario analysis is a strategic planning tool that enables organizations to predict and evaluate possible future outcomes of climate change, and to examine the expected business impacts. This tool is designed to enable dealing with the inherent uncertainty present in long-term climate forecasts, the realization of which is influenced, among other things, by the global response to climate change and the pace of transition to a low-carbon economy. By examining a variety of plausible scenarios, the Bank can better understand the various risks, and their related impacts, if various climate scenarios materialize. The Bank integrated the various climate scenarios into the framework of the scenario analyses it performs for various needs, including for the ICAAP process. The scenarios are expected to provide an understanding of the impact of climate-related financial risks in order to enable the Bank to prepare for the expected effects of the scenarios on its business activities in the short, medium and long term.

The Bank completed a comprehensive and full process for stress tests based on various climate scenarios, in accordance with leading global practices with respect to both transition risk and physical risk. The Bank's analysis included a variety of climate scenarios that encompass physical risks and transition risks, where for the applicability, the Bank separated scenarios characterized by transition risks and scenarios characterized by physical risks, in accordance with accepted practice worldwide.

The climate scenarios analyzed by the Bank are based on the NGFS methodology and scenarios. These seven scenarios, which include the Net-Zero 2050 (2°C below and above scenarios) scenario for transition risk and the RCP 2.6 and RCP 6, 8.5 (2°C below and above scenarios), differ among themselves according to the pace of the global transition to a low-carbon economy. In each of the scenarios, the Bank examined several key variables, including both qualitative and quantitative, and their aggregate effect on its credit portfolio.

In the analysis of the results of the scenarios and integrating their conclusions into the risk management processes, the Bank takes into consideration the limitations inherent in the data, methodology and models, including:

- A lack of specific data for the Israeli economy – It should be clarified that due to the lack of specific data for Israel regarding some of the transition costs, the Bank relied on alternative data from other countries and regions, according to the availability of information and the need. With regard to the physical risks, the Bank relied on assessments from international databases.
- Insensitivity of the models to the culture and character of the Israeli market.
- The long forecasting range.

Analysis of the scenario results shows that the scenarios estimated by the Bank to more likely reflect the potential impacts of climate risk, in both the transition scenarios and the physical scenarios, do not have a material impact on the Bank's operations in the short term.

As part of the Bank's analysis in relation to the physical risks, the Bank examines the effects of flood, drought (water shortage) and heat risks. The effects of these risks are examined in relation to the Bank's mortgage portfolio, the Bank's real estate collateral in the Business Division, and in relation to the business credit portfolio. In this framework, in each of the climate scenarios (RCP scenarios²¹) the Bank examines the expected pace and intensity of the physical risks' realization, in each area unit in Israel (with a geographical resolution of approx. 2 square kilometers), and their expected impact on the Bank's credit portfolio and its collateral, using a dedicated damage function.

As aforementioned, the climate scenarios are analyzed in accordance with an advanced global methodology based on complex economic and statistical models that have undergone a unique adaptation to the Israeli market, both in terms of the transition risks and in terms of the physical risks that will materialize in Israel. The Bank's work process in this framework includes an examination of the expected effects of each of the scenarios on the financial performance and the value of the relevant assets of each of the Bank's business portfolio customers. On this basis, the Bank evaluates the expected change over time in the credit ratings of its customers due to the realization of the climate scenarios, the likelihood of them reaching credit failure and the expected credit losses due to the realization of the scenario (PD, LGD, EL).

Climate scenario analysis provides a structured framework for assessing and managing the complex risks associated with climate change. By using this approach, the Bank can better understand the potential effects of various climate scenarios on its business activity and that of its customers, and formulate a data-based strategy to reduce these risks. The Bank uses this tool to manage climate risks and also as a tool for evaluating and quantifying the financial damage to be faced by the Bank in various climate scenarios, as well as for the purpose of ensuring regulatory compliance with the Bank of Israel's directive on the subject (Proper Conduct of Banking Business Directive 345).

Analysis results – Transition risk and physical risk (acute and chronic)

Analysis of the scenario results shows that the scenarios estimated by the Bank to more likely reflect the potential impacts of climate risk, in both the transition scenarios and the physical scenarios, do not have a material impact on the Bank's consolidated financial statements in the short term, including as related to the realization of physical risk in the context of the Bank's operational risk.

In general, the results of the transition scenarios are consistent with the Bank's assessment of the climate risk level by sector (heat map). Accordingly, the more exposed sectors, whose risk profile is expected to increase with the materialization of the above climate scenarios, are the energy, fuel, chemical and other heavy industries (such as construction materials), and a significant increase is expected in the long term in the various environmental services and infrastructure sectors.

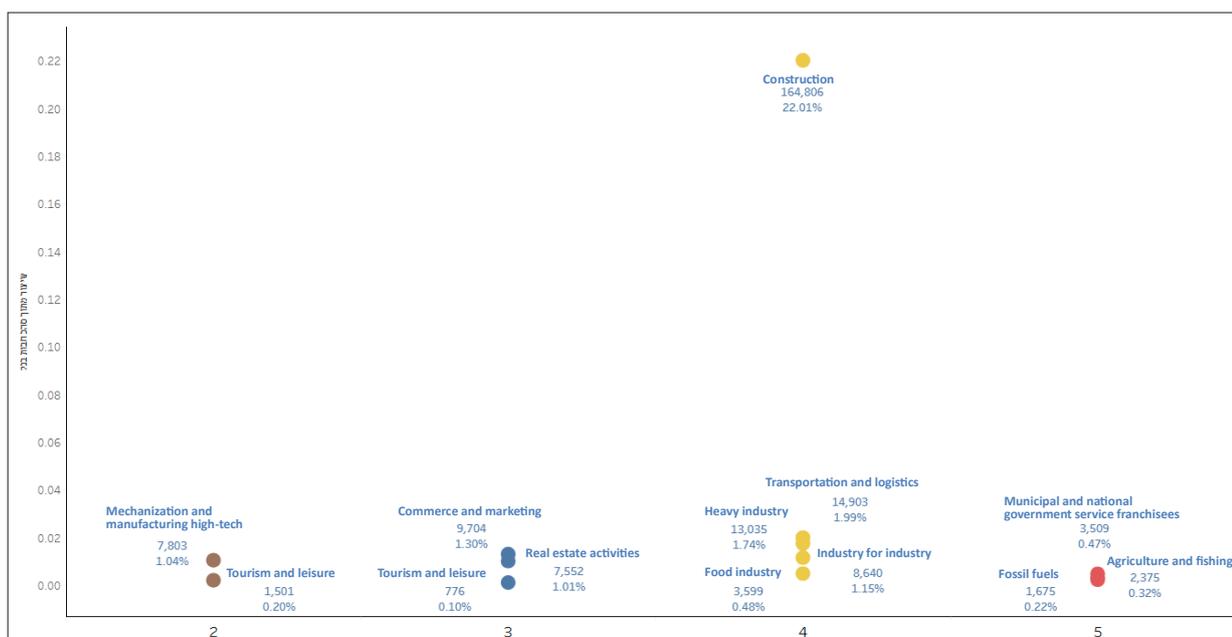
²¹ RCP – representative concentration pathway.

Metrics for assessing the Bank's exposure to business credit risk related to changes in the environment (nature)

In order to monitor the Bank's exposure to credit risks related to changes in the environment, natural resources, land use and dependence on ecosystems, the Bank uses various indicators according to available data, and uses data based on sectoral risk, as established in the TNFD guidelines in order to assess its exposure.

The following is the Bank's exposure to sectors related to natural resources, land use and dependence on ecosystems, broken down by sector and risk level:

By sector:



By risk level:

	Financial amount	Rate from credit portfolio
	NIS millions	Percentages
1	-	-
2	9,304	1.2%
3	18,033	2.4%
4	204,983	27.4%
5	7,559	1%
Total	239,879	32%

Environmental scenario assessment (nature)

The physical scenario carried out to estimate the impact of climate events according to the TCFD reporting framework included three scenarios (flood, drought, and heat), which in practice also affect issues related to natural resources, land use, and dependence on ecosystems. These climate scenarios also assisted the Bank in mapping and qualitatively assessing their impacts in relation to the TNFD reporting framework.

These three scenarios, which are examined both within the framework of the physical climate scenario and within the framework of the qualitative assessment of the impact scenario on natural resources and ecosystems, contribute to an integrative and complementary picture.

As part of the insights learned from the implementation of the physical climate scenario, the Bank chose to focus, in this initial TNFD report, on a water shortage scenario, in which the connection between freshwater shortages and the impact on the electricity producer sector in Israel will be examined, in two scenarios, as follows:

“Sand in the Gears” – Nature is gradually eroding and disrupting the economy slowly and cumulatively. The availability of environmental resources is gradually being damaged, regulatory burden is gradually accumulating.

“Ahead of the Game” – The understanding that the climate crisis is significantly harming nature will lead, among other things, to a pricing of the harm to nature, and a significant increase in environmental regulation.

Water shortages may create a theoretical risk for companies that produce and generate electricity, especially conventional power plants, to the extent that it is not possible to allocate the amount of water required for the plant’s proper operation.

Based on the analysis performed, we have reached the conclusion that Leumi is not materially exposed to the risk of water shortages in the energy sector in the short term.

Alongside the conclusion that the risk examined (damage to energy production) is not material, to the extent that there is an increase in demand for energy, this will constitute an opportunity to finance companies and projects for the production of electricity using renewable energy.

Implementation of the LEAP methodology in accordance with the TNFD reporting framework:

LEAP stage	Leumi implementation
L – Locate Locating nature interfaces	Mapping sectors significantly related to natural resources (water, energy, land). Identifying dependence on water resources in assessing a water shortage scenario in the energy sector.
E – Evaluate Evaluation of dependence on natural resources	Assessment of the dependence of electricity producers on freshwater and seawater; assessment of the impact of a water shortage on electricity production. Sensitivity mapping (dependence and impact) of energy producers to a water shortage, according to production technology and geographical mapping. Use of sectoral indicators to identify nature risk severity (root sector model).
A – Assess Assessment of risks and opportunities	Analysis of nature risks within the framework of a water shortage scenario and its impact on the energy production sector. Identification of opportunities for financing renewable energies due to increased energy demand in water shortage scenarios.
P – Prepare Reporting and management	Reporting in accordance with the TNFD framework, in an integrative manner alongside TCFD and ISSB. Managing environmental aspects as part of climate policy. Green credit indicators and operational carbon footprint mitigation, addressing the environment and climate, with a focus on renewable energy.

Environmental and climate objectives and indicators

Bank Leumi has set strategic environmental and climate targets for 2030. It also integrates many aspects into its activity that contribute to reducing climate effects and to the transition to an environmental economy, the main aspects are as follows:

1. Increasing exposure to activities that help to reduce pollution or mitigate the effects of climate change and the impact on natural resources and ecosystems (sustainable financing products and services)

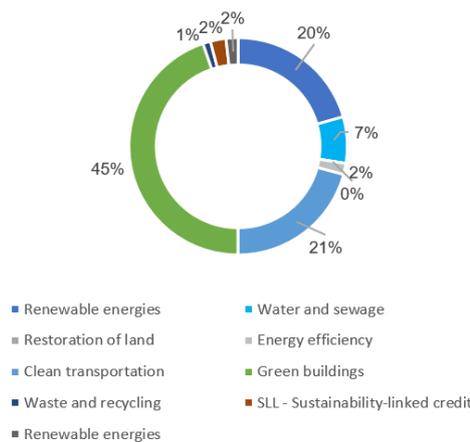
The Bank set a strategic target according to which it aims for the balance of green financing and investments to amount to NIS 70 billion by 2030.

In addition to this goal, the Bank also works to increase exposure to activities that help reduce pollution or reduce the effects of climate change through existing linked loans, its investments, as well as offering structured green deposits, all in accordance with the Bank's environmental and climate policy, which includes a dedicated section for financing and investing in sustainability aspects (Sustainable Financing Policy), which applies to all of the Bank's credit and investment activities, as follows:

Environmental financing and investments

The Bank has formed a methodology and the criteria to identify and manage the financing and investments related to objectives that support environmental and climate goals. The adopted methodology is in the spirit of the Green Bond Principles (GBP) standard, which helps in formulating characteristics for an international green bond, with adjustments for the unique characteristics of the Israeli economy.

The balance of environmental financing and investments²² as of December 31, 2025 amounted to approx. NIS 54.2 billion:



Of which:

Sustainability-linked loans

Sustainability-linked credit is credit that, within the framework of the financing agreements, includes various sustainability provisions and targets.

The balance of this credit (on- and off-balance sheet) in 2025 amounted to a total of approx. NIS 2.2 billion, of which approx. NIS 929 million is in the clean transportation category, and approx. NIS 1.25 billion is sustainability-linked credit that is not included in the categories.

Investment in green bonds in the Bank's nostro activity

In addition to providing credit to the Bank's customers for environmental projects, the Bank makes environmental investments in its nostro activity, which are defined as investments in green bonds in accordance with the Bank's

²² Including off-balance sheet credit instruments. The information in the clean transportation category (hybrid, electric vehicles, public transportation and light rail), in relation to vehicle importers, includes an estimate component.

policy. This approach by the Bank ensures that the investment proceeds are attributed to environmental projects, in view of the obligation to comply with the international Green Bond Principles (GBP) standard, which requires an external opinion from a rating agency for the allocation methodology, and an independent audit of the use of the bonds and the resulting impact.

The Bank's investment balance in green bonds as of December 31, 2025 amounted to approx. NIS 970 million.

This portfolio includes investments in a variety of environmental sectors, mainly: renewable energy, energy efficiency, water management and clean transportation. This investment is made in various geographical regions, including: Israel, North America, South America, Europe, East Asia, Australia and Africa.

The aggregate environmental impact of these investments is significant in terms of CO₂ emissions, and certain projects result in emissions savings amounting to thousands of kilotons per year. While specific data on job creation is scarce, the focus on clean transportation and water management emphasizes a commitment to sustainably improve the quality of life and economic infrastructure.

In addition:

The Bank's issuance of green bonds in the amount of USD 500 million

On January 12, 2023, Leumi issued a green bond (Coco) in which it raised USD 500 million. The green bonds support the Bank's efforts to promote the transition to low-carbon economy and expanding the green financing activity.

2. Reduction of carbon and greenhouse gas emissions from direct and indirect activity

Emissions attributed to Leumi's operational activities²³

Leumi sets itself a goal to reduce the adverse effects on the quality of the environment, the climate and the available natural resources in its areas of operation through its operational activities and through its business activities. Leumi invests significant efforts in identifying measures that would result in greater efficiency and energy savings having a direct impact on Leumi's carbon footprint, and has formulated a GHG Reduction Program, as detailed in the Environment and Climate Strategy chapter of this report.

In accordance with the program, each year the Bank regularly calculates greenhouse gas emissions resulting from its activities (energy consumption, fuel combustion and more) and reports its carbon footprint. Emissions are calculated according to the calculation methodology of the accepted global standard on the subject (GHG protocol), and using the Ministry of Environmental Protection's calculation tools. In order to calculate the emissions in Scope 3, the Bank uses the emission coefficients published by DEFRA (Department for Environment Food & Rural Affairs, UK government).

Greenhouse gas emissions are divided, according to practice, into three groups, which in the Bank are reflected in the main operations, as follows:

Scope 1 – Direct emissions resulting from the consumption of fuels, refrigerant gases and firefighting

Scope 2 – indirect emissions from electricity consumption

Scope 3 – Indirect emissions resulting from procurement, production and waste treatment processes, work-related travel and electricity consumption by sub-tenants of Bank properties.

²³ All data mentioned in this chapter refer only to the operational environmental performance of Bank Leumi, with approx. 99% of all employees and profits in Israel.

Emissions reduction targets

Leumi determined targets for reducing greenhouse gas emissions for 2030, at a rate of 50% from the base year 2021, as well as detailed annual quantitative targets for achieving this target in all three areas.

The targets set for 2030 (intermediate target) were determined using the SBTi standard methodology.

As of December 31, 2025, the Bank has reduced the operational carbon footprint by approx. 30% in relation to 2021.

The Bank's carbon footprint for 2025 is 23,742 tons equivalent (tCO₂e).

The intensity of the Bank's carbon footprint for 2025 is 0.14 tons equivalent (tCO₂e)/m².

Reduction of the carbon footprint

The main factors leading to the decrease in emissions in 2025 are:

1. Reduction of office space resulting mainly from the Bank's move to the Lod campus
2. The continued transition to electricity consumption from a private producer whose electricity production is more energy efficient
3. Reduction of fuel consumption for transportation

Energy intensity and electricity consumption

Since the Leumi Group provides banking services and is not a manufacturing company, the Group does not calculate energy intensity per manufacturing unit.

The Leumi Group measures its energy intensity to test the effectiveness of measures taken to reduce power consumption. The intensity is measured according to power consumption relative to the area in which energy was consumed (square meter). Following the measures taken to increase energy efficiency, there is a steady decline in the energy intensity of the Leumi Group relative to the area of the properties over the years.

	2025	2024	2021 BASELINE
Electricity consumption in GWh	50.3	52	62
Energy intensity by total electricity (total kWh/square meter)	298.3	296	364.9

Water consumption

Total consumption for 2025 (at the Leumi Campus, which constitutes the bulk of the Bank's water consumption) is approx. 103,955 m³. Normalized to the number of employees, water consumption per employee is approx. 14.45 m³.

The data detailed in this Chapter 2, including GHG data – SCOPE 1–3, electricity, waste and water consumption, are audited by a third party as detailed in the Limited Assurance report on page 74 of this report.

Waste

As part of the Bank's efforts to reduce carbon pollution and reduce the environmental and climate effects in its activities, over the years the Bank has carried out an extensive waste removal activity in all its forms.

In 2025, waste was transferred for recycling and treatment as follows:

TYPES OF WASTE	UNITS	2025	2024
CARTONS	TONS	42	32
Paper	Tons	1,024	1,749 ²⁴
Electronic waste	Tons	43.6	42
Battery waste	Tons	0.04	0.14
Toner containers	Tons	1	4
Total waste	Tons	1,100	1,859
Oil separator pumping waste	cu.m.	75	79

Details of operational carbon footprint by scope:

SCOPE	MEASUREMENT UNIT	2025	2024	2021 BASELINE
Scope 1	Ton CO _{2eq}	2,638	2,950	3,362
Scope 2 (Market Base)	Ton CO _{2eq}	19,470	20,139	28,282
Scope 2 (Location Base)	Ton CO _{2eq}	21,050	22,772	30,618
Scope 3	Ton CO _{2eq}	1,635	1,880	1,311
Total (Scope 2 - Market Base)	Ton CO _{2eq}	23,742	24,970	32,955
Energy intensity	Tons per sq.m.	0.14	0.143	0.141

Scope 3 emissions, attributed to the Bank's financial activity

As part of Leumi's commitment to reduce its climate impact, the Bank performed a calculation of the carbon footprint attributed to its financial activity. These emissions are part of the Bank's SCOPE 3 emissions. The calculation is based on the Partnership for Financial Carbon Accounting (PCAF) methodology for measuring greenhouse gas emissions associated with financial activity, and financing and investments in particular.

Also this year, the calculation of financed emissions included 100% of the credit portfolio for the customers of the Business Division (including real estate, business, commercial and infrastructure), the Mortgage Division, and 100% of the investments in tradable companies through Leumi Partners, and the holding in Valley National Bank.

The calculation of financed emissions requires the use of statistical and computational methodologies and various estimates and assumptions in order to supplement data that is not available (such as information on borrower emissions that is not widely available in the Israeli economy). During the years in which the Bank calculated the financed emissions, the Bank refined the calculation methodology, data collection and analysis, and also built a broad and permanent database that is used for the coherent management of financed emission reduction processes, analysis of extreme scenarios, and management of climate transition risks.

The information quality score from the Bank's calculation methodology, according to the PCAF standard definitions, is 4.33.

Analysis of the data for 2025 shows that there was a 6.76% decrease in the energy intensity, compared to 2024.

²⁴ This high figure is mainly due to the evacuation of the Bank's headquarters in Tel Aviv, which led to the transfer of unusual amounts of paper and archive materials for recycling, along with the evacuation of office equipment and furniture waste, which is an abnormal and one-time event.

Scope 3 – Summary of all included and calculated categories

Category number ²⁵	Name	Contents	2025 CO _{2eq} ton
1	Products and services purchased	Paper consumption, toner consumption, water consumption	138
5	Waste produced in operations	Waste that was recycled, sewage, mixed general waste ²⁶	899
6	Business trips	Flights and overnight stays	377
13	Leased properties	Electricity consumption of the Bank's tenants	231
15	Investments and credit	100% of the customers of the Business Division (including real estate, business, commercial and infrastructure), the Mortgage Division, and 100% of the investments in tradable companies through Leumi Partners, and the holding in Valley.	A decrease of 6.76% in the energy intensity rate.

Reduction in the negative impact of the climate and environmental crisis on nature and ecosystems in the Bank's operational activity

The key aspects in this context in the Bank's operational activities relate to reducing water consumption (reducing use of water sources), reducing electricity consumption in addition to increasing electricity consumption from renewable energy sources (reducing emissions that reduce damage to land, water and animals), reducing waste (reducing landfilling and incineration that cause land and air pollution), and reducing paper consumption (reducing tree felling and reducing water and energy consumption in the paper industry).

Conduct aspects of suppliers on environmental issues and green procurement

The Bank's policy regarding conduct with suppliers (Supplier Environmental Policy), in environmental and climate aspects as detailed in this chapter, includes the Bank's obligation to consider environmental aspects to the extent possible in the conduct of its suppliers, as well as to integrate green procurement aspects into the Bank's activities as much as possible.

As part of procurement processes, suppliers are required to declare that they are not involved in giving and/or accepting bribes and, according to the nature of their activity, they are also committed to protecting human rights, complying with the provisions of the law and the relevant authorities regarding the environment and climate, tort liability and responsibility regarding safety and health at work.

Depending on the nature of the supplier's activity, aspects of air pollution, waste in production processes and the use of green products are examined, among others. The Construction and Real Estate Department carries out inspections and controls over construction, cleaning and maintenance companies whose activities may have adverse effects on the quality of the environment. Among other things, inspections are carried out regarding the materials used by these suppliers and, if necessary, the suppliers are required to present certificates accordingly, including safety sheets (MSDS), landfill certificates for construction waste, standards, etc.

In 2025, the amount of the Bank's green procurement was approx. NIS 39.4 million.

For more information on the aspects of responsible, social procurement, and an evaluation of suppliers' conduct, please see the Company chapter of this report.

²⁵According to the taxonomy of the GHG protocol

²⁶ Calculated based on an estimate of total waste for the number of positions, in accordance with the Ministry of the Interior's calculation methodology for the amount of waste produced per employee.

Activities and initiatives regarding the transition to an environmental economy

- Implementation of additional systems and activities were implemented for energy and environmental efficiency at the new Leumi campus in Lod.
- Reducing traffic congestion – Operating convenient transportation services for bank employees, both on arrival and departure from work, support the reduction of carbon emissions.
- Water consumption – Implementation of systems to save and control energy consumption, as well as an AI system to monitor, control and reduce water consumption.
- Green mail – The transition of customers to digital mail enables paper savings along with convenient, simpler and faster access for customers.
- Waste – Most of the Bank's waste is electronic and paper waste, which are collected and sent for recycling.
- Reducing the use of paper – In general, the Bank reduced the use of paper during 2025 by approx. 42% compared to 2024.
- Safety and environmental policy – Within the framework of this policy, the Bank works to invest the necessary resources to prevent cases of environmental pollution and waste of natural resources, minimizing risk factors for environmental hazards and constantly improving its performance.
- Environmental quality trustees – Environmental quality trustees, who are responsible for managing environmental aspects and monitoring electricity and water consumption have been appointed.
- Digital service – A central anchor in the Bank's vision is to lead proactive, innovative and responsible banking for the Bank's customers while making the services accessible in an appropriate, simple, fast and smart way for customers. This leadership not only enables better customer service, but also reduces paper consumption, and carbon emissions from the use of transportation required to reach the branch.
- The Bank's vehicle fleet – Leumi is working to transition the Bank's vehicle fleet from gasoline-powered vehicles to hybrid and electric vehicles.
- Analysis of energy consumption patterns at the branches In the framework of renovation and energy efficiency projects, Leumi frequently installs energy monitoring systems and smart building systems at the branches and headquarters buildings, to enable analysis of energy consumption patterns.
- Energy consumption efficiency – Reducing electricity consumption in the Bank's computer rooms by optimizing heat dissipation. In the server complex, hot and cold areas were separated in order to improve energy efficiency and reduce energy consumption. In addition, the Bank prioritizes work with virtual servers over physical servers, which enables appropriate energy management and reduces energy consumption at the data center sites.
- Use of smart and economical lighting.
- In the procurement processes of construction, maintenance and electrical products, recommended environmental criteria are used.

Limited exposure to polluting areas of activity

The finance industry as a whole is not characterized by a direct contribution to climate change impacts, but is rather indirectly exposed to these impacts by financing industries and economic activities based, among other things, on the use of fossil fuels. The Bank is working to limit its exposure to activities that contribute to the effects of climate change, and to this end, it has determined an internal limit on the amount of exposure in the credit portfolio (Solo) to customers in the fields of coal production, oil production and refining, and gas production.

The Bank's strategy in the context of reducing activity in polluting credit was defined as an internal limitation and for this area only, in view of the need to support the Israeli economy in the necessary transition to a low-carbon economy, alongside the Bank's negligible exposure to coal, oil and gas activity.

The Bank's credit balance as of December 31, 2025 for electricity generation activity from fossil fuels is negligible in relation to its activity, and is detailed in the Indicators for Assessing the Bank's Exposure to Business Credit Risk related to Climate Change chapter.



Social

Introduction

Underlying Leumi's vision "to be the outstanding financial institution in the Israeli economy and to provide proactive, innovative and responsible banking for our customers" is the combination of business leadership and convenience, and the aspiration to provide the best response to the financial needs of our customers, in a dynamic business environment, while being based on values of transparency, responsibility and fairness. The realization of these values is through the cultivation of human capital and the assimilation of innovation and creativity while maintaining the Bank's stability and achieving adequate profitability.

A significant anchor in the Bank's ESG vision and strategy, and the Bank's vision as a whole, refers to all of the Bank's shareholders and interested parties in the social sphere, including the Bank's employees, customers, and the community.

This chapter below deals with all the aspects that concern the Bank's shareholders and interested parties in corporate aspects, including the Bank's corporate governance structure in the corporate sector, the Bank's employees, its customers, the community, and suppliers, and includes a focus on specific issues of importance such as financial inclusion.

Corporate governance in relation to social aspects

The Bank recognizes that a central anchor in its role as a leading bank in Israel, whose heritage and history is closely tied to the economic and social history of the State of Israel, is the inclusion of social aspects in all of its activities.

In view of the above, the aspects of society as a whole are also consolidated under the Bank's corporate governance, as this chapter will explain:

The Bank's Board of Directors

Bank Leumi's Board of Directors is entrusted with determining the Bank's strategy, including regarding social aspects, approving the relevant policy documents, determining guidelines for the executive branches, overseeing the fulfillment of the guidelines and adequate oversight and control over the Bank's activities.

In this framework, aspects that are brought for the approval of the Board of Directors and are included in the various policy documents and/or in this report, are as follows: making banking services accessible, promoting social leadership, contributing to the community, encouraging employee volunteerism, interested party dialogue regarding social aspects and policy application to suppliers.

Board of Directors Committee

The organizational structure and the Board of Directors' work framework and its responsibilities regarding social aspects integrate into the existing corporate governance structure and are an integral part thereof.

Accordingly, one of the Bank's Board of Directors' committees is the Resources Committee, where among its areas of responsibility is to recommend to the Board of Directors the corporate and environmental social responsibility (ESG) strategy of the Bank and the Group, and its suitability to the overall strategy of the Bank, and how to communicate the Bank's social activities, prior to its approval by the Board of Directors.

The Bank's management

The Bank's management outlines the ESG strategy, policy, and principles for the management of ESG aspects, of which social aspects are a significant layer that is approved by the Bank's Board of Directors.

The various social aspects are integrated into the activities of the Bank's central divisions according to their area of responsibility:

Strategy Division: Responsible for defining the Leumi Group's long-term strategic goals and for the donations.

Human Resources Division: Responsible for formulating the Bank's human resources strategy and its implementation, labor relations, salary and compensation policy, organizational development and learning, recruitment and placement, employee experience, welfare and individual care.

Business Divisions: They integrate the provision of social credit and support for the Bank's customers into their activity as detailed in this report.

Financial Division: Its main responsibility is in activity with suppliers, employee safety, physical accessibility and construction.

Cyber and Infrastructure Division and Technological Development Division: Their main responsibility regarding social aspects relates to information security and the development of digital products for customer well-being.

Risk Management Division: Responsible for setting out policy, methodology, risk management tools and assisting the Board of Directors in formulating the Bank's risk appetite. From the company perspective, the division's main responsibility is to integrate this issue into the principles of fairness towards customers (conduct) detailed in the service policy.

Internal Audit Division: Its responsibility is as a third line of defense carrying out various audits on the activities of the Bank's divisions.

Discussions in the Bank's Board of Directors and management

In 2025, the Board of Directors and its committees and the Bank's management held discussions on social issues, ESG aspects, including dedicated discussions on human capital issues, strategic collaborations, donations, and a discussion on this annual report.

Inter-divisional management committee for outlining the ESG strategy

A dedicated committee was appointed in the Bank that is tasked with outlining and implementing the overall ESG strategy. The committee includes the Chief Risk Manager and members of senior management from all the Bank's divisions, and is chaired by the head of the Strategy Division and the Human Resources Division. The committee is in charge of making steering decisions on implementing the strategy, furthering the strategy, overseeing its implementation, coordinating between various organs of the Bank and regularly addressing various issues.

Group ESG Executive and International Operations

The Group ESG Manager, reporting to the Head of the Strategy Division and the Human Resources Division, integrates all the divisions' activities in the aforementioned social issues, including responsibility for the creation of strategic business partnerships, and leading their implementation at the Bank, according to relevance.

Leumi employees

Introduction

In 2025, the Bank employed 8,000 employees.

Most of the employees are employed full-time, and approx. 0.7% are employed part-time.

The average age of Leumi employees is 42.5.

Approx. 99.9% of the Group's employees are employed in Israel. Leumi has only one subsidiary abroad, Leumi UK.

The main aspects included in this report regarding employees are as follows:

Diversity, inclusion, and equal opportunity

The Leumi Group and its employees are a microcosm of Israeli society. At Leumi, there is a wide range of employment opportunities that contribute to the promotion of innovation and creativity at Leumi and create equal opportunities for various population groups in Israeli society.

The policy of diversity and equal opportunities in the Leumi Group is reflected in several main areas: recruitment of employees from diverse population groups, such as underemployed segments, Arab society and ultra-Orthodox communities, through the adjustment of the criteria for intake and the provision of special concessions and equal gender opportunities in the Leumi Group in all areas of activity, at all levels and in all fields.

Gender diversity

The following are key data on gender diversity aspects among the Bank's employees:

Approx. 53% female representation among the Bank's senior management.

Approx. 62% female representation among the Bank's employees.

Fair gender pay (Gender pay indicators)

The Equal salary report for 2024 that was published in June 2025 indicated wage gaps ranging between 1% in favor of women and up to 7% in favor of men, in the taxable income impacted by components such as shifts, overtime, etc.

Pay gaps, if they do exist, stem mainly from personal parameters, such as seniority, overtime, shifts and being on call. At the Bank, there is a connection between compensation and employee performance and uniform salary tables for women and men at the time of employment, which leads to a reduction in wage gaps between men and women over time.

In 2025, approx. 41% of the 10% of the highest paid employees at Leumi were women.

Compared to previous years, there are no significant differences in the ratio between the average wages of men and women.

Diversity in employment

The Bank places great importance on activities carried out for diversification and inclusion in the Bank employees and takes part in projects of NGOs that promote the employment of various population groups.

During the year, the Bank continued to expand occupational diversity by recruiting employees from various groups in Israeli society.

Recruitment of quality personnel

Leumi strives to hire quality and remains in constant contact with various entities in order to locate potential candidates of quality for the various vacancies. As such, Leumi has created joint ventures with academic institutions, the Ministry of Labor and more.

Leumi has an online platform that allows employees to view open positions at the Bank and to submit applications. This platform encourages the employee to take an active part in the management of his career, increases transparency and reflects Leumi's desire to advance its employees, their development and retention.

In 2025, approx. 2,500 were filled, of which approx. 56% were through the appointment of employees from within the Bank.

Organizational development and learning

Organizational development and learning are key tools in strategic planning and managing human resources, adapting employee skills to the changing business needs, and implementing the business strategy in a changing organizational environment. Changes in the labor market in the current era require increased attention to strengthening the sense of meaning, employee retention, strengthening and retaining knowledge and adapting management skills.

Learning throughout the year focused on programs that support Leumi's strategic focuses. Emphasis was placed on training for the role, strengthening professionalism, improving service and the customer experience, developing the required skills in the relevant units, implementing systems and work processes while maintaining flexibility and adapting to market changes and regulatory requirements.

A total of approx. 160,000 learning hours were recorded in the organization in 2025²⁷.

In addition, development programs were held for managers entering management positions, with an emphasis on strengthening the skills required of them in these positions.

In order to preserve knowledge in the organization, and as part of the need to ensure organizational and business continuity, a mapping of employees who have unique knowledge and significant influence was carried out. Based on this mapping, solutions were formulated that include the documentation of knowledge, the transfer of knowledge to additional employees, process automation, backup by external suppliers, and the establishment of backup mechanisms.

Employee feedback (performance appraisal)

Once a year, at the beginning of the year, a structured cross-organizational process of evaluation and feedback is carried out for employees and managers in all bank units, known as the "annual evaluation process". The process is a central management channel for development, for defining goals and promoting their achievement looking ahead. At the heart of the process, a feedback conversation between direct managers and their employees that relates, among other things, to meeting annual goals, an opportunity for the manager to give feedback regarding the employee's performance and the quality of his work, to coordinate expectations and define goals for the coming year, and to think together about possible ways for the employee to continue learning and developing.

In addition, there is a semi-annual evaluation process designed to allow managers and employees in all bank units to jointly assess the status of meeting annual goals, and accordingly, to define the steps that will ensure their achievement by the end of the year. This measure also provides an opportunity for open dialogue between managers and their employees about their work to date, and about continued personal and professional development.

The evaluation and feedback processes include a support package and supportive tools for managers and employees to help implement and manage the processes.

In 2025, 97% of Leumi employees underwent feedback conversations as part of the various processes.

²⁷ Approx. 20,000 days based on an 8-hour work day.

Employee experience, benefits and wellbeing

Leumi invests in employees and their families with the vision and belief that the employee experience and wellbeing are significant for preserving the employees' resilience and increasing their sense of identification and connection to the workplace. In this framework, Leumi promotes a wide variety of activities for its employees and their families.

Leumi employees benefit from a wide range of benefits that are part of the comprehensive compensation package.

Employee benefits

Employee experience activities are accessible to employees nationwide – sports activities and clubs, a gym, sports groups in a variety of activities, employee events, trips, blood donations, individual services, and more.

Employment conditions

Leumi promotes a flexible work policy that includes flexible work hours that do not require arriving at work at a fixed time and allow the employee to adjust their arrival time, as well as hybrid work (remote work day) anchored in a labor agreement with the workers' organization. In addition, some employees are employed part time.

Family benefits

The employee benefits also include benefits related to the employee's family members, including: payments for kindergartens, payment for children's summer camps, breastfeeding time, paid maternity leave in accordance with the law, and in addition to this, the possibility of taking an additional period of leave at the employee's expense (the eligibility conditions regarding maternity leave are given to the bank employee even if he is not the birth parent), the possibility of paid leave at the expense of sick days to care for a close family member (child, parent, spouse, brother or sister), participation in the tuition of employees' children, summer events for the whole family, and more.

Internal organizational communication, employee engagement and increased transparency

The Bank has a variety of communication channels and internal organizational mechanisms that operate with the aim of sharing the organization's activities with the employees, maintaining and strengthening the organizational engagement, and increasing transparency and collaboration with the employees. An internal organizational communications unit works closely with various units to produce employee events and additional content to strengthen employee engagement with the Bank.

In the past year, the Bank carried out a variety of cross-organizational activities in this area, including various events for all Bank employees, and new channels were opened to increase the distribution of content through various means – such as a WhatsApp channel for bank employees, an Instagram page, a YouTube channel, and more.

A safe work environment (occupational health and safety)

Leumi promotes a safe work environment for its employees and all visitors to the Bank branches and offices, and is dealing with the issue of employment safety and health, based on a "continuous improvement" model. Occupational safety risk is managed in accordance with the operational risk policies approved by the Bank's Board of Directors.

Under the policy and its procedures, Leumi implements, among other things, a process for managing safety risks, which includes identifying risk factors, assessing risks, controlling and monitoring risks, with employee involvement as needed, and in accordance with the Bank's proper risk management culture and its core values.

This policy applies to all of Leumi's operations and its premises, and in addition to the Bank's employees, its goal is to provide a safe environment for suppliers, customers, and external employees who are on the Bank's premises.

In addition, workplace accidents and safety incidents are reported, to draw conclusions and take appropriate corrective and/or preventive action. Leumi operates in accordance with a work plan in this area, while defining priorities and safety targets, including the following goals: reducing workplace accidents with casualties, training construction and maintenance contractors on safety in the workplace, training the branches' safety trustees, controlling the correction of safety defects, performing comprehensive safety surveys by the branches' safety trustees and lower levels. Internal indicators and targets were set for each goal, which are regularly monitored and controlled (internal inspection) by the Bank.

The work plan and the objectives based on it were determined taking into account the assessment of the risks and potential for damage identified in the risk assessment process. A prevention and mitigation plan is defined for each risk.

The procedures and the plan based on it also include various scenarios for dealing with emergency situations such as fire. These scenarios are practiced regularly according to the work plan by all employees, for example a fire safety drill, which includes evacuation.

Whenever a safety incident occurs, a process of investigation and lessons learned is carried out in accordance with the Bank's procedures.

The issue of occupational safety and health is integrated on an ongoing basis and on an annual basis through mandatory training for all Bank employees, with the aim of increasing employee awareness of these aspects in order to reduce and, to the extent possible, prevent these incidents. Training is carried out for construction and maintenance contractors, and occupational safety aspects are also included in the contract agreements with them.

Prevention of discrimination, sexual harassment and bullying at work

Leumi ensures a fair, respectful and pleasant work environment that promotes equality and mutual respect, and is free from sexual harassment and bullying in the workplace. Accordingly, the Bank works to prevent, and handles cases that are not in line with this policy immediately and thoroughly.

As part of the training and assimilation processes, a manual is distributed to all Bank employees that includes reference to the provisions of the law for the prevention of sexual harassment, and methods for filing complaints and handling them. Once a year, the Bank sends all its employees a letter that emphasizes the prohibition of sexual harassment, and the letter includes a link to the Bank's sexual harassment procedure and regulations, including contact details for the Bank's Sexual Harassment Officer.

In addition, a manual is distributed to all Bank employees regarding the law and its scenarios. In 2025, a lecture was held for human resource managers on the law, its provisions, and how to deal with employee inquiries on the subject.

The Bank has examination and escalation processes for handling incidents in these areas. In any instance in which a complaint is filed or an inquiry is received from an employee or a candidate regarding a claim of discrimination, the issue is checked in depth by the Human Resources Division and if necessary also in conjunction with the Legal Counsel Division, the internal auditors and additional functions.

If the claim is found to be justified, the Bank takes all the requisite measures to deal with the matter, including disciplinary and/or legal measures, to prevent the recurrence of these incidents in the future, to learn lessons and to refresh guidelines if necessary (corrective actions).

The Bank has various reporting channels that enable the reporting of concerns about a violation or deviation from laws, regulations, procedures and ethical rules, openly or anonymously, on the speak-up website in the organizational portal or on mobile in the organizational application, by phone, email, mail, and more.

These aspects are also incorporated into the Bank's Code of Ethics and the Bank's Human Rights Policy (for more information, please see pages 63 and 66 of this report, respectively).

Freedom of association

Labor relations at the Bank are managed in accordance with collective agreements and subject to the laws of the State of Israel pertaining to employee rights and obligations on the one hand, and the Bank management's obligations to the employees.

Approx. 96.3% of the Bank's employees are unionized within the framework of the independent workers' organization, and the collective agreement applies to them.

For more information regarding various Leumi employee aspects detailed in this chapter, please see the Annual Report, in the explanation of employee rights in the Accounting Policy regarding Critical Issues (Employee Rights) chapter in the Board of Directors' Report, and the Organizational Structure chapter in the Bank's Corporate Governance Report as of December 31, 2025 and in the Human Rights Policy detailed on page 66 of this report.

Customers

Introduction

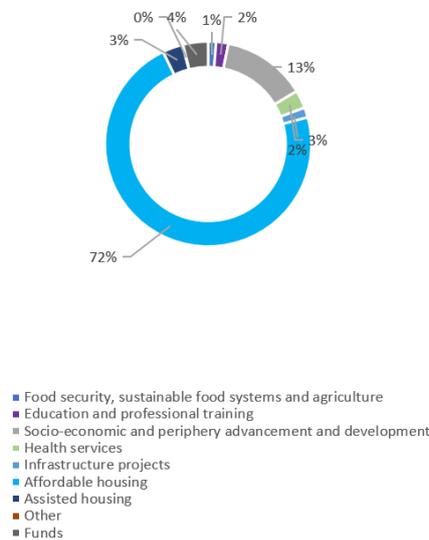
A central pillar in the Bank's vision is to lead proactive, innovative and responsible banking for customers. Implementation of this vision is reflected in all of Leumi's strategy applications, including in aspects of sustainability, innovation, financial education, and service, as detailed below in this chapter.

Social credit (sustainable financing products and services)

Social credit in categories according to the international GBP standard

The Bank has formed a methodology and the criteria to identify and manage credit related to objectives that support social goals. The adopted methodology is in line with the ICMA standard. This helps to formulate characteristics for an international green bond, the draft of the Israeli taxonomy, and in adjustments for the unique characteristics of the Israeli economy.

In 2025, social credit amounted to approx. NIS 62.3 billion²⁸:



The Bank also provides credit to populations defined as financially inclusive, which in the past were included in the amount of reported social credit.

In addition to the classification of credit for social goals according to the international standard, the following is another quantitative report on the social aspects of the Bank's credit activity, which also show the Bank's significant contribution to social development, financial inclusion, and the economy as a whole:

Credit for small and micro businesses

Small businesses are a central layer of economic activity. According to the "Periodic Report of the Agency for Small and Medium Businesses in the Ministry of Economy and Industry for 2023", the number of these businesses has increased consistently in the last decade and their contribution to the GDP of the entire business sector is approx. 45% (please see page 29)²⁹.

Increasing access to credit for the small business sector is important for the economic development of the economy, and was included as one of the recommendations of the "Bank of Israel's Research Division's plan to accelerate growth in the economy" (please see page 78)³⁰.

²⁸ Including off-balance sheet credit instruments. Affordable housing (any credit provided under existing and/or future government program projects aimed at supporting affordable housing), funds (credit provided from designated funds, including state-guaranteed funds).

²⁹ <https://www.sba.org.il/hb/PolicyAndInformation/Researches/Pages/SR77.aspx>.

³⁰ <https://www.boi.org.il/media/zh5n1pzk/%D7%AA%D7%9B%D7%A0%D7%99%D7%AA-%D7%91%D7%99-%D7%9C%D7%94%D7%90%D7%A6%D7%AA-%D7%94%D7%A6%D7%9E%D7%99%D7%97%D7%94.pdf>

The bank recognizes its responsibility to improve access to credit for small businesses, including:

Of the social credit according to the Bank's classification methodology, the credit for small businesses constitutes approx. 14.5%.

According to the data reported in the Bank's financial statements as of December 31, 2025, credit to small and micro businesses from the Bank's balance sheet credit portfolio constitutes approx. 18%.

For more information, please see Note 28A, Supervisory Operating Segments and Geographical Areas, in the Bank's Annual Report as of December 31, 2025.

The strategic collaboration between the Bank and the EIB for the provision of credit for environmental and social purposes (including financial inclusion), on preferential terms for customers, is intended for the small and mid-sized business sector, in the amount of EUR 750 million, with an additional credit guarantee for projects totaling approx. EUR 96 million.

Credit according to income level

The Bank's financial statements include a disclosure regarding the distribution of balance sheet credit risk (with the exception of derivatives) to individuals in the Bank according to the amount of fixed income transferred to the account.

According to the reported data, as of as of December 31, 2025, the rate of accounts without fixed income in the account and an income amount of less than NIS 10,000, out of the credit risk as mentioned above, is approx. 26.1%.

For more information regarding Leumi's business activity, please see the Credit Risks chapter in the Bank's Board of Directors' Report as of December 31, 2025.

Social risk management in credit activities

Social risk management is closely linked to the ESG risk management concept as a whole, as reflected in international standards. Of the risks defined as social risks by the IFC international standard (IFC performance standards), the Bank defined risks relating to the impact on employees as the most material risks – in areas such as safety at work and employment, as well as a negative impact on the community, such as hazards or nuisances. When material events arise, the Company's management of this risk is examined, constituting an additional consideration in assessing the Company's risk.

For more information, please see also the Human Rights Policy as detailed on page 66 of this report.

Financial inclusion

According to Leumi's ESG concept, its main ability to make a significant impact, like any business company, is through its core activity. In this framework, the Leumi Group provides credit that advances social goals, thereby contributing to economic and social development through various channels that support the accepted social goals according to international standardization and the Sustainable Development Goals (SDG's), including support for population groups meet the definition of financial inclusion and peripheral areas.

In addition, one of the 17 SDG UN goals for sustainable development is financial inclusion, which includes, among its main goals, poverty reduction and economic development, while increasing the possibility of the entire population to integrate into the financial system, advancing personal well-being, establishing and expanding businesses, investing in education, etc. Due to the importance of the issue, it also receives attention from many international organizations such as the United Nations, the World Bank, the OECD, and the Bank of Israel.

Bank Leumi's policy and commitment to promoting financial inclusion

This policy and commitment includes the expansion of the range of financial services available to the Bank's customers, including for disadvantaged groups, including: minorities, the elderly, youth, peripheral areas, low income individuals, and the young population, while implementing Leumi's concept of innovation and leadership in banking services to its customers as the "most convenient" bank.

These products and services are tailored to the needs of the relevant population, following an analysis of the relevant market and in accordance with ongoing dialogue and feedback from relevant customers for each population, and in cooperation with third parties, various associations and organizations for the promotion of financial inclusion populations.

The Bank's commitment to these populations also includes management of conduct practices for fair sales procedures towards customers, access to and protection of information, and training for employees in this context (for more information on aspects of conduct risk management and fairness towards customers, please see also page 46 of this report).

Financial inclusion, initiatives, products and operations

In addition to reporting on financial inclusion stemming from the Bank's core credit activities with its customers, as detailed above, the Bank carries out operations, initiatives, partnerships, products and more, including financial education, for the purpose of promoting financial inclusion among its customers, while adapting to the unique characteristics of each segment³¹, as follows:

Ultra-orthodox segment

Leumi attributes great importance to tailoring service to ultra-Orthodox customers. The bank carries out various initiatives and value propositions for this segment, including:

- Technological development for bank transfers and cash withdrawals adapted to kosher phones.
- Development of operational/regulatory voice messages in place of receiving a text message for kosher phones.
- Creating dedicated arrangements for specific communities (such as loans for purchasing a seat in the synagogue).
- Creating value propositions that match the sector's needs, such as ultra-orthodox institution for girls, teaching staff, and more.
- Connecting with the sector's community managers in offices and organizations such as attorneys, accountants, and ultra-orthodox society seminaries, with the aim of making activities and value propositions accessible for the benefit of the ultra-orthodox population.

Arab segment

Leumi has dedicated branches serving the Arab population, including business centers and representative offices providing mortgages. The bank carries out various initiatives and value propositions for the Arab segment, including:

- A joint venture with motor vehicle companies in Arab society.
- Value propositions in areas where there is occupational significance in the sector, such as paramedical professions, teaching, law and accounting and business, alongside the diverse range of value propositions available at Leumi for all population groups.
- Value propositions for students studying abroad for all degrees.
- Text messages (SMS) sent to customers in Arabic that make the variety of value propositions and banking operations accessible to the customers.
- "Write to the Banker" service in Arabic.
- Marketing and advertising, with the participation of Arabic-speaking actors and bankers, according to the unique needs of the community.
- Definition of a policy that provides a dedicated response to the Arab population regarding mortgages.
- Various conferences aimed at the Arab population.
- Developing a website in Arabic with value propositions tailored to Arab society.

Senior citizens and the elderly

Leumi makes it a priority to adapt its services to senior citizens and to take part in social ventures for this population at a time when life expectancy is increasing and the senior citizen population continues to grow. Leumi has set a target to create an improved service package adapted to senior citizens.

Leumi is the first bank to launch a social initiative: "Financial Safety for Senior Citizens", in which it offered elderly customers of all banks, a package of dedicated services to better equip them to contend with cyber fraud and safety issues as well as economic management specially tailored to people at this stage of life. In 2025, two lectures were held on the topic of "How to avoid online fraud," with the participation of approx. 2,000 participants.

As part of the measures taken to assist senior citizens in making banking services accessible, Leumi joined the voluntary agreement formulated by the Ministry of Social Equality and Pensioners, the Banking Supervision Department, the Association of Banks in Israel and the banking system to promote a mutual guarantee.

In addition, Leumi offers ATM services (and, upon request, a digital station), which are delivered by vehicle to dozens of nursing homes and assisted living facilities by prior arrangement. There is a steward in the vehicle who can assist senior citizens when performing operations on the devices.

³¹ Diverse population groups in Israel include ethnic groups and minorities such as Arabs, ultra-orthodox, Ethiopians, Druze, Circassians, new immigrants and the disabled (Civil Service Law (Appointments), as well as an index of representation and wages in the public private labor market (fifth edition, May 2021), of the Ministry of Economy and industry).

Women who are victims of violence

The banking system defined the “banking services accessibility” charter, which is a voluntary pact designed to support women who are victims of violence and stay in shelters and in transitional accommodation in tackling financial challenges they face. The pact aims to create a range of solutions and provide specific financial support that addresses the needs of those women, while strengthening the personal relationship between the banks and women housed in shelters by appointing dedicated contact persons who will be available to help the women. Leumi supports the pact that was formulated and which supports women who are among the Bank’s customers who live in shelters in their financial dealings and the management of their accounts. Since in many cases the bank account in question is a joint account shared by the woman and her abuser, the support provided by the Bank includes, among other things, giving the account details to the woman, cutting and rescheduling debts, issuing credit cards, check books and more. Leumi’s handling of this issue is carried out with the uttermost sensitivity; Bank’s employees who assist the women maintain their confidentiality and invest efforts and resources to support those customers and alleviate their plight.

Youth

Digital banking through the Bank’s digital PEPPER platform, which is also suitable for the younger generation, and gives minors the opportunity to open a digital account (ages 16-18), along with a financial umbrella starting at age 14.

Support for microbusinesses

As part of the Bank’s efforts to support and provide optimal banking services to this population, there is a dedicated focus on microbusiness customers, which includes customized value propositions and diverse banking services that meet their needs.

Accessing information in languages

Leumi places great importance on making the information, documents and services as accessible as possible through the various channels, in Hebrew, as well as in English, Russian, Arabic, and Amharic. Some of the aforementioned information and services are provided in all languages (for example, a call center), some in digital information and communication (for example, SMS). Leumi is also the first bank in Israel to launch a digital application in English. In addition, Leumi established a dedicated website for new immigrants, which provides supportive information in English and French.

Customers in crisis situations

Leumi strives to prevent customers from falling into debt and holds direct, sensitive, speedy and businesslike dialogues with customers in economic difficulty, by examining their individual ability to settle their debts, and striving to find the most convenient solution for them. This activity is carried out by contact with customers in debt. The debt collection process is gradual and adapted to the customer.

Credit for “mission-driven communities” – in cooperation with the Jewish National Fund

Mission-driven communities are associations and/or cooperative societies that unite a community that is part of a movement or network represented under an umbrella organization recognized by a government ministry whose bylaws state that the purpose of the joint corporation is social and educational activity and long-term settlement in the area where the members of the joint corporation reside.

In 2025, Leumi won a tender published by the Jewish National Fund to provide credit to mission-driven communities in cooperation with and partially guaranteed by the Jewish National Fund.

Fund for men and women reservists

Bank Leumi, in collaboration with the Jewish Agency and the Jewish Federations of North America, courtesy of American Jewish donors, mobilized for men and women reservists by establishing a unique loan fund.

The fund enables reservists, customers of all banks, to receive a subsidized loan for any purpose from Bank Leumi.

Collaboration with the Teachers’ Union

Recognizing the importance and contribution of teachers to education in Israel, Bank Leumi is implementing a dedicated initiative, in collaboration with the Teachers’ Union, during 2025 that includes a variety of benefits in terms of fees, interest rates, and other banking services for members of the Teachers’ Union.

Financial education and financial inclusion

The Leumi Group strives to provide advanced financial tools to all its customers to establish an economic infrastructure that will affect their personal, professional and business development. The Group works at all times to respond to the expectations of its customers, while ensuring the highest level of professionalism, the provision of quality service, an attentive ear and personal treatment at all decision points and business opportunities, including carrying out various financial literacy activities.

Financial literacy is the ability to read, analyze and understand financial data that affect financial well-being and the ability to evaluate financial options, plan for the future, act accordingly in the present and respond intelligently to economic changes.

The Bank operates in several ways for this purpose, as follows:

Development of activity and product channels for the customer: The Bank is committed to providing all customers with a tailored banking service. Leumi is constantly developing digital tools that allow customers to perform banking operations themselves, enrich their financial knowledge and expand their freedom of action.

Pension advice and investment advisory services: The Bank offers suitable customers a comprehensive and professional pension advisory service, including the development of an innovative digital service that makes information available to customers regarding the pension assets in their possession. The bank holds a professional webinar on the capital market on a quarterly basis. The target audience for the webinar is all customers who invest in securities, in which a market overview is provided and a discussion is held regarding the macro effects on markets in Israel and around the world.

In addition to the meetings on digital channels, face-to-face customer conferences are held on a variety of topics, with an emphasis on basic concepts in the capital market for customers taking their first steps in the capital market.

Please see also the topic of Financial Education Activity in ESG Investment Advice on page 17 of the Environment chapter of this report.

Encouraging customers to save and consumer awareness – Bank Leumi helps customers to optimally manage their bank accounts while encouraging saving, wise consumption, and planning for the future. For this purpose, the Bank offers a wide range of deposits and saving accounts with multiple linkage tracks, at various deposit frequencies and periods and variable exit points, in order to customize the saving process to suit the need of business customers.

Awareness and prevention of online fraud: In recent years, the phenomenon of online financial fraud has become widespread. Bank Leumi has increased its awareness and prevention efforts on the subject to assist customers, in collaboration with the Bank of Israel through the Financial Education Forum, which works to improve the financial literacy of customers of all banks, and is designed to help the public identify common types of fraud and strengthen identification and prevention capabilities.

Accessibility

Bank Leumi places great importance on providing equal, respectful and considerate service to the public and to improving the service provided to people with disabilities.

The Bank makes sure to regularly check the accessibility status in the branches, according to several key parameters, including: easy access to the branch; accessible service positions; accessible signage; the existence of an elevator or a wheelchair lift; the existence of services for the disabled; accessible access to an ATM; assistive accessories and advanced ATM software “TTS – Talking ATM”. An infrastructure has also been developed for enlarged printing of forms and the possibility of receiving e-mails in enlarged print. The Leumi Group is working to make its services accessible through its branches and digital channel for all population groups in Israeli society, irrespective of gender, religion, age, geographic location, or physical disability.

The issue of accessibility in the bank is managed through the following:

Accessibility coordinators: Two accessibility coordinators have been appointed at the Bank (a service accessibility coordinator and an accessibility coordinator for buildings, infrastructure and environment), whose job it is to lead and coordinate the Bank's accessibility activity and to serve as an address for any inquiries on the subject. In addition, there is a dedicated mailbox for accessibility inquiries. Inquiries that arrive in the box are dealt with in a short and practical procedure.

Accessibility trustees in the branches: In the Bank's branches, accessibility trustees have been appointed who have undergone appropriate training and whose role is to verify the existence of the accessibility arrangements in the branch, as defined by the law and regulations, to implement the subject of accessible service among the branch employees and managers over time, to identify needs and gaps in the implementation of the law and regulations in the branch's accessible service and to provide a response.

Information and training for employees: Leumi has a dedicated website on the subject of accessibility with detailed information regarding the services offered by Leumi to people with disabilities. In addition, an assimilation and training program was established for all employees, including: a computerized course (a mandatory course for new

employees) and a knowledge test were developed for the assimilation of the issue of accessibility in service. The bank conducts a knowledge test every year for all service providers in branches and centers. Experiential training that includes a meeting with a person with a disability – an experiential experience for service providers.

Digital service: The Bank offers a variety of services from a mobile device or from a computer, without a need to go to the branch. The digital services and products are accessible for people with disabilities and they can manage their bank account in a fast, available and accessible way.

Hearing impaired people can correspond with a banker and have a Zoom meeting accompanied by a sign language interpreter or accompanied by a transcription. Dedicated software has been implemented in the ATM that speaks for the device and helps people with visual disabilities.

Promoting innovation to ensure the most convenient customer experience

Leumi has been leading proactive and innovative banking for customers in the past few years. Within this framework, various tools, services and products are tested and integrated in order to improve the value proposition for customers, including: the Leumi application, which allows the customer to perform a wide range of operations and receive banking services; the Leumi Trade application, which allows the bank's customers to perform advanced trading operations, including receiving information, AI applications, buying and selling with Swipe, late trading in the United States, and more; and the PEPPER digital bank.

Customer relations and service

Leumi's service concept is based on the provision of personal, available, comfortable, professional and fair service, with an emphasis on providing quick solutions to Bank's customers, while ensuring that service cycles are closed, with emphasis on the customer.

This concept is reflected comprehensively and coherently in all aspects of the Bank's operations, interfaces and customer needs. The issue of fairness to customers and service excellence is one of the material issues defined by the Bank as part of the materiality definition process, as detailed in the Material Issues chapter of this report, as well as in the Bank's vision "to be the outstanding financial institution in the Israeli economy and to lead proactive, innovative and responsible banking for our customers."

The key aspects in this comprehensive and coherent approach include: promoting innovation in products and services to ensure the "most convenient" customer experience, providing optimal customer service to customers as part of the business units' activities and the CEO's office, conducting customer satisfaction surveys and a public inquiries unit at the bank level within the framework of the Legal Advisory Division.

All this while implementing a policy of fair banking in the provision of service and fair banking risk management, in the three lines of defense.

Customer service

In accordance with the Bank's vision to be the outstanding financial institution in the Israeli economy and to lead proactive, innovative and responsible banking for our customers, and the definition of fair banking and service as one of the material issues at the Bank (according to the definition of materiality on page 6 of this report), the Bank not only promotes services and products for convenient and optimal service to customers, but also promotes many efforts to provide customers with the best possible service, including through all activity channels, and to provide fast and personal service and handling of customer inquiries, in a channel and at a time convenient to customers, under the customer-centric concept, as follows:

Telephone service centers: Leumi is the first bank in Israel to expand service center hours to 24/6, also on Saturday evenings.

Publishing the personal mobile phone number of each branch manager: for direct contact via the WhatsApp application.

"Sayeret Mankal": Leumi established a center that reports directly to the CEO, to handle customer inquiries by a team of skilled bankers. It provides a response to every inquiry within one business day at the most, while providing ongoing reports to the Bank's CEO on progress in the treatment, to help customers who did not receive a full response to their inquiry and to make sure that the Bank's customers are satisfied with the service they are provided, and in addition, the branch managers' telephone number is made available as an additional channel for customer inquiries. In addition, it works to identify failures in cross-organizational processes with the aim of improving them.

For more information, please see Leumi's Service Charter on the Bank's website.

Customer satisfaction

One of the Bank's strategic goals and material issues, as aforementioned, is to be a leader in service. A work plan was developed for achieving this goal, including qualitative and quantitative goals that are measured on an ongoing basis.

The Bank regularly conducts surveys after interaction with customers, in order to ensure that a high service standard is maintained and for the purpose of measuring and monitoring compliance with internal satisfaction targets.

Satisfaction data is also published from time to time in a Bank of Israel survey, which constitutes a measure of Leumi's strategic goal of being the leading bank in service.

According to the latest Bank of Israel survey, published in February 2026, Leumi leads in 4 service categories among the 5 largest banks: satisfaction with service at the branch, satisfaction with the call center, satisfaction with the waiting time on the phone until service is received from a human representative, and satisfaction with the app.

Public inquiries

Leumi is committed to cultivating the relationship with its customers and to maintain it over time. These relationships are first and foremost based on trust and fairness and on providing customized services and products, and on a quality service experience.

To retain the trust that is the foundation of the relationship with our customers, we rely on high standards of compliance with the laws, rules, regulations and regulatory provisions, alongside adherence to the values of fairness, transparency, and professional ethics.

The Bureau of Public Inquiries operates in accordance with Bank of Israel Directive 308A and is responsible for handling complaints and requests for information or assistance addressed to it. The Bureau has the authority to decide on how to handle a customer's inquiry. The bureau is headed by the public inquiries commissioner, a Leumi executive who reports to the Bank's general counsel.

The Commissioner and the public inquiries officers do not perform any role in Leumi other than the handling of public inquiries.

The contact details for the Public Inquiries Bureau are available to the general public on Leumi's website, at the Leumi information kiosks, and on signs at the branches and headquarters (there is also a dedicated referral for security, catering, and cleaning contract workers).

In October 2025, the Bank of Israel published a document relating to a consumer assessment process, in which it assessed the Public Complaints Ombudsman function at the Bank as professional, independent, and of appropriate standing.

Fairness towards customers and fair banking risk management (conduct)

Fair conduct with the Bank's customers is a central pillar of the Bank's activity and its risk management. This aspect is reflected in the Bank's policy documents on the subject, procedures, dedicated training, and a Code of Ethics.

The Bank ensures to conduct itself in a transparent and fair manner with the aim of providing its customers with services and products of added value, placing an emphasis on customizing the different financial products such that they address customers' needs.

The fair banking risk is a risk that the Bank's conduct will lead to an undesirable result for a customer or will damage public confidence in the Bank's activities. The risk may be caused by the provision of inappropriate or improper service or intentional unfair conduct. Realization of the risk may cause the Bank damages resulting from complaints, legal claims, the imposition of sanctions or fines, and reputational damage.

For this purpose, The Bank works to conduct itself appropriately, in accordance with the following principles:

Responsible conduct: In order to create mutual value for the Bank and its customers, the Bank takes steps to adapt its value proposition to the customer's needs and abilities. The Leumi Group strives to provide its customers with the knowledge and tools needed to optimize their use of the financial services available to them, in order to support them in creating an economic infrastructure that will impact their personal, professional, and business development.

Equality and non-discrimination: Differences in age, religion, gender, nationality, origin, social and political outlook, and personal status will not in themselves constitute a basis for discrimination in the provision of financial services to the Bank's customers.

Protection of special populations: Leumi works to provide services fairly to customers, including disadvantaged populations, and to make the service accessible to vulnerable and disadvantaged customers, along with a sensitive and practical approach to customers in financial difficulties.

Banking services for each and every customer: The Bank works to provide a broad range of banking options and channels, with the aim of assisting customers to conduct their banking activities independently in accordance with their circumstances and capabilities; at the same time, the Bank assists customers to develop financial literacy skills.

Fairness in dealing with public inquiries: The Bank ensures that customers' inquiries are dealt with in a fair and effective manner. Handling of complaints is an integral part of the service the Bank provides to our customers.

Fairness in marketing: The Bank works to ensure that the content of its ads is consistent with the actual terms and conditions of the product/service, beyond the basic principle of prohibiting deception, which must be strictly adhered to, including accompanying the advertisement with an adequate level of disclosure and clarification of the product to the extent possible. Using clear wording and avoiding using hidden messages that may give rise to misleading expectations or associations.

For more information on this subject, please see the Other Risks chapter in the Board of Directors' Report as of December 31, 2025 and the Conduct Risk (Other Risks) chapter in the Risk Management Report as of December 31, 2025.

For more information on aspects of the Code of Ethics, ethics and training on the subject, please see page 63 of this report.

Social responsibility and involvement in the community

As a financial group with a major impact on Israeli society and the economy, we consider our commitment to the community a social anchor, and the values of the Bank's social responsibility activity reflect our commitment to strengthening Israeli society and the economy and are a direct continuation of the continuous and long-standing activity of Bank Leumi, as a business organization operating within the community and for the community.

In 2025, the Bank's social policy focused on the rehabilitation of populations affected by the war and the October 7th events. The Bank announced a series of unique initiatives designed to assist and support various populations, including:

Continued support for Kibbutz Be'eri and its residents in the rehabilitation process.

The "Leumi Wedding" project – financing for a wedding event for couples who served in the reserves during the war. Services for the event were also provided by business owners from the north and south.

The "National Recognition" project – in which individuals who established a significant volunteer project during the war were recognized for their work and received hundreds of vacations in hotels and B&Bs in the north, funded by the Bank.

"Rescue Project" – During Operation "Am Kelavi", the Bank took part in the national effort to return Israelis to Israel, and chartered a ship that rescued Israelis who were stranded abroad.

In addition to these selected projects, Bank Leumi also donated, among other things, to medical centers throughout the country, which work, among other things, to rehabilitate the war wounded. Leumi Group's investment in donations and activities for the community in 2025 amounted to NIS 48 million.

Volunteering by employees

In 2025, over 3,000 employees took part in volunteer activities throughout the year, in all parts of the country.

Suppliers

Responsible and social procurement, evaluation of the conduct of suppliers and employees of external companies

The Bank operates in accordance with a supplier agreement that promotes fair, transparent, ethical and professional supply chain management, while maintaining the prevention of conflicts of interest and other aspects of corporate responsibility. Leumi's procurement activity mainly consists of the regular purchase of equipment, products and services for the Bank's current operations and for projects carried out in the Bank's units, as needed³².

As part of procurement processes, suppliers are required to declare that they are not involved in giving and/or accepting bribes and, according to the nature of their activity, they also have a commitment to human rights, the extent to which they are careful about environmental and climate change issues, responsibility and a duty to act according to the provisions of the law and the guidelines of the relevant authorities on these issues, tort liability and responsibility regarding safety and security at work. As part of Leumi's policy, the Bank prioritizes local procurement as much as possible, gives priority to businesses from the periphery and small businesses, and sets threshold conditions for ensuring the compliance of suppliers with standards in such as prevention of bribery and corruption, fair employment conditions and more.

Key data in procurement and supply chain activity

Procurement mix: Approximately two thirds of the Bank's procurement is technological (hardware, software, product maintenance, consultants and communications), and approximately one third is general procurement (office equipment, security and safety, printing and mailing, marketing and advertising, travel and transportation, construction, cleaning and maintenance).

Local procurement: Approx. 88% of total procurement.

Small and mid-sized suppliers (small businesses with up to 20 employees and mid-sized businesses with up to 100 employees): Approx. 34% of total procurement.

Green procurement that contributes to the environment: NIS 39.4 million

Supplier conduct regarding the employment of workers

The Leumi Group insists that in the process of signing engagement contracts, suppliers will declare and undertake to comply with all provisions of labor laws regarding the employment of their employees. Companies providing security, cleaning and catering services are required to comply, in addition to the provisions of the general laws, also to the provisions of the law to increase the enforcement of labor laws.

Regarding these companies, the Leumi Group performs periodic sample checks through qualified wage inspectors regarding the companies' compliance with the labor laws applicable to these areas, in accordance with the provisions of the law. The results of these checks are examined by the Bank, which verifies the correction of the identified deficiencies. As it becomes clear that the deficiencies have not been corrected to the Bank's satisfaction, a possible termination of the contract with them is considered. These companies are also required to provide the Bank with collateral to ensure compliance with the terms of the contract. These securities are kept and used, among other things, to guarantee payment to their employees according to the law and to protect their rights. In addition, in accordance with the law, in the event that the Bank receives a complaint from a contractor's employee in these areas regarding a violation of the terms of employment, the Bureau of Public Inquiries monitors the contractor's handling of the complaint. The Bank periodically updates the engagement contracts with the companies in these areas, and verifies that the terms of the agreements are adapted to the changing legal requirements.

Proper business conduct

During the current management of the suppliers, and depending on the nature of their activity, suspicions are checked, including previous convictions of the supplier. In the terms of engagement with the Bank, the supplier undertakes that he is not involved, and will not be involved, in giving and/or accepting bribes, whether in Israel or abroad, and that no criminal proceedings have been or are being conducted against him for violating laws related to giving and/or accepting bribes. The supplier is obliged to report to the Bank immediately in any case where there is a change in the above.

It should be noted that these requirements of the suppliers to comply with the above standards are in addition to the professional and/or economic consideration in the selection of the supplier and the engagement with him, and

³² The data in this chapter relates to the Bank's solo activities.

beyond the requirements of the law, and constitute a significant layer in the Bank's management of risks in dealing with suppliers.

For more information regarding operational risks in activities with suppliers, please see the Operational Risk chapter in the Risk Management Report.

For more information regarding the conduct of suppliers on environmental and climate issues, please see the Environment chapter.

Employees of external companies

Leumi receives cleaning, security and catering services from employees employed by external contractors, without an employee-employer relationship between Leumi and these employees.

Leumi acts in accordance with the provisions of the Law to Increase Enforcement of Labor Laws, 2011, in all matters relating to maintaining the terms of employment of contractors' employees, including through the following actions:

In the employment contracts signed between Leumi and the external contractors, the contractors declare, among other things, that they have a valid license, and that they comply and will comply with all provisions of the law regarding their employees' terms of employment, and that in the five years preceding the date of signing the employment agreement, they have not been convicted and/or have not been subject to financial sanctions for failure to grant rights and payments to any of their employees.

An external wage inspector on behalf of Leumi prepares periodic control reports for the security, cleaning and catering in order to ensure that the employees are employed by the contractors in accordance with all labor law provisions. In the event of a violation, the contractors are required to settle immediately, and Leumi accompanies the treatment until full settlement.

There is ongoing monitoring of claims filed by the contractors' employees against the contractors and/or Leumi, regarding violations of their employment conditions.

In the event of violations and/or repeated claims, Leumi considers terminating the contract with the violating contractor.

The Public Inquiries Department is defined at Leumi as the body responsible for handling complaints from contractor employees in the above areas, in coordination with the Legal Advice Division.

For more information regarding suppliers in operational risk aspects, see the Operational Risks chapter in the Board of Directors' Report as of December 31, 2025 and the Operational Risks and Other Risks chapters in the Risk Management Report as of December 31, 2025.

Corporate governance at Leumi



Introduction

Bank Leumi's corporate governance approach is a major part of the Bank's overall vision and strategy, including its ESG strategy, including aspects of its activity.

In this regard, Leumi operates under an extensive framework of laws, regulations, procedures and optimal standards. The Bank adheres to high standards for the management of corporate governance, based on the concept that as a complex financial organization, the Leumi Group requires solid corporate governance and management mechanisms that enable coordination, control, transparency and optimal risk management. This is emphasized even more in view of the fact that the Bank is a corporation without a control core. It should be noted that the Bank's Articles of Association, which was approved by the Bank's shareholders, and the laws and procedures to which the Bank is subordinated, regulate, among other things, the corporate governance aspects of Leumi's activity.

This chapter deals with the Board of Directors' structure, composition and management manner, since the Bank is a banking corporation with no control core, risk management, information and cyber security, ethics, compliance, prevention of conflicts of interest, executive compensation and more, which emphasize the Bank's adherence to the best standards regarding corporate governance aspects, and constitutes a broad umbrella, under which all the Bank's values and commitments are gathered, as follows:

The Bank's ownership structure

As of March 24, 2012, according to the law, the Bank is defined as a banking corporation without a controlling shareholder group and there is no shareholder defined as a controlling interest in the Bank³³.

As a result of the Bank's ownership structure and its definition as a banking corporation without a controlling shareholder group, 100% of the members of the Bank's Board of Directors, including the Chairman of the Board, are independent, as detailed below.

Bank Leumi's Board of Directors

The provisions of the Companies Law and Proper Conduct of Banking Business Directive 301 ("Directive 301") regulate the responsibilities and activities of the Bank's Board of Directors. The Board of Directors outlines Leumi's strategy, including the risk strategy and risk appetite, and approves the policy that guides its ongoing activities. The Board of Directors also supervises the actions of the management and verifies their adequacy for the policy it has established, along with the existence of clear responsibilities and reports.

The Board of Directors defines the roles, authorities and duties of the CEO, and the system of reports to the Board; the CEO is responsible for guiding and coordinating the activities of the members of management. The Board of Directors outlines an organizational culture that requires the application of high standards of professional conduct and integrity, approves the Bank's code of ethics and ensures that the Bank will operate in compliance with the law and regulations.

In addition, the Bank's Board of Directors establishes and applies guidelines regarding corporate governance and supervision and control mechanisms over subsidiaries. These guidelines are part of the Bank's procedures.

The reference to the Board of directors in this chapter is only to the Bank Leumi Board of Directors.³⁴

³³ For details of holdings in the Bank's shares as of December 31, 2025, please see the Immediate Report. Furthermore, as of December 31, 2025, there is no government entity and/or founding shareholder in the Bank that holds more than 5% of the shares and/or voting rights in the Bank.

³⁴ The structure of the Bank's Board of Directors is a one-tier system (without a Supervisory Board).

Independence of the Board of Directors (independence statement)

According to the provisions of the Companies Law in Israel, in a public company there must be at least two external directors, and in accordance with Directive 301, at least one third of the members of the Board of Directors must be external directors ("External Directors 301"). In addition, in view of the definition of an "independent director" in the Companies Law, the Board's Audit Committee has confirmed that the Bank's external directors are independent directors in accordance with the Companies Law (unless the Audit Committee decides otherwise). Accordingly, the Bank's Board of Directors consists of six directors classified as external directors 301, including three external directors according to the Companies Law.

In view of the strict requirements set forth in the Banking Ordinance regarding the prohibition of a connection, among other things, to the Bank, to a corporation controlled by the Bank, to an officer in the Bank or to the holder of more than 2.5% of the Bank's shares, and the fact that the Bank is defined by law as a banking corporation without a control core.

All the directors serving on the Board are independent, regardless of how they are defined according to the relevant law, and all the directors meet the following criteria:

- They were not employed in the Bank in an executive position. According to Directive 301, members of the Board must abstain from participating in the ongoing management of the Bank and may not attend meetings of management or its committees, excluding discussions regarding the Bank's overall strategy;
- They do not advise the Bank or the subsidiaries;
- There is no family member employed by the Bank or its subsidiaries;
- They do not serve in a non-profit organization that receives significant donations from the Bank;
- They were not partners or employees of the Bank's auditors' offices in the last year;
- There is no conflict of interest in their position with parties connected to the Bank or with their service as directors at the Bank.

Leumi operates in accordance with the legal and regulatory provisions regarding conflicts of interest, including the provisions of the Companies Law and Directive 301 and Proper Conduct of Banking Business Directive 312 of the Banking Supervision Department. In accordance with the provisions of the Companies Law, a director of the Bank has a fiduciary duty to the Bank and must act in good faith and for the best interest of the Bank. Pursuant to these provisions, no person shall serve as a director in a bank, if their business or current occupations creates a permanent conflict of interest between them and the corporation. The Bank's procedures determine mechanisms for avoiding of conflicts of interest situations (even when they are not conflicts of interest of a permanent nature), such as the prohibition on releasing background material and the prohibition on participating in discussions and decision-making of the Board of Directors and its committees on various subjects as relevant.

Each director is requested, when appointed, and thereafter twice annually and regularly (to the extent that there is an update), to provide details regarding positions and/ or corporate holdings, held by him/her and by their relatives which may be considered as conflict of interests.

Before any discussion on transactions or in which the Bank's customers are involved, the Bank's Secretariat contacts the Board of Directors to assess the potential for a conflict of interest regarding these transactions or specific customers. In the event that the Board of Directors confirms that there is a conflict of interest, those Board members do not receive background material and do not participate in the discussion and the decision-making process on the relevant issue.

For more information on the lack of conflicts of interest in the activities of the Bank's employees, please see page 63 in the Company chapter of this report.

Chairman of the Board of Directors

The Chairman of the Bank's Board of Directors is an independent director, including: being independent and separate from the position of the CEO; meeting all the independence criteria detailed above in relation to all directors serving in the Bank; and not serving as a member of the Bank's management and/or in an executive position in the Bank (Non-Executive).

According to the Bank's articles of association, the Board of Directors appoints one of its members to serve as chairman of the Board.

Activity of the Board of Directors (Board effectiveness)

In 2025, Leumi's Board of Directors continued to perform its duties: outlining strategy, including the Bank's ESG strategy, supervising management's activities and their compliance with the Board's policy, ensuring that clear areas of responsibility and reporting exist in the Bank, outlining corporate culture which requires the implementation of high standards of professional conduct and integrity, ensuring that the Bank complies with the law and regulations, approving financial reports and policies in various areas, including risk management and more.

Board members – appointment and qualifications

- All directors in the Bank are subject to the provisions of the law, including the Companies Law, the Banking Law (Licensing), 1981, ("the Banking Law (Licensing)"), the Banking Ordinance, 1941, Banking Supervision Department Guidelines, including Directive 301 and the Bank's Articles of Association, including in the matter of their appointment, qualifications (including strict requirements prohibiting a connection), the majority required for their appointment, their term of office, and more.
- Every year, and in light of the identities of those board members scheduled to conclude their term, the Board of Directors discusses the profile of the composition of the optimal Board of Directors according to the policy regarding the desirable composition of the Board of Directors in light of the opportunities and challenges that it will face in the coming years, and considering the existing profile of the composition of the Board of Directors and analyzing the discrepancies between the existing situation and the desired one. Its considerations include, among others, gender and social diversity (which is also accepted in the world under the definition of ethnic diversity). Accordingly, the Bank contacts the Banking Supervision Department, prior to the selection of the Committee for the Appointment of Directors in Banking Corporations that was appointed under Section 36A(a) of the Banking Law (Licensing) ("the Committee for the Appointment of Directors"), of the candidates for the position of directors and presents the needs of the Bank.
- In accordance with provisions of the law, each director is appointed by the general meeting for three years and can be re-appointed for two additional periods of three years each³⁵.
- It should be emphasized that the selection and appointment process for each director is carried out individually (elected individually as opposed to elected by slate), in relation to his personal qualifications and suitability. The committee for the appointment of directors is independent and its composition is fixed in the Banking Law (Licensing). According to Section 36A of the Banking Law (Licensing), the Committee for the Appointment of Directors will include two directors serving as external directors in the banking corporation discussed by the committee. For this purpose, "external director" is as defined in the Companies Law or according to its meaning according to Directive 301.
- The Bank has no influence over the identity of the candidates and their appointment and is not exposed to the data pertaining the process of their selection.
- It should also be noted that periodically, and at least once every three years, a rotation process is implemented between the Board members on the committees. This discussion is held in the plenum of the Board of Directors. When selecting the members of each committee, considerations are taken into account as duly required (laws, regulations, and PCBBs), and in accordance with business needs, the operating environment, and the risk management. These considerations must verify adherence to the legal requirements while also preserving flexibility in setting meeting dates, balancing responsibilities and the burden between board members, effective and efficient discussions, and the rendering of wise decisions that leverage the talents, experience, and expertise of the members and their collective wisdom. Furthermore, it is necessary to maintain the continuity of the committee members and minimize the need for frequent, immediate changes in the composition of the committees, for example due to the conclusion of a Board member's term. As such, the considerations that must be taken into account when determining the composition of the committees are, among others: the desired number of committee members, legal quorum, banking experience, proven experience and knowledge in information technology or in other professional areas, accounting and financial expertise, professional competence, term of office of committee chair, management continuity and rotations, and budgetary discipline.
- Following the vote in the general meeting, a candidate for the Board of Directors is required to undergo a "fit and proper" process of the Bank of Israel, and his/her appointment is subject to receipt of notification regarding the approval or lack of objection from the Banking Supervision Department for the appointment.

Training and enrichment of directors

Every year, pursuant to the mix of Board members and the challenges that the Bank faces that specific year, a training and guidance program is formed that includes lectures and seminars on a range of topics. The training program is implemented throughout the year and validated each year. The training program for 2025 included, among other things, a focus on the following topics: technological innovation, data and cyber, accounting and finance, compliance, audit, legal issues, risk management and environmental and climate developments. Moreover, the newly appointed

³⁵In a banking corporation without a controlling core, only the following may propose to the general meeting candidates to be voted as directors: (1) a committee for appointing directors in banking corporations, appointed by the governor of the Bank of Israel under Section 36A(A) of the Banking Law (Licensing), 1981; (2) anyone holding more than 2.5% of the means of control; (3) a group of holders comprising two or three holders, each of whom holds more than 1% but no more than 2.5%, and together – no less than 2.5% and no more than 5%, of a certain means of control in the Bank, as aforesaid, and has complied with the reporting requirements regarding its holdings in accordance with the Banking Law and Banking Ordinance.

Board members participated in an additional, separate training program that also includes meetings with the various division heads at the Bank and various functionaries.

Board of Directors meetings and attendance

In 2025, Leumi's Board of Directors held 43 plenum meetings and its committees held 53 meetings, as well as enrichment meetings. The Bank has a training program for new directors, in the Bank's business area and regarding the law applicable to the Bank and the directors, along with a follow-up program for the training of incumbent directors, adapted, among other things, to the position that the director fulfills in the Bank.

The average attendance at meetings is 97%.

According to Proper Conduct of Banking Business Directive 301, there is a minimum participation requirement for each director in two-thirds of the meetings of the Board of Directors.

Composition of the Board of Directors

The following are the main data regarding the composition of the Bank's Board of Directors:

- Number of directors – The Bank's Board of Directors is comprised of 10 directors, in accordance with Directive 301.
- Gender – The Board of Directors includes four women and six men.
- Average age – The average age of the Board members is approx. 64.5³⁶
- Average length of service – The average length of service of the Board members is approx. 3.6 years.
- Number of directors holding additional directorships in public companies (Board Mandates) – only one director³⁷.

All ten directors (all are independent directors) have expertise relevant to the Bank's activities and to the financial sector, including those with accounting and financial expertise, banking experience, experience in risk management and control, and experience in information technology, information security and cyber.

For more information that includes full details on the members of Leumi's Board of Directors, see the disclosure in the Annual Report as of December 31, 2025 (Regulation 26 of the Securities Regulations (Periodic and Immediate Reports), 1970).

Diversity policy for the Board of Directors

As part of the policy regarding the desired profile of the composition of the Board of Directors, as aforementioned, the policy was established, among other things, regarding gender and social diversity. In addition, the Bank's Board of Directors determined that weight must be given to ensuring a balance between functional continuity and refreshing the Board of Directors, as well as ensuring social and gender diversity in the composition of the Board of Directors³⁸.

In 2024, a decision was made by the Board of Directors to ensure a minimum of 40% representation of each gender on the Board of Directors and to aim for a rate of 50% by the end of 2030, and the policy provisions for the desired composition profile of the Board of Directors also entered into effect according to which, among other things, weight should be given in the selection of candidates to social diversity (which is also accepted internationally under the definition of ethnic diversity) on the Board of Directors³⁹, and criteria were established to ensure a Board of Directors with proper collective knowledge and the appropriate skills and education, including banking, finance, risk

³⁶ We note that there is no procedure limiting the age of a director. However, there is a limit on the maximum term of office of a director – up to three consecutive terms of three years each.

³⁷ The Bank's policy limits the number of "material" boards of directors – a board of directors of a public company and/or a private company, with a substantial scope of activity or a high level of complexity in the structure of the activity), on which a director of the Bank may serve concurrently with his service at the Bank.

³⁸ Accordingly, Section 21A of Proper Conduct of Banking Business Directive 301 states: "Performance of the roles of the Board of Directors in a proper manner requires effective discussions regarding the various issues raised on the agenda. An effective discussion takes place, inter alia, when the board members represent a range of fields and express differing opinions that stimulate group thinking".

³⁹ Social diversity in Israel includes reference to ethnic and minority population groups such as Arabs, ultra-orthodox, Ethiopians, Druze, Circassians, new immigrants and the disabled (Civil Service Law (Appointments), as well as an index of representation and wages in the public private labor market (fifth edition, May 2021), of the Ministry of Economy and industry).

management, and more, in accordance with the directives, while placing weight on position continuity and achieving a balance between continuity and refreshing of the Board of Directors.

It should be emphasized that the Bank has no influence over the identity of the candidates and their appointment and is not exposed to the data pertaining the process of their selection (please see page 52 of this report, Board members – appointment and qualifications).

The Bank's Board of Directors consists of 40% women (4 of 10).

Assessing the Board of Directors' performance

The Board of Directors undergoes, at least once every two years – a self-evaluation process⁴⁰, the purpose of which is to examine the effectiveness and efficiency of its work, including an examination of the structure of the Board of Directors, the composition of its committees and coordinating their areas of responsibility with the strategic goals, operating environment and risk profile, as well as the Board's work processes, including detection of weaknesses in its work. The last process was carried out at the end of 2023, in which the Board of Directors discusses the findings which arise from the self-evaluation process and made changes in its work processes, as needed. A new process is expected in 2026. In addition, the Board of Directors periodically updates its working procedure, which is based, inter alia, on the applicable provisions of the law and Board's resolutions. The procedure stipulates, inter alia, the roles of the Board of Directors and its committees, the powers of the Board of Directors and its committees, as well as their work methods, including the reports brought before them, as well as matters and transactions that are to be brought for the approval of the Board of Directors.

Board of Directors' Committees

Risk Management Committee

The committee's authorities include the following: to discuss the overall risk strategy, including the current and future risk appetite, and the overall risk management framework anchored in the ICAAP document and in policy documents that specify the internal exposure limits and the manner of risk management for each of the Bank's risk types, including all corporations controlled by it and its affiliates; to discuss the document on exposures to risks inherent in the Bank's and the Group's activities, which includes reference to new or emerging risks, and to ensure that these risks are managed as required and that the Bank's management has allocated adequate resources for them; to discuss Group policies for approving new products; and to discuss the findings of risk surveys inherent in the Bank's activities, including a discussion of the findings of mapping the risk centers for embezzlement and fraud and the control mechanisms that relate to them, which the Bank is required to perform at least once every three years, and more.

In addition, the committee maintains ongoing contact with the Chief Risk Officer and other audit and control functions, in order to stay updated on the current risk profile, risk appetite, limits and deviations from them, and risk mitigation plans, as detailed in the Board of Directors' procedure.

Composition of the Risk Management Committee

One third of the Risk Management Committee members will be external directors. As stated in the chapter on the independence of the Board of Directors on page 51 of this report, all the directors serving on the Board are independent, regardless of how they are defined according to the relevant law.

For more information regarding the activities of the Board of Directors and its committees, please see the Corporate Governance Questionnaire in the Bank's Annual Report as of December 31, 2025.

The Audit Committee

The committee has the following authorizations and roles: a) to discuss and make recommendations to the Board of Directors, after approval of the Chairman of the Board of Directors following consultation with the CEO, regarding the work plan of the Internal Audit Division, as well as monitoring its implementation; b) to discuss material audit reports from the internal audit division, the independent auditors, and the supervising authorities; c) to identify flaws in the Bank and Leumi Group's business management, propose ways of resolving them, and monitor that resolution; d) to discuss substantial unusual events that arise from the audit findings; e) to discuss and recommend to the Board of Directors to approve policy on issues within the scope of its duties; f) to discuss and recommend to the Board of Directors to approve the appointment, suspension or transfer from the position of the Chief Internal Auditor of the Bank Group; g) to discuss and recommend to the General Meeting regarding the appointment of the auditors and recommend to the Board of Directors regarding their compensation; h) to make use of the work of the audit function

⁴⁰ In accordance with Directive 301.

to examine the effectiveness of internal controls, and for this purpose, the committee will hold meetings once a year with only the Bank's gatekeepers.

The committee has additional responsibilities related to supervision and control, including compliance, anti-money laundering and terrorism financing, and the internal compliance program in the area of securities and investment consulting at the Bank. The committee is also authorized to approve transactions with related parties, as this term is defined in the Directives of the Banking Supervision Department, and transactions in which an officer (or his relative) has a vested interest, according to the Companies Law, and to make recommendations to the Board of Directors in this regard, as required. The committee also discussed the public inquiries commissioner's report.

In accordance with the Banking Supervision Department's instructions, the Audit Committee is the committee that reviews the financial statements, and therefore, once per quarter the committee discusses and recommends that the Board of Directors approve the Bank's financial statements.

Composition of the Audit Committee

The Chair of the Audit Committee will be an external director; all of the Bank's external directors will be members of the committee and most of the committee members will be external directors ³⁰¹. All Audit Committee members will be able to read and understand financial statements. At least three directors from among the committee's members will have accounting and financial expertise, and at least one of them will be an external director.

As stated in the chapter on the independence of the Board of Directors on page 51 of this report, all the directors serving on the Board are independent, regardless of how they are defined according to the relevant law.

Compensation Committee

One of the Board of Directors' committees is the Compensation Committee, whose main function is to discuss and recommend to the Board of Directors issues related to the compensation of officers and other Bank employees, including terms of office and employment, as well as the compensation policy for the above entities, including criteria for evaluating and measuring performance. The compensation policy will be prepared on a multi-year basis and will be consistent with the organizational and managerial culture of the Bank and the Group, with the Bank and the Group's long-term goals and strategy, and with the control environment. The Compensation Committee will ensure that the compensation policy promotes compliance with the Bank and the Group's objectives, well-founded and effective risk management, does not encourage taking unusual risks or exceeding the risk appetite of the Bank and the Group, does not contradict the Bank and the Group's credit management strategy, and enables the maintenance of a solid capital base.

As stated in the chapter on the independence of the Board of Directors on page 51 of this report, all the directors serving on the Board, including on the Compensation Committee, are independent, regardless of how they are defined according to the relevant law.

Shareholders' meeting

The Bank publishes timely invitations to general meetings, according to law. In the meeting summons report, the Bank specifies the proposed agenda, the required majority for each of the resolutions, and an explanation of the shareholders' right to vote in the general meeting on the various issues, including the following issues that require a resolution by the general meeting for their approval: appointment of directors, compensation policy (including equity compensation for officers), insurance and indemnity for officers, and changes to the Articles of Association.

All of the Bank's shares are ordinary shares, which grant the same voting rights to each shareholder according to the number of shares owned, and there are no preferred shares, golden shares, or any other type of share that grants one shareholder preferential rights over another (voting proportionality).

The Bank's independent auditors

Each year, in preparation for the Annual General Meeting to appoint an independent auditor for the upcoming year, the Audit Committee holds a discussion and recommends the appointment of an independent auditor at its conclusion; this is based on the materials and fulfillment of the criteria required of the independent auditor as presented to them. During this discussion, the committee is entitled and authorized to recommend the appointment of a new independent auditor to replace the incumbent independent auditor, or the reappointment of the incumbent independent auditor.

Risk management at Leumi

The Bank's business activity involves the management of financial and non-financial risks. The main financial risks managed by the Bank are: credit risks that are integral to the Bank's core business as well as market and liquidity risks. Alongside the management of financial risks, the Bank's activities involve non-financial risks, the management of which is a necessary condition for meeting the Group's current and long-term goals. Included among these risks are operational risks, including technological risks, cyber risk, regulatory risk, compliance risk, legal risk, reputational risk, strategic risk, modeling risk, climate risk, fair banking risk (conduct) and macroeconomic risk.

Leumi's risk management strategy is to maintain the stability of the Group and support the achievement of business goals. These goals are achieved while complying with the defined risk appetite, policies and limitations derived from them, which create boundaries for the business activity. The risk management framework includes mechanisms for identifying risks and their assessment, defining an organizational structure and areas of responsibility for their management, including adequate control and reporting mechanisms.

In the Bank, constant activity is carried out to upgrade the risk management infrastructure and analyze the risk picture, which enables informed decision-making.

Corporate governance of risk management at the Bank

The Bank's Board of Directors

The Board of Directors is responsible, among other things, for outlining the overall risk strategy, including the risk appetite, supervision of the Group's risk management framework, approval of the organizational structure, approval of the risk management policy for each of the material risks, supervision and challenge of the risk levels to which the Group and the Bank are exposed while verifying the adequacy of the risk appetite and compliance with legal and regulatory provisions.

The Bank's Board of Directors includes a designated Risk Management Committee that is responsible for outlining the policy, risk appetite and risk culture, and overseeing overall risk management. As stated in this report, all of the director members of the committee are independent directors (for more information regarding the roles of the Board of Directors' Risk Management Committee, please see page 54 of this report).

Risk management at Leumi is based on three "lines of defense" as required by Proper Conduct of Banking Business Directive 310 - "Risk Management".

First line of defense - includes the risk management carried out by the business and operational units, including the implementation of controls and risk management as outlined in the policy defined by the second line of defense. In each of the divisions, defined roles, procedures, and areas of responsibility for risk management and control have been defined.

Second line of defense - the Chief Risk Manager, who is a member of the Bank's management and the Head of the Risk Management Division, is responsible for leading the management of the main risks in the Group and the Bank, outlining the risk policy and carrying out the risk management and control processes.

Subordinate to the Chief Risk Manager are heads of systems and heads of departments for the management of the various risks, which are managed as a second line under the responsibility of the Risk Management Division, including credit risks, market risks, compliance risks, operational risks, technological risks, cyber risks and model risks.

Third line of defense - the Internal Audit Division, which is responsible for conducting an independent assessment of risk management and control (for more information, please see page 57 of this report).

Key risk management processes

The Bank works to implement a Group risk management strategy and promote an effective risk management culture, which includes principles of corporate governance and control, insofar as they do not contradict the provisions of the law and local regulation. In the main subsidiaries in Israel and in the branch in the UK, a Chief Risk Manager is appointed who is administratively subordinate to the CEO of the subsidiary and under indirect professional subordination (dotted line) to the Group's Chief Risk Manager.

Leumi's risk profile is reviewed quarterly as part of the Exposure Report reported to the Board of Directors. The examination of the risk profile is carried out, among other things, using a methodology for classifying the level of severity of the exposures to the various risks. The methodology is based on quantifying the effect of the realization

of various scenarios on the Group's capital, that is, on its stability, and also includes "expert assessments" from among the relevant entities in the Bank.

The quarterly Exposure Report presents the risk assessment for each risk focus, based on KRI (Key Risk Indicators) that are estimated each quarter, including a reference to the definition of the risk, the probability of its occurrence, the potential for damage, the mitigating factors and the trend, including in the following risk focuses: information security, cyber, human resources, service and fraud and embezzlement conduct.

The Group's risk appetite outlines the boundaries of the sector for business activity, both in routine and under an extreme scenario. The risk appetite is adapted to Leumi's strategy and to the boundaries of the business focus on which he chose to focus in practice and with a forward-looking perspective. The risk appetite refers to the manner in which Leumi conducts itself in identifying, measuring, controlling, managing and reducing the risks, where this conduct has a direct effect on the residual risk profile of the Group. The limits of the risk appetite are examined every year in the various dedicated frameworks and approved in an overall view by the Board of Directors as part of the ICAAP process.

The Bank's credit policy includes the following guiding principles: Maintaining a proper manager: the rules of ethics, fairness, full disclosure and transparency, including compliance with regulatory provisions; and having a separation between the unit that takes risk and an independent unit that controls the risk and the risk management.

The Bank constantly focuses on promoting innovation, streamlining and improving processes. Alongside the potential for business improvement and promotion, new initiatives and activities and/or a substantial change in an existing product may create risks and wide-ranging effects for the Bank with its customers, employees, and suppliers. Accordingly, the Bank maintains a new product procedure, which requires examination of all risks and their impact so that they can be managed and minimized in advance, including operational risks, technology and cyber risks, new and emerging risks (such as conduct and data), in addition to legal risks, regulatory, compliance, market and credit risks which are inherent in the initiative.

Risk management culture

The Bank's group risk management strategy promotes an effective risk management culture, including: risk management aspects and a risk management culture in the Bank's Board of Directors' enrichment program; various training processes in the organization to promote a risk management culture; risk management aspects included in new product processes; and risk management aspects included in the compensation plan for officers (for more information, please see page 64 of this report).

Areas to avoid financing

The Bank's credit policy includes several areas to avoid financing, including political parties and illegal gambling.

The most material leading and emerging risks

Macroeconomic risk, information security and cyber risk, strategic risk, technology risks, AI risks, construction and real estate industry risk, regulatory risk, and climate and environmental risk.

Each of these risks is managed and controlled by the Bank, alongside the implementation of relevant mitigation plans for each of the risks, as detailed in the Risk Management Report as of December 31, 2025, including The Most Material Leading and Emerging Risks chapter.

Regarding climate risk, which is defined by the Bank as one of the leading and emerging risks, a comprehensive transition and mitigation plan has been developed, as detailed in the Environment/TCFD chapter of this report.

For more information on risk management and the corporate governance structure for risk management, please see page 9 of the Risk Management Report as of December 31, 2025.

Internal audit

The Internal Audit Division, as a third line of defense, is an independent unit responsible for implementing internal audit processes in the Leumi Group. Its role is to examine the accuracy and effectiveness of the risk management processes in the first and second lines of defense, in accordance with the Bank's goals, and to examine the effectiveness of the organization's internal controls, as part of the various audit processes in accordance with a multi-year work plan, including climate risk and privacy protection aspects.

The Bank's Internal Auditor reports to the Chairman of the Board of Directors, she reports to the Board of Directors through the Audit Committee, and is a member of the Bank's management.

The functions of the Audit Division include:

Reviewing the systems established to ensure compliance with legal, regulatory, policy and Bank procedures.

Examination and evaluation of the adequacy and effectiveness of the internal control system.

Reviewing the implementation and effectiveness of risk management procedures and risk assessment methodologies.

Reviewing the measures taken to safeguard the Group's assets and assessing savings and efficiency.

Conducting special inspections and handling employee inquiries reporting unusual activity and concerns of harm to proper management or integrity.

For more information regarding the internal audits, please see the Internal Auditor chapter in the Corporate Governance Report as of December 31, 2025.

Compliance, money laundering, bribery and corruption

Compliance

Compliance risk is the risk of a legal or regulatory sanction being imposed, a material financial loss, or imagery damage which the banking corporation may sustain as a result of failure to comply with the provisions of the law/regulation.

Proper Conduct of Banking Business Directive 308 "Compliance and the Compliance Function in the Banking Corporation" defines the responsibilities of compliance formally and at the Group level. The Directive states that it is required to evaluate the effectiveness of compliance risk management and find means to measure it when the risk is derived from all legislation relevant to the Bank's activity.

According to the Bank's policy, compliance risk is managed on a Group basis. In this framework, various measures are taken for supervision and control over the branch abroad and the subsidiaries in order to monitor the implementation of the compliance issues as a whole and the implementation of the Group compliance policy. For the effective management of compliance risks, a compliance and enforcement system headed by the Chief Compliance Officer operates at Leumi. The Chief Compliance Officer is responsible, among other things, for fulfilling the duties according to the legislative provisions on the prohibition of money laundering and terror financing and the implementation of the international sanction regimes in accordance with the Bank's policy.

As part of the Compliance Officer's responsibility for the implementation of international sanction regimes and in view of the dynamics of this issue, an ongoing review is conducted and the necessary adjustments are made to the work processes and implementation plan on the subject.

The Chief Compliance Officer also serves as the officer in charge of enforcement regarding securities laws, as the officer in charge of privacy protection, and as the officer in charge of implementation of the FATCA, the CRS and the QI agreement.

The compliance and enforcement system reports to the Chief Risk Manager.

For more information, please see the Other Risks chapter in the Board of Directors' Report and the Compliance Risk chapter in the Risk Management Report as of December 31, 2025.

Prohibition on money laundering and terror financing

Money laundering and terror financing are high-cost activities, carried out, among other things, using the banking system. The methods of money laundering and terror financing are many and varied, and their prevention is not easy. In view of the risks involved in these activities, such as undermining the stability of political, economic and social systems in democratic countries, and even risking human lives, it is of great importance to continue the fight against these phenomena with all the means at our disposal.

Financial entities, including banking corporations, are at the forefront of the struggle on these issues. Accordingly, Bank Leumi has comprehensive policies and procedures regarding money laundering and terror financing, which are designed to establish the Bank's identification and familiarity with its customers, examination of the source of its customers' funds, compliance with the nature of the activity in its customers' accounts on an ongoing basis, as well as the detection and prevention of the use of funds that may be related to terrorism.

Among other things, the Bank operates as follows:

Know-your-customer process - Banks are obliged to properly know their customers, service recipients and other parties with whom they conduct business. Within this framework, the Bank examines the purpose for opening the account, the nature and scope of the activity that will be carried out in the account, the customer's background, source of wealth, income, activity in countries at risk and more.

This procedure is not a one-time procedure that is carried out only when the account is opened. It is a process that is carried out on an ongoing and continuous basis (either in-person with the customer or by the bank away from the customer and while contacting the customer when required), and in particular when there are significant changes in the life of the account.

The process is also carried out with mandatory changes in online accounts.

Prohibition on terror financing – The Bank works continuously to identify terror suspects by scanning against lists of declared terrorist entities. In addition to assessing the level of risk to the Bank, the Bank examines the activity in the accounts in view of a detailed list of risk characteristics in terms of the prohibition on terror financing.

Document preservation – The bank maintains records and preserves documents in accordance with regulatory requirements. Instruction documents for performing a transaction are generally retained for a period of at least 7 years from the date the transaction is recorded in the Bank's books.

Assessment of money laundering and terror financing risk management – Once annually, the Bank conducts an assessment of the effectiveness of the risk management.

The following are several highlights from the Bank's activity regarding the prohibition on money laundering and terror financing:

Provision of full information by the customer – When opening an account, and when performing a relevant transaction, the banker's questions must be answered, and the documents requested by him must be provided. The banker's questions are intended to ensure compliance with regulatory requirements. The information provided is protected by the duty of banking confidentiality applicable to the Bank.

Refusal to provide information – We assume that an ordinary citizen who is carrying out a transaction has no reason to hide information from the bank with which he works. On the other hand, refusal to cooperate in answering the questions, and to present the required documentation that the banker is required to ask in accordance with the law raises concerns regarding the legitimacy of the requested activity, and may lead to a rejection of the application to open an account.

Managing an account for someone else – Managing an account for someone else without this being declared can constitute a criminal offense. The Bank must be informed of all interested parties in the account (partners, authorized signatories, power of attorney, beneficiaries and controlling shareholders), even if they are immediate family members. If the bank discovers that the account is being managed for someone else / the owners are concealed, etc. – the account may be blocked.

The Bank carries out ongoing monitoring and control processes, including through automated means.

Reports to the Israel Money Laundering and Terror Financing Prohibition Authority – automatic reports on transactions according to the threshold amounts specified in the Prohibition on Money Laundering Order and reports on unusual activity.

Publicly Exposed Customers (PEP) – As part of the customer due diligence process, the Bank examines whether the party involved was or is a senior public official (domestic and foreign) or is an associate of a senior public official. This examination is performed when opening the account and also periodically, after opening the account. When it relates to a customer who is a senior public official (or his relative), an investigation of the source of his wealth and increased monitoring of his account are performed.

Implementation steps – All bank employees undergo at least one annual training session on the prohibition on money laundering and terror financing. The business lines also receive dedicated training on sanctions.

Lessons learned – As soon as an incident is discovered, a process of investigation, lessons learned, and process improvement is carried out.

Preventing bribery and corruption

Bribery offenses, including giving and/or receiving a bribe and the offense of bribery against a foreign public official, are both criminal offenses and predicate offenses under the Prohibition on Money Laundering Law.

The Bank emphasizes compliance with relevant local and international legislation, as well as internationally accepted principles. In the fight combating bribery and corruption and has adopted a Group policy of zero tolerance on the subject.

Accordingly, the Bank has formulated a policy on bribery and corruption, which includes a definition and prohibition of bribery and corruption, a definition and prohibition of facilitation payments, and guidelines regarding what is prohibited and permitted.

The Bank's Chief Compliance Officer is responsible for the issue of bribery and corruption, and the policy is implemented in the three lines of defense.

The following are several highlights from the Bank's policy on the subject:

The Bank will not knowingly enter into a business relationship with a person or legal entity that gives or receives any bribe or illegal inducement, for any purpose, directly or through a third party.

The Bank will carry out control processes, including through automated means, and map and locate relevant customers who are at high risk of bribery and corruption, and will conduct stringent due diligence, as needed.

The Bank will not knowingly allow its resources to be used to carry out any financial activity related to bribery and corruption.

The Bank expects its employees, business associates and customers to cooperate with the Bank in its fight to prevent bribery and corruption and to help it meet the legal, ethical and business standards it has set for itself.

Reporting mechanism – In any case of a violation or suspected violation of the Bank's policy on the prevention of bribery and corruption, including when a Bank employee knows or suspects that operations carried out by another Bank employee raise suspicions that they are not in line with policy, the Bank employee must report these actions. The Bank will provide effective protection to any Bank employee who has acted in good faith to expose suspicions of bribery and corruption (whistleblowing).

Political contributions – As part of due diligence on the prevention of bribery and corruption, the Bank examines whether donations were made by the customer or on his behalf to a political party or government official, or to their election campaign, or to a charitable organization associated with or managed by one of the above.

NGOs/NPOs – The Bank examines (as determined in the Bank's procedures and subject to the type of nonprofit and the amounts) the amount of income from donations, the amount of income from cash donations, the names of donors, the amount of donations from a foreign political entity, and more.

Training – All Leumi employees undergo annual training on the prevention of bribery and corruption, including a periodic sign-off.

Lessons learned – As soon as an incident is discovered, a process of investigation, lessons learned, and process improvement is carried out.

Reporting mechanisms, embezzlement and fraud

Expanding the use of digital may lead to an increase in exposure to fraud risks in terms of identity theft and theft of funds and in terms of functional impairment, exposure of customer details and misuse of information. Leumi invests many resources in identifying and reducing these risks in ongoing activities and in focused monitoring activities, including the establishment of a fraud forum to concentrate treatment on the issue.

Leumi treats each of its employees as a partner in the proper management of the Bank and allows them to participate and influence the creation of a safe and ethical work environment. Leumi therefore expects employees to immediately report any unusual action related to the violation of laws, regulations, procedures and rules to their managers, or via other channels – by telephone, email, post, fax, or any other means at their disposal. In this regard, the Bank provides a 24/7 email box for anonymous submission of inquiries and reports by employees, suppliers, customers and other parties, which are handled discreetly (whistleblowing).

The Bank operates on several levels in relation to the risk of fraud, including raising awareness among all Bank employees, communication paths to risk managers and increased monitoring of employees facing termination of employment at the Bank, communication of a Speakup mechanism that encourages employees to report violation incidents, and more.

A dedicated chapter on embezzlement and fraud risk management was integrated into the operational risk management policy and an embezzlement forum has been established to concentrate the treatment of the issue.

For more information regarding embezzlement and fraud, please see the Operational Risks chapter in the Risk Management Report as of December 31, 2025.

Privacy protection

According to the Bank's privacy protection policy, which is approved by the Board of Directors, Leumi undertakes to protect its customers' right to privacy and the personal information received from them or collected about them. The definition of information according to the Bank's policy is in accordance with the Privacy Protection Law. Information about customers is only used for banking transactions and the service is provided to customers for their bank account, subject to the declared objectives of the database in which information about the customers is stored, and in accordance with the customers' consent, as required by law. Therefore, the reasons for which the information was collected are in line with the way it is used. Information may be disclosed, among other things, to entities with authorization under the law or a court order, according to the Bank's privacy protection policy, subject to the customer's consent.

When a security incident is discovered which involves unauthorized access to personal information stored in the Bank's systems, including hacking or breaching the Bank's systems, an investigation is launched, conclusions are drawn and processes are improved. As required by law, serious security events are reported to the Privacy Protection Authority. Leumi applies safeguards and monitoring through systems that the Bank regularly upgrades and improves, in accordance with technological developments. The Bank also applies numerous controls to identify unusual customer and employee activity in real time and unusual cases that are discovered are addressed with severity. The Bank operates in accordance with generally accepted information security methodologies, including NIST and ISO standards, and in accordance with the regulatory requirements of the Bank of Israel and the Privacy Protection Law.

Leumi's privacy policy and the procedures for its implementation are broad and include the following:

The group policy applies to all areas of the Group's activity, and is integrated into the Group's risk management and compliance processes, including in relation to activity with suppliers.

The Bank's Chief Compliance Officer was appointed to the position of Privacy Officer. He is in charge of outlining the Bank's policy in accordance with regulatory requirements, and advises the Bank units, assisted by the Bank's Legal Division, with emphasis on the implementation of processes and products including the use of personal information.

To the extent that a privacy violation is detected, it is also examined from a disciplinary perspective, under a policy of minimizing exposures to a minimum level, and the Bank will not tolerate violations of compliance provisions.

The training and implementation measures taken to implement privacy protection aspects are included in the steps taken to implement compliance culture in Leumi.

Disclosure to customers regarding the Bank's privacy policy (Customer Privacy Information)

The Bank's privacy policy is made available to customers on the Bank's website, and as part of this public disclosure, the following aspects are detailed, among others:

Requirement for the customer's consent to join.

Possibility of revoking the customer's consent in certain cases.

Customer's request to review information held by the Bank.

Request to transfer the customer's data to other service providers, in certain cases.

Customer's request to correct the data.

Customer's request to delete the data, in certain cases.

The information will be stored in accordance with the provisions of the Privacy Protection Law and subject to legal or regulatory obligations or requirements applicable to the Bank.

The manner of securing the information.

Sharing and transferring information to third parties in accordance with the purposes of using the information, which are detailed in the Bank's documents applicable to the customer's engagement with the Bank, and in the privacy policy in accordance with all laws and in accordance with the Bank's procedures (private and public entities).

Information security, cyber and systems' availability

Corporate governance in relation to information and cyber security

The corporate governance at the Bank in the above areas is in accordance with the corporate governance structure for risks at the Bank, which includes the three lines of defense, including: the Bank's Board of Directors, which is responsible for outlining the strategy, policy and risk appetite, including through the Risk Management Committee, which is the Board of Directors committee responsible for these risk management aspects; a Chief Risk Manager who reports to the CEO as a second line, and subordinate to him is an Operational Risk Manager responsible for these areas, including through a management committee for operational risk management; and the Internal Audit as a third line of defense.

The Cyber and Infrastructure Division as the first line of defense is responsible for the Bank's computerization and activity on the issues of technological development, information technology, communication, cyber and information security.

As of December 31, 2025, the key technology positions are: Mr. Eyal Efrat, Vice President and Head of the Technologies Division (CIO), to whom Mr. Nir Omer, Chief Cyber Security Officer (CISO), reported directly, who, as of January 1, 2026, was appointed Head of the Cyber and Infrastructure Division. In addition, on the Bank's Board of Directors, Mr. Sasson Elia and Mr. Zvika Nagan have expertise in technologies, information and cyber security.

Aspects of the Bank's policy in these areas:

Leumi continues to promote the provision of financial services through digital platforms and expands the use of advanced technologies. As a result, the scope for cyber attacks and Leumi's exposure to the realization of cyber risks increase respectively. Risk management and cyber defense are implemented while investing many resources. The resources are invested differentially and in accordance with the business strategy and risk tolerance. As mentioned above, information and cyber security is among the Bank's significant risks.

As part of the activity to strengthen cyber defenses and cyber risk management, a cyber policy available to the Bank's employees was formulated, a cyber risk map was built, plans for minimization and recovery capabilities are implemented, including for system availability security and cyber exercises are carried out.

Information security at Leumi and cyber protection are based on the principle of banking confidentiality, various laws and directives, such as the provisions of the Privacy Protection Law and its regulations, the provisions of the Computers Law, the Bank of Israel's directives and accepted international standards of information and cyber security. Under these directives and in view of a national strategy and policy regarding cyber risk management, extensive activity is derived. The emphasis in this area is to implement forward-looking controls and information security mechanisms.

In an era where the threats from external and internal organizational factors are increasing, Leumi prepares for computer attacks and works to hedge the risks arising from various cyber attacks. In addition, Leumi works in coordination with the Banking Supervision Department at the Bank of Israel and in cooperation with the banking sector, the cyber system and the Leumi CERT, in order to strengthen the fight against cyber threats.

Leumi operates in several channels to increase awareness of and prevention of cyber risks. Among the variety of training tools, online training and computerized training are carried out for Bank employees, in addition to knowledge tests, phishing exercises and more. In addition, once per period defined by the Bank from time to time, cyber alerts are sent to all Bank users, based on events and updates.

Leumi's website has detailed and accessible information for customers about how to detect phishing and guidelines for protection that include examples of e-mails, messages, and addresses of an impersonating website.

The purpose of cyber protection is to protect the Bank's assets and enables ongoing business activity according to the Bank's strategy. The Bank's activity is constantly adjusting to the risks and the dynamic cyber activities in Israel and around the world, while incorporating effective controls. In the spirit of the times, Leumi prepares for cyber attacks of all kinds and works to hedge the resulting risks. The Bank complies with Bank of Israel requirements and submits reports on cyber incidents according to the directives of the Bank of Israel. Information leakage incidents are reported to the Privacy Protection Authority.

Leumi takes several steps to reduce risks, including: implementing preventive and detection controls, conducting information security surveys, attack practice using an independent entity (vulnerability analysis), increasing monitoring for identifying and removing impersonating websites, tightening management and authorization control

processes, and raising employee awareness of information security guidelines, alongside proactive activity to hunt down threats before they materialize.

During 2025, no cyber and/or information security incidents were discovered that affected Leumi's financial statements.

At Leumi, the Cyber Department operates with a wide spectrum of teams that are experts in complementary areas in the cyber world and deal with all threats and ways of dealing with them in order to enable prevention, identification, containment, treatment and recovery from cyber incidents and frauds that could cause damage to the Bank and its customers. The department works to build a defensive force with a long-term vision and to exercise short-term force through the Fusion, the unified operations center, in which the activity of dealing with incidents in practice is integrated. In addition, Leumi has a central procedure for all information and cyber security guidelines for users, including the existence of clear escalation mechanisms and employee contact in the event that a suspicion arises of an incident related to information and/or cyber security.

In any case involving a Bank employee or a third party removing information from the Bank or unauthorized viewing of information, the internal audit investigates the incident together with the cyber department. Based on the findings, relevant disciplinary measures are taken. From time to time, Leumi refreshes its information security guidelines and notifies all employees regarding unusual incidents for assimilation.

In 2025, there were 4 training sessions on information security, in which the implementation rate by Bank employees was approx. 96%, alongside regular phishing practice.

In addition, an assimilation process was carried out targeting Bank employees during "Cyber Week", in which lectures were given to employees by Leumi's cyber experts alongside international cyber experts, on various topics, including: cyber crisis management, cyber risks in view of the development of AI, and cyber fraud. Approximately 2,500 employees participated in these lectures.

For more information regarding information security and cyber risk, technology and information systems, please see the Operational Risks chapter in the Board of Directors' Report as of December 31, 2025 and the Operational Risk chapter in the Risk Report as of December 31, 2025.

[Business continuity and recovery from disaster \(contingency plan, disaster recovery plan\)](#)

Bank Leumi strives to maintain the continuity of its operations at all times. As an essential enterprise, it is prepared to deal with external and internal scenarios that may cause significant operational disruptions in its business activities, including: damage to the technological system, cyber attacks, climate events, earthquake, pandemic and more.

Corporate governance of business continuity includes the Board of Directors, which is responsible for outlining policy and ensuring that senior management maintains a comprehensive framework for managing business continuity and maintains proper oversight of it on a continuous and ongoing basis, while implementing the risk management concept of the three lines of defense.

The Bank has defined a business continuity policy, including appointing the Vice President, Head of Cyber and Infrastructures, as in charge of business continuity, that outlines guidelines and constitutes a comprehensive framework for managing business continuity at the Group level. The work includes the following components – business impact analysis, recovery strategy (including backups and retrieval capabilities), a business continuity plan and the conducting of regular technological and business practices, at least twice a year, with validation of the plan, its approval by the Board of Directors, and emergency file updating once a year. Leumi manages and implements processes that aim to enable rapid recovery and a return to normal in emergency and extreme events, while minimizing damage to business activities.

The Bank is prepared for dealing with climate change. Its servers are protected in a dedicated underground facility with unique protection mechanisms.

The business continuity policy is comprehensive and relies on various regulatory directives, which relate to the importance of business continuity for financial organizations and their ability to function during an emergency in a manner appropriate for the characteristics of the Bank's operations, its exposure to risks and its business strategy, including Proper Conduct of Banking Business Directive 345 – "Principles for the Effective Management of Climate-Related Financial Risks".

For more information on the subject of business continuity, please see page 90 of the Risk Management Report as of December 31, 2025 and page 62 of this report.

Emergency Backup Force, In 2025, we continued the "Emergency Backup Force" activity, which includes employees with a banking background who currently serve in headquarters positions. The employees conducted readiness days

throughout the year in order to be prepared, if necessary, to fill the ranks during an emergency in field units that constitute the first line to the customer.

Knowledge preservation, In order to preserve knowledge in the organization, and as part of the need to ensure organizational and business continuity, a mapping of employees who have unique knowledge and significant influence was carried out. Based on this mapping, solutions were formulated that include the documentation of knowledge, the transfer of knowledge to additional employees, process automation, backup by external suppliers, and the establishment of backup mechanisms.

Code of Ethics and conflicts of interest

Code of Ethics

The Leumi Group strives to practice proactive, innovative and responsible banking for all its customers; with that aim in mind, the Group has formulated its Code of Ethics that serves as a moral compass and reflects its world-view. The Code of Ethics is available to the public on Leumi's website and outlines the Group's business and professional conduct in its dealings with customers and various interested parties.

The Code of Ethics is reviewed and revised periodically so that it will remain relevant, up-to-date and consistent with the Bank's strategy, for its ongoing operations and for the dynamic business environment in which the Bank operates. The Code of Ethics is approved by the Bank's management and Board of Directors. In the last quarter of 2025, a revalidation process was carried out for the Code of Ethics, which was approved by the Bank's Board of Directors.

Leumi's Code of Ethics and Conduct includes a collection of practical, clear and simple rules of conduct in all of Leumi's circles of reference: customers, employees, suppliers, investors, the public, society and the community, including aspects related to the prevention of bribery and corruption, equality, prevention of discrimination, harassment and/or bullying at work, privacy and information security, conflicts of interest, compliance with competition laws, prevention of disclosure of inside information, prohibition of money laundering and terror financing, environmental, climate and social aspects, and more (Whistleblowing).

The Code is based on Leumi's values and vision – and also on laws, regulations and internal procedures, and is set up in a digital format that provides the functions of simple search, links for more information, and revisions on an ongoing basis. The Code of Ethics is binding on all those engaged in work in and on behalf of the Group – the members of the Board of Directors, the Bank's management and employees – and it is assimilated into all the Bank's units, according to the nature of their activities. The Human Resources Division is in charge of ethics in the Group and is responsible for refreshing, updating and implementing the Code of Ethics, including through the Ethics Committee, which includes representatives from the various Bank divisions, who discuss general ethics issues that arise in the field and formulate methods for implementing the Code of Ethics in the various units.

Throughout the year, the vision and values are intertwined with cross-organizational activities for assimilation, such as onboarding tracks for new employees, job training courses, an onboarding conference for new employees, etc., alongside an ethics committee within the Human Resources Division that meets up to twice a year.

The Bank has various reporting channels that enable the reporting of concerns about a violation or deviation from laws, regulations, procedures and ethical rules, openly or anonymously, on the speak-up website in the organizational portal or on mobile in the organizational application, by phone, email, mail, and more.

Protecting the identity of whistleblowers: Leumi considers it very important to have reporting channels that will be available to bank employees on various issues, while establishing mechanisms to protect the identity of reporting employees. The Bank considers its employees as partners in its proper management and expects that any unusual activity will be reported immediately. At Leumi there are several channels through which bank employees can report any unusual activity.

Actions taken by employees in violation of the Code of Ethics may include disciplinary aspects and/or affect the employee's compensation.

For the Code of Ethics, please see the Bank's website.

These aspects are also incorporated into the Bank's policy for preventing discrimination, bullying and sexual harassment, and in the Bank's Human Rights Policy (for more information, please see pages 39 and 66 of this report, respectively).

Conflicts of interest

According to the Bank's policy, employees are prohibited from being in a conflict of interest situation. The policy includes guidelines and rules designed to avoid the risk of being in a conflict of interest, including personal contact with customers and suppliers, a ban on accepting and giving gifts, employing family members, and more. The issue is also regulated in the Bank's procedures for all its employees. Each year, employees undergo training on the subject. As part of the onboarding process at the Bank, when changing positions, or once annually, employees are required to report any concerns or lack of concerns about their presence in a conflict of interest using a designated form.

For more information on the lack of conflicts of interest in the Board of Directors' activity, please see page 51 in the Corporate Governance chapter of this report.

Compensation policy

The Bank's officer compensation policy

The Bank periodically approves compensation policies for officers at the Bank in the Board of Director's Compensation Committee, the plenum of the Board of Directors, and the General Meeting of the Bank. The compensation policy for officers regulates the term and employment conditions of officers at the Bank, including the fixed compensation components (such as salary, social benefits, related benefits, and more); the variable compensation components (such as an annual bonus and capital remuneration); the compensation to which the Bank's Board members are entitled; arrangements for deferral, distribution, or refunding of benefits to which officers are entitled; the terms for retirement and termination of employment (such as early notice and non-compete commitment with the Bank); the conditions under which officers are eligible for insurance, exemption, and indemnification pursuant to the provisions of the Companies Law, and more.

The policy includes personal measurement and quality criteria according to the responsibilities of the relevant central employee, such as: the contribution to the Bank's strategic planning and the implementation and promotion of strategic plans and goals; streamlining; initiation; leading and promoting projects; non-compliance with the law, regulation and bank procedures; failure to comply with essential provisions of policy documents established by the Board of Directors; failure to comply with the Bank's risk management policy and risk appetite; audit reports; and more.

Compensation policy for key employees⁴¹

An updated compensation policy for "key employees" at the Bank, who are not officers, was approved by the Compensation Committee and the Board of Directors in January 2023 and will apply until the end of 2025. This policy determines the framework for the compensation of key employees as mentioned and includes, among other things, reference to the salary component, the accompanying conditions, the annual bonus component and the retirement conditions.

Compensation policy for all employees

An updated compensation policy for all employees of the bank (who are not key employees) was approved by the Compensation Committee and the Board of Directors in January 2023, and is based on the provisions of Proper Conduct of Banking Business Directive 301A. The compensation policy for all employees of the Bank, as stated, is intended to serve as a tool to promote compliance with the Bank's business goals, including enabling the recruitment of quality employees to work at the Bank, retaining them over time, motivating them to improve performance and achieve the Bank's business goals and objectives, while preventing the taking of risks that exceed the Bank's risk appetite and adhering to ethical rules, legal provisions and compliance principles. The compensation policy relates, among other things, to the salary, the accompanying conditions, social benefits, as well as bonuses, retirement conditions and other payments to which all employees are entitled.

Excellence in service, which is part of one of the material issues defined by the Bank (as detailed on page 6 of this report), is a component in determining the annual/long-term compensation of all employee groups at the Bank (officers, key employees and all employees).

⁴¹ The group of key employees mainly includes the group of the Bank's department and division heads (in the Bank's organizational structure, some are at the second reporting level under the CEO, and some are at the third reporting level under the CEO).

Capital remuneration and long-term compensation aspects of the Bank's compensation plan

The Revised Compensation Policy and the bonus plan set as part of that policy ensure that the compensation paid to senior Bank officers will not encourage the Bank to take risks beyond the Bank's risk appetite and in a manner that might have an adverse effect on the Bank's capital base.

Therefore, the Compensation Policy for officers enables the Bank to remunerate its officers and key employees with capital remuneration in the form of warrants, in a manner that links the remuneration to the price of the Bank's share and correspondingly increases the officers' sense of identification with the Bank and its objectives in the medium and long-term ranges.

The Compensation Policy is also aimed at preventing the Bank from undertaking short-term risks and prescribes mechanisms to ensure that the various risks related to its activity are taken into account in determining the variable compensation amount of the officers and key employees. For example, measuring performance in respect of the measurable variable bonus components – which are based, on the Bank's return on equity, on the return from the Bank's shares and on the Bank's efficiency ratio, weighted over a period of three years.

Compensation for the Bank's CEO

In accordance with the Bank's compensation policy, the CEO's terms of office and employment are consistent with the Compensation for Officers of Financial Corporations Law (Special Approval and Disallowance of Expenses for Tax Purposes in Respect of Exceptional Compensation), 2016 and also, in accordance with the provisions of Proper Conduct of Banking Business Directive 301A, and they include a fixed compensation component that supplements to the maximum compensation possible in the Bank according to the Compensation Limitation Law, with no variable compensation component.

For information regarding the CEO's terms of employment, please see the Officers Compensation Policy chapter in the Bank's Corporate Governance Report as of December 31, 2025.

For more information, please see Reporting on Compensation in Note 23, Employee Rights, in the financial statements as of December 31, 2025 and in the Compensation chapter in the Risk Management Report as of December 31, 2025, and in the "Compensation Policy" that was approved by the Bank's General Meeting of September 2025.

Tax policy

As part of the Bank's business management, the Bank is subject to the tax laws of Israel and the countries in which it operates.

The Bank operates in accordance with any law or regulation that applies thereto, including with regard to its activities, including:

The Bank must comply with the provisions of all tax laws in all areas of its operation.

The Bank operates with related parties under market conditions as required in accordance with the regulation applicable to the Bank.

The bank does not carry out tax structuring activities, contrary to the logic and business purpose of the activity.

According to the financial statements as of December 31, 2025, approx. 99.9% of Leumi Group's profit stems from profits generated in Israel. In relation to the Bank's activities outside of Israel, there is a settlement arrangement between the Bank and the tax assessor for large enterprises from August 1987 that regulates tax payments in Israel for the profits of the Bank's subsidiaries abroad. The Bank does not take actions to transfer activity to areas where tax laws are more lenient and/or transfer activity to tax havens (Offshore).

Reporting on taxes

Within the framework of the annual consolidated financial statements, the Bank reports on tax payments in each of its areas of activity (as mentioned, over 99% of the Bank's activity is in Israel), in relation to all the corporations held by it and its main activities.

For more information on income taxes, please see the About the Report chapter on page 69 of this report, the Accounting Policy chapter on critical issues in the Board of Directors' Report, the Significant Accounting Policies note, Note 8 – Provision for Taxes in the Financial Statements as of December 31, 2025, and the Legislation and Regulation chapter regarding the banking system in the Corporate Governance Report as of December 31, 2025.

The Bank does not carry out any tax consulting activities for its customers.

With regard to its customers' activities, the Bank implements regulations, which are also anchored in policies and procedures, and complies with all provisions regarding withholding tax from the customer's activities carried out through the Bank, as required by Israeli tax laws, including implementation of the QI provisions for withholding tax in connection with American securities. In addition, the Bank implements the instructions for identifying and reporting American customers according to FATCA regulations and identifying customers with foreign tax returns and reporting them according to CRS regulations.

Implementation steps – Periodic implementation steps are carried out for employees of the business lines on these issues.

This tax policy is approved by the Board of Directors as an integral part of the approval of this report.

Legal proceedings

The Bank operates in a complex regulatory environment and manages its legal and regulatory risks accordingly. In 2025, no material fines were filed against the Bank and/or imposed that could materially affect the Bank's financial position or operating results.

For more information on legal risk and its management, please see page 94 of the Risk Management Report as of December 31, 2025, as well as in the Bank's financial statements regarding legal proceedings and information on claims and fines against the Bank in material amounts, and in Note 25.

Human rights policy

General

Bank Leumi works to protect human rights in all aspects of its activity, and is committed to responsible, transparent and fair management regarding the protection of human rights. Accordingly, it undertakes to comply with the requirements of the law, including the provisions of the Basic Law on Human Dignity and Liberty, the Basic Law on Freedom of Occupation, which among other things deals with the issues of freedom of association, prevention of discrimination and inequality.

The Bank considers it important to recognize universal principles and norms for ensuring human rights, as detailed in the UN Global Compact and the International Labor Organization (ILO) conventions, and in particular the UN Guiding Principles on Business and Human Rights (UNGPs), which constitute a global framework for the promotion of human rights by corporations, regardless of their obligation to uphold human rights according to the country in which they operate⁴².

Risk assessment of key aspects of these risks in relation to bank employees, customers and suppliers, and mitigation and remediation measures, are embedded in the relevant bank policies and procedures, on an ongoing basis, in relation to each such activity.

The Bank's main activity regarding the protection of human rights takes place in relation to several key interested parties: employees, suppliers and customers, as detailed below.

Employees

Bank Leumi's most important asset is its human capital, which constitutes the driving force behind the Bank's leadership and success. For this reason, Leumi sees great importance in investing in employees and in their professional development, while adapting their knowledge to the changing world of banking. Leumi's employees benefit from the leading value proposition in the financial system alongside a pleasant, caring, and empowering work environment.

Bank Leumi adheres to behavioral norms in the work environment and maintains adequate employment conditions, including human rights, such as the prohibition on employment of children while being totally opposed to human trafficking, and forced employment, and limits on maximum working hours (aspects regulated by laws and regulations), while maintaining the freedom of association of employees and their representation by an independent workers' organization as part of the right to collective bargaining, and preventing discrimination, including preventing discrimination in pay (equal remuneration).

⁴² The Bank is not a signatory to these international initiatives.

The policy of diversity and equal opportunities in the Leumi Group is reflected in several main areas: recruitment of employees from diverse populations, with an emphasis on underemployed segments, such as the Arab, Ethiopian and ultra-Orthodox communities, through the adjustment of the criteria for intake and the provision of special adaptations and equal gender opportunities in the Leumi Group in all areas of activity, at all levels and in all fields.

The human capital is the basis for the work and success of the Leumi Group, which places great importance on the nurturing and development of its employees in order to instill in them a sense of identification and pride in their workplace and to continue to be a point of attraction for quality people. Leumi's management supports the business units and the achievement of their business goals by encouraging learning, training and development processes, focused on improving the professional and managerial abilities of employees and managers, their engagement with Leumi and their adaptation to the changing environment.

Leumi is promoting a healthy and safe work environment for its employees and all visitors to the Bank branches and offices. Leumi has adopted a policy on occupational health and safety, which calls for professional preparation to maintain health and safety, and managing the safety function based on a "continuous improvement" model. In accordance with the policy, Leumi conducts, among other things, a process to manage safety risks, which consists of detecting risk factors, risk assessment, and control and command of risks.

Leumi views incidents of discrimination, harassment and bullying at work very seriously, and deals with them immediately and thoroughly. Any complaint on one of these issues, on any background, by a candidate, employee, or former employee, is checked and examined in depth by the relevant parties at the Bank.

These aspects are also incorporated into the Bank's Code of Ethics and in the policy for preventing discrimination and sexual harassment at work (for more information, please see pages 63 and 39 of this report, respectively).

The main employment aspects of this policy with regard to employees are included in the labor law enforcement plan formulated at the Bank, including work procedures and training, implementation, and control processes.

For more information regarding employee rights, terms of employment, and other aspects concerning the Bank's employees, including the right of association, please see pages 36–39 of this report, and the Compensation chapter in the Risk Management Report as of December 31, 2025.

Customers

With regard to the human rights aspects of the Bank's activity towards its customers, Leumi provides banking services to all citizens and/or residents of the State of Israel in accordance with the law and the Bank's policy, and promotes financial inclusion in its activity.

The Bank ensures to conduct itself in a transparent and fair manner with the aim of providing its customers with services and products of added value. This principle is reflected in the Bank's vision – "to be the outstanding financial institution in the Israeli economy and to provide proactive, innovative and responsible banking for our customers".

Regarding the right to equality, Bank Leumi's policy for promoting financial inclusion includes the Bank's commitment to renew and expand the range of financial services available to the Bank's customers, including for disadvantaged groups, including: minorities, the elderly, youth, peripheral areas, low income individuals, and the young population.

Leumi makes it a priority to adapt its services to senior citizens and to take part in social ventures for this population at a time when life expectancy is increasing and the senior citizen population continues to grow. Leumi has set a target to create an improved service package adapted to senior citizens.

Bank Leumi places great importance on providing equal, respectful and considerate service to all customers and to improving the service provided to customers with disabilities (including physical, sensory (visual and hearing impairment), mental or intellectual).

Integrating human rights aspects into key processes related to customer activity (Human rights and due diligence processes):

In the credit granting process, the Bank examines various parameters such as increased compliance and/or regulatory risks that may jeopardize the financing of the transaction, environmental aspects, the overall set of relevant risks taken into account when examining credit and making credit decisions. In addition, the risk's social aspects are examined, including safety, employment, and negative impact on the community. To the extent that material risks arise during the underwriting process, as stated, the company's management of these risks is examined.

In the financing of real estate transactions and/or when accepting real estate collateral, the Bank includes, in its overall considerations and in the underwriting and due diligence processes of the transaction, aspects relating to

certainty regarding land ownership, environmental aspects relating to land pollution, and more. Violations of various aspects in relation to the environment and/or human rights may also constitute an event of default.

For more information, please see also Social Risk Management in Credit Activity, as detailed on page 41 of this report.

Suppliers

Leumi also recognizes the importance of protecting human rights in its activities with suppliers.

Integrating human rights aspects into key processes related to activity with suppliers (Human rights and due diligence processes):

The Bank implements due diligence processes to proactively and systematically identify potential impacts on human rights and where they may occur in engagements with contractor companies and suppliers.

The bank ensures that the rights of external contractor employees are protected in accordance with the law, in the event that the Bank receives a complaint from a contractor's employee in these areas regarding a violation of the terms of employment, the Bureau of Public Inquiries monitors the contractor's handling of the complaint.

As part of the bank's ongoing operations to reduce risks related to human rights aspects, the Bank periodically updates the engagement contracts with the companies in these areas, and verifies that the terms of the agreements are adapted to the changing legal requirements. In addition, in the Bank's engagements with contractor employees, an external salary inspector performs periodic control reports to examine the terms of employment of the contractor's employees, including checking the salary data and their compliance with the various legal provisions. As required, legal opinions are prepared regarding the contractors' compliance with labor laws. Claims submitted by contract workers against the contractor for violation of their employment terms are monitored regularly. Any case in which the rights of contract workers have been violated, of which the Bank is made aware, is addressed fully and promptly by the Bank.

It is important to note that when there is a repeated breach of the provisions of a contractor agreement and/ or the provisions of the law, the Bank will terminate the contract with the contractors who did not comply with the required standards.

With regard to human rights in the Bank's supply chain processes, it should be noted that the Bank's commitment to the protection of human rights is embedded in the procurement processes with suppliers and service providers, and in this framework the Bank ensures that in the process of signing engagement contracts, suppliers declare that they comply with the provisions of labor laws regarding the employment of their employees. Companies providing security, cleaning and catering services are required to comply, in addition to the provisions of the general laws, also to the provisions of the law to increase the enforcement of labor laws.

These companies are also required to provide the Bank with collateral to ensure compliance with the terms of the contract. These securities are kept and used, among other things, to guarantee payment to their employees according to the law and to protect their rights.

Epilogue

“The free economy is now being put to the test. If it fails to prove that it has an economic benefit, and if it does not assume the social responsibilities it is supposed to assume, the people will not accept its existence” (Ayn Rand, Atlas Shrugged, 1951)

This ESG Report reflects the commitment, teamwork and cooperation, and the in-depth work carried out in the Bank throughout the year in all aspects of the report and in all the Bank's divisions. The Bank considers the publication of the report and its compilation process, beyond the importance of its reporting to the shareholders and interested parties, as an independent significant layer in the assimilation activity, the research, learning and lessons learned, in all areas of activity, for the purpose of continuing the implementation and intensifying the Bank's ESG strategy and the construction of the annual and multi-year work plans.

In 2026, the Bank will continue to strengthen its strategy, and the cooperation and dialogue with all shareholders and interested parties, in order to realize the Bank's vision “to be the outstanding financial institution in the Israeli economy and to provide proactive, innovative and responsible banking for our customers”, alongside the ESG vision “to lead in environmental, social and governance areas, while creating an impact in the Bank's core activities, and in the spirit of the United Nations Sustainable Development Goals (SDGs)”.

About this report

Reporting period and standards

This ESG Report is the seventeenth published by the Leumi Group. The Leumi Group is meticulous regarding reporting continuity and publishes an ESG Report once a year. Reports from previous years, as well as this report⁴³, can be found on the Bank's website.

The data in this report refer to the period between January 1, 2025 and December 31, 2025, unless otherwise stated.

The report was prepared in accordance with the relevant material indicators selected by the Bank according to the Global Reporting Initiative (GRI) standard, and they are included in KPMG's independent assurance opinion, including disclosures according to the TCFD reporting framework, and for the first time in Israel, disclosures from the TNFD and ISSB reporting frameworks⁴⁴.

Scope of reporting and information about the Bank (company information)

This report refers to 100% of the environmental, social and corporate governance activities of the Leumi Group during 2025, except where otherwise noted. This report refers to the activities of the Leumi Group in Israel and abroad. It should be noted that the Bank's activities abroad are currently carried out only through one subsidiary, Leumi UK, such that 99.9% of the Group's employees, and approx. 99.9% of its profits are in the Bank's activities in Israel.

In addition, alongside the deepening of knowledge, assimilation, regulation, improvement of data collection processes and methodologies, in relation to the reported areas, there may be differences between the data and targets detailed in this report and the Bank's previous ESG Reports.

The entity approving the report

At the meeting of the Board of Directors held on March 3, 2026, it was decided to approve and publish this ESG Report as of December 31, 2025 and for the period ended on that date.

Every definition in this report and/or reference to policy in this report, including its main points detailed in this report, were also approved as part of the approval of the report by the Board of Directors, in addition to any dedicated discussion of a specific policy which is routinely approved by the Bank's Board of Directors.

Ensuring the reliability of the report

Along with internal control processes in the Bank and the approval of the report by the Board of Directors, Leumi performs external control over this report to ensure the reliability of the reports, to improve the process of collecting the required information and data, and to maintain and strengthen the transparency of its activities. The external reliability assurance was performed by the KPMG accounting firm, as detailed in the reliability report, which: was prepared according to the ISAE 3000 standard; includes a declaration of independence; includes environmental indicators; includes company indicators; includes a limited assurance assessment conclusion.

Main changes in the 2025 reporting year

For transparency, and the accessibility of this report, the essential changes are presented below in relation to the 2024 reporting year. We note that the changes detailed below are the most material. Along with them, this report reflects significant action and development in all of the Bank's activities detailed in the report.

Increasing the environmental financing and investment target for 2030, from NIS 40 billion, to NIS 70 billion.

Integrating ERM processes and material issues

Completing extreme climate scenarios

ISSB

TNFD

⁴³ This report is published only digitally on the Bank's website, and is not printed.

⁴⁴ In accordance with the methodologies of the TNFD and ISSB reporting frameworks, initial reporting may be carried out gradually, in relation to the information available for their completion, and their level of maturity in the various processes carried out at the Bank.

Leumi Group data summary for 2025

Total revenue – NIS 22,680 million.

Total operating and other expenses – NIS 6,648 million.

Total expenses for salaries and related expenses – NIS 3,580 million.

Profit before tax – NIS 15,582 million.

Income taxes paid less income taxes received – NIS (7,411) million.

Provision for taxes on profit – NIS 5,670 million.

Capital adequacy ratios (Basel 3):

Tier 1 Capital⁴⁵ – NIS 67,596 million, at a rate of 12.05%.

Total Exposure, on and off balance sheet – NIS 990,883 million.

Leverage Ratio – 6.82%.

The report's completeness

This report provides supplementary and accompanying information to the Bank's consolidated financial statements and the Board of Directors' and Management's report as of December 31, 2025, and should be read together with the information presented therein. In this regard, the report refers to the following reports published on the Bank's website:

Financial Statement

Risk Management Report

Corporate Governance Report

Code of Ethics

General Meeting on Compensation Policy

Holdings in the Bank's Shares as of December 31, 2025

This Environmental, Social and Governance (ESG) Report

Glossary

The definitions "Leumi Group" or "the Group" refer to the activity of the entire Group, as defined in this report. The definition "Leumi" describes the activity of only Bank Leumi Le Israel B.M. The names of the subsidiaries and foreign branches are mentioned in the description of the activity that takes place in those companies and only in them.

Regarding the subjects of the report, please contact:

Kfir Mizrachi, Group ESG and International Activity Manager, Kfir.Mizrachi@BankLeumi.co.il

⁴⁵ According to Bank of Israel directives, the risk assets of banks in Israel are calculated according to the standardized approach and not according to the IRB approach.

The information in this report is forward-looking information.

Forward-looking information is generally worded using the following words or phrases: “the Bank believes”, “the Bank foresees”, “the Bank expects”, “the Bank intends”, “the Bank plans”, “the Bank estimates”, “the Bank’s policy”, “the Bank’s plans”, “the Bank’s forecast”, “expected”, “strategy”, “targets”, “likely to impact”, “estimate”, “scenarios”, “likely”, “may”, “can”, “will be”, “optimistic”, “pessimistic”, “assumptions”, “alternatives” and additional phrases indicating that the matter in question is a forecast of the future rather than past facts. Forward-looking information included in this report is based, among other things, on forecasts of various matters related to economic developments in Israel and abroad, especially the currency markets and capital markets, legislation, regulators’ directives, competitors’ behavior, technological developments and human resources issues. As a result of the inability to foresee with certainty that these forecasts indeed materialize, and the fact that, in reality, events may differ from those forecasted, users should treat information defined as “forward-looking” with caution, since reliance on such information involves risk and uncertainty and the future financial and business results of the Leumi Group may be materially different. The Bank does not undertake to publish updates on forward-looking information included in its reports. This does not derogate from the Bank’s reporting obligations according to any law.



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Independent Limited Assurance Report to the users/readers of Bank Leumi Le'Israel B.M. 2025 ESG Report

Conclusion

We have performed a limited assurance engagement on the specific topics in Bank Leumi Le'Israel B.M.'s (further referred to as "Leumi" or "the Bank") 2025 ESG Report (further referred to as "the report" or "the ESG report"), regarding the Bank's Israel data only.

Based on the procedures performed and evidence obtained, nothing has come to our attention to indicate that the specific topics, as mentioned in the table below, in Leumi's 2025 ESG report are not presented, in all material respects, in accordance with the Bank's reporting criteria.

Below is the list of specific data for which limited assurance was performed:

Subject Matter	Units	2025
Total funding and investments made available for the promotion of social issues for 2025	Billion NIS	63
Percentage of women in the total number of employees in the Leumi Group in 2025	%	62
Percentage of women in the total senior management of the Leumi Group in 2025	%	53
Percentage of women in the top decile of salary recipients at Leumi in 2025 (in terms of wage cost)	%	41
Percentage of Local Procurement in Total Procurement in Leumi in 2025	%	88
Percentage of Leumi Employees Unionized in Collective Agreements in 2025	%	96.3
Percentage of Leumi employees who participated in feedback and evaluation processes in 2025	%	97
Total Funding and Investments Made to Promote Environmental Issues for 2025	Billion NIS	54.2
GHG Emissions - Scope 1: Direct emissions from energy sources owned or controlled by the Bank	tCO ₂ eq	2,638
GHG Emissions - Scope 2: Indirect emissions from the generation of purchased and consumed energy by the Bank (Market based)	tCO ₂ eq	19,470
GHG Emissions - Scope 2: Indirect emissions from the generation of purchased and consumed energy by the Bank (Location based)	tCO ₂ eq	21,050
GHG Emissions - Scope 3: Other indirect emissions, originating from activities in the Bank's value chain - Category 1: Purchased goods and services (purchase of paper, purchase of toners, and consumption of water)	tCO ₂ eq	1,635
GHG Emissions - Scope 3: Other indirect emissions, originating from activities in the Bank's value chain - Category 5: Waste generated in operations (estimation of general mixed waste, paper and cardboard recycling, electronic waste and battery recycling, toner recycling, wastewater)	tCO ₂ eq	138
GHG Emissions - Scope 3: Other indirect emissions, originating from activities in the Bank's value chain - Category 6: Business travel (flight and accommodation data at designated sites)	tCO ₂ eq	899
GHG Emissions - Scope 3: Other indirect emissions, originating from activities in the Bank's value chain - Category 13: Leased assets (electricity consumption of tenants in Bank-owned properties)	tCO ₂ eq	377
GHG Emissions - Scope 3: Other indirect emissions, originating from activities in the Bank's value chain -	tCO ₂ eq	231
Water consumption data from Leumi headquarters operations in 2025	m ³	103,955
Waste generation data from Leumi's operations in 2025 (excluding general mixed waste and grease separator pumpings)	ton	1,110
Leumi's cardboard waste generation data for 2025	ton	42
Leumi's paper waste generation data for 2025	ton	1,024

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Leumi's electronic waste generation data for 2025	ton	43.6
Leumi's battery waste generation data for 2025	ton	0.04
Leumi's toner waste generation data for 2025	ton	1
Leumi's grease separator pumping waste generation data for 2025	m ³	75
Total procurement amount defined as 'green procurement' at Leumi in 2025	Million NIS	39.4
Percentage of women on the Leumi Board of Directors in 2025	%	40

The following is a list of specific processes for which limited assurance has been provided:

- Conducting a validation process for Leumi's material topics in 2025
- GHG Emissions - Scope 3: Other indirect emissions, originating from activities in the Bank's value chain - Category 15: Investments - Methodological implementation according to the PCAF framework and existence of a calculation of indirect greenhouse gas emissions in the credit portfolio of the following divisions' customers: Business, Commercial, Real Estate and Mortgages, and holdings in tradable shares through Leumi Partners, alongside the holding in Valley National Bank
- Implementation of a climate risk management framework at the Bank, in accordance with an accepted methodology
- Existence of a public and accessible code of ethics

Further information and details, including the scope, content, assumptions, and estimates determined by the Bank regarding the specific topics included in the process, can be found in the relevant chapters of Leumi's ESG Report.

Basis for conclusion

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3000 (Revised)*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Bank

Leumi's management is responsible for (A) designing, implementing and maintaining internal control relevant to the preparation of the report such that it is free from material misstatement, whether due to fraud or error; (B) selecting or developing suitable criteria for preparing the report and appropriately referring to or describing the criteria used; (C) preparing/fairly stating/properly calculating the report in accordance with the relevant criteria.

Responsibilities of KPMG Somekh Chaikin

We are responsible for (A) planning and performing the engagement to obtain limited assurance about whether the report is free from material misstatement, whether due to fraud or error; (B) forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; (C) reporting our conclusion to the users/readers of the Bank's ESG report.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the specific topics, which is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the specific topics and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- examination of the specific topics in the report, for the purpose of performing a limited assurance

- conducting interviews with the professional stakeholders in the Bank, who are responsible for providing the information required for preparing the report, in order to gain an understanding of the specific topics
- comparing the information regarding the specific topics presented in the report to corresponding information in the relevant sources, to determine whether all material information from these sources has been included in the report
- where relevant, conducting interviews regarding the calculation, aggregation and methods used to collect and report material information and the specific topics in the report

As part of the limited assurance process, we reviewed the final version of the report to ensure it reflects our findings

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our limited assurance report is made solely to Leumi in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Leumi those specified parts we have been engaged to state in this limited assurance report and for no other purpose or in any other context. We do not accept or assume responsibility to anyone other than Leumi for our work, for this limited assurance report, or for the conclusions we have reached.

KPMG Somekh Chaikin

Tel Aviv, Israel

04 March 2026

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TCFD TNFD

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