

Leumi | Financial Statements
September 30, 2026

The Risk Management Report and a description of the main characteristics of the regulatory capital instruments issued are available on the Bank's website, at: https://english.leumi.co.il and on the Israel Securities Authority's MAGNA website, at www.magna.isa.gov.il

BANK LEUMI LE-ISRAEL B.M. AND ITS INVESTEE COMPANIES
Condensed Financial Statements as of September 30, 2026
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A. Overview, Goals and Strategy

Report of the Board of Directors and Management

The Report of the Board of Directors and Management was prepared in accordance with the Reporting to the Public Directives of the Banking Supervision Department. The rules applied in the preparation of the Interim Financial Statements are consistent with those applied to the Annual Report as of December 31, 2025. The statements herein should be read in conjunction with the 2025 Annual Financial Statements.

Objectives and Business Strategy

In the Financial Statements for 2025, the Bank published its strategic guidance, based on various assumptions detailed therein, including, inter alia, the assumption that the effect of the banking system's special tax on the Bank's results in 2024 and 2025 will be similar in 2026 and 2027. In view of the Budget Law enactment, as detailed in the chapter titled Main Changes in the Reporting Period, and, absent updates to the remaining assumptions on which the guidance is based, no material change is expected in the average return on equity target for 2026-2027, which stood at 14.5%-16% (the return on equity target for 2026 will decrease to 13.75%-15.25%, whereas the return on equity target for 2027 will increase to 15%-16.5%). The net income target for 2026 will decrease to NIS 9-11 billion and will increase to NIS 10.5-12.5 billion for 2027 (instead of NIS 10-12 billion for both years). Under the initiatives to implement the responsible growth strategy, which is based on return on equity and aligned with the existing risk appetite - alongside business growth in Israel and looking into opportunities to launch additional products and services tailored to customer demand, the Bank is also assessing options to expand its activity in the United States. The above constitutes forward-looking information; there is no certainty regarding the feasibility of the materialization of these matters, or the timing and scope thereof.

For further details on the Bank's business strategy and guidance for 2026-2027, see the chapter titled Leumi Group's Business Description in the Report of the Board of Directors and Management as of December 31, 2025.

Condensed Financial Information and Key Performance Indicators

Following are the key performance indicators (in %)

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2026	2025	**2026**	2025	2025
Return on net income attributable to the Bank's shareholders to equity[(a)(b)]	**16.9**	16.3	**15.6**	16.0	15.8
Return on net income attributable to the Bank's shareholders to average assets[(a)(c)]	**1.3**	1.3	**1.2**	1.3	1.3
Ratio of income[(d)] to average assets[(a)(c)]	**2.49**	2.86	**2.59**	2.89	2.80
Efficiency ratio	**26.0**	27.0	**26.5**	28.6	29.3
Ratio of net interest income to average assets[(a)(c)]	**1.80**	2.14	**1.84**	2.17	2.08
Ratio of fees and commissions to average assets[(a)(c)]	**0.48**	0.47	**0.48**	0.50	0.50
Rate of tax provision from income, before taxes[(e)]	**33.6**	39.8	**39.4**	38.4	36.4
Net interest income to average balance of interest-bearing assets (NIM)[(a)]	**2.06**	2.42[(j)]	**2.10**	2.47[(j)]	2.36[(j)]
Total income to average total assets under management by the Group[(a)(d)(f)]	**0.78**	0.91	**0.80**	0.92	0.88
Total operating and other expenses to average total assets under management by the Group[(a)(f)]	**0.20**	0.24	**0.21**	0.26	0.26

	As at September 30		As at December 31
	2026	2025	2025
CET1 capital ratio[(g)(h)]	**11.38**	12.33	12.05
Ratio of total capital to risk-weighted components[(g)(h)]	**14.15**	14.87	14.08
Leverage ratio[(i)]	**6.66**	7.13	6.82
Liquidity coverage ratio[(i)]	**120**	128	127
Net stable funding ratio (NSFR)	**112**	116	115
Shareholders' equity to total assets	**7.4**	8.1	7.8

See comments below.

Key credit quality indicators (in %)

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2026	2025	**2026**	2025	2025
Percentage of expenses in respect of credit losses out of the average outstanding credit to the public[(a)]	**0.13**	0.03	**0.15**	0.09	0.09
Percentage of collective credit loss expense out of the average outstanding credit to the public[(a)]	**0.17**	0.09	**0.19**	0.16	0.14
Percentage of balance of the credit loss provision for credit to the public out of outstanding credit to the public	**1.16**	1.36	**1.16**	1.36	1.30
Percentage of non-accruing credit to the public in arrears of 90 days or more out of outstanding credit to the public	**0.46**	0.45	**0.46**	0.45	0.44
Percentage of net charge-offs out of average credit to the public[(a)]	**0.11**	0.05	**0.10**	0.08	0.08

(a) Annualized.

(b) The rate of return on net income attributable to the Bank's shareholders to equity, net of the effect of the tax levy and net of the revenues for the third quarter of 2026 resulting from a revised estimate of the liabilities for deferred taxes (for more information, see Note 17.B and 17.E) for the three months ended September 30, 2026, for the three months ended September 30, 2025, for the nine months ended September 30, 2026, for the nine months ended September 30, 2025 and for the year ended December 31, 2025 is 16.6%, 17.5%, 16.6%, 17.1% and 16.4%, respectively.
The rate of return on net income attributable to the Bank's shareholders to equity, adjusting for the Tier 1 capital requirement to the Bank's internal Tier 1 own funds target for the three months ended September 30, 2026, for the three months ended September 30, 2025, for the nine months ended September 30, 2026, for the nine months ended September 30, 2025 and for the year ended December 31, 2025 is 17.6%, 19.0%, 16.3%, 18.7% and 17.9%, respectively.
The rate of return on net income attributable to the Bank's shareholders to equity, net of the effect of the tax levy and net of the revenues for the third quarter of 2026 resulting from a revised estimate of the liabilities for deferred taxes, and adjusting for the Tier 1 capital requirement to the Bank's internal Tier 1 own funds target for the three months ended September 30, 2026, for the three months ended September 30, 2025, for the nine months ended September 30, 2026, for the nine months ended September 30, 2025 and for the year ended December 31, 2025 is 17.4%, 20.4%, 17.3%, 20.0% and 18.6%, respectively.

(c) Average assets are the total assets - income-generating and others. For additional information, see Appendix 1 - Income and Expenditure Rates and Analysis of Changes in Interest Income and Expenses.

(d) Total income - net interest income and noninterest income.

(e) For further information, see Note 17.B.

(f) Including off-balance sheet operations.

(g) After effects of various adjustments and deductions.

(h) For further details, including expected regulatory changes regarding the measurement of capital adequacy, see the chapter titled Equity and Capital Adequacy.

(i) For additional information regarding the leverage ratio, see the Leverage Ratio Section in the Structure and Development of Assets and Liabilities, Equity and Capital Adequacy Chapter, and for more information regarding the liquidity coverage ratio, see the Liquidity and Financing Risk Chapter.

(j) Reclassified - credit balances and deposits in respect of lending and borrowing between customers have been classified as non-interest bearing balances.

Main income statement data

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2026	2025	**2026**	2025	2025
	In NIS million				
Net income attributable to the banking corporation's shareholders	**2,986**	2,700	**8,164**	7,713	10,262
Interest income, net	**4,272**	4,471	**12,753**	13,028	16,852
Credit loss expenses	**184**	32	**641**	310	450
Noninterest income	**1,644**	1,490	**5,216**	4,304	5,828
Of which: fees and commissions	**1,146**	977[(a)]	**3,317[(a)]**	3,012[(a)]	4,084[(b)]
Total operating and other expenses	**1,539**	1,609	**4,758**	4,950	6,648
Of which: salaries and related expenses	**843**	858	**2,667**	2,699	3,580
Net earnings per share attributable to the banking corporation's shareholders (in NIS):					
Basic net earnings	**2.03**	1.81	**5.53**	5.15	6.86
Diluted net earnings	**2.03**	1.81	**5.52**	5.14	6.86

(a) Including benefits to customers under the Bank of Israel's Framework totaling approx. NIS 76, 130, and approx. 119 million and NIS 119 million for the nine months ended September 30, 2026, the nine months ended September 30, 2025, and the three months ended September 30, 2025, respectively. For further details, see the chapter titled Main Changes in the Past Year in the Report of the Board of Directors and Management.

(b) Including benefits to customers as part of the Bank of Israel's Framework totaling approx. NIS 148 million. For further details, see the chapter titled Main Changes in the Past Year in the Report of the Board of Directors and Management as of December 31, 2025.

Main balance sheet data

	As at September 30		As at December 31
	2026	2025	2025
	In NIS million		
Total assets	**965,486**	827,113	872,971
Of which: cash and deposits with banks	**141,899**	138,307	154,647
Securities	**177,412**	141,080	148,120
Credit to the public, net	**586,124**	495,387	519,950
Total liabilities	**894,039**	760,065	804,836
Of which: deposits by the public	**738,939**	641,123	686,887
Deposits by banks	**10,682**	16,874	13,123
Bonds, promissory notes and subordinated bonds	**63,942**	44,883	44,207
The banking corporation's shareholders' equity	**71,442**	67,043	68,130
Additional data:			
Price per share (in NIS)	**74.0**	65.3	70.2
Dividend per share (in agorot)[(a)(b)(c)]	**223.94[(d)]**	215.73	301.80

(a) Dividend for the relevant period.

(b) Cumulative figure for the period.

(c) For additional information, see Note 9A - The Bank's Share Buyback Plans.

(d) The final dividend amount per share will be adjusted for changes due to the share buyback and exercise of the Bank's convertible securities and will be published up to two days prior to the effective date.

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

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

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

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

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

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

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

Trends, Phenomena, Developments and Material Changes

Main Developments in the Israeli Economy[1]

Overview and Severity of Risk Factors in the Israeli Economy

In the first nine months of 2026, economic activity was affected by the geopolitical developments on the back of Operation Lion's Roar and its implications. In the first months following the end of Operation Lion's Roar and the declaration of a ceasefire in April, there has been a relatively quick recovery in economic activity and in the financial markets. The decline in Israel's risk premium, appreciation of the shekel, decline in global energy prices around the world and the reopening of the Strait of Hormuz contributed to an improvement in the macroeconomic environment. However, as from July 2026, alongside the renewed escalation in the conflict between Iran and the United States, the improvement in Israel's risk premium stalled, energy prices started rising again, and geopolitical uncertainty levels increased. Current indicators for the third quarter of 2026 point to a further expansion in economic activity, albeit at a slower rate than in the second quarter.

The level of uncertainty remained high amid security tensions and concerns over another round of hostilities with Iran, and has even increased lately following the results of the Knesset elections, which have increased domestic political risks due to concerns over another round of elections. This has been reflected in a certain increase in Israel's risk premium in the financial markets, the weakening of the NIS (also due to the volatility in US share indices and the growing interest rate differences between the US and Israel) and declines in the leading stock market indices. This trajectory may continue as long as the level of uncertainty remains high. In this context, it should be noted that on October 30, Fitch credit rating agency commented on the results of the elections in Israel, stating that the recent election results increase the risk of a prolonged period of political uncertainty and transition governments in Israel, a development that could maintain a negative rating outlook for an extended period.

In the longer term, if the War will substantially reduce the threat posed to Israel by Iran and its proxies, the Israeli economy's potential growth will be positively affected. and Israel's risk premium in financial markets. There were no changes in Israel's credit rating during the third quarter of the year.

The State of Israel's credit rating as of the report's approval date

Rating agency	Credit Rating	Rating outlook	Most recent rating revision
Moody's	Baa1	Stable	January 30, 2026 Reiteration of the rating while raising the rating outlook to stable
S&P	A	Stable	May 8, 2026 Reiteration of the rating and the stable rating outlook
Fitch	A	Negative	March 27, 2026 Reiteration of the rating and the negative rating outlook

For additional information regarding the credit rating and rating outlook of the State of Israel and the Bank, see The Credit Rating in the Corporate Governance Report.

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

The Global Economy

On October 13, 2026, the IMF revised its global growth forecasts for 2026-2027. The revised publication reflects an improvement in the global growth forecast compared to the revised forecast of July, despite the continuation of the War in the Middle East and its effects on energy prices and international trade routes. The resilience of global economic activity arises, among other things, from an expansion in investments associated with artificial intelligence driven by the relevant countries. Concurrently, adjustments made to address rising energy prices, including diversifying supply sources, using emergency stocks, and reducing demand, supported the mitigation of the effect on global economic activity.

However, the global economy's resilience is not uniform across various countries and those countries' ability to address further shocks is being eroded. While economies which benefit from a surge in investments in technology and an improvement in their trade terms are exhibiting relatively positive performance, countries which are exposed to rising energy and food prices - specifically countries with limited fiscal headroom - face increasing pressures. This is compounded by risks arising from rising government bond yields combined with high public debt levels, alongside the possibility of a correction in financial markets, in the event that expectations for the returns on investments in artificial intelligence do not materialize in full.

According to the latest forecast, global growth is expected to stand at 3.1% in 2026, a slight upward revision of 0.1% compared to the forecast of July, and in 2027 growth is expected to accelerate to 3.4%. Global inflation is expected to increase from 4.1% in 2025 to 4.7% in 2026, thereafter moderating back to 4.1% in 2027. This is an upward revision of 0.2% for 2027.

In the United States, the growth forecast remains almost without change compared to the previous revision, at 2.3% in 2026-2027, supported by technology investments. In the Eurozone, the 2026 forecast was revised upwards by 0.2 percentage points to 1.1%, supported by investments associated with artificial intelligence and higher defense costs; the forecast for 2027 remains at 1.2%. Growth forecasts for the Chinese economy were revised slightly downward due to the effect of high energy prices and lower domestic demand. India continues to stand out favorably with a growth forecast of 7.0% in each of the years.

According to the IMF, risks to global economic activity are skewed downward, due to, among other things, countries' lesser ability to address further shocks. This is due to the use of energy stocks and the fiscal headroom in recent years, alongside rising public debt and finance costs. One of the key and immediate risks arises from the possibility that the War in the Middle East will continue and that energy supply will be disrupted even further, which could lead to a further increase in commodity prices, and - consequently - higher inflation, supply shortages, and tighter financial conditions. A further risk pertains to the increasing dependency of economic activity on investments in artificial intelligence. The rapid expansion in this sector currently supports growth and investments, but inherently carries the risk of a sharp correction in financial markets, if the expansion is more moderate than expected. In addition, the risk pertaining to the increase in public debt became more pronounced, mainly in developed countries, due to high budgetary deficits, increased defense costs and high finance costs.

Forecast for global growth/real change rate

Source: IMF - World economic outlook/October 2026

	2027	2026
World	**3.4%**	3.1%
USA	**2.3%**	2.3%
Eurozone	**1.2%**	1.1%
Japan	**0.7%**	0.7%
UK	**1.2%**	1.3%
China	**4.0%**	4.5%

The Israeli Economy

Growth in the Israeli Economy

According to the monthly State of the Economy Index published by the Bank of Israel, which serves as a monthly indicator of economic activity, the economy grew by approx. 5.3% in the first three quarters of 2026 (annualized).

Bank of Israel's Research Department revised its macroeconomic forecast (October 2026) separating - for the first time - between the overall economic activity and the activity without the component of adjustments for production abroad by Israeli companies, which has a growing effect on Israel's macroeconomic data (growth and budget). The Bank of Israel noted that GDP excluding production abroad better reflects the domestic activity of the Israeli economy. According to this forecast (excluding production abroad), the GDP is expected to grow by 3.4% in 2026 and by 5.1% in 2027. The GDP which includes the production abroad component is expected to grow by 5.6% in 2026 and by 7.5% in 2027. According to the Bank of Israel's Research Department's assessment, demand in the economy is expected to expand, supported by the decline in the interest rate environment and risk premium as the intensity of the War subsides. In addition, in accordance with the forecast, the government debt to GDP ratio in 2026-2027 is expected to be lower than the previous forecast, mainly due to upwards revision of the nominal GDP including production abroad; however, the Bank of Israel notes that the forecast involves substantial uncertainty.

In September 2026, the unemployment rate under the standard definition (unemployed persons only) stood at 3.2%, identical to its level in December 2025 (original data); under its broad definition (which includes, in addition to unemployed persons included in the standard definition, workers temporarily absent from work due to economic reasons, as well as non-participants in the labor force who were dismissed within the past two years and became discouraged from seeking employment, but excludes workers absent from work for non-economic reasons, such as military reserve duty or childcare, etc.) the unemployment rate was 4.4%, compared to 4.1% in September 2026 (original data).

The State Budget and its Funding

The first three quarters of 2026 ended with a budget deficit of approx. NIS 29.5 billion, compared to a deficit of approx. NIS 56.3 billion in the corresponding period in 2025. The decline in the budget deficit compared to the previous year reflected faster growth in revenues than in spending. Government activity in the last 12 months ended September 2026 amounted to a cumulative deficit of approx. NIS 71.8 billion, which is approx. 3.2% of GDP, according to Ministry of Finance estimates, compared to a deficit of approx. 4.7% of GDP at the end of 2025. According to the Bank of Israel's Research Department's forecast, the annual deficit is expected to stand at 4.4% of GDP at the end of 2026 (in accordance with the forecast, which includes the production abroad component) is lower than the Ministry of Finance's target for this year, and at the end of 2027 annual deficit is expected to stand at 4.6% of GDP.

Foreign trade and service exports data

Israel's trade deficit totaled approx. USD 38.1 billion in the first nine months of 2026, compared to approx. USD 29.2 billion in the corresponding period last year. The increase in the deficit was driven by a sharper rise in imports than Israel's goods exports. Increases were recorded across all major categories of imported goods: Investment products, consumer goods, and raw materials.

Data on service exports (excluding start-up companies and adjusted for seasonality) for the first eight months of the year point to an increase in activity compared to the corresponding period last year. This was mainly driven by an increase in high-tech services exports, a moderate increase in tourism services exports, and despite the decline in transportation services exports.

Exchange Rate and Foreign Exchange Reserves

In the first nine months of 2026, the NIS appreciated by approx. 4.0% against the USD, following a significant appreciation of approx. 12.5% in 2025; against the EUR, the NIS appreciated by a higher rate of approx. 7.2%, following a relatively moderate appreciation of approx. 1.3% in 2025; and with regard to the currency basket it appreciated by approx. 5.3%, following an appreciation of approx. 8.4% last year. During the Reporting Period, the NIS traded with some volatility, albeit to a lesser extent than the trend observed in 2025, which was characterized by a significant appreciation of the NIS. The primary source of volatility in the NIS during the first two quarters of the year was Operation Lion's Roar and related events. The NIS appreciated sharply and the NIS/USD exchange rate reached approx. NIS 2.8 toward the end of May. Against this setting, the Bank of Israel intervened in the foreign exchange market by purchasing foreign currency during May and June. Since the beginning of July the NIS/USD exchange rate was around NIS 3, and towards the end of the third quarter of the year it devalued even further; however, in annual terms the NIS has still appreciated by a relatively significant rate.

At the end of September 2026, the Bank of Israel's foreign exchange reserves stood at approx. USD 237 billion compared to approx. USD 229.5 billion as at the end of December 2025. The increase in reserves was mainly attributable to revaluation, government's foreign exchange actions and the Bank of Israel's activity in the foreign exchange market in May-June, during which the Bank of Israel acquired foreign currency at an aggregate total of approx. USD 1.8 billion. It is noted that during the third quarter of the year, the Bank of Israel did not carry out any foreign exchange actions, and the foreign currency reserves declined compared to the end of June due to the devaluation of the NIS in this quarter.

Inflation and Monetary Policy

The Consumer Price Index (the "in lieu CPI") increased by 1.6% in the first three quarters of 2026. In the 12 months ended September 2026, the CPI increased by 1.6%, below the midpoint of the price stability target band (1%-3%). The CPI excluding energy prices increased by 1.4% in the 12 months ended September 2026. According to the Bank of Israel's Research Department, inflation is expected reach 1.5% in 2026 whereas in 2027 it is expected to stand at 2.1%.

The ("known") Consumer Price Index increased by 2.1% in the first nine months of 2026.

In the first three quarters of 2026, the Bank of Israel interest rate was raised by 1.00% and it stood at 3.25% at its end.

In its meeting of October 21, 2026, the Bank of Israel's Monetary Committee resolved to leave the interest rate without change at 3.25% after three consecutive interest rate cuts (of 25 basis points each). Since November 2025, the interest rate was cut by an aggregate total of 1.25%. According to the Bank of Israel's Research Department, the interest rate is expected to average 3.00% during the third quarter of 2027.

Israel's Capital Market

The Shares and Convertible Securities Index increased by approx. 36.8% in the first three quarters of 2026, following a sharp increase of approx. 47% in 2025. This was supported by the recovery of the domestic economy following the conclusion of Operation Lion's Roar and its effects on economic activity, amid marked volatility between the quarters during the year. It should be noted that the degree of uncertainty remains high and may be reflected in continued volatility in financial markets, albeit at a potentially lower intensity, depending on developments in the global economy, developments in the War and the risks arising therefrom, as well as materialization of additional risks.

The average daily trade volume of shares and convertible securities in the first nine months of 2026 totaled approx. NIS 5.247 billion, an increase of approx. 52.0% compared to the average level in 2025.

The Tel Gov–CPI Linked Index was up approx. 1.0% in the first three quarters of 2026, and the Tel Gov–Shekel Index was up approx. 2.6%. The CPI-linked non-government bond market (corporate bonds) rose in the first nine months of 2026 by approx. 3.5%.

Main Changes in the Reporting Period

The War

On February 28, 2026, Operation Lion's Roar began with a joint Israeli-U.S. attack on Iran. In response, Iran launched a massive rocket attack against the Israeli home front, followed by rocket fire from Hezbollah in Lebanon, as well as attacks on US targets across the Persian Gulf and the Middle East and strikes against civilian targets in several Gulf countries, including the United Arab Emirates, Qatar, and Saudi Arabia. At the same time, since the beginning of the operation, significant disruptions occurred in the transit of energy commodities through the Strait of Hormuz, amid Iranian attacks on tankers passing through the strait. These developments have led to a surge in global energy prices. On the night of April 7-8, the United States and Iran announced a ceasefire, during which the parties would seek to reach an agreement to end the War. Later, a ceasefire was also announced between Israel and Hezbollah. Despite the ceasefire and the memorandum of understanding to end the War signed by the parties in June 2026, the geopolitical and security situation in the region remains complex. Recent developments - including an escalation in the conflict between the United States and Iran and the continuation of limited hostilities between Israel and Hezbollah in Lebanon - indicate that stability in the region has yet to be achieved. Due to the above, the improvement in Israel's risk premium stalled, energy prices started rising again, and geopolitical uncertainty levels increased.

In the long term, if the Operation will substantially reduce the threat posed to Israel by Iran and its proxies, the Israeli economy's potential growth will be positively affected. and Israel's risk premium in financial markets.

For additional information, see the chapter titled Main Developments in the Israeli Economy - General Background and Risk Factors Severity Chapter and the Credit Rating in the Corporate Governance Report.

These potential consequences, as well as reference to sectors exposed to the effects of the War, are expressed in the calculation of the collective provision for credit losses. The Bank continues to refine its focus across its various business lines and, from time to time, makes adjustments and changes in response to developments and prevailing economic conditions.

For more information, see the Credit Risks Chapter.

From a market risk perspective, geopolitical developments may result in market volatility.

As at the report publication date, the Bank's operations continue as usual, with its business continuity plans being implemented effectively. At this stage, there has been no impact on the Bank's operating results, capital ratios, or liquidity status. The Bank's management continues to monitor developments on an ongoing basis and examine their possible implications.

For additional information, see the Chapter titled Liquidity and Financing Risk Chapter and the Equity and Capital Adequacy.

Against the backdrop of the War, the Bank of Israel issued directives and supervisory emphases for the banking system. On March 2, 2026, the Bank of Israel published a framework of reliefs for the public, and on April 15, 2026, extended its validity until May 15, 2026.

For additional information on all the relevant publications of the Bank of Israel, see the section titled Laws and Regulations Governing the Banking System in the Corporate Governance Report.

Reliefs Granted in the Reporting Period

Relief and assistance packages for customers of the banking system in accordance with the Bank of Israel's Framework

On April 1, 2025, the Financial Relief Framework for Customers of the Banking System came into effect, under which the banking system will allocate a total of NIS 3 billion, NIS 1.5 billion per year, as from the second quarter of 2025 through the first quarter of 2027, unless the framework is terminated earlier. Bank Leumi adopted the framework and formulated relief packages which have been updated from quarter to quarter and will continue to be reviewed on a quarterly basis.

(1) Interest paid on current account balances

As at May 1, 2025, eligible customers received interest on credit balances in their current accounts at an annual rate of 2%. Interest was paid on current account balances of up to NIS 10,000. As at February 1, 2026, the interest rate on NIS credit balances is 1% for eligible customers, up to a ceiling of NIS 10,000.

(2) One-time grant

A one-time grant given in the second quarter of 2026 totaling NIS 700 will be credited to accounts of eligible individual customers.

For Pepper customers - a one-time grant of NIS 500 will be credited to accounts of eligible individual customers.

(3) Debt relief for customers with financial difficulties, including due to the War

A one-time grant given in the second quarter of 2026, to reduce the outstanding debt of eligible individual customers and small businesses* to the Bank, subject to meeting the eligibility criteria.

The grant amount will not exceed the outstanding arrears or 90% of the customer's total debt to the Bank as of the date immediately preceding the Bank's crediting of the grant and will, in any event, be capped at NIS 10,000.

* Excluding customers who, as of the grant date grant, are in proceedings of insolvency and/or consolidation of cases in execution and/or customers whose debts to the Bank exceed NIS 1,000,000.

(4) Debt relief for customers with financial difficulties

A one-off grant awarded in the third quarter of 2026, to reduce the amount of legal costs charged to the accounts of individual customers and small businesses*, subject to meeting the eligibility criteria and in accordance with the Bank's judgment.

The grant amount will not exceed the legal costs charged to the account and will, in any event, be capped at NIS 20,000.

* Excluding customers who, as of the grant award date, were issued with an ordinance to commence proceedings and/or are undergoing consolidation of cases in execution and/or customers whose debts to the Bank exceed NIS 1,000,000, and/or customers, who were credited a debt relief for customers with financial difficulties, including due to the War, in the second quarter of 2026.

(5) Daily automatic deposit

The Bank offers a product called Automatic Deposit, in which customers can set a threshold balance in their current account (over NIS 15,000), with any amount exceeding the threshold automatically transferred to a one-year term deposit with a daily withdrawal option, up to a predetermined amount.

(6) Reduction of overdraft interest

For the second quarter of 2025, the interest rate on overdraft balances in current accounts was reduced by 1% for both the first and second tiers, for all households with an approved credit facility who had an outstanding credit balance on the quarterly effective date. This relief was extended through the third and fourth quarters of 2025 until January 31, 2026. As at February 1, 2026, interest is charged in accordance with the terms and benefits applicable to each account.

For additional information regarding the relief packages under the Bank of Israel's Framework, see the chapter titled Main Changes in the Past Year in the Report of the Board of Directors and Management as of December 31, 2025.

Operation Lion's Roar - Reliefs and assistance for customers following the impact of the operation

On February 28, 2026, Bank Leumi was the first bank in the Israeli banking system to announce an immediate assistance framework for its customers, which entered into effect on March 1, 2026, and remained in effect until March 31, 2026; subsequently, the Bank adopted the framework initiated by the Bank of Israel.

Immediate support framework declared by Bank Leumi

(1) Reliefs for reservists

Deferral of mortgage payments for three months at a contractual interest rate;

A 1% reduction in the interest rate on outstanding debit balances for the first and second credit facility tiers (which form part of the bank-approved credit facility).

(2) Reliefs for active-duty soldiers

A 1 percentage point reduction in the interest rate on outstanding debit balances for the first and second credit facility tiers and up to NIS 10,000 (which form part of the bank-approved credit facility).

(3) Small businesses (with annual turnovers of up to NIS 25 million) which have experienced cash flow difficulties and/or injuries, whose homes or property have been damaged, or that have been evacuated from their business premises

A three-month deferral of loan repayments, for a total of up to NIS 2 million, at the contractual interest rate, for businesses whose income has been adversely affected and/or whose business premises have been damaged, that have been evacuated, or whose owners have been injured and hospitalized;

A 1 percentage point reduction in the interest rate on outstanding overdraft balances in current accounts (forming part of the bank-approved credit facility) for eligible micro-businesses (including corporations) with annual turnovers of up to NIS 10 million, whose current accounts had a partially and/or fully utilized debit balance as of the date preceding the public announcement regarding the expansion of the updated framework (February 27, 2026), excluding loans provided under commercial cooperation arrangements;

The option to obtain a loan of up to NIS 30 thousand, repayable in up to 36 installments, with the option to defer the loan's principal repayments by six months (subject to interest being charged for the principal repayment deferral) and at the Bank's discretion.

(4) Households with injuries, damaged homes or property, or which were evacuated

A three-month deferral of consumer loan repayments for an aggregate amount of up to NIS 100,000, at the contractual interest rate, and a three-month deferral of mortgage payments at the contractual interest rate.

(5) Customers staying abroad

An increase in the credit facility on Leumi credit cards for Leumi card holders staying abroad, subject to the Bank's discretion.

The relief framework published by the Bank of Israel and adopted by the Bank:

(1) Active reservists

Exemption from interest on overdraft balances of up to NIS 30,000, for two months, for business owners who are also active reservists. A relief of 0% interest will be provided on overdraft balances for a period of two months, up to a balance of NIS 30,000 (forming part of the bank-approved credit facility), for customers whose current accounts on the date preceding the public announcement of the updated framework (March 14, 2026) had a partially or fully utilized their debit balance in an existing and/or active account throughout the relevant month.

(2) Small- and micro businesses ("First Circle")

The option to defer loan payments for two months at zero-interest for business owners whose businesses were inactive during Operation Lion's Roar and/or whose business premises were damaged, who were evacuated, or who were injured and hospitalized. The relief is provided to businesses (including corporations) with a turnover of up to NIS 25 million, excluding loans provided under commercial cooperation arrangements with third parties, with the deferral available only for business credit and up to an aggregate amount of NIS 2 million.

(3) Businesses that do not meet the set criteria ("Second Circle")

The option to defer loan payments for two months at the contractual interest rate, for business credit of up to an aggregate amount of NIS 2 million, with the deferred payments added to the end of the loan term.

(4) Households with injuries, damaged homes or property, or which were evacuated ("First Circle")

Deferral of loan payments for three months at zero-interest, for private customers (households) with consumer credit in Leumi in the aggregate amount of NIS 100,000. The deferred payments will be added at the end of the loan term.

A three-month deferral of mortgage payments, at zero-interest, for a maximum period of three months, with no amount cap, interest or fees, for customers with an active mortgage with Leumi as of the deferral request submission date.

Evacuated households or households which have been physically injured due to Operation Lion's Roar will be verified based on certification from the municipality or another authorized official entity confirming evacuation, or certification from an authorized body confirming hospitalization due to an injury sustained during the Operation. Business owners who sustained physical injury due to Operation Lion's Roar: Certification from the municipality or another authorized official entity confirming evacuation from the business premises.

Payment deferrals under the Framework do not apply to customers who are involved in legal proceedings. For a customer who was in arrears on the Framework's publication date (March 2, 2026), a deferral may be granted for a period of no more than 180 days from the arrears' effective date.

The maximum deferral period will be three months for households and two months for micro- and small businesses. This applies to customers who deferred their loan payments under the Framework published on March 2, 2026 and during its extension period, on an aggregate basis. In addition, the maximum exemption period from interest charges on overdrafts in business current accounts for reservists under the overall Relief Framework is also two months.

Donations and bonuses

The Bank continues to focus its corporate responsibility resources on supporting and helping to rehabilitate populations affected by the War, while standing alongside communities to strengthen resilience and restore a normal life. During the reporting period, the Bank led a series of significant social initiatives: The Safe Place Project for people aged 80 and over, who do not have an accessible safe room in their home, or whose home was damaged. As part of the initiative, the Bank funded stays in thousands of hotel rooms across the country for elderly people who did not have a safe room. For Independence Day, the Bank funded surprise performances by artists at various locations across the country, in an intimate atmosphere adapted to the circumstances; the Bank also led a unique initiative to help boys and girls from communities along the northern border, who were unable to celebrate their Bar and Bat Mitzvah year due to the ongoing War, funding premium summer camps operated by the Kimama network.

This was in addition to significant donations to support residents of communities along the northern and southern borders, IDF soldiers and reserve forces, hospitals, and to aid and emergency response organizations. The above reflect the Bank's deep commitment to Israeli society, even during the most complex times.

Benefits to the public as part of the Bank of Israel's Framework of 2025 and for the War*

	For the three months ended September 30, 2026					For the nine months ended September 30, 2026	For 2025
	Housing	Private individuals - Other	Micro- and small-businesses	Middle-market and corporations	Total	Total	Total
	In NIS million						
A. Benefits awarded to the public							
A.1. Benefit amounts recognized in the income statement during the Reporting Period:							
Interest benefits by way of a change in credit terms[a]	-	61	34	-	95	252	136
Other interest benefits on credit[b]	-	-	-	-	-	-	1
Interest benefits on demand deposits	-	4	-	-	4	13	31
Waiver of fees and commissions[c]	-	-	-	-	-	76	157
Other	-	4	-	-	4	39	30
Total	-	69	34	-	103	380	355
Of which: As part of the Bank of Israel's Framework from 2025							
Interest benefits by way of a change in credit terms[a]	-	61	34	-	95	252	112
Other interest benefits on credit[b]	-	-	-	-	-	-	1
Interest benefits on demand deposits	-	4	-	-	4	13	31
Waiver of fees and commissions[c]	-	-	-	-	-	76	148
Other	-	4	-	-	4	29	-
Total	-	69	34	-	103	370	292
A.2. Estimated benefit amounts that have not yet been recognized in the income statement, as of the reporting date[d]						248	618

	For the three months ended September 30, 2026						For the nine months ended September 30, 2026	For 2025
	Housing	Private individuals - Other	Micro- and small-businesses	Middle-Market	Corporations	Total	Total	Total
	In NIS million							
B. Additional information on activities for the benefit of borrowers as part of dealing with the War								
B.1.a. Total credit that underwent a change in terms and conditions, during the reporting period:[e]								
Change in terms and conditions for financially distressed borrowers (see Note 13.B.2b.)[g]	13	74	58	-	-	145	478	292
Change in terms and conditions for borrowers who are not struggling financially	1,084	-	55	6	119	1,264	7,076	8,344
Total credit	1,097	74	113	6	119	1,409	7,554	8,636

	As at September 30, 2026						As at June 30, 2026	For 2025
	Housing	Private individuals - Other	Micro- and small-businesses	Middle-Market	Corporations	Total	Total	Total
	In NIS million							
B.1.b Total credit that underwent a change in terms and conditions, as of the reporting date:								
Change in terms and conditions for financially distressed borrowers (see Note 13.B.2b.)[g]	**155**	**480**	**266**	**180**	**144**	**1,225**	1,248	1,253
Change in terms and conditions for borrowers who are not struggling financially:								
Credit with waiver of interest	**280**	**-**	**-**	**-**	**-**	**280**	280	275
Credit with payment deferral and/or extension, for which the deferral period has not yet ended[f]	**442**	**-**	**78**	**6**	**284**	**810**	2,608	1,059
Average deferral of payments in months[f]	**13**	**-**	**5**	**6**	**4**	**9**	7	9
Credit with another change in terms and conditions	**794**	**-**	**-**	**-**	**-**	**794**	823	919
Total	**1,671**	**480**	**344**	**186**	**428**	**3,109**	4,959	3,506
Additional information regarding changes in terms and conditions for borrowers who are not struggling financially:								
Balance of credit for which the deferral of payments has ended	**13,490**	**711**	**3,344**	**1,263**	**1,335**	**20,143**	19,033	19,754
Of which: Debt that defaulted after undergoing a change in terms and conditions	**393**	**49**	**179**	**46**	**10**	**677**	746	715
B.2. Balance of loans as of the reporting date granted at zero interest or low interest[h]								
Outstanding credit balance	**20**	**-**	**1,211**	**192**	**32**	**1,455**	1,661	4,583

Special payment to the State for the War

Regarding expenses recorded under Income Tax in respect of the Law for a Special Payment for Achieving the Budgetary Targets (Temporary Order - Iron Swords), 2024, see Note 17.B.

* This appendix includes the effect of benefits provided by the Bank to the public under the Bank of Israel's Framework of 2025, as well as benefits granted by the Bank to the public in respect of the War, including under previous frameworks. The effective date of the benefits provided under the Bank of Israel's Framework of 2025 is April 1, 2025.

See comments below.

Comments:

(a) Including through waiver of interest on debit balances, deferring loan payments, and providing grants in connection with credit.
(b) Including through the provision of loans at zero interest or low interest.
(c) Including benefits or fee refunds.
(d) The estimated benefit amounts not yet recognized in the income statement as of the reporting date reflect the Bank's estimate of the amounts expected to be recognized in the future as a result of the adoption of voluntary relief frameworks, should these continue, through the first quarter of 2027.
(e) Credit which underwent a change in terms and conditions during the reporting period also includes credit for which an additional payment deferral was given during the reporting period.
(f) Including zero-interest payment deferrals during the deferral period. Where a payment deferral has been granted more than once for a debt, the cumulative deferral period is presented. The deferral of payments does not include a deferral in which an entitlement was utilized, to which the borrower is titled as required by law.
(g) For activities in Israel and excluding modifications of terms for financially distressed borrowers made for subsidiaries' customers.
(h) Including loans provided under government-backed funds and/or financed by the Bank of Israel.

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

Special Payment for Achieving the Budgetary Targets Law (Temporary Order - Iron Swords), 2024

On March 31, 2026, the Economic Efficiency Law (Legislative Amendments for Obtaining the Budgetary Targets for the 2026 Budget Year), 2026, was published in the Official Gazette, including, inter alia, an amendment to the Special Payment for Achieving the Budgetary Targets Law (Temporary Order - Iron Swords), 2024. Under the amendment, a bank which is not a small-scale bank (i.e., a bank whose assets represent 5% or more of the total assets of all banks in Israel, a paying bank) will pay the State treasury, for the period from April 1, 2026 through December 31, 2026, an amount equal to 12% of the profit generated from its activities in Israel, and for the period from January 1, 2027 through December 31, 2027, an amount equal to 0.5% of the profit generated from its activities in Israel.

If the total annual payment of all the paying banks exceeds NIS 3 billion for 2026 or NIS 0.125 billion for 2027, paying banks will be refunded the difference between the annual payment amount of all the paying banks and the maximum amount for 2026 or 2027, as the case may be, multiplied by the relative share of the said paying bank from the total annual payment of all paying banks.

According to the above, the tax rate applicable to the Bank in 2026 is 34.75% plus a special tax. It should be noted that, due to the effect of said law, in respect of the reporting period, the Bank recorded tax expenses of approx. NIS 831 million in profit and loss.

Material Changes in Financial Statement Line Items

Below is an analysis of the results for the nine months of 2026:

Net income attributable to shareholders (hereinafter - the "**net income**") in the 2026 reporting period totaled approx. NIS 8,164 million compared to approx. NIS 7,713 million in the corresponding period last year, a 5.8% increase. The increase in income in the reporting period arises mainly from a substantial growth in the Bank's credit portfolio, an increase in noninterest finance income and a further decrease in expenses. This increase was partially offset by, among other things, a lower inflation and interest rate environment compared to the corresponding period last year, and by a substantial increase in the tax levy applicable to banks, the effect of which was partially mitigated from a revision of some of the assumptions and forecasts underlying the deferred tax liability. For additional information on the special tax levy imposed on the banks and on the revised estimate of the liabilities for deferred taxes, see Note 17.B and Note 17.E.

Excluding the effect of the tax levy and net of the said revised estimate, income in the reporting period amounted to approx. NIS 8,673 million, compared to NIS 8,276 million in the corresponding period last year, an increase of approx. 4.8%.

Net income in the third quarter totaled approx. NIS 2,986 million compared to approx. NIS 2,700 million in the corresponding period last year, a 10.6% increase. The increase in income in the third quarter arises mainly from a substantial growth in the Bank's credit portfolio, an increase in revenue from fees and commissions, and in the profits of associates, a continued decrease in expenses and the revised estimate of the liabilities for deferred taxes.

This increase was partially offset, among other things, by a lower CPI and interest rate environment compared to the corresponding period last year and by an increase in credit loss expenses and in the tax levy applicable to banks.

Excluding the effect of the tax levy and net of the revenues resulting from said revised estimate for deferred tax liabilities, income in the third quarter amounted to approx. NIS 2,944 million, compared to NIS 2,899 million in the corresponding period last year, an increase of approx. 1.6%.

The return on equity[1] in the reporting period was approx. 15.6%, compared to a rate of approx. 16.0% in the same period last year. Excluding the effect of the tax levy, and net of the revised estimate of the liabilities for deferred taxes, return on equity in the reporting period amounted to approx. 16.6% compared to 17.1% in the corresponding period last year. The decrease in return on equity net of the higher net income is driven by the substantial increase in the Bank's average equity capital.

The return on equity in the third quarter was approx. 16.9%, compared to a rate of approx. 16.3% in the corresponding quarter last year. Excluding the effect of the tax levy, and net of the revised estimate of the liabilities for deferred taxes, return on equity in the third quarter amounted to approx. 16.6% compared to 17.5% in the corresponding period last year. The decrease in return on equity net of the higher net income is driven by the substantial increase in the Bank's average equity capital.

Net interest income in the reporting period amounted to approx. NIS 12,753 million, compared to approx. NIS 13,028 million in the corresponding period last year, a decrease of approx. 2.1%. The decrease in interest income arises primarily from a lower inflation and interest rate environment in the reporting period compared to the corresponding period last year and from erosion of credit and deposit spreads. The change in the CPI in the reporting period was positive and stood at approx. 2.12%, compared to approx. 2.95% in the corresponding period last year. These effects were partially offset by the substantial growth in the credit portfolio during the reporting period.

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[1] The return on equity, adjusting for the Tier 1 capital requirement to the Bank's internal Tier 1 own funds target for the three months ended September 30, 2026, for the three months ended September 30, 2025, for the nine months ended September 30, 2026, for the nine months ended September 30, 2025 and for the year ended December 31, 2025 is 17.6%, 19.0%, 16.3%, 18.7% and 17.9%, respectively.
The return on equity, net of the effect of the tax levy and net of the revenues for the third quarter of 2026 resulting from a revised estimate of the liabilities for deferred taxes, and adjusting for the Tier 1 capital requirement to the Bank's internal Tier 1 own funds target for the three months ended September 30, 2026, for the three months ended September 30, 2025, for the nine months ended September 30, 2026, for the nine months ended September 30, 2025 and for the year ended December 31, 2025 is 17.4%, 20.4%, 17.3%, 20.0% and 18.6%, respectively.

In the reporting period of 2026, economic activity was affected by the geopolitical developments on the back of Operation Lion's Roar and its implications. Following the end of Operation Lion's Roar and the declaration of a ceasefire in April, there has been a recovery in economic activity and in the financial markets. However, the level of geopolitical uncertainty remains high.

Notwithstanding the improvement in the economic situation during the reporting period, the estimated collective provision for credit losses continues to reflect the security and economic uncertainty and conservatism in the underlying macroeconomic indicators and parameters of assumptions used in the model for predicting customers' future default rates.

Credit loss expenses in the reporting period reflect an expense rate of approx. 0.15% of the average outstanding credit to the public compared to an expense rate of approx. 0.09% in the corresponding period last year. The increase in the rate of expense arises primarily from an increase in expenses in respect of the collective provision following the growth in the Bank's credit portfolio. The rate of collective credit loss expense in the reporting period stood at approx. 0.19%, compared to a collective expense rate of approx. 0.16% in the corresponding period last year. The rate of specific income in respect of credit losses in the reporting period stood at (0.04%) compared to (0.07%) in specific income in the corresponding period.

Noninterest finance income in the reporting period totaled an income of approx. NIS 1,828 million, compared to a total of approx. NIS 1,203 million in the corresponding period last year. The increase arises primarily from the increase in revenues from exchange rate differences and derivatives and from the sale of available-for-sale bonds. This increase was partially offset by a decrease revenues from trading activity.

Operating and other fees and commissions in the reporting period totaled approx. NIS 3,317 million compared to approx. NIS 3,012 million in the corresponding period last year, an increase of approx. 10.1%. The increase arises primarily from an increase in revenues from financing fees and commissions following a growth in business activities and from an increase in fees and commissions from activity in securities.

Operating and other expenses in the reporting period amounted to approx. NIS 4,758 million, compared to approx. NIS 4,950 million in the corresponding period last year, a decrease of approx. 4%.

The Bank's share in associates' profits, after taxes, totaled approx. NIS 552 million in the reporting period compared to approx. NIS 275 million in the corresponding period last year.

The efficiency ratio for the reporting period was approx. 26.5% compared to 28.6% in the corresponding period last year. The efficiency ratio in the third quarter was approx. 26% compared with 27% in the corresponding quarter last year. The improved efficiency ratio is primarily due to the continued decrease in expenses, inter alia, as a result of careful application of the Bank's technological leadership and AI strategy.

Basic net earnings per share attributable to the shareholders in the reporting period totaled a gain of approx. NIS 5.53 compared to a gain of approx. NIS 5.15 in the corresponding period last year.

CET1 capital to risk-weighted assets ratio as of September 30, 2026 was 11.38%, compared to 12.33% as of September 30, 2025. The decrease in Tier 1 capital is primarily due to the increase in the negative capital reserve for available for sale bonds and the substantial growth in the Bank's credit portfolio, dividend distribution and buyback. This decrease was partially offset from the income in the reporting period as well as from the offsetting effect in the capital reserve for retirement liabilities.

Total capital ratio as at September 30, 2026 was 14.15%, compared to 14.87% as at September 30, 2025.

For further details, including expected regulatory changes regarding the measurement of capital adequacy, see the chapter titled Equity and Capital Adequacy.

On November 16, 2026, the Bank's Board of Directors approved a distribution of profits at a rate of 50% of the net income for the third quarter of 2026, of which approx. 40% of the net income as a cash dividend in the amount of approx. NIS 1,195 million, and the balance by means of a share buyback in the amount of approx. NIS 299 million.

For details, see the chapter titled Equity and Capital Adequacy.

For details regarding the Special Payment for Achieving the Budgetary Targets Law (Temporary Order - Iron Swords), 2024, see Note 17.B.

Material Developments in Income, Expenses and Other Comprehensive Income

Following is the change in net income in the third quarter of 2026 and in the reporting period compared to the corresponding quarter last year and the corresponding period last year

	For the three months ended September 30			
	2026	2025	Change	
	In NIS million		In NIS million	In %
Interest income, net	**4,272**	4,471	(199)	(4.5)
Credit loss expenses	**184**	32	152	475.0
Noninterest income	**1,644**	1,490	154	10.3
Operating and other expenses	**1,539**	1,609	(70)	(4.4)
Income before taxes	**4,193**	4,320	(127)	(2.9)
Provision for tax[(a)]	**1,409**	1,719	(310)	(18.0)
Income after tax	**2,784**	2,601	183	7.0
Bank's share in associates' profits	**202**	99	103	104.0
Net income attributable to non-controlling interests[(b)]	**-**	-	-	-
Net income attributable to the Bank's shareholders[(c)]	**2,986**	2,700	286	10.6
Return on equity (in %)[(d)]	**16.9**	16.3		
Basic net earnings per share (in NIS)	**2.03**	1.81		

	For the nine months ended September 30			
	2026	2025	Change	
	In NIS million		In NIS million	In %
Interest income, net	**12,753**	13,028	(275)	(2.1)
Credit loss expenses	**641**	310	331	106.8
Noninterest income	**5,216**	4,304	912	21.2
Operating and other expenses	**4,758**	4,950	(192)	(3.9)
Income before taxes	**12,570**	12,072	498	4.1
Provision for tax[(a)]	**4,958**	4,634	324	7.0
Income after tax	**7,612**	7,438	174	2.3
Bank's share in associates' profits	**552**	275	277	100.7
Net income attributable to non-controlling interests[(b)]	**-**	-	-	-
Net income attributable to the Bank's shareholders[(c)]	**8,164**	7,713	451	5.8
Return on equity (in %)[(d)]	**15.6**	16.0		
Basic net earnings per share (in NIS)	**5.53**	5.15		

(a) For further information, see Note 17.B.

(b) Amounts lower than NIS 1 million.

(c) Net income attributable to the Bank's shareholders, net of the effect of the tax levy and net of the effect of the tax levy and net of the revenues for the third quarter of 2026 resulting from a revised estimate of the liabilities for deferred taxes for the three months ended September 30, 2026, the three months ended September 30, 2025, the nine months ended September 30, 2026 and the nine months ended September 30, 2025, is NIS 2,944 million NIS 2,899 million, NIS 8,673 million and NIS 8,276 million, respectively.

(d) The return on equity and net of the effect of the tax levy and net of the revenues for the third quarter of 2026 resulting from a revised estimate of the liabilities for deferred taxes, net of the effect of the tax levy for the three months ended September 30, 2026, the three months ended and September 30, 2025, for the nine months ended September 30, 2025, and for the nine months ended September 30, 2026 is 16.6%, 17.5%, 16.6%, and 17.1%, respectively.

Net income development by quarter

	2026	2025					
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	In NIS million						
Interest income, net	**4,272**	4,572	3,909	3,824	4,471	4,540	4,017
Credit loss expenses	**184**	291	166	140	32	223	55
Noninterest income	**1,644**	2,016	1,556	1,524	1,490	1,446	1,368
Operating and other expenses	**1,539**	1,627	1,592	1,698	1,609	1,610	1,731
Income before taxes	**4,193**	4,670	3,707	3,510	4,320	4,153	3,599
Provision for tax[(a)]	**1,409**	1,970	1,579	1,036	1,719	1,623	1,292
Income after tax	**2,784**	2,700	2,128	2,474	2,601	2,530	2,307
Bank's share in associates' profits	**202**	132	218	75	99	80	96
Net income attributable to non-controlling interests[(b)]	**-**	-	-	-	-	-	-
Net income attributable to the Bank's shareholders	**2,986**	2,832	2,346	2,549	2,700	2,610	2,403
Return on equity (in %)	**16.9**	16.3	13.6	15.1	16.3	16.2	15.4
Basic net earnings per share (in NIS)	**2.03**	1.92	1.58	1.71	1.81	1.74	1.60

(a) For further information, see Note 17.B.
(b) Amounts lower than NIS 1 million.

Interest Income, Net

	For the three months ended September 30				For the nine months ended September 30			
	2026		2025		**2026**		2025	
	Interest income (expenses)	% of income (expense)	Interest income (expenses)	% of income (expense)[c]	Interest income (expenses)	% of income (expense)	Interest income (expenses)	% of income (expense)[c]
	In NIS million	In %	In NIS million	In %	In NIS million	In %	In NIS million	In %
Interest income	**10,301**	**4.96**	10,630	5.76	**30,348**	**5.00**	29,894	5.66
Interest expenses	**(6,029)**	**(3.72)**	(6,159)	(4.37)	**(17,595)**	**(3.73)**	(16,866)	(4.22)
Interest income, net	**4,272**	**1.24**	4,471	1.39	**12,753**	**1.27**	13,028	1.44
Net yield on interest-bearing assets (NIM)		**2.06**		2.42		**2.10**		2.47
Additional information:								
Credit spread[a]	**2,244**		2,141		**6,724**		6,380	
Deposit spread[a]	**1,450**		1,694		**4,544**		5,148	
Other[b]	**578**		636		**1,485**		1,500	

(a) Spread from granting of credit to the public is the difference between the interest received from credit and the cost of raising the sources used to grant the credit (hereinafter - "**transfer prices**"). These transfer prices are subject to the period, currency and type of interest in the transaction. Transfer prices are the Bank's internal pricing tool and are based on internal models and the Bank's judgment. Spread from public deposit taking activity is the difference between the transfer prices and the interest paid to customers for these deposits. The credit and deposit spreads in the above table are affected both by quantity and by price.

(b) "Other" is attributed to the financial management segment and includes the segment's interest income and expenses transferred to the Bank's divisions in respect of the sources.

(c) Reclassified - credit balances and deposits in respect of lending and borrowing between customers have been classified as non-interest bearing balances.

Net interest income in the reporting period amounted to approx. NIS 12,753 million, compared to approx. NIS 13,028 million in the corresponding period last year, a decrease of approx. 2.1%. The decrease in net interest income arises primarily from a lower inflation and interest rate environment compared to the corresponding period last year and from erosion of credit and deposit spreads. This effect was partially offset by a substantial growth in the Bank's credit portfolio.

The deposit spread is affected, among other things, by the mix of interest bearing and non-interest bearing deposits. The deposit spread is expected to erode in the transition from non-interest bearing deposits to interest bearing deposits.

In the reporting period, the Prime interest rate stood at an average of approx. 5.29%, compared to 6.00% in the corresponding period last year.

Net interest income in the reporting period was positively affected by the linkage to the CPI of the principal totaling approx. NIS 868 million, and in the corresponding period last year - they were positively affected by the linkage to the CPI of the principal totaling approx. NIS 1,163 million.

The rate of income decreased by 0.66%, mainly due to the decrease in the Prime and Fed interest rates, the effect of the CPI and the erosion of the credit spreads.

The rate of expense decreased by 0.49%, mainly due to the decrease in the Prime and Fed interest rates and the effect of the CPI; this effect was partially offset by the erosion of the deposit spreads.

The decrease in the net interest margin (NIM) on interest-bearing assets in the reporting period arises primarily from the effect of the CPI, the decline in interest rates and the erosion of the credit and deposit spreads, which was partially offset by the growth in the credit portfolio.

The total interest rate spread in the reporting period is approx. 1.27%, compared to a spread of approx. 1.44% in the corresponding period year.

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

In the non-linked NIS segment, the interest rate spread was 1.41%, compared with 1.70% in the corresponding period last year. In the CPI segment, the interest rate spread is 1.11%, compared with 1.05% in the corresponding period last year. In the foreign exchange segment, the interest rate spread was 0.45%, compared with 0.22% in the corresponding period last year.

The following are data regarding net interest income, by quarter

	2026					
	Q3		Q2		Q1	
	Interest income (expenses)	% of income (expense)	Interest income (expenses)	% of income (expense)[a]	Interest income (expenses)	% of income (expense)[a]
	In NIS million	In %	In NIS million	In %	In NIS million	In %
Interest income	**10,301**	**4.96**	10,788	5.25	9,259	4.78
Interest expenses	**(6,029)**	**(3.72)**	(6,216)	(3.84)	(5,350)	(3.56)
Interest income, net	**4,272**	**1.24**	4,572	1.41	3,909	1.22
Net yield on interest-bearing assets (NIM)		**2.06**		2.22		2.02
Additional information:						
Credit spread	**2,244**		2,273		2,207	
Deposit spread	**1,450**		1,440		1,654	
Other	**578**		859		48	

	2025							
	Q4		Q3		Q2		Q1	
	Interest income (expenses)	% of income (expense)[a]	Interest income (expenses)	% of income (expense)[a]	Interest income (expenses)	% of income (expense)[a]	Interest income (expenses)	% of income (expense)[a]
	In NIS million	In %	In NIS million	In %	In NIS million	In %	In NIS million	In %
Interest income	9,197	4.95	10,630	5.76	10,211	5.81	9,053	5.39
Interest expenses	(5,373)	(3.74)	(6,159)	(4.37)	(5,671)	(4.25)	(5,036)	(4.02)
Interest income, net	3,824	1.21	4,471	1.39	4,540	1.56	4,017	1.37
Net yield on interest-bearing assets (NIM)		2.06		2.42		2.58		2.39
Additional information:								
Credit spread	2,189		2,141		2,121		2,118	
Deposit spread	1,656		1,694		1,726		1,728	
Other	(21)		636		693		171	

(a) Reclassified - credit balances and deposits in respect of lending and borrowing between customers have been classified as non-interest bearing balances.

For additional information regarding interest income and expenses, see Appendix 1 - Income and Expenditure Rates and Analysis of Changes in Interest Income and Expenses.

For additional information regarding credit and deposit spreads by operating segments, see Main Changes in the Operating Results of the Regulatory Segments in the chapter titled Regulatory Operating Segments.

For details regarding exposures to interest rate risk, see the Market Risks chapter.

Credit Loss Expenses

	For the nine months ended September 30			
	2026	2025	Change	
	In NIS million		In NIS million	In %
Income in respect of credit losses - specific	**(160)**	(253)	93	36.8
Collective credit loss expenses	**801**	563	238	42.3
Total credit loss expenses	**641**	310	331	106.8
Of which:				
Credit loss expenses in respect of commercial credit risk	**582**	68	514	755.9
Credit loss expenses for credit risk in respect of housing credit	**22**	27	(5)	(18.5)
Credit loss expenses for other credit risk for private individuals	**38**	187	(149)	(79.7)
Credit loss (income) expenses for credit risk for banks, governments and bonds	**(1)**	28	(29)	
Total credit loss expenses	**641**	310	331	106.8
Ratios in %:[(a)]				
Percentage of specific income for credit losses out of the average outstanding credit to the public	**(0.04)**	(0.07)		
Percentage of collective credit loss expense out of the average outstanding credit to the public	**0.19**	0.16		
Percentage of credit loss expenses out of average outstanding credit to the public	**0.15**	0.09		
Percentage of net write-offs for credit to the public out of the average outstanding credit to the public	**0.10**	0.08		
Percentage of net write-offs for credit to the public out of the outstanding credit loss provisions for credit to the public	**8.18**	5.64		

(a) Annualized.

Development of credit loss expenses (income) by quarter

	2026			2025			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	In NIS million						
Income in respect of credit losses - specific	**(58)**	(4)	(98)	(4)	(74)	(162)	(17)
Collective credit loss expenses	**242**	295	264	144	106	385	72
Total credit loss expenses	**184**	291	166	140	32	223	55
Of which:							
Credit loss expenses (income) for credit risk for commercial credit risk	**132**	234	216	32	(15)	91	(8)
Credit loss (income) expenses for credit risk in respect of housing credit	**(7)**	42	(13)	3	-[c]	41	(14)
Credit loss expenses (income) for other credit risk in respect of for private individuals	**40**	28	(30)	93	27	96	64
Credit loss expenses (income) for credit risk for banks, governments and bonds	**19**	(13)	(7)	12	20	(5)	13
Total credit loss expenses	**184**	291	166	140	32	223	55
Ratios in %:[a]							
Percentage of specific income for credit losses out of the average outstanding credit to the public	**(0.04)**	-[b]	(0.07)	-[b]	(0.06)	(0.14)	(0.01)
Percentage of collective credit loss expense out of the average outstanding credit to the public	**0.17**	0.20	0.19	0.11	0.09	0.33	0.06
Percentage of credit loss expenses out of average outstanding credit to the public	**0.13**	0.20	0.12	0.11	0.03	0.19	0.05
Percentage of net charge-offs for credit to the public out of the average outstanding credit to the public	**0.11**	0.10	0.09	0.07	0.05	0.08	0.11
Percentage of net charge-offs out of the outstanding credit loss provisions for credit to the public	**8.88**	8.48	7.24	4.91	3.64	5.52	7.78

(a) Annualized.

(b) Rate of less than 0.01%.

(c) Amounts lower than NIS 1 million.

For additional information regarding credit loss expenses, see Note 6 and Note 13.

Credit loss expenses in the reporting period totaled NIS 641 million, compared to expenses of NIS 310 million in the corresponding period last year. The increase in credit loss expenses is primarily due to an increase in collective expense.

Credit loss expenses in the reporting period reflect an expense rate of approx. 0.15% of the average outstanding credit to the public compared to an expense rate of approx. 0.09% in the corresponding period last year. The increase in the rate of expense arises primarily from an increase in expenses in respect of the collective provision following the growth in the Bank's credit portfolio. The rate of collective credit loss expense in the reporting period stood at approx. 0.19%, compared to a collective expense rate of approx. 0.16% in the corresponding period last year. The rate of specific income in respect of credit losses in the reporting period stood at (0.04%) compared to (0.07%) in specific income in the corresponding period.

The estimated provision for credit losses continues to reflect a conservative approach, amid uncertainty arising from the geopolitical situation and its possible effects on the economic environment.

The rate of the balance of credit loss provision out of credit to the public as of September 30, 2026 totaled 1.16%, compared to 1.30% as of December 31, 2025.

For additional information regarding credit risks and their effect on the credit loss provision, see Note 6 and Note 13.

Noninterest income

	For the nine months ended September 30			
	2026	2025	Change	
	In NIS million		In NIS million	In %
Noninterest finance income	**1,828**	1,203	625	52.0
Fees and commissions	**3,317**[a]	3,012[b]	305	10.1
Other income	**71**	89	(18)	(20.2)
Total	**5,216**	4,304	912	21.2

(a) Including benefits to customers as part of the Bank of Israel's Framework totaling approx. NIS 76 million. For further details, see the chapter titled Main Changes in the Past Year in the Report of the Board of Directors and Management.
(b) Including benefits to customers as part of the Bank of Israel's Framework totaling approx. NIS 130 million.

The weight of noninterest income out of total income (i.e., net interest income and noninterest income) in the reporting period was at a rate of 29.0%, compared to 24.8% in the corresponding period last year and 25.7% for the entire 2025. The difference between the reporting periods was mainly affected by an increase in revenues from exchange rate differences and derivatives, sale of available-for-sale bonds and by an increase in revenue from fees and commissions, which was partially offset by a decrease in revenues from trading activity.

Development of noninterest income by quarter

	2026			2025			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	In NIS million						
Noninterest finance income	**460**	960	408	434	500	410	293
Fees and commissions	**1,146**	1,042[a]	1,129	1,072	977[b]	1,014	1,021
Other income	**38**	14	19	18	13	22	54
Total	**1,644**	2,016	1,556	1,524	1,490	1,446	1,368

(a) Including benefits to customers as part of the Bank of Israel's Framework totaling approx. NIS 76 million.
(b) Including benefits to customers as part of the Bank of Israel's Framework totaling approx. NIS 119 million.

Breakdown of noninterest finance income

	For the nine months ended September 30			
	2026	2025	Change	
	In NIS million		In NIS million	In %
Net income for derivatives and net exchange rate differences for non-trading activities	**922**	458	464	101.3
Gains (losses) on sale of available-for-sale bonds, net	**63**	(301)	364	
Realized and unrealized gains, net[(a)] and dividend from equity securities not held for trading	**304**	343	(39)	(11.4)
Gain on sale of investees' equity	**217**	100[(b)]	117	117.0
Net income for derivatives for trading activities	**495**	589	(94)	(16.0)
Gains on sold loans, net	**7**	-	7	
Realized and unrealized (losses) gains from fair value adjustments of held-for-trading bonds and equity securities, net[(a)] and dividend from held-for-trading equity securities	**(180)**	14	(194)	
Total	**1,828**	1,203	625	52.0

(a) Realized and unrealized gains from fair value adjustments of held-for-trading and not held for-trading bonds and equity securities, net also include the effect of exchange rate differences and impairments.

(b) Including a gain of approx. NIS 94 million from the merger of Leumi Partners Underwriters Ltd. and Barak Capital Underwriting Ltd. For further details, see the chapter titled Main Investee Companies in the Report of the Board of Directors and Management as of December 31, 2025.

Breakdown of noninterest finance income by quarter

	2026			2025			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	In NIS million						
Net revenues (expense) in respect of derivatives and net exchange rate differences for not-for-trading activities	**301**	513	108	205	64	465	(71)
Gains (losses) on sale of available-for-sale bonds, net	**29**	21	13	-	(21)	(174)	(106)
Realized and unrealized gains (losses), net[(a)] and dividend from shares not held for trading	**22**	60	222	155	166	(90)	267
Gain on sale of investees' equity	**-**	164	53	-	95[(b)]	-	5
Net income for derivatives for trading activities	**220**	221	54	10	160	281	148
Gains on sold loans, net	**-**	1	6	-	-	-	-
Realized and unrealized (losses) gains from fair value adjustments of held-for-trading bonds and equity securities, net[(a)] and dividend from held-for-trading equity securities	**(112)**	(20)	(48)	64	36	(72)	50
Total	**460**	960	408	434	500	410	293

(a) Realized and unrealized gains from fair value adjustments of held-for-trading and not held for-trading bonds and equity securities, net also include the effect of exchange rate differences and impairments.

(b) Including a gain of approx. NIS 94 million from the merger of Leumi Partners Underwriters Ltd. and Barak Capital Underwriting Ltd. For further details, see the chapter titled Main Investee Companies in the Report of the Board of Directors and Management as of December 31, 2025.

Breakdown of fees and commissions

	For the nine months ended September 30			
	2026	2025	Change	
	In NIS million		In NIS million	In %
Account management	**451**	443	8	1.8
Activity in securities and certain derivatives	**627**	578	49	8.5
Credit cards	**238**[(a)]	201[(a)]	37	18.4
Credit handling	**188**	188	-	-
Financial products distribution fees and commissions	**242**	203	39	19.2
Exchange rate differences	**413**	390	23	5.9
Financing fees and commissions	**883**	732	151	20.6
Other fees and commissions	**275**	277	(2)	(0.7)
Total fees and commissions	**3,317**	3,012	305	10.1

(a) Including benefits for customers under the Bank of Israel's Framework. For further details, see the chapter titled Main Changes in the Past Year in the Report of the Board of Directors and Management.

The 10.1% increase compared to the corresponding period last year arises primarily from an increase in revenues from financing fees and commissions following growth in business activities and from an increase in revenues from securities activity.

Breakdown of fees and commissions by quarter

	2026			2025			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	In NIS million						
Account management	**150**	150	151	149	150	145	148
Activity in securities and certain derivatives	**189**	213	225	204	190	198	190
Credit cards	**107**	28[(a)]	103	99	(10)[(a)]	100	111
Credit handling	**57**	59	72	70	58	61	69
Financial products distribution fees and commissions	**84**	81	77	74	71	67	65
Exchange rate differences	**130**	142	141	131	132	129	129
Financing fees and commissions	**335**	279	269	251	290	224	218
Other fees and commissions	**94**	90	91	94	96	90	91
Total fees and commissions	**1,146**	1,042	1,129	1,072	977	1,014	1,021

(a) Including benefits for customers under the Bank of Israel's Framework.

Operating and other expenses

	For the nine months ended September 30			
	2026	2025	Change	
	In NIS million		In NIS million	In %
Salaries and related expenses	**2,667**	2,699	(32)	(1.2)
Depreciation and amortization	**399**	403	(4)	(1.0)
Maintenance expenses for buildings and equipment	**690**	648	42	6.5
Other expenses	**1,002**	1,200	(198)	(16.5)
Total operating and other expenses	**4,758**	4,950	(192)	(3.9)

In the reporting period, there was a decrease of approx. NIS 192 million in operating and other expenses compared to the corresponding period last year. The decrease arose, among other things, from the decrease in pension expenses with respect to actuarial liabilities.

The efficiency ratio in the reporting period was approx. 26.5% compared to 28.6% in the corresponding period last year. The decrease in the efficiency ratio arises from a decrease in operating expenses and an increase in noninterest income.

Total (annualized) operating and other expenses constitute approx. 0.66% of total assets, compared to approx. 0.80% in the corresponding period last year.

Operating and other expenses by quarter

	2026				2025		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	In NIS million						
Salaries and related expenses	**843**	945	879	881	858	881	960
Depreciation and amortization	**133**	133	133	145	128	132	143
Maintenance expenses for buildings and equipment	**229**	223	238	259	215	202	231
Other expenses	**334**	326	342	413	408	395	397
Total operating and other expenses	**1,539**	1,627	1,592	1,698	1,609	1,610	1,731

Salary expenses

	For the nine months ended September 30			
	2026	2025	Change	
	In NIS million		In NIS million	In %
Salaries and related expenses	**2,415**	2,431	(16)	(0.7)
Pension, severance and retirement expenses	**252**	268	(16)	(6.0)
Total salary expenses	**2,667**	2,699	(32)	(1.2)

Salary expenses constitute approx. 56.1% of total operating and other expenses in the reporting period, compared to approx. 54.5% in the corresponding period last year.

Salary expenses by quarter

	2026			2025			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	In NIS million						
Salaries and related expenses	**759**	859	797	793	768	792	871
Pension, severance and retirement expenses	**84**	86	82	88	90	89	89
Total salary expenses	**843**	945	879	881	858	881	960

Condensed Comprehensive Income Statement

Comprehensive income for the reporting period totaled approx. NIS 7,761 million compared to approx. NIS 8,606 million in the reporting period last year.

In the reporting period, negative adjustments were recorded in respect of available-for-sale bonds totaling NIS 1,743 million before tax. These adjustments were added to positive adjustments of liabilities for employee benefits totaling NIS 1,064 million before tax, which arise primarily from the effect of the increase in the discount rate. These adjustments were stated directly in other comprehensive income.

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

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2026	2025	**2026**	2025	2025
	In NIS million				
Net income attributable to the Bank's shareholders	**2,986**	2,700	**8,164**	7,713	10,262
Changes in other comprehensive income attributable to the Bank's shareholders:					
Adjustments in respect of presentation of available-for-sale bonds at fair value, net	**(1,736)**[(b)]	379	**(1,743)**[(b)]	1,374	1,819
Adjustments of liabilities for employee benefits	**426**	(152)	**1,064**	123	438
Other adjustments[(a)]	**(37)**	(9)	**(141)**	(31)	(58)
Related tax effect	**610**	(97)	**417**	(573)	(849)
Other comprehensive income (loss) before attribution to non-controlling interests, after taxes	**(737)**	121	**(403)**	893	1,350
Other comprehensive income (loss) attributable to the Bank's shareholders, after taxes	**(737)**	121	**(403)**	893	1,350
Comprehensive income attributable to the Bank's shareholders	**2,249**	2,821	**7,761**	8,606	11,612

(a) For the composition of the other adjustments see Note 4.

(b) The increase in the negative capital reserve balance was mainly due to the effect of the increase in risk-free interest and the expansion of credit spreads, which led to a decline in fair value of the available-for-sale bonds portfolio. This effect was partially offset by a decrease in employee benefits liabilities, as a result of the discount rate increase.

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

Total assets of the Leumi Group as of September 30, 2026 amounted to NIS 965.5 billion, compared to NIS 873.0 billion as of the end of 2025 - a 10.6% increase, and compared to September 2025 - a 16.7% increase.

The value of financial assets denominated in, and linked to, foreign currency out of the Group's total assets as at September 30, 2026 is approx. NIS 175.8 billion, approx. 18.2% of the total assets. In the first nine months of 2026, the NIS appreciated against the USD by 4.0%, appreciated by 7.2% against the EUR, and appreciated by 5.4% against the GBP. The change in the shekel's exchange rates against all foreign currencies during the first quarter contributed to a decrease of approx. 0.7% in the Group's total consolidated assets. For information regarding the effect of foreign exchange rate fluctuations, see Foreign exchange rate risk.

Following are the changes in the main balance sheet line items

			Change	
	September 30, 2026	December 31, 2025	From December 2025	From September 2025
	In NIS million		In %	
Total assets	**965,486**	872,971	10.6	16.7
Cash and deposits with banks	**141,899**	154,647	(8.2)	2.6
Securities	**177,412**	148,120	19.8	25.8
Credit to the public, net	**586,124**	519,950	12.7	18.3
Buildings and equipment	**3,439**	3,153	9.1	14.0
Deposits by the public	**738,939**	686,887	7.6	15.3
Deposits by banks	**10,682**	13,123	(18.6)	(36.7)
Bonds, promissory notes and subordinated notes[(a)]	**63,942**	44,207	44.6	42.5
Shareholders' equity	**71,442**	68,130	4.9	6.6

(a) For additional information, see the chapter titled Bonds, Capital Notes and Subordinated Notes.

Changes in the main off-balance sheet items

			Change	
	September 30, 2026	December 31, 2025	From December 2025	From September 2025
	In NIS million		In %	
Documentary credit, net	**2,672**	998	167.7	129.9
Guarantees and other commitments, net	**94,816**	86,934	9.1	11.6
Unutilized credit card credit facilities, net	**19,482**	16,753	16.3	17.9
Unutilized current account and other credit facilities in demand accounts, net	**19,023**	18,478	2.9	0.3
Irrevocable credit commitments approved but not yet granted and commitments to issue guarantees, net	**151,379**	132,530	14.2	23.9
Derivative instruments[(a)(b)]	**2,530,621**	1,954,498	29.5	39.1
Options - all types[(b)]	**371,250**	420,014	(11.6)	(28.6)

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

Credit to the public

Gross credit to the public increased by 12.6% in the reporting period, compared to the balance at the end of 2025.

Outstanding credit to the public, net in the Leumi Group as of September 30, 2026 totaled approx. NIS 586.1 billion compared to approx. NIS 520.0 billion as of December 31, 2025, an increase of approx. 12.7%.

In addition to credit to the public, the Group invests in companies' securities, which as of September 30, 2026 totaled approx. NIS 22,944 million, compared to NIS 22,483 million as of the end of 2025, and which also embody credit risks.

Development in credit to the public, operating segments

	September 30, 2026	December 31, 2025	Change	
	In NIS million		In NIS million	In %
Households - Housing loans	**164,123**	153,919	10,204	6.6
Households - Other	**31,553**	31,420	133	0.4
Private banking	**662**	577	85	14.7
Small- and micro-businesses	**107,272**	92,945	14,327	15.4
Middle-Market	**45,209**	42,154	3,055	7.2
Corporations	**226,918**	187,253	39,665	21.2
Institutional entities	**6,893**	8,129	(1,236)	(15.2)
Total activity in Israel	**582,630**	516,397	66,233	12.8
Foreign operations	**10,385**	10,403	(18)	(0.2)
Total credit to the public, gross	**593,015**	526,800	66,215	12.6
Total credit loss provision	**6,891**	6,850	41	0.6
Total credit to the public, net	**586,124**	519,950	66,174	12.7

For additional information regarding the credit loss provision due to the War and information regarding the development of credit and credit risk by economic sector, see under "Credit Risks".

Troubled Credit Risk

Following is the troubled credit risk after specific and collective provisions

	September 30, 2026			December 31, 2025		
	On-balance sheet	Off-balance sheet	Total	On-balance-sheet	Off-balance sheet	Total
	In NIS million					
Non-accruing credit risk, net	**1,979**	**115**	**2,094**	1,430	60	1,490
Accruing credit risk, net	**3,285**	**205**	**3,490**	3,542	394	3,936
Total	**5,264**	**320**	**5,584**	4,972	454	5,426

	September 30, 2026	December 31, 2025
	In NIS million	
Troubled credit risk - Commercial	**5,073**	5,363
Troubled credit risk - retail	**1,649**	1,732
Total	**6,722**	7,095
Balance of credit loss provision	**1,138**	1,669
Troubled credit after credit loss provision	**5,584**	5,426

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

Securities

As at September 30, 2026, the Leumi Group's investments in securities amounted to NIS 177.4 billion, compared to NIS 148.1 billion as of the end of 2025, an increase of approx. 20%.

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

Fair value calculation method

The fair value of Israeli securities is based mainly on quoted prices on the Tel Aviv Stock Exchange; the fair value of foreign securities is based on prices received from external sources. Equity securities and mutual funds for which no fair value is available are presented at cost less impairment, adjusted upwards or downwards for observable prices in similar transactions or identical transactions of the same issuer.

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

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

	September 30, 2026					December 31, 2025				
	Held-to-maturity bonds[e]	Available-for-sale bonds[a][e]	Not held-for-trading equity securities and mutual funds[b]	Held-for-trading securities [c][f]	Total	Held-to-maturity bonds[e]	Available-for-sale bonds[a][e]	Not held-for-trading equity securities and mutual funds[b]	Held-for-trading securities [c][f]	Total
	In NIS million									
Bonds										
Of the Israeli Government	**9,305**	**96,561**		**13,219**	**119,085**	11,602	72,151		5,260	89,013
Of foreign governments[d]	**-**	**20,196**		**17**	**20,213**	-	21,193		-	21,193
Of Israeli financial institutions	**-**	**632**		**420**	**1,052**	-	222		206	428
Of foreign financial institutions	**203**	**7,613**		**220**	**8,036**	871	7,919		78	8,868
Asset-backed (ABS) or mortgage-backed (MBS)	**3,840**	**12,682**		**765**	**17,287**	4,576	10,785		207	15,568
Of other Israeli entities	**-**	**975**		**255**	**1,230**	-	930		100	1,030
Of other foreign entities	**227**	**2,272**		**136**	**2,635**	269	3,273		75	3,617
Equity securities and mutual funds			**7,871**	**3**	**7,874**			7,030	1,373	8,403
Total securities	**13,575**	**140,931**	**7,871**	**15,035**	**177,412**	17,318	116,473	7,030	7,299	148,120

(a) Including unrealized losses, net from fair value adjustments in the amount of NIS (2,615) million recorded in other comprehensive income (December 31, 2025 - net losses of NIS (654) million).

(b) Including unrealized losses, net from fair value adjustments in the amount of NIS (6) million recorded in profit and loss (December 31, 2025 - net gains of NIS 168 million).

(c) Including unrealized losses, net from fair value adjustments in the amount of NIS (107) million recorded in profit and loss (December 31, 2025 - net gains of NIS 196 million).

(d) Of which: The US government - NIS 13.7 billion (December 31, 2025 – NIS 17.1 billion).

(e) The balances of held-to-maturity bonds are presented net of the credit loss provision. As at September 30, 2026, the credit loss provision in respect of those balances is less than NIS 1 million. (December 31, 2025 - NIS 1 million). As at September 30, 2026 and December 31, 2025, there is no Outstanding credit loss provision in respect of available-for-sale bonds.

(f) Of which bonds in the amount of approx. NIS 1,994 million classified as held-for-trading securities because the Bank chose to measure them according to the fair value alternative, although they were not acquired for trading purposes (December 31, 2025 - NIS 181 million).

As at September 30, 2026, approx. 79.4% of the Group's own (nostro) portfolio was classified as available-for-sale, approx. 8.5% as held-for-trading, approx. 4.4% as not held-for-trading equity securities and mutual funds and approx. 7.7% as held-to-maturity.

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

Available-for-sale portfolio

1. In the reporting period, there was approx. a NIS (1,743) million decrease (before tax effect) in other comprehensive income in respect of available-for-sale bonds, compared with an increase of NIS 1,374 million (before tax) in the corresponding period last year.

2. In the reporting period, net gains on the sale of available-for-sale bonds, stated in profit and loss, amounted to approx. NIS 63 million (before tax effect), compared with net losses of NIS (301) million (before tax effect) in the corresponding period last year.

The net accumulated balance of fair value adjustments of bonds held in the available-for-sale portfolio as of September 30, 2026 totaled a negative amount of approx. NIS (1,232) million (after tax effect), compared to a negative amount of approx. NIS (228) million as of the end of 2025 (after tax effect). These amounts represent net unrealized losses (after tax) as of the reporting dates.

For information regarding fair value adjustments of available-for-sale securities carried to equity, see Note 5.

Held-for-trading portfolio

As at September 30, 2026, the held-for-trading portfolio totals approx. NIS 15 billion, compared to NIS 7.3 billion as of December 31, 2025. As at September 30, 2026, the held-for-trading portfolio constitutes approx. 8.5% of the Group's total nostro portfolio, compared with 4.9% as of December 31, 2025.

Net realized and unrealized losses (including dividend) totaling NIS (180) million were recorded in the income statement in the reporting period in respect of the held-for-trading portfolio compared to net gains totaling NIS 14 million in the corresponding period last year.

Investments in shares and funds not held for trading

As at September 30, 2026, investments in not held for trading equity securities and mutual funds totaled approx. NIS 7,871 million, of which approx. NIS 2,951 million were marketable and approx. NIS 4,920 million - non-marketable.

Realized and unrealized gains (including dividend) in respect of the not held for trading equity securities and mutual funds in the amount of approx. NIS 304 million were recorded net in the income statement in the reporting period, compared with net gains of NIS 343 million in the corresponding period last year.

For additional information regarding the portfolio's composition, see Note 5.

Investments in foreign securities

A. Investments in foreign asset-backed securities

The Group's asset-backed (mortgage and non-mortgage) securities portfolio, all investment-grade, amounted to approx. NIS 17.3 billion (approx. USD 5.6 billion) as of September 30, 2026, compared to NIS 15.6 billion (approx. USD 4.9 billion) as of the end of 2025. Out of the above portfolio, as of September 30, 2026, approx. NIS 12.7 billion (approx. USD 4.1 billion) was classified to the available-for-sale portfolio and the remainder - to the held-for-trading and held-to-maturity portfolios.

As at September 30, 2026, the portfolio of available-for-sale investments in foreign asset-backed bonds, including investment in mortgage-backed bonds, totaled approx. NIS 9.1 billion. 93.2% of all mortgage-backed bonds in the available-for-sale portfolio was issued by US federal agencies (FNMA, FHLMC, GNMA) and all were rated AA+ as of the report date.

As at September 30, 2026, the cumulative fair value adjustments, net carried to shareholders' equity and arising from the mortgage-backed bond portfolio totaled a negative amount of approx. NIS (730) million.

Total mortgage-backed bonds that are neither state-backed (USA) nor backed by US federal institutions total approx. NIS 621 million.

The weighted average maturity for the entire mortgage-backed bond portfolio is approx. 5.4 years (average duration). In addition to the mortgage-backed bonds, the Group's available-for-sale portfolio also includes other non-mortgage asset-backed bonds totaling NIS 3.6 billion, of which CLO bonds account for approx. NIS 2.1 billion. The weighted average maturity for the entire non-mortgage asset-backed bond portfolio is approx. 5.37 years.

For additional information regarding investment in asset-backed bonds, see Note 5.

B. Investments in foreign non-asset-backed securities

As at September 30, 2026, the Group's securities portfolio includes approx. NIS 52.8 billion (USD 17.2 billion) in foreign non-asset-backed securities. NIS 41.6 billion (USD 13.6 billion) is from bonds classified to the available-for-sale portfolio. 98.51% of the total securities are investment grade and include mainly securities of the US government, banks and financial institutions as well as bonds of investment-grade corporations, and the remainder are mainly securities issued by the Israeli government.

For additional information regarding exposure to foreign financial institutions, see the chapter titled Credit Risks.

As at September 30, 2026, the aggregate impairment of the capital reserve for securities which are not backed by assets issued abroad within the available-for sale portfolio amounted to NIS 1,362 million (NIS 785 million after tax).

As aforesaid, in addition to the available-for-sale portfolio, the held-for-trading portfolio and held-to-maturity portfolio also include non-asset-backed securities. The held-for-trading portfolio mainly includes securities issued by governments, banks and financial institutions. 95.95% of the securities in the held-for-trading portfolio are investment-grade.

As at September 30, 2026, the value of the non-asset-backed held-for-trading portfolio was NIS 1,542 million (approx. USD 503.4 million).

Investments in bonds issued in Israel

As at September 30, 2026, investments in bonds issued in Israel amounted to NIS 104.0 billion, of which NIS 101.8 billion was in shekel-denominated bonds issued by the Israeli Government and the remainder - in corporate bonds. Approx. 70.4% of corporate bonds investments - which are approx. NIS 1.6 billion - were included in the available-for-sale portfolio, and the remainder - in the held-for-trading portfolio.

The available-for-sale portfolio of corporate bonds - which total NIS 1.6 billion - include a negative capital reserve of NIS (18) million.

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

For more information, see Note 5.

Deposits by the Public

Following are balances of deposits by the public

	As at September 30, 2026	As at December 31, 2025	Change
	In NIS million		In %
Demand deposits			
Non-interest bearing deposits	**179,970**	159,435[(a)]	12.9
Interest-bearing deposits	**135,402**	125,311[(a)]	8.1
Total demand deposits	**315,372**	284,746	10.8
Fixed deposits	**423,567**	402,141[(a)]	5.3
Total deposits by the public	**738,939**	686,887	7.6

(a) Reclassified - credit balances and deposits in respect of lending and borrowing between customers have been classified as non-interest bearing balances.

Off-balance sheet activity in securities held by the public

	September 30, 2026	December 31, 2025	Change	
	In NIS million		In NIS million	In %
Securities portfolios[(a)]	**1,612,908**	1,437,663	175,245	12.2
Assets for which operating services are provided:[(a)(b)(c)]				
Provident funds, pension funds and advanced education funds	**529,361**	511,714	17,647	3.4

(a) Including changes in the market value of securities and value of securities of mutual funds and provident funds in the Group's custody, for which operational management and contribution management services are provided.
(b) The Group does not manage mutual funds, provident funds and advanced education funds.
(c) Assets of customers to which the Group provides operational management services, including provident fund balances of customers who receive consulting services from Leumi.

Bonds, Commercial Papers, Capital Notes and Subordinated Notes

Shelf prospectus, issuance of bonds, subordinated notes[1] and commercial papers

On August 20, 2026, the Bank received the approval of the Israel Securities Authority to extend the force of the Bank's Shelf Prospectus until August 28, 2027.

Breakdown of bonds, subordinated notes and commercial papers traded on the TACT Institutional system

	September 30, 2026	December 31, 2025
	Par value	
Bonds[(a)]	**48,562**	30,507
Subordinated notes	**9,642**	7,135[(b)]
Total bonds and subordinated notes	**58,204**	37,642

(a) Including bonds to investors in Israel and abroad, credit linked notes (CLN), and commercial papers.
(b) Of which, a total of NIS 4,743 million was included in Tier 2 capital as of December 31, 2025. For further details, see the section titled Early redemption of subordinated notes.

On January 22, 2026, the Bank issued a total of approx. NIS 744 million p.v. in Subordinated Notes (Series 406) by way of series expansion in consideration for approx. NIS 802 million linked to the Consumer Price Index and bearing fixed interest of 3.1% per year, a total of approx. NIS 2,521 million p.v. in Bonds (Series 187), which are not linked to any linkage basis and bear annual fixed interest of 4.59%, which were issued by way of series expansion in consideration for approx. NIS 2,632 million, and a total of NIS 1,489 million p.v. in Commercial Papers (Series 10), which were issued as a new series, which is unlinked and bearing interest at a rate 0.02% higher than the Bank of Israel policy rate.

On March 19, 2026, the Bank issued a total of approx. NIS 1,156 million p.v. in Bonds (Series 407) linked to the Consumer Price Index, which are not linked to any linkage basis and bear a fixed annual interest rate of NIS 4.69%, in exchange for approx. NIS 1,156 million, and a total of approx. NIS 1,802 million p.v. in Bonds (Series 186), linked to the Consumer Price Index and bearing a fixed annual interest rate of 2.02%, which were issued by way of a series expansion for approx. NIS 1,905 million, as well as a total of NIS 1,039 million p.v. in Commercial Papers (Series 11), which were issued by way of a new series, unlinked, bearing interest at a rate of 0.02% over the Bank of the Bank of Israel's interest rate.

On April 20, 2026, the Bank issued a total of approx. NIS 2,719 million p.v. in Bonds (Series 187) not linked to any linkage basis and bearing a fixed annual interest rate of 4.59%, which were issued by way of a series expansion in consideration for approx. NIS 2,836 million, as well as a total of NIS 1,346 million p.v. in Commercial Papers (Series 12), which were issued by way of a new series. Not linked and carries interest at a rate of 0.02% over the Bank of Israel's interest rate.

On July 16, 2026, the Bank issued a total of NIS 1,002 million p.v. in Commercial Papers (Series 13), which were issued by way of a new series. Not linked and carries interest at a rate of 0.02% over the Bank of Israel's interest rate.

On August 18, 2026, the Bank issued a total of approx. NIS 2,391 million p.v. in Bonds (Series 187) non-linked to any linkage basis bearing a fixed annual interest of 4.59% which were issued by way of series expansion in consideration for approx. NIS 2,481 million, a total of approx. NIS 1,827 million p.v. in CPI-linked Bonds (Series 188) bearing a fixed annual interest of NIS 2.6%, which were issued by way of series expansion in consideration for approx. NIS 1,893 million, and a total of approx. NIS 900 million p.v. in Commercial Papers (Series 14), which were issued by way of issuance of a new series. Not linked and carries interest at a rate of 0.02% over the Bank of Israel's interest rate.

Bonds (Series 186-188) and Commercial Papers (Series 10-14) are not recognized for regulatory capital purposes.
The Notes (Series 406 and Series 407) are eligible for inclusion in Tier 2 capital as from the issuance date.

For additional information regarding the terms of issuance of subordinated notes, see Note 9A and immediate reports dated January 22, 2026, March 19, 2026, April 17, 2026, July 16, 2026 and August 18, 2026.

[1] The subordinated notes include a loss absorption mechanism through conversion into ordinary shares of the Bank under certain circumstances and according to a predetermined conversion formula.

Issuance of covered bonds to foreign institutional investors

On January 22, 2026, the Bank issued to foreign institutional investors covered bonds - LEUMI I-EUR2031 - totaling EUR 750 million, bearing a fixed annual interest of 3.197%, repayable in one installment on January 22, 2031.

On September 3, 2026, the Bank issued to foreign institutional investors covered bonds - LEUMI I-EUR2029 - totaling EUR 750 million, bearing a fixed annual interest of 3.609%, repayable in one installment on September 3, 2029.

Issuance of USD-denominated bonds and subordinated notes to Israeli or foreign institutional investors

On June 9, 2026, the Bank issued USD 1,000 million in subordinated (CoCo) notes - LEUMI I-$2036 - to institutional investors in Israel and abroad, bearing fixed annual interest of 5.7398%.

On June 29, 2026, the Bank issued two series of unsecured senior bonds:

LEUMI I-$2029 totaling USD 600 million, repayable in one installment on June 29, 2029 (with an option for full early redemption during the preceding month) bearing a fixed annual interest of 5.343% which will be paid in semi-annual installments.

LEUMI I-$2033 totaling USD 400 million, repayable in one installment on June 29, 2033 (with an option for full early redemption during the preceding 3 months subject to certain conditions) bearing a fixed annual interest of 5.642% which will be paid in semi-annual installments.

The bonds and subordinated notes were listed on the TACT Institutional system of the Tel Aviv Stock Exchange Ltd.

The bonds - LEUMI I-EUR2031, LEUMI I-EUR2029, LEUMI I-$2029 and LEUMI I-$2033 - are not recognized for regulatory capital purposes.

The Notes Leumi (Series $2036) are eligible for inclusion in Tier 2 capital as from the issuance date.

For more information regarding the terms of issuance, see Note 9A and immediate reports dated January 22, 2026, June 9, 2026, June 23, 2026 and June 29, 2026.

Issuance of credit linked notes

On March 5, 2026, the Bank issued approx. NIS 1,390 million p.v. in credit linked Notes (Series AB 5).

The proceeds of the issuance of Bonds (Series AB 5) are recognized as a qualifying financial collateral in accordance with Proper Conduct of Banking Business Directive No. 203, as well as collateral deductible in calculating a customer's exposure under Proper Conduct of Banking Business Directive No. 313.

For more information regarding the terms of issuance, see Note 9A and the immediate report dated March 5, 2026.

Early redemption of subordinated bonds

On December 8, 2025, the Bank's Board of Directors decided to execute full early redemption of Subordinated Notes (Series $2031), which were issued to the public in January 2020. Accordingly, on January 29, 2026, subordinated notes totaling USD 750 million were redeemed. The redeemed amount is not recognized in regulatory capital as of December 31, 2025.

See the Company's immediate report of December 9, 2025.

Issuance of bonds and commercial papers subsequent to the report date

On October 13, 2026, the Bank issued - by way of issuance of new series - a total of approx. NIS 2,150 million p.v. in Bonds (Series 189), non-linked to any linkage basis and bearing a fixed annual interest of NIS 4.45%, a total of approx. NIS 999 million p.v. in CPI-linked Bonds (Series 190) bearing a fixed annual interest of 2.62% and a total of approx. NIS 823 million p.v. in non-linked Commercial Papers (Series 15) bearing interest which is 0.02% higher than the Bank of Israel policy rate.

Equity and Capital Adequacy

The Bank's shareholders' equity totaled NIS 71,442 million on September 30, 2026 compared with NIS 68,130 million as at the end of 2025.

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

The equity to asset ratio as of September 30, 2026 is 7.4%.

Capital Adequacy Structure[(a)]

	September 30		December 31
	2026	2025	2025
	In NIS million		
Capital base for capital ratio purposes			
CET1 capital, after regulatory capital adjustments and deductions	**70,936**	66,611	67,596
Tier 2 capital, after deductions	**17,293**	13,726	11,422
Total overall capital	**88,229**	80,337	79,018
Balances of risk-weighted assets			
Credit risk[(d)]	**572,908**	494,898	515,111
Market risks	**10,721**	7,900	8,161
Operational risk[(c)]	**39,729**	37,628	37,821
Total balances of risk-weighted assets	**623,358**	540,426	561,093
Capital to risk-weighted assets ratio			
Ratio of CET1 capital to risk-weighted components	**11.38%**	12.33%	12.05%
Total capital to risk-weighted assets	**14.15%**	14.87%	14.08%
Minimum CET1 capital ratio set by the Banking Supervision Department[(b)]	**10.23%**	10.24%	10.24%
Minimum total capital ratio set by the Banking Supervision Department[(b)]	**13.50%**	13.50%	13.50%

(a) For additional information regarding the capital adequacy structure, see Note 9B.

(b) The minimum Common Equity Tier 1 capital ratio required and the minimum total capital ratio required as of September 30, 2026 are 10% and 13.5%, respectively. In addition to the Common Equity Tier 1 capital is a capital requirement of 1% of the outstanding housing loans.

(c) As from 2026, capital requirements with respect to operational risk were calculated after the application of the revisions to Proper Conduct of Banking Business Directive 206 - Capital Measurement and Adequacy - Operational Risk.

(d) Credit risk was calculated after implementing the revisions to Proper Conduct of Banking Business Directives 203 and 203A, "Measurement and Capital Adequacy - The Standardized Approach - Credit Risk". In addition, as from January 1, 2025, Directive 208A, Value Adjustment of Credit Risk has been applied, which sets a basic approach (BA-CVA) which superseded the existing directive and is based primarily on risk weights as a function of the economic sector and the counter-party's credit quality.
For further details regarding directives pertaining to the allocation of capital in respect of derivative financial instruments, see the chapter titled Capital and Capital Adequacy in the Report of the Board of Directors and Management as of December 31, 2025.

Common Equity Tier 1 capital in the first nine months of 2026 was mainly affected by the net income for the period, net of the dividend and share buyback, decrease in the available-for-sale bonds' capital reserve and from the increase in the credit portfolio.

For more information and details regarding regulatory changes in the reporting period and expected changes regarding the measurement of capital adequacy, see Note 9A.

Regulatory capital structure

For more information and details regarding the structure of regulatory capital, see the chapter titled Capital and Capital Adequacy in the Report of the Board of Directors and Management as of December 31, 2025.

Capital Adequacy

The Bank of Israel's capital adequacy targets

Under Proper Conduct of Banking Business Directive No. 201, Capital Measurement and Adequacy - Introduction, Application and Calculation of Requirements, a large banking corporation whose consolidated on-balance sheet assets total at least 24% of the Israeli banking system's total assets, is required to meet a Common Equity Tier 1 capital ratio of at least 10% and a total capital ratio of at least 13.5%. This requirement applies to Bank Leumi.

In addition to the Common Equity Tier 1 capital is a capital requirement of 1% of the outstanding housing loans, for the purpose of financing real estate rights. Accordingly, the minimum capital requirements applicable to the Bank as of September 30, 2026 are 10.23% for Common Equity Tier 1 capital ratio (including capital requirement for outstanding housing loans) and 13.50% for total capital ratio.

The Bank's capital planning and capital adequacy targets

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

The Group's policy, which was approved by the Board of Directors, is to maintain a capital adequacy level that is higher than the minimum threshold set by the Bank of Israel from time to time and no less than the rate of capital required to cover the risks as assessed using the ICAAP process. In addition, the Group has set capital targets in case of a stress scenario event. For details on the ICAAP process and the use of stress tests, see the Risk Management Report as of December 31, 2025.

On November 17, 2025, the Bank's Board of Directors approved an increase in the Bank's internal Tier 1 own funds target to 10.85% instead of 10.6%.

Dividend distribution policy

The Bank's dividend distribution policy, which was approved by the Bank's Board of Directors on March 2, 2026, stipulates the distribution of a quarterly dividend of 50% to 65% of the Bank's net income, of which up to 50% will be distributed in cash out of net income as per the Bank's financial statements for the past quarter. This was subject to, inter alia, the Bank's meeting its capital adequacy targets, even after the dividend distribution. The actual dividend distribution is subject to the specific resolutions being passed by the Board of Directors prior to each distribution, and to the provisions of the law which apply to dividend distribution, including the provisions of the Companies Law and directives of the Bank of Israel.

On November 16, 2026, the Board of Directors approved a distribution of profits at a rate of 50% of the net income for the third quarter of 2026, of which approx. 40% of the net income as a cash dividend in the amount of approx. NIS 1,195 million, and the balance by means of a share buyback in the amount of NIS 299 million, as detailed below. The dividend approved for each share of NIS 1 p.v. is approx. 81.38 agorot. The final dividend amount per share will be adjusted for changes due to the share buyback and exercise of the Bank's convertible securities and will be published up to two days prior to the effective date. The Board of Directors designated December 2, 2026 as the record date for purposes of payment of the dividend and January 4, 2027 as the payment date.

Details regarding dividend paid in cash

Declaration date	Payment date	Dividend per share	Paid cash dividend
		In agorot	In NIS million
May 28, 2024	June 20, 2024	54.91	835
August 14, 2024	September 5, 2024	44.99	681
November 19, 2024	December 5, 2024	45.63	688
March 4, 2025	March 20, 2025	47.02	706
May 20, 2025	June 10, 2025	48.16	721
August 13, 2025	September 3, 2025	65.52	979
November 18, 2025	December 2, 2025	102.04	1,518
March 4, 2026	March 19, 2026	86.07	1,275
May 19, 2026	June 8, 2026	65.58	968
August 11, 2026	August 27, 2026	[1]76.99	1,133

The Bank's share buyback plan 2025

On May 19, 2025, the Bank's Board of Directors approved a share buyback plan for a total of up to NIS 1.5 billion, from May 21, 2025 until the earlier of May 7, 2026 or until the total buyback amount has been reached (hereinafter - the "**2025 Buyback Plan**").

The 2025 Buyback Plan was executed through trading on the TASE and/or off-floor transactions, in accordance with the safe harbor mechanism published by the Israel Securities Authority, in four separate, irrevocable stages, subject to the conditions of the safe harbor mechanism.

The 2025 Buyback Plan was fully executed and ended on May 6, 2026, under which 21,495,111 shares of the Bank were acquired for a total of NIS 1.45 billion.

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

The Bank's share buyback plan 2026

On May 18, 2026, the Bank's Board of Directors approved a share buyback plan for a total of no more than NIS 1.6 billion, from May 20, 2026 until the earlier of April 29, 2027 or until the total buyback amount has been reached.

The share buyback plan will take place as part of the trading on the Tel Aviv Stock Exchange (TASE) and/or through transactions outside the TASE, in accordance with the safe harbor mechanism published by the Israel Securities Authority. The buyback plan will take place in four separate stages, each of which shall be irreversible, in accordance with the safe harbor mechanism (hereinafter - "**Stage A**", "**Stage B**", "**Stage C**" and "**Stage D**"). The maximum acquisition amount at each stage will stand at 25% of the total distribution to be approved for that quarter and in any event will be as detailed below:

The implementation of Stage A began on May 20, 2026 and ended on June 29, 2026, during which time the Bank purchased (through the independent TASE member it had contracted) 4,741,475 Bank shares totaling approx. NIS 322 million under the plan.

The implementation of Stage B began on August 13, 2026 and ended on October 7, 2026, during which time the Bank purchased (through the independent TASE member it had contracted) 3,692,697 shares of the Bank totaling NIS 283 million under the said plan.

Immediately prior to publishing this Report, the Bank decided to proceed to Stage C, granting the TASE member an irreversible order to initiate Stage C on November 18, 2026.

[1] According to the supplementary immediate report dated August 18, 2026.

Stage C will end at the earlier of: (a) February 18, 2027; or (b) Completion of the acquisition of the Bank's shares at a total which will not exceed 25% of the total distribution amount to be approved by the Board for that quarter. Subsequent to the conclusion of Stage C, should the Bank decide to execute Stage D, the execution of Stage D will commence on the second trading day following the publication date of the first financial report subsequent to the date of the decision to execute Stage D. In such a case, Stage D will end at the earlier of: (a) April 29, 2027; or (b) Completion of the acquisition of the Bank's shares at a total which will not exceed the lower of: 25% of the total distribution amount to be approved by the Board for that quarter or a total equal to NIS 1.6 billion net of the total amount of acquisitions actually executed in Stages A, B and C. If, following the completion of Stage C, a decision will be made not to proceed with Stage D, the Bank will publish an immediate report to that effect.

Approval of the Banking Supervision Department to carry out the buyback plan, as required under Proper Conduct of Banking Business Directive No. 332, was received on May 5, 2026, subject to meeting the restrictions and capital targets, including the condition whereby the plan will be discontinued effective immediately if, during the plan term, the most recent financial statements published by the Bank will not comply with a Common Equity Tier 1 capital ratio of at least 11.15%, subject to the determination of the buyback amount in each stage taking into account the geopolitical situation as well as the Bank's actual capital ratios and the capital cushions required in the various scenarios.

As at the report publication date, the Bank owns 148,524,151 treasury shares.

For additional information, see the immediate report dated May 19, 2026.

Adjustments to CET1 capital and regulatory and other changes to the measurement of capital requirements

For more information and details regarding adjustments to CET1 capital and regulatory and other changes to the measurement of capital requirements see the chapter titled Capital and Capital Adequacy in the Report of the Board of Directors and Management as of December 31, 2025.

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

In 2017, the Basel Committee on Banking Supervision completed its revision of the overall capital adequacy Basel III framework. As part of the revisions, also known as Basel IV, significant revisions were made in the manner of calculating risk-weighted assets for the purpose of the Tier 1 capital requirements. The European Union has commenced the application of the various standards included in the overall framework, as determined by the Basel Committee, at the beginning of 2025. In Israel, the application date has not yet been set at this stage.

In accordance with the policy for the adoption of accepted international standards, the Banking Supervision Department is adopting the Basel Committee provisions from 2017 on the calculation of capital requirements in respect of operational risk. On June 19, 2024, the Banking Supervision Department published a circular to update Proper Conduct of Banking Business Directive 206, Capital Measurement and Adequacy - Operational Risk; the circular established an updated definition of the calculation of the capital allocation in respect of operational risk such that it is based, among other things, on the business indicator components and on the internal loss multiplier based on the average historical losses of the banking corporation. The directive is applied as from January 1, 2026. However, until December 31, 2028 the internal loss multiplier was set at one. The application of the directive does not have a material effect on capital ratios.

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

- Change in the amount of risk-weighted assets – Leumi's risk-weighted assets – amounted to approx. NIS 623.4 billion as at September 30, 2026. Every NIS 1 billion increase in risk-weighted assets will reduce the CET1 capital ratio and total capital ratio by approx. 0.02%.
- Change in Common Equity Tier 1 capital - Common Equity Tier 1 capital was approx. NIS 70.9 billion as of September 30, 2026. A NIS 100 million decrease in CET1 capital will decrease the CET1 capital by approx. 0.02% and total capital ratio by approx. 0.01%.
- Change in the foreign exchange rate - a 1% depreciation in the shekel's exchange rate against all currencies will decrease the CET1 capital and total capital ratio by approx. 0.02%.
- A 1% increase in the risk-free interest rate curve across all currencies for the regulatory capital exposure signifies a decrease of approx. 0.21% in the Common Equity Tier 1 capital ratio and total capital ratio.

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

Leverage Ratio

The Bank applies Proper Conduct of Banking Business Directive No. 218, Leverage Ratio.

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

	September 30		December 31
	2026	2025	2025
	In NIS million		
Consolidated data			
Tier 1 capital[(c)]	**70,936**	66,611	67,596
Total exposures[(b)]	**1,065,637**	933,784	990,833
Leverage Ratio			
Leverage Ratio	**6.66%**	7.13%	6.82%
Minimum total leverage ratio set by the Banking Supervision Department[(a)]	**5.50%**	5.50%	5.50%

For additional information regarding capital adequacy and leveraging, see Note 9B.

(a) Regarding the relief pertaining to the minimum leverage ratio requirement, see Note 9A.
(b) Total exposures were calculated after implementing the revisions to Proper Conduct of Banking Business Directive 218, "Leverage Ratio", following the revision of Directives 203 and 203A, "Measurement and Capital Adequacy - the Standardized Approach - Credit Risk". For further details regarding directives pertaining to the allocation of capital in respect of derivative financial instruments, see the chapter titled Capital and Capital Adequacy in the Report of the Board of Directors and Management as of December 31, 2025.
(c) In the calculation of the leverage ratio, adjustments in respect of the implementation of the measurement method relating to certain actuarial liabilities were taken into account. For further details, see Note 9B.

Operating Segments - Management Approach

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

For additional information regarding business lines according to the management approach, see the chapter titled Operating Segments in the Report of the Board of Directors and Management as of December 31, 2025.

Condensed financial performance according to management approach

	For the three months ended September 30, 2026											
	The Bank									Subsi-diaries in Israel	Foreign subsi-diaries	Total
	Private individuals	Small busi-nesses	Banking - total	Mortgages	Com-mercial	Corporate	Real estate	Capital markets	Other and adjust-ments			
	In NIS million											
Interest income, net:												
From external	(798)	197	(601)	2,135	431	1,181	961	(109)	15	83	176	4,272
Inter-segmental	1,883	277	2,160	(1,837)	157	(749)	(627)	989	(1)	13	(105)	-
Interest income, net	1,085	474	1,559	298	588	432	334	880	14	96	71	4,272
Noninterest income (expenses)	422	126	548	2	162	192	146	618	(102)	59	19	1,644
Total income (expenses)	1,507	600	2,107	300	750	624	480	1,498	(88)	155	90	5,916
Credit loss expenses (income)	42	17	59	(5)	5	(13)	37	83	-	8	10	184
Total operating and other expenses	694	192	886	107	182	78	34	117	19	82	34	1,539
Income (loss) before tax	771	391	1,162	198	563	559	409	1,298	(107)	65	46	4,193
Provision (benefit) for taxes	287	146	433	75	212	216	156	630	(313)	14	(14)	1,409
Net income attributable to the Bank's shareholders	484	245	729	123	351	343	253	753	206	168	60	2,986

Condensed financial performance according to management approach (cont.)

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

Condensed financial performance according to management approach (cont.)

	For the nine months ended September 30, 2026											
	The Bank									Subsi-diaries in Israel	Foreign subsi-diaries	Total
	Private individuals	Small busi-nesses	Banking - total	Mortgages	Com-mercial	Corpo-rate	Real estate	Capital markets	Other and adjust-ments			
	In NIS million											
Interest income, net:												
From external	(2,255)	584	(1,671)	6,082	1,336	3,305	2,865	6	57	287	486	12,753
Inter-segmental	5,649	846	6,495	(5,162)	426	(2,006)	(1,876)	2,353	1	45	(276)	-
Interest income, net	3,394	1,430	4,824	920	1,762	1,299	989	2,359	58	332	210	12,753
Noninterest income (expenses)	1,200	380	1,580	6	488	454	405	1,895	(192)	521	59	5,216
Total income (expenses)	4,594	1,810	6,404	926	2,250	1,753	1,394	4,254	(134)	853	269	17,969
Credit loss expenses (income)	13	(27)	(14)	46	20	299	239	32	(20)	32	7	641
Total operating and other expenses	2,092	594	2,686	328	564	225	106	418	161	188	82	4,758
Income (loss) before tax	2,489	1,243	3,732	552	1,666	1,229	1,049	3,804	(275)	633	180	12,570
Provision (benefit) for taxes	1,010	504	1,514	224	676	498	425	1,599	(159)	146	35	4,958
Net income (loss) attributable to the Bank's shareholders	1,479	739	2,218	328	990	731	624	2,446	(116)	798	145	8,164
Balances as at September 30, 2026												
Credit to the public, net	32,862	30,110	62,972	167,172	75,414	117,887	81,362	61,368	7,380	2,266	10,303	586,124
Deposits by the public	231,013	62,004	293,017	-	90,363	48,674	13,436	293,449	-	-	-	738,939

Condensed financial performance according to management approach (cont.)

	For the nine months ended September 30, 2025											
	The Bank									Subsi-diaries in Israel	Foreign subsi-diaries	Total
	Private individuals	Small busi-nesses	Banking - total	Mortgages	Com-mercial	Corporate	Real estate	Capital markets	Other and adjust-ments			
	In NIS million											
Interest income, net:												
From external	(2,503)	578	(1,925)	6,248	1,343	2,439	2,958	1,172	57	166	570	13,028
Inter-segmental	6,349	941	7,290	(5,293)	520	(1,399)	(1,949)	1,084	5	51	(309)	-
Interest income, net	3,846	1,519	5,365	955	1,863	1,040	1,009	2,256	62	217	261	13,028
Noninterest income	1,136	362	1,498	5	466	339	351	1,051	127	396	71	4,304
Total income	4,982	1,881	6,863	960	2,329	1,379	1,360	3,307	189	613	332	17,332
Credit loss expenses (income)	250	(9)	241	9	(55)	13	66	8	(4)	(5)	37	310
Total operating and other expenses	2,111	659	2,770	329	525	240	112	364	377	150	83	4,950
Income (loss) before tax	2,621	1,231	3,852	622	1,859	1,126	1,182	2,935	(184)	468	212	12,072
Provision for taxes	997	468	1,465	237	707	428	450	1,084	68	124	71	4,634
Net income (loss) attributable to the Bank's shareholders	1,624	763	2,387	385	1,152	698	732	2,069	(252)	401	141	7,713
Balances as at September 30, 2025												
Credit to the public, net	31,109	27,857	58,966	154,085	67,343	87,513	71,360	37,603	6,865	1,306	10,346	495,387
Deposits by the public	229,081	60,380	289,461	-	82,718	39,665	10,714	218,562	3	-	-	641,123

Condensed financial performance according to management approach (cont.)

	For the year ended December 31, 2025											
	The Bank									Subsi-diaries in Israel	Foreign subsi-diaries	Total
	Private individuals	Small busi-nesses	Banking - total	Mortgages	Com-mercial	Corpo-rate	Real estate	Capital markets	Other and adjust-ments			
	In NIS million											
Interest income, net:												
From external	(3,263)	785	(2,478)	7,686	1,804	3,247	3,907	1,642	76	223	745	16,852
Inter-segmental	8,338	1,239	9,577	(6,430)	663	(1,817)	(2,578)	918	-	73	(406)	-
Interest income, net	5,075	2,024	7,099	1,256	2,467	1,430	1,329	2,560	76	296	339	16,852
Noninterest income	1,557	490	2,047	6	603	442	439	1,604	29	566	92	5,828
Total income	6,632	2,514	9,146	1,262	3,070	1,872	1,768	4,164	105	862	431	22,680
Credit loss expenses (income)	373	(76)	297	(1)	(16)	(32)	149	(3)	(6)	15	47	450
Total operating and other expenses	2,829	858	3,687	434	730	324	152	513	495	200	113	6,648
Income (loss) before tax	3,430	1,732	5,162	829	2,356	1,580	1,467	3,654	(384)	647	271	15,582
Provision for taxes	1,248	630	1,878	302	857	575	534	1,238	23	171	92	5,670
Net income (loss) attributable to the Bank's shareholders	2,182	1,102	3,284	527	1,499	1,005	933	2,712	(407)	530	179	10,262
Balances as at December 31, 2025												
Credit to the public, net	31,820	29,059	60,879	156,685	69,120	91,759	73,625	48,761	7,287	1,711	10,123	519,950
Deposits by the public	226,988	63,129	290,117	-	90,107	46,954	14,483	245,222	4	-	-	686,887

Regulatory Operating Segments

For a description of the key operating segments, see the chapter titled Regulatory Operating Segments in the Report of the Board of Directors and Management as of December 31, 2025.

Summary of activities by regulatory operating segment

	For the three months ended September 30, 2026										
	Activity in Israel									Foreign operations	Total
	Households										
	Housing loans	Other	Private banking	Small- and micro-businesses	Middle-Market	Corporations	Institutional entities	Financial management	Other		
	In NIS million										
Interest income, net	**354**	**871**	**36**	**869**	**383**	**1,102**	**219**	**360**	**7**	**71**	**4,272**
Noninterest income	**9**	**270**	**53**	**255**	**82**	**360**	**53**	**561**	**(18)**	**19**	**1,644**
Total income (expenses)	**363**	**1,141**	**89**	**1,124**	**465**	**1,462**	**272**	**921**	**(11)**	**90**	**5,916**
Credit loss expenses (income)	**(7)**	**40**	**-**	**(13)**	**30**	**79**	**(1)**	**46**	**-**	**10**	**184**
Total operating and other expenses	**82**	**561**	**32**	**391**	**111**	**125**	**82**	**80**	**41**	**34**	**1,539**
Income (loss) before tax	**288**	**540**	**57**	**746**	**324**	**1,258**	**191**	**795**	**(52)**	**46**	**4,193**
Provision (benefit) for taxes	**93**	**218**	**24**	**267**	**121**	**475**	**70**	**346**	**(191)**	**(14)**	**1,409**
Net income (loss) attributable to the Bank's shareholders	**195**	**322**	**33**	**479**	**203**	**783**	**121**	**651**	**139**	**60**	**2,986**

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

Summary of activities by regulatory operating segment (cont.)

	For the nine months ended September 30, 2026										
	Activity in Israel									Foreign operations	Total
	Households										
	Housing loans	Other	Private banking	Small- and micro-businesses	Middle-Market	Corporations	Institutional entities	Financial management	Other		
	In NIS million										
Interest income, net	1,088	2,728	174	2,693	1,231	3,490	612	495	32	210	12,753
Noninterest income	26	722	162	765	277	944	191	2,076	(6)	59	5,216
Total income	1,114	3,450	336	3,458	1,508	4,434	803	2,571	26	269	17,969
Credit loss expenses (income)	22	38	-	(21)	25	601	(3)	(28)	-	7	641
Total operating and other expenses	304	1,652	100	1,178	352	439	209	281	161	82	4,758
Income (loss) before tax	788	1,760	236	2,301	1,131	3,394	597	2,318	(135)	180	12,570
Provision for taxes	302	731	98	934	459	1,353	242	898	(94)	35	4,958
Net income (loss) attributable to the Bank's shareholders	486	1,029	138	1,367	672	2,041	355	1,972	(41)	145	8,164
Balance as of September 30, 2026											
Credit to the public, gross	164,123	31,553	662[(a)]	107,272	45,209	226,918	6,893	-	-	10,385	593,015
Deposits by the public	-	137,226	38,274	116,539	61,952	134,353	250,595	-	-	-	738,939

(a) Including outstanding housing loans as of September 30, 2026 in the amount of NIS 391 million.

Summary of activities by regulatory operating segment (cont.)

	For the nine months ended September 30, 2025										
	Activity in Israel									Foreign operations	Total
	Households										
	Housing loans	Other	Private banking	Small- and micro-businesses	Middle-Market	Corporations	Institutional entities	Financial management	Other		
	In NIS million										
Interest income, net	1,171	3,068	251	2,806	1,370	3,118	508	429	46	261	13,028
Noninterest income	27	668	147	730	274	824	176	1,365	22	71	4,304
Total income	1,198	3,736	398	3,536	1,644	3,942	684	1,794	68	332	17,332
Credit loss expenses (income)	27	187	-	16	(99)	145	2	(5)	-	37	310
Total operating and other expenses	329	1,687	98	1,190	336	426	171	296	334	83	4,950
Income (loss) before tax	842	1,862	300	2,330	1,407	3,371	511	1,503	(266)	212	12,072
Provision for taxes	310	722	114	878	533	1,261	194	546	5	71	4,634
Net income (loss) attributable to the Bank's shareholders	532	1,140	186	1,452	874	2,110	317	1,232	(271)	141	7,713
Balance as of September 30, 2025											
Credit to the public, gross	151,482	30,673	599[a]	81,718	41,010	176,906	9,396	-	-	10,409	502,193
Deposits by the public	-	141,115	36,797	106,513	56,856	110,015	189,827	-	-	-	641,123

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

Summary of activities by regulatory operating segment (cont.)

	For the year ended December 31, 2025										
	Activity in Israel									Foreign operations	Total
	Households										
	Housing loans	Other	Private banking	Small- and micro-businesses	Middle-Market	Corporations	Institutional entities	Financial management	Other		
	In NIS million										
Interest income, net	1,500	4,072	306	3,745	1,795	4,168	705	166	56	339	16,852
Noninterest income	35	926	200	992	363	1,115	235	1,843	27	92	5,828
Total income	1,535	4,998	506	4,737	2,158	5,283	940	2,009	83	431	22,680
Credit loss expenses (income)	30	280	-	(4)	(108)	227	2	(24)	-	47	450
Total operating and other expenses	438	2,239	134	1,610	465	586	233	400	430	113	6,648
Income (loss) before tax	1,067	2,479	372	3,131	1,801	4,470	705	1,633	(347)	271	15,582
Provision for taxes	378	899	133	1,136	652	1,598	254	506	22	92	5,670
Net income (loss) attributable to the Bank's shareholders	689	1,580	239	1,995	1,149	2,872	451	1,477	(369)	179	10,262
Balance as of December 31, 2025											
Credit to the public, gross	153,919	31,420	577[(a)]	92,945	42,154	187,253	8,129	-	-	10,403	526,800
Deposits by the public	-	138,793	37,020	113,048	60,006	126,085	211,935	-	-	-	686,887

(a) Including outstanding housing loans as of December 31, 2025 in the amount of NIS 315 million.

Main changes in the operating results of the regulatory segments

Household Segment

Net income attributable to shareholders in respect of the Household Segment in the reporting period of 2026 totaled approx. NIS 1,515 million, compared to approx. NIS 1,672 million in the corresponding period last year. The decrease in gain stems mainly from the decrease in net interest income, which was partially offset by a decrease in credit loss expenses.

Net income attributable to shareholders in respect of the Household Segment in the third quarter of 2026 totaled approx. NIS 517 million, similarly to the corresponding period last year.

Net interest income in the reporting period of 2026 totaled approx. NIS 3,816 million, compared to approx. NIS 4,239 million in the corresponding period last year. The decrease in net interest income arose primarily from an erosion of the credit and deposit spreads, which was partially offset by a growth in the segment's credit portfolio.

Net interest income for the third quarter of 2026 totaled approx. NIS 1,225 million, compared to approx. NIS 1,386 million in the corresponding period last year. The decrease in net interest income arose primarily from an erosion of the credit and deposit spreads, which was partially offset by a growth in the credit portfolio.

Noninterest income in the reporting period of 2026 totaled approx. NIS 748 million, compared to approx. NIS 695 million in the corresponding period last year. The increase stems mainly from an increase in credit card revenues.

Noninterest income in the third quarter of 2026 totaled approx. NIS 279 million, compared to approx. NIS 163 million in the corresponding period last year. The corresponding period last year was affected by benefits granted to customers under the Bank of Israel's Framework and were offset from this line item. After the deduction of these benefits there is no substantial change between the periods.

In the reporting period of 2026, credit loss expenses were recorded in the amount of approx. NIS 60 million, compared to income of approx. NIS 214 million in the corresponding period last year. The decrease arises from the collective provision, following an improvement in credit quality indicators.

In the third quarter of 2026, credit loss expenses were recorded in the amount of approx. NIS 33 million, compared to income of approx. NIS 28 million in the corresponding period last year. The increase arises primarily from the collective provision.

Operating and other expenses in the reporting period of 2026 totaled approx. NIS 1.956 million, compared to approx. NIS 2,016 million in the corresponding period last year; the decrease arises mainly from a decrease in salary expenses.

Operating and other expenses in the third quarter of 2026 totaled approx. NIS 643 million, compared to approx. NIS 660 million in the corresponding period last year.

Outstanding credit to the public as of September 30, 2026 totaled approx. NIS 195.7 billion compared to approx. NIS 185.3 billion as of the end of 2025.

Outstanding public deposits as of September 30, 2026 totaled approx. NIS 137.2 billion compared to approx. NIS 138.8 billion as of the end of 2025.

Private Banking Segment

Net income attributable to shareholders in respect of the Private Banking Segment in the reporting period of 2026 totaled approx. NIS 138 million, compared to NIS 186 million in the corresponding period last year. The decrease in gain stems mainly from the decrease in net interest income.

Net income attributable to shareholders in respect of the Private Banking Segment in the third quarter of 2026 totaled approx. NIS 33 million compared to approx. NIS 56 million in the corresponding period last year. The decrease in gain stems mainly from the decrease in net interest income.

Net interest income in the reporting period of 2026 totaled approx. NIS 174 million, compared to approx. NIS 251 million in the corresponding period last year. The decrease stems mainly from the erosion of the deposit spreads, which was partially offset by a growth in the credit portfolio and deposits.

Interest income, net in the third quarter of 2026 totaled approx. NIS 36 million, compared to approx. NIS 79 million in the corresponding period last year. The decrease arose primarily from an erosion of the deposit spreads, which was partially offset by a growth in the credit portfolio and deposits.

Noninterest income in the reporting period of 2026 totaled approx. NIS 162 million, compared to approx. NIS 147 million in the corresponding period last year. The increase arises primarily from financial product distribution fees and commissions and from activity in securities.

Noninterest income in the third quarter of 2026 totaled approx. NIS 53 million, similarly to the corresponding quarter last year.

Micro- and Small-Business Segment

Net income attributable to shareholders in respect of the Micro- and Small-Business Segment in the reporting period of 2026 totaled approx. NIS 1,367 million, compared to NIS 1,452 million in the corresponding period last year. The decrease in gain stems mainly from the decrease in net interest income, which was partially offset by a decrease in credit loss expenses.

Net income attributable to shareholders in respect of the Micro- and Small-Business Segment in the third quarter of 2026 totaled approx. NIS 479 million, similarly to the corresponding period last year.

Net interest income in the reporting period of 2026 totaled approx. NIS 2,693 million, compared to approx. NIS 2,806 million in the corresponding period last year. The decrease stems mainly from the erosion of the credit spreads and deposits, which was partially offset by a growth in the credit portfolio and deposits.

Interest income, net in the third quarter of 2026 totaled approx. NIS 869 million, compared to approx. NIS 923 million in the corresponding period last year. Most of the decrease arises from the erosion in the credit and deposit spreads, which was partially offset by growth in the credit portfolio and deposits.

Noninterest income in the reporting period of 2026 totaled approx. NIS 765 million, compared to approx. NIS 730 million in the corresponding period last year. The increase stems mainly from fees and commissions from activity in securities.

Noninterest income in the third quarter of 2026 totaled approx. NIS 255 million, compared to approx. NIS 234 million in the corresponding period last year. The increase stems mainly from an increase in credit card revenues.

In the reporting period of 2026, credit loss income was recorded in the amount of approx. NIS 21 million, compared to an expense of approx. NIS 16 million in the corresponding period last year. The change arises primarily from a decrease in the collective provision.

In the third quarter of 2026, credit loss income was recorded in the amount of approx. NIS 13 million, compared to income of approx. NIS 6 million in the corresponding period last year. The change arises primarily from a decrease in the collective provision.

Operating and other expenses in the reporting period of 2026 totaled approx. NIS 1,178 million, compared to approx. NIS 1,190 million in the corresponding period last year; the change arises mainly from a decrease in salary expenses.

Operating and other income in the third quarter of 2026 totaled approx. NIS 391 million, similarly to the corresponding quarter last year.

Outstanding credit to the public as of September 30, 2026 totaled approx. NIS 107.3 billion compared to approx. NIS 92.9 billion as of the end of 2025.

Outstanding public deposits as of September 30, 2026 totaled approx. NIS 116.5 billion compared to approx. NIS 113.0 billion as of the end of 2025.

Middle-Market Segment

Net income attributable to shareholders in respect of the Middle-Market Segment in the reporting period of 2026 totaled approx. NIS 672 million, compared to NIS 874 million in the corresponding period last year. The decrease in income arises primarily from a decrease in net interest income and a decrease in credit loss expenses.

Net income attributable to shareholders in respect of the Middle-Market Segment in the third quarter of 2026 totaled approx. NIS 203 million, compared to NIS 307 million in the corresponding period last year. The decrease in income arises primarily from a decrease in net interest income and a decrease in credit loss expenses.

Net interest income in the reporting period of 2026 totaled approx. NIS 1.231 million, compared to approx. NIS 1,370 million in the corresponding period last year. The decrease stems mainly from the erosion of the credit spreads and deposits, which was partially offset by a growth in the credit portfolio and deposits.

Interest income, net in the third quarter of 2026 totaled approx. NIS 383 million, compared to approx. NIS 450 million in the corresponding period last year. The decrease stems mainly from the erosion of the credit spreads and deposits, which was partially offset by a growth in the credit portfolio and deposits.

Noninterest income in the reporting period of 2026 totaled approx. NIS 277 million, similarly to the corresponding period last year.

Noninterest income in the third quarter of 2026 totaled approx. NIS 82 million, similarly to the corresponding period last year.

In the reporting period of 2026, credit loss expenses were recorded in the amount of approx. NIS 25 million, compared to income of approx. NIS 99 million in the corresponding period last year. The increase in expense stems mainly from the collective provision, primarily driven by credit portfolio growth.

In the third quarter of 2026, credit loss expenses were recorded in the amount of approx. NIS 30 million, compared to income of approx. NIS (77) million in the corresponding period last year. The increase stems mainly from the collective provision, primarily driven by credit portfolio growth.

Operating and other expenses in the reporting period of 2026 totaled approx. NIS 352 million, compared to approx. NIS 336 million in the corresponding period last year.

Operating and other income in the third quarter of 2026 totaled approx. NIS 111 million, similarly to the corresponding quarter last year.

Credit to the public as of September 30, 2026 totaled approx. NIS 45.2 billion compared to approx. NIS 42.2 billion as of the end of 2025.

Outstanding public deposits as of September 30, 2026 totaled approx. NIS 62.0 billion compared to approx. NIS 60.0 billion as of the end of 2025.

Corporate Segment

Net income attributable to the Bank's shareholders in respect of the Corporate Segment in the reporting period of 2026 totaled approx. NIS 2,041 million, compared to NIS 2,110 million in the corresponding period last year; the decrease in income arises primarily from an increase in credit loss expenses, following the credit portfolio's growth.

Net income attributable to shareholders in respect of the Corporate Segment in the third quarter of 2026 totaled approx. NIS 783 million, compared to approx. NIS 683 million in the corresponding period last year. The increase in income is mainly due to an increase in interest income, net, and an increase in noninterest income.

Net interest income in the reporting period of 2026 totaled approx. NIS 3,490 million, compared to approx. NIS 3,118 million in the corresponding period last year. The increase arises primarily from growth in the credit portfolio, which was partially offset by an erosion of credit and deposit spreads.

Net interest income in the third quarter of 2026 totaled approx. NIS 1.102 million, compared to approx. NIS 1,030 million in the corresponding period last year. The increase arises primarily from growth in the credit portfolio, which was partially offset by an erosion of credit and deposit spreads.

Noninterest income in the reporting period of 2026 totaled approx. NIS 944 million, compared to approx. NIS 824 million in the corresponding period last year. The increase stems mainly from an increase in fees and commissions from financing business.

Noninterest income in the third quarter of 2026 totaled approx. NIS 360 million, compared to approx. NIS 325 million in the corresponding period last year. The increase stems mainly from an increase in fees and commissions from financing business.

In the reporting period of 2026, credit loss expenses were recorded in the amount of approx. NIS 601 million, compared to income of approx. NIS 145 million in the corresponding period last year. The increase arises primarily from an increase in the collective expense following the growth in the credit portfolio.

In the third quarter of 2026, a credit loss expense totaling approx. NIS 79 million was recorded, similar to the corresponding period last year.

Operating and other expenses in the reporting period of 2026 totaled approx. NIS 439 million, compared to approx. NIS 426 million in the corresponding period last year.

Operating and other expenses in the third quarter of 2026 totaled approx. NIS 125 million, compared to approx. NIS 145 million in the corresponding period last year.

Outstanding credit to the public as of September 30, 2026 totaled approx. NIS 226.9 billion compared to approx. NIS 187.3 billion as of the end of 2025.

Outstanding public deposits as of September 30, 2026 totaled approx. NIS 134.4 billion compared to approx. NIS 126.1 billion as of the end of 2025.

Financial Management Segment

Net income attributable to the Bank's shareholders in respect of the Financial Management Segment for the reporting period of 2026 totaled approx. NIS 1,972 million, compared to NIS 1,232 million in the corresponding period last year. The increase in income is mainly due to an increase in noninterest income and increase in profits from associates.

Net income attributable to the Bank's shareholders in respect of the Financial Management Segment in the third quarter of 2026 totaled approx. NIS 651 million, similar to the corresponding period last year.

Total revenues in the second quarter of 2026 totaled approx. NIS 2,571 million compared to approx. NIS 1,794 million in the corresponding period last year. The increase arose primarily from an increase in noninterest finance income, which was partially offset by a lower inflation environment compared to the corresponding period last year.

Total revenues in the third quarter of 2026 totaled approx. NIS 921 million, similarly to the corresponding quarter last year.

Operating and other expenses in the reporting period of 2026 totaled approx. NIS 281 million, compared to approx. NIS 296 million in the corresponding period last year.

Operating and other income in the third quarter of 2026 totaled approx. NIS 80 million, compared to approx. NIS 93 million in the corresponding period last year.

Other Segment

The loss attributable to shareholders in the Other Segment in the reporting period of 2026 totaled approx. NIS 41 million, compared to a loss of approx. NIS 271 million in the corresponding period last year. The decrease in losses arises primarily from a decrease in tax expenses.

Net income attributable to shareholders in the Other Segment in the third quarter of 2026 totaled approx. NIS 139 million compared to a loss of approx. NIS 120 million in the corresponding period last year. The higher income arises primarily from a decrease in tax expenses.

Major Investee Companies

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

As at September 30, 2026, the Bank's total investments in investees (including investments in capital notes) totaled approx. NIS 18.8 billion, compared to NIS 16.3 billion as of December 31, 2025 (of which, the investment in Valley as of September 30, 2026 is NIS 2,236 million compared to a market cap of NIS 2,816 million). The contribution of the investees to the Group's net income in the first nine months of 2026 amounted to a loss of approx. NIS 1.138 million, compared to income of approx. NIS 730 million in the corresponding period last year. The increase arises mainly from an increase in the profits of Israeli consolidated companies.

Consolidated Companies in Israel

The Bank's total investments in Israeli consolidated companies (including investments in capital notes) as of September 30, 2026 totaled approx. NIS 12,120 million, compared to NIS 9,660 million as of December 31, 2025. The contribution of the consolidated companies in Israel to the Group's net income in the first nine months of 2026 was NIS 853 million, compared with NIS 416 million in the corresponding period last year. The increase arises mainly from noninterest income and associates' profits.

Leumi Partners Ltd.

Leumi Partners serves as Leumi Group's non-financial investment arm.

For more information regarding the company's areas of activity, see the chapter titled Main Investee Companies in the Report of the Board of Directors and Management as of December 31, 2025.

Consolidated Companies Outside Israel

The Bank's total investments in foreign consolidated companies (including investments in capital notes) as of September 30, 2026 totaled approx. NIS 4,325 million, compared to NIS 4,370 million as of December 31, 2025.

In the first nine months of 2026, the consolidated companies' contribution to the Group's shekel net income was NIS 44 million, compared with income of NIS 96 million in the corresponding period last year. The decrease in income arises primarily from the effect of exchange rate differences.

Leumi UK Group

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

Leumi UK Group's net income in the first nine months of 2026 totaled approx. NIS 50 million compared to approx. NIS 100 million in the corresponding period in 2025 (in the first nine months of 2026 net income totaled approx. GBP 24 million compared to approx. GBP 27 million in the corresponding period in 2025). The decrease in income is mainly due to the appreciation of the NIS against the GBP in the first nine months of 2026.

C. Risk Review

Risk Exposure and Management Thereof

The information in this chapter does not include all the information required in full annual financial statements, and this section should be read along with the detailed information provided in the Report of the Board of Directors and Management as of December 31, 2025 and the 2025 Risk Management Report.

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

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

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

Risk factors' severity

In the third quarter of 2026, the liquidity risk assessment was updated from "low-moderate" to "moderate" amid the increased competition over deposits by the public in the Israeli financial system.

Credit Risks

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

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

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

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

As part of its credit risk management, the Bank monitors the quality of its credit portfolio, including the overall adequacy of its credit loss provision to cover losses embodied in the credit portfolio; the credit portfolio concentration level and activity by main products, such as: credit granted to the construction and real estate sector; housing loans; credit granted to private individuals; housing loans and leveraged credit. In addition, the Bank formulated risk- and materiality-based tools for climate risk management. For further details, see the chapter titled Climate and Environmental Risk below and the Bank's ESG Report for 2025.

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

In the third quarter of 2026, there were no material changes in the corporate governance structure related to credit risk.

Macroeconomic effects

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

For information regarding the effect of the security situation on credit risks, see the chapter titled Main Developments in the Israeli Economy in the Report of the Board of Directors and Management.

Credit loss expenses

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

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

In the third quarter of 2026 and until shortly before the publication date of the report, the Bank examined the key indicators used in the provision process and revised them accordingly.

The estimated collective provision for credit losses continues to reflect the security and economic uncertainty and conservatism in the underlying macroeconomic indicators and parameters of assumptions used in the model for predicting customers' future default rates.

In the third quarter of 2026, credit loss expenses totaled NIS 184 million, of which a NIS 242 million expense was recorded in respect of collective provision.

In order to assess the collective provision's sensitivity to hypothetical changes in the risk level of economic sectors and in estimate's underlying macroeconomic parameters, the Bank estimated the effect of a uniform change in macroeconomic parameters (a uniform 1% deterioration and improvement), and the probability of the materialization of the various scenarios (baseline, pessimistic, optimistic, and extreme) in each of the sensitivity tests.

The key macroeconomic parameters modified across the baseline scenarios are, among others, GDP, private consumption, inflation, the Bank of Israel policy rate, and the exchange rate.

The effect of the deterioration in the parameters will reflect an addition of approx. NIS 886 million to the collective provision for credit losses in the third quarter of 2026. An improvement in the parameters will result in a decrease of approx. NIS 1,066 million in the collective provision for credit losses in the third quarter of 2026 relative to the baseline scenario.

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

Credit risk[c] and non-performing assets

	September 30, 2026			
	Commercial	For housing	Private individuals - Other	Total
	In NIS million			
Credit risk in credit performance rating:[a]				
On-balance-sheet credit risk	404,203	161,869	28,423	594,495
Off-balance sheet credit risk	185,594	7,582	9,238	202,414
Total non-investment grade credit risk	589,797	169,451	37,661	796,909
Non-investment grade credit risk				
a. Non-troubled	672	1,663	2,381	4,716
b. Total troubled	4,684	982	645	6,311
Troubled accruing	3,293	17	465[d]	3,775
Troubled non-accruing	1,391	965	180	2,536
Total on-balance sheet credit risk	5,356	2,645	3,026	11,027
Off-balance sheet credit risk	696	24	375	1,095
Total non-investment grade credit risk	6,052	2,669	3,401	12,122
Of which: Accruing debts, in arrears of 90 days or more	99	-	72	171
Total overall credit risk of the public[b]	595,849	172,120	41,062	809,031
More information on non-performing assets				
a. Non-accruing debts	1,391	965	180	2,536
b. Assets received for settled credit	26	-	-	26
Total non-performing assets of the public	1,417	965	180	2,562
Percentage of non-accruing credit to the public (NPL) out of total credit to the public				0.43%

(a) Credit risk whose credit rating at the report date matches the credit rating for granting new credit in accordance with the Bank's policy.
(b) On- and off-balance sheet credit risk, including for derivatives. Including debts, bonds, securities borrowed or purchased under purchase agreements.
(c) On-balance sheet credit risk and off-balance sheet credit risk is stated before the effect of credit loss provision.
(d) During the first quarter of the year, the Bank's methodology for classifying private customers' debts as troubled was improved, and as from this date, the data are presented in accordance with the revised methodology.

For more information on debts under payment deferral of 180 days or more that are not classified as troubled, see Note 13.B.1.

As from the financial statements as of September 30, 2026, the overall credit risk is measured and presented in accordance with Proper Conduct of Banking Business Directive No. 313 (Regulatory Framework for Measurement and Control of Major Exposures). Comparative figures have not been restated.

Credit risk[c] and non-performing assets (cont.)

	September 30, 2025			
	Commercial	For housing	Private individuals - Other	Total
	In NIS million			
Credit risk in credit performance rating:[a]				
On-balance-sheet credit risk	325,495	148,435	27,054	500,984
Off-balance sheet credit risk	183,977	5,965	18,793	208,735
Total non-investment grade credit risk	509,472	154,400	45,847	709,719
Non-investment grade credit risk				
a. Non-troubled	1,236	2,567	2,775	6,578
b. Total troubled	5,083	767	880	6,730
Troubled accruing	3,949	21	711	4,681
Troubled non-accruing	1,134	746	169	2,049
Total on-balance sheet credit risk	6,319	3,334	3,655	13,308
Off-balance sheet credit risk	914	21	238	1,173
Total non-investment grade credit risk	7,233	3,355	3,893	14,481
Of which: Accruing debts, in arrears of 90 days or more	143	-	74	217
Total overall credit risk of the public[b]	516,705	157,755	49,740	724,200
More information on non-performing assets				
a. Non-accruing debts	1,134	746	169	2,049
b. Assets received for settled credit	37	-	-	37
Total non-performing assets of the public	1,171	746	169	2,086
Percentage of non-accruing credit to the public (NPL) out of total credit to the public				0.41%

(a) Credit risk whose credit rating at the report date matches the credit rating for granting new credit in accordance with the Bank's policy.
(b) On- and off-balance sheet credit risk, including for derivatives. Including debts, bonds, securities borrowed or purchased under purchase agreements.
(c) On-balance sheet credit risk and off-balance sheet credit risk is stated before the effect of credit loss provision.

For more information on debts under payment deferral of 180 days or more that are not classified as troubled, see Note 13.B.1.

Credit risk[c] and non-performing assets (cont.)

	December 31, 2025			
	Commercial	For housing	Private individuals - Other	Total
	In NIS million			
Credit risk in credit performance rating:[a]				
On-balance-sheet credit risk	346,403	151,386	27,706	525,495
Off-balance sheet credit risk	195,552	6,684	18,821	221,057
Total non-investment grade credit risk	541,955	158,070	46,527	746,552
Non-investment grade credit risk				
a. Non-troubled	621	2,072	2,666	5,359
b. Total troubled	4,837	789	903	6,529
Troubled accruing	3,693	19	707	4,419
Troubled non-accruing	1,144	770	196	2,110
Total on-balance sheet credit risk	5,458	2,861	3,569	11,888
Off-balance sheet credit risk	921	20	215	1,156
Total non-investment grade credit risk	6,379	2,881	3,784	13,044
Of which: Accruing debts, in arrears of 90 days or more	142	-	66	208
Total overall credit risk of the public[b]	548,334	160,951	50,311	759,596
More information on non-performing assets				
a. Non-accruing debts	1,144	770	196	2,110
b. Assets received for settled credit	28	-	-	28
Total non-performing assets of the public	1,172	770	196	2,138
Percentage of non-accruing credit to the public (NPL) out of total credit to the public				0.40%

(a) Credit risk whose credit rating at the report date matches the credit rating for granting new credit in accordance with the Bank's policy.
(b) On- and off-balance sheet credit risk, including for derivatives. Including debts, bonds, securities borrowed or purchased under purchase agreements.
(c) On-balance sheet credit risk and off-balance sheet credit risk is stated before the effect of credit loss provision.

For more information on debts under payment deferral of 180 days or more that are not classified as troubled, see Note 13.B.1.

Movement in Non-Accruing Credit to the Public

	For the nine months ended September 30, 2026		
	Commercial	Private individuals[(a)]	Total
	In NIS million		
Outstanding balance of non-accruing debts at the beginning of the period	**1,144**	**966**	**2,110**
Loans classified as non-accruing debts during the period	**896**	**851**	**1,747**
Debts reclassified as accruing	**(56)**	**(354)**	**(410)**
Written-off non-accruing debts	**(309)**	**(97)**	**(406)**
Repaid non-accruing debts	**(283)**	**(221)**	**(504)**
Exchange rate differences in respect of subsidiary's customers	**(1)**	**-**	**(1)**
Outstanding balance of non-accruing debts at the end of the period	**1,391**	**1,145**	**2,536**

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

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

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

	September 30, 2026			
	Commercial	Housing	Private individuals - Other	Total
	In %			
Analysis of quality of credit to the public				
Percentage of non-accruing credit (NPL) to the public out of outstanding credit to the public	0.35	0.59	0.57	0.43
Percentage of non-accruing credit to the public or in arrears of 90 days or more out of outstanding credit to the public	0.38	0.59	0.80	0.46
Percentage of troubled credit to the public out of outstanding credit to the public	1.18	0.60	2.05	1.06
Percentage of non-investment grade credit out of outstanding credit to the public	1.35	1.61	9.63	1.86
Analysis of expenses (income) for credit losses for the reporting period[(a)]				
Percentage of credit loss expenses out of average outstanding credit to the public	0.22	0.02	0.18	0.15[(b)]
Percentage of net charge-offs for credit to the public out of average outstanding credit to the public	0.10	-[(d)]	0.67	0.10
Analysis of the credit loss provision in respect of credit to the public				
Percentage of balance of the credit loss provision for credit to the public out of outstanding credit to the public	1.34	0.42	2.76	1.16
Percentage of balance of the credit loss provision for credit to the public out of non-accruing outstanding credit to the public	382.96	72.12	482.22	271.73
Percentage of balance of the credit loss provision for credit to the public out of outstanding non-accruing credit to the public or in arrears of 90 days or more	357.52	72.12	344.44	254.55
Ratio of outstanding credit loss provision for credit to the public out of the net charge-offs for credit to the public[(a)(c)]	14.42	-[(d)]	4.46	12.22

(a) Annualized.
(b) Including credit loss expenses for credit to the public, banks, governments and bonds.
(c) Not presented in %.
(d) Rate of less than 0.01%.

During the reporting period, the credit quality benchmarks in the private portfolio improved compared to December 31, 2025. In addition, in the commercial portfolio the rate of troubled debts has improved. In the housing portfolio there was an increase in the percentage of non-accruing credit to the public (NPL) out of outstanding credit to the public.

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

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

(a) Annualized.
(b) Including credit loss expenses for credit to the public, banks, governments and bonds.
(c) Not presented in %.
(d) Rate of less than 0.01%.

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

	December 31, 2025			
	Commercial	Housing	Private individuals - Other	Total
	In %			
Analysis of quality of credit to the public				
Percentage of non-accruing credit (NPL) to the public out of outstanding credit to the public	0.34	0.50	0.63	0.40
Percentage of non-accruing credit to the public or in arrears of 90 days or more out of outstanding credit to the public	0.38	0.50	0.84	0.44
Percentage of troubled credit to the public out of outstanding credit to the public	1.42	0.51	2.89	1.24
Percentage of non-investment grade credit out of outstanding credit to the public	1.60	1.85	11.41	2.26
Analysis of expenses for credit losses for the reporting period				
Percentage of credit loss expenses for the public out of the average outstanding balance of credit to the public	0.03	0.02	0.93	0.09[(a)]
Percentage of net charge-offs for credit to the public out of average outstanding credit to the public	0.03	-[(b)]	0.87	0.08
Analysis of the credit loss provision in respect of credit to the public				
Percentage of balance of the credit loss provision for credit to the public out of outstanding credit to the public	1.53	0.43	3.10	1.30
Percentage of balance of the credit loss provision for credit to the public out of non-accruing outstanding credit to the public	455.59	86.75	494.90	324.64
Percentage of balance of the credit loss provision for credit to the public out of outstanding non-accruing credit to the public or in arrears of 90 days or more	405.29	86.75	370.23	295.51
Ratio of outstanding credit loss provision for credit to the public out of the net write-offs for credit to the public[(c)]	49.64	133.60	3.70	18.41

(a) Including credit loss expenses for credit to the public, banks, governments and bonds.
(b) Rate of less than 0.01%.
(c) Not presented in %.

Total Credit Risk by Economic Sector

	September 30, 2026							
			Overall credit risk			Credit losses[c]		
	Overall credit risk[a]	Of which: Debts[b]	Of which: Credit performance rating[e]	Of which: Troubled credit risk[d]	Of which: Non-accruing credit risk	Credit loss expenses (income)	Charge-offs, net	Balance of credit loss provision
	In NIS million							
For borrowers' activity in Israel								
Public - commercial								
Industry	33,253	21,855	32,613	552	201	(29)	61	(382)
Construction and real estate - construction[f]	171,691	91,223	170,383	952	459	453	74	(2,208)
Construction and real estate - real estate activity	66,727	58,094	65,665	1,015	261	(37)	7	(1,160)
Commerce	46,012	38,820	45,440	492	152	(36)	99	(501)
Financial services	117,926	75,917	117,893	24	6	123	(5)	(377)
Other sectors	81,770	61,381	80,275	1,215	192	(14)	10	(1,352)
Commercial - total	517,379	347,290	512,269	4,250	1,271	460	246	(5,980)
Private individuals - Housing loans	172,078	164,472	169,409	985	965	22	-	(716)
Private individuals - Other	41,042	31,421	37,642	663	179	38	146	(898)
Total loans to the public - activity in Israel	730,499	543,183	719,320	5,898	2,415	520	392	(7,594)
Banks and governments - in Israel	126,346	3,789	126,346	-	-	(1)	-	(23)
Total activity in Israel	856,845	546,972	845,666	5,898	2,415	519	392	(7,617)
For borrowers' activity outside Israel								
Total, public - activity outside Israel	78,532[g]	36,154	77,589	824	302	122	31	(368)
Foreign banks and governments	56,798	17,310	56,798	-	-	-	-	(63)
Total activity outside Israel	135,330	53,464	134,387	824	302	122	31	(431)
Total activity in and outside Israel	992,175	600,436	980,053	6,722	2,717	641	423	(8,048)

(a) On- and off-balance sheet credit risk, including for derivatives. Including: Debts,[b] bonds, securities borrowed or purchased under reverse repurchase agreements, credit risk for derivatives and credit risk embodied in off-balance sheet financial instruments, as calculated for the purpose of per-borrower indebtedness limitations totaling NIS 600,436, 169,538, 8,296, 43,429 and 170,476 million, respectively.

(b) Credit to the public, credit to governments, deposits with banks (excluding deposits with the Bank of Israel) and other debts, excluding bonds and securities borrowed or purchased under reverse repurchase agreements.

(c) Including for off-balance sheet credit instruments (presented in the balance sheet under "other liabilities").

(d) On-balance sheet credit risk and off-balance sheet credit risk that is non-accruing, substandard or special mention.

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

(f) Including housing loans extended to certain purchasing groups currently in the process of construction.

(g) Including credit risk stemming from investments in asset-backed bonds. For more information, see Note 5.

As from the financial statements as of September 30, 2026, the overall credit risk is measured and presented in accordance with Proper Conduct of Banking Business Directive No. 313 (Regulatory Framework for Measurement and Control of Major Exposures). Comparative figures have not been restated.

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

	September 30, 2025							
	Overall credit risk					Credit losses[c]		
	Overall credit risk[a]	Of which: Debts[b]	Of which: Credit performance rating[e]	Of which: Troubled credit risk[d]	Of which: Non-accruing credit risk	Credit loss expenses (income)	Charge-offs, net	Balance of credit loss provision
	In NIS million							
For borrowers' activity in Israel								
Public - commercial								
Industry	39,233	20,623	38,573	618	136	(83)	9	(474)
Construction and real estate - construction[f]	151,458	77,749	149,918	1,136	206	166	27	(1,763)
Construction and real estate - real estate activity	58,840	50,922	57,909	767	127	(48)	(5)	(1,167)
Commerce	45,321	37,135	44,478	719	323	29	96	(673)
Financial services	74,106	43,725	73,829	39	17	37	(1)	(246)
Other sectors	69,687	49,507	67,820	1,484	217	(10)	2	(1,410)
Commercial - total	438,645	279,661	432,527	4,763	1,026	91	128	(5,733)
Private individuals - Housing loans	157,685	151,704	154,330	767	746	27	5	(691)
Private individuals - Other	49,722	30,696	45,830	918	167	187	195	(980)
Total loans to the public - activity in Israel	646,052	462,061	632,687	6,448	1,939	305	328	(7,404)
Banks and governments - in Israel	93,850	4,677	93,850	-	-	(4)	-	(15)
Total activity in Israel	739,902	466,738	726,537	6,448	1,939	301	328	(7,419)
For borrowers' activity outside Israel								
Total, public - activity outside Israel	78,148[g]	26,620	77,032	855	244	(24)	(40)	(296)
Foreign banks and governments	64,751	15,664	64,751	-	-	33	-	(59)
Total activity outside Israel	142,899	42,284	141,783	855	244	9	(40)	(355)
Total activity in and outside Israel	882,801	509,022	868,320	7,303	2,183	310	288	(7,774)

(a) On- and off-balance sheet credit risk, including for derivatives. Including: debts,[b] bonds, securities borrowed or purchased under reverse repurchase agreements, credit risk for derivatives and credit risk embodied in off-balance sheet financial instruments, as calculated for the purpose of per-borrower indebtedness limitations totaling NIS 509,022, 133,658, 5,883, 61,013 and 173,225 million, respectively.

(b) Credit to the public, credit to governments, deposits with banks (excluding deposits with the Bank of Israel) and other debts, excluding bonds and securities borrowed or purchased under reverse repurchase agreements.

(c) Including for off-balance sheet credit instruments (presented in the balance sheet under "other liabilities").

(d) On-balance sheet credit risk and off-balance sheet credit risk that is non-accruing, substandard or special mention.

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

(f) Including housing loans extended to certain purchasing groups currently in the process of construction.

(g) Including credit risk stemming from investments in asset-backed bonds. For more information, see Note 5.

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

	December 31, 2025							
	Overall credit risk					Credit losses[c]		
	Overall credit risk[a]	Of which: Debts[b]	Of which: Credit performance rating[e]	Of which: Troubled credit risk[d]	Of which: Non-accruing credit risk	Credit loss expenses (income)	Charge-offs, net	Balance of credit loss provision
	In NIS million							
For borrowers' activity in Israel								
Public - commercial								
Industry	38,639	20,462	38,054	548	176	(43)	53	(472)
Construction and real estate - construction[f]	157,829	79,394	156,284	1,073	182	340	34	(1,870)
Construction and real estate - real estate activity	61,488	53,599	60,510	825	202	(54)	(31)	(1,192)
Commerce	45,150	36,989	44,358	674	259	32	152	(636)
Financial services	89,834	56,087	89,800	34	19	25	(2)	(248)
Other sectors	73,261	52,573	71,622	1,453	225	(104)	(1)	(1,342)
Commercial - total	466,201	299,104	460,628	4,607	1,063	196	205	(5,760)
Private individuals - Housing loans	160,888	154,189	158,007	789	770	30	5	(694)
Private individuals - Other	50,293	31,260	46,510	942	196	280	262	(1,006)
Total loans to the public - activity in Israel	677,382	484,553	665,145	6,338	2,029	506	472	(7,460)
Banks and governments - in Israel	95,895	4,933	95,895	-	-	5	-	(24)
Total activity in Israel	773,277	489,486	761,040	6,338	2,029	511	472	(7,484)
For borrowers' activity outside Israel								
Total, public - activity outside Israel	82,214[g]	27,748	81,407	757	205	(97)	(100)	(284)
Foreign banks and governments	73,890	18,524	73,890	-	-	36	-	(62)
Total activity outside Israel	156,104	46,272	155,297	757	205	(61)	(100)	(346)
Total activity in and outside Israel	929,381	535,758	916,337	7,095	2,234	450	372	(7,830)

(a) On- and off-balance sheet credit risk, including for derivatives. Including: debts,[b] bonds, securities borrowed or purchased under reverse repurchase agreements, credit risk for derivatives and credit risk embodied in off-balance sheet financial instruments, as calculated for the purpose of per-borrower indebtedness limitations totaling NIS 535,758, 139,718, 8,417, 64,284 and 181,204 million, respectively.

(b) Credit to the public, credit to governments, deposits with banks (excluding deposits with the Bank of Israel) and other debts, excluding bonds and securities borrowed or purchased under reverse repurchase agreements.

(c) Including for off-balance sheet credit instruments (presented in the balance sheet under "other liabilities").

(d) On-balance sheet credit risk and off-balance sheet credit risk that is non-accruing, substandard or special mention.

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

(f) Including housing loans extended to certain purchasing groups currently in the process of construction.

(g) Including credit risk stemming from investments in asset-backed bonds. For more information, see Note 5.

Risks to the construction and real estate industries

Activity and risk boundaries in the construction and real estate industry

The construction and real estate sector is an area of activity to which the Bank has a significant credit exposure, among other things in view of the housing needs arising from the natural demand for housing in Israel, which increases over time.

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

For more information regarding the characteristics of the Bank's activity in the construction and real estate industries, including highlights, risk appetite and ongoing management, see the chapter titled Risk to the construction and real estate industries in the Report of the Board of Directors as of December 31, 2025.

The effects of the War, including the labor shortages, the prolonged construction periods, the increase in execution costs and finance expenses, alongside the increase in non-linear contracts (20/80) and the slowdown in sales, caused an increase in project budgets. Regarding the non-linear payment methods and developer-subsidized loans, on April 6, 2025 the Bank of Israel published revised temporary orders,[1] which are effective from their publication date through December 31, 2026: The Bank complies with all regulatory restrictions applicable under the temporary orders regarding non-linear payment methods.

As at September 30, 2026, the Bank complies with the regulatory limitation pertaining to the concentration ratio. In addition, the Bank set internal limitations that are in line with the Bank's assessment of the risk in the various sub-sectors. Nevertheless, considering the sector's substantial credit needs on the one hand and the regulatory limit on the other, the Bank consistently and systematically manages the concentration ratio through various instruments. The Bank insures parts of the various credit exposures associated with the construction and real estate sectors.

The balance of the provision for credit losses in respect of the overall credit risk in the Israeli construction and real estate sectors as of September 30, 2026 is NIS 3,368 million compared to a total of NIS 3,062 million as of December 31, 2025. The percentage of the balance of the provision in respect of the overall credit risk in the Israeli construction and real estate sectors out of the overall credit risk of the Israeli portfolio as of September 30, 2026 is 1.41%. The balance of the provision for credit losses reflects the effects of ongoing uncertainty in the economy with respect to the construction and real estate sectors.

The balance of troubled credit risk in the Israeli construction and real estate sectors as of September 30, 2026 is NIS 1,967 million compared to a total of NIS 1,898 million as of December 31, 2025. The percentage of the troubled credit risk in the Israeli construction and real estate sectors out of the overall credit risk of the Israeli portfolio as of September 30, 2026 is 0.83% compared to 0.87% as of December 31, 2025.

For additional information regarding the Bank's absorption capacity and LTV ratio in the Israeli construction and real estate sectors see below in this chapter.

Some of the above information constitutes "forward-looking information". For the meaning and implications of the term, see under Forward-Looking Information.

For additional information on activity and risk boundaries in the construction and real estate industry, see the Section "Credit Risks" in the Report of the Board of Directors and Management as of December 31, 2025.

[1] Directive 329 - Limitations on Housing Loans and Directive 203 - Capital Measurement and Adequacy - The Standardized Approach - Credit Risk.

Macroeconomic effects

In addition to that which is detailed above under the chapter titled Credit, according to the Central Bureau of Statistics' data published in September 2026 regarding the residential construction sector, in the first half of 2026 there was a mixed trend in the residential construction metrics compared to the second half of 2025 - stability in building permits, an increase in construction starts and a decrease in construction completions. Levels of building permits and construction starts continue to be high from a historical perspective and relative to the current housing needs of the economy, as estimated by the government. Construction completions have, indeed, increased annually, following the improvement in the labor shortage in the construction sector; however, workforce levels in this sector are still somewhat low considering the current housing needs of the Israeli market.

Alongside the demand, there has been a decline in sales of new homes in the third quarter of 2026, a reversed trajectory of the recovery recorded in the second quarter of the year; however, the rate of sales remains slightly higher than in the beginning of 2026. Generally, the level of transactions is still relatively moderate considering the size of the population. This is due to a combination of high home prices relative to household income, a relatively high interest rate environment (especially long-term interest), and the regulation imposed by the Bank of Israel on benefits from developers as from April 2025. In view of the subdued demand and high levels of unsold inventory of new builds, house prices declined slightly in the year ended August 2026, led by some of the demand areas.

Looking forward, under a baseline scenario of no security escalation and the rise of a new government following the elections (i.e., avoiding another round of elections), a gradual recovery in demand for house purchases is expected, taking into account the decline in geopolitical and political uncertainty and the Bank of Israel's recent interest rate cuts down to 3.25% in its September interest rate decision, alongside an additional cut which may take place during the forthcoming year. Despite this, most demand and supply metrics in the sector still support a stagnation in house prices (nationwide) or a moderate decrease thereof.

In the field of commercial real estate, activity in commercial centers slumped at the beginning of Operation Lion's Roar; however, subsequent to the declaration of the ceasefire it recovered. The sharp increase in the number of Israelis travelling abroad in recent months may adversely affect the activity of the centers. The first half of 2026 saw a relatively sharp rate of construction starts of commercial spaces, further to the trend projected in 2025. Should this trend persist, it may exacerbate the emerging over-supply in the sector (specifically with regard to high-street retail).

During the first half of 2026, occupancy rates of premium office spaces in the Tel Aviv suburbs increased to a certain degree thanks to a temporary lull in the number of new office spaces delivered and due to a decline in rent in the suburbs. However, occupancy rates and rent in those areas continue to be substantially lower than those in demand areas (led by central Tel Aviv). Continued substantial growth in the supply of new office spaces in the suburbs of Tel Aviv and Jerusalem may put pressure on prices and occupancy rates in those areas in the forthcoming year and may even result in a decrease in those metrics, while occupancy rates in Tel Aviv are expected to remain high.

In order to reflect the uncertainty regarding the effects of the War on the construction and real estate sectors, a collective credit loss provision with respect to these sectors was made upon the outbreak of the War and during the War, as stated above.

It is clarified that geopolitical uncertainty levels are still high and consequently the provision may increase or decrease in the future in accordance with the developments.

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

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

	September 30		December 31		
	2026	2025	2025	Change compared to December 31, 2025	
	In NIS million			In NIS million	In %
On-balance-sheet credit risk	**163,172**	140,442	144,629	18,543	12.8
Guarantees for apartment buyers[(a)]	**13,401**	12,631	12,508	893	7.1
Other off-balance sheet credit risk[(a)]	**78,024**	71,124	76,701	1,323	1.7
Total overall credit risk	**254,597**	224,197	233,838	20,759	8.9

(a) In credit risk terms.

As from the financial statements as of September 30, 2026, the overall credit risk is measured and presented in accordance with Proper Conduct of Banking Business Directive No. 313 (Regulatory Framework for Measurement and Control of Major Exposures). Comparative figures have not been restated.

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

	September 30, 2026			
	Overall credit risk[a]			
	Land	Housing real estate under construction	Finished real estate properties	Total
	In NIS million			
LTV ratio[b]				
Up to 45%	**1,373**		**10,884**	**12,257**
More than 45% to 65%	**5,002**		**20,996**	**25,998**
More than 65% and up to 80%	**31,341**		**25,682**	**57,023**
More than 80%	**1,672[d]**		**4,235**	**5,907**
Absorption capacity[c]				
More than 25% and up to 50%		**25,118**		**25,118**
More than 50% and up to 75%		**11,066**		**11,066**
More than 75%		**11,144**		**11,144**
Projects not yet started		**25,463**		**25,463**
Other[e]				**63,593**
Total credit risk for construction and real estate in Israel				**237,569**

	December 31, 2025			
	Overall credit risk[a]			
	Land	Housing real estate under construction	Finished real estate properties	Total
	In NIS million			
LTV ratio[b]				
Up to 45%	1,193		10,382	11,575
More than 45% to 65%	5,736		18,334	24,070
More than 65% and up to 80%	27,843		22,723	50,566
More than 80%	1,825[d]		4,554	6,379
Absorption capacity[c]				
More than 25% and up to 50%		20,673		20,673
More than 50% and up to 75%		12,196		12,196
More than 75%		13,233		13,233
Projects not yet started		20,737		20,737
Other[e]				59,396
Total credit risk for construction and real estate in Israel				218,825

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

As from the financial statements as of September 30, 2026, the overall credit risk is measured and presented in accordance with Proper Conduct of Banking Business Directive No. 313 (Regulatory Framework for Measurement and Control of Major Exposures). Comparative figures have not been restated.

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

	September 30, 2026	December 31, 2025
	Overall credit risk[(a)]	
	In NIS million	
Housing	**122,040**	114,250
Office space	**27,019**	25,459
Industry	**11,518**	10,510
Commerce and services	**32,277**	29,012
Total overall credit risk secured by real estate collateral in Israel	**192,854**	179,231

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

As from the financial statements as of September 30, 2026, the overall credit risk is measured and presented in accordance with Proper Conduct of Banking Business Directive No. 313 (Regulatory Framework for Measurement and Control of Major Exposures). Comparative figures have not been restated.

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

	September 30, 2026	December 31, 2025	Change
	In NIS million		In %
Credit risk in credit performance rating			
Non-troubled Credit Risk	**251,973**	230,969	9.1
Non-investment grade credit risk			
Non-troubled	**403**	671	(39.9)
Troubled accruing	**1,247**	1,681	(25.8)
Non-accruing	**974**	517	88.4
Total non-investment grade credit risk	**2,624**	2,869	(8.5)
Total	**254,597**	233,838	8.9

As from the financial statements as of September 30, 2026, the overall credit risk is measured and presented in accordance with Proper Conduct of Banking Business Directive No. 313 (Regulatory Framework for Measurement and Control of Major Exposures). Comparative figures have not been restated.

Financial Services Sector Risks

Credit risk to the financial services sector includes, inter alia, the lending of securities, derivatives and bonds activities. The total credit risk to the financial services sector as of September 30, 2026 is approx. NIS 150.3 billion, compared to a total of NIS 136.3 billion as of December 31, 2025. The increase was mainly attributable to capital markets activities, including securities lending and derivatives activities.

For additional information regarding the credit risk in the financial services sector, see the chapter titled Credit Risk in the Risk Management Report as of September 30, 2026.

As shown in the table below, the percentage of troubled credit risk out of total credit risk in the financial services sector is negligible, indicating high credit quality in this sector.

Analysis of total credit risk[(a)] in the financial services sector (in Israel and abroad)

	September 30, 2026	December 31, 2025	Change	
	In NIS million		In NIS million	In %
Credit risk in credit performance rating				
Non-troubled Credit Risk	**150,252**	136,297	13,955	10.2
Non-investment grade credit risk				
Non-troubled	**9**	4	5	125.0
Troubled accruing	**18**	15	3	20.0
Non-accruing	**6**	20	(14)	(70.0)
Total non-investment grade credit risk	**33**	39	(6)	(15.4)
Total	**150,285**	136,336	13,949	10.2
Percentage of troubled credit risk out of total credit risk in the financial services sector	**0.02%**	0.03%		

(a) On-balance sheet credit risk and off-balance sheet credit risk are stated before the effect of credit loss provision.

Sectoral Concentration in the Credit Portfolio

The Bank maintains systematic monitoring processes to ensure compliance with the limits set forth in Proper Conduct of Banking Business Directive No. 315, Limits on Sectoral Indebtedness, issued by the Banking Supervision Department.

As at September 30, 2026, the Bank complies with this Directive's restrictions.

Groups of related counterparties[1]

The Bank conducts orderly monitoring and control processes to ensure it complies with the restrictions imposed by Proper Conduct of Banking Business Directive No. 313, Regulatory Framework for Measurement and Control of Major Exposures.

As at September 30, 2026, the Bank complies with this Directive's restrictions.

In accordance with the policy for the adoption of accepted international standards, the Banking Supervision Department adopted the Basel Committee provisions regarding supervision of large-scale exposures. In this context, a revision was published to Proper Conduct of Banking Business Directive No. 313, Regulatory Framework for Measurement and Control of Major Exposures. The directive entered into effect on July 1, 2026; accordingly, adjustments were made to the measurement of the exposure.

[1] A group of related counterparties is defined as two or more counterparties, constituting a single credit risk, which are interrelated by control relationships (with one party directly or indirectly controlling the other party), or due to a mutual economic dependence between them (such that if one party encounters financial difficulties, the other party may encounter repayment or financing difficulties).

Exposure to Foreign Countries

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

	September 30, 2026		
	Exposure[a][b][c]		
	On-balance sheet	Off-balance sheet	Total
	In NIS million		
USA	**53,015**	**16,242**	**69,257**
UK	**23,812**	**12,638**	**36,450**
France	**2,906**	**5,356**	**8,262**
Switzerland	**5,182**	**6,796**	**11,978**
Germany	**3,343**	**13,836**	**17,179**
Cayman Islands	**8,455**	**1,022**	**9,477**
Other	**21,022**	**18,356**	**39,378**
Total exposure to foreign countries	**117,735**	**74,246**	**191,981**
Of which: Total exposure to LDC countries[d]	**1,678**	**1,215**	**2,893**
Of which: Total exposure to countries with liquidity issues[e]	**2,101[f]**	**444**	**2,545**

	September 30, 2025		
	Exposure[a][b][c]		
	On-balance-sheet	Off-balance sheet	Total
	In NIS million		
USA	41,145	14,382	55,527
UK	19,756	31,577	51,333
France	3,953	3,766	7,719
Switzerland	4,344	3,640	7,984
Germany	3,655	5,939	9,594
Cayman Islands	7,727	577	8,304
Other	17,134	7,413	24,547
Total exposure to foreign countries	97,714	67,294	165,008
Of which: Total exposure to LDC countries[d]	1,754	1,460	3,214
Of which: Total exposure to countries with liquidity issues[e]	1,932[f]	515	2,447

See comments below.

Exposure to Foreign Countries (cont.)

	December 31, 2025		
	Exposure[a][b][c]		
	On-balance sheet	Off-balance sheet	Total
	In NIS million		
USA	47,270	16,135	63,405
UK	19,894	30,877	50,771
France	5,103	4,658	9,761
Switzerland	5,575	3,466	9,041
Germany	4,302	6,145	10,447
Cayman Islands	9,852	524	10,376
Other	18,728	7,060	25,788
Total exposure to foreign countries	110,724	68,865	179,589
Of which: Total exposure to LDC countries[d]	1,653	897	2,550
Of which: Total exposure to countries with liquidity issues[e]	1,841[f]	550	2,391

(a) Exposure to foreign countries is presented based on the final risk, taking into account the effect of guarantees, liquid collateral and credit derivatives.
(b) On-balance sheet credit risk and off-balance sheet credit risk, troubled credit risk and non-accruing debts are presented before the credit loss provision.
(c) On balance-sheet credit risk and off-balance sheet credit risk for derivatives are presented after deducting credit risk.
(d) The Exposure to LDCs line item includes total exposure to countries defined as Less Developed Countries (LDCs), which are classified by the World Bank as low- or mid-income countries.
(e) The Bank set several criteria, according to which a list of several countries was drawn, where the current conditions may reflect liquidity problems and which may have an effect on their solvency. The balance applies to 25 countries (as of September 30, 2025 - 30 countries, as of December 31, 2025 - 25 countries). The measurement does not include exposures to investment-grade countries, unless they were individually identified as having liquidity issues which may have a material effect on their solvency.
(f) The balance includes exposure for insurance policies backing mortgage portfolios in Israel, with the Barbados-based insurance company being a subsidiary of a global Canadian-based insurance group.

Credit Exposure to Foreign Financial Institutions

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

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

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

The main exposure as of September 30, 2026 to foreign financial institutions in countries rated AA- or higher.

Housing Loans Portfolio Risks

Credit risk developments

With regard to the underlying conditions affecting demand for housing credit, the Israeli economy's recovery from the effects of the War continued during the first two months of 2026, supported by the ceasefire in Gaza and on the northern front, although the level of activity remained below the pre-War trend. Operation Lion's Roar led to a temporary contraction in GDP in the first quarter of 2026. During the second quarter, economic activity recovered rapidly against the backdrop of the ceasefire with Iran, and this expansion also continued in the third quarter, although at a slower rate.

The job market has remained relatively tight since the beginning of 2026, amid a parallel decline in both labor demand and labor supply, which has kept the unemployment rate low. Since the beginning of 2026, the inflation rate has converged toward the midpoint of the price stability target band or slightly thereunder, a trend that has been maintained despite the rise in global energy prices amid Operation Lion's Roar, partly due to the appreciation of the NIS. This enabled the Bank of Israel to cut the interest rate at its January, May, and July and September 2026 decisions, following the rate cut initiated at the end of November 2025.

Looking ahead, assuming no renewed security escalation and stabilization in the global energy market, the tightness of the job market is expected to gradually ease. Inflation is expected to remain within the price stability target band, supporting one further interest rate cut by the Bank of Israel over the coming year.

Housing prices recorded a slight decline in the year ended July 2026, led by some of the high-demand areas. This was against the backdrop of a moderate volume of housing transactions and a high level of unsold inventory of new apartments. The main factors currently weighing on demand and prices in the housing market are high housing prices relative to household income, yet relatively high interest rates, and tighter regulation of financing benefits offered by developers.

On April 6, 2025, the Bank of Israel issued a temporary order amending Directive 329 by limiting the amount of bullet loans subsidized by developers to 10% of the quarterly amount of housing loans. The directive is effective from the date of its publication through December 31, 2026. It should be noted that, as part of the rigorous underwriting process, the mortgage loan is underwritten for the full financing amount at the initial stage of the subsidized loan, to ensure that the borrower receiving the credit has the full capacity to repay the debt in accordance with accepted criteria. Tighter regulation may weigh on the volume of transactions in the market in the short term.

The volume of loans with payment deferrals as of the end of September 2026 was approx. NIS 1.9 billion, compared to approx. NIS 3.0 billion in September 2026, NIS 3.2 billion in March 2026, and NIS 2.4 billion as of December 2025.

For additional information of all the relevant publications of the Bank of Israel and additional reliefs provided by the Bank, see under Main Changes in the Reporting Period - the War in the Report of the Board of Directors and Management and the section titled Laws and Regulations Governing the Banking System in the Corporate Governance Report.

The Bank continues to adhere to a underwriting policy that takes into consideration the borrower's repayment capacity, linkage base and interest, loan-to-value ratio (LTV), etc., while complying with all of the requirements of the Banking Supervision Department.
The housing loan portfolio is monitored on a regular basis, including analysis of the trends in terms of characteristics and risk.

For additional information regarding macroeconomic effects and the War, see the chapter titled Main Developments in the Israeli Economy in the Report of the Board of Directors and Management.

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

	For the nine months ended September 30		Rate of change
	2026	2025	
	In NIS million		In %
By the Bank	**23,680**	18,908	25.2
By the Government of Israel	**102**	94	8.5
Total new loans	**23,782**	19,002	25.2
Old loans refinanced with the Bank's funds[(a)]	**6,779**	6,098	11.2
Total performance	**30,561**	25,100	21.8

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

The average loan extended by the Bank in the first nine months of 2026 was NIS 1,081 thousand, compared to NIS 1,010 thousand in the corresponding period in 2025, and compared to NIS 1,006 thousand in all of 2025.

Development of total outstanding housing credit, net

	Outstanding credit portfolio	Rate of change
	In NIS million	In %
December 31, 2024	143,979	10.8
December 31, 2025	153,565	6.7
September 30, 2026	**163,806**	**6.7**

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

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

	Non-Linked Segment				CPI-Linked Segment				Foreign Exchange Segment		Total credit portfolio, in NIS million
	Fixed interest		Variable interest		Fixed interest		Variable interest		Variable interest		
	Balance in NIS million	% the credit portfolio	Balance in NIS million	% the credit portfolio	Balance in NIS million	% the credit portfolio	Balance in NIS million	% the credit portfolio	Balance in NIS million	% the credit portfolio	
December 31, 2024	38,011	26.4	60,067	41.7	20,059	13.9	25,455	17.7	387	0.3	143,979
December 31, 2025	41,358	26.9	68,524	44.7	17,075	11.1	26,291	17.1	317	0.2	153,565
September 30, 2026	**45,536**	**27.8**	**77,430**	**47.2**	**16,207**	**9.9**	**24,373**	**14.9**	**260**	**0.2**	**163,806**

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

Development of new housing credit by interest track, in Israel

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

	2026			2025				2024
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual average
	Rate of performance							
	In %							
Fixed - linked	**5.8**	7.7	9.5	10.7	11.2	10.7	13.2	14.5
Variable every 5 years or more - linked	**0.4**	0.6	0.8	0.9	1.4	1.2	1.3	2.3
Variable up to 5 years - linked	**2.1**	2.7	3.4	3.4	4.0	5.1	7.7	7.3
Fixed - non-linked	**36.9**	36.4	34.0	33.8	30.9	31.5	29.3	31.5
Variable every 5 years or more - non-linked	**1.5**	2.0	2.1	2.4	3.4	3.8	3.3	12.7
Variable up to 5 years - non-linked	**53.3**	50.5	50.2	48.7	48.9	47.7	45.0	31.8
Variable - Foreign currency	-[(a)]	0.1	-[(a)]	0.1	0.2	-[(a)]	0.2	0.2

(a) Rate of less than 0.1%.

The percentage of new variable-interest housing loans granted by the Bank in the third quarter of 2026 was 57.3% compared to 57.7% in the corresponding period of 2025.

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

	Recorded outstanding debt	Debt in arrears of 90 days or more or non-accruing	Percentage of recorded outstanding debt
	In NIS million		In %
December 31, 2024	144,619	677	0.47
December 31, 2025	154,233	770	0.50
September 30, 2026	**164,502**	**965**	**0.59**

The outstanding on-balance sheet credit loss provision, as of September 30, 2026, for the housing loans portfolio is NIS 696 million, constitutes 0.42% of the housing credit outstanding on-balance sheet balance as of that date; the provision balance of NIS 668 million as of December 31, 2025, constitutes 0.43% of the outstanding housing credit balance as of that date.

Development of LTV ratio for new credit over 60%, in Israel

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

	2026			2025				2024
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual average
LTV ratio	In %[(a)]							
Over 60 and up to 70, inclusive	**26.5**	25.9	25.3	25.4	24.7	25.0	23.7	22.7
Over 70 and up to 75, inclusive	**23.4**	22.3	22.0	21.4	20.6	20.2	20.4	20.4
Over 75	**0.1**	0.4	0.3	0.3	0.5	0.5	0.5	0.2

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

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

The average LTV ratio of the outstanding credit portfolio as of September 30, 2026 stood at 49.10%, similar to 2025.

Development in new credit, in which the repayment ratio exceeds 40% in Israel

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

The percentage of loans (for housing purposes with monthly repayments) originated in the first nine months of 2026 for which the repayment ratio exceeded 40% at the credit approval date was 0.8% of total new credit originated (for housing purposes with monthly repayments), similarly to the 0.8% in the entire 2025.

Development of new credit, for which the repayment dates are longer than 25 years, in Israel

The percentage of new housing credit originated in the first nine months of 2026 with contractual repayment dates exceeding 25 years averaged approx. 452.4% of total new credit originated, compared to an average of 51.9% in the first three months of 2026 and 52.4% in 2025.

For additional information, see chapter titled Credit Risks in the Report of the Board of Directors and Management as of December 31, 2025.

Credit Risk with respect to Private Individuals (Excluding Housing Loans)

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

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

In addition to rigorous underwriting, management, and monitoring processes at the individual borrower level, retail credit is continuously monitored on an aggregate basis, including through a set of internal metrics and limits, as well as ongoing monitoring of the various models used in the underwriting processes.

The metrics and limits are regularly monitored, at least once per quarter. The parameters under consideration address numerous aspects and characteristics which reflect diverse and complementary points of view regarding the new credit risk profile and reflect the limits of the desired risk appetite at the level of the private credit portfolio. As part of consumer credit management, the amount of newly originated consumer credit is monitored both overall and, in particular, for vulnerable populations, with the aim of mitigating the conduct risk associated with originating credit to households.

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

For additional information and details regarding macroeconomic effects and the War, see the section titled Macroeconomic Effects at the beginning of this Chapter.

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

	Balance of credit risk
	In NIS million
December 31, 2024	47,891
December 31, 2025	50,250
September 30, 2026	**40,988**

As from the financial statements as of September 30, 2026, the overall credit risk is measured and presented in accordance with Proper Conduct of Banking Business Directive No. 313 (Regulatory Framework for Measurement and Control of Major Exposures). Comparative figures have not been restated.

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

	September 30, 2026		December 31, 2025	
	In NIS million	% of portfolio	In NIS million	% of portfolio
Up to one year[(a)]	**9,904**	**31.5**	9,955	31.8
Over one year to 3 years	**4,723**	**15.0**	4,519	14.5
Over 3 years to 5 years	**6,135**	**19.5**	6,589	21.1
Over 5 years to 7 years	**4,202**	**13.4**	3,812	12.2
Over 7 years	**6,457**	**20.6**	6,385	20.4
Total on-balance sheet credit risk	**31,421**	**100.0**	31,260	100.0

(a) Including balances with no maturity term.

Breakdown of the total credit risk (excluding derivatives) in respect of loans granted by the Bank to private individuals, according to the scope of exposure (in Israel, excluding housing loans)

Credit risk amount in NIS thousands		September 30, 2026		December 31, 2025	
From	To	In NIS million	% of portfolio	In NIS million	% of portfolio
-	25	**5,146**	**12.6**	6,321	12.6
25	50	**5,489**	**13.4**	7,164	14.3
50	75	**4,549**	**11.1**	5,835	11.6
75	100	**3,354**	**8.2**	4,954	9.9
100	150	**5,619**	**13.7**	7,123	14.2
150	200	**4,701**	**11.5**	5,434	10.8
200	300	**6,291**	**15.3**	6,992	13.9
Over 300		**5,839**	**14.2**	6,427	12.7
Total overall credit risk		**40,988**	**100.0**	50,250	100.0

As from the financial statements as of September 30, 2026, the overall credit risk is measured and presented in accordance with Proper Conduct of Banking Business Directive No. 313 (Regulatory Framework for Measurement and Control of Major Exposures). Comparative figures have not been restated.

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

	September 30, 2026		December 31, 2025	
	In NIS million	% of portfolio	In NIS million	% of portfolio
Current account balances and utilized credit card balances	**7,991**	**19.5**	7,884	15.7
Car purchase loans (secured)	**1,127**	**2.7**	1,186	2.4
Other loans	**22,303**	**54.5**	22,190	44.2
Total on-balance sheet credit risk	**31,421**	**76.7**	31,260	62.3
Unutilized current account credit facilities	**8,118**	**19.8**	7,814	15.5
Unutilized credit card facilities	**1,249**	**3.0**	10,882	21.7
Other off-balance sheet credit risk	**200**	**0.5**	294	0.5
Total off-balance sheet credit risk	**9,567**	**23.3**	18,990	37.7
Total overall credit risk	**40,988**	**100.0**	50,250	100.0

As from the financial statements as of September 30, 2026, the overall credit risk is measured and presented in accordance with Proper Conduct of Banking Business Directive No. 313 (Regulatory Framework for Measurement and Control of Major Exposures). Comparative figures have not been restated.

Below is the breakdown of on-balance sheet credit risk (excluding derivatives) to private individuals by interest rate basis (activity in Israel, excluding housing loans)

	September 30, 2026		December 31, 2025	
	Total on-balance sheet credit risk	% of portfolio	Total on-balance sheet credit risk	% of portfolio
	In NIS million	In %	In NIS million	In %
Variable interest loans[(a)]	**22,715**	**72.3**	23,155	74.1
Fixed interest loans[(b)]	**8,706**	**27.7**	8,105	25.9
Total on-balance sheet credit risk	**31,421**	**100.0**	31,260	100.0

(a) Variable-rate loans are exposed to changes in interest rates, which may affect borrowers' repayment capacity. As stated above, the Bank monitors the private individuals credit portfolio on an ongoing basis, including analysis of the expected effects in case the interest rate rises.

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

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

	September 30, 2026	December 31, 2025
	In NIS million	
Deposits by the public	**117,275**	115,936
Securities portfolios	**99,101**	88,402
Total financial asset portfolio	**216,376**	204,338
The overall credit risk in respect of customers with a financial asset portfolio	**29,609**	36,800

As from the financial statements as of September 30, 2026, the overall credit risk is measured and presented in accordance with Proper Conduct of Banking Business Directive No. 313 (Regulatory Framework for Measurement and Control of Major Exposures). Comparative figures have not been restated.

Breakdown of on-balance sheet credit risk (excluding derivatives) for credit granted by the Bank to private individuals, by fixed income amount[(a)] (in Israel, excluding housing loans)

	September 30, 2026		December 31, 2025	
Level of income	In NIS million	In %	In NIS million	In %
Accounts without fixed income	**3,265**	**10.4**	3,392	10.9
Of which: Credit accounts[(b)]	**1,098**	**3.5**	1,281	4.1
Less than NIS 10 thousand	**4,473**	**14.2**	4,766	15.2
More than NIS 10 thousand and less than NIS 20 thousand	**10,279**	**32.7**	10,528	33.7
NIS 20 thousand or more	**13,404**	**42.7**	12,574	40.2
Total on-balance sheet credit risk	**31,421**	**100.0**	31,260	100.0

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

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

As aforesaid, the Bank's credit policy towards private individuals is based on a borrower's debt service capacity in relation to his/her income. Accordingly, the vast majority of on-balance sheet credit is from fixed income earners.

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

	September 30, 2026	December 31, 2025
	In NIS million	
Non-troubled credit	**30,776**	30,357
Troubled accruing credit	**465[(a)]**	707
Troubled non-accruing credit	**180**	196
Total on-balance sheet credit risk	**31,421**	31,260
Percentage of troubled credit risk out of on-balance sheet credit risk for private individuals	**2.1%**	2.9%
Charge-offs, net (for the period ended)	**146**	262
On-balance sheet provision for credit losses	**868**	970

(a) During the first quarter of the year, the Bank refined its methodology for classifying private customers obligations as troubled, and as of that date, the data are presented in accordance with the updated methodology.

The on-balance sheet provision for credit losses as of September 30, 2026, for private individuals (excluding housing) is NIS 868 million, which constitutes 2.8% of the on-balance sheet credit balance for private individuals (excluding housing) as of that date, compared to the on-balance sheet provision for credit losses as of December 31, 2025 totaling NIS 970 million, which constitutes 3.1% of the outstanding balance of credit with respect to private individuals (excluding housing, on-balance sheet) as of that date. The provisions for credit losses embody, among other things, the effects of the War and the high interest rate environment.

For additional information, including regarding troubled debts and credit loss expenses, see Note 6, Note 13, and the section titled Risk Exposure, Credit Risk, under Total Credit Risk to the Public by Economic Sector and in the Credit Risks section in the Report of the Board of Directors and Management as of December 31, 2025.

For further details regarding this segment, see under Credit Risks in the Report of the Board of Directors and Management as of December 31, 2025.

Leveraged finance exposure

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

For additional information, see the Report of the Board of Directors and Management as of December 31, 2025.

Outstanding aggregated credit granted to leveraged borrowers

	September 30						December 31		
	2026			2025			2025		
	On-balance-sheet	Off-balance sheet	Total	On-balance-sheet	Off-balance sheet	Total	On-balance-sheet	Off-balance sheet	Total
Economic sector	In NIS million								
Mining and quarrying	**376**	**106**	**482**	-	-	-	272	130	402
Commerce			**-**	375	2	377	375	2	377
Transportation and storage	**1,783**	**281**	**2,064**	809	24	833	1,816	308	2,124
Hotels, accommodation and food services	**438**	**-**	**438**	398	-	398	384	-	384
Information and communication	**2,154**	**152**	**2,306**	-	-	-	-	-	-
Total	**4,751**	**539**	**5,290**	1,582	26	1,608	2,847	440	3,287

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

For additional qualitative and quantitative information regarding credit risks, see the Risk Management Report as at September 30, 2026.

Market Risks

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

In the third quarter of 2026, there were no significant changes in the corporate governance structure, policies and market risk management.

Against the backdrop of the geopolitical situation, market volatility has increased in the past year, particularly with regard to Israel's risk premium. Despite the cessation of active fighting with Iran, the unresolved conflict continues to create uncertainty regarding its economic implications. The end of the conflict is expected to lead to a decline in Israel's risk premium. During the quarter, at its meeting on September 1, 2026, the Bank of Israel Monetary Committee cut the interest rate by 0.25% to 3.25%. It is currently expected that in the forthcoming quarter the interest rate will be cut once. The Bank tracks and closely monitors developments, applying stringent risk management practices, applying stress scenarios, and continuously examining the development of events and modes of operation in order to prepare in advance and adapt its activity as needed.

In the past quarter, the US market was affected by geopolitical conditions due to the ongoing campaign against Iran and by US debt levels, which is reflected in the consumer price index. Long-term interest rates reached a peak of over 20 years, which adversely affects economic activity. Concurrently, the Fed unanimously decided on a 0.25% interest rate hike during September, following three years marked by interest rate cuts. One further interest rate hike is expected by the end of the year. Stock indices were relatively stable during the current quarter. However, spreads have increased across all ratings.

For additional information on investment, interest rate and market risks and management thereof, see the Risk Management Report as of December 31, 2025.

Interest Rate Risk

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

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

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

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

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

On July 1, 2025, Proper Conduct of Banking Business Directive 333, Interest Rate Risk in the Banking Portfolio became effective. The directive sets out requirements for taking active measures to identify, measure, monitor, control, and disclose the risk, and the Bank has made the necessary adjustments. The application of the directive did not have any material effect on the Bank's business activity and/or financial results.

For additional information, see the chapter titled Interest Rate Risk in the Risk Management Report as of December 31, 2025.

Quantitative information about interest rate risk - sensitivity analysis

Net book balance and net adjusted fair value of financial instruments of the Bank and its consolidated companies

	September 30, 2026		
	NIS	Foreign currency	Total
	In NIS million		
Net book balance[(a)]	**52,448**	**(6,132)**	**46,316**
Adjusted net fair value[(a)]	**61,616**	**(2,902)**	**58,714**
Of which: banking portfolio	**53,241**	**(2,959)**	**50,282**
Of which: Effect of behavioral assumptions*	**10,419**	**2,994**	**13,413**
Of which: Effect of attribution for the periods of deposits with no repayment date	**10,407**	**3,000**	**13,407**
Of which: Effect of early repayment of housing loans	**(33)**	**(6)**	**(39)**

* During the reporting period, there were no changes in the behavioral models. The change in the models' effect arose from changes in the discount rates.

	September 30, 2025		
	NIS	Foreign currency	Total
	In NIS million		
Net book balance[(a)]	50,576	(5,904)	44,672
Adjusted net fair value[(a)]	59,816	(4,205)	55,611
Of which: banking portfolio	52,549	(4,299)	48,250
Of which: Effect of behavioral assumptions	9,709	2,711	12,420
Of which: Effect of attribution for the periods of deposits with no repayment date	10,066	2,712	12,778
Of which: Effect of early repayment of housing loans	(203)	(1)	(204)

	December 31, 2025		
	NIS	Foreign currency	Total
	In NIS million		
Net book balance[(a)]	50,998	(5,879)	45,119
Adjusted net fair value[(a)]	59,886	(4,052)	55,834
Of which: banking portfolio	54,779	(4,091)	50,688
Of which: Effect of behavioral assumptions	9,236	2,608	11,844
Of which: Effect of attribution for the periods of deposits with no repayment date	9,870	2,618	12,488
Of which: Effect of early repayment of housing loans	(687)	(10)	(697)

(a) Net on-balance sheet balance and net fair value of the financial instruments, excluding non-monetary items, including liability for employee benefits, offset against all underlying plan assets and attribution of demand deposits to periods.

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

The difference between the adjusted net fair value balance and the net on-balance sheet balance was approx. NIS 12.4 billion, an increase of approx. NIS 1.7 billion compared to the difference as of December 31, 2025.

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

	September 30, 2026		
	NIS	Foreign currency	Total
	In NIS million		
Simultaneous changes			
Simultaneous increase of 1%	(2,193)	(1,131)	(3,324)
Of which: banking portfolio	(2,088)	(1,033)	(3,121)
Of which: Effect of behavioral assumptions[(b)]	3,320	491	3,811
Of which: Effect of attribution for the periods of deposits with no repayment date	2,160	471	2,631
Of which: Effect of early repayment of housing loans	946	1	947
Of which: Effect of the spread of deposits periods after the nearest exit point	214	-	214
Simultaneous decrease of 1%	2,029	1,184	3,213
Of which: banking portfolio	1,913	1,092	3,005
Of which: Effect of behavioral assumptions[(b)]	(4,069)	(581)	(4,650)
Of which: Effect of attribution for the period of deposits with no repayment date	(2,286)	(498)	(2,784)
Of which: Effect of early repayment of housing loans	(1,556)	(1)	(1,557)
Of which: Effect of the spread of deposits periods after the nearest exit point	(227)	-	(227)

(a) Net fair value of the financial instruments, excluding non-monetary items, including liability for employee benefits, offset against all underlying plan assets and attribution of deposits without a repayment date.

(b) The main models are the assumption of early repayment of mortgages, and in current accounts - identification of the hard core and treating it as a long-term deposit. The lack of symmetry between the increase and the decrease in interest rates is mainly due to the adaptation of customer activity to the mortgage scenario and effect of the convexity of interest rate curves.

Since the beginning of the year, across all linkage segments, there was an increase of NIS 1,078 million in exposure to an increase of 1%.

In the banking portfolio the exposure increased by NIS 873 million; the increase arises primarily from activity in the investment portfolio and from the credit portfolio, which was partially offset by issuance of notes.

During 2026, there were no changes in the assumptions of the behavioral models. A breakdown of the impact of the material behavioral models is presented in the table above.

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

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

	September 30, 2025		
	NIS	Foreign currency	Total
	In NIS million		
Simultaneous changes			
Simultaneous increase of 1%	(1,449)	(661)	(2,110)
Of which: banking portfolio	(1,398)	(650)	(2,048)
Of which: Effect of behavioral assumptions[(b)]	3,017	516	3,533
Of which: Effect of attribution for the periods of deposits with no repayment date	2,188	541	2,729
Of which: Effect of early repayment of housing loans	909	-	909
Simultaneous decrease of 1%	1,137	666	1,803
Of which: banking portfolio	1,082	656	1,738
Of which: Effect of behavioral assumptions[(b)]	(3,704)	(648)	(4,352)
Of which: Effect of attribution for the periods of repayments with no repayment date	(2,317)	(572)	(2,889)
Of which: Early repayment of housing loans	(1,463)	-	(1,463)

	December 31, 2025		
	NIS	Foreign currency	Total
	In NIS million		
Simultaneous changes			
Simultaneous increase of 1%	(1,497)	(749)	(2,246)
Of which: banking portfolio	(1,579)	(669)	(2,248)
Of which: Effect of behavioral assumptions[(b)]	3,478	489	3,967
Of which: Effect of attribution for the periods of deposits with no repayment date	2,198	522	2,720
Of which: Effect of early repayment of housing loans	1,073	1	1,074
Of which: Effect of the spread of deposits periods after the nearest exit point	206	-	206
Simultaneous decrease of 1%	1,213	709	1,922
Of which: banking portfolio	1,279	658	1,937
Of which: Effect of behavioral assumptions[(b)]	(4,222)	(624)	(4,846)
Of which: Effect of attribution for the periods of repayments with no repayment date	(2,327)	(552)	(2,879)
Of which: Early repayment of housing loans	(1,677)	(2)	(1,679)
Of which: Effect of the spread of deposits periods after the nearest exit point	(219)	-	(219)

(a) Net fair value of the financial instruments, excluding non-monetary items, including liability for employee benefits, offset against all underlying plan assets and attribution of deposits without a repayment date.

(b) The main models are the assumption of early repayment of mortgages, and in current accounts - identification of the hard core and treating it as a long-term deposit. The lack of symmetry between the increase and the decrease in interest rates is mainly due to the adaptation of customer activity to the mortgage scenario and effect of the convexity of interest rate curves.

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

	September 30, 2026		
	Interest income	Noninterest finance income	Total*
	In NIS million		
Simultaneous changes			
Simultaneous increase of 1%	**375**	**78**	**453**
Of which: banking portfolio	**375**	**281**	**656**
Simultaneous decrease of 1%	**(638)**	**(94)**	**(732)**
Of which: banking portfolio	**(638)**	**(301)**	**(939)**

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

	December 31, 2025		
	Interest income	Noninterest finance income	Total*
	In NIS million		
Simultaneous changes			
Simultaneous increase of 1%	348	285	633
Of which: banking portfolio	348	285	633
Simultaneous decrease of 1%	(581)	(318)	(899)
Of which: banking portfolio	(581)	(306)	(887)

* After netting effects.

The income sensitivity presented in the table above is a theoretical estimate calculated based on a concurrent shift in all interest rate curves, using assumptions regarding changes in deposit spreads and the transfer of funds from current accounts to interest-bearing deposits in the event of an increase in interest rates, with no change in the liabilities and asset mix.

Since the beginning of the year, the total exposure of income to a decrease in the interest rate of 1% in the entire Bank has decreased by NIS 167 million.
There was an increase of approx. NIS 52 million in the Banking Book. The increase arose primarily from interest income.

Effect of scenarios of interest rate changes on equity[(a)]

	September 30, 2026
	In NIS million
Simultaneous increase of 1%	**(2,346)**
Simultaneous decrease of 1%	**2,334**

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

	December 31, 2025
	In NIS million
Simultaneous increase of 1%	(1,008)
Simultaneous decrease of 1%	818

(a) The effect presented is before the tax effect.

Since the beginning of the year, the total equity exposure to an interest rate increase of 1% has increased by approx. NIS 1.34 billion. The change was mainly attributable to investment portfolio activities.

Foreign exchange rate risk

During the third quarter of 2026, the effect of the change in foreign currency rates on the net income was immaterial since the Bank, as a rule, does not have substantial foreign exchange exposures.

Total exposure of the Bank and its consolidated companies to interest rate changes

	September 30, 2026					
	With demand - up to one month	More than one month and up to two months	More than 3 months and up to one year	Over one year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years
	In NIS million					
Financial assets[(a)]	532,063	64,935	93,641	92,342	40,314	40,688
Other amounts receivable[(b)]	693,425	529,511	350,816	157,131	67,283	58,763
Financial liabilities[(a)]	489,939	64,350	156,841	46,680	37,528	33,634
Liabilities for employee benefits	(7)	(71)	462	1,058	1,019	641
Other amounts payable[(b)]	702,281	511,559	345,533	163,703	65,619	58,296
Exposure to interest rate changes	33,275	18,608	(58,379)	38,032	3,431	6,880
Further details regarding exposure to interest rate changes						
A. By linkage bases:[(d)]						
Non-linked NIS	58,248	10,901	(66,009)	19,633	(987)	(2,498)
CPI-linked NIS	822	2,032	7,613	13,131	(388)	6,305
Foreign currency (including linked to foreign currency)	(25,795)	5,675	17	5,268	4,806	3,073
B. Effects of exposure to interest rate changes						
Financial assets, before assumptions	531,291	63,856	90,344	90,249	39,789	41,167
Effect of early repayment of housing loans	772	1,079	3,297	2,093	525	(479)
Financial assets	532,063	64,935	93,641	92,342	40,314	40,688
Financial liabilities, before assumptions	588,084	77,395	113,605	29,330	23,872	13,240
Effect of the spread of deposits with no repayment date	(84,303)	-	21,922	14,589	13,377	21,008
Effect of the spread of deposits periods after the nearest exit point	(13,849)	(13,116)	21,776	3,819	1,298	27
Financial liabilities	489,932	64,279	157,303	47,738	38,547	34,275

See comments below.

Total exposure of the Bank and its consolidated companies to interest rate changes (cont.)

	September 30, 2026					
	10 to 20 years	Over 20 years	No term to maturity	Total fair value	Internal rate of return	Average effective life[c]
	In NIS million					
Financial assets[a]	15,265	1,868	435	881,551	1.25%	1.20
Other amounts receivable[b]	8,760	3,300	-	1,868,989	-	0.76
Financial liabilities[a]	634	(5)	2	829,603	1.85%	0.75
Liabilities for employee benefits	1,772	5,642	-	10,516	-	11.34
Other amounts payable[b]	3,429	1,288	(1)	1,851,707	-	0.77
Exposure to interest rate changes	18,190	(1,757)	434	58,714	-	-
Further details regarding exposure to interest rate changes						
A. By linkage bases:[d]						
Non-linked NIS	10,242	1,862	428	31,820	-	0.08
CPI-linked NIS	5,082	(4,802)	1	29,796	-	0.07
Foreign currency (including linked to foreign currency)	2,866	1,183	5	(2,902)	-	0.06
B. Effects of exposure to interest rate changes						
Financial assets, before assumptions	20,346	4,113	435	881,590	1.25%	1.35
Effect of early repayment of housing loans	(5,081)	(2,245)	-	(39)	(0.07%)	(0.74)
Financial assets	15,265	1,868	435	881,551	1.25%	1.20
Financial liabilities, before assumptions	2,406	5,637	2	853,571	1.89%	0.55
Effect of the spread of deposits with no repayment date	-	-	-	(13,407)	4.43%	3.82
Effect of the spread of deposits periods after the nearest exit point	-	-	-	(45)	0.40%	0.51
Financial liabilities	2,406	5,637	2	840,119	1.85%	0.89

See comments below.

Total exposure of the Bank and its consolidated companies to interest rate changes (cont.)

	December 31, 2025		
	Total fair value	Internal rate of return	Average effective life[(c)]
	In NIS million		
Financial assets[(a)]	801,364	2.98%	1.19
Other amounts receivable[(b)]	1,323,954	-	0.82
Financial liabilities[(a)]	748,019	3.19%	0.70
Liabilities for employee benefits	11,920	-	12.01
Other amounts payable[(b)]	1,309,545	-	0.87
Exposure to interest rate changes	55,834	-	-
Further details regarding exposure to interest rate changes			
A. By linkage bases:[(d)]			
Non-linked NIS	34,538	-	0.01
CPI-linked NIS	25,348	-	0.10
Foreign currency (including linked to foreign currency)	(4,052)	-	0.21
B. Effects of exposure to interest rate changes			
Financial assets, before assumptions	802,060	2.98%	1.19
Effect of early repayment of housing loans	(696)	(0.06%)	(0.78)
Financial assets	801,364	2.98%	1.19
Financial liabilities, before assumptions	772,479	3.20%	0.90
Effect of the spread of deposits with no repayment date	(12,488)	4.04%	3.85
Effect of the spread of deposits periods after the nearest exit point	(52)	0.05%	0.36
Financial liabilities	759,939	3.19%	0.85

(a) Excluding balances of on-balance sheet derivatives, the fair value of off-balance sheet instruments and of fair value of compound financial instruments, after the effect of spread of demand deposits over periods.

(b) Receivables and payables in respect of derivative, compound and off-balance sheet financial instruments - after the effect of liabilities for employee benefits, which takes into account the underlying plan assets - that are sensitive to changes in interest rates. Compound financial instruments were classified according to each instrument's effective average life as exposure to their interest rates cannot be reflected by their classification into repayment periods of cash flows or nearest interest rate change date.

(c) Weighted average by fair value of the average duration.

(d) The reported duration is the difference between the duration of the total assets and the duration of the total liabilities.

Liquidity and Financial Risk

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

Financing risk is the risk of being unable to raise new financing sources or refinance existing sources required for ongoing operations, or that such sources will be raised at times and on terms that materially adversely affect the Bank's net income from interest.

Sources of financing

The financing sources' mix and concentration are managed by the Bank as part of its liquidity risk management. The Bank monitors the composition and concentration of its financing sources by customer size and type. The Bank continuously and closely monitors liquidity metrics and early warning indicators, enabling the Bank to identify liquidity needs at an early stage and changes in trends relating to its financing sources.

The Bank maintains an adequate level of liquidity by investing its nostro portfolio in high-quality assets diversified across NIS and foreign currencies, and by raising stable and diversified financing sources with varying maturities, with an emphasis on retail deposits, small, medium-sized, and large business deposits, as well as the issuance of long-term bonds.

The Bank sets growth targets for both financing sources and uses thereof and continuously monitors compliance with these targets. As part of its liquidity and financing risk management, the Bank monitors, among other things, the repayment forecast of large deposits and the repayment forecast of bonds and subordinated notes, as well as forecasts and monitors the pace of credit originations and, accordingly, prepares in advance to raise financing sources.

The balance of deposits by the public and the average interest rate by regulatory operating segment[(a)(b)]

	September 30		December 31	
	2026		2025	
	Balance of deposits by the public	Average balance of deposits by the public	Balance of deposits by the public	Average balance of deposits by the public
	In NIS million			
Private individuals[(c)]	**175,500**	**175,266**	175,813	176,415
Small- and micro-businesses	**116,539**	**113,168**	113,048	104,715
Middle-Market	**61,952**	**60,050**	60,006	57,510
Corporations	**134,353**	**121,411**	126,085	105,909
Institutional entities	**250,595**	**233,917**	211,935	180,285
Total deposits by the public	**738,939**	**703,812**	686,887	624,834

(a) The interest expense rate on deposits by the public out of the average balance of interest-bearing deposits by the public in the reporting period is 3.66% compared to a rate of 4.15% in 2025.
(b) In the reporting period, the margin from the activity of receiving deposits by the public totaled NIS 4,544 million, compared to a total of approx. NIS 6,804 million in 2025.
(c) Inclusive of the Households Segment and the Private Banking segment.

Deposits by the public in Israeli currency and in foreign currency are the main source of financing by the Bank and constitute approx. 86% of the total financial liabilities excluding derivatives as of September 30, 2026, with retail deposits of households and small businesses constituting approx. 40% of the total deposits by the public in Israeli currency and in foreign currency. The contractual maturity of deposits is short: based on the contractual repayment dates of deposits by the public (including credit balances in customers' current accounts), approx. 98% of cash flows have a contractual repayment date of up to one year. Nevertheless, deposits by the public are generally rolled over and remain with the Bank over the long term.

The total deposit balance of the three largest depositor groups which are financial corporations

	September 30, 2026	December 31, 2025
	In NIS million	
Class A	**20,029**	16,565
Class B	**15,106**	14,052
Group C	**14,579**	12,318
Total	**49,714**	42,935

Most of the balances of the three largest depositors, as defined under the Banking Law, 1981, have a maturity of up to one month and, as a result, are assigned a 100% drawdown rate both in the measurement of the regulatory liquidity coverage ratio (LCR), in accordance with Proper Conduct of Banking Business Directive No. 221, and under the Bank's internal model, in accordance with Proper Conduct of Banking Business Directive No. 342. That is to say, these financial deposits do not constitute a source on which the Bank relies for the management of its liquidity risk. It is noted that these customers conduct business activity with the Bank involving a range of various products, and therefore the Bank classifies a small portion of the abovementioned balances as operational deposits, which are assigned reduced drawdown rates in accordance with Proper Conduct of Banking Business Directive No. 221.

Additional financing sources other than deposits by the public

	September 30					
	2026			2025		
	Balance	Average balance	Return[(a)]	Balance	Average balance	Return[(a)]
	In NIS million					
Securities loaned or sold under repurchase agreements	**36,482**	**27,951**	**3.74%**	12,372	14,032	4.98%
Bonds and subordinated notes[(b)]	**63,942**	**53,808**	**4.90%**	44,883	37,374	5.65%
Of which: Commercial papers	**5,868**	**5,073**	**4.05%**	4,812	4,366	4.43%

(a) The rates of return include the effect of the CPI.
(b) As at September 30, 2026, the balance of bonds and subordinated notes, which include including secured financing is NIS 5.138 million.

Bonds and subordinated notes constitute an additional source of financing for the Bank, with a longer term compared to deposits by the public. As at September 30, 2026, bonds and subordinated notes constitute approx. 8% of total financial liabilities excluding derivatives. Approx. 81% of the future contractual cash flow of the bonds and subordinated notes have a contractual repayment date of over one year.

The above data indicate that there has been a certain increase in the concentration of the Bank's sources as of the end of the third quarter of 2026.

The liquidity risk management policy

The liquidity risk management policy is an integral part of Leumi Group's strategic business management and is adapted to the requirements of Proper Conduct of Banking Business Directives. The management of exposure to liquidity risks is reviewed, monitored and discussed on an ongoing and dedicated basis by the Board of Directors and management. In this framework, ongoing follow-up is conducted on cash flow forecasts, trends in various deposit segments, concentration of depositors and fund raising costs.

The Bank monitors the liquidity risk, among other things, through regulatory models including the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR). The regulatory provisions define stability coefficients for the various types of sources (in accordance with the type of customer and its stability), which is taken into account under liquidity risk management and affects the amount of liquid assets under management held by the Bank.

The Bank has in place a broad infrastructure, management routines and dedicated tools for managing liquidity in Israeli currency and foreign currency, including daily monitoring of a set of internal risk indicators and internal and regulatory limits. Leumi monitors its liquidity position using indicators capable of providing early warning of changes in the liquidity position, inter alia, by using regulatory models, as well as internal models developed by Leumi in accordance with the Bank of Israel's directives and accepted international standards.

The Bank has a contingency plan in place for early identification handling of a liquidity crisis, which includes a system of warning signs that can indicate a change in the Bank's liquidity status and modus operandi for handline such cases.

The contingency plan includes a list of tools for raising and liquidating funds in accordance with the type of scenario and the definition of the executing party. The decision to use the tools will be made by a dedicated committee for addressing a liquidity crisis. The committee will also determine the appropriate tool to be used in accordance with the liquidity event and the need. The tools available to the Bank include, among other things: Disposal of securities, raising sources by executing a repo transaction, changing the prices of deposits and credit, activity in the NIS/USD FXSWAP market, etc. In addition, the Bank of Israel provides banking corporations with an option to receive monetary loans denominated in Israeli currency, both intraday loans and loans for terms of one day or one week. Banks are required to provide the Bank of Israel with collateral against the loans, including government bonds and zero-coupon bonds (MAKAM).

The balance of credit which Leumi can receive from the Bank of Israel as of September 30, 2026 against a lien on Israeli government bonds stands at approx. NIS 85 billion.

As a general rule, credit from the Bank of Israel is provided immediately. However, from time to time the Bank of Israel operates special long-term loan plans against specific collateral (as was the case during the Covid-19 pandemic and the War). These plans were limited to credit which the Bank advanced, provided that they met predefined criteria set by the Bank of Israel. Against this credit, the banks were given the opportunity to pledge mortgage portfolios instead of government bonds.

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

- In accordance with Proper Conduct of Banking Business Directive No. 221, LCR measures the ratio between the high-quality liquid assets available to the Bank (the inventory of high-quality liquid assets) and net outflows under a scenario over a 30-day period. The ratio is measured for all currencies and for foreign currency.

  The ratio is designed to ensure that the banking corporation maintains an adequate inventory of high-quality liquid assets (composed of cash and unencumbered assets) which can be converted into cash in markets with little or no loss of value, in order to meet the corporation's liquidity needs. The liquidity coverage ratio (LCR) simulates the state of the Bank's liquidity in a 30-day combined liquidity stress scenario (a scenario which applies both to Leumi and to the system).

  The LCR model serves as the Bank's worst case scenario for measuring the outcome of a 30-day liquidity stress scenario. The model is based on behavioral assumptions detailed in Proper Conduct of Banking Business Directive 221.

  The underlying behavioral assumptions of the LCR model with respect to deposit drawdown rates and their effect on cash outflows are adapted to the type of customer and their level of stability. For example: Retail deposits are considered stable deposits with low drawdown rates. On the other hand, deposits from financial customers are deemed unstable and the model assigns them high drawdown rates - a financial deposit for a period of less than 30 days is deemed to be fully withdrawn in the model and therefore does not contribute to the LCR model.

  The underlying behavioral assumptions of the LCR model with respect to the cash inflows to the Bank from credit repayments reflect inflow rates which vary in accordance with the customer type. For example, short-term credit from a financial customer reaching its contractual maturity is deemed credit which is fully repaid on its contractual repayment date and will not be rolled over; therefore, it is assigned a full inflow rate in the model, and its contribution to the model's cash inflow is 100%. On the other hand, the credit of a wholesale customer and a retail customer is deemed credit which will be partly rolled over upon reaching its repayment date and will therefore be assigned a partial inflow rate in the model, and its contribution to the model is lower.

The corporation's high-quality liquid assets (HQLA) are classified into 3 levels according to their liquidity-generating capacity. The haircut rate in each of the 3 groups is determined according to the capacity to quickly convert them into cash in the financial markets within a 30-day stress scenario window.

The LCR is measured on a daily basis. The regulatory requirement is that the LCR will not fall below 100% on a separate and a consolidated basis. The report on the ratio to the senior management is made at least once each month and to the Board of Directors at least once each quarter.

- The internal liquidity risk model measures the Bank's liquidity risk in accordance with Proper Conduct of Banking Business Directive No. 342, under a range of scenarios and multiple liquidity periods ranging from one week to three months, addressing different market conditions which apply to the banking system as a whole and to Leumi specifically. The internal limits applicable to the internal model are higher than those applicable to the LCR and are designed to ensure an additional reserve for compliance with the liquidity scenarios; the internal model is measured for all currencies and for foreign currency and includes 4 types of scenarios:
  - A scenario simulating normal conditions (normal scenario)
  - A scenario simulating pressure in the Israeli banking system following global pressures (systemic scenario)
  - A scenario simulating pressure at Bank Leumi (specific scenario)
  - A scenario simulating a combination of a systemic scenario and a specific scenario in Leumi (combined scenario)
- Net stable funding ratio (NSFR), in accordance with Proper Conduct of Banking Business Directive No. 222:
  NSFR is designed to improve the management of the Bank's liquidity risk profile and stability in the long-term (one year) requiring banking corporations to maintain a stable funding profile in accordance with the composition of their assets and off-balance sheet activities.
  Maintaining a sustainable financing structure over time is intended to reduce the chances that disruptions in the banking corporation's permanent sources of financing will erode its liquidity situation in a way that will increase its risk of default and lead to a broader systemic scenario.

  The net stable funding ratio limits over-reliance on short-term wholesale funding, encourages improved assessment of liquidity raising risk in all on-balance sheet and off-balance sheet items and promotes funding stability, by maintaining an available stable funding which is in line with the required stable funding.

  The net stable funding ratio outcome is affected by the Bank's position as reflected in all balance sheet items as of the measurement date.

  The net stable funding ratio is measured on a quarterly basis and reported in the financial statements on both a solo and consolidated basis for all currencies. In addition, the Bank performs an internal calculation to estimate the ratio on a monthly basis.

  The regulatory requirement is that the ratio does not fall below 100% on both a solo and consolidated basis. The net stable funding ratio is reported to senior management and the Board of Directors at least once every quarter.

The Bank's Board of Directors defines the risk appetite and sets internal limits that are more stringent than the regulatory limits for liquidity risk management. The CRO sets internal limits that are more stringent than the level set by the Board of Directors for ongoing management. The internal limits serve as an additional reserve for meeting liquidity stress scenarios, such that the Board of Directors' limits for the LCR ratio across all currencies and in foreign currencies and for the NSFR ratio across all currencies are 104%.

Liquidity coverage ratio

	For the three months ended September 30		December 31
	2026	2025	2025
	Average in %		
a. Consolidated data			
Liquidity coverage ratio	**120**	128	127
Minimum liquidity coverage ratio required by the Banking Supervision Department	**100**	100	100
b. Banking corporation's data			
Liquidity coverage ratio	**118**	126	125
Minimum liquidity coverage ratio required by the Banking Supervision Department	**100**	100	100

Comment: Based on an average of daily observations.

For additional information, see the chapter titled Liquidity Risk in the Risk Management Report as of September 30, 2026 and Note 9B.

Key components in the liquidity coverage ratio

Key components in the calculation of the liquidity coverage ratio	**For the three months ended September 30, 2026**	For the three months ended June 30, 2026
	Average weighted values in NIS million	
Total high-quality liquid assets (HQLA)	**226,955**	223,727
Total cash outflows	**455,927**	473,962
Total cash inflows	**266,315**	290,343
Total cash outflows, net	**189,612**	183,619
Liquidity coverage ratio	**120%**	122%

The consolidated liquidity coverage ratio for the three months ended September 30, 2026, which is approx. 120%, decreased by approx. 2% compared to the average liquidity coverage ratio for the three months ended June 30, 2026, mainly resulting from an increase in credit, which was partially offset by an increase in deposits by the public and an increase in bonds and notes.

The increase in the total high-quality liquid assets is the combined result of an increase in deposits in the Bank of Israel and increase in securities recognized for the high-quality liquid assets buffer.

In the third quarter of 2026, the LCR in foreign currency and across all currencies was above the regulatory requirement and the limit set by the Board of Directors; the total consolidated ratio as of September 30, 2026 was approx. 121%.

Net stable funding ratio (NSFR)

	As at September 30		As at December 31
	2026	2025	2025
	In %		
a. Consolidated data			
Net stable funding ratio (NSFR)	**112**	116	115
Net stable funding ratio set by the Banking Supervision Department	**100**	100	100
b. Banking corporation's data			
Net stable funding ratio (NSFR)	**111**	115	114
Net stable funding ratio set by the Banking Supervision Department	**100**	100	100

The Bank met the regulatory limit and the limit set by the Board of Directors for the net stable funding ratio as of September 30, 2026.

The consolidated net stable funding ratio as of September 30, 2026 is approx. 112%, approx. 2% lower than the ratio as of June 30, 2026. The decrease in the ratio was mainly affected by an increase in credit to the public which was partially offset by an increase in deposits by the public and an increase in bonds and notes.

In the third quarter of 2026, there was no change in Israel's credit rating and in the Bank's rating.

For information about the Bank's credit rating, see the chapter titled Main Developments in the Israeli Economy in the Report of the Board of Directors and Management.

For qualitative and quantitative information regarding the financing and liquidity risk, see the chapter titled Liquidity Risk and Financing Risk in the Risk Management Report as of September 30, 2026 and Note 15.

Inventory of high-quality liquid assets,[(a)] based on quarterly average balances in accordance with the Bank of Israel's methodology

	For the three months ended September 30, 2026			December 31, 2025		
	NIS	Foreign currency	NIS and foreign currency	NIS	Foreign currency	NIS and foreign currency
	Total weighted value in NIS millions					
Total Tier 1 assets	**182,502**	**40,035**	**222,537**	164,728	39,713	204,441
Total Tier 2A assets	**-**	**4,290**	**4,290**	-	2,784	2,784
Total Tier 2B assets	**63**	**65**	**128**	49	117	166
Total high-quality liquid assets	**182,565**	**44,390**	**226,955**	164,777	42,614	207,391

(a) See Proper Conduct of Banking Business Directive No. 221.

High-quality liquid assets inventory includes assets which can be easily and quickly converted into cash, with little or no impairment. The classification of assets is in accordance with Proper Conduct of Banking Business Directive No. 221. The assets are not pledged.

For further details about the assets that the Bank pledges to the central bank, clearing houses, etc. see the table below.

Composition of high-quality liquid assets - pledged and unpledged

	September 30, 2026				June 30, 2026			
Liquid assets balance according to levels as mandated by Directive 221	Total on-balance sheet balances	Of which: Unpledged assets	Of which: Pledged assets	Balances of unencum-bered assets, weighted	Total on-balance sheet balances	Of which: Unpledged assets	Of which: Pledged assets	Balances of unencum-bered assets, weighted
	In NIS million							
Tier 1 assets								
Cash and central bank reserves available for withdrawal under extreme conditions	**103,255**	**103,255**	**-**	**103,255**	87,170	87,170	-	87,170
Eligible marketable securities with a 0% risk weight	**125,317**	**109,634**[(a)]	**15,683**	**109,634**	134,427	119,507[(a)]	14,920	119,507
Eligible marketable securities with a risk weight other than 0%	**14,878**	**13,648**[(a)]	**1,230**	**13,648**	14,554	12,572[(a)]	1,982	12,572
Total Tier 1 assets	**243,450**	**226,537**	**16,913**	**226,537**	236,151	219,249	16,902	219,249
Tier 2 assets								
Total Tier 2A assets	**6,124**	**4,882**	**1,242**	**4,150**	6,492	5,103	1,389	4,337
Total Tier 2B assets	**327**	**274**	**53**	**137**	230	165	65	82
Total balance of liquid assets available for liquidity management purposes	**249,901**	**231,693**	**18,208**	**230,824**	242,873	224,517	18,356	223,668

(a) After applying the haircuts prescribed by the Bank of Israel for Israeli T-Bills and government bonds, based on the banking corporation's holding stake, as in effect on the calculation date.

Tier 1 assets account for approx. 98% of the Bank's total high-quality liquid assets inventory as of September 30, 2026, and primarily include cash, balances with the Bank of Israel, NIS and foreign currency denominated Israeli government bonds, US treasuries, and US government fully guaranteed bonds.

Israeli currency balances with the Bank of Israel (current account and monetary deposits) totaled approx. NIS 117 billion as of September 30, 2026, compared to approx. NIS 101 billion as of June 30, 2026.

The Bank can liquidate its high-quality liquid assets either by selling them on the markets or through repo transactions. The Bank has the operational and legal infrastructure in place to execute these transactions.

Cash flows according to contractual repayment date

	September 30, 2026		December 31, 2025	
	On demand and until	More than one day and up to one month	On demand and until	More than one day and up to one month
	In NIS million			
Other financial assets				
Credit to the public	**25,805**	**121,265**	20,428	87,565
Other financial assets, excluding derivatives	**8,375**	**1,216**	4,095	6,229
Total other financial assets, excluding derivatives	**34,180**	**122,481**	24,523	93,794
Financial liabilities				
Deposits by the public	**321,536**	**150,551**	300,829	144,229
Of which: Households and small businesses	**119,105**	**46,101**	114,175	52,823
Deposits by banks	**6,099**	**624**	7,886	662
Securities loaned or sold under repurchase agreements	**26,745**	**320**	13,387	1,377
Bonds and subordinated notes	**-**	**40**	-	4,087
Other financial liabilities excluding derivatives	**654**	**1,713**	507	1,954
Total financial liabilities, excluding derivatives	**355,034**	**153,248**	322,609	152,309
Total net	**(320,854)**	**(30,767)**	(298,086)	(58,515)

For further details regarding cash flows by contractual repayment date, see Note 15.

The difference between the future contractual cash flows of deposits and credit is a key component of liquidity risk management.

The Bank believes that its liquid asset balance is sufficient to meet its short-term cash needs and is within the internal limits established for risk management purposes.
In general, the Bank has excess liabilities over assets in the short-term. However, the negative outflow of approx. NIS 321 billion in the one-day outflow and approx. NIS 31 billion in the outflow of more than one day and up to one month does not constitute a liquidity risk, since in the ordinary course of business, deposit rollover rates, particularly for retail deposits, are very high, therefore stability is maintained over time. In addition, the balance of high-quality liquid assets (based on the provisions of Proper Conduct of Banking Business Directive No. 221) as of September 30, 2026 totaled approx. NIS 231 billion; These assets are available for liquidation, if necessary, and serve as a buffer for liquidity scenarios.

Operational Risks

For information on operational risk and details of the main areas of exposure to operational risk, see the chapter titled Operational Risks in the Report of the Board of Directors and Management as of December 31, 2025, and the chapter titled Top and Emerging Risks in the Risk Management Report as of June 30, 2026.

Climate and Environmental Risk

For information on the topic, see the section titled Climate and Environmental Risk in the Report of the Board of Directors and Management as of December 31, 2025 and the Environment chapter in the Bank's Environmental, Social and Governance (ESG) Report for 2025.

Other risks

Regulatory Risk

On September 8, 2026, the UK government announced its intention to promote a series of economic and regulatory measures regarding activity pertaining to West Bank settlements, including expanding the power to impose sanctions on individuals and corporations, which support, promote, enable, or generate profit from activity associated with such settlements, and expanding the UK human rights sanctions regime to include severe violations of international humanitarian laws. In a speech delivered by the British Foreign Secretary before the House of Commons on the announcement date, he also noted that the UK will take measures against certain companies and individuals which provide services, including construction, infrastructure, financing or real estate services - to expand the settlements. According to the Foreign Minister, they are expected to be implemented by way of new legislation, whose passing into law is expected to take six to nine months from the date of the abovementioned announcement. Concurrently, immediate personal sanctions were imposed on five additional individuals. 11 additional countries, including France, Canada, Spain, Norway and Poland, have also announced on that date their intention to promote restrictions on trade involving West Bank settlement goods.

On November 4, 2026 the UK House of Lords approved the Global Human Rights and International Humanitarian Law Sanctions Regulations, after they initially entered into effect on October 15, 2026. The regulations expand the UK sanctions regime to include serious violations of international humanitarian law and interruption of humanitarian aid. The UK government clarified that the expanded regime is also designed to apply to activity associated with West Bank settlements, which the UK government believes violate international humanitarian law - despite the fact that this topic is not referred to in the regulations.

No new declarations have yet been made pursuant to the approved regulations, and the remaining measures announced by the UK have not yet entered into effect. Except for the abovementioned regulations, the scope of the legislation and its final content have not yet been published, and there is no certainty as to the manner or timing in which the UK government will implement the announcement, if at all. The Bank is studying the UK government's announcement and the regulations promulgated thereafter and their potential effects.

For information on this issue, see the chapter titled Other Risks to the Report of the Board of Directors and Management as of December 31, 2025 and the chapter titled the Most Material and Emerging Risks to the Risk Management Report as of September 30, 2026.

For details regarding material regulatory initiatives published in the reporting period, see the chapter titled Laws and Regulations Governing the Banking System in the Corporate Governance Report.

Macroeconomic Risk

For additional information, see the chapter titled Main Developments in the Israeli Economy.

Compliance, Legal, Reputational, Strategic, Model and Conduct Banking Risks

For information on these issues, see the chapter titled Other Risks in the Risk Management Report as of September 30, 2026.

D. Critical Accounting Policies and Estimates, Controls and Procedures

Critical Accounting Policies and Estimates

The Bank's financial statements are prepared in accordance with the Reporting to the Public Directives and guidelines of the Banking Supervision Department. These directives basically adopt US GAAP as set forth in Note 1 of the Financial Statements.

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

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

In general, the management estimates and key assumptions used in applying the accounting policies in these financial statements are consistent with those used in preparing the financial statements as of December 31, 2025, except that which is noted in Note 17.E.

For further information regarding the accounting policies for critical matters, see the chapter titled Accounting Policies and Estimates for Critical Matters in the Report of the Board of Directors and Management as of December 31, 2025.

Liabilities for Employee Benefits

As at September 30, 2026, the balance of accumulated other comprehensive income for employee benefits amounted to a positive post-tax balance of NIS 249 million, compared to a negative post-tax reserve of NIS 448 million as of December 31 2025.

The outstanding liability for employee benefits as of September 30, 2026, according to a discount rate based on Israeli corporate bonds ("deep market according to the Israel Securities Authority's approach") is approx. NIS 266 million higher than the actual outstanding liability.

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

For further information, see the chapter titled Accounting Policies and Estimates for Critical Matters in the Report of the Board of Directors and Management as of December 31, 2025.

Controls and Procedures Regarding Financial Statements Disclosures

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

The Banking Supervision Department's directives require the following:

- Banking corporations shall apply Sections 302 and 404 and the SEC directives issued thereunder.
- Adequate internal control requires an auditing system that follows a predefined, recognized framework, and the 2013 COSO model (Committee of Sponsoring Organizations of the Treadway Commission) meets these requirements and can be used to evaluate the internal controls.

The Bank regularly applies the directive to the Leumi Group.

During 2026, the Bank validates and updates material control processes and conducts effective evaluations of its entire internal control over financial reporting system.

Evaluation of disclosure controls and procedures

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

Internal control changes

In the quarter ended September 30, 2026, no material change has occurred in the Bank's internal control over financial reporting which has had a material effect, or is reasonably expected to have a material effect, on the Bank's internal control over financial reporting.

Board of Directors

During the period from July 2026 through September 2026, the Board of Directors' plenum held 12 meetings, and the Board committees held 10 meetings.

At a Board meeting held on November 16, 2026, the Board resolved to approve and publish the Group's unaudited condensed consolidated financial statements as of September 30, 2026 and for the period then ended.

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



Uri Alon
Chairman of the Board



Hanan Friedman
President and Chief Executive Officer

November 16, 2026

Certification

I, Hanan Friedman, hereby certify as follows:

1. I have reviewed the quarterly report of Bank Leumi le-Israel B.M. (hereinafter - the "**Bank**") for the quarter ended September 30, 2026 (hereinafter - the "**Report**").

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

3. To my knowledge, the quarterly financial statements and other financial information included in the Financial Statements present fairly, in all material respects, the Bank's financial position, operating results and changes in shareholders' equity and cash flows as at the dates and for the periods presented in the Financial Statements.

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

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

   B. We have established such internal control over financial reporting or have caused such internal control to be established under our oversight, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements for external purposes have been prepared in accordance with the directives and guidance of the Banking Supervision Department. As stated in Note 1 of the Annual Financial Statements, the directives of the Banking Supervision Department mainly adopt US generally accepted accounting principles (US GAAP);

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

   D. The Financial Statements discloses any change in the Bank's internal control over financial reporting which occurred during the quarter and has materially affected, or is reasonably expected to affect, the Bank's internal control over financial reporting;

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

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

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

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

November 16, 2026

Hanan Friedman
President & CEO

Certification

I, Hagit Argov, hereby certify as follows:

1. I have reviewed the quarterly report of Bank Leumi le-Israel B.M. (hereinafter - the "**Bank**") for the quarter ended September 30, 2026 (hereinafter - the "**Report**").

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

3. To my knowledge, the quarterly financial statements and other financial information included in the Financial Statements present fairly, in all material respects, the Bank's financial position, operating results and changes in shareholders' equity and cash flows as at the dates and for the periods presented in the Financial Statements.

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

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

   B. We have established such internal control over financial reporting or have caused such internal control to be established under our oversight, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements for external purposes have been prepared in accordance with the directives and guidance of the Banking Supervision Department. As stated in Note 1 of the Annual Financial Statements, the directives of the Banking Supervision Department mainly adopt US generally accepted accounting principles (US GAAP);

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

   D. The Financial Statements discloses any change in the Bank's internal control over financial reporting which occurred during the quarter and has materially affected, or is reasonably expected to affect, the Bank's internal control over financial reporting;

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

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

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

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

November 16, 2026

Hagit Argov
First Executive Vice President
CFO, Chief Accounting Officer
Head of Finance Division

BANK LEUMI LE-ISRAEL B.M. AND ITS INVESTEES
Condensed Financial Statements

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Review Report of the Joint Auditors to the Shareholders of Bank Leumi le-Israel B.M.

Introduction

We have reviewed the accompanying financial information of Bank Leumi le-Israel B.M. and its consolidated subsidiaries (hereinafter - the "**Bank**"), comprising condensed consolidated interim balance sheet as of September 30, 2026 and the condensed consolidated income statements, comprehensive income statement, statement of changes in equity, and cash flow statement for the nine month and three month periods ending on the above date. The Board of Directors and Management are responsible for the preparation and presentation of the financial information for these interim periods in accordance with the reporting to the public directives and guidance of the Supervisor of Banks (hereinafter - the "**Directives**"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Review scope

We conducted our review in accordance with Standard on Review (Israel) 2410 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", and a review standard applied in the review of banking institutions according to the instructions and directives of the Supervisor of Banks. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and, as consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we are not expressing an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information is not prepared, in all material respects, in accordance with the Directive.

As set forth in Note 1 to the Financial Information, the Directives adopt, primarily, the generally accepted accounting principles in the United States (US GAAP).

Somekh Chaikin
Member Firm of KPMG International
Certified Public Accountants

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

Joint Independent Auditors

November 16, 2026

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

Condensed Consolidated Income Statement

For the period ended September 30, 2026

		For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
		2026	2025	**2026**	2025	2025
		Unaudited				Audited
	Note	In NIS million				
Interest income	2	**10,301**	10,630	**30,348**	29,894	39,091
Interest expenses	2	**6,029**	6,159	**17,595**	16,866	22,239
Interest income, net	2	**4,272**	4,471	**12,753**	13,028	16,852
Credit loss expenses	6, 13	**184**	32	**641**	310	450
Interest income, net after credit loss expenses		**4,088**	4,439	**12,112**	12,718	16,402
Noninterest income						
Noninterest finance income	3A	**460**	500	**1,828**	1,203	1,637
Fees and commissions		**1,146**	977	**3,317**	3,012	4,084
Other income		**38**	13	**71**	89	107
Total noninterest income		**1,644**	1,490	**5,216**	4,304	5,828
Operating and other expenses						
Salaries and related expenses		**843**	858	**2,667**	2,699	3,580
Buildings and equipment - maintenance and depreciation		**362**	343	**1,089**	1,051	1,455
Other Expenses		**334**	408	**1,002**	1,200	1,613
Total operating and other expenses		**1,539**	1,609	**4,758**	4,950	6,648
Profit before taxes		**4,193**	4,320	**12,570**	12,072	15,582
Provision for profit taxes		**1,409**	1,719	**4,958**	4,634	5,670
Profit after taxes		**2,784**	2,601	**7,612**	7,438	9,912
The Bank's share in associates' profits, post tax		**202**	99	**552**	275	350
Net income						
Before attribution to non-controlling interests		**2,986**	2,700	**8,164**	7,713	10,262
Attributable to non-controlling interests[(a)]		**-**	-	**-**	-	-
Attributable to the Bank's shareholders		**2,986**	2,700	**8,164**	7,713	10,262
Basic and diluted earnings per share (in NIS)						
Basic net earnings per share attributable to the Bank's shareholders	3B	**2.03**	1.81	**5.53**	5.15	6.86
Diluted net earnings per share per share attributable to the Bank's shareholders	3B	**2.03**	1.81	**5.52**	5.14	6.86

(a) Amounts lower than NIS 1 million.

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

Uri Alon
Chairman of the Board

Hanan Friedman
President and Chief Executive Officer

Hagit Argov
First Executive Vice President
CFO, Chief Accounting Officer
Head of Finance Division

Date of approval of the financial statements: November 16, 2026

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

Condensed Consolidated Statement of Comprehensive Income

For the period ended September 30, 2026

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2026	2025	**2026**	2025	2025
	Unaudited				Audited
	In NIS million				
Net income before attribution to non-controlling interests	**2,986**	2,700	**8,164**	7,713	10,262
Less net income attributable to non-controlling interests[c]	**-**	-	**-**	-	-
Net income attributable to the Bank's shareholders	**2,986**	2,700	**8,164**	7,713	10,262
Other comprehensive income, before taxes					
Adjustments in respect of presentation of available-for-sale bonds at fair value, net	**(1,736)**	379	**(1,743)**	1,374	1,819
Net (losses) gains for cash flow hedges	**(3)**	-[c]	**(3)**	3	4
Adjustments of liabilities for employee benefits[a]	**426**	(152)	**1,064**	123	438
Effects of changes in credit risk of liabilities	**(2)**	6	**(12)**	(4)	(21)
Other comprehensive loss for equity-accounted investees[b]	**(32)**	(15)	**(126)**	(30)	(41)
Other comprehensive income (loss), before taxes	**(1,347)**	218	**(820)**	1,466	2,199
Related tax effect	**610**	(97)	**417**	(573)	(849)
Other comprehensive income (loss) before attribution to non-controlling interests, after taxes	**(737)**	121	**(403)**	893	1,350
Less other comprehensive income attributable to non-controlling interests[c]	**-**	-	**-**	-	-
Other comprehensive income (loss) attributable to the Bank's shareholders, after taxes	**(737)**	121	**(403)**	893	1,350
Comprehensive income before attribution to non-controlling interests	**2,249**	2,821	**7,761**	8,606	11,612
Less comprehensive income attributable to non-controlling interests[c]	**-**	-	**-**	-	-
Comprehensive income attributable to the Bank's shareholders	**2,249**	2,821	**7,761**	8,606	11,612

(a) Mostly reflects adjustments in respect of a change in the discount rate and actuarial estimates, as at the end of the period, of defined benefit pension plans and a deduction of amounts previously recorded in other comprehensive income. See also Note 8.

(b) Including translation adjustments of financial statements of foreign operations whose functional currency is different than the Bank's functional currency and net gains (losses) for hedging of a net investment in foreign currency.

(c) Amounts lower than NIS 1 million.

See also Note 4, Accumulated Other Comprehensive Income (Loss).

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

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

Consolidated Balance Sheet

As at September 30, 2026

	Note	September 30 2026	2025	December 31 2025
		Unaudited		Audited
		In NIS million		
Assets				
Cash and deposits with banks		**141,899**	138,307	154,647
Securities:				
Held-to-maturity bonds		**13,575**	17,944	17,318
Available-for-sale bonds		**140,931**	106,661	116,473
Equity securities not held for trading		**7,871**	6,792	7,030
Held-for-trading securities		**15,035**	9,683	7,299
Total securities[(a)(b)]	5	**177,412**	141,080	148,120
Securities borrowed or purchased under reverse repurchase agreements		**8,296**	5,883	8,417
Credit to the public	6, 13	**593,015**	502,193	526,800
Credit loss provision	6, 13	**(6,891)**	(6,806)	(6,850)
Credit to the public, net		**586,124**	495,387	519,950
Credit to governments		**2,879**	2,992	3,406
Investments in associates		**4,900**	3,724	3,908
Buildings and equipment		**3,439**	3,016	3,153
Assets in respect of derivatives	11	**33,494**	29,412	24,317
Other assets[(a)]		**7,043**	7,312	7,053
Total assets		**965,486**	827,113	872,971
Liabilities and equity				
Deposits by the public	7	**738,939**	641,123	686,887
Deposits by banks		**10,682**	16,874	13,123
Deposits by governments		**96**	107	87
Securities loaned or sold under repurchase agreements		**36,482**	12,372	21,814
Bonds, promissory notes and subordinated bonds		**63,942**	44,883	44,207
Liabilities for derivatives	11	**31,723**	30,265	24,604
Other liabilities[(a)(c)]		**12,175**	14,441	14,114
Total liabilities		**894,039**	760,065	804,836
Shareholders' equity	9	**71,442**	67,043	68,130
Non-controlling interests		**5**	5	5
Total equity		**71,447**	67,048	68,135
Total liabilities and equity		**965,486**	827,113	872,971

(a) For details regarding amounts measured at fair value, see Note 16A.

(b) Of which: Securities totaling NIS 57,605 million (September 30, 2025 - 25,831 million, December 31, 2025 - NIS 38,444 million) were pledged.

(c) Of which: A provision for credit losses for off-balance-sheet credit instruments, NIS 1,091 million (as at September 30, 2025 - NIS 915 million; as at December 31, 2025 - NIS 920 million). For further details, see Note 13.C.

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

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

Condensed Statement of Changes in Shareholders' Equity

For the period ended September 30, 2026

	For the three months ended September 30, 2026 (unaudited)								
		Capital reserves							
	Share capital	From premiums	From share-based payment and other benefits[a]	Total share capital and capital reserves	Accumulated other comprehensive income (loss)	Retained earnings[b]	Total	Non-controlling interests	Total equity
	In NIS million								
Balance as at June 30, 2026	7,060	-[d]	103	7,163	(352)	63,760[d]	70,571	5	70,576
Net income for the period	-	-	-	-	-	2,986	2,986	-	2,986
Other comprehensive loss, net of tax effect	-	-	-	-	(737)	-	(737)	-	(737)
Paid dividend	-	-	-	-	-	(1,133)	(1,133)	-	(1,133)
Issuance of shares	-[c]	1	-	1	-	-	1	-	1
Share buyback	(3)	(1)	-	(4)	-	(249)	(253)	-	(253)
Employee benefit for share-based compensation transactions	-[c]	-[c]	7	7	-	-	7	-	7
Balance as of September 30, 2026	7,057	-	110	7,167	(1,089)	65,364	71,442	5	71,447

	For the three months ended September 30, 2025 (unaudited)								
		Capital reserves							
	Share capital	From premiums	From share-based payment and other benefits[a]	Total share capital and capital reserves	Accumulated other comprehensive income (loss)	Retained earnings[b]	Total	Non-controlling interests	Total equity
	In NIS million								
Balance as at June 30, 2025	7,083	1,121	60	8,264	(1,264)	58,535	65,535	5	65,540
Net income for the period	-	-	-	-	-	2,700	2,700	-	2,700
Other comprehensive income, net of tax effect	-	-	-	-	121	-	121	-	121
Paid dividend	-	-	-	-	-	(979)	(979)	-	(979)
Issuance of shares	-[c]	-[c]	-	-	-	-	-	-	-
Share buyback	(6)	(329)	-	(335)	-	-	(335)	-	(335)
Employee benefit for share-based compensation transactions	-[c]	3	(2)	1	-	-	1	-	1
Balance as of September 30, 2025	7,077	795	58	7,930	(1,143)	60,256	67,043	5	67,048

(a) Including NIS 10 million in other capital reserves.

(b) As of September 30, 2026, includes NIS 6,024 million that are non-distributable as dividend, of which NIS 4,569 million in respect of share buyback (September 30, 2025 - NIS 5,086 million, of which NIS 3,749 million for share buyback); the remaining distributable amount is subject to the Bank of Israel's directives and to the restrictions set out in the Proper Conduct of Banking Business Directives.

(c) Amounts lower than NIS 1 million.

(d) Reclassified.

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

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

Condensed Statement of Changes in Shareholders' Equity (cont.)

For the period ended September 30, 2026

	For the nine months ended September 30, 2026 (unaudited)								
		Capital reserves							
	Share capital	From premiums	From share-based payment and other benefits[a]	Total share capital and capital reserves	Accumulated other comprehensive income (loss)	Retained earnings[b]	Total	Non-controlling interests	Total equity
	In NIS million								
Balance as at December 31, 2025 (audited)	7,072	387	70	7,529	(686)	61,287	68,130	5	68,135
Net income for the period	-	-	-	-	-	8,164	8,164	-	8,164
Other comprehensive loss, net of tax effect	-	-	-	-	(403)	-	(403)	-	(403)
Paid dividend	-	-	-	-	-	(3,376)	(3,376)	-	(3,376)
Issuance of shares	-[c]	1	-	1	-	-	1	-	1
Share buyback	(15)	(390)	-	(405)	-	(711)	(1,116)	-	(1,116)
Employee benefit for share-based compensation transactions	-[c]	2	40	42	-	-	42	-	42
Balance as of September 30, 2026	7,057	-	110	7,167	(1,089)	65,364	71,442	5	71,447

	For the nine months ended September 30, 2025 (unaudited)								
		Capital reserves							
	Share capital	From premiums	From share-based payment and other benefits[a]	Total share capital and capital reserves	Accumulated other comprehensive income (loss)	Retained earnings[b]	Total	Non-controlling interests	Total equity
	In NIS million								
Balance as at December 31, 2024 (audited)	7,092	1,590	63	8,745	(2,036)	54,949	61,658	5	61,663
Net income for the period	-	-	-	-	-	7,713	7,713	-	7,713
Other comprehensive income, net of tax effect	-	-	-	-	893	-	893	-	893
Paid dividend	-	-	-	-	-	(2,406)	(2,406)	-	(2,406)
Issuance of shares	-[c]	-[c]	-	-	-	-	-	-	-
Share buyback	(15)	(802)	-	(817)	-	-	(817)	-	(817)
Employee benefit for share-based compensation transactions	-[c]	7	(5)	2	-	-	2	-	2
Balance as of September 30, 2025	7,077	795	58	7,930	(1,143)	60,256	67,043	5	67,048

(a) Including NIS 10 million in other capital reserves.

(b) As at September 30, 2026, includes NIS 6,024 million that are non-distributable as dividend, of which NIS 4,569 million in respect of share buyback (September 30, 2025 - NIS 5,086 million, of which NIS 3,749 million for share buyback); the remaining distributable amount is subject to the Bank of Israel's directives and to the restrictions set out in the Proper Conduct of Banking Business Directives.

(c) Amounts lower than NIS 1 million.

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

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

Condensed Statement of Changes in Shareholders' Equity (cont.)

For the period ended September 30, 2026

	For the year ended December 31, 2025 (audited)								
		Capital reserves							
	Share capital	From premiums	From share-based payment and other benefits[a]	Total share capital and capital reserves	Accumulated other comprehensive income (loss)	Retained earnings[b]	Total	Non-controlling interests	Total equity
	In NIS million								
Balance as at December 31, 2024	7,092	1,590	63	8,745	(2,036)	54,949	61,658	5	61,663
Net income	-	-	-	-	-	10,262	10,262	-	10,262
Other comprehensive income, net of tax effect	-	-	-	-	1,350	-	1,350	-	1,350
Paid dividend	-	-	-	-	-	(3,924)	(3,924)	-	(3,924)
Issuance of shares	-[c]	-[c]	-	-	-	-	-	-	-
Share buyback	(21)	(1,211)	-	(1,232)	-	-	(1,232)	-	(1,232)
Employee benefit for share-based compensation transactions	1	8	7	16	-	-	16	-	16
Balance as at December 31, 2025	7,072	387	70	7,529	(686)	61,287	68,130	5	68,135

(a) Including NIS 10 million in other capital reserves.

(b) Including NIS 4,982 million that is non-distributable, of which NIS 4,164 million in respect of share buyback. The remaining distributable amount is subject to the Bank of Israel's directives and to the restrictions set out in the Proper Conduct of Banking Business Directives.

(c) Amounts lower than NIS 1 million.

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

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

Condensed Consolidated Statement of Cash Flows

For the period ended September 30, 2026

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2026	2025	**2026**	2025	2025
	Unaudited		Unaudited		Audited
	In NIS million				
Cash flows from operating activities					
Net income for the period	**2,986**	2,700	**8,164**	7,713	10,262
Adjustments:					
Group's share in undistributed profits of associates[(a)]	**(187)**	(89)	**(510)**	(239)	(323)
Depreciation and amortization of buildings and equipment (including impairment)	**133**	128	**399**	403	548
Credit loss expenses	**184**	32	**641**	310	450
Gains on sale of loan portfolios	**-**	-	**(7)**	-	-
Net (gains) losses on sale of available-for-sale bonds	**(29)**	21	**(63)**	295	276
Realized and unrealized losses (gains), net from fair value adjustments of held-for-trading securities	**113**	(36)	**194**	(12)	(59)
Gain on disposal of investment in associates	**-**	(95)	**(217)**	(100)	(100)
Gains on disposal and derecognitions of buildings and equipment - net	**(1)**	-	**(1)**	(7)	(5)
Realized and unrealized gains, net from fair value adjustments of equity securities not held-for-trading	**(10)**	(166)	**(263)**	(318)	(472)
Provision for impairment of available-for-sale bonds	**-**	-	**-**	6	25
Provision for impairment of equity securities not held-for-trading	**20**	28	**78**	96	128
Expenses for share-based compensation transactions	**8**	1	**15**	2	4
Deferred taxes - net	**(261)**	83	**(187)**	193	253
Severance pay and pension – increase (decrease) in excess of provision over fund	**(44)**	(1)	**(151)**	58	(135)
Excess of interest receivable over interest accrued during the period for available-for-sale bonds and held-to-maturity bonds over interest	**(688)**	(374)	**(1,882)**	(1,043)	(1,557)
Accrual differences and rate in respect of bonds and subordinated bonds	**(41)**	200	**(470)**	33	(107)
Effect of exchange rate differences on cash and cash equivalent balances	**(91)**	1,223	**269**	2,026	2,649
Other, net	**-**	1	**-**	-	-
Net change in current assets:					
Assets in respect of derivatives	**6,800**	12,160	**(9,177)**	(219)	4,876
Held-for-trading securities	**3,493**	3,646	**(7,930)**	(2,115)	316
Other assets	**(184)**	27	**(262)**	(238)	(149)
Net change in current liabilities:					
Liabilities for derivatives	**(8,256)**	(11,812)	**7,695**	2,191	(3,469)
Other liabilities	**(568)**	(600)	**(143)**	(2,010)	(2,041)
Net cash provided by (for) operating activities	**3,377**	7,077	**(3,808)**	7,025	11,370

(a) Net of dividend received.

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

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

Condensed Consolidated Statement of Cash Flows (cont.)

For the period ended September 30, 2026

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2026	2025	**2026**	2025	2025
	Unaudited		Unaudited		Audited
	In NIS million				
Cash flows from investing activities					
Net change in deposits with banks with original maturities of more than three months	**(306)**	458	**(11,021)**	1,622	1,661
Net change in credit to the public[(a)]	**(19,957)**	(4,988)	**(60,921)**	(38,170)	(61,616)
Net change in credit to governments	**516**	(589)	**519**	(517)	(935)
Net change in securities borrowed or purchased under reverse repurchase agreements	**(1,829)**	1,700	**121**	(1,199)	(3,733)
Purchase of held-to-maturity bonds	**(558)**	(245)	**(835)**	(1,462)	(2,019)
Proceeds from redemption of held-to-maturity bonds	**21**	1,438	**4,569**	2,381	3,641
Purchase of available-for-sale bonds and equity securities not held-for-trading	**(33,626)**	(44,888)	**(153,292)**	(157,551)	(214,971)
Proceeds from sale of available-for-sale bonds and equity securities not held-for-trading	**18,314**	39,616	**87,005**	126,635	166,702
Proceeds from redemption of available-for-sale bonds and equity securities	**21,484**	2,045	**38,929**	16,906	24,695
Purchase of associates' equity	**(254)**	(105)	**(771)**	(134)	(317)
Proceeds from disposal of investment in associates	**-**	15	**479**	22	27
Proceeds from sale of loan portfolios	**504**	-	**1,150**	-	52
Purchase of loan portfolios	**(1,666)**	(328)	**(4,748)**	(979)	(1,773)
Purchase of buildings and equipment	**(140)**	(201)	**(623)**	(653)	(904)
Proceeds from disposal of buildings and equipment	**1**	-	**1**	15	20
Central severance pay fund	**5**	-	**16**	2	3
Net cash for investing activities	**(17,491)**	(6,072)	**(99,422)**	(53,082)	(89,467)
Cash flow from financing activities					
Net change in deposits by banks with original maturities of more than three months	**(5,955)**	(5,999)	**(2,441)**	(1,169)	(4,920)
Net change in deposits by the public	**20,002**	(1,096)	**52,138**	22,986	68,813
Net change in deposits by the governments	**3**	(18)	**9**	(65)	(85)
Net change in securities loaned or sold under repurchase agreements	**7,880**	(3,836)	**14,668**	686	10,128
Proceeds from issue of bonds and subordinated bonds	**8,910**	6,650	**31,982**	17,909	17,909
Redemption of bonds and subordinated bonds	**(3,317)**	(2,468)	**(12,135)**	(4,943)	(5,465)
Dividend paid to shareholders	**(1,133)**	(979)	**(3,376)**	(2,406)	(3,924)
Issuance of shares	**1**	-	**1**	-	-
Share buyback	**(253)**	(335)	**(1,116)**	(817)	(1,232)
Net cash from (for) financing activities	**26,138**	(8,081)	**79,730**	32,181	81,224
Increase (decrease) in cash and cash equivalents	**12,024**	(7,076)	**(23,500)**	(13,876)	3,127
Balance of cash and cash equivalents as at the beginning of the period	**115,235**	143,038	**151,119**	150,641	150,641
Effect of exchange rate fluctuations on cash and cash equivalent balances	**91**	(1,223)	**(269)**	(2,026)	(2,649)
Balance of cash and cash equivalents as at end of period	**127,350**	134,739	**127,350**	134,739	151,119

(a) Including operating activities of invoice factoring.

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

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

Condensed Consolidated Statement of Cash Flows (cont.)

For the period ended September 30, 2026

Interest and taxes paid and/or received and dividends received

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2026	2025	**2026**	2025	2025
	Unaudited		Unaudited		Audited
	In NIS million				
Interest received	**9,229**	9,436	**27,482**	27,651	36,391
Interest paid	**(5,254)**	(5,396)	**(16,987)**	(15,170)	(20,530)
Dividends received	**68**	66	**273**	254	328
Income tax paid	**(1,944)**	(2,270)	**(5,292)**	(5,990)	(7,611)
Income tax received	**1**	6	**177**	167	200

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

For the nine months ended September 30, 2025

On March 31, 2025, part of the investment in an associate was sold against an accounts receivable balance of NIS 4 million.

On September 30, 2025, the merger transaction between Leumi Partners Underwriters Ltd. and Barak Capital Underwriting Ltd. was completed.

For more information, see Note 35.A to the financial statements as at December 31, 2025.

Note 1 - Significant Accounting Policies

A. Basis of Preparation of the Financial Statements

1. Reporting principles

The Bank's consolidated interim financial statements as of September 30, 2026 include those of the Bank and its subsidiaries as well as the Group's interests in associates. The Bank's financial statements are prepared in accordance with the Reporting to the Public Directives and guidelines of the Banking Supervision Department. These directives essential adopt the US GAAP.

US GAAP - the accounting principles that American banks listed for trading in the United States are required to apply.

These principles are established by the US banking regulatory agencies, the Securities and Exchange Commission, the US Financial Accounting Standards Board, and other US entities and are applied in accordance with the hierarchy set forth in ASC Topic 105-10, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, a standard superseding FAS 162.

Additionally, according to the Banking Supervision Department's guidance, despite the hierarchy prescribed by FASB Accounting Standards Codification (ASC) Subtopic 105-10, any position published by the US banking regulators or by their teams regarding the implementation of US GAAP, constitutes part of US GAAP.

The accounting principles applied in preparing these interim financial statements are consistent with those used in preparing the annual financial statements as of December 31, 2025, except as detailed in Section B. below. These interim financial statements do not include all information required to be included in the full annual financial statements and should be read in conjunction with the Annual Financial Statements as at December 31, 2025 and their accompanying notes (hereinafter - the "**Annual Financial Statements**").

The condensed consolidated interim financial statements were approved by the Bank's Board of Directors on November 16, 2026.

2. Use of estimates

Preparing the condensed consolidated interim financial statements in accordance with the said directives and guidance requires management to exercise judgment, and to use estimates, assessments and assumptions, which affect the reported amounts of assets and liabilities as well as the reported amounts. It is clarified that the actual results may differ from those estimates.

When developing accounting estimates used in the preparation of the Bank's financial statements, the Bank's management is required to make assumptions regarding circumstances and events involving significant uncertainty. In exercising its judgment to determine the accounting estimates, the Bank's management relies on past experience, facts, various representations, analyses and reviews, external factors and reasonable assumptions, in accordance with each estimate's particular circumstances. The uncertainty reflected in the economic and other environmental conditions is still significant; therefore, estimates and assessments may be revised according to the development of the conditions and circumstances as well as economic changes.

The policy implemented by the Bank in its use of assessments and estimates is generally consistent with that used in the Annual Financial Statements as of December 31, 2025, except as noted in Note 17.E. The estimates and their underlying assumptions are reviewed on a regular basis. Changes in accounting estimates are recognized in the period in which the estimates were adjusted and for any future affected period.

3.

From time to time, the Bank makes immaterial adjustments to classifications in the comparative figures in order to adjust them to the classification in the current financial statements for comparability. These classifications do not have an effect on the operating results.

Note 1 - Significant Accounting Policies (cont.)

B. First-Time Application of New Accounting Standards, Accounting Standard Revisions, and New Directives Issued by the Banking Supervision Department

On June 9, 2026, the Banking Supervision Department published Circular No. 2580-06 titled Revision of the Income Statement Disclosure and Other Issues in public reports. The purpose of the revision is to align the presentation of the income statement and disclosures in the notes to the financial statements with those provided by leading US banks and, consequently, to revise the disclosures provided in the Report of the Board of Directors as well.

The following changes took effect in the financial statements as of June 30, 2026:

- New disclosure requirements were added regarding cash collateral pledged and received in connection with derivative transactions, and regarding credit to the public and deposits by the public arising from unsecured securities lending and borrowing transactions.
- A quarterly disclosure format was established in the note to the financial statements on assets pledged against liabilities for which the Bank's assets have been pledged.

Comparative figures are not required to be included for new information required as of the June 30, 2026 report where such figures are not available to the corporation. The Bank has applied the provisions of the circular in the interim financial statements as of June 30, 2026 and subsequent period.

C. New accounting standards, revised accounting standards and new directives of the Banking Supervision Department in the period before their application

1. In December 2025, the Financial Accounting Standards Board (hereinafter - the "**FASB**") published ASU 2025-11, Narrow-Scope Improvements of Topic 270. The revision does not materially change the reporting requirements under the standard, but rather clarifies them, among other things:
   - The revision clarifies and highlights the standard scope;
   - The revision creates a comprehensive summary list of disclosure requirements applicable in the interim period;
   - The revision adopts a principle requiring disclosure of events that occurred subsequent to the most recent annual reporting period and which had a material effect.

   The ASU's provisions will apply to publicly-traded entities effective for interim reporting periods in fiscal years commencing subsequent to December 15, 2027. The Bank has elected not to adopt the standard early and is assessing the effect of the new requirements on its financial statements.

2. On June 9, 2026, the Banking Supervision Department published Circular No. 2580-06 titled Revision of the Income Statement Disclosure and Other Issues in public reports. The purpose of the revision is to align the presentation of the income statement and disclosures in the notes to the financial statements with those provided by leading US banks and, consequently, to revise the disclosures provided in the Report of the Board of Directors as well. The circular affects the annual financial statements, among other things, and revises the following:
   - Disclosure in the income statement and part of the notes relating thereto;
   - Salaries and related expenses disclosure;
   - Regulatory Operating Segments note.

These provisions will apply to the annual and quarterly reports of banking corporations as of December 31, 2026 and onwards. These changes require reclassification of comparative figures.

For further details regarding accounting standards prior to their application, see Note 1.X. to the financial statements as of December 31, 2025.

Note 2 - Interest Income and Expenses

	For the three months ended September 30		For the nine months ended September 30	
	2026	2025	**2026**	2025
	Unaudited			
	In NIS million			
a. Interest income[a]				
From credit to the public	**7,568**	7,764	**22,308**	21,787
From credit to governments	**32**	24	**91**	66
From deposits with the Bank of Israel and from cash	**772**	1,057	**2,503**	3,079
From deposits with banks	**104**	167	**380**	499
From securities borrowed or purchased under reverse repurchase agreements	**73**	61	**181**	143
From bonds[b]	**1,752**	1,557	**4,885**	4,320
Total interest income	**10,301**	10,630	**30,348**	29,894
b. Interest expenses[a]				
For deposits by the public	**(4,846)**	(5,178)	**(14,578)**	(14,478)
For deposits by governments	**-[d]**	-[d]	**(1)**	(1)
For deposits by banks	**(65)**	(84)	**(217)**	(209)
For deposits by the Bank of Israel	**(12)**	(24)	**(39)**	(69)
For securities loaned or sold under repurchase agreements	**(282)**	(176)	**(783)**	(524)
For bonds, promissory notes and subordinated bonds	**(824)**	(697)	**(1,977)**	(1,585)
Total interest expenses	**(6,029)**	(6,159)	**(17,595)**	(16,866)
Total interest income, net	**4,272**	4,471	**12,753**	13,028
C. Details on the net effect of hedging derivatives[c]				
Interest income	**214**	19	**265**	67
Interest expenses	**(348)**	(16)	**(381)**	(45)
d. Details on interest income from bonds, on accrual basis				
Held-to-maturity	**138**	157	**384**	504
Available-for-sale	**1,479**	1,290	**4,123**	3,467
Held-for-trading	**135**	110	**378**	349
Total included in interest income	**1,752**	1,557	**4,885**	4,320

(a) Including the effect of hedge relationships.
(b) Including interest in respect of mortgage-backed bonds (MBSs) in the amount of approx. NIS 212 million and approx. NIS 612 million for the three- and nine-month periods ended September 30, 2026, respectively (NIS 144 million and NIS 474 million for the three- and nine-month periods ended September 30, 2025, respectively).
(c) Details about the effect of hedging derivatives on subsections a. and b.
(d) Amounts of less than NIS 1 million.

Note 3A - Noninterest Finance Income

	For the three months ended September 30		For the nine months ended September 30	
	2026	2025	**2026**	2025
	Unaudited		Unaudited	
	In NIS million		In NIS million	
a. Noninterest finance income for non-trading activities				
A.1. Derivatives activity[a]				
Net revenues (expenses) for derivatives[b]	**1,449**	(319)	**151**	(4,047)
Total from derivatives activity	**1,449**	(319)	**151**	(4,047)
A.2. From investment in bonds				
Gains on sale of available-for-sale bonds, net[h]	**47**	80	**152**	180
Losses on sale of available-for-sale bonds[h]	**(18)**	(101)	**(89)**	(475)
Provision for impairment of available-for-sale bonds[h]	**-**	-	**-**	(6)
Total from investment in bonds	**29**	(21)	**63**	(301)
A.3. Exchange rate differences, net	**(1,148)**	383	**771**	4,505
A.4. Gains (losses) on investment in shares				
Gains on sale of equity securities not held for trading	**192**	89	**401**	308
Provision for impairment for equity securities not held for trading	**(20)**	(28)	**(78)**	(96)
Losses on sale of equity securities not held-for-trading	**(16)**	(10)	**(53)**	(86)
Dividend from not held-for-trading equity securities	**32**	28	**119**	121
Unrealized (losses) gains, net from not held-for-trading equity securities[g]	**(166)**	87	**(85)**	96
Gain on sale of investees' equity	**-**	95	**217**	100
Total from investment in equity securities	**22**	261	**521**	443
A.5. Gains on sold loans, net	**-**	-	**7**	-
Total noninterest finance income for equity securities not held-for-trading	**352**	304	**1,513**	600
b. Noninterest finance income (expenses) for trading activities				
Revenues in respect of held-for-trading derivatives, net	**220**	160	**495**	589
Realized and unrealized losses from fair value adjustments of held-for-trading bonds, net[c][f]	**(67)**	(5)	**(171)**	(34)
Realized and unrealized (losses) gains from fair value adjustments of held-for-trading equity securities, net[d][f]	**(46)**	41	**(23)**	46
Dividend from held-for-trading equity securities	**1**	-	**14**	2
Total from trading activities[e]	**108**	196	**315**	603
Details of noninterest finance income (expenses) from trading activities, by risk exposure				
Interest rate exposure	(8)	9	123	87
Foreign currency exposure	64	181	74	453
Equity exposure	50	6	114	62
Exposure to commodities and other contracts	2	-	4	1
Total	108	196	315	603
Total noninterest finance income	460	500	1,828	1,203

See comments below.

Note 3A - Noninterest Finance Income (cont.)

Comments:

(a) Excluding the effect of hedge ratios.

(b) Derivatives which constitute part of the Bank's assets and liabilities management system that are not designated for hedging purposes.

(c) Of which losses of approx. NIS 136 million and approx. NIS 144 million for the three- and nine-month periods ended September 30, 2026, respectively, relate to held-for-trading bonds still held as of the balance sheet date (gains of approx. NIS 11 million and approx. NIS 43 million for the three- and nine-month periods ended September 30, 2025, respectively).

(d) During the three-month period ended September 30, 2026 there were no gains (losses) associated with held-for-trading shares. Losses of approx. NIS 3 million for the three- and nine-month period ended September 30, 2026 associated with held-for-trading shares still held as of the balance sheet date (gains of approx. NIS 43 million and approx. NIS 48 million for the three- and nine-month periods ended September 30, 2025, respectively, related to held-for-trading shares still held as of the balance sheet date).

(e) For interest income from investments from held-for-trading bonds, see Note 2.

(f) Including exchange rate differences from trading activities.

(g) Including gains and losses from fair value measurement of equity securities for which there is available fair value as well as upward or downward adjustments of equity securities for which there is no available fair value.

(h) Reclassified from accumulated other comprehensive income.

Note 3B - Earnings per Ordinary Share

A. Basic Earnings Per Share

The Bank's net income per share is calculated by dividing the gain attributable to the Bank's ordinary shareholders by the weighted average of the number of the Bank's outstanding ordinary shares, as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2026	2025	**2026**	2025
	Unaudited			
Basic earnings				
Net income attributable to the Bank's shareholders (in NIS million)	**2,986**	2,700	**8,164**	7,713
Weighted average of the number of shares (in thousands of shares)				
Balance as at beginning of period[(a)]	**1,471,591**	1,494,578	**1,483,534**	1,503,528
Weighted effect of the issuance of shares	**28**	106	**74**	204
Weighted effect of share buyback plan	**(958)**	(2,255)	**(7,741)**	(6,332)
Weighted average of number of shares	**1,470,661**	1,492,429	**1,475,867**	1,497,400
Basic net earnings per share (in NIS)	**2.03**	1.81	**5.53**	5.15

(a) Net of the Bank's share buyback plan.

B. Diluted earnings per share

The calculated diluted earnings per share is divided by the weighted average of the number of the Bank's outstanding ordinary shares, after adjustment for all the potentially dilutive ordinary shares, as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2026	2025	**2026**	2025
	Unaudited			
Diluted earnings				
Net income attributable to the Bank's shareholders (in NIS million)	**2,986**	2,700	**8,164**	7,713
Weighted average of the number of shares (in thousands of shares)				
Weighted average of the number of ordinary shares used to calculate basic earnings per share	**1,470,661**	1,492,429	**1,475,867**	1,497,400
Weighted effect of the issuance of options to employees	**1,125**	2,098	**1,901**	1,852
Weighted average of the number of shares, fully diluted	**1,471,786**	1,494,527	**1,477,768**	1,499,252
Diluted net earnings per share (in NIS)	**2.03**	1.81	**5.52**	5.14

C. Share capital

As of September 30, 2026, the Bank's issued and paid-up share capital less the Bank's share buyback plan during 2018 to 2020 and 2023 to 2026 is 1,468,349,782 ordinary shares of NIS 1 p.v. each.

D. Buyback Subsequent to the Financial Statements Date

From October 1, 2026 to October 7, 2026, the Bank performed a buyback of 382,321 shares of NIS 1 p.v. each of the Bank's issued share capital.

For details regarding the Banking Supervision Department's approval for the buyback, see Note 9A.

Note 4 - Accumulated Other Comprehensive Income (Loss)

A. Changes in Accumulated Other Comprehensive Income (Loss) After Tax Effect

1. Changes in accumulated other comprehensive income (loss) for the three-month periods ended September 30, 2026 and 2025 (unaudited)

	Other comprehensive income (loss) before attribution to non-controlling interests							
	Adjustments in respect of presentation of available-for-sale bonds at fair value	Net gains (losses) for cash flow hedges	Effects of changes in credit risk of liabilities	Oher compre-hensive (loss) income of equity-accounted investees[a]	Adjustments in respect of employee benefits[b]	Total	Other compre-hensive income (loss) attributable to non-controlling interests[c]	Other compre-hensive income (loss) attributable to the Bank's shareholders
	In NIS million							
Balance as at June 30, 2025	(728)	2	(4)	20	(554)	(1,264)	-	(1,264)
Net change during the period	229	-	4	(12)	(100)	121	-	121
Balance as of September 30, 2025	(499)	2	-	8	(654)	(1,143)	-	(1,143)
Balance as at June 30, 2026	(230)	2	(17)	(75)	(32)	(352)	-	(352)
Net change during the period	**(1,002)**	**(2)**	**(1)**	**(13)**	**281**	**(737)**	**-**	**(737)**
Balance as of September 30, 2026	**(1,232)**	**-**	**(18)**	**(88)**	**249**	**(1,089)**	**-**	**(1,089)**

2. Changes in accumulated other comprehensive income (loss) for the nine-month periods ended September 30, 2026 and 2025 (unaudited)

	Other comprehensive income (loss) before attribution to non-controlling interests							
	Adjustments in respect of presentation of available-for-sale bonds at fair value	Net gains (losses) for cash flow hedges	Effects of changes in credit risk of liabilities	Oher compre-hensive (loss) income of equity-accounted investees[a]	Adjustments in respect of employee benefits[b]	Total	Other compre-hensive income (loss) attributable to non-controlling interests[c]	Other compre-hensive income (loss) attributable to the Bank's shareholders
	In NIS million							
Balance as at December 31, 2024 (audited)	(1,334)	-	2	36	(740)	(2,036)	-	(2,036)
Net change during the period	835	2	(2)	(28)	86	893	-	893
Balance as of September 30, 2025	(499)	2	-	8	(654)	(1,143)	-	(1,143)
Balance as at December 31, 2025 (audited)	(228)	2	(11)	(1)	(448)	(686)	-	(686)
Net change during the period	**(1,004)**	**(2)**	**(7)**	**(87)**	**697**	**(403)**	**-**	**(403)**
Balance as of September 30, 2026	**(1,232)**	**-**	**(18)**	**(88)**	**249**	**(1,089)**	**-**	**(1,089)**

See comments below.

Note 4 - Accumulated Other Comprehensive Income (Loss) (cont.)

A. Changes in accumulated other comprehensive income (loss) after tax effect (cont.)

3. Changes in accumulated other comprehensive income (loss) for the year ended December 31, 2025 (audited)

	Other comprehensive income (loss) before attribution to non-controlling interests							
	Adjustments in respect of presentation of available-for-sale bonds at fair value	Net gains (losses) for cash flow hedges	Effects of changes in credit risk of liabilities	Oher compre-hensive (loss) income of equity-accounted investees[a]	Adjustments in respect of employee benefits[b]	Total	Other compre-hensive income (loss) attributable to non-controlling interests[c]	Other compre-hensive income (loss) attributable to the Bank's shareholders
	In NIS million							
Balance as at December 31, 2024	(1,334)	-	2	36	(740)	(2,036)	-	(2,036)
Net change during the year	1,106	2	(13)	(37)	292	1,350	-	1,350
Balance as at December 31, 2025	(228)	2	(11)	(1)	(448)	(686)	-	(686)

(a) Including translation adjustments of financial statements of foreign operations whose functional currency is different than the Bank's functional currency and net gains (losses) for hedging of a net investment in foreign currency.
(b) Adjustments for employee benefits are net of adjustments for plan assets.
(c) Amounts of less than NIS 1 million.

Note 4 - Accumulated Other Comprehensive Income (Loss) (cont.)

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

	For the nine months ended September 30 (unaudited)					
	2026			2025		
	Pre-tax	Tax effect	Post-tax	Pre-tax	Tax effect	Post-tax
	In NIS million					
Changes in other comprehensive income (loss) components before attribution to non-controlling interests:						
Adjustments in respect of presentation of available-for-sale bonds at fair value:						
Net unrealized (losses) gains from fair value adjustments	**(1,707)**	**721**	**(986)**	358	(142)	216
Net (gains) losses in respect of available-for-sale bonds reclassified to the income statement[a]	**(29)**	**13**	**(16)**	21	(8)	13
Net change during the period	**(1,736)**	**734**	**(1,002)**	379	(150)	229
Cash flow hedges						
Net losses for cash flow hedges	**(3)**	**1**	**(2)**	-	-	-
Net change during the period	**(3)**	**1**	**(2)**	-	-	-
Credit risk of liabilities						
Effects of changes in credit risk of liabilities	**(2)**	**1**	**(1)**	6	(2)	4
Net change during the period	**(2)**	**1**	**(1)**	6	(2)	4
Equity-accounted investees						
Oher comprehensive (loss) income of equity-accounted investees[b]	**20**	**(3)**	**17**	(49)	16	(33)
Hedges[c]	**(52)**	**22**	**(30)**	34	(13)	21
Net change during the period	**(32)**	**19**	**(13)**	(15)	3	(12)
Employee benefits:[d]						
Net actuarial (gain) loss	**427[g]**	**(146)**	**281**	(184)[g]	61	(123)
Net (gains) losses reclassified to the income statement[e]	**(1)**	**1**	**-**	32	(9)	23
Net change during the period	**426**	**(145)**	**281**	(152)	52	(100)
Total net change during the period	**(1,347)**	**610**	**(737)**	218	(97)	121
Less changes in other comprehensive income components attributable to non-controlling interests						
Total change during the period, net[f]	**-**	**-**	**-**	-	-	-
Changes in other comprehensive (loss) income attributable to the Bank's shareholders						
Total change during the period, net	**(1,347)**	**610**	**(737)**	218	(97)	121

(a) The before tax amount is reported in the income statement under the noninterest finance income line item. See Note 3A.
(b) Including translation adjustments of financial statements of foreign operations whose functional currency is different from the Bank's functional currency.
(c) Net gains (losses) for hedging a net investment in foreign currency.
(d) Adjustments for employee benefits are net of adjustments for plan assets.
(e) The pre-tax amount is reported in the income statement under the other expenses. For further details, see Note 8.B.
(f) Amounts of less than NIS 1 million.
(g) For more information regarding the net actuarial income (loss), see Note 8.B.

Note 4 - Accumulated Other Comprehensive Income (Loss) (cont.)

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

	For the nine months ended September 30 (unaudited)					
			2026	2025		
	Pre-tax	Tax effect	Post-tax	Pre-tax	Tax effect	Post-tax
	In NIS million					
Changes in other comprehensive income (loss) components before attribution to non-controlling interests:						
Adjustments in respect of presentation of available-for-sale bonds at fair value:						
Net unrealized (losses) gains from fair value adjustments	**(1,680)**	**712**	**(968)**	1,073	(421)	652
Net (gains) losses in respect of available-for-sale bonds reclassified to the income statement[a]	**(63)**	**27**	**(36)**	301	(118)	183
Net change during the period	**(1,743)**	**739**	**(1,004)**	1,374	(539)	835
Cash flow hedges						
Net (losses) gains for cash flow hedges	**(3)**	**1**	**(2)**	3	(1)	2
Net change during the period	**(3)**	**1**	**(2)**	3	(1)	2
Credit risk of liabilities						
Effects of changes in credit risk of liabilities	**(12)**	**5**	**(7)**	(4)	2	(2)
Net change during the period	**(12)**	**5**	**(7)**	(4)	2	(2)
Equity-accounted investees						
Other comprehensive loss for equity-accounted investees[b]	**(197)**	**69**	**(128)**	(199)	68	(131)
Hedges[c]	**71**	**(30)**	**41**	169	(66)	103
Net change during the period	**(126)**	**39**	**(87)**	(30)	2	(28)
Employee benefits:[d]						
Net actuarial gain	**1,051[g]**	**(363)**	**688**	34[g]	(10)	24
Net losses reclassified to the income statement[e]	**13**	**(4)**	**9**	89	(27)	62
Net change during the period	**1,064**	**(367)**	**697**	123	(37)	86
Total net change during the period	**(820)**	**417**	**(403)**	1,466	(573)	893
Less changes in other comprehensive income components attributable to non-controlling interests						
Total change during the period, net[f]	**-**	**-**	**-**	-	-	-
Changes in other comprehensive (loss) income attributable to the Bank's shareholders						
Total change during the period, net	**(820)**	**417**	**(403)**	1,466	(573)	893

(a) The before tax amount is reported in the income statement under the noninterest finance income line item. See Note 3A.
(b) Including translation adjustments of financial statements of foreign operations whose functional currency is different from the Bank's functional currency.
(c) Net gains (losses) for hedging a net investment in foreign currency.
(d) The adjustments for employee benefits are net of adjustments for plan assets.
(e) The pre-tax amount is reported in the income statement under the other expenses. For further details, see Note 8.B.
(f) Amounts of less than NIS 1 million.
(g) For more information regarding the net actuarial income, see Note 8.B.

Note 4 - Accumulated Other Comprehensive Income (Loss) (cont.)

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

	For the year ended December 31, 2025 (audited)		
	Pre-tax	Tax effect	Post-tax
	In NIS million		
Changes in other comprehensive income components before attribution to non-controlling interests:			
Adjustments in respect of presentation of available-for-sale bonds at fair value:			
Net unrealized gains from fair value adjustments	1,518	(595)	923
Net losses in respect of available-for-sale bonds reclassified to the income statement[(a)]	301	(118)	183
Net change during the year	1,819	(713)	1,106
Cash flow hedges			
Net gains for cash flow hedges	4	(2)	2
Net change during the year	4	(2)	2
Credit risk of liabilities			
Effects of changes in credit risk of liabilities	(21)	8	(13)
Net change during the year	(21)	8	(13)
Equity-accounted investees			
Other comprehensive loss for equity-accounted investees[(b)]	(272)	95	(177)
Hedges[(c)]	231	(91)	140
Net change during the year	(41)	4	(37)
Employee benefits:[(d)]			
Net actuarial gain	320[(g)]	(107)	213
Net losses reclassified to the income statement[(e)]	118	(39)	79
Net change during the year	438	(146)	292
Total change during the year, net	2,199	(849)	1,350
Less changes in other comprehensive income components attributable to non-controlling interests			
Total change during the year, net[(f)]	-	-	-
Changes in other comprehensive income attributable to the Bank's shareholders			
Total change during the year, net	2,199	(849)	1,350

(a) The before tax amount is reported in the income statement under the noninterest finance income line item. See Note 3A.
(b) Including translation adjustments of financial statements of foreign operations whose functional currency is different from the Bank's functional currency.
(c) Net gains (losses) for hedging a net investment in foreign currency.
(d) The adjustments for employee benefits are net of adjustments for plan assets.
(e) The before-tax amount is reported in the income statement under the other expenses for employee benefits line item. For further details, see Note 8.B.
(f) Amounts of less than NIS 1 million.
(g) For more information regarding the net actuarial income, see Note 8.B.

Note 5 - Securities

	As at September 30, 2026 (unaudited)					
	Balance sheet value	Amortized cost	Balance of credit loss provision	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value[(a)]
	In NIS million					
1. Held-to-maturity bonds:						
Of the Israeli Government	9,305	9,305	-	60	(589)	8,776
Of foreign financial institutions	203	203	-	-	(2)	201
Asset-backed (ABS) or mortgage-backed (MBS)	3,840	3,840	-	-	(468)	3,372
Of other foreign entities	227	227	-	-	(12)	215
Total held-to-maturity bonds[(e)]	13,575	13,575	-[(g)]	60	(1,071)	12,564

	As at September 30, 2026 (unaudited)					
				Accumulated other comprehensive income (loss)		
	Balance sheet value	Amortized cost	Balance of credit loss provision	Gains	Losses	Fair value[(a)]
	In NIS million					
2. Available-for-sale bonds:						
Of the Israeli Government	96,561	98,034	-	355	(1,828)	96,561
Of foreign governments	20,196	20,336	-	1	(141)	20,196
Of Israeli financial institutions	632	651	-	1	(20)	632
Of foreign financial institutions	7,613	7,713	-	16	(116)	7,613
Asset-backed (ABS) or mortgage-backed (MBS)	12,682	13,436	-	6	(760)	12,682
Of other Israeli entities	975	974	-	10	(9)	975
Of other foreign entities	2,272	2,402	-	4	(134)	2,272
Total available-for-sale bonds[(e)]	140,931	143,546	-	393[(c)]	(3,008)[(c)]	140,931

See comments below.

Note 5 - Securities (cont.)

	As at September 30, 2026 (unaudited)					
	Balance sheet value	Amortized cost (in equity securities - cost)	Balance of credit loss provision	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value[a]
	In NIS million					
3. Investment in not held-for-trading equity securities and mutual funds:						
Equity securities and mutual funds	7,871	7,877	-	727	(733)	7,871
Of which: Equity securities and mutual funds for which there is no available fair value[b]	4,920	5,220	-	210	(510)	4,920
Total not held for-trading equity securities and mutual funds	7,871	7,877	-	727[d]	(733)[d]	7,871
Total not held-for-trading securities	162,377	164,998	-[g]	1,180	(4,812)	161,366

	As at September 30, 2026 (unaudited)					
	Balance sheet value	Amortized cost (in equity securities - cost)	Balance of credit loss provision	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value[a]
	In NIS million					
4. Held-for-trading securities: bonds -						
Of the Israeli Government	13,219	13,276	-	31	(88)	13,219
Of foreign governments	17	18	-	-	(1)	17
Of Israeli financial institutions	420	424	-	-	(4)	420
Of foreign financial institutions	220	222	-	-	(2)	220
Asset-backed (ABS) or mortgage-backed (MBS)	765	796	-	-	(31)	765
Of other Israeli entities	255	257	-	-	(2)	255
Of other foreign entities	136	143	-	-	(7)	136
Total held-for-trading bonds	15,032	15,136	-	31	(135)	15,032
Held-for-trading equity securities and mutual funds	3	6	-	-	(3)	3
Total held-for-trading securities[f]	15,035	15,142	-	31[d]	(138)[d]	15,035
Total securities	177,412	180,140	-[g]	1,211	(4,950)	176,401

See comments below.

Note 5 - Securities (cont.)

	As at September 30, 2025 (unaudited)					
	Balance sheet value	Amortized cost	Balance of credit loss provision	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value[(a)]
	In NIS million					
1. Held-to-maturity bonds:						
Of the Israeli Government	11,664	11,664	-	90	(492)	11,262
Of foreign financial institutions	907	907	-	2	(4)	905
Asset-backed (ABS) or mortgage-backed (MBS)	5,095	5,095	1	33	(336)	4,793
Of other foreign entities	278	278	-	-	(4)	274
Total held-to-maturity bonds[(e)]	17,944	17,944	1	125	(836)	17,234

	As at September 30, 2025 (unaudited)					
				Accumulated other comprehensive income (loss)		
	Balance sheet value	Amortized cost	Balance of credit loss provision	Gains	Losses	Fair value[(a)]
	In NIS million					
2. Available-for-sale bonds:						
Of the Israeli Government	67,010	67,890	-	396	(1,276)	67,010
Of foreign governments	16,321	16,298	-	27	(4)	16,321
Of Israeli financial institutions	244	243	-	3	(2)	244
Of foreign financial institutions	7,608	7,514	-	131	(37)	7,608
Asset-backed (ABS) or mortgage-backed (MBS)	10,933	11,314	-	64	(445)	10,933
Of other Israeli entities	966	952	-	27	(13)	966
Of other foreign entities	3,579	3,534	-	78	(33)	3,579
Total available-for-sale bonds[(e)]	106,661	107,745	-	726[(c)]	(1,810)[(c)]	106,661

See comments below.

Note 5 - Securities (cont.)

	As at September 30, 2025 (unaudited)					
	Balance sheet value	Amortized cost (in equity securities - cost)	Balance of credit loss provision	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value[a]
	In NIS million					
3. Investment in not held-for-trading equity securities and mutual funds:						
Equity securities and mutual funds	6,792	6,652	-	567	(427)	6,792
Of which: Equity securities and mutual funds for which there is no available fair value[b]	4,237	4,550	-	87	(400)	4,237
Total not held for-trading equity securities and mutual funds	6,792	6,652	-	567[d]	(427)[d]	6,792
Total not held-for-trading securities	131,397	132,341	1	1,418	(3,073)	130,687

	As at September 30, 2025 (unaudited)					
	Balance sheet value	Amortized cost (in equity securities - cost)	Balance of credit loss provision	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value[a]
	In NIS million					
4. Held-for-trading securities: bonds -						
Of the Israeli Government	8,695	8,646	-	49	-	8,695
Of Israeli financial institutions	58	58	-	-	-	58
Of foreign financial institutions	68	67	-	1	-	68
Asset-backed (ABS) or mortgage-backed (MBS)	42	43	-	-	(1)	42
Of other Israeli entities	138	137	-	1	-	138
Of other foreign entities	51	50	-	1	-	51
Total held-for-trading bonds	9,052	9,001	-	52	(1)	9,052
Held-for-trading equity securities and mutual funds	631	583	-	48	-	631
Total held-for-trading securities[f]	9,683	9,584	-	100[d]	(1)[d]	9,683
Total securities	141,080	141,925	1	1,518	(3,074)	140,370

See comments below.

Note 5 - Securities (cont.)

	As at December 31, 2025 (audited)					
	Balance sheet value	Amortized cost	Balance of credit loss provision	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value[(a)]
	In NIS million					
1. Held-to-maturity bonds:						
Of the Israeli Government	11,602	11,602	-	126	(430)	11,298
Of foreign financial institutions	871	871	-	2	(1)	872
Asset-backed (ABS) or mortgage-backed (MBS)	4,576	4,576	1	41	(310)	4,308
Of other foreign entities	269	269	-	-	(3)	266
Total held-to-maturity bonds[(e)]	17,318	17,318	1	169	(744)	16,744

	As at December 31, 2025 (audited)					
				Accumulated other comprehensive income (loss)		
	Balance sheet value	Amortized cost	Balance of credit loss provision	Gains	Losses	Fair value[(a)]
	In NIS million					
2. Available-for-sale bonds:						
Of the Israeli Government	72,151	72,653	-	595	(1,097)	72,151
Of foreign governments	21,193	21,165	-	30	(2)	21,193
Of Israeli financial institutions	222	219	-	4	(1)	222
Of foreign financial institutions	7,919	7,829	-	123	(33)	7,919
Asset-backed (ABS) or mortgage-backed (MBS)	10,785	11,120	-	73	(408)	10,785
Of other Israeli entities	930	907	-	31	(8)	930
Of other foreign entities	3,273	3,234	-	67	(28)	3,273
Total available-for-sale bonds[(e)]	116,473	117,127	-	923[(c)]	(1,577)[(c)]	116,473

See comments below.

Note 5 - Securities (cont.)

	As at December 31, 2025 (audited)					
	Balance sheet value	Amortized cost (in equity securities - cost)	Balance of credit loss provision	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value[a]
	In NIS million					
3. Investment in not held-for-trading equity securities and mutual funds:						
Equity securities and mutual funds	7,030	6,862	-	631	(463)	7,030
Of which: Equity securities and mutual funds for which there is no available fair value[b]	4,654	4,908	-	178	(432)	4,654
Total not held for-trading equity securities and mutual funds	7,030	6,862	-	631[d]	(463)[d]	7,030
Total not held-for-trading securities	140,821	141,307	1	1,723	(2,784)	140,247

	As at December 31, 2025 (audited)					
	Balance sheet value	Amortized cost (in equity securities - cost)	Balance of credit loss provision	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value[a]
	In NIS million					
4. Held-for-trading securities: bonds -						
Of the Israeli Government	5,260	5,220	-	40	-	5,260
Of Israeli financial institutions	206	204	-	2	-	206
Of foreign financial institutions	78	77	-	1	-	78
Asset-backed (ABS) or mortgage-backed (MBS)	207	208	-	-	(1)	207
Of other Israeli entities	100	99	-	1	-	100
Of other foreign entities	75	75	-	-	-	75
Total held-for-trading bonds	5,926	5,883	-	44	(1)	5,926
Held-for-trading equity securities and mutual funds	1,373	1,220	-	161	(8)	1,373
Total held-for-trading securities[f]	7,299	7,103	-	205[d]	(9)[d]	7,299
Total securities	148,120	148,410	1	1,928	(2,793)	147,546

See comments below.

Note 5 - Securities (cont.)

Comments:

(a) In most cases, fair value inputs are based on quoted share prices, which do not necessarily reflect the price that can be obtained from selling large blocks of securities.

(b) Shares for which no fair value is available are presented at cost less impairment, adjusted upwards or downwards for observable prices in similar transactions or identical transactions of the same issuer. In the first nine months of 2026, upward adjustments were made totaling approx. NIS 31 million bringing total cumulative upward adjustments to approx. NIS 210 million. In addition, in the first nine months of 2026, downward adjustments and write-downs were made totaling approx. NIS 78 million, the total downward adjustments and the cumulative write-downs amounted to approx. NIS 510 million.

(c) Included in equity under the "Adjustments in respect of the presentation of available-for-sale bonds at fair value, net" under other comprehensive income, except for securities designated to be hedged at fair value.

(d) Carried to the income statement but as yet unrealized.

(e) A total of NIS 13.7 billion out of total foreign currency securities is rated SSA (super-nationals, sovereign and agencies) (September 30, 2025 - NIS 14.2 billion, December 31, 2025 - NIS 14.1 billion).

(f) Of which bonds in the amount of approx. NIS 1,994 million classified as held-for-trading securities because the Bank chose to measure them according to the fair value alternative, although they were not acquired for trading purposes (September 30, 2025 - NIS 583 million, December 31, 2025 - NIS 181 million).

(g) Amounts lower than NIS 1 million.

General comments:

Loaned securities totaling NIS 5,247 million (as of September 30, 2025 - NIS 2,445 million; as of December 31, 2025 - NIS 3,516 million) are presented under the credit to the public line item.

Securities which were pledged totaled NIS 57,605 million (as of September 30, 2025 - NIS 25,831 million; as of December 31, 2025 - NIS 38,444 million).

For more information, see Note 10A.

For details regarding the operating results of investments in bonds, equity securities and mutual funds, see Notes 2 and Note 3A.

The distinction between Israeli and foreign bonds was made according to the issuer's country of residence.

Note 5 - Securities (cont.)

More Information on Amortized Cost and Unrealized Losses, by Duration and Impairment Percentage, of Held-to-Maturity Bonds in a Deferred Loss Position, Excluding Credit Loss Provision

	September 30, 2026 (unaudited)							
	Less than 12 months[a]				12 months or more[b]			
		Unrealized losses from fair value adjustments				Unrealized losses from fair value adjustments		
	Amortized cost	0-20%[c]	20%-40%[d]	Total	Amortized cost	0-20%[c]	20%-40%[d]	Total
	In NIS million							
Bonds								
Of the Israeli Government	**1,934**	**101**	**-**	**101**	**5,390**	**238**	**250**	**488**
Asset-backed (ABS) or mortgage-backed (MBS)	**1,820**	**68**	**-**	**68**	**1,962**	**76**	**324**	**400**
Of foreign financial institutions	**83**	**2**	**-**	**2**	**12**	**-**	**-**	**-**
Of other foreign entities	**16**	**1**	**-**	**1**	**211**	**11**	**-**	**11**
Total held-to-maturity bonds	**3,853**	**172**	**-**	**172**	**7,575**	**325**	**574**	**899**

	September 30, 2025 (unaudited)							
	Less than 12 months[a]				12 months or more[b]			
		Unrealized losses from fair value adjustments				Unrealized losses from fair value adjustments		
	Amortized cost	0-20%[c]	20%-40%[d]	Total	Amortized cost	0-20%[c]	20%-40%[d]	Total
	In NIS million							
Bonds								
Of the Israeli Government	-	-	-	-	7,052	348	144	492
Asset-backed (ABS) or mortgage-backed (MBS)	165	1	-	1	2,400	281	54	335
Of foreign financial institutions	-	-	-	-	769	4	-	4
Of other foreign entities	-	-	-	-	278	4	-	4
Total held-to-maturity bonds	165	1	-	1	10,499	637	198	835

(a) Investments in a continuous unrealized loss position for a period of less than 12 months.
(b) Investments in a continuous unrealized loss position for a period of 12 months or more.
(c) Investments whose unrealized loss represents up to 20% of their amortized cost.
(d) Investments whose unrealized loss represents over 20% but no more than 40% of their amortized cost.

Note 5 - Securities (cont.)

More Information on Amortized Cost and Unrealized Losses, by Duration and Impairment Percentage, of Held-to-Maturity Bonds in a Deferred Loss Position, Excluding Credit Loss Provision (cont.)

	December 31, 2025 (audited)							
	Less than 12 months[a]				12 months or more[b]			
		Unrealized losses from fair value adjustments				Unrealized losses from fair value adjustments		
	Amortized cost	0-20%[c]	20%-40%[d]	Total	Amortized cost	0-20%[c]	20%-40%[d]	Total
	In NIS million							
Bonds								
Of the Israeli Government	-	-	-	-	6,213	282	148	430
Asset-backed (ABS) or mortgage-backed (MBS)	-	-	-	-	2,244	270	40	310
Of foreign financial institutions	-	-	-	-	746	1	-	1
Of other foreign entities	16	-[e]	-	-	253	3	-	3
Total held-to-maturity bonds	16	-[e]	-	-	9,456	556	188	744

(a) Investments in a continuous unrealized loss position for a period of less than 12 months.
(b) Investments in a continuous unrealized loss position for a period of 12 months or more.
(c) Investments whose unrealized loss represents up to 20% of their amortized cost.
(d) Investments whose unrealized loss represents over 20% but no more than 40% of their amortized cost.
(e) Losses of less than NIS 1 million.

Note 5 - Securities (cont.)

Further details on Fair Value and Unrealized Losses, by Duration and Impairment Percentage, of Available-for-Sale Bonds in an Unrealized Loss Position without Credit Loss Provision

	September 30, 2026 (unaudited)							
	Less than 12 months[a]				12 months or more[b]			
		Unrealized losses				Unrealized losses		
	Fair value	0-20%[c]	20%-40%[d]	Total	Fair value	0-20%[c]	20%-40%[d]	Total
	In NIS million							
Bonds								
Of governments and foreign financial and institutions	**43,624**	**620**	**-**	**620**	**8,525**	**722**	**763**	**1,485**
Asset-backed (ABS) or mortgage-backed (MBS)	**8,721**	**335**	**1**	**336**	**2,324**	**68**	**356**	**424**
Of others	**2,576**	**137**	**-**	**137**	**61**	**6**	**-**	**6**
Total available-for-sale bonds	**54,921**	**1,092**	**1**	**1,093**	**10,910**	**796**	**1,119**	**1,915**

	September 30, 2025 (unaudited)							
	Less than 12 months[a]				12 months or more[b]			
		Unrealized losses				Unrealized losses		
	Fair value	0-20%[c]	20%-40%[d]	Total	Fair value	0-20%[c]	20%-40%[d]	Total
	In NIS million							
Bonds								
Of governments and foreign financial and institutions	19,895	18	-	18	19,605	736	565	1,301
Asset-backed (ABS) or mortgage-backed (MBS)	1,548	8	-	8	3,368	244	193	437
Of others	344	7	-	7	725	36	3	39
Total available-for-sale bonds	21,787	33	-	33	23,698	1,016	761	1,777

	December 31, 2025 (audited)							
	Less than 12 months[a]				12 months or more[b]			
		Unrealized losses				Unrealized losses		
	Fair value	0-20%[c]	20%-40%[d]	Total	Fair value	0-20%[c]	20%-40%[d]	Total
	In NIS million							
Bonds								
Of governments and foreign financial and institutions	2,485	12	-	12	13,245	582	539	1,121
Asset-backed (ABS) or mortgage-backed (MBS)	1,139	4	-	4	3,335	223	181	404
Of others	361	10	-	10	554	26	-	26
Total available-for-sale bonds	3,985	26	-	26	17,134	831	720	1,551

(a) Investments in a continuous unrealized loss position for a period of less than 12 months.
(b) Investments in a continuous unrealized loss position for a period of 12 months or more.
(c) Investments whose unrealized loss represents up to 20% of their amortized cost.
(d) Investments whose unrealized loss represents over 20% but no more than 40% of their amortized cost.

Note 5 - Securities (cont.)

Further details on Mortgage-Backed and Asset-Backed Available-for-Sale Bonds in an Unrealized Loss Position

	September 30, 2026 (unaudited)					
	Less than 12 months[a]		12 months or more[b]		Total	
	Fair value	Unrealized losses from fair value adjustments	Fair value	Unrealized losses from fair value adjustments	Fair value	Unrealized losses from fair value adjustments
	In NIS million					
Mortgage-backed securities (MBSs)	**3,489**	**(225)**	**1,004**	**(263)**	**4,493**	**(488)**
Other mortgage-backed bonds (including REMICs, CMOs, and stripped MBSs)	**3,862**	**(99)**	**618**	**(143)**	**4,480**	**(242)**
Asset-backed bonds (ABSs)	**1,370**	**(12)**	**702**	**(18)**	**2,072**	**(30)**
Total	**8,721**	**(336)**	**2,324**	**(424)**	**11,045**	**(760)**

	September 30, 2025 (unaudited)					
	Less than 12 months[a]		12 months or more[b]		Total	
	Fair value	Unrealized losses from fair value adjustments	Fair value	Unrealized losses from fair value adjustments	Fair value	Unrealized losses from fair value adjustments
	In NIS million					
Mortgage-backed securities (MBSs)	389	(3)	1,354	(265)	1,743	(268)
Other mortgage-backed bonds (including REMICs, CMOs, and stripped MBSs)	190	(1)	1,125	(147)	1,315	(148)
Asset-backed bonds (ABSs)	969	(4)	889	(25)	1,858	(29)
Total	1,548	(8)	3,368	(437)	4,916	(445)

	December 31, 2025 (audited)					
	Less than 12 months[a]		12 months or more[b]		Total	
	Fair value	Unrealized losses from fair value adjustments	Fair value	Unrealized losses from fair value adjustments	Fair value	Unrealized losses from fair value adjustments
	In NIS million					
Mortgage-backed securities (MBSs)	101	-	1,473	(244)	1,574	(244)
Other mortgage-backed bonds (including REMICs, CMOs, and stripped MBSs)	77	-	1,084	(135)	1,161	(135)
Asset-backed bonds (ABSs)	961	(4)	778	(25)	1,739	(29)
Total	1,139	(4)	3,335	(404)	4,474	(408)

(a) Investments in a continuous unrealized loss position for a period of less than 12 months.
(b) Investments in a continuous unrealized loss position for a period of 12 months or more.

Note 5 - Securities (cont.)

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

	September 30, 2026 (unaudited)			
	Amortized cost	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value
	In NIS million			
Mortgage-backed securities (MBSs)				
Pass-through held-to-maturity bonds	**2,855**	**-**	**(438)**	**2,417**
Of which: GNMA-backed bonds	**1,881**	**-**	**(262)**	**1,619**
Bonds issued by FNMA or FHLMC	**974**	**-**	**(176)**	**798**
Other mortgage-backed bonds (including REMICs, CMOs, and stripped MBSs)	**985**	**-**	**(30)**	**955**
Of which: Bonds issued or guaranteed by FNMA, FHLMC, or GNMA	**985**	**-**	**(30)**	**955**
Total mortgage-backed securities (MBSs)	**3,840**	**-**	**(468)**	**3,372**
Asset-backed bonds (ABSs)	**-**	**-**	**-**	**-**
Of which: Credit to other than private individuals - CLO-type bonds	**-**	**-**	**-**	**-**
Total held-to-maturity mortgage-backed and asset-backed bonds	**3,840**	**-**	**(468)**	**3,372**

	September 30, 2025 (unaudited)			
	Amortized cost[(a)]	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value
	In NIS million			
Mortgage-backed securities (MBSs)				
Pass-through held-to-maturity bonds	3,512	16	(335)	3,193
Of which: GNMA-backed bonds	2,346	13	(194)	2,165
Bonds issued by FNMA or FHLMC	1,166	3	(141)	1,028
Other mortgage-backed bonds (including REMICs, CMOs, and stripped MBSs)	1,414	17	(1)	1,430
Of which: Bonds issued or guaranteed by FNMA, FHLMC, or GNMA	1,414	17	(1)	1,430
Total mortgage-backed securities (MBSs)	4,926	33	(336)	4,623
Asset-backed bonds (ABSs)	170	-	-	170
Of which: Credit to other than private individuals - CLO-type bonds	170	-	-	170
Total held-to-maturity mortgage-backed and asset-backed bonds	5,096	33	(336)	4,793

(a) Including a balance of the credit loss provision totaling NIS 1 million.

Note 5 - Securities (cont.)

Further details on Mortgage-Backed and Asset-Backed Held-to-Maturity Bonds (cont.)

	December 31, 2025 (audited)			
	Amortized cost[(a)]	Unrealized gains from fair value adjustments	Unrealized losses from fair value adjustments	Fair value
	In NIS million			
Mortgage-backed securities (MBSs)				
Pass-through held-to-maturity bonds	3,261	22	(310)	2,973
Of which: GNMA-backed bonds	2,164	17	(180)	2,001
Bonds issued by FNMA or FHLMC	1,097	5	(130)	972
Other mortgage-backed bonds (including REMICs, CMOs, and stripped MBSs)	1,258	19	-	1,277
Of which: Bonds issued or guaranteed by FNMA, FHLMC, or GNMA	1,258	19	-	1,277
Total mortgage-backed securities (MBSs)	4,519	41	(310)	4,250
Asset-backed bonds (ABSs)	58	-	-	58
Of which: Credit to other than private individuals - CLO-type bonds	58	-	-	58
Total held-to-maturity mortgage-backed and asset-backed bonds	4,577	41	(310)	4,308

(a) Including a balance of the credit loss provision totaling NIS 1 million.

Note 5 - Securities (cont.)

Further Details on Mortgage-Backed and Asset-Backed Available-for-Sale Bonds

	September 30, 2026 (unaudited)			
		Accumulated other comprehensive income (loss)[a]		
	Amortized cost	Gains	Losses	Fair value
	In NIS million			
Mortgage-backed securities (MBSs)				
Pass-through bonds	**4,981**	**-**	**(488)**	**4,493**
Of which: GNMA-backed bonds	**3,125**	**-**	**(320)**	**2,805**
Bonds issued by FNMA or FHLMC	**1,856**	**-**	**(168)**	**1,688**
Other mortgage-backed bonds (including REMICs, CMOs, and stripped MBSs)	**4,860**	**-**	**(242)**	**4,618**
Of which: Bonds issued or guaranteed by FNMA, FHLMC, or GNMA	**4,127**	**-**	**(127)**	**4,000**
Total mortgage-backed securities (MBSs)	**9,841**	**-**	**(730)**	**9,111**
Asset-backed bonds (ABSs)	**3,595**	**6**	**(30)**	**3,571**
Of which: Credit to other than private individuals - CLO-type bonds	**2,054**	**4**	**(1)**	**2,057**
Credit to other than private individuals - SBA-guaranteed bonds	**864**	**1**	**(15)**	**850**
Total available-for-sale mortgage-backed and asset-backed bonds	**13,436**	**6**	**(760)**	**12,682**

	September 30, 2025 (unaudited)			
		Accumulated other comprehensive income (loss)[a]		
	Amortized cost	Gains	Losses	Fair value
	In NIS million			
Mortgage-backed securities (MBSs)				
Pass-through bonds	4,077	35	(268)	3,844
Of which: GNMA-backed bonds	2,916	22	(178)	2,760
Bonds issued by FNMA or FHLMC	1,161	13	(90)	1,084
Other mortgage-backed bonds (including REMICs, CMOs, and stripped MBSs)	3,920	16	(148)	3,788
Of which: Bonds issued or guaranteed by FNMA, FHLMC, or GNMA	3,598	15	(147)	3,466
Total mortgage-backed securities (MBSs)	7,997	51	(416)	7,632
Asset-backed bonds (ABSs)	3,317	13	(29)	3,301
Of which: Credit to other than private individuals - CLO-type bonds	2,110	8	(1)	2,117
Credit to other than private individuals - SBA-guaranteed bonds	801	-	(25)	776
Total available-for-sale mortgage-backed and asset-backed bonds	11,314	64	(445)	10,933

(a) Amounts carried to the capital reserve as part of other comprehensive income, net, after the tax effect.

Note 5 - Securities (cont.)

Further Details on Mortgage-Backed and Asset-Backed Available-for-Sale Bonds (cont.)

	December 31, 2025 (audited)			
		Accumulated other comprehensive income (loss)[(a)]		
	Amortized cost	Gains	Losses	Fair value
	In NIS million			
Mortgage-backed securities (MBSs)				
Pass-through bonds	4,242	40	(244)	4,038
Of which: GNMA-backed bonds	3,237	26	(164)	3,099
Bonds issued by FNMA or FHLMC	1,005	14	(80)	939
Other mortgage-backed bonds (including REMICs, CMOs, and stripped MBSs)	3,607	22	(135)	3,494
Of which: Bonds issued or guaranteed by FNMA, FHLMC, or GNMA	3,282	20	(134)	3,168
Total mortgage-backed securities (MBSs)	7,849	62	(379)	7,532
Asset-backed bonds (ABSs)	3,271	11	(29)	3,253
Of which: Credit to other than private individuals - CLO-type bonds	2,036	6	(1)	2,041
Credit to other than private individuals - SBA-guaranteed bonds	859	1	(24)	836
Total available-for-sale mortgage-backed and asset-backed bonds	11,120	73	(408)	10,785

(a) Amounts carried to the capital reserve as part of other comprehensive income, net, after the tax effect.

Note 5 - Securities (cont.)

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

	September 30, 2026 (unaudited)			
	Amortized cost	Unrealized gains from fair value adjustments[(a)]	Unrealized losses from fair value adjustments[(a)]	Fair value
	In NIS million			
Mortgage-backed securities (MBS)				
Pass-through securities	**597**	**-**	**(30)**	**567**
Of which: GNMA-guaranteed securities	**92**	**-**	**(4)**	**88**
Of which: Securities issued by FNMA or FHLMC	**505**	**-**	**(26)**	**479**
Other mortgage-backed securities (including REMICs, CMOs and stripped MBSs)	**4**	**-**	**(1)**	**3**
Of which: Securities issued or guaranteed by FNMA, FHLMC, or GNMA	**-**	**-**	**-**	**-**
Total mortgage-backed securities (MBSs)	**601**	**-**	**(31)**	**570**
Total asset-backed securities (ABSs)	**195**	**-**	**-**	**195**
Total mortgage-backed and asset-backed held-for-trading securities	**796**	**-**	**(31)**	**765**

	September 30, 2025 (unaudited)			
	Amortized cost	Unrealized gains from fair value adjustments[(a)]	Unrealized losses from fair value adjustments[(a)]	Fair value
	In NIS million			
Mortgage-backed securities (MBS)				
Pass-through securities	33	-	-	33
Of which: GNMA-guaranteed securities	32	-	-	32
Of which: Securities issued by FNMA or FHLMC	1	-	-	1
Other mortgage-backed securities (including REMICs, CMOs and stripped MBSs)	5	-	(1)	4
Of which: Securities issued or guaranteed by FNMA, FHLMC, or GNMA	-	-	-	-
Total mortgage-backed securities (MBSs)	38	-	(1)	37
Total asset-backed securities (ABSs)	5	-	-	5
Total mortgage-backed and asset-backed held-for-trading securities	43	-	(1)	42

(a) Gains (losses) carried profit and loss.

Note 5 - Securities (cont.)

Further details on Mortgage-Backed and Asset-Backed Held-for-Trading Securities (cont.)

	December 31, 2025 (audited)			
	Amortized cost	Unrealized gains from fair value adjustments[(a)]	Unrealized losses from fair value adjustments[(a)]	Fair value
	In NIS million			
Mortgage-backed securities (MBS)				
Pass-through securities	198	-	-	198
Of which: GNMA-guaranteed securities	197	-	-	197
Of which: Securities issued by FNMA or FHLMC	1	-	-	1
Other mortgage-backed securities (including REMICs, CMOs and stripped MBSs)	5	-	(1)	4
Of which: Securities issued or guaranteed by FNMA, FHLMC, or GNMA	-	-	-	-
Total mortgage-backed securities (MBSs)	203	-	(1)	202
Total asset-backed securities (ABSs)	5	-	-	5
Total mortgage-backed and asset-backed held-for-trading securities	208	-	(1)	207

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

Note 5 - Securities (cont.)

Movement in outstanding credit loss provision for available-for-sale bonds

	For the nine months ended September 30, 2026 (unaudited)			
	Governments and financial institutions	Asset-backed or mortgage-backed	Of others	Total
	In NIS million			
Balance of credit loss provision as at the beginning of the reporting period	-	-	-	-
Outstanding credit loss provision as at the end of the reporting period	-	-	-	-

	For the nine months ended September 30, 2025 (unaudited)			
	Governments and financial institutions	Asset-backed or mortgage-backed	Of others	Total
	In NIS million			
Balance of credit loss provision as at the beginning of the reporting period	-	-	-	-
Outstanding credit loss provision as at the end of the reporting period	-	-	-	-

	For the year ended December 31, 2025 (audited)			
	Governments and financial institutions	Asset-backed or mortgage-backed	Of others	Total
	In NIS million			
Balance of credit loss provision as at the beginning of the year	-	-	-	-
Balance of credit loss provision as at year end	-	-	-	-

Note 6 - Credit Risk, Credit to the Public and Credit Loss Provision

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

	September 30, 2026 (unaudited)					
	Credit to the public					
	Commercial	Housing	Private individuals - Other	Total - public	Banks, governments and bonds	Total
	In NIS million					
Recorded outstanding debt:						
Examined on a specific basis	**374,564**	**12**	**227**	**374,803**	**178,676**	**553,479**
Examined on a collective basis	**22,500**	**164,502**	**31,210**	**218,212**	**-**	**218,212**
Total[1]	**397,064**	**164,514**	**31,437**	**593,015[(b)(c)]**	**178,676**	**771,691**
[1]Of which:						
Non-accruing debts	**1,391**	**965**	**180**	**2,536**	**-**	**2,536**
Debts delinquent by 90 days or more	**99**	**-**	**72**	**171**	**-**	**171**
Other troubled debts	**3,194**	**17**	**393**	**3,604**	**-**	**3,604**
Total troubled debts	**4,684**	**982**	**645**	**6,311**	**-**	**6,311**
Outstanding credit loss provision in respect of debts:						
Examined on a specific basis	**4,648**	**-**	**82**	**4,730**	**66**	**4,796**
Examined on a collective basis	**679**	**696**	**786**	**2,161**	**-**	**2,161**
Total credit loss provision[2]	**5,327**	**696**	**868**	**6,891**	**66**	**6,957**
[2]Of which:						
For non-accruing debts	**339**	**121**	**97**	**557**	**-**	**557**
For other troubled debts	**461**	**2**	**27**	**490**	**-**	**490**

See comments below.

Note 6 - Credit Risk, Credit to the Public and Credit Loss Provision (cont.)

A. Debts,[(a)] held-to-maturity bonds and available-for-sale bonds, credit to the public and balance of credit loss provision (cont.)

	September 30, 2025 (unaudited)					
	Credit to the public					
	Commercial	Housing	Private individuals - Other	Total - public	Banks, governments and bonds	Total
	In NIS million					
Recorded outstanding debt:						
Examined on a specific basis	299,108	-	184	299,292	147,497	446,789
Examined on a collective basis	20,614	151,769	30,518	202,901	-	202,901
Total[1]	319,722	151,769	30,702	502,193[(b)(c)]	147,497	649,690
[1]Of which:						
Non-accruing debts	1,134	746	169	2,049	-	2,049
Debts delinquent by 90 days or more	143	-	74	217	-	217
Other troubled debts	3,806	21	637	4,464	-	4,464
Total troubled debts	5,083	767	880	6,730	-	6,730
Outstanding credit loss provision in respect of debts:						
Examined on a specific basis	4,182	-	86	4,268	53	4,321
Examined on a collective basis	1,023	670	845	2,538	-	2,538
Total credit loss provision[2]	5,205	670	931	6,806	53	6,859
[2]Of which:						
For non-accruing debts	399	112	110	621	-	621
For other troubled debts	789	2	224	1,015	-	1,015

See comments below.

Note 6 - Credit Risk, Credit to the Public and Credit Loss Provision (cont.)

A. Debts,[(a)] held-to-maturity bonds and available-for-sale bonds, credit to the public and balance of credit loss provision (cont.)

	December 31, 2025 (audited)					
	Credit to the public					
	Commercial	Housing	Private individuals - Other	Total - public	Banks, governments and bonds	Total
	In NIS million					
Recorded outstanding debt:						
Examined on a specific basis	320,182	-	214	320,396	160,000	480,396
Examined on a collective basis	21,105	154,247	31,052	206,404	-	206,404
Total[1]	341,287	154,247	31,266	526,800[(b)(c)]	160,000	686,800
[1]Of which:						
Non-accruing debts	1,144	770	196	2,110	-	2,110
Debts delinquent by 90 days or more	142	-	66	208	-	208
Other troubled debts	3,551	19	641	4,211	-	4,211
Total troubled debts	4,837	789	903	6,529	-	6,529
Outstanding credit loss provision in respect of debts:						
Examined on a specific basis	4,242	-	104	4,346	60	4,406
Examined on a collective basis	970	668	866	2,504	-	2,504
Total credit loss provision[2]	5,212	668	970	6,850	60	6,910
[2]Of which:						
For non-accruing debts	437	116	127	680	-	680
For other troubled debts	664	2	211	877	-	877

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

(b) Of which: For the unsecured lending of securities totaling NIS 38,793 million as of September 30, 2026 (NIS 17,812 million and NIS 23,694 million as of September 30, 2025 and as of December 31, 2025, respectively).

(c) Of which: For cash collateral provided in respect of derivatives transactions totaling NIS 13,670 million as of September 30, 2026 (13,511 million and NIS 14,499 million as of September 30, 2025 and as of December 31, 2025, respectively).

Note 6 - Credit Risk, Credit to the Public and Credit Loss Provision (cont.)

B. Change in Balance of Credit Loss Provision

	For the three months ended September 30, 2026 (unaudited)					
	Credit loss provision					
	Credit to the public				Banks, governments and bonds held-to-maturity and available-for-sale	Total
	Commercial	Housing	Private individuals - Other	Total - public		
	In NIS million					
Balance of credit loss provision as at the beginning of the reporting period	**6,314**	**723**	**913**	**7,950**	**67**	**8,017**
Credit loss expenses (income)	**132**	**(7)**	**40**	**165**	**19**	**184**
Charge-offs	**(172)**	**-**	**(123)**	**(295)**	**-**	**(295)**
Collection of debts written off in previous years	**74**	**-**	**68**	**142**	**-**	**142**
Net charge-offs	**(98)**	**-**	**(55)**	**(153)**	**-**	**(153)**
Outstanding credit loss provision as at the end of the reporting period[1]	**6,348**	**716**	**898**	**7,962**	**86**	**8,048**
[1]Of which: in respect of off-balance-sheet credit instruments	**1,021**	**20**	**30**	**1,071**	**20**	**1,091**

	For the three months ended September 30, 2025 (unaudited)					
	Credit loss provision					
	Credit to the public				Banks, governments and bonds held-to-maturity and available-for-sale	Total
	Commercial	Housing	Private individuals - Other	Total - public		
	In NIS million					
Balance of credit loss provision as at the beginning of the reporting period	6,039	692	1,018	7,749	55	7,804
Credit loss expenses (income)	(15)	-	27	12	20	32
Charge-offs	(117)	(1)	(145)	(263)	-	(263)
Collection of debts written off in previous years	121	-	80	201	-	201
Net charge-offs	4	(1)	(65)	(62)	-	(62)
Outstanding credit loss provision as at the end of the reporting period[1]	6,028	691	980	7,699	75	7,774
[1]Of which: in respect of off-balance-sheet credit instruments	823	21	49	893	22	915

Note 6 - Credit Risk, Credit to the Public and Credit Loss Provision (cont.)

B. Change in Balance of Credit Loss Provision (cont.)

	For the nine months ended September 30, 2026 (unaudited)					
	Credit loss provision					
	Credit to the public				Banks, governments and bonds held-to-maturity and available-for-sale	Total
	Commercial	Housing	Private individuals - Other	Total - public		
	In NIS million					
Balance of credit loss provision as at the beginning of the reporting period	**6,043**	**694**	**1,006**	**7,743**	**87**	**7,830**
Credit loss expenses (income)	**582**	**22**	**38**	**642**	**(1)**	**641**
Charge-offs	**(551)**	**-**	**(400)**	**(951)**	**-**	**(951)**
Collection of debts written off in previous years	**274**	**-**	**254**	**528**	**-**	**528**
Net charge-offs	**(277)**	**-**	**(146)**	**(423)**	**-**	**(423)**
Outstanding credit loss provision as at the end of the reporting period[1]	**6,348**	**716**	**898**	**7,962**	**86**	**8,048**
[1]Of which: in respect of off-balance-sheet credit instruments	**1,021**	**20**	**30**	**1,071**	**20**	**1,091**

	For the nine months ended September 30, 2025 (unaudited)					
	Credit loss provision					
	Credit to the public				Banks, governments and bonds held-to-maturity and available-for-sale	Total
	Commercial	Housing	Private individuals - Other	Total - public		
	In NIS million					
Balance of credit loss provision as at the beginning of the reporting period	6,048	669	988	7,705	47	7,752
Credit loss expenses	68	27	187	282	28	310
Charge-offs	(427)	(12)	(446)	(885)	-	(885)
Collection of debts written off in previous years	339	7	251	597	-	597
Net charge-offs	(88)	(5)	(195)	(288)	-	(288)
Outstanding credit loss provision as at the end of the reporting period[1]	6,028	691	980	7,699	75	7,774
[1]Of which: in respect of off-balance-sheet credit instruments	823	21	49	893	22	915

Note 7 - Deposits by the Public

A. Types of Deposits by Location and Type of Depositor

	September 30		December 31
	2026	2025	2025
	Unaudited		Audited
	In NIS million		
In Israel			
Demand deposits			
Non-interest bearing deposits	**179,970**	149,355[(a)]	159,435[(a)]
Interest-bearing deposits	**135,402**	115,634[(a)]	125,311[(a)]
Total demand deposits	**315,372**	264,989	284,746
Fixed deposits	**423,567**	376,134[(a)]	402,141[(a)]
Total deposits in Israel[1]	**738,939**	641,123	686,887
Total deposits by the public	**738,939**	641,123	686,887
Of which: Deposits for unsecured borrowing of securities	**42,255**	19,020	25,059
Of which: Deposits received for derivative transactions	**21,125**	15,429	16,857
[1]Of which:			
Deposits by private individuals	**175,500**	177,912	175,813
Deposits by institutional entities	**250,595**	189,827	211,935
Deposits by corporations and others	**312,844**	273,384	299,139

(a) Reclassified - credit balances and deposits in respect of lending and borrowing between customers have been classified as non-interest bearing balances.

B. Deposits by the Public, by Amount

	September 30		December 31
	2026	2025	2025
	Unaudited		Audited
Maximum deposit in NIS million	In NIS million		
Up to 1	**128,615**	131,785	129,439
Over 1 and up to 10	**133,995**	133,847	135,391
Over 10 and up to 100	**107,797**	101,378	107,483
Over 100 and up to 500	**91,172**	90,384	96,525
Over 500	**277,360**	183,729	218,049
Total	**738,939**	641,123	686,887

Note 8 - Employee Benefits

A. Issuance of the option warrants

On March 2, 2026, the Bank's Board of Directors approved an allocation of 20,312,500 registered option warrants, which are not listed for trading on the Stock Exchange, to 6 officers of its subsidiary Leumi Partners and to one officer of the Bank (who is not a director or the Bank's President and CEO), exercisable into up to 1,845,717 shares.

Furthermore, on April 15, 2026, the Bank's Board of Directors approved and on May 26, 2026, the General Meeting approved the allocation of 854,700 option warrants to the Bank's President and CEO, exercisable into up to 77,700 shares, on account of compensation components to which the President and CEO is entitled under the Bank's existing terms and conditions of tenure and employment, with no change in the cost of employment thereof. Subsequent to a dialogue with the Banking Supervision Department on its position as reflected in the Q&A file revision circular for the application of Proper Conduct of Banking Business Directive No. 301A, which was circulated to the banking system on July 27, 2026, it was resolved to refrain from performing the allocation to the President and CEO at this point.

The first tranche of option warrants for officers in subsidiary Leumi Partners and for one officer of the Bank (who is not a director or the Bank's President and CEO) will vest one year after the grant date; the second tranche will vest two years after the grant date; and the third tranche will vest three years after the grant date; however, 1,708,894 of the options allocated to an officer of the Bank (who is not a director or the Bank's President and CEO) have been allocated in lieu of the offeree's salary components and will vest on the grant date.

The options will be exercisable for a period of 60 months from the date of their allocation; however, if, at the end of the 48-month period from the allocation date, the intrinsic value of the options is equal to or exceeds the minimum threshold for an increase in the market value of the Bank's shares, as determined on allocation, the exercise period will be shortened, and any options not exercised by that date will be exercised automatically. After the exercise period, the option warrants shall expire (if they have not expired or have not been exercised prior to that in accordance with the provisions of the option plan) and the option warrants shall not be exercisable as from that date.

The exercise and number of options that will vest are subject to the cumulative fulfillment of conditions relating to the Bank's capital adequacy, a minimum threshold for an increase in the market value of the Bank's shares, and an increase in the fair value of Leumi Partners (up to a cap of NIS 3 billion in the increase in fair value), as well as the intrinsic value of the option warrants as of the exercise date.

In respect of the issuance of the option warrants to officers at Leumi Partners, the Bank and Leumi Partners shall record salary expenses according to the fair value of the option warrants. This expense shall be recorded in the Group's financial statements over the options' vesting period.

The fair value estimate of the option warrants for officers at Leumi Partners and for an officer at the Bank as of the allocation approval date is approx. NIS 23.76 million.

In March 2026, the Bank's Board of Directors confirmed that all Bank employees (who are not key employees or officers) who are eligible for an annual bonus for 2025 would be entitled to elect to convert 20% of the cash bonus to which they are entitled into options to purchase shares of the Bank under an adopted option plan. Employees who elect to receive part of their bonus in options, as described above, will be allocated additional options by the Bank, in addition to the converted options, of equal value, in accordance with the option outline published on April 28, 2026. Pursuant to the aforementioned outline, 3,031,397 non-marketable warrants were allocated to employees who elected to participate in the allocation, exercisable into up to 3,031,397 shares of the Bank; the value of the options granted as part of this allocation is immaterial to the Bank's financial results.

In June 2026, the Bank's Board of Directors approved a non-material private offering of securities to 18 employees who are not officers of the Bank, pursuant to the option outline dated June 12, 2025, as amended on April 28, 2026. In this framework, on June 30, 2026, the Bank allocated 215,136 non-marketable warrants, exercisable into up to 215,136 shares of the Bank, of which 104,154 option warrants which vest subject to

Note 8 - Employee Benefits (cont.)

compliance with capital adequacy, in two equal tranches, two and three years after the allocation date and expire 24 months after the vesting date, and 110,982 option warrants shall vest in accordance with the offeree's performance targets for the measurable annual bonus for 2026 and expire 60 days after the allocation date; however, if, at the end of the 48-month period from the allocation date, the intrinsic value of the options is equal to or exceeds their fair value, the exercise period will be shortened, and any options not exercised will be exercised automatically.

In October 2026, the Bank's Board of Directors approved in principle the grant of options to managers of the Bank who are key employees, with a monetary value of up to five monthly salaries per employee, to be allocated on the date of payment of the annual bonus for 2026, in addition to the bonuses granted under the existing bonus plan for this year. The allocation is subject to the adoption of a final option plan and its approval by the Bank's Compensation Committee and Board of Directors, the provisions of the Compensation Limitation Law and Proper Conduct of Banking Business Directive No. 301A.

For information regarding former allocations, see Note 23.A to the financial statements as at December 31, 2025.

Note 8 - Employee Benefits (cont.)

B. Composition of Benefits

1. Employee benefits

	As at September 30		As at December 31
	2026	2025	2025
	Unaudited		Audited
	In NIS million		
Retirement benefits - pension and severance pay			
Liability amount	**15,523**	16,997	16,791
Fair value of plan assets	**9,916**	9,671	9,982
Excess of liability over plan assets	**5,607**	7,326	6,809
Accrued jubilee vacation leave			
Liability amount	**10**	13	13
Excess of liability over plan assets	**10**	13	13
Other benefits			
Liability amount	**434**	470	472
Fair value of plan assets	**-**	-	-
Excess of liability over plan assets	**434**	470	472
Total			
Excess of liability included in "other liabilities"	**6,070**	7,829	7,308
Of which: For employee benefits abroad	**9**	11	10
Excess assets included in "other assets"	**19**	20	14

2. Defined benefit plan

a. Obligation and funding status

1. Change in the obligation in respect of expected benefit

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2026	2025	**2026**	2025	2025
	Unaudited				Audited
	In NIS million				
Obligation in respect of expected benefit as at the beginning of the period	**16,161**	16,805	**16,791**	16,899	16,899
Service cost	**21**	27	**67**	80	105
Interest cost	**189**	207	**582**	638	848
Contributions by planholders	**4**	5	**11**	14	18
Actuarial loss (gain)	**(631)**[(a)]	259	**(1,034)**[(a)]	198	12
Changes in foreign exchange rates	**2**	(4)	**(6)**	(3)	(7)
Paid benefits	**(223)**	(302)	**(888)**	(829)	(1,084)
Obligation in respect of expected benefit as at the end of the reporting period	**15,523**	16,997	**15,523**	16,997	16,791
Obligation in respect of accrued benefit as at the end of the reporting period	**14,841**	16,154	**14,841**	16,154	15,980

(a) Derives mainly from changes in the discount rate.

Note 8 - Employee Benefits (cont.)

B. Composition of Benefits (cont.)

2. Defined benefit plan (cont.)

A. Obligation and funding status (cont.)

2. Change in the fair value of plan assets and plan's funding status

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2026	2025	**2026**	2025	2025
	Unaudited				Audited
	In NIS million				
Fair value of plan assets as at the beginning of the period	**10,084**	9,632	**9,982**	9,520	9,520
Actual return on plan assets[(a)]	**(64)**	215	**450**	612	857
Plan contributions by the Bank	**8**	11	**27**	34	246
Contributions by planholders	**4**	5	**11**	14	18
Changes in foreign exchange rates	**3**	(4)	**(5)**	(1)	(7)
Paid benefits	**(119)**	(188)	**(549)**	(508)	(652)
Fair value of plan assets as at the end of the reporting period	**9,916**	9,671	**9,916**	9,671	9,982
Funding status - net liability recognized at the end of the reporting period	**5,607**	7,326	**5,607**	7,326	6,809

(a) Including the effect of the transition to a paying fund in respect of the retirees. See Note 22.E. to the financial statements as at December 31, 2025.

3 .Amounts recognized in the consolidated balance sheet

	As at September 30		As at December 31
	2026	2025	2025
	Unaudited		Audited
	In NIS million		
Amounts recognized in the "Other liabilities" item	**5,607**	7,326	6,809
Net liability recognized at the end of the reporting period	**5,607**	7,326	6,809

4. Amounts recognized in Accumulated other comprehensive income before tax effect

	As at September 30		As at December 31
	2026	2025	2025
	Unaudited		Audited
	In NIS million		
Net actuarial (gain) loss	**(316)**	1,049	732
Closing balance of accumulated other comprehensive income	**(316)**	1,049	732

Note 8 - Employee Benefits (cont.)

B. Composition of Benefits (cont.)

2. Defined benefit plan (cont.)

B. Expenditure for the period

1. Components of the net benefit cost recognized in profit and loss

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2026	2025	**2026**	2025	2025
	Unaudited				Audited
	In NIS million				
Service cost	**21**	27	**67**	80	105
Interest cost	**189**	207	**582**	638	848
Expected return on plan assets	**(156)**	(139)	**(453)**	(414)	(559)
Amortization of unrealized amounts - net actuarial loss	**1**	34	**17**	93	124
Total benefit cost, net	**55**	129	**213**	397	518
Total expense for defined contribution pension plan	**61**	60	**184**	179	239
Total expenses included in profit and loss	**116**	189	**397**	576	757

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

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2026	2025	**2026**	2025	2025
	Unaudited				Audited
	In NIS million				
Net actuarial (gain) loss for the period	**(411)**	183	**(1,031)**	-	(286)
Amortization of unrealized amounts - net actuarial gain	**(1)**	(34)	**(17)**	(93)	(124)
Total recognized in other comprehensive income	**(412)**	149	**(1,048)**	(93)	(410)
Total benefit cost, net	**55**	129	**213**	397	518
Total recognized in benefit cost, net, for the period and in other comprehensive loss (income)	**(357)**	278	**(835)**	304	108

Note 8 - Employee Benefits (cont.)

B. Composition of Benefits (cont.)

3. Assumptions[a]

a. The assumptions, based on the weighted average, used for calculating the benefit obligation and for measuring the benefit's net cost

1. The main assumptions used for calculating the benefit obligation

	As at September 30		As at December 31
	2026	2025	2025
	Unaudited		Audited
	In %		
Discount rate	**3.21**	2.65	2.64
Rate of increase in the CPI	**1.89**	2.18	2.13
Departure rate	**0-20.3**	0-35.9	0-20.3
Rate of compensation increase[b]	**0-6.53**	0-7.09	0-6.67

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

	As at September 30		As at December 31
	2026	2025	2025
	Unaudited		Audited
	In %		
Discount rate	**2.84**	2.77	2.74
Expected long-term return on plan assets	**6.27**	6.00	6.00
Rate of compensation increase[b]	**0-6.53**	0-7.09	0-6.67

B. Effect of a one percentage point change on the expected benefit obligation before tax effect

	Increase by one percentage point			Decrease by one percentage point		
	As at September 30		As at December 31	As at September 30		As at December 31
	2026	2025	2025	**2026**	2025	2025
	Unaudited		Audited	Unaudited		Audited
	In NIS million					
Discount rate	**(1,744)**	(1,997)	(1,967)	**2,085**	2,410	2,372
Rate of increase in the CPI	**(241)**	(311)	(273)	**271**	353	308
Departure rate	**157**	195	114	**(177)**	(132)	(131)
Rate of compensation increase	**292**	343	348	**(264)**	(310)	(313)

(a) The assumptions are only in respect of the Bank's data.
(b) In real terms.

The employee benefits liability amount is affected by several key variables, which include market variables (discount rates of the liabilities for various periods) and actuarial variables, with some of the actuarial variables being associated with employee behavior. There may be a correlation between changes in market variables and changes in the behavioral actuarial variables. For example, in case of a sharp interest rate hike in the Israeli economy, government bond yields may rise (lowering the pension liability amounts), causing the number of employees opting for the pension fund track to decrease (a decision which will also decrease the Bank's pension liability amounts).

Note 8 - Employee Benefits (cont.)

B. Composition of Benefits (cont.)

4. Plan assets

A. Composition of the fair value of plan assets

	As at September 30		As at December 31
	2026	2025	2025
	Unaudited		Audited
	In NIS million		
Cash and deposits with banks	**293**	203	289
Shares	**983**	1,097	1,083
Government bonds	**80**	58	141
Corporate bonds	**563**	497	472
Other[(a)]	**7,997**	7,816	7,997
Total	**9,916**	9,671	9,982

B. Fair value of plan assets by type of asset and allocation target for 2026

	Allocation target	Percentage of plan assets		
	As at December 31	As at September 30		As at December 31
	2026	**2026**	2025	2025
	Unaudited			Audited
	In %			
Cash and deposits with banks	**1**	**3**	2	3
Shares	**10**	**10**	11	11
Government bonds	**1**	**1**	1	1
Corporate bonds	**5**	**6**	5	5
Other[(a)]	**83**	**80**	81	80
Total	**100**	**100**	100	100

(a) Mainly assets in a paying provident fund and insurance policies. See Note 22.E. to the financial statements as at December 31, 2025.

Note 8 - Employee Benefits (cont.)

B. Composition of Benefits (cont.)

5. Cash flows

A. Contributions

	Forecast[a]	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2026	**2026**	2025	**2026**	2025	2025
	Unaudited					Audited
	In NIS million					
Contributions	**13**	**12**	16	**38**	48	264

(a) The estimated contributions that the Bank expects to be made to the defined benefit plan by the end of 2026.

B. Benefits the Bank expects to pay in the future[a]

Year	In NIS million
2026	270
2027	996
2028	950
2029	887
2030	865
2031-2035	4,021
2036 and onwards	8,368
Total	16,357

(a) In discounted values.

Note 9A - Equity

Allocation of option warrants

For details regarding the issuance of option warrants not listed for trading to officers other than directors and to employees of the Bank and/or the Bank Group, including the Bank's President and CEO, see Note 8.A.

Directors' Equity Compensation

On January 7, 2026, the Bank's Board of Directors approved a substantial private offering of securities to the Bank's Board members (constituting all of the Bank's Board members, excluding the Chairman of the Board) (hereinafter - the "**Offerees**"), in accordance with the equity compensation outline approved at the General Meeting on August 10, 2023 (hereinafter - the "**Directors' Equity Compensation Outline**"). As part of the substantial private offering, the Bank allocated to the Offerees 6,785 ordinary shares of the Bank of NIS 1 par value each (hereinafter - the "**Shares**"). The shares were allocated at no consideration, except for payment of the minimum price per share in accordance with the TASE Rules and Regulations, which stand at 30 agorot per share. The shares were allocated to the offerees on February 12, 2026.

On June 29, 2026, the Bank's Board of Directors approved another substantial private offering of securities to the Offerees, in accordance with the Directors' Equity Compensation Outline. As part of the substantial private offering, the Bank allocated to the Offerees 7,153 ordinary shares of the Bank of NIS 1 par value each (hereinafter - the "**Shares**"). The shares were allocated at no consideration, except for payment of the minimum price per share in accordance with the TASE Rules and Regulations, which stand at 30 agorot per share. The shares were allocated to the offerees on July 22, 2026.

For more information, see Note 23.A to the financial statements as at December 31, 2025.

The Bank's share buyback plan

The Bank's share buyback plan 2025

On May 19, 2025, the Bank's Board of Directors approved a share buyback plan for a total of up to NIS 1.5 billion, from May 21, 2025 until the earlier of May 7, 2026 or until the total buyback amount has been reached. (hereinafter - the "**2025 Buyback Plan**").

The 2025 Buyback Plan was executed through trading on the TASE and/or off-floor transactions, in accordance with the safe harbor mechanism published by the Israel Securities Authority, in four separate, irrevocable stages, subject to the conditions of the safe harbor mechanism.

The 2025 Buyback Plan was fully executed and ended on May 6, 2026, under which 21,495,111 shares of the Bank were acquired for a total of NIS 1.45 billion.

The Bank's share buyback plan 2026

On May 18, 2026, the Bank's Board of Directors approved a share buyback plan for a total of up to NIS 1.6 billion, from May 20, 2026 until the earlier of April 29, 2027 or until the total buyback amount has been reached.

The share buyback plan will take place as part of the trading on the Tel Aviv Stock Exchange (TASE) and/or through off-floor transactions, in accordance with the safe harbor mechanism published by the Israel Securities Authority. The buyback plan will take place in four separate stages, each of which shall be irreversible, in accordance with the safe harbor mechanism (hereinafter - "**Stage A**", "**Stage B**", "**Stage C**" and "**Stage D**"). The maximum acquisition amount at each stage will stand at 25% of the total distribution to be approved for that quarter and in any event will be as detailed below:

The implementation of Stage A began on May 20, 2026 and ended on June 29, 2026, during which time the Bank purchased (through the independent TASE member it had contracted) 4,741,475 Bank shares totaling approx. NIS 322 million under the plan.

The implementation of Stage B began on August 13, 2026 and ended on October 7, 2026, during which time the Bank purchased (through the independent TASE member it had contracted) 3,692,697 shares of the Bank totaling NIS 283 million under the said plan.

Note 9A - Equity (cont.)

Immediately prior to publishing this Report, the Bank decided to proceed to Stage C, granting the TASE member an irreversible order to initiate Stage C on November 18, 2026

Stage C will end at the earlier of: (a) February 18, 2027; or (b) Completion of the acquisition of the Bank's shares at a total which will not exceed 25% of the total distribution amount to be approved by the Board for that quarter. After the completion of Stage C, if the Bank decides to proceed to Stage D, it shall initiate Stage D on the second trading day following the publication of the first financial statements after the decision to go forward with Stage D has been made. In such a case, Stage D will end at the earlier of: (a) April 29, 2027; or (b) Completion of the acquisition of the Bank's shares at a total which will not exceed the lower of: 25% of the total distribution amount to be approved by the Board for that quarter or a total equal to NIS 1.6 billion net of the total amount of acquisitions actually executed in Stages A, B and C. If, following the completion of Stage C, a decision will be made not to proceed with Stage D, the Bank will publish an immediate report to that effect.

Approval of the Banking Supervision Department to carry out the buyback plan, as required under Proper Conduct of Banking Business Directive No. 332, was received on May 5, 2026, subject to meeting the restrictions and capital targets, including the condition whereby the plan will be discontinued effective immediately if, during the plan term, the most recent financial statements published by the Bank will not comply with a Common Equity Tier 1 capital ratio of at least 11.15%, subject to the determination of the buyback amount in each stage taking into account the geopolitical situation as well as the Bank's actual capital ratios and the capital cushions required in the various scenarios.

As at the report publication date, the Bank owns 148,524,151 treasury shares.

Capital adequacy targets

Under Proper Conduct of Banking Business Directive No. 201, Capital Measurement and Adequacy - Introduction, Application and Calculation of Requirements, a large banking corporation whose consolidated assets total at least 24% of the Israeli banking system's total assets, is required to meet a Common Equity Tier 1 capital ratio of at least 10% and a total capital ratio of at least 13.5%. This requirement applies to Bank Leumi.

In addition to the Common Equity Tier 1 capital is a capital requirement of 1% of the outstanding housing loans, for the purpose of financing rights in land, excluding housing loans for which a relief was granted during the temporary order for dealing with the coronavirus crisis for the period ended September 30, 2021.

Accordingly, the minimum capital requirements applicable to the Bank As at September 30, 2026 are 10.23% for Common Equity Tier 1 capital ratio (including capital requirement for outstanding housing loans) and 13.50% for total capital ratio.

The Group's policy, which was approved by the Board of Directors, is to maintain a capital adequacy level that is higher than the minimum threshold set by the Bank of Israel from time to time and no less than the rate of capital required to cover the risks as assessed using the ICAAP process. In addition, the Group has set capital targets in case of a stress scenario event.

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

Draft Revision of Proper Conduct of Banking Business Directive No. 201 - Capital Measurement and Adequacy - Introduction, Scope and Calculation of Requirements

On February 11, 2025, a draft directive was issued to the banking corporations for their comments, proposing to replace Proper Conduct of Banking Business Directive No. 201 with a new directive, with the aim of improving alignment between the regulatory capital requirements applicable to banking corporations in Israel and the recommendations of the Basel Committee and internationally accepted practices.

The draft directive addresses regulatory requirements for capital ratios under which the banking corporation will be required to meet minimum capital ratios and maintain capital buffers and additional capital above the minimum capital ratios.

Note 9A - Equity (cont.)

Revision of Proper Conduct of Banking Business Directive No. 203 - Capital Measurement and Adequacy - The Standardized Approach - Credit Risk

On April 6, 2025, the Bank of Israel published a circular providing that credit under a financing agreement for a residential construction project will be added to the list of risk-weighted assets subject to a 150% risk weight, where the percentage of apartment sale contracts in which a significant portion of the purchase price (40% or more) is deferred until delivery date (non-linear payment) exceeds 25%. With respect to existing projects, where this rate exceeds 25%, they will be assigned a risk weight of 150% only when the rate of such contracts exceeds the rate As at the effective date by more than 5 percentage points. The circular is effective until December 31, 2026.

See Proper Conduct of Banking Business Directive No. 218 - Liquidity Ratio.

On October 7, 2026, the Bank of Israel published a draft circular extending by one year, until December 31, 2027, the relief in the minimum leverage ratio requirement to 5.5% (instead of 6%). A corporation which will utilize the easement until that date will be required to once again meet the required leverage ratio that was in place prior to the relief in two quarters' time, by June 30, 2028.

See Proper Conduct of Banking Business Directive No. 206 - Operational Risk

As part of the revision of the Basel III framework for capital adequacy, sometimes referred to as Basel IV, the Banking Supervision Department adopted the Basel Committee's 2017 standards on the calculation of capital requirements for operational risk. On June 19, 2024, the Banking Supervision Department published a circular to update Proper Conduct of Banking Business Directive 206 Capital Measurement and Adequacy - Operational Risk; the circular established an updated definition of the calculation of the capital allocation in respect of operational risk such that it is based, among other things, on the business indicator components and on the internal loss multiplier based on the average historical losses of the banking corporation. The directive took effect on January 1, 2026. However, until December 31, 2028 the internal loss multiplier was set at one. The implementation of the provision has no material effect on the capital ratios.

Dividend Distribution Policy

The Bank's dividend distribution policy, which was approved by the Bank's Board of Directors on March 2, 2026, stipulates the distribution of a quarterly dividend of 50% to 65% of the Bank's net income, of which up to 50% will be distributed in cash out of net income as per the Bank's financial statements for the past quarter. This was subject to, inter alia, the Bank's meeting its capital adequacy targets, even after the dividend distribution. The actual dividend distribution is subject to the specific resolutions being passed by the Board of Directors prior to each distribution, and to the provisions of the law which apply to dividend distribution, including the provisions of the Companies Law and directives of the Bank of Israel.

On November 16, 2026, the Board of Directors approved a distribution of profits at a rate of 50% of the net income for the third quarter of 2026, of which approx. 40% of the net income as a cash dividend in the amount of approx. NIS 1,195 million, and the balance by means of a share buyback in the amount of NIS 299 million, as detailed below. The dividend approved for each share of NIS 1 p.v. is approx. 81.38 agorot. The final dividend amount per share will be adjusted for changes due to the share buyback and exercise of the Bank's convertible securities and will be published up to two days prior to the effective date. The Board of Directors designated December 2, 2026 as the record date for purposes of payment of the dividend and January 4, 2027 as the payment date.

Note 9A - Equity (cont.)

Details of paid cash dividend

Declaration date	Payment date	Dividend per share	Paid cash dividend
		In agorot	In NIS million
May 28, 2024	June 20, 2024	54.91	835
August 14, 2024	September 5, 2024	44.99	681
November 19, 2024	December 5, 2024	45.63	688
March 4, 2025	March 20, 2025	47.02	706
May 20, 2025	June 10, 2025	48.16	721
August 13, 2025	September 3, 2025	65.52	979
November 18, 2025	December 2, 2025	102.04	1,518
March 4, 2026	March 19, 2026	86.07	1,275
May 19, 2026	June 8, 2026	65.58	968
August 11, 2026	August 27, 2026	76.99	1,133

Issuance of Subordinated Notes and Credit Linked Notes

Shelf prospectus, issuance of subordinated notes[1]

On August 20, 2026, the Bank received the approval of the Israel Securities Authority to extend the force of the Bank's shelf prospectus until August 28, 2027.

On January 22, 2026, the Bank issued approx. NIS 744 million p.v. in CoCo Subordinated Notes (Series 406) by way of series expansion for approx. NIS 802 million.

Subordinated Notes (CoCo Series 406) are linked to the consumer price index and bear a fixed annual interest rate of 3.1% per annum, payable on February 28 of each year. The subordinated notes are repayable in one lump sum on February 28, 2036 with an early redemption option for the issuer no earlier than January 28, 2031 and no later than February 28, 2031. At this date, if the Bank does not exercise its right to early redemption, the interest specified in the bond will be updated in accordance with the difference between the benchmark interest rate on the issuance date and the benchmark interest rate on the interest rate update date, as defined in the Shelf Offering Report.

On March 19, 2026, the Bank issued approx. NIS 1,156 million p.v. in CoCo Subordinated Notes (Series 407) for approx. NIS 1,156 million.

The CoCo Subordinated (Series 407) are not linked to any linkage basis and bear a fixed annual interest rate of 4.69%, to be paid on March 31 of each year. The subordinated notes are repayable in one lump sum on March 31, 2037 with an early redemption option for the issuer no earlier than March 15, 2032 and no later than March 31, 2032. At this date, if the Bank does not exercise its right to early redemption, the interest specified in the bond will be updated in accordance with the difference between the benchmark interest rate on the issuance date and the benchmark interest rate on the interest rate update date, as defined in the Shelf Offering Report.

Subordinated Notes (Series 406 and Series 407) are eligible for inclusion in Tier 2 capital as from the issuance date.

[1] The subordinated notes include a loss absorption mechanism through conversion into ordinary shares of the Bank under certain circumstances and according to a predetermined conversion formula.

Note 9A - Equity (cont.)

Issuance of USD-denominated subordinated notes to Israeli or foreign institutional investors

On June 9, 2026, the Bank issued USD 1,000 million in subordinated (CoCo) notes - LEUMI I-$2036 - to institutional investors in Israel and abroad.

Subordinated Notes (Series Leumi $2036) bear fixed annual interest of 5.7398%, to be paid on September 3 and March 3 of each year. The subordinated notes are repayable in one lump sum on September 9, 2036 with an early redemption option for the issuer no earlier than March 9, 2031 and no later than September 9, 2031. At that date, if the Bank does not exercise its right to early redemption, the nominal interest rate on the bond will be reset based on the US treasuries interest rate on the reset date, plus a 1.55% spread.

The Notes Leumi (Series $2036) TACT Institutional are eligible for inclusion in Tier 2 capital as from the issuance date.

Issuance of credit linked notes

On March 5, 2026, the Bank issued approx. NIS 1,390 million p.v. in Credit Linked Notes (Series AB 5).

The bonds' principal of AB 5 Bonds will be payable in one lump sum on September 24, 2030, and insofar as a credit event has not occurred, the Bank will carry out early redemption, as detailed in the terms of the issuance.

The outstanding bonds' principal balance will bear annual interest at a rate equal to the Bank of Israel interest rate plus 2.1%, payable in 54 monthly installments. The bonds (principal and interest) are not linked to any linkage basis.

The proceeds of the issuance of Bonds (Series AB 5) are recognized as a qualifying financial collateral in accordance with Proper Conduct of Banking Business Directive No. 203, as well as collateral deductible in calculating a customer's exposure under Proper Conduct of Banking Business Directive No. 313.

Early redemption of Subordinated Bonds

On December 8, 2025, the Bank's Board of Directors decided to execute full early redemption of Subordinated Notes (Series $2031), which were issued to the public in January 2020. Accordingly, on January 29, 2026, subordinated notes totaling USD 750 million were redeemed. The redeemed amount is not recognized in regulatory capital as of December 31, 2025.

Note 9B - Capital Adequacy, Leverage and Liquidity

Overview

In May 2013, the Banking Supervision Department amended Proper Conduct of Banking Business Directives Nos. 201-211 on capital measurement and adequacy, in order to adapt them to the Basel III rules.

It should be noted that Basel III rules introduce significant changes in the calculation of regulatory capital requirements, inter alia, in relation to the following:

1. Regulatory capital components
2. Capital deductions and regulatory capital adjustments
3. Treatment of exposures to financial corporations
4. Treatment of exposures to credit risk for impaired debts
5. Capital allocation for CVA risk

Volatile Capital Components

The employee benefits standard, which was first applied in January 2015, has had a material effect on Bank Leumi's CET1 capital, mainly due to the fact that the liability was measured in accordance with market interest rates, which caused substantial volatility in the Bank's regulatory capital measurement.

In this context, on September 5, 2022, the Bank's Board of Directors approved, after obtaining the approval of the Banking Supervision Department, to change the manner in which pension liabilities are measured for regulatory capital purposes. According to the new measurement method, each quarter, the Bank will calculate the change in the pension liabilities resulting from changes in the discount interest rate, net of the change in the value of assets dedicated to hedge these liabilities. The change in the net pension liabilities, after tax, will be spread in a linear fashion, over four quarters, as of the quarter for which the calculation had been made. The new method will be implemented starting on July 1, 2022 and will be in effect until the earlier of the two: a) The financial statements as at December 31, 2029 (inclusive) or b) The reporting date on which the average pension liabilities across the last four quarters will be lower than NIS 10 billion, linked to the CPI (from the known CPI as of July 1, 2022 to the known CPI on the relevant reporting date).

On November 15, 2016, based on the recommendation of the Audit Committee, the Bank's Board of Directors resolved to calculate employee pension liabilities based on the yield on Israeli government bonds plus the average spread on corporate bonds with an international AA rating.

Following is an analysis of the effects of the changes on Common Equity Tier 1 capital as at September 30, 2026:

- Change in the volume of risk-weighted assets – risk-weighted assets amounted to approx. NIS 623.4 billion as at September 30, 2026. Every NIS 1 billion increase in risk-weighted assets will reduce the CET1 capital ratio and total capital ratio by approx. 0.02%.
- Change in Common Equity Tier 1 capital - Common Equity Tier 1 capital was approx. NIS 70.9 billion as of September 30, 2026. A NIS 100 million decrease in CET1 capital will decrease the CET1 capital by approx. 0.02% and total capital ratio by approx. 0.01%.

Note 9B - Capital Adequacy, Leverage and Liquidity (cont.)

A. Capital adequacy in consolidated data

	September 30		December 31
	2026	2025	2025
	Unaudited		Audited
	In NIS million		
Capital for capital ratio calculation purposes			
CET1 capital, after regulatory capital deductions and adjustments[(c)]	**70,936**	66,611	67,596
Tier 2 capital, after deductions	**17,293**	13,726	11,422
Total overall capital	**88,229**	80,337	79,018
Balance of risk-weighted assets			
Credit risk[(d)(e)]	**572,908**	494,898	515,111
Market risks	**10,721**	7,900	8,161
Operational risk[(b)]	**39,729**	37,628	37,821
Total balance of risk-weighted assets	**623,358**	540,426	561,093
Ratio of capital to risk-weighted components			
Ratio of CET1 capital to risk-weighted components	**11.38%**	12.33%	12.05%
Ratio of total capital to risk-weighted components	**14.15%**	14.87%	14.08%
Minimum CET 1 capital ratio set by the Banking Supervision Department[(a)]	**10.23%**	10.24%	10.24%
Minimum total capital ratio set by the Banking Supervision Department[(a)]	**13.50%**	13.50%	13.50%

(a) The minimum Common Equity Tier 1 capital ratio required and the minimum total capital ratio required as of September 30, 2026 are 10% and 13.5%, respectively. In addition to the Common Equity Tier 1 capital is a capital requirement of 1% of the outstanding housing loans, excluding housing loans granted during the temporary order term.

(b) As from 2026, capital requirements with respect to operational risk were calculated after the application of the revisions to Proper Conduct of Banking Business Directive 206 - Capital Measurement and Adequacy - Operational Risk.

(c) In the capital ratio calculations, adjustments in respect of the implementation of the measurement method relating to certain actuarial liabilities were taken into account. For further details regarding the effect of the measurement method application, see the section titled Volatile Capital Components above.

(d) Credit risk was calculated after implementing the revisions to Proper Conduct of Banking Business Directives 203 and 203A, "Measurement and Capital Adequacy - the Standardized Approach - Credit Risk".

(e) As from January 1, 2025, Directive 208A, Value Adjustment of Credit Risk has been applied, which sets a basic approach (BA-CVA) which superseded the existing directive and is based primarily on risk weights as a function of the economic sector and the counter-party's credit quality.
The implementation of the provision has no material effect on the capital ratio.

Note 9B - Capital Adequacy, Leverage and Liquidity (cont.)

B. Capital Components for the Calculation of Capital Ratios

	September 30		December 31
	2026	2025	2025
	Unaudited		Audited
	In NIS million		
1. CET1 capital			
Shareholders' equity	**71,442**	67,043	68,130
Adjustments in respect of the transition from the accounting curve to the regulatory curve and for share buyback[(a)]	**(152)**	(64)	(178)
Total CET1 capital before regulatory adjustments and deductions	**71,290**	66,979	67,952
Regulatory adjustments and deductions:			
Goodwill and intangible assets	**(323)**	(347)	(336)
Regulatory adjustments and other deductions - CET1 capital	**(31)**	(21)	(20)
Total regulatory adjustments and deductions - CET1 capital	**(354)**	(368)	(356)
Total CET1 capital, after regulatory adjustments and deductions	**70,936**	66,611	67,596
2. Tier 2 capital			
Tier 2 capital: Instruments before deductions	**9,980**	7,526	4,970
Tier 2 capital: Provisions for credit losses	**7,313**	6,200	6,452
Total Tier 2 capital	**17,293**	13,726	11,422
Total overall capital	**88,229**	80,337	79,018

(a) For further details, see the section titled Volatile Capital Components above.

Note 9B - Capital Adequacy, Leverage and Liquidity (cont.)

C. Leverage ratio pursuant to the Banking Supervision Department's directives

On April 28, 2015, the Banking Supervision Department issued Proper Conduct of Banking Business Directive No. 218, "Leverage Ratio". The directive sets a simple, transparent and non-risk based leverage ratio to serve as a supplementary and reliable measure for risk-based capital requirements, with the purpose of limiting excess leverage in banking corporations.

The leverage ratio is expressed as a percentage, and is defined as the ratio between capital measurement and exposure measurement. As defined in Proper Conduct of Banking Business Directive No. 202, Tier 1 capital is used for calculating the leverage ratio, taking into account the transitional provisions. A bank's total exposure is the sum of its on-balance sheet exposures, exposure to derivatives, exposure to securities financing transactions and to off-balance-sheet items. As a rule, the measurement is consistent with the accounting values, and no risk-weighting is applied. In addition, unless specifically permitted to do so under the Directive, the Bank may not use physical or financial collaterals, guarantees or other credit risk mitigation techniques to reduce the exposure measurement. On-balance sheet assets deducted from Tier 1 capital (in accordance with Directive No. 202) are deducted from the exposure measurement. Pursuant to the Directive, the Bank calculates the exposure to derivatives according to of Proper Conduct of Banking Business Directive No. 203A, and the exposures for off-balance-sheet items - by converting the items' notional amount by credit conversion coefficients, as stipulated in Proper Conduct of Banking Business Directive No. 203.

According to the Directive, a banking corporation whose total consolidated assets constitute at least 24% of the Israeli banking system's total assets shall have a consolidated leverage ratio of no less than 6%. Thus, the Bank is required to have a minimum leverage ratio of 6%.

On November 15, 2020, the Bank of Israel published a circular outlining further amendments to Proper Conduct of Banking Business Directives for Handling the Coronavirus (Temporary Order) (Directive No. 250). The circular sets adjusts Proper Conduct of Banking Business Directive No. 218, Leverage Ratio, such that a banking corporation whose consolidated on-balance sheet assets is 24% or more than the total on-balance sheet assets of the banking system, shall comply with a leverage ratio of no less than 5.5%. Accordingly, the Bank is required to maintain a minimum leverage ratio of 5.5%.

On July 10, 2025, the Bank of Israel published a circular extending the relief by one year until December 31, 2026. A corporation which will utilize the easement until that date will be required to once again meet the required leverage ratio which was in place prior to the relief in two quarters' time, by June 30, 2027.

On October 7, 2026, the Bank of Israel published a draft circular extending by one year, until December 31, 2027, the relief in the minimum leverage ratio requirement to 5.5% (instead of 6%). A corporation which will utilize the easement until that date will be required to once again meet the required leverage ratio that was in place prior to the relief in two quarters' time, by June 30, 2028.

Note 9B - Capital Adequacy, Leverage and Liquidity (cont.)

	As at September 30		As at December 31
	2026	2025	2025
	Unaudited		Audited
	In NIS million		
Consolidated data			
Tier 1 capital[(a)]	**70,936**	66,611	67,596
Total exposures[(b)]	**1,065,637**	933,784	990,833
Leverage ratio			
Leverage ratio	**6.66%**	7.13%	6.82%
Minimum total leverage ratio set by the Banking Supervision Department	**5.50%**	5.50%	5.50%

(a) In the calculation of the leverage ratio, adjustments in respect of the implementation of the new measurement method relating to certain actuarial liabilities were taken into account. For further details regarding the effect of the transition to the new method, see Section B above.

(b) Total exposures were calculated after implementing the revisions to Proper Conduct of Banking Business Directive 218, "Leverage Ratio", following the revision of Directives 203 and 203A, "Measurement and Capital Adequacy - the Standardized Approach - Credit Risk".

Note 9B - Capital Adequacy, Leverage and Liquidity (cont.)

D. Liquidity Coverage Ratio Pursuant to the Directives Issued by the Banking Supervision Department

On September 28, 2014, a circular was published adding Proper Conduct of Banking Business Directive No. 221, Liquidity Coverage Ratio, which applies the recommendations of the Basel Committee regarding liquidity coverage ratio to the banking system in Israel. The liquidity coverage ratio examines a time-horizon of 30 days under a stress scenario, and is intended to ensure that a banking corporation has an inventory of high-quality liquid assets that is able to cover the corporation's liquidity requirements in this time horizon. The Directive prescribes the manner of calculating the liquidity coverage ratio, including the characteristics and operational requirements for an "inventory of high-quality liquid assets" (the numerator) and sufficient buffers for them; it also prescribes the net cash outflow expected under the stress scenario defined in the Directive for 30 calendar days (the denominator).

The stress scenario set forth in the directive includes a shock scenario combining a corporation-specific shock and a systemic shock; in this context, standard withdrawal and deposit rates were defined for outflows and inflows, respectively, according to the various balance categories.

As from January 1, 2017, the required minimum liquidity coverage ratio is 100%. However, in a period of financial pressure, a banking corporation may fall below these minimum requirements.

	For the three months ended		
	September 30		December 31
	2026	2025	2025
	Unaudited		Audited
	Average in %		
a. Consolidated data			
Liquidity coverage ratio	**120**	128	127
Minimum liquidity coverage ratio set by the Banking Supervision Department	**100**	100	100
b. The Bank's data			
Liquidity coverage ratio	**118**	126	125
Minimum liquidity coverage ratio set by the Banking Supervision Department	**100**	100	100

The Bank is in compliance with a regulatory requirement as of September 30, 2026.

Note 9B - Capital Adequacy, Leverage and Liquidity (cont.)

E. Net stable funding ratio pursuant to the Banking Supervision Department's directives

As of the financial statements dated December 31, 2021, the Bank is reporting the Net Stable Funding Ratio (NSFR) Directive No. 222, which is based on a publication of the Basel Committee. The NSFR is aimed at improving the resilience of banking corporations' liquidity risk profile in the long term, by requiring them to maintain a stable financing profile according to the composition of their assets and their off-balance-sheet activities. The ratio prevents banking corporations from over-reliance on short-term wholesale financing. The measurement is made both on the consolidated and separate levels each quarter; the requirement is to meet a 100% ratio.

	September 30		December 31
	2026	2025	2025
	Unaudited		Audited
	In %		
a. Consolidated data			
Net stable funding ratio	**112**	116	115
Minimum net stable funding ratio set by the Banking Supervision Department	**100**	100	100

Note 10 - Contingent Liabilities and Special Commitments

A. Contingent Liabilities and Other Special Commitments

	September 30		December 31
	2026	2025	2025
	Unaudited		Audited
	In NIS million		
Commitments to purchase securities	**2,287**	2,491	2,310
Commitments to invest in, and purchase of, buildings and equipment	**70**	44	22

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2026	2025	**2026**	2025	2025
	Unaudited				Audited
	In NIS million				
Credit sale activity					
Carrying amount of sold credit	**504**	-	**1,143**	-	52
Cash proceeds	**504**	-	**1,150**	-	52
Total net income on sale of credit	**-**	-	**7**	-	-

B. Legal claims

During the regular course of business, legal claims have been filed against the Bank and certain consolidated companies, including class actions certification motions. Note 25 to the annual financial statements as at December 31, 2025 (hereinafter - the "**Annual Financial Statements**") includes information regarding all pending material legal claims as of the publication date of the Annual Financial Statements. The following note contains information regarding material legal claims filed during the reporting period and shortly before its publication date, if any, as well as changes that occurred in respect of material lawsuits filed in previous reporting periods; the note does not repeat information regarding reported legal claims in which no change has occurred.

In the opinions of the management of the Bank and the managements of the consolidated companies - which are based on legal opinions regarding the expected results of such claims, including class action certification motions - the financial statements reflect adequate provisions, where needed, to cover any damages resulting from such claims.

In the opinion of the management of the Bank and the managements of the consolidated companies, the amount of additional exposure arising from legal claims filed against the Bank and the consolidated companies on various issues, the amount of each of which exceeds NIS 2 million, and regarding which the chances of the claims succeeding are not remote, is approx. NIS 2,389 million.

Note 10 - Contingent Liabilities and Special Commitments (cont.)

1. Below are the reported changes in material legal claims:

   1.1 On June 4, 2023, a motion for class certification was filed in the Tel Aviv District Court against the Bank and against other banks. The motion argued, among other things, that banks must grant customers daily interest on current account credit balances or inform them of the possibility of depositing the funds in an interest-bearing daily deposit. On September 22, 2026, the court certified the claim as a class action, in respect of the period between April 2022 to May 20, 2025.

2. Legal claims filed during and after the reporting period:

   2.1 On June 25, 2026, a motion to certify a class action against the Bank and another bank was filed with the Tel Aviv District Court, alleging that, in connection with the collection of securities management fees and distribution fees for active mutual funds, the Bank charges customers for investment advisory services regardless of whether such services are actually provided. The movants estimate the class damages at over NIS 2.5 million (for all the defendant banks).

   2.2 On October 26, 2026, a motion for class certification was filed in the Tel Aviv District Court against the Bank and against other banks, alleging that the banks are covertly tracking email recipients using invisible tracking pixels and tracking links imbedded in the messages. The movants allege that such tracking is performed without informing the recipients and applying an affirmative consent mechanism. The movants estimate the class damages at over NIS 2.5 million (for all the defendant banks).

3. Legal claims concluded during the reporting period and thereafter:

   3.1 On February 12, 2017, a motion for class certification was filed against the Bank. According to the movants, the Bank does not classify customers whose business turnover meets the criteria for classification as a “small business” as such, but instead classifies them as a “large business” and charges them higher fees. On April 23, 2026, the court approved a settlement agreement in this proceeding. The proceeding was thereby concluded.

   3.2 On July 19, 2023, a motion for class certification was filed in the Tel Aviv District Court against the Bank and against other banks. The motion claimed, among other things, that the interest rate paid on deposits made through the website or app pay lower than the average interest rates than the customary and accepted interest rate and the actual interest paid on deposits made through a clerk, without informing the customers regarding the possibility of receiving higher interest and without inviting them to negotiate the terms and conditions with the Bank. On April 28, 2026, the court dismissed the motion to certify.

   3.3. On February 19, 2024, a motion for class certification was filed with the Haifa District Court, alleging that the Bank is charging its customers exchange rate differentials for conducting foreign exchange transactions without disclosing the spread rate in the Bank’s price list, the Bank’s documents, or agreement with the customers. The plaintiffs do not state a damage assessment, either personal or for the class. On October 31, 2024, the court ordered the summary dismissal of the motion to certify. On November 13, 2024, the movant filed an appeal against the decision with the Supreme Court. On September 3, 2026, the Supreme Court granted the appellant's motion to withdraw its appeal.

Note 10 - Contingent Liabilities and Special Commitments (cont.)

C. Other proceedings

For details regarding other proceedings, see Note 25 to the financial statements as at December 31, 2025. As at the publication date of the financial statements, there have been no material changes with respect to the Note which was included in the Annual Financial Statements.

D. Contingent Liabilities and Various Commitments

For details regarding contingent liabilities and commitments, see Note 25 to the financial statements as of December 31, 2025. As at the publication date of the financial statements, there have been no material changes with respect to the Note which was included in the Annual Financial Statements.

Note 10A - Pledges, Limiting Conditions and Collateral

A. Pledged assets and the liabilities against which they are pledged

	As at September 30, 2026 (unaudited)				
	To the Bank of Israel[a]	To stock exchanges and clearing houses	In securities lending, repurchase, and derivative transactions[b]	Other obligations	Total
	In NIS million				
Pledged assets					
Cash and deposits with banks	-	855	3,070	-	3,925
Israeli government bonds	-	2,151	28,731	-	30,882
Foreign governments' bonds	-	-	21,531	-	21,531
Bonds of financial institutions	-	-	3,715	-	3,715
Bonds of others	-	-	1,477	-	1,477
Total securities	-	2,151	55,454	-	57,605
Credit to the public	3,519	1,552	12,414	6,530	24,015
Total assets	3,519	4,558	70,938	6,530	85,545
Total liabilities against which the assets are pledged					
Liabilities to the Bank of Israel	1,982	-	-	-	1,982
Liabilities for derivatives	-	-	13,627	-	13,627
Securities loaned or sold subject to repurchase agreements	-	-	36,482	-	36,482
Bonds and subordinated notes	-	-	-	5,138	5,138
Other	-	4,558	-	-	4,558
Total liabilities	1,982	4,558	50,109	5,138	61,787

See comments below.

Note 10A - Pledges, Limiting Conditions and Collateral (cont.)

A. Pledged assets and the liabilities against which they are pledged (cont.)

	As at December 31, 2025 (audited)				
	To the Bank of Israel[(a)]	To stock exchanges and clearing houses	In securities lending, repurchase, and derivative transactions[(b)]	Other obligations	Total
	In NIS million				
Pledged assets					
Cash and deposits with banks	-	667	2,752	-	3,419
Israeli government bonds	-	1,309	14,789	-	16,098
Foreign governments' bonds	-	-	18,046	-	18,046
Bonds of financial institutions	-	-	2,980	-	2,980
Bonds of others	-	-	1,320	-	1,320
Total securities	-	1,309	37,135	-	38,444
Credit to the public	4,088	974	13,799	-	18,861
Total assets	4,088	2,950	53,686	-	60,724
Total liabilities against which the assets are pledged					
Liabilities to the Bank of Israel	2,280	-	-	-	2,280
Liabilities for derivatives	-	-	10,841	-	10,841
Securities loaned or sold subject to repurchase agreements	-	-	21,814	-	21,814
Other	-	2,950	-	-	2,950
Total liabilities	2,280	2,950	32,655	-	37,885

(a) The balances presented include amounts pledged in favor of the Bank of Israel as of the reporting date, which the Bank is required to obtain prior approval from the Bank of Israel to withdraw or against which to receive liquid instruments. In addition to these balances, as of September 30, 2026 and December 31, 2025, the Bank pledged cash and deposits with banks in the amount of NIS 1,100 billion in favor of the Bank of Israel, against which the Bank may, at any time and without prior notice, withdraw or receive liquid instruments from the Bank of Israel.

(b) See below for further details in Section D regarding securities lending and repurchase transactions. See further details in Note 11 regarding financial instruments provided as collateral and cash pledged against derivative liabilities.

Note 10A - Pledges, Limiting Conditions and Collateral (cont.)

In its capacity as a TASE member, the Bank is a member of the risk reserve of the Stock Exchange's Clearing House. The amount that the Bank deposits in the risk reserve shall be equal to the amount of the largest periodic debit balance that a member had during the six months that ended in the calendar month before the updating date. The risk reserve updates the amounts 4 times a year.

Each risk reserve member places pledges on securities in favor of the Stock Exchange's Clearing House to secure payment of the member's proportionate share in the Risk Fund and also as surety for the performance of all that member's other obligations towards the Clearing House and its share in the Risk Fund. These collateral also secure the performance of all other obligations of risk reserve members in the event that the collateral provided by another member do not cover all its obligations, according to the proportionate share of each member, up to the lower of the full amount of the collateral provided or the amount of the obligations towards the Stock Exchange's clearing house.

As of September 30, 2026, the Bank's share in the TASE Clearing House reserve is NIS 325 million (December 31, 2025 – NIS 297 million).

As of September 30, 2026, the outstanding cash balance deposited by the Bank for the TASE Clearing House totaled NIS 331 million (December 31, 2025 – NIS 319 million).

The Bank is also a member of the risk reserve of the MAOF Clearing House. The Bank undertook to pay the MAOF Clearing House any financial obligation arising from the MAOF transactions it carries out for its customers, from its own portfolio and from MAOF transactions of other TASE members not clearing independently via the MAOF Clearing House. The Bank provides collateral in favor of the MAOF Clearing House to secure payment of its proportionate share in the risk reserve and also as a guarantee for the performance of all its aforementioned obligations towards the MAOF Clearing House and its share in the Risk Fund. These collateral also secure the performance of all other obligations of risk reserve members. In the event that the collateral provided by another member of the risk reserve do not cover all of its obligations, the MAOF Clearing House may also realize the collateral provided by other Risk Fund members, according to the proportionate share of each member, up to the lower of the full amount of the collateral provided or the amount of the commitments towards the MAOF Clearing House.

As of September 30, 2026, the Bank's-share in the MAOF Clearing House's risk reserve is NIS 572 million (December 31, 2025 – NIS 173 million).

As of September 30, 2026, the outstanding cash balance deposited by the Bank for the MAOF Clearing House totaled NIS 1,221 million (December 31, 2025 – NIS 655 million).

The total amount of bonds and deposits pledged by the Bank in favor of the MAOF Clearing House in respect of customers' activity, the nostro portfolio and the Risk Fund as of September 30, 2026 is NIS 2,151 million (December 31, 2025 – NIS 1,309 million).

The Bank is a party to an arrangement whose aim is to ensure the finality of settlement of transactions in default events where funds in the clearing account of one or more of the other participants are insufficient, as a participant in the RTGS system and a holder of a clearing account in the system, as well as a member of the payments systems operating in RTGS (checks, MASAV, credit cards and ATM). In the event of a clearing house participant's default in each of the payments systems, a default settlement mechanism relevant to each of the payment systems is activated.

In the clearing of checks, each participant that has not defaulted will bear the charges of the participant who defaulted, the participation percentage in the settlement of each of the participants in the clearing house will be calculated by the Bank of Israel according to the volume of activity of the clearing house participant, once every six months, based on the data from the last six months. The relative share of the Bank in the arrangement to guarantee the acquiring for the second half of 2026 (based on the data from the second half of 2026) in the clearing of checks is 22.10%. The overall ceiling for participation of all Participants is NIS 150 million.

In April 2023, the Bank of Israel directive - regarding the separation of MASAV and ABS, and the presentation of each of them as a clearing house that stands on its own and participates in the RTGS - entered into effect. Meanwhile, MASAV, ABS and ATM were required to define a default settlement procedure to replace the previous arrangement.

Note 10A - Pledges, Limiting Conditions and Collateral (cont.)

As part of the new arrangement, the participants in the MASAV system must deposit collateral in favor of the default settlement arrangement, which will be deposited in cash in a current account managed by the Bank of Israel in the name of MASAV and will be held in trust for the system participants only for the benefit of the default settlement arrangement. The collateral amount deposited by Leumi as of September 30, 2026 is NIS 765 million.

In addition, a default settlement arrangement procedure was defined for a participant in the debit card service system (ABS). As part of this, each participant will deposit collateral funds only in cash in a dedicated account with the Bank of Israel in favor of ABS payment cards. The funds are held in trust for system participants only in favor of a default arrangement. The collateral amount deposited by Leumi as of September 30, 2026 is approx. NIS 89 million.

A default settlement arrangement procedure was also defined for a participant in the ATM system. As part of this, each participant will deposit collateral funds only in cash in a dedicated account with the Bank of Israel in favor of ATM. The funds are held in trust for system participants only in favor of a default arrangement. The collateral amount deposited by Leumi as of September 30, 2026 is approx. NIS 1 million.

The Bank and its consolidated companies enter into Credit Support Annex (CSA) agreements with counterparties, whose purpose is to mitigate the mutual credit risks arising between the parties from derivatives trading. According the agreements, the value of all derivatives transactions carried out between the parties is measured on a periodic basis and if the net exposure of one of the parties exceeds a pre-determined threshold, that party is required to transfer to the other party deposits at the exposure amount by the next measurement date.

As of September 30, 2026, the Group made available to the counterparties a total amount of NIS 15,484 million (December 31, 2025 - NIS 16,549 million). The Bank and its consolidated companies enter into agreements with counterparties for the purpose of entering into tradable futures in foreign exchanges on behalf of the Bank, the consolidated companies and their customers. In addition, to limit the exposure, the Group transferred as a transfer to hedge exposure bonds totaling NIS 17,377 million (December 31, 2025 - NIS 12,913 million).

It should be noted that the majority of the collateral transferred in respect of customers' activity in connection with these transactions were customer funds in accordance with the hedge exposure agreements they signed with the Bank.

The Bank enters into repurchase agreements for the execution of transactions. To secure said transactions, bonds totaling NIS 38,077 million were pledged as of September 30, 2026 (December 31, 2025 - NIS 24,222 million).

On May 21 2008, the Bank signed a bond whereunder it placed a first floating lien, in favor of the Bank of Israel, on its rights to receive NIS-denominated funds and charges that are payable and will be payable to the Bank, from time to time, from its corporate customers (incorporated under the laws of the State of Israel), the credit extended to which by the Bank are not delinquent, in respect of NIS credit whose average duration does not exceed three years which were extended and will be extended by the Bank to the aforementioned customers. The purpose of this pledge is to secure credit which may be extended to the Bank by the Bank of Israel for the Bank's activity as the provider of shekel liquidity services to the Continuous Linked Settlement (CLS) Bank, plus interest, costs and expenses arising from realizing the pledge, up to a total of NIS 1,100 billion, in accordance with the provisions of the credit agreement signed between the parties in connection with this matter.

On October 26, 2010, the Bank signed a bond whereunder it placed a fixed first pledge and assignment by way of pledge, unlimited in amount, in favor of the Bank of Israel on all assets and rights in specific accounts in the name of the Bank Israel with the Tel Aviv Stock Exchange's Clearing House, with Euroclear Bank or with any other clearing house agreed about by the Bank and the Bank of Israel. Assets subject to a lien in the Euroclear Bank or in another account with a clearing house abroad are also subject to a first floating lien in favor of the Bank of Israel.

On February 25, 2021, the Bank signed a bond, according to which, in addition to these pledges, it pledged to the Bank of Israel, as a first degree pledge and by collateral assignment, in an unlimited amount, all of its interests for and in relation to a portion of the housing loan portfolio secured by real estate interests. On December 29, 2021, the bond was revised, and the housing loans pledge under the bond was revised. The same was true for April 12, 2022 and September 28, 2022. The purpose of this pledges is to secure all of the Bank's obligations in connection with credit that has been extended or will be extended to the Bank by the Bank of Israel as set out in the credit documents, except for credit that

Note 10A - Pledges, Limiting Conditions and Collateral (cont.)

the Bank of Israel may extend to the Bank in respect of the Bank's activity as a liquidity service provider, in shekels, to CLS.

The Bank of Israel provided the banking system with long-term loans in an effort to increase the banking credit supply to small- and micro-businesses, against collateral, as is the case in any monetary loan provided by the Bank of Israel. This measure by the Bank of Israel was part of the monetary measures taken in response to the effects of the Covid-19 pandemic and the War.

As of September 30, 2026, the outstanding credit provided as part of these plans totaled approx. NIS 3,519 million (December 31, 2025 - NIS 4,088 million).

In 2026, as part of the issuance of the Bank's covered bonds to institutional investors abroad and their listing for trading on the TASE-UP system of the Tel Aviv Stock Exchange, ownership of a designated portfolio of housing loans secured by liens over real property (mortgages) was transferred to a special purpose company (Leumi C.B. Ltd.), which guarantees the Bank's obligations to the holders of the covered bonds. In the context of the sale of the designated loan portfolio to the special purpose company, the Bank, for precautionary purposes only, registered a first-ranking fixed charge and an assignment by way of charge over all of its rights in and relating to the designated loan portfolio in favor of the special purpose company and the bond security trustee, as a charge under the sale agreement in accordance with Regulation 12(b) of the Companies Regulations (Reporting, Details of Registration and Forms), 1999.

As of September 30, 2026, the outstanding pledged loans totaled NIS 6,530 million.

Note 10A - Pledges, Limiting Conditions and Collateral (cont.)

B. Sources and utilization

	September 30, 2026	December 31, 2025
	Unaudited	Audited
	In NIS million	
Sources of securities received and which the Bank may sell or pledge at fair value, before the effect of offsets		
Securities purchased under reverse repurchase agreements	**6,281**	7,589
Securities received as collateral in securities lending transactions	**2,015**	828
Total	**8,296**	8,417

Applications of securities received and which the Bank may sell or pledge at fair value, before the effect of offsets		
Securities sold under repurchase agreements	**30,627**	20,790
Securities pledged as collateral in securities borrowing transactions	**5,855**	1,024
Total	**36,482**	21,814

C. Details of Securities Pledged to Lenders

	September 30, 2026	December 31, 2025
	Unaudited	Audited
	In NIS million	
Held-for-trading securities	**5,245**	1,842
Available-for-sale bonds	**52,053**	35,956
Held-to-maturity bonds	**307**	646
Total	**57,605**	38,444

D. Balances for unsecured lending and borrowing of securities transactions

	September 30, 2026	December 31, 2025
	Unaudited	Audited
	In NIS million	
Held-for-trading securities received in unsecured borrowing of securities transactions	**3,233**	1,447
Deposits in banks for unsecured lending of securities transactions	**5,476**	4,562
Credit to the public for unsecured lending of securities transactions	**38,793**	23,694
Deposits by the public for unsecured borrowing of securities transactions	**42,255**	25,059

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates

A. Volume of Consolidated Activity

	September 30, 2026 (unaudited)		
	Not held-for-trading derivatives	Held-for-trading derivatives	Total
	In NIS million		
(1) Nominal amount of derivatives			
a) Interest rate contracts			
Futures and forwards	6,745	93,837	100,582
Written options	1,143	20,599	21,742
Purchased options	-	19,342	19,342
Swaps[a]	97,664	920,662	1,018,326
Total[b]	105,552	1,054,440	1,159,992
Of which: Hedging derivatives[c]	22,937	-	22,937
b) Foreign currency contracts			
Futures and forwards[d]	59,083	523,393	582,476
Written options	1,513	22,313	23,826
Purchased options	1,513	24,911	26,424
Swaps[a]	12,384	10,772	23,156
Total	74,493	581,389	655,882
c) Stock contracts			
Futures and forwards	1,183	318,798	319,981
Written options	902	137,275	138,177
Purchased options[e]	872	139,695	140,567
Swaps	431	484,816	485,247
Total	3,388	1,080,584	1,083,972
d) Commodities and other contracts			
Futures and forwards	-	793	793
Written options	-	586	586
Purchased options	-	586	586
Swaps	-	60	60
Total	-	2,025	2,025
Total nominal amount	183,433	2,718,438	2,901,871

(a) Of which: Swaps for which the banking corporation pays a fixed interest of NIS 482,412 million.
(b) Of which: NIS-CPI swaps totaling NIS 24,578 million.
(c) The Bank uses IRS interest rate swap transactions for the hedging.
(d) Of which: Foreign exchange spots totaling NIS 22,307 million.
(e) Of which: A total of NIS 130,411 million is traded on the Tel Aviv Stock Exchange.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

A. Volume of Consolidated Activity (cont.)

	September 30, 2025 (unaudited)		
	Not held-for-trading derivatives	Held-for-trading derivatives	Total
	In NIS million		
(1) Nominal amount of derivatives			
a) Interest rate contracts			
Futures and forwards	4,306	81,049	85,355
Written options	1,526	30,270	31,796
Purchased options	-	30,220	30,220
Swaps[(a)]	80,687	466,393	547,080
Total[(b)]	86,519	607,932	694,451
Of which: Hedging derivatives[(c)]	9,345	-	9,345
b) Foreign currency contracts			
Futures and forwards[(d)]	47,913	539,089	587,002
Written options	798	35,427	36,225
Purchased options	798	33,881	34,679
Swaps[(a)]	3,637	20,099	23,736
Total	53,146	628,496	681,642
c) Stock contracts			
Futures and forwards	800	271,348	272,148
Written options	564	193,024	193,588
Purchased options[(e)]	589	193,021	193,610
Other	7	-	7
Swaps	519	302,926	303,445
Total	2,479	960,319	962,798
d) Commodities and other contracts			
Futures and forwards	-	660	660
Written options	-	64	64
Purchased options	-	64	64
Swaps	-	54	54
Total	-	842	842
Total nominal amount	142,144	2,197,589	2,339,733

(a) Of which: Swaps for which the banking corporation pays a fixed interest of NIS 251,847 million.
(b) Of which: NIS-CPI swaps totaling NIS 20,982 million.
(c) The Bank uses IRS interest rate swap transactions for the hedging.
(d) Of which: Foreign exchange spots totaling NIS 24,372 million.
(e) Of which: A total of NIS 193,015 million is traded on the Tel Aviv Stock Exchange.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

A. Volume of Consolidated Activity (cont.)

	December 31, 2025 (audited)		
	Not held-for-trading derivatives	Held-for-trading derivatives	Total
	In NIS million		
(1) Nominal amount of derivatives			
a) Interest rate contracts			
Futures and forwards	3,448	81,140	84,588
Written options	1,270	6,445	7,715
Purchased options	-	6,107	6,107
Swaps[a]	73,382	478,677	552,059
Total[b]	78,100	572,369	650,469
Of which: Hedging derivatives[c]	11,978	-	11,978
b) Foreign currency contracts			
Futures and forwards[d]	46,788	577,122	623,910
Written options	775	24,727	25,502
Purchased options	775	25,058	25,833
Swaps[a]	3,509	20,469	23,978
Total	51,847	647,376	699,223
c) Stock contracts			
Futures and forwards	588	286,625	287,213
Written options	571	175,953	176,524
Purchased options[e]	600	175,947	176,547
Other	7	-	7
Swaps	351	381,549	381,900
Total	2,117	1,020,074	1,022,191
d) Commodities and other contracts			
Futures and forwards	-	775	775
Written options	-	887	887
Purchased options	-	899	899
Swaps	-	68	68
Total	-	2,629	2,629
Total nominal amount	132,064	2,242,448	2,374,512

(a) Of which: Swaps for which the banking corporation pays a fixed interest of NIS 267,611 million.
(b) Of which: NIS-CPI swaps totaling NIS 21,899 million.
(c) The Bank uses IRS interest rate swap transactions for the hedging.
(d) Of which: Foreign exchange spots totaling NIS 27,299 million.
(e) Of which: a total of NIS 167,977 million is traded on the Tel Aviv Stock Exchange.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

A. Volume of Consolidated Activity (cont.)

	September 30, 2026 (unaudited)					
	Assets for derivatives, gross			Liabilities for derivatives, gross		
	Not held-for-trading derivatives	Held-for-trading derivatives	Total	Not held-for-trading derivatives	Held-for-trading derivatives	Total
	In NIS million					
(2) Gross fair value of derivatives						
a) Interest rate contracts	**1,714**	**9,264**	**10,978**	**947**	**8,235**	**9,182**
Of which: Hedging derivatives	**708**	**-**	**708**	**355**	**-**	**355**
b) Foreign currency contracts	**572**	**7,564**	**8,136**	**497**	**7,732**	**8,229**
Of which: Hedging derivatives	**-**	**-**	**-**	**-**	**-**	**-**
c) Stock contracts	**133**	**14,166**	**14,299**	**42**	**14,226**	**14,268**
d) Commodities and other contracts	**-**	**89**	**89**	**-**	**89**	**89**
Total assets/liabilities for derivatives, gross[(a)]	**2,419**	**31,083**	**33,502**	**1,486**	**30,282**	**31,768**
Amounts netted on the balance sheet	**-**	**-**	**-**	**-**	**-**	**-**
Book balance	**2,419**	**31,083**	**33,502**	**1,486**	**30,282**	**31,768**
Of which: Not subject to a master netting arrangement or similar arrangements	**-**	**1,745**	**1,745**	**-**	**60**	**60**

(a) Of which: NIS 8 million in gross fair value of assets in respect of embedded derivatives, NIS 45 million in gross fair value of liabilities in respect of embedded derivatives.

	September 30, 2025 (unaudited)					
	Assets for derivatives, gross			Liabilities for derivatives, gross		
	Not held-for-trading derivatives	Held-for-trading derivatives	Total	Not held-for-trading derivatives	Held-for-trading derivatives	Total
	In NIS million					
(2) Gross fair value of derivatives						
a) Interest rate contracts	914	6,493	7,407	497	5,626	6,123
Of which: Hedging derivatives	517	-	517	63	-	63
b) Foreign currency contracts	105	9,266	9,371	221	11,297	11,518
Of which: Hedging derivatives	-	-	-	-	-	-
c) Stock contracts	62	12,535	12,597	38	12,576	12,614
d) Commodities and other contracts	-	41	41	-	41	41
Total assets/liabilities for derivatives, gross[(a)]	1,081	28,335	29,416	756	29,540	30,296
Amounts netted on the balance sheet	-	-	-	-	-	-
Book balance	1,081	28,335	29,416	756	29,540	30,296
Of which: Not subject to a master netting arrangement or similar arrangements	-	2,791	2,791	-	3,756	3,756

(a) Of which: NIS 4 million in gross fair value of assets in respect of embedded derivatives, NIS 31 million in gross fair value of liabilities in respect of embedded derivatives.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

A. Volume of Consolidated Activity (cont.)

	December 31, 2025 (audited)					
	Assets for derivatives, gross			Liabilities for derivatives, gross		
	Not held-for-trading derivatives	Held-for-trading derivatives	Total	Not held-for-trading derivatives	Held-for-trading derivatives	Total
	In NIS million					
(2) Gross fair value of derivatives						
a) Interest rate contracts	975	6,152	7,127	501	5,458	5,959
Of which: Hedging derivatives	509	-	509	54	-	54
b) Foreign currency contracts	39	8,643	8,682	416	9,697	10,113
Of which: Hedging derivatives	-	-	-	-	-	-
c) Stock contracts	90	8,378	8,468	42	8,483	8,525
d) Commodities and other contracts	-	43	43	-	42	42
Total assets/liabilities for derivatives, gross[(a)]	1,104	23,216	24,320	959	23,680	24,639
Amounts netted on the balance sheet	-	-	-	-	-	-
Book balance	1,104	23,216	24,320	959	23,680	24,639
Of which: Not subject to a master netting arrangement or similar arrangements	-	2,692	2,692	-	3,620	3,620

(a) Of which: NIS 3 million in gross fair value of assets in respect of embedded derivatives, NIS 35 million in gross fair value of liabilities in respect of embedded derivatives.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

B. Accounting Hedges

1. Effect of cash flow hedge accounting on accumulated other comprehensive income (loss)

	For the three months ended September 30, 2026		For the nine months ended September 30, 2026	
	Amounts recognized in other comprehensive income (loss) from derivatives	Income (loss) reclassified from accumulated other comprehensive income (loss) profit and loss	Amounts recognized in other comprehensive income (loss) from derivatives	Income (loss) reclassified from accumulated other comprehensive income (loss) profit and loss[a]
	Unaudited			
	In NIS million			
a. Derivatives used for cash flow hedges[b]				
Interest rate contracts[c]	**(4)**	**1**	**(3)**	**-**

	For the three months ended September 30, 2025		For the nine months ended September 30, 2025	
	Amounts recognized in other comprehensive income (loss) from derivatives	Income (loss) reclassified from accumulated other comprehensive income (loss) profit and loss	Amounts recognized in other comprehensive income (loss) from derivatives	Income (loss) reclassified from accumulated other comprehensive income (loss) profit and loss[a]
	Unaudited			
	In NIS million			
a. Derivatives used for cash flow hedges[b]				
Interest rate contracts[c]	(2)	2	-	3

	For the year ended December 31, 2025	
	Amounts recognized in other comprehensive income (loss) from derivatives	Income (loss) reclassified from accumulated other comprehensive income (loss) profit and loss[a]
	Audited	
	In NIS million	
a. Derivatives used for cash flow hedges[b]		
Interest rate contracts[c]	3	1

(a) Income (loss) amounts reclassified from accumulated other comprehensive income (loss) were stated under the interest income (expense) line item or in the noninterest finance income (expenses) line item according to the line item in which the effect of the hedged item is presented.

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

(c) The Bank designates certain derivatives as hedging instruments of cash flows - derivatives hedging an exposure to changes in cash flows from given loans. The effect of hedges is expected to lower the exposure to the given loans.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

B. Accounting hedges (cont.)

2. Effect of fair value hedge accounting and cash flow hedges on profit (loss)

	For the three months ended September 30, 2026	For the nine months ended September 30, 2026
	Unaudited	
	In NIS million	
Total interest income (expenses) recognized in the income statement	**3**	**16**
Effect of fair value hedges:		
a. Gain (loss) from fair value hedges		
Interest rate contracts[a]		
Hedged items	**138**	**132**
Hedging derivatives[b]	**(134)**	**(116)**
b. Gain (loss) on cash flow hedges		
Interest rate contracts		
Income and loss reclassified to Accumulated other comprehensive income (loss)	**(1)**	**-**

	For the three months ended September 30, 2025	For the nine months ended September 30, 2025
	Unaudited	
	In NIS million	
Total interest income (expenses) recognized in the income statement	3	22
Effect of fair value hedges:		
a. Gain (loss) from fair value hedges		
Interest rate contracts[a]		
Hedged items	3	104
Hedging derivatives[c]	2	(79)
b. Gain (loss) on cash flow hedges		
Interest rate contracts		
Income and loss reclassified to accumulated other comprehensive income (loss)	(2)	(3)

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

See comments below.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

B. Accounting hedges (cont.)

2. Effect of cash flow hedge accounting and fair value hedge on gain (loss) (cont.)

Comments:

(a) The Bank designates certain derivatives as hedging instruments of fair value, derivatives hedging exposure to interest rate received for bonds.

(b) Losses of approx. NIS 134 million and losses of approx. NIS 116 million for the three- and nine-month periods, respectively, relating to the hedging instrument were reclassified from noninterest finance income to interest income. The losses include losses of approx. NIS 145 million and losses of approx. NIS 148 million for the three- and nine-month periods, respectively, resulting from the effect of changes in fair value, as well as gains of approx. NIS 11 million and approx. NIS 32 million for the three- and nine-month periods, respectively, resulting from the effect of interest accrual.

(c) Gains of approx. NIS 2 million and losses of approx. NIS 79 million for the three- and nine-month periods, respectively, relating to the hedging instrument were reclassified from noninterest finance income to interest income. The gains include losses of approx. NIS 8 million and the losses include losses of approx. NIS 118 million for the three- and nine-month periods, respectively, resulting from the effect of changes in fair value, as well as gains of approx. NIS 10 million and approx. NIS 39 million for the three- and nine-month periods, respectively, resulting from the effect of interest accrual.

(d) Losses of approx. NIS 30 million relating to the hedging instrument were reclassified from noninterest finance income to interest income. The losses include losses of approx. NIS 84 million resulting from the effect of changes in fair value, as well as gains of approx. NIS 54 million resulting from the effect of interest accrual.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

B. Accounting hedges (cont.)

3. Items hedged at fair value hedges

	As at September 30, 2026 (unaudited)		
		Cumulative fair value adjustments that had an effect on the carrying amount	
	Carrying amount of the hedged item	Existing hedge relationships	Discontinued hedge relationships
	In NIS million		
Securities - debt instruments classified as available-for-sale securities	**7,529**	**(663)**	**-**
Subordinated notes	**(14,183)**	**420**	**-**
Housing loans[a]	**182**	**7**	**-**

	As at September 30, 2025 (unaudited)		
		Cumulative fair value adjustments that had an effect on the carrying amount	
	Carrying amount of the hedged item	Existing hedge relationships	Discontinued hedge relationships
	In NIS million		
Securities - debt instruments classified as available-for-sale securities	4,974	(468)	-
Subordinated notes	(3,263)	76	-
Housing loans[b]	181	5	-

	For the year ended December 31, 2025 (audited)		
		Cumulative fair value adjustments that had an effect on the carrying amount	
	Carrying amount of the hedged item	Existing hedge relationships	Discontinued hedge relationships
	In NIS million		
Securities - debt instruments classified as available-for-sale securities	7,913	(343)	-
Subordinated notes	(3,210)	62	-
Housing loans[c]	183	8	-

(a) The Bank designated an amount of NIS 175 million in the hedging relationship using the last-layer method, out of a closed portfolio of loans totaling approx. NIS 1,268 million; as of September 30, 2026, the amortized cost balance of the closed loan portfolio amounted to approx. NIS 1,114 million

(b) The Bank designated an amount of NIS 175 million in the hedging relationship using the last-layer method, out of a closed portfolio of loans totaling approx. NIS 1,268 million; as of September 30, 2025, the amortized cost balance of the closed loan portfolio amounted to approx. NIS 1,215 million

(c) The Bank designated an amount of NIS 175 million in the hedging relationship using the last-layer method, out of a closed portfolio of loans totaling approx. NIS 1,268 million; as of December 31, 2025, the amortized cost balance of the closed loan portfolio amounted to approx. NIS 1,191 million

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

B. Accounting hedges (cont.)

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

	For the three months ended September 30, 2026		For the nine months ended September 30, 2026	
	Amounts carried to other comprehensive income (loss)	Income (loss) reclassified to Accumulated other comprehensive income (loss)[(a)]	Amounts carried to other comprehensive income (loss)	Income (loss) reclassified to accumulated other comprehensive income (loss)[(a)]
	Unaudited			
	In NIS million			
Deposits serving as investment hedges, net				
Foreign currency deposits	**(52)**	**-**	**71**	**-**

	For the three months ended September 30, 2025		For the nine months ended September 30, 2025	
	Amounts carried to other comprehensive income (loss)	Income (loss) reclassified to Accumulated other comprehensive income (loss)[(a)]	Amounts carried to other comprehensive income (loss)	Income (loss) reclassified to accumulated other comprehensive income (loss)[(a)]
	Unaudited			
	In NIS million			
Deposits serving as investment hedges, net				
Foreign currency deposits	34	-	169	-

	For the year ended December 31, 2025	
	Amounts carried to other comprehensive income (loss)	Income (loss) reclassified to accumulated other comprehensive income (loss)[(a)]
	Audited	
	In NIS million	
Deposits serving as investment hedges, net		
Foreign currency deposits	231	-

(a) Income (loss) amounts reclassified from accumulated other comprehensive income (loss) were included in the interest income (expenses) line item or in the noninterest finance income (expense) line item.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

B. Accounting hedges (cont.)

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

	For the three months ended September 30, 2026	For the nine months ended September 30, 2026
	Profit (loss) recognized in income (expenses) from derivatives activity[(a)]	Profit (loss) recognized in revenues (expenses) from derivatives activity[(a)]
	Unaudited	
	In NIS million	
Derivatives not designated as hedging instruments		
Interest rate contracts	**381**	**711**
Foreign currency contracts	**1,198**	**(344)**
Stock contracts	**88**	**275**
Commodity- and other contracts	**2**	**4**
Total	**1,669**	**646**

	For the three months ended September 30, 2025	For the nine months ended September 30, 2025
	Profit (loss) recognized in income (expenses) from derivatives activity[(a)]	Profit (loss) recognized in revenues (expenses) from derivatives activity[(a)]
	Unaudited	
	In NIS million	
Derivatives not designated as hedging instruments		
Interest rate contracts	(9)	106
Foreign currency contracts	(186)	(3,844)
Stock contracts	36	279
Commodity- and other contracts	-	1
Total	(159)	(3,458)

	For the year ended December 31, 2025
	Profit (loss) recognized in revenues (expenses) from derivatives activity[(a)]
	Audited
	In NIS million
Derivatives not designated as hedging instruments	
Interest rate contracts	224
Foreign currency contracts	(4,628)
Stock contracts	219
Commodity- and other contracts	1
Total	(4,184)

(a) Included in the noninterest finance income (expenses) item.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

C. Credit Risk for Derivatives by Contract Counterparty

	September 30, 2026 (unaudited)						
	Stock exchanges	Banks	Dealers/ brokers	Governments and central banks	Institutional entities	Other	Total
	In NIS million						
Book balance of assets in respect of derivatives[a][b]	**1,243**	**5,953**	**14,607**	**260**	**8,116**	**3,323**	**33,502**
Gross amounts not netted on the balance sheet:							
Credit risk mitigation in respect of financial instruments	**-**	**4,162**	**10,579**	**-**	**3,815**	**1,981**	**20,537**
Credit risk mitigation in respect of cash collateral received[g]	**-**	**1,684**	**3,901**	**260**	**3,299**	**100**	**9,244**
Total net book balance of assets in respect of derivatives[d]	**1,243**	**107**	**127**	**-**	**1,002**	**1,242**	**3,721**
Adjustment of book balance, net to on-balance-sheet credit risk[e]	**-**	**(68)**	**25**	**-**	**(417)**	**19**	**(441)**
Total on-balance-sheet credit risk for derivatives	**1,243**	**39**	**152**	**-**	**585**	**1,261**	**3,280**
Net off-balance-sheet credit risk for derivatives[f]	**4,101**	**4,823**	**8,062**	**67**	**18,017**	**5,146**	**40,216**
Total credit risk for derivatives	**5,344**	**4,862**	**8,214**	**67**	**18,602**	**6,407**	**43,496**
Book balance of liabilities in respect of derivatives[a][c]	**750**	**5,850**	**11,304**	**-**	**10,567**	**3,297**	**31,768**
Gross amounts not netted on the balance sheet:							
Financial instruments	**-**	**4,162**	**10,579**	**-**	**3,815**	**2,003**	**20,559**
Pledged cash collateral[h]	**-**	**1,386**	**461**	**-**	**5,242**	**142**	**7,231**
Net amount of liabilities in respect of derivatives	**750**	**302**	**264**	**-**	**1,510**	**1,152**	**3,978**

	September 30, 2025 (unaudited)						
	Stock exchanges	Banks	Dealers/ brokers	Governments and central banks	Institutional entities	Other	Total
	In NIS million						
Book balance of assets in respect of derivatives[a][b]	595	9,262	11,803	82	4,271	3,403	29,416
Gross amounts not netted on the balance sheet:							
Credit risk mitigation in respect of financial instruments	-	3,711	8,105	67	2,808	1,433	16,124
Credit risk mitigation in respect of cash collateral received[g]	-	4,750	3,387	-	1,110	-	9,247
Total net book balance of assets in respect of derivatives[d]	595	801	311	15	353	1,970	4,045
Adjustment of book balance, net to on-balance-sheet credit risk[e]	-	17	(18)	-	(128)	(861)	(990)
Total on-balance-sheet credit risk for derivatives	595	818	293	15	225	1,109	3,055
Net off-balance-sheet credit risk for derivatives[f]	1,694	18,547	21,842	120	13,075	2,815	58,093
Total credit risk for derivatives	2,289	19,365	22,135	135	13,300	3,924	61,148
Book balance of liabilities in respect of derivatives[a][c]	516	4,052	8,238	67	14,433	2,990	30,296
Gross amounts not netted on the balance sheet:							
Financial instruments	-	3,711	8,105	67	2,808	1,433	16,124
Pledged cash collateral[h]	-	231	107	-	7,997	68	8,403
Net amount of liabilities in respect of derivatives	516	110	26	-	3,628	1,489	5,769

See comments below.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

C. Credit Risk for Derivatives by Contract Counterparty (cont.)

	December 31, 2025 (audited)						
	Stock exchanges	Banks	Dealers/ brokers	Governments and central banks	Institutional entities	Other	Total
	In NIS million						
Book balance of assets in respect of derivatives[(a)(b)]	594	6,181	10,055	171	4,911	2,408	24,320
Gross amounts not netted on the balance sheet:							
Credit risk mitigation in respect of financial instruments	-	3,155	6,696	23	2,498	1,053	13,425
Credit risk mitigation in respect of cash collateral received[(g)]	-	2,937	3,266	148	1,528	-	7,879
Total net book balance of assets in respect of derivatives[(d)]	594	89	93	-	885	1,355	3,016
Adjustment of book balance, net to on-balance-sheet credit risk[(e)]	-	1	(18)	-	(247)	(63)	(327)
Total on-balance-sheet credit risk for derivatives	594	90	75	-	638	1,292	2,689
Net off-balance-sheet credit risk for derivatives[(f)]	2,106	18,037	23,816	76	14,788	2,848	61,671
Total credit risk for derivatives	2,700	18,127	23,891	76	15,426	4,140	64,360
Book balance of liabilities in respect of derivatives[(a)(c)]	630	3,392	7,926	23	10,142	2,526	24,639
Gross amounts not netted on the balance sheet:							
Financial instruments	-	3,155	6,696	23	2,498	1,053	13,425
Pledged cash collateral[(h)]	-	187	616	-	6,212	160	7,175
Net amount of liabilities in respect of derivatives	630	50	614	-	1,432	1,313	4,039

(a) The Bank did not apply netting agreements.

(b) Of which outstanding balance-sheet standalone assets in respect of derivatives totaling NIS 33,494 million (September 30 2025 - 29,412 million, December 31 2025 - NIS 24,317 million).

(c) Of which outstanding total standalone liabilities in respect of derivatives totaling NIS 31,723 million (September 30, 2025 - 30,265 million, December 31, 2025 - NIS 24,604 million).

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

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

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

(g) Balances for received cash collateral are presented under deposits by the public and deposits from banks.

(h) Balances for pledged cash collateral are presented under cash and deposits with banks and credit to the public.

Comments:

1. No credit losses were recognized in respect of derivatives in the nine-month periods ended September 30, 2026, September 30, 2025 and the year ended December 31, 2025.
2. The effect of the counterparty credit risk and the effect of deferred gains at the transaction execution date on the valuation of assets for derivatives as at September 30, 2026, September 30, 2025 and December 31, 2025 was NIS 74 million, NIS 167 million and NIS 144 million, respectively.
   The effect of the non-performance risk on the valuation of assets for derivatives as at September 30, 2026, September 30, 2025 and December 31, 2025 was NIS 25 million, NIS 18 million and NIS 17 million, respectively.

Note 11 - Derivatives Activity - Scope, Credit Risks and Maturity Dates (cont.)

D. Breakdown of Settlement Dates - Par Value: Balances

	September 30, 2026 (unaudited)				
	Up to three months	Over three months and up to one year	Over one year and up to five years	Over five years	Total
	In NIS million				
Interest rate contracts:					
NIS-CPI	**3,881**	**9,338**	**5,565**	**5,795**	**24,579**
Other	**457,655**	**239,987**	**317,903**	**119,868**	**1,135,413**
Foreign currency contracts	**414,141**	**195,876**	**37,853**	**8,012**	**655,882**
Stock contracts	**795,274**	**283,324**	**5,374**	**-**	**1,083,972**
Commodity- and other contracts	**1,976**	**49**	**-**	**-**	**2,025**
Total	**1,672,927**	**728,574**	**366,695**	**133,675**	**2,901,871**
Total as at September 30, 2025 (unaudited)	1,376,470	597,837	262,881	102,545	2,339,733
Total as at December 31, 2025 (audited)	1,449,764	554,967	260,663	109,118	2,374,512

Note 12A - Regulatory Operating Segments

Information on regulatory operating segments - consolidated

	For the three months ended September 30, 2026 (unaudited)			
	Activity in Israel[a]			
	Households[e]			
	Total	Of which: Housing loans	Of which: Credit cards	Private banking
	In NIS million			
Interest income from external	2,599	2,090	21	17
Interest expense from external	678	-	-	323
Interest income, net:				
From external	1,921	2,090	21	(306)
Intersegmental	(696)	(1,736)	(3)	342
Total interest income, net	1,225	354	18	36
Total noninterest income (expense)	279	9	77	53
Total revenues	1,504	363	95	89
Credit loss expenses (income)	33	(7)	-	-
Operating and other expenses:				
For external	642	82	56	32
Intersegmental	1	-	-	-
Total operating and other expenses	643	82	56	32
Profit (loss) before taxes	828	288	39	57
Provision for profit taxes (benefit)	311	93	15	24
Profit after taxes	517	195	24	33
The Bank's share in associates' profits, after tax effect	-	-	-	-
Net income before amount attributable to non-controlling interests	517	195	24	33
Net income attributable to non-controlling interests[g]	-	-	-	-
Net income attributable to the Bank's shareholders	517	195	24	33
Average balance of assets[b]	191,132	161,435	5,087	662
Of which: Investments in associates[b]	-	-	-	-
Average outstanding credit to the public[b]	192,037	161,845	5,133	654
Outstanding credit to the public as at the end of the reporting period	195,676	164,123	5,305	662
Outstanding non-accruing debts delinquent by over 90 days	1,215	963	-	2
Outstanding other troubled debts	410	17	18	-
Balance of the credit loss provision for credit to the public	1,570	695	44	3
Net charge-offs during the period	55	-	1	-
Average outstanding liabilities[b]	137,930	19	15	37,650
Of which: Average balance of deposits by the public[b]	137,834	-	-	37,648
Balance of deposits by the public as at the end of the reporting period	137,226	-	-	38,274
Average balance of risk-weighted assets[b][c]	115,085	86,274	5,163	1,192
Balance of risk-weighted assets as at the end of the reporting period[c]	119,089	89,982	5,145	1,194
Average balance of assets under management[b][d]	81,070	1,300	-	93,934
Breakdown of interest income, net:				
Spread[f] from credit granting activity	557	295	15	2
Spread[f] from deposit taking activity	593	-	-	33
Other	75	59	3	1
Total interest income, net	1,225	354	18	36

(a) The classification is based on the office's location.
(b) Average balance calculations are based on daily balances, as at the beginning of the quarter or the beginning of each month.
(c) Risk-weighted assets - as calculated for capital adequacy purposes.
(d) Assets under management - including customers' provident assets, advance education funds, mutual funds and securities.
(e) Including housing loans with outstanding credit to the public as at end of period in the amount of NIS 25.4 billion to customers whose business activity is classified to the business segments.
(f) Spread from credit granting activity is the difference between the interest received from credit and the cost of raising the sources used to grant the credit (hereinafter - "**transfer prices**"). These transfer prices are subject to the period, currency and type of interest in the transaction. Transfer prices are the Bank's internal pricing tool and are based on internal models and the Bank's judgment. Spread from deposit taking activity is the difference between the transfer prices and the interest paid to customers for these deposits.
(g) Amounts lower than NIS 1 million.

Comment: Operating segments are reported according to the format and classifications prescribed by the Reporting to the Public Directives of the Banking Supervision Department, as detailed in Note 28A to the Financial statements as at December 31, 2025.

							Foreign operations[a]	
Small- and Micro-Businesses	Middle-Market	Corporations	Institutional entities	Financial management	Other Segment	Total activity in Israel	Total activity outside Israel	Total
1,169	584	2,965	62	2,738	-	10,134	167	10,301
724	424	1,057	1,648	1,175	-	6,029	-	6,029
445	160	1,908	(1,586)	1,563	-	4,105	167	4,272
424	223	(806)	1,805	(1,203)	7	96	(96)	-
869	383	1,102	219	360	7	4,201	71	4,272
255	82	360	53	561	(18)	1,625	19	1,644
1,124	465	1,462	272	921	(11)	5,826	90	5,916
(13)	30	79	(1)	46	-	174	10	184
391	111	125	84	79	41	1,505	34	1,539
-	-	-	(2)	1	-	-	-	-
391	111	125	82	80	41	1,505	34	1,539
746	324	1,258	191	795	(52)	4,147	46	4,193
267	121	475	70	346	(191)	1,423	(14)	1,409
479	203	783	121	449	139	2,724	60	2,784
-	-	-	-	202	-	202	-	202
479	203	783	121	651	139	2,926	60	2,986
-	-	-	-	-	-	-	-	-
479	203	783	121	651	139	2,926	60	2,986
98,725	44,631	220,350	7,602	368,039	7,351	938,492	10,285	948,777
-	-	-	-	3,587	-	3,587	-	3,587
99,883	44,929	221,580	7,607	-	-	566,690	10,388	577,078
107,272	45,209	226,918	6,893	-	-	582,630	10,385	593,015
673	243	415	-	-	-	2,548	159	2,707
651	471	2,031	-	-	-	3,563	41	3,604
2,084	714	2,436	6	-	-	6,813	78	6,891
15	73	10	-	-	-	153	-	153
114,528	61,273	135,832	242,569	140,156	9,130	879,068	-	879,068
114,392	61,144	127,616	242,173	-	-	720,807	-	720,807
116,539	61,952	134,353	250,595	-	-	738,939	-	738,939
81,815	48,274	245,401	2,263	80,665	15,043	589,738	10,964	600,702
80,753	48,686	267,876	2,315	83,383	8,213	611,509	11,849	623,358
154,478	52,546	191,422	1,442,581	84,927	1	2,100,959	-	2,100,959
483	168	830	37	-	-	2,077	167	2,244
335	184	123	182	-	-	1,450	-	1,450
51	31	149	-	360	7	674	(96)	578
869	383	1,102	219	360	7	4,201	71	4,272

Note 12A - Regulatory Operating Segments (cont.)

Information on Regulatory Operating Segments - Consolidated (cont.)

	For the three months ended September 30, 2025 (unaudited)			
	Activity in Israel[a]			
	Households[e]			
	Total	Of which: Housing loans	Of which: Credit cards	Private banking
	In NIS million			
Interest income from external	2,806	2,235	21	17
Interest expense from external	784	-	-	346
Interest income, net:				
From external	2,022	2,235	21	(329)
Intersegmental	(636)	(1,871)	(3)	408
Total interest income, net	1,386	364	18	79
Total noninterest income	163	9	(22)	50
Total revenues	1,549	373	(4)	129
Credit loss expenses (income)	28	-	(45)	(1)
Operating and other expenses:				
For external	660	98	64	34
Intersegmental	-	-	-	-
Total operating and other expenses	660	98	64	34
Profit (loss) before taxes	861	275	(23)	96
Provision for profit taxes (benefit)	346	106	(8)	40
Profit (loss) after taxes	515	169	(15)	56
The Bank's share in associates' profits, after tax effect	-	-	-	-
Net income (loss) before amount attributable to non-controlling interests	515	169	(15)	56
Net income attributable to non-controlling interests[g]	-	-	-	-
Net income (loss) attributable to the Bank's shareholders	515	169	(15)	56
Average balance of assets[b]	178,333	149,270	4,794	669
Of which: Investments in associates[b]	-	-	-	-
Average outstanding credit to the public[b]	179,438	149,678	4,813	660
Outstanding credit to the public as at the end of the reporting period	182,155	151,482	5,048	599
Outstanding non-accruing debts delinquent by over 90 days	988	746	1	-
Outstanding other troubled debts	658	21	-	-
Balance of the credit loss provision for credit to the public	1,615	670	48	1
Net charge-offs during the period	66	1	-	-
Average outstanding liabilities[b]	140,996	46	64	36,135
Of which: Average balance of deposits by the public[b]	140,840	-	-	36,132
Balance of deposits by the public as at the end of the reporting period	141,115	-	-	36,797
Average balance of risk-weighted assets[b][c]	116,483	89,229	4,430	1,201
Balance of risk-weighted assets as at the end of the reporting period[c]	118,028	90,639	4,576	1,147
Average balance of assets under management[b][d]	73,810	1,365	-	78,205
Breakdown of interest income, net:				
Spread[f] from credit granting activity	547	285	14	-
Spread[f] from deposit taking activity	737	-	-	78
Other	102	79	4	1
Total interest income, net	1,386	364	18	79

(a) The classification is based on the office's location.
(b) Average balance calculations are based on daily balances, as at the beginning of the quarter or the beginning of each month.
(c) Risk-weighted assets - as calculated for capital adequacy purposes.
(d) Assets under management - including customers' provident assets, advance education funds, mutual funds and securities.
(e) Including housing loans with outstanding credit to the public as at end of period in the amount of NIS 23.0 billion to customers whose business activity is classified to the business segments.
(f) Spread from credit granting activity is the difference between the interest received from credit and the cost of raising the sources used to grant the credit (hereinafter - "**transfer prices**"). These transfer prices are subject to the period, currency and type of interest in the transaction. Transfer prices are the Bank's internal pricing tool and are based on internal models and the Bank's judgment. Spread from deposit taking activity is the difference between the transfer prices and the interest paid to customers for these deposits.
(g) Amounts lower than NIS 1 million.

							Foreign operations[a]	
Small- and Micro-Businesses	Middle-Market	Corporations	Institutional entities	Financial management	Other Segment	Total activity in Israel	Total activity outside Israel	Total
1,214	715	2,729	98	2,863	-	10,442	188	10,630
775	423	1,065	1,794	972	-	6,159	-	6,159
439	292	1,664	(1,696)	1,891	-	4,283	188	4,471
484	158	(634)	1,835	(1,525)	13	103	(103)	-
923	450	1,030	139	366	13	4,386	85	4,471
234	85	325	54	556	6	1,473	17	1,490
1,157	535	1,355	193	922	19	5,859	102	5,961
(6)	(77)	81	3	9	-	37	(5)	32
383	108	145	52	92	111	1,585	24	1,609
-	-	-	2	1	(3)	-	-	-
383	108	145	54	93	108	1,585	24	1,609
780	504	1,129	136	820	(89)	4,237	83	4,320
305	197	446	55	272	31	1,692	27	1,719
475	307	683	81	548	(120)	2,545	56	2,601
-	-	-	-	99	-	99	-	99
475	307	683	81	647	(120)	2,644	56	2,700
-	-	-	-	-	-	-	-	-
475	307	683	81	647	(120)	2,644	56	2,700
79,134	40,274	171,990	14,347	331,040	7,592	823,379	10,285	833,664
-	-	-	-	3,527	-	3,527	-	3,527
80,544	40,800	173,005	14,347	-	-	488,794	10,332	499,126
81,718	41,010	176,906	9,396	-	-	491,784	10,409	502,193
667	172	415	4	-	-	2,246	20	2,266
964	333	2,438	11	-	-	4,404	60	4,464
2,301	695	2,123	9	-	-	6,744	62	6,806
36	13	(53)	-	-	-	62	-	62
105,183	55,603	115,773	194,622	108,767	10,208	767,287	251	767,538
105,034	55,472	110,734	191,880	-	-	640,092	-	640,092
106,513	56,856	110,015	189,827	-	-	641,123	-	641,123
62,422	45,707	209,718	1,997	60,976	19,971	518,475	11,188	529,663
65,763	45,404	217,080	2,163	63,042	16,516	529,143	11,283	540,426
134,141	42,786	163,654	1,239,261	64,694	1	1,796,552	-	1,796,552
456	227	718	5	-	-	1,953	188	2,141
415	188	143	133	-	-	1,694	-	1,694
52	35	169	1	366	13	739	(103)	636
923	450	1,030	139	366	13	4,386	85	4,471

Note 12A - Regulatory Operating Segments (cont.)

Information on Regulatory Operating Segments - Consolidated (cont.)

	For the nine months ended September 30, 2026 (unaudited)			
	Activity in Israel[a]			
	Households[e]			
	Total	Of which: Housing loans	Of which: Credit cards	Private banking
	In NIS million			
Interest income from external	7,519	5,916	63	27
Interest expense from external	2,039	-	-	952
Interest income, net:				
From external	5,480	5,916	63	(925)
Intersegmental	(1,664)	(4,828)	(7)	1,099
Total interest income, net	3,816	1,088	56	174
Total noninterest income (expense)	748	26	170	162
Total revenues (expenses)	4,564	1,114	226	336
Credit loss expenses (income)	60	22	(17)	-
Operating and other expenses:				
For external	1,954	303	176	100
Intersegmental	2	1	-	-
Total operating and other expenses	1,956	304	176	100
Profit (loss) before taxes	2,548	788	67	236
Provision (benefit) for taxes on income	1,033	302	27	98
Profit (loss) after taxes	1,515	486	40	138
The Bank's share in associates' profits, after tax effect	-	-	-	-
Net income (loss) before amount attributable to non-controlling interests	1,515	486	40	138
Net income attributable to non-controlling interests[g]	-	-	-	-
Net income (loss) attributable to the Bank's shareholders	1,515	486	40	138
Average balance of assets[b]	187,303	157,860	4,895	630
Of which: Investments in associates[b]	-	-	-	-
Average outstanding credit to the public[b]	188,265	158,262	4,946	621
Outstanding credit to the public as at the end of the reporting period	195,676	164,123	5,305	662
Outstanding non-accruing debts delinquent by over 90 days	1,215	963	-	2
Outstanding other troubled debts	410	17	18	-
Balance of the credit loss provision for credit to the public	1,570	695	44	3
Net charge-offs during the period	146	-	1	-
Average outstanding liabilities[b]	138,203	24	17	37,170
Of which: Average balance of deposits by the public[b]	138,098	-	-	37,168
Balance of deposits by the public as at the end of the reporting period	137,226	-	-	38,274
Average balance of risk-weighted assets[b][c]	111,412	82,982	4,977	1,180
Balance of risk-weighted assets as at the end of the reporting period[c]	119,089	89,982	5,145	1,194
Average balance of assets under management[b][d]	79,209	1,314	-	90,425
Breakdown of interest income, net:				
Spread[f] from credit granting to the public	1,656	868	43	4
Spread[f] from deposit taking from the public	1,869	-	-	144
Other	291	220	13	26
Total interest income, net	3,816	1,088	56	174

(a) The classification is based on the office's location.
(b) Average balance calculations are based on daily balances, as at the beginning of the quarter or the beginning of each month.
(c) Risk-weighted assets - as calculated for capital adequacy purposes.
(d) Assets under management - including customers' provident assets, advance education funds, mutual funds and securities.
(e) Including housing loans with outstanding credit to the public as at end of period in the amount of NIS 25.4 billion to customers whose business activity is classified to the business segments.
(f) Spread from credit granting activity is the difference between the interest received from credit and the cost of raising the sources used to grant the credit (hereinafter - "**transfer prices**"). These transfer prices are subject to the period, currency and type of interest in the transaction. Transfer prices are the Bank's internal pricing tool and are based on internal models and the Bank's judgment. Spread from deposit taking activity is the difference between the transfer prices and the interest paid to customers for these deposits.
(g) Amounts lower than NIS 1 million.

Comment: Operating segments are reported according to the format and classifications prescribed by the Reporting to the Public Directives of the Banking Supervision Department, as detailed in Note 28A to the financial statements as at December 31, 2025.

							Foreign operations[a]	
Small- and Micro-Businesses	Middle-Market	Corporations	Institutional entities	Financial management	Other Segment	Total activity in Israel	Total activity outside Israel	Total
3,618	1,878	8,537	244	8,039	-	29,862	486	30,348
2,153	1,270	3,072	5,113	2,996	-	17,595	-	17,595
1,465	608	5,465	(4,869)	5,043	-	12,267	486	12,753
1,228	623	(1,975)	5,481	(4,548)	32	276	(276)	-
2,693	1,231	3,490	612	495	32	12,543	210	12,753
765	277	944	191	2,076	(6)	5,157	59	5,216
3,458	1,508	4,434	803	2,571	26	17,700	269	17,969
(21)	25	601	(3)	(28)	-	634	7	641
1,178	352	439	209	281	163	4,676	82	4,758
-	-	-	-	-	(2)	-	-	-
1,178	352	439	209	281	161	4,676	82	4,758
2,301	1,131	3,394	597	2,318	(135)	12,390	180	12,570
934	459	1,353	242	898	(94)	4,923	35	4,958
1,367	672	2,041	355	1,420	(41)	7,467	145	7,612
-	-	-	-	552	-	552	-	552
1,367	672	2,041	355	1,972	(41)	8,019	145	8,164
-	-	-	-	-	-	-	-	-
1,367	672	2,041	355	1,972	(41)	8,019	145	8,164
96,223	43,646	205,949	12,212	364,028	4,818	914,809	10,141	924,950
-	-	-	-	3,934	-	3,934	-	3,934
97,521	44,021	207,271	12,218	-	-	549,917	10,176	560,093
107,272	45,209	226,918	6,893	-	-	582,630	10,385	593,015
673	243	415	-	-	-	2,548	159	2,707
651	471	2,031	-	-	-	3,563	41	3,604
2,084	714	2,436	6	-	-	6,813	78	6,891
161	90	26	-	-	-	423	-	423
113,304	60,245	128,485	243,487	125,018	9,471	855,383	168	855,551
113,168	60,050	121,411	233,917	-	-	703,812	-	703,812
116,539	61,952	134,353	250,595	-	-	738,939	-	738,939
79,552	46,998	236,423	2,356	75,851	15,484	569,256	11,531	580,787
80,753	48,686	267,876	2,315	83,383	8,213	611,509	11,849	623,358
151,383	51,818	190,302	1,422,318	81,672	-	2,067,127	-	2,067,127
1,409	601	2,519	50	-	-	6,239	485	6,724
1,081	509	382	559	-	-	4,544	-	4,544
203	121	589	3	495	32	1,760	(275)	1,485
2,693	1,231	3,490	612	495	32	12,543	210	12,753

Note 12A - Regulatory Operating Segments (cont.)

Information on Regulatory Operating Segments - Consolidated (cont.)

	For the nine months ended September 30, 2025 (unaudited)			
	Activity in Israel[a]			
	Households[e]			
	Total	Of which: Housing loans	Of which: Credit cards	Private banking
	In NIS million			
Interest income from external	7,797	6,075	62	28
Interest expense from external	2,234	-	-	994
Interest income, net:				
From external	5,563	6,075	62	(966)
Intersegmental	(1,324)	(4,904)	(7)	1,217
Total interest income, net	4,239	1,171	55	251
Total noninterest income	695	27	159	147
Total revenues	4,934	1,198	214	398
Credit loss expenses (income)	214	27	1	-
Operating and other expenses:				
For external	2,015	328	194	98
Intersegmental	1	1	-	-
Total operating and other expenses	2,016	329	194	98
Profit (loss) before taxes	2,704	842	19	300
Provision for profit taxes	1,032	310	7	114
Profit (loss) after taxes	1,672	532	12	186
The Bank's share in associates' profits, after tax effect	-	-	-	-
Net income (loss) before amount attributable to non-controlling interests	1,672	532	12	186
Net income attributable to non-controlling interests[g]	-	-	-	-
Net income (loss) attributable to the Bank's shareholders	1,672	532	12	186
Average balance of assets[b]	175,643	146,559	4,746	564
Of which: Investments in associates[b]	-	-	-	-
Average outstanding credit to the public[b]	176,743	146,967	4,792	556
Outstanding credit to the public as at the end of the reporting period	182,155	151,482	5,048	599
Outstanding non-accruing debts delinquent by over 90 days	988	746	1	-
Outstanding other troubled debts	658	21	-	-
Balance of the credit loss provision for credit to the public	1,615	670	48	1
Net charge-offs during the period	200	5	(1)	-
Average outstanding liabilities[b]	140,269	47	32	35,785
Of which: Average balance of deposits by the public[b]	140,139	-	-	35,781
Balance of deposits by the public as at the end of the reporting period	141,115	-	-	36,797
Average balance of risk-weighted assets[b][c]	114,693	87,445	4,502	1,142
Balance of risk-weighted assets as at the end of the reporting period[c]	118,028	90,639	4,576	1,147
Average balance of assets under management[b][d]	71,639	1,372	-	73,120
Breakdown of interest income, net:				
Spread[f] from credit granting to the public	1,676	890	41	2
Spread[f] from deposit taking from the public	2,198	-	-	222
Other	365	281	14	27
Total interest income, net	4,239	1,171	55	251

(a) The classification is based on the office's location.
(b) Average balance calculations are based on daily balances, as at the beginning of the quarter or the beginning of each month.
(c) Risk-weighted assets - as calculated for capital adequacy purposes.
(d) Assets under management - including customers' provident assets, advance education funds, mutual funds and securities.
(e) Including housing loans with outstanding credit to the public as at end of period in the amount of NIS 23.0 billion to customers whose business activity is classified to the business segments.
(f) Spread from credit granting activity is the difference between the interest received from credit and the cost of raising the sources used to grant the credit (hereinafter - "**transfer prices**"). These transfer prices are subject to the period, currency and type of interest in the transaction. Transfer prices are the Bank's internal pricing tool and are based on internal models and the Bank's judgment. Spread from deposit taking activity is the difference between the transfer prices and the interest paid to customers for these deposits.
(g) Amounts lower than NIS 1 million.

							Foreign operations[a]	
Small- and Micro-Businesses	Middle-Market	Corporations	Institutional entities	Financial management	Other Segment	Total activity in Israel	Total activity outside Israel	Total
3,609	2,008	7,572	203	8,103	-	29,320	574	29,894
2,208	1,341	2,982	4,747	2,360	-	16,866	-	16,866
1,401	667	4,590	(4,544)	5,743	-	12,454	574	13,028
1,405	703	(1,472)	5,052	(5,314)	46	313	(313)	-
2,806	1,370	3,118	508	429	46	12,767	261	13,028
730	274	824	176	1,365	22	4,233	71	4,304
3,536	1,644	3,942	684	1,794	68	17,000	332	17,332
16	(99)	145	2	(5)	-	273	37	310
1,190	336	426	165	291	346	4,867	83	4,950
-	-	-	6	5	(12)	-	-	-
1,190	336	426	171	296	334	4,867	83	4,950
2,330	1,407	3,371	511	1,503	(266)	11,860	212	12,072
878	533	1,261	194	546	5	4,563	71	4,634
1,452	874	2,110	317	957	(271)	7,297	141	7,438
-	-	-	-	275	-	275	-	275
1,452	874	2,110	317	1,232	(271)	7,572	141	7,713
-	-	-	-	-	-	-	-	-
1,452	874	2,110	317	1,232	(271)	7,572	141	7,713
75,703	40,271	165,194	7,937	313,928	7,375	786,615	10,027	796,642
-	-	-	-	3,615	-	3,615	-	3,615
77,147	40,806	166,248	7,940	-	-	469,440	10,075	479,515
81,718	41,010	176,906	9,396	-	-	491,784	10,409	502,193
667	172	415	4	-	-	2,246	20	2,266
964	333	2,438	11	-	-	4,404	60	4,464
2,301	695	2,123	9	-	-	6,744	62	6,806
138	52	(103)	-	-	-	287	1	288
103,132	57,848	109,584	176,285	96,151	12,957	732,011	244	732,255
102,989	57,713	104,024	174,987	-	-	615,633	-	615,633
106,513	56,856	110,015	189,827	-	-	641,123	-	641,123
61,858	45,413	204,439	1,731	58,736	17,738	505,750	11,217	516,967
65,763	45,404	217,080	2,163	63,042	16,516	529,143	11,283	540,426
123,146	40,863	152,911	1,186,585	66,336	-	1,714,600	-	1,714,600
1,360	653	2,101	16	-	-	5,808	572	6,380
1,255	578	406	489	-	-	5,148	-	5,148
191	139	611	3	429	46	1,811	(311)	1,500
2,806	1,370	3,118	508	429	46	12,767	261	13,028

Note 12A - Regulatory Operating Segments (cont.)

Information on Regulatory Operating Segments - Consolidated (cont.)

	For the year ended December 31, 2025 (audited)			
	Activity in Israel[a]			
	Households[e]			
	Total	Of which: Housing loans	Of which: Credit cards	Private banking
	In NIS million			
Interest income from external	9,765	7,462	83	18
Interest expense from external	2,950	-	-	1,291
Interest income, net:				
From external	6,815	7,462	83	(1,273)
Intersegmental	(1,243)	(5,962)	(7)	1,579
Total interest income, net	5,572	1,500	76	306
Total noninterest income	961	35	234	200
Total revenues	6,533	1,535	310	506
Credit loss expenses (income)	310	30	1	-
Operating and other expenses:				
For external	2,675	436	255	134
Intersegmental	2	2	-	-
Total operating and other expenses	2,677	438	255	134
Profit (loss) before taxes	3,546	1,067	54	372
Provision for profit taxes	1,277	378	19	133
Profit (loss) after taxes	2,269	689	35	239
The Bank's share in associates' profits, after tax effect	-	-	-	-
Net income (loss) before amount attributable to non-controlling interests	2,269	689	35	239
Net income attributable to non-controlling interests[g]	-	-	-	-
Net income (loss) attributable to the Bank's shareholders	2,269	689	35	239
Average balance of assets[b]	176,975	148,047	4,768	567
Of which: Investments in associates[b]	-	-	-	-
Average outstanding credit to the public[b]	178,057	148,424	4,814	559
Outstanding credit to the public as at the end of the reporting period	185,339	153,919	5,351	577
Outstanding non-accruing debts delinquent by over 90 days	1,032	770	1	-
Outstanding other troubled debts	660	19	-	-
Balance of the credit loss provision for credit to the public	1,644	667	60	3
Net charge-offs during the period	267	5	(1)	-
Average outstanding liabilities[b]	140,513	42	32	36,029
Of which: Average balance of deposits by the public[b]	140,389	-	-	36,026
Balance of deposits by the public as at the end of the reporting period	138,793	-	-	37,020
Average balance of risk-weighted assets[b][c]	115,526	88,243	4,520	1,143
Balance of risk-weighted assets as at the end of the reporting period[c]	108,609	80,051	4,933	1,158
Average balance of assets under management[b][d]	72,630	1,366	-	75,555
Breakdown of interest income, net:				
Spread[f] from credit granting to the public	2,213	1,166	55	2
Spread[f] from deposit taking from the public	2,906	-	-	267
Other	453	334	21	37
Total interest income, net	5,572	1,500	76	306

(a) The classification is based on the office's location.
(b) Average balance calculations are based on daily balances, as at the beginning of the quarter or the beginning of each month.
(c) Risk-weighted assets - as calculated for capital adequacy purposes.
(d) Assets under management - including customers' provident assets, advance education funds, mutual funds and securities.
(e) Including housing loans with outstanding credit to the public as at end of period in the amount of NIS 23.4 billion to customers whose business activity is classified to the business segments.
(f) Spread from credit granting activity is the difference between the interest received from credit and the cost of raising the sources used to grant the credit (hereinafter - "**transfer prices**"). These transfer prices are subject to the period, currency and type of interest in the transaction. Transfer prices are the Bank's internal pricing tool and are based on internal models and the Bank's judgment. Spread from deposit taking activity is the difference between the transfer prices and the interest paid to customers for these deposits.
(g) Amounts lower than NIS 1 million.

							Foreign operations[a]	
Small- and Micro-Businesses	Middle-Market	Corporations	Institutional entities	Financial management	Other Segment	Total activity in Israel	Total activity outside Israel	Total
4,837	2,686	10,095	275	10,662	-	38,338	753	39,091
2,968	1,785	3,951	6,458	2,836	-	22,239	-	22,239
1,869	901	6,144	(6,183)	7,826	-	16,099	753	16,852
1,876	894	(1,976)	6,888	(7,660)	56	414	(414)	-
3,745	1,795	4,168	705	166	56	16,513	339	16,852
992	363	1,115	235	1,843	27	5,736	92	5,828
4,737	2,158	5,283	940	2,009	83	22,249	431	22,680
(4)	(108)	227	2	(24)	-	403	47	450
1,610	465	586	225	391	449	6,535	113	6,648
-	-	-	8	9	(19)	-	-	-
1,610	465	586	233	400	430	6,535	113	6,648
3,131	1,801	4,470	705	1,633	(347)	15,311	271	15,582
1,136	652	1,598	254	506	22	5,578	92	5,670
1,995	1,149	2,872	451	1,127	(369)	9,733	179	9,912
-	-	-	-	350	-	350	-	350
1,995	1,149	2,872	451	1,477	(369)	10,083	179	10,262
-	-	-	-	-	-	-	-	-
1,995	1,149	2,872	451	1,477	(369)	10,083	179	10,262
77,647	40,541	168,359	8,829	317,072	7,456	797,446	10,122	807,568
-	-	-	-	3,618	-	3,618	-	3,618
79,090	41,109	169,429	8,833	-	-	477,077	10,104	487,181
92,945	42,154	187,253	8,129	-	-	516,397	10,403	526,800
761	150	352	4	-	-	2,299	19	2,318
930	293	2,152	7	-	-	4,042	169	4,211
2,211	722	2,190	10	-	-	6,780	70	6,850
217	47	(159)	-	-	-	372	-	372
104,856	57,952	111,339	183,708	97,235	10,525	742,157	256	742,413
104,715	57,510	105,909	180,285	-	-	624,834	-	624,834
113,048	60,006	126,085	211,935	-	-	686,887	-	686,887
62,835	45,412	207,597	1,839	59,813	17,433	511,598	11,234	522,832
78,293	45,305	226,915	2,284	70,675	15,907	549,146	11,947	561,093
126,960	42,192	159,223	1,219,122	67,116	-	1,762,798	-	1,762,798
1,837	876	2,865	25	-	-	7,818	751	8,569
1,668	747	541	675	-	-	6,804	-	6,804
240	172	762	5	166	56	1,891	(412)	1,479
3,745	1,795	4,168	705	166	56	16,513	339	16,852

Note 12B - Operating Segments - Management Approach

Overview

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

Information regarding operating segments - management approach was included in Note 28B to the Annual Financial Statements as at December 31, 2025.

Set forth below are the condensed operating results according to management approach

	For the three months ended September 30, 2026 (unaudited)											
	The Bank									Subsi-diaries in Israel	Foreign subsi-diaries	Total
	Private individuals	Small Busi-nesses	Retail banking - total	Mortgages	Com-mercial	Business	Real estate	Capital markets	Other and adjust-ments			
	In NIS million											
Interest income, net:												
From external	(798)	197	(601)	2,135	431	1,181	961	(109)	15	83	176	4,272
Intersegmental	1,883	277	2,160	(1,837)	157	(749)	(627)	989	(1)	13	(105)	-
Interest income, net	1,085	474	1,559	298	588	432	334	880	14	96	71	4,272
Noninterest income (expenses)	422	126	548	2	162	192	146	618	(102)	59	19	1,644
Total income (expenses)	1,507	600	2,107	300	750	624	480	1,498	(88)	155	90	5,916
Credit loss expenses (income)	42	17	59	(5)	5	(13)	37	83	-	8	10	184
Total operating and other expenses	694	192	886	107	182	78	34	117	19	82	34	1,539
Profit (loss) before tax	771	391	1,162	198	563	559	409	1,298	(107)	65	46	4,193
Provision (benefit) for taxes	287	146	433	75	212	216	156	630	(313)	14	(14)	1,409
Net income attributable to the Bank's shareholders	484	245	729	123	351	343	253	753	206	168	60	2,986

Note 12B - Operating Segments - Management Approach (cont.)

Summary of operating results according to management approach (cont.)

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

Note 12B - Operating Segments - Management Approach (cont.)

Summary of operating results according to management approach (cont.)

	For the nine months ended September 30, 2026 (unaudited)											
	The Bank									Subsi-diaries in Israel	Foreign subsi-diaries	Total
	Private individuals	Small Busi-nesses	Retail banking - total	Mortgages	Com-mercial	Business	Real estate	Capital markets	Other and adjust-ments			
	In NIS million											
Interest income, net:												
From external	(2,255)	584	(1,671)	6,082	1,336	3,305	2,865	6	57	287	486	12,753
Intersegmental	5,649	846	6,495	(5,162)	426	(2,006)	(1,876)	2,353	1	45	(276)	-
Interest income, net	3,394	1,430	4,824	920	1,762	1,299	989	2,359	58	332	210	12,753
Noninterest income (expenses)	1,200	380	1,580	6	488	454	405	1,895	(192)	521	59	5,216
Total income (expenses)	4,594	1,810	6,404	926	2,250	1,753	1,394	4,254	(134)	853	269	17,969
Credit loss expenses (income)	13	(27)	(14)	46	20	299	239	32	(20)	32	7	641
Total operating and other expenses	2,092	594	2,686	328	564	225	106	418	161	188	82	4,758
Profit (loss) before tax	2,489	1,243	3,732	552	1,666	1,229	1,049	3,804	(275)	633	180	12,570
Provision (benefit) for taxes	1,010	504	1,514	224	676	498	425	1,599	(159)	146	35	4,958
Net income (loss) attributable to the Bank's shareholders	1,479	739	2,218	328	990	731	624	2,446	(116)	798	145	8,164
Balances as at September 30, 2026												
Credit to the public, net	32,862	30,110	62,972	167,172	75,414	117,887	81,362	61,368	7,380	2,266	10,303	586,124
Deposits by the public	231,013	62,004	293,017	-	90,363	48,674	13,436	293,449	-	-	-	738,939

Note 12B - Operating Segments - Management Approach (cont.)

Summary of operating results according to management approach (cont.)

	For the nine months ended September 30, 2025 (unaudited)											
	The Bank									Subsi-diaries in Israel	Foreign subsi-diaries	Total
	Private individuals	Small Busi-nesses	Retail banking - total	Mortgages	Com-mercial	Business	Real estate	Capital markets	Other and adjust-ments			
	In NIS million											
Interest income, net:												
From external	(2,503)	578	(1,925)	6,248	1,343	2,439	2,958	1,172	57	166	570	13,028
Intersegmental	6,349	941	7,290	(5,293)	520	(1,399)	(1,949)	1,084	5	51	(309)	-
Interest income, net	3,846	1,519	5,365	955	1,863	1,040	1,009	2,256	62	217	261	13,028
Noninterest income	1,136	362	1,498	5	466	339	351	1,051	127	396	71	4,304
Total income	4,982	1,881	6,863	960	2,329	1,379	1,360	3,307	189	613	332	17,332
Credit loss expenses (income)	250	(9)	241	9	(55)	13	66	8	(4)	(5)	37	310
Total operating and other expenses	2,111	659	2,770	329	525	240	112	364	377	150	83	4,950
Profit (loss) before tax	2,621	1,231	3,852	622	1,859	1,126	1,182	2,935	(184)	468	212	12,072
Provision for taxes	997	468	1,465	237	707	428	450	1,084	68	124	71	4,634
Net income (loss) attributable to the Bank's shareholders	1,624	763	2,387	385	1,152	698	732	2,069	(252)	401	141	7,713
Balances as at September 30, 2025												
Credit to the public, net	31,109	27,857	58,966	154,085	67,343	87,513	71,360	37,603	6,865	1,306	10,346	495,387
Deposits by the public	229,081	60,380	289,461	-	82,718	39,665	10,714	218,562	3	-	-	641,123

Note 12B - Operating Segments - Management Approach (cont.)

Summary of operating results according to management approach (cont.)

	For the year ended December 31, 2025 (audited)											
	The Bank									Subsi-diaries in Israel	Foreign subsi-diaries	Total
	Private individuals	Small Busi-nesses	Retail banking - total	Mortgages	Com-mercial	Busi-ness	Real estate	Capital markets	Other and adjust-ments			
	In NIS million											
Interest income, net:												
From external	(3,263)	785	(2,478)	7,686	1,804	3,247	3,907	1,642	76	223	745	16,852
Intersegmental	8,338	1,239	9,577	(6,430)	663	(1,817)	(2,578)	918	-	73	(406)	-
Interest income, net	5,075	2,024	7,099	1,256	2,467	1,430	1,329	2,560	76	296	339	16,852
Noninterest income	1,557	490	2,047	6	603	442	439	1,604	29	566	92	5,828
Total income	6,632	2,514	9,146	1,262	3,070	1,872	1,768	4,164	105	862	431	22,680
Credit loss expenses (income)	373	(76)	297	(1)	(16)	(32)	149	(3)	(6)	15	47	450
Total operating and other expenses	2,829	858	3,687	434	730	324	152	513	495	200	113	6,648
Profit (loss) before tax	3,430	1,732	5,162	829	2,356	1,580	1,467	3,654	(384)	647	271	15,582
Provision for taxes	1,248	630	1,878	302	857	575	534	1,238	23	171	92	5,670
Net income (loss) attributable to the Bank's shareholders	2,182	1,102	3,284	527	1,499	1,005	933	2,712	(407)	530	179	10,262
Balances as at December 31, 2025												
Credit to the public, net	31,820	29,059	60,879	156,685	69,120	91,759	73,625	48,761	7,287	1,711	10,123	519,950
Deposits by the public	226,988	63,129	290,117	-	90,107	46,954	14,483	245,222	4	-	-	686,887

Note 13 - Additional Information on Credit Risk, Credit to the Public and Credit Loss Provision

A. Debts[(a)] and Off-Balance-Sheet Credit Instruments

1. Change in outstanding credit loss provision

	For the three months ended September 30, 2026 (unaudited)					
	Credit loss provision					
	Credit to the public				Banks, governments and bonds held-to-maturity and available-for-sale	Total
	Commercial	Housing	Private individuals - Other	Total - public		
	In NIS million					
Balance of credit loss provision as at the beginning of the reporting period	**6,314**	**723**	**913**	**7,950**	**67**	**8,017**
Credit loss expenses (income)	**132**	**(7)**	**40**	**165**	**19**	**184**
Charge-offs	**(172)**	**-**	**(123)**	**(295)**	**-**	**(295)**
Collection of debts written off in previous years	**74**	**-**	**68**	**142**	**-**	**142**
Net charge-offs	**(98)**	**-**	**(55)**	**(153)**	**-**	**(153)**
Outstanding credit loss provision as at the end of the reporting period[1]	**6,348**	**716**	**898**	**7,962**	**86**	**8,048**
[1]Of which: in respect of off-balance-sheet credit instruments	**1,021**	**20**	**30**	**1,071**	**20**	**1,091**

	For the three months ended September 30, 2025 (unaudited)					
	Credit loss provision					
	Credit to the public				Banks, governments and bonds held-to-maturity and available-for-sale	Total
	Commercial	Housing	Private individuals - Other	Total - public		
	In NIS million					
Balance of credit loss provision as at the beginning of the reporting period	6,039	692	1,018	7,749	55	7,804
Credit loss expenses (income)	(15)	-	27	12	20	32
Charge-offs	(117)	(1)	(145)	(263)	-	(263)
Collection of debts written off in previous years	121	-	80	201	-	201
Net charge-offs	4	(1)	(65)	(62)	-	(62)
Outstanding credit loss provision as at the end of the reporting period[1]	6,028	691	980	7,699	75	7,774
[1]Of which: in respect of off-balance-sheet credit instruments	823	21	49	893	22	915

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

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

A. Debts[(a)] and Off-Balance-Sheet Credit Instruments (cont.)

1. Change in outstanding credit loss provision (cont.)

	For the nine months ended September 30, 2026 (unaudited)					
	Credit loss provision					
	Credit to the public				Banks, governments and bonds held-to-maturity and available-for-sale	Total
	Commercial	Housing	Private individuals - Other	Total - public		
	In NIS million					
Balance of credit loss provision as at the beginning of the reporting period	**6,043**	**694**	**1,006**	**7,743**	**87**	**7,830**
Credit loss expenses (income)	**582**	**22**	**38**	**642**	**(1)**	**641**
Charge-offs	**(551)**	**-**	**(400)**	**(951)**	**-**	**(951)**
Collection of debts written off in previous years	**274**	**-**	**254**	**528**	**-**	**528**
Net charge-offs	**(277)**	**-**	**(146)**	**(423)**	**-**	**(423)**
Outstanding credit loss provision as at the end of the reporting period[1]	**6,348**	**716**	**898**	**7,962**	**86**	**8,048**
[1]Of which: in respect of off-balance-sheet credit instruments	**1,021**	**20**	**30**	**1,071**	**20**	**1,091**

	For the nine months ended September 30, 2025 (unaudited)					
	Credit loss provision					
	Credit to the public				Banks, governments and bonds held-to-maturity and available-for-sale	Total
	Commercial	Housing	Private individuals - Other	Total - public		
	In NIS million					
Balance of credit loss provision as at the beginning of the reporting period	6,048	669	988	7,705	47	7,752
Credit loss expenses	68	27	187	282	28	310
Charge-offs	(427)	(12)	(446)	(885)	-	(885)
Collection of debts written off in previous years	339	7	251	597	-	597
Net charge-offs	(88)	(5)	(195)	(288)	-	(288)
Outstanding credit loss provision as at the end of the reporting period[1]	6,028	691	980	7,699	75	7,774
[1]Of which: in respect of off-balance-sheet credit instruments	823	21	49	893	22	915

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

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

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

2. Additional information on calculating the credit loss provision for debts,[(a)] held-to-maturity bonds and available-for-sale bonds

	September 30, 2026 (unaudited)					
	Credit to the public				Banks, governments and bonds held-to-maturity and available-for-sale	Total
	Commercial	Housing	Private individuals - Other	Total - public		
	In NIS million					
Recorded outstanding debt:[(a)]						
Examined on a specific basis	**374,564**	**12**	**227**	**374,803**	**178,676**	**553,479**
Examined on a collective basis	**22,500**	**164,502**	**31,210**	**218,212**	**-**	**218,212**
Total debts[(a)]	**397,064**	**164,514**	**31,437**	**593,015**	**178,676**	**771,691**
Outstanding credit loss provision in respect of debts:[(a)]						
Examined on a specific basis	**4,648**	**-**	**82**	**4,730**	**66**	**4,796**
Examined on a collective basis	**679**	**696**	**786**	**2,161**	**-**	**2,161**
Total credit loss provision	**5,327**	**696**	**868**	**6,891**	**66**	**6,957**

	September 30, 2025 (unaudited)					
	Credit to the public				Banks, governments and bonds held-to-maturity and available-for-sale	Total
	Commercial	Housing	Private individuals - Other	Total - public		
	In NIS million					
Recorded outstanding debt:[(a)]						
Examined on a specific basis	299,108	-	184	299,292	147,497	446,789
Examined on a collective basis	20,614	151,769	30,518	202,901	-	202,901
Total debts[(a)]	319,722	151,769	30,702	502,193	147,497	649,690
Outstanding credit loss provision in respect of debts:[(a)]						
Examined on a specific basis	4,182	-	86	4,268	53	4,321
Examined on a collective basis	1,023	670	845	2,538	-	2,538
Total credit loss provision	5,205	670	931	6,806	53	6,859

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

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

A. Debts,[(a)] held-to-maturity bonds and available-for-sale bonds, credit to the public and balance of credit loss provision (cont.)

2. Additional information on calculating the credit loss provision for debts,[(a)] held-to-maturity bonds and available-for-sale bonds (cont.)

	December 31, 2025 (audited)					
	Credit to the public				Banks, governments and bonds held-to-maturity and available-for-sale	Total
	Commercial	Housing	Private individuals - Other	Total - public		
	In NIS million					
Recorded outstanding debt:[(a)]						
Examined on a specific basis	320,182	-	214	320,396	160,000	480,396
Examined on a collective basis	21,105	154,247	31,052	206,404	-	206,404
Total debts[(a)]	341,287	154,247	31,266	526,800	160,000	686,800
Outstanding credit loss provision in respect of debts:[(a)]						
Examined on a specific basis	4,242	-	104	4,346	60	4,406
Examined on a collective basis	970	668	866	2,504	-	2,504
Total credit loss provision	5,212	668	970	6,850	60	6,910

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

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

B. Credit to the public

1. Credit quality and delinquencies

	September 30, 2026 (unaudited)					
		Troubled[a]			Accruing debts - additional information	
	Performing[d]	Accruing	Non-accruing	Total	Delinquent by 90 days or more[b]	Delinquent by 30 days and up to 89 days[c]
	In NIS million					
Borrower activity in Israel						
Public - commercial						
Construction & real estate - construction	90,450	409	364	91,223	25	62
Construction & real estate - Real estate activities	57,095	748	251	58,094	9	66
Financial services	83,269	18	4	83,291	17	23
Commercial - Other	119,982	1,595	479	122,056	46	160
Commercial - total	350,796	2,770	1,098	354,664	97	311
Private individuals - Housing loans	163,490	17	965	164,472	-	723
Private individuals - Other	30,776	465	180	31,421	72	165
Total loans to the public - activity in Israel	545,062	3,252	2,243	550,557	169	1,199
Borrower activity outside Israel						
Public - commercial						
Construction and real estate	13,107	-	246	13,353	-	1
Commercial - Other	28,477	523	47	29,047	2	7
Commercial - total	41,584	523	293	42,400	2	8
Private individuals	58	-	-	58	-	-
Total loans to the public - activity outside Israel	41,642	523	293	42,458	2	8
Total credit to the public	586,704	3,775	2,536	593,015	171	1,207

(a) Non-accruing credit to the public, substandard or special mention.
(b) Classified as troubled, accruing debts.
(c) Accruing interest income. Debts delinquent by 30 and up to 89 days, totaling NIS 258 million, were classified as troubled debt.
(d) Performing debts include debts, which are not classified as troubled debts, with payment deferral of 180 days or more, given during the War to borrowers who were not in financial difficulties totaling NIS 1.1 billion as of September 30, 2026, mostly housing loans.

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

B. Credit to the public (cont.)

1. Credit quality and delinquency (cont.)

	September 30, 2025 (unaudited)					
		Troubled[a]			Accruing debts - additional information	
	Performing[d]	Accruing	Non-accruing	Total	Delinquent by 90 days or more[b]	Delinquent by 30 days and up to 89 days[c]
	In NIS million					
Borrower activity in Israel						
Public - commercial						
Construction & real estate - construction	76,874	711	164	77,749	38	48
Construction & real estate - Real estate activities	50,186	634	102	50,922	44	198
Financial services	53,344	20	6	53,370	2	11
Commercial - Other	104,672	1,973	620	107,265	59	143
Commercial - total	285,076	3,338	892	289,306	143	400
Private individuals - Housing loans	150,937	21	746	151,704	-	578
Private individuals - Other	29,817	711	168	30,696	74	165
Total loans to the public - activity in Israel	465,830	4,070	1,806	471,706	217	1,143
Borrower activity outside Israel						
Public - commercial						
Construction and real estate	11,255	52	164	11,471	-	1
Commercial - Other	18,308	559	78	18,945	-	-
Commercial - total	29,563	611	242	30,416	-	1
Private individuals	70	-	1	71	-	-
Total loans to the public - activity outside Israel	29,633	611	243	30,487	-	1
Total credit to the public	495,463	4,681	2,049	502,193	217	1,144

(a) Non-accruing credit to the public, substandard or special mention.
(b) Classified as troubled, accruing debts.
(c) Accruing interest income. Debts delinquent by 30 and up to 89 days, totaling NIS 172 million, were classified as troubled debt.
(d) Performing debts include debts, which are not classified as troubled debts, with payment deferral of 180 days or more, given during the War to borrowers who were not in financial difficulties totaling NIS 1.8 billion as of September 30, 2025, mostly housing loans.

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

B. Credit to the public (cont.)

1. Credit quality and delinquency (cont.)

	December 31, 2025 (audited)					
		Troubled[a]			Accruing debts - additional information	
	Performing[d]	Accruing	Non-accruing	Total	Delinquent by 90 days or more[b]	Delinquent by 30 days and up to 89 days[c]
	In NIS million					
Borrower activity in Israel						
Public - commercial						
Construction & real estate - construction	78,571	676	147	79,394	34	56
Construction & real estate - Real estate activities	52,804	618	177	53,599	49	93
Financial services	64,494	14	5	64,513	2	6
Commercial - Other	107,576	1,836	612	110,024	57	159
Commercial - total	303,445	3,144	941	307,530	142	314
Private individuals - Housing loans	153,400	19	770	154,189	-	840
Private individuals - Other	30,357	707	196	31,260	66	166
Total loans to the public - activity in Israel	487,202	3,870	1,907	492,979	208	1,320
Borrower activity outside Israel						
Public - commercial						
Construction and real estate	10,959	167	131	11,257	-	1
Commercial - Other	22,046	382	72	22,500	-	12
Commercial - total	33,005	549	203	33,757	-	13
Private individuals	64	-	-	64	-	-
Total loans to the public - activity outside Israel	33,069	549	203	33,821	-	13
Total credit to the public	520,271	4,419	2,110	526,800	208	1,333

(a) Non-accruing credit to the public, substandard or special mention.
(b) Classified as troubled, accruing debts.
(c) Accruing interest income. Debts delinquent by 30 and up to 89 days, totaling NIS 171 million, were classified as troubled debt.
(d) Performing debts include debts, which are not classified as troubled debts, with payment deferral of 180 days or more, given during the War to borrowers who were not in financial difficulties totaling NIS 1.4 billion as of December 31, 2025, mostly housing loans.

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

B. Credit to the public (cont.)

1.1. Credit quality by credit granting year

	September 30, 2026 (unaudited)								
	Recorded outstanding debt of fixed credit to the public						Recorded outstanding debt of renewed loans	Recorded outstanding debt of renewed loans converted to fixed-term loans	
	2026	2025	2024	2023	2022	Past			Total
	In NIS million								
Borrower activity in Israel									
Public - commercial									
Construction and real estate - total	**23,638**	**17,616**	**13,212**	**8,083**	**7,194**	**10,091**	**66,516**	**2,967**	**149,317**
Credit rated as performing	**23,578**	**17,429**	**12,919**	**7,598**	**6,719**	**9,899**	**66,125**	**2,960**	**147,227**
Non-troubled credit not rated as performing	**25**	**66**	**57**	**49**	**24**	**14**	**81**	**2**	**318**
Troubled accruing credit	**20**	**23**	**114**	**402**	**416**	**127**	**54**	**1**	**1,157**
Non-accruing credit	**15**	**98**	**122**	**34**	**35**	**51**	**256**	**4**	**615**
Gross charge-offs during the period	**(6)**	**(19)**	**(13)**	**(13)**	**(7)**	**(3)**	**(74)**	**-**	**(135)**
Commercial - other, total	**94,517**	**35,981**	**13,068**	**8,760**	**6,518**	**11,715**	**32,583**	**2,205**	**205,347**
Credit rated as performing	**94,281**	**35,730**	**12,787**	**8,449**	**6,302**	**11,121**	**32,092**	**2,186**	**202,948**
Non-troubled credit not rated as performing	**38**	**87**	**28**	**43**	**15**	**42**	**48**	**2**	**303**
Troubled accruing credit	**179**	**103**	**146**	**212**	**132**	**445**	**393**	**3**	**1,613**
Non-accruing credit	**19**	**61**	**107**	**56**	**69**	**107**	**50**	**14**	**483**
Gross charge-offs during the period	**(4)**	**(50)**	**(130)**	**(63)**	**(29)**	**(20)**	**(78)**	**(4)**	**(378)**
Private individuals - housing loans - total	**27,364**	**27,499**	**22,647**	**14,639**	**17,207**	**55,116**	**-**	**-**	**164,472**
LTV of up to 60%	**13,969**	**14,904**	**12,519**	**8,249**	**9,691**	**36,504**	**-**	**-**	**95,836**
LTV of over 60% and up to 75%	**13,220**	**12,398**	**9,959**	**6,145**	**7,182**	**17,692**	**-**	**-**	**66,596**
LTV of over 75%	**175**	**197**	**169**	**245**	**334**	**920**	**-**	**-**	**2,040**
Credit that is non-delinquent but performing	**27,256**	**27,151**	**22,180**	**14,284**	**16,856**	**54,039**	**-**	**-**	**161,766**
Credit that is non-delinquent nor performing	**27**	**195**	**198**	**114**	**111**	**373**	**-**	**-**	**1,018**
Delinquent by 30-89 days	**54**	**81**	**133**	**118**	**94**	**243**	**-**	**-**	**723**
Non-accruing credit	**27**	**72**	**136**	**123**	**146**	**461**	**-**	**-**	**965**
Gross charge-offs during the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Private individuals - other - total	**8,877**	**6,520**	**3,892**	**1,910**	**1,118**	**765**	**8,089**	**250**	**31,421**
Credit that is non-delinquent but performing	**8,502**	**5,781**	**3,333**	**1,578**	**908**	**637**	**7,460**	**196**	**28,395**
Credit that is non-delinquent nor performing	**347**	**649**	**477**	**285**	**178**	**110**	**537**	**26**	**2,609**
Delinquent by 30-89 days	**15**	**34**	**25**	**16**	**13**	**6**	**56**	**-**	**165**
Delinquent by over 90 days	**5**	**13**	**9**	**5**	**4**	**4**	**32**	**-**	**72**
Non-accruing credit	**8**	**43**	**48**	**26**	**15**	**8**	**4**	**28**	**180**
Gross charge-offs during the period	**(9)**	**(89)**	**(88)**	**(49)**	**(36)**	**(23)**	**(101)**	**(5)**	**(400)**
Total credit to the public - activity in Israel	**154,396**	**87,616**	**52,819**	**33,392**	**32,037**	**77,687**	**107,188**	**5,422**	**550,557**
Total credit to the public - activity outside Israel	**14,638**	**7,767**	**3,418**	**1,786**	**899**	**584**	**13,345**	**21**	**42,458**
Non-troubled credit	**14,615**	**7,678**	**3,418**	**1,737**	**708**	**584**	**12,881**	**21**	**41,642**
Troubled accruing credit	**-**	**-**	**-**	**-**	**65**	**-**	**458**	**-**	**523**
Non-accruing credit	**23**	**89**	**-**	**49**	**126**	**-**	**6**	**-**	**293**
Gross charge-offs during the period	**-**	**-**	**-**	**-**	**(16)**	**(22)**	**-**	**-**	**(38)**
Total credit to the public	**169,034**	**95,383**	**56,237**	**35,178**	**32,936**	**78,271**	**120,533**	**5,443**	**593,015**

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

B. Credit to the public (cont.)

1.1. Credit quality by credit granting year (cont.)

	September 30, 2025 (unaudited)								
	Recorded outstanding debt of fixed credit to the public						Recorded outstanding debt of renewed loans	Recorded outstanding debt of renewed loans converted to fixed-term loans	Total
	2025	2024	2023	2022	2021	Past			
	In NIS million								
Borrower activity in Israel									
Public - commercial									
Construction and real estate - total	17,473	18,777	10,953	9,637	6,637	6,660	55,960	2,574	128,671
Credit rated as performing	17,416	18,422	10,552	9,030	6,528	6,507	55,597	2,568	126,620
Non-troubled credit not rated as performing	26	143	61	56	51	12	90	1	440
Troubled accruing credit	24	187	254	511	43	86	239	1	1,345
Non-accruing credit	7	25	86	40	15	55	34	4	266
Gross charge-offs during the period	(1)	(6)	(14)	(9)	(5)	(4)	(33)	(1)	(73)
Commercial - other, total	43,017	25,989	14,881	10,727	6,769	9,925	47,056	2,271	160,635
Credit rated as performing	42,913	25,531	14,475	10,360	6,174	9,638	45,989	2,237	157,317
Non-troubled credit not rated as performing	38	196	40	21	24	50	329	1	699
Troubled accruing credit	49	156	241	227	481	172	648	19	1,993
Non-accruing credit	17	106	125	119	90	65	90	14	626
Gross charge-offs during the period	(5)	(65)	(59)	(46)	(37)	(43)	(91)	(2)	(348)
Private individuals - housing loans - total	22,214	26,825	17,478	20,335	18,044	46,808	-	-	151,704
LTV of up to 60%	12,010	15,010	9,793	11,253	10,277	31,698	-	-	90,041
LTV of over 60% and up to 75%	10,059	11,640	7,491	8,699	7,449	14,197	-	-	59,535
LTV of over 75%	145	175	194	383	318	913	-	-	2,128
Credit that is non-delinquent but performing	22,116	26,472	16,955	19,650	17,563	45,543	-	-	148,299
Credit that is non-delinquent nor performing	47	204	343	486	345	656	-	-	2,081
Delinquent by 30-89 days	39	83	91	85	52	228	-	-	578
Non-accruing credit	12	66	89	114	84	381	-	-	746
Gross charge-offs during the period	-	-	-	-	-	(12)	-	-	(12)
Private individuals - other - total	8,896	6,391	3,473	2,337	1,343	954	7,064	238	30,696
Credit that is non-delinquent but performing	8,201	5,507	2,902	1,931	1,148	865	6,318	170	27,042
Credit that is non-delinquent nor performing	658	788	496	356	167	71	669	42	3,247
Delinquent by 30-89 days	19	40	27	20	9	3	46	1	165
Delinquent by over 90 days	5	18	12	6	4	5	24	-	74
Non-accruing credit	13	38	36	24	15	10	7	25	168
Gross charge-offs during the period	(7)	(79)	(93)	(71)	(30)	(52)	(110)	(4)	(446)
Total credit to the public - activity in Israel	91,600	77,982	46,785	43,036	32,793	64,347	110,080	5,083	471,706
Total credit to the public - activity outside Israel	6,414	5,895	3,134	2,083	1,016	174	11,565	206	30,487
Non-troubled credit	6,406	5,879	3,116	1,733	998	174	11,121	206	29,633
Troubled accruing credit	-	13	13	151	-	-	434	-	611
Non-accruing credit	8	3	5	199	18	-	10	-	243
Gross charge-offs during the period	-	-	-	-	-	-	(6)	-	(6)
Total credit to the public	98,014	83,877	49,919	45,119	33,809	64,521	121,645	5,289	502,193

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

B. Credit to the public (cont.)

2.A. Additional information on non-accruing debts[(a)]

	September 30, 2026 (unaudited)					
	Outstanding[(b)] non-accruing debts for which there is a provision	Outstanding provision	Outstanding[(b)] non-accruing debts for which there is no provision	Total outstanding balance[(b)] of non-accruing debts	Outstanding contractual principal in respect of non-accruing debts	Recorded interest income[(c)]
	In NIS million					
Borrower activity in Israel						
Public - commercial						
Construction and real estate	495	77	120	615	1,135	-
Commercial - Other	395	180	88	483	2,248	2
Commercial - total	890	257	208	1,098	3,383	2
Private individuals - Housing loans	965	121	-	965	1,001	-
Private individuals - Other	178	97	2	180	589	-
Total loans to the public - activity in Israel	2,033	475	210	2,243	4,973	2
Borrower activity outside Israel						
Total loans to the public - activity outside Israel	240	82	53	293	537	-
Total - public[1]	2,273	557	263	2,536	5,510	2
[1]Of which:						
Measured on a specific basis according to the present value of cash flows	889	391	197	1,086	3,323	
Measured on a specific basis according to fair value of collateral	313	34	66	379	1,073	
Measured on a collective basis	1,071	132	-	1,071	1,114	

(a) Credit to the public, credit to governments, deposits with banks (excluding deposits with the Bank of Israel) and other debts, excluding bonds and securities borrowed or purchased under reverse repurchase agreements.
(b) Recorded outstanding debt.
(c) Interest income amount recorded for the reporting period in respect of the average balance of outstanding non-accruing debts during the period in which the debts were classified as non-accruing.

Were the non-accruing debts to accrue interest according to the original terms and conditions, interest income in the amount of NIS 100 million would be recorded.
Additional information: the total recorded average debt balance of non-accruing debts in the three months ended September 30, 2026 is NIS 2,395 million.

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

B. Credit to the public (cont.)

2.A. Additional information on non-accruing debts[(a)] (cont.)

	September 30, 2025 (unaudited)					
	Outstanding[(b)] non-accruing debts for which there is a provision	Outstanding provision	Outstanding[(b)] non-accruing debts for which there is no provision	Total outstanding balance[(b)] of non-accruing debts	Outstanding contractual principal in respect of non-accruing debts	Recorded interest income[(c)]
	In NIS million					
Borrower activity in Israel						
Public - commercial						
Construction and real estate	159	48	107	266	784	-
Commercial - Other	528	316	98	626	2,360	2
Commercial - total	687	364	205	892	3,144	2
Private individuals - Housing loans	746	112	-	746	769	-
Private individuals - Other	168	110	-	168	527	-
Total loans to the public - activity in Israel	1,601	586	205	1,806	4,440	2
Borrower activity outside Israel						
Total loans to the public - activity outside Israel	234	35	9	243	428	-
Total - public[1]	1,835	621	214	2,049	4,868	2
[1]Of which:						
Measured on a specific basis according to the present value of cash flows	920	480	182	1,102	3,273	
Measured on a specific basis according to fair value of collateral	169	29	32	201	826	
Measured on a collective basis	746	112	-	746	769	

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

(b) Recorded outstanding debt.

(c) Interest income amount recorded for the reporting period in respect of the average balance of outstanding non-accruing debts during the period in which the debts were classified as non-accruing.

Were the non-accruing debts to accrue interest according to the original terms and conditions, interest income in the amount of NIS 161 million would be recorded.

Additional information: the total recorded average debt balance of non-accruing debts in the three months ended September 30, 2025 is NIS 2,223 million.

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

B. Credit to the public (cont.)

2.A. Additional information on non-accruing debts[a] (cont.)

	December 31, 2025 (audited)					
	Outstanding[b] non-accruing debts for which there is a provision	Outstanding provision	Outstanding[b] non-accruing debts for which there is no provision	Total outstanding balance[b] of non-accruing debts	Outstanding contractual principal in respect of non-accruing debts	Recorded interest income[c]
	In NIS million					
Borrower activity in Israel						
Public - commercial						
Construction and real estate	181	55	143	324	827	1
Commercial - Other	501	335	116	617	2,379	2
Commercial - total	682	390	259	941	3,206	3
Private individuals - Housing loans	770	116	-	770	794	-
Private individuals - Other	196	127	-	196	574	-
Total loans to the public - activity in Israel	1,648	633	259	1,907	4,574	3
Borrower activity outside Israel						
Total loans to the public - activity outside Israel	145	47	58	203	397	-
Total - public[1]	1,793	680	317	2,110	4,971	3
[1]Of which:						
Measured on a specific basis according to the present value of cash flows	867	536	224	1,091	3,299	
Measured on a specific basis according to fair value of collateral	156	28	93	249	878	
Measured on a collective basis	770	116	-	770	794	

(a) Credit to the public, credit to governments, deposits with banks (excluding deposits with the Bank of Israel) and other debts, excluding bonds and securities borrowed or purchased under reverse repurchase agreements.
(b) Recorded outstanding debt.
(c) Interest income amount recorded for the reporting period in respect of the average balance of outstanding non-accruing debts during the period in which the debts were classified as non-accruing.

Were the non-accruing debts to accrue interest according to the original terms and conditions, interest income in the amount of NIS 204 million would be recorded.
Additional information: the total recorded average outstanding debt of non-accruing debts in the year ended December 31, 2025 is NIS 2,190 million.

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

B. Credit to the public (cont.)

2.B. Information regarding debts of financially distressed borrowers who underwent a change in terms and conditions

1. The credit quality and extent of delinquency of debts of financially distressed borrowers who underwent a change in terms and conditions

	As at September 30, 2026 (unaudited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-accruing	Accruing interest income	Delinquent by 30 days or more	Non-delinquent	Total
	In NIS million				
Borrower activity in Israel					
Commercial	**241**	**273**	**1**	**183**	**698**
Private individuals - Housing loans	**98**	**15**	**-**	**42**	**155**
Private individuals - Other	**152**	**151**	**3**	**154**	**460**
Total loans to the public - activity in Israel	**491**	**439**	**4**	**379**	**1,313**
Total loans to the public - activity outside Israel	**106**	**-**	**-**	**83**	**189**
Total - public	**597**	**439**	**4**	**462**	**1,502**

	As at September 30, 2025 (unaudited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-accruing	Accruing interest income	Delinquent by 30 days or more	Non-delinquent	Total
	In NIS million				
Borrower activity in Israel					
Commercial	271	252	3	241	767
Private individuals - Housing loans	100	21	-	33	154
Private individuals - Other	147	163	4	231	545
Total loans to the public - activity in Israel	518	436	7	505	1,466
Total loans to the public - activity outside Israel	59	124	-	457	640
Total - public	577	560	7	962	2,106

	As at December 31, 2025 (audited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-accruing	Accruing interest income	Delinquent by 30 days or more	Non-delinquent	Total
	In NIS million				
Borrower activity in Israel					
Commercial	283	236	2	170	691
Private individuals - Housing loans	106	19	-	36	161
Private individuals - Other	170	149	3	222	544
Total loans to the public - activity in Israel	559	404	5	428	1,396
Total loans to the public - activity outside Israel	123	-	-	533	656
Total - public	682	404	5	961	2,052

See comments below.

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

B. Credit to the public (cont.)

2.B. Information regarding debts of financially distressed borrowers who underwent a change in terms and conditions (cont.)

1. The credit quality and extent of delinquency of debts of financially distressed borrowers who underwent a change in terms and conditions (cont.)

Comments:

(a) In 2026, accruing debts that had been modified in prior years, totaling NIS 301 million, ceased to be included in the disclosure since both conditions were met:

1. An updated and well-documented credit assessment of the borrower's financial situation and repayment capacity under the new terms was performed, indicating that the debt may continue to be classified as an accruing debt and that it is neither delinquent nor troubled.
2. The assessment included a review of the borrower's ongoing historic repayment performance, as defined in Section 30.E of the Reporting to the Public Directives, for a minimum of 24 months.

(b) As of September 30, 2026, the terms and conditions of debts of financially distressed borrowers totaling NIS 6 million were modified more than twice.

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

B. Credit to the public (cont.)

2.B. Information regarding debts of financially distressed borrowers who underwent a change in terms and conditions (cont.)

2. The credit quality and delinquency status of debts of financially distressed borrowers who underwent a change in terms and conditions during the reporting period

	For the three months ended September 30, 2026 (unaudited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-accruing	Accruing interest income	Non-delinquent	Total	Charge-offs
	In NIS million				
Borrower activity in Israel					
Commercial	**51**	**5**	**2**	**58**	**5**
Private individuals - Housing loans	**13**	**-**	**-**	**13**	**-**
Private individuals - Other	**73**	**1**	**-**	**74**	**8**
Total credit to the public - activity in Israel	**137**	**6**	**2**	**145**	**13**
Total - public	**137**	**6**	**2**	**145**	**13**

	For the three months ended September 30, 2025 (unaudited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-accruing	Accruing interest income	Non-delinquent	Total	Charge-offs
	In NIS million				
Borrower activity in Israel					
Commercial	39	4	1	44	5
Private individuals - Housing loans	8	-	-	8	1
Private individuals - Other	66	9	4	79	4
Total credit to the public - activity in Israel	113	13	5	131	10
Total - public	113	13	5	131	10

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

B. Credit to the public (cont.)

2.B. Information regarding debts of financially distressed borrowers who underwent a change in terms and conditions (cont.)

2. The credit quality and extent of delinquency of debts of financially distressed borrowers who underwent a change in terms and conditions during the reporting period (cont.)

	For the nine months ended September 30, 2026 (unaudited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-accruing	Accruing interest income	Non-delinquent	Total	Charge-offs
	In NIS million				
Borrower activity in Israel					
Commercial	**128**	**98**	**29**	**255**	**25**
Private individuals - Housing loans	**39**	**1**	**1**	**41**	**-**
Private individuals - Other	**139**	**42**	**1**	**182**	**34**
Total credit to the public - activity in Israel	**306**	**141**	**31**	**478**	**59**
Total - public	**306**	**141**	**31**	**478**	**59**

	For the nine months ended September 30, 2025 (unaudited)				
	Recorded outstanding debt				
	Troubled		Non-troubled		
	Non-accruing	Accruing interest income	Non-delinquent	Total	Charge-offs
	In NIS million				
Borrower activity in Israel					
Commercial	182	38	2	222	22
Private individuals - Housing loans	22	-	-	22	5
Private individuals - Other	137	54	7	198	28
Total credit to the public - activity in Israel	341	92	9	442	55
Total credit to the public - activity outside Israel	4	-	-	4	-
Total - public	345	92	9	446	55

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

B. Credit to the public (cont.)

2.B. Information regarding debts of financially distressed borrowers who underwent a change in terms and conditions (cont.)

3. Debts of financially distressed borrowers who underwent a change in terms and conditions during the reporting period

	Debts of financially distressed borrowers who underwent a change in terms and conditions								
	In the three months ended September 30, 2026 (unaudited)								
	Total		Type of change						
	Recorded outstanding debt	Percent of total	Waiver of interest	Period extension	Deferral of payments	Waiver of debt, waiver of interest and period extension	Waiver of interest and period extension	Waiver of debt, waiver of interest	Period extension and deferral of payments
	In NIS million	In %	In NIS million						
Borrower activity in Israel									
Commercial	**58**	**0.02**	**20**	**15**	**-**	**-**	**23**	**-**	**-**
Private individuals - Housing loans	**13**	**0.01**	**-**	**4**	**9**	**-**	**-**	**-**	**-**
Private individuals - Other	**74**	**0.24**	**5**	**38**	**-**	**-**	**31**	**-**	**-**
Total credit to the public - activity in Israel	**145**	**0.03**	**25**	**57**	**9**	**-**	**54**	**-**	**-**
Total - public	**145**	**0.02**	**25**	**57**	**9**	**-**	**54**	**-**	**-**

	Debts of financially distressed borrowers who underwent a change in terms and conditions								
	In the three months ended September 30, 2025 (unaudited)								
	Total		Type of change						
	Recorded outstanding debt	Percent of total	Waiver of interest	Period extension	Deferral of payments	Waiver of debt, waiver of interest and period extension	Waiver of interest and period extension	Waiver of debt, waiver of interest	Period extension and deferral of payments
	In NIS million	In %	In NIS million						
Borrower activity in Israel									
Commercial	44	0.02	3	14	-	-	27	-	-
Private individuals - Housing loans	8	0.01	-	3	5	-	-	-	-
Private individuals - Other	79	0.26	7	40	-	-	32	-	-
Total credit to the public - activity in Israel	131	0.03	10	57	5	-	59	-	-
Total - public	131	0.03	10	57	5	-	59	-	-

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

B. Credit to the public (cont.)

2.B. Information regarding debts of financially distressed borrowers who underwent a change in terms and conditions (cont.)

3. Debts of financially distressed borrowers who underwent a change in terms and conditions during the reporting period (cont.)

	Debts of financially distressed borrowers who underwent a change in terms and conditions								
	In the nine months ended September 30, 2026 (unaudited)								
	Total		Type of change						
	Recorded outstanding debt	Percent of total	Waiver of interest	Period extension	Deferral of payments	Waiver of debt, waiver of interest and period extension	Waiver of interest and period extension	Waiver of debt, waiver of interest	Period extension and deferral of payments
	In NIS million	In %	In NIS million						
Borrower activity in Israel									
Commercial	**255**	**0.07**	**42**	**55**	**-**	**-**	**142**	**16**	**-**
Private individuals - Housing loans	**41**	**0.02**	**-**	**10**	**29**	**-**	**2**	**-**	**-**
Private individuals - Other	**182**	**0.58**	**13**	**100**	**-**	**-**	**69**	**-**	**-**
Total credit to the public - activity in Israel	**478**	**0.09**	**55**	**165**	**29**	**-**	**213**	**16**	**-**
Total - public	**478**	**0.08**	**55**	**165**	**29**	**-**	**213**	**16**	**-**

	Debts of financially distressed borrowers who underwent a change in terms and conditions								
	In the nine months ended September 30, 2025 (unaudited)								
	Total		Type of change						
	Recorded outstanding debt	Percent of total	Waiver of interest	Period extension	Deferral of payments	Waiver of debt, waiver of interest and period extension	Waiver of interest and period extension	Waiver of debt, waiver of interest	Period extension and deferral of payments
	In NIS million	In %	In NIS million						
Borrower activity in Israel									
Commercial	222	0.08	45	52	-	-	123	-	2
Private individuals - Housing loans	22	0.01	-	9	13	-	-	-	-
Private individuals - Other	198	0.65	18	101	-	-	77	-	2
Total credit to the public - activity in Israel	442	0.09	63	162	13	-	200	-	4
Total credit to the public - activity outside Israel	4	0.01	-	4	-	-	-	-	-
Total - public	446	0.09	63	166	13	-	200	-	4

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

B. Credit to the public (cont.)

2.B. Information regarding debts of financially distressed borrowers who underwent a change in terms and conditions (cont.)

3. Debts of financially distressed borrowers who underwent a change in terms and conditions during the reporting period (cont.)

	Financial effects of a change in terms and conditions for debts of financially distressed borrowers			
	In the three months ended September 30, 2026 (unaudited)			
	Type of change			
	Waiver of principal	Average waiver of interest	Average period extension	Average deferral of payments
	In NIS million	In %	Months	Months
Borrower activity in Israel				
Commercial	**10**	**2.28**	**33**	**-**
Private individuals - Housing loans	**-**	**-**	**99**	**9**
Private individuals - Other	**11**	**4.64**	**43**	**-**
Total credit to the public - activity in Israel	**21**	**3.18**	**41**	**9**
Total - public	**21**	**3.18**	**41**	**9**

	Financial effects of a change in terms and conditions for debts of financially distressed borrowers			
	In the three months ended September 30, 2025 (unaudited)			
	Type of change			
	Waiver of principal	Average waiver of interest	Average period extension	Average deferral of payments
	In NIS million	In %	Months	Months
Borrower activity in Israel				
Commercial	10	4.45	41	-
Private individuals - Housing loans	-	-	70	10
Private individuals - Other	19	5.52	43	-
Total credit to the public - activity in Israel	29	5.08	44	6
Total - public	29	5.08	44	6

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

B. Credit to the public (cont.)

2.B. Information regarding debts of financially distressed borrowers who underwent a change in terms and conditions (cont.)

3. Debts of financially distressed borrowers who underwent a change in terms and conditions during the reporting period (cont.)

	Financial effects of a change in terms and conditions for debts of financially distressed borrowers			
	In the nine months ended September 30, 2026 (unaudited)			
	Type of change			
	Waiver of principal	Average waiver of interest	Average period extension	Average deferral of payments
	In NIS million	In %	Months	Months
Borrower activity in Israel				
Commercial	**23**	**2.84**	**41**	**-**
Private individuals - Housing loans	**-**	**-**	**82**	**8**
Private individuals - Other	**29**	**4.43**	**41**	**-**
Total credit to the public - activity in Israel	**52**	**3.60**	**42**	**8**
Total - public	**52**	**3.60**	**42**	**8**

	Financial effects of a change in terms and conditions for debts of financially distressed borrowers			
	In the nine months ended September 30, 2025 (unaudited)			
	Type of change			
	Waiver of principal	Average waiver of interest	Average period extension	Average deferral of payments
	In NIS million	In %	Months	Months
Borrower activity in Israel				
Commercial	32	4.27	40	3
Private individuals - Housing loans	-	-	75	9
Private individuals - Other	47	5.46	43	3
Total credit to the public - activity in Israel	79	4.82	45	8
Total credit to the public - activity outside Israel	-	-	9	-
Total - public	79	4.82	45	8

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

B. Credit to the public (cont.)

2.B. Information regarding debts of financially distressed borrowers who underwent a change in terms and conditions (cont.)

3. Debts of financially distressed borrowers who underwent a change in terms and conditions during the reporting period (cont.)

	Debts of financially distressed borrowers who defaulted in the reporting year following a change in terms and conditions				
	In the three months ended September 30, 2026 (unaudited)				
	Total	Type of change			
	Recorded outstanding debt	Waiver of interest	Period extension	Deferral of payments	Waiver of interest and period extension
	In NIS million				
Borrower activity in Israel					
Commercial	**9**	**-**	**1**	**-**	**8**
Private individuals - Housing loans	**1**	**-**	**1**	**-**	**-**
Private individuals - Other	**13**	**1**	**7**	**-**	**5**
Total credit to the public - activity in Israel	**23**	**1**	**9**	**-**	**13**
Total - public	**23**	**1**	**9**	**-**	**13**

	Debts of financially distressed borrowers who defaulted in the reporting year following a change in terms and conditions				
	In the three months ended September 30, 2025 (unaudited)				
	Total	Type of change			
	Recorded outstanding debt	Waiver of interest	Period extension	Deferral of payments	Waiver of interest and period extension
	In NIS million				
Borrower activity in Israel					
Commercial	10	-	4	-	6
Private individuals - Housing loans	4	-	1	3	-
Private individuals - Other	16	1	5	-	10
Total credit to the public - activity in Israel	30	1	10	3	16
Total - public	30	1	10	3	16

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

B. Credit to the public (cont.)

2.B. Information regarding debts of financially distressed borrowers who underwent a change in terms and conditions (cont.)

3. Debts of financially distressed borrowers who underwent a change in terms and conditions during the reporting period (cont.)

	Debts of financially distressed borrowers who defaulted in the reporting year following a change in terms and conditions				
	In the nine months ended September 30, 2026 (unaudited)				
	Total	Type of change			
	Recorded outstanding debt	Waiver of interest	Period extension	Deferral of payments	Waiver of interest and period extension
	In NIS million				
Borrower activity in Israel					
Commercial	**15**	**-**	**8**	**-**	**7**
Private individuals - Housing loans	**2**	**-**	**2**	**-**	**-**
Private individuals - Other	**19**	**2**	**8**	**-**	**9**
Total credit to the public - activity in Israel	**36**	**2**	**18**	**-**	**16**
Total - public	**36**	**2**	**18**	**-**	**16**

	Debts of financially distressed borrowers who defaulted in the reporting year following a change in terms and conditions				
	In the nine months ended September 30, 2025 (unaudited)				
	Total	Type of change			
	Recorded outstanding debt	Waiver of interest	Period extension	Deferral of payments	Waiver of interest and period extension
	In NIS million				
Borrower activity in Israel					
Commercial	17	1	7	-	9
Private individuals - Housing loans	8	-	4	4	-
Private individuals - Other	23	2	9	-	12
Total credit to the public - activity in Israel	48	3	20	4	21
Total - public	48	3	20	4	21

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

B. Credit to the public (cont.)

2.C. Additional information on non-accruing delinquent credit

	September 30, 2026 (unaudited)							
	Is not delinquent by 90 days or more	Delinquent by 90 days to 180 days	Delinquent by over 180 days and up to one year	Delinquent by over one year and up to 3 years	Delinquent by over 3 years and up to 5 years	Delinquent by over 5 years and up to 7 years	Delinquent by over 7 years	Total
	In NIS million							
Commercial	**720**	**230**	**235**	**191**	**9**	**3**	**3**	**1,391**
Housing loans	**114**	**396**	**220**	**188**	**33**	**4**	**10**	**965**
Private individuals - Other	**173**	**1**	**1**	**4**	**-**	**-**	**1**	**180**
Total	**1,007**	**627**	**456**	**383**	**42**	**7**	**14**	**2,536**

	September 30, 2025 (unaudited)							
	Is not delinquent by 90 days or more	Delinquent by 90 days to 180 days	Delinquent by over 180 days and up to one year	Delinquent by over one year and up to 3 years	Delinquent by over 3 years and up to 5 years	Delinquent by over 5 years and up to 7 years	Delinquent by over 7 years	Total
	In NIS million							
Commercial	833	58	91	144	3	3	2	1,134
Housing loans	69	345	177	136	13	2	5	747
Private individuals - Other	168	-	-	-	-	-	-	168
Total	1,070	403	268	280	16	5	7	2,049

	December 31, 2025 (audited)							
	Is not delinquent by 90 days or more	Delinquent by 90 days to 180 days	Delinquent by over 180 days and up to one year	Delinquent by over one year and up to 3 years	Delinquent by over 3 years and up to 5 years	Delinquent by over 5 years and up to 7 years	Delinquent by over 7 years	Total
	In NIS million							
Commercial	785	68	53	232	1	3	2	1,144
Housing loans	70	347	201	131	14	2	5	770
Private individuals - Other	196	-	-	-	-	-	-	196
Total	1,051	415	254	363	15	5	7	2,110

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

B. Credit to the public (cont.)

3. Additional information on housing loans

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

		September 30, 2026 (unaudited)			
		Outstanding housing loans			
		Total[1]	[1]Of which: bullet and balloon loans	[1]Of which: variable interest	Total off-balance-sheet credit risk
		In NIS million			
First pledge: LTV ratio	Up to 60%	**95,518**	**5,337**	**56,853**	**3,491**
	Over 60%	**68,613**	**2,498**	**42,314**	**4,049**
Unpledged secondary lien		**383**	**37**	**223**	**10**
Total		**164,514**	**7,872**	**99,390**	**7,550**

		September 30, 2025 (unaudited)			
		Outstanding housing loans			
		Total[1]	[1]Of which: bullet and balloon loans	[1]Of which: variable interest	Total off-balance-sheet credit risk
		In NIS million			
First pledge: LTV ratio	Up to 60%	89,849	5,450	53,159	2,875
	Over 60%	61,919	2,210	38,019	3,110
Unpledged secondary lien		1	-	1	-
Total		151,769	7,660	91,179	5,985

		December 31, 2025 (audited)			
		Outstanding housing loans			
		Total[1]	[1]Of which: bullet and balloon loans	[1]Of which: variable interest	Total off-balance-sheet credit risk
		In NIS million			
First pledge: LTV ratio	Up to 60%	91,144	5,608	53,757	3,111
	Over 60%	63,102	2,332	38,711	3,591
Unpledged secondary lien		1	-	1	-
Total		154,247	7,940	92,469	6,702

(a) The ratio between the approved credit facility on the date granted and the value of the asset, as approved by the Bank when granting the credit facility.
The LTV ratio provides an additional indication of the Bank's risk assessment of a customer on granting a credit facility.

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

C. Off-Balance-Sheet Financial Instruments

	September 30				December 31	
	2026		2025			2025
	Outstanding loan contracts[a]	Balance of credit loss provision	Outstanding loan contracts[a]	Balance of credit loss provision	Outstanding loan contracts[a]	Balance of credit loss provision
	Unaudited				Audited	
	In NIS million					
Off-balance-sheet financial instruments						
Transactions in which the outstanding balance embodies credit risk:						
Documentary credit	**2,687**	**15**	1,163	1	1,000	2
Loan guarantees	**9,459**	**78**	7,767	92	8,427	73
Guarantees for apartment buyers	**47,972**	**21**	44,332	21	43,867	18
Guarantees and other commitments[b]	**37,592**	**108**	33,084	95	34,837	106
Unutilized credit card credit facilities	**19,509**	**27**	16,583	55	16,787	34
Revolving debit facilities and other credit facilities in on-demand accounts	**15,747**	**35**	15,855	43	15,460	40
Irrevocable credit commitments approved but not yet granted	**85,198**	**661**	67,505	491	72,766	538
Commitments to issue guarantees	**61,006**	**146**	49,732	117	52,605	109
Unutilized credit facilities for derivatives activity	**3,311**	**-**	3,154	-	3,058	-
Approval in principle to maintain interest rate[c]	**5,982**	**-**	5,563	-	7,806	-

(a) The balance of the contracts or their nominal amounts as at the end of the period, before the effect of the credit loss provision.

(b) Including the Bank's liabilities for its share in the risk reserve of the TASE Clearing House in the amount of NIS 325 million (as of September 30, 2025 - NIS 308 million and on December 31, 2025 - NIS 297 million).

(c) Liabilities to extend credit to customers in the framework of "Authorization in principle and preserving the interest rate" to Proper Conduct of Banking Business Directive No. 451, Procedures for Extending Housing Loans.

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

D. Guarantees by Repayment Date

	September 30, 2026 (unaudited)				
	Up to one year	One to three years	Three to five years	Over five years	Total
	In NIS million				
Loan guarantees	**6,010**	**2,162**	**670**	**617**	**9,459**
Guarantees for apartment buyers	**-**	**47,972**	**-**	**-**	**47,972**
Guarantees and other commitments	**18,932**	**6,657**	**2,832**	**9,171**	**37,592**
Total guarantees	**24,942**	**56,791**	**3,502**	**9,788**	**95,023**

	September 30, 2025 (unaudited)				
	Up to one year	One to three years	Three to five years	Over five years	Total
	In NIS million				
Loan guarantees	5,269	1,508	277	713	7,767
Guarantees for apartment buyers	-	44,332	-	-	44,332
Guarantees and other commitments	16,971	6,235	1,630	8,248	33,084
Total guarantees	22,240	52,075	1,907	8,961	85,183

	December 31, 2025 (audited)				
	Up to one year	One to three years	Three to five years	Over five years	Total
	In NIS million				
Loan guarantees	5,127	1,989	527	784	8,427
Guarantees for apartment buyers	-	43,867	-	-	43,867
Guarantees and other commitments	17,998	6,418	1,782	8,639	34,837
Total guarantees	23,125	52,274	2,309	9,423	87,131

The Bank issues various types of guarantees for the benefit of its customers, under which it assumes liability to the beneficiaries of such guarantees. If a customer fails to fulfill its obligations, the Bank may be required to pay the guaranteed amount under the terms of the guarantee. The maximum exposure arising from said obligations is derived from the amount of the issued guarantees; however, in many cases, the Bank holds collateral or rights of indemnification from its customers, which may reduce the loss incurred by the Bank following the forfeiture of the guarantee.

Note 14 - Assets and Liabilities by Linkage Basis

	September 30, 2026 (unaudited)						
	NIS		Foreign currency[a]				
	Non-linked	CPI-linked	In USD	In EUR	Other	Non-monetary items[b]	Total
	In NIS million						
Assets							
Cash and deposits with banks	122,605	-	8,579	772	4,467	5,476	141,899
Securities	86,833	16,199	56,214	8,256	2,036	7,874	177,412
Securities borrowed or purchased under reverse repurchase agreements	2,018	-	6,277	1	-	-	8,296
Credit to the public, net[c]	442,197	67,080	47,996	12,118	13,679	3,054	586,124
Credit to governments	983	-	258	1,638	-	-	2,879
Investments in associates	-	-	-	-	-	4,900	4,900
Buildings and equipment	-	-	-	-	-	3,439	3,439
Assets in respect of derivatives	6,910	291	12,780	360	255	12,898	33,494
Other assets	5,717	82	37	27	61	1,119	7,043
Total assets	667,263	83,652	132,141	23,172	20,498	38,760	965,486
Liabilities							
Deposits by the public	545,623	13,237	150,924	14,437	6,147	8,571	738,939
Deposits by banks	4,785	-	4,606	627	664	-	10,682
Deposits by governments	30	-	59	7	-	-	96
Securities loaned or sold under repurchase agreements	21,877	-	14,605	-	-	-	36,482
Bonds, promissory notes and subordinated bonds	22,054	27,744	9,006	5,138	-	-	63,942
Liabilities for derivatives	7,529	152	10,579	400	201	12,862	31,723
Other liabilities	4,489	6,713	129	117	118	609	12,175
Total liabilities	606,387	47,846	189,908	20,726	7,130	22,042	894,039
Difference[d]	60,876	35,806	(57,767)	2,446	13,368	16,718	71,447
Effect of hedging derivatives:							
Derivatives (excluding options)	326	(326)	-	-	-	-	-
Effect of non-hedging derivatives:							
Derivatives (excluding options)	(36,399)	(281)	51,383	(2,887)	(13,093)	1,277	-
In the money options, net (according to underlying asset)	35	-	(10)	(39)	51	(37)	-
Out of the money options, net (according to underlying asset)	(1,499)	-	1,622	(84)	-	(39)	-
Grand total	23,339	35,199	(4,772)	(564)	326	17,919	71,447
In the money options, net (discounted nominal value)	53	-	(1)	(63)	87	(76)	-
Out of the money options, net (discounted nominal value)	(6,604)	-	7,051	(421)	50	(76)	-

(a) Including those linked to foreign currency.
(b) Including derivatives whose underlying asset relates to a non-monetary item.
(c) After deducting credit loss provisions attributed to a linkage basis, according to the linkage of the underlying credit, in the amount of NIS 6,891 million.
(d) Shareholders' equity includes non-controlling interests.

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

	September 30, 2025 (unaudited)						
	NIS		Foreign currency[a]				
	Non-linked	CPI-linked	In USD	In EUR	Other	Non-monetary items[b]	Total
	In NIS million						
Assets							
Cash and deposits with banks	121,600	9	9,937	464	2,720	3,577	138,307
Securities	57,805	15,041	52,154	6,601	2,056	7,423	141,080
Securities borrowed or purchased under reverse repurchase agreements	1,106	-	4,776	1	-	-	5,883
Credit to the public, net[c]	368,572	67,076	34,895	9,404	13,191	2,249	495,387
Credit to governments	1,389	-	349	1,254	-	-	2,992
Investments in associates	-	-	-	-	-	3,724	3,724
Buildings and equipment	-	-	-	-	-	3,016	3,016
Assets in respect of derivatives	11,470	290	3,637	1,682	249	12,084	29,412
Other assets	6,020	8	38	24	86	1,136	7,312
Total assets	567,962	82,424	105,786	19,430	18,302	33,209	827,113
Liabilities							
Deposits by the public	470,668	16,479	130,899	12,784	4,427	5,866	641,123
Deposits by banks	6,983	-	6,840	2,446	605	-	16,874
Deposits by governments	37	-	62	8	-	-	107
Securities loaned or sold under repurchase agreements	3,967	-	8,405	-	-	-	12,372
Bonds, promissory notes and subordinated bonds	11,846	27,280	5,757	-	-	-	44,883
Liabilities for derivatives	13,082	216	2,625	1,932	336	12,074	30,265
Other liabilities	5,326	8,264	34	35	131	651	14,441
Total liabilities	511,909	52,239	154,622	17,205	5,499	18,591	760,065
Difference[d]	56,053	30,185	(48,836)	2,225	12,803	14,618	67,048
Effect of hedging derivatives:							
Derivatives (excluding options)	528	(528)	-	-	-	-	-
Effect of non-hedging derivatives:							
Derivatives (excluding options)	(26,815)	(1,864)	43,702	(3,012)	(12,893)	882	-
In the money options, net (according to underlying asset)	1,244	-	(1,219)	34	8	(67)	-
Out of the money options, net (according to underlying asset)	(1,841)	-	1,834	3	(15)	19	-
Grand total	29,169	27,793	(4,519)	(750)	(97)	15,452	67,048
In the money options, net (discounted nominal value)	1,812	-	(1,783)	9	2	(40)	-
Out of the money options, net (discounted nominal value)	(3,766)	-	3,660	165	(19)	(40)	-

(a) Including those linked to foreign currency.
(b) Including derivatives whose underlying asset relates to a non-monetary item.
(c) After deducting credit loss provisions attributed to a linkage basis, according to the linkage of the underlying credit, in the amount of NIS 6,806 million.
(d) Shareholders' equity includes non-controlling interests.

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

	December 31, 2025 (audited)						
	NIS	Foreign currency[a]					
	Non-linked	CPI-linked	In USD	In EUR	Other	Non-monetary items[b]	Total
	In NIS million						
Assets							
Cash and deposits with banks	134,544	-	11,852	1,495	2,335	4,421	154,647
Securities	59,294	15,954	55,787	6,276	2,406	8,403	148,120
Securities borrowed or purchased under reverse repurchase agreements	832	-	7,584	1	-	-	8,417
Credit to the public, net[c]	387,360	67,764	39,562	9,504	12,787	2,973	519,950
Credit to governments	1,590	-	313	1,503	-	-	3,406
Investments in associates	-	-	-	-	-	3,908	3,908
Buildings and equipment	-	-	-	-	-	3,153	3,153
Assets in respect of derivatives	11,757	246	3,440	886	198	7,790	24,317
Other assets	5,871	42	16	9	103	1,012	7,053
Total assets	601,248	84,006	118,554	19,674	17,829	31,660	872,971
Liabilities							
Deposits by the public	504,079	16,638	140,953	12,557	5,219	7,441	686,887
Deposits by banks	5,387	-	5,078	2,052	606	-	13,123
Deposits by governments	33	-	42	12	-	-	87
Securities loaned or sold under repurchase agreements	12,746	-	9,068	-	-	-	21,814
Bonds, promissory notes and subordinated bonds	11,639	26,935	5,633	-	-	-	44,207
Liabilities for derivatives	12,757	168	2,561	866	387	7,865	24,604
Other liabilities	5,390	7,751	43	65	131	734	14,114
Total liabilities	552,031	51,492	163,378	15,552	6,343	16,040	804,836
Difference[d]	49,217	32,514	(44,824)	4,122	11,486	15,620	68,135
Effect of hedging derivatives:							
Derivatives (excluding options)	422	(422)	-	-	-	-	-
Effect of non-hedging derivatives:							
Derivatives (excluding options)	(22,335)	(2,151)	39,977	(4,901)	(11,298)	708	-
In the money options, net (according to underlying asset)	(186)	-	205	66	(28)	(57)	-
Out of the money options, net (according to underlying asset)	118	-	-	(66)	24	(76)	-
Grand total	27,236	29,941	(4,642)	(779)	184	16,195	68,135
In the money options, net (discounted nominal value)	(745)	-	846	82	(49)	(134)	-
Out of the money options, net (discounted nominal value)	203	-	447	(562)	46	(134)	-

(a) Including those linked to foreign currency.
(b) Including derivatives whose underlying asset relates to a non-monetary item.
(c) After deducting credit loss provisions attributed to a linkage basis, according to the linkage of the underlying credit, in the amount of NIS 6,850 million.
(d) Shareholders' equity includes non-controlling interests.

Note 15 - Cash Flows according to Contractual Repayment Date[a]

	September 30, 2026 (unaudited)		
	Cash flows according to contractual repayment date		
	On demand and until	Over one day and up to one week	Over one week and up to one month
	In NIS million		
Cash, deposits and marketable bonds[f]			
Cash and deposits with banks	131,995	-	3,725
Marketable government bonds	22	1,114	1,279
Other marketable bonds	106	6	381
Total cash, deposits and marketable bonds	132,123	1,120	5,385
Other financial assets			
Credit to the public[b]	25,805	36,114	85,151
Other financial assets, excluding derivatives	8,375	921	295
Total financial assets, excluding derivatives	166,303	38,155	90,831
Financial liabilities			
Deposits by the public[g]	321,536	84,320	66,231
Of which: Households and small- and micro-businesses	119,105	22,405	23,696
Deposits by banks	6,099	42	582
Securities loaned or sold under repurchase agreements	26,745	1	319
Bonds and subordinated notes	-	-	40
Other financial liabilities, excluding derivatives	654	27	1,686
Total financial liabilities, excluding derivatives	355,034	84,390	68,858
Derivative instruments, off-balance sheet items and employee benefits			
Effect of derivatives	41	10	177
Liabilities to provide credit	(155)	(320)	(1,692)
Employee Benefits	-	-	9
Effect of derivatives, off-balance sheet items and employee benefits	(114)	(310)	(1,506)
Total cash flows, net (including in NIS and foreign currency)[h]	(188,845)	(46,545)	20,467
Of which: Foreign currency:[c]			
Total foreign currency cash, deposits and marketable bonds	12,962	242	1,546
Total other financial assets, excluding foreign currency derivatives	25,423	5,001	7,074
Total financial liabilities, excluding foreign currency derivatives	103,122	10,214	16,702
Effect of derivatives, off-balance sheet items and employee benefits in foreign currency	5,774	1,906	580
Total cash flows in foreign currency	(58,963)	(3,065)	(7,502)

	September 30, 2025 (unaudited)		
	Cash flows according to contractual repayment date		
	On demand and until	Over one day and up to one week	Over one week and up to one month
	In NIS million		
Cash, deposits and marketable bonds[f]	39,533	19,511	74,826
Other financial assets, excluding derivatives	22,529	17,538	71,958
Deposits by the public[g]	256,181	86,101	59,349
Other financial liabilities, excluding derivatives and deposits by the public	12,755	3,141	1,600
Effect of derivatives, off-balance sheet items and employee benefits	(955)	(551)	(17,903)
Total cash flows, net (including in NIS and foreign currency)[h]	(207,829)	(52,744)	67,932
Of which: Net cash flows in foreign currency[c]	(53,267)	1,599	1,776

See comments below.

Over one month and up to 3 months	Over 3 months and up to one year	Over one year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Without repayment date	Book balance[d] Total	Effective rate of return[e]
							In %
39	132	287	195	320		136,423	1.81
13,805	36,920	28,409	28,361	53,727		139,299	3.88
394	2,336	6,435	6,516	30,043		30,239	5.23
14,238	39,388	35,131	35,072	84,090		305,961	4.24
73,672	75,981	106,854	62,952	236,823	12,341	583,070	5.16
290	709	805	706	2,642	2,724	17,099	1.09
88,200	116,078	142,790	98,730	323,555	15,065	906,130	4.87
112,713	133,773	10,986	1,724	6,754		730,368	3.55
44,656	71,481	7,657	1,311	6,312		292,039	3.35
996	1,242	237	232	2,263		10,682	6.57
5,273	4,239	-	-	-		36,482	2.06
892	11,418	21,241	24,718	14,066		63,942	3.60
275	1,261	1,143	705	197	118	6,064	0.02
120,149	151,933	33,607	27,379	23,280	118	847,538	3.59
341	214	307	174	706	-	1,771	
(34,119)	(35,672)	(27,270)	(12,208)	(8,295)		(119,731)	
72	(479)	(1,244)	(1,385)	(14,003)		(5,598)	
(33,706)	(35,937)	(28,207)	(13,419)	(21,592)	-	(123,558)	
(65,655)	(71,792)	80,976	57,932	278,683	14,947	(64,966)	
6,740	11,519	16,668	10,798	43,800		80,306	5.14
8,442	9,004	17,521	9,781	5,310	1,545	82,099	6.56
26,335	35,748	8,540	6,635	3,724	-	206,487	4.33
5,125	16,133	(5,215)	(1,046)	(2,399)	-	20,166	
(6,028)	908	20,434	12,898	42,987	1,545	(23,916)	

Over one month and up to 3 months	Over 3 months and up to one year	Over one year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Without repayment date	Book balance[d] Total	Effective rate of return[e]
							In %
9,199	26,812	35,326	25,351	67,732		268,387	3.97
57,904	65,872	96,659	55,357	213,520	26,347	508,189	5.16
111,800	101,139	9,388	3,090	17,413	-	635,257	3.36
7,774	15,793	20,030	14,221	10,640	71	80,707	2.93
(14,725)	(33,415)	(21,534)	(8,570)	(19,913)	-	(107,526)	
(67,196)	(57,663)	81,033	54,827	233,286	26,276	(46,914)	
(10,986)	(18,249)	22,442	16,518	38,758	3,922	(19,663)	

Note 15 - Cash flows according to contractual repayment date (cont.)

	December 31, 2025 (audited)		
	Cash flows according to contractual repayment date		
	On demand and until	Over one day and up to one week	Over one week and up to one month
	In NIS million		
Cash, deposits and marketable bonds[f]	136,382	11,851	9,271
Other financial assets, excluding derivatives	24,523	27,630	66,164
Deposits by the public[g]	300,829	87,776	56,453
Other financial liabilities, excluding derivatives and deposits by the public	21,780	265	7,815
Effect of derivatives, off-balance sheet items and employee benefits	(848)	(977)	(2,563)
Total cash flows, net (including in NIS and foreign currency)[h]	(162,552)	(49,537)	8,604
Of which: Net cash flows in foreign currency[c]	(61,365)	2,626	6,534

Comments:

(a) In this note, the expected contractual future cash flows of balance sheet asset and liability items are presented according to the remaining periods until the contractual repayment date. The provision for credit losses is deducted from the relevant cash flows.

(b) The future cash flows of loans to the public are presented in accordance with the contractual repayment date of the loans. Credit in current accounts or current loan account, "on call" type credit and credit that is delinquent 30 days or more are presented in the "Without repayment date" column.

(c) Excluding foreign-currency linked NIS.

(d) As included in Note 14, Assets and Liabilities by Linkage Basis, including off-balance-sheet amounts in respect of derivatives which are not settled on a net basis.

(e) Effective rate of return is the interest rate used to discount the expected future contractual cash flows for a monetary item to its book balance.

(f) The fair value of cash, deposits and marketable bonds that are unpledged as of September 30, 2026, is NIS 279,605 million (as of September 30, 2025 - NIS 249,916 million, as of December 31, 2025 - NIS 270,479 million).

(g) The future cash flows of deposits are presented based on the earliest possible drawdown date under the contract. Deposits that are contractually payable on demand are presented in the "On demand and until" column.

(h) This difference does not necessarily reflect exposure to interest and/or linkage basis.

						Book balance[d]	
Over one month and up to 3 months	Over 3 months and up to one year	Over one year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Without repayment date	Total	Effective rate of return[e]
							In %
6,095	35,726	30,112	28,835	60,412		289,943	3.91
61,453	72,968	99,931	56,382	217,061	27,396	534,841	4.73
117,529	105,987	9,997	2,356	3,064	-	679,446	2.60
7,203	10,854	17,991	14,199	10,379	77	85,809	2.47
(24,506)	(38,401)	(23,980)	(10,489)	(19,758)	-	(111,490)	
(81,690)	(46,548)	78,075	58,173	244,272	27,319	(51,961)	
(15,804)	(3,026)	17,245	12,467	38,178	3,697	(21,518)	

Note 16A - Balances and Fair Value Estimates of Financial Instruments

	September 30, 2026 (unaudited)				
	Book balance	Fair value			
		Level 1[a]	Level 2[a]	Level 3[a]	Total
	In NIS million				
Financial assets					
Cash and deposits with banks	141,899	129,546	11,479	705	141,730
Securities[b]	177,412	121,484	49,997	4,920	176,401
Securities borrowed or purchased under reverse repurchase agreements	8,296	8,296	-	-	8,296
Credit to the public, net	586,124	51,287	-	533,555	584,842
Credit to governments	2,879	-	1,083	1,781	2,864
Assets in respect of derivatives	33,494	6,879	22,494	4,121	33,494
Other financial assets	429	42	-	387	429
Total financial assets	950,533[c]	317,534	85,053	545,469	948,056
Financial liabilities					
Deposits by the public	738,939	63,380	374,155	299,384	736,919
Deposits by banks	10,682	2,272	4,472	4,065	10,809
Deposits by governments	96	-	61	35	96
Securities loaned or sold under repurchase agreements	36,482	36,482	-	-	36,482
Bonds, promissory notes and subordinated bonds	63,942	56,931	-	7,019	63,950
Liabilities for derivatives	31,723	6,795	24,882	46	31,723
Other financial liabilities	3,194	248	1,540	1,430	3,218
Total financial liabilities	885,058[c]	166,108	405,110	311,979	883,197
Off-balance-sheet financial instruments					
Transactions in which the outstanding balance embodies credit risk	497	-	-	497	497
In addition, liabilities in respect of employee benefits, net[d]	6,051	-	-	6,051	6,051

(a) Level 1 - Fair value measurements using quoted prices in an active market.
Level 2 - Fair value measurements using other significant observable inputs.
Level 3 - Fair value measurements using significant unobservable inputs.

(b) For further details regarding the book balance and fair value of securities, see Note 5.

(c) Of which: Assets and liabilities in the amount of NIS 287,655 million and NIS 358,880 million, respectively, the outstanding balance-sheet amount of which is equal to their fair value (instruments presented in the balance sheet at fair value) or approximates their fair value (instruments with original maturities of up to three months for which the carrying amount is used as an approximation of the fair value). For additional information on instruments measured at fair value on recurring and non-recurring bases, see Notes 16B-16D.

(d) The liability is presented on a net basis and takes into account plan assets managed against it.

Note 16A - Balances and Fair Value Estimates of Financial Instruments (cont.)

	September 30, 2025 (unaudited)				
	Book balance	Fair value			
		Level 1[a]	Level 2[a]	Level 3[a]	Total
	In NIS million				
Financial assets					
Cash and deposits with banks	138,307	124,943	11,874	1,351	138,168
Securities[b]	141,080	89,707	46,011[e]	4,652[e]	140,370
Securities borrowed or purchased under reverse repurchase agreements	5,883	5,883	-	-	5,883
Credit to the public, net	495,387	31,314	-	462,170	493,484
Credit to governments	2,992	-	1,312	1,670	2,982
Assets in respect of derivatives	29,412	5,168	20,287	3,957	29,412
Other financial assets	531	41	-	490	531
Total financial assets	813,592[c]	257,056	79,484	474,290	810,830
Financial liabilities					
Deposits by the public	641,123	34,423	290,195	315,354	639,972
Deposits by banks	16,874	5,195	6,151	5,666	17,012
Deposits by governments	107	-	93	14	107
Securities loaned or sold under repurchase agreements	12,372	12,372	-	-	12,372
Bonds, promissory notes and subordinated bonds	44,883	36,776	-	8,206	44,982
Liabilities for derivatives	30,265	5,169	25,005	91	30,265
Other financial liabilities	2,771	152	1,132	1,290	2,574
Total financial liabilities	748,395[c]	94,087	322,576	330,621	747,284
Off-balance-sheet financial instruments					
Transactions in which the outstanding balance embodies credit risk	460	-	-	460	460
In addition, liabilities in respect of employee benefits, net[d]	7,809	-	-	7,809	7,809

(a) Level 1 - Fair value measurements using quoted prices in an active market.
Level 2 - Fair value measurements using other significant observable inputs.
Level 3 - Fair value measurements using significant unobservable inputs.

(b) For further details regarding the book balance and fair value of securities, see Note 5.

(c) Of which: Assets and liabilities in the amount of NIS 228,069 million and NIS 304,292 million, respectively, the outstanding balance-sheet amount of which is equal to their fair value (instruments presented in the balance sheet at fair value) or approximates their fair value (instruments with original maturities of up to three months for which the carrying amount is used as an approximation of the fair value). For additional information on instruments measured at fair value on recurring and non-recurring bases, see Notes 16B-16D.

(d) The liability is presented on a net basis and takes into account plan assets managed against it.

(e) Reclassified.

Note 16A - Balances and Fair Value Estimates of Financial Instruments (cont.)

	December 31, 2025 (audited)				
	Book balance	Fair value			
		Level 1[a]	Level 2[a]	Level 3[a]	Total
	In NIS million				
Financial assets					
Cash and deposits with banks	154,647	139,513	14,059	899	154,471
Securities[b]	148,120	96,782	46,110	4,654	147,546
Securities borrowed or purchased under reverse repurchase agreements	8,417	8,417	-	-	8,417
Credit to the public, net	519,950	42,103	-	475,996	518,099
Credit to governments	3,406	-	1,790	1,624	3,414
Assets in respect of derivatives	24,317	3,216	17,755	3,346	24,317
Other financial assets	476	28	-	448	476
Total financial assets	859,333[c]	290,059	79,714	486,967	856,740
Financial liabilities					
Deposits by the public	686,887	41,889	348,809	295,168	685,866
Deposits by banks	13,123	4,040	4,280	4,920	13,240
Deposits by governments	87	-	64	23	87
Securities loaned or sold under repurchase agreements	21,814	21,814	-	-	21,814
Bonds, promissory notes and subordinated notes	44,207	36,326	-	7,983	44,309
Liabilities for derivatives	24,604	3,167	21,345	92	24,604
Other financial liabilities	3,005	221	1,477	1,307	3,005
Total financial liabilities	793,727[c]	107,457	375,975	309,493	792,925
Off-balance-sheet financial instruments					
Transactions in which the outstanding balance embodies credit risk	493	-	-	493	493
In addition, liabilities in respect of employee benefits, net[d]	7,294	-	-	7,294	7,294

(a) Level 1 - Fair value measurements using quoted prices in an active market.
Level 2 - Fair value measurements using other significant observable inputs.
Level 3 - Fair value measurements using significant unobservable inputs.

(b) For further details regarding the book balance and fair value of securities, see Note 5.

(c) Of which: Assets and liabilities in the amount of NIS 241,343 million and NIS 315,488 million, respectively, the outstanding balance-sheet amount of which is equal to their fair value (instruments presented in the balance sheet at fair value) or approximates their fair value (instruments with original maturities of up to three months for which the carrying amount is used as an approximation of the fair value). For additional information on instruments measured at fair value on recurring and non-recurring bases, see Notes 16B-16D.

(d) The liability is presented on a net basis and takes into account plan assets managed against it.

Note 16B - Items Measured at Fair Value

A. Items Measured at Fair Value on a Recurring Basis

	September 30, 2026 (unaudited)			
	Fair value measurements using			
	Prices quoted on an active market (Level 1)	In other significant observable inputs (Level 2)	In significant unobservable inputs (Level 3)	Total fair value
	In NIS million			
Assets				
Available-for-sale bonds:				
Government of Israel bonds	85,015	11,546	-	96,561
Foreign governments bonds	13,662	6,534	-	20,196
Bonds of Israeli financial institutions	632	-	-	632
Bonds of foreign financial institutions	-	7,613	-	7,613
Asset-backed (ABSs) or mortgage-backed (MBSs) bonds	-	12,682	-	12,682
Other Israeli bonds	701	274	-	975
Other foreign bonds	-	2,272	-	2,272
Total available-for-sale bonds	100,010	40,921	-	140,931
Not held for-trading equity securities and mutual funds:				
Not held for-trading equity securities and mutual funds	2,951	-	-	2,951
Held-for-trading securities:				
Government of Israel bonds	13,219	-	-	13,219
Foreign governments bonds	-	17	-	17
Bonds of Israeli financial institutions	420	-	-	420
Bonds of foreign financial institutions	-	220	-	220
Asset-backed (ABSs) or mortgage-backed (MBSs) bonds	-	765	-	765
Other Israeli bonds	255	-	-	255
Other foreign bonds	-	136	-	136
Equity securities and mutual funds	3	-	-	3
Total held-for-trading securities	13,897	1,138	-	15,035
Assets in respect of derivatives:				
NIS contracts - CPI	-	103	234	337
Interest rate contracts	1,864	8,098	679	10,641
Foreign currency contracts	-	6,084	1,874	7,958
Stock contracts	3,042	8,183	1,279	12,504
Commodity- and other contracts	8	26	55	89
MAOF (Israeli financial instruments and futures) market activity	1,965	-	-	1,965
Total underlying assets for derivatives	6,879	22,494	4,121	33,494
Other:				
Credit and deposits for loaned securities	44,269	-	-	44,269
Securities borrowed or purchased under reverse repurchase agreements	8,296	-	-	8,296
Other	25	-	16	41
Other - total	52,590	-	16	52,606
Total assets	176,327	64,553	4,137	245,017

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

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

	September 30, 2026 (unaudited)			
	Fair value measurements using			
	Prices quoted on an active market (Level 1)	In other significant observable inputs (Level 2)	In significant unobservable inputs (Level 3)	Total fair value
	In NIS million			
Liabilities				
Liabilities for derivatives:				
NIS contracts - CPI	-	102	46	148
Interest rate contracts	1,829	7,207	-	9,036
Foreign currency contracts	-	8,036	-	8,036
Stock contracts	2,994	9,456	-	12,450
Commodity- and other contracts	8	81	-	89
MAOF (Israeli financial instruments and futures) market activity	1,964	-	-	1,964
Total liabilities in respect of derivatives	6,795	24,882	46	31,723
Other:				
Deposits in respect of loaned securities	42,255	-	-	42,255
Securities loaned or sold under repurchase agreements	36,482	-	-	36,482
Credit-linked notes (CLNs)	-	-	6,634	6,634
Other	212	36	-	248
Other - total	78,949	36	6,634	85,619
Total liabilities	85,744	24,918	6,680	117,342

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

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

	September 30, 2025 (unaudited)			
	Fair value measurements using			
	Prices quoted on an active market (Level 1)	In other significant observable inputs (Level 2)	In significant unobservable inputs (Level 3)	Total fair value
	In NIS million			
Assets				
Available-for-sale bonds:				
Government of Israel bonds	56,599	10,411	-	67,010
Foreign governments bonds	12,920	3,401	-	16,321
Bonds of Israeli financial institutions	244	-	-	244
Bonds of foreign financial institutions	-	7,608	-	7,608
Asset-backed (ABSs) or mortgage-backed (MBSs) bonds	-	10,933[(a)]	-[(a)]	10,933
Other Israeli bonds	643	323	-	966
Other foreign bonds	-	3,579	-	3,579
Total available-for-sale bonds	70,406	36,255	-	106,661
Not held for-trading equity securities and mutual funds:				
Not held for-trading equity securities and mutual funds	2,529	26	-	2,555
Held-for-trading securities:				
Government of Israel bonds	8,695	-	-	8,695
Bonds of Israeli financial institutions	58	-	-	58
Bonds of foreign financial institutions	-	68	-	68
Asset-backed (ABSs) or mortgage-backed (MBSs) bonds	-	42	-	42
Other Israeli bonds	138	-	-	138
Other foreign bonds	-	51	-	51
Equity securities and mutual funds	631	-	-	631
Total held-for-trading securities	9,522	161	-	9,683
Assets in respect of derivatives:				
NIS contracts - CPI	-	86	220	306
Interest rate contracts	394	6,555	152	7,101
Foreign currency contracts	-	6,162	3,050	9,212
Stock contracts	3,666	7,458	534	11,658
Commodity- and other contracts	30	10	1	41
MAOF (Israeli financial instruments and futures) market activity	1,078	16	-	1,094
Total underlying assets for derivatives	5,168	20,287	3,957	29,412
Other:				
Credit and deposits for loaned securities	21,438	-	-	21,438
Securities borrowed or purchased under reverse repurchase agreements	5,883	-	-	5,883
Other	41	-	-	41
Other - total	27,362	-	-	27,362
Total assets	114,987	56,729	3,957	175,673

(a) Reclassified.

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

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

	September 30, 2025 (unaudited)			
	Fair value measurements using			
	Prices quoted on an active market (Level 1)	In other significant observable inputs (Level 2)	In significant unobservable inputs (Level 3)	Total fair value
	In NIS million			
Liabilities				
Liabilities for derivatives:				
NIS contracts - CPI	-	144	80	224
Interest rate contracts	389	5,508	-	5,897
Foreign currency contracts	-	11,366	4	11,370
Stock contracts	3,653	7,976	7	11,636
Commodity- and other contracts	30	11	-	41
MAOF (Israeli financial instruments and futures) market activity	1,097	-	-	1,097
Total liabilities in respect of derivatives	5,169	25,005	91	30,265
Other:				
Deposits in respect of loaned securities	18,993	27	-	19,020
Securities loaned or sold under repurchase agreements	12,372	-	-	12,372
Credit-linked notes (CLNs)	-	-	7,802	7,802
Other	226	-	-	226
Other - total	31,591	27	7,802	39,420
Total liabilities	36,760	25,032	7,893	69,685

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

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

	December 31, 2025 (audited)			
	Fair value measurements using			
	Prices quoted on an active market (Level 1)	In other significant observable inputs (Level 2)	In significant unobservable inputs (Level 3)	Total fair value
	In NIS million			
Assets				
Available-for-sale bonds:				
Government of Israel bonds	62,172	9,979	-	72,151
Foreign governments bonds	17,063	4,130	-	21,193
Bonds of Israeli financial institutions	222	-	-	222
Bonds of foreign financial institutions	-	7,919	-	7,919
Asset-backed (ABSs) or mortgage-backed (MBSs) bonds	-	10,785	-	10,785
Other Israeli bonds	634	296	-	930
Other foreign bonds	-	3,273	-	3,273
Total available-for-sale bonds	80,091	36,382	-	116,473
Not held for-trading equity securities and mutual funds:				
Not held for-trading equity securities and mutual funds	2,376	-	-	2,376
Held-for-trading securities:				
Government of Israel bonds	5,260	-	-	5,260
Foreign governments bonds	-	-	-	-
Bonds of Israeli financial institutions	206	-	-	206
Bonds of foreign financial institutions	-	78	-	78
Asset-backed (ABSs) or mortgage-backed (MBSs) bonds	-	207	-	207
Other Israeli bonds	100	-	-	100
Other foreign bonds	-	75	-	75
Equity securities and mutual funds	1,373	-	-	1,373
Total held-for-trading securities	6,939	360	-	7,299
Assets in respect of derivatives:				
NIS contracts - CPI	-	102	211	313
Interest rate contracts	425	6,207	182	6,814
Foreign currency contracts	-	6,010	2,485	8,495
Stock contracts	1,566	5,417	466	7,449
Commodity- and other contracts	22	19	2	43
MAOF (Israeli financial instruments and futures) market activity	1,203	-	-	1,203
Total underlying assets for derivatives	3,216	17,755	3,346	24,317
Other:				
Credit and deposits for loaned securities	28,256	-	-	28,256
Securities borrowed or purchased under reverse repurchase agreements	8,417	-	-	8,417
Other	28	-	16	44
Other - total	36,701	-	16	36,717
Total assets	129,323	54,497	3,362	187,182

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

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

	December 31, 2025 (audited)			
	Fair value measurements using			
	Prices quoted on an active market (Level 1)	In other significant observable inputs (Level 2)	In significant unobservable inputs (Level 3)	Total fair value
	In NIS million			
Liabilities				
Liabilities for derivatives:				
NIS contracts - CPI	-	122	82	204
Interest rate contracts	418	5,339	-	5,757
Foreign currency contracts	-	9,925	3	9,928
Stock contracts	1,527	5,938	7	7,472
Commodity- and other contracts	21	21	-	42
MAOF (Israeli financial instruments and futures) market activity	1,201	-	-	1,201
Total liabilities in respect of derivatives	3,167	21,345	92	24,604
Other:				
Deposits in respect of loaned securities	25,032	27	-	25,059
Securities loaned or sold under repurchase agreements	21,814	-	-	21,814
Credit-linked notes (CLNs)	-	-	7,597	7,597
Other	221	-	-	221
Other - total	47,067	27	7,597	54,691
Total liabilities	50,234	21,372	7,689	79,295

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

B. Items Measured at Fair Value on a Non-Recurring Basis

	September 30, 2026 (unaudited)				
	Fair value measurements using				
	Prices quoted on an active market (Level 1)	In other significant observable inputs (Level 2)	In significant unobservable inputs (Level 3)	Total fair value	Total profit (loss) from changes in value during the period
	In NIS million				
Collateral-dependent non-accruing credit	**-**	**-**	**379**	**379**	**(76)**
Total	**-**	**-**	**379**	**379**	**(76)**

	September 30, 2025 (unaudited)				
	Fair value measurements using				
	Prices quoted on an active market (Level 1)	In other significant observable inputs (Level 2)	In significant unobservable inputs (Level 3)	Total fair value	Total profit (loss) from changes in value during the period
	In NIS million				
Collateral-dependent non-accruing credit	-	-	201	201	25
Total	-	-	201	201	25

	December 31, 2025 (audited)				
	Fair value measurements using				
	Prices quoted on an active market (Level 1)	In other significant observable inputs (Level 2)	In significant unobservable inputs (Level 3)	Total fair value	Total profit (loss) from changes in value during the period
	In NIS million				
Collateral-dependent non-accruing credit	-	-	249	249	(23)
Total	-	-	249	249	(23)

Note 16C - Changes in Items Measured at Fair Value on a Recurring Basis Included in Level 3

	For the three months ended September 30, 2026 (unaudited)									
	Fair value as at the beginning of the period	Realized/unrealized gains (losses), net, including:		Purchases and issuances	Sales	Discharges	Transfers to Level 3[c]	Transfers from Level 3[c]	Fair value as of September 30, 2026	Unrealized gains (losses) for instruments held as at September 30, 2026
		In the income statement[a]	In other comprehensive income[b]							
	In NIS million									
Assets										
Assets in respect of derivatives:										
NIS contracts - CPI	213	20	-	-	-	-	1	-	234	(24)
Interest rate contracts	380	298	-	-	-	1	-	-	679	702
Foreign currency contracts	2,758	(962)	-	78	-	-	-	-	1,874	592
Stock contracts	490	789	-	-	-	-	-	-	1,279	1,072
Commodity- and other contracts	3	52	-	-	-	-	-	-	55	55
Total underlying assets for derivatives	3,844	197	-	78	-	1	1	-	4,121	2,397
Total - Other	16	-	-	-	-	-	-	-	16	-
Total assets	3,860	197	-	78	-	1	1	-	4,137	2,397
Liabilities										
Liabilities for derivatives:										
NIS contracts - CPI	38	10	-	-	-	-	(2)	-	46	20
Foreign currency contracts	2	(2)	-	-	-	-	-	-	-	-
Total liabilities in respect of derivatives	40	8	-	-	-	-	(2)	-	46	20
Other - total	8,196	(45)	2	-	-	(1,519)	-	-	6,634	(43)
Total liabilities	8,236	(37)	2	-	-	(1,519)	(2)	-	6,680	(23)

(a) Net realized gains (losses) reported in the income statement under the noninterest finance income line item.
(b) Unrealized gains included in the Statement of Changes in Shareholders' Equity under accumulated other comprehensive income (loss).
(c) Transfers from Level 2 to Level 3 – forward CPI contracts for a period of more than one year were transferred when at the date of the financial statements the term to maturity was less than one year.

Note 16C - Changes in Items Measured at Fair Value on a Recurring Basis Included in Level 3 (cont.)

	For the three months ended September 30, 2025 (unaudited)									
	Fair value as at the beginning of the period	Realized/unrealized gains (losses), net, including:		Purchases and issuances	Sales	Discharges	Transfers to Level 3[c]	Transfers from Level 3[c]	Fair value as of September 30, 2025	Unrealized gains (losses) for instruments held as at September 30, 2025
		In the income statement[a]	In other comprehensive income[b]							
	In NIS million									
Assets										
Available-for-sale bonds:										
Israeli Government	26	-	1	-	-	24	(26)	(25)	-	-
Total available-for-sale bonds	26	-	1	-	-	24	(26)	(25)	-	-
Assets in respect of derivatives:										
NIS contracts - CPI	220	(1)	-	-	-	-	1	-	220	5
Interest rate contracts	-	180	-	3	-	(31)	-	-	152	156
Foreign currency contracts	5,517	(2,549)	-	82	-	-	-	-	3,050	1,234
Stock contracts	1,160	(626)	-	-	-	-	-	-	534	62
Commodity- and other contracts	2	(1)	-	-	-	-	-	-	1	-
Total underlying assets for derivatives	6,899	(2,997)	-	85	-	(31)	1	-	3,957	1,457
Total assets	6,925	(2,997)	1	85	-	(7)	(25)	(25)	3,957	1,457
Liabilities										
Liabilities for derivatives:										
NIS contracts - CPI	92	(21)	-	-	-	-	9	-	80	8
Foreign currency contracts	3	1	-	-	-	-	-	-	4	-
Stock contracts	7	-	-	-	-	-	-	-	7	-
Total liabilities in respect of derivatives	102	(20)	-	-	-	-	9	-	91	8
Other - total	6,643	34	(7)	1,472	-	(340)	-	-	7,802	27
Total liabilities	6,745	14	(7)	1,472	-	(340)	9	-	7,893	35

(a) Net realized gains (losses) reported in the income statement under the noninterest finance income line item.
(b) Unrealized gains included in the Statement of Changes in Shareholders' Equity under accumulated other comprehensive income (loss).
(c) Transfers from Level 2 to Level 3 – forward CPI contracts for a period of more than one year were transferred when at the date of the financial statements the term to maturity was less than one year.

Note 16C - Changes in Items Measured at Fair Value on a Recurring Basis Included in Level 3 (cont.)

	For the nine months ended September 30, 2026 (unaudited)									
		Realized/unrealized gains (losses), net, including:								
	Fair value as at the beginning of the year	In the income state-ment[a]	In other compre-hensive income[b]	Purchases and issuances	Sales	Discharges	Transfers to Level 3[c]	Transfers from Level 3[c]	Fair value as of September 30, 2026	Unrealized gains (losses) for instruments held as at September 30, 2026
	In NIS million									
Assets										
Assets in respect of derivatives:										
NIS contracts - CPI	211	9	-	-	-	-	14	-	234	24
Interest rate contracts	182	1,307	-	-	-	(810)	-	-	679	538
Foreign currency contracts	2,485	(3,535)	-	2,924	-	-	-	-	1,874	2,018
Stock contracts	466	813	-	-	-	-	-	-	1,279	1,199
Commodity- and other contracts	2	53	-	-	-	-	-	-	55	55
Total underlying assets for derivatives	3,346	(1,353)	-	2,924	-	(810)	14	-	4,121	3,834
Other - total	16	-	-	-	-	-	-	-	16	-
Total assets	3,362	(1,353)	-	2,924	-	(810)	14	-	4,137	3,834
Liabilities										
Liabilities for derivatives:										
NIS contracts - CPI	82	(50)	-	-	-	-	14	-	46	2
Foreign currency contracts	3	(3)	-	-	-	-	-	-	-	-
Stock contracts	7	-	-	-	(7)	-	-	-	-	-
Total liabilities in respect of derivatives	92	(53)	-	-	(7)	-	14	-	46	2
Other - total	7,597	(5)	12	1,390	-	(2,360)	-	-	6,634	143
Total liabilities	7,689	(58)	12	1,390	(7)	(2,360)	14	-	6,680	145

(a) Net realized gains (losses) reported in the income statement under the noninterest finance income line item.

(b) Unrealized gains (losses) included in the Statement of Changes in Shareholders' Equity under Accumulated other comprehensive income (loss).

(c) Transfers from Level 2 to Level 3 – forward CPI contracts for a period of more than one year were transferred when at the date of the financial statements the term to maturity was less than one year.

Note 16C - Changes in Items Measured at Fair Value on a Recurring Basis Included in Level 3 (cont.)

	For the nine months ended September 30, 2025 (unaudited)									
		Realized/unrealized gains (losses), net, including:								
	Fair value as at the beginning of year	In the income state-ment[a]	In other compre-hensive income[b]	Purchases and issuances	Sales	Discharges	Transfers to Level 3[c]	Transfers from Level 3[c]	Fair value as of September 30, 2025	Unrealized gains (losses) for instruments held as at September 30, 2025
	In NIS million									
Assets										
Available-for-sale bonds:										
Israeli Government	24	-	1	-	-	-	-	(25)	-	-
Total available-for-sale bonds	24	-	1	-	-	-	-	(25)	-	-
Assets in respect of derivatives:										
NIS contracts - CPI	267	(49)	-	-	-	-	2	-	220	28
Interest rate contracts	203	745	-	-	-	(796)	-	-	152	27
Foreign currency contracts	1,637	(1,169)	-	2,582	-	-	-	-	3,050	2,677
Stock contracts	1,284	(751)	-	1	-	-	-	-	534	(196)
Commodity- and other contracts	1	-	-	-	-	-	-	-	1	1
Total underlying assets for derivatives	3,392	(1,224)	-	2,583	-	(796)	2	-	3,957	2,537
Total assets	3,416	(1,224)	1	2,583	-	(796)	2	(25)	3,957	2,537
Liabilities										
Liabilities for derivatives:										
NIS contracts - CPI	64	(54)	-	-	-	-	70	-	80	4
Foreign currency contracts	5	(1)	-	-	-	-	-	-	4	-
Stock contracts	7	-	-	-	-	-	-	-	7	-
Total liabilities in respect of derivatives	76	(55)	-	-	-	-	70	-	91	4
Other - total	3,962	85	4	4,272	-	(521)	-	-	7,802	113
Total liabilities	4,038	30	4	4,272	-	(521)	70	-	7,893	117

(a) Net realized gains (losses) reported in the income statement under the noninterest finance income line item.

(b) Unrealized gains (losses) included in the Statement of Changes in Shareholders' Equity under Accumulated other comprehensive income (loss).

(c) Transfers from Level 2 to Level 3 – forward CPI contracts for a period of more than one year were transferred when at the date of the financial statements the term to maturity was less than one year.

Note 16C - Changes in Items Measured at Fair Value on a Recurring Basis Included in Level 3 (cont.)

	For the year ended December 31, 2025 (audited)									
		Realized/unrealized gains (losses), net, including:								
	Fair value as at the beginning of year	In the income state-ment[a]	In other compre-hensive income[b]	Purchases and issuances	Sales	Discharges	Transfers to Level 3[c]	Transfers from Level 3[c]	Fair value as at December 31, 2025	Unrealized gains (losses) for instruments held as at December 31, 2025
	In NIS million									
Assets										
Available-for-sale bonds:										
Israeli Government	24	-	1	-	-	-	-	(25)	-	-
Total available-for-sale bonds	24	-	1	-	-	-	-	(25)	-	-
Assets in respect of derivatives:										
NIS contracts - CPI	267	(61)	-	-	-	-	5	-	211	34
Interest rate contracts	203	759	-	-	-	(780)	-	-	182	80
Foreign currency contracts	1,637	(1,817)	-	2,665	-	-	-	-	2,485	2,389
Stock contracts	1,284	(818)	-	-	-	-	-	-	466	139
Commodity- and other contracts	1	1	-	-	-	-	-	-	2	2
Total underlying assets for derivatives	3,392	(1,936)	-	2,665	-	(780)	5	-	3,346	2,644
Total - Other	-	-	-	16	-	-	-	-	16	-
Total assets	3,416	(1,936)	1	2,681	-	(780)	5	(25)	3,362	2,644
Liabilities										
Liabilities for derivatives:										
NIS contracts - CPI	64	(53)	-	-	-	-	71	-	82	8
Foreign currency contracts	5	(2)	-	-	-	-	-	-	3	-
Stock contracts	7	-	-	-	-	-	-	-	7	-
Total liabilities in respect of derivatives	76	(55)	-	-	-	-	71	-	92	8
Other - total	3,962	90	21	4,272	-	(748)	-	-	7,597	136
Total liabilities	4,038	35	21	4,272	-	(748)	71	-	7,689	144

(a) Net realized gains (losses) reported in the income statement under the noninterest finance income line item.

(b) Unrealized gains (losses) included in the Statement of Changes in Shareholders' Equity under Accumulated other comprehensive income (loss).

(c) Transfers from Level 2 to Level 3 – forward CPI contracts for a period of more than one year were transferred when at the date of the financial statements the term to maturity was less than one year.

Note 16D - Quantitative Information on Items Measured at Fair Value Included in Level 3

Quantitative Information on Fair Value Measurement in Level 3

	September 30, 2026 (unaudited)				
	Fair value	Valuation technique	Unobservable inputs	Range	Average[2]
	In NIS million				
a. Items measured at fair value on a recurring basis					
Assets					
Assets for derivatives[1]					
NIS interest rate contracts - CPI	**234**	Discounted cash flows	Expected inflation	0.01%-1.87%	0.94%
Interest rate contracts	**679**	Discounted cash flows	Counterparty risk	0%-75%(*)	0.81%
Foreign currency contracts	**1**	Discounted cash flows	Expected inflation	0.01%-1.87%	0.94%
	1,873	Discounted cash flows	Counterparty risk	0%-75%(*)	0.81%
Stock contracts	**1,279**	Discounted cash flows	Counterparty risk	0%-75%(*)	0.81%
Commodity contracts	**55**	Discounted cash flows	Counterparty risk	0%-75%(*)	0.81%
Other assets	**16**	Third party transaction price quote			
Liabilities					
Liabilities for derivatives[1]					
NIS interest rate contracts - CPI	**46**	Discounted cash flows	Expected inflation	0.01%-1.87%	0.94%
	378	Discounted cash flows	Probability of default	3.38%- 4.49%	3.60%
			Effective average duration in years	0.08-1.6	0.78
	568	Discounted cash flows	Probability of default	3.49%-3.84%	3.63%
			Effective average duration in years	3.13	3.13
	224	Discounted cash flows	Probability of default	3.54%-3.66%	3.62%
			Effective average duration in years	0.79	0.79
	574	Discounted cash flows	Probability of default	3.54%-3.66%	3.62%
			Effective average duration in years	0.78	0.78
	839	Discounted cash flows	Probability of default	3.37%-3.69%	3.61%
			Effective average duration in years	1.28	1.28
	1,310	Discounted cash flows	Probability of default	3.54%-3.66%	3.60%
			Effective average duration in years	0.47	0.47
	580	Discounted cash flows	Probability of default	3.52%-3.66%	3.61%
			Effective average duration in years	0.81	0.81
	944	Discounted cash flows	Probability of default	2.73%-3.66%	3.54%
			Effective average duration in years	3.49	3.49
	1,217	Discounted cash flows	Probability of default	3.53%-3.66%	3.61%
			Effective average duration in years	0.62	0.62
b. Items measured at fair value on a non-recurring basis					
Collateral-dependent non-accruing credit	**379**	Collateral's fair value			

* For a defaulted counterparty.

See comments below.

Note 16D - Quantitative Information on Items Measured at Fair Value Included in Level 3 (cont.)

Quantitative Information on Fair Value Measurement in Level 3 (cont.)

	September 30, 2025 (unaudited)				
	Fair value	Valuation technique	Unobservable inputs	Range	Average[2]
	In NIS million				
a. Items measured at fair value on a recurring basis					
Assets					
Assets for derivatives[1]					
NIS interest rate contracts - CPI	218	Discounted cash flows	Expected inflation	(0.09%)-1.90%	0.90%
	2	Discounted cash flows	Counterparty risk	0%-75%(*)	0.85%
Interest rate contracts	152	Discounted cash flows	Counterparty risk	0%-75%(*)	0.85%
Foreign currency contracts	8	Discounted cash flows	Expected inflation	(0.09%)-1.90%	0.90%
Foreign currency contracts	3,042	Discounted cash flows	Counterparty risk	0%-75%(*)	0.85%
Stock contracts	534	Discounted cash flows	Counterparty risk	0%-75%(*)	0.85%
Commodity contracts	1	Discounted cash flows	Counterparty risk	0%-75%(*)	0.85%
Liabilities					
Liabilities for derivatives[1]					
NIS interest rate contracts - CPI	80	Discounted cash flows	Expected inflation	(0.09%)-1.90%	0.90%
Foreign currency contracts	4	Discounted cash flows	Expected inflation	(0.09%)-1.90%	0.90%
Stock contracts	7	Discounted cash flows	Counterparty risk	0%-75%	0.85%
Other liabilities	86	Discounted cash flows	Probability of default	3.62%-3.95%	3.70%
			Effective average duration in years	0.13-0.37	0.28
	617	Discounted cash flows	Probability of default	3.62%-3.95%	3.70%
			Effective average duration in years	0.25-1.20	0.95
	576	Discounted cash flows	Probability of default	3.63%-3.80%	3.72%
			Effective average duration in years	3.77	3.77
	150	Discounted cash flows	Probability of default	3.63%-3.75%	3.69%
			Effective average duration in years	0.24	0.24
	230	Discounted cash flows	Probability of default	3.63%-3.76%	3.72%
			Effective average duration in years	1.64	1.64
	566	Discounted cash flows	Probability of default	3.63%-3.76%	3.72%
			Effective average duration in years	1.69	1.69
	1,311	Discounted cash flows	Probability of default	3.63%-3.85%	3.72%
			Effective average duration in years	2.02	2.02
	527	Discounted cash flows	Probability of default	3.63%-3.76%	3.72%
			Effective average duration in years	1.52	1.52
	1,545	Discounted cash flows	Probability of default	3.63%-3.75%	3.71%
			Effective average duration in years	0.92	0.01
	713	Discounted cash flows	Probability of default	3.63%-3.76%	3.71%
			Effective average duration in years	1.28	1.28
	1,481	Discounted cash flows	Probability of default	3.63%-3.80%	3.70%
			Effective average duration in years	3.26	3.26
b. Items measured at fair value on a non-recurring basis					
Collateral-dependent non-accruing credit	201	Collateral's fair value			

* For a defaulted counterparty.

See comments below.

Note 16D - Quantitative Information on Items Measured at Fair Value Included in Level 3 (cont.)

Quantitative Information on Fair Value Measurement in Level 3 (cont.)

	December 31, 2025 (audited)				
	Fair value	Valuation technique	Unobservable inputs	Range	Average[2]
	In NIS million				
a. Items measured at fair value on a recurring basis					
Assets					
Assets for derivatives[1]					
NIS interest rate contracts - CPI	207	Discounted cash flows	Expected inflation	(0.11%)-1.63%	0.87%
	4	Discounted cash flows	Counterparty risk	0%-75%[*]	0.68%
Interest rate contracts	182	Discounted cash flows	Counterparty risk	0%-75%[*]	0.68%
Foreign currency contracts	10	Discounted cash flows	Expected inflation	(0.11%)-1.63%	0.87%
Foreign currency contracts	2,475	Discounted cash flows	Counterparty risk	0%-75%[*]	0.68%
Stock contracts	466	Discounted cash flows	Counterparty risk	0%-75%[*]	0.68%
Commodity contracts	2	Discounted cash flows	Counterparty risk	0%-75%[*]	0.68%
Other assets	16	Third party transaction price quote			
Liabilities					
Liabilities for derivatives[1]					
NIS interest rate contracts - CPI	82	Discounted cash flows	Expected inflation	(0.11%)-1.63%	0.87%
Foreign currency contracts	3	Discounted cash flows	Expected inflation	(0.11%)-1.63%	0.87%
Stock contracts	7	Discounted cash flows	Counterparty risk	0%-75%	0.68%
Other liabilities	53	Discounted cash flows	Probability of default	2.87%-3.73%	3.41%
			Effective average duration in years	0.13-0.37	0.19
	601	Discounted cash flows	Probability of default	3.62%-3.95%	3.38%
			Effective average duration in years	0.25-1.20	0.87
	573	Discounted cash flows	Probability of default	3.32%-3.53%	3.44%
			Effective average duration in years	3.67	3.67
	227	Discounted cash flows	Probability of default	3.3%-3.42%	3.38%
			Effective average duration in years	1.45	1.45
	565	Discounted cash flows	Probability of default	3.3%-3.42%	3.38%
			Effective average duration in years	1.48	1.48
	1,301	Discounted cash flows	Probability of default	3.31%-3.51%	3.39%
			Effective average duration in years	1.84	1.84
	528	Discounted cash flows	Probability of default	3.3%-3.41%	3.38%
			Effective average duration in years	1.35	1.35
	1,556	Discounted cash flows	Probability of default	3.3%-3.43%	3.39%
			Effective average duration in years	0.82	0.82
	718	Discounted cash flows	Probability of default	3.31%-3.46%	3.39%
			Effective average duration in years	1.26	1.26
	1,475	Discounted cash flows	Probability of default	3.3%-3.54%	3.42%
			Effective average duration in years	3.15	3.15
b. Items measured at fair value on a non-recurring basis					
Collateral-dependent non-accruing credit	249	Collateral's fair value			

* For a defaulted counterparty.

See comments below.

Note 16D - Quantitative Information on Items Measured at Fair Value Included in Level 3 (cont.)

Quantitative Information on Fair Value Measurement in Level 3 (cont.)

Comments:

1. The following unobservable inputs were used to measure the derivatives' fair value: counterparty credit risk and expected inflation rate. The higher/lower a counterparty's credit risk, the lower/higher the contract's fair value, respectively.
   A change in the expected inflation rate will affect the contracts' fair value in accordance with the Bank's CPI-linked position on these contracts. The higher (lower) the expected inflation rate with the Bank committed to paying the CPI-linked amount, the lower (higher) the contracts' fair value, respectively. The higher (lower) the expected inflation rate with the counterparty committed to paying the Bank the CPI-linked amount, the higher (lower) the contracts' fair value, respectively.
2. The average figure for the unobservable input "counterparty risk" reflects a weighted average. The weighted average was calculated based on the relative fair value of the exposures.

Note 17 - Miscellaneous Topics and Events Subsequent to the Balance Sheet Date

A. The War

On February 28, 2026, Operation Lion's Roar began with a joint Israeli-U.S. attack on Iran. In response, Iran launched a massive rocket attack against the Israeli home front, followed by rocket fire from Hezbollah in Lebanon, as well as attacks on US targets across the Persian Gulf and the Middle East and strikes against civilian targets in several Gulf countries, including the United Arab Emirates, Qatar, and Saudi Arabia. On the night of April 7-8, the United States and Iran announced a ceasefire, during which the parties would seek to reach an agreement to end the War. Later, a ceasefire was also announced between Israel and Hezbollah. Despite the ceasefire and the memorandum of understanding to end the War signed by the parties in June 2026, the geopolitical and security situation in the region remains complex. Recent developments - including an escalation in the conflict between the United States and Iran and the continuation of limited hostilities between Israel and Hezbollah in Lebanon - indicate that stability in the region has yet to be achieved. Due to the above, the improvement in Israel's risk premium stalled, energy prices started rising again, and geopolitical uncertainty levels increased.

In the long term, if the Operation will substantially reduce the threat posed to Israel by Iran and its proxies, the Israeli economy's potential growth will be positively affected. and Israel's risk premium in financial markets.

As of the report publication date, the Bank's activity for the customers continues as usual, with its business continuity plans being implemented effectively. At this stage, there has been no impact on the Bank's operating results, capital ratios, or liquidity status. The Bank's management continues to monitor developments on an ongoing basis and examine their possible implications.

Reliefs Granted in the Reporting Period

On April 1, 2025, the Bank of Israel's Framework for Customers of the Banking System came into effect, under which the banking system will allocate a total of NIS 3 billion, NIS 1.5 billion per year, as from the second quarter of 2025 through the first quarter of 2027, unless the framework is terminated earlier. Bank Leumi adopted the framework and formulated relief packages which have been updated from quarter to quarter and will continue to be reviewed on a quarterly basis.

The reliefs under this framework during the Reporting Period included payment of interest on credit balances in current accounts; a one-time grant of NIS 700 (NIS 500 for Pepper customers) to eligible private customers; a one-time debt relief grant provided in the second quarter of 2026 to private customers and small businesses with financial difficulties, including, among other things, as a result of the War, subject to meeting the eligibility criteria; a one-time relief provided in the third quarter of 2026 to reduce the legal fees charged to the accounts of private customers and small businesses, subject to meeting the eligibility criteria and the Bank's discretion. Automatic daily sweep deposit and cutting the interest rate on current account overdraft.

Note 17 - Miscellaneous Topics (cont.)

Operation Lion's Roar - Reliefs and assistance for customers following the impact of the operation

Following the commencement of Operation Lion's Roar, the Bank announced an immediate assistance framework for its customers, effective March 1, 2026 through March 31, 2026, and included reliefs for reservists; active duty soldiers; small businesses that suffered cash flow difficulties and/or whose owners were injured, whose homes or property were damaged, or who were evacuated from their business; and households whose homes or property were damaged or who were evacuated from their homes.

In addition, following the ramifications of the operation on the economy, on March 2, 2026, the Bank of Israel published a framework of reliefs for the public, and on April 15, 2026, extended its validity until May 15, 2026. Under the Bank of Israel's Framework, reliefs were provided to active reservists; small- and micro businesses ("first circle"); businesses that did not meet the defined criteria ("second circle"); and households whose homes were damaged, whose residents were evacuated, or who were injured and hospitalized ("first circle").

Donations and bonuses

The Bank continues to focus its corporate responsibility resources on supporting and helping to rehabilitate populations affected by the War, while standing alongside communities to strengthen resilience and restore a normal life. During the reporting period, the Bank led a series of significant social initiatives: The Safe Place Project for people aged 80 and over, who do not have an accessible safe room in their home, or whose home was damaged. As part of the initiative, the Bank funded stays in thousands of hotel rooms across the country for elderly people who did not have a safe room. In addition, for Independence Day, the Bank funded surprise performances by artists at various locations across the country, in an intimate atmosphere adapted to the circumstances; the Bank also led a unique initiative to help boys and girls from communities along the northern border, who were unable to celebrate their Bar and Bat Mitzvah year due to the ongoing War, funding premium summer camps operated by the Kimama network.

This was in addition to significant donations to support residents of communities along the northern and southern borders, IDF soldiers and reserve forces, hospitals, and to aid and emergency response organizations. The above reflect the Bank's deep commitment to Israeli society, even during the most complex times.

B. Special Payment for Achieving the Budgetary Targets Law (Temporary Order - Iron Swords), 2024

On March 31, 2026, the Economic Efficiency Law (Legislative Amendments for Obtaining the Budgetary Targets for the 2026 Budget Year), 2026, was published in the Official Gazette, including, inter alia, an amendment to the Special Payment for Achieving the Budgetary Targets Law (Temporary Order - Iron Swords), 2024. Under the amendment, a bank which is not a small-scale bank (i.e., a bank whose assets represent 5% or more of the total assets of all banks in Israel, a paying bank) will pay the State treasury, for the period from April 1, 2026 through December 31, 2026, an amount equal to 12% of the profit generated from its activities in Israel, and for the period from January 1, 2027 through December 31, 2027, an amount equal to 0.5% of the profit generated from its activities in Israel.

If the total annual payment of all the paying banks exceeds NIS 3 billion for 2026 or NIS 0.125 billion for 2027, paying banks will be refunded the difference between the annual payment amount of all the paying banks and the maximum amount for 2026 or 2027, as the case may be, multiplied by the relative share of the said paying bank from the total annual payment of all paying banks.

According to the above, the tax rate applicable to the Bank in 2026 is 34.75% plus a special tax. It should be noted that, due to the effect of said law, in respect of the reporting period, the Bank recorded tax expenses of approx. NIS 831 million in profit and loss.

C. Share-based compensation transactions

For details regarding the issuance of option warrants to employees of the Bank and/or the Bank Group, and details regarding the grant of fixed equity compensation to directors of the Bank other than the Chairman of the Board, see Note 8.A.

Note 17 - Miscellaneous Topics (cont.)

D. Determination by the Competition Commissioner regarding the existence of a concentration group

Further to the disclosure in Note 35.H. to the financial statements as of December 31, 2025 regarding the notice by the Competition Commissioner (hereinafter - the "**Commissioner**") of her intention, subject to a supplementary hearing, to declare the five banking groups as a concentration group and each of the banks therein as a member of a concentration group in the banking services for retail customers sector, on May 6, 2026, the Bank received a notice from the Commissioner, pursuant to her power under Sections 43(a)(6) and 31B of the Economic Competition Law, 1988 (hereinafter - the "**Law**"), and after consulting with the Governor of the Bank of Israel and the Banking Supervision Department in accordance with Sections 31(c)(1) and 31D(a) of the Law, that Bank Hapoalim Ltd., Bank Leumi le-Israel B.M., Mizrahi Tefahot Bank Ltd., Israel Discount Bank Ltd. and the First International Bank of Israel Ltd., including each of the banks held by them, constitute a concentration group in the banking services for retail customers sector, and that each of the banks listed above is a member of a concentration group. As part of the Commissioner's determination, provisions were issued to the members of the group.

The principal provisions issued to the members of the group are as follows: (1) a bank is required to offer the acceptance of common types of deposits, to specify the manner in which the offer is published, to comply with the terms published, and to publish a money market fund alongside the bank's offer; this provision will not take effect as long as Proper Conduct of Banking Business Directive No. 447A, in the version in effect as of the date of the Commissioner's determination, remains in force (or until otherwise determined by the Commissioner); (2) a bank is required to proactively contact a retail customer 14 business days prior to the maturity date or renewal date of a deposit, referring the customer to the publication of the bank's offer and to the publication of money market funds, to contact the customer on the maturity or renewal date of the deposit, as well as when notifying the customer of a credit balance in the current account; such communications must be made in clear and understandable language; (3) a prohibition on unreasonably refusing to accept a deposit from a financial coordinator, in addition to provisions regarding what constitutes an unreasonable refusal for purposes of the provision; this provision applies only to a "bank with a broad scope of activity," as defined in the provision (a bank whose assets exceed 20% of the total assets of all banks in Israel); and (4) where a retail customer requests to transfer a deposit from the bank to another bank or other regulated financial institution, the bank must take all actions required to enable the customer to transfer the deposit to the receiving entity online, conveniently, reliably and securely, without charging a fee for the deposit transfer process, while complying with the timeframes prescribed in the provision and prohibiting the bank from preventing the receiving entity from performing actions required for the transfer.

The directives' effective date - May 6, 2027.

On May 6, 2026, the Bank of Israel published its position, according to which, under the circumstances, declaring the banks a concentration group is an extreme and disproportionate step, which may deter investors from operating in Israel and is not expected to contribute in any meaningful way to improving the welfare of bank customers. This is particularly due to the fact that most of the directives mandated following the announcement have already been implemented in practice by the Bank of Israel's Banking Supervision Department under structural reforms it has led. According to the Bank of Israel, the announcement and its subsequent directives remain largely a mere declaratory measure, which undermines regulatory certainty in the Israeli economy and may therefore deter investors from operating in Israel, without driving competition in any way whatsoever. In relation to certain directives, the Bank of Israel stated that their imposition may raise the risk of undermining financial stability and cause substantial harm to the efficiency and development of the financial system and, consequently, to the economy as a whole. The Bank of Israel further noted that under the proceedings conducted by the Commissioner with the Banking Supervision Department prior to the announcement, the Bank of Israel has drawn the Commissioner's attention to the fact that the law requires the consent of the Bank of Israel for at least some of the directives she sought to mandate. Such consent was not given.

The Bank filed an objection to the announcement to the Competition Court.

Note 17 - Miscellaneous Topics (cont.)

E. Revised estimate of deferred tax liability

During the third quarter of 2026, the Bank revised some of the assumptions and forecasts underlying the deferred taxes liability calculation. The revised estimated liabilities for deferred taxes totaled approx. NIS 322 million.

F. Establishment of a trust company

In October 2026, the Bank completed a transaction with Aspire Investment Company, to establish a trust company under the control of the Bank (which holds approx. 50.1% of its equity), which will engage in the provision of trust services for employee equity compensation plans and trust services for M&A transactions and equity investment transactions.

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

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A. Corporate Governance

Changes in the Board of Directors

As of the report publication date, the Board of Directors includes 10 members, in accordance with the number of directors allowed in banking corporations without a controlling interest pursuant to Proper Conduct of Banking Business Directive No. 301 (hereinafter - "**Directive 301**"). During the third quarter of 2026, there were no changes in the composition of the Board of Directors.

On May 3, 2026, the Bank received from the Committee for the Appointment of Directors in Banking Corporations the list of candidates for director positions at the Bank for election at the Bank's 2026 annual general meeting. For further details, see the immediate report published by the Bank on May 4, 2026 (Ref. No. 2026-01-040910).

On May 19, 2026, the Bank published an advance notice regarding the intention to convene an annual general meeting of the Bank's shareholders. For further details, see the immediate report published by the Bank on May 19, 2026 (Ref. No. 2026-01-045999).

On June 10, 2026, the Bank published an annual general meeting summons regarding a meeting to be convened on July 16, 2026, whose agenda included the following items: (1) A discussion of the Bank's financial statements and the Bank's Report of the Board of Directors for the year ended December 31, 2025; (2) The reappointment of the accounting firms Somekh Chaikin (KPMG) and Brightman Almagor Zohar & Co. (Deloitte) as the Bank's joint independent auditors through the end of the next annual general meeting to be convened subsequent to this summons report; (3) The appointment of one (1) external director in accordance with Directive 301 (hereinafter - "**External Director 301**") out of two candidates recommended for director positions at the Bank by the Committee for the Appointment of Directors in Banking Corporations; (4) The appointment of two (2) directors having the status of other director - a director who is not an external director as stated in Section 11D(2) to the Banking Ordinance, 1941 (hereinafter - "**Other Director**") out of three candidates recommended for director positions at the Bank by the Committee for the Appointment of Directors in Banking Corporations. For further details, see the immediate report published by the Bank on June 10, 2026 (Ref. No. 2026-01-055171).

On July 16, 2026, the shareholders' annual general meeting approved the following resolutions:

1. To reappoint the auditing firms Somekh Chaikin (KPMG) and Brightman Almagor Zohar & Co. (Deloitte) as the Bank's joint independent auditors through the end of the Bank's next annual general meeting.
2. To appoint Prof. Yedidia Stern as External Director 301, for an additional three-year term of office, subject to obtaining the Banking Supervision Department's approval or non-objection to the appointment. On October 8, 2026, the Bank received the Banking Supervision Department's non-objection letter for his appointment, as stated. The effective date of his third tenure shall be November 21, 2026.
3. To appoint Mr. Uri Alon, the Chairman of the Bank's Board of Directors, as an Other Director for an additional three-year term of office. On August 16, 2026, the Bank received the Banking Supervision Department's non-objection letter for his appointment, as stated. The effective date of his second tenure shall be September 29, 2026.
4. To appoint Ms. Esther Deutsch as an Other Director for an additional three-year term of office. On September 15, 2026, a non-objection notice for his said appointment was issued by the Banking Supervision Department. The effective date of her second tenure shall be September 16, 2026.

For further details, see the immediate report published by the Bank on July 16, 2026 (Ref. No. 2026-01-067878).

For information regarding the directors' competencies as required by Directive 301, see the section entitled Members of the Bank's Board of Directors in the Corporate Governance Report as at December 31, 2025.

The Chief Internal Auditor

Information regarding the Group's internal auditing function, the professional standards pursuant to which the Internal Audit Division operates, the annual and multi-year work plans and the considerations taken into account in formulating the work plans were included in the Corporate Governance Report as at December 31, 2025.

The 2025 Internal Audit Report of the Leumi Group was submitted to the Audit Committee on February 12, 2026, discussed by the Committee on February 18, 2026, submitted to the Board of Directors on March 9, 2026 and presented to the Board on March 16, 2026.

A semi-annual compilation of audit reports and memoranda for the first half of 2026 was submitted to the Audit Committee on July 27, 2026, and reported to the Committee on August 3, 2026, submitted to the Board of Directors on August 5, 2026 and reported to the Board of Directors on August 11, 2026.

B. Additional Information

Control of the Bank

The Bank is defined by law as a banking corporation without a controlling interest, and no shareholder meets the definition of a controlling shareholder of the Bank.

For up-to-date information on interested parties' holdings in the Bank as of September 30, 2026, see the immediate report dated October 14, 2026 (Ref. No. 2026-01-093100). In addition, see the immediate report on the list of holders of material means of control in the Bank as of March 31, 2026, dated April 26, 2026 (Ref. No.: 2026-01-037942).

Appointments and Departures

Appointments

Mr. **Eyal Efrat**, Executive Vice President, Head of the Technologies Division and member of the Bank's management, was appointed Head of the Banking Division as from January 1, 2026.

Mr. **Shauli Bar Or** was appointed Head of the Technology Development Division, member of the Bank's management and Executive Vice President as from January 1, 2026.

Mr. **Matan Samish** was appointed Head of the Mortgage Division, member of the Bank's management and Executive Vice President as from January 1, 2026.

Mr. **Nir Omer** was appointed Head of the Cybersecurity and Infrastructure Division, member of the Bank's management and Executive Vice President as from January 1, 2026.

Ms. **Liat Shuv** (CPA), Executive Vice President, Head of the Corporate Division and member of the Bank's management was appointed, in addition to her above position, as Chairman of the Board of Bank Leumi UK, as from January 7, 2026.

Mr. **Avi Polak**, Executive Vice President, Head of the Operations and Service Division and member of the Bank's management, was appointed CEO of the subsidiary Leumi Capital Markets Services as from January 1, 2026.

Adv. **Nir Yamin** was appointed Chief Compliance Officer as from May 6, 2026.

Departures

Adv. **Shelly Beinhorn** stepped down as Head of the Bank and Group's Secretariat on March 31, 2026.

Mr. **Pinchas Schatz**, stepped down as Chief Compliance Officer and Head of the Compliance & Enforcement Department, and was appointed CEO of the subsidiary - Maalot Insurance Agency.

Corporate Structure

For details, see the section titled Corporate Structure in the Corporate Governance Report as of December 31, 2025.

Material Agreements

For details regarding additional material agreements, see the Note 17 and the Material Agreements section in the financial statements as at December 31, 2025.

Laws and Regulations Governing the Banking System

Some of the information in this section constitutes forward-looking information. For the meaning and implications of the term, see under Forward-Looking Information.

During the reporting period, several proposals for regulatory amendments and changes to various legal provisions were published, which could have an impact on the characteristics, scope and profitability of some of the Group's activities and on the credit, operational and legal risks to which it is exposed. Some of the directives are at various stages of discussion and, consequently, it is impossible to assess whether or not they will be issued as binding provisions and, if issued, what the ultimate provisions will be. As a result, at this stage, it is impossible to assess the effect of these provisions on the Group's overall activity, if any.

The following section provides detailed information on newly enacted legislation, which came into effect during the reporting period and provisions expected to enter into effect, which were published after the signing date of the financial statements for 2025, which may have a significant effect on the Bank.

For a description of directives published in the reporting period before the signing date of the financial statements for 2025, see the section titled Legislation and Regulation of the Banking System in the Corporate Governance Report of 2025.

Directives Issued by the Banking Supervision Department

The Banking Supervision Department's Reform regarding Fees Charged to Households and Small Businesses for Administering Accounts, Payments and Debit Cards

Further to that which is stated in the chapter titled Laws and Regulations Governing the Banking System in the Corporate Governance Report for 2025, on June 21, 2026, the reform circular was published, subsequent to the publication, on June 17, 2026, of the Banking Rules (Service to Customer) (Fees and Commissions) (Amendment), 2026, and the Banking Ordinance (Customer Service) (Supervision of Payment Account Management Service, Debit Card Fee Service, Changes in the Monthly Repayment Date of a Housing Loan Service), 2026 (hereinafter - the "**Amendment to the Rules and Ordinance**").

Under the Amendment to the Rules and Ordinance the method of charging for the execution of current payment transactions was revised and a new payment account management service was introduced along with a maximum controlled price which may be charged for this service. According to the new method, a banking corporation will be entitled to charge a customer (an individual or a small business) holding an active payment account, a fixed payment account management fee for up to 100 transactions per month. These transactions include the common services mapped by the Banking Supervision Department, including: Depositing, withdrawing, and breaking cash, including via an ATM; Transferring to another account; Clearing a check from the payer's account; Cashing a check; Depositing a check for collection into the payee's account; Paying a voucher; Crediting an account via a clearing house; Debiting the payment account for credit card payments; Debiting in accordance with a direct debit mandate or standing order; An instruction to cancel a debit; account information services; etc. In addition, the default option was revised, such that all customers will be automatically added to the service and will not be required to take any active steps on their part. In addition to establishing the abovementioned payment method, under the reform, controls were imposed on the following prices — under the payment account management service, the fee for the first 100 transactions will not exceed NIS 10; For each additional transaction included in this service, the fees will not exceed NIS 1; if in any given month no more than 2 transactions which are included in the service were executed, the fee for that month will not exceed NIS 5. The new method will replace the existing tracks service introduced in 2014. Price controls were also imposed on the debit card fee, such that it will not exceed NIS 7. This arrangement will supersede the current arrangement according to which a customer is exempted from the debit card fee for three years provided that they simultaneously hold a credit card. In addition, under the reform, the provisions of Proper Conduct of Banking Business Directive No. 425 - Annual Reports to Customers of the Banking Corporations - were revised and adapted, and it was also stipulated that Proper Conduct of Banking Business Directive No. 423 - the Tracks Service - will be repealed. The effective date of the Amendment to the Rules and Ordinance is July 1, 2027. The effective date of the Debit Card Fee Control Ordinance is October 1, 2026. The cancellation of the services of charging payers for checks which bounced due to technical reasons, locating accounts, and handling of inheritances and estates will enter into effect on October 1, 2026. The repeal of Proper Conduct of Banking Business Directive No. 423 - The Tracks Service - will enter into effect on July 1, 2027. The revision to Proper Conduct of Banking Business Directive No. 425 - Annual Reports to Customers of the Banking

Corporations - will enter into effect in the first report issued to the customer following the entry into effect of the Amendment to the Rules and Ordinance.

Draft revised policy and general terms and conditions for those applying for a holding permit in banking corporations, in prudential payments service providers and in corporations holding them.

On March 25, 2026, the policy update was published. The draft proposes the following, among other things: To grant relief to those applying for a holding permit in a prudential payments service provider, such that the holding permit will be limited to up to 20% of the equity interests (the right to participate in the corporation's profits and the right to the remaining assets of the corporation upon its liquidation after the settlement of its debts) instead of 10%, while the percentage of managerial rights (the right to appoint directors and the right to vote in the general meeting) will remain at 10% for a period of up to ten years from the permit's issuance date, after which the holding permit will be restricted to a maximum of up to 10%. Furthermore, it is proposed to make several amendments pertaining to the criteria for assessing a holding permit application where the applicant is a private equity fund, including: Taking into account the professional background and experience of the general partnership's directors, managers, and investment committee members; adding a consideration pertaining the financial resilience of the controlling shareholders, directors, and managers of the fund's general partnership; and adding a clarification whereby the decision of whether there is a controlling shareholder in the fund will be assessed for each investment fund in accordance with its decision-making structure.

Policy revision - opening branches and providing banking services

On October 6, 2026 The draft proposes to revise the following general permits: A general permit for a bank to open temporary branches — it is proposed to expand the option to conduct temporary branch activity through a mobile branch, remove the restriction on the period during which a temporary branch may operate (90 days), remove the restriction on the number of temporary branches which may be opened at the same time, remove the requirement to notify the Banking Supervision Department of the intention to open a temporary branch, and add a requirement to publish information regarding the opening hours of a temporary branch on the bank's website; A general permit for a bank to open partial and mobile branches — it is proposed to expand the permit such that it allows the provision of services to all types of bank customers and banking services; to revise definitions in the general permit for a bank to issue payment cards; To cancel the requirement to notify the Banking Supervision Department in writing of the intention to open a mortgage counter and to cancel the following general permits: The general permit for a bank to relocate a branch in Israel; The general permit for a mortgage bank to operate a counter in a bank branch; The general permit for a mortgage bank to open temporary branches; The general permit for a bank to provide credit at workplaces. The policy shall be effective as of January 1, 2027; however, the general permits provided prior to the policy taking effect shall remain in force until the date of expiration thereof.

Revision to Proper Conduct of Banking Business Directive No. 366 - Reporting of Technology Failures, Information Security Incidents and Cybersecurity Attacks

On June 17, 2026, the revision to the directive was published, comprising several updates, the key of which are: Expanding the definition of a material technology failure, a requirement that the investigation of an incident be conducted by an entity independent of the incident or at the very least at the involvement of such an entity, clarifying and expanding the events requiring reporting to the Banking Supervision Department and the documentation of incidents not reported to the Banking Supervision Department.

Revision to Proper Conduct of Banking Business Directive No. 367 - E-Banking

On June 17, 2026, the revision to the directive was published, which revised the references to Proper Conduct of Banking Business Directive No. 364 - Management of Information Technology Risks, Information Security, and Cybersecurity - which supersedes and revokes Proper Conduct of Banking Business Directive No. 357 - Information Technology Management - and Proper Conduct of Banking Business Directive No. 361 - Cybersecurity Management. In addition, the directive was revoked which stipulated that in order to lift restrictions imposed on an account opened online, including those imposed on an account where an account holder was signed-on remotely, one is required to complete full authentication of the customer or the authorized signatory in the case of a corporation's account in accordance with the provisions of the Prohibition on Money Laundering Ordinance.

Revision to Proper Conduct of Banking Business Directive No. 411 - Management of Prohibition on Money Laundering and Prohibition on Financing of Terrorism Risks

On April 30, 2026, a revision of the directive was published. Against the backdrop of conformity with international standards on the prohibition on money laundering and prohibition of financing of terrorism, and the entry into effect of the Regulation of Engagement in Payment Services and Payment Initiation Law, 2023, several revisions were made to the directive, the key of which are: (1) Establishing exemptions from the requirement to register a statement regarding a beneficiary, controlling shareholder, and accounts of entities which hold a payment service license; and (2) Adding to the directive a special arrangement for opening an account for a regional bank, aimed at encouraging the activity of regional banks in which the State of Israel is a member. (3) The definition of payment services in the arrangement will include payment account management for a payer or beneficiary whose accumulated balance does not exceed NIS 50,000, instead of NIS 20,000. Concurrently, a requirement was introduced to perform a know your customer procedure for a service recipient, insofar as the payment service allows the accumulation of a balance and the average balance calculated for three months is NIS 5,000 or more. (4) Appendices were added to the directive establishing reliefs regarding the authentication of the customer's details, following changes implemented by the Population and Immigration Authority (as from the end of January 2025) with respect to the method used to authenticate details against the Population Registry.

Revision to the Banking Supervision Department's letter - wire transfers involving financial institutions operating in the United Arab Emirates

On April 30, 2026, a revision of the letter was published. The revision stipulates that a banking corporation is required to conduct a risk assessment at least once a year regarding activity involving the United Arab Emirates, including through correspondent banks; such assessment will address prohibition on money laundering and prohibition on financing of terrorism risks, risks arising from the bypassing of sanction regimes imposed by foreign states and global organizations, tax aspects, and cross-border activity. In accordance with the abovementioned risk assessment, the banking corporation will put in place policies and procedures which will reflect a risk-based approach when executing wire transfers or international trade activity involving the United Arab Emirates, addressing, among other things, the following parameters; The scope and type of permitted activities, the transaction's financing sources, characteristics of the foreign party involved in the transaction with an emphasis on holding structure and the identity of the controlling shareholders, characteristics of the Israeli party involved in the transaction, characteristics of the financial institution with which the banking corporation operates, and characteristics of the underlying transaction. In addition, the letter details characteristics of the foreign entity involved in the transaction and characteristics of the financial institution from which the transfer for the transaction will be made, which can constitute risk-mitigating factors in the execution of an activity involving the United Arab Emirates and which the banking corporation should consider incorporating under its policy.

Revision to Proper Conduct of Banking Business Directive No. 329 and the FAQ file addressing the restrictions placed in the directive on the provision on housing loans.

On June 30, 2026, a revision was published, which modified the definition of a housing loan, such that the definition will end with the phrase "with respect to an apartment in Israel". The meaning of the amendment - a clarification to the effect that where credit is used to acquire an apartment in another country, and this credit is not secured by an apartment in Israel, the provision does not apply; it is also stipulated that the effective date of the revision to the directive of February 8, 2026, which pertains to the calculation of the debt-to-income cap, will be postponed to October 1, 2026. It was also stipulated that the clarification pertaining to this matter as per the FAQ file for implementation of the directive, which deals with the manner of calculating the cap on the loan portion bearing variable interest, will also enter into effect on October 1, 2026.

On November 1, 2026, another revision of the Q&A file was published, under which: (1) the relief stipulated in Section 10A of the directive (according to which the Bank may approve a total LTV ratio of up to 70% of the asset value) allows the borrower to obtain multiple all-purpose loans secured by the same asset, totaling no more than NIS 200,000 per loan, and provided that the aggregate excess amount across all loans granted to the borrower against the same asset does not exceed NIS 200,000; (2) the provision in appendix A to the directive, according to which "no more than half of the disposable monthly income of a relative who does not hold any ownership rights in the asset may be recognized, even if such relative has signed the loan agreement as a borrower," applies to all loans, including loans in which the relative pays the entire monthly payment.

Revision of FAQ titled Proper Conduct of Banking Business Directive No. 203, Capital Adequacy Requirements

The revised file was published on August 27, 2026, with the following revisions: (1) The question and answer addressing the issue of whether insurance companies may be included in a securities companies group; (2) it was stipulated that Section 65A to Proper Conduct of Banking Business Directive No. 203 (Standardized Approach - Credit Risk), which addresses debts of securities companies, will also not apply to debts of a corporation which is a member of the group to which the following entities belong - an insurer, a provident fund, or a joint investment in trust fund; (3) It was stipulated that a 20% risk weight may also be applied to debts of securities companies and other entities detailed in Sections 65 and 65A to Proper Conduct of Banking Business Directive No. 203, provided that the entities in question are Israeli entities. (4) Furthermore, a revision was made concerning the recognition of corporations operating within local authorities as public sector entities - it was stipulated that banking corporations shall have discretion concerning the classification of public sector entities, in the circumstances detailed in the file.

Revision to the FAQ file for implementation of Proper Conduct of Banking Business Directive No. 221 - Liquidity Coverage Ratio - and revision to the FAQ file for implementation of Proper Conduct of Banking Business Directive No. 222 - Net Stable Funding Ratio.

On October 7, 2026, the revisions were published, adding a question and answer according to each of the FAQ files addressing the relevant directive, which, in the case of a credit facility which allows receipt of an advance instead of withdrawal of a wholesale deposit, one should view the option of receiving an advance against the wholesale deposit - secured by means of a credit facility or otherwise - as an early withdrawal option; therefore, the deposit should be classified to a term to maturity according to the earliest date on which the advance can be utilized. Insofar as the wholesale customer opted to receive an advance payment rather than withdraw the wholesale deposit, the deposit will be accounted for as a deposit pledged in favor of the credit (at the amount of credit taken).

Revision to Proper Conduct of Banking Business Directive No. 336 - Pledging Assets of a Banking Corporation

On June 17, 2026, a revision to the directive was published to allow banking corporations to issue a new instrument - covered bonds - under certain conditions and subject to a quantitative limit. To this end, a definition of covered bonds was added, according to which these are bonds issued by a banking corporation, the liabilities in respect thereof are secured by certain assets, as determined by the issuing banking corporation. A section was added, which details the conditions which a banking corporation is required to comply with if it wishes to issue covered bonds.

Draft Revision to Proper Conduct of Banking Business Directive No. 350 - Operational Risk Management - Proper Conduct of Banking Business Directive No. 310 - Risk Management - and Proper Conduct of Banking Business Directive No. 301 - Board of Directors

On June 16, 2026, a draft circular for revision of the directives was published, which proposes that Proper Conduct of Banking Business Directive No. 350 will be revised such that it adopts the latest amendment published by the Basel Committee in March 2021 - Principles for the Sound Management of Operational Risk. The proposed revision includes updates and additions regarding the following chapters and aspects: Compiling key definitions used in the directive; Describing the importance of operational risk management and its integration into the overall risk management function; Principles for sound management of operational risks; Risk management culture - specific guidance regarding the roles of the Board of Directors and senior management in operational risk management; Operational risk appetite and operational risk tolerance; Event management; scenario analysis; Change management; Operational resilience; The concentration and complexity of outsourcing aspects; IT risks; Business continuity plan; Expansion of disclosure to stakeholders. It is also proposed that the requirements of Proper Conduct of Banking Business Directive No. 301 pertaining to a code of ethics and inappropriate conduct will be expanded and adapted to the relevant additional requirements of the Basel Committee, as reflected in the Principles for the Sound Management of Operational Risk, such as the prohibition on conflict of interest or inappropriate provision of financial services (whether willfully or negligently) and periodic approval by the Board. Furthermore, it is proposed that in order to prevent ambiguity regarding the status of Proper Conduct of Banking Business Directive No. 310 relative to the other directives regulating the management of specific risks (operational, credit, etc.), a sentence will be added clarifying that the directive serves as a comprehensive risk management framework, whereas the expansions and specific guidance regarding the management of certain risks are detailed in other directives.

Proper Conduct of Banking Business Directive No. 490 – Regulatory Framework for Small and New Banks

On June 30, 2026, the directive was published. Following the recommendations made in the report of the Interministerial Taskforce for Assessing Measures to Increase Retail Banking Competition in the Banking System, and in accordance with the proportionality approach of the Basel Committee on Banking Supervision, a directive was formulated which defines regulatory levels according to the banking corporation's size, with each regulatory level corresponding to regulation which is consistent with the Bank's size and systemic importance. In addition, in view of the significant challenges and resources involved in establishing a bank and complying with the required regulation, the directive also defines a preparation period for a corporation which received a bank license to enable it to gradually implement the provisions applicable to it under the regulatory level to which it belongs. The adjustments in the directives are designed to balance the need to facilitate the gradual implementation of the regulation applicable to a new banking corporation in the case of a small banking corporation, and the need to maintain the stability of the banking corporation, fairness toward the customer and the provision of adequate services. The adjustments are reflected in the directives addressing capital, liquidity, corporate governance, risk management, fairness, bank-customer relations, etc. The directive details the adjustments in the Proper Conduct of Banking Business Directives which apply to a banking corporation under the permanent regulatory levels and during the preparation stages. Proper Conduct of Banking Business Directives in which no adjustments have been made to the permanent levels or the preparation stages will be implemented as is. The directive will supersede Proper Conduct of Banking Business Directive No. 480 - Adjustments to Proper Conduct of Banking Business Directives that Apply to a New Banking Corporation and a Banking Corporation under Formation.

Revised FAQ file for implementation of Proper Conduct of Banking Business Directive No. 301A regarding the compensation policy in a banking corporation

The Revised FAQ file was published on July 22, 2026 which added two additional questions and answers, concerning the clarification of expectations from the variable compensation of a key employee. The clarifications are intended to ensure that the variable compensation will be consistent with the banking corporation's objectives and will not encourage taking excessive risks, and to ensure the ability to challenge the variable compensation by using clear and objective performance metrics.

Revision to Proper Conduct of Banking Business Directive No. 411 - Management of Prohibition on Money Laundering and Prohibition on Financing of Terrorism Risks

The revised directive was published on October 7, 2026, amending Section 87A to the directive, which addresses payment services involving customers' virtual currency, in order to clarify the risk management principles associated with this activity, based on a risk-based approach, thereby supporting, among other things, the development of cryptographic asset activity. The amendment proposes to revise the definition of the virtual currency path, to determine that a banking corporation will not refuse payment services involving virtual currency solely because the source of the activity is associated with virtual currencies, to require that the banking corporation's policies and procedures should address the assessment of the transaction's profile noting, among other things, the identity of the virtual currency service provider, the characteristics of the virtual currency and the customer, and the scale and complexity of the transaction; To assess the manner in which the virtual currency path is assessed where required, such as by conducting an independent assessment of the path, obtaining documentation from the customer, from a licensed service provider in Israel, or from an external expert entity; the banking corporation will determine its policy regarding the acceptance of funds originating from virtual asset issuance activity conducted by the customer for the purpose of raising investment funds, for example by means of an initial offering of virtual currency; The banking corporation should put in place risk-mitigating and risk-enhancing factors to determine the transaction's risk profile and to assess the virtual currency path; the decision regarding the assessment of the virtual currency path and the source of the funds used to acquire the virtual currency, where required, will be carried out using a risk-based approach noting the principles set in the directive; The banking corporation must inform a customer engaged in activities with a virtual currency service provider of its key policies regarding the provision of virtual currency services. The effective date of the revision to the directive is May 1, 2027.

Letter regarding banking corporations' reporting in accordance with the Banking Supervision Department's Reporting to the Public Directives and guidance, and in accordance with generally accepted accounting principles in the United States (US GAAP)

On August 9, 2026, the Banking Supervision Department at the Bank of Israel published a letter regarding banking corporations' reporting in accordance with the Banking Supervision Department's Reporting to the Public Directives and guidance, and in accordance with generally accepted accounting principles in the United States (US GAAP). In accordance with the letter, a banking corporation or an acquirer which wishes to states in its financial statements, prepared in accordance with the provisions of the Reporting to the Public Directives, that the financial statements are also prepared in accordance with US GAAP, may, among other things, cease to use the transitional provision set regarding exchange rate differences on available for sale foreign currency bonds, and cease to use certain transitional provisions pertaining to income taxes, including with respect to the recording of deferred taxes created before January 1, 2017. The letter also allows a banking corporation to change the method of determining the discount rate on liabilities in respect of employee benefits such that it will be based on the discount rate of government bonds, without a spread, in accordance with one of the measurement options recognized under US GAAP. According to the letter, the above changes may be implemented in the financial statements which will be approved subsequent to the date of the letter. Publication of the directives may make it easier for banking corporations to offer securities to the public in the United States.

Letter of the Banking Supervision Department regarding the manner of notifying customers of changes in the base interest rate

The letter was published on August 11, 2026, clarifying that the requirement (under Section 5 to the Banking Rules (Customer Service) (Proper Disclosure and Presentation of Documents), 1992) (hereinafter - the "**Rules**") to publish notices regarding changes in the base interest rate (such as the Prime interest rate) in two daily newspapers may also be fulfilled by publishing notices in digital daily newspapers, provided that the publication in such means fulfills the purpose of publication under the Rules, including broad circulation of the notices, convenient and simple access to the notices by customers, and documentation of the notices over time.

Banking Rules (Customer Service) (Transfer of Customer Financial Activity Between Banks) (Amendment), 2026

On September 17, 2026, an amendment to the Rules was published, which extends the automated routing service of debits, credits and checks from the account at the original bank to the account at the receiving bank ("follow me" service). According to the amendment, the service to customers who switched banks online before September 21, 2026 shall continue until July 31, 2029. This is to ensure the continuity of the customers' financial activity. On October 18, 2026, the Banking Supervision Department published a circular providing explanatory notes on the extension of the routing period when switching banks.

The Bank of Israel's announcement - as of September 2, 2026, post-dated checks can be deposited using the banks' cellular applications

On September 7, 2026, the Bank of Israel announced the gradual launch of a service enabling the deposit of post-dated checks through the banks' cellular applications as of September 2, 2026, which is expected to become fully available during October 2026. The service will be provided by most banks, and will enable the deposit of checks bearing crossed lines and the words "account payee only" totaling up to NIS 100,000 and for a period of up to 13 months. The service will be available 24/7, without having to physically go to the branch, and the checks will be presented automatically for repayment on their date. The original check will be kept by the customer and the details thereof will be provided to the banks to prevent duplications.

Draft revision to Proper Conduct of Banking Business Directive No. 368 - Open Banking in Israel

On September 24, 2026, the draft was published proposing to expand the regulation of open banking to include, inter alia, the implementation of an advanced payment initiation service and the expansion of the Financial Information Service Law to cover information on payment card transaction acquiring. The draft introduces arrangements for customer authentication, and the granting, management and revocation of authorizations, including in joint accounts, and establishes rules governing the interaction between the payment account manager and the advanced payment development provider. In addition, it revises availability, monitoring and reporting obligations, requirements for publishing shutdowns in the developers' portal, authentication and safety provisions and new standard appendices for acquiring accounts and advanced initiation.

Draft Digital Mailing Circular - Revision to Proper Conduct of Banking Business Directive No. 420 - Sending Messages via Means of Communication, Proper Conduct of Banking Business Directive No. 367 - E-Banking, Proper Conduct of Banking Business Directive No. 501A - Sending Messages to Customers, and Banking Rules (Customer Service) (Fair Disclosure and Presentation of Documents), 1992

The draft was published on November 4, 2026, which comprises a suggestion to revoke Proper Conduct of Banking Business Directive No. 420 - Sending Messages via Means of Communication, replace it with a new directive - Proper Conduct of Banking Business Directive No. 501A - Sending Messages to Customers, and revise Proper Conduct of Banking Business Directive No. 367 - E-Banking. The Draft proposes to allow banking corporations to communicate with customers via digital channels even if the customer has not proactively opted to receive messages in such a manner, subject to terms and conditions and consumer protections, including the customer's right to request receipt of communications via physical mail and the obligation to monitor customer engagement with digital messages. In addition, supplementary amendments to Banking Rules (Customer Service) (Fair Disclosure and Presentation of Documents), 1992 (hereinafter - the "**Fair Disclosure Rules**") are suggested, which will enable, among other things, the delivery of notices and bank statements via electronic means instead of physical mail even if the customer has not opted in to such means of communication; furthermore, it is suggested to apply the Fair Disclosure Rules also to customers living abroad who do not have an address in Israel, and who receive messages via e-banking channels in accordance with the Banking Supervision Department's Directives. Application of the change to the customers is subject to the assessment of the banking corporation in accordance with its agreements with the customers.

Directives of the Supervisor of Credit Data Sharing

For the directives of the Supervisor of Credit Data Sharing published following Operation Lion's Roar, see the section Regulatory measures Due to the War and Operation Lion's Roar and the section Measures Published by Additional Entities and Specific Legislation.

Initiatives for Increasing Competition

Draft Economic Competition Rules (Type Exemption for Joint Loan Arrangements) (Temporary Order) (Amendment), 2026

On March 12, 2026, the draft was published, in which it is proposed to extend the existing Economic Competition Rules (Type Exemption for Joint Loan Arrangements) (Temporary Order), 2018 (hereinafter - "**Joint Loan Type Exemption**") by additional five years, without changing its content. The exemption addresses loans provided jointly by several financial entities to a specific borrower from the business sector. The type exemption details the conditions for its applicability with respect to joint loans. As a rule, the exemption will apply when the loan organizer's approach to additional lenders is made with the borrower's prior written consent, and provided that the borrower is entitled to conduct direct negotiations with the additional lenders independently of the organizer. As for the loan organizers, the existence of at least one potential organizer who is not a party to the arrangement is required, or alternatively, if all the potential organizers are parties to it, it will be necessary to secure better credit terms for the borrower, or that the aggregate share of the organizers out of the credit will be lower than 20%. Regarding large lenders, the condition is that the arrangement does not include more than one large lender. Alternatively, if there are several large lenders, the exemption stipulates that only one of them will serve as the loan organizer, and that their participation in the loan is necessary to obtain better credit terms for the borrower, or that the large lender does not serve as an organizer and the aggregate share of the large lenders is lower than 20%. Finally, the exemption is conditional upon the fact that the essence of the arrangement is not the reduction or prevention of competition, and that it does not include restrictions which are not necessary for the realization of its essence.

The Rules of Economic Competition (Type Exemption for De-Minimis Agreements) (Temporary Order) (Amendment), 2026

On September 14, 2026, the amendment to the Rules was published, under which the maximum aggregate market share threshold for arrangements between competitors is the parties' competitive market permitting the application of the exemption was reduced from 15% to 10%. The maximum aggregate market share at a rate of 15% will continue to apply to the parties' arrangements that are not in their competitive market. The Type Exemption was extended by five years in addition to these changes.

Rules of Economic Competition (General Provisions and Definitions) (Temporary Order) (Amendment), 2026

On September 14, 2026, the amendment to the Rules was published. The Rules of Economic Competition (General Provisions and Definitions) (Temporary Order), 2006 (hereinafter - the "**Type Exemption General Provisions and Definitions"**) extended the Type Exemption by five years, along with amendments regarding several aspects, such as an extended reference period of 3 years in the definition of "competitor;" In addition, the amendment does not include the definition of "similar agreements" and agreements are assessed according to their competitive essence. The period of exclusion from the exemption will be shortened to 18 months.

Rules of Economic Competition (Class Exemption for Joint Ventures) (Temporary Order) (Amendment), 2026

On September 14, 2026, the amendment to the Rules was published, stipulating that certain non-compete restrictions will be covered by the exemption, provided that they are part of a joint venture that is not in the parties' competitive market. First, an undertaking of a party to acquire a specific quantity of goods from the manufacturer entrusted with their production while refraining from acquiring them from others. Second, a non-compete undertaking regarding the joint venture throughout its operation and for a period of three years following withdrawal from the venture. It was further stipulated that the permitted arrangement period in the framework of the exemption will be shortened from ten years to five years. The Type Exemption was extended by five years in addition to these amendments.

Rules of Economic Competitions (Type Exemption for Non-Horizontal Arrangements) (Temporary Order) (Amendment), 2026

On September 14, 2026, the amendment to the Rules was published. The vertical type exemption enables parties to execute non-horizontal arrangements (between non-competitors) through self-assessment, alongside the specific vertical type exemptions. To satisfy the conditions of self-assessment, the arrangement must meet two cumulative conditions: First, its restrictions do not limit competition in a substantial part of the market or may limit competition, but not to the extent that they substantially undermine competition in the market; Second, the main objective of the arrangement is not to reduce competition and it does not include restrictions which are not necessary for the realization of its main objective. It is was decided to extend the type exemption in its current format by five years.

Taskforce for Assessing Regulatory and Tax Gaps in Short- and Mid-Term Savings and Investment Instruments - final report

Further to the call for proposals published by the Ministry of Finance on April 18, 2024 (for more information, see the chapter titled Laws and Regulations Governing the Banking System in the Corporate Governance Report for 2024), and to the draft interim report for public comment published on February 13, 2025 (for more information, see the chapter titled Laws and Regulations Governing the Banking System in the Corporate Governance Report for 2024 and the chapter titled Laws and Regulations Governing the Banking System in the Corporate Governance Report for 2025), the final report was published on July 2, 2026. The report's key recommendations include: The creation of a dedicated tax-advantaged investment account, which will consolidate the customer's investment and savings instruments under a single platform. The step is intended to benefit savers, make it easier for members of the public to save and increase competition in the financial market. The team recommends a uniform and neutral tax-deferral system, under which investments may be split among various products according to the customer's preferences and requirements, and transactions and transfers between assets, instruments, or providers within the investment account may be executed without a taxable event occurring until withdrawal. According to the taskforce's recommendations, it will also be possible to acquire investment provident funds and savings policies outside the account, while maintaining tax neutrality and uniformity. The tax benefits will be expanded to a total aggregate deposit cap of up to NIS 200,000 per each Israeli resident, which will be updated annually in accordance with the Consumer Price Index. Withdrawal of funds as an annuity as from the age of 60 will be exempt from capital gains tax. Under the first phase and over a three-year period, only non-bank stock exchange members will be allowed to set up and operate the investment account. Furthermore, a select group of small and medium-sized banks will be allowed to engage in this activity, in order to enable them to offer a competitive alternative to dominant market players, under a broader strategy to foster unbundling within banking services, thereby driving market competition. Three years after the law takes effect, all banks will be allowed to set up and operate the account, and the Minister of Finance will have the power to defer the authorization of large banks to set up and operate such investment accounts. The implementation of the recommendations requires legislation.

Promoting Competition in the Banking Sector Law (Legislative Amendments), 2026

Further to that which is stated in the chapter titled Laws and Regulations Governing the Banking System in the Corporate Governance Report for 2025 regarding the report of the Interministerial Taskforce for Assessing Measures to Increase Retail Banking Competition in the Banking System (hereinafter - the "**Final Report**") and the Bill for Promoting Competition in the Banking Sector (Legislative Amendments), 2025 (hereinafter - the "**Bill**"), on March 30, 2026, the Knesset's plenum passed the second and third readings of the Bill under Chapter I of the bill for the Economic Plan Law (Legislative Amendments for Implementing Economic Policies for the 2026 Budget Year), 2026, and on March 31, 2026, the law was published in the Official Gazette. The law provides for the establishment of a gradual banking licensing framework that will enable the entry of new banking players, with the objective of increasing competition in banking services offered to the retail sector. The law institutes legislative amendments recommended by the final report in order to enable the establishment of small banks, establish tailored supervisory mechanisms, reduce legislative barriers, and encourage competition and innovation in the banking market.

Among other things, the law also amended the Law for Promoting Competition and Minimizing Market Concentration in the Israeli Banking System (Legislative Amendments), 2017, such that some of the infant company protections set in the law were extended and amended, including the requirement to execute the processing of payment cards through a processing company and the requirement to allow a processing company to be a party to a payment card contract, such that this requirement will continue to apply for a four-year period commencing on April 1, 2027. In addition, the definition of a processing company was amended to include only the three credit card companies and another company as determined by the Governor of the Bank of Israel (with the consent of the Minister of Finance); Furthermore, it was determined that during the four-year period commencing on April 1, 2027, each of the five largest banks will not process more than 40% of the total new credit cards it issues through a single processing company (instead of the current 52% limit).

The Competition Commissioner's announcement regarding the ownership structure in the Bank Clearing Center Ltd. (MASAV)

Further to that which is stated in the chapter titled Laws and Regulations Governing the Banking System in the Corporate Governance Report for 2024 regarding the Competition Commissioner's announcement as to the ownership structure of Bank Clearing Center Ltd. (MASAV), and under the motion filed by the Bank together with the four other banks holding MASAV with the Competition Court seeking a declaratory remedy - according to which the ownership structure of MASAV is an arrangement whose restrictions were determined by law, and alternatively, a motion for a restrictive arrangement clearance whose details are provided in the motion - on June 3, 2025, at the recommendation of the Competition Commissioner, the Competition Court granted, at the request of the banks holding MASAV, a provisional permit to continue holding a joint holding in the entire ownership stakes of MASAV, subject to the conditions of the temporary permit, for the period from June 18, 2025 (the expiration date of the latest exemption resolution) through February 1, 2026, or until a judgment is rendered in the motion. In addition, on July 30, 2025, the Competition Commissioner submitted her position to the court. According to the Commissioner, the cooperation as presented in the motion constitutes a restrictive arrangement which is not in the public interest and should not be approved. On January 14, 2026, the banks holding MASAV filed a motion with the Competition Court to extend the provisional permit they were granted on June 3, 2025, to continue holding the entire ownership stakes of MASAV, for a period of one year or until the conclusion of the legal proceeding they filed in February 2025 seeking declaratory remedy and, alternatively, a restrictive arrangement clearance. On January 26, 2026, the Competition Court ordered the extension of the provisional permit, under the conditions of the previous provisional permit, for an additional three months through May 1, 2026. On February 22, 2026, the banks holding MASAV filed a motion with the Competition Court to extend the provisional permit under the same conditions for a period of nine months or until the conclusion of the legal proceeding, whichever is earlier. On March 23, 2026, the Israel Competition Authority submitted its response to the motion to extend the provisional permit, noting that it objects to the extension of the provisional permit under the same conditions and recommends its extension for an additional three months, among other things, subject to a change in the Board of Directors' decision-making mechanism. On March 30, 2026, the Competition Court allowed the banks holding MASAV to submit a short response to the Competition Commissioner's position regarding the motion to extend the provisional permit, and accordingly, the banks' response was submitted on April 9, 2026. On April 24, 2026, the Competition Court issued a ruling ordering the extension of the provisional permit until February 1, 2027 (or until the conclusion of the main proceeding, whichever is earlier), subject to the conditions of the first and second phases of the phased outline recommended by the Commissioner (i.e., amending the Board's decision-making mechanism and, commencing August 1, 2026, appointing two directors to MASAV's Board to be selected by non-bank MASAV participants instead of two directors on behalf of the banks). The banks filed an appeal with the Supreme Court against the Competition Court's ruling. On June 11, 2026, a judgment was rendered by the Supreme Court, according to which, further to the Court's proposal, the appellants (the banks holding MASAV) announced that they were withdrawing their appeal, and therefore the appeal was dismissed. Furthermore, the Court deferred for future consideration the determination regarding the banks' argument that the Court has the power to grant a provisional permit under Section 13 to the law in a manner inconsistent with the Commissioner's recommendation.

In accordance with the Competition Court's ruling under the provisional permit, the second phase of the phased outline recommended by the Commissioner was implemented, pursuant to which two directors selected by non-bank MASAV participants were appointed to MASAV's Board instead of two directors on behalf of the banks. Accordingly, no

representative on behalf of the Bank will serve on the Board of Directors until February 1, 2027, at which time a representative on behalf of the Bank will be reappointed to the Board.

Israel Competition Authority - Draft Pronouncement on Guidance regarding Competition-Related Aspects of Mergers

On April 26, 2026, the draft was published, which addresses the Authority's approach to competition-related aspects of mergers between companies. The draft addresses various types of mergers, both horizontal mergers (between competitors or potential competitors) - which will supersede Pronouncement 1/11 published on the subject - and non-horizontal mergers (where there is some affiliation between the non-competitors merging entities). The draft details instances and indicators where the level of market concentration increased following the merger and the merger itself substantially increased the degree of concentration, thereby establishing a rebuttable presumption that the merger will substantially undermine competition. In addition, the draft outlines key principles for assessment of mergers and discusses at length various topics such as potential competition, partial ownership acquisitions, bilateral or multilateral platforms, serial acquisitions of companies, acquirers' market power, etc.

The Competition Commissioner's announcement of the five main banking groups a concentration group and each of the banks therein as a member of a concentration group regarding the basket of banking services for retail customers and instructions

Further to that which is stated in the chapter titled Laws and Regulations Governing the Banking System in the Corporate Governance Report for 2025, on May 6, 2026, the Competition Commissioner designated the five main banking groups (including the Bank) as a concentration group in the retail banking services market (households and SMBs) and each of the banks therein as a member of the concentration group. In her statement, the Commissioner detailed the directives she imposes on the abovementioned banks, pursuant to the powers vested in her, as detailed below: (1) Prohibition of discrimination with regard to deposit interest rates and a requirement to make accessible to customers the terms of acquiring comparable deposits and a money market fund; (2) Requirements whereby banks will proactively contact retail customers prior to deposit renewal or redemption dates. (3) A prohibition on a bank with a broad scope of activity (as defined in the announcement), from unreasonably refusing to accept a deposit from a money aggregator. In this regard, directives were provided regarding what will be deemed an unreasonable refusal for the purposes of the directive; (4) Deposit transfer - where a retail customer seeks to transfer a deposit from the Bank to another bank or regulated financial entity: To carry out all actions required to enable the customer to execute an online transfer of the deposit to the receiving entity in a convenient, reliable and secure manner, free of charge, while complying with the deadlines stipulated in the directive, and a prohibition on preventing the receiving entity from performing actions required for the transfer.

The directives' effective date - May 6, 2027.

On May 6, 2026, the Bank of Israel published its position, according to which, under the circumstances, declaring the banks a concentration group is an extreme and disproportionate step, which may deter investors from operating in Israel and is not expected to contribute in any meaningful way to improving the welfare of bank customers. This is particularly due to the fact that most of the directives mandated following the announcement have already been implemented in practice by the Bank of Israel's Banking Supervision Department under structural reforms it has led. According to the Bank of Israel, the announcement and its subsequent directives remain largely a mere declaratory measure, which undermines regulatory certainty in the Israeli economy and may therefore deter investors from operating in Israel, without driving competition in any way whatsoever. In relation to certain directives, the Bank of Israel stated that their imposition may raise the risk of undermining financial stability and cause substantial harm to the efficiency and development of the financial system and, consequently, to the economy as a whole. The Bank of Israel further noted that under the proceedings conducted by the Commissioner with the Banking Supervision Department prior to the announcement, the Bank of Israel has drawn the Commissioner's attention to the fact that the law requires the consent of the Bank of Israel for at least some of the directives she sought to mandate. Such consent was not given.

The Bank filed an objection to the announcement to the Competition Court.

Draft Securities Order (Amendment to the Third Schedule A.1 of the Law), 2026

On October 14, 2026, the Knesset Finance Committee confirmed the draft order. The draft proposes expanding the existing exclusions from the application of Section 35I.1 of the Securities Law, 1968, which relate to notes of banking corporations and insurers, to also cover licensed prudential payment service providers, as defined in the Banking Law (Licensing), 1981. According to the draft, notes constituting capital instruments that meet the terms set out in the schedule will be exempt from the application of Section 35I.1 in its entirety, whereas notes which are not capital instruments will be exempt from the cause in Section 35I.1(a)(1), which grants the trustee and the bondholders the authority to accelerate immediate repayment or to exercise collateral due to material business deterioration of the issuer. The proposed amendment is designed to strengthen the stability of said license holders, including credit card companies that have been separated from the banks, and to enable them to issue notes subject to said exclusions, amid the prudential oversight applicable thereto by the Bank of Israel.

Regulatory measures due to the War, Operation Rising Lion and Operation Lion's Roar

Following on the section titled Laws and Regulations Governing the Banking System in the Corporate Governance Report for 2025 regarding the Iron Swords War and Operation Lion's Roar and its consequences for the Israeli population and economy, including for households and businesses, the Banking Supervision Department and other regulators established a series of regulatory measures - including adjustments, expedients and deferral of dates in various regulatory provisions - with the aim of ensuring business continuity and provision of ongoing services by the banking system, in accordance with the limitations of the security situation for the purpose of providing the assistance required by customers of the banking system, with heightened sensitivity to the customers' needs and difficulties. Various arrangements were also approved in legislation to meet the needs of the economy, certain population groups and the public due to the War, and some have an impact on the Bank's activities. Following are the main measures:

Directives Issued by the Banking Supervision Department

Specific guidance issued by the Banking Supervision Department to the banking system following Operation Lion's Roar

On March 1, 2026, the Banking Supervision Department published specific guidance for the banking system following Operation Lion's Roar, designed to ensure the system's stability and continuity of service to customers during the emergency period. The specific guidance pertain to the following topics: Availability and continuity of banking services; Addressing, supporting, and responding to customer inquiries against the backdrop of the operation, specifically with respect to urgent and humanitarian-related inquiries; support to customers whose return to Israel is delayed due to the situation; alleviating the burden and assisting customers in meeting their obligations while promoting initiatives aimed at easing the burden on customers, especially with regard to customers who were adversely affected, evacuees, reservists and their families, and SMBs which were closed or are operating on a limited scale due to the situation - in addition to the existing relief outline (which commenced on April 1, 2025) and the Support Framework specific to the current operation which is currently under development. In this context, it was noted that favorable consideration should be given to granting expedients in relevant cases, including suspending collection proceedings, refraining from collecting fees and commissions according to the circumstances, and the option to withdraw deposits prior to their redemption date while minimizing associated costs; an expectation to act sensitively and proactivity to assist customers to avoid a situation of insufficient funds to cover the clearing of a check, alongside the obligation to alert the customer to the risk that a check may bounce; opening core branches and publishing information regarding branch opening hours during an emergency period; finding solutions for members of the public arriving at bank branches on government allowance payment days in order to withdraw their funds and offering alternatives for cash withdrawal, including the use of alternative means such as mobile branches in safe spaces when necessary; providing optimal telephone service to customers with an expectation to consider the setting up of a dedicated emergency line or a dedicated routing system which will enable prioritizing the handling of urgent cases in view of the situation; preparation for an increase in cyber attacks, including a specific emphasis on business continuity, backup, and redundancy of control and preparation functions to prevent - as much as possible - emerging events and identify them at an early stage, and the capacity for a rapid cross-organizational response; increased monitoring of all risks, including operational, capital, liquidity, and credit aspects, adapting policies and models to stricter stress scenarios and assessing the required liquidity level; reassessment of the adequacy of risk management means and tools while enhancing governance, management, auditing, and control mechanisms across all areas of activity; Adapting the discussions of internal forums to the situation, including discussions

by management and the Board regarding the preparedness outline required for the current situation, including the topics noted above.

Bank of Israel - Support Framework to assist customers who were adversely affected by Operation Lion's Roar

On March 2, 2026, the Support Framework formulated by the Banking Supervision Department was published. The outline provides support for populations directly affected by the damages of the fighting as from February 28, 2026, with the aim of providing them with immediate cash flow relief, in addition to other steps taken by the Banking Supervision Department to alleviate the circumstances caused due to the situation. The outline which was formulated presents the minimum conditions for postponing the repayment of loans and each bank may expand it for the benefit of its customers and at their request. The populations included in the outline and the expedients provided thereto: (1) Households whose homes were damaged during Operation Lion's Roar and whose members were evacuated or households whose members were injured during the operation. These customers will be granted: (a) Mortgage repayment deferral - unlimited in amount - for a three-month period - without interest charges, fees and commissions; (b) Consumer loan repayment deferral at an aggregate total of up to NIS 100,000 for a three-month period, without interest charges, fees and commissions. (2) Micro businesses and SMBs (with an annual turnover of up to NIS 25 million) which were adversely affected as a result of Operation Lion's Roar (physically or financially - in accordance with the criteria detailed in the outline). These customers will be granted: (a) A two-month deferral of loan repayments in an aggregate total of up to NIS 2 million for any business seeking such a deferral, without charging interest, fees and commissions; (b) Furthermore, for businesses owned by reservists - a two-month exemption from interest charges on an overdraft balance in their business account (up to NIS 30,000) - a benefit which will be granted automatically to business owners identified by the Bank as active reservists or those who have informed the Bank that this is their status, and who had an overdraft balance in their business account as of March 1, 2026 (the day preceding the publication of the outline).

Businesses which do not meet the above criteria will be able to defer loan repayments in an aggregate total of up to NIS 2 million for a two-month period at the contractual interest rate. One may join the outline from March 16, 2025 to April 16, 2026.

On April 15, 2026, the Bank of Israel announced an extension of the Support Framework such that the application window for inclusion in the outline will end on May 15, 2026, and the population included in the outline will comprise customers who were adversely affected, physically or from a cash flow perspective, as from April 16, 2026.

Proper Conduct of Banking Business Directive No. 253 - Adjustments to Proper Conduct of Banking Business Directives to Address Operation Lion's Roar (Temporary Order)

The directive was published on March 17, 2026, with various adjustments to Proper Conduct of Banking Business Directives through April 30, 2026. On April 30, 2026, a revision of the directive was published. The adjustments pertained to the following topics:

- Proper Conduct of Banking Business Directive No. 308A - Handling of Public Complaints - On March 17, 2026, adjustments were made to Sections 9(a)-(c) to Directive 308A such that banking corporations will be granted flexibility regarding the method of providing responses and notices to customer inquiries which were not submitted online, or where the banking corporation is unable to send a digital response. On April 30, 2026, it was decided to revoke these adjustments as of May 1, 2026.
- Proper Conduct of Banking Business Directive No. 311A - Consumer Credit Management - On March 17, 2026, it was determined that the provisions of Section 21.4 to the directive whereby a customer who has previously rejected a credit offer should not be proactively approached with a similar offer for at least three months will not apply until the temporary order's expiry date. On April 30, 2026, it was decided to extend the relief until May 31, 2026.
- Proper Conduct of Banking Business Directive No. 325 - Management of Credit Facilities in Current Accounts - On March 17, 2026 the directive's provision whereby a customer may not exceed their credit limit for longer than one business day without agreeing with the banking corporation on a credit facility in advance and in writing was temporarily suspended; amounts by which customers may exceed the limit were set by customer type on the condition that the customer will take action to arrange such a facility as soon as possible On April 30, 2026, it was decided to extend the reliefs until May 31, 2026.

- Proper Conduct of Banking Business Directive No. 367 - E-Banking - On March 17, 2026, it was determined that banks and credit card companies are given the option, in addition to sending notices using the method agreed upon with the customer, to send their customers through e-banking channels messages which have a material effect, provided that it is urgent that customers receive the message, even if they are not a party to an e-banking agreement. The provisions of the section will not apply in cases where the customer has explicitly requested not to receive messages through e-banking. On April 30, 2026, it was decided to extend the reliefs until May 31, 2026.
- Proper Conduct of Banking Business Directive No. 411 - Prohibition on Money Laundering and Financing of Terrorism Risk Management - on March 17, 2026, an appendix was added to the directive, aimed at providing an option in exceptional cases, where there are special reasons arising from the state of emergency and in accordance with the banking corporation's risk assessment, to act in accordance with the provisions of Sections 6A(a)(2) and 6(a)(b) to the Prohibition on Money Laundering Ordinance (Obligations to Identify, Report and Manage Listings of Banking Corporations for the Prevention of Money Laundering and Terrorist Financing), 2001, with respect to activity involving payment cards issued to an individual up to a limit of NIS 100,000, including receipt of credit, subject to the documentation of the grounds and reasons for this. Furthermore, the option was expanded in those cases to rely on a copy of an identification document issued by the State of Israel - other than an ID card - bearing a name, ID number, date of birth, and photograph, when identifying an Israeli resident customer. On April 30, 2026, it was decided to extend these revisions until May 31, 2026.
- Proper Conduct of Banking Business Directive No. 432 - Transferring Activity and Closing a Customer’s Account - On March 17, 2026, the period for handling a customer's request to close an account was extended to 10 business days (instead of 5 business days) as from the date on which the customer completed the actions they were required to take under the directive. On April 30, 2026, it was decided to extend the relief until May 31, 2026.
- Proper Conduct of Banking Business Directive No. 451 - Procedures for Extending Housing Loans - On March 17, 2026, it was determined that the banking corporation is required to assess the possibility of extending the period of in-principle approvals which were in effect on the day on which the operation commenced, having regard to the circumstances and the needs and in accordance with the banking corporation's discretion. In addition, the following deadlines set in the directive were extended: In Section 11(b)(2) (property and life insurance), "fourteen days" will be replaced by "one calendar month"; in Section 15B(e) (borrower notice of intent to make an early repayment), "three business days" will be replaced by "eight business days"; in Section 15C(b) (certificate of loan repayment), "five business days" will be replaced by "eight business days." In Section 19A (second ranking lien on asset) "seven days" will be replaced by "ten days". On April 30, 2026, it was decided to extend these reliefs until May 31, 2026.
- The Banking Supervision Department’s directive under Section 3(a1) to the Banking Rules (Customer Service) (Proper Disclosure and Presentation of Documents), 1992 - On March 17, 2026, it was determined that a customer's signature will not be required for the execution of a payment deferral request, provided that the deferral in question is a deferral under the Support Framework for dealing with the effects of Operation Rising Lion published on the Bank of Israel’s website, and that the customer's consent is obtained and documented; it was also determined that in a housing loan provided to two or more borrowers, where one of the borrowers faces difficulty signing the loan documents due to Operation Rising Lion, that borrower will not be required to sign the loan documents, so long as appropriate procedures are implemented to identify them and their documented consent is obtained. On April 30, 2026, it was decided to extend these reliefs until May 31, 2026.

- It was also noted that the directive does not detract from the provisions of Proper Conduct of Banking Business Directive No. 251 - Adjustments to Proper Conduct of Banking Business Directives for Dealing with the Iron Swords War (Temporary Order) - which remains in effect in accordance with its provisions. In this matter, the ordinance still in effect (as of October 25, 2026) is: Proper Conduct of Banking Business Directive No. 329, Restrictions on the Granting of Housing Loans - An exemption was determined regarding certain restrictions on the granting of housing loans related to a loan for the construction of a mamad (residential secure space), which is exempt from a permit under the Planning and Building Regulations (Work and Structures Exempt from a Permit) (Temporary Order - Iron Swords), 2023, whose amount does not exceed NIS 200,000. The exemption is given in relation to the restrictions determined in Sections 5 to 8 of Proper Conduct of Banking Business Directive No. 329 - The restriction on granting a housing loan at a repayment rate from income exceeding 40%; the restriction of 66.6% in variable interest rate out of the total housing loan; the restriction on the final repayment period of a maximum of 30 years in a housing loan). On February 7, 2024, it was determined that the exemption from these restrictions will also apply to a loan to improve protection in a residential apartment (in an amount not exceeding NIS 200,000), as detailed in the Home Front Command listing.

For additional information regarding regulatory measures due to the War, Operation Rising Lion and Operation Lion's Roar, see the chapter titled Key Changes in the Reporting Period to the Report of the Board of Directors and Management.

Directives of the Supervisor of Credit Data Sharing

Amendment to Directive No. 201, "Reporting on Credit Data"

On March 5, 2026, an amendment to the directive was published, according to which an arrears payment of a debt to a source of financial information will be reported to the Central Credit Register only after 60 days (instead of 30 days) from the date on which the amount was due but not paid. The amendment will apply to reports for March and April 2026. On May 5, 2026, an amendment to the directive was published, extending the scope of the amendment of March 5, 2026 to reports for March 2026 to June 2026. On June 30, 2026, another amendment to the directive was published, extending the scope of the amendment to reports for July 2026 and August 2026. On August 17, 2026, another amendment to the directive was published, extending the amendment to reports for September 2026 and October 2026.

Measures Published by Additional Entities and Specific Legislation

Capital Market Authority - Non-Enforcement Position - Pension Advice by a Banking Corporation Outside the Bank Branches to Existing Customers in the Pension Advice Field

On March 11, 2026, the position was published stating that the Capital Market Authority will not take administrative enforcement measures pursuant to the provisions of Section 34 to the Financial Services Supervision Law (Consulting, Marketing and Pension Clearing System), 2005 (hereinafter - the "**Pension Advice Law**") regarding an offense under Section 38(b)(4) to the Pension Advice Law against banking corporations which will render pension advice services via digital means or by phone to pension advice customers who are existing customers of the pension advisors in the banking corporations immediately prior to this notice. This position was effective from March 1, 2026 until the expiration of the special situation on the home front, or until April 15, 2026, whichever is earlier. Since no other directive was issued by the Authority - this position is no longer effective.

Additional Topics

The work of interministerial taskforces and legislative initiatives

Economic Plan Law (Legislative Amendments for Implementing Economic Policies for the 2026 Budget Year), 2026, in Chapter F: Promotion of Competition in the Guarantee Provision Market

Further to that which is stated in the chapter titled Laws and Regulations Governing the Banking System in the Corporate Governance Report for 2025 regarding the bill for the Economic Plan Law (Legislative Amendments for Implementing Economic Policies for the 2026 Budget Year), 2026, Chapter F: Promotion of Competition in the Guarantee Provision Market, on March 30, 2026 the second and third readings of the bill were passed by the Knesset plenum, and on March 31, 2026, the law was published in the Official Gazette.

The law has instituted indirect amendments to several laws whose provisions require the provision of a bank guarantee, such that in addition to bank guarantees it will be allowed to provide an insurer's guarantee and the guarantee of a holder of a credit provision license and a holder of a deposit and credit services license as defined in the Financial Services Supervision Law (Regulated Financial Services), 2016 and a guarantee of a prudential payment service provider as defined in the Banking Law (Licensing), 1981.

The Economic Efficiency Law (Legislative Amendments to Achieve the Budgetary Targets for Budget Year 2026), 2026, Chapter B: Taxation of Provident Funds

Further to that which is stated in the chapter titled Laws and Regulations Governing the Banking System in the Corporate Governance Report for 2025 regarding the Economic Efficiency Bill (Legislative Amendments to Achieve the Budgetary Targets for Budget Year 2026), 2026, Chapter B: Taxation of Provident Funds, on March 30, 2026 the second and third readings of the bill were passed by the Knesset plenum, and on March 31, 2026, the law was published in the Official Gazette. The law expands the framework of investments provident funds are permitted to make by aligning the provisions under the Income Tax Ordinance (hereinafter - the "**Ordinance**") to those of the Supervision of Financial Services Regulations (Provident Funds) (Investment Rules Applicable to Institutional Entities), 2012, and the Commissioner of the Capital Market, Insurance and Savings' guidance regarding investments which provident funds may make (hereinafter - the "**Directives of the Banking Supervision Department**"), provided that this expansion does not undermine the taxation principles underlying the exemption set in Section 9(2) to the Ordinance. In accordance with the above, it is determined that if an investment constitutes a permitted holding under the Directives of the Banking Supervision Department, it will not be deemed control or a material holding for the purposes of the Ordinance, thereby maintaining eligibility for tax exemption.

The Economic Efficiency Law (Legislative Amendments to Achieve the Budgetary Targets for Budget Year 2026), 2026, Chapter E: Special Payment on Bank Profits in 2026 and 2027

Further to that which is stated in the chapter titled Laws and Regulations Governing the Banking System in the Corporate Governance Report for 2025 regarding the Economic Efficiency Bill (Legislative Amendments to Achieve the Budgetary Targets for Budget Year 2026), 2026, Chapter E: Special Payment on Bank Profits in 2026 to 2030, on March 30, 2026 the Knesset plenum passed the second and third readings of the bill which superseded the original bill, the first reading of which was passed by the Knesset. The law, which was published in the Official Gazette on March 31, 2026, amends the Special Payment for Achieving the Budgetary Targets Law (Temporary Order - Iron Swords), 2024, and stipulates that a bank which is not a bank with a small scope of activity, will pay to the treasury a payment equal to 12% of the profits generated from its activity in Israel in 2026 (for the period commencing on April 1, 2026 and ending at the end of the year) and a payment equal to 0.5% of the profit generated from its activity in Israel in 2027. This amount will be capped at a total annual of NIS 3 billion in 2026 and NIS 125 million in 2027 for all paying banks. Each paying bank's share in the total payment will be similar to its share of the total income of all paying banks for that year.

For further details, see the Bank's immediate report of March 30, 2026 (Ref. No. 2026-01-029742).

The Privacy Protection Authority published a pronouncement entitled Consent in Privacy Protection Law.

The pronouncement was published on February 25, 2026 in order to clarify the Privacy Protection Authority’s position regarding the manner of implementing the principle of consent in light of the evolving digital reality. The pronouncement addresses the question of what is a valid consent under the privacy protection laws and details the rules governing how such consent should be obtained.

Privacy Protection Regulations (Administrative Notice), 2026

On April 19, 2026, the regulations were published, establishing the circumstances under which the Privacy Protection Authority may implement an alternative and lenient administrative enforcement procedure consisting of the delivery of an administrative notice instead of imposing a financial sanction. An administrative notice be issued under one or more of the following circumstances: (1) A breach of a new provision of the Privacy Protection Law or regulations in respect of which a financial sanction may be imposed during the three months subsequent to its effective date; (2) First breach of certain provisions of the Privacy Protection Regulations (Information Security), 2017; (3) A breach of a provision occurring within up to six months following the introduction of a stricter enforcement policy on matters which were not previously subject to enforcement actions; (4) Breach of an unclear provision - up to a maximum of six months. An administrative notice will be delivered only in cases where it was possible to impose a financial sanction.

The Succession Bill (Amendment No. 23), 2026

On March 9, 2026, a bill was published proposing amendments to succession laws to adapt them to the current family and technological reality, such as distinguishing between the bequeathing of a proportionate share an estate (share) and the bequeathing of a specific asset (legatum); making a will via an uninterruptable video recording in the presence of an attorney; clarifying the rules for revoking mutual wills between spouses; provisions addressing death in the same event; strengthening the status of a spouse regarding the apartment in which the couple resides; expanding and clarifying the option to renounce an estate in favor of a spouse, descendants, parent, or sibling, while setting clear rules for reporting and retracting a renunciation until an ordinance is granted; clearly specifying when an alternative beneficiary steps into the shoes of the primary beneficiary; revising the order of priorities for estate debts; and executing a will cy-près where strict execution thereof is impossible.

Bank of Israel - Press Release - Summary of the Work of the Dedicated Multi-Sectoral Taskforce for Reducing Financial Fraud

On April 15, 2026, a press release was published regarding the summary of the taskforce's work, which included a list of recommendations for implementing potential solutions for reducing financial fraud, focusing on the following methods: hijacking the customer's phone number (SIM swap and call forwarding); phishing for customer details via websites impersonating banking system entities; telephone fraud (vishing); and fraud via SMS messages (smishing). Among the measures promoted by the taskforce: Changing the wording of the text messages sent by most mobile phone providers to customers who wish to switch to another provider such that they include a message clearly indicating the customer's intent to switch to a specific company, and moving the one-time password (OTP) to the end of the message; setting up a VIP track for filing complaints with the police by banks and credit card companies; and characterizing a server which will consolidate information on mobile phone numbers which were switched between providers, from which banking entities can obtain information and incorporate it into their risk management process. The task force raised the issue of the need for a mechanism which will enable swift blocking of impersonating websites, and recommended the assessment of the legal, regulatory, and structural aspects required for this purpose. The task force believes that in view of the fact that financial fraud is a widespread phenomenon requiring multidisciplinary addressing and cooperation among various entities - with each entity obligated to continue operating within its areas of responsibility and with the relevant parties - it is of paramount importance to define a national coordinating entity which will set a national strategy for addressing all aspects of the phenomenon and support the progress of addressing it over time.

Payment Services Law Draft Bill (Amendment), 2026

On May 17, 2026, the draft bill was published proposing to vest in the Minister of Justice, in consultation with the Governor of the Bank of Israel and at the approval of the Knesset's Economic Affairs Committee, the power to promulgate regulations regarding the setting up and management of a database for sharing information among payment service providers regarding cases of fraud, deception, or misuse of means of payment (financial fraud), including a reasonable suspicion of such cases, all for the purpose of identifying, monitoring, preventing, and addressing such cases. Information sharing will be permitted only among payment service providers which are regulated financial entities, to enable monitoring the manner of transferring information and its use by the relevant regulators for each payment service provider. It is proposed to determine the information which can be shared as stated above. The regulations will prescribe the possibility of stating types of information, the sharing of which will be prohibited if necessary. It is also proposed to set in the regulations the conditions for sharing information in the database, including the threshold required for transferring information; to allow the regulations to prescribe the duties which will apply to payment service providers under the information sharing process; to clarify that only the minimum information required to fulfill the purposes of preventing and addressing financial fraud should be included, restricting information sharing strictly to this purpose; and to establish that the information will include only data required to fulfill the purpose of the section, and will not serve to impute liability to anyone whose details were shared in the database. It is also proposed not to include information regarding consumer fraud pertaining to misleading under Section 2 to the Consumer Protection Law, 1981, for example, a discrepancy regarding a product or service provided to the consumer.

The Credit Data Law (Amendment No. 6), 2026

On July 26, 2026, the amendment to the Law was published. The amendment to the law aims, among other things, to create an infrastructure that will enable the establishment of a credit database regarding corporations in order to both collect credit data and make them accessible to these entities, in order to increase competition in the credit market for corporations, especially for small and medium-sized corporations, and to improve the allocation of credit in the financial system. Among other things, it was decided to allow the use of broader information regarding corporations for the purposes of the Bank of Israel. The amendment to the law details the required changes in the arrangement applicable to corporations once the corporations database is set up, such as addressing the duty of commercial confidentiality instead of protecting the right to privacy - which does not apply to corporations - and addressing the transfer and use of information regarding a person who is not the customer in a specific credit transaction, in view of the corporate structure whereby information is sometimes required not only regarding the corporation itself but also regarding parties affiliated thereto as proposed, for example, a corporation's controlling shareholders. Furthermore, the amendment to the law improves and optimizes the operation of the existing database regarding credit data on individuals, including provisions regulating, among other things, the manner of the database's operation, the expansion of the powers of the Supervisor of Credit Data Sharing - including issuing orders regarding the correction of deficiencies - and the expansion of the uses of information received from the database and its deliverables, in order to enable the optimization of the credit market in Israel, alongside various other provisions required following post-mortem analysis of the database's operation in recent years.

National Cybersecurity Bill, 2026

On May 27, 2026, the bill was published, proposing to establish the regulatory and supervisory framework for national cybersecurity, which involves a cross-cutting legal framework for the cybersecurity powers and tools of various government ministries, differential regulation tailored to specific sectors and the critical organizations therein, and regarding digital service and hosting providers. In addition, the bill proposes to establish the organizations' duties, focusing specifically on essential organizations, to act for cybersecurity both during routine times and when dealing with a cyber attack, while ensuring that the flexibility required in this ever-changing area of activity is retained. By establishing a clear framework of powers, defined operating principles, and supervision and enforcement mechanisms, the proposed law seeks to strengthen national resilience in the cyberspace, improve the level of preparedness and response to cyber attacks, and encourage proactive preparation whose cost is substantially lower than the economic and social costs associated with post-attack recovery. It is noted that at this stage the bill's key provisions do not apply to the financial sector; however, the bill vests with the Prime Minister the power, among other things, to add a new sector or sub-sector to the list included in the bill.

Banking Bill (Customer Service) (Amendment No. 41), 2026

On June 1, 2026, the bill was tabled in the Knesset for second and third readings. Under the bill, a banking corporation will display to the customer - through online channels - information regarding the customer's financial activity at the banking corporation over the past three years at the very least; such information will include, among other things, breakdown of balances in a payment account, breakdown of debits and credits through a means of payment issued by the banking corporation, periodic reports and certificates, notices delivered on the personal zone, copies of letters, and information to be determined by the Banking Supervision Department. If a customer requests to receive information regarding a period preceding the above three-year period and not exceeding seven years from the date of the request, the banking corporation will provide the customer with the information in a simple and convenient manner. It is further proposed that a banking corporation which will not deliver the information in accordance with the amendment, will be subject to a financial sanction of NIS 50 thousand.

The Privacy Protection Authority – Draft Position Paper regarding Privacy Protection when Using Age Assurance Means in the Online Space

On June 14, 2026, the draft position paper was published, intended for organizations operating online (such as website owners, social networks, online gaming companies, and online service providers) seeking to use technological means for age assurance in the online space, and for the legal counsels and privacy protection officers of these organizations. Age assurance in the online space is a term attributed to various types of measures taken to provide an assessment with a varying level of certainty and accuracy of the age of those using online services, based, among other things, on the processing of personal information. According to the draft, taking age assurance measures in the online space may contribute, among other things, to reducing children's access and exposure to services and content which are not

suitable to them, and to minimizing the collection of information about them online, thereby strengthening the protection of their privacy. However, taking such measures also carries substantial potential risks to the privacy of users, children and adults alike. The draft provides an overview of the key age assurance methodologies, an analysis of the key privacy risks which may arise while implementing age assurance means, and guidance and recommendations for mitigating the breach of the right to privacy when implementing such means.

Compensation Models in the Public's Activities Involving Securities - Final Report

On June 23, 2026, the interministerial taskforce composed of representatives of the Bank of Israel, the Israel Securities Authority and the Ministry of Finance published its final report. The interministerial taskforce's objective was to conduct a thorough assessment of the existing compensation and fees and commission models, analyze the various compensation components and formulate a comprehensive market-wide framework, in order to provide an appropriate, viable and forward-looking solution for all customers and market players. The highlights of the taskforce's proposals as detailed in the final report are: Phase A - Investment advice and service bundles in the banking system - (1) Service bundles - banks will be allowed to offer their customers (individuals and SMBs) service bundles under which a customer will pay a single fee for the activity involving securities and mutual funds. (2) Dedicated advisory fee from the customer - Banks will be allowed to collect a dedicated fee from the customer for advisory services. The features of the fee may change according to the nature of the advisory services which will be provided (ongoing/one-off, human/digital/hybrid, etc.). Phase B - Modifying the collection mechanism in respect of transactions involving mutual fund units - (3) Brokerage fee - Instead of the current distribution fee, a uniform brokerage fee will be paid at a reduced rate of 0.2% of the value of the acquired units, collected over the holding period across all types of mutual funds, except for money market funds, regarding which it is proposed to retain the existing bank distribution fee model, since those funds are essentially part of the money market, and to adopt it across the entire market at a later stage. (4) Acquisition and sale fees - As a complementary step to the modification of the distribution fee model, a unified mechanism for collection of acquisition and sale fees will be put in place regarding acquisition and sale transactions involving various types of mutual fund units, i.e., index-tracking mutual funds, namely, open-ended tracker funds, ETFs and mutual funds under active management, excluding money market funds. Phase C - Security deposit management fee service - Security deposit management fee service includes custody and processing costs arising from trading on the capital market. The securities management fee mechanism will be determined as a NIS amount, which will be collected on a monthly basis for all of the customer's holdings in securities and financial assets, both Israeli and foreign. The need to set fee tiers based on portfolio value will be looked into.

Financial Services Supervision Draft Bill (Issuance of Stablecoins), 2026

On June 29, 2026, the draft bill was published, which proposes to impose a licensing requirement on engaging in the issuance and circulation of stablecoins. The draft bill sets the conditions for obtaining such a license. In addition, the draft bill prescribes arrangements regarding control and holding of means of control in an issuer of stablecoin, defines competency requirements for the organs and officers who will serve in such entities, and imposes restrictions and requirements which will apply to the activity of license holders - including requirements pertaining to risk management and the safeguarding of customers' assets. Furthermore, the draft bill proposes that supervisory, control and enforcement powers be vested in the Commissioner of the Capital Market, Insurance and Savings Authority in his capacity as the supervisor of issuance of stablecoins, with the objective of ensuring the proper operation of the issuers and the safeguarding of the interests of holders, and maintaining the resilience and stability of the Israeli financial sector.

The Privacy Protection Authority - Pronouncement on the Appointment of a Data Protection Officer in an Organization according to the Requirements of Amendment 13 to the Privacy Protection Law

On July 14, 2026, the pronouncement was published, which pertains to the requirement to appoint a Data Protection Officer in accordance with the Privacy Protection Law (Amendment No. 13), 2024 (hereinafter - the "**Law**"), across a broad range of organizations, including banks. The pronouncement highlights several points and guidelines to be acted upon: The Data Protection Officer is required to possess teamwork skills, the ability to persuade others, work with senior officers and lead processes involving such officers all in accordance with the nature of the role. Without detracting from the general requirement, Section 17B3(a) to the Law details specific areas of knowledge which every such officer must master: in-depth knowledge of privacy protection laws, adequate understanding of technology and information security, and understanding of the organization's areas of activity and objectives; The purpose of the Data Protection Officer is to ensure compliance with the provisions of the Law within the organization, and to act to promote and improve privacy protection and information security beyond the statutory minimum; The Data Protection Officer is a key player in the

organization's information governance function, and their role can be described as a coordinator of compliance processes not only with the requirements arising from the letter of privacy protection laws, but also with optimal practices arising from the spirit of the Law and the rationales underlying it. Among other things, the role includes all of the following tasks: Professional authority and consulting, training, ongoing monitoring of compliance with the provisions of the Law, the information security procedure and the database definition document, handling inquiries and requests from data subjects, and serving as the organization's contact person with the Privacy Protection Authority. Organizations must ensure that the Data Protection Officer is able to dedicate the time necessary for the proper fulfillment of their role, and to comply with the other statutory requirements regarding the Data Protection Officer and the manner of their employment, including the explicit statutory requirement to provide them with the conditions and resources necessary for the proper fulfillment of their role, to ensure that they are properly involved in every matter pertaining to privacy protection laws, and to ensure that they are not charged with any additional roles or required to report to another officer which may place them at risk of a conflict of interest; The organization is required to provide the Data Protection Officer with the conditions and resources necessary for proper fulfillment of their role and to ensure that they are properly involved in every matter pertaining to privacy protection laws. The Data Protection Officer will report directly to the CEO or to a party who reports directly to the CEO.

Consumer Protection Law (Amendment No. 74), 2026

On July 22, 2026, the amendment to the law was published, according to which a banking corporation, which markets services and products through marketing calls placed on its behalf will be required to record calls, save them, and deliver them to customers, where such customers are private individuals. It was also prescribed that the provisions pertaining to the delivery of the recorded call to a customer who requested it within 10 business days from the date of the request will apply to any recorded call saved by the banking corporation at the time of the customer's request as per the above section, even if it was recorded prior to the effective date of the amendment to the law. The effective date of the amendment to the law - eight months from its publication date, i.e., March 22, 2027.

Additional regulatory publications

The Land Registration and Settlement Authority - Procedure regarding power of attorney to a banking corporation for the purpose of executing actions with respect to a mortgage transaction

On March 15, 2026, the procedure was published according to which, in view of the Notaries Law (Amendment No. 12), 2026, effective February 3, 2026, the Land Registration and Settlement Authority is allowed to accept powers of attorney executed before a banker or an attorney (even if the attorney who carries out the authentication is not designated as an agent in the power of attorney) with respect to registration applications filed by the banking corporation (including the cancellation, transfer, modification of terms, or any other action involving the registration of a transaction, including an application for registering a caveat regarding an undertaking to register a mortgage or transaction), and notarized powers of attorney are no longer required to execute such registration in the Land Registers.

Furthermore, since banking corporations are currently taking action to automate the new forms in their systems, and in order to prevent an unnecessary burden on the public - banking corporations will be permitted - until further notice - to file powers of attorney the titles of which have the word “notarized” manually deleted, along with the manual signatures of the borrowers and the banking corporation next to the deleted word.

Israel Securities Authority - Staff Legal Position regarding an index-tracking structured products

The Staff Position was published on May 5, 2026. Highlights of the position - Over the years, Israeli banks have offered bank deposits which constitute structured products. These products include structured deposits whose return and risk may be determined, among other things, based on changes in indices or security prices. The fundamental features of an index-tracking mutual fund include generating returns derived from the performance of the tracked index, and the ability to make investments and redemptions on a daily basis (daily liquidity). A bank-issued structured product which tracks security indices and essentially functions as a joint investment arrangement is inconsistent with statutory provisions and the applicability of the Securities Law, 1968 (hereinafter - the “**Securities Law**”) and the Joint Investments in Trust Law, 1994 (hereinafter - the “**Joint Investments Law**”). For a bank-issued structured product which tracks security indices to be excluded from the scope of the Securities Law and the Joint Investments Law, it must satisfy the following criteria at the very least: (1) Full or almost full principal protection. In order to satisfy this condition, the principal protection must be incorporated as a component of the formula and the return received at the end of the deposit term; (2) No daily liquidity feature - Setting a minimum investment term to redemption which creates a sufficient differentiation between

the such a product an and index-tracking mutual funds which can be invested in and redeemed on a daily basis. A minimum period of three months will be deemed a period which differentiates between the products. It is noted that there may be other features which differentiate between a structured deposit and securities and joint investment arrangements, which may be assessed on a case by case basis.

TASE - call for proposals on the encouragement of marketability and liquidity - phase II

The call for proposals was published for public response on October 14, 2026. In order to incentivize "on screen liquidity" (visible orders and transactions executed on the stock exchange), to increase the activity of retail and other customers and to maintain the positive momentum in trading volumes, it is proposed, among other things, to invest in the market-making control system so that it can support additional features, such as different quoting criteria for various market makers in the same security; quotes during all trading phases and various combinations of trading phases. Encouraging retail customers by paying reduced trading fees and commissions for certain transactions they perform - reduced clearing and trading fees and commissions in the bond market for retail customers in order to improve their advisability; encouragement of ETFs trading; encouragement of marketability and liquidity of shares that are not included in the Tel Aviv-125 Index; operating a designated Volume Rebate plan for foreign customers in the stock market and the derivatives market; adoption of a new pricing model.

Draft Bill titled Application of the Securities Law to Digital Assets (Legislative Amendments), 2026

On November 1, 2026, the draft bill was published, proposing to extend the applicability of the Securities Law to digital investment asset activity, including, inter alia, in respect of trading, clearing, joint investment, investment advice and portfolio management, and to empower the Israel Securities Authority to establish appropriate rules and directives. It is further proposed to determine that digital investment asset transactions shall be considered transactions that involve a special risk under the Law Regulating the Practice of Investment Advice, Investment Marketing and Investment Portfolio Management, 1995.

Israel Securities Authority - Draft Directive to Licensees regarding the Provision of Services Using Technological Means and Artificial Intelligence [New Version]

On November 4, 2026, the Draft was published which regulates the provision of investment consulting, investment marketing and investment portfolio management services using technological means and artificial intelligence systems. Among other things, the Draft suggests duties pertaining to risk assessment and materiality, risk management, control and monitoring, disclosure to customers, supervision of outsourcing and enhanced corporate governance requirements where there is an enhanced use of technological means, i.e., a service which is not an online-only service, which was classified by the licensee as associated with high risk and materiality levels; the assessment should include, among other things, the extent of the use of the system and the reliance thereon, the effect of a potential default and the degree of human involvement.

Credit rating

Following are the credit ratings and outlook of the State of Israel and the Bank as at November 16, 2026

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

Following is the development of the Bank's credit rating and credit outlook from January 1, 2026 to November 16, 2026

On January 30, 2026, rating agency Moody's upgraded Israel's credit rating outlook from negative to stable, in view of the decrease in Israel's geopolitical risk and the Israeli economy's robustness in the face of the geopolitical developments.

On February 3, 2026, rating agency Moody's announced it was upgrading the Bank's outlook to stable from negative and reiterated the Bank's rating.

On May 27, 2026, credit rating agency S&P Maalot reiterated the Bank's rating and stable rating outlook.

On October 19, 2026, credit rating agency Fitch reiterated the Bank's rating and stable rating outlook.

On November 15, 2026, credit rating agency Midroog reiterated the Bank's rating and stable rating outlook.

C. Appendices

Income and Expenditure Rates[a] and Analysis of Changes in Interest Revenues and Expenses

Part A - Average Balances and Interest Rates – Assets

	For the three months ended September 30					
	2026			2025		
	Average balance[b]	Interest revenues	% of income	Average balance[b]	Interest revenues	% of income
	In NIS million		In %	In NIS million		In %
Interest-bearing assets						
Credit to the public[c]						
In Israel	**529,171**	**7,400**	**5.59**	464,792[j]	7,578	6.52[j]
Outside Israel	**9,379**	**168**	**7.16**	10,332	186	7.20
Total[i]	**538,550**	**7,568**	**5.62**	475,124	7,764	6.54
Loans to the government						
In Israel	**3,133**	**32**	**4.09**	2,428	24	3.95
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**3,133**	**32**	**4.09**	2,428	24	3.95
Deposits with banks						
In Israel	**17,238**	**104**	**2.41**	19,209	166	3.46
Outside Israel	**84**	**-**	**-**	218	1	1.83
Total	**17,322**	**104**	**2.40**	19,427	167	3.44
Deposits with central banks						
In Israel	**90,277**	**772**	**3.42**	93,774	1,057	4.51
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**90,277**	**772**	**3.42**	93,774	1,057	4.51
Securities borrowed or purchased under reverse repurchase agreements						
In Israel	**6,901**	**73**	**4.23**	6,726	61	3.63
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**6,901**	**73**	**4.23**	6,726	61	3.63
Bonds - held-to-maturity and available-for-sale[d]						
In Israel	**157,185**	**1,617**	**4.11**	129,930	1,447	4.45
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**157,185**	**1,617**	**4.11**	129,930	1,447	4.45
Bonds - held-for-trading[d]						
In Israel	**17,092**	**135**	**3.16**	10,249	110	4.29
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**17,092**	**135**	**3.16**	10,249	110	4.29
Total interest-bearing assets	**830,460**	**10,301**	**4.96**	737,658	10,630	5.76
Non-interest-bearing receivables for credit cards	**7,686**			6,731		
Other non-interest-bearing assets[e]	**111,585**			90,731[j]		
Total assets	**949,731**	**10,301**		835,120	10,630	
Total interest-bearing assets attributable to foreign operations	**9,463**	**168**	**7.10**	10,550	187	7.09

See comments below.

Part B - Average Balances and Interest Rates - Liabilities and Equity

	For the three months ended September 30					
	2026			2025		
	Average balance[b]	Interest expenses	% of expense	Average balance[b]	Interest expenses	% of expense
	In NIS million		In %	In NIS million		In %
Interest-bearing liabilities						
Deposits by the public						
In Israel	**541,455**	**4,846**	**3.58**	488,730[j]	5,178	4.24[j]
Demand deposits	**121,994**	**927**	**3.04**	127,572[j]	1,182	3.71[j]
Fixed deposits	**419,461**	**3,919**	**3.74**	361,158[j]	3,996	4.43[j]
Outside Israel	**-**	**-**	**-**	-	-	-
Demand deposits	**-**	**-**	**-**	-	-	-
Fixed deposits	**-**	**-**	**-**	-	-	-
Total	**541,455**	**4,846**	**3.58**	488,730	5,178	4.24
Deposits by the Israeli Government						
In Israel	**89**	**-**	**-**	127	-	-
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**89**	**-**	**-**	127	-	-
Deposits by central banks						
In Israel	**2,281**	**12**	**2.10**	3,247	24	2.96
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**2,281**	**12**	**2.10**	3,247	24	2.96
Deposits by banks						
In Israel	**11,548**	**65**	**2.25**	16,333	84	2.06
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**11,548**	**65**	**2.25**	16,333	84	2.06
Securities loaned or sold under repurchase agreements						
In Israel	**32,420**	**282**	**3.48**	14,781	176	4.76
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**32,420**	**282**	**3.48**	14,781	176	4.76
Bonds						
In Israel	**60,394**	**824**	**5.46**	40,725	697	6.85
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**60,394**	**824**	**5.46**	40,725	697	6.85
Total interest-bearing liabilities	**648,187**	**6,029**	**3.72**	563,943	6,159	4.37
Non-interest-bearing deposits by the public	**179,352**			151,362[j]		
Non-interest-bearing payables for credit cards	**1,991**			1,923		
Other non-interest bearing liabilities[f]	**49,538**			50,310		
Total liabilities	**879,068**	**6,029**		767,538	6,159	
Total capital resources	**70,663**			67,582		
Total capital commitments and resources	**949,731**	**6,029**		835,120	6,159	
Interest rate spread			**1.24**			1.39
Net return[g] on interest-bearing assets						
In Israel	**820,997**	**4,104**	**2.00**	727,108[j]	4,284	2.36[j]
Outside Israel	**9,463**	**168**	**7.10**	10,550	187	7.09
Total	**830,460**	**4,272**	**2.06**	737,658	4,471	2.42
Total interest-bearing liabilities attributable to foreign operations	**-**	**-**	**-**	-	-	-

See comments below.

Part A - Average Balances and Interest Rates – Assets (cont.)

	For the nine months ended September 30					
	2026			2025		
	Average balance[b]	Interest revenues	% of income	Average balance[b]	Interest revenues	% of income
	In NIS million		In %	In NIS million		In %
Interest-bearing assets						
Credit to the public[c]						
In Israel	**516,320**	**21,826**	**5.64**	447,326[j]	21,217	6.32[j]
Outside Israel	**9,839**	**482**	**6.53**	10,075	570	7.54
Total[i]	**526,159**	**22,308**	**5.65**	457,401	21,787	6.35
Loans to the government						
In Israel	**2,873**	**91**	**4.22**	2,258	66	3.90
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**2,873**	**91**	**4.22**	2,258	66	3.90
Deposits with banks						
In Israel	**18,482**	**379**	**2.73**	17,354	497	3.82
Outside Israel	**197**	**1**	**0.68**	177	2	1.51
Total	**18,679**	**380**	**2.71**	17,531	499	3.80
Deposits with central banks						
In Israel	**88,790**	**2,503**	**3.76**	91,650	3,079	4.48
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**88,790**	**2,503**	**3.76**	91,650	3,079	4.48
Securities borrowed or purchased under reverse repurchase agreements						
In Israel	**6,410**	**181**	**3.76**	4,814	143	3.96
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**6,410**	**181**	**3.76**	4,814	143	3.96
Bonds - held-to-maturity and available-for-sale[d]						
In Israel	**151,491**	**4,507**	**3.97**	118,719	3,971	4.46
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**151,491**	**4,507**	**3.97**	118,719	3,971	4.46
Bonds - held-for-trading[d]						
In Israel	**15,518**	**378**	**3.25**	11,793	349	3.95
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**15,518**	**378**	**3.25**	11,793	349	3.95
Total interest-bearing assets	**809,920**	**30,348**	**5.00**	704,166	29,894	5.66
Non-interest-bearing receivables for credit cards	**7,384**			6,899		
Other non-interest-bearing assets[e]	**108,435**			87,602[j]		
Total assets	**925,739**	**30,348**		798,667	29,894	
Total interest-bearing assets attributable to foreign operations	**10,036**	**483**	**6.42**	10,252	572	7.44

See comments below.

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

	For the nine months ended September 30					
	2026			2025		
	Average balance[b]	Interest expenses	% of expense	Average balance[b]	Interest expenses	% of expense
	In NIS million		In %	In NIS million		In %
Interest-bearing liabilities						
Deposits by the public						
In Israel	**530,799**	**14,578**	**3.66**	465,252[j]	14,478	4.15[j]
Demand deposits	**123,978**	**2,895**	**3.11**	124,455[j]	3,422	3.67[j]
Fixed deposits	**406,821**	**11,683**	**3.83**	340,797[j]	11,056	4.33[j]
Outside Israel	**-**	**-**	**-**	-	-	-
Demand deposits	**-**	**-**	**-**	-	-	-
Fixed deposits	**-**	**-**	**-**	-	-	-
Total	**530,799**	**14,578**	**3.66**	465,252	14,478	4.15
Deposits by the Israeli Government						
In Israel	**92**	**1**	**1.45**	141	1	0.95
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**92**	**1**	**1.45**	141	1	0.95
Deposits by central banks						
In Israel	**2,237**	**39**	**2.32**	4,169	69	2.21
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**2,237**	**39**	**2.32**	4,169	69	2.21
Deposits by banks						
In Israel	**13,752**	**217**	**2.10**	11,977	209	2.33
Outside Israel	**-**	**-**	**-**	2	-	-
Total	**13,752**	**217**	**2.10**	11,979	209	2.33
Securities loaned or sold under repurchase agreements						
In Israel	**27,951**	**783**	**3.74**	14,032	524	4.98
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**27,951**	**783**	**3.74**	14,032	524	4.98
Bonds						
In Israel	**53,808**	**1,977**	**4.90**	37,374	1,585	5.65
Outside Israel	**-**	**-**	**-**	-	-	-
Total	**53,808**	**1,977**	**4.90**	37,374	1,585	5.65
Total interest-bearing liabilities	**628,639**	**17,595**	**3.73**	532,947	16,866	4.22
Non-interest-bearing deposits by the public	**173,013**			150,381[j]		
Non-interest-bearing payables for credit cards	**1,887**			1,872		
Other non-interest bearing liabilities[f]	**52,012**			47,055		
Total liabilities	**855,551**	**17,595**		732,255	16,866	
Total capital resources	**70,188**			66,412		
Total capital commitments and resources	**925,739**	**17,595**		798,667	16,866	
Interest rate spread			**1.27**			1.44
Net return[g] on interest-bearing assets						
In Israel	**799,884**	**12,270**	**2.05**	693,914[j]	12,456	2.39[j]
Outside Israel	**10,036**	**483**	**6.42**	10,252	572	7.44
Total	**809,920**	**12,753**	**2.10**	704,166	13,028	2.47
Total interest-bearing liabilities attributable to foreign operations	**-**	**-**	**-**	2	-	-

See comments below.

Part C - Average Balances and Interest Rates - Additional Information on Interest-Bearing Assets and Liabilities Attributable to Activities in Israel

	For the three months ended September 30					
	2026			2025		
	Average balance[b]	Interest income (expenses)	% of income (expense)	Average balance[b][j]	Interest income (expenses)	% of income (expense)
	In NIS million		In %	In NIS million		In %
CPI-linked NIS						
Total interest-bearing assets	**82,085**	**1,376**	**6.71**	79,498	1,671	8.41[j]
Total interest-bearing liabilities	**38,514**	**(549)**	**(5.70)**	37,649	(720)	(7.65)[j]
Interest rate spread			**1.01**			0.76[j]
Non-linked NIS						
Total interest-bearing assets	**596,466**	**7,169**	**4.81**	508,938	7,293	5.73[j]
Total interest-bearing liabilities	**461,203**	**(3,981)**	**(3.45)**	385,755	(3,945)	(4.09)[j]
Interest rate spread			**1.36**			1.64
Foreign currency						
Total interest-bearing assets	**142,446**	**1,588**	**4.46**	138,672	1,479	4.27[j]
Total interest-bearing liabilities	**148,470**	**(1,499)**	**(4.04)**	140,539	(1,494)	(4.25)[j]
Interest rate spread			**0.42**			0.02[j]
Total activity in Israel						
Total interest-bearing assets	**820,997**	**10,133**	**4.94**	727,108	10,443	5.74[j]
Total interest-bearing liabilities	**648,187**	**(6,029)**	**(3.72)**	563,943	(6,159)	(4.37)[j]
Interest rate spread			**1.22**			1.37[j]

See comments below.

Part C - Average Balances and Interest Rates - Additional Information on Interest-Bearing Assets and Liabilities Attributable to Activities in Israel (cont.)

	For the nine months ended September 30					
	2026			2025		
	Average balance[(b)]	Interest income (expenses)	% of income (expense)	Average balance[(b)(j)]	Interest income (expenses)	% of income (expense)
	In NIS million		In %	In NIS million		In %
CPI-linked NIS						
Total interest-bearing assets	**82,213**	**3,552**	**5.76**	74,803	3,907	6.96 [(j)]
Total interest-bearing liabilities	**40,724**	**(1,421)**	**(4.65)**	34,673	(1,537)	(5.91)[(j)]
Interest rate spread			**1.11**			1.05 [(j)]
Non-linked NIS						
Total interest-bearing assets	**575,680**	**21,864**	**5.06**	489,933	20,955	5.70 [(j)]
Total interest-bearing liabilities	**444,549**	**(12,161)**	**(3.65)**	365,133	(10,952)	(4.00)[(j)]
Interest rate spread			**1.41**			1.70
Foreign currency						
Total interest-bearing assets	**141,991**	**4,449**	**4.18**	129,178	4,460	4.60 [(j)]
Total interest-bearing liabilities	**143,366**	**(4,013)**	**(3.73)**	133,139	(4,377)	(4.38)[(j)]
Interest rate spread			**0.45**			0.22 [(j)]
Total activity in Israel						
Total interest-bearing assets	**799,884**	**29,865**	**4.98**	693,914	29,322	5.63 [(j)]
Total interest-bearing liabilities	**628,639**	**(17,595)**	**(3.73)**	532,945	(16,866)	(4.22)[(j)]
Interest rate spread			**1.25**			1.41

See comments below.

Chapter D - Analysis of Changes in Interest Income and Expenses

	2026 vs. 2025			2026 vs. 2025		
	For the three months ended September 30			For the nine months ended September 30		
	Increase (decrease) due to change[h]		Net change	Increase (decrease) due to change[h]		Net change
	Quantity	Price		Quantity	Price	
	In NIS million					
Interest-bearing assets						
Loans to the public						
In Israel	900	(1,078)	(178)	2,917	(2,308)	609
Outside Israel	(17)	(1)	(18)	(12)	(76)	(88)
Total	883	(1,079)	(196)	2,905	(2,384)	521
Other interest-bearing assets						
In Israel	276	(408)	(132)	1,048	(1,114)	(66)
Outside Israel	-	(1)	(1)	-	(1)	(1)
Total	276	(409)	(133)	1,048	(1,115)	(67)
Total interest revenues	1,159	(1,488)	(329)	3,953	(3,499)	454
Interest-bearing liabilities						
Deposits by the public						
In Israel	472	(804)	(332)	1,800	(1,700)	100
Outside Israel	-	-	-	-	-	-
Total	472	(804)	(332)	1,800	(1,700)	100
Other interest-bearing liabilities						
In Israel	349	(147)	202	930	(301)	629
Outside Israel	-	-	-	-	-	-
Total	349	(147)	202	930	(301)	629
Total interest expenses	821	(951)	(130)	2,730	(2,001)	729

Comments:

(a) The data in the above tables are stated after the effect of derivatives instruments hedging.

(b) Based on monthly opening balances, except for the unlinked Israeli currency segment where the average balance is calculated according to daily inputs, and before deducting the average on-balance sheet credit loss provisions. Foreign subsidiaries based on quarterly opening balances.

(c) Before deducting the average balance of credit loss provisions. Including non-accruing debts.

(d) The average balance of unrealized gains/losses from fair value adjustments of held-for-trading bonds were deducted from/added to the average outstanding held-for-trading bonds and available-for-sale bonds, as were gains/losses in respect of available-for-trading bonds included in shareholder's equity under Accumulated other comprehensive income (loss), in the Adjustments in respect of presentation of available-for-sale securities at fair value item in respect of bonds transferred from the available-for-sale portfolio for the three- and nine-month periods ended September 30, 2026 totaling of NIS (954) million and NIS (789) million, respectively, and for the three- and nine-month periods ended September 30, 2025 - NIS (1,456) million and NIS (2,025) million, respectively.

(e) Including book balances of derivatives, other non-interest-bearing assets, non-monetary assets, and less credit loss provision.

(f) Including book balances of derivative instruments and non-monetary liabilities.

(g) Net yield – net interest revenues divided by total interest-bearing assets.

(h) The change attributable to the quantity change was calculated by multiplying the new price by the change in quantity. The change attributable to the change in price was calculated by multiplying the former quantity by the new price.

(i) Fees and commissions for the three-month and nine-month periods ended September 30, 2025 in the amount of NIS 187 million and NIS 551 million, respectively, were included in the interest revenues from loans to the public (fees and commissions for the three-month and nine-month periods ended September 30, 2025 in the amount of NIS 131 million and NIS 350 million, respectively).

(j) Reclassified - credit balances and deposits in respect of lending and borrowing between customers have been classified as non-interest bearing balances.

Glossary of Terms

Term	Definition
A	
Active market	A market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
Actuarial calculation	Any calculation which reflects uncertainty, i.e., is risk-adjusted. For example, an actuarial calculation reflects past experience and management's estimates as to the expected retirement dates of the Bank's employees and the expected retirement benefits which are attributed linearly over the expected service period.
Actuarial gain/loss	Mostly reflects adjustments in respect of actuarial estimates, as at the end of the year, of defined benefit pension plans and deduction of amounts previously recorded in other comprehensive income.
Asset and liability management (ALM)	Management of the Bank's assets and liabilities such that they are aligned and increasing the Bank's capital in the long-term for the benefit of its shareholders.
Asset-backed securities (ABS)	A security whose interest and principal payments are secured by collateral or a lien consisting of a specific financial asset.
Auxiliary corporation	A corporation which is not in itself a banking corporation and which is engaged solely in the areas of activity permitted to the controlling banking corporation, other than activities reserved solely for banking corporations under law.
Average duration	Average duration is measured in years and weights the periodic interest payments of the financial instrument over its life through its final redemption.
B	
Balanced score card (BSC)	A metric used by Bank's management to measure the performance of the Bank and its lines of business across a range of quantitative and qualitative parameters defined by the Bank's management under its strategic plan.
Basel II/Basel III	Banks' risk management directives set by the Basel Committee on Banking Supervision (BCBS), which is engaged in supervising and setting standards for the supervision of banks across the world. The directives of the Basel Committee serve as a benchmark for leading standards designed to ensure the stability of financial institutions.
Basic net earnings per share	Basic net earnings per share will be calculated by dividing the profit or loss attributed to holders of the parent company's ordinary shares (the numerator) by the weighted average number of ordinary shares outstanding during the period (the denominator).
Basis points (BP)	One hundredth of one percent, which is used as a unit of measure for interest rates.
Basis risks	The exposure to the base risk is the potential loss due to changes in the consumer price index and exchange rates

Term	Definition
	due to the difference between the value of assets and the value of liabilities, including the effect of futures in each of the linkage bases.
Benchmark interest rate	Interest determined based on an objective external mechanism independent of the corporation's direct influence, calculated in accordance with a predetermined formula.
Bid-ask spread	The difference between the offered purchase price and sale price. This is, in fact, the difference between the highest price a buyer is willing to pay for an asset and the lowest price in which a seller is willing to sell it.
Build operate transfer (BOT)	A public project financing method in which a private entity receives a concession from a public entity to finance, design, build, and operate a public facility for a fixed period, at the end of which ownership of the project is transferred to the government.
C	
Capital adequacy ratio	The ratio between the Bank's regulatory eligible capital and its risk-weighted assets in respect of credit risk, market risk, and operational risk, calculated in accordance with the Bank of Israel's directives and reflecting the risk arising from the exposures undertaken by the Bank during the course of its operations.
CET1 capital	Going concern capital. Common Equity Tier 1 capital includes the equity attributable to the Bank's shareholders plus some of the non-controlling interests of consolidated subsidiaries (minority interests) net of goodwill, other intangible assets, regulatory adjustments and additional deductions, as detailed in Proper Conduct of Banking Business Directive No. 202 - Capital Measurement and Adequacy - Regulatory Capital - and subject to the transitional provisions of Proper Conduct of Banking Business Directive No. 299 - Capital Measurement and Adequacy - Regulatory Capital - Transitional Provisions.
Collateralized debt obligation (CDO)	Bonds backed by a portfolio of bonds and/or loans of various seniority levels and ratings.
Collateralized loan obligation (CLO)	A bond backed by a loan portfolio.
Collective provision	The collective allowance for loan losses is made in respect of large groups of relatively small and homogenous debts and in respect of specifically-assessed debts which were found to be non-accruing. The collective provision in respect of the off-balance-sheet credit instruments is based on provision rates which were set for on-balance sheet credit, taking into consideration the Bank's estimates as to the likelihood that the various off-balance-sheet items will be utilized.
Committee of Sponsoring Organizations of the Treadway Commission (COSO)	A structured internal control model. The purpose of the model is to support businesses and other entities in assessing, estimating and enhancing their internal control functions.

Term	Definition
Conduct risk	Conduct risk is the risk that any interactions with Bank's customers which are unfair, non-transparent or not aligned with their needs will result in losses due to legal liabilities, penalties or reputational damage.
Credit default swap (CDS)	A financial instrument that transfers credit exposure to the issuer between the parties to the transaction.
Credit derivative	A contract which transfers the credit risk from a buyer to a seller. There are various forms of credit derivatives, such as: Credit default swap, a note which partially covers the credit risk, total return swap, etc.
Credit valuation adjustment (CVA)	The calculation of the credit risk in derivatives, which reflects the loss that the Bank is expected to incur if the counterparty to the transaction will experience a credit default.
Cross-border activity	A term referring to various financing arrangements which cross national borders, such as provision of loans to individuals and entities abroad, letters of credit, banker's acceptance, etc.
Current expected credit losses (CECL)	Current expected credit losses model
Cybersecurity event	An event during which a company's IT and/or computer-embedded systems and infrastructures are attacked by, or on behalf of, opponents (whether external or internal to a banking corporation), and such attack may result in the materialization of the cyber risk, including such an attempt, even if no actual damage had been incurred.
D	
Debt in arrears	The delinquency status of a debt is determined according to its contractual repayment terms and conditions. The debt is deemed to be in arrears if it is not repaid within 30 days from the repayment date. Regarding this matter, a debt in a current account will be deemed a debt in arrears, if unauthorized overdrafts exceeding approved credit facilities are not settled within 30 days of their inception, or if amounts credited to the account within the approved credit facility do not cover the debt within a period set by the Bank's management.
Debts of financially distressed borrowers who underwent a change in terms and conditions	A debt in respect of which, for economic or legal reasons pertaining to the debtor's financial difficulties, the Bank changed the terms of the debt to make it easier for the debtors to pay their near-future cash payments or by accepting other assets by way of repaying the debt.
Defined benefit plan	Fixed and predetermined annuity or insurance amounts paid to beneficiaries, regardless of whether they depend on the investment performance of the pension fund or the insurer.
Diluted net earnings per share	Dividing the profit or loss attributed to holders of the parent company's ordinary shares by the weighted average number of ordinary shares outstanding assuming conversion of all potentially dilutive ordinary shares.

Term	Definition
Dodd Frank Wall Street Reform and Consumer Protection Act (DFA)	The DFA is a US federal law which entered into effect on July 28, 2010 and enacts a comprehensive reform in financial regulation with various effects on Leumi Group, most notably regarding over-the-counter (OTC) swap derivatives.
Dormant shares	Shares held directly by the Company itself. These shares were do not confer equity interests and voting rights in the company.
E	
Embedded derivatives	Embedded derivatives are derivative instruments which are embedded into other financial contracts and instruments or into commercial contracts for the acquisition or sale of products and services (also known as host contracts). The accounting treatment is applied in accordance with the economic substance of the items and transactions, rather than in accordance with their legal format; therefore, embedded derivatives whose economic features are not clearly and closely related to those of the host contract are bifurcated therefrom for the purpose of measurement in the Bank's books of accounts.
European Market Infrastructure Regulation (EMIR)	EU regulation designed to increase the stability of over the counter (OTC) markets across all EU countries.
Exposure at default (EAD)	The expected amount of counterparty exposure in case of credit default.
Exposure to linkage basis and exchange rate	The exposure to the base risk is the potential loss due to changes in the consumer price index and exchange rates due to the difference between the value of assets and the value of liabilities, including the effect of futures in each of the linkage bases. The exposure to the base risks is measured as a percentage of the Group's exposed capital. At the Bank level, the exposed capital includes common equity and certain provisions, net of property, plant and equipment and investments in investees.
F	
Fair value	A value reflecting the price at which a financial asset can be exchanged or a financial liability assumed in a transaction between knowledgeable, willing parties. This value is determined in accordance with the fair value hierarchy set in accounting standards: • Level 1 - Value based on observable market prices; • Level 2 - Estimated value based on observable inputs; • Level 3 - Estimated value determined using valuation techniques which include unobservable inputs.
Fannie Mae (FNMA)	A US government-sponsored publicly-traded company which acquires mortgages, securitizes them, and sells them on the open market (This company is not backed by guarantees of the United States government).
Federal Deposit Insurance Corporation (FDIC)	A US federal agency charged with insuring deposits and one of the banking supervision agencies in the United States.

Term	Definition
Foreign Accounts Tax Compliance Act (FATCA)	A US law designed to improve tax enforcement stipulating that non-US financial entities must report to the Internal Revenue Service (IRS) on accounts managed by them and held by anyone who is required to report even if they are not US residents.
Forward	A contract between two parties for the sale of a specified quantity of an asset at a predetermined price on a pre-established date (the expiration date). The contract establishes a binding relationship between the parties to the agreement. This contract is not a standard contract, it is not traded on organized capital markets; rather, it is drawn up in accordance with the customer's needs.
Freddie Mac (FHLMC)	A US government-sponsored agency which acquires mortgages, securitizes them, and sells them to the public. (This company is not backed by guarantees of the United States government).
Future	A contract between two parties for the sale of a specified quantity of an asset at a predetermined price on a pre-established date (the expiration date). The contract establishes a binding relationship between the parties to the agreement. This future is a standard contract traded on organized capital markets.
G	
Ginnie Mae (GNMA)	A federal mortgage company. The bonds it issues are guaranteed by the Government National Mortgage Association.
I	
Interest cost	The interest component is allocated to a current year and classified under other expenses.
Interest rate risks	The risk of loss or impairment as a result of changes in interest rate changes across various currencies.
Internal Capital Adequacy Assessment Process (ICAAP)	The Capital Adequacy Assessment Process is aimed at calculating the capital required to support the various risks to which the Group is exposed in order to ensure that the Group's effective capital exceeds the capital requirements at any given time.
Internal rate of return (IRR)	A metric used to assess the worthwhileness of investments. This metric is an indicator of the efficiency and quality of a specific investment compared to the net present value, which is an indicator of its value and size. The IRR is the interest rate by which the expected cash flows from a financial instrument are discounted to its on-balance sheet balance in the Bank's financial statements.
L	
Leverage ratio	Defined as the measured capital (the numerator) divided by the measured exposure (the denominator), with the ratio expressed as a percentage.
Liquidity coverage ratio	The liquidity coverage ratio examines a time-horizon of 30 days under a stress scenario, and is intended to ensure that a banking corporation has an inventory of high-quality liquid assets that is able to cover the corporation's liquidity

Term	Definition
	requirements in this time horizon, in accordance with the scenario contained in the directive.
Liquidity risk	Liquidity risk is the risk arising due to uncertainty regarding the possibility of raising resources and/or disposing of assets, unexpectedly and within a very short time, without incurring a substantial loss.
Loss given default (LGD)	The proportion of the borrower's total exposure at default (EAD), expected to result in a loss to the Bank upon the occurrence of a default event.
LTV ratio	The ratio of the Bank's financing in the acquisition transaction to the value of the acquired asset. The LTV ratio reflects one aspect of the loan risk; a high LTV ratio entails a higher risk for the lending bank.
M	
Market risks	Market risk is defined as the risk of loss in on-balance sheet and off-balance sheet positions as a result of a change in the fair value of a financial instrument due to change in market conditions (changes in price levels in various markets, volatile interest rates and foreign exchange rates, inflation rates, prices of shares and commodities and other economic indicators).
Mortgage-backed securities (MBS)	Bonds are backed by financial assets, the principal and interest payments of which are based on cash flows arising from repayment of loans secured by financial assets. The backing assets may be pools of loans, including housing loans, or other financial assets.
N	
Net interest margin (NIM)	The ratio of net interest revenues to average balance of interest-bearing assets.
Non-accruing credit	An on-balance-sheet credit facility assessed on an individual basis, where current information and events indicate that it is more likely than not that the banking corporation will be unable to collect all amounts due (principal and interest) under the contractual terms of the debt agreement. A debt specifically assessed shall be classified as non-performing whenever the principal or interest has been in arrears of 90 consecutive days or more, unless it is both well secured and in the process of collection. Off-balance sheet credit is classified as non-accruing credit if the materialization of the contingent liability is defined as "possible" and if the debts that may be recognized as a result of the materialization of the contingent liability may be classified to this category. Furthermore, non-accruing debt will also be deemed a debt specifically assessed whose terms have been modified due to restructuring of troubled debt.
Non-performing loan (NPL)	Troubled non-accruing credit.
O	

Term	Definition
OECD	A global organization of developed nations which adhere to the principles of liberal democracy and free market. The organization serves as a platform for discussing policy, benchmarking, identifying solutions to difficulties and drawing up codes, guiding principles and shared standards for the implementation of economic and social policies at the national level. Each member nation can contribute substantially to shaping the organization's policy and formulating shared courses of action.
Off-balance sheet credit risk	Credit risk associated with off-balance sheet financial instruments before mitigation of credit risk as calculated for the purpose of the cap on a banking corporation's exposure to a borrower and a group of borrowers (Proper Conduct of Banking Business Directive No. 313). Off-balance sheet credit risk in respect of derivative instruments will be calculated as the difference, if positive, between the total amounts included in the borrower's exposure in respect of derivative instruments, after credit risk mitigation and the on-balance sheet credit risk of the borrower in respect of derivative instruments.
Off-balance sheet exposures	These exposures arise from the Bank's undertakings to its borrowers, which have not yet been realized/utilized by the borrowers as of the reporting date; therefore, these exposures have not yet been recorded as a balance sheet asset or liability. Such exposures include, among other things: • Unutilized undertakings to provide credit; • Unutilized credit facilities; • Liabilities in accordance with guarantee agreements; • Undertakings under an in principle approval whereby the Bank is obligated to maintain the interest rate for a certain period. • etc.
On-balance-sheet credit risk	Debts before credit risk mitigation and balance of assets in respect of derivative instruments after credit risk mitigation.
Operational risk	Operational risk is the risk of loss as a result of inadequate, or failure of, internal processes, people and systems, or external events. This definition includes legal risk, but does not include strategic risk and reputational risk.
Option contract	Call options and put options. A call option is the right to buy a certain quantity of a certain asset at an exercise price of up to (American-style option) or on (European-style option) a set date. A put option is the right to sell a certain quantity of a certain asset at an exercise price of up to (American-style option) or on (European-style option) a set date.
P	
Performance share units (PSU)	An award in the form of shares which are restricted and contingent on the banking corporation's future performance.

Term	Definition
Pillar 1	Allocation of minimum capital against credit, market and operational risks, using a method which links the scope of exposure to the various risks and the regulatory capital requirement. The Pillar 1 directives set by the Basel Committee were adopted under Proper Conduct of Banking Business Directives No. 201 to 209; they set a regulatory method for calculating risk-weighted assets and capital requirements in respect of such risk-weighted assets.
Private individuals	Individuals who are not corporations (whether registered or non-registered) and who are not engaged in business activity. Private individuals are defined in accordance with the Bank of Israel's directives such that this category includes loans extended for non-commercial purposes to private individuals who are classified into the private individuals economic sector in accordance with uniform definitions of the Central Bureau of Statistics, including households and private banking.
Probability of default (PD)	A term describing the probability that the borrower will reach credit default within a given period of time from the date on which the rating was assigned. The term provides an assessment of the likelihood that a borrower will not be able to meet their contractual obligations.
R	
Regulatory capital	Capital used to calculate the Bank's capital adequacy ratio and other regulatory ratios (such as: leverage ratio, credit concentration, etc.). Accounting capital components and other eligible regulatory capital instruments (such as subordinated notes which are eligible to be included as regulatory capital).
Repurchase agreements / reverse repurchase agreements	These repo agreements are agreements for the purchase or sale of securities in consideration for cash or securities; upon entering into the transaction, the seller and the buyer agree to enter into a reverse transaction at a predetermined date and price.
Reputational risk	The risk that the publication or public disclosure of a customer-related transaction or practice, and the Group's business results and events relating thereto will have an adverse effect on the public's trust in the Group or result in a decline in its customer base or entail substantial legal costs or lower revenues.
Residual risk	A residual risk is the risk of loss remaining after all other specific risks have been allocated. For example: When a person acquires an asset, they are exposed to various risks. Many of these risks are not unique to the acquired asset; rather, they reflect broader scenarios, such as an increase or decrease in share prices, an increase or decrease in interest rates or change in growth rate of a specific economy or sector. The exposure to this risk may be mitigated through diversification.

Term	Definition
Restricted share units (RSUs)	An ordinary share whose issuance terms restrict its tradability over a certain period or until the occurrence or non-occurrence of a certain event where such period has not yet elapsed and/or the event has not yet materialized.
Return on equity	The ratio between a business's return (net income) and its equity. This rate measures the Bank's ability to generate profits from its net assets, and illustrates how efficiently the Bank utilizes further investments to drive revenue growth. The return on equity in banks is reflected in the following ratios: • Net income attributable to Bank's shareholders net of dividend distributed to preferred shares, which was not recorded as an expense in profit and loss and was declared during the reporting period, divided by the average equity; • Net income attributable to Bank's shareholders net of dividend distributed to preferred shares, which was not recorded as an expense in profit and loss and was declared during the reporting period, divided by the average equity net of average balance of preferred shares included in equity.
Return on equity	Net income net of dividend distributed to preferred shares, which was not recorded as an expense in profit and loss and was declared during the reporting period, divided by the average equity;
Return on risk-adjusted capital (RORAC)	A method which compares returns on various investments and takes the risk into account. Actual return is adjusted by measuring the asset's exposure to risk, with assets associated with higher risks bearing a lower return. The method's effectiveness depends on the accuracy of the assessment of risk associated with various assets, and the degree to which the adjustment made with respect of higher-risk assets actually reflects the risk aversion of any given investor. Risk assessment of new types of assets, such as financial derivatives, involves high levels of uncertainty due to the actual behavior of their prices.
Risk-weighted assets (RWA)	Risk-weighted assets reflect balance sheet and off-balance sheet exposures arising from the Bank's activities weighted at the level of credit, market and operational risk attributed thereto in accordance with Proper Conduct of Banking Business Directives No. 203 to 209. Such risk-weighted assets are designed to reflect the weighted risk in respect of which the Bank is required to comply with the regulatory capital requirement under the capital adequacy requirements.
S	
Securitization	A process whereby bank loans and credit are pooled to create a long-term loan through bonds.
Securitization structures	Structures formed in order to transfer cash flows arising from other instruments/assets to bond holders. To this end, a special-purpose entity (SPE) is set up which receives the

Term	Definition
	underlying cash flow-generating assets which are transferred by their originator and diverts the specific cash flow to the bond holders in accordance with a structure agreed upon with the bond holders according to the seniority of the different series of bonds (tranches). Such assignment of rights creates a legal structure under which the transferor's assets may not be transferred to the SPE's creditors and those creditors will not be exposed to the risks associated with other activities of the transferor; the sole function of the SPE is to receive the cash-flow proceeds in question and to transfer them to the bond holders.
Service cost	All components of the cost of employee benefits allocated to a specific period.
Small Business Administration (SBA)	A US government agency which supports small businesses in the United States.
Special mention credit	Special mention credit is potentially weak credit which requires special attention by the corporation's management. Off-balance sheet credit is classified as special mention credit if the materialization of the contingent liability is defined as "possible" and if the debts that may be recognized as a result of the materialization of the contingent liability may be classified to this category.
Specific provision	A provision determined specifically for each debt, excluding housing loans (including any restructuring of troubled debt subject to specific assessment in accordance with the Bank's policy). The provision amount is estimated in accordance with the expected cash flow discounted at the debt's original effective interest rate or when the debt is defined as a debt whose collection is contingent on collateral or when an asset is expected to be seized - in accordance with the fair value of the collateral net of disposal costs after the application of a prudent haircut. In order to determine the appropriate provision, the Bank assesses the relevant borrowers on a regular basis and in accordance with the procedure.
Stable funding ratio	The NSFR is aimed at improving the resilience of banking corporations' liquidity risk profile in the long term, by requiring them to maintain a stable financing profile according to the composition of their assets and their off-balance-sheet activities. The ratio prevents banking corporations from over-reliance on short-term wholesale financing. The measurement is made both on the consolidated and separate levels each quarter; the requirement is to meet a 100 percent ratio.
Standby letter of credit (SBLC)	A standby letter of credit is a bank guarantee drafted in the form of a commercial letter of credit, whose main objective is to secure the execution of a payment. A standby letter of credit shares a feature with a guarantee by constituting a bank undertaking to pay the amount specified therein against a demand for payment from the beneficiary, whereas a commercial letter of credit requires the

Term	Definition
	presentation of various documents to render the bank's obligation absolute.
Strategic risk	A business risk that includes current and future adverse effects on capital, profits, reputation or standing as a result of erroneous business decisions, inappropriate implementation of the decisions or lack of response to industry-specific, economic, regulatory and technological changes.
Subordinated notes	Notes the interests under which are subordinate to the claims of all other creditors of the banking corporation, except for other notes of the same type.
Substandard credit	Credit which is not sufficiently covered by the current sound worth and the borrower's repayment capacity or any collateral pledged. On-balance-sheet credit risk that has been classified as substandard debt has a well-defined weakness or weaknesses, which jeopardize the liquidation of the debt. Loan, in respect of which a credit loss provision is recorded at the Group level, shall be classified as Substandard Loan when it is 90 days or more past due.
Supervisory review process (SREP)	A process designed to ensure that banking corporations allocate adequate capital to support all risks inherent in their business, and to encourage banking corporations to develop and utilize enhanced risk management techniques to monitor and mitigate their risks. Under the process, the Banking Supervision Department assesses the banking corporation's risk profile and the internal process employed by the Bank to assess the overall adequacy of the regulatory capital held by the bank against the exposures. This process is designed to provide the regulator with tools for an independent assessment of the Bank's risk profile and risk management, and to set measures for early intervention in order to prevent compromising the Bank's stability and financial strength.
Swap	A series of forwards or a series of futures between two counterparties to exchange a series of payment streams over a predetermined period based on a specified notional principal amount.
Syndication	A transaction where multiple lenders extend a loan to a single borrower, but each borrower extends a loan at a certain amount to a borrower and has the right to be repaid by that borrower. Often, groups of lenders finance such loans together, when the amount extended exceeding the risk appetite of any single lender.
Synthetic collateralized debt obligation (SCDO)	An agreement backed by a portfolio of CDs (which are derivatives) at various seniority levels.
T	
The economic capital model	The Bank uses the economic capital model, which is based on the borrowers' rating, in order to assess the overall credit risk of the entire credit portfolio across various segments thereof.
Tier 2 capital	A tier of capital included in the calculation of eligible

Term	Definition
	regulatory capital. Tier 2 capital is a gone concern capital which mainly comprises eligible capital instruments previously issued by the Bank and included in Tier 2 capital in accordance with the transitional provisions for the implementation of Basel III Directives and the new capital instruments which comprise the Bank's contingent convertible (CoCo) capital instruments issued by the Bank and which will be converted into the Bank's shares if the Bank reaches the point of non-viability. Furthermore, this Tier 2 capital also includes items, such as: A collective credit loss provision before the related tax effect up to a cap of 1.25 percent of total credit risk-weighted assets.
V	
Value at risk (VaR)	A model for measuring the maximum expected loss due to the materialization of market risks over a given period at a predetermined statistical probability. The use of this method requires the revaluation of all of the corporation's positions based on the fair value of the assets and liabilities. The model's objectives are to estimate the risks to which financial institutions are exposed, and to maintain adequate capital to cover losses arising from the materialization of market risks across various activities.