CONDENSED CONSOLIDATED FINANCIAL REPORTS
AS OF 30.09.2024

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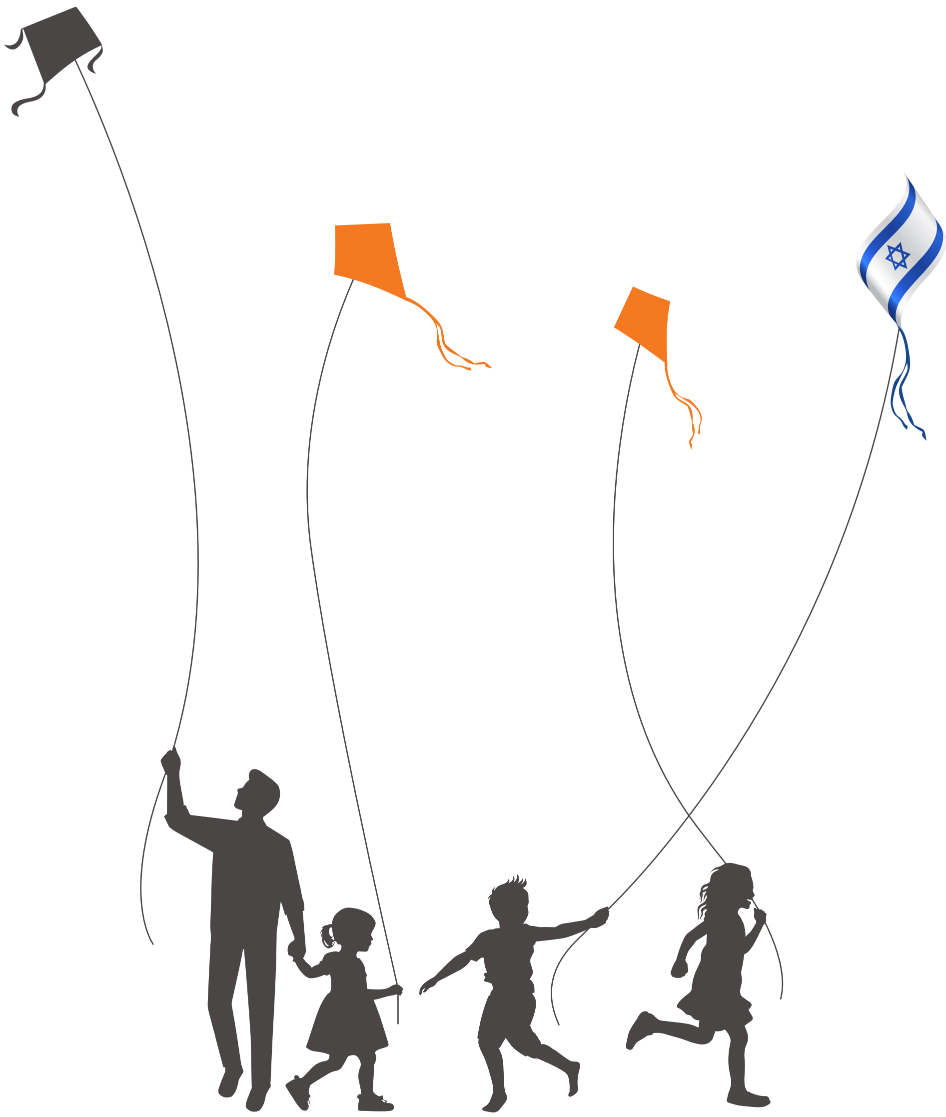
מזרחי טפחות
MIZRAHI TEFAHOT



People first and foremost

This report does not constitute a Periodic Report pursuant to the Securities Regulations (Periodic and Immediate Reports), 1970. The periodic report (including details about members of the board of directors and executive management, required by the Bank Of Israel), the actuarial assessment regarding employee rights at the Bank, a detailed risk management report and information regarding supervisory capital instruments issued by the Bank, are available on the Israel Securities Authority's MAGNA website: www.magna.isa.gov.il and on the Bank website at www.mizrahi-tefahot.co.il/en financial reports.

Bank Mizrahi Tefahot

Condensed quarterly financial statements
As of September 30, 2024

This translation of the Risks Report is for convenience purposes only. The only binding version of the Risks Report is the Hebrew version.

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Bank Mizrahi Tefahot

Report of the Board of Directors and Management

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List of tables included in the condensed report of the Board of Directors and management

Condensed Report of the Board of Directors and Management on Financial Statements as of September 30, 2024

Introduction

The Iron Swords War, which started after the surprise attack on October 7, 2023 has been on-going for over a year. Even at this stage, a great deal of uncertainty still remains regarding its end date and its full impact on the economic activity in Israel.

Mizrahi Tefahot Group bows in respect to the families of those murdered and of IDF fallen soldiers in the war, praying for the return home of all those kidnapped, and sending wishes of speedy recovery to all wounded civilians and soldiers. Since the start of the war, the Bank has been part of the national endeavor: in direct support for impacted populations, primarily in the Gaza border area and near the Northern border – including through adoption of Sderot and Kfar Aza, and by taking initiative on banking relief, designed to support and to help Bank customers, who were directly or indirectly affected by these events, so as to allow them to overcome the challenging period.

For more information about steps taken by the Bank, implications of these events on the financial statements and on risk management, see below chapters "Significant developments in management of business operations", "General environment and impact of external factors on the Bank Group", "Material developments in revenues, expenses and other comprehensive income" and "Risks overview".

The Board of Directors of Mizrahi Tefahot Bank Ltd., at its meeting held on November 20, 2024, resolved to approve and publish the Report of the Board of Directors and Management, the Risks Report and Other Supervisory Disclosures and the condensed consolidated financial statements of Mizrahi Tefahot Bank Ltd. and its subsidiaries as of September 30, 2024.

The Condensed Financial Statements as of September 30, 2024 have been prepared in accordance with the directives and guidelines of the Supervisor of Banks. These directives largely adopt the accounting rules accepted at banks in the United States (US GAAP). See also Note 1 to the financial statements as of December 31, 2023 and Note 1 to these Concise Financial Statements.

Pursuant to the report structure stipulated by the Supervisor of Banks, additional information to the financial statements is provided on the Bank website:

<< www.mizrahi-tefahot.co.il About the Bank << Investor Relations << Financial Information

This additional information of which:

- Detailed Risks Report in conformity with disclosure requirements of Basel Pillar 3 and in conformity with additional recommendations by the Financial Stability Board (FSB).
- Details of capital instruments issued by the Bank.
- Financial statements in XBRL file.

In conformity with the Equal Rights for Persons with Disabilities Regulations (Service accessibility adaptations), 2013, the website also provides accessible reports.

Forward-looking information

Some of the information in the Report of the Board of Directors and Management, which does not relate to historical facts, constitutes "forward-looking information", as defined in the Securities Law, 1968 (hereinafter: "the Law").

Actual Bank results may materially differ from those included in the forward-looking information, due to many factors including, inter alia, changes to capital markets in Israel and overseas, macro-economic changes, geo-political changes, changes to legislation and regulation and other changes not within the Bank's control, which may result in assessments not materializing and/or in changes to business plans.

Forward-looking information typically includes words or expressions such as: "we assume", "expected", "forecasted", "estimate", "intend", "plan", "may change" and similar expressions, as well as nouns such as: "plan", "objectives", "desire", "should", "may", "will be". Such forward-looking expressions involve risk and uncertainty, as they are based on current Bank assessments with regard to future events, which include the following: Forecasts of economic developments in Israel and worldwide, especially the state of the economy, including the effect of macroeconomic and geopolitical conditions; expectation of changes and developments in the currency markets and the capital markets, forecasts related to other factors affecting the exposure to financial risks, forecasts of changes in the financial stability of borrowers, the public's preferences, changes to legislation and supervisory regulations, the behavior of competitors, the Bank's image, technological developments and human resources developments.

The information presented below relies, *inter alia*, on publications from the Central Bureau of Statistics, Ministry of Finance, Bank of Israel and others who publish data and estimates with regard to capital markets in Israel and overseas, and on forecasts and future estimates on various matters, as noted above, and any anticipated events or developments may fail to materialize, in whole or in part.

Overview, objectives and strategy

This chapter describes major developments in the Bank and its operating segments in the first nine months of 2024, in performance, risk to which the Bank is exposed as well as targets and strategy. This chapter should be read, as needed, in conjunction with the chapter "Overview, targets and strategy" in the 2023 audited annual financial statements.

Condensed financial information and key performance indicators for the Bank Group

	2024			2023			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
	NIS in millions						
Statement of profit and loss – key items							
Interest revenues, net	3,156	3,220	2,685	2,689	2,959	3,181	3,146
Non-interest financing revenues	60	26	345	(167)	341	250	87
Commissions and other revenues	581	589	568	569	568	564	593
Total revenues	**3,797**	**3,835**	**3,598**	**3,091**	**3,868**	**3,995**	**3,826**
Expenses due to credit losses	130	109	175	295	694	247	227
Operating and other expenses	1,289	1,328	1,279	1,196	1,415	1,521	1,437
Of which: Payroll and associated expenses	847	868	856	702	902	1,009	931
Pre-tax profit	2,378	2,398	2,144	1,600	1,759	2,227	2,162
Provision for taxes on profit	898	893	835	519	624	779	747
Net profit(1)	**1,425**	**1,452**	**1,272**	**1,047**	**1,098**	**1,398**	**1,367**

	Nine months		All of
	2024	2023	2023
	NIS in millions		
Statement of profit and loss – key items			
Interest revenues, net	9,061	9,286	11,975
Non-interest financing revenues	431	678	511
Commissions and other revenues	1,738	1,725	2,294
Total revenues	**11,230**	**11,689**	**14,780**
Expenses due to credit losses	414	1,168	1,463
Operating and other expenses	3,896	4,373	5,569
Of which: Payroll and associated expenses	2,571	2,842	3,544
Pre-tax profit	6,920	6,148	7,748
Provision for taxes on profit	2,626	2,150	2,669
Net profit(1)	**4,149**	**3,863**	**4,910**

(1) Any mention of "net profit" or "equity" in this Board of Directors' Report refers to net profit and equity attributable to shareholders of the Bank.

Net profit for the Group in the first nine months of 2024 amounted to NIS 4,149 million, compared to NIS 3,863 million in the corresponding period last year – an increase by 7.4%. This profit reflects a 19.0% annualized return on equity, compared to a return on equity of 20.3% in the corresponding period last year.

Group net profit in the third quarter of 2024 amounted to NIS 1,425 million, compared to NIS 1,098 million in the corresponding period last year – an increase by 29.8%. This reflects a 19.0% annualized return on equity, compared to 16.8% in the corresponding period last year and 19.1% in 2023.

The following major factors affected Group profit in the first nine months of 2024 over the corresponding period last year:

- In the first nine months of 2024, financing income decreased by 4.7% compared to the corresponding period last year, due to, among other things, the effect of interest rate cuts at the beginning of the year and the diversion of funds from current accounts to deposits. Since the beginning of 2024, financing income from operating activities has been gradually rising.
- Expenses with respect to credit losses in the first nine months of 2024 amounted to NIS 414 million, compared to NIS 1,168 million in the corresponding period last year. Expenses due to credit losses in the corresponding period last year, and mainly in the third quarter of 2023, reflected the effect of the increased credit risk due to the war and the increase in risk levels, mainly as a result of the increase in the interest rates in the economy.
- Total operating and other expenses decreased by 10.9%. The drop in operating and other expenses derives, among other things, from the continued synergy following the Union Bank merger, from expenses recorded in the corresponding period last year due to the impact of the salary agreement signed with the workers organization, as well as from one-time amortizations of assets recorded in the corresponding period in 2023.

	As of						
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
							NIS in millions
Balance sheet – key items							
Total assets	472,379	461,684	450,683	448,204	438,289	432,722	434,110
Loans to the public, net	348,314	337,698	330,487	325,346	323,590	316,925	312,319
Cash and deposits with banks	79,342	85,912	84,653	86,550	81,645	83,746	90,240
Securities	30,829	25,370	23,466	23,071	19,007	19,865	19,348
Buildings and equipment	1,705	1,612	1,575	1,531	1,447	1,438	1,399
Deposits from the public	385,119	373,579	365,371	358,553	351,034	345,191	348,469
Bonds and subordinated notes	36,408	39,578	35,776	37,070	36,655	36,546	34,608
Deposits from banks	1,816	2,433	3,603	4,571	5,008	6,541	7,284
Shareholders' equity(1)	30,408	29,464	28,578	27,461	26,459	25,814	24,844

Development of balance sheet items shows consistent growth in Bank business:

- Total assets as of September 30, 2024 amounted to NIS 472.4 billion, an increase by NIS 34.1 billion (a 7.8% increase) compared to September 30, 2023.
- Loans to the public, net as of September 30, 2024 amounted to NIS 348.3 billion, an increase of NIS 24.7 billion, (a 7.6% increase) compared to September 30, 2023.
- Deposits from the public as of September 30, 2024 amounted to NIS 385.1 billion, an increase by NIS 34.1 billion (a 9.7% increase) compared to September 30, 2023.
- Shareholders' equity as of September 30, 2024 amounted to NIS 30.4 billion, an increase by NIS 3.9 billion (a 14.9% increase), compared to September 30, 2023. See below also the chapter "Capital adequacy".

(1) Any mention of "net profit" or "equity" in this Board of Directors' Report refers to net profit and equity attributable to shareholders of the Bank.

Key financial ratios (in percent)

	2024			2023			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Key performance benchmarks							
Net profit return on equity(1)(2)	19.0	19.9	18.1	15.5	16.8	22.0	22.4
Net profit return on risk assets(1)(2)(3)	1.93	2.03	1.84	1.53	1.64	2.15	2.15
Return on average assets(2)	1.22	1.27	1.13	0.94	1.01	1.29	1.27
Deposits from the public to loans to the public, net	110.6	110.6	110.6	110.2	108.5	108.9	111.6
Ratio of Tier I equity to risk components	10.43	10.44	10.60	10.32	10.12	10.23	10.12
Leverage ratio(4)	6.01	5.99	5.99	5.83	5.78	5.73	5.53
Liquidity coverage ratio (Quarterly)(5)	127	131	139	131	138	128	126
Net stable funding ratio(6)	113	113	114	114	113	115	113
Ratio of revenues to average assets(2)	3.25	3.36	3.20	2.79	3.55	3.69	3.55
Cost-income ratio – operating expenses to total revenues(7) (Cost Income Ratio)	33.9	34.6	35.5	38.7	36.6	38.1	37.6
Basic net earnings per share (in NIS)	5.52	5.62	4.93	4.06	4.27	5.43	5.32
Key credit quality benchmarks							
Ratio of balance of provision for credit losses to total loans to the public	1.17	1.20	1.22	1.24	1.19	1.01	0.98
Ratio of non-accruing debts or debts in arrears 90 days or longer to loans to the public	1.24	1.14	1.11	1.16	0.99	0.90	0.88
Expenses with respect to credit losses to loans to the public, net for the period(2)	0.15	0.13	0.21	0.36	0.86	0.31	0.29
Net accounting write-offs as percentage of average loans to the public(2)	0.10	0.08	0.16	0.13	0.04	0.12	0.07
Other information							
Share price (in NIS) at end of quarter	145.5	130.8	140.0	142.6	138.1	123.3	112.6
Dividends per share (in Agorot)(8)	225	197	81	64	190	159	127
Ratio of net interest revenues to average assets(2)	2.70	2.82	2.39	2.43	2.72	2.94	2.92
Ratio of commissions to average assets(2)	0.44	0.45	0.45	0.44	0.46	0.46	0.49

	First nine months		All of
	2024	2023	2023
Key performance benchmarks			
Net profit return on equity(1)(2)	19.0	20.3	19.1
Net profit return on risk assets(1)(2)(3)	1.93	1.97	1.86
Return on average assets(2)	1.21	1.19	1.13
Ratio of revenues to average assets(2)	3.27	3.60	3.39
Cost-income ratio – operating expenses to total revenues(7) (Cost Income Ratio)	34.7	37.4	37.7
Basic net earnings per share (in NIS)	16.07	15.01	19.07
Key credit quality benchmarks			
Expenses with respect to credit losses to loans to the public, net for the period(2)	0.16	0.48	0.45
Net accounting write-offs as percentage of average loans to the public(2)	0.11	0.08	0.09
Other information			
Dividends per share (in Agorot)(8)	503	476	540
Ratio of net interest revenues to average assets(2)	2.64	2.86	2.74
Ratio of commissions to average assets(2)	0.45	0.47	0.46

Financial ratios indicate as follows:
- Net profit return on equity in the first nine months of the year was 19.0%.
- The ratio of Tier I capital to risk components increased to 10.43%. The minimum ratio required of the Bank is 9.60%.
- The cost-income ratio in the first nine months of 2024 was 34.7%.

Profit and loss items, balance sheet items and various financial ratios are analyzed in detail in the Report of the Board of Directors and Management, in chapter "Explanation and analysis of results and business standing" and in chapter "Risks overview".

(1) Any mention of "net profit" or "equity" in this Board of Directors' Report refers to net profit and equity attributable to shareholders of the Bank.
(2) Annualized.
(3) Net profit to total average risk assets.
(4) Leverage Ratio – ratio of Tier I capital (according to Basel rules) to total exposure. This ratio is calculated in conformity with Proper Conduct of Banking Business Directive 218.
(5) Liquidity Coverage Ratio – ratio of total High-Quality Liquid Assets to net cash outflow. This ratio is calculated in conformity with Proper Conduct of Banking Business Directive 221, in terms of simple averages of daily observations during the reported quarter.
(6) Net stable funding ratio – a liquidity ratio stipulated by the Supervisor of Banks, in conformity with recommendations of the Basel Committee, designed to maintain a sustainable financing structure over time, in addition to the liquidity coverage ratio. Calculated based on total net stable funding required for 12 months, derived from all Bank uses, to total net stable funding available for 12 months, calculated for all Bank sources.
(7) Total operating and other expenses to total operating and financing revenues and expenses with respect to credit losses.
(8) The dividends per share is calculated based on the amount of the dividends actually distributed in the reported period.

Key risks

As part of the Bank's risk mapping process, the list of major risks was specified as follows: Credit risk (and credit concentration), market risk, interest risk (and, in particular, interest risk in the bank portfolio), liquidity risk, operational risk, including information security and cyber risk, IT risk, legal risk, compliance and regulatory risk, cross-border and AML risk, reputational risk, strategic-business risk and regulatory-business risk. The Bank regularly reviews the risks mapping to ensure that it encompasses all business operations at the Bank, market conditions and regulatory requirements.
Information about developments of risks, including effects of the war, is presented in the chapter "Risks overview" below and in the Risks Report on the Bank website.
For more information see chapter "Key risks" of the 2023 Report by the Board of Directors and Management.
For more information about updates on estimated potential impact of various risk factors on the Bank Group, see chapter "Risks overview" below.

Business goals and strategy

Strategic plan

For more information about the Bank's business goals and strategy for 2021-2025, see chapter "Business goals and strategy" of the 2023 Report of the Board of Directors and Management.

Developments in capital structure

Investments in Bank capital and transactions in Bank shares

- For more information about share issuance as part of the employee stock option plan, see report of changes to shareholders' equity on the financial statements.
- On May 29, 2024, the Bank Board of Directors, after approval by the Remuneration Committee, approved the offering of options to the Bank President & CEO and to officers of the Bank (other than Bank Board members) and to other managers at the Bank and at subsidiaries of the Bank, with respect to 2024. See Note 16 to the financial statements for additional information.

Raising of capital sources

As part of the Bank work plan, determined by the Board of Directors and including growth targets for diverse areas of operation, the Bank assesses the impact of achieving these targets on total risk assets at the Bank and, consequently, on the capital adequacy ratio. Accordingly, along with business and profitability objectives, a plan is set to raise capital sources in order to maintain capital adequacy, in accordance with instructions of the Board of Directors concerning capital adequacy.

Developments in financing sources

Group financing sources include deposits from the public and from other banks, issuance of types of bonds as well as shareholder equity.
The Bank selects the mix of financing sources based on its business objectives, including objectives for profitability, return on equity, liquidity, diversification of sources in Israel and overseas across different currencies, capital adequacy and leverage – subject to statutory limitations applicable to banking corporations and in accordance with the state of the capital market in Israel and globally, and management forecasts regarding development therein.

Deposits

The Bank distinguishes between different source types by term and by customer type. The Bank reviews the degree of depositor concentration, and in this regard the Board of Directors and management have set limits and guidelines for concentration risk with regard to a single depositor, liquid means with regard to large / institutional depositors and source structure. Quantitative and qualitative indicators to be regularly monitored, which estimate change in concentration risk – have been specified as part of liquidity risk management.
Deposits from the public for the Group as of September 30, 2024 amounted to NIS 385.1 billion, compared to NIS 358.6 billion at end of 2023. In the first nine months of 2024, deposits from the public in the NIS-denominated, non-CPI linked segment increased by 6.4%; deposits in the CPI-linked segment increased by 29.5%; and deposits denominated in and linked to foreign currency increased by 3.7%. For more information see chapter "Analysis of developments in assets, liabilities, equity and capital adequacy" below.

Issuance of obligatory notes, bonds and complex capital notes

The Bank acts to raise long-term sources through issuances, including through Mizrahi Tefahot Issuance Company Ltd. (hereinafter: "Tefahot Issuance"), a wholly-owned subsidiary of the Bank. Over the years, Tefahot Issuance has issued bonds to the public pursuant to published prospectuses.
On August 1, 2022, Tefahot Issuance published a shelf prospectus for issuance of bonds. On May 4, 2023, the Bank issued a shelf prospectus for issuance of obligatory notes. These prospectuses are valid for two years, with an optional extension by a further one year. On July 25, 2024, Tefahot Issuance received the approval of the Securities Authority to extend its shelf prospectus by one additional year until August 1, 2025.
As of September 30, 2024, total bonds and subordinated notes amounted to NIS 36.4 billion, compared to NIS 37.1 billion as of December 31, 2023.
Of these, contingent subordinated notes (Contingent Convertibles – CoCo) with loss-absorption provisions through principal write-off (compliant with Basel III qualification provisions and recognized by the supervisor of Banks as Tier II capital), as of September 30, 2024, amounted to NIS 6.0 billion, compared to NIS 5.4 billion as of December 31, 2023.
For more information about the credit rating of the Bank and its bonds, see chapter "Corporate Governance, Audit, Other Information about the Bank and Management thereof".

Issuance and redemption of funding sources

On June 6, 2024, Tefahot Issuance issued an expansion of the Series 64 bonds and CoCo contingent subordinated notes (Series 69) as well as the issue of a new series of commercial paper, Series 3. The total proceeds received amounted to NIS 4.5 billion.

Significant developments in management of business operations

Assistance to those affected by the war

On October 7, 2023, the Swords of Iron war was declared following a sudden murderous rampage into settlements close to the Gaza Strip border. This was concurrent with the start of military escalation on the Northern border.
The Bank is prepared to continue its operations and to provide service to its customers, including in war-affected zones, in as much as possible.

Concurrently, the Bank takes part in the national endeavor and has announced the allocation of funds for charitable donations and assistance to civilians affected by the war, and has launched programs to provide relief to Bank customers, with emphasis on customers resident in war-affected regions, so as to help them get through this war period and its economic implications. For more information see also chapter "Significant developments in management of business operations".

Charitable donations and adoption of Sderot and Kfar Aza – Immediately upon the outbreak of war, the Bank started to provide monetary donations to fund the purchase of equipment, food and other urgent needs of those residents adjacent to the Gaza Strip (up to 7 kilometers from the Gaza border), of soldiers and of volunteers. Concurrently, the Bank announced its decision to adopt Sderot and Kfar Aza, providing a solution for needs of these towns and the residents thereof over the immediate, medium and long term, especially in areas where the Government is not involved. There is also focused activity under way to help small businesses at Kfar Aza. Bank teams have met with relevant parties, to jointly map out the needs and projects in which the Bank would take part, and have started providing funds for financing these. Over the course of 2024 the Bank built adjusted plans, designed to promote rebuilding and returning life to its course, among other things a plan was implemented for business and financial accompaniment for small businesses of Kfar Aza residents, and a plan promoting the subject of informal education for all age levels. Total charitable donations allocated by the Bank for adoption of towns and other activities to benefit residents of the Gaza border and Northern border areas amounts to NIS 70 million. Almost all of these expenses were recorded in the 2023 Financial Statements.

Donation to the Jewish Agency – in May 2024, Israeli banks decided to make a donation to the Jewish Agency of NIS 98 million in order to provide critical assistance to the fortitude and survivability of soldiers serving in the reserves, who they or their spouses are owners of independent businesses, which were harmed due to the reserve duty of their owners. Assistance will be provided in the form of grants, within the framework of a new venture that will be established by the Jewish Agency. The Bank Group's share in the donation is NIS 18 million.

This information constitutes forward-looking information, as defined in the Securities Law, 1968, based on assumptions, facts and data (hereinafter jointly: "assumptions") brought before the Bank's Board of Directors. These assumptions may not materialize due to factors which are not solely controlled by the Bank.

Banking reliefs and benefits for Bank customers

In order to help Bank customers get through this challenging period, the Bank decided to offer a range of solutions to provide assistance and relief to Bank customers, substantially larger than the basis set by the Supervisor of Banks, including the following:

Benefits which are still in effect:

- Assistance to reserve troops when purchasing an apartment and repaying the mortgage – NIS 100 thousand without interest or linkage when taking a new loan and NIS 100 thousand at Prime interest as additional credit for mortgage holders at the Bank, as from July 18, 2024.
- Assistance to students serving in reserve duty (over 90 days) – NIS 36 thousand with no interest and linkage for 36 months and a six-month grace period, as from July 25, 2024.
- An option to freeze mortgage payments for several additional months, with no interest or linkage and at no cost (up to one year in total).
- Freezing of mortgage payments, free of interest, linkage and fees, for a further 3 months beyond the Bank of Israel outline (for a total of 9 months) for Bank customers resident in the Northern region, who have been evacuated from their homes by order of the Government;
- Freeze on mortgage payments for up to 12 months, and on other loan payments for up to 3 months, for all Bank customers.
- Waiver of interest payable on debit balances of up to NIS 10,000 for individual customers resident in the Gaza border area or in the Northern border region, or those affected by the war or relatives thereof, populations evacuated from their homes, the partygoer population, the reservist population and Order 8 recruits.
- Waiver of interest payable on debit balances of up to NIS 30,000 for small business customers (as defined in the rate book - turnover of up to NIS 10 million) resident in the Gaza border area or in the Northern border region, or those affected by the war or relatives thereof; populations evacuated from their homes, the partygoer population, the reservist population and Order 8 recruits.
- Waiver of commissions for 3 months for private customers and small businesses (as defined in the rate book - turnover of up to NIS 5 million) resident in the Gaza border area or in the Northern border region, reservists or those affected by the war or relatives thereof; populations evacuated from their homes, participants of the parties, the reservist population and Order 8 recruits.
- Setting up / increasing checking account facilities for individual customers at Bank branches across the country, up to NIS 20 thousand.

Note that the Bank of Israel outline, originally issued for 3 months, was extended three times by a further 9 months for customers enrolled in this outline (according to the outline, the maximum cumulative payment deferred period within the framework of the outline shall be 9 months for each loan).

Furthermore, in order to assist businesses and professionals, primarily from the combat areas, whose economic activity was significantly impacted (or fully disrupted), the Bank created a platform named "Orange. Israel" on the Bank website, allowing them to advertise their services at no cost, thus gaining exposure with customers and potential buyers all across Israel.

The estimated value of relief and banking benefits extended to all Bank Group customers, beyond the charitable donation amount, is NIS 641 million (including banking relief and benefits provided to residents of Sderot and Kfar Aza, as noted above), assuming full utilization of all benefits offered to the relevant population. The utilization rate of the various reliefs, with the exception of freezing payments, reaches 94%, 100% in housing, 88% in households and 98% in small and very small businesses. Unlike other banking benefits, loan payment deferment is only undertaken by customers who require this, and therefore the utilization rate is expected to be low. Thus, total relief and benefit utilization amounted to NIS 281 million, a 45% utilization rate.

This information constitutes forward-looking information, as defined in the Securities Law, 1968, based on assumptions, facts and data (hereinafter jointly: "assumptions") brought before the Bank's Board of Directors. These assumptions may not materialize due to factors which are not solely controlled by the Bank.

Below is the economic cost of benefits provided by the Bank to address Operation Swords of Iron (NIS in millions)

	Residential	Private individuals – other	Small and micro businesses	Medium businesses	Large businesses	Total	For the nine months ended September 30, 2024	2023
	For the three months ended September 30, 2024							
Benefits Provided by the Bank During Wartime								
Benefits used over the course of the reported period:								
Benefits through changes in conditions of debt	1	3	1	-	-	5	103	85
Benefits through interest-free or reduced interest loans	-	-	-	-	-	-	6	9
Benefits through waived commissions	-	2	-	-	-	2	41	27
Other benefits	-	-	-	-	-	-	5	5
Of which: Monetary donations	-	-	-	-	-	-	5	5
Total	**1**	**5**	**1**	**-**	**-**	**7**	**155**	**126**
Pending benefits that have not yet been used as of the report date:	**255**	**65**	**21**	**1**	**4**	**346**	**346**	**405**

Additional information about activities to benefit borrowers during wartime

	Residential	Private individuals – other	Small and micro businesses	Medium businesses	Large businesses	Total	For the nine months ended September 30, 2024	2023
	For the three months ended September 30, 2024							
Change in terms for borrowers in financial difficulties	-	-	-	-	-	-	6	29
Change in terms for borrowers not in financial difficulties:	3,596	58	191	10	-	3,855	17,848	28,515
Total credit	**3,596**	**58**	**191**	**10**	**-**	**3,855**	**17,854**	**28,544**

	Residential	Private individuals – other	Small and micro businesses	Medium businesses	Large businesses	Total	As of June 30, 2024	As of December 31, 2023
	As of September 30, 2024							
Change in terms for borrowers in financial difficulties	-	5	26	-	-	31	33	29
Change in terms for borrowers not in financial difficulties:								
Credit in deferral of payments and/or the extension of the period in which the deferral period had not yet ended	8,984	111	298	7	-	9,400	12,273	28,515
Of which: Problematic credit	117	2	12	-	-	131	201	129
Of which: Non-problematic credit, in arrears 30 days or longer	-	1	-	-	-	1	-	-
Payment amounts deferred	289	36	72	1	-	398	589	1,325
Average payment deferment by months	8	4	5	11	-	7	7	4
Credit with other change in terms	-	-	-	-	-	-	-	-
Total	**8,984**	**116**	**324**	**7**	**-**	**9,431**	**12,306**	**28,544**
Additional information on change in terms for borrowers not in financial difficulties:								
Balance of credit in which the payment deferral has ended	20,225	666	2,547	184	48	23,670	21,124	343
Of which: Debts defaulted after changes in terms	332	15	69	4	-	420	291	6

For details on tax expenses due to the "Special Payment for the Achievement of Budgetary Goals Law (Temporary Order – Iron Swords), 2024", see Note 16 to the Financial Statements.

	Residen-tial	Private individu-als – other	Small and micro busine-sses	Medium busine-sses	Large busine-sses	Total	Total	Total
						As of September 30, 2024	As of June 30, 2024	As of December 31, 2023
Balance of loans extended interest-free or at reduced interest								
Credit balance	-	194	11	-	-	205	215	159
Average interest rate[1]	-	4.29	-[2]	-	-	4.06	3.52	2.53
Loans extended in State-guaranteed funds								
Credit balance	-	-	1,179	195	70	1,444	1,437	354
Average interest rate	-	-	7.55	7.74	7.79	7.58	7.60	7.94
Of which:								
Credit balance extended with Bank of Israel financing	-	-	61	-	-	61	62	15
Average interest rate	-	-	6.17		-	6.17	6.17	6.43
Balance of loans extended with Bank of Israel financing (including through State-guaranteed funds)								
Credit balance	-	-	65	3	-	68	70	16
Average interest rate	-	-	6.17	6.17	-	6.17	6.17	6.43

(1) Average prime lending rate in this period: 6.05%
(2) Interest-free loans extended

Significant developments in human resources and administration

Developments in labor relations

Signing of salary agreement with the executives and authorized signatories organization
For details on a special collective bargaining agreement was signed between the Bank and the Bank's executives and authorized signatories signed on July 22, 2024, see Note 8 to the Bank's Financial Statements.

Changes to the Bank Board of Directors

For more information about the appointment of Mr. Avraham Zeldman as Chairman of the Board of Directors as from June 16, 2024, the reappointment of Ms. Estheri Giloz-Ran as an external director in the Bank, the reappointment of Mr. Moshe Vidman as a director in the Bank, and the reappointment of Ms. Hannah Fayer as an external director in the Bank, see the chapter on corporate governance, audit, other information about the Bank and its management.

Other matters

Interested party in the Bank
On March 20, 2024, the Bank reported that HaPhoenix Investment House Ltd. and HaPhoenix Holdings Ltd. had ceased serving as interested parties in the Bank. For further details see the immediate reports issued by the Bank on March 20, 2024 (reference nos.: 2024-01-029190 and 2024-01-029193).
On March 20, 2024 the Bank reported that Harel Investments in Insurance and Finance Ltd. had ceased serving as a Bank interested party. It resumed serving as Bank interested party starting July 1, 2024 and until July 10, 2024. For further details see the Bank's publications from March 20, 2024, July 1, 2024 and July 10, 2024 (reference nos.: 2024-01-029205, 2024-01-067018 and 2024-01-071334).
On March 26, 2024 the Bank reported that Meitav Investment House Ltd. had ceased serving as a Bank interested party. For further details see the report issued by the Bank on March 26, 2024 (reference no. 2024-01-032313).
On July 10, 2024 the Bank reported that Harel Investments in Insurance and Finance Ltd. had ceased serving as a Bank interested party. It became again an interested party in the Bank on July 1, 2024 and served as such until July 10, 2024; it then became an interested party in the Bank again on November 11, 2024. For further details see the Bank's publications from July 1, 2024, July 10, 2024 and November 13 (reference nos.: 2024-01-067483, 2024-01-071334 and 2024-01-615456).

Civil Fine Imposed by the Bank Supervisor
On June 10, 2024 the Bank received notice from the Bank Supervisor, in which it was decided, in accordance with his authority in accordance with Section 50.b.(a) of the Banking Law (Licensing), 1981 (hereinafter: "the Banking Law: Licensing"), to impose a civil fine on the Bank to the sum of NIS 173 thousand, for the violation of Section 24.a.(a) of the Banking Law: Licensing, due to a historical and negligent minority stake (19.98%) by the Bank in a corporation that became a material real corporation as a result of its controlling shareholder joining the list of material real corporations.
The sum of the civil fine imposed, is after amortization of the maximum possible rate from the original sum of NIS 1,151 thousand, which the Bank Supervisor informed the Bank of the intention to impose it, in accordance with that set in the Banking Rules (Licensing) (Amortization of Civil Fine Sums), including, among other things, dur to the action the Bank took at its own initiative to locate the violation, halt it and prevent it from recurring in the future to the Supervisor's satisfaction and before the Supervisor contacted it in this matter and in light of the leniency of the facts constituting the violation and their factual circumstances, including the scope of the violation and the profit that could have been generated by it.

Engagement in insurance policy
On September 19, 2024, the Bank's Board of Directors approved, after approval by the Remuneration Committee, the Bank's engagement in a Board member and other officers liability insurance policy, for a term of 18 months as from October 1, 2024. Pursuant to Regulation 1B1 and pursuant to Regulations 1A1 and 1B(a)(5) of the Corporate Regulations (Relief for transactions with interested parties), 2000, and in accordance with the remuneration policy for officers.
The insurance policy covers, inter alia, the Bank President & CEO, the controlling shareholders of the Bank and relatives thereof. For more information see Immediate Report dated September 19, 2024 (reference no. 2024-01-604521).

Legal Proceedings
For material changes in legal proceedings to which the Bank is party, see Note 10b to the financial statements.

Explanation and analysis of results and business standing

This chapter includes a description of material trends, occurrences, developments and changes with regard to results and business standing, including analysis of development of revenues, expenses and profit. It also provides a description of results of the Bank's supervisory operating segments and operating results for holdings in major entities.

Trends, phenomena and material changes

Significant Events in the Bank Group's Business

In July 2024 a technological event occurred due to a global breakdown by CrowdStrike, which was caused by a faulty software update that negatively impacted the activity of bodies and companies across the world that use the Microsoft Windows operating system. The Bank identified the event immediately and restored the systems to full functionality and in a brief period of time, allowing full business activity and with no impact on the Bank’s customers.

General environment and impact of external factors on the Bank Group

Effects of the war

Since it broke out, the "Iron Swords" War, which has been ongoing since October 7, 2023, caused many disruptions in economic activity in Israel, including it terms of workforce due to the absence of employees who were drafted as reservists, and due to the shortage of foreign and Palestinian workers, especially in the construction industry; the war also had an adverse effect on private consumption and on current business activity, due to the deterioration of the security situation. In view of the war and the increase in the geopolitical risk, the Israeli economy is experiencing ongoing economic uncertainty. Note that even prior to this war, there was economic uncertainty due to the Government’s plans to promote changes to the judicial system and the public disagreement with regard to this move. Since the outbreak of the war, there has been a significant increase in government spending - both in terms of defense costs, and in terms of compensation to civilians in respect of the damages of the war and looking after evacuees - all of which led to a sharp increase in the deficit rate. This occurred alongside a significant slowdown in the growth rate of the Israeli economy due to the war’s adverse effect on normal civilian day-to-day life.

In view of the increase in the systemic risk due to the war, the Bank increased its overall risk assessment as from the third quarter of 2023. In the opinion of the Bank, this risk level is in line with the current risk level of the Israeli economy and the ongoing uncertainty and its potential effect, specifically in respect of the material risks, including credit risks, financial risks, business continuity risk, and information security and cyber risks. For more information see chapter "Risks Overview" below, as well as the Report of the Board of Directors and the Risks Report for 2023.
For more information about Bank actions to adopt Sderot and Kfar Aza, as well as relief and banking benefits extended to Bank customers, see chapter "Significant developments in management of business operations" above.

Major developments in the banking sector in Israel and overseas

For extensive information about trends in the banking sector in Israel and overseas in recent years, see chapter "Explanation and analysis of results and business standing" on the 2023 Report of the Board of Directors and Management.

Developments in the Israeli and global economy in 2024

Israeli economy

The different indicators indicate that economic activity in Israel has grown slightly during the third quarter of 2024, although activity levels are still at a level which is far below pre-war levels. On the supply side, restrictions are still in place due to the shortage of workers as a result of extensive drafting of reservists and the ban on Palestinian workers’ entering Israel. On the demand side, credit card spending increased only moderately due to the impact of the negative consumer sentiment caused by the deterioration in the security situation in Israel. In 2024, Government spending increased significantly, mainly due to an increase in defense costs. The expansionary fiscal policy together with the restrictions in the supply side contributed to an increase in inflation rate. The geopolitical uncertainty and the escalation in the conflict with Iran have led to an increase in Israel’s risk premium, downgrading of its credit rating and increased volatility of the NIS.

Real developments

In the first nine months of 2024, the GDP in Israel grew by an annualized rate of 0.4%. The GDP grew by 2.0% in 2023, compared to 6.4% in 2022. During the third quarter of 2024, GDP grew by an annualized rate of 3.8%, and GDP levels in the third quarter are still 1.0% below pre-war levels. The broad unemployment rate (ages 15 and older, original data) was 4.6% in September 2024 compared to 7.2% in December 2023. The number of vacant jobs in the economy is higher than pre-war levels.

According to forecast by the Bank of Israel Research Division dated October 2024, GDP in Israel is expected to grow by 0.5% in 2024 and by 3.8% in 2025. According to the forecast, the broad average unemployment rate in 2024 is expected to be 3.5% (3.2% in 2025).

Inflation and exchange rates

In the first nine months of this year, the Consumer Price Index increased by 3.4%, compared to an increase by 2.9% in the corresponding period last year. In the past 12 months ending September 2024, the CPI increased by 3.5%, above the Bank of Israel target range defined as being between 1% and 3%. Expectations in the capital market for the next 12 months are around the higher limit of the Bank of Israel target range.

Over the course of the first nine months of 2024 the shekel weakened by 2.3% versus the dollar and by 3.5% versus the EUR. The NIS devaluation trend increased inflationary pressures in Israel.

Below is information about official exchange rates and changes there to:

	September 30, 2024	December 31, 2023	Change in %
Exchange rate of:			
USD (in NIS)	3,710	3,627	2.3
EUR (in NIS)	4,152	4,012	3.5

On November 14, 2024, the USD/NIS exchange rate was 3.741 – a 0.8% devaluation compared to September 30, 2024. The EUR/NIS exchange rate on this date was 3.977 – a revaluation by 4.2% since September 30, 2024.

Monetary policy

In view of the increased geopolitical uncertainty and its impact on the increase in Israel's risk premium and the devaluation of the NIS, in October 2024 the Monetary Committee decided to leave interest rates at 4.50%. This after the interest rate dropping from 4.75% in early January. In the interest decision from October 2024 the Committee noted that the interest outline will be determined in accordance with the stabilization of economic activity, the inflation converging upon its goal and the continued stability of financial markets and fiscal policy. The forecast by the Bank of Israel Research Division, dated October 2024, estimates that the average interest rate in the third quarter of 2025 would be 4.50%.

Fiscal policy

In the first nine months of 2024, the Government budget recorded a NIS 92.8 billion cumulative deficit, compared to a NIS 4.0 billion cumulative deficit in the corresponding period last year. The deficit rate as percentage of GDP for the 12 months ended in September 2024 was 8.5%. Government expenses recorded an increase of 31.2% relative to the corresponding period last year. At the beginning of November, the Government approved the budget for 2025. The budget amounts to approx. NIS 607 billion, an approx. 3.5% increase compared to the budget for 2024; it includes a 4.3% deficit target.

On October 1, 2024 the S&P rating agency announced that it was lowering the credit rating of the State of Isarel from A+ to A with a Negative Outlook. This is compared to a credit rating of AA- before the war. The credit rating was downgraded following the prolongation and expansion of the war and the escalation of the conflict with Iran. Consequently, the rating agency expects that economic growth in Israel will suffer and that the deficit rate will increase.

On September 27, 2024, rating agency Moody's announced it was lowering Israel's credit rating by two notches from A2 to Baa1 with a Negative Outlook. This is compared to a credit rating of A1 before the war. In the report published by the agency it is noted that the drivers for downgrading Israel's credit rating include, among other things: Intensification of the geopolitical risks, the absence of a budget for 2025 and ongoing social-political tensions. The agency expects that the damage to the economy will be prolonged and that long-term GDP growth rate will be adversely affected.

On August 12, 2024, rating agency S&P announced that it is lowering Israel's credit rating to A, with a Negative Outlook. This is compared to a credit rating of A+ before the war. The agency listed in its decision as reasons for the credit downgrading the prolongation of the war, the increase in geopolitical uncertainty and the increase in the deficit rate.

Residential construction and the mortgage market

According to data from the Central Bureau of Statistics, new apartments sold (net of seasonal effect) in the first eight months of 2024 amounted to 29.9 thousand, an increase of 48.8% compared to the corresponding period last year and an increase of 3.0% compared to the corresponding period in 2022. In the first nine months of 2024, residential mortgages extended to the public amounted to NIS 65.0 billion, compared to NIS 55.9 billion in the corresponding period last year and NIS 96.9 billion in the corresponding period in 2022, an increase of 16.4% relative to the corresponding period in 2023 and a drop of 32.9% compared to the corresponding period in 2022.

According to data from the Central Bureau of Statistics, owned housing prices in the 12 months ending August 2024 increased by 6.3%, following a decrease of 1.7% in 2023 and following an increase by 16.9% in 2022.

Capital market

Trading on Israeli equity markets in major indexes in the third quarter of 2024 was positive, similar to trading on stock exchanges in the USA.

Below are changes to major stock indices in Israel (in percent):

	2024			2023			
Index	**Third quarter**	**Second quarter**	**First quarter**	**Fourth quarter**	**Third quarter**	**Second quarter**	**First quarter**
Tel-Aviv 35	7.0	(1.3)	7.8	0.9	5.5	0.6	(3.2)
Tel-Aviv 125	8.4	(4.4)	8.3	0.4	5.6	2.9	(4.8)
Tel-Aviv 90	13.3	(12.9)	10.9	(1.1)	5.1	9.3	(9.0)

Average daily trading volume in equities and convertible securities in the third quarter of 2024 was NIS 2.0 billion, compared to NIS 1.9 billion in the corresponding period last year. Average daily trading volume in the first nine months of 2024 was NIS 2.1 billion, compared to NIS 2.0 billion in the corresponding period last year. In 2023, the average daily trading volume amounted to NIS 2.0 billion.

Below are changes to major bond indices in Israel (in percent):

	2024			2023			
Index	**Third quarter**	**Second quarter**	**First quarter**	**Fourth quarter**	**Third quarter**	**Second quarter**	**First quarter**
All-Bond general	2.4	(0.9)	0.6	2.3	(0.4)	1.9	-
Government bonds, CPI-linked	3.2	(2.3)	(0.5)	0.4	(2.5)	1.0	0.7
Government bonds, non-linked	1.8	(1.5)	(0.5)	2.0	(1.0)	0.8	(0.4)
Tel-bond 20	2.5	(1.0)	1.5	2.2	(0.2)	2.5	0.3
Tel-bond 40	2.7	(0.1)	1.6	2.5	0.4	2.4	0.5

Global economy

According to the IMF forecast dated October 2024, global GDP growth in 2024 is expected to be 3.2% – identical to the previous forecast from July, and similar to the growth in 2023.

In the first nine months of 2024, the US economy grew by an annualized rate of 2.7%, compared to growth of 2.9% in 2023 and 2.5% in 2022. This in light of an increase in private and public spending. The inflation rate, which peaked in mid-2022, has begun to decrease and was at 2.4% in September 2024. In light of the cooling of the inflation rate, at the beginning of November 2024 the Fed cut interest rates by 0.25 percentage points to a rate of 4.75%. This interest rate cut was carried out after the Fed cut interest rates by 0.5 percentage points in September. The Purchasing Manager index in the services sector indicated a consistent expansion trend in the third quarter of this year, while the Purchasing Manager indexes in the industrial sector indicated a contraction. In September 2024 the Israeli unemployment rate was 4.1%, an increase compared to 3.7% in December 2023. On November 5, 2024, elections were held in the USA in which Donald Trump was elected President and the Republican Party won a majority in the Senate and the Congress.

The GDP in the Euro Zone in the first nine months of 2024 increased at an annualized 0.8%, compared to a 0.5% growth in 2023 and 3.6% growth for 2022. The inflation rate, which accelerated to a peak in 2022, has begun to decrease and was at 1.7% in the past 12 months ending September 2024. In light of the cooling of the inflation rate, the monetary interest rate on deposits in the Euro Zone dropped by 0.25 percentage points in October 2024 to a rate of 3.25%. The Purchasing Manager Index in industry sectors indicated a fast contraction in the third quarter of 2024, whereas the Purchasing Manager Index in service sectors indicated a slow expansion.

In the first nine months of 2024, the Chinese economy increased at an annualized rate of 6.5%, compared to a 5.2% growth in 2023 and 3.0% growth for 2022. In order to encourage economic growth in general, and the housing market in particular, the central bank announced a number of expedients, such as cutting the interest rates payable on mortgages and lowering the reserve ratio of the commercial banks.

Below are changes to major stock indices overseas (in percent):

	2024			2023			
Index	**Third quarter**	**Second quarter**	**First quarter**	**Fourth quarter**	**Third quarter**	**Second quarter**	**First quarter**
Dow Jones	8.2	(1.7)	5.6	12.5	(2.6)	3.4	0.4
S&P 500	5.5	3.9	10.2	12.6	(3.7)	8.3	7.0
NASDAQ 100	1.9	7.8	8.5	21.2	(3.1)	15.2	20.5
DAX	6.0	(1.4)	10.4	9.4	(4.7)	3.3	12.3
FTSE 100	0.9	2.7	2.8	1.7	1.0	(1.3)	2.4
CAC	2.1	(8.9)	8.8	5.9	(3.6)	1.1	13.1
Nikkei	(4.2)	(2.0)	20.6	6.3	(4.0)	18.4	7.5

Major and emerging risks

The Bank's business activity exposes the Bank to various financial and non-financial risks, whose materialization has potential to impact the Bank's business results or image. Top risks and evolving risks are derived from the Bank's business environment, which is impacted by the macro-economic environment, by risk associated with regulation and legislation, by changes to the business model and by social and consumer trends. In recent years, due to changes in the competitive landscape, in the consumer environment, in the regulatory environment and in technology, non-financial risks have been evolving.

As part of processes conducted by the Bank to map and identify risk, the Bank reviews major risks, existing or new, arising from developments in the Bank's business environment, which may materialize over the coming year and with potential to materially impact the Bank's financial results and stability. The Bank also identifies emerging risks, or risks which may materialize over the longer term, with uncertainty about their nature and impact on the Bank. The risk mapping at the Bank is regularly reviewed to ensure it covers all risks associated with the Bank's business activity, or influenced by market conditions and from regulatory requirements.

Prior to this war, there was uncertainty with regard to the economy due to macro-economic conditions and Government plans to promote changes to the judicial system and the public disagreement with regard to this move. The war has increased economic uncertainty, and consequently affects the Bank's risk assessment and risk profile. Changes to risk assessment and to the Bank's risk profile are set forth below in chapter "Risks overview".

As a result of the war, the international rating agency lowered the State of Israel’s credit rating and updated the rating horizon. The banks’ rating is influenced by the country’s rating, and the Bank’s credit rating and credit forecast was revised accordingly. For more information regarding the lowering of the State of Israel’s credit rating, see the chapter “Developments in the Israeli and global economy in 2024”, above.

For more information, including analysis of major risks to which the Bank is exposed and an overview of their management and evolution in the reported period, see chapter "Risks Overview" as well as the 2023 Risks Report on the Bank website: www.mizrahi-tefahot.co.il > About the Bank > Investor Relations > Financial Information.

Events after the balance sheet date

For information about a dividend distribution with respect to earnings of the third quarter of 2024, see chapter "Analysis of structure of assets, liabilities, equity and capital adequacy" below and the statement of changes to shareholder equity and the Note "Events after the balance sheet date" of the financial statements.

Material developments in revenues, expenses and other comprehensive income

Net profit for the Group in the first nine months of 2024 amounted to NIS 4,149 million, compared to NIS 3,863 million in the corresponding period last year – an increase by 7.4%. This profit reflects a 19.0% annualized return on equity, compared to a return on equity of 20.3% in the corresponding period last year.

Group net profit in the third quarter of 2024 amounted to NIS 1,425 million, compared to NIS 1,098 million in the corresponding period last year – an increase by 29.8%. This reflects a 19.0% annualized return on equity, compared to 16.8% in the corresponding period last year, and 19.1% in 2023.

Analysis of developments in revenues, expenses and other comprehensive income

Net interest revenues and non-interest financing revenues[(1)] in the first nine months of 2024 amounted to NIS 9,492 million, compared to NIS 9,964 million in the corresponding period last year, a decrease of 4.7%.

Net interest revenues and non-interest financing revenues[(1)] in the third quarter of 2024 amounted to NIS 3,216 million, compared to NIS 3,300 million in the corresponding period last year, a decrease of 2.5%.

Net interest revenues and non-interest financing revenues[(1)] **from current operations** in the first nine months of 2024 amounted to NIS 8,446 million, as described below, compared to NIS 8,841 million in the corresponding period last year, a decrease of 4.5%.

Net interest revenues and non-interest financing revenues[(1)] from current operations in the third quarter of 2024, amounted to NIS 2,847 million, as described below, compared to NIS 2,937 million in the corresponding period last year, a decrease of 3.1%.

The decrease in operating revenues in the first nine months of 2024 largely derives from the impact of the drop in interest rates in the first quarter of 2024 and from the diversion of funds from current accounts to deposits. On the other hand, the increase in the volume of activity continued – an increase of 7.5% in the net public credit balance, compared to the corresponding period last year. Since the beginning of 2024, financing income from operating activities has been gradually rising.

Below is analysis of development of financing revenues from current operations (NIS in millions):

	2024			2023				Change rate in %
	Third quarter	**Second quarter**	**First quarter**	**Fourth quarter**	**Third quarter**	**Second quarter**	**First quarter**	**Third quarter of 2024 to third quarter of 2023**
Interest revenues, net	3,156	3,220	2,685	2,689	2,959	3,181	3,146	
Non-interest financing revenues[(1)]	60	26	345	(167)	341	250	87	
Total financing revenues	**3,216**	**3,246**	**3,030**	**2,522**	**3,300**	**3,431**	**3,233**	**(2.5)**
Net of:								
Effect of the Consumer Price Index	439	494	88	34	212	387	308	
Revenues from interest collected with respect to problematic debts	13	13	8	9	13	11	9	
Gains (losses) from bonds and shares	16	16	44	(74)	(8)	18	(44)	
Other effects[(2)]	(99)	(96)	110	(285)	146	53	18	
Total effects other than from current operations	**369**	**427**	**250**	**(316)**	**363**	**469**	**291**	
Total financing revenues from current operations	**2,847**	**2,819**	**2,780**	**2,838**	**2,937**	**2,962**	**2,942**	**(3.1)**

	Nine months		
	2024	**2023**	**Change rate (In %)**
Total financing revenues	9,492	9,964	(4.7)
Total effects other than from current operations	1,046	1,123	
Total financing revenues from current operations	**8,446**	**8,841**	**(4.5)**

(1) Non-interest financing revenues include effect of fair value and others and revenues (expenses) with respect to linkage differentials on CPI derivatives, where the corresponding revenue is recognized as interest revenues (expenses), in conformity with accounting rules.

(2) Including the effect of accounting treatment of derivatives at fair value is due to the difference between accounting treatment of balance sheet instruments, charged to the profit and loss statement on an accrual basis (interest, linkage differentials and exchange rate differentials only), vs. derivatives measured at their fair value and revenues from early repayment commissions, cost of benefits to customers as part of the various plans, and one-time effects, if any.

Below are financing revenues by supervisory operating segment (NIS in millions):

	Third quarter			
Operating segment	**2024**	**2023**	**Change amount**	**Change in %**
Private individuals:				
Households – residential mortgages	709	709	-	-
Households – other	982	981	1	0.1
Private banking	88	79	9	11.4
Total individuals	**1,779**	**1,769**	**10**	**0.6**
Business operations:				
Small and micro businesses	689	683	6	0.9
Medium businesses	151	155	(4)	(2.6)
Large businesses	337	297	40	13.5
Institutional investors	55	48	7	14.6
Total business activity	**1,232**	**1,183**	**49**	**4.1**
Financial management	69	238	(169)	(71.0)
Total activity in Israel	**3,080**	**3,190**	**(110)**	**(3.4)**
Overseas activity	136	110	26	23.6
Total	**3,216**	**3,300**	**(84)**	**(2.5)**

	Nine months			
Operating segment	**2024**	**2023**	**Change amount**	**Change in %**
Private individuals:				
Households – residential mortgages	2,090	2,060	30	1.5
Households – other	2,873	2,847	26	0.9
Private banking	262	249	13	5.2
Total individuals	**5,225**	**5,156**	**69**	**1.3**
Business operations:				
Small and micro businesses	1,973	1,994	(21)	(1.1)
Medium businesses	471	488	(17)	(3.5)
Large businesses	994	878	116	13.2
Institutional investors	172	154	18	11.7
Total business activity	**3,610**	**3,514**	**96**	**2.7**
Financial management	197	987	(790)	(80.0)
Total activity in Israel	**9,032**	**9,657**	**(625)**	**(6.5)**
Overseas activity	460	307	153	49.8
Total	**9,492**	**9,964**	**(472)**	**(4.7)**

For definition of supervisory operating segments and differences between supervisory operating segments and operating segments based on management approach – see chapter "Supervisory operating segments" below.

Below are average balances of interest-bearing on-balance sheet assets attributed to activity in Israel, in various linkage segments (NIS in millions):

	Third quarter			Nine months		
Linkage segment	**2024**	**2023**	**Change in %**	**2024**	**2023**	**Change in %**
Israeli currency – non-linked	299,907	292,757	2.4	300,381	291,844	2.9
Israeli currency – linked to the CPI	85,683	82,043	4.4	83,714	80,787	3.6
Foreign currency (including Israeli currency linked to foreign currency)	19,137	14,385	33.0	17,115	15,943	7.4
Total	**404,727**	**389,185**	**4.0**	**401,210**	**388,574**	**3.3**

Change in average balances of interest-bearing assets is primarily due to growth in loans to the public.

Below are interest spreads (the difference between interest revenue rate for assets and interest expense rate for liabilities)[1] based on average balances[2], attributed to activity in Israel, in the various linkage segments (in percent):

	Third quarter		Nine months	
Linkage segments	**2024**	**2023**	**2024**	**2023**
Israeli currency – non-linked	1.67	2.16	1.77	2.17
Israeli currency – linked to the CPI	1.90	1.85	1.78	1.87
Foreign currency	0.59	0.79	0.67	0.88
Total	**1.71**	**1.80**	**1.65**	**1.93**

(1) Revenue and expense rates calculated for interest-bearing assets and liabilities.

(2) Average balances before deduction of provision with respect to credit losses.

Changes in interest spreads:

The decrease in interest spreads in the first nine months of 2024 compared to the corresponding period last year is mainly attributed to the increase in interest rates payable on financing sources and to expedients granted as part of the Iron Swords War.

The interest spread represents the difference between interest revenue rate for on-balance sheet assets and interest expense rate for on-balance sheet liabilities, excluding the effect of derivatives. Adding these revenues from derivatives would offset the decrease in the unlinked Israeli currency and foreign currency interest spread.

For composition of interest rate spreads by different criteria (activity type, linkage segment and quantity and price analysis), more information about non-interest bearing assets and liabilities and information about overseas activities, see appendix "Interest Revenue and Expense Rates" to the quarterly financial statements.

Interest revenues, net and non-interest financing revenues are impacted by the change in interest rates and by the change in activity, as reflected in balances of loans and deposits.

For details on interest rates and interest expenses of the Bank and its subsidiaries see Appendix 1 to the Financial Statements.

For more information about average balances of loans to the public and deposits from the public, and about revenues from the loan/deposit spread by operating segment, see Note 12 to the financial statements.

For more information about the impact of scenarios of changes to interest rates on interest revenues, net and on non-interest financing revenues, see chapter "Market risk and interest risk" below.

Expenses with respect to credit losses for the Group amounted to NIS 414 million in the first nine months of 2024, or an annualized rate of 0.16% of total loans to the public, net, compared to expenses amounting to NIS 1,168 million in the corresponding period last year – an annualized rate of 0.48% of total loans to the public, net.

Expenses with respect to credit losses for the Group amounted to NIS 130 million in the third quarter of 2024, or an annualized rate of 0.15% of total loans to the public, net, compared to expenses amounting to NIS 694 million in the corresponding period last year – an annualized rate of 0.86% of total loans to the public, net.

The decrease arises from the fact that the expenses due to credit losses in the corresponding period last year mainly reflected the increase in risk levels in respect of the war and in respect of the increase in the interest rates in the economy.

Development of expenses with respect to credit losses (NIS in millions) is as follows:

	Third quarter		Nine months	
	2024	**2023**	**2024**	**2023**
Expenses for credit losses on individual basis				
Increased expenses	148	93	384	269
Decreased expenses	(91)	(56)	(221)	(154)
Total individual expense for credit losses	**57**	**37**	**(1)163**	**115**
Net accounting write-offs(2)	**40**	**54**	**160**	**154**
Expenses for credit losses on group basis with respect to residential mortgages	39	172	73	235
Other	(6)	431	18	664
Total group expense (revenues) for credit losses	**33**	**603**	**(1)91**	**899**
Total expenses with respect to credit losses	**130**	**694**	**414**	**1,168**
Rate of the expenses with respect to credit losses as percentage of total loans to the public, net (annualized)	**0.15%**	**0.86%**	**0.16%**	**0.48%**
Of which: With respect to commercial loans other than residential mortgages	**0.28%**	**1.74%**	**0.35%**	**1.04%**
Of which: with respect to residential mortgages	**0.07%**	**0.34%**	**0.04%**	**0.15%**
Rate of the expenses with respect to individual provision for credit losses, as percentage of total loans to the public, net (annualized):	**0.07%**	**0.05%**	**0.06%**	**0.05%**

(1) Including individual provisions for customers, against which a decrease in group-based provision was recorded.

(2) Write-offs due to debts measured on a collective basis

Below are details of expenses (revenues) with respect to credit losses by supervisory operating segments of the Group (NIS in millions):

Operating segment	Third quarter 2024	Third quarter 2023	Nine months 2024	Nine months 2023	Rate of expenses with respect to credit losses(1) in the third quarter 2024	Rate of expenses with respect to credit losses(1) in the third quarter 2023	Rate of expenses with respect to credit losses(1) for the nine months 2024	Rate of expenses with respect to credit losses(1) for the nine months 2023
Private individuals:								
Households – residential mortgages	39	172	73	235	0.07	0.34	0.04	0.15
Households – other	11	120	85	262	0.16	1.74	0.41	1.27
Private banking	-	(1)	-	-	-	(4.08)	-	-
Total individuals	**50**	**291**	**158**	**497**	**0.08**	**0.50**	**0.09**	**0.29**
Business operations:								
Small and micro businesses	19	165	184	372	0.22	1.92	0.70	1.44
Medium businesses	17	65	31	71	0.56	2.12	0.34	0.77
Large businesses	(18)	128	(93)	158	(0.19)	1.48	(0.32)	0.61
Institutional investors	1	2	7	2	0.07	0.30	0.17	0.10
Total business activity	**19**	**360**	**129**	**603**	**0.08**	**1.72**	**0.19**	**0.96**
Financial management	-	8	1	8	-	-	-	-
Total activity in Israel	**69**	**659**	**288**	**1,108**	**0.08**	**0.84**	**0.11**	**0.47**
Overseas activity	61	35	126	60	2.25	1.68	1.55	0.96
Total	**130**	**694**	**414**	**1,168**	**0.15**	**0.86**	**0.16**	**0.48**

(1) Expenses with respect to credit losses, as percentage of total loans to the public, net (annualized) (in %).

For definition of supervisory operating segments and differences between supervisory operating segments and operating segments based on management approach – see chapter "Supervisory operating segments" below.

For more information about analysis of development of loans to the public, see chapter "Analysis of developments in assets, liabilities, equity and capital adequacy" below.

For more information about analysis of credit risk, see chapter "Credit risk" below and the Risks Report, available on the Bank website.

Non-interest financing revenues in the first nine months of 2024 amounted to NIS 431 million, compared to NIS 678 million in the corresponding period last year.

Non-interest financing expenses in the third quarter of 2024 amounted to NIS 60 million, compared to NIS 341 million in the corresponding period last year.

This item includes, *inter alia*, the effect of fair value, gain (loss) from activity involving bonds and securities, as well as linkage differentials for CPI derivatives and interest accrual effect (time value) inherent in derivative assets, for which the corresponding revenues (expenses) are recognized pursuant to accounting rules under Interest Revenues. See "Analysis of financing revenues from current operations" above.

Commission revenues amounted to NIS 1,532 million in the first nine months of 2024, compared with NIS 1,535 million in the corresponding period last year – a decrease by 0.2%.

Commission revenues in the third quarter of 2024 amounted to NIS 514 million, compared to NIS 506 million in the corresponding period last year – an increase by 1.6%.

Commission revenues were primarily influenced by a decrease in account management commissions as a result of banking relief and benefits offered to Bank customers in order to assist them during the war, and by the impact of the war on business activity.

Below is information about commissions by major commission type (NIS in millions):

	Third quarter 2024	Third quarter 2023	Nine months 2024	Nine months 2023	All of 2023
Account management	101	113	292	340	431
Activities involving securities	75	58	210	181	241
Conversion differences	90	83	248	266	349
Commissions from financing transactions	73	73	276	220	327
Credit cards	71	71	202	201	264
Credit processing(1)	34	39	97	112	145
Other commissions	70	69	207	215	271
Total commissions	**514**	**506**	**1,532**	**1,535**	**2,028**

(1) Includes the following commissions: Handling credit, foreign trade and net revenues from servicing credit portfolios.

Other revenues in the first nine months of 2024, amounted to NIS 206 million compared with NIS 190 million in the corresponding period last year.
Other revenues in the third quarter of 2024 amounted to NIS 67 million, compared to NIS 62 million in the corresponding period last year.

Other revenues include NIS 51 million with respect to deferred credit balance, net recognized with respect to acquisition of Union Bank which is recognized on profit and loss over 5 years as from the fourth quarter of 2020.

Operating and other expenses in the first nine months of 2024 amounted to NIS 3,896 million, compared to NIS 4,373 million in the corresponding period last year, a decrease of 10.9%.

Operating and other expenses in the third quarter of 2024 amounted to NIS 1,289 million, compared to NIS 1,415 million in the corresponding period last year, a decrease by 8.9%.

For details by operating expense component, see below.

Payroll and associated expenses in the first nine months of 2024 amounted to NIS 2,571 million, compared to NIS 2,842 million in the corresponding period last year, a decrease of 9.5%.
Payroll and associated expenses in the third quarter of 2024 amounted to NIS 847 million, compared to NIS 902 million in the corresponding period last year – a decrease by 6.1%.
The decrease in expenses is due to the fact that in the corresponding period last year the payroll expenses included the impact of the pay agreement with the workers' organization.

Maintenance and depreciation expenses for buildings and equipment in the first nine months of 2024 amounted to NIS 739 million, compared with NIS 852 million in the corresponding period last year – a decrease by 13.3%.
Maintenance and depreciation expenses for buildings and equipment amounted to NIS 246 million in the third quarter of 2024, compared with NIS 274 million in the corresponding period last year, a decrease by 10.2%.

Maintenance and depreciation expenses for buildings and equipment reflect the continued synergy following the Union Bank merger, included, inter alia, non-recurring asset amortization in the corresponding period last year.

Other expenses amounted to NIS 586 million in the first nine months of 2024, compared with NIS 679 million in the corresponding period last year – a year-over-year decrease by 13.7%.
Other expenses in the third quarter of 2024 amounted to NIS 196 million, compared to NIS 239 million in the corresponding period last year – a decrease by 18.0%.

The decrease in other expenses is among other things from one-time costs recorded last year, following the merger of Union Bank into the Bank.

Cost-Income ratio information is as follows[(1)] (in percent):

	2024			2023			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Cost Income Ratio	33.9	34.6	35.5	38.7	36.6	38.1	37.6

	First nine months		All of
	2024	2023	2023
Cost Income Ratio	34.7	37.4	37.7

(1) Total operating and other expenses to total operating and financing revenues and expenses with respect to credit losses.

Pre-tax profit for the Group amounted to NIS 6,920 million in the first nine months of 2024, compared with NIS 6,148 million in the corresponding period last year – an increase by 12.6%. For a detailed explanation, see above.
Pre-tax profit for the Group in the third quarter of 2024 amounted to NIS 2,378 million, compared to NIS 1,759 million in the corresponding period last year, an increase by 35.2%. For a detailed explanation, see above.

The rate of provision for taxes on profit in the first nine months of 2024 was 37.9% – compared to 35.0% in the corresponding period last year.
The provision rate for taxes on profit in the third quarter of 2024 was 37.8% – compared to 35.5% in the corresponding period last year.
The rate of provision to taxes from profits was influenced, among other thigs, from a special payment law passed by the Knesset in March 2024 to achieve the budgetary goals (Temporary Ordinance – Iron Swords), 2024, for details see Note 16 to the Financial Statements.

Bank share of after-tax profit of associates – in the first nine months of 2024 the Bank recognized gain with respect to associates amounting to NIS 15 million, compared to NIS 1 million in the corresponding period last year.

Bank share of after-tax profit of associates – in the third quarter of 2024 the Bank recognized gain with respect to associates amounting to NIS 3 million. In the corresponding period last year there was no profit recognized with respect to associates.

The share of the non-controlling interests in net results of subsidiaries attributable to Bank Yahav in the first nine months of 2024 amounted to NIS 160 million, compared to NIS 136 million in the corresponding period last year.

The share of the non-controlling interests in net results of subsidiaries attributable to Bank Yahav in the third quarter of 2024 amounted to NIS 58 million, compared to NIS 37 million in the corresponding period last year.

Net profit attributable to shareholders of the Bank in the first nine months of 2024 amounted to NIS 4,149 million, compared to NIS 3,863 million in the corresponding period last year.

Net profit attributable to shareholders of the Bank in the third quarter of 2024 amounted to NIS 1,425 million, compared to NIS 1,098 million in the corresponding period last year.

Other comprehensive income – Changes to the Bank's shareholders' equity are due to Group net profit, as well as to other changes that do not impact net profit, including changes to fair value of bonds available for sale, and changes to actuarial obligations with respect to benefits to Bank employees, net of tax effect. These effects increased the Bank's shareholders' equity in the first nine months of 2024 by NIS 69 million, compared to NIS 5 million in the corresponding period last year.

In the third quarter of 2024, these effects increased the Bank's shareholders' equity by NIS 79 million, compared to a decrease of NIS 14 million in the corresponding period last year.

For more information see Note 4 to the financial statements.

Below is development of Group return(1) on equity(2) and ratio of Tier I equity to risk components liquidity coverage ratio(3) and leverage ratio(4) at the end of the quarter (in %):

	2024			2023			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net profit return on equity	19.0	19.9	18.1	15.5	16.8	22.0	22.4
Ratio of Tier I equity to risk components at end of quarter	10.43	10.44	10.60	10.32	10.12	10.23	10.12
Liquidity coverage ratio (quarterly)	127	131	139	131	138	128	126
Leverage ratio at end of quarter	6.01	5.99	5.99	5.83	5.78	5.73	5.53

	First nine months		All of
	2024	2023	2023
Net profit return on equity	19.0	20.3	19.1

(1) Annualized.

(2) Return on average shareholder equity, including "all equity instruments", as presented under reported revenue and expense rates, net of average balance of rights of external shareholders and less/plus the average balance of unrealized loss/gain from fair value adjustment of bonds held for trading and of bonds available for sale.

(3) Liquidity Coverage Ratio – ratio of total High-Quality Liquid Assets to net cash outflow. This ratio is calculated in conformity with Proper Conduct of Banking Business Directive 221, in terms of simple averages of daily observations during the reported quarter.

(4) Leverage Ratio – ratio of Tier I capital (according to Basel rules) to total exposure. This ratio is calculated in conformity with Proper Conduct of Banking Business Directive 218.

Below is data for earnings and dividends per share (ordinary share of NIS 0.1 par value) (in NIS):

	Third quarter		First nine months		All of
	2024	2023	2024	2023	2023
Basic earnings per share	5.52	4.27	16.07	15.01	19.07
Diluted earnings per share	5.49	4.24	16.00	14.95	19.00
Dividends per share	225	190	503	476	540

Analysis of developments in assets, liabilities, equity and capital adequacy

Assets and liabilities

Below is development of key balance sheet items of the Bank Group (NIS in millions):

	September 30		December 31	Change in % compared to September 30	Change in % compared to December 31
	2024	2023	2023	2023	2023
Total assets	472,379	438,289	448,204	7.8	5.4
Cash and deposits with banks	79,342	81,645	86,550	(2.8)	(8.3)
Loans to the public, net	348,314	323,590	325,346	7.6	7.1
Securities	30,829	19,007	23,071	62.2	33.6
Buildings and equipment	1,705	1,447	1,531	17.8	11.4
Deposits from the public	385,119	351,034	358,553	9.7	7.4
Deposits from banks	1,816	5,008	4,571	(63.7)	(60.3)
Bonds and subordinated notes	36,408	36,655	37,070	(0.7)	(1.8)
Equity	30,408	26,459	27,461	14.9	10.7

Cash and deposits with banks – the balance of cash and deposits with banks decreased in the first nine months of 2024 by NIS 7.2 billion, as part of on-going management of Bank liquidity.

Loans to the public, net – loans to the public, net as of September 30, 2024 accounted for 74% of total assets, compared to 73% at the end of 2023. Loans to the public, net in the first nine months of 2024 increased by NIS 23.0 billion, or 7.1%.

For more information about analysis of on-balance sheet and off-balance sheet credit risk, development of problematic debts and various risk benchmarks with regard to residential mortgages, see chapter "Risks" below and the Risks Report, available on the Bank website.

Below is data about loans to the public, net by linkage basis (NIS in millions):

	September 30		December 31	Change in % compared to September 30	Change in % compared to December 31
	2024	2023	2023	2023	2023
Israeli currency					
Non-linked	242,534	225,219	226,844	7.7	6.9
CPI-linked	84,812	80,906	80,674	4.8	5.1
Foreign currency, including linked to foreign currency	20,968	17,465	17,828	20.1	17.6
Total	**348,314**	**323,590**	**325,346**	**7.6**	**7.1**

Below is data about loans to the public, net by supervisory operating segment (NIS in millions):

	September 30		December 31	Change in % compared to September 30	Change in % compared to December 31
	2024	2023	2023	2023	2023
Private individuals:					
Households – residential mortgages	218,589	203,720	205,433	7.3	6.4
Households – other	27,337	27,509	26,768	(0.6)	2.1
Private banking	111	98	101	13.3	9.9
Total individuals	**246,037**	**231,327**	**232,302**	**6.4**	**5.9**
Business operations:					
Small and micro businesses	35,170	34,425	33,612	2.2	4.6
Medium businesses	12,168	12,270	11,871	(0.8)	2.5
Large businesses	38,767	34,570	35,792	12.1	8.3
Institutional investors	5,350	2,675	2,844	-	88.1
Total business activity	**91,455**	**83,940**	**84,119**	**9.0**	**8.7**
Overseas activity	10,822	8,323	8,925	30.0	21.3
Total	**348,314**	**323,590**	**325,346**	**7.6**	**7.1**

For definition of supervisory operating segments and differences between supervisory operating segments and operating segments based on management approach – see chapter "Supervisory operating segments" below.

Below are details of problematic credit risk and non-performing assets before provision for credit losses, in accordance with provisions for measurement and disclosure of non-accruing debts, credit risk and provision for credit losses:

Reported amounts (NIS in millions)	**Credit risk[1]**							
	As of September 30, 2024				**As of September 30, 2023**			
	Commercial	**Residential**	**Individual**	**Total**	**Commercial**	**Residential**	**Individual**	**Total**
Credit risk at performing credit rating[2]								
On-balance sheet credit risk	101,086	214,819	26,719	342,624	91,363	200,588	26,628	318,579
Off-balance sheet credit risk[3]	70,566	17,652	15,393	103,611	59,426	10,299	14,947	84,672
Total credit risk at performing credit rating	**171,652**	**232,471**	**42,112**	**446,235**	**150,789**	**210,887**	**41,575**	**403,251**
Credit risk other than at performing credit rating								
A. Non-problematic	3,685	2,935	341	6,961	3,749	2,537	328	6,614
B. Problematic accruing	1,360	-	177	1,537	2,186	-	186	2,372
C. Problematic non-accruing	2,058	2,106	85	4,249	1,200	1,841	71	3,112
Total on-balance sheet credit risk other than at performing credit rating	**7,103**	**5,041**	**603**	**12,747**	**7,135**	**4,378**	**585**	**12,098**
Off-balance sheet credit risk[3] other than at performing credit rating	2,020	-	35	2,055	1,591	-	36	1,627
Total credit risk other than at performing credit rating	**9,123**	**5,041**	**638**	**14,802**	**8,726**	**4,378**	**621**	**13,725**
Of which: Accruing debt in arrears 90 days or longer	92	-	52	144	84	-	57	141
Total credit risk, including risk to the public[4]	**180,775**	**237,512**	**42,750**	**461,037**	**159,515**	**215,265**	**42,196**	**416,976**
Non-performing assets[5]	**2,058**	**2,106**	**85**	**4,249**	**1,200**	**1,841**	**71**	**3,112**

	Credit risk[1]			
	As of December 31, 2023			
	Commercial	**Residential**	**Individual**	**Total**
Credit risk at performing credit rating[2]				
On-balance sheet credit risk	91,029	201,895	26,226	319,150
Off-balance sheet credit risk[3]	66,002	12,068	15,284	93,354
Total credit risk at performing credit rating	**157,031**	**213,963**	**41,510**	**412,504**
Credit risk other than at performing credit rating				
A. Non-problematic	4,018	2,609	337	6,964
B. Problematic accruing	2,262	-	195	2,457
C. Problematic non-accruing	1,487	2,153	74	3,714
Total on-balance sheet credit risk other than at performing credit rating	**7,767**	**4,762**	**606**	**13,135**
Off-balance sheet credit risk[3] other than at performing credit rating	1,540	-	40	1,580
Total credit risk other than at performing credit rating	**9,307**	**4,762**	**646**	**14,715**
Of which: Accruing debt in arrears 90 days or longer	73	-	71	144
Total credit risk, including risk to the public[4]	**166,338**	**218,725**	**42,156**	**427,219**
Non-performing assets[5]	**1,487**	**2,153**	**74**	**3,714**

(1) On- and off-balance sheet credit is stated before impact of provision for credit losses, and before impact of deductible collateral with respect to indebtedness of borrower and of borrower group.

(2) Credit risk whose credit rating as of the report date matches the credit rating for new credit performance, in conformity with Bank policies.

(3) Credit risk of off-balance-sheet financial instruments as calculated for the purpose of determining per-borrower indebtedness limits.

(4) On- and off-balance sheet credit risk, including with respect to derivatives. Of which: Debts, bonds, securities loaned or purchased in resale agreements.

(5) Assets not accruing interest.

Credit risk is composed of on-balance-sheet risk and off-balance-sheet credit risk, which are weighted by nature of the borrower and credit type, as per Bank of Israel directives. On-balance sheet risk includes balances of loans to the public, derivative instruments purchased by the public and Group investments in public bonds. Off-balance sheet credit risk includes guarantees and transactions in off-balance sheet instruments, commitments to extend credit and un-utilized credit facilities. Total credit risk to the public for the Bank Group as of September 30, 2024 amounted to NIS 461 billion, compared to NIS 427 billion as of December 31, 2023 – an increase by 7.9%.
For more information about credit risk with respect to individuals (excluding residential mortgages), credit risk in the construction and real estate economic sector in Israel and residential mortgage risk, see chapter "Credit risk".

See Notes 6 and 13 to the financial statements for further information.

Benchmarks for analysis of quality of loans to the public, expenses and provision for credit losses (in percent):

	As of September 30, 2024				As of September 30, 2023			
	Commer-cial	Residen-tial	Indivi-dual	Total	Commer-cial	Residen-tial	Indiv-idual	Total
Analysis of quality of loans to the public								
Non-accruing credit as percentage of total loans to the public	1.94	0.96	0.31	1.20	1.24	0.90	0.26	0.94
Non-accruing credit in arrears 90 days or longer as percentage of total loans to the public	2.03	0.96	0.50	1.24	1.32	0.90	0.47	0.99
Problematic credit as percentage of total loans to the public	3.23	0.96	0.96	1.64	3.53	0.90	0.95	1.67
Credit not at performing credit rating as percentage of total loans to the public	6.75	2.29	2.21	3.62	7.49	2.14	2.15	3.69
Analysis of expenses with respect to credit losses for the reported period								
Expenses with respect to credit losses as percentage of average balance of loans to the public	0.25	0.03	0.31	0.12	0.73	0.12	0.98	0.36
Net accounting write-offs as percentage of average balance of loans to the public	0.18	-	0.41	0.09	0.11	-	0.33	0.06
Analysis of provision for credit losses with respect to loans to the public								
Provision for credit losses as percentage of total loans to the public	2.37	0.56	2.47	1.25	2.37	0.55	2.52	1.25
Provision for credit losses as percentage of total loans to the public non-accruing	122.1	58.0	795.3	103.8	191.4	61.8	966.2	132.0
Provision for credit losses as percentage of total loans to the public non-accruing or in arrears 90 days or longer	116.9	58.0	493.4	100.3	178.9	61.8	535.9	126.3
Expense rate with respect to credit losses from net accounting write-offs	1.43	-	0.77	1.43	6.84	-	2.98	6.27

	As of December 31, 2023			
	Commer-cial	Residen-tial	Indivi-dual	Total
Analysis of quality of loans to the public				
Non-accruing credit as percentage of total loans to the public	1.53	1.04	0.28	1.12
Non-accruing credit in arrears 90 days or longer as percentage of total loans to the public	1.60	1.04	0.54	1.16
Problematic credit as percentage of total loans to the public	3.89	1.04	1.00	1.87
Credit not at performing credit rating as percentage of total loans to the public	8.10	2.30	2.26	3.99
Analysis of expenses with respect to credit losses for the reported period				
Expenses with respect to credit losses as percentage of average balance of loans to the public	0.96	0.12	1.21	0.45
Net accounting write-offs as percentage of average balance of loans to the public	0.17	-	0.50	0.09
Analysis of provision for credit losses with respect to loans to the public				
Provision for credit losses as percentage of total loans to the public	2.52	0.56	2.62	1.30
Provision for credit losses as percentage of total loans to the public non-accruing	165.0	53.4	948.7	115.6
Provision for credit losses as percentage of total loans to the public non-accruing or in arrears 90 days or longer	157.2	53.4	484.1	111.3
Expense rate with respect to credit losses from net accounting write-offs	5.76	-	2.42	5.06

Below is development of key balance sheet items of the Bank Group (NIS in millions):

	September 30		December 31	Change in % compared to September 30	Change in % compared to December 31
	2024	2023	2023	2023	2023
Off-balance sheet financial instruments other than derivatives:					
Unutilized debitory account and other credit facilities in accounts					
On-call, un-utilized	29,796	24,561	31,625	21.3	(5.8)
Guarantees to home buyers	17,663	15,303	14,612	15.4	20.9
Irrevocable commitments for loans approved but not yet granted	33,658	23,393	24,815	43.9	35.6
Unutilized revolving credit card facilities	12,493	12,088	12,416	3.4	0.6
Commitments to issue guarantees	13,510	11,459	12,514	17.9	8.0
Guarantees and other commitments	15,320	13,242	13,541	15.7	13.1
Loan guarantees	3,902	3,521	3,445	10.8	13.3
Documentary credit	459	294	540	56.1	(15.0)
Derivative financial instruments(1):					
Total par value of derivative financial instruments	421,509	357,160	371,739	18.0	13.4
(On-balance sheet) assets with respect to derivative instruments	4,612	7,319	6,282	(37.0)	(26.6)
(On-balance sheet) liabilities with respect to derivative instruments	4,189	6,095	7,367	(31.3)	(43.1)

(1) Includes forward transactions, swaps, options and credit derivatives. For more information see Note 11.

For more information about analysis of on-balance sheet and off-balance sheet credit risk, see chapter "Risks" below and the Risks Report, available on the Bank website.

Securities – investment in securities increased in the first nine months of 2024 by NIS 7.8 billion. The increase in investment in securities is under asset and liability management by the Bank.

Below is composition of Group securities by portfolio (NIS in millions):

	Carrying amount	Amortized cost (for shares – cost)	Provision for credit losses	Gain from fair value adjust-ments	Loss from fair value adjustm-ents	Fair value(1)
						September 30, 2024
Bonds held to maturity	3,773	3,773	-	6	(145)	3,634
Bonds available for sale(2)	17,686	18,190	(8)	70	(566)	17,686
Investment in shares not held for trading(3)	768	710	-	68	(10)	768
Securities held for trading(3)	8,602	8,586	-	69	(53)	8,602
Total securities	**30,829**	**31,259**	**(8)**	**213**	**(774)**	**30,690**
						September 30, 2023
Bonds held to maturity	3,422	3,422	-	-	(181)	3,241
Bonds available for sale(2)	9,291	9,960	(8)	47	(708)	9,291
Investment in shares not held for trading(3)	607	546	-	83	(22)	607
Securities held for trading(3)	5,687	5,860	-	5	(178)	5,687
Total securities	**19,007**	**19,788**	**(8)**	**135**	**(1,089)**	**18,826**
						December 31, 2023
Bonds held to maturity	3,600	3,600	-	2	(134)	3,468
Bonds available for sale(2)	11,373	11,891	(8)	82	(592)	11,373
Investment in shares not held for trading(3)	602	549	-	76	(23)	602
Securities held for trading(3)	7,496	7,542	-	10	(56)	7,496
Total securities	**23,071**	**23,582**	**(8)**	**170**	**(805)**	**22,939**

(1) Fair value data are generally based on stock exchange prices, which do not necessarily reflect the price to be obtained on the sale of a large volume of securities.

(2) Gains and losses from fair value adjustments are included in shareholders' equity in "adjustments on presentation of securities available for sale at fair value".

(3) Gains and losses from fair value adjustments were charged to statement of profit and loss but not yet realized.

Below is composition of Group securities portfolio by linkage segment (NIS in millions):

				Change in % compared to	
	September 30		December 31	September 30	December 31
	2024	2023	2023	2023	2023
Israeli currency					
Non-linked	13,604	9,866	12,980	37.9	4.8
CPI-linked	5,795	3,897	4,330	48.7	33.8
Foreign currency (including linked to foreign currency)	10,645	4,621	5,143	130.4	107.0
Non-monetary items	785	623	618	26.0	27.0
Total	**30,829**	**19,007**	**23,071**	**62.2**	**33.6**

Below is composition of Group securities portfolio by issuer type (NIS in millions):

			Carrying amount as of
	September 30, 2024	September 30, 2023	December 31, 2023
Government bonds:			
Government of Israel	23,364	15,226	19,452
US Government	4,150	657	583
Total Government bonds	**27,514**	**15,883**	**20,035**
Bonds of financial institutions in Israel:			
Total bonds of financial institutions in Israel	**888**	**834**	**776**
Bonds of banks in developed nations:			
South Korea	-	78	74
USA	83	117	104
Other	67	72	73
Total bonds of banks in developed nations	**150**	**267**	**251**
Corporate bonds (by economic sector):			
Rental property	551	528	527
Power, gas, steam and air conditioning	248	189	193
Mining and excavation	81	88	86
Industrial – chemical industry	60	62	58
Construction	146	125	124
Other	350	349	347
Total corporate bonds	**1,436**	**1,341**	**1,335**
Asset-backed corporate bonds (ABS)			
Mining and excavation	56	59	56
Others	-	-	-
Total asset-backed corporate bonds (ABS)	**56**	**59**	**56**
Shares and other securities			
Investment in shares not held for trading	768	607	602
Of which: Shares for which no fair value is available(1)	514	352	350
Shares and other securities held for trading	17	16	16
Total shares and other securities	**785**	**623**	**618**
Total securities	**30,829**	**19,007**	**23,071**

(1) Generally shown at cost (net of impairment), adjusted for changes in observed prices in ordinary transactions for similar or identical investments of the same issuer.

For more information about investments in securities, and about impairment of a temporary nature of securities available for sale, and details of the duration of such impairment and its rate as percentage of amortized cost, see Note 5 to the financial statements.

Buildings and equipment – The balance of buildings and equipment increased in the first nine months of 2024 by NIS 174 million. The increase derives from investment in the Lod Bank HQ and technological investments, against current change due to depreciation.

Deposits from the public – these account for 82% of total consolidated balance sheet as of September 30, 2024 compared to 80% as of December 31, 2023. In the first nine months of 2024, deposits from the public with the Bank Group increased by NIS 26.6 billion, or 7.4%.

Below is composition of deposits from the public by linkage segment (NIS in millions):

	September 30		December 31	Change in % compared to	
				September 30	December 31
	2024	2023	2023	2023	2023
Israeli currency					
Non-linked	284,363	258,473	267,198	10.0	6.4
CPI-linked	30,387	24,510	23,468	24.0	29.5
Foreign currency, including linked to foreign currency	70,369	68,051	67,887	3.4	3.7
Total	**385,119**	**351,034**	**358,553**	**9.7**	**7.4**

Below is data about composition of deposits from the public by supervisory operating segment (NIS in millions):

	September 30		December 31	Change in % compared to	
				September 30	December 31
	2024	2023	2023	2023	2023
Private individuals:					
Households – other	138,548	130,231	133,009	6.4	4.2
Private banking	28,111	28,136	27,746	(0.1)	1.3
Total individuals	**166,659**	**158,367**	**160,755**	**5.2**	**3.7**
Business operations:					
Small and micro businesses	60,295	54,785	56,791	10.1	6.2
Medium businesses	13,485	12,434	14,270	8.5	(5.5)
Large businesses	42,322	35,740	35,612	18.4	18.8
Institutional investors	85,292	77,927	78,904	9.5	8.1
Total business activity	**201,394**	**180,886**	**185,577**	**11.3**	**8.5**
Overseas activity(1)	17,066	11,781	12,221	44.9	39.6
Total	**385,119**	**351,034**	**358,553**	**9.7**	**7.4**

(1) The increase in deposits is with respect to proactive activity and expansion of channels for raising deposits at overseas Bank affiliates.

For definition of supervisory operating segments and differences between supervisory operating segments and operating segments based on management approach – see chapter "Supervisory operating segments" below.

Below is development of composition of deposits from the public by depositor size for the Group (NIS in millions):

	September 30		December 31
	2024	2023	2023
Maximum deposit			
Up to 1	108,006	102,848	105,025
Over 1 to 10	96,598	90,928	93,024
Over 10 to 100	42,837	43,625	45,648
Over 100 to 500	36,246	35,914	37,466
Above 500	101,432	77,719	77,390
Total	**385,119**	**351,034**	**358,553**

For more information about composition of deposits from the public, see Note 7 to the financial statements.

Deposits from banks – the balance of deposits from banks as of September 30, 2024 amounted to NIS 1.8 billion, a decrease of NIS 2.8 billion compared to end of 2023, which derives from the redemption of monetary loans.

Bonds and subordinated notes – The balance of bonds and subordinated notes as of September 30, 2024 amounted to NIS 36.4 billion, a decrease by NIS 0.7 billion compared to the balance as of December 31, 2023. In the first nine months of 2024, bonds and subordinated notes were affected, among other things, by the issuance of commercial paper (Series 3), a bond series (Series 64 – by way of expansion), and a series of conditional deferred CoCo letters of undertaking Series 69 (by way of expansion), in return for some NIS 4.5 billion, from current redemptions and from the change in the Consumer Price Index. For more information see chapter "Developments in financing sources" above.

Capital, capital adequacy and leverage

Shareholder equity attributable to shareholders of the Bank – Shareholder equity attributable to equity holders of the Bank as of September 30, 2024 amounted to NIS 30.4 billion, compared to NIS 27.5 billion and NIS 26.5 billion as of December 31, 2023 and as of September 30, 2023, an increase by 10.7% and 14.9%, respectively.

Below is composition of shareholder equity (NIS in millions):

	September 30		December 31
	2024	**2023**	**2023**
Share capital and premium[(1)]	3,566	3,542	3,556
Capital reserve from benefit from share-based payment transactions	137	112	119
Cumulative other comprehensive loss[(2)(3)]	(341)	(509)	(410)
Retained earnings [(4)]	27,046	23,314	24,196
Total	**30,408**	**26,459**	**27,461**

(1) For more information about share issuance, see "Condensed Statements of Changes in Shareholders' Equity".
(2) For more information about other comprehensive income (loss), see Note 4 to the financial statements.
(3) Includes actuarial obligation with respect to streamlining program for employee retirement, see Notes 22 and 25 to the 2023 financial statements.
(4) For more information about development of cumulative revenues and expenses to retained earnings in the reported period, see chapter "Material developments in revenues, expenses and other comprehensive income" above.

The ratio of shareholders' equity to total assets for the Group as of September 30, 2024 was 6.44% compared to 6.13% as of December 31, 2023 and 6.04% as of September 30, 2023.

Capital adequacy

Supervisory requirement

The Bank assesses its capital adequacy in conformity with Basel rules, as stipulated in Proper Conduct of Banking Business Directives 201-211. The Bank applies the standard approach to assess exposure to credit risk, operating risk and market risk.

Total capital is composed of two tiers: Tier I capital (including Tier I equity and Tier I additional capital) and Tier II capital.

Tier I capital primarily includes capital components attributed to shareholders of the Bank (accounting capital on the books) and non-controlling interest, and is the primary loss-absorption component.

Additional Tier I capital consists of equity instruments which fulfill the requirements specified in the directives. As of September 30, 2024, the Bank had no capital instruments included in additional Tier I capital.

Tier II capital consists of the group-based provision for credit losses and CoCo (Contingent Convertible) capital instruments, which include a provision for absorbing loss of principal when the Tier I Capital ratio drops below the specified quantitative trigger level, or upon receiving notice from the Supervisor of Banks, whereby activating the provision for absorbing loss of principal is required to ensure stability of the banking corporation (a Bank "non existence" event).

The Bank applies provisions for capital measurement and adequacy, based on Basel III provisions, as published by the Supervisor of Banks and as incorporated in Proper Conduct of Banking Business Directives 201-211. As per instructions of the Supervisor of Banks, the Bank is required to maintain a minimum Tier I equity ratio of no less than 9% and a minimum total equity ratio of no less than 12.5% of weighted total of risk components of its balance sheet assets and off-balance-sheet items. Calculation of total capital and total risk components is set forth in the directives.

An additional capital requirement was added to the Tier I equity ratio at 1% of the residential mortgage balance as of the dates of financial statements, except for residential mortgages, which are subject to relief provided in the interim directive for addressing the Corona Virus crisis.

Consequently, the Bank's current required minimum ratio of Tier I equity ratio and minimum total capital ratio as of the report date are 9.60% and 12.50%, respectively (to which appropriate safety margins were added).

Capital planning at the Bank

The Bank prepares a detailed, multi-annual capital planning forecast, taking the following into consideration: Expected growth rate of risk assets and profitability, the strategic plan, dividend distribution policy, capital and leverage targets, appropriate safety margins and other factors.

The Bank regularly monitors actual vs. forecast results, and revises the forecast as needed, considering any required action to comply with the specified capital targets.

As part of the capital planning process, the Bank reviews for existence of a sufficient capital absorption cushion to address the diverse risks associated with Bank operations, including stress scenarios.

The planning horizon is three years, during which the Bank challenges the capital planning using a range of stress scenarios that significantly impact Bank profitability, erode Bank capital and increase its risk assets. Results of the Bank's most recent capital planning indicate that the capital absorption buffer included in the minimum capital requirement in conformity with Bank of Israel directives is sufficient.

Consequently, the Bank stipulated that the Bank's target Tier I capital for capital planning would be as required by directives of the Supervisor of Banks, as noted above, including the capital requirement with respect to balance of residential mortgages, plus appropriate safety margins. The Bank's Board of Directors has specified, in capital management policy, in internal planning processes and considering the aforementioned stress scenarios and discussions held with the Supervisor of Banks as part of risk assessment processes, an internal target tier I equity ratio of at least 9.60%.

For more information see the 2023 Risks Report available on the Bank website.

Sensitivity of Bank capital adequacy ratio to changes in Tier I equity and risk assets is as follows:

Changes to Tier I equity by NIS 100 million would cause a change in Tier I capital adequacy ratio by 0.03%. Change in risk assets by NIS 1 billion would cause a change in Tier I capital adequacy ratio by 0.03%.

Changes to the risk-free interest curve would affect the capital reserve with respect to bonds available for sale, as well as the capital reserve from adjustments for actuarial changes, which are part of supervisory capital. Accordingly, a 1% increase in risk-free interest rate would affect supervisory capital by reduction of 0.02% in tier I equity ratio.

Israel's rating affects capital ratios, primarily with respect to exposure to Government of Israel, to Israeli banks, to institutional investors and to public sector entities. According to Bank policy, the effective rating is the one provided by S&P.

In April 2024 rating agency S&P announced that it was lowering the State of Israel's credit rating from AA- to A+, following the geopolitical risks Israel is facing. The impact of the lowered rating is included in the capital ratios presented in the Financial Statements. In October 2024, S&P announced a further rating downgrade from to A+ to A, with no impact on the Bank's capital ratios.

A further decline in the rating of the State of Israel will not impact the Bank's capital ratios. It is only in the event of a two-notch decline in rating that the Tier I capital ratio and the total capital ratio as of September 30, 2024 will decline by 0.20% and 0.23%, respectively.

For more information about the Board of Directors resolutions with regard to capital to risk components ratio and to dividend distribution policy, see Note 25 to the 2023 financial statements and the chapter "Analysis of composition of assets, liabilities, capital and capital adequacy" (Dividend) below.

For more information about issue of CoCo contingent subordinated notes, see Note 9 to the financial statements.

For more information see Note 9 to the financial statements.

Below is data about supervisory capital and risk assets (NIS in millions):

	As of September 30		As of December 31
	2024	**2023**	**2023**
Capital for purpose of calculating the capital ratio			
Tier I shareholders' equity	31,128	27,504	28,434
Tier I capital	31,128	27,504	28,434
Tier II capital	9,421	7,891	8,366
Total capital	**40,549**	**35,395**	**36,800**
Weighted risk asset balances			
Credit risk	273,855	249,772	252,842
Market risks	1,755	1,855	1,957
Operational Risk	22,926	20,140	20,641
Total weighted risk asset balances	**298,536**	**271,767**	**275,440**

Below is development of ratio of capital to risk assets for the Group (in percent):

	September 30, 2024	September 30, 2023	December 31, 2023
Ratio of Tier I equity to risk components	10.43	10.12	10.32
Ratio of total capital to risk components	13.58	13.02	13.36
Minimum Tier I equity ratio required by Supervisor of Banks	9.60	9.60	9.60
Total minimum capital ratio required by the directives of the Supervisor of Banks	12.50	12.50	12.50

Below is composition of risk assets and capital requirements with respect to credit risk by exposure group (NIS in millions):

	As of September 30, 2024		As of September 30, 2023		As of December 31, 2023	
Exposure group	**Weighted risk asset balances**	**Capital requirement[(1)]**	**Weighted risk asset balances**	**Capital requirement[(1)]**	**Weighted risk asset balances**	**Capital requirement[(1)]**
Debts of sovereigns	1,438	180	274	34	289	36
Debts of public sector entities	881	110	381	48	388	49
Debts of banking corporations	2,667	333	1,775	222	1,922	240
Securities companies	2,622	328	1,191	149	963	120
Debts of corporations	96,769	12,096	87,666	10,958	89,411	11,176
Debts secured by commercial property	5,768	721	5,263	658	5,428	679
Retail exposures to individuals	21,470	2,684	21,397	2,675	21,098	2,637
Loans to small businesses	10,658	1,332	10,152	1,269	10,194	1,274
Residential mortgages	119,008	14,876	110,361	13,795	111,611	13,951
Other assets	11,096	1,387	9,826	1,228	10,256	1,282
Total	**272,377**	**34,047**	**248,286**	**31,036**	**251,560**	**31,444**

(1) Capital requirement in conformity with required overall minimum capital ratio of 12.5%.

Below are risk assets and capital requirements with respect to credit market risk, CVA risk and operational risk (NIS in millions):

	As of September 30, 2024		As of September 30, 2023		As of December 31, 2023	
	Weighted risk asset balances	**Capital requirement[(1)]**	**Weighted risk asset balances**	**Capital requirement[(1)]**	**Weighted risk asset balances**	**Capital requirement[(1)]**
Market risk	1,755	219	1,855	232	1,957	245
CVA risk with respect to derivatives [(2)]	1,478	185	1,486	186	1,282	160
Operational Risk[(3)]	22,926	2,866	20,140	2,518	20,641	2,580
Total	**26,159**	**3,270**	**23,481**	**2,936**	**23,880**	**2,985**
Total risk assets	**298,536**	**37,317**	**271,767**	**33,972**	**275,440**	**34,429**

(1) Capital requirement calculated at 12.5% of risk asset balances.

(2) Credit Value Adjustments – mark to market with respect to credit risk of counter-party, in conformity with Basel III provisions.

(3) Capital allocation with respect to operational risk was calculated using the standard approach.

Leverage ratio

The Bank applies the rules in Proper Conduct of Banking Business Directive 218 with regard to leverage ratio, which adopts the Basel Committee recommendations with regard to leverage ratio, stipulated in January 2014.

The leverage ratio is reflected in percent, defined as the ratio of Tier I capital to total exposures. Total exposure for the Bank is the sum of balance sheet exposures, exposures to derivatives, to financing transactions for securities and off-balance sheet items.

According to the directive, banking corporations must maintain a leverage ratio of 5% or higher on a consolidated basis.

On November 15, 2020, the Supervisor of Banks issued a circular regarding "Adjustments to Proper Conduct of Banking Business Directives for addressing the Corona Virus (Interim Directive)", updating Proper Conduct of Banking Business Directive 250, whereby the leverage ratio shall be at least 4.5% on a consolidated basis, compared to 5% prior to this change.

In the Supervisor of Banks' circular dated December 20, 2023, the effect of this relief was extended through December 31, 2025. A banking corporation applying this relief at the time would be required to resume the required leverage ratio prior to the interim directive within two quarters, such that upon expiration of the interim directive, the banking corporation would be subject to a minimum leverage ratio based on the actual leverage ratio or the minimum ratio applicable to the banking corporation prior to the interim directive, whichever is lower.

The Bank's leverage ratio as of September 30, 2024 is 6.01%, compared to 5.83% as of December 31, 2023.

For more information see Note 9 to the financial statements.

Below is the Bank's leverage ratio:

	As of September 30 2024	As of September 30 2023	As of December 31 2023
Consolidated data			
Tier I capital	31,128	27,504	28,434
Total exposure	517,795	476,015	487,483
			In %
Leverage ratio	6.01	5.78	5.83
Minimum leverage ratio required by the Supervisor of Banks	4.50	4.50	4.50
Significant subsidiaries			
Bank Yahav for Government Employees Ltd. and its subsidiaries			
Leverage ratio	7.13	6.56	6.68
Minimum leverage ratio required by the Supervisor of Banks	4.50	4.50	4.50

Dividends

Dividend distribution policy

For more information about the Bank's current dividend distribution policy for 2021-2025, see chapter "Dividends" of the 2023 Report by the Board of Directors and Management.

On November 12, 2023, the Supervisor of Banks directed the banking system, due to the war forced on Israel on October 7, and the resulting significant change in economic conditions, downward revision of growth forecasts, volatility in exchange rates and on financial markets in Israel and expected increase in credit risk, the level of uncertainty was higher and therefore banks must consider, when reviewing their capital planning and deciding on dividend distributions, the war's effect on economic conditions and the implications thereof. This is so as to ensure that sufficient capital buffers are in place to address the various risks, to enable assistance to bank customers, including by extending credit to customers with repayment capacity, both as part of the support for economic activity and as part of the recovery and development efforts to follow the war period.

On March 5, 2024, the Supervisor of Banks issued a letter regarding the need to continue review of the dividend distribution policy and execution of share buy backs in the near term, due to the prolonged war and its impact on the economy.

On May 16, 2024 the Commissioner of Banks published a letter on the need to continue with a conservative and educated study of capital planning, of the dividend distribution policy and of the buybacks, while noting the capital ratios in practice and the capital cushions needed in the various possible scenarios.

Dividend distribution

Below is information about dividend distributions by the Bank since 2021 (in reported amounts):

Declaration date	Payment date	Dividends per share (Agorot)	Dividends as percent of profit (In %)	Total dividends paid (NIS in millions)
February 28, 2022	March 15, 2022	105.89	40	271.6
August 15, 2022	August 30, 2022	122.91	30	315.9
November 28, 2022	December 13, 2022	137.43	30	353.4
Total dividend distributions in 2022(1)				**940.9**
March 13, 2023	March 28, 2023	126.79	30	326.1
May 16, 2023	June 1, 2023	159.35	30	410.1
August 14, 2023	August 29, 2023	190.10	35	489.3
November 27, 2023	December 12, 2023	63.86	15	164.7
Total dividend distributions in 2023(2)				**1,390.2**
March 11, 2024	March 28, 2024	81.11	20	209.4
May 22, 2024	June 6, 2024	196.99	40	508.8
August 14, 2024	August 29, 2024	224.83	40	580.8
Total dividends distributed in 2024(3)				**1,299.0**

(1) Total dividends distributed with respect to 2022 earnings – NIS 995.4 million.
(2) Total dividends distributed with respect to 2023 earnings – NIS 1,273.5 million.
(3) Total dividends distributed with respect to 2024 earnings – NIS 1,089.6 million.

Dividends declared

On November 20, 2024, the Bank’s Board of Directors resolved to distribute dividends amounting to NIS 570.0 million, constituting 40% of earnings in the third quarter of 2024, in accordance with the Bank’s dividend policy, and after examining the Bank’s capital planning in the various scenarios.

The dividend amount is 2,205.85% of the issued capital, i.e. NIS 220.59 per NIS 0.1 par value share. The effective date for dividends payment is November 28, 2024 and the payment date is December 5, 2024. The final dividends per share is subject to changes due to realized convertible securities of the Bank.

Other off-balance sheet activity

Below is development of off balance sheet monetary assets held on behalf of Bank Group customers, for which the Bank Group provides management, operating and/or custodial services (NIS in millions):

				Change in % compared to	
	September 30		December 31	September 30	December 31
	2024	2023	2023	2023	2023
Securities[1]	607,179	536,579	550,807	13.2	10.2
Assets of provident funds for which the Group provides operating services	179,895	140,670	147,852	27.9	21.7
Assets held in trust by Bank Group	123,558	98,891	110,721	24.9	11.6
Assets of mutual funds for which the Group provides operating services	10,523	13,719	14,019	(23.3)	(24.9)
Other assets under management[2]	20,141	20,588	20,561	(2.2)	(2.0)

(1) Value of securities portfolios for which the Bank is custodian, held by customers, including securities of provident funds and mutual funds for which the Group provides operating services. Note that customer activity as presented includes, in addition to securities of mutual funds as aforesaid, also the value of participation units in said mutual funds held by Bank customers.

(2) Including:

– Loan balances secured by deposits whose repayment to the depositor is contingent upon collection of the loan balance. The Bank receives margin or commission revenues with respect to these balances.

– Other loans managed by the Bank, including residential mortgages managed and operated by the Bank on behalf of others.

Financial information by operating segment

According to the public reporting directive regarding supervisory operating segments, the Bank is required to provide, on its financial statements, disclosure with regard to supervisory operating segments in conformity with a uniform, comparable layout specified by the Supervisor of Banks; attribution to supervisory operating segments is typically determined by the turnover volume for customers (annual sales or annual revenues).

Supervisory operating segments are divided into operating segments of individuals and operating segments of business customers other than individuals (including institutional investors and financial management of the Bank).

Individuals are defined as persons with no indebtedness to the Bank or whose indebtedness is classified as indebtedness of "individuals – residential mortgages" and "other", in conformity with definitions of credit risk classification by economic sector.

The Bank's operating segment using the "management approach" are based on customer assignment to the responsible organizational unit in the elapsed period.

However, customer segmentation by supervisory operating segment is based on uniform definitions specified by the Supervisor of Banks, as set forth in Note 12 to the financial statements.

The attributes specified by management for customer assignment to the responsible division are highly correlated with supervisory definitions.

However, in some cases it may be that by the "management approach", the final assignment of the customer is based on other parameters, such as: A particular unit specializing in customer activity type or experienced gained working with the customer, which provides business and service advantages to assigning the customer to that specific division.

In view of the Supervisor of Banks' requirement to discuss and analyze, in the Report of the Board of Directors and Management, the supervisory operating segments, and due to the correlation between supervisory segments and "management approach", the segment information (both qualitative and quantitative) is concisely presented below as follows:

- Supervisory segment definition.
- Explanation of differences between "supervisory" definition and how business is actually managed (under "management approach").
- Segment financial results (under "supervisory approach").

For more information about principles used to attribute balances, revenues and expenses to customers, see Note 12 to the financial statements.

For more information and detailed description of the segments, see chapter "Other information about the Bank and its management" of the 2023 annual report.

Financial information by supervisory operating segment

Below are summary financial results of supervisory operating segments (NIS in millions):

	Net profit		Percentage of total net profit	
	Nine months		Nine months	
	2024	2023	2024	2023
Private individuals:				
Households – residential mortgages	920	795	22.2	20.6
Households – other	863	734	20.8	19.0
Private banking	161	161	3.9	4.2
Total individuals	**1,944**	**1,690**	**46.9**	**43.7**
Business operations:				
Small and micro businesses	862	718	20.8	18.6
Medium businesses	243	223	5.9	5.8
Large businesses	682	409	16.4	10.6
Institutional investors	40	38	1.0	1.0
Total business activity	**1,827**	**1,388**	**44.0**	**35.9**
Financial management	229	662	5.5	17.1
Total activity in Israel	**4,000**	**3,740**	**96.4**	**96.8**
Overseas activity	149	123	3.6	3.2
Total	**4,149**	**3,863**	**100.0**	**100.0**

For more information about operating results under "management approach", see Note 12 to the financial statements.

Household Segment

Supervisory definition

According to the supervisory definition, the household segment includes individuals other than customers included under the private banking segment. That is to say, this segment excludes individuals with total financial assets in excess of NIS 3 million. Individuals are defined as persons with no indebtedness to the Bank or whose indebtedness is classified as indebtedness of "individuals – residential mortgages" and "other", in conformity with definitions of credit risk classification by economic sector.

Differences between management approach and supervisory definition

- Certain individual customers classified under the private banking segment according to the management approach, are classified under the household segment according to the supervisory segment approach. The difference is primarily due to total financial assets of the customers used for customer classification – the Bank threshold for classification of customers by the management approach is NIS 1 million, lower than the supervisory definition.
- In general, individual customers are assigned to the household segment. According to the supervisory approach, individual customers with high indebtedness or with business features are classified under business operating segments, rather than under the household segment.

Operating results in the household segment

	For the nine months ended September 30					
	2024			2023		
	NIS in millions					
	Other	Residential mortgages	Total	Other	Residential mortgages	Total
Profit and profitability						
Total interest revenues, net	2,873	2,090	4,963	2,847	2,060	4,907
Non-interest financing revenues	-	-	-	-	-	-
Commissions and other revenues	483	91	574	537	105	642
Total revenues	**3,356**	**2,181**	**5,537**	**3,384**	**2,165**	**5,549**
Expenses due to credit losses	85	73	158	262	235	497
Operating and other expenses	1,679	625	2,304	1,817	707	2,524
Profit before provision for taxes	1,592	1,483	3,075	1,305	1,223	2,528
Provision for taxes	604	563	1,167	456	428	884
After-tax profit	988	920	1,908	849	795	1,644
Net profit:						
Attributable to non-controlling interests	(125)	-	(125)	(115)	-	(115)
Attributable to shareholders of the banking corporation	**863**	**920**	**1,783**	**734**	**795**	**1,529**
Balance sheet – key items:						
Loans to the public (end balance)	27,993	219,777	247,770	28,173	204,852	233,025
Loans to the public, net (end balance)	27,337	218,589	245,926	27,509	203,720	231,229
Deposits from the public (end balance)	138,548	-	138,548	130,231	-	130,231
Average balance of loans to the public	26,636	212,405	239,041	27,064	200,980	228,044
Average balance of deposits from the public	137,305	-	137,305	128,387	-	128,387
Average balance of risk assets	22,754	126,442	149,196	22,035	119,525	141,560
Credit spreads and deposit spreads:						
Margin from credit granting operations	754	1,790	2,544	827	1,753	2,580
Margin from activities of receiving deposits	2,071	-	2,071	1,978	-	1,978
Other	48	300	348	42	307	349
Total interest revenues, net	**2,873**	**2,090**	**4,963**	**2,847**	**2,060**	**4,907**

Net profit attributable to the household segment in the first nine months of 2024 amounted to NIS 1,783 million, compared to NIS 1,529 million in the corresponding period last year. The increase largely derived from a decrease in expenses due troy credit losses and a decrease in operational and other expenses.

Net profit attributable to residential mortgage operations in the household segment in the first nine months of 2024 amounted to NIS 920 million, compared to NIS 795 million in the corresponding period last year.

Interest revenues, net in the first nine months of 2024 amounted to NIS 2,090 million, compared to NIS 2,060 million in the corresponding period last year.
The increase was largely from the continued increase in the volume of activity – an increase of 5.7% in the average balance of the public credit compared to the corresponding period last year, offset by the cost of benefits given Bank customers harmed as a result of the impact of the war.
Expenses with respect to credit losses decreased in comparison with the corresponding period last year, mainly as a result of a drop in expenses due to the collective provision.
Operational and other expenses mainly decreased compared to the corresponding period last year as a result of the effect of the pay agreement signed with the employee union recorded in the corresponding half last year, as well as from the adjustment of variable remuneration components due to the financial results.

Net profit attributable to household operations (other than residential mortgages) in the first nine months of 2024 amounted to NIS 863 million, compared to NIS 734 million in the corresponding period last year.
Interest revenues, net amounted to NIS 2,873 million, compared to NIS 2,847 million in the corresponding period last year. The increase was largely from an increase in the scope of deposits; it was also affected by the interest rate cut, the diversion of funds from current accounts to deposits, and by the cost of benefits given Bank customers which were adversely affected by the impact of the war.
Expenses with respect to credit losses amounted to NIS 85 million in the first nine months of 2024, compared to NIS 262 million last year. The decrease in the expenses is mainly due to a drop in expenses due to the collective provision.
Operating and other expenses amounted to NIS 1,679 million, compared to NIS 1,817 million in the corresponding period last year. The decrease mainly derived from the continued synergy following the Union Bank merger, the impact of the payroll agreement signed with the employee union, and adjustments to variable remuneration components due to the financial results.

For more details and extensive information about results of this segment and operating results in conformity with management's approach - see Note 12 to the financial statements.

	For the three months ended September 30					
	2024			2023		
	NIS in millions					
	Other	Residential mortgages	Total	Other	Residential mortgages	Total
Profit and profitability						
Total interest revenues, net	982	709	1,691	981	709	1,690
Non-interest financing revenues	-	-	-	-	-	-
Commissions and other revenues	150	30	180	184	30	214
Total revenues	**1,132**	**739**	**1,871**	**1,165**	**739**	**1,904**
Expenses due to credit losses	11	39	50	120	172	292
Operating and other expenses	560	206	766	608	204	812
Profit before provision for taxes	561	494	1,055	437	363	800
Provision for taxes	212	187	399	154	129	283
After-tax profit	349	307	656	283	234	517
Net profit:						
Attributable to non-controlling interests	(45)	-	(45)	(30)	-	(30)
Attributable to shareholders of the banking corporation	**304**	**307**	**611**	**253**	**234**	**487**
Balance sheet – key items:						
Loans to the public (end balance)	27,993	219,777	247,770	28,173	204,852	233,025
Loans to the public, net (end balance)	27,337	218,589	245,926	27,509	203,720	231,229
Deposits from the public (end balance)	138,548	-	138,548	130,231	-	130,231
Average balance of loans to the public	26,692	217,041	243,733	27,267	202,394	229,661
Average balance of deposits from the public	138,287	-	138,287	129,174	-	129,174
Average balance of risk assets	22,907	129,524	152,431	22,353	121,437	143,790
Credit spreads and deposit spreads:						
Margin from credit granting operations	256	605	861	273	576	849
Margin from activities of receiving deposits	710	-	710	692	-	692
Other	16	104	120	16	133	149
Total interest revenues, net	**982**	**709**	**1,691**	**981**	**709**	**1,690**

Private Banking Segment

Supervisory definition

According to the supervisory definition, the private banking segment includes individuals whose financial asset portfolio at the Bank (including monetary deposits, securities portfolios and other financial assets) exceeds NIS 3 million.

Differences between management approach and supervisory definition

- Certain individual customers classified under the private banking segment according to the management approach, are classified under the household segment according to the supervisory segment approach. The difference is primarily due to total financial assets of the customers used for customer classification – the Bank threshold for classification of customers by the management approach is NIS 1 million, lower than the supervisory definition.
- According to management approach, the private banking segment also includes businesses with liquid assets in excess of NIS 8 million. According to the supervisory segment approach, these customers are classified under business operating segments.

Operating results in the private banking segment

	For the nine months ended September 30		For the three months ended September 30	
	2024	2023	2024	2023
	NIS in millions			
Profit and profitability				
Total interest revenues, net	262	249	88	79
Non-interest financing revenues	-	-	-	-
Commissions and other revenues	11	15	3	6
Total revenues	**273**	**264**	**91**	**85**
Expenses due to credit losses	-	-	-	(1)
Operating and other expenses	13	16	4	7
Profit before provision for taxes	260	248	87	79
Provision for taxes	99	87	33	28
Net profit	**161**	**161**	**54**	**51**
Balance sheet – key items:				
Loans to the public (end balance)	112	99	112	99
Loans to the public, net (end balance)	111	98	111	98
Deposits from the public (end balance)	28,111	28,136	28,111	28,136
Average balance of loans to the public	80	126	92	119
Average balance of deposits from the public	27,380	26,594	27,724	27,128
Average balance of risk assets	45	50	48	43
Credit spreads and deposit spreads:				
Margin from credit granting operations	1	-	1	-
Margin from activities of receiving deposits	263	249	89	79
Other	(2)	-	(2)	-
Total interest revenues, net	**262**	**249**	**88**	**79**

Net profit attributable to the private banking segment in the first nine months of 2024 amounted to NIS 161 million, which is similar to the corresponding period last year.

For more details and extensive information about results of this segment and operating results in conformity with management's approach - see Note 12 to the financial statements.

Small and micro business segment

Supervisory definition

The micro and small business segment includes businesses with annual turnover below NIS 50 million.

Differences between management approach and supervisory definition

- According to management approach, business customers with liquid assets in excess of NIS 8 million are assigned to the private banking segment. According to the supervisory segment approach, these customers are classified under small and micro business segment based on their annual business turnover.
- Business customers currently attributed to commercial banking using the management approach and whose annual turnover is lower than NIS 30 million, are classified to the micro and small business segment using the supervisory approach.

Operating results in the small and micro business segment

	For the nine months ended September 30		For the three months ended September 30	
	2024	2023	2024	2023
	NIS in millions			
Profit and profitability				
Total interest revenues, net	1,973	1,994	689	683
Non-interest financing revenues	-	-	-	-
Commissions and other revenues	396	425	106	138
Total revenues	**2,369**	**2,419**	**795**	**821**
Expenses due to credit losses	184	372	19	165
Operating and other expenses	777	926	261	308
Profit before provision for taxes	1,408	1,121	515	348
Provision for taxes	534	392	194	123
After-tax profit	**874**	**729**	**321**	**225**
Net profit attributed to non-controlling interests	(12)	(11)	(4)	(4)
Net profit attributable to shareholders of the banking corporation	**862**	**718**	**317**	**221**
Balance sheet – key items:				
Loans to the public (end balance)	36,591	35,676	36,591	35,676
Loans to the public, net (end balance)	35,170	34,425	35,170	34,425
Deposits from the public (end balance)	60,295	54,785	60,295	54,785
Average balance of loans to the public	34,105	34,517	35,701	34,532
Average balance of deposits from the public	56,835	55,491	58,279	55,619
Average balance of risk assets	31,866	33,170	31,614	33,288
Credit spreads and deposit spreads:				
Margin from credit granting operations	970	1,034	346	354
Margin from activities of receiving deposits	909	867	312	293
Other	94	93	31	36
Total interest revenues, net	**1,973**	**1,994**	**689**	**683**

Net profit attributable to the micro and small businesses segment in the first nine months of 2024 amounted to NIS 862 million, compared to NIS 718 million in the corresponding period last year. The increase was primarily due a drop in operating and other expenses offset from a decrease in interest revenues, net.
Interest revenues, net in the first nine months of 2024 amounted to NIS 1,973 million, compared to NIS 1,994 million in the corresponding period last year. The decrease stemmed mainly from the interest rate cut, the diversion of funds from current accounts to deposits, and the cost of benefits given Bank customers which were adversely affected by the impact of the war.
Operational and other expenses in the first nine months of 2024 amounted to NIS 777 million, compared to NIS 926 million in the corresponding period last year. The decrease mainly derived from the continued synergy following the Union Bank merger, the impact of the payroll agreement signed with the employee union, and adjustments to variable remuneration components due to the financial results.

For more details and extensive information about results of this segment and operating results in conformity with management's approach - see Note 12 to the financial statements.

Medium business segment

Supervisory definition

The medium business segment includes businesses with annual turnover from NIS 50 million to NIS 250 million.

Differences between management approach and supervisory definition

- The commercial banking segment, according to management approach, includes businesses with turnover between NIS 30 million and NIS 250 million. This means that some commercial banking customers (under management approach) whose turnover is below NIS 50 million are classified to the micro and small business segment using the supervisory operating segments.
- In general, in recent years new customers are classified in conformity with the supervisory definition, resulting in better alignment of the management approach with the supervisory approach, as noted above.

Operating results of medium business segment

	For the nine months ended September 30		For the three months ended September 30	
	2024	2023	2024	2023
	NIS in millions			
Profit and profitability				
Total interest revenues, net	471	488	151	155
Non-interest financing revenues (expenses)	-	-	-	-
Commissions and other revenues	76	77	25	29
Total revenues	**547**	**565**	**176**	**184**
Expenses due to credit losses	31	71	17	65
Operating and other expenses	124	151	40	44
Profit before provision for taxes	392	343	119	75
Provision for taxes	149	120	45	27
Net profit	**243**	**223**	**74**	**48**
Balance sheet – key items:				
Loans to the public (end balance)	12,399	12,522	12,399	12,522
Loans to the public, net (end balance)	12,168	12,270	12,168	12,270
Deposits from the public (end balance)	13,485	12,434	13,485	12,434
Average balance of loans to the public	12,432	12,243	12,288	12,285
Average balance of deposits from the public	14,129	12,565	13,655	12,495
Average balance of risk assets	14,936	14,572	14,907	14,714
Credit spreads and deposit spreads:				
Margin from credit granting operations	286	298	92	92
Margin from activities of receiving deposits	152	155	49	51
Other	33	35	10	12
Total interest revenues, net	**471**	**488**	**151**	**155**

Net profit attributable to the medium businesses segment in the first nine months of 2024 amounted to NIS 243 million, compared to NIS 223 million in the corresponding period last year. The increase largely derived from a decrease in expenses due to credit losses and a decrease in operational and other expenses.

For more details and extensive information about results of this segment and operating results in conformity with management's approach - see Note 12 to the financial statements.

Large business segment

Supervisory definition

The large business segment includes businesses with annual turnover in excess of NIS 250 million.

Differences between management approach and supervisory definition

Institutional investors, which according to management approach are managed under business banking, are presented as a separate segment according to supervisory operating segments.

Operating results of large business segment

	For the nine months ended September 30		For the three months ended September 30	
	2024	**2023**	**2024**	**2023**
	NIS in millions			
Profit and profitability				
Total interest revenues, net	994	878	337	297
Non-interest financing revenues	-	-	-	-
Commissions and other revenues	223	162	74	54
Total revenues	**1,217**	**1,040**	**411**	**351**
Expenses (income) with respect to credit losses	(93)	158	(18)	128
Operating and other expenses	211	253	69	83
Profit before provision for taxes	1,099	629	360	140
Provision for taxes	417	220	136	50
Net profit	**682**	**409**	**224**	**90**
Balance sheet – key items:				
Loans to the public (end balance)	39,185	35,054	39,185	35,054
Loans to the public, net (end balance)	38,767	34,570	38,767	34,570
Deposits from the public (end balance)	42,322	35,740	42,322	35,740
Average balance of loans to the public	38,601	32,857	40,541	35,118
Average balance of deposits from the public	39,447	37,215	41,171	37,529
Average balance of risk assets	56,254	44,263	59,807	46,046
Credit spreads and deposit spreads:				
Margin from credit granting operations	684	574	224	194
Margin from activities of receiving deposits	191	203	69	64
Other	119	101	44	39
Total interest revenues, net	**994**	**878**	**337**	**297**

Net profit attributable to the large businesses segment in the first nine months of 2024 amounted to NIS 682 million, compared to NIS 409 million in the corresponding period last year. The increase was primarily due to an increase in interest revenues, net and a decrease in expenses with respect to credit losses.
Interest revenues, net in the first nine months of 2024 amounted to NIS 994 million, compared to NIS 878 million in the corresponding period last year. The increase was primarily due to an increase in average credit balances.
In the first nine months of 2024, expenses with respect to credit losses amounted to an income of NIS 93 million, compared to expenses amounting to NIS 158 million in the corresponding period last year. The decrease largely derived from a decrease in expenses due to the collective provision.

For more details and extensive information about results of this segment and operating results in conformity with management's approach - see Note 12 to the financial statements.

Institutional investors segment

Supervisory definition

This segment includes provident funds, pension funds, study funds, mutual funds, ETFs, insurance companies and stock exchange members which manage customer funds.

Differences between management approach and supervisory definition

According to management approach, institutional investors are managed under business banking and under the financial management segment; According to supervisory operating segments, they are presented as a separate segment.

Operating results of institutional investors segment

	For the nine months ended September 30		For the three months ended September 30	
	2024	2023	2024	2023
	NIS in millions			
Profit and profitability				
Total interest revenues, net	172	154	55	48
Non-interest financing revenues	-	-	-	-
Commissions and other revenues	40	38	16	11
Total revenues	**212**	**192**	**71**	**59**
Expenses due to credit losses	7	2	1	2
Operating and other expenses	141	132	50	46
Profit before provision for taxes	64	58	20	11
Provision for taxes	24	20	7	4
Net profit	**40**	**38**	**13**	**7**
Balance sheet – key items:				
Loans to the public (end balance)	5,362	2,684	5,362	2,684
Loans to the public, net (end balance)	5,350	2,675	5,350	2,675
Deposits from the public (end balance)	85,292	77,927	85,292	77,927
Average balance of loans to the public	5,108	2,440	5,128	2,741
Average balance of deposits from the public	81,422	74,135	84,306	75,497
Average balance of risk assets	1,380	1,886	1,532	1,496
Credit spreads and deposit spreads:				
Margin from credit granting operations	30	16	8	6
Margin from activities of receiving deposits	140	134	46	41
Other	2	4	1	1
Total interest revenues, net	**172**	**154**	**55**	**48**

Net profit attributable to the institutional investors segment in the first nine months of 2024 amounted to NIS 40 million, compared to NIS 38 million in the corresponding period last year.

For more details and extensive information about results of this segment and operating results in conformity with management's approach - see Note 12 to the financial statements.

Financial management segment

Supervisory definition

The financial management segment includes trading operations, asset and liability management and non-banking investments.
Trade operations – Investment in securities held for trading, market making operations for securities, operations involving derivatives not designated as hedges and which are not part of asset and liability management for the Bank, borrowing of securities for trading, short selling of securities, underwriting services for securities.
Asset and liability management – including investment in bonds available for sale and in bonds held to maturity, hedging using derivatives, ALM hedging, currency hedging of investments overseas.
Real investments – Investment in shares available for sale and in associated companies of businesses.
Other financial management operations – management, operation, trust and custody services for banks, sale and management of loan portfolios.

Differences between management approach and supervisory definition

According to management approach, institutional investors are managed under the financial management segment; According to supervisory operating segments, they are presented as a separate segment.

Operating results of financial management segment

	For the nine months ended September 30		For the three months ended September 30	
	2024	2023	2024	2023
	NIS in millions			
Profit and profitability				
Total interest revenues, net	(234)	309	9	(103)
Non-interest financing revenues	431	678	60	341
Commissions and other revenues	417	348	186	110
Total revenues	**614**	**1,335**	**255**	**348**
Expenses due to credit losses	1	8	-	8
Operating and other expenses	231	295	67	88
Profit before provision for taxes	382	1,032	188	252
Provision for taxes	145	361	71	90
After-tax profit	237	671	117	162
Share of banking corporation in earnings of associated companies	15	1	3	-
Net profit before attribution to non-controlling interests	252	672	120	162
Net profit attributed to non-controlling interests	(23)	(10)	(9)	(3)
Net profit attributable to shareholders of the banking corporation	**229**	**662**	**111**	**159**
Balance sheet – key items:				
Average balance of risk assets	20,500	15,992	21,450	17,724
Credit spreads and deposit spreads:				
Margin from credit granting operations	-	-	-	-
Margin from activities of receiving deposits	-	-	-	-
Other	(234)	309	9	(103)
Total interest revenues, net	**(234)**	**309**	**9**	**(103)**

Net profit attributable to the financial management segment in the first nine months of 2024 amounted to NIS 229 million, compared to NIS 662 million in the corresponding period last year. The decrease largely derived form a drop in interest revenues, net.

Financing revenues amounted to NIS 197 million, compared to NIS 987 million in the corresponding period last year. The decrease in financing revenues largely derives from impact of the drop in interest rates in the first quarter of 2024, the increase in prices of resources following the interest rate increases over the course of 2022-2023, and the impact of derivatives. On the other hand, the decrease was offset by the increase in the effect of the Consumer Price Index.

See also analysis of developments in financing revenues, under chapter "Material developments in revenues, expenses and other comprehensive income".

For more details and extensive information about results of this segment and operating results in conformity with management's approach - see Note 12 to the financial statements.

Overseas activity

Supervisory definition

Overseas activity of the Bank is presented separately, divided into activity by individuals and business activity.

Differences between management approach and supervisory definition

Business customers and individual customers at overseas branches are presented as a separate segment under supervisory operating segments, and according to management approach are managed under different operating segments – primarily private banking and corporate banking.

Operating results overseas

	For the nine months ended September 30		For the three months ended September 30	
	2024	2023	2024	2023
	NIS in millions			
Profit and profitability				
Total interest revenues, net	460	307	136	110
Non-interest financing revenues	-	-	-	-
Commissions and other revenues	1	18	(9)	6
Total revenues	**461**	**325**	**127**	**116**
Expenses due to credit losses	126	60	61	35
Operating and other expenses	95	76	32	27
Profit before provision for taxes	240	189	34	54
Provision for taxes	91	66	13	19
Net profit	**149**	**123**	**21**	**35**
Balance sheet – key items:				
Loans to the public (end balance)	11,032	8,411	11,032	8,411
Loans to the public, net (end balance)	10,822	8,323	10,822	8,323
Deposits from the public (end balance)(1)	17,066	11,781	17,066	11,781
Average balance of loans to the public	9,582	7,300	10,318	7,543
Average balance of deposits from the public	13,247	9,274	14,574	10,107
Average balance of risk assets	12,191	9,463	13,223	10,252
Credit spreads and deposit spreads:				
Margin from credit granting operations	262	191	78	68
Margin from activities of receiving deposits	75	19	22	8
Other	123	97	36	34
Total interest revenues, net	**460**	**307**	**136**	**110**

Net profit attributable to the overseas operations segment in the first nine months of 2024 amounted to NIS 149 million, compared to NIS 123 million in the corresponding period last year.

The increase in profit was primarily due to increase in interest revenues, net, partially offset by the increase in expenses with respect to credit losses.

Interest revenues, net in the first nine months of 2024 amounted to NIS 460 million, compared to NIS 307 million in the corresponding period last year. The increase was primarily due to increase in the volume of activity.

Expenses with respect to credit losses in the first nine months of 2024 amounted to NIS 126 million, compared to NIS 60 million.

For more details and extensive information about results of this segment and operating results in conformity with management's approach - see Note 12 to the financial statements.

Principal investee companies

The contribution of investees to net operating profit in the first nine months of 2024 amounted to NIS 336 million, compared with NIS 297 million in the corresponding period last year.

Bank Yahav for Government Employees Ltd. (hereinafter: "Bank Yahav")

Bank Yahav is a banking corporation, operating in conformity with a Bank license pursuant to provisions of the Banking Law (Licensing), 1981.

The Group's share of Bank Yahav's net profit in the first nine months of 2024 amounted to NIS 160 million, compared to NIS 136 million in the corresponding period last year. Bank Yahav's net profit return on equity in the first nine months of 2024 was 16.2% on annualized basis, compared to 15.8% in the corresponding period last year.

Bank Yahav's balance sheet total as of September 30, 2024 amounted to NIS 38,359 million, compared to NIS 37,188 million as of December 31, 2023 – an increase by NIS 1,171 million, or 3.1%. Net loans to the public as of September 30, 2024 amounted to NIS 11,975 million, compared to NIS 11,788 million as of December 31, 2023 – an increase by NIS 187 million, or 1.6%. Net deposits from the public as of September 30, 2024 amounted to NIS 33,890 million, compared to NIS 33,060 million as of December 31, 2023 – an increase by NIS 830 million, or 2.5%.

Tefahot Insurance Agency (1989) Ltd. (hereinafter: "Tefahot Insurance agency")

Tefahot Insurance agency is an insurance agency wholly-owned by the Bank, engaged in sale of life insurance and property insurance policies to mortgage customers of the Bank. Net profit of Tefahot Insurance Agency in the first nine months of 2024 amounted to NIS 63.4 million, compared to NIS 72.7 million in the corresponding period last year.

Mizrahi Tefahot Leasing Ltd. (hereinafter: "Leasing")

Leasing is a company engaged in providing financial leasing services and extending loans to retail customers – car buyers.

Net profit of Leasing in the first nine months of 2024 amounted to NIS 77.4 million, compared to NIS 61.0 million in the corresponding period last year.

Other investee companies operating in Israel

Other investees operating in Israel, wholly controlled by the Bank and supported by Bank infrastructure, contributed to the Bank's net profit in the first nine months of 2024 NIS 14 million – compared to NIS 12 million in the corresponding period last year.

Investments in shares

The Bank manages nostro investments in shares. Shares in which the Bank invested are presented as shares not held for trading and as shares and other securities in the Bank's securities portfolio and under investment in associated companies, where the Bank has a material investment in such entity.

Nostro investments and investments in investees are primarily carried out by Mizrahi Tefahot INVEST Ltd., an investment company wholly owned by the Bank, engaged in investment of funds and/or sale of interest in corporations, development, brokerage and advice on investments as well as operation and management of corporations.

These investments (which are not negotiable and have no available fair value), generally shown at cost (net of impairment), adjusted for changes in observed prices in ordinary transactions for similar or identical investments of the same issuer. Other investments (negotiable and with fair value available) are presented at market value thereof, and unrealized changes to fair value are recognized on the statement of profit and loss.

Bank investments in shares as of September 30, 2024 amounted to NIS 1,034 million, compared to NIS 864 million and NIS 860 million as of September 30, 2023 and as of December 31, 2023, respectively. Bank net gain from investment in shares in the first nine months of 2024 amounted to NIS 82 million, compared to NIS 39 million in the corresponding period last year.

For more information about investments in shares not held for trading, see Note 5 to the financial statements.

Risks overview

This chapter provides a concise overview and analysis of developments of key risks to which the Bank is exposed. This chapter should be read, as needed, in conjunction with the chapter "Risks overview" in the 2023 audited annual financial statements. A detailed Risks Management Report which includes disclosure requirements of Basel Pillar 3 and additional information about risks, provided based on recommendations by the Financial Stability Board (FSB) is provided on the Bank website.

Risk development and management

The Bank's business activity exposes the Bank to various financial and non-financial risks, whose materialization has potential to impact the Bank's business results or image. Top risks and evolving risks are derived from the Bank's business environment, which is impacted by the macro-economic environment, by risk associated with regulation and legislation, by changes to the business model and by social and consumer trends. In recent years, due to changes in the competitive landscape, in the consumer environment, in the regulatory environment and in technology, non-financial risks have been evolving.

As part of processes conducted by the Bank to map and identify risk, the Bank reviews major risks, existing or new, arising from developments in the Bank's business environment, which may materialize over the coming year and with potential to materially impact the Bank's financial results and stability. The Bank also identifies emerging risks, which may materialize over the longer term, with uncertainty about their nature and impact on the Bank. The risks mapping at the Bank is regularly reviewed to ensure that it encompasses all risk associated with business operations at the Bank, and risk arising from market conditions and regulatory requirements.

The Bank’s risk profile and risk assessment remained unchanged relative to the assessments published in the second quarter of 2024. The risk assessments reflect the high levels of uncertainty due to the continuation of the war in the various fronts and the significant economic uncertainty and its impacts, and is compatible with the potential possible impacts of the systematic events on the Bank.

The impact of the war on the risk assessments and the possible increase in risk, were presented starting from the third quarter of 2023. The assessed risk in borrower and collateral quality increased in the third quarter of 2023, reflecting concerns about increases in business credit risk – even though there are no significant indications of an increase in risk. The risk levels of all of the risks remained unchanged in this quarter, and currently are appropriate, and are in line with the fact that significant indications of actual rise in risk have yet to be identified. At the same time, the Bank continues to monitor developments and to conduct increased monitoring of the effects of the war and derivatives thereof on economic activity and, consequently, on Bank activity and various risk aspects.

Note that the assessment of other risks, prior to the war, reflects uncertainty which about the economy, with regard to the global geo-political effects, the state of the global and local economies and changes to the macro-economic environment, as well as the high interest environment and implications thereof, as well as uncertainty regarding the Government's plans to promote changes in the legal system and the public dispute concerning these.

Risks description

A description of the various risks the Bank is exposed to within the framework of its activity, a description of the Bank's risk appetite and its risk management approach, the internal processes within the framework of management, including the use of extreme scenarios, are described in the Report of the Board of Directors and the Risk Report for 2023.

Presented below are changes during 2024 and through publication of these financial statements:

Systemic scenario – uniform stress test

In line with customary world-wide practice, the Supervisor of Banks conducts a uniform macro-economic stress scenario for the banking system, designed to test systemic and individual financial stability in a different macro-economic environment and risk concentrations the banking system is exposed to.

In April 2024 the Bank Supervisor published a uniform macroeconomic stress scenario in which the Iron Swords war escalates and becomes a regional war in 2024. The intensification of the war has led to a sharp increase in uncertainty and a drop in economic activity, the GDP has shrunk, unemployment has increased and the Bank of Israel has raised interest rates. The country's risk premium increased, leading to a sharp drop in the country’s credit rating. The results of the systemic stress scenario were calculated based on data for the end of 2023 and submitted by the banks in July 2024. According to the results, in this stress scenario as well, the Bank retains its robustness and stability throughout the scenario period, while maintaining appropriate regulatory capital and leverage ratios.

Risk factor severity

The Bank has specified a framework for risks management and control by the Group, which includes mapping of material risks, as well as definition of Risk Owners for all risks. For each risk, the Bank estimates its potential impact on business operations over the coming year.
The table below lists the risk factors, executives appointed as Risk Owner for each one and management assessment of the impact of each risk factor, on a scale of five risk levels: Low, Low-medium, Medium, Medium, Medium-High and High. The risk assessment for each risk and examination of their materiality level is reviewed as part of the ICAAP process (an internal process for the assessment of capital adequacy) in the annual assessment process, the RAS (Risk Assessment System), which is a uniform methodological process adapted to regulatory requirements, in which the overall risk levels, management quality and risk profile for all material risks at the Bank are specified and this, based on risk indices, qualitative parameters and subjective assessments.
Furthermore, on a quarterly basis, in line with results of the Bank's annual ICAAP process, an updated risk assessment is conducted for each of these risks based on the specified risk appetite, including quantitative and qualitative benchmarks, and the actual risk profile, including estimated potential for risk materialization and its impact on the Bank in accordance with developments in the business environment ad the macroeconomic environment, and maintaining appropriate management and monitoring processes and emergency plans for dynamic, rapid response designed to minimize damage upon materialization of events. The up-to-date risk assessments are extensively discussed by Bank management and Board of Directors.

In view of the significant economic uncertainty due to the war, and the higher economic systemic risk, the risk assessment conducted by the Bank reflects the potential effects of the war that have not yet been expressed in full. In none of the risks were any significant indications identified of an increase in risk.

Below is a mapping of risk factors, their potential impact on the Bank and executives appointed Risk Owners for each risk, the risk assessments include forward-looking assessment of the potential implications of the war:

Risk factor	Effect of the risk factor	Risk owner
Overall effect of credit risks(1)	Medium	Manager, Corporate Division
Risk with respect to borrower and collateral quality	Medium-High	
Risk from industry concentration(1)	Low-Medium	
Risk with respect to concentration of borrowers / borrower groups	Low	
Risk with respect to mortgage portfolio	Low-Medium	
Overall effect of market risks(2)	Low-Medium	Manager, Financial Division
Interest risk	Medium	
Inflation risk	Low-Medium	
Foreign currency risk	Low	
Liquidity risk	Low-Medium	Manager, Financial Division
Overall effect of operational risk	Medium	Manager, Risks Management Division
Cyber and information security risk	Medium	Manager, Risks Management Division
IT risk	Medium	Manager, Mizrahi Tefahot Technology Division Ltd.
Legal risk	Low-Medium	Chief Legal Counsel
Compliance and regulatory risks(3)	Low-Medium	Manager, Risks Management Division
Reputational risk(4)	Low	Manager, Marketing, Promotion and Business Development Division
Strategic business risk(5)	Low-Medium	President & CEO
Regulatory business risk	Medium-High	President & CEO

(1) Includes concentration in construction and real estate sector.
(2) Includes options and shares risk.
(3) Includes AML and terror financing risk and cross-border risk.
(4) The risk of impairment of the Bank's results due to negative reports about the Bank.
(5) The definition of strategic business risk includes the risk embodied in the capital planning and management process.

Developments in risk assessments for the third quarter of 2024:

1. **Strategic business risk**

The strategic business level remains unchanged, at a low-medium level. At the strategic level there has been no change to the Bank's business model, and the Bank operates based on the current strategic outline and is beyond the business targets set in the original strategic plan (2021-2025). Strategic business risk incorporates all of the Bank's business operations, also reflecting the risk in the Bank's business environment, and the Bank is reviewing the increase in geo-political risk and the macro-economic and business implications that may materialize should the war last longer and/or should it expand to other regions. The current risk level reflects the potential impact of a prolonged war on the economy, the macro-economic uncertainty and the global geo-political situation and the risk due to the impact of various rating agencies lowering Israel's credit rating. The Bank maintains appropriate safety margins for minimum capital and leverage ratios, even given the increase in systemic risk.

2. **Regulatory business risk**

Regulatory business risk remained unchanged at Medium-High, also reflecting potential business implications for banking operations due to the war.

The risk refers to the impact of new legislative and regulatory steps on core subjects of the financial system and uncertainty with regard to developments and exposure of Bank operations to potential regulatory changes, that may impact core operations of the Bank.

3. **Credit risk**

In view of the war and its implications for Bank customers, the Bank has announced a range of relief measures for borrowers, designed to facilitate the debt burden, including loans at preferential terms, bonuses to affected small businesses, payment deferment etc. During September 2024, the Bank of Israel published the fifth phase of the comprehensive assistance outline to customers for dealing with the consequences of the Iron Swords War, and the Bank operates in accordance therewith. The Bank also participated in the loan fund for businesses, launched by the Government in early November 2023, and extended support loans to businesses as part of the “North South” Fund. For more information about impact of benefits and payment deferment offered by the Bank to customers, in order to address Operation Swords of Iron, see chapter "Significant developments in management of business operations" above.

A. Overall effect of credit risks

The overall level of credit risk remained Medium. The risk level for the quality of borrowers and securities is slightly higher than previously, reflecting the current impact and assessments of potential future effects of the war, along with continued uncertainty with regard to the macroeconomic environment. These changes affect borrower operations, and may increase credit risk. In the third quarter of 2023, due to the war the risk to borrower and collateral quality increased, due to economic deterioration due to the war and its potential impact on the state of borrowers and overall business activity. The major risk concentrations include borrowers and businesses in border regions, activity in sectors identified as affected by the war, and borrowers and businesses that were at high risk even prior to the war, who are more sensitive and vulnerable to external events, as well as borrowers who have deferred payments. The Bank tracks the resumption of payment of all of the customers who conducted deferrals. Likewise, the Bank closely monitors the potential effects, identifying any economic sectors that may be impacted, constantly reviews the risk measures and risk levels, adapting them as required to current business activity, subject to and in line with the risk appetite and takes steps to improve borrower repayment capacity and to reduce the risk level.

B. Credit risk in the construction and real estate sector

The assessment of the total impact of credit risks and sector concentration includes the risk assessment with respect to Bank exposure to the construction and real estate sector. The Bank is mostly focused in this sector on extending credit for construction using the financial support method (closed assistance). Most of the credit risk in the construction and real estate sector is backed by real estate fully pledged to secure loan repayment, and for credit not secured by real estate collateral, there is other collateral in place, such as: deposits, securities etc. The share of the construction and real estate sector in Israel out of total credit risk to the public at the Bank is approx. 16.6%.

The effect of the economic uncertainty due to the continuation of the war increases - to a certain extent - the systemic risk in the real estate sector. The Iron Swords War led to an increase in risk levels in this sector, due to slower progress of construction due to shortage of labor and slow-down in activity on some construction sites, which may cause delays in apartment delivery and decrease in residential construction starts. In addition, raw material prices and workers’ salaries have increased.

Since the beginning of 2024, there has been a recovery in the demand side and in the number of transactions, including in areas located close to the conflict zones. The Bank monitors closely the development of the industry's risk characteristics and the effects of changes on Bank operations.

In October 2024, the Supervisor of Banks published a letter to the banking system, in which he noted that in the past year the risk level of the exposures to the construction and real estate sector has increased due to the high interest rate environment and the increase in the overall uncertainty level due to the war. The Bank is making preparations for an analysis of the risk with respect to its exposures and to reply to the letter. In accordance with the Bank of Israel's requirement, the completion of the analysis and its presentation for discussion in the board of directors are expected to take place towards the end of the year. The Bank regularly monitors the provisions for credit losses, and revises them as needed.

C. Credit risk in the residential mortgage portfolio

The risk level in the mortgage portfolio remained unchanged at Low-Medium, reflecting the potential for cumulative effects of higher interest rates and high inflation on borrower repayment capacity and uncertainty due to the war, including the scope of customers with deferred payments. Note that during COVID, which saw extensive mortgage deferment, in actual fact, it turned out that upon the economy resuming normal activity, the risk potential in the mortgage portfolio did not materialize. Note that risk benchmarks throughout the reported period do not currently indicate any deterioration or material change in risk level, therefore the risk assessment remained unchanged. The Bank monitors the impact of the war on economic growth and activity, yet to be fully reflected.

4. Market and interest risks

The overall risk level of market and interest risk remained Low-Medium. Interest risk remained Medium, after increasing in the fourth quarter of 2022, from Low-Medium to Medium, due to the higher interest rates, high uncertainty and potential impact for borrower and depositor behavior, in particular the trend of balance transition from current accounts to deposits and changes to mortgage performance mix towards options less sensitive to changes in interest rates. The risk values continue to be close to the limits of the Bank's risk appetite. In October 2024, the Bank of Israel interest rate remained at 4.5%.

5. Liquidity risk

Liquidity risk remained low-medium. Since the war started, and due to the security situation in Israel, the Bank's alert level with regard to liquidity increased, although there was no material change to relevant indicators, due to the wish to closely monitor any potential changes in the situation. In practice, no events nor indications were observed which would indicate realization of a liquidity event. In the third quarter of 2024, the Bank maintained high liquidity by investing excess liquidity in liquid assets of very high quality – Level 1 assets. As of September 30, 2024, the average (consolidated) liquidity coverage ratio amounted to 127%. The net stable funding ratio (on consolidated basis) was 113% and there were no deviations from the Bank's risk appetite limitations. The Bank maintains high surplus foreign currency, and closely manages its liquidity based on specified guidelines, including ongoing review of Bank compliance with systemic emergency scenarios.

6. Technological Risk

The technology risk remained Medium. This is a material risk factor for the Bank, and potential damage due to its realization may be significant. Technological activity is focused on changing needs in line with the Bank's business strategy, and taking as many steps as possible to mitigate the probability of the realization of the technological risks and the potential damage of their realization, with an emphasis on the possible implications of the continuation of the war on risk.

In July 2024 a technological event occurred due to a global breakdown by CrowdStrike, which was caused by a faulty software update that negatively impacted the activity of bodies and companies across the world that use the Microsoft Windows operating system. The Bank identified the event immediately and restored the systems to full functionality and in a brief period of time, allowing full business activity and with no impact on the Bank's customers.

7. Cyber and information security risk

The information security and cyber risk level remained medium. In this quarter, a small number of fraud attempts against customers (through phishing attacks) were identified, in which their account credentials were stolen in order to conduct un-authorized transactions in their accounts. Thanks to defensive measures applied by the Bank, despite these fraud attempts, there were no unauthorized transactions in customer accounts. In addition, in the occurred quarter, several DDoS attacks were conducted against the Bank's marketing website. Throughout this attack, the Bank app and transaction website operated normally, and this attack had no impact on the Bank's business activity. Concurrently, over the course of the quarter the Bank acts to expand its capacity to respond to such attacks.

Due to the war, the risk of attempted cyber attacks in the banking system is higher, as is the potential for materialization of this risk. In order to identify and thwart cyber events, the Bank has raised its alert, vigilance and readiness for such events. The Bank also acts to prevent fraud, by bolstering its monitoring activity to identify any suspect activity in customer accounts. There is constant activity by attack groups, along with continued activity and bolstering of the Bank's control and protection system. Note that despite the increase in cyber risk world-wide and in Israel, due inter alia to increased use of cloud environments, increased remote working and more sophisticated attacks, primarily ransom attacks – the actions taken by the Bank in recent years to manage the risk, have maintained risk at the Bank unchanged.

8. Compliance and regulatory risks

Compliance and regulatory risk remained Low-Medium. The Bank applies the current and new regulatory provisions. The root systemic risk increased, due to effects of the war and of the global geo-political situation, and accordingly, upon the start of the war an expansion occurred in management focus and monitoring at the Bank on issues of compliance, AML and prohibition of terror financing as applicable. Moreover, the Bank operates within the international banking framework that applies cross-border enforcement rules, and has set a policy regarding the implementation of sanctions as required by regulation.

9. Reputational risk

The Bank's reputational risk remained Low. The Bank regularly monitors various benchmarks and indicators with regard to its reputation, indicating that the Bank has maintained a significant leading image in terms of service, fairness and perception as a different bank. Among Bank customers, the high image reception levels remain. Satisfaction from the service experience offered by the Bank remains high and stable and managed systematically using a variety of tools.

10. Legal risk

Legal risk remained Low-medium. In this quarter there were no unusual events which may impact Bank exposure. Legal risk is defined in Proper Conduct of Banking Business Directive 350 regarding "Operational risks" and includes absence of potential for legal enforcement of an agreement and includes, but is not limited to exposure to fines or penalties arising from supervisory action, as well as from individual arrangements. Legal risk also includes risks arising from legal exposure due to Bank conduct with its various stakeholders (such as: customers, suppliers and other third parties). The Bank's Legal Division regularly analyzes the legal risk components, the risk boundaries (arising, for example, from the counter-party identity, from creation of collateral etc.) as well as specific risk attributes while reviewing its risk level and exposure with attention to the different lines of business at the Bank and provides current legal advice to the Bank and its various units.

For further details see the risk report for, 2023 published on the Bank's website.

Credit risk

Risk description and development thereof

Credit risk is the risk that a borrower or counter party of the Bank would not meet their obligations to the Bank. Credit risk is a material risk for Bank operations. This risk is affected by these major factors: Business risk due to customer activities, concentration risk due to over-exposure to a borrower or borrower group and to economic sectors, geographic concentration risk, risk due to exogenous changes which mostly involve changes to the borrower's macro-economic environment, environmental risks and climate risks, credit risks outside of Israel and operational risks which, should they materialize, would have implications for credit risks. This risk is also inter-related with some other risks, such as: market and interest risk, liquidity risk, compliance risk and other risks.
Credit is at the core of banking activity, and therefore this is the primary risk of all risk types addressed by the banking system. Consequently, the lion's share of capital allocated in Pillar 1 is due to credit risk.
As noted above, the overall level of credit risk remained Medium.

Analysis of developments in credit quality and problematic credit risk

Significant exposure to groups of borrowers

Disclosure of credit risk with respect to significant exposure to borrower groups is provided with regard to each group of borrowers whose net indebtedness, on a consolidated basis, after allowed deductions pursuant to Proper Conduct of Banking Business Directive 313, exceeds 15% of the banking corporation's capital (as defined in Regulation 313).

As of September 30, 2024, the Bank had no borrower group which meets the aforementioned criteria.

For more information about significant exposures to borrower groups, see chapter "Credit Risk" in the Report of the 2023 Report of the Board of Directors and Management.

Major borrowers

Below is the sector composition of the top 6 borrowers for the Group as of September 30, 2024 (NIS in millions):

Borrower no.	Economic sector	On-balance sheet credit risk(1)	Off-balance sheet credit risk(1)	Total credit risk(1)
1.	Financial services	1,216	920	2,136
2.	Construction and real estate	682	812	1,494
3.	Construction and real estate	595	832	1,427
4.	Civil Engineering Works	294	1,019	1,313
5.	Civil Engineering Works	750	449	1,199
6.	Financial services	35	1,019	1,054

(1) On- and off-balance sheet credit risk is stated before impact of provision for credit losses, and before impact of deductible collateral with respect to indebtedness of borrower and of borrower group.

Leveraged financing

Leveraged financing is credit financing provided to customers which fulfills one of the following criteria:

1. Credit for an equity transaction would be classified according to one of the following rules:

- Credit for an equity transaction (as defined below), provided that the balance of such credit exceeds 0.5% of Bank capital or NIS 35 million, whichever is higher.
- For credit financing acquisition of equity interests in another banking corporation, or in a banking holding corporation, provided that the balance of such credit exceeds NIS 35 million.
- Additional credit extended to the borrower after the financing for the equity transaction, with repayment primarily based on the cash flows derived from the equity interest whose purchase was financed by the banking corporation.

"**Equity transaction**": A transaction with one of the following goals:

- Buyout – purchase or buyback, by the borrower, of the borrower's issued capital (including an employees' stock purchase plan).
- Acquisition of another corporation – the purchase of any capital rights in another corporation, or the purchase of all, or a significant share, of the assets of another corporation.
- Capital distribution – the payment of dividends or another transaction whose goal is to increase shareholder value.

An equity transaction, with regard to leveraged financing, is one where the loan balance exceeds 0.5% of Bank capital and where the LTV ratio exceeds 50%.

2. Financing for leveraged companies, which is material credit extended to companies with attributes which indicate that an adverse change in the global economic environment or in the specific environment of the sector in which they do business, may significantly impact their capacity to repay the Bank. The Bank has specified criteria for defining credit included in this category, based on the business customer's credit risk rating, as reflected by the Bank's rating model; it also specified benchmarks for leveraging (i.e. for significantly high deviation from typical norms for the sector), determined based on generally accepted financial ratios among Bank customers with material credit in major economic sectors in which the Bank operates. Leverage benchmarks and economic sectors are reviewed based on changes to the business environment and are modified as necessary. Borrowers flagged for one or more of the criteria specified are individually reviewed by a forum which includes representatives from the Corporate Division, the Risk Management Division and the Information and Financial Reporting Division. The forum reviews changes to financial parameters of the company and the economic environment in which it operates.

Details of Bank exposure to credit constituting leveraged financing are as follows:

Credit for equity transactions (NIS in millions):

	September 30, 2024				September 30, 2023(1)				December 31, 2023(1)			
Economic sector of acquired company	**On-balance sheet credit risk**	**Off-balance sheet credit risk**	**Total credit risk**	**Individual provision for credit losses**	**On-balance sheet credit risk**	**Off-balance sheet credit risk**	**Total credit risk**	**Individual provision for credit losses**	**On-balance sheet credit risk**	**Off-balance sheet credit risk**	**Total credit risk**	**Individual provision for credit losses**
Construction and real estate	-	-	-	-	344	1	345	-	-	-	-	-
Mining and excavation	665	176	841	-	554	69	623	-	532	-	532	-
Transport and storage	-	-	-	-	621	-	621	-	601	-	601	-
Total	**665**	**176**	**841**	**-**	**1,519**	**70**	**1,589**	**-**	**1,133**	**-**	**1,133**	**-**

Credit to leveraged companies (NIS in millions):

	September 30, 2024				September 30, 2023(1)				December 31, 2023(1)			
Economic sector of borrower	**On-balance sheet credit risk**	**Off-balance sheet credit risk**	**Total credit risk**	**Individual provision for credit losses**	**On-balance sheet credit risk**	**Off-balance sheet credit risk**	**Total credit risk**	**Individual provision for credit losses**	**On-balance sheet credit risk**	**Off-balance sheet credit risk**	**Total credit risk**	**Individual provision for credit losses**
Industry and production	-	-	-	-	131	22	153	-	-	-	-	-
Construction and real estate(2)	90	374	464	-	575	96	671	-	711	53	764	-
Electricity and water(2)	188	3	191	-	371	196	567	-	359	191	550	-
Commerce	175	4	179	-	190	4	194	-	188	4	192	-
Transport and storage	444	47	491	-	453	45	498	-	444	45	489	-
Total	**897**	**428**	**1,325**	**-**	**1,720**	**363**	**2,083**		**1,702**	**293**	**1,995**	

(1) Reclassified.

(2) The decrease in the risk arising from credit to leveraged companies as of September 30, 2024 stems from the improvement seen by a small number of customers, as a result of which, in accordance with the indices set by the Bank for the purpose of defining leveraged financing, they were removed from inclusion in the definition.

Developments in problematic credit risk

Below is a summary of overall problematic credit risk and non-performing assets before provision for credit losses, in accordance with provisions for measurement and disclosure of non-accruing debts, credit risk and provision for credit loss (NIS in millions):

	Total credit risk		
	September 30, 2024	**September 30, 2023**	**December 31, 2023**
Problematic credit risk:			
Problematic non-accruing credit risk	4,307	3,147	3,752
Accruing problematic credit risk	1,583	2,458	2,512
Total problematic credit risk	**5,890**	**5,605**	**6,264**

Major risk benchmarks related to credit quality (in percent):

	September 30, 2024	September 30, 2023	December 31, 2023
Non-accruing credit in arrears 90 days or longer as percentage of total loans to the public	1.24	0.99	1.16
Non-accruing credit in arrears 90 days or longer as percentage of total non-residential loans to the public	1.71	1.14	1.37
Non-accruing credit in arrears 90 days or longer as percentage of total residential mortgages	0.96	0.90	1.04
Ratio of problematic loans to the public to total non-residential mortgages	2.76	2.96	3.26
Ratio of problematic credit risk to total credit risk with respect to the public	1.28	1.34	1.47

For more information see chapter "Explanation and analysis of results and business standing" above.

Analysis of change to non-accruing debts

Below is the movement in non-accruing debts (in millions of NIS):

	For the nine months ended September 30, 2024				For the nine months ended September 30, 2023				For the year ended December 31, 2023			
	Commer-cial	Residen-tial	Indiv-idual	Total	Commer-cial	Residen-tial	Indiv-idual	Total	Commer-cial	Residen-tial	Indivi-dual	Total
Non-accruing loans to the public – balance at start of period	1,466	2,153	74	3,693	1,193	1,329	55	2,577	1,193	1,329	55	2,577
Loans classified as non-accruing during the period	1,198	1,081	75	2,354	581	1,207	37	1,825	1,049	1,798	58	2,905
Loans resuming accrual of interest revenues during the period	(103)	(1,125)	(14)	(1,242)	(217)	(691)	(8)	(916)	(270)	(965)	(10)	(1,245)
Loans subject to accounting write-off	(232)	-	(32)	(264)	(98)	-	(4)	(102)	(125)	-	(13)	(138)
Loans repaid	(285)	(3)	(18)	(306)	(280)	(4)	(9)	(293)	(381)	(9)	(16)	(406)
Non-accruing debt balance at end of period	**2,044**	**2,106**	**85**	**4,235**	**1,179**	**1,841**	**71**	**3,091**	**1,466**	**2,153**	**74**	**3,693**

For more information about problematic credit risk, see Notes 6 and 13 to the financial statements.

Analysis of provision for credit losses

Analysis of movement in balance of provision for credit losses (NIS in millions):

	Provision for credit losses					
	Loans to the public				Banks, governments and bonds	Total
	Commer-cial	Housing	Individual – other	Total		
	For the three months ended September 30, 2024					
Balance of provision for credit losses at start of period	2,477	1,183	691	4,351	12	4,363
Expenses due to credit losses	80	39	11	130	-	130
Net accounting write-offs	(61)	-	(26)	(87)	-	(87)
Balance of provision for credit losses at end of period	**2,496**	**1,222**	**676**	**4,394**	**12**	**4,406**
	For the three months ended September 30, 2023					
Balance of provision for credit losses at start of period	1,872	965	590	3,427	1	3,428
Expenses due to credit losses	395	172	119	686	8	694
Net accounting write-offs	(11)	-	(23)	(34)	-	(34)
Balance of provision for credit losses at end of period	**2,256**	**1,137**	**686**	**4,079**	**9**	**4,088**
	For the nine months ended September 30, 2024					
Balance of provision for credit losses at start of period	2,419	1,149	702	4,270	11	4,281
Expenses due to credit losses	255	73	85	413	1	414
Net accounting write-offs	(178)	-	(111)	(289)	-	(289)
Balance of provision for credit losses at end of period	**2,496**	**1,222**	**676**	**4,394**	**12**	**4,406**
	For the nine months ended September 30, 2023					
Balance of provision for credit losses at start of period	1,690	902	512	3,104	1	3,105
Expenses due to credit losses	663	235	262	1,160	8	1,168
Net accounting write-offs	(97)	-	(88)	(185)	-	(185)
Balance of provision for credit losses at end of period	**2,256**	**1,137**	**686**	**4,079**	**9**	**4,088**

For more information about provision for credit losses see Notes 6 and 13 to the financial statements.

Major risk benchmarks related to provision for credit losses (in percent):

	September 30, 2024	September 30, 2023	December 31, 2023
Ratio of provision for credit losses to total loans to the public	1.25	1.25	1.30
Ratio of provision for credit losses to total credit risk with respect to the public	0.95	0.98	1.00

	Nine months (1)		All of
	2024	2023	2023
Ratio of expenses with respect to credit losses to average balance of loans to the public, gross	0.16	0.49	0.46
Ratio of net write-offs to average balance of loans to the public, gross	0.11	0.08	0.09
Ratio of expenses with respect to credit losses to average balance of loans to the public, net	0.16	0.49	0.46
Of which: With respect to commercial loans other than residential mortgages	0.37	1.08	1.05
Of which: with respect to residential mortgages	0.05	0.16	0.12
Ratio of net write-offs to average balance of loans to the public, net	0.11	0.08	0.09

(1) Annualized.

Loans bearing variable interest

The Bank monitors, inter alia through a dedicated forum headed by the CRO and attended by representatives of the various business lines, the changes in the Bank's total credit risk, and discusses the required changes in policy, and other actions as needed, following the changes.
For more information about loans bearing variable interest for individuals, see "Credit risk to individuals" below.

For more information about residential mortgages bearing variable interest, see "Residential mortgages risk" below.

Credit risk to individuals (excluding residential mortgages[(1)])

The individual customer segment is highly diversified – by number of customers and by geographic location. Most customers in this segment are salaried employees with an individual account or joint household account. A recession in non-banking operations is a major risk factor for household activity and higher unemployment may increase the number of customers who face difficulties.
Credit policies and work procedures with regard to extending credit, including to individual customers, include directives and guidelines with regard to credit underwriting and adapting credit to customer needs and repayment capacity: Review of credit objective, requested LTV, loan term, analysis of customer's repayment capacity and repayment sources, for all of their indebtedness. This includes review of various economic parameters of the customer based, inter alia, on the customer's regular income[(2)], pledged or unencumbered savings, knowledge of the customer and past experience working with the customer. There are also procedures, designated work processes and controls for proactive offering of consumer credit to individual customers, in conformity with Bank of Israel directives.
As for credit to individual customers, the Bank's policy is in line with the Supervisor of Banks' Proper Conduct of Banking Business Directive 311A regarding "Management of consumer credit".
The Bank regularly monitors the risk level in the credit portfolio for individuals using, *inter alia*, the internal credit rating model for individual customers, as well as through continuous monitoring and analysis of expenses with respect credit losses.

Below is information about credit risk to individuals – balances and various risk attributes (NIS in millions):

	As of September 30		As of December 31
	2024	**2023**	**2023**
Debts			
Current account balances	1,972	2,046	1,966
Utilized credit card balances	5,103	4,858	4,532
Auto loans – adjustable interest	1,584	2,244	2,065
Auto loans – fixed interest	4,605	4,090	4,257
Other loans and credit – variable interest	13,663	13,700	13,542
Other loans and credit – fixed interest	392	272	348
Total debt (on-balance sheet credit)	**27,319**	**27,210**	**26,710**
Un-utilized facilities, guarantees and other commitments			
Current accounts – un-utilized facilities	5,711	5,444	5,585
Credit cards – un-utilized facilities	9,383	9,165	9,424
Guarantees	301	300	278
Other liabilities	45	34	31
Total un-utilized facilities, guarantees and other commitments (off-balance sheet credit)	**15,440**	**14,943**	**15,318**
Total credit risk to individuals	**42,759**	**42,153**	**42,028**
Of which:			
Bullet / balloon loans[3]	699	708	705
Financial asset portfolio and other collateral against credit risk[4]			
Financial assets portfolio:			
Deposits	4,396	4,229	4,088
Securities	246	232	206
Other monetary assets	140	179	168
Other collateral[5]	3,432	3,371	3,287
Total financial assets portfolio and other collateral against credit risk	**8,214**	**8,011**	**7,749**

(1) As defined in Proper Conduct of Banking Business Directive 451.
(2) For measuring regular income in customer accounts, the Bank uses "credit turnover" data for the account, including inter alia salaries and regular pensions.
(3) Loans with a grace period for principal longer than one year.
(4) Amounts presented are the financial assets portfolio and other collateral, only up to customer debt amount.
(5) Collateral is after applying the safety factor, in conformity with Bank factors accounted for when extending credit.

Below is composition by size of borrower indebtedness[1]:

Loan ceiling and credit risk (NIS in thousands)		As of September 30, 2024		As of September 30, 2023		As of December 31, 2023	
		Number of Borrowers	**Total credit risk**	**Number of Borrowers**	**Total credit risk**	**Number of Borrowers**	**Total credit risk**
	Up to 10	246,227	807	251,112	807	248,443	810
Above 10	Up to 20	114,616	1,686	113,233	1,662	113,285	1,665
Above 20	Up to 40	150,681	4,379	149,353	4,351	149,531	4,352
Above 40	Up to 80	163,739	9,356	162,745	9,317	162,697	9,284
Above 80	Up to 150	105,340	11,362	104,816	11,295	104,714	11,280
Above 150	Up to 300	57,594	11,794	55,724	11,421	55,683	11,404
Above 300		8,595	3,375	8,225	3,300	8,230	3,233
Total		**846,792**	**42,759**	**845,208**	**42,153**	**842,583**	**42,028**

(1) Number of borrowers is for total on- and off-balance sheet credit risk.

Composition of on-balance sheet credit by regular income[(1)] in account:

	As of September 30, 2024		As of September 30, 2023		As of December 31, 2023	
Income	**NIS in millions**	**in %**	**NIS in millions**	**in %**	**NIS in millions**	**in %**
Accounts with no fixed income for the account[(2)]	7,206	26.4	7,184	26.4	7,191	26.9
Less than NIS 10 thousand	3,163	11.6	3,396	12.5	3,663	13.7
Between NIS 10 thousand and NIS 20 thousand	7,985	29.2	8,088	29.7	7,953	29.8
Over NIS 20 thousand	8,965	32.8	8,542	31.4	7,903	29.6
Total	**27,319**	**100**	**27,210**	**100**	**26,710**	**100**

(1) For measuring regular income in customer accounts, the Bank uses "credit turnover" data for the account, including *inter alia* salaries and regular pensions.

(2) Primarily with respect to loans extended in conjunction with assignment of vehicle portfolios and loans extended by the leasing company. Due to the nature of account management, this revenue is not reflected in the current account.

Below is composition of on-balance sheet credit by remaining term to maturity[(1)]:

	As of September 30, 2024		As of September 30, 2023		As of December 31, 2023	
Term to maturity	**NIS in millions**	**in %**	**NIS in millions**	**in %**	**NIS in millions**	**in %**
Up to 1 year	4,145	20.5	4,215	20.8	4,170	20.6
Over 1 year to 3 years	6,220	30.7	6,143	30.3	6,136	30.4
Over 3 years to 5 years	5,001	24.7	5,029	24.8	5,041	24.9
Over 5 years to 7 years	2,194	10.8	2,193	10.8	2,200	10.9
Over 7 years[(2)]	2,684	13.3	2,726	13.3	2,665	13.2
Total	**20,244**	**100**	**20,306**	**100**	**20,212**	**100**

(1) Excluding checking account and credit cards.

(2) Primarily loans to salaried Government employees, where loan repayment is directly deducted from the customer's paycheck and which bear significantly lower risk than similar loans for the same term.

Below is information about problematic credit risk for individuals before provision for credit losses (NIS in millions):

	As of September 30, 2024			As of September 30, 2023			As of December 31, 2023		
	Credit risk[(1)]			Credit risk[(1)]			Credit risk[(1)]		
	On balance sheet	**Off balance sheet**	**Of which:**	**On balance sheet**	**Off balance sheet**	**Of which:**	**On balance sheet**	**Off balance sheet**	**Of which:**
Balance of problematic credit risk	262	5	267	257	9	266	269	8	277
Problematic credit risk rate[(2)]	0.96%	0.03%	0.62%	0.94%	0.06%	0.63%	1.01%	0.05%	0.66%

(1) On- and off-balance sheet credit before impact of provision for credit losses, and before impact of deductible collateral with respect to indebtedness of borrower and of borrower group.

(2) The ratio of problematic credit risk to total credit risk before provision for credit losses.

Below is the expense rate with respect to credit losses to individuals (annualized):

	Nine months		2023
	2024	2023	
Expense with respect to credit losses as percentage of total loans to the public to individuals	0.42%	1.30%[(1)]	1.22%[(1)]

(1) Includes group-based provision for credit losses, recognized so as to reflect the increase in credit risk in the market due to the war, though no material indicators of increase in this risk have been seen to date.

Data for credit risk to individuals show that:

- Total debts by individuals (on-balance sheet credit) increased by 0.4% compared to September 30, 2023 and by 2.3% compared to December 31, 2023.
- Composition of debts as of September 30, 2024 is as follows:
  Checking accounts - 7.2%
  Credit cards - 18.7%
  Auto loans - 22.7%
  Other loans and credit - 51.4%
- Of all debts (on-balance sheet credit) as of September 30, 2024, 30.1% is secured by financial assets and other collateral in the customer's account (compared to 29.4% as of September 30, 2023 and 29.0% as of December 31, 2023).

Credit risk in construction and real estate economic sector in Israel

In financing the construction and real estate industry, specific analysis and monitoring tools are used to assist the Bank in reaching decisions on the granting of financial support to the various projects. Construction financing in this industry is focused mainly on residential construction in areas with strong demand. In addition, the financing is allocated between geographic regions, based inter alia on relevant demand. In extending credit for construction, the Bank focuses on the financial support method (closed assistance). The application of this method is designed to reduce the exposure to risks in the granting of the loans, because it incorporates current and close monitoring of the progress of the financed projects, both before the loans are provided, and as the project receives the financial support, while maintaining a distinction between the financed projects and the business risks inherent in the other activities of the developer-borrower. The Bank is assisted by outside construction supervisors, and also relies on liens on the land in the project, to secure the loans. Loans are issued for financed projects only by business centers and branches with professional knowledge of the subject, and under the supervision of the construction and real estate sector. The Bank also sets policies and rules for financing other real estate transactions, such as financing for rental properties, purchase groups, urban renewal, etc. Moreover, in order to minimize risk, the Bank partially insures the portfolio of land designated for construction in a closed project and the portfolio of housing bonds and performance guarantees in assisted projects with overseas reinsurers.

Prior to the war, construction companies faced high financing expenses and a decline in demand, along with stagnant prices. The Iron Swords War led to an increase in risk levels in this sector, due to slower progress of construction due to shortage of labor and slow-down in activity on some construction sites, which may cause delays in apartment delivery and decrease in residential construction starts. In addition, raw material prices and workers' salaries have increased. Since the beginning of 2024, there has been a real recovery in the demand side and in the number of transactions, and a significant number of residential units were also purchased in areas located close to the conflict zones, such as Ashkelon, Netivot, Ofakim, Tiberias and Acre. The Bank tracks the development of the industry's risk characteristics and the effects of changes on Bank operations.

Financing of real estate transactions at the Bank is conducted in conformity with clear policy and rules stipulated in the lending policy for various activity channels, such as: financing for land, residential construction, rental real estate, purchase groups, urban renewal, etc. Bank operations in this sector are conducted while adhering to appropriate underwriting procedures and credit spreads to reflect the risk. The risk level in this sector is also taken into account in the quarterly review process of the group-based provision.

The Bank regularly monitors the credit portfolio and risk characteristics of activity in this area, as well as new credit provided, in conformity with benchmarks stipulated in Bank policy.

Over the course of the first nine months of 2024, activity in the construction and real estate sector at the Bank increased, primarily in Sales Law and performance guarantees, as part of a trend of increase in demand in this sector in general and an increase in new transactions in particular, the demand for residential properties, the increase in demand for safe rooms and deals offered by developers, mainly with respect to flexibility in the payment schedules of apartment buyers. In addition, the impact of the Iron Swords War decreased, as a result of the economy shifting to a war routine.

The total credit exposure in the construction and real estate sectors increased by 13.5% in the first nine months of 2024, compared to an increase of 6.6% in the corresponding period last year.

Over the course of the third quarter of 2024, total exposure to the construction and real estate sectors increased by 5.6%, due to increased project volumes and a certain increase in developers' financing needs during the project. The share of the construction and real estate sector in Israel out of total credit risk to the public at the Bank as of September 30, 2024, as presented below (Credit Risk by Economic Sector) is 16.6%.Note that according to Proper Conduct of Banking Business Directive 315, the rate of indebtedness of the construction and real estate sector (for calculation of sector concentration) is 12.3% (excluding liabilities, including contingent liabilities to extend credit or to provide guarantees and amounts of housing bonds and loans to finance land, for which the Bank has obtained insurance policies). The Bank reviews in each quarter the calculation of the group-based provision for credit losses in this sector, and adjusts this provision so as to account, *inter alia*, for growth in the loan portfolio and the underwriting conditions.

For more information regarding the Supervisor of Banks' letter regarding developments in the construction and real estate sector and the Bank's preparations in connection with this issue, see above in the chapter dealing with developments in risk assessments in the quarter.

Below is information about credit risk in the construction and real estate economic sector in Israel, by real estate collateral type (NIS in millions):

	September 30, 2024							
	Credit risk to the public[(1)]							
	Credit risk				Total problematic credit risk		Balance of provision for credit losses	
	On balance sheet[(2)]	Off balance sheet[(3)]		Of which:	Non-accruing	Other problematic[(4)]	On-balance sheet credit risk	Off-balance sheet credit risk
		Guarantees to home buyers[(5)]	Facilities and other commitments					
Secured by real estate:								
Housing	24,200	6,395	16,946	47,541	356	14	222	27
Commercial and industrial	9,987	183	2,588	12,758	113	221	175	4
Total secured by real estate	**34,187**	**6,578**	**19,534**	**60,299**	**469**	**235**	**397**	**31**
Not secured by real estate	7,479	8	7,155	14,642	112	48	188	24
Total for construction and real estate economic sector in Israel	**41,666**	**6,586**	**26,689**	**74,941**	**581**	**283**	**585**	**55**
Of which: Designated for project assistance	23,307	6,557	16,787	46,651	346	57	61	27

	September 30, 2023							
	Credit risk to the public[(1)]							
	Credit risk				Total problematic credit risk		Balance of provision for credit losses	
	On balance sheet[(2)]	Off balance sheet[(3)]		Of which:	Non-accruing	Other problematic[(4)]	On-balance sheet credit risk	Off-balance sheet credit risk
		Guarantees to home buyers[(5)]	Facilities and other commitments					
Secured by real estate:								
Housing	21,306	5,507	13,590	40,403	34	428	219	25
Commercial and industrial	9,056	108	2,059	11,223	119	329	176	5
Total secured by real estate	**30,362**	**5,615**	**15,649**	**51,626**	**153**	**757**	**395**	**30**
Not secured by real estate	5,625	12	5,146	10,783	103	156	147	23
Total for construction and real estate economic sector in Israel	**35,987**	**5,627**	**20,795**	**62,409**	**256**	**913**	**542**	**53**
Of which: Designated for project assistance	20,489	5,577	12,757	38,823	22	474	159	26

	December 31, 2023							
	Credit risk to the public[(1)]							
	Credit risk				Total problematic credit risk		Balance of provision for credit losses	
	On balance sheet[(2)]	Off balance sheet[(3)]		Of which:	Non-accruing	Other problematic[(4)]	On-balance sheet credit risk	Off-balance sheet credit risk
		Guarantees to home buyers[(5)]	Facilities and other commitments					
Secured by real estate:								
Housing	22,158	5,423	13,772	41,353	206	277	211	24
Commercial and industrial	9,713	129	2,525	12,367	128	459	200	3
Total secured by real estate	**31,871**	**5,552**	**16,297**	**53,720**	**334**	**736**	**411**	**27**
Not secured by real estate	5,954	12	6,335	12,301	109	125	164	19
Total for construction and real estate economic sector in Israel	**37,825**	**5,564**	**22,632**	**66,021**	**443**	**861**	**575**	**46**
Of which: Designated for project assistance	21,465	5,516	13,891	40,872	197	318	102	24

(1) On- and off-balance sheet credit risk, problematic credit risk and non-accruing loans to the public are stated before impact of provision for credit losses, and before impact of deductible collateral with respect to indebtedness of borrower.
(2) Loans to the public, investment in bonds by the public, other debt by the public and other assets with respect to derivatives against the public.
(3) Credit risk of off-balance-sheet financial instruments as calculated for the purpose of determining per-borrower indebtedness limits.
(4) On- and off-balance sheet credit risk with respect to the public, which is inferior or under special supervision.
(5) Off-balance sheet credit risk due to housing bonds, which are mostly backed by insurance purchased from international reinsurers.

Below is information about credit risk in the construction and real estate economic sector in Israel, by asset status (NIS in millions):

	September 30, 2024			September 30, 2023			December 31, 2023		
	Credit risk[1]			Credit risk[1]			Credit risk[1]		
	On balance sheet	Off balance sheet	Of which:	On balance sheet	Off balance sheet	Of which:	On balance sheet	Off balance sheet	Of which:
Secured by real estate									
Real estate yet to be completely constructed:									
Raw land	15,469	1,327	16,796	15,900	833	16,733	15,425	1,078	16,503
Real estate under construction	10,068	22,372	32,440	7,160	18,703	25,863	8,364	19,232	27,596
Real estate completely constructed	8,650	2,413	11,063	7,302	1,728	9,030	8,082	1,539	9,621
Total credit secured by real estate in Israel	**34,187**	**26,112**	**60,299**	**30,362**	**21,264**	**51,626**	**31,871**	**21,849**	**53,720**
Not secured by real estate	7,479	7,163	14,642	5,625	5,158	10,783	5,954	6,347	12,301
Total credit risk for construction and real estate	**41,666**	**33,275**	**74,941**	**35,987**	**26,422**	**62,409**	**37,825**	**28,196**	**66,021**

Below is information about credit risk in the construction and real estate economic sector in Israel, by debt classification (NIS in millions):

	September 30	December 31	
	2024	2023	Change
	Credit risk to the public[1]		
Credit risk at performing credit rating:			
Total non-problematic credit risk	71,756	62,337	15.1%
Credit risk other than at performing credit rating:			
Problematic accruing	283	861	(67.1%)
Problematic non-accruing	581	443	31.2%
Non-problematic	2,321	2,380	(2.5%)
Total credit risk other than at performing credit rating	**3,185**	**3,684**	**(13.5%)**
Total credit risk for construction and real estate	**74,941**	**66,021**	**13.5%**

(1) On- and off-balance sheet credit risk is stated before impact of provision for credit losses, and before impact of deductible collateral with respect to borrower indebtedness.

Credit risk by economic sector

As of September 30, 2024

Reported amounts (NIS in millions)

	Total credit risk[1]				Off balance sheet debts[2] and credit risk (other than derivatives)[3]						
		Of which:							Credit losses[3]		
	Total	Credit performance rating[4]	Credit in good standing other than at performing credit rating	Problematic[5]	Total	Debts[2]	Problematic[5]	Non-accruing	Expenses with respect to credit losses	Net accounting write-offs	Balance of provision for credit losses
Borrower activity in Israel											
Public – commercial											
Agriculture, forestry and fishing	1,183	1,082	78	23	1,181	864	23	17	2	7	27
Mining and excavation	1,390	1,381	1	8	1,251	341	8	6	(2)	-	6
Industry and production	17,754	16,595	636	523	17,474	10,554	513	170	13	(24)	490
Of which: Diamonds	1,646	1,281	177	188	1,646	1,186	188	58	25	(1)	116
Construction and real estate – construction[6]	63,669	60,774	2,196	699	63,549	31,450	699	487	42	8	430
Construction and real estate – real estate operations	11,272	10,982	125	165	10,852	9,684	165	94	(16)	(1)	210
Electricity and water delivery	12,547	12,395	140	12	12,149	6,914	12	9	43	1	130
Commerce	16,633	15,062	863	708	16,534	11,912	708	340	21	67	474
Hotels, dining and food services	2,203	1,953	75	175	2,197	1,652	175	54	13	30	129
Transport and storage	3,674	3,002	598	74	3,635	2,965	74	29	6	8	82
Information and communications	1,815	1,718	80	17	1,708	1,006	17	11	7	9	28
Financial services	27,414	27,155	220	39	21,516	12,910	39	3	(1)	7	36
Other business services	8,157	7,689	263	205	8,134	5,303	205	102	19	17	197
Public and community services	3,193	2,984	67	142	3,182	2,451	142	128	(1)	10	102
Total commercial	**170,904**	**162,772**	**5,342**	**2,790**	**163,362**	**98,006**	**2,780**	**1,450**	**146**	**139**	**2,341**
Private individuals – residential mortgages	237,467	232,426	2,935	2,106	237,467	219,773	2,106	2,106	73	-	1,222
Private individuals – other	42,767	42,129	371	267	42,759	27,319	267	86	85	111	676
Total public – activity in Israel	**451,138**	**437,327**	**8,648**	**5,163**	**443,588**	**345,098**	**5,153**	**3,642**	**304**	**250**	**4,239**
Banks in Israel	1,963	1,963	-	-	500	500	-	-	-	-	-
Government of Israel	23,832	23,832	-	-	20	20	-	-	-	-	-
Total activity in Israel	**476,933**	**463,122**	**8,648**	**5,163**	**444,108**	**345,618**	**5,153**	**3,642**	**304**	**250**	**4,239**
Borrower activity overseas											
Total public – activity overseas	9,899	8,908	264	727	9,690	7,353	723	651	109	39	163
Overseas banks	22,905	22,905	-	-	22,755	22,740	-	-	1	-	3
Overseas governments	4,656	4,655	-	1	506	369	1	1	-	-	1
Total activity overseas	**37,460**	**36,468**	**264**	**728**	**32,951**	**30,462**	**724**	**652**	**110**	**39**	**167**
Total	**514,393**	**499,590**	**8,912**	**5,891**	**477,059**	**376,080**	**5,877**	**4,294**	**414**	**289**	**4,406**

(1) On- and off-balance sheet credit risk, including with respect to derivatives (NIS in millions): Debts[2] – 376,080; bonds – 30,044; securities borrowed or acquired in conjunction with resale agreements – 448; (on- and off-balance sheet) credit risk with respect to derivatives – 6,842; and credit risk of off-balance-sheet financial instruments as calculated for the purpose of determining per-borrower indebtedness limits – 100,979.

(2) Loans to the public, loans to governments, deposits with banks and other debts, except for bonds and securities borrowed or acquired in conjunction with resale agreements.

(3) Includes with respect to off-balance sheet credit instruments (included on balance sheet under Other Liabilities).

(4) Credit risk whose credit rating as of the report date matches the credit rating for new credit performance, in conformity with Bank policies.

(5) On- and off-balance sheet credit risk, which is non-accruing, inferior or under special supervision.

(6) Includes on-balance sheet credit risk amounting to NIS 976 million and off-balance sheet credit risk amounting to NIS 1,122 million, extended to certain purchase groups which are in the process of construction. For more information on credit exposures secured by international re-insurers, see "Key exposure to foreign countries" below.

Credit risk by economic sector – Continued

As of September 30, 2023

Reported amounts (NIS in millions)

	Total credit risk[1]				Off balance sheet debts[2] and credit risk (other than derivatives)[3]						
		Of which:							Credit losses[3]		
	Total	Credit performance rating[4]	Credit in good standing other than at performing credit rating	Problematic[5]	Total	Debts[2]	Problematic[5]	Non-accruing	Expenses with respect to credit losses	Net accounting write-offs	Balance of provision for credit losses
Borrower activity in Israel											
Public – commercial											
Agriculture, forestry and fishing	1,123	1,082	20	21	1,122	834	21	12	5	3	22
Mining and excavation	1,240	1,064	167	9	1,152	366	7	1	-	-	6
Industry and production	18,277	17,308	305	664	17,888	10,545	653	217	131	5	432
Of which: Diamonds	1,795	1,593	61	141	1,795	1,245	141	48	21	(2)	59
Construction and real estate – construction[6]	52,831	50,327	1,772	732	52,726	27,196	732	162	59	12	387
Construction and real estate – real estate operations	9,578	8,804	337	437	9,046	8,163	437	94	95	3	208
Electricity and water delivery	10,663	10,214	441	8	10,370	6,443	8	1	13	5	84
Commerce	17,229	16,026	540	663	17,107	13,241	661	201	191	11	472
Hotels, dining and food services	2,069	1,856	117	96	2,057	1,581	96	50	54	11	138
Transport and storage	3,710	2,876	674	160	3,661	3,108	160	29	17	6	92
Information and communications	2,164	2,104	26	34	2,057	1,301	34	28	6	8	26
Financial services	21,295	21,170	99	26	15,841	9,678	26	21	(11)	-	34
Other business services	7,252	6,925	109	218	7,244	4,883	218	75	32	20	174
Public and community services	3,484	3,094	216	174	3,452	2,803	174	161	45	13	120
Total commercial	**150,915**	**142,850**	**4,823**	**3,242**	**143,723**	**90,142**	**3,227**	**1,052**	**637**	**97**	**2,195**
Private individuals – residential mortgages	215,308	210,930	2,537	1,841	215,308	204,840	1,841	1,841	235	-	1,137
Private individuals – other	42,158	41,533	359	266	42,153	27,210	266	72	262	88	686
Total public – activity in Israel	**408,381**	**395,313**	**7,719**	**5,349**	**401,184**	**322,192**	**5,334**	**2,965**	**1,134**	**185**	**4,018**
Banks in Israel	2,829	2,829	-	-	1,034	1,034	-	-	-	-	-
Government of Israel	15,386	15,386	-	-	136	136	-	-	-	-	-
Total activity in Israel	**426,596**	**413,528**	**7,719**	**5,349**	**402,354**	**323,362**	**5,334**	**2,965**	**1,134**	**185**	**4,018**
Borrower activity overseas											
Total public – activity overseas	8,595	7,938	401	256	8,295	5,279	250	161	34	-	69
Overseas banks	17,851	17,851	-	-	17,584	17,393	-	-	-	-	-
Overseas governments	1,330	1,329	-	1	673	531	1	1	-	-	1
Total activity overseas	**27,776**	**27,118**	**401**	**257**	**26,552**	**23,203**	**251**	**162**	**34**	**-**	**70**
Total	**454,372**	**440,646**	**8,120**	**5,606**	**428,906**	**346,565**	**5,585**	**3,127**	**1,168**	**185**	**4,088**

(1) On- and off-balance sheet credit risk, including with respect to derivatives (NIS in millions): Debts[2] – 346,565; bonds – 18,384; securities borrowed or acquired in conjunction with resale agreements – 24; (on- and off-balance sheet) credit risk with respect to derivatives – 7,058; and Credit risk of off-balance-sheet financial instruments as calculated for the purpose of determining per-borrower indebtedness limits – 82,341.

(2) Loans to the public, loans to governments, deposits with banks and other debts, except for bonds and securities borrowed or acquired in conjunction with resale agreements.

(3) Includes with respect to off-balance sheet credit instruments (included on balance sheet under Other Liabilities).

(4) Credit risk whose credit rating as of the report date matches the credit rating for new credit performance, in conformity with Bank policies.

(5) On- and off-balance sheet credit risk, which is non-accruing, inferior or under special supervision.

(6) Includes on-balance sheet credit risk amounting to NIS 1,388 million and off-balance sheet credit risk amounting to NIS 1,689 million, extended to certain purchase groups which are in the process of construction. For more information on credit exposures secured by international re-insurers, see "Key exposure to foreign countries" below.

Credit risk by economic sector – Continued

As of December 31, 2023

Reported amounts (NIS in millions)

	Total credit risk(1)				Off balance sheet debts(2) and credit risk (other than derivatives)(3)						
		Of which:							Credit losses(3)		
	Total	Credit performance rating(4)	Credit in good standing other than at performing credit rating	Problematic(5)	Total	Debts(2)	Problematic(5)	Non-accruing	Expenses with respect to credit losses	Net accounting write-offs	Balance of provision for credit losses
Borrower activity in Israel											
Public – commercial											
Agriculture, forestry and fishing	1,137	1,080	31	26	1,137	851	26	21	16	4	32
Mining and excavation	1,351	1,339	-	12	1,260	356	10	6	2	-	8
Industry and production	17,545	16,500	475	570	17,296	10,161	558	192	150	14	442
Of which: Diamonds	1,691	1,451	112	128	1,691	1,121	128	67	41	3	74
Construction and real estate – construction(6)	55,771	53,619	1,424	728	55,667	28,380	727	337	83	27	396
Construction and real estate – real estate operations	10,250	8,718	956	576	9,715	8,818	576	105	113	4	225
Electricity and water delivery	11,030	10,591	416	23	10,743	6,514	23	4	17	5	88
Commerce	16,718	15,352	487	879	16,563	12,756	879	288	246	18	520
Hotels, dining and food services	2,121	1,814	116	191	2,107	1,595	191	56	70	19	146
Transport and storage	3,632	2,866	690	76	3,612	2,988	76	31	14	11	84
Information and communications	1,748	1,625	98	25	1,683	944	25	19	11	9	30
Financial services	25,726	25,590	105	31	20,715	9,593	31	28	10	-	55
Other business services	7,647	7,341	111	195	7,644	4,921	195	95	60	27	195
Public and community services	3,269	2,841	268	160	3,238	2,545	160	145	40	15	113
Total commercial	**157,945**	**149,276**	**5,177**	**3,492**	**151,380**	**90,422**	**3,477**	**1,327**	**832**	**153**	**2,334**
Private individuals – residential mortgages	218,658	213,896	2,609	2,153	218,658	206,553	2,153	2,153	247	-	1,149
Private individuals – other	42,032	41,386	369	277	42,028	26,710	277	75	324	134	702
Total public – activity in Israel	**418,635**	**404,558**	**8,155**	**5,922**	**412,066**	**323,685**	**5,907**	**3,555**	**1,403**	**287**	**4,185**
Banks in Israel	2,286	2,286	-	-	702	702	-	-	-	-	-
Government of Israel	19,562	19,562	-	-	4	4	-	-	-	-	-
Total activity in Israel	**440,483**	**426,406**	**8,155**	**5,922**	**412,772**	**324,391**	**5,907**	**3,555**	**1,403**	**287**	**4,185**
Borrower activity overseas											
Total public – activity overseas	8,584	7,946	296	342	8,416	5,730	336	176	58	-	93
Overseas banks	27,248	27,248	-	-	26,997	26,869	-	-	2	-	2
Overseas governments	1,211	1,210	-	1	628	476	1	1	-	-	1
Total activity overseas	**37,043**	**36,404**	**296**	**343**	**36,041**	**33,075**	**337**	**177**	**60**	**-**	**96**
Total	**477,526**	**462,810**	**8,451**	**6,265**	**448,813**	**357,466**	**6,244**	**3,732**	**1,463**	**287**	**4,281**

(1) On- and off-balance sheet credit risk, including with respect to derivatives (NIS in millions): Debts(2) – 357,466; bonds – 22,453; securities borrowed or acquired in conjunction with resale agreements – 106; (on- and off-balance sheet) credit risk with respect to derivatives – 6,154; and credit risk of off-balance-sheet financial instruments as calculated for the purpose of determining per-borrower indebtedness limits – 91,347.

(2) Loans to the public, loans to governments, deposits with banks and other debts, except for bonds and securities borrowed or acquired in conjunction with resale agreements.

(3) Includes with respect to off-balance sheet credit instruments (included on balance sheet under Other Liabilities).

(4) Credit risk whose credit rating as of the report date matches the credit rating for new credit performance, in conformity with Bank policies.

(5) On- and off-balance sheet credit risk, which is non-accruing, inferior or under special supervision.

(6) Includes on-balance sheet credit risk amounting to NIS 1,070 million and off-balance sheet credit risk amounting to NIS 1,211 million, extended to certain purchase groups which are in the process of construction. For more information on credit exposures secured by international re-insurers, see "Key exposure to foreign countries" below.

Exposure to foreign countries[1]

Reported amounts (NIS in millions)

Part A – Information regarding total exposure to foreign countries and exposure to countries for which total exposure to each country exceeds 1% of total consolidated assets or 20% of capital, whichever is lower (NIS in millions):

Country	September 30, 2024			September 30, 2023			December 31, 2023		
	Exposure								
	On balance sheet[(2)]	Off-balance sheet [(2)(3)(4)]	Total	On balance sheet[(2)]	Off-balance sheet [(2)(3)(4)]	Total	On balance sheet[(2)]	Off-balance sheet [(2)(3)(4)]	Total
USA	33,390	2,042	35,432	22,054	2,339	24,393	32,474	1,976	34,450
Barbados[(5)]	5,000	-	5,000	5,463	-	5,463	5,353	-	5,353
Others[(6)]	12,251	11,195	23,446	11,108	10,235	21,343	11,008	11,406	22,414
Total exposure to foreign countries	**50,641**	**13,237**	**63,878**	**38,625**	**12,574**	**51,199**	**48,835**	**13,382**	**62,217**
Of which: To Greece, Portugal, Spain, Italy	56	10	66	63	76	139	63	10	73
Of which: Total exposure to LDC countries	774	193	967	680	135	815	844	219	1,063

(1) Based on final risk, after effect of guarantees, liquid collateral and credit derivatives.
(2) On- and off-balance sheet credit risk is stated before impact of provision for credit losses, and before impact of deductible collateral with respect to indebtedness of borrower and of borrower group.
(3) Credit risk of off-balance-sheet financial instruments as calculated for the purpose of determining per-borrower indebtedness limits, in conformity with Proper Conduct of Banking Business Directive 313.
(4) The balance of off-balance sheet exposure includes NIS 7,420 million, mostly with respect to acquiring insurance from international reinsurers for the portfolio of housing bonds for borrowers in the real estate sector in Israel. (As of September 30, 2023: NIS 7,371 million; as of December 31, 2023: NIS 7,075 million).
(5) This exposure is with respect to insurance policies backing the mortgage portfolios in Israel. The insurer, incorporated in Barbados, is a subsidiary of an international insurance group incorporated in Canada.
(6) Balance sheet exposure includes NIS 3,370 million with respect to acquiring insurance from international reinsurers for the loan portfolio to finance land purchase for borrowers in the real estate sector in Israel. (As of September 30, 2023: NIS 3,612 million; as of December 31, 2023: NIS 3,354 million).

Part B – Information regarding countries for which total exposure to each country is between 0.75%-1% of total consolidated assets or between 15%-20% of capital, whichever is lower (NIS in millions):

As of September 30, 2024, September 30, 2023 and December 31, 2023, there are no foreign countries for which the balance sheet exposure exceeds the threshold for this disclosure.

Part C – Information regarding balance sheet exposure to foreign countries facing liquidity issues

	For the nine months ended	For the nine months ended	For the year ended
	On September 30, 2024	On September 30, 2023	As of December 31, 2023
	Barbados[(1)]	Barbados[(1)]	Barbados[(1)]
Exposure at start of reported period	5,353	5,803	5,803
Net changes to exposure	(353)	(340)	(450)
Exposure at end of reported period	5,000	5,463	5,353

In conformity with Bank of Israel directives, a country which has received aid from the International Monetary Fund is deemed a country with liquidity issues. The aforementioned exposure is to an insurer that backs mortgage portfolios, and liquidity in the country should not affect the repayment capacity in case of future claims by the Bank.

(1) This exposure is with respect to insurance policies backing the mortgage portfolios in Israel. The insurer, incorporated in Barbados, is a subsidiary of an international insurance group incorporated in Canada.

Credit exposure to foreign financial institutions

Below is information on the Bank's exposure to foreign financial institutions[(1)(2)] (NIS in millions):

External credit rating	On-balance sheet credit risk[(3)]	Current off-balance sheet credit risk[(4)]	Current credit exposure
			September 30, 2024
AAA to AA-	6,291	4,943	11,234
A+ to A-	3,179	3,061	6,240
BBB+ to BBB-	-	-	-
BB+ to B-	-	-	-
Lower than B-	-	-	-
Unrated	9	16	25
Total credit exposure to foreign financial institutions	**9,479**	**8,020**	**17,499**

External credit rating	On-balance sheet credit risk[(3)]	Current off-balance sheet credit risk[(4)]	Current credit exposure
			September 30, 2023
AAA to AA- [(5)]	6,753	4,774	11,527
A+ to A-	3,205	3,309	6,514
BBB+ to BBB-	-	5	5
BB+ to B-	-	-	-
Lower than B-	-	-	-
Unrated	1	23	24
Total credit exposure to foreign financial institutions	**9,959**	**8,111**	**18,070**

External credit rating	On-balance sheet credit risk[(3)]	Current off-balance sheet credit risk[(4)]	Current credit exposure
			December 31, 2023
AAA to AA-	6,894	4,682	11,576
A+ to A-	2,643	3,058	5,701
BBB+ to BBB-	1	-	1
BB+ to B-	-	-	-
Lower than B-	-	-	-
Unrated	18	21	39
Total credit exposure to foreign financial institutions	**9,556**	**7,761**	**17,317**

(1) Foreign financial institutions include: banks, investment banks, brokers/dealers, insurance companies, institutional entities and entities controlled by the former. Bank exposure is almost entirely to banks and investment banks primarily incorporated in Ireland, England, the USA, Barbados, Germany, France and Switzerland.

(2) After deduction of provision for credit losses.

(3) Bank deposits, loans to the public, investment in bonds, securities borrowed or acquired in conjunction with resale agreements and other balance sheet credit risk with respect to derivatives.

(4) The balance of off-balance sheet exposure to financial institutions includes NIS 7,420 million as of September 30, 2024 (as of September 30, 2023: NIS 7,371 million; as of December 31, 2023: NIS 7,075 million) with respect to acquiring insurance from international reinsurers for the portfolio of housing bonds for borrowers in the real estate sector in Israel as well as guarantees and additional commitments to extend credit, including guarantees to secure indebtedness of third parties.

(5) The Bank Group has no exposure to foreign financial institutions, as defined in Proper Conduct of Banking Business Directive 202, in excess of 15% of the capital base (total exposure as of September 30, 2023 was NIS 5,463 million with weighted rating of AA-).

The first nine months of 2024 were characterized by economic complexity, which the global financial system had to deal with. Many banks are still dealing with impairment in their securities portfolios, which was caused when interest rates started to increase, and there is concern with regard to increase in non-accruing credit in certain sectors. At the end of September 2024, a move has started for reducing the interest rate on US dollar; however, the reduction rate, the period over which it will take place and the equilibrium interest rate are not yet known.

As from the first quarter of 2023, following the collapse of multiple banks in Europe and in the USA, the Bank expanded its close monitoring of exposures to financial institutions. Note that Bank exposure to the impacted financial institutions is very low.

The aforementioned credit exposure excludes exposure to financial institutions for which complete, explicit government guarantees are in place, and exclude investments in asset-backed securities. For more information with regard to credit exposure composition with respect to derivative instruments vis-à-vis banks and dealers/brokers (domestic and foreign), see Note 11c. to the financial statements.

Some of the exposures listed in the above table are included under "Credit Risk by Economic Sector", under "Financial services". This includes deposits with banks, loans to the public, public investment in bonds and other assets with respect to derivatives. Futures transactions, weighted in accordance with rules stated in Proper Business Conduct Directive 313, are included as part of off-balance sheet credit risk, and are excluded from the above table.

In conjunction with its policies regarding management of exposure to foreign financial institutions, the Bank’s Board of Directors sets, inter alia, the risk appetite – i.e. the maximum exposure limit for states and foreign financial institutions, while adjusting the exposure limit to the risk assessment for each state and financial institution. Exposure limits are set based, *inter alia*, on financial date of the various nations and financial institutions and on Bank assessment of the risk level in a manner which diversifies exposure.

Exposure limits per institution include maximum exposure amount and maximum time to maturity for different types of activities and transactions. To this end, the existence (or absence) of an offset agreement for derivative operations with this financial institution is also taken into consideration. The policies also specify a hierarchy of authority for approval of specific transactions within the exposure limits. The Bank adjusts the exposure limits from time to time as required.

Out of total Bank group exposure, NIS 460 million, is to international affiliates of financial institutions in the USA, mostly with respect to derivatives. This exposure is mostly to major US Banks rated A+ or higher, mostly Global Systemically Important Banks (G-SIBs), which are subject to strict regulatory requirements, including taking part in stress testing and increased capital requirements. All of these banks have a stable credit profile and diverse funding sources. They operate throughout the USA and globally, providing a wide range of retail, commercial and corporate banking services.

The Bank monitors public information and ratings, as well as any other information available with regard to financial institutions to which it has exposure, and adjusts the exposure limits and actual exposure as required.

The Bank takes into consideration the maturity dates of its credit exposures in conjunction with the Bank's liquidity requirements. Deposits are normally deposited for short terms, whereas exposure with respect to derivatives and investments in securities are for longer terms.

Residential mortgages risk and its development

In conjunction with credit risk management, the Bank takes various actions to manage, control and mitigate risks associated with provision of residential mortgages. Residential mortgages account for a significant share of all credit risk at the Bank, but this segment is still highly diversified and has a Low-Medium risk level, due to extensive diversification of borrowers from various economic sectors, relatively low LTV ratios, extensive geographic diversification of pledged assets and use of various risk mitigators, including property and life insurance, to mitigate credit risk in this segment. The Bank's policies with regard to mortgages are based on a specific approach, limiting specific risk for each loan by reviewing various risk attributes. These attributes include: review of borrower quality and their capacity to make current repayments even under scenarios involving changes to interest rates, ratio of repayment to regular household income, review of transaction data and LTV ratio. The Bank sometimes requires additional bolstering for the loan, such as guarantors for the loan, proven repayment capacity not based on regular borrower income and other bolstering measures.

The Bank acts regularly to control and manage the risk associated with residential mortgages, for which the Retail Division, the Risks Management Division and other Bank entities are responsible. This activity also includes portfolio analysis and monitoring by key risk factors and estimation of portfolio risk using an advanced model for rating residential mortgages, including rating of each loan and calculation of probability of default and potential loss given default, as well as conducting various stress scenarios to review the effect of changes to macro-economic factors on the portfolio risk level, primarily the impact of change in unemployment, change in housing prices and change in interest rates.

When assessing borrower quality, the Bank considers, *inter alia*, the following: Per capita income, income stability, seniority and so forth. Moreover, approval of loans involves a high weighting attributed to the loan repayment to income ratio, so as to review the household repayment capacity, including under a scenario of higher interest rates.

The Bank also considers risk factors with regard to the transaction and to collateral, such as the loan purpose, LTV ratio, geographic location of collateral, findings on the appraiser report and so forth.

The Bank sometimes requires additional bolstering, such as guarantors for the loan, proven repayment capacity not based on regular borrower income and other bolstering measures.

For more information about development of residential mortgage risk, see chapter "Risk factor severity" above.

Risk appetite and risk profile in mortgage segment

As part of its credit risk policies, the Bank has set various restrictions on residential mortgage operations, to account for major risk factors. These factors are reviewed from time to time and additional restrictions are imposed as needed, i.e. based on the actual risk profile of the mortgage portfolio and its trend, as well as on regulatory directives from the Bank of Israel.

These restrictions, as a whole, form the Bank's risk appetite for mortgages is defined using multiple risk benchmarks, which evaluate credit risk and concentration risk aspects at regular performance level and the overall portfolio. These benchmarks include: the LTV ratio, property location (geographic risk), credit quality benchmark (see below under Credit Control), loan repayment to income ratio, loan purpose, loan term, loan track mix, property type, document quality, normative interest rate, financial wealth and cross restrictions on combinations of multiple parameters.

Regular monitoring of the risk profile of the mortgage portfolio and its evolution over time, in view of the specified risk appetite, shows that leading risk benchmarks remain stable and do not currently indicate material deterioration or change in risk level, despite the uncertainty with regard to further developments in the macro-economic environment and its impact on the Bank’s customers. These benchmarks include: LTV ratios, repayment ratio, rate of obligation in default and, in particular, the rate of arrears for new loans (one year since origination), which is testimony to the high quality of underwriting at the Bank. Note that the average LTV ratio for the Bank's mortgage portfolio (at end of September 2024) was 54.9% (reflecting the LTV ratio upon loan origination – see more details below).

The Bank constantly reviews the risk measures and risk levels, adapting them as required to current business activity, subject to and in line with the risk appetite, and should the potential future risk decrease, the risk level in the residential mortgage portfolio would decrease back to Low.

Volume of mortgages granted by the Household segment is as follows:

	Loans granted (NIS in millions)		
	Nine months		Rate of Change
	2024	2023	In %
Mortgages issued (for housing and any purpose)			
From the Bank's funds	25,524	20,450	24.8
From funds of the Finance Ministry:			
Directed loans	118	92	28.3
Standing loans and grants	120	80	50.0
Total new loans	**25,762**	**20,622**	**24.9**
Refinanced loans	6,278	6,683	(6.1)
Total loans originated	**32,040**	**27,305**	**17.3**
Number of borrowers (includes refinanced loans)	47,422	38,402	23.5

Below are details of various risk attributes of the residential mortgage portfolio[1] as of September 30, 2024 (NIS in millions):

LTV ratio	**Repayment ratio out of regular income**	**Loan age[2] (time elapsed since loan grant)**						
		Up to 3 months	**3-12 months**	**1-2 years**	**2-5 years**	**5-10 years**	**Over 10 years**	**Total**
Up to 60%	Up to 35%	3,935	8,213	10,872	40,502	30,431	15,001	108,954
	35%-50%	939	2,167	3,273	7,731	4,964	3,343	22,417
	50%-80%	2	2	6	64	63	857	994
	Over 80%	-	-	-	3	10	63	76
60%-75%	Up to 35%	2,834	5,551	6,521	32,410	14,418	5,500	67,234
	35%-50%	1,117	2,184	2,915	6,712	2,019	1,168	16,115
	50%-80%	-	-	9	27	22	232	290
	Over 80%	-	-	-	-	-	12	12
Over 75%	Up to 35%	93	211	207	786	716	1,064	3,077
	35%-50%	10	44	36	178	89	252	609
	50%-80%	-	-	-	4	4	64	72
	Over 80%	-	-	-	-	-	10	10
Total		**8,930**	**18,372**	**23,839**	**88,417**	**52,736**	**27,566**	**219,860**
Of which:								
Loans granted with original amount over NIS 2 million		1,431	2,949	4,218	11,508	3,663	1,362	25,131
Percentage of total residential mortgages		16.0%	16.1%	17.7%	13.0%	6.9%	4.9%	11.4%
Loans bearing variable interest:								
Non-linked, at prime lending rate		108	401	3,609	28,257	14,629	8,701	55,705
CPI-linked[3]		624	1,510	1,934	5,355	736	2,464	12,623
In foreign currency[3]		4	15	280	1,264	937	792	3,292
Total		736	1,926	5,823	34,876	16,302	11,957	71,620
Non-linked loans at prime lending rate, as percentage of total residential mortgages		1.2%	2.2%	15.1%	32.0%	27.7%	31.6%	25.3%
CPI-linked loans bearing variable interest as percentage of total residential mortgages		7.0%	8.2%	8.1%	6.1%	1.4%	8.9%	5.7%
Loans with LTV over 75% as percentage of total residential mortgages		1.2%	1.4%	1.0%	1.1%	1.5%	5.0%	1.7%

(1) Recorded debt balance.
(2) The loan balances presented above are aged based on the date of loan origination, and include under the same age group any loan balances actually provided at a later date.
Furthermore, loan refinancing does not modify the loan age, i.e. the loan balance is attributed to the original loan origination date.
This treatment also applies to refinancing of "directed" loans originally guaranteed by the State and refinanced to loans for which the Bank is responsible.
(3) Pursuant to directives by the Supervisor of Banks, these include loans for which the interest rate is adjusted more frequently than once every 5 years (not inclusive).

Attributes of the Bank's residential mortgages portfolio

The Bank's policies with regard to mortgages are based on a conservative approach, limiting specific risk for each loan by evaluating various attributes. These attributes include: LTV ratio, ratio of repayment to regular borrower income, and borrower capacity to make current repayments even under scenarios involving a change in interest rates. Whenever loans are granted with attributes which do not meet one or more of the standards set by the Bank for these attributes, the Bank requires additional bolstering for the loan, such as guarantors for the loan, proven repayment capacity not based on regular borrower income, and other additional reinforcements.

LTV

One of the key parameters used by the Bank in minimizing risk in its residential mortgage portfolio is the LTV ratio (ratio of loan amount to value of the property pledged as collateral).

The average financing ratio for the Bank's mortgage portfolio as of September 30, 2024 is 54.9%, compared to 55.0% at the end of last year, and 55.0% on September 30, 2023. Out of the total loan portfolio of the Bank, amounting to NIS 219.9 billion, some 98.3% were granted with an original LTV ratio under 75%, which secures the loan even in case of an extreme 25% decrease in value of the property pledged as collateral.

The LTV ratio is the historical LTV ratio calculated upon loan approval, and does not account for any current repayments which reduce the loan balance nor any changes in value of properties pledged as collateral. The increase in housing prices, and conversely, reduced loan balances due to current repayments result in a decrease in the current LTV ratio and, as noted above, based on changes to property values as estimated by the Central Bureau of Statistics, against current portfolio balances. This ratio is lower than the historical LTV ratio. Total loans granted at LTV ratios over 75% in the past two years amounted to NIS 0.6 billion, or only 0.3% of the total residential mortgage portfolio.

Note, in this regard, that the Bank's average LTV ratio as of September 30, 2024, based on current outstanding balances (with no change to property value due to changes in housing prices) would have decreased as follows: For loans originated up to one year ago – by 3.3%. For loans originated one to 5 years ago – by 4.9%; for loans originated over 5 years ago – by 16.7%; for all loans in total – by 8.9%.

The percentage of loans granted with a high LTV ratio (over 75%) out of total residential mortgage portfolio of the Bank to 1.0% for loans granted 1-2 years ago, 1.4% for loans granted 3-12 months ago and 1.2% for loans granted in the third quarter of 2024.

Repayment as percentage of regular income

The LTV ratio of a residential mortgage is a benchmark of loan security, regardless of borrower attributes. Therefore, in addition, when a mortgage is approved, the Bank requires borrowers to show their capacity to make current loan repayments on schedule, primarily by calculating the ratio of monthly repayment to regular borrower income.

The average repayment ratio for the Bank's residential mortgage portfolio is 26.4%. Some 81.7% of the Bank's mortgage portfolio were granted to borrowers with a repayment ratio under 35% (the average repayment ratio for these borrowers is: 23.4%). Some 17.7% of the mortgage portfolio were granted to borrowers with a repayment ratio of 35% to 50% (the average repayment ratio for these borrowers is: 38.8%). Only 0.6% of all mortgages were extended to borrowers with a repayment ratio over 50%.

The loans with a high repayment ratio are loans granted to borrowers with significant other assets, or with high free per capita income net of mortgage repayment, or whose repayment capacity is not necessarily based on current income, or where additional bolstering of the loan is in place, in addition to the pledged property and repayment capacity of the borrower, such as financially stable guarantors. Moreover, approval of loans to such customers involves a high weighting attributed to the loan repayment to income ratio in conformity with a "normative interest rate", so as to review the household repayment capacity under a scenario of higher interest rates.

Loans bearing variable interest

The Bank offers customers residential mortgages which in part bear adjustable interest and in part are linked (to CPI, foreign currency) or non-linked (NIS-denominated loans).

The Bank of Israel’s directives restrict the variable interest rate from the sum of the loan so that at least one third of the mortgage that must bear fixed interest remains, and up to two thirds may be extended bearing variable interest.

The Bank provides customers with the knowledge and expertise of its staff in order for customers to understand the risk involved with a loan bearing adjustable interest and how this risk may be mitigated or avoided. The Bank advises customers to attribute appropriate weighting to this risk, and to be cautious when deciding upon the loan composition.

Loan amount

Loans granted by the Bank with an original amount over NIS 2 million amounted in total to NIS 25.1 billion on September 30, 2024, or 11.4% of the Bank's residential mortgage portfolio.

For more information about residential mortgages risk, see also the 2023 Risks Report available on the Bank website.

Operational Risk

For additional details on the operating risk including business continuity risks, information security and cyber risk, information technology risk and legal risk, see the Report of the Board of Directors and Risks Report for 2023.

Market risk and interest risk

Risk description and development thereof

Market risk – This is the risk of loss from on– and off-balance sheet positions, arising from change in fair value of financial instruments, due to change in market risk factors (interest rates, exchange rates, inflation, prices of equities and commodities).
Interest rate risk in the banking portfolio is the risk to Bank profit (change in revenues) or to the Bank's economic value, primarily due to changes in the structure of interest rate curves relevant for Bank operations, non-identical fluctuations of various curves used by the Bank for pricing and management of its exposures, or from the fact that a change in interest rates may result in a change in composition of the Bank's assets and liabilities due to exercise of options for early repayment due to change in market interest rates.
The market risk in the trading portfolio is minimal, in line with Bank policy. The Bank structure, which is weighted towards the mortgage portfolio, produces long-term uses for which the Bank requires sources. The Bank regularly reviews the risk estimation methodology, in line with global common practice.

As noted, the overall risk level of market and interest risk remained Low-Medium. The interest risk level remains Medium. Risk values remain high, and are primarily affected by ongoing activity and changes in interest rate curves, which have seen volatility. The Bank of Israel interest rate remained unchanged at 4.50%, after dropping by 0.25% in January.

Due to the security situation, as from October 8, 2023 the Emergency Financial Forum, headed by the Manager, Finance Division, convenes often to discuss management of financial risk that may arise due to the war.

Furthermore, the Bank continued to strictly manage its CPI-linked position, based on creating a daily linkage balance sheet and establishing a forecast position under various scenarios.

Below is the VAR for the Bank Group (NIS in millions):

	First nine months		All of
	2024	2023	2023
At end of period	1,409	1,213	1,666
Maximum value during period	(Feb.) 1,734	(Mar.) 1,618	(November) 2,522
Minimum value during period	(Sep.) 1,409	(Jan.) 875	(Jan.) 875

Market risk is primarily due to interest risk in the bank portfolio, as presented below.

The high value at maximum risk, observed in November 2023, is due inter alia to the sharply higher price volatility due to the "Iron Swords" war. After price volatility became more moderate at end of the fourth quarter, risk values returned to a lower level, similar to the pre-war levels.

The back-testing of the VAR model in the comprehensive portfolio indicates that the model is in order.

Analysis of interest risk in bank portfolio

Below is the effect[(1)(2)] of a parallel shift of the curve by 2% on the economic value of the Bank's portfolio in EVE terms (NIS in millions):

	Change in fair value					
	Israeli currency		Foreign currency			
	Non-linked	Linked to CPI	USD	EUR	Other	Total
	September 30, 2024					
2% increase	(1,735)	(1,836)	(224)	94	24	(3,677)
2% decrease	1,484	1,732	19	(101)	(24)	3,111
	September 30, 2023					
2% increase	(1,544)	(2,673)	579	4	21	(3,613)
2% decrease	2,339	3,432	(597)	35	(23)	5,186
	December 31, 2023					
2% increase	(1,766)	(2,393)	608	10	22	(3,519)
2% decrease	2,182	2,774	(605)	19	(24)	4,346

(1) Calculated based on current data used for actual interest risk management.

(2) Starting from the second quarter of 2024 the reported results f the scenario do not include offsetting between the results of the scenario in NIS currency and foreign currency.

In preparing the mortgage repayment cash flows forecast for the Bank, assumptions with regard to the prepayment rate and manner are taken into account. Credit balances in checking accounts are attributed in line with common practice in conformity with the Basel directives, i.e. over an average term of 4-5 years for different customer types. The Bank regularly reviews the risk estimation methodology, in line with global common practice.

Quantitative information about interest risk – Sensitivity analysis

Net adjusted fair value(1) of financial instruments of the Bank and subsidiaries thereof*:

	As of September 30, 2024			As of September 30, 2023			As of December 31, 2023 **		
	NIS	Foreign currency(2)	Total	NIS	Foreign currency(2)	Total	NIS	Foreign currency(2)	Total
Net balance sheet balance(1)	30,013	(223)	29,790	26,813	(495)	26,318	27,413	(335)	27,078
Net adjusted fair value(1)	32,800	679	33,479	19,773	799	20,572	25,540	1,028	26,568
Of which: Banking portfolio	23,732	(6)	23,726	10,709	4,032	14,741	18,262	(327)	17,935
Of which: Effect of attribution of on-call deposits to terms	5,569	700	6,269	-	-	-	4,053	773	4,826
Of which: Effect of early repayment of residential mortgages	(242)	(31)	(273)	-	-	-	1,005	(21)	984
Of which: Impact of early receptions of public deposits	(18)	-	(18)	-	-	-	(65)	-	(65)

Impact of change scenarios in interest rates on net adjusted fair value(1) of the Bank and subsidiaries thereof*:

	As of September 30, 2024			As of September 30, 2023			As of December 31, 2023		
	NIS	Foreign currency(2)	Total	NIS	Foreign currency(2)	Total	NIS	Foreign currency(2)	Total
Concurrent changes									
Concurrent 1% increase	(1,746)	(55)	(1,801)	(1,655)	301	(1,354)	(1,872)	290	(1,582)
Of which: Banking portfolio	(1,733)	(67)	(1,800)	(1,650)	313	(1,337)	(1,863)	295	(1,568)
Of which: Effect of attribution of on-call deposits to terms	1,389	311	1,700	-	-	-	1,148	314	1,462
Of which: Effect of early repayment of residential mortgages	2,620	3	2,623	-	-	-	2,259	2	2,261
Of which: Impact of early receptions of public deposits	(175)	-	(175)	-	-	-	(241)	-	(241)
Concurrent 1% decrease	1,186	(237)	949	1,494	(378)	1,116	1,501	(393)	1,108
Of which: Banking portfolio	1,167	(264)	903	1,486	(392)	1,094	1,490	(400)	1,090
Of which: Effect of attribution of on-call deposits to terms	(1,488)	(331)	(1,819)	-	-	-	(1,234)	(334)	(1,568)
Of which: Effect of early repayment of residential mortgages	(3,207)	(3)	(3,210)	-	-	-	(2,771)	(3)	(2,774)
Of which: Impact of early receptions of public deposits	188	-	188	-	-	-	258	-	258
Non-concurrent changes									
Steeper(3)	(959)	86	(873)	(1,064)	92	(972)	(1,353)	92	(1,261)
Shallower(4)	283	(12)	271	865	23	888	779	35	814
Short-term interest increase	(252)	152	(100)	(348)	253	(95)	(243)	286	43
Short-term interest decrease	186	(155)	31	612	(259)	353	355	(294)	61

(1) Net balance sheet balance and net fair value of financial instruments, except for non-monetary items, after effect of liability with respect to employee rights and attribution of on-call deposits to the terms.
(2) Includes Israeli currency linked to foreign currency.
(3) Short-term interest decrease and long-term interest increase.
(4) Short-term interest increase and long-term interest decrease.
* Comparative figures regarding effects, a requirement for details of which was added, were provided only for December 31, 2023.
** Reclassified

The difference between exposure of the bank portfolio to changes in interest according to net adjusted fair value and sensitivity of economic value (EVE) presented above, under a 1% concurrent shift of the curve, is immaterial and amounts to NIS 24 million.

This calculation allows for scenarios which may result in negative interest rates and does not cap interest rates at 0%.

See Note 15 to the financial statements for additional information.

Note that the internal rate of return and the average effective duration, as presented under Bank exposure to changes in interest rates on the Risks Report, are average data and therefore it is not possible to make deductions based on a linear change thereto with regard to sensitivity of net adjusted fair value to changes in interest rates.

Impact of change scenarios in interest rates on net interest revenues and non-interest financing revenues(1)(4):

	As of September 30, 2024			As of September 30, 2023			As of December 31, 2023		
	Interest revenues	Non-interest financing revenues(3)	Total	Interest revenues	Non-interest financing revenues(3)	Total	Interest revenues	Non-interest financing revenues(3)	Total
Concurrent changes(2)									
Concurrent 1% increase	(232)	341	109	130	(30)	100	64	238	302
Of which: Banking portfolio	56	332	388	126	(47)	79	56	212	268
Concurrent 1% decrease	(164)	(508)	(672)	(868)	(519)	(1,387)	(866)	(643)	(1,509)
Of which: Banking portfolio	(452)	(504)	(956)	(863)	(506)	(1,369)	(857)	(621)	(1,478)

(1) For a one-year term.
(2) Changes to risk-free interest.
(3) Includes the effect of fair value, gain (loss) from transactions in bonds and the effect of interest accrual for transactions in derivatives.
(4) An interest increase/decrease scenario features is an assumption of the purchase/sale of bonds as well as the diversion of checking accounts to deposits.

Impact of change scenarios in interest rates equity attributed to Bank shareholders:

	As of September 30, 2024	As of December 31, 2023
	NIS in millions	
Concurrent 1% increase	(56)	(96)
Concurrent 1% decrease	31	80

Below are the key assumptions underlying the above data, which are in line with how the Bank manages interest risk:

- Credit balances in checking accounts are attributed in line with common practice in conformity with the Basel directives, i.e. over an average term of 4-5 years for different customer types.
- When calculating sensitivity of interest revenues, the risk-free interest rate is not capped at a minimum of 0%. In the same way, no cap is applied to the discount rate at 0% when calculating non-interest financing revenues.
- Given the change in the interest rate environment, behavioral assumptions were updated with respect to current account balances in credit and the securities portfolio.
- Under the concurrent scenario of interest rate increase by 1%, the negative capital reserve with respect to securities is expected to increase by NIS 232 million.

For further details of assumptions used in calculation of the fair value of financial instruments, see Note 15 to these financial statements and Note 33 to the financial statements as of December 31, 2023.

Analysis of CPI and exchange rate exposures

Below is analysis of the sensitivity of Bank Group capital to changes in major exchange rates and in the CPI (before tax effect) as of September 30, 2024, capital increase (erosion) (NIS in millions):

	Scenarios				Historical stress scenario(1)	
	10% increase	5% increase	5% decrease	10% decrease	Maximum increase	Maximum decrease
CPI(2)	2,873	1,437	(1,437)	(2,873)	326	(258)
USD	2	3	(1)	4	3	(1)
GBP	1	-	-	-	-	-
JPY	-	-	-	1	-	-
EUR	6	2	-	4	1	-
SFR	-	-	-	-	-	-

(1) Stress scenarios were calculated based on daily changes in the exchange rate and monthly changes in the CPI, in the last 10 years.
(2) Capital sensitivity to a 3% increase / decrease in the CPI is NIS 862 million and NIS (862) million, respectively.

Share price risk

For more information about share price risk, see the 2023 Risks Report available on the Bank website.

For information about equity investments, see Note 5 to these financial statements and Notes 12 and 15.A to the 2023 financial statements.

Liquidity and financing risk

Risk description and development thereof

Liquidity risk – risk due to uncertainty about resource availability and the capacity to realize assets in a specified time at a reasonable price.

Financing risk – risk resulting from shortage of financing sources or too high costs to raise such sources.

Liquidity risk is managed subject to the limitations of the Board of Directors and Management in an effort to minimize the losses deriving from an investment of surplus liquidity in assets that are highly liquid, but have a low yield.

Over the course of the third quarter of 2024, there were no recorded deviations from the Board of Directors' restrictions.

Liquidity risk remained low-medium. Since the war started, and due to the security situation in Israel, the Bank's alert level with regard to liquidity increased, although there was no material change to relevant indicators, due to the wish to closely monitor any potential changes in the situation. In practice, no events nor indications were observed which would indicate realization of a liquidity event.

As of September 30, 2024, the balance of the three largest depositor groups at the Bank Group amounted to NIS 28.0 billion.

For more information about sources of finance and development of the balance of deposits from the public, see chapter "Analysis of developments in assets, liabilities, equity and capital adequacy" below.

For more information about financing risk, see also the 2023 Risks Report available on the Bank website.

Liquidity coverage ratio

In conformity with Proper Conduct of Banking Business Directive 221 "Liquidity coverage ratio", the minimum regulatory requirement is 100%. This Directive stipulates minimum liquidity ratios for a one-month term (regulatory LCR), calculated based on uniform multipliers for the banking system, specified by the Bank of Israel based on Basel III directives. As part of its risks management policy, the Bank's Board of Directors specified that additional safety cushions are to be maintained, beyond the regulatory minimum ratio; so that the target liquidity coverage ratio for the Bank and the Group would by 5% higher than the minimum required. This ratio is managed and reported for all currencies in aggregate and for NIS separately, both at Bank level and on Group basis. The ratio for the Bank solo and the consolidated ratio are calculated daily and reported as the average of daily observations over 90 days prior to the report date. This regulation is in addition to liquidity risk management using internal models, as stipulated by Directive 342, as described above. The average liquidity coverage ratio for the third quarter of 2024 was 127%. As noted above, in the third quarter of 2024 there were no recorded deviations from these restrictions.

Net stable funding ratio

Proper Conduct of Banking Business Directive 222 "Net stable funding ratio" stipulates a minimum net stable funding ratio of 100% ("Regulatory NSFR") of available stable funding and required stable funding. As part of its risks management policy, the Bank's Board of Directors specified that additional safety cushions are to be maintained, beyond the regulatory minimum ratio; so that the net stable financing ratio for the Group would be 5% higher than the minimum required. This ratio is managed and reported in total for all currencies, on a consolidated basis.

Net stable funding ratio (on consolidated basis) as of September 30, 2024 was 113%. No deviations from the risk appetite limitations were recorded.

For more information about the liquidity coverage ratio and stable financing ratio, see the Risks Report available on the Bank website.

Other risks

For further details on other risks including compliance and regulation risks, cross-border risks, money laundering risks, terror financing risks, reputational risks, strategic business risks and regulatory business risks, see the Report of the Board of Directors and the Risks Report for 2023.

Policies and critical accounting estimates, controls and procedures

Policies and critical accounting estimates

The Bank's Financial Statements have been prepared in accordance with the directives and guidelines of the Supervisor of Banks. These directives largely adopt the accounting rules accepted at banks in the United States (US GAAP). These condensed financial statements should be read in conjunction with the audited financial statements as of December 31, 2023.

The significant accounting policies are detailed in Note 1 to the 2023 financial statements.

The application of generally accepted accounting principles by management at the time that the financial statements are prepared occasionally involves various assumptions, assessments and estimates that affect the amounts and business results reported in the financial statements. Some of the assumptions, assessments and estimates are critical to the financial position or the results of operations reflected in the Group's financial statements, because of the materiality of the matter, complexity of calculations or the extent of the probability that matters shrouded in uncertainty will be realized.

Management estimates and key assumptions used in applying accounting policy to these financial statements are consistent with those used to prepare the financial statements as of December 31, 2023. For more information about accounting policies on critical matters, see chapter "Policies and critical accounting estimates" of the 2023 Report of the Board of Directors and Management.

Provision for credit losses

The Bank has put in place procedures for classification of credit and for measurement of provision for credit losses, in order to maintain an appropriate provision to cover expected credit losses with regard to the Bank's loan portfolio. Further, the Bank has put in place procedures to be followed for an appropriate provision to cover expected credit losses with regard to bonds held to maturity and the portfolio of bonds available for sale and certain off-balance sheet credit exposures. The estimated provision for expected credit losses is calculated over the contractual term of the financial asset, taking into account estimated early repayment.

Sensitivity of provisions for credit losses to changes in economic conditions is due to a significant number of connections and mutual effects: Effect on certain customers who cannot meet their obligations, and consequently subject to a specific provision; effect on certain customers who are facing difficulties that require classification as inferior or under special supervision, and consequently the group-based provision with respect thereto has increased; effect on the additional qualitative component of the group-based provision, through parameters of growth and unemployment that are part of the model; additional effect on the additional qualitative component, through other parameters affected by unemployment and growth, such as the number of Watchlists and average rating of customers and other effects not included in the models, if any, based on exercise of discretion.

Expenses with respect to credit losses in the third quarter of 2024 amounted to NIS 130 million, compared to NIS 694 million in the corresponding period last year, and in the first nine months of 2024 amounted to NIS 414 million, compared to NIS 1,168 million in the corresponding period last year. Provision to credit losses in the first nine months of 2024, as well as in the same period last year, largely derives from adjustments made by the Bank to collective provision components to credit losses calculated on a quality basis. Provisions starting from the third quarter of 2023, as well as in the first nine months of 2024, were intended to express the potential increase in credit risk in the market due to the war started on October 7, 2023 with respect to customers resident in the conflict regions which may face difficulties, and to macroeconomic and other developments which may affect everyone in Israel, as well as due to customers who have received deferrals in payments for the redemption of their loans for a limited period. This, while no material indications have yet been found for the realization of this risk. Upon conclusion of the war, these components of the group-based provision are expected to decrease, other than amounts to be recognized, as required, with respect to specific customers who may be in difficulty due to the war.

The risk assessment for debts with deferred payments takes into account the customer's history at the Bank, including failures to pay and arrears in the past, as expressed in the risk rating given prior to the deferral. As a rule, deferral of payments is not granted customers in arrears of over 180 days, or to a customer who upon the deferral date has indications of difficulties in long-term repayment capabilities. In cases featuring indications of an ongoing difficulty in a customer's repayment ability, which is not a temporary difficulty that is expected to end with the end of the war, or in cases in which the customer needs a redemption arrangement that includes a waiver on the move to deferring payments, the Bank's policy is to classify the customer during the deferral period. This, while taking into account the support the customer receives within the framework of various state programs. Note that the risk potential attributed to the loans population in deferring the payments, including regarding uncertainty regarding the customer's current repayment ability, is expressed both in the customer's internal rating, and in the qualitative component of the collective provision to credit losses.

In order to establish the provision with respect to impact of the war and other effects, the Bank conducted independent sensitivity analysis of potential effects of deterioration in macro-economic parameters on default rates. The group-based provision recognized by the Bank with respect to uncertainty is similar to total loss under the stress scenario of short-term decline by 7.5% in the GDP, a further 0.9% increase in Bank of Israel interest rate, a 0.9% increase and in mortgage interest, and a rise in unemployment to 8%.

This information constitutes forward-looking information, as defined in the Securities Law, 1968, based on assumptions, facts and data (hereinafter jointly: "assumptions") brought before the Bank's Board of Directors. These assumptions may not materialize due to factors which are not solely controlled by the Bank.

As detailed in Note 1.c.1, following the adoption of updates to generally accepted accounting rules at U.S. banks in the matter of the re-structuring of problematic debts and disclosure requirements by year when credit was extended, the measurement method of the provision to credit losses was updated, among other things. This is in light of the cancellation of the requirement to calculate the provision for the a debt being restructured for a problematic debt, in the cash flow working capital method.

See Notes 6 and 13 to the financial statements for further information.

Controls and Procedures

In accordance with the Public Reporting Directives of the Supervisor of Banks, based on requirements stipulated in Sections 302 and 404 of the American Sarbanes Oxley Law, the Bank President & CEO and the Chief Accountant of the Bank have each separately signed a Certification attached to the financial statements on "Disclosure Controls and Procedures (hereinafter: "Disclosure Certification").
The Disclosure Certification relates to the controls and procedures that were designed to assure that the information that the Bank requires for disclosure in accordance with the Public Reporting Regulations of the Supervisor of Banks, is accumulated, processed and sent to the Bank's Executive Management in a manner that enables decisions to be reached at an appropriate time, with respect to disclosure requirements. The certification also refers to setting of internal controls over financial reporting intended to provide a reasonable degree of certainty with regard to the reliability of financial reporting and to the fact that the financial statements for external use are prepared in accordance with generally accepted accounting principles and with directives and guidelines of the Supervisor of Banks.

Evaluation of controls and procedures with regard to disclosure
Bank management, together with the Bank President & CEO and the Chief Accountant of the Bank, evaluated the effectiveness of the Bank's disclosure controls and procedures as of September 30, 2024. Based on this evaluation, the Bank President & CEO and the Chief Accountant of the Bank concluded that at the end of the period ended September 30, 2024, the disclosure controls and procedures are effective for recording, processing, summarizing and reporting the information that the Bank is required to disclose in the quarterly report, in accordance with the Public Reporting Regulations of the Supervisor of Banks, on the date stipulated in these Regulations.

Changes to internal controls

In the third quarter of 2024, no change occurred in the Bank's internal controls over financial reporting that had a material effect, or can reasonably be expected to have a material effect on the Bank's internal controls over financial reporting.

A. Zeldman	Lari Moshe
Avraham Zeldman	**Moshe Lari**
Chairman of the Board of Directors	President & CEO

Approval date:
Ramat Gan
November 20, 2024

Certification

I, MOSHE LARI, certify that:

1. I have reviewed the quarterly report of Bank Mizrahi Tefahot Ltd. (hereinafter: "the Bank") for the quarter ended September 30, 2024 (hereinafter: "the Report").
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact nor omit to state any material fact necessary so that the statements included therein, in light of the circumstances under which such statements were made, would not be misleading with respect to the period covered by the Report.
3. Based on my knowledge, the quarterly financial statements and other financial information included in the Report fairly present, in all material respects, the financial condition, results of operations, and changes in shareholders' equity and cash flows of the Bank as of the dates and for the periods presented in this Report.
4. I and others at the Bank who provide this certification, are responsible for determining and maintaining controls and procedures with regard to disclosure(1) and to the Bank's internal controls over financial reporting(1) as well as:
    a. We have determined such controls and procedures, or caused these controls and procedures to be determined under our supervision, for the purpose of ensuring that material information relating to the Bank, including its subsidiaries, is made known to us by others in the Bank and in those entities, particularly during the period in which the Report is being prepared;
    b. We have set such internal controls over financial reporting, or had it set under our supervision, intended to provide a reasonable degree of certainty with regard to the reliability of financial reporting and to the fact that the financial statements for external use are prepared in accordance with generally accepted accounting principles and with directives and guidelines of the Supervisor of Banks;
    C. We have evaluated the effectiveness of the Bank's disclosure controls and procedures and presented our conclusions about the effectiveness of the disclosure controls and procedures in this Report, as of the end of the period covered by this Report based on our evaluation; and
    D. We have disclosed in this Report any change in the Bank's internal controls over financial reporting that occurred during this quarter, that has materially affected, or is reasonably likely to materially affect, the Bank's internal controls over financial reporting; and
5. I and others in the Bank who are declaring this certification, have disclosed, based on our most recent evaluation of the internal controls over financial reporting, to the Bank's independent auditors, the Board of Directors and the Audit and Balance Sheet Committees of the Board of Directors of the Bank:
    a. All significant deficiencies and material weaknesses in the determination or operation of internal controls over financial reporting which are reasonably likely to impair the Bank's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Bank's internal controls over financial reporting.

The aforesaid does not derogate from my responsibility or the responsibility of any other person according to the law.

Lari Moshe

Moshe Lari
President & CEO

November 20, 2024

(1) As defined in Public Reporting Directives with regard to "Report of the Board of Directors and Management".

Certification

I, MENAHEM AVIV, certify that:

1. I have reviewed the quarterly report of Bank Mizrahi Tefahot Ltd. (hereinafter: "the Bank") for the quarter ended September 30, 2024 (hereinafter: "the Report").
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact nor omit to state any material fact necessary so that the statements included therein, in light of the circumstances under which such statements were made, would not be misleading with respect to the period covered by the Report.
3. Based on my knowledge, the quarterly financial statements and other financial information included in the Report fairly present, in all material respects, the financial condition, results of operations, and changes in shareholders' equity and cash flows of the Bank as of the dates and for the periods presented in this Report.
4. I and others at the Bank who provide this certification, are responsible for determining and maintaining controls and procedures with regard to disclosure(1) and to the Bank's internal controls over financial reporting(1) as well as:
   a. We have determined such controls and procedures, or caused these controls and procedures to be determined under our supervision, for the purpose of ensuring that material information relating to the Bank, including its subsidiaries, is made known to us by others in the Bank and in those entities, particularly during the period in which the Report is being prepared;
   b. We have set such internal controls over financial reporting, or had it set under our supervision, intended to provide a reasonable degree of certainty with regard to the reliability of financial reporting and to the fact that the financial statements for external use are prepared in accordance with generally accepted accounting principles and with directives and guidelines of the Supervisor of Banks;
   C. We have evaluated the effectiveness of the Bank's disclosure controls and procedures and presented our conclusions about the effectiveness of the disclosure controls and procedures in this Report, as of the end of the period covered by this Report based on our evaluation; and
   D. We have disclosed in this Report any change in the Bank's internal controls over financial reporting that occurred during this quarter, that has materially affected, or is reasonably likely to materially affect, the Bank's internal controls over financial reporting; and
5. I and others in the Bank who are declaring this certification, have disclosed, based on our most recent evaluation of the internal controls over financial reporting, to the Bank's independent auditors, the Board of Directors and the Audit and Balance Sheet Committees of the Board of Directors of the Bank:
   a. All significant deficiencies and material weaknesses in the determination or operation of internal controls over financial reporting which are reasonably likely to impair the Bank's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Bank's internal controls over financial reporting.

The aforesaid does not derogate from my responsibility or the responsibility of any other person according to the law.

Menahem Aviv

Vice-President
Chief Accountant

November 20, 2024

(1) As defined in Public Reporting Directives with regard to "Report of the Board of Directors and Management".

Deloitte.

Independent Auditors' review report to shareholders of Bank Mizrahi-Tefahot Ltd

Introduction

We have reviewed the enclosed financial information of Bank Mizrahi Tefahot Ltd. and subsidiaries thereof ("the Bank"), consisting of the condensed consolidated interim balance sheet as of September 30, 2024, the condensed consolidated interim statements of profit and loss, comprehensive income, changes to shareholder equity and cash flows for the nine-month and three-month periods then ended. The Board of Directors and management are responsible for preparation and presentation of financial information for these interim periods, in accordance with the directives of the Supervisor of Banks and his directives for financial reporting for the interim period, as detailed in Note 1; these directives largely adopt the accounting rules accepted at banks in the United States (US GAAP) for financial reporting for interim periods. We are responsible for expressing our conclusion with regard to financial information for these interim periods, based on our review.

We did not review the condensed financial information of certain consolidated subsidiaries, whose assets included in consolidation constitute 4.19% of total consolidated assets as of September 30, 2024, and whose net interest revenues before expenses with respect to credit losses included in the consolidated statements of profit and loss constitute 5.11% and 4.79% of total consolidated net interest revenues before expenses with respect to credit losses, respectively, for the nine-month and three-month periods then ended. The condensed financial information for interim periods of these companies was reviewed by other auditors, whose review reports were furnished to us, and our opinion, insofar as it relates to amounts included with respect to these companies, is based on the review reports of the other auditors.

Review scope

We have conducted our review in accordance with Review Standard (Israel) no. 2410 of the Institute of Certified Public Accountants in Israel "Review of Financial Information for Interim Periods Conducted by the Entity's Independent Auditor" and with the review standard whose application to review of banking corporations is stipulated in accordance with directives and guidance of the Supervisor of Banks. A review of financial information for interim periods consists of discussions, mostly with persons responsible for financial and accounting issues, and of application of analytical and other review procedures. A review is significantly limited in scope as compared to an audit conducted in accordance with generally accepted audit standards in Israel, and therefore it does not enable us to achieve assurance that we have knowledge of all material matters which might have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, and on the review reports of other auditors, nothing has come to our attention that would cause us to assume that the aforementioned financial information has not been prepared, in all material aspects, in accordance with the directives of the Supervisor of Banks and his directives for financial reporting for the interim period, as detailed in Note 1; these directives largely adopt the accounting rules accepted at banks in the United States (US GAAP) for financial reporting for interim periods.

Brightman Almagor Zohar & Co.

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

Tel Aviv, November 20, 2024

Tel Aviv - Main Office
1 Azrieli Center Tel Aviv, 6701101 P.O.B. 16593 Tel Aviv, 6116402 Tel: +972 (3) 608 5555 | info@deloitte.co.il

Jerusalem
3 Kiryat Ha'Mada
Har Hotzvim Tower
Jerusalem, 914510
Tel: +972 (2) 501 8888
Fax: +972 (2) 537 4173
info-jer@deloitte.co.il

Haifa
5 Ma'aleh Hashichrur
P.O.B. 5648
Haifa, 3105502
Tel: +972 (4) 860 7333
Fax: +972 (4) 867 2528
info-haifa@deloitte.co.il

Eilat
The City Center
P.O.B. 583
Eilat, 8810402
Tel: +972 (8) 637 5676
Fax: +972 (8) 637 1628
info-eilat@deloitte.co.il

Nazareth
9 Marj Ibn Amer St.
Nazareth, 16100
Tel: +972 (73) 399 4455
Fax: +972 (73) 399 4455
info-nazareth@deloitte.co.il

Beit Shemesh
Yigal Alon 1 St.
Beit Shemesh, 9906201

Bank Mizrahi Tefahot

Condensed Financial Statements as of September 30, 2024

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Condensed consolidated statements of profit and loss

Reported amounts (NIS in millions)

	Note	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
		2024	2023	2024	2023	2023
			(Unaudited)	(Unaudited)		(Audited)
Interest revenues	2	7,121	6,224	19,937	18,323	24,005
Interest expenses	2	3,965	3,265	10,876	9,037	12,030
Interest revenues, net		3,156	2,959	9,061	9,286	11,975
Expenses due to credit losses	6.13	130	694	414	1,168	1,463
Interest revenues, net after expenses with respect to credit losses		**3,026**	**2,265**	**8,647**	**8,118**	**10,512**
Non-interest revenues						
Non-interest financing revenues	3	60	341	431	678	511
Commissions		514	506	1,532	1,535	2,028
Other revenues		67	62	206	190	266
Total non-interest revenues		**641**	**909**	**2,169**	**2,403**	**2,805**
Operating and other expenses						
Payroll and associated expenses		847	902	2,571	2,842	3,544
Maintenance and depreciation of buildings and equipment		246	274	739	852	1,098
Other expenses		196	239	586	679	927
Total operating and other expenses		**1,289**	**1,415**	**3,896**	**4,373**	**5,569**
Pre-tax profit		2,378	1,759	6,920	6,148	7,748
Provision for taxes on profit		898	624	2,626	2,150	2,669
After-tax profit		**1,480**	**1,135**	**4,294**	**3,998**	**5,079**
Share of profits of associated companies, after tax effect		3	-	15	1	1
Net profit:						
Before attribution to non-controlling interests		1,483	1,135	4,309	3,999	5,080
Attributable to non-controlling interests		(58)	(37)	(160)	(136)	(170)
Attributable to shareholders of the Bank		**1,425**	**1,098**	**4,149**	**3,863**	**4,910**

The accompanying notes are an integral part of the financial statements.

Avraham Zeldman	Moshe Lari	Menahem Aviv
Director	President & CEO	Vice-president, Chief Accountant

Approval date:
Ramat Gan, November 20, 2024

Condensed consolidated statements of profit and loss – Continued

Reported amounts (NIS in millions)

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2024	**2023**	**2024**	**2023**	**2023**
		(Unaudited)		**(Unaudited)**	**(Audited)**
Earnings per share[1] (in NIS)					
Basic earnings					
Net profit attributable to shareholders of the Bank	5.52	4.27	16.07	15.01	19.07
Weighted average number of ordinary shares used to calculate basic earnings (thousands of shares)	258,343	257,392	258,262	257,306	257,452
Diluted earnings					
Net profit attributable to shareholders of the Bank	5.49	4.24	16.00	14.95	19.00
Weighted average number of ordinary shares used to calculate diluted earnings (thousands of shares)	259,668	258,751	259,322	258,327	258,448

(1) Share of NIS 0.1 par value.

Condensed consolidated statements of comprehensive income

Reported amounts (NIS in millions)

	Note	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
		2024	2023	2024	2023	2023
			(Unaudited)	(Unaudited)		(Audited)
Net profit:						
Before attribution to non-controlling interests		1,483	1,135	4,309	3,999	5,080
Attributable to non-controlling interests		(58)	(37)	(160)	(136)	(170)
Net profit attributable to shareholders of the Bank		**1,425**	**1,098**	**4,149**	**3,863**	**4,910**
Other comprehensive income (loss) before taxes	4					
Adjustments for presentation of available-for-sale bonds at fair value, net		153	(41)	11	(1)	150
Adjustments from translation of financial statements of investments in associated companies[1]		-	-	-	-	-
Net gains from cash flow hedges		2	-	-	4	5
Adjustments of liabilities with respect to employees' benefits[2]		(36)	62	107	(16)	(23)
Total other comprehensive income (loss), before tax		**119**	**21**	**118**	**(13)**	**132**
Related tax effect		(31)	(7)	(35)	7	(44)
Other comprehensive income (loss) after taxes[3]						
Other comprehensive income (loss), before attribution to non-controlling interests		88	14	83	(6)	88
Less other comprehensive income (loss) attributed to non-controlling interests		9	-	14	(11)	(16)
Other comprehensive income attributable to shareholders of the Bank, after tax		**79**	**14**	**69**	**5**	**104**
Comprehensive income:						
Before attribution to non-controlling interests		1,571	1,149	4,392	3,993	5,168
Attributable to non-controlling interests		(67)	(37)	(174)	(125)	(154)
Comprehensive income attributable to shareholders of the Bank		**1,504**	**1,112**	**4,218**	**3,868**	**5,014**

(1) Translation adjustments of financial statements of associated companies whose functional currency differs from the Bank's functional currency.
(2) Includes adjustments with respect to actuarial estimates included in the reported period for defined-benefit pension plans and current amortization of adjustments with respect to liabilities to profit and loss.
(3) For more information see Note 4 to the financial statements – cumulative other comprehensive income (loss).

The accompanying notes are an integral part of the financial statements.

Condensed consolidated balance sheets

Reported amounts (NIS in millions)

	Note	As of September 30 2024	As of September 30 2023	As of December 31 2023
		(Unaudited)	(Unaudited)	(Audited)
Assets				
Cash and deposits with banks		79,342	81,645	86,550
Securities(1)(2)	5	30,829	19,007	23,071
Securities borrowed or purchased in resale agreements		448	24	106
Loans to the public	6.13	352,451	327,471	329,415
Provision for credit losses	6.13	(4,137)	(3,881)	(4,069)
Loans to the public, net	6.13	348,314	323,590	325,346
Loans to Governments		388	667	480
Investments in associated companies		249	241	242
Buildings and equipment		1,705	1,447	1,531
Intangible assets and goodwill		125	155	148
Assets with respect to derivatives	11	4,612	7,319	6,282
Other assets		6,367	4,194	4,448
Total assets		**472,379**	**438,289**	**448,204**
Liabilities and Equity				
Deposits from the public	7	385,119	351,034	358,553
Deposits from banks		1,816	5,008	4,571
Deposits from the Government		23	24	71
Bonds and subordinated notes		36,408	36,655	37,070
Liabilities with respect to derivatives	11	4,189	6,095	7,367
Other liabilities (3)		13,015	11,801	11,869
Total liabilities		**440,570**	**410,617**	**419,501**
Shareholders' equity attributable to shareholders of the Bank		30,408	26,459	27,461
Non-controlling interests		1,401	1,213	1,242
Total equity		**31,809**	**27,672**	**28,703**
Total liabilities and equity		**472,379**	**438,289**	**448,204**

(1) Of which: NIS 26,542 million at fair value on consolidated basis (on September 30, 2023: NIS 15,233 million; on December 31, 2023: NIS 19,121 million).

(2) For more information with regard to securities pledged or provided as collateral to lenders, see Note 5 to the financial statements.

(3) Of which: Provision for credit losses with respect to off balance sheet credit instruments amounting to NIS 257 million (on September 30, 2023: NIS 198 million, on December 31, 2023: NIS 201 million).

The accompanying notes are an integral part of the financial statements.

Condensed Statements of Changes in Shareholders' Equity

Reported amounts (NIS in millions)

	Share capital and premium[(1)]	Capital reserve from benefit from share-based payment transactions	Total paid-up share capital and capital reserves	Cumulative other comprehensive income (loss)[(2)]	Retained earnings[(3)]	Total shareholders' equity	Non-controlling interests	Total equity
	For the three months ended September 30, 2024 (unaudited)							
Balance as of June 30, 2024	3,562	120	3,682	(420)	26,202	29,464	1,349	30,813
Net profit for the period	-	-	-	-	1,425	1,425	58	1,483
Dividends paid[(4)]	-	-	-	-	(581)	(581)	-	(581)
Benefit from share-based payment transactions	-	21	21	-	-	21	-	21
Realization of share-based payment transactions[(5)]	4	(4)	-	-	-	-	-	-
Dividends attributable to non-controlling interests in subsidiary	-	-	-	-	-	-	(15)	(15)
Other comprehensive income, net, after tax	-	-	-	79	-	79	9	88
Balance as of September 30, 2024	**3,566**	**137**	**3,703**	**(341)**	**27,046**	**30,408**	**1,401**	**31,809**
	For the three months ended September 30, 2023 (unaudited)							
Balance as of June 30, 2023	3,526	106	3,632	(523)	22,705	25,814	1,176	26,990
Net profit for the period	-	-	-	-	1,098	1,098	37	1,135
Dividends paid[(4)]	-	-	-	-	(489)	(489)	-	(489)
Benefit from share-based payment transactions	-	22	22	-	-	22	-	22
Realization of share-based payment transactions[(5)]	16	(16)	-	-	-	-	-	-
Other comprehensive income, net, after tax	-	-	-	14	-	14	-	14
Balance as of September 30, 2023	**3,542**	**112**	**3,654**	**(509)**	**23,314**	**26,459**	**1,213**	**27,672**

(1) Share premium generated prior to March 31, 1986.

(2) For more information see Note 4 – Cumulative other comprehensive income.

(3) For information about various restrictions on dividend distribution, see Note 24 to the 2023 financial statements.

(4) On August 29, 2024, a dividend distribution amounting to NIS 581 million was made in conformity with resolution by the Bank's Board of Directors. On August 29, 2023, a dividend distribution amounting to NIS 489 million was made in conformity with resolution by the Bank's Board of Directors.

(5) In the third quarter of 2024, 89,374 ordinary shares of NIS 0.1 par value were issued for exercise of options pursuant to the Employee Stock Option Plan. In the third quarter of 2023, 373,765 ordinary shares of NIS 0.1 par value were issued for exercise of options pursuant to the Employee Stock Option Plan.

- On November 20, 2024, the Bank's Board of Directors resolved to distribute dividends amounting to NIS 570 million, which constitute 40% of earnings in the third quarter of 2024, in conformity with the Bank's dividend policy. According to accounting rules, this amount will be deducted from retained earnings in the fourth quarter of 2024.

Condensed Statements of Changes in Shareholders' Equity

Reported amounts (NIS in millions)

	Share capital and premium[(1)]	Capital reserve from benefit from share-based payment transactions	Total paid-up share capital and capital reserves	Cumulative other comprehensive income (loss)[(2)]	Retained earnings[(3)]	Total shareholders' equity	Non-controlling interests	Total equity
	For the nine months ended September 30, 2024 (unaudited)							
Balance as of December 31, 2023	3,556	119	3,675	(410)	24,196	27,461	1,242	28,703
Net profit for the period	-	-	-	-	4,149	4,149	160	4,309
Dividends paid[(4)]	-	-	-	-	(1,299)	(1,299)	-	(1,299)
Benefit from share-based payment transactions	-	28	28	-	-	28	-	28
Realization of share-based payment transactions[(5)]	10	(10)	-	-	-	-	-	-
Dividends attributable to non-controlling interests in subsidiary	-	-	-	-	-	-	(15)	(15)
Other comprehensive income (loss), net, after tax	-	-	-	69	-	69	14	83
Balance as of September 30, 2024	**3,566**	**137**	**3,703**	**(341)**	**27,046**	**30,408**	**1,401**	**31,809**
	For the nine months ended September 30, 2023 (unaudited)							
Balance as of December 31, 2022	3,519	99	3,618	(514)	20,676	23,780	1,088	24,868
Net profit for the period	-	-	-	-	3,863	3,863	136	3,999
Dividends paid[(4)]	-	-	-	-	(1,225)	(1,225)	-	(1,225)
Benefit from share-based payment transactions	-	36	36	-	-	36	-	36
Realization of share-based payment transactions[(5)]	23	(23)	-	-	-	-	-	-
Other comprehensive income (loss), net, after tax	-	-	-	5	-	5	(11)	(6)
Balance as of September 30, 2023	**3,542**	**112**	**3,654**	**(509)**	**23,314**	**26,459**	**1,213**	**27,672**
	For the year ended December 31, 2023 (audited)							
Balance as of December 31, 2022	3,519	99	3,618	(514)	20,676	23,780	1,088	24,868
Net profit for the period	-	-	-	-	4,910	4,910	170	5,080
Dividends paid[(4)]	-	-	-	-	(1,390)	(1,390)	-	(1,390)
Benefit from share-based payment transactions	-	57	57	-	-	57	-	57
Realization of share-based payment transactions[(5)]	37	(37)	-	-	-	-	-	-
Other comprehensive income (loss), net, after tax	-	-	-	104	-	104	(16)	88
Balance as of December 31, 2023	**3,556**	**119**	**3,675**	**(410)**	**24,196**	**27,461**	**1,242**	**28,703**

(1) Share premium generated prior to March 31, 1986.
(2) For more information see Note 4 – Cumulative other comprehensive income.
(3) For information about various restrictions on dividend distribution, see Note 24 to the 2023 financial statements.
(4) On March 28, 2024, June 6, 2024 and August 29, 2024, the Bank paid dividends amounting to NIS 209 million, NIS 509 million and NIS 581 million, respectively, in conformity with a decision by the Bank's Board of Directors. On March 28, 2023, June 1, 2023, August 29, 2023 and December 12, 2023, the Bank paid dividends amounting to NIS 326 million, NIS 410 million, NIS 489 million and NIS 165 million, respectively, in accordance with a decision by the Bank's Board of Directors.
(5) In the first nine months of 2024, 263,698 ordinary shares of NIS 0.1 par value were issued for exercise of options pursuant to the Employee Stock Option Plan. In the first nine months of 2023, 580,864 ordinary shares of NIS 0.1 par value were issued for exercise of options pursuant to the Employee Stock Option Plan. In 2023, 951,533 ordinary shares of NIS 0.1 par value were issued for exercise of options pursuant to the Employee Stock Option Plan. The CEO was issued 2,878 ordinary shares of NIS 0.1 par value each.

- On November 20, 2024, the Bank’s Board of Directors resolved to distribute dividends amounting to NIS 570 million, which constitute 40% of earnings in the third quarter of 2024, in conformity with the Bank's dividend policy. According to accounting rules, this amount will be deducted from retained earnings in the fourth quarter of 2024.

The accompanying notes are an integral part of the financial statements.

Condensed statements of cash flows

Reported amounts (NIS in millions)

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2024	2023	2024	2023	2023
		(Unaudited)		(Unaudited)	(Audited)
Cash Flows from Current Activity					
Net profit before attribution to non-controlling interests	1,483	1,135	4,309	3,999	5,080
Adjustments					
Share of banking corporation in undistributed earnings of associated companies	(3)	-	(15)	(1)	(1)
Depreciation of buildings and equipment (including impairment)	71	97	212	341	411
Expenses due to credit losses	130	694	414	1,168	1,463
Loss from sale of securities available for sale and shares not held for trading	26	45	15	85	105
Realized and unrealized loss (gain) from adjustment to fair value of securities held for trading	(11)	(31)	(44)	(34)	9
Realized and unrealized gain from adjustments to fair value of shares not held for trading	(26)	(6)	(20)	(23)	(7)
Impairment of securities held for sale and shares not held for trading	2	1	6	6	15
Expenses arising from share-based payment transactions	21	22	28	36	57
Deferred taxes, net	12	(53)	(33)	(240)	(285)
Change in employees' provisions and liabilities	(3)	66	18	(95)	(169)
Adjustments with respect to exchange rate differentials	89	(194)	(183)	(552)	(181)
Accrual differences included with investment and financing operations	1,819	(263)	1,923	1,732	(2,040)
Net change in current assets					
Assets with respect to derivatives	398	(1,488)	1,670	(1,526)	(488)
Securities held for trading	608	244	529	(239)	(832)
Other assets, net	(1,382)	(103)	(1,874)	(108)	(360)
Net change in current liabilities					
Liabilities with respect to derivatives	592	1,262	(3,178)	881	2,153
Other liabilities	1,340	(805)	1,209	(1,532)	(1,398)
Net cash provided by current operations	**5,166**	**623**	**4,986**	**3,898**	**3,532**

The accompanying notes are an integral part of the financial statements.

Condensed statements of cash flows – Continued

Reported amounts (NIS in millions)

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2024	2023	2024	2023	2023
		(Unaudited)		(Unaudited)	(Audited)
Cash flows from investment activities					
Net change in deposits with banks	1,348	1,472	740	1,514	215
Net change in loans to the public	(10,492)	(6,729)	(21,380)	(14,447)	(15,867)
Net change in loans to Governments	11	(142)	92	(349)	(162)
Net change in securities loaned or acquired in resale agreements	(168)	(20)	(342)	291	209
Acquisition of bonds held to maturity	-	(160)	(281)	(531)	(800)
Proceeds from redemption of bonds held to maturity	17	4	200	656	573
Purchase of securities available for sale and shares not held for trading	(6,733)	(2,319)	(16,091)	(9,499)	(10,799)
Proceeds from sale of securities available for sale and shares not held for trading	1,006	2,669	5,671	5,814	7,880
Proceeds from redemption of securities available for sale	247	107	2,458	729	1,371
Proceeds from sale of loan portfolios	-	-	89	25	25
Purchase of loan portfolios – public	(305)	(550)	(1,681)	(2,083)	(2,643)
Acquisition of buildings and equipment	(164)	(106)	(386)	(284)	(438)
Purchase of shares in associated companies	(2)	-	(12)	(20)	(30)
Proceeds from realized investment in associated companies	1	-	20	-	9
Net cash provided by investment activities	**(15,234)**	**(5,774)**	**(30,903)**	**(18,184)**	**(20,457)**
Cash flows provided by financing operations					
Net change in deposits from the public	9,843	6,555	24,975	4,070	10,330
Net change in deposits from banks	(617)	(1,533)	(2,755)	(1,986)	(2,423)
Net change in deposits from Government	(15)	(5)	(48)	(23)	24
Issuance of bonds and subordinated notes	-	-	4,461	3,089	7,706
Redemption of bonds and subordinated notes	(3,680)	(200)	(6,053)	(705)	(4,411)
Dividends paid to shareholders	(581)	(489)	(1,299)	(1,225)	(1,390)
Net cash provided by financing operations	**4,935**	**4,328**	**19,266**	**3,220**	**9,836**
Decrease in cash	(5,133)	(823)	(6,651)	(11,066)	(7,089)
Cash balance at beginning of the period	84,711	82,980	85,957	92,865	92,865
Effect of changes in exchange rate on cash balances	(89)	194	183	552	181
Cash balance at end of the period	**79,489**	**82,351**	**79,489**	**82,351**	**85,957**
Interest and taxes paid / received					
Interest received	5,711	5,401	17,312	15,426	21,737
Interest paid	3,816	2,392	9,991	6,783	9,782
Dividends received	6	-	32	7	14
Income taxes received	-	-	205	21	21
Income taxes paid	808	832	2,646	2,654	3,262
Appendix A – Non-cash Transactions					
Acquisition of buildings and equipment	-	1	-	1	1

The accompanying notes are an integral part of the financial statements.

Note 1 – Reporting Principles and Accounting Policies

a. Overview

On November 20, 2024, the Bank's Board of Directors authorized publication of these condensed financial statements as of September 30, 2024.

The Concise Financial Statements have been prepared in accordance with the directives and guidelines of the Supervisor of Banks. These directives largely adopt the accounting rules accepted at banks in the united States (US GAAP). These condensed financial statements should be read in conjunction with the audited financial statements as of December 31, 2023.

In accordance with directives of the Supervisor of Banks, the condensed financial statements are issued on a consolidated basis only.

The Group accounting policies in these condensed consolidated quarterly financial statements are consistent with the policies applied in the annual financial statements, except as noted in section C. below.

b. Impact of military and macro-economic developments on financial reporting

On October 7, 2023, war was declared following a sudden murderous rampage into settlements close to the Gaza Strip border. This was concurrent with the start of military escalation on the Northern border, in the Judea and Samaria sector and the Red Sea. During the summer of 2024 the conflict between Israel and the Hezbollah terror organization escalated. As part of the escalation, other security threats are posed in other fronts in the Middle East, including Yemen, Iraq, Syria and Iran.

Due to the situation, both banks and the Supervisor of Banks have taken measures to provide relief to customers.

For details on the step the Bank took to relieve its customers and the accounting policy taken regarding these benefits, see Note 1c to the Bank's December 31, 2023 Financial Statements.

c. Initial application of accounting standards, accounting standard updates and directives of the Supervisor of Banks

As from reporting periods starting on January 1, 2024, the Bank applies the following new accounting standards and directives:

1. Update to 2022-02 standard in codification regarding re-structuring of problematic debts and disclosure requirements by year when credit was extended.
2. Update to 2022-03 standard in codification regarding fair value measurement of equity securities subject to trade restrictions.

Below is a description of the essence of changes applied to accounting policies in these condensed consolidated interim financial statements, and description of the initial implementation and any impact thereof:

1. Update to 2022-02 standard in codification regarding re-structuring of problematic debts and disclosure requirements by year when credit was extended

On March 31, 2022, the Financial Accounting Standards Board ("FASB") issued ASU 2022-02 regarding re-structuring of problematic debts and disclosure requirements by year when credit was extended with regard to provisions for credit losses (hereinafter: "the Update").

The Update rescinds the provisions regarding re-structuring of problematic debts by lenders, improving the disclosure requirements with respect to borrowers facing economic challenges. The Update also adds a disclosure requirement regarding gross write-offs by year when credit was extended.

On October 19, 2023, the Supervisor of Banks issued a circular regarding "Revision of debt terms for borrowers in financial difficulties", revising the public reporting regulations in conformity with revision of accounting standards on this matter.

Note 1 – Reporting Principles and Accounting Policies – continued

The key points of standard changes in the standard include, among other things: Elimination of the definition "debt subject to re-structuring of problematic debt", including the elimination of the demand to test whether the Bank had granted a waiver to determine this classification, to be superseded by the term "Revision of debt terms for borrowers in financial difficulties"; revision of disclosure requirements on the financial statements, so as to provide disclosure of any change in debt terms for borrowers in financial difficulties, which includes waiver of principal, reduction of interest rate or extension of the term which does not result in negligible deferment of payments; elimination of the requirement to calculate a provision for credit losses for debt subject to re-structuring of problematic debt, using the discounted cash flow method, and extended disclosure of "Credit quality by origination year" to include information about gross accounting write-offs during the year.

Banking corporations were required to implement the directive from January 1, 2024, in accordance with the guidelines and transition orders set in the directive.

The Bank has adopted certain reliefs on the initial directive date, as made possible by the transition orders, including determining the balance of borrowers in financial difficulties subject to revision of terms through December 31, 2023 may be determined based on the balance of debt subject to re-structuring of problematic debt through December 31, 2023. For further details, see Note 13, Information About Credit Risk, Loans to the Public and Provision for Credit Losses.

Application of this directive has no material impact on the Bank's financial statements.

In addition, quantitative disclosures in Additional Information About Credit Risk, Loans to the Public and Provision for Credit Losses in the Financial Statements were updated to the new quantitative format. Comparative data has not been restated.

In order to determine whether the borrower is in financial duress, the Bank considers if there are any indications of difficulties upon the restructuring date, or existence of a reasonable likelihood that the creditor would be in financial duress if not for the re-structuring. *Inter alia*, the Bank reviews the existence of one or more of the following circumstances:

- The debtor is currently in payment default for any of its debts, or, the Bank estimates that the debtor is expected to be in default for any of its debts in the foreseeable future, if the change is not made.
- The debtor has declared bankruptcy or is in Receivership or any in any other bankruptcy or Receivership proceedings.
- There is significant doubt about the debtor continuing as a going concern.
- The debtor has securities that have been delisted, are in the process of being delisted or are being threatened with delisting from the stock exchange.
- According to estimates and projections which only include the debtor's current capabilities, the Bank expects specific cash flows for the debtor entity would be insufficient to service any of its debt (principal and interest) in conformity with contractual terms of the existing agreement in the foreseeable future.
- Without the existing change, the debtor would be unable to obtain cash from sources other than the current lenders, at effective interest rates equal to the prevailing market interest rates for similar debt of a non-problematic debtor.
- The Bank does not classify a debt restructuring as a change in the terms of debts of borrowers undergoing financial difficulties if the change results in an insignificant delay in repayment considering the payment frequency, the contractual term to maturity and the original term to maturity of the debt. For this matter, if multiple restructurings took place involving changes to debt terms, the Bank accounts for the accumulated effect of previous restructurings, carried out over the course of 12 months, in order to determine whether the deferral of payments due to the debt structuring is not material.

2. Update to 2022-03 standard in codification regarding fair value measurement of equity securities subject to trade restrictions

On June 29, 2022, the US Financial Accounting Standards Board ("FASB") issued ASU 2022-03 regarding fair value measurement of equity securities subject to trade restriction (hereinafter: "the Update").

Note 1 – Reporting Principles and Accounting Policies – continued

The Update clarifies that contractual trade restriction on equity securities is an entity-specific restriction, and is not part of the accounting measurement unit of such securities, and therefore shall not be accounted for in fair value measurement. Furthermore, the Update adds disclosure requirements.

The Update's provisions were implemented starting January 1, 2024 prospectively with resulting adjustments charged to profit or loss.

Implementation of the directives in question had no material impact on the Bank's Financial Statements.

d. New accounting standards and new directives by the Supervisor of Banks prior to their implementation

Amendment	Publication requirements	Start date and transition provisions	Implications
Extension of transitional provision regarding implementation of provisions of Section 830 of the Codification "Foreign currency "	The transitional provision instructs banking corporations not to include exchange rate differentials with respect to available-for-sale bonds as part of fair value adjustment of such bonds, but rather to continue treating these as stipulated in the Public Reporting Directives prior to adoption of Section 830 of the Codification "Foreign currency", through January 1, 2025.	January 1, 2025	No material impact is expected on the financial statements.
Updated standard ASU 2023-07 regarding improvement to disclosure requirements concerning reportable segments	On November 27, 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-07 regarding improvement to disclosure requirements concerning reportable segments (hereinafter: "the Update"). This update improves the disclosure requirements applicable to entities, including added requirement of disclosure, to be provided in the segment note, regarding "significant expenses" reported to the CODM, provision of an explanation as to how the CODM uses the segment reporting, expansion of certain annual disclosure requirements to include interim periods, disclosure of the identity and role of the CODM and clarification whereby Topic 280 also applies to entities with a single segment.	In conformity with directives of the Supervisor of Banks	No material impact is expected on the financial statements.
Updated standard ASU 2023-09 regarding improvement to disclosure requirements concerning taxes on income	On December 14, 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-09 regarding improvement to disclosure requirements concerning taxes on income (hereinafter: "the Update". The revisions included in this update add new improved disclosure requirements and eliminate certain disclosure requirements.	In conformity with directives of the Supervisor of Banks	No material impact is expected on the financial statements.
Regulation revision ASU 2024-01 on the incidence of Subject 718 on bonuses of rights to profits and similar bonuses	On March 21, 2024, the Financial Accounting Standards Board ("FASB") issued ASU 2024-01 on the incidence of Subject 718 on the codification of profit interest awards and similar bonuses granted to employees and to non-working parties (hereinafter: "the Update"). This update clarifies that the guidelines of Subject 718 in the codification will be implemented in the event that the terms detailed in the standard are met. Furthermore, the Update adds examples that demonstrate the treatment of these types of bonuses.	In conformity with directives of the Supervisor of Banks	No material impact is expected on the financial statements.
Update to Proper Conduct of Banking Business Directive 206 Capital Measurement and Adequacy – Operational Risk	On June 19, 2024, the Bank Supervisor published a circular that updates the guidelines for calculating capital requirements for operating risk. The update includes guidelines for calculating risk assets weighted for operating risks as well as guidelines pertaining to historical loss data.	As detailed in the circular, starting January 1, 2026.	No material impact is expected on the financial statements.

Note 2 – Interest revenues and expenses

Reported amounts (NIS in millions)

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2024	**2023**	**2024**	**2023**	**2023**
		(Unaudited)		**(Unaudited)**	**(Audited)**
a. Interest revenues[1]					
From loans to the public	6,041	5,181	16,708	15,434	20,106
From loans to Governments	5	7	18	18	24
from cash and deposits with central banks	830	880	2,544	2,438	3,304
From deposits with banks	17	15	39	69	113
Of securities borrowed or purchased in resale agreements	4	-	9	3	4
From bonds	224	141	619	361	454
Total interest revenues	**7,121**	**6,224**	**19,937**	**18,323**	**24,005**
B. Interest expenses					
On deposits from the public	3,302	2,918	9,353	7,809	10,633
On deposits from governments	1	1	2	2	2
On deposits from banks	19	17	67	74	95
On bonds and subordinated notes	627	324	1,397	1,141	1,282
On other liabilities	16	5	57	11	18
Total interest expenses	**3,965**	**3,265**	**10,876**	**9,037**	**12,030**
Total interest revenues, net	**3,156**	**2,959**	**9,061**	**9,286**	**11,975**
c. Net Effect of Hedging Financial Derivatives on Interest Revenues	(123)	76	(42)	62	(22)
d. Details of interest revenues on accrual basis from bonds					
Held to maturity	34	21	90	86	111
Available for sale	178	107	495	261	339
Held for trading	12	13	34	14	4
Total included under interest revenues	**224**	**141**	**619**	**361**	**454**

(1) Including the effect of hedges.

Note 3 – Non-interest financing revenues

Reported amounts (NIS in millions)

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2024	2023	2024	2023	2023
		(Unaudited)		(Unaudited)	(Audited)
a. Non-interest financing revenues (expenses) with respect to non-trading operations					
1. From activity in derivative instruments					
Net revenues (expenses) with respect to ALM derivative instruments[(1)]	(194)	1,134	717	2,750	1,618
Total from activity in derivative instruments	**(194)**	**1,134**	**717**	**2,750**	**1,618**
2. From investment in bonds					
Losses from sale of bonds available for sale	(29)	(46)	(51)	(98)	(118)
Provision for impairment of bonds available for sale	(1)	(1)	(1)	(6)	(9)
Total from investment in bonds	**(30)**	**(47)**	**(52)**	**(104)**	**(127)**
3. Exchange rate differences, net	**199**	**(780)**	**(547)**	**(1,953)**	**(964)**
4. Gains from investment in shares					
Gains from sale of shares not held for trading	3	1	36	13	13
Provision for impairment of shares not held for trading	(1)	-	(5)	-	(6)
Dividends from shares not held for trading	6	-	32	7	14
Unrealized gains[(3)]	26	6	20	16	7
Total from investment in shares	**34**	**7**	**83**	**36**	**28**
Total non-interest financing revenues with respect to non-trading purposes	**9**	**314**	**201**	**729**	**555**
b. Non-interest financing revenues (expenses) with respect to trading operations[(2)]					
Net revenues (expenses) with respect to other derivative instruments	40	(4)	186	(85)	(35)
Realized and un-realized gains from adjustment to fair value of bonds held for trading, net	10	31	43	33	(11)
Realized and un-realized gains from adjustment to fair value of shares held for trading, net	1	-	1	1	2
Total from trading activity[(4)]	**51**	**27**	**230**	**(51)**	**(44)**
Details of non-interest financing revenues (expenses) with respect to trading operations, by risk exposure					
Interest exposure	42	37	123	43	(4)
Foreign currency exposure	6	(10)	102	(94)	(40)
Exposure to shares	3	-	5	-	-
Exposure to commodities and others	-	-	-	-	-
Total	**51**	**27**	**230**	**(51)**	**(44)**

(1) Derivative instruments which constitute part of the Bank's asset and liability management system, which were not designated as hedges.
(2) Includes exchange rate differentials resulting from trading operations.
(3) Including gains / losses from measurement at fair value of shares for which fair value is available, and upward / downward adjustment of shares for which no fair value is available.
(4) For interest revenues from investments in bonds held for trading, see Note 2.D.

Note 4 – Cumulative other comprehensive income (loss)

Reported amounts (NIS in millions)

A. Changes to cumulative other comprehensive income (loss), after tax effect

	Other comprehensive income (loss), before attribution to non-controlling interests						
	Adjustments for presentation of available-for-sale bonds at fair value	Translation adjustments[1]	Net gains (losses) from cash flow hedges	Adjustments with respect to employees' benefits[2]	Total	Other comprehensive income attributed to non-controlling interests	Other comprehensive income (loss) attributable to shareholders of the Bank
	For the three months ended September 30, 2024						
	(Unaudited)						
Balance as of June 30, 2024	(452)	(2)	2	3	(449)	(29)	(420)
Net change in the period	104	-	1	(17)	88	9	79
Balance as of September 30, 2024	**(348)**	**(2)**	**3**	**(14)**	**(361)**	**(20)**	**(341)**
	For the three months ended September 30, 2023						
	(Unaudited)						
Balance as of June 30, 2023	(430)	(2)	3	(123)	(552)	(29)	(523)
Net change in the period	(26)	-	-	40	14	-	14
Balance as of September 30, 2023	**(456)**	**(2)**	**3**	**(83)**	**(538)**	**(29)**	**(509)**
	For the nine months ended September 30, 2024						
	(Unaudited)						
Balance as of December 31, 2023	(356)	(2)	3	(89)	(444)	(34)	(410)
Net change in the period	8	-	-	75	83	14	69
Balance as of September 30, 2024	**(348)**	**(2)**	**3**	**(14)**	**(361)**	**(20)**	**(341)**
	For the nine months ended September 30, 2023						
	(Unaudited)						
Balance as of December 31, 2022	(458)	(2)	-	(72)	(532)	(18)	(514)
Net change in the period	2	-	3	(11)	(6)	(11)	5
Balance as of September 30, 2023	**(456)**	**(2)**	**3**	**(83)**	**(538)**	**(29)**	**(509)**
	For the year ended December 31, 2023						
	(Audited)						
Balance as of December 31, 2022	(458)	(2)	-	(72)	(532)	(18)	(514)
Net change in the period	102	-	3	(17)	88	(16)	104
Balance as of December 31, 2023	**(356)**	**(2)**	**3**	**(89)**	**(444)**	**(34)**	**(410)**

(1) Translation adjustments of financial statements of associated companies whose functional currency differs from the Bank's functional currency.
(2) Primarily consists of the effect of changes in interest rates on the actuarial liability, as well as deduction of the capital reserve.

Note 4 – Cumulative other comprehensive income (loss) – continued

Reported amounts (NIS in millions)

B. Changes in items of cumulative other comprehensive income (loss) before and after tax effect

	For the three months ended September 30					
			2024			2023
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
						(Unaudited)
Change in items of other comprehensive income (loss), before attribution to non-controlling interests:						
Adjustments for presentation of available-for-sale bonds at fair value						
Net unrealized gains (losses) from adjustments to fair value	123	(39)	84	(88)	32	(56)
Losses (gains) with respect to available-for-sale securities reclassified to the statement of profit and loss[(1)]	30	(10)	20	47	(17)	30
Net change in the period	**153**	**(49)**	**104**	**(41)**	**15**	**(26)**
Translation adjustments						
Adjustments from translation of financial statements[(2)]	-	-	-	-	-	-
Net change in the period	**-**	**-**	**-**	**-**	**-**	**-**
Cash flows hedges						
Net losses from cash flow hedges	2	(1)	1	-	-	-
Net (gains) losses with respect to cash flow hedges reclassified to the statement of profit and loss[(3)]	-	-	-	-	-	-
Net change in the period	**2**	**(1)**	**1**	**-**	**-**	**-**
Employees' benefits						
Net actuarial gain (loss) for the period	(47)	23	(24)	[(4)]74	(26)	48
Net losses (gains) reclassified to the statement of profit and loss	11	(4)	7	(12)	4	(8)
Net change in the period	**(36)**	**19**	**(17)**	**62**	**(22)**	**40**
Total net change in the period	**119**	**(31)**	**88**	**21**	**(7)**	**14**
Total net change in the period attributable to non-controlling interests	**13**	**(4)**	**9**	**-**	**-**	**-**
Total net change in the period attributable to shareholders of the Bank	**106**	**(27)**	**79**	**21**	**(7)**	**14**

(1) Pre-tax amount included in the statement of profit and loss under "Non-interest financing revenues". For details, see Note 3.A.2.
(2) Translation adjustments of financial statements of associated companies whose functional currency differs from the Bank's functional currency.
(3) Pre-tax amount included in the statement of profit and loss under "Interest revenues". For details, see Note 3.A.1.
(4) Includes the effect of special collective bargaining agreement signed by the Bank and by Mizrahi Tefahot Employee Union. See Note 22 to the 2023 financial statements for additional information.

Note 4 – Cumulative other comprehensive income (loss) – continued

Reported amounts (NIS in millions)

B. Changes in items of cumulative other comprehensive income (loss) before and after tax effect – continued

	For the nine months ended September 30						For the year ended December 31		
	2024			2023			2023		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
	(Unaudited)						(Audited)		
Change in items of other comprehensive income (loss), before attribution to non-controlling interests:									
Adjustments for presentation of available-for-sale bonds at fair value									
Net unrealized gains (losses) from adjustments to fair value	(41)	15	(26)	(105)	39	(66)	23	(5)	18
Losses (gains) with respect to available-for-sale securities reclassified to the statement of profit and loss[(1)]	52	(18)	34	104	(36)	68	127	(43)	84
Net change in the period	**11**	**(3)**	**8**	**(1)**	**3**	**2**	**150**	**(48)**	**102**
Translation adjustments									
Adjustments from translation of financial statements[(2)]	-	-	-	-	-	-	-	-	-
Net change in the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash flows hedges									
Net gains (losses) with respect to cash flows hedging	-	-	-	4	(1)	3	5	(2)	3
Net (gains) losses with respect to cash flow hedges reclassified to the statement of profit and loss[(3)]	-	-	-	-	-	-	-	-	-
Net change in the period	**-**	**-**	**-**	**4**	**(1)**	**3**	**5**	**(2)**	**3**
Employees' benefits									
Net actuarial gain (loss) for the period	73	(20)	53	[(4)](22)	7	(15)	(35)	10	(25)
Net losses reclassified to the statement of profit and loss	34	(12)	22	6	(2)	4	12	(4)	8
Net change in the period	**107**	**(32)**	**75**	**(16)**	**5**	**(11)**	**(23)**	**6**	**(17)**
Total net change in the period	**118**	**(35)**	**83**	**(13)**	**7**	**(6)**	**132**	**(44)**	**88**
Total net change in the period attributable to non-controlling interests	**21**	**(7)**	**14**	**(17)**	**6**	**(11)**	**(24)**	**8**	**(16)**
Total net change in the period attributable to shareholders of the Bank	**97**	**(28)**	**69**	**4**	**1**	**5**	**156**	**(52)**	**104**

(1) Pre-tax amount included in the statement of profit and loss under "Non-interest financing revenues". For details, see Note 3.A.2.
(2) Translation adjustments of financial statements of associated companies whose functional currency differs from the Bank's functional currency.
(3) Pre-tax amount included in the statement of profit and loss under "Interest revenues". For details, see Note 3.A.1.
(4) Includes the effect of special collective bargaining agreement signed by the Bank and by Mizrahi Tefahot Employee Union. See Note 22 to the 2023 financial statements for additional information.

Note 5 – Securities

September 30, 2024 (unaudited)

Reported amounts (NIS in millions):

	Carrying amount	Amortized cost	Balance of provision for credit losses	Adjustments to fair value yet to be recognized		Fair value[1]
				Gains	Losses	
(1) Bonds held to maturity						
of Government of Israel	3,375	3,375	-	4	(127)	3,252
Of financial institutions in Israel	291	291	-	-	(15)	276
Of others in Israel	107	107	-	2	(3)	106
Total bonds held to maturity	**3,773**	**3,773**	**-**	**6**	**(145)**	**3,634**

	Carrying amount	Amortized cost	Balance of provision for credit losses	Cumulative other comprehensive income[4]		Fair value[1]
				Gains	Losses	
(2) Bonds available for sale						
of Government of Israel	11,655	12,089	-	39	(473)	11,655
of foreign governments[3]	3,953	3,953	-	2	(2)	3,953
Of financial institutions in Israel	594	623	-	10	(39)	594
Of foreign financial institutions	150	153	-	1	(4)	150
Asset-backed (ABS)	56	59	-	-	(3)	56
Of others in Israel	1,102	1,137	(8)	15	(42)	1,102
Of others overseas	176	176	-	3	(3)	176
Total bonds available for sale	**17,686**	**18,190**	**(8)**	**70**	**(566)**	**17,686**

	Carrying amount	Cost	Balance of provision for credit losses	Adjustments to fair value yet to be realized[5]		Fair value[1]
				Gains	Losses	
(3) Investment in shares not held for trading	**768**	**710**	**-**	**68**	**(10)**	**768**
Of which: Shares for which no fair value is available[6]	514	500	-	14	-	514
Total securities not held for trading	**22,227**	**22,673**	**(8)**	**144**	**(721)**	**22,088**

See footnotes below.

Note 5 – Securities – continued

September 30, 2024 (unaudited)

Reported amounts (NIS in millions)

	Carrying amount	Amortized cost (for shares – cost)	Balance of provision for credit losses	Adjustments to fair value yet to be realized[5] Gains	Adjustments to fair value yet to be realized[5] Losses	Fair value[1]
(4) Bonds held for trading						
of Government of Israel	8,334	8,324	-	59	(49)	8,334
Of foreign governments	197	194	-	3	-	197
Of financial institutions in Israel	3	3	-	-	-	3
Of others in Israel	23	22	-	2	(1)	23
Of others overseas	28	28	-	-	-	28
Total bonds held for trading	**8,585**	**8,571**	**-**	**64**	**(50)**	**8,585**
Shares and other securities	17	15	-	5	(3)	17
Total securities held for trading	**8,602**	**8,586**	**-**	**69**	**(53)**	**8,602**
Total securities[2]	**30,829**	**31,259**	**(8)**	**213**	**(774)**	**30,690**

(5) Additional information about bonds	
Recorded debt balance of	
Problematic bonds accruing interest revenues	-
Problematic bonds not accruing interest revenues	14
	14

(1) Fair value data are generally based on stock exchange prices, which do not necessarily reflect the price to be obtained on the sale of a large volume of securities.
(2) Of which: Securities pledged to lenders, amounting to NIS 775 million and securities provided as collateral to lenders, amounting to NIS 164 million.
(3) US government bonds.
(4) Included in shareholders' equity in "adjustments on presentation of bonds available for sale at fair value".
(5) Charged to statement of profit and loss but not yet realized.
(6) Generally shown at cost (net of impairment), adjusted for changes in observed prices in ordinary transactions for similar or identical investments of the same issuer.

Remarks:
- For information about results of investments in bonds, see Notes 2D, 3A.2 and 3B to the financial statements. For more information about investments in shares – see Note 3A.4 to the financial statements.
- The distinction between Israeli and foreign bonds was made in conformity with the country of residence of the authority which issued the security.

Note 5 – Securities – continued

September 30, 2023 (unaudited)

Reported amounts (NIS in millions):

	Carrying amount	Amortized cost	Balance of provision for credit losses	Adjustments to fair value yet to be recognized		Fair value[1]
				Gains	Losses	
(1) Bonds held to maturity						
of Government of Israel	2,891	2,891	-	-	(156)	2,735
Of financial institutions in Israel	395	395	-	-	(21)	374
Of others in Israel	136	136	-	-	(4)	132
Total bonds held to maturity	**3,422**	**3,422**	**-**	**-**	**(181)**	**3,241**

	Carrying amount	Amortized cost	Balance of provision for credit losses	Cumulative other comprehensive income[4]		Fair value[1]
				Gains	Losses	
(2) Bonds available for sale						
of Government of Israel	7,094	7,637	-	27	(570)	7,094
of foreign governments[3]	288	293	-	-	(5)	288
Of financial institutions in Israel	436	478	-	6	(48)	436
Of foreign financial institutions	267	277	-	2	(12)	267
Asset-backed (ABS)	59	62	-	-	(3)	59
Of others in Israel	928	985	(8)	10	(59)	928
Of others overseas	219	228	-	2	(11)	219
Total bonds available for sale	**9,291**	**9,960**	**(8)**	**47**	**(708)**	**9,291**

	Carrying amount	Cost	Balance of provision for credit losses	Adjustments to fair value yet to be realized[5]		Fair value[1]
				Gains	Losses	
(3) Investment in shares not held for trading	**607**	**546**	**-**	**83**	**(22)**	**607**
Of which: Shares for which no fair value is available[6]	352	338	-	14	-	352
Total securities not held for trading	**13,320**	**13,928**	**(8)**	**130**	**(911)**	**13,139**

See footnotes below.

Note 5 – Securities – continued

September 30, 2023 (unaudited)

Reported amounts (NIS in millions):

	Carrying amount	Amortized cost (for shares – cost)	Balance of provision for credit losses	Adjustments to fair value yet to be realized[5] Gains	Losses	Fair value[1]
(4) Bonds held for trading						
of Government of Israel	5,241	5,409	-	-	(168)	5,241
Of foreign governments	369	375	-	-	(6)	369
Of financial institutions in Israel	3	3	-	-	-	3
Of others in Israel	23	23	-	1	(1)	23
Of others overseas	35	36	-	-	(1)	35
Total bonds held for trading	**5,671**	**5,846**	**-**	**1**	**(176)**	**5,671**
Shares and other securities	16	14	-	4	(2)	16
Total securities held for trading	**5,687**	**5,860**	**-**	**5**	**(178)**	**5,687**
Total securities[2]	**19,007**	**19,788**	**(8)**	**135**	**(1,089)**	**18,826**

(5) Additional information about bonds	
Recorded debt balance of	
Problematic bonds accruing interest revenues	-
Problematic bonds not accruing interest revenues	21
	21

(1) Fair value data are generally based on stock exchange prices, which do not necessarily reflect the price to be obtained on the sale of a large volume of securities.

(2) Of which: Securities pledged to lenders, amounting to NIS 421 million and securities provided as collateral to lenders, amounting to NIS 52 million.

(3) US government bonds.

(4) Included in shareholders' equity in "adjustments on presentation of bonds available for sale at fair value".

(5) Charged to statement of profit and loss but not yet realized.

(6) Generally shown at cost (net of impairment), adjusted for changes in observed prices in ordinary transactions for similar or identical investments of the same issuer.

Remarks:

- For information about results of investments in bonds, see Notes 2D, 3A.2 and 3B to the financial statements. For more information about investments in shares – see Note 3A.4 to the financial statements.
- The distinction between Israeli and foreign bonds was made in conformity with the country of residence of the authority which issued the security.

Note 5 – Securities – continued

As of December 31, 2023 (audited)

Reported amounts (NIS in millions):

	Carrying amount	Amortized cost	Balance of provision for credit losses	Adjustments to fair value yet to be recognized		Fair value(1)
				Gains	Losses	
(1) Bonds held to maturity						
of Government of Israel	3,164	3,164	-	-	(119)	3,045
Of financial institutions in Israel	334	334	-	1	(13)	322
Of others in Israel	102	102	-	1	(2)	101
Total bonds held to maturity	**3,600**	**3,600**	**-**	**2**	**(134)**	**3,468**

	Carrying amount	Amortized cost	Balance of provision for credit losses	Cumulative other comprehensive income(4)		Fair value(1)
				Gains	Losses	
(2) Bonds available for sale						
of Government of Israel	9,138	9,572	-	55	(489)	9,138
of foreign governments(3)	310	314	-	-	(4)	310
Of financial institutions in Israel	438	466	-	6	(34)	438
Of foreign financial institutions	251	256	-	2	(7)	251
Asset-backed (ABS)	56	59	-	-	(3)	56
Of others in Israel	975	1,016	(8)	14	(47)	975
Of others overseas	205	208	-	5	(8)	205
Total bonds available for sale	**11,373**	**11,891**	**(8)**	**82**	**(592)**	**11,373**

	Carrying amount	Cost	Balance of provision for credit losses	Adjustments to fair value yet to be realized(5)		Fair value(1)
				Gains	Losses	
(3) Investment in shares not held for trading	**602**	**549**	**-**	**76**	**(23)**	**602**
Of which: Shares for which no fair value is available(6)	350	338	-	12	-	350
Total securities not held for trading	**15,575**	**16,040**	**(8)**	**160**	**(749)**	**15,443**

See footnotes below.

Note 5 – Securities – continued

As of December 31, 2023 (audited)

Reported amounts (NIS in millions):

	Carrying amount	Amortized cost (for shares – cost)	Balance of provision for credit losses	Adjustments to fair value yet to be realized[5] Gains	Losses	Fair value[1]
(4) Bonds held for trading						
of Government of Israel	7,150	7,201	-	2	(53)	7,150
Of foreign governments	273	270	-	3	-	273
Of financial institutions in Israel	4	4	-	-	-	4
Of others in Israel	23	22	-	1	-	23
Of others overseas	30	31	-	-	(1)	30
Total bonds held for trading	**7,480**	**7,528**	**-**	**6**	**(54)**	**7,480**
Shares and other securities	16	14	-	4	(2)	16
Total securities held for trading	**7,496**	**7,542**	**-**	**10**	**(56)**	**7,496**
Total securities[2]	**23,071**	**23,582**	**(8)**	**170**	**(805)**	**22,939**

(5) Additional information about bonds	
Recorded debt balance of Problematic bonds not accruing interest revenues	21
	21

(1) Fair value data are generally based on stock exchange prices, which do not necessarily reflect the price to be obtained on the sale of a large volume of securities.
(2) Of which: Securities pledged to lenders, amounting to NIS 430 million and securities provided as collateral to lenders, amounting to NIS 50 million.
(3) US government bonds.
(4) Included in shareholders' equity in "adjustments on presentation of bonds available for sale at fair value".
(5) Charged to statement of profit and loss but not yet realized.
(6) Generally shown at cost (net of impairment), adjusted for changes in observed prices in ordinary transactions for similar or identical investments of the same issuer.

Remarks:
- For more information about operations involving investments in bonds – see Notes 2.D, 3.A.2 and 3.B. For more information of investments in shares – see Note 3.A.4.
- The distinction between Israeli and foreign bonds was made in conformity with the country of residence of the entity which issued the securities.

Note 5 – Securities – continued

Reported amounts (NIS in millions):

(6) Fair value and unrealized losses, by time period and impairment rate, of bonds available for sale, which include unrealized loss without provision for credit losses:

	Less than 12 months				12 months or more				
	Fair value[1]	Unrealized losses 0%-20%	Unrealized losses 20%-40%	Total	Fair value[1]	Unrealized losses 0%-20%	Unrealized losses 20%-40%	Unrealized losses Over 40%	Total
	As of September 30, 2024 (unaudited)								
Bonds available for sale									
of Government of Israel	3,538	65	-	65	4,658	285	95	28	408
of foreign governments[2]	-	-	-	-	53	2	-	-	2
Of financial institutions in Israel	56	1	-	1	354	38	-	-	38
Of foreign financial institutions	7	1	-	1	76	3	-	-	3
Asset-backed (ABS)	-	-	-	-	56	3	-	-	3
Of others in Israel	111	14	-	14	542	28	-	-	28
Of others overseas	33	-	-	-	83	3	-	-	3
Total bonds available for sale	**3,745**	**81**	**-**	**81**	**5,822**	**362**	**95**	**28**	**485**
	As of September 30, 2023 (unaudited)								
Bonds available for sale									
of Government of Israel	4,340	30	-	30	2,581	348	165	27	540
of foreign governments[2]	175	-	-	-	52	5	-	-	5
Of financial institutions in Israel	86	8	-	8	340	40	-	-	40
Of foreign financial institutions	19	2	-	2	100	8	2	-	10
Asset-backed (ABS)	-	-	-	-	58	3	-	-	3
Of others in Israel	247	17	-	17	544	41	1	-	42
Of others overseas	-	-	-	-	160	5	6	-	11
Total bonds available for sale	**4,867**	**57**	**-**	**57**	**3,835**	**450**	**174**	**27**	**651**
	As of December 31, 2023 (audited)								
Bonds available for sale									
of Government of Israel	2,251	39	-	39	4,601	365	56	29	450
Of foreign governments(2)	-	-	-	-	50	4	-	-	4
Of financial institutions in Israel	84	3	-	3	336	31	-	-	31
Of foreign financial institutions	77	1	-	1	91	6	-	-	6
Asset-backed (ABS)	-	-	-	-	55	3	-	-	3
Of others in Israel	131	17	-	17	550	30	-	-	30
Of others overseas	2	-	-	-	148	3	5	-	8
Total bonds available for sale	**2,545**	**60**	**-**	**60**	**5,831**	**442**	**61**	**29**	**532**

(1) Fair value data are generally based on stock exchange prices, which do not necessarily reflect the price to be obtained on the sale of a large volume of securities.

(2) US government bonds.

Note 5 – Securities – continued

Reported amounts (NIS in millions):

(7) Asset-backed securities

	Carrying amount	Amortized cost	Cumulative other comprehensive income		Fair value
			Gains	Losses	
	As of September 30, 2024 (unaudited)				
Asset-backed bonds (ABS)	56	59	-	(3)	56
Total asset-backed bonds available for sale	**56**	**59**	**-**	**(3)**	**56**
	As of September 30, 2023 (unaudited)				
Asset-backed bonds (ABS)	59	62	-	(3)	59
Total asset-backed bonds available for sale	**59**	**62**	**-**	**(3)**	**59**
	As of December 31, 2023 (audited)				
Asset-backed bonds (ABS)	56	59	-	(3)	56
Total asset-backed bonds available for sale	**56**	**59**	**-**	**(3)**	**56**

Note 6 – Credit risk, loans to the public and provision for credit losses

Reported amounts (NIS in millions)

A. Debts[(1)], bonds held to maturity and available for sale, loans to the public and balance of provision for credit losses

	September 30, 2024 (unaudited)					
	Loans to the public					
	Commercial	Housing	Individual – other	Total	Banks, governments and bonds	Total
Recorded debt balance:						
reviewed on individual basis	91,386	-	28	91,414	45,088	136,502
reviewed on group basis	13,884	219,860	27,293	261,037	-	261,037
Total debts	**105,270**	**(2)219,860**	**27,321**	**352,451**	**45,088**	**397,539**
Of which:						
Non-accruing debts	2,044	2,106	85	4,235	1	4,236
Debts in arrears 90 days or longer	92	-	52	144	-	144
Other problematic debts	1,268	-	125	1,393	-	1,393
Total problematic debts	**3,404**	**2,106**	**262**	**5,772**	**1**	**5,773**
Balance of provision for credit losses with respect to debts:						
reviewed on individual basis	1,730	-	1	1,731	12	1,743
reviewed on group basis	562	1,188	656	2,406	-	2,406
Total provision for credit losses	**2,292**	**1,188**	**657**	**4,137**	**12**	**4,149**
Of which: With respect to non-accruing debts	**392**	**105**	**47**	**544**	**1**	**545**
Of which: With respect to other problematic debts	**238**	**-**	**71**	**309**	**-**	**309**

	September 30, 2023 (unaudited)					
	Loans to the public					
	Commercial	Housing	Individual – other	Total	Banks, governments and bonds	Total
Recorded debt balance:						
reviewed on individual basis	81,917	-	69	81,986	31,807	113,793
reviewed on group basis	13,375	204,966	27,144	245,485	-	245,485
Total debts	**95,292**	**(2)204,966**	**27,213**	**327,471**	**31,807**	**359,278**
Of which:						
Non-accruing debts	1,179	1,841	71	3,091	1	3,092
Debts in arrears 90 days or longer	84	-	57	141	-	141
Other problematic debts	2101	-	130	2231	-	2231
Total problematic debts	**3,364**	**1,841**	**258**	**5,463**	**1**	**5,464**
Balance of provision for credit losses with respect to debts:						
reviewed on individual basis	1,593	-	6	1,599	9	1,608
reviewed on group basis	491	1,132	659	2,282	-	2,282
Total provision for credit losses	**2,084**	**1,132**	**665**	**3,881**	**9**	**3,890**
Of which: With respect to non-accruing debts	**278**	**92**	**53**	**423**	**1**	**424**
Of which: With respect to other problematic debts	**459**	**-**	**69**	**528**	**-**	**528**

(1) Loans to the public, loans to governments, deposits with banks and other debts, except for bonds and securities borrowed or acquired in conjunction with resale agreements, except for deposits with Bank of Israel.

(2) Includes general-purpose loans secured by a lien on a residential apartment, amounting to NIS 14,691 million (as of September 30, 2023 – NIS 13,208 million).

Note 6 – Credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions):

A. Debts[1], bonds held to maturity and available for sale, loans to the public and balance of provision for credit losses – continued

	As of December 31, 2023 (audited)					
	Loans to the public					
	Commercial	Housing	Individual – other	Total	Banks, governments and bonds	Total
Recorded debt balance:						
reviewed on individual basis	82,846	-	146	82,992	42,980	125,972
reviewed on group basis	13,080	206,657	26,686	246,423	-	246,423
Total debts	**95,926**	[2]**206,657**	**26,832**	**329,415**	**42,980**	**372,395**
Of which:						
Non-accruing debts	1,466	2,153	74	3,693	1	3,694
Debts in arrears 90 days or longer	73	-	71	144	-	144
Other problematic debts	2,189	-	124	2,313	-	2,313
Total problematic debts	**3,728**	**2,153**	**269**	**6,150**	**1**	**6,151**
Balance of provision for credit losses with respect to debts:						
reviewed on individual basis	1,700	-	1	1,701	11	1,712
reviewed on group basis	563	1,129	676	2,368	-	2,368
Total provision for credit losses	**2,263**	**1,129**	**677**	**4,069**	**11**	**4,080**
Of which: With respect to non-accruing debts	**375**	**107**	**60**	**542**	**1**	**543**
Of which: With respect to other problematic debts	**394**	**-**	**88**	**482**	**-**	**482**

(1) Loans to the public, loans to governments, deposits with banks and other debts, except for bonds and securities borrowed or acquired in conjunction with resale agreements, except for deposits with Bank of Israel.

(2) Includes general-purpose loans secured by a lien on a residential apartment, amounting to NIS 13,378 million.

Note 6 – Credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions):

B. Change in balance of provision for credit losses

	Provision for credit losses					
	Loans to the public					
	Commercial	Housing	Individual – other	Total	Banks, governments and bonds	Total
	For the three months ended September 30, 2024 (unaudited)					
Balance of provision for credit losses at start of period	2,477	1,183	691	4,351	12	4,363
Expenses due to credit losses	80	39	11	130	-	130
Accounting write-offs[(1)]	(125)	-	(70)	(195)	-	(195)
Collection of debts written off for accounting purposes in previous years[(1)]	64	-	44	108	-	108
Net accounting write-offs	(61)	-	(26)	(87)	-	(87)
Balance of provision for credit losses at end of period	**2,496**	**1,222**	**676**	**4,394**	**12**	**4,406**
Of which: With respect to off balance sheet credit instruments	**204**	**34**	**19**	**257**	**-**	**257**
	For the three months ended September 30, 2023 (unaudited)					
Balance of provision for credit losses at start of period	1,872	965	590	3,427	1	3,428
Expenses due to credit losses	395	172	119	686	8	694
Accounting write-offs[(1)]	(50)	-	(65)	(115)	-	(115)
Collection of debts written off for accounting purposes in previous years[(1)]	39	-	42	81	-	81
Net accounting write-offs	(11)	-	(23)	(34)	-	(34)
Balance of provision for credit losses at end of period	**2,256**	**1,137**	**686**	**4,079**	**9**	**4,088**
Of which: With respect to off balance sheet credit instruments	**172**	**5**	**21**	**198**	**-**	**198**
	For the nine months ended September 30, 2024 (unaudited)					
Balance of provision for credit losses at start of period	2,419	1,149	702	4,270	11	4,281
Expenses due to credit losses	255	73	85	413	1	414
Accounting write-offs[(1)]	(345)	-	(225)	(570)	-	(570)
Collection of debts written off for accounting purposes in previous years[(1)]	167	-	114	281	-	281
Net accounting write-offs	(178)	-	(111)	(289)	-	(289)
Balance of provision for credit losses at end of period	**2,496**	**1,222**	**676**	**4,394**	**12**	**4,406**
Of which: With respect to off balance sheet credit instruments	**204**	**34**	**19**	**257**	**-**	**257**
	For the nine months ended September 30, 2023 (unaudited)					
Balance of provision for credit losses at start of period	1,690	902	512	3,104	1	3,105
Expenses due to credit losses	663	235	262	1,160	8	1,168
Accounting write-offs[(1)]	(192)	-	(180)	(372)	-	(372)
Collection of debts written off for accounting purposes in previous years[(1)]	95	-	92	187	-	187
Net accounting write-offs	(97)	-	(88)	(185)	-	(185)
Balance of provision for credit losses at end of period	**2,256**	**1,137**	**686**	**4,079**	**9**	**4,088**
Of which: With respect to off balance sheet credit instruments	**172**	**5**	**21**	**198**	**-**	**198**

(1) Accounting write-offs presented in the Note primarily consist of write-offs of a technical nature, due to passage of time of customers being in arrears, in conformity with US standards applicable to the Bank in this regard. Thus, for example, the balance of the provision for large non-accruing debts will typically be written off after two years. Debt measured on a group basis will be written off after 150 days in arrears. This means that the Bank's collection efforts may sometimes take longer when compared to the timing for write-off according to accounting rules. Consequently, relatively high balances of "accounting write-offs" and relatively high balances of "Recovery of debts written off in previous years" are presented.

Note 7 – Deposits from the Public

Reported amounts (NIS in millions):

A. Deposit types by location solicited and depositor type

	September 30		December 31
	2024	2023	2023
		(Unaudited)	(Audited)
In Israel			
On-call			
Non-interest-bearing	76,441	71,924	76,907
Interest-bearing	32,590	32,304	32,926
Total on-call	**109,031**	**104,228**	**109,833**
Term deposits	259,022	235,025	236,499
Total deposits in Israel[(1)]	**368,053**	**339,253**	**346,332**
Outside of Israel			
On-call			
Non-interest-bearing	457	465	424
Interest-bearing	777	159	130
Total on-call	**1,234**	**624**	**554**
Term deposits	15,832	11,157	11,667
Total deposits overseas	**17,066**	**11,781**	**12,221**
Total deposits from the public	**385,119**	**351,034**	**358,553**
(1) Includes:			
Deposits from individuals	**166,659**	**158,367**	**160,755**
Deposits from institutional investors	**85,292**	**77,927**	**78,904**
Deposits from corporations and others	**116,102**	**102,959**	**106,673**

B. Deposits from the public by size

	September 30		December 31
	2024	2023	2023
		(Unaudited)	(Audited)
Maximum deposit (NIS in millions)			
Up to 1	108,006	102,848	105,025
Over 1 to 10	96,598	90,928	93,024
Over 10 to 100	42,837	43,625	45,648
Over 100 to 500	36,246	35,914	37,466
Above 500	101,432	77,719	77,390
Total	**385,119**	**351,034**	**358,553**

Note 8 – Employees' Rights

Description of benefits

1. Employment terms of the vast majority of Bank Group employees and managers are determined by provisions of collective bargaining agreements. Pension liabilities to these employees, except for Bank Yahav employees, are covered by regular deposits to pension, provident and severance-pay funds, which release the Bank from severance-pay liabilities for those employees by law. For more information about various benefits to Bank employees and managers, see Note 22 to the 2023 financial statements.

2. Remuneration policy for Bank officers and for all Bank employees other than officers

   For more information about remuneration policy for Bank officers and remuneration policy for all Bank employees other than officers, see Note 22 to the 2023 financial statements.

3. Signing of salary agreement with the executives and authorized signatories organization

   On July 22, 2024, a special collective bargaining agreement was signed between the Bank and the Bank's executives and authorized signatories organization (hereinafter – "the Executives Organization") for 2023-2027 after it had been approved by the bank's certified organs, and while it had been agreed within its framework, that most of its terms in the matter of salary, advancement and end of employment would continue to apply in 2028 as well. Highlights of the agreement are as follows:

   - Managerial Flexibility and Encouraging Excellence

     Various agreements were reached with the Executives Organization in order to increase the bank's managerial flexibility that allows the continued strengthening of the excellence value, along side strengthening the status of the executives managing workers. Thus, among other things, the following matters were agreed upon:

     - Increasing the differential component rate at the expense of the fixed component in the yearly executive salary bonus.
     - The ability to transfer executives form there position to non-managerial positions, under certain circumstances.
     - The option to terminate due to unsuitability, at the Bank's initiative, up to 25 executives classified as low contribution executives, during the term of this agreement.

   - Salaries and Bonuses

     - The executives shall be given a monthly pay increase of 1,500 NIS, in effect from January 1, 2023, and an additional sum for branch managers.
     - The Bank shall grant executives who have begun work prior to December 31, 2023 (and who still work at the Bank) a one-time bonus equal to 70% of three gross salaries as defined in this matter in the agreement) less an advance payment paid in October 2023 (hereinafter: "the Bonus") and grant a bonus equal to one half of the above total, to executives who began working in the period between January 1, 2024 and May 31, 2024 (and who still work at the Bank).

   - Considering the expected transition of Bank headquarters employees to the new Bank campus in Lod, the parties agreed that work conditions in the new campus would be determined by the Bank after consulting the Executives Organization. The Executives Organization shall have no claims whatsoever with respect to the transition to the new campus and working conditions there.
   - It was agreed that up until December 31, 2027 there will be full and absolute industrial silence (and in the additional year, 2028, industrial silence shall be maintained on the subjects of the agreement that will continue to apply, as noted above).

   Concurrently with signing of this agreement, the Bank and the Executives Organization signed an agreement to institute a voluntary retirement plan, the terms of which are similar to the terms in previous retirement plans, effective through December 31, 2028 (hereinafter: "the Retirement Program"). In accordance with the Retirement Plan, executives who have agree to retire shall be entitled to a bridge pension or added compensation at a sum constituting 150% of the multiple of determining salaries during the work years (all according to their age and seniority). In addition, the Bank shall be entitled to approve various retirement benefits for up to 30 executives during the retirement plan period).

   The cumulative influence of the agreement and of the retirement plan, has already bee included in the March 31, 2024 Financial Statements, and had no material impact on them. Bank Management estimates that this agreement will not materially impact the Bank's Financial Statements in 2024 nor in subsequent years.

Note 8 – Employee Rights – continued

4. On August 27, 2024, the General Meeting of Bank shareholders approved, in line with the resolution by the Board of Directors and after approval by the Remuneration Committee, the terms of office and employment of Mr. Avraham Zeldman regarding his term in office as the Chairman of the Bank's Board of Directors, which commenced on June 16, 2024.

   Mr. Zeldman's terms of office and employment are in line with the Bank's revised remuneration policy for 2024-2026. This, among other things, noting the Remuneration of Officers in Financial Corporations Law (Special Permission and Non-allowance of Expenses for Tax Purposes with Respect to Excessive Remuneration), 2016 ("the Executive Remuneration Law") and the Supervisor of Banks' directives.

5. Net benefit cost components recognized in profit and loss with respect to defined benefit and defined contribution pension plans (NIS in millions):

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2024	2023	2024	2023	2023
		(Unaudited)		(Unaudited)	(Audited)
Under payroll and associated expenses					
Cost of service(1)	11	13	44	43	54
Under other expenses					
Cost of interest(2)	26	19	81	56	94
Expected return on plan assets(3)	(7)	(1)	(19)	(8)	(24)
Deduction of non-allowed amounts:					
Net actuarial loss(4)	11	(12)	34	6	12
Total under other expenses	30	6	96	54	82
Total benefit cost, net	**41**	**19**	**140**	**97**	**136**
Total expense with respect to defined-contribution pension	56	50	163	140	192
Total expenses recognized in profit and loss	**97**	**69**	**303**	**237**	**328**

	Forecast	Actual deposits				
	For(5)	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2024	2024	2023	2024	2023	2023
			(Unaudited)		(Unaudited)	(Audited)
Deposits	2	2	2	5	5	7

(1) Cost of service is the current accrual of the future employee benefit in the period.

(2) Cost of interest is the amount recognized in the period, set based on the increase in obligation with respect to expected benefit due to passage of time.

(3) Expected return is the expected return on plan assets, determined based on expected long-term rates of return on plan assets and based on the established market value of plan assets.

(4) Deduction of net gain or loss previously recognized in Cumulative Other Comprehensive Income.

(5) Estimated contributions expected to be paid into defined-benefit pension plans through 2024.

Note 9 – Capital Adequacy, liquidity and leverage

Reported amounts (NIS in millions)

A. Capital adequacy

Calculated in accordance with Proper Conduct of Banking Business Directives 201-211 "Measurement and Capital Adequacy"

	As of September 30		As of December 31
	2024	**2023**	**2023**
		(Unaudited)	**(Audited)**
1. Consolidated data			
a. Capital for purpose of calculating the capital ratio			
Tier I equity(1)	31,128	27,504	28,434
Tier I capital(1)	31,128	27,504	28,434
Tier II capital	9,421	7,891	8,366
Total capital	**40,549**	**35,395**	**36,800**
b. Weighted risk asset balances			
Credit risk	273,855	249,772	252,842
Market risks	1,755	1,855	1,957
Operational Risk	22,926	20,140	20,641
Total weighted risk asset balances	**298,536**	**271,767**	**275,440**
c. Ratio of capital to risk components			
			In %
Ratio of Tier I equity to risk components	10.43	10.12	10.32
Ratio of Tier I capital to risk components	10.43	10.12	10.32
Ratio of total capital to risk components	13.58	13.02	13.36
Minimum Tier I equity ratio required by Supervisor of Banks(2)	9.60	9.60	9.60
Total minimum capital ratio required by the Supervisor of Banks(2)	12.50	12.50	12.50
2. Significant subsidiaries			
Bank Yahav for Government Employees Ltd. and its subsidiaries			
Ratio of Tier I equity to risk components	12.40	11.59	11.90
Ratio of Tier I capital to risk components	12.40	11.59	11.90
Ratio of total capital to risk components	14.59	13.82	14.17
Minimum Tier I capital ratio required by Supervisor of Banks	9.00	9.00	9.00
Total minimum capital ratio required by the Supervisor of Banks	12.50	12.50	12.50

(1) These data include supervisory adjustments with respect to the following: Effect of initial application of accounting practices with regard to expected credit losses. For more information see section A.3 and A.4.

(2) An additional capital requirement was added to the Tier I equity ratio at 1% of the residential mortgage balance as of the report date.

Note 9 – Capital adequacy, liquidity and leverage – continued

Reported amounts (NIS in millions)

A. Capital adequacy – continued

Calculated in accordance with Proper Conduct of Banking Business Directives 201-211 "Measurement and Capital Adequacy" – continued

	As of September 30		As of December 31
	2024	**2023**	**2023**
		(Unaudited)	**(Audited)**
3. Capital components for calculating the capital ratio (on consolidated data)			
a. Tier I equity			
Equity	31,809	27,672	28,703
Differences between shareholders' equity and Tier I equity	(814)	(642)	(673)
Tier I equity before regulatory adjustments and deductions	**30,995**	**27,030**	**28,030**
Supervisory adjustments and deductions:			
Goodwill and intangible assets	(112)	(132)	(127)
Supervisory adjustments and other deductions[(1)]	156	426	354
Total supervisory adjustments and deductions, before adjustments with respect to the streamlining plan before adjustments for expected credit losses – Tier I equity	**44**	**294**	**227**
Total adjustments with respect to the streamlining program	-	3	-
Total adjustments for expected credit losses	89	177	177
Total Tier I equity after supervisory adjustments and deductions	**31,128**	**27,504**	**28,434**
b. Tier II capital			
Tier II capital: Instruments, before deductions	5,998	4,769	5,205
Tier II capital: Provisions, before deductions	3,492	3,260	3,299
Total Tier II capital, before deductions	**9,490**	**8,029**	**8,504**
Deductions:			
Deductions – Total adjustments for expected credit losses	(69)	(138)	(138)
Total Tier II capital	9,421	7,891	8,366
Total capital	**40,549**	**35,395**	**36,800**

4. Impact of adjustments due to expected credit losses on ratio of Tier I capital:

	As of September 30		As of December 31
	2024	**2023**	**2023**
			In %
Ratio of capital to risk components			
Ratio of Tier I equity to risk components, before effect of adjustments	10.39	10.05	10.25
Effect of adjustments for expected credit losses	0.04	0.07	0.07
Ratio of Tier I equity to risk components	10.43	10.12	10.32

(1) Includes deferred credit balance from acquisition of Union Bank.

Note 9 – Capital adequacy, liquidity and leverage – continued

Reported amounts (NIS in millions)

B. Leverage ratio

Calculated in conformity with Proper Conduct of Banking Business Directive 218 "Leverage ratio"

	As of September 30		As of December 31
	2024	2023	2023
		(Unaudited)	(Audited)
1. Consolidated data			
Tier I capital[1]	31,128	27,504	28,434
Total exposure	517,795	476,015	487,483
	In %		
Leverage ratio	6.01	5.78	5.83
Minimum leverage ratio required by the Supervisor of Banks[2]	4.50	4.50	4.50
2. Significant subsidiaries			
Bank Yahav for Government Employees Ltd. and its subsidiaries			
Leverage ratio	7.13	6.56	6.68
Minimum leverage ratio required by the Supervisor of Banks[3]	4.50	4.50	4.50

(1) This data includes adjustments with respect to adjustments with respect to initial application of accounting principles for expected credit losses, see sections A.3 and A.4 above.
(2) Banking corporations are required to achieve the minimum leverage ratio required by the Supervisor of Banks as from January 1, 2018.
(3) After the balance sheet date, the Bank of Israel rescinded the relief provided to Bank Yahav, for a minimum leverage ratio of 4.7% as from May 2023.

C. Liquidity coverage ratio

Calculated in accordance with Proper Conduct of Banking Business Directive 221 "Liquidity coverage ratio"

	As of September 30		As of December 31
	2024	2023	2023
		(Unaudited)	(Audited)
		In %	
1. Consolidated data			
Liquidity coverage ratio[1]	127	138	131
Minimum liquidity coverage ratio required by the Supervisor of Banks	100	100	100
2. Bank data			
Liquidity coverage ratio[1]	128	139	131
Minimum liquidity coverage ratio required by the Supervisor of Banks	100	100	100
3. Significant subsidiaries			
Bank Yahav for Government Employees Ltd. and its subsidiaries			
Liquidity coverage ratio[1]	374	413	391
Minimum liquidity coverage ratio required by the Supervisor of Banks	100	100	100

(1) In terms of simple average of daily observations during the reported quarter.

Note 9 – Capital adequacy, liquidity and leverage – continued

Reported amounts (NIS in millions)

D. Minimum net stable funding ratio required by directives of the Supervisor of Banks

As from December 31, 2021, the Bank applies Proper Conduct of Banking Business Directive 222 concerning "Net stable funding ratio (NSFR)", which adopts the Basel Committee recommendation with regard to net stable funding ratio in the banking system in Israel. In conformity with this directive, the objective of the net stable funding ratio is to improve stability of the liquidity risk profile of banking corporations over the long term, by requiring banking corporations to maintain a stable funding profile in conformity with the composition of on-balance sheet assets and off-balance sheet operations. The net stable funding ratio consists of two components: available stable funding items (numerator) and required stable funding items (denominator). "Available stable funding" is defined as the part of capital and liabilities that may be relied upon over the time horizon taken into account in the net stable funding ratio, of one year. The required stable funding amount for a given corporation is based on the liquidity attributes and time to maturity of various assets held by the corporation, as well as of off-balance sheet exposures.

Pursuant to the directive, the minimum net stable funding ratio required is 100%.

The net stable funding ratio for significant banking subsidiaries in Israel is calculated in conformity with Proper Conduct of Banking Business Directive 222 "Net stable funding ratio". Net stable funding ratio in significant overseas banking corporations is presented and calculated in conformity with relevant directives in each jurisdiction, if specified.

	As of September 30		As of December 31
	2024	2023	2023
	(Unaudited)		(Audited)
			In %
(1) On consolidated data			
Net stable funding ratio	113	113	114
The minimum net stable funding ratio required by the Supervisor of Banks	100	100	100
(2) Significant subsidiaries			
Bank Yahav			
Net stable funding ratio	173	169	170
The minimum net stable funding ratio required by the Supervisor of Banks	100	100	100

Factors which may materially affect the net stable funding ratio

Net stable funding ratio, on a consolidated basis, as of September 30, 2024 was 113%. The volatility of this ratio throughout the quarter was low; the main factors affecting the net stable funding ratio are: composition of Bank sources and uses by financing term, financing type and counter party. On the sources side – long-term liabilities are more stable than short-term liabilities, and funding from retail customers and small businesses is more stable than wholesale funding with the same maturity. When long-term sources grow shorter on a large scale (such as with subordinated notes) to a term shorter than one year, this factor affects the resulting ratio; however, because this is a funding source which typically has scattered maturities, the impact on the resulting ratio is not material. On the uses side – asset type, asset term and quality and liquidity value determine the required stable funding amount.

E. Basel III

As from January 1, 2014, the Bank applies Proper Conduct of Banking Business Directives 201-211 with regard to capital measurement and adequacy, as amended to align them with Basel III directives.

The Basel III directives stipulated significant changes to calculation of regulatory capital requirements, including with regard to the following:

- Supervisory capital components
- Deductions from capital and supervisory adjustments
- Treatment of exposures to financial corporations
- Treatment of exposures to credit risk with respect to non-accruing debts
- Capital allocation with respect to CVA risk

Note 9 – Capital adequacy, liquidity and leverage – continued

Reported amounts (NIS in millions)

F. Capital adequacy target

As per instructions of the Supervisor of Banks, the Bank is required to maintain a minimum Tier I equity ratio of no less than 9% and a minimum total equity ratio of no less than 12.5% of weighted total of risk components of its balance sheet assets and off-balance-sheet items. Calculation of total capital and total risk components is set forth in the directives.
An additional capital requirement was added to the Tier I equity ratio at 1% of the residential mortgage balance as of the dates of financial statements, except for residential mortgages, which are subject to relief provided in the interim directive for addressing the Corona Virus crisis.
Consequently, the Bank's current required minimum ratio of Tier I equity ratio and minimum total capital ratio as of the report date are 9.60% and 12.50%, respectively (to which appropriate safety margins will be added).

G. Effect of application of accounting principles with regard to expected credit losses on supervisory capital

As from January 1, 2022, the Bank applies the new directives with regard to expected credit losses (CECL) and charges the cumulative effect to retained earnings upon initial application. According to the Supervisor of Banks' circular, if, due to initial application of these rules, the banking corporation's Tier I equity should decrease, then the banking corporation may partially include in Tier I equity (i.e. add back to Tier I equity) the decrease in Tier I equity recorded upon initial application, over three years (hereinafter: "transition period").
The effect of this relief on the Tier I capital ratio was 0.04% as of September 30, 2024.
For more information about the effect of initial application, see Note 1 to the 2022 financial statements.

H. Lowering of the State of Israel's Credit Rating by International Rating Agency S&P

In accordance with Proper Bank Management Ordinance 203, the capital requirements or the Bank's exposures to the State of Israel, Israeli banks, institutional bodies and public sector entities, are derived from the State of Israel's rating.
For this rating, the Bank used a single rating from S&P. As from the first quarter of 2022, the Bank started using the lower of ratings from S&P and from AM Best, used for rating of credit risk insurers, in order to mitigate credit risk so that the risk weighting is based on insurer rating, rather than on counter-party rating.
In April 2024, rating agency S&P lowered the long-term credit rating of the State of Israeli from AA- to A+. The effect of the rating downgrade is included in the capital ratios as of September 30, 2024.
In October 2024, S&P announced a further rating downgrade from to A+ to A, with no impact on the Bank's capital ratios.

i. Issue of subordinated notes with loss-absorption provisions

In June 2024, Tefahot issued a public offering by the expansion of Series 69, CoCo deferred conditional bonds, to the sum of about NIS 0.6 billion par value in return for some NIS 0.6 billion.

J. Leverage ratio

The Bank applies the rules in Proper Conduct of Banking Business Directive 218 with regard to leverage ratio, which adopts the Basel Committee recommendations with regard to leverage ratio, stipulated in January 2014.
The leverage ratio is reflected in percent, defined as the ratio of Tier I capital to total exposures. Total exposure for the Bank is the sum of balance sheet exposures, exposures to derivatives, to financing transactions for securities and off-balance sheet items.
According to the directive, banking corporations must maintain a leverage ratio of 5% or higher on a consolidated basis.
On November 15, 2020, the Supervisor of Banks issued a circular regarding "Adjustments to Proper Conduct of Banking Business Directives for addressing the Corona Virus (Interim Directive)", updating Proper Conduct of Banking Business Directive 250, whereby the leverage ratio shall be at least 4.5% on a consolidated basis, compared to 5% prior to this change.
In the Supervisor of Banks' circular dated December 20, 2023, the effect of this relief was extended through December 31, 2025. A banking corporation applying this relief at the time would be required to resume the required leverage ratio prior to the interim directive within two quarters, such that upon expiration of the interim directive, the banking corporation would be subject to a minimum leverage ratio based on the actual leverage ratio or the minimum ratio applicable to the banking corporation prior to the interim directive, whichever is lower.

K. For more information about dividends, see "Condensed Statements of Changes in Shareholders' Equity" and Note 17 below.

L. For more information about directives and instructions by the Supervisor of Banks with regard to capital adequacy, see Note 25 to the 2023 Financial Statements.

Note 10 - Contingent Liabilities and Special Commitments

Reported amounts (NIS in millions)

A. Other liabilities and special commitments

	September 30		December 31
	2024	2023	2023
		(Unaudited)	(Audited)
Acquisition and renovation of buildings	69	130	72

3. Credit sales operations

The following table provides a summary of credit sales operations at the Bank:

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2024	2023	2024	2023	2023
		(Unaudited)		(Unaudited)	(Audited)
Carrying amount of credit sold	-	-	89	25	25
Total consideration	-	-	89	25	25
Service obligation – expense with respect to operational services	-	-	-	-	-
Total net gain with respect to credit sold	-	-	-	-	-

Note 10 – Contingent Liabilities and Special Commitments – continued

B. Contingent liabilities and other commitments

1. For more information about contingent liabilities and other commitments by the Bank Group, see Note 26 to the 2023 financial statements. Below is a description of material changes from the Note included in the 2023 Financial Statements.
2. Various claims are pending against the Bank and its subsidiaries, namely, claims of customers, as well as motions for recognition of various class actions. In the estimation of the management of the Bank, based on the estimation of the managements of its subsidiaries and on the opinion of their legal counsel as to the possible outcome of the pending claims (for claims brought against the Bank) and motions for approval of claims as class actions, the financial statements include appropriate provisions, where necessary, to cover possible damages.

   Below are details of significant claims, including motions for approval of class action status and claims in which the amount claimed (excluding interest and fees) exceeds 1% of Bank equity which had developments and changes from the description in the 2023 financial statements:

   A) In May 2016, the Bank received a claim and motion for approval of class action status, alleging unlawful over-charging of commissions to customers eligible to be classified as a small business, in breach of the Bank's duties in its relations with customers. The plaintiff estimates the damage at NIS 220 million.
   As recommended by the Court, the parties are in mediation proceeding.

   B) In September 2018, the Bank received a claim and motion for approval of class action status amounting to NIS 180 million (estimated) for allegedly over-charging a commission upon early repayment of residential mortgages consisting of multiple tracks, some of which have generated positive capitalization differences and some of which have generated negative capitalization differences, where the Bank fails to offset the capitalization differences of the different tracks against each other, allegedly in contravention of provisions of the Banking Ordinance (Early repayment of residential mortgage), 2002.
   As recommended by the Court, the parties are in mediation proceeding.

   C) In May 2020, the Bank received a motion for approval of class action status, of unspecified amount, alleging breach of duty of confidentiality, by the Bank providing various identifiable information to international information corporations, and in particular to Facebook, allowing them to gather private information about Bank customers, allegedly in breach of provisions of the Privacy Protection Law, 1981 and other statutes, without providing required disclosure to Bank customers and without obtaining their consent.
   A hearing was held on September 9, 2024, at the end of which the Court recommended to engage in a mediation proceeding.

   D) In April 2021, the Bank received a motion for class action status filed against the Bank and 14 other defendants (other banks and financial institutions, hereinafter: "the defendants"), alleging transfer of private information to third parties while browsing the "Personal Zone" on websites and apps operated by the defendants, allegedly in violation of privacy and allegedly in breach of provisions of the Privacy Protection Law, Banking Rules and multiple other obligations imposed on the defendants.
   Dates were set for the parties' summations, whose submission is expected to end in January 2025.

   E) In February 2022, the Bank received a motion for class action status, filed against the Bank and 9 other banks and against 2 private companies that operate, independently or by franchise, non-bank ATMs ("the motion"). The motion concerns the commission charged for cash withdrawal services from customer accounts at the defendant banks, made through non-banking ATMs operated by public companies. The damage to the class, according to the motion, was set at NIS 458 million in total against all defendants, with the plaintiff allowing the Court discretion in allocating liability among the defendants.
   On October 13, 2024 a motion was filed to the Court on behalf of the applicant to order the filing of the Attorney General's position on this issue before a resolution is made regarding the motion for class action status. A resolution is still pending in connection with this motion.

   F) In April 2022, the Bank received a motion for approval of class action status of no stated amount, concerning double charging of commission, allegedly unlawfully, in an exchange transaction of two foreign currencies, and absence of proper disclosure about these charges in the conversion differences.
   On December 2, 2022, a verdict was handed down, rejecting out of hand the motion for approval of class action status. On January 18, 2023, the plaintiff appealed this verdict to the Supreme Court.

Note 10 – Contingent Liabilities and Special Commitments – continued

A hearing on the appeal before the Supreme Court was deferred to January 6, 2025. On October 15, 2024 the applicant filed a motion to strike out the appeal they filed and a resolution is still pending with regard to this motion.

G) In November 2022, the Bank received a motion for approval of class action lawsuit, of unspecified amount, concerning revision of interest rates in conformity with agreements for residential mortgages in the variable interest track based on bonds as an anchor (yield of Government bonds), alleging that this creates an unfair advantage for the Bank at the expense of borrowers, and that the condition stipulated in such agreements, whereby the change in anchor would only apply "on condition that the sum of these components shall not be less than “0%”" constitutes, allegedly, a discriminatory condition in a uniform contract, as defined in Section 2 of the Uniform Contract Law, 1982.
A pre-trial hearing was held on October 9, 2024, at the end of which the court ruled that the Bank must submit its position regarding the presentation of correspondence between the Bank and the Supervisor of Banks in relation to the issue, which is the subject matter of the certification motion, by December 10, 2024.

H) In April 2022, the Bank received a motion for approval of class action status, with no estimated amount, alleging unlawful charging of a file opening commission upon loan origination, with this commission being "disguised interest", in breach of the Fair Credit Law, 1993 and in violation of provisions of Regulation 3 of the Non-bank Loan Regulations (Exclusion of credit transaction types from the scope of the law and exclusion of expenses from the scope of "addition"), 2019.
On September 29, 2024, a verdict was handed down, confirming the applicant's withdrawal of the motion for approval of class action status.

I) In May 2023, the Bank received a claim and motion for class action status, of unspecified amount, with respect to setting the interest rate in the fixed interest track of residential mortgages, carried out in parts. The motion alleges that the Bank should set an annual interest rate based on the basic interest rate plus the "additional rate" which, according to the plaintiff, should be fixed; However, allegedly the Bank calculates the additional interest based on the interest rate upon signing the loan agreement, but based on the basic interest on later dates, in contravention of the loan agreement and of provisions of Proper Conduct of Banking Business Directive 421 regarding "Decrease or increase in interest rates".
A pre-trial hearing is scheduled for February 13, 2025.

J) In March 2024 the Bank received a suit and a motion to recognize it as a class action, with no estimated sum, filed before the Haifa District Court, for alleged unlawful billing for exchange rate differences for foreign currency conversion actions, without anchoring the billing in the Bank's rate book and in agreements with customers and with no full disclosure on the scope of the billing. This with an alleged violation of legal provisions including banking rules (customer services)(fees), 2008 and the Uniform Contracts Law, 1982.
On October 31, 2024 a verdict was handed down, under which the motion for approval of class action status was dismissed in limine, and the applicants were required to pay legal expenses.

K) In June 2023, the Bank received a motion for class action status brought against the Bank and other banks, claiming damages in excess of NIS 1 billion, for non-payment of interest for credit balances in current accounts. The motion alleges that the Bank does not pay interest for credit balances in current accounts held with the Bank, by way of credit interest or by automated deposit of credit balances in the account to an interest-bearing deposit, and that the Bank fails to inform customers of the appropriate options in such circumstances, in breach of various statutory provisions and with unlawful enrichment.
On September 11, 2024 a hearing was held, at the end of which the Court ordered the regulator to file its position as to the disputes arising from the proceeding by November 28, 2024.

L) In June 2023, the Bank received a claim and motion for approval of class action status, filed against the Bank and other banks, alleging over-charging of debit interest linked to the Prime lending rate. The claim alleges that the Bank increases the Prime lending rate used to determine the debit interest rate for debit balances in current accounts and in loans, whenever the Bank of Israel changes its interest rate, and by exactly the same change, without exercising judgment and without paying due consideration to changes to the cost of credit sources, thereby increasing the Bank's earnings by allegedly using, other than in good faith, unfair sections of uniform banking contracts, as well as unlawful enrichment. The total estimated damage for all defendants amounts to NIS 5.8 billion.

Note 10 – Contingent Liabilities and Special Commitments – continued

The Bank filed its response to the motion on October 15, 2024. A preliminary hearing of this case is scheduled for February 25, 2025.

M) In July 2023, the Bank received a claim and motion for approval of class action status, filed against the Bank and other banks. The claim alleges misleading behavior and failure to provide disclosure, when making a deposit online or in the app, of the interest rate offered and paid to other bank customers for the same deposits, and of the option to obtain better interest. This involves allegedly unlawful action tantamount to misleading behavior, exploitative and lacking good faith, as well as unlawful enrichment. The total damage claimed for all banks amounts to NIS 984 million.
A pre-trial hearing is scheduled for January 9, 2025.

N) In August 2023, the Bank received a motion for approval of class action status, of unspecified amount, filed against the Bank and other banks. The motion concerns the requirement to provide a building insurance policy incidental to a mortgage, to be pledged in favor of the Bank, even when the property value net of the relevant land value exceeds the requested loan amount or the outstanding loan balance, allegedly in contravention of provisions of Proper Conduct of Banking Business Directive 451. It was further alleged that the defendant banks do not inform the borrowers, during the loan period, of the option available to them not to insure the property under such circumstances, with respect to the outstanding loan balance.

On November 6, 2024, the Court issued its resolution where under the discussion should be split by filing separate motions for approval of class action status against each of the defendant banks, while leaving unchanged the start date of the proceeding in question; the Court's resolution also stipulates that at this stage the motion for approval of class action status against the Bank will by struck out. Accordingly, on November 14, 2024, the plaintiff filed a motion for approval of a class action relating solely to the Bank.

O) In August 2023, the Bank received a motion for approval of class action status, of unspecified amount. The motion concerns terms of interest and deposit types used as temporary collateral for mortgage transition from one land property to an alternative land property. Allegedly, in case of a deposit as such collateral, the investment options offered to the customer for such deposit are inferior by comparison to other investment options, and in particular – by comparison to other deposits offered to all Bank customers, and such action by the Bank results in excess profit for the Bank. It is further alleged that during the term of such deposit, the customer is required to maintain a valid life insurance policy. This is allegedly in contravention of the mortgage agreement, and in breach of multiple duties applicable to the Bank pursuant to statutes.
The Bank's response to the motion to approve was filed on September 8, 2024. A preliminary hearing for this case is scheduled for November 18, 2024.

For all claims against the Bank Group in individual amounts over NIS 2 million, excluding claims listed in section 2 above, there is additional, non-remote exposure for which no provision was made, amounting to NIS 78 million.

3. Motions for class action status are pending against the Bank and its subsidiaries, where the amount claimed is material, as well as appeals to the High Court of Justice, as itemized below, which, in the opinion of the Bank's management, based on the opinion of the managements of its subsidiaries, and on the opinion of their legal counsel, the prospects for which cannot be estimated on the date of the financial statements, hence no provision was made for these.

   a) In June 2024 the Bank received a motion to approve a class action to the sum of NIS 700 million, filed before the Tel Aviv District Court. The motion concerns the payment of interest on credit balances in checking accounts managed at the bank, by way f their reposit to the automatic daily interest deposit existing at the Bank (hereinafter – "the Deposit"). The motion claims that the Bank does not inform and does not actively offer all of its customers the option of using the deposit and thus prevents them from receiving interest on credit balances in their account, this in connection with the period beginning from April 2022 onward, while violating various legal provisions, disclosure obligations and unlawful acquisition of wealth. The Bank is to file its response to the motion by December 20, 2024.

Note 10 – Contingent Liabilities and Special Commitments – continued

4. Motions for class action status and a motion for approval of a derivative claim are pending against the Bank and subsidiaries thereof, as follows:

   a) In August 2023, the Bank received a motion filed with the Tel Aviv Yafo District Court by two individual shareholders of the Bank, seeking an order for document disclosure pursuant to Section 198a of the Corporate Law, 1999 – against the Bank, members of the Bank Board of Directors and the CEO & President of the Bank ("defendants" and "motion", respectively), to order the Bank and/or any of the other defendants to disclose to the plaintiffs various documents with regard to obtaining a mortgage. The motion alleges that the plaintiffs have *prima facie* evidence, whereby the Bank allegedly assists its customers from the Jewish Orthodox segment to subvert the Bank of Israel directives and mandatory reporting pursuant to the AML Law, and that this indicates a failure in conduct of the Bank, its officers and employees, which justified consideration of filing a derivative lawsuit against Bank officers and employees regarding damage incurred by the Bank due to their deeds and omissions.
   On November 3, 2024, a hearing was held, at the end of which the Court handed down a verdict which approved the applicants' withdrawal of the motion.

   b) On September 25, 2019 a motion was filed against Union Bank ("Union") to approve a derived suit (hereinafter: "the motion") against 20 individual defendants who, allegedly, serve or have served as Board members of Union Bank. According to its arguments, the motion deals with credit Union provided a large lender (who is undergoing insolvency proceedings_) in 2004-2008.
   On January 2, 2024, a hearing of this case took place where inter alia the only objection filed was discussed. On January 3, 2024, a verdict was handed down confirming the settlement agreement on the motion for approval of a derivative lawsuit.

5. In October 2024, a lawsuit was filed against Bank Yahav, the Minister of Finance, the Bank of Israel, the Governor of the Bank of Israel, the Supervisor of Banks and the CEO of Bank Yahav. The lawsuit alleges that the plaintiff was caused damages due to an (alleged) refusal by Bank Yahav to carry out for them banking activity. The amount claimed in the lawsuit in respect of all defendants is estimated by the plaintiffs at approx. NIS 498 million. Due to the preliminary stage of the lawsuit, the facts of the case have not yet been reviewed, and therefore, in the opinion of Bank Yahav's legal counsels it is not yet possible to assess the outcome of the lawsuit.

Note 10 – Contingent Liabilities and Special Commitments – continued

C. Guarantees by maturity date

The Bank provides a wide range of guarantees and indemnification to its customers, to allow them to conduct a wide range of transactions. The maximum amount of potential future payments is determined based on the amount stated in the guarantee, without accounting for any potential refunds or collateral helped or pledged. Most guarantees at the Bank are rated by credit performance rating.

The following are guarantees issued by the Bank, by maturity date:

	As of September 30, 2024 (unaudited)				
	Expiring in 12 months or sooner	Expiring in 1 to 3 years	Expiring in 3 to 5 years	Expiring in over 5 years	Total
Loan guarantees	3,126	603	67	106	3,902
Guarantees to home buyers	12,718	4,151	686	108	17,663
Guarantees and other commitments	8,456	4,485	2,239	140	15,320
Commitments to issue guarantees	4,582	7,755	1,173	-	13,510
Total guarantees	**28,882**	**16,994**	**4,165**	**354**	**50,395**

	As of September 30, 2023 (unaudited)				
	Expiring in 12 months or sooner	Expiring in 1 to 3 years	Expiring in 3 to 5 years	Expiring in over 5 years	Total
Loan guarantees	2,787	534	97	103	3,521
Guarantees to home buyers	8,720	6,065	353	165	15,303
Guarantees and other commitments	5,445	1,916	521	5,360	13,242
Commitments to issue guarantees	3,874	6,473	1,112	-	11,459
Total guarantees	**20,826**	**14,988**	**2,083**	**5,628**	**43,525**

	As of December 31, 2023 (audited)				
	Expiring in 12 months or sooner	Expiring in 1 to 3 years	Expiring in 3 to 5 years	Expiring in over 5 years	Total
Loan guarantees	2,665	493	110	177	3,445
Guarantees to home buyers	9,827	4,110	515	160	14,612
Guarantees and other commitments	5,252	2,021	596	5,672	13,541
Commitments to issue guarantees	4,240	5,887	2,387	-	12,514
Total guarantees	**21,984**	**12,511**	**3,608**	**6,009**	**44,112**

Note 11 – Derivative instruments and hedging activitiesDerivatives

Reported amounts (NIS in millions)

A) Activity on a consolidated basis

	September 30, 2024 (unaudited)			September 30, 2023 (unaudited)		
	Derivatives not held for trading	Derivatives held for trading	Total	Derivatives not held for trading	Derivatives held for trading	Total
1. Stated amounts of derivative instruments						
Interest contracts						
Forward contracts	-	3,100	3,100	386	800	1,186
Options written	-	-	-	-	-	-
Options purchased	-	-	-	-	-	-
Swaps[1]	25,233	74,340	99,573	23,988	54,432	78,420
Total[2]	**25,233**	**77,440**	**102,673**	**24,374**	**55,232**	**79,606**
Of which: Hedging derivatives[3]	**6,928**	**-**	**6,928**	**2,701**	**-**	**2,701**
Currency contracts						
Forward[4] contracts and futures[6] contracts	60,709	165,530	226,239	47,789	134,756	182,545
Options written	-	13,907	13,907	-	15,932	15,932
Options purchased	-	13,366	13,366	-	15,299	15,299
Swaps	932	2,024	2,956	955	979	1,934
Total	**61,641**	**194,827**	**256,468**	**48,744**	**166,966**	**215,710**
Of which: Hedging derivatives[3]	**-**	**-**	**-**	**-**	**-**	**-**
Contracts for shares						
Forward and futures contracts	-	38,209	38,209	-	38,060	38,060
Options written	80	11,546	11,626	139	10,431	10,570
Options purchased[5]	-	11,548	11,548	-	10,433	10,433
Swaps	-	927	927	-	2,614	2,614
Total	**80**	**62,230**	**62,310**	**139**	**61,538**	**61,677**
Commodities and other contracts						
Forward and futures contracts	-	58	58	-	144	144
Options written	-	-	-	-	-	-
Options purchased	-	-	-	-	-	-
Total	**-**	**58**	**58**	**-**	**144**	**144**
Credit contracts						
Bank is guarantor	-	-	-	-	-	-
Bank is beneficiary	-	-	-	23	-	23
Total	**-**	**-**	**-**	**23**	**-**	**23**
Total stated amount	**86,954**	**334,555**	**421,509**	**73,280**	**283,880**	**357,160**

(1) Includes swaps where the banking corporation pays a fixed interest rate amounting to NIS 59,801 million (as of September 30, 2023: NIS 48,035 million)
(2) Of which: NIS/CPI swaps amounting to NIS 5,188 million (as of September 30, 2023: NIS 5,684 million)
(3) The Bank conducts fair value hedging and cash flow hedging through interest rate swap contracts and NIS/CPI swap contracts, respectively.
(4) Of which: NIS/CPI swaps amounting to NIS 4,682 million (as of September 30, 2023: NIS 10,751 million)
(5) Of which: Traded on the Stock Exchange, amounting to NIS 11546, million (as of September 30, 2023: NIS 10,431 million)
(6) Including diversion between the trading portfolio and the banking portfolio, primarily due to proactive internal transactions as part of asset and liability management.

Note 11 – Derivative instruments and hedging activities – continued

Reported amounts (NIS in millions)

A) Activity on a consolidated basis – continued

	As of December 31, 2023 (audited)		
	Derivatives not held for trading	Derivatives held for trading	Total
1. Stated amounts of derivative instruments			
Interest contracts			
Forward contracts	-	2,600	2,600
Options written	-	1	1
Options purchased	-	-	-
Swaps[(1)]	23,093	68,567	91,660
Total[(2)]	**23,093**	**71,168**	**94,261**
Of which: Hedging derivatives[(3)]	**3,141**	**-**	**3,141**
Currency contracts			
Forward contracts[(4)(6)]	41,630	157,360	198,990
Options written	-	10,818	10,818
Options purchased	-	10,562	10,562
Swaps	915	1,435	2,350
Total	**42,545**	**180,175**	**222,720**
Of which: Hedging derivatives[(3)]	**-**	**-**	**-**
Contracts for shares			
Forward contracts	-	35,006	35,006
Options written	110	9,429	9,539
Options purchased[(5)]	-	9,431	9,431
Swaps	-	640	640
Total	**110**	**54,506**	**54,616**
Commodities and other contracts			
Forward contracts	-	120	120
Options written	-	-	-
Options purchased	-	-	-
Total	**-**	**120**	**120**
Credit contracts			
Bank is guarantor	-	-	-
Bank is beneficiary	22	-	22
Total	**22**	**-**	**22**
Total stated amount	**65,770**	**305,969**	**371,739**

(1) Of which: seeps where the banking corporation pays a fixed interest, amounting to NIS 55,293 million.
(2) Of which: NIS/CPI swaps amounting to NIS 5,361 million.
(3) The Bank conducts fair value hedging and cash flow hedging through interest rate swap contracts and NIS/CPI swap contracts, respectively.
(4) Of which: Foreign currency spot swaps amounting to NIS 3,657 million.
(5) Of which: Traded on the stock exchange, amounting to NIS 9,425 million.
(6) Including diversion between the trading portfolio and the banking portfolio, primarily due to proactive internal transactions as part of asset and liability management.

Note 11 – Derivative instruments and hedging activities – continued

Reported amounts (NIS in millions)

A) Activity on a consolidated basis – continued

	September 30, 2024 (unaudited)					
	Assets with respect to derivatives, gross			Liabilities with respect to derivatives, gross		
	Derivatives not held for trading	Derivatives held for trading	Total	Derivatives not held for trading	Derivatives held for trading	Total
2. Fair value of derivative instruments, gross						
Interest contracts	1,188	788	1,976	969	653	1,622
Of which: Hedging derivatives	261	-	261	131	-	131
Currency contracts(1)	361	1,692	2,053	15	1,969	1,984
Of which: Hedging derivatives	-	-	-	-	-	-
Contracts for shares	4	596	600	-	579	579
Commodities and other contracts	-	4	4	-	4	4
Credit contracts	-	-	-	-	-	-
Total assets / liabilities with respect to derivatives, gross(2)	**1,553**	**3,080**	**4,633**	**984**	**3,205**	**4,189**
Fair value amounts offset in the balance sheet	-	-	-	-	-	-
Carrying amount of assets / liabilities with respect to derivative instruments	**1,553**	**3,080**	**4,633**	**984**	**3,205**	**4,189**
Of which: Carrying amount with respect to derivative instruments not subject to a master netting agreement or to similar agreements	23	981	1,004	9	838	847

	September 30, 2023 (unaudited)					
	Assets with respect to derivatives, gross			Liabilities with respect to derivatives, gross		
	Derivatives not held for trading	Derivatives held for trading	Total	Derivatives not held for trading	Derivatives held for trading	Total
2. Fair value of derivative instruments, gross						
Interest contracts	1,774	991	2,765	1,265	768	2,033
Of which: Hedging derivatives	301	-	301	28	-	28
Currency contracts(1)	110	3,557	3,667	34	3,141	3,175
Of which: Hedging derivatives	-	-	-	-	-	-
Contracts for shares	-	888	888	1	875	876
Commodities and other contracts	-	10	10	-	10	10
Credit contracts	-	-	-	2	-	2
Total assets / liabilities with respect to derivatives, gross(2)	**1,884**	**5,446**	**7,330**	**1,302**	**4,794**	**6,096**
Fair value amounts offset in the balance sheet	-	-	-	-	-	-
Carrying amount of assets / liabilities with respect to derivative instruments	**1,884**	**5,446**	**7,330**	**1,302**	**4,794**	**6,096**
Of which: Carrying amount with respect to derivative instruments not subject to a master netting agreement or to similar agreements	17	1,764	1,781	11	1,382	1,393

(1) Including diversion between the trading portfolio and the banking portfolio, primarily due to proactive internal transactions as part of asset and liability management.

(2) Of which: Gross fair value of assets with respect to embedded derivative instruments amounting to NIS 21 million (as of September 30, 2023: NIS 11 million); gross fair value of liabilities with respect to embedded derivative instruments amounting to NIS 1 million as of September 30, 2023.

Note 11 – Derivative instruments and hedging activities – continued

Reported amounts (NIS in millions)

A) Activity on consolidated basis – continued

	December 31, 2023					
	Assets with respect to derivatives, gross			Liabilities with respect to derivatives, gross		
	Derivatives not held for trading	Derivatives held for trading	Total	Derivatives not held for trading	Derivatives held for trading	Total
2. Fair value of derivative instruments, gross						
Interest contracts	1,277	701	1,978	959	663	1,622
Of which: Hedging derivatives	208	-	208	50	-	50
Currency contracts(1)	94	3,694	3,788	13	5,215	5,228
Of which: Hedging derivatives	-	-	-	-	-	-
Contracts for shares	3	526	529	-	512	512
Commodities and other contracts	-	3	3	-	3	3
Credit contracts	-	-	-	2	-	2
Total assets / liabilities with respect to derivatives, gross(2)	**1,374**	**4,924**	**6,298**	**974**	**6,393**	**7,367**
Fair value amounts offset in the balance sheet	-	-	-	-	-	-
Carrying amount of assets / liabilities with respect to derivative instruments	**1,374**	**4,924**	**6,298**	**974**	**6,393**	**7,367**
Of which: Carrying amount with respect to derivative instruments not subject to a master netting agreement or to similar agreements	30	1,199	1,229	9	2,320	2,329

(1) Including diversion between the trading portfolio and the banking portfolio, primarily due to proactive internal transactions as part of asset and liability management.

(2) Of which: Gross fair value of assets with respect to embedded derivatives amounting to NIS 16 million.

Note 11 – Derivative instruments and hedging activities – continued

Reported amounts (NIS in millions)

B) Accounting hedges

1. Fair value hedge[1]

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2024	2023	2024	2023	2023
					Interest revenues (expenses)
Interest contracts					
Hedged items	103	(89)	66	(98)	0
Hedging derivatives	(100)	84	(56)	96	3

	Balance as of September 30, 2024		Balance as of September 30, 2023		Balance as of December 31, 2023	
	Book value	Cumulative fair value adjustments that increased the book value	Book value	Cumulative fair value adjustments that increased the book value	Book value	Cumulative fair value adjustments that increased the book value
Securities available for sale	3,412	(46)	1,681	40	2,404	20
Mortgages credit	1,579	9	-	-	-	-

2. Cash flows hedges[2]

For the three months ended September 30, 2024		For the nine months ended September 30, 2024		For the year ended December 31, 2023	
Amounts recognized in Other Comprehensive Income (loss) from derivatives	Interest revenues (expenses)	Amounts recognized in Other Comprehensive Income (loss) from derivatives	Interest revenues (expenses)	Amounts recognized in Other Comprehensive Income (loss) from derivatives	Interest revenues (expenses)
1	(14)	-	(26)	3	(17)

For the three months ended September 30, 2023		For the nine months ended September 30, 2023	
Amounts recognized in Other Comprehensive Income (loss) from derivatives	Interest revenues (expenses)	Amounts recognized in Other Comprehensive Income (loss) from derivatives	Interest revenues (expenses)
-	(2)	3	(21)

(1) Reflects amounts included in assessment of hedge effectiveness.

(2) Reflects amounts excluded from assessment of hedge effectiveness, for which the difference between the change in fair value and the periodic write-down is recognized on Other Comprehensive Income (Loss).

Note 11 – Derivative instruments and hedging activities – continued

Reported amounts (NIS in millions)

C) Credit risk on financial derivatives according to counter-party to the contract – Consolidated

	September 30, 2024 (unaudited)						
	Stock exchanges	Banks	Dealers/ Brokers	Governments and central banks	Institutional investors	Others	Total
Carrying amount of assets with respect to derivative instruments	**62**	**2,259**	**485**	**-**	**1,381**	**446**	**4,633**
Gross amounts not offset in the balance sheet:							
Mitigation of credit risk with respect to financial instruments	-	(1,858)	-	-	(573)	(102)	(1)(2,533)
Mitigation of credit risk with respect to cash collateral received	-	(113)	(414)	-	(808)	(37)	(1,372)
On-balance sheet credit risk with respect to derivative instruments	**62**	**288**	**71**	**-**	**-**	**307**	**728**
Net off-balance sheet credit risk with respect to derivative instruments(2)	177	381	1,911	7	2,378	475	5,329
Total credit risk on derivative instruments	**239**	**669**	**1,982**	**7**	**2,378**	**782**	**6,057**
Carrying amount of liabilities with respect to derivative instruments	**63**	**2,279**	**485**	**6**	**876**	**480**	**4,189**
Gross amounts not offset in the balance sheet:							
Financial instruments	-	(1,858)	-	-	(573)	(102)	(2,533)
Pledged cash collateral	-	(421)	(85)	(6)	(91)	-	(603)
Net amount of liabilities with respect to derivative instruments	**63**	**-**	**400**	**-**	**212**	**378**	**1,053**

	September 30, 2023 (unaudited)						
	Stock exchanges	Banks	Dealers/ Brokers	Governments and central banks	Institutional investors	Others	Total
Carrying amount of assets with respect to derivative instruments	**28**	**3,305**	**807**	**-**	**2,418**	**772**	**7,330**
Gross amounts not offset in the balance sheet:							
Mitigation of credit risk with respect to financial instruments	-	(3,145)	-	-	(964)	(19)	(1)(4,128)
Mitigation of credit risk with respect to cash collateral received	-	(160)	-	-	(1,290)	(76)	(1,526)
On-balance sheet credit risk with respect to derivative instruments	**28**	**-**	**807**	**-**	**164**	**677**	**1,676**
Net off-balance sheet credit risk with respect to derivative instruments(2)	128	763	1,266	16	2,566	410	5,149
Total credit risk on derivative instruments	**156**	**763**	**2,073**	**16**	**2,730**	**1,087**	**6,825**
Carrying amount of liabilities with respect to derivative instruments	**30**	**3,566**	**807**	**135**	**1,033**	**525**	**6,096**
Gross amounts not offset in the balance sheet:							
Financial instruments	-	(3,145)	-	-	(964)	(19)	(4,128)
Pledged cash collateral	-	(421)	-	(128)	(69)	-	(618)
Net amount of liabilities with respect to derivative instruments	**30**	**-**	**807**	**7**	**-**	**506**	**1,350**

(1) This balance consists entirely of derivative instruments subject to offset agreements.

(2) The difference, if positive, between the total amounts with respect to derivative instruments (including with respect to derivative instruments with negative fair value) included under borrower indebtedness, as calculated for restrictions on indebtedness of a borrower, after mitigation of credit risk, and the on-balance sheet credit risk with respect to derivative instruments of the borrower.

Note 11 – Derivative instruments and hedging activities – continued

Reported amounts (NIS in millions)

C) Credit risk on financial derivatives according to counter-party to the contract – Consolidated – continued

	As of December 31, 2023 (audited)						
	Stock exchanges	**Banks**	**Dealers/ Brokers**	**Governments and central banks**	**Institutional investors**	**Others**	**Total**
Carrying amount of assets with respect to derivative instruments	**57**	**2,877**	**419**	**73**	**2,280**	**592**	**6,298**
Gross amounts not offset in the balance sheet:							
Mitigation of credit risk with respect to financial instruments	-	(2,028)	-	(27)	(1,745)	(376)	(4,176)[1]
Mitigation of credit risk with respect to cash collateral received	-	(439)	-	(45)	(834)	(1)	(1,319)
Net amount of assets with respect to derivative instruments	**57**	**410**	**419**	**1**	**(299)**	**215**	**803**
Off-balance sheet credit risk on derivative instruments[2]	91	588	1,472	26	1,811	555	4,543
Total credit risk on derivative instruments	**148**	**998**	**1,891**	**27**	**1,512**	**770**	**5,346**
Carrying amount of liabilities with respect to derivative instruments	**45**	**2,324**	**419**	**41**	**3,958**	**580**	**7,367**
Gross amounts not offset in the balance sheet:							
Financial instruments	-	(2,028)	-	(27)	(1,745)	(376)	(4,176)
Pledged cash collateral	-	(296)	-	(14)	(584)	-	(894)
Net amount of liabilities with respect to derivative instruments	**45**	**-**	**419**	**-**	**1,629**	**204**	**2,297**

(1) This balance consists entirely of derivative instruments subject to offset agreements.

(2) The difference, if positive, between the total amounts with respect to derivative instruments (including with respect to derivative instruments with negative fair value) included under borrower indebtedness, as calculated for restrictions on indebtedness of a borrower, before mitigation of credit risk, and the carrying amount of assets with respect to derivative instruments of the borrower.

In the three-month period ended September 30, 2024, the Bank recognized revenues from decrease in provision for credit losses amounting to NIS 6 million. In the nine-month period ended September 30, 2024, the Bank recognized expenses from increase in provision for credit losses amounting to NIS 8 million (in the three-month period ended September 30, 2023, the Bank recognized expenses from increase in provision for credit losses amounting to NIS 8 million. In the nine-month period ended September 30, 2023, the Bank recognized revenues from decrease in provision for credit losses amounting to NIS 6 million).

Note 11 – Derivative instruments and hedging activities – continued

D) Maturity dates – stated amounts: Balances at end of period – Consolidated

			September 30, 2024 (unaudited)		
	Up to three months	**3 months to 1 year**	**1-5 years**	**Over 5 years**	**Total**
Interest contracts:					
NIS – CPI	588	2,547	1,443	610	5,188
Other	12,700	23,636	41,988	19,161	97,485
Currency contracts	171,952	79,822	4,589	105	256,468
Contracts for shares	60,645	1,620	45	-	62,310
Commodities and other contracts	35	14	9	-	58
Total	**245,920**	**107,639**	**48,074**	**19,876**	**421,509**
			September 30, 2023 (unaudited)		
Total	**215,499**	**90,861**	**34,302**	**16,498**	**357,160**
			As of December 31, 2023 (audited)		
Total	**220,970**	**95,742**	**37,759**	**17,268**	**371,739**

Note 12 – Operating Segments

A. Information regarding supervisory operating segments

On November 3, 2014, the Supervisor of Banks issued an update to the Public Reporting Directives concerning supervisory operating segments. According to the directive, the Bank is required to provide, on its financial statements, disclosure with regard to supervisory operating segments in conformity with a uniform, comparable layout specified by the Supervisor of Banks; attribution to supervisory operating segments is typically determined by the turnover volume for customers.

The financial information on the Report of the Board of Directors and Management is included based on definitions of supervisory segments.

In addition, the financial statements include – in Note 12 to the financial statements – disclosure with regard to "Operating segments in conformity with the management approach".

An operating segment in conformity with the management approach is a Bank component with operations which may derive revenues and incur expenses which meet the following criteria:

a. Its operating results are regularly reviewed for the purpose of decision making about resource allocation and for performance evaluation.
b. Separate financial information is available for it.

In fact, there is a strong correlation between supervisory operating segments and "operating segments in conformity with the management approach" but nevertheless, there are some differences in customer attribution to segments and in decision making. Therefore, at this stage, the financial statements also include reporting of operating results in conformity with "the management approach", as noted above.

Supervisory operating segments

Supervisory operating segments include operating segments for individuals and operating segments for other than individuals (including business operating segments, institutional investors and financial management of the Bank).

Individuals are defined as persons with no indebtedness to the Bank or whose indebtedness is classified as indebtedness of "individuals – residential mortgages and others", in conformity with definitions of credit risk classification by economic sector.

Definitions of supervisory operating segments are as follows:

Households – individuals, other than private banking customers, as noted below.

Private banking – individuals who manage a financial asset portfolio in excess of NIS 3 million.

Small and micro businesses – businesses with turnover amounting up to NIS 50 million.

Medium businesses – businesses with turnover higher than NIS 50 million and lower than NIS 250 million.

Large businesses – businesses with turnover higher than NIS 250 million.

Institutional investors – Businesses which own pension funds, study funds, mutual funds, ETFs, insurance companies, stock exchange members, portfolio managers.

Financial management – includes trading operations, asset and liability management and non-banking investments.

Trade operations – Investment in securities held for trading, market making operations for securities, operations involving derivatives not designated as hedges and which are not part of asset and liability management for the Bank, borrowing of securities for trading, short selling of securities, underwriting services for securities.

Asset and liability management – including investment in bonds available for sale and in bonds held to maturity, hedging using derivatives, ALM hedging, deposits with banks and deposits from banks in Israel and overseas, currency hedging of investments overseas, deposits with and from Governments.

Real investments – Investment in shares available for sale and in associated companies of businesses.

Other financial management operations – management, operation, trust and custody services for banks, sale and management of loan portfolios.

The aforementioned operating segments are divided into operations in Israel and operations overseas; operations overseas are presented separately and are divided into operations of individuals and business operations only.

Note 12 – Operating Segments – continued
Supervisory operating segments
For the nine months ended September 30, 2024 (unaudited)
Reported amounts (NIS in millions)

	Operations in Israel					
	Households				Private banking	Small and micro businesses
	Residential mortgages	Others	Of which: Credit cards	Total		
Interest revenues from externals	9,581	1,547	43	11,128	1	2,099
Interest expenses from externals	19	2,688	-	2,707	774	1,193
Interest revenues, net from externals	9,562	(1,141)	43	8,421	(773)	906
Interest revenues, net – inter-segment	(7,472)	4,014	(11)	(3,458)	1,035	1,067
Total interest revenues, net	**2,090**	**2,873**	**32**	**4,963**	**262**	**1,973**
Total non-interest financing revenues	-	-	-	-	-	-
Total commissions and other revenues	91	483	145	574	11	396
Total non-interest revenues	**91**	**483**	**145**	**574**	**11**	**396**
Total revenues	**2,181**	**3,356**	**177**	**5,537**	**273**	**2,369**
Expenses due to credit losses	73	85	1	158	-	184
Operating and other expenses to externals	625	1,676	51	2,301	12	772
Operating and other expenses – inter-segment	-	3	-	3	1	5
Total operating and other expenses	**625**	**1,679**	**51**	**2,304**	**13**	**777**
Pre-tax profit	1,483	1,592	125	3,075	260	1,408
Provision for taxes on profit	563	604	47	1,167	99	534
After-tax profit	**920**	**988**	**78**	**1,908**	**161**	**874**
Share of banking corporation in earnings of associated companies	-	-	-	-	-	-
Net profit before attribution to non-controlling interests	920	988	78	1,908	161	874
Net profit attributed to non-controlling interests	-	(125)	(2)	(125)	-	(12)
Net profit attributable to shareholders of the banking corporation	**920**	**863**	**76**	**1,783**	**161**	**862**
Average balance of assets	212,405	26,636	3,732	239,041	80	34,105
Of which: Investments in associated companies	-	-	-	-	-	-
Average balance of loans to the public	212,405	26,636	3,732	239,041	80	34,105
Balance of loans to the public at end of reported period	(3)219,777	27,993	5,071	247,770	112	36,591
Balance of non-accruing debts and debts in arrears over 90 days	2,106	137	1	2,243	-	850
Balance of other problematic debts	-	125	4	125	-	651
Balance of provision for credit losses at end of reported period	1,188	656	-	1,844	1	1,421
Net accounting write-offs in the reported period	-	111	-	111	-	74
Average balance of liabilities	-	137,305	-	137,305	27,380	56,835
Of which: Average balance of deposits from the public	-	137,305	-	137,305	27,380	56,835
Balance of deposits from the public at end of reported period	-	138,548	-	138,548	28,111	60,295
Average balance of risk assets(1)	126,442	22,754	4,465	149,196	45	31,866
Balance of risk assets at end of reported period(1)	130,973	22,583	4,604	153,556	58	31,966
Average balance of assets under management(2)	9,448	71,095	-	80,543	4,460	56,045
Breakdown of interest revenues, net:						
Margin from credit granting operations	1,790	754	32	2,544	1	970
Margin from activities of receiving deposits	-	2,071	-	2,071	263	909
Other	300	48	-	348	(2)	94
Total interest revenues, net	**2,090**	**2,873**	**32**	**4,963**	**262**	**1,973**

(1) Risk assets – as calculated for capital adequacy purposes (Proper Conduct of Banking Business Directive 201).
(2) Assets under management – includes customers' provident funds, study funds, mutual funds and securities.
(3) Of which: Balance of residential mortgages to customers classified under the micro and small business segment, amounting to NIS 11,374 million.

						Operations overseas	Total
	Medium businesses	Large businesses	Institutional investors	Financial management segment	Total activity in Israel	Total – operations overseas	
	728	2,109	97	2,129	18,291	1,646	19,937
	365	1,342	2,439	1,537	10,357	519	10,876
	363	767	(2,342)	592	7,934	1,127	9,061
	108	227	2,514	(826)	667	(667)	-
	471	**994**	**172**	**(234)**	**8,601**	**460**	**9,061**
	-	-	-	431	431	-	431
	76	223	40	417	1,737	1	1,738
	76	**223**	**40**	**848**	**2,168**	**1**	**2,169**
	547	**1,217**	**212**	**614**	**10,769**	**461**	**11,230**
	31	(93)	7	1	288	126	414
	125	210	148	233	3,801	95	3,896
	(1)	1	(7)	(2)	-	-	-
	124	**211**	**141**	**231**	**3,801**	**95**	**3,896**
	392	1,099	64	382	6,680	240	6,920
	149	417	24	145	2,535	91	2,626
	243	**682**	**40**	**237**	**4,145**	**149**	**4,294**
	-	-	-	15	15	-	15
	243	682	40	252	4,160	149	4,309
	-	-	-	(23)	(160)	-	(160)
	243	**682**	**40**	**229**	**4,000**	**149**	**4,149**
	12,432	38,601	5,108	100,833	430,200	33,871	464,071
	-	-	-	250	250	-	250
	12,432	38,601	5,108	-	329,367	9,582	338,949
	12,399	39,185	5,362	-	341,419	11,032	352,451
	212	442	-	-	3,747	632	4,379
	100	445	-	-	1,321	72	1,393
	231	418	12	-	3,927	210	4,137
	101	(36)	-	-	250	39	289
	14,129	39,447	81,422	60,100	416,618	13,486	430,104
	14,129	39,447	81,422	-	356,518	13,247	369,765
	13,485	42,322	85,292	-	368,053	17,066	385,119
	14,936	56,254	1,380	20,500	274,177	12,191	286,368
	15,332	60,447	1,292	22,200	284,851	13,685	298,536
	15,539	26,363	415,610	3,268	601,828	-	601,828
	286	684	30	-	4,515	262	4,777
	152	191	140	-	3,726	75	3,801
	33	119	2	(234)	360	123	483
	471	**994**	**172**	**(234)**	**8,601**	**460**	**9,061**

Note 12 – Operating Segments – continued
Supervisory operating segments
For the nine months ended September 30, 2023 (unaudited)
Reported amounts (NIS in millions)

	Operations in Israel					
			Households		Private banking	Small and micro businesses
	Residential mortgages	Others	Of which: Credit cards	Total		
Interest revenues from externals	8,721	1,594	43	10,315	1	2,212
Interest expenses from externals	-	2,079	-	2,079	653	932
Interest revenues, net from externals	8,721	(485)	43	8,236	(652)	1,280
Interest revenues, net – inter-segment	(6,661)	3,332	(12)	(3,329)	901	714
Total interest revenues, net	**2,060**	**2,847**	**31**	**4,907**	**249**	**1,994**
Total non-interest financing revenues	-	-	-	-	-	-
Total commissions and other revenues	105	537	169	642	15	425
Total non-interest revenues	**105**	**537**	**169**	**642**	**15**	**425**
Total revenues	**2,165**	**3,384**	**200**	**5,549**	**264**	**2,419**
Expenses due to credit losses	235	262	14	497	-	372
Operating and other expenses to externals	707	1,814	54	2,521	15	920
Operating and other expenses – inter-segment	-	3	-	3	1	6
Total operating and other expenses	**707**	**1,817**	**54**	**2,524**	**16**	**926**
Pre-tax profit	1,223	1,305	132	2,528	248	1,121
Provision for taxes on profit	428	456	46	884	87	392
After-tax profit	**795**	**849**	**86**	**1,644**	**161**	**729**
Share of banking corporation in earnings of associated companies	-	-	-	-	-	-
Net profit before attribution to non-controlling interests	795	849	86	1,644	161	729
Net profit attributed to non-controlling interests	-	(115)	(2)	(115)	-	(11)
Net profit attributable to shareholders of the banking corporation	**795**	**734**	**84**	**1,529**	**161**	**718**
Average balance of assets	202,114	27,133	4,500	229,247	126	34,564
Of which: Investments in associated companies	-	-	-	-	-	-
Average balance of loans to the public	200,980	27,064	4,500	228,044	126	34,517
Balance of loans to the public at end of reported period	(3)204,852	28,173	4,828	233,025	99	35,676
Balance of non-accruing debts and debts in arrears over 90 days	1,841	128	-	1,969	-	840
Balance of other problematic debts	-	130	4	130	-	490
Balance of provision for credit losses at end of reported period	1,132	664	-	1,796	1	1,251
Net accounting write-offs in the reported period	-	88	-	88	-	80
Average balance of liabilities	327	130,470	-	130,797	26,594	55,788
Of which: Average balance of deposits from the public	-	128,387	-	128,387	26,594	55,491
Balance of deposits from the public at end of reported period	-	130,231	-	130,231	28,136	54,785
Average balance of risk assets(1)	119,525	22,035	4,130	141,560	50	33,170
Balance of risk assets at end of reported period(1)	122,342	22,728	4,135	145,070	13	33,209
Average balance of assets under management(2)	10,132	58,906	-	69,038	4,190	44,508
Breakdown of interest revenues, net:						
Margin from credit granting operations	1,753	827	31	2,580	-	1,034
Margin from activities of receiving deposits	-	1,978	-	1,978	249	867
Other	307	42	-	349	-	93
Total interest revenues, net	**2,060**	**2,847**	**31**	**4,907**	**249**	**1,994**

(1) Risk assets – as calculated for capital adequacy purposes (Proper Conduct of Banking Business Directive 201).
(2) Assets under management – includes customers' provident funds, study funds, mutual funds and securities.
(3) Of which: Balance of residential mortgages to customers classified under the micro and small business segment, amounting to NIS 12,671 million.

					Operations overseas	Total
Medium businesses	Large businesses	Institutional investors	Financial management segment	Total activity in Israel	Total – operations overseas	
729	1,712	45	2,158	17,172	1,151	18,323
293	1,100	2,244	1,406	8,707	330	9,037
436	612	(2,199)	752	8,465	821	9,286
52	266	2,353	(443)	514	(514)	-
488	**878**	**154**	**309**	**8,979**	**307**	**9,286**
-	-	-	678	678	-	678
77	162	38	348	1,707	18	1,725
77	**162**	**38**	**1,026**	**2,385**	**18**	**2,403**
565	**1,040**	**192**	**1,335**	**11,364**	**325**	**11,689**
71	158	2	8	1,108	60	1,168
151	254	134	302	4,297	76	4,373
-	(1)	(2)	(7)	-	-	-
151	**253**	**132**	**295**	**4,297**	**76**	**4,373**
343	629	58	1,032	5,959	189	6,148
120	220	20	361	2,084	66	2,150
223	**409**	**38**	**671**	**3,875**	**123**	**3,998**
-	-	-	1	1	-	1
223	409	38	672	3,876	123	3,999
-	-	-	(10)	(136)	-	(136)
223	**409**	**38**	**662**	**3,740**	**123**	**3,863**
12,243	32,857	2,440	98,748	410,225	25,855	436,080
-	-	-	179	179	-	179
12,243	32,857	2,440	-	310,227	7,300	317,527
12,522	35,054	2,684	-	319,060	8,411	327,471
222	62	-	-	3,093	139	3,232
333	1,191	-	-	2,144	87	2,231
252	484	9	-	3,793	88	3,881
19	(2)	-	-	185	-	185
12,565	39,645	74,135	60,271	399,795	11,127	410,922
12,565	37,215	74,135	-	334,387	9,274	343,661
12,434	35,740	77,927	-	339,253	11,781	351,034
14,572	44,263	1,886	15,992	251,493	9,463	260,956
14,739	49,093	684	18,117	260,925	10,842	271,767
10,297	30,232	376,839	2,019	537,123	-	537,123
298	574	16	-	4,502	191	4,693
155	203	134	-	3,586	19	3,605
35	101	4	309	891	97	988
488	**878**	**154**	**309**	**8,979**	**307**	**9,286**

Note 12 – Operating Segments – continued
Supervisory operating segments
For the three months ended September 30, 2024 (unaudited)
Reported amounts (NIS in millions)

	Operations in Israel					
	Households				Private banking	Small and micro businesses
	Residential mortgages	Others	Of which: Credit cards	Total		
Interest revenues from externals	3,593	521	14	4,114	1	731
Interest expenses from externals	6	839	-	845	274	412
Interest revenues, net from externals	3,587	(318)	14	3,269	(273)	319
Interest revenues, net – inter-segment	(2,878)	1,300	(4)	(1,578)	361	370
Total interest revenues, net	**709**	**982**	**10**	**1,691**	**88**	**689**
Total non-interest financing revenues	-	-	-	-	-	-
Total commissions and other revenues	30	150	50	180	3	106
Total non-interest revenues	**30**	**150**	**50**	**180**	**3**	**106**
Total revenues	**739**	**1,132**	**60**	**1,871**	**91**	**795**
Expenses due to credit losses	39	11	-	50	-	19
Operating and other expenses to externals	206	559	17	765	4	259
Operating and other expenses – inter-segment	-	1	-	1	-	2
Total operating and other expenses	**206**	**560**	**17**	**766**	**4**	**261**
Pre-tax profit	494	561	43	1,055	87	515
Provision for taxes on profit	187	212	16	399	33	194
After-tax profit	**307**	**349**	**27**	**656**	**54**	**321**
Share of banking corporation in earnings of associated companies	-	-	-	-	-	-
Net profit before attribution to non-controlling interests	307	349	27	656	54	321
Net profit attributed to non-controlling interests	-	(45)	-	(45)	-	(4)
Net profit attributable to shareholders of the banking corporation	**307**	**304**	**27**	**611**	**54**	**317**
Average balance of assets	217,041	26,692	3,844	243,733	92	35,701
Of which: Investments in associated companies	-	-	-	-	-	-
Average balance of loans to the public	217,041	26,692	3,844	243,733	92	35,701
Balance of loans to the public at end of reported period	(3)219,777	27,993	5,071	247,770	112	36,591
Balance of non-accruing debts and debts in arrears over 90 days	2,106	137	1	2,243	-	850
Balance of other problematic debts	-	125	4	125	-	651
Balance of provision for credit losses at end of reported period	1,188	656	-	1,844	1	1,421
Net accounting write-offs in the reported period	-	26	-	26	-	27
Average balance of liabilities	-	138,287	-	138,287	27,724	58,279
Of which: Average balance of deposits from the public	-	138,287	-	138,287	27,724	58,279
Balance of deposits from the public at end of reported period	-	138,548	-	138,548	28,111	60,295
Average balance of risk assets(1)	129,524	22,907	4,564	152,431	48	31,614
Balance of risk assets at end of reported period(1)	130,973	22,583	4,604	153,556	58	31,966
Average balance of assets under management(2)	9,318	74,067	-	83,385	4,608	58,649
Breakdown of interest revenues, net:						
Margin from credit granting operations	605	256	10	861	1	346
Margin from activities of receiving deposits	-	710	-	710	89	312
Other	104	16	-	120	(2)	31
Total interest revenues, net	**709**	**982**	**10**	**1,691**	**88**	**689**

(1) Risk assets – as calculated for capital adequacy purposes (Proper Conduct of Banking Business Directive 201).
(2) Assets under management – includes customers' provident funds, study funds, mutual funds and securities.
(3) Of which: Balance of residential mortgages to customers classified under the micro and small business segment, amounting to NIS 11,374 million.

					Operations overseas	Total
Medium businesses	**Large businesses**	**Institutional investors**	**Financial management segment**	**Total activity in Israel**	**Total – operations overseas**	
250	722	30	683	6,531	590	7,121
130	482	829	772	3,744	221	3,965
120	240	(799)	(89)	2,787	369	3,156
31	97	854	98	233	(233)	-
151	**337**	**55**	**9**	**3,020**	**136**	**3,156**
-	-	-	60	60	-	60
25	74	16	186	590	(9)	581
25	**74**	**16**	**246**	**650**	**(9)**	**641**
176	**411**	**71**	**255**	**3,670**	**127**	**3,797**
17	(18)	1	-	69	61	130
40	68	52	69	1,257	32	1,289
-	1	(2)	(2)	-	-	-
40	**69**	**50**	**67**	**1,257**	**32**	**1,289**
119	360	20	188	2,344	34	2,378
45	136	7	71	885	13	898
74	**224**	**13**	**117**	**1,459**	**21**	**1,480**
-	-	-	3	3	-	3
74	224	13	120	1,462	21	1,483
-	-	-	(9)	(58)	-	(58)
74	**224**	**13**	**111**	**1,404**	**21**	**1,425**
12,288	40,541	5,128	98,147	435,630	37,145	472,775
-	-	-	252	252	-	252
12,288	40,541	5,128	-	337,483	10,318	347,801
12,399	39,185	5,362	-	341,419	11,032	352,451
212	442	-	-	3,747	632	4,379
100	445	-	-	1,321	72	1,393
231	418	12	-	3,927	210	4,137
16	(11)	-	-	58	29	87
13,655	41,171	84,306	59,540	422,962	14,868	437,830
13,655	41,171	84,306	-	363,422	14,574	377,996
13,485	42,322	85,292	-	368,053	17,066	385,119
14,907	59,807	1,532	21,450	281,789	13,223	295,012
15,332	60,447	1,292	22,200	284,851	13,685	298,536
16,711	26,671	427,608	3,512	621,144	-	621,144
92	224	8	-	1,532	78	1,610
49	69	46	-	1,275	22	1,297
10	44	1	9	213	36	249
151	**337**	**55**	**9**	**3,020**	**136**	**3,156**

Note 12 – Operating Segments – continued
Supervisory operating segments
For the three months ended September 30, 2023 (unaudited)
Reported amounts (NIS in millions)

	Operations in Israel					
	Households				Private banking	Small and micro businesses
	Residential mortgages	Others	Of which: Credit cards	Total	-	
Interest revenues from externals	3,022	307	15	3,329	-	808
Interest expenses from externals	-	315	-	315	-	323
Interest revenues, net from externals	3,022	(8)	15	3,014	-	485
Interest revenues, net – inter-segment	(2,313)	989	(8)	(1,324)	-	198
Total interest revenues, net	**709**	**981**	**7**	**1,690**	**-**	**683**
Total non-interest financing revenues	-	-	-	-	-	-
Total commissions and other revenues	30	184	62	214	-	138
Total non-interest revenues	**30**	**184**	**62**	**214**	**-**	**138**
Total revenues	**739**	**1,165**	**69**	**1,904**	**-**	**821**
Expenses due to credit losses	172	120	4	292	-	165
Operating and other expenses to externals	204	603	17	807	-	298
Operating and other expenses – inter-segment	-	5	-	5	2	10
Total operating and other expenses	**204**	**608**	**17**	**812**	**7**	**308**
Pre-tax profit	363	437	48	800	79	348
Provision for taxes on profit	129	154	17	283	28	123
After-tax profit	**234**	**283**	**31**	**517**	**51**	**225**
Share of banking corporation in earnings of associated companies	-	-	-	-	-	-
Net profit before attribution to non-controlling interests	234	283	31	517	51	225
Net profit attributed to non-controlling interests	-	(30)	(1)	(30)	-	(4)
Net profit attributable to shareholders of the banking corporation	**234**	**253**	**30**	**487**	**51**	**221**
Average balance of assets	203,621	27,328	4,482	230,949	119	34,578
Of which: Investments in associated companies	-	-	-	-	-	-
Average balance of loans to the public	202,394	27,267	4,482	229,661	119	34,532
Balance of loans to the public at end of reported period	(3)204,852	28,173	4,828	233,025	99	35,676
Balance of non-accruing debts and debts in arrears over 90 days	1,841	128	-	1,969	-	840
Balance of other problematic debts	-	130	4	130	-	490
Balance of provision for credit losses at end of reported period	1,132	664	-	1,796	1	1,251
Net accounting write-offs in the reported period	-	23	-	23	-	13
Average balance of liabilities	329	131,250	-	131,579	27,128	55,922
Of which: Average balance of deposits from the public	-	129,174	-	129,174	27,128	55,619
Balance of deposits from the public at end of reported period	-	130,231	-	130,231	28,136	54,785
Average balance of risk assets(1)	121,437	22,353	4,135	143,790	43	33,288
Balance of risk assets at end of reported period(1)	122,342	22,728	4,135	145,070	13	33,209
Average balance of assets under management(2)	10,041	60,471	-	70,512	4,339	45,867
Breakdown of interest revenues, net:						
Margin from credit granting operations	576	273	7	849	-	354
Margin from activities of receiving deposits	-	692	-	692	79	293
Other	133	16	-	149	-	36
Total interest revenues, net	**709**	**981**	**7**	**1,690**	**79**	**683**

(1) Risk assets – as calculated for capital adequacy purposes (Proper Conduct of Banking Business Directive 201).
(2) Assets under management – includes customers' provident funds, study funds, mutual funds and securities.
(3) Of which: Balance of residential mortgages to customers classified under the micro and small business segment, amounting to NIS 12,671 million.

					Operations overseas	Total
Medium businesses	Large businesses	Institutional investors	Financial management segment	Total activity in Israel	Total – operations overseas	
287	680	22	661	5,785	439	6,224
110	387	813	927	3,117	148	3,265
177	293	(791)	(266)	2,668	291	2,959
(22)	4	839	163	181	(181)	-
155	**297**	**48**	**(103)**	**2,849**	**110**	**2,959**
-	-	-	341	341	-	341
29	54	11	110	562	6	568
29	**54**	**11**	**451**	**903**	**6**	**909**
184	**351**	**59**	**348**	**3,752**	**116**	**3,868**
65	128	2	8	659	35	694
44	87	49	98	1,388	27	1,415
-	(4)	(3)	(10)	-	-	-
44	**83**	**46**	**88**	**1,388**	**27**	**1,415**
75	140	11	252	1,705	54	1,759
27	50	4	90	605	19	624
48	**90**	**7**	**162**	**1,100**	**35**	**1,135**
-	-	-	-	-	-	-
48	90	7	162	1,100	35	1,135
-	-	-	(3)	(37)	-	(37)
48	**90**	**7**	**159**	**1,063**	**35**	**1,098**
12,285	33,452	2,741	98,164	412,288	27,539	439,827
-	-	-	195	195	-	195
12,285	35,118	2,741	-	314,456	7,543	321,999
12,522	35,054	2,684	-	319,060	8,411	327,471
222	62	-	-	3,093	139	3,232
333	1,191	-	-	2,144	87	2,231
252	484	9	-	3,793	88	3,881
5	(7)	-	-	34	-	34
12,495	38,437	75,497	61,411	402,469	11,541	414,010
12,495	37,529	75,497	-	337,442	10,107	347,549
12,434	35,740	77,927	-	339,253	11,781	351,034
14,714	46,046	1,496	17,724	257,101	10,252	267,353
14,739	49,093	684	18,117	260,925	10,842	271,767
10,549	30,481	382,483	2,123	546,354	-	546,354
92	194	6	-	1,495	68	1,563
51	64	41	-	1,220	8	1,228
12	39	1	(103)	134	34	168
155	**297**	**48**	**(103)**	**2,849**	**110**	**2,959**

Note 12 – Operating Segments – continued
Supervisory operating segments
For the year ended December 31, 2023 (audited)
Reported amounts (NIS in millions)

	Operations in Israel					
	Households				Private banking	Small and micro businesses
	Residential mortgages	Others	Of which: Credit cards	Total		
Interest revenues from externals	11,061	2,044	58	13,105	5	2,884
Interest expenses from externals	-	2,863	-	2,863	867	1,290
Interest revenues, net from externals	11,061	(819)	58	10,242	(862)	1,594
Interest revenues, net – inter-segment	(8,351)	4,608	(16)	(3,743)	1,192	1,064
Total interest revenues, net	**2,710**	**3,789**	**42**	**6,499**	**330**	**2,658**
Total non-interest financing revenues	-	-	-	-	-	-
Total commissions and other revenues	119	686	192	805	18	584
Total non-interest revenues	**119**	**686**	**192**	**805**	**18**	**584**
Total revenues	**2,829**	**4,475**	**234**	**7,304**	**348**	**3,242**
Expenses due to credit losses	247	324	4	571	-	526
Operating and other expenses to externals	893	2,344	72	3,237	18	1,149
Operating and other expenses – inter-segment	-	4	-	4	1	7
Total operating and other expenses	**893**	**2,348**	**72**	**3,241**	**19**	**1,156**
Pre-tax profit	1,689	1,803	158	3,492	329	1,560
Provision for taxes on profit	582	621	54	1,203	113	537
After-tax profit	**1,107**	**1,182**	**104**	**2,289**	**216**	**1,023**
Share of banking corporation in earnings of associated companies	-	-	-	-	-	-
Net profit before attribution to non-controlling interests	1,107	1,182	104	2,289	216	1,023
Net profit attributed to non-controlling interests	-	(144)	(3)	(144)	-	(15)
Net profit attributable to shareholders of the banking corporation	**1,107**	**1,038**	**101**	**2,145**	**216**	**1,008**
Average balance of assets	202,312	27,009	4,491	229,321	120	34,380
Of which: Investments in associated companies	-	-	-	-	-	-
Average balance of loans to the public	202,312	27,009	4,491	229,321	120	34,380
Balance of loans to the public at end of reported period	(3)206,562	27,444	4,506	234,006	102	34,947
Balance of non-accruing debts and debts in arrears over 90 days	2,153	145	-	2,298	-	895
Balance of other problematic debts	-	124	4	124	-	639
Balance of provision for credit losses at end of reported period	1,129	676	-	1,805	1	1,335
Net accounting write-offs in the reported period	-	134	-	134	-	129
Average balance of liabilities	-	129,214	-	129,214	26,941	55,604
Of which: Average balance of deposits from the public	-	129,214	-	129,214	26,941	55,604
Balance of deposits from the public at end of reported period	-	133,009	-	133,009	27,746	56,791
Average balance of risk assets(1)	120,257	22,128	4,237	142,385	47	32,948
Balance of risk assets at end of reported period(1)	123,185	22,499	4,663	145,684	35	32,062
Average balance of assets under management(2)	10,045	59,946	-	69,991	4,216	44,826
Breakdown of interest revenues, net:						
Margin from credit granting operations	2,335	1,073	42	3,408	-	1,372
Margin from activities of receiving deposits	-	2,662	-	2,662	330	1,160
Other	375	54	-	429	-	126
Total interest revenues, net	**2,710**	**3,789**	**42**	**6,499**	**330**	**2,658**

(1) Risk assets – as calculated for capital adequacy purposes (Proper Conduct of Banking Business Directive 201).
(2) Assets under management – includes customers' provident funds, study funds, mutual funds and securities.
(3) Of which: Balance of residential mortgages to customers classified under the micro and small business segment, amounting to NIS 12,349 million.

					Operations overseas	Total
Medium businesses	**Large businesses**	**Institutional investors**	**Financial management segment**	**Total activity in Israel**	**Total – operations overseas**	
961	2,401	63	2,889	22,308	1,697	24,005
403	1,514	3,034	1,525	11,496	534	12,030
558	887	(2,971)	1,364	10,812	1,163	11,975
89	302	3,175	(1,342)	737	(737)	-
647	**1,189**	**204**	**22**	**11,549**	**426**	**11,975**
-	-	-	511	511	-	511
101	242	51	460	2,261	33	2,294
101	**242**	**51**	**971**	**2,772**	**33**	**2,805**
748	**1,431**	**255**	**993**	**14,321**	**459**	**14,780**
106	154	1	10	1,368	95	1,463
192	317	173	380	5,466	103	5,569
(4)	-	(2)	(6)	-	-	-
188	**317**	**171**	**374**	**5,466**	**103**	**5,569**
454	960	83	609	7,487	261	7,748
156	331	29	210	2,579	90	2,669
298	**629**	**54**	**399**	**4,908**	**171**	**5,079**
-	-	-	1	1	-	1
298	629	54	400	4,909	171	5,080
-	-	-	(11)	(170)	-	(170)
298	**629**	**54**	**389**	**4,739**	**171**	**4,910**
12,265	33,847	1,104	96,126	407,163	27,630	434,793
-	-	-	200	200	-	200
12,265	33,847	1,104	-	311,037	7,701	318,738
12,171	36,286	2,851	-	320,363	9,052	329,415
253	235	-	-	3,681	156	3,837
347	1,044	-	-	2,154	159	2,313
300	494	7	-	3,942	127	4,069
23	1	-	-	287	-	287
12,705	37,000	68,801	65,494	395,759	11,576	407,335
12,705	37,000	68,801	-	330,265	10,071	340,336
14,270	35,612	78,904	-	346,332	12,221	358,553
14,545	46,011	1,660	16,442	254,038	9,810	263,848
14,435	52,998	754	18,275	264,243	11,197	275,440
10,481	30,003	379,239	2,121	540,877	-	540,877
388	783	23	-	5,974	291	6,265
210	262	176	-	4,800	28	4,828
49	144	5	22	775	107	882
647	**1,189**	**204**	**22**	**11,549**	**426**	**11,975**

Note 12 – Operating Segments – continued

B. Operating segments in conformity with the management approach

The Bank manages its operations in six major operating segments, which are distinguished by customer characteristics and type of banking services required, as well as by the organizational unit responsible for servicing each segment. Operating segment definition is based on the Bank's organizational structure, as described below. The operations in the six operating segments include all areas of banking operations including classic banking activity (loans and deposits), securities activity for customers and activity in derivatives, as well as custom banking services designed for needs in specific fields. Operations of the various segments are conducted through Bank branches, the trading room, the business centers, headquarters units of the Bank and Bank subsidiaries in Israel and overseas.

For more information about measurement of Bank operations in conformity with the supervisory segments approach, as specified by the Supervisor of Banks, see information about supervisory operating segments above.

Below are the Bank's operating segments in conformity with the management approach:

Household segment – under the responsibility of the Retail Division. This segment includes small household customers and mortgage operations. The division provides appropriate banking services and financial products to segment customers, including in the field of mortgages.

Small business segment – under responsibility of the Retail Division, which also serves micro business customers (businesses with annual turnover below NIS 10 million) and small businesses (with annual turnover from NIS 10 million to under NIS 50 million). Occasionally, due to growth in activity of a customer served by the Retail Division, the customer may exceed the aforementioned criteria. Banking services and financial products, including commercial banking services as required, are provided to segment customers.

Private banking – The Retail Division is responsible for private banking. Segment customers are primarily individual customers with liquid assets (primarily short-term deposits and security investments) over NIS 1 million. Customers of this segment have high financial wealth, to whom the Bank offers access to unique products and services in capital market activity, advisory service and investment management.

Commercial banking – customers of this segment are private and public companies of medium size (middle market) and medium level of indebtedness, and are served by the Business Banking Division, primarily by the Business sector, which operates via four business centers located throughout Israel. As from 2019, new business customers with annual turnover from NIS 50 million to under NIS 250 million are assigned to the Business sector. Segment customers operating in the real estate sector are served by the Construction and Real Estate sector of the Corporate Division, which specializes in provision of dedicated services to this sector.

Business banking – the Major Corporations sector in the Corporate Division is responsible for the Business Banking segment, which is the focal point for handling the largest business customers. As from 2019, businesses with annual turnover above NIS 250 million are assigned to the Corporate Sector. This segment provides a range of banking and financial services to the largest companies in the economy, in an array of industries, at relatively high levels of indebtedness. Segment customers operating in the real estate sector are served by the Construction and Real Estate sector of the Corporate Division, which specializes in provision of dedicated services to this sector.

Financial management – operations in this segment include, inter alia, management of assets and liabilities, management of exposure to market risk, management of the nostro portfolio and liquidity management as well as trading room operations in the financial and capital markets. The Finance Division is responsible for this segment, except for investments in non-banking corporations, for which the Corporate Division is responsible.

The major products and guidelines for attribution of balances, revenues and expenses to customers in the system to operating segments in conformity with the management approach, are similar to products and guidelines according to the supervisory operating segment approach.

Note 12 – Operating Segments – continued
Operating segments in conformity with the management approach
For the nine months ended September 30, 2024 (unaudited)

Reported amounts (NIS in millions)

	House-holds – other	House-holds – mort-gages	Private banking	Small busine-sses	Commer-cial banking	Business banking	Financial manage-ment	Total consoli-dated
Interest revenues, net:								
From externals	(1,323)	8,741	(132)	361	168	404	842	9,061
Inter-segment	4,763	(6,976)	179	1,250	212	1,423	(851)	-
Total interest revenues, net	**3,440**	**1,765**	**47**	**1,611**	**380**	**1,827**	**(9)**	**9,061**
Non-interest financing revenues	15	-	-	2	1	57	356	431
Commissions and other revenues	531	89	14	358	62	321	363	1,738
Total revenues	**3,986**	**1,854**	**61**	**1,971**	**443**	**2,205**	**710**	**11,230**
Expenses due to credit losses	66	68	1	78	(21)	221	1	414
Operating and other expenses	1,700	582	23	680	156	460	295	3,896
Pre-tax profit	2,220	1,204	37	1,213	308	1,524	414	6,920
Provision for taxes on profit	842	457	14	460	117	578	158	2,626
After-tax profit	**1,378**	**747**	**23**	**753**	**191**	**946**	**256**	**4,294**
Share in net profit of associated companies, after tax	-	-	-	-	-	-	15	15
Net profit:								
Before attribution to non-controlling interests	1,378	747	23	753	191	946	271	4,309
Attributable to non-controlling interests	(126)	-	-	(11)	-	-	(23)	(160)
Net profit attributable to shareholders of the Bank	**1,252**	**747**	**23**	**742**	**191**	**946**	**248**	**4,149**
Return on equity (percentage of net profit attributed to shareholders of the banking corporation out of average equity)[(1)]	57.3%	8.3%	-	47.5%	22.1%	13.7%	-	19.0%
Average balance of loans to the public, net	35,264	199,064	236	23,958	9,287	67,291	3	335,103
Average balance of deposits from the public	164,368	-	5,152	50,308	14,768	111,327	23,842	369,765
Average balance of assets	36,935	200,460	344	24,208	9,408	88,732	103,984	464,071
Average balance of risk assets[(2)]	32,321	115,536	157	21,298	10,996	86,883	19,177	286,368

(1) Calculated in conformity with capital attributed to this segment based on risk components attributed to it in conformity with provisions of Basel III.
(2) Risk weighted assets – as calculated for capital adequacy (Proper Conduct of Banking Business Directive 201).

Note 12 – Operating Segments – continued
Operating segments in conformity with the management approach
For the nine months ended September 30, 2023 (unaudited)
Reported amounts (NIS in millions)

	Households – other	Households – mortgages	Private banking	Small businesses	Commercial banking	Business banking	Financial management	Total consolidated
Interest revenues, net:								
From externals	(614)	7,996	(123)	572	248	360	847	9,286
Inter-segment	3,911	(6,245)	185	1,025	123	1,255	(254)	-
Total interest revenues, net	**3,297**	**1,751**	**62**	**1,597**	**371**	**1,615**	**593**	**9,286**
Non-interest financing revenues	22	-	1	1	1	70	583	678
Commissions and other revenues	543	107	13	377	60	268	357	1,725
Total revenues	**3,862**	**1,858**	**76**	**1,975**	**432**	**1,953**	**1,533**	**11,689**
Expenses due to credit losses	218	222	(1)	316	72	333	8	1,168
Operating and other expenses	1,854	667	26	804	193	507	322	4,373
Pre-tax profit	1,790	969	51	855	167	1,113	1,203	6,148
Provision for taxes on profit	626	339	18	299	58	389	421	2,150
After-tax profit	**1,164**	**630**	**33**	**556**	**109**	**724**	**782**	**3,998**
Share in net profit of associated companies, after tax	-	-	-	-	-	-	1	1
Net profit:								
Before attribution to non-controlling interests	1,164	630	33	556	109	724	783	3,999
Attributable to non-controlling interests	(115)	-	-	(11)	-	-	(10)	(136)
Net profit attributable to shareholders of the Bank	**1,049**	**630**	**33**	**545**	**109**	**724**	**773**	**3,863**
Return on equity (percentage of net profit attributed to shareholders of the banking corporation out of average equity)(1)	52.4%	7.6%	-	37.5%	13.1%	13.1%	-	20.3%
Average balance of loans to the public, net	35,245	189,370	280	22,451	9,466	57,719	2	314,533
Average balance of deposits from the public	155,680	-	5,585	48,022	13,255	102,501	18,618	343,661
Average balance of assets	37,643	190,704	370	22,757	9,597	76,302	98,707	436,080
Average balance of risk assets(2)	30,886	109,885	174	19,360	10,988	72,925	16,738	260,956

(1) Calculated in conformity with capital attributed to this segment based on risk components attributed to it in conformity with provisions of Basel III.
(2) Risk weighted assets – as calculated for capital adequacy (Proper Conduct of Banking Business Directive 201).

Note 12 – Operating Segments – continued
Operating segments in conformity with the management approach
For the three months ended September 30, 2024 (unaudited)

	Households – other	Households – mortgages	Private banking	Small businesses	Commercial banking	Business banking	Financial management	Total consolidated
Interest revenues, net:								
From externals	(363)	3,294	(47)	100	53	90	29	3,156
Inter-segment	1,538	(2,694)	63	443	73	490	87	-
Total interest revenues, net	**1,175**	**600**	**16**	**543**	**126**	**580**	**116**	**3,156**
Non-interest financing revenues	4	-	-	1	1	(1)	55	60
Commissions and other revenues	184	28	5	126	21	94	123	581
Total revenues	**1,363**	**628**	**21**	**670**	**148**	**673**	**294**	**3,797**
Expenses due to credit losses	14	36	1	(37)	(10)	126	-	130
Operating and other expenses	561	190	8	229	49	153	99	1,289
Pre-tax profit	788	402	12	478	109	394	195	2,378
Provision for taxes on profit	298	152	5	181	41	149	72	898
After-tax profit	**490**	**250**	**7**	**297**	**68**	**245**	**123**	**1,480**
Share in net profit of associated companies, after tax	-	-	-	-	-	-	3	3
Net profit:								
Before attribution to non-controlling interests	490	250	7	297	68	245	126	1,483
Attributable to non-controlling interests	(45)	-	-	(4)	-	-	(9)	(58)
Net profit attributable to shareholders of the Bank	**445**	**250**	**7**	**293**	**68**	**245**	**117**	**1,425**
Return on equity (percentage of net profit attributed to shareholders of the banking corporation out of average equity)[(1)]	59.4%	8.1%	-	59.6%	22.6%	9.7%	-	19.0%

(1) Calculated in conformity with capital attributed to this segment based on risk components attributed to it in conformity with provisions of Basel III.

Note 12 – Operating Segments – continued
Operating segments in conformity with the management approach
For the three months ended September 30, 2023 (unaudited)

	House-holds – other	House-holds – mort-gages	Private banking	Small busine-sses	Commercial banking	Business banking	Financial manage-ment	Total consoli-dated
Interest revenues, net:								
From externals	(304)	2,575	(47)	174	73	71	417	2,959
Inter-segment	1,411	(1,994)	66	373	54	441	(351)	-
Total interest revenues, net	**1,107**	**581**	**19**	**547**	**127**	**512**	**66**	**2,959**
Non-interest financing revenues	6	-	1	-	1	24	309	341
Commissions and other revenues	175	32	3	136	19	89	114	568
Total revenues	**1,288**	**613**	**23**	**683**	**147**	**625**	**489**	**3,868**
Expenses due to credit losses	117	163	(1)	127	52	228	8	694
Operating and other expenses	612	199	12	274	62	154	102	1,415
Pre-tax profit	559	251	12	282	33	243	379	1,759
Provision for taxes on profit	198	89	4	100	12	86	135	624
After-tax profit	**361**	**162**	**8**	**182**	**21**	**157**	**244**	**1,135**
Share in net profit of associated companies, after tax	-	-	-	-	-	-	-	-
Net profit:								
Before attribution to non-controlling interests	361	162	8	182	21	157	244	1,135
Attributable to non-controlling interests	(30)	-	-	(4)	-	-	(3)	(37)
Net profit attributable to shareholders of the Bank	**331**	**162**	**8**	**178**	**21**	**157**	**241**	**1,098**
Return on equity (percentage of net profit attributed to shareholders of the banking corporation out of average equity)[(1)]	49.2%	5.7%	-	36.0%	7.6%	8.1%	-	16.8%

(1) Calculated in conformity with capital attributed to this segment based on risk components attributed to it in conformity with provisions of Basel III.

Note 12 – Operating Segments – continued
Operating segments in conformity with the management approach
For the year ended December 31, 2023 (audited)
Reported amounts (NIS in millions)

	Households – other	Households – mortgages	Private banking	Small businesses	Commercial banking	Business banking	Financial management	Total consolidated
Interest revenues, net:								
From externals	(1,026)	10,131	(163)	749	320	577	1,387	11,975
Inter-segment	5,427	(7,799)	243	1,388	180	1,676	(1,115)	-
Total interest revenues, net	**4,401**	**2,332**	**80**	**2,137**	**500**	**2,253**	**272**	**11,975**
Non-interest financing revenues	27	1	1	2	1	31	448	511
Commissions and other revenues	708	126	15	489	80	398	478	2,294
Total revenues	**5,136**	**2,459**	**96**	**2,628**	**581**	**2,682**	**1,198**	**14,780**
Expenses due to credit losses	265	233	-	384	124	447	10	1,463
Operating and other expenses	2,384	840	34	1,005	239	648	419	5,569
Pre-tax profit (loss)	2,487	1,386	62	1,239	218	1,587	769	7,748
Provision for taxes on profit	857	477	21	427	75	547	265	2,669
After-tax profit (loss)	**1,630**	**909**	**41**	**812**	**143**	**1,040**	**504**	**5,079**
Share in net profit of associated companies, after tax	-	-	-	-	-	-	1	1
Net profit (loss):								
Before attribution to non-controlling interests	1,630	909	41	812	143	1,040	505	5,080
Attributable to non-controlling interests	(144)	-	-	(15)	-	-	(11)	(170)
Net profit (loss) attributable to shareholders of the Bank	**1,486**	**909**	**41**	**797**	**143**	**1,040**	**494**	**4,910**
Return on equity (percentage of net profit attributed to shareholders of the banking corporation out of average equity)[(1)]	54.4%	8.0%	-	39.9%	12.7%	12.5%	-	19.1%
Average balance of loans to the public, net	35,108	190,522	273	22,548	9,408	57,740	-	315,599
Average balance of deposits from the public	156,827	-	5,512	48,142	13,400	101,542	14,913	340,336
Average balance of assets	37,355	191,957	389	22,873	9,543	77,752	94,924	434,793
Average balance of risk assets[(2)]	30,973	110,461	174	19,575	10,870	75,111	16,684	263,848

(1) Calculated in conformity with capital attributed to this segment based on risk components attributed to it in conformity with provisions of Basel III.
(2) Risk weighted assets – as calculated for capital adequacy (Proper Conduct of Banking Business Directive 201).

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses

Reported amounts (NIS in millions)

A. Debts(1), bonds held to maturity and bonds available for sale and off-balance sheet credit instruments

1. Movement in balance of provision for credit losses

	Provision for credit losses					
	Loans to the public					
	Commercial	Housing	Individual – other	Total	Banks, governments and bonds	Total
	For the three months ended September 30, 2024 (unaudited)					
Balance of provision for credit losses at start of period	2,477	1,183	691	4,351	12	4,363
Expenses due to credit losses	80	39	11	130	-	130
Accounting write-offs(2)	(125)	-	(70)	(195)	-	(195)
Collection of debts written off for accounting purposes in previous years(2)	64	-	44	108	-	108
Net accounting write-offs	(61)	-	(26)	(87)	-	(87)
Balance of provision for credit losses at end of period	**2,496**	**1,222**	**676**	**4,394**	**12**	**4,406**
Of which: With respect to off balance sheet credit instruments	**204**	**34**	**19**	**257**	**-**	**257**
	For the three months ended September 30, 2023 (unaudited)					
Balance of provision for credit losses at start of period	1,872	965	590	3,427	1	3,428
Expenses due to credit losses	395	172	119	686	8	694
Accounting write-offs(2)	(50)	-	(65)	(115)	-	(115)
Collection of debts written off for accounting purposes in previous years(2)	39	-	42	81	-	81
Net accounting write-offs	(11)	-	(23)	(34)	-	(34)
Balance of provision for credit losses at end of period	**2,256**	**1,137**	**686**	**4,079**	**9**	**4,088**
Of which: With respect to off balance sheet credit instruments	**172**	**5**	**21**	**198**	**-**	**198**
	For the nine months ended September 30, 2024 (unaudited)					
Balance of provision for credit losses at start of period	2,419	1,149	702	4,270	11	4,281
Expenses due to credit losses	255	73	85	413	1	414
Accounting write-offs(2)	(345)	-	(225)	(570)	-	(570)
Collection of debts written off for accounting purposes in previous years(2)	167	-	114	281	-	281
Net accounting write-offs	(178)	-	(111)	(289)	-	(289)
Balance of provision for credit losses at end of period	**2,496**	**1,222**	**676**	**4,394**	**12**	**4,406**
Of which: With respect to off balance sheet credit instruments	**204**	**34**	**19**	**257**	**-**	**257**
	For the nine months ended September 30, 2023 (unaudited)					
Balance of provision for credit losses at start of period	1,690	902	512	3,104	1	3,105
Expenses due to credit losses	663	235	262	1,160	8	1,168
Accounting write-offs(2)	(192)	-	(180)	(372)	-	(372)
Collection of debts written off for accounting purposes in previous years(2)	95	-	92	187	-	187
Net accounting write-offs	(97)	-	(88)	(185)	-	(185)
Balance of provision for credit losses at end of period	**2,256**	**1,137**	**686**	**4,079**	**9**	**4,088**
Of which: With respect to off balance sheet credit instruments	**172**	**5**	**21**	**198**	**-**	**198**

(1) Loans to the public, loans to governments, deposits with banks and other debts, except for bonds and securities borrowed or acquired in conjunction with resale agreements, except for deposits with Bank of Israel.

(2) Accounting write-offs presented in the Note primarily consist of write-offs of a technical nature, due to passage of time of customers being in arrears, in conformity with US standards applicable to the Bank in this regard. Thus, for example, the balance of the provision for large non-accruing debts will typically be written off after two years. Debt measured on a group basis will be written off after 150 days in arrears. This means that the Bank's collection efforts may sometimes take longer when compared to the timing for write-off according to accounting rules. Consequently, relatively high balances of "accounting write-offs" and relatively high balances of "Recovery of debts written off in previous years" are presented.

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

A. Debts[1], bonds held to maturity and bonds available for sale and off-balance sheet credit instruments

2. Additional information about calculation of the provision for credit losses with respect to debts, and debts for which the provision has been calculated:

	Loans to the public				Banks,	
			Individual		governments	
	Commercial	Housing	– other	Total	and bonds	Total
	September 30, 2024 (unaudited)					
Recorded debt balance						
reviewed on individual basis	91,386	-	28	91,414	45,088	136,502
reviewed on group basis	13,884	219,860	27,293	261,037	-	261,037
Total debts	**105,270**	**(2)219,860**	**27,321**	**352,451**	**45,088**	**397,539**
Provision for credit losses with respect to debts						
reviewed on individual basis	1,730	-	1	1,731	12	1,743
reviewed on group basis	562	1,188	656	2,406	-	2,406
Total provision for credit losses	**2,292**	**1,188**	**657**	**4,137**	**12**	**4,149**
	September 30, 2023 (unaudited)					
Recorded debt balance						
reviewed on individual basis	81,917	-	69	81,986	31,807	113,793
reviewed on group basis	13,375	204,966	27,144	245,485	-	245,485
Total debts	**95,292**	**(2)204,966**	**27,213**	**327,471**	**31,807**	**359,278**
Provision for credit losses with respect to debts						
reviewed on individual basis	1,593	-	6	1,599	9	1,608
reviewed on group basis	491	1,132	659	2,282	-	2,282
Total provision for credit losses	**2,084**	**1,132**	**665**	**3,881**	**9**	**3,890**
	As of December 31, 2023 (audited)					
Recorded debt balance						
reviewed on individual basis	82,846	-	146	82,992	42,980	125,972
reviewed on group basis	13,080	206,657	26,686	246,423	-	246,423
Total debts	**95,926**	**(2)206,657**	**26,832**	**329,415**	**42,980**	**372,395**
Provision for credit losses with respect to debts						
reviewed on individual basis	1,700	-	1	1,701	11	1,712
reviewed on group basis	563	1,129	676	2,368	-	2,368
Total provision for credit losses	**2,263**	**1,129**	**677**	**4,069**	**11**	**4,080**

(1) Loans to the public, loans to governments, deposits with banks and other debts, except for bonds and securities borrowed or acquired in conjunction with resale agreements, except for deposits with Bank of Israel.

(2) Includes general-purpose loans secured by a lien on a residential apartment, amounting to NIS 14,691 million (as of September 30, 2023: NIS 13,208 million and as of December 31, 2023: NIS 13,378 million).

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

1.a. Credit quality and arrears

	As of September 30, 2024 (unaudited)					
		Problematic[1]			Accruing debts – additional information	
	In good standing	Accruing	Non-accruing	Total	In arrears 90 days or longer[2]	In arrears 30 to 89 days[3]
Borrower activity in Israel						
Public – commercial						
Construction and real estate – construction[4]	30,790	191	469	31,450	8	100
Construction and real estate – real estate operations	9,520	71	93	9,684	17	49
Financial services	12,872	35	3	12,910	3	5
Commercial – other	42,135	991	836	43,962	64	380
Total commercial	**95,317**	**1,288**	**1,401**	**98,006**	**92**	**534**
Private individuals – residential mortgages	217,667	-	2,106	219,773	-	1,368
Private individuals – other	27,057	177	85	27,319	52	102
Total loans to the public – activity in Israel	**340,041**	**1,465**	**3,592**	**345,098**	**144**	**2,004**
Borrower activity overseas						
Public – commercial						
Construction and real estate	3,324	-	545	3,869	-	-
Commercial – other	3,225	72	98	3,395	-	-
Total commercial	**6,549**	**72**	**643**	**7,264**	**-**	**-**
Private individuals	89	-	-	89	-	-
Total loans to the public – activity overseas	**6,638**	**72**	**643**	**7,353**	**-**	**-**
Total loans to the public	**346,679**	**1,537**	**4,235**	**352,451**	**144**	**2,004**

(1) Loans to the public – non-accruing, inferior or under special supervision.
(2) Classified as problematic debts accruing interest revenues.
(3) Accruing interest revenues. Debts in arrears 30 to 89 days amounting to NIS 181 million were classified as problematic debts.
(4) Includes debts amounting to NIS 976 million, extended to certain purchase groups which are in the process of construction.

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

1.a. Credit quality and arrears – continued

	As of September 30, 2023 (unaudited)					
		Problematic[1]			Accruing debts – additional information	
	In good standing	Accruing	Non-accruing	Total	In arrears 90 days or longer[2]	In arrears 30 to 89 days[3]
Borrower activity in Israel						
Public – commercial						
Construction and real estate – construction[4]	26,523	527	146	27,196	8	55
Construction and real estate – real estate operations	7,729	342	92	8,163	9	50
Financial services	9,654	4	20	9,678	4	22
Commercial – other	43,109	1,224	772	45,105	61	149
Total commercial	**87,015**	**2,097**	**1,030**	**90,142**	**82**	**276**
Private individuals – residential mortgages	202,999	-	1,841	204,840	-	1,323
Private individuals – other	26,953	186	71	27,210	57	124
Total loans to the public – activity in Israel	**316,967**	**2,283**	**2,942**	**322,192**	**139**	**1,723**
Borrower activity overseas						
Public – commercial						
Construction and real estate	2,473	-	137	2,610	-	-
Commercial – other	2,439	89	12	2,540	2	31
Total commercial	**4,912**	**89**	**149**	**5,150**	**2**	**31**
Private individuals	129	-	-	129	-	-
Total loans to the public – activity overseas	**5,041**	**89**	**149**	**5,279**	**2**	**31**
Total loans to the public	**322,008**	**2,372**	**3,091**	**327,471**	**141**	**1,754**

(1) Loans to the public – non-accruing, inferior or under special supervision.
(2) Classified as problematic debts accruing interest revenues.
(3) Accruing interest revenues. Debts in arrears 30 to 89 days amounting to NIS 185 million were classified as problematic debts.
(4) Includes debts amounting to NIS 1,388 million, extended to certain purchase groups which are in the process of construction.

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

1.a. Credit quality and arrears – continued

	As of December 31, 2023 (audited)					
		Problematic[1]			Accruing debts – additional information	
	In good standing	Accruing	Non-accruing	Total	In arrears 90 days or longer[2]	In arrears 30 to 89 days[3]
Borrower activity in Israel						
Public – commercial						
Construction and real estate – construction[4]	27,695	364	321	28,380	10	43
Construction and real estate – real estate operations	8,244	469	105	8,818	5	26
Financial services	9,566	3	24	9,593	3	1
Commercial – other	41,514	1,267	850	43,631	55	239
Total commercial	**87,019**	**2,103**	**1,300**	**90,422**	**73**	**309**
Private individuals – residential mortgages	204,400	-	2,153	206,553	-	1,434
Private individuals – other	26,441	195	74	26,710	71	138
Total public – activity in Israel	**317,860**	**2,298**	**3,527**	**323,685**	**144**	**1,881**
Borrower activity overseas						
Public – commercial						
Construction and real estate	2,594	-	135	2,729	-	-
Commercial – other	2,585	159	31	2,775	-	33
Total commercial	**5,179**	**159**	**166**	**5,504**	**-**	**33**
Private individuals	226	-	-	226	-	-
Total public – activity overseas	**5,405**	**159**	**166**	**5,730**	**-**	**33**
Total public	**323,265**	**2,457**	**3,693**	**329,415**	**144**	**1,914**

(1) Loans to the public – non-accruing, inferior or under special supervision.
(2) Classified as problematic debts accruing interest revenues.
(3) Accruing interest revenues. Debts in arrears 30 to 89 days amounting to NIS 103 million were classified as problematic debts.
(4) Includes debts amounting to NIS 1,070 million, extended to certain purchase groups which are in the process of construction.

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

1.B. Credit quality by year when credit was extended

	As of September 30, 2024 (unaudited)								
	Recorded debt balance of term loans to the public								
	2024	2023	2022	2021	2020	Previ-ously	Recorded debt balance of renewable loans	Recorded debt balance of renewable loans converted into term loans	Total
Credit quality by year when credit was extended									
Borrower activity in Israel									
Public – commercial									
Construction and real estate – total	**16,356**	**10,578**	**5,223**	**2,434**	**1,159**	**1,624**	**2,499**	**1,261**	**41,134**
Credit at performing credit rating	16,100	10,337	4,826	2,068	1,049	1,589	2,130	1,227	39,326
Credit other than at performing credit rating and non-problematic	222	115	130	282	75	4	125	31	984
Accruing problematic credit	20	86	63	63	6	10	12	2	262
Non-accruing credit	14	40	204	21	29	21	232	1	562
Accounting write-offs in the reported period	1	3	5	1	2	-	22	-	34
Commercial, other – total	**14,166**	**5,736**	**5,154**	**3,825**	**3,024**	**2,298**	**22,286**	**383**	**56,872**
Credit at performing credit rating	13,363	5,348	4,688	3,306	2,811	2,138	20,488	335	52,477
Credit other than at performing credit rating and non-problematic	511	134	211	374	51	29	1,189	31	2,530
Accruing problematic credit	129	152	134	89	47	45	419	11	1,026
Non-accruing credit	163	102	121	56	115	86	190	6	839
Accounting write-offs in the reported period	9	41	30	9	8	14	168	4	283
Individuals – residential mortgages – total	**22,850**	**22,244**	**35,162**	**31,693**	**20,426**	**87,398**	**-**	**-**	**219,773**
LTV up to 60%	12,633	13,226	18,422	17,160	11,475	59,438	-	-	132,354
LTV from 60% to 75%	9,666	8,599	15,365	14,053	8,728	27,240	-	-	83,651
LTV over 75%	551	419	1,375	480	223	720	-	-	3,768
Credit at performing credit rating, not in arrears	22,515	21,726	34,443	30,976	19,853	84,703	-	-	214,216
Credit not at performing credit rating, not in arrears	227	318	315	268	179	776	-	-	2,083
In arrears 30-89 days	91	125	212	200	138	602	-	-	1,368
Non-accruing credit	17	75	192	249	256	1,317	-	-	2,106
Accounting write-offs in the reported period	-	-	-	-	-	-	-	-	-
Individuals, other – total	**6,469**	**5,645**	**3,884**	**1,698**	**816**	**1,638**	**7,095**	**74**	**27,319**
Credit at performing credit rating, not in arrears	6,365	5,507	3,780	1,653	796	1,587	6,985	69	26,742
Credit not at performing credit rating, not in arrears	72	76	52	28	16	44	47	3	338
In arrears 30-89 days	9	27	26	7	2	3	28	-	102
In arrears over 90 days	2	15	12	4	1	3	15	-	52
Non-accruing credit	21	20	14	6	1	1	20	2	85
Accounting write-offs in the reported period	11	66	52	16	11	1	57	-	214
Total loans to the public – activity in Israel	**59,841**	**44,203**	**49,423**	**39,650**	**25,425**	**92,958**	**31,880**	**1,718**	**345,098**
Borrower activity overseas									
Total loans to the public – activity overseas	**1,358**	**2,302**	**1,099**	**886**	**189**	**1,519**	**-**	**-**	**7,353**
Non-problematic credit	1,318	1,890	965	828	161	1,476	-	-	6,638
Accruing problematic credit	12	33	18	9	-	-	-	-	72
Non-accruing credit	28	379	116	49	28	43	-	-	643
Accounting write-offs in the reported period	5	10	24	-	-	-	-	-	39
Total loans to the public	**61,199**	**46,505**	**50,522**	**40,536**	**25,614**	**94,477**	**31,880**	**1,718**	**352,451**

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

1.B. Credit quality by year when credit was extended – continued

	As of September 30, 2023 (unaudited)								
	Recorded debt balance of term loans to the public						Recorded debt balance of renewable loans	Recorded debt balance of renewable loans converted into term loans	
	2023	2022	2021	2020	2019	Previ-ously			Total
Credit quality by year when credit was extended									
Borrower activity in Israel									
Public – commercial									
Construction and real estate – total	**15,192**	**10,716**	**4,023**	**1,158**	**598**	**543**	**2,181**	**948**	**35,359**
Credit at performing credit rating	14,266	10,328	3,801	1,098	581	487	1,844	701	33,106
Credit other than at performing credit rating and non-problematic	610	146	166	14	1	37	49	123	1,146
Accruing problematic credit	279	186	31	13	7	4	226	123	869
Non-accruing credit	37	56	25	33	9	15	62	1	238
Commercial, other – total	**11,087**	**8,688**	**5,438**	**4,208**	**1,323**	**1,978**	**21,741**	**320**	**54,783**
Credit at performing credit rating	10,464	7,771	4,693	3,880	1,248	1,838	20,357	286	50,537
Credit other than at performing credit rating and non-problematic	307	504	500	83	15	23	776	18	2,226
Accruing problematic credit	134	192	136	109	16	28	608	5	1,228
Non-accruing credit	182	221	109	136	44	89	-	11	792
Individuals – residential mortgages – total	**16,566**	**36,716**	**33,559**	**21,780**	**18,222**	**77,997**	**-**	**-**	**204,840**
LTV up to 60%	9,801	19,828	17,926	12,057	10,897	53,414	-	-	123,923
LTV from 60% to 75%	6,396	16,013	14,685	9,145	7,234	24,091	-	-	77,564
LTV over 75%	369	875	948	578	91	492	-	-	3,353
Credit at performing credit rating, not in arrears	16,294	36,110	32,889	21,190	17,643	75,526	-	-	199,652
Credit not at performing credit rating, not in arrears	234	364	300	195	198	733	-	-	2,024
In arrears 30-89 days	23	125	177	162	147	689	-	-	1,323
Non-accruing credit	15	117	193	233	234	1,049	-	-	1,841
Individuals, other – total	**6,764**	**6,458**	**2,950**	**1,409**	**1,144**	**1,478**	**6,931**	**76**	**27,210**
Credit at performing credit rating, not in arrears	6,654	6,297	2,874	1,373	1,112	1,426	6,831	71	26,638
Credit not at performing credit rating, not in arrears	63	77	43	26	26	46	35	3	319
In arrears 30-89 days	20	47	12	4	3	4	34	-	124
In arrears over 90 days	6	21	8	2	2	1	18	-	58
Non-accruing credit	21	16	13	4	1	1	13	2	71
Total loans to the public – activity in Israel	**49,609**	**62,578**	**45,970**	**28,555**	**21,287**	**81,996**	**30,853**	**1,344**	**322,192**
Borrower activity overseas									
Total loans to the public – activity overseas	**968**	**1,267**	**1,265**	**677**	**135**	**967**	**-**	**-**	**5,279**
Non-problematic credit	964	1,155	1,193	629	133	967	-	-	5,041
Accruing problematic credit	4	58	18	9	-	-	-	-	89
Non-accruing credit	-	54	54	39	2	-	-	-	149
Total loans to the public	**50,577**	**63,845**	**47,235**	**29,232**	**21,422**	**82,963**	**30,853**	**1,344**	**327,471**

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

1.B. Credit quality by year when credit was extended – continued

	As of December 31, 2023 (audited)								
	Recorded debt balance of term loans to the public							Recorded debt balance of renewable loans converted into term loans	
	2023	2022	2021	2020	2019	Previously	Recorded debt balance of renewable loans		Total
Credit quality by year when credit was extended									
Borrower activity in Israel									
Public – commercial									
Construction and real estate – total	**19,038**	**8,916**	**2,774**	**1,456**	**1,222**	**679**	**2,792**	**321**	**37,198**
Credit at performing credit rating	17,470	8,503	2,371	1,391	1,190	643	2,419	313	34,300
Credit other than at performing credit rating and non-problematic	1,005	188	317	20	17	19	67	6	1,639
Accruing problematic credit	516	18	58	9	5	2	224	1	833
Non-accruing credit	47	207	28	36	10	15	82	1	426
Commercial, other – total	**12,419**	**7,490**	**5,025**	**3,830**	**1,222**	**1,588**	**21,094**	**556**	**53,224**
Credit at performing credit rating	11,661	6,816	4,366	3,498	1,153	1,458	19,337	490	48,779
Credit other than at performing credit rating and non-problematic	328	436	492	113	15	18	854	45	2,301
Accruing problematic credit	271	124	117	74	18	27	628	11	1,270
Non-accruing credit	159	114	50	145	36	85	275	10	874
Individuals – residential mortgages – total	**21,402**	**36,420**	**33,147**	**21,491**	**17,994**	**76,099**	**-**	**-**	**206,553**
LTV up to 60%	12,637	19,503	17,715	11,943	10,751	52,296	-	-	124,845
LTV from 60% to 75%	8,269	15,967	14,045	9,102	7,209	23,726	-	-	78,318
LTV over 75%	496	950	1,387	446	34	77	-	-	3,390
Credit at performing credit rating, not in arrears	20,916	35,729	32,498	20,875	17,481	73,598	-	-	201,097
Credit not at performing credit rating, not in arrears	309	328	243	180	124	685	-	-	1,869
In arrears 30-89 days	114	198	195	194	160	573	-	-	1,434
Non-accruing credit	63	165	211	242	229	1,243	-	-	2,153
Individuals, other – total	**8,434**	**5,683**	**2,587**	**1,223**	**996**	**1,308**	**6,392**	**87**	**26,710**
Credit at performing credit rating, not in arrears	8,258	5,524	2,516	1,192	968	1,257	6,291	81	26,087
Credit not at performing credit rating, not in arrears	97	63	40	22	21	45	48	4	340
In arrears 30-89 days	38	49	15	3	4	4	25	-	138
In arrears over 90 days	16	28	8	3	2	1	13	-	71
Non-accruing credit	25	19	8	3	1	1	15	2	74
Total loans to the public – activity in Israel	**61,293**	**58,509**	**43,533**	**28,000**	**21,434**	**79,674**	**30,278**	**964**	**323,685**
Borrower activity overseas									
Total loans to the public – activity overseas	**1,457**	**1,204**	**1,223**	**662**	**155**	**1,029**	**-**	**-**	**5,730**
Non-problematic credit	1,350	1,126	1,138	629	133	1,029	-	-	5,405
Accruing problematic credit	87	30	33	9	-	-	-	-	159
Non-accruing credit	20	48	52	24	22	-	-	-	166
Total loans to the public	**62,750**	**59,713**	**44,756**	**28,662**	**21,589**	**80,703**	**30,278**	**964**	**329,415**

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

2.A. Additional information about non-accruing debts[(1)]

	As of September 30, 2024 (unaudited)					
	Balance of non-accruing debts for which a provision has been recognized[(1)(2)]	Provision balance	Balance of non-accruing debts for which a provision has not been recognized[(1)]	Total balance of non-accruing debts[(1)]	Contractual principal balance of non-accruing debts	Interest revenues recognized[(3)]
Borrower activity in Israel						
Public – commercial						
Construction and real estate	562	58	-	562	709	6
Commercial – other	819	227	20	839	1,211	10
Total commercial	**1,381**	**285**	**20**	**1,401**	**1,920**	**16**
Private individuals – residential mortgages	2,106	105	-	2,106	2,182	-
Private individuals – other	85	47	-	85	140	5
Total loans to the public – activity in Israel	**3,572**	**437**	**20**	**3,592**	**4,242**	**21**
Borrower activity overseas						
Total loans to the public – activity overseas	**643**	**107**	**-**	**643**	**711**	**-**
Total	**4,215**	**544**	**20**	**4,235**	**4,953**	**21**
Of which:						
Measured individually at present value of cash flows	1,286	306	11	1,297	1,800	
Measured individually at fair value of collateral	674	64	9	683	762	
Measured on group basis	2,255	174	-	2,255	2,391	

(1) Recorded debt balance.
(2) Debt balance net of accounting write-off, if made.
(3) Interest revenues recognized in the reported period, with respect to average balance of non-accruing debt in the period when the debt was classified as non-accruing.

Had the non-accruing debt accrued interest in conformity with the original terms and conditions, the Bank would have recognized interest revenues amounting to NIS 196 million.

Total average recorded debt balance for non-accruing debt in the nine months ended September 30, 2024 amounted to NIS 3,828 million.

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

2.A. Additional information about non-accruing debts[1] – Continued

	As of September 30, 2023 (unaudited)					
	Balance of non-accruing debts for which a provision has been recognized[1][2]	Provision balance	Balance of non-accruing debts for which a provision has not been recognized[1]	Total balance of non-accruing debts[1]	Contractual principal balance of non-accruing debts	Interest revenues recognized[3]
Borrower activity in Israel						
Public – commercial						
Construction and real estate	238	40	-	238	414	6
Commercial – other	576	229	216	792	1,086	10
Total commercial	**814**	**269**	**216**	**1,030**	**1,500**	**16**
Private individuals – residential mortgages	1,841	92	-	1,841	1,932	-
Private individuals – other	71	53	-	71	112	4
Total loans to the public – activity in Israel	**2,726**	**414**	**216**	**2,942**	**3,544**	**20**
Borrower activity overseas						
Total loans to the public – activity overseas	**149**	**9**	**-**	**149**	**222**	**-**
Total	**2,875**	**423**	**216**	**3,091**	**3,766**	**20**
Of which:						
Measured individually at present value of cash flows	659	251	202	861	1,312	
Measured individually at fair value of collateral	267	16	14	281	333	
Measured on group basis	1,949	156	-	1,949	2,121	

(1) Recorded debt balance.
(2) Debt balance net of accounting write-off, if made.
(3) Interest revenues recognized in the reported period, with respect to average balance of non-accruing debt in the period when the debt was classified as non-accruing.

Had the non-accruing debt accrued interest in conformity with the original terms and conditions, the Bank would have recognized interest revenues amounting to NIS 119 million.

Total average recorded debt balance for non-accruing debt in the nine months ended September 30, 2023 amounted to NIS 2,786 million.

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

2.A. Additional information about non-accruing debts[1] – Continued

	As of December 31, 2023 (audited)					
	Balance of non-accruing debts for which a provision has been recognized[1][2]	Provision balance	Balance of non-accruing debts for which a provision has not been recognized[1]	Total balance of non-accruing debts[1]	Contractual principal balance of non-accruing debts	Interest revenues recognized[3]
Borrower activity in Israel						
Public – commercial						
Construction and real estate	426	61	-	426	542	5
Commercial – other	790	287	84	874	1,198	12
Total commercial	**1,216**	**348**	**84**	**1,300**	**1,740**	**17**
Private individuals – residential mortgages	2,153	107	-	2,153	2,236	-
Private individuals – other	74	60	-	74	120	5
Total loans to the public – activity in Israel	**3,443**	**515**	**84**	**3,527**	**4,096**	**22**
Borrower activity overseas						
Total loans to the public – activity overseas	**166**	**27**	**-**	**166**	**238**	**-**
Total	**3,609**	**542**	**84**	**3,693**	**4,334**	**22**
Of which:						
Measured individually at present value of cash flows	1,034	317	76	1,110	1,580	
Measured individually at fair value of collateral	272	27	8	280	318	
Measured on group basis	2,303	198	-	2,303	2,436	

(1) Recorded debt balance.
(2) Debt balance net of accounting write-off, if made.
(3) Interest revenues recognized in the reported period, with respect to average balance of non-accruing debt in the period when the debt was classified as non-accruing.

Had the non-accruing debt accrued interest in conformity with the original terms and conditions, the Bank would have recognized interest revenues amounting to NIS 166 million.

Total average recorded debt balance for non-accruing debt in the year ended December 31, 2023 amounted to NIS 2,970 million.

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

2.B. Information on debts of borrowers undergoing financial difficulties that have undergone changes in terms

2.b.1 Quality of credit and state of arrears of debts in financial difficulties that have undergone a change in terms:

	Recorded debt balance				
	Problematic		Not Problematic		
	Non-accruing	Accruing interest revenues	In arrears 30 days or longer	Not in Arrears	Total[(1)(2)]
	September 30, 2024 (unaudited)				
Borrower activity in Israel					
Commercial	99	16	-	78	193
Private individuals – residential mortgages	199	-	16	29	244
Private individuals – other	35	3	-	18	56
Total loans to the public – activity in Israel	**333**	**19**	**16**	**125**	**493**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**333**	**19**	**16**	**125**	**493**
	September 30, 2023 (unaudited) [(3)]				
Borrower activity in Israel					
Commercial	137	12	-	6	155
Private individuals – residential mortgages	45	-	-	-	45
Private individuals – other	36	2	-	21	59
Total loans to the public – activity in Israel	**218**	**14**	**-**	**27**	**259**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**218**	**14**	**-**	**27**	**259**
	December 31, 2023 (audited)[(3)]				
Borrower activity in Israel					
Commercial	115	9	-	86	210
Private individuals – residential mortgages	47	-	-	-	47
Private individuals – other	38	22	-	-	60
Total loans to the public – activity in Israel	**200**	**31**	**-**	**86**	**317**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**200**	**31**	**-**	**86**	**317**

(1) In the nine months ending September 30, 2024 there were no cumulative debts that have undergone changes in terms in previous years and which were no longer included in the disclosure.

(2) As of September 30, 2024 debts of borrowers undergoing financial difficulties have not undergone changes in terms more than twice.

(3) The presented balances are of debts that have been restructured and restated in accordance with the new disclosure format for changes in terms for borrowers in financial difficulties.

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

2.B. Information on debts of borrowers undergoing financial difficulties that have undergone changes in terms

2.b.2 Quality of credit and state of arrears of borrowers in financial difficulties that have undergone a change in terms during the reported period:

	Debts of Borrowers in Financial Difficulties who have Undergone a Change in Terms					
	Recorded debt balance					
	Problematic		Not Problematic			
	Non-accruing	Accruing interest revenues	In arrears 30 days or longer	Not in Arrears	Total	Net accounting write-offs
	For the three months ended September 30, 2024 (unaudited)					
Borrower activity in Israel						
Commercial	7	1	-	-	8	2
Private individuals – residential mortgages	52	-	-	-	52	-
Private individuals – other	5	1	-	-	6	-
Total loans to the public – activity in Israel	**64**	**2**	**-**	**-**	**66**	**2**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**64**	**2**	**-**	**-**	**66**	**2**
	For the three months ended September 30, 2023 (unaudited)(1)					
Borrower activity in Israel						
Commercial	12	-	-	-	12	-
Private individuals – residential mortgages	2	-	-	-	2	-
Private individuals – other	9	-	-	-	9	-
Total loans to the public – activity in Israel	**23**	**-**	**-**	**-**	**23**	**-**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**23**	**-**	**-**	**-**	**23**	**-**

(1) The presented balances are of debts that have been restructured and restated in accordance with the new disclosure format for changes in terms for borrowers in financial difficulties.

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

2.B. Information on debts of borrowers undergoing financial difficulties that have undergone changes in terms

2.b.2 Quality of credit and state of arrears of borrowers in financial difficulties that have undergone a change in terms during the reported period – continued:

	Debts of Borrowers in Financial Difficulties who have Undergone a Change in Terms					
	Recorded debt balance					
	Problematic		Not Problematic			
	Non-accruing	Accruing interest revenues	In arrears 30 days or longer	Not in Arrears	Total	Net accounting write-offs
	For the nine months ended September 30, 2024 (unaudited)					
Borrower activity in Israel						
Commercial	33	2	-	-	35	5
Private individuals – residential mortgages	165	-	15	17	197	-
Private individuals – other	16	1	-	-	17	1
Total loans to the public – activity in Israel	**214**	**3**	**15**	**17**	**249**	**6**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**214**	**3**	**15**	**17**	**249**	**6**
	For the nine months ended September 30, 2023 (unaudited)(1)					
Borrower activity in Israel						
Commercial	50	-	-	-	50	-
Private individuals – residential mortgages	4	-	-	-	4	-
Private individuals – other	28	-	-	-	28	-
Total loans to the public – activity in Israel	**82**	**-**	**-**	**-**	**82**	**-**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**82**	**-**	**-**	**-**	**82**	**-**

(1) The presented balances are of debts that have been restructured and restated in accordance with the new disclosure format for changes in terms for borrowers in financial difficulties.

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

2.B. Information on debts of borrowers undergoing financial difficulties that have undergone changes in terms

2.b.3 Debts of Borrowers in Financial Difficulties who have Undergone Changes in the Reported Period

	Debts of Borrowers in Financial Difficulties who have Undergone a Change in Terms						
	Total		Type of Change				
	Recorded debt balance	% of Credit Balance	Waiving Interest	Extending Period	Deferring Payments	Extending Period and Waiving Interest	Deferring Payments and Waiving Interest
	For the three months ended September 30, 2024 (unaudited)						
Borrower activity in Israel							
Commercial	8	0.01	1	2	-	5	-
Private individuals – residential mortgages	52	0.02	-	52	-	-	-
Private individuals – other	6	0.02	1	1	-	4	-
Total loans to the public – activity in Israel	**66**	**0.02**	**2**	**55**	**-**	**9**	**-**
Total loans to the public – activity overseas	**-**		**-**	**-**	**-**	**-**	**-**
Total loans to the public	**66**	**0.02**	**2**	**55**	**-**	**9**	**-**

	Monetary Impacts of Change in Terms of Debts of Borrowers with Financial Difficulties			
	Type of Change			
	Waiving Principal	Average Waiver of Interest (%)	Average Period Extension (in Months)	Average Payment Deferment (in Months)
	For the three months ended September 30, 2024 (unaudited)			
Borrower activity in Israel				
Commercial	1	1.44	38	-
Private individuals – residential mortgages	-	-	22	-
Private individuals – other	-	2.00	24	-
Total loans to the public – activity in Israel	**1**	**1.71**	**24**	**-**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**
Total loans to the public	**1**	**1.71**	**24**	**-**

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

2.B. Information on debts of borrowers undergoing financial difficulties that have undergone changes in terms

2.b.3 Debts of Borrowers in Financial Difficulties who have Undergone Changes in the Reported Period – Continued

	Debts of Borrowers in Financial Difficulties Who Defaulted in the reported Period After Undergoing a Change in Terms(1)						
	Total		Type of Change				
	Recorded debt balance	Waiving Principal	Waiving Interest	Extending Period	Deferring Payments	Extending Period and Waiving Interest	Deferring Payments and Waiving Interest
	For the three months ended September 30, 2024 (unaudited)						
Borrower activity in Israel							
Commercial	4	-	-	2	-	2	-
Private individuals – residential mortgages	22	-	-	22	-	-	-
Private individuals – other	1	-	-	1	-	-	-
Total loans to the public – activity in Israel	**27**	**-**	**-**	**25**	**-**	**2**	**-**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**27**	**-**	**-**	**25**	**-**	**2**	**-**

(1) Debts defaulted in the reported period, after they have undergone a change in the terms of debts o borrowers undergoing financial difficulties, during the 12 months prior to their default date.

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

2.B. Information on debts of borrowers undergoing financial difficulties that have undergone changes in terms

2.b.3 Debts of Borrowers in Financial Difficulties who have Undergone Changes in the Reported Period – Continued

	Debts of Borrowers in Financial Difficulties who have Undergone a Change in Terms						
	Total		Type of Change				
	Recorded debt balance	% of Credit Balance	Waiving Interest	Extending Period	Deferring Payments	Extending Period and Waiving Interest	Deferring Payments and Waiving Interest
	For the nine months ended September 30, 2024 (unaudited)						
Borrower activity in Israel							
Commercial	35	0.04	1	9	-	25	-
Private individuals – residential mortgages	197	0.09	-	195	-	2	-
Private individuals – other	17	0.06	1	6	-	10	-
Total loans to the public – activity in Israel	**249**	**0.07**	**2**	**210**	**-**	**37**	**-**
Total loans to the public – activity overseas	**-**		**-**	**-**	**-**	**-**	**-**
Total loans to the public	**249**	**0.07**	**2**	**210**	**-**	**37**	**-**

	Monetary Impacts of Change in Terms of Debts of Borrowers with Financial Difficulties			
	Type of Change			
	Waiving Principal	Average Waiver of Interest (%)	Average Period Extension (in Months)	Average Payment Deferment (in Months)
	For the nine months ended September 30, 2024 (unaudited)			
Borrower activity in Israel				
Commercial	1	1.77	35	-
Private individuals – residential mortgages	-	3.55	21	-
Private individuals – other	-	2.26	34	-
Total loans to the public – activity in Israel	**1**	**2.01**	**24**	**-**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**
Total loans to the public	**1**	**2.01**	**24**	**-**

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

2.B. Information on debts of borrowers undergoing financial difficulties that have undergone changes in terms

2.b.3 Debts of Borrowers in Financial Difficulties who have Undergone Changes in the Reported Period – Continued

	Debts of Borrowers in Financial Difficulties Who Defaulted in the reported Period After Undergoing a Change in Terms[(1)]						
	Total	Type of Change					
	Recorded debt balance	Waiving Principal	Waiving Interest	Extending Period	Deferring Payments	Extending Period and Waiving Interest	Deferring Payments and Waiving Interest
	For the nine months ended September 30, 2024 (unaudited)						
Borrower activity in Israel							
Commercial	8	-	-	2	-	6	-
Private individuals – residential mortgages	117	-	-	117	-	-	-
Private individuals – other	1	-	-	1	-	-	-
Total loans to the public – activity in Israel	**126**	**-**	**-**	**120**	**-**	**6**	**-**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**126**	**-**	**-**	**120**	**-**	**6**	**-**

(1) Debts defaulted in the reported period, after they have undergone a change in the terms of debts o borrowers undergoing financial difficulties, during the 12 months prior to their default date.

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

2.C. Additional information about non-accruing credit in arrears

	Not in arrears 90 days or longer	In arrears 90 to 180 days	In arrears 180 days to 1 year	In arrears over 1 year to 3 years	In arrears over 3 years to 5 years	In arrears over 5 years to 7 years	In arrears over 7 years	Total
								As of September 30, 2024 (unaudited)
Commercial	727	120	618	523	40	6	10	2,044
Residential mortgages	282	757	467	466	72	21	41	2,106
Private individuals – other	42	21	5	10	6	1	-	85
Total	**1,051**	**898**	**1,090**	**999**	**118**	**28**	**51**	**4,235**
								As of September 30, 2023 (unaudited)
Commercial	600	133	208	219	9	3	7	1,179
Residential mortgages	318	758	463	212	37	17	36	1,841
Private individuals – other	46	7	4	9	3	-	2	71
Total	**964**	**898**	**675**	**440**	**49**	**20**	**45**	**3,091**
								As of December 31, 2023 (audited)
Commercial	615	178	383	257	15	8	10	1,466
Residential mortgages	296	850	580	329	42	18	38	2,153
Private individuals – other	42	12	5	11	4	-	-	74
Total	**953**	**1,040**	**968**	**597**	**61**	**26**	**48**	**3,693**

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

B. Loans to the public

3. Additional information about residential mortgages

Below is the composition of balances by loan-to-value ratio (LTV)(1), repayment type and interest type:

		September 30, 2024 (unaudited)			
		Balance of residential mortgages			Off-balance sheet credit risk
		Total	Of which: Bullet / balloon	Of which: Variable interest	Total
Senior lien: LTV	Up to 60%	132,037	5,207	78,346	4,021
	Over 60%	87,294	1,839	52,886	3,836
Junior lien or no lien		529	9	330	9,837
Total		**219,860**	**7,055**	**131,562**	**17,694**

		September 30, 2023 (unaudited)			
		Total	Of which: Bullet / balloon	Of which: Variable interest	Total
Senior lien: LTV	Up to 60%	123,659	4,141	75,672	2,755
	Over 60%	80,825	1,137	50,121	2,574
Junior lien or no lien		482	5	313	5,139
Total		**204,966**	**5,283**	**126,106**	**10,468**

		As of December 31, 2023 (audited)			
		Total	Of which: Bullet / balloon	Of which: Variable interest	Total
Senior lien: LTV	Up to 60%	124,553	3,953	75,701	2,771
	Over 60%	81,632	1,175	50,383	2,545
Junior lien or no lien		472	8	304	6,789
Total		**206,657**	**5,136**	**126,388**	**12,105**

(1) Ratio of approved facility upon extending the facility to the property value, as approved by the Bank upon extending the facility.

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

C. Sale, purchase and syndication of loans to the public during the year

1. Sale and purchase of loans to the public

	Credit risk to the public sold					Credit risk to the public purchased[1]		
	Loans to the public sold in the period	Off-balance sheet credit risk[2] sold in the period	Of which: Problematic credit	Total gain (loss) with respect to credit sold	Balance of sold loans at end of period, which is serviced by the banking corporation	Loans to the public purchased in the period[3]	Off-balance sheet credit risk[2] purchased in the period	Of which: Problematic credit
	For the three months ended September 30, 2024 (unaudited)							
Commercial – other	-	-	-	-	-	-	-	-
Private individuals – residential mortgages	-	-	-	-	4,666	-	-	-
Private individuals – other	-	-	-	-	-	305	-	-
Total credit risk to public	**-**	**-**	**-**	**-**	**4,666**	**305**	**-**	**-**
	For the three months ended September 30, 2023 (unaudited)							
Commercial – other	-	-	-	-	-	24	-	-
Private individuals – residential mortgages	-	-	-	-	5,239	-	-	-
Private individuals – other	-	-	-	-	-	526	-	-
Total credit risk to public	**-**	**-**	**-**	**-**	**5,239**	**550**	**-**	**-**
	For the nine months ended September 30, 2024 (unaudited)							
Commercial – other	89	12	-	-	-	428	29	-
Private individuals – residential mortgages	-	-	-	-	4,666	-	-	-
Private individuals – other	-	-	-	-	-	1,253	-	-
Total credit risk to public	**89**	**12**	**-**	**-**	**4,666**	**1,681**	**29**	**-**
	For the nine months ended September 30, 2023 (unaudited)							
Commercial – other	25	-	-	-	-	24	-	-
Private individuals – residential mortgages	-	-	-	-	5,239	-	-	-
Private individuals – other	-	-	-	-	-	2,059	-	-
Total credit risk to public	**25**	**-**	**-**	**-**	**5,239**	**2,083**	**-**	**-**
	For the year ended December 31, 2023 (audited)							
Commercial – other	25	120	-	-	-	89	22	-
Private individuals – residential mortgages	-	-	-	-	5,097	-	-	-
Private individuals – other	-	-	-	-	-	2,554	-	-
Total credit risk to public	**25**	**120**	**-**	**-**	**5,097**	**2,643**	**22**	**-**

(1) Excluding short-term factoring transactions.
(2) Credit risk of off-balance-sheet financial instruments as calculated for the purpose of borrower indebtedness, except for derivatives.
(3) Of which: Loans at 10% which are seller-guaranteed loans (for credit risk).

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

C. Sale, purchase and syndication of loans to the public during the year – Continued

2. Syndications and participation in loan syndications

	September 30, 2024					
	Syndication transactions initiated by the banking corporation				Syndication transactions initiated by others	
	Share of the banking corporation		Others' share [(2)]		Banking corporation's share [(3)]	
	Loans to the public	Off-balance sheet credit risk[(1)]	Loans to the public	Off-balance sheet credit risk[(1)]	Loans to the public	Off-balance sheet credit risk[(1)]
						Unaudited
Construction and real estate	2,249	2,205	1,719	1,202	879	53
Commercial – other	4,547	3,078	7,649	2,968	2,505	766
Total credit risk to public	**6,796**	**5,283**	**9,368**	**4,170**	**3,384**	**819**

	September 30, 2023[(4)]					
	Syndication transactions initiated by the banking corporation				Syndication transactions initiated by others	
	Share of the banking corporation		Others' share [(2)]		Banking corporation's share [(3)]	
	Loans to the public	Off-balance sheet credit risk[(1)]	Loans to the public	Off-balance sheet credit risk[(1)]	Loans to the public	Off-balance sheet credit risk[(1)]
						Unaudited
Construction and real estate	2,284	742	2,341	992	613	90
Commercial – other	3,244	1,742	6,949	1,807	1,918	1,186
Total credit risk to public	**5,528**	**2,484**	**9,290**	**2,799**	**2,531**	**1,276**

	December 31, 2023					
	Syndication transactions initiated by the banking corporation				Syndication transactions initiated by others	
	Share of the banking corporation		Others' share [(2)]		Banking corporation's share [(3)]	
	Loans to the public	Off-balance sheet credit risk[(1)]	Loans to the public	Off-balance sheet credit risk[(1)]	Loans to the public	Off-balance sheet credit risk[(1)]
						Audited
Construction and real estate	1,898	1,808	1,650	[(4)]948	628	71
Commercial – other	3,573	1,777	[(4)]7,547	1,781	2,051	873
Total credit risk to public	**5,471**	**3,585**	**9,197**	**2,729**	**2,679**	**944**

(1) Credit risk of off-balance-sheet financial instruments as calculated for the purpose of borrower indebtedness, except for derivatives.
(2) Not inducing balances of the parts of others for syndication transactions initiated by the Bank but managed by others.
(3) Excludes syndication transactions initiated by others to extend balance sheet and non-balance sheet credit to foreign governments. The Bank's share of these transactions is NIS 475 million. (As of September 30, 2023: NIS 620 million; as of December 31, 2023: NIS 564 million).
(4) Reclassified

Note 13 – Additional information about credit risk, loans to the public and provision for credit losses – continued

Reported amounts (NIS in millions)

d. Off-balance sheet financial instruments

Contractual balances or their denominated amounts at end of quarter

	September 30		December 31	September 30		December 31
	2024	2023	2023	2024	2023	2023
			Balance[1]	Provision for credit losses		
	(Unaudited)		(Audited)	(Unaudited)		(Audited)
Transactions in which the balance represents a credit risk:						
- Un-utilized debtor account and other credit facilities in accounts available on demand	29,796	24,561	31,625	32	35	33
- Guarantees to home buyers	17,663	15,303	14,612	4	4	2
- Irrevocable commitments for loans approved but not yet granted[2]	33,658	23,393	24,815	58	23	44
- Unutilized revolving credit card facilities	12,493	12,088	12,416	16	13	18
- Commitments to issue guarantees	13,510	11,459	12,514	1	1	3
- Guarantees and other liabilities[3]	15,320	13,242	13,541	83	83	65
- Loan guarantees	3,902	3,521	3,445	61	37	34
- Documentary credit	459	294	540	2	2	2

(1) Contractual balances or their stated amounts at the end of the period, before effect of provision for credit losses.
(2) Includes effect of extension of approval in principle for residential mortgages, from 12 to 24 days, pursuant to update to Proper Conduct of Banking Business Directive 451 regarding "Procedures for extending residential mortgages".
(3) Includes the Bank's liability for its share in the MAOF Clearinghouse risk fund, amounting to NIS 29 million (as of September 30, 2023 and December 31, 2023 a total of NIS 28 million and NIS 24 million, respectively).

Note 14 – Assets and Liabilities by Linkage Basis

As of September 30, 2024 (unaudited)

Reported amounts (NIS in millions)

	Israeli currency		In foreign currency[1]				
	Non-linked	CPI-linked	USD	EUR	Other currencies	Non-monetary items[2]	Total
Assets							
Cash and deposits with banks	56,044	-	22,959	179	160	-	79,342
Securities	13,604	5,795	9,741	904	-	785	30,829
Securities borrowed or bought in conjunction with resale agreements	448	-	-	-	-	-	448
Loans to the public, net[3]	242,534	84,812	11,906	5,625	3,437	-	348,314
Loans to Governments	-	-	69	319	-	-	388
Investments in associated companies	-	-	-	-	-	249	249
Buildings and equipment	-	-	-	-	-	1,705	1,705
Intangible assets and goodwill	-	-	-	-	-	125	125
Assets with respect to derivatives	1,909	138	1,544	743	278	-	4,612
Other assets	4,687	327	608	10	18	717	6,367
Total assets	**319,226**	**91,072**	**46,827**	**7,780**	**3,893**	**3,581**	**472,379**
Liabilities							
Deposits from the public	284,363	30,387	55,594	6,782	7,993	-	385,119
Deposits from banks	534	-	960	234	88	-	1,816
Deposits from the Government	7	2	11	3	-	-	23
Bonds and subordinated notes	7,667	26,482	2,259	-	-	-	36,408
Liabilities with respect to derivatives	1,904	143	1,278	645	219	-	4,189
Other liabilities	9,666	2,463	330	42	36	478	13,015
Total liabilities	**304,141**	**59,477**	**60,432**	**7,706**	**8,336**	**478**	**440,570**
Difference	**15,085**	**31,595**	**(13,605)**	**74**	**(4,443)**	**3,103**	**31,809**
Impact of hedging derivatives:							
Derivative instruments (other than options)	1,426	(1,426)	-	-	-	-	-
Non-hedging financial derivatives:							
Derivative instruments (other than options)	(17,628)	(11)	13,499	(281)	4,421	-	-
Net in-the-money options (in terms of underlying asset)	46	-	14	(43)	(17)	-	-
Net out-of-the-money options (in terms of underlying asset)	(203)	-	17	193	(7)	-	-
Grand total	**(1,274)**	**30,158**	**(75)**	**(57)**	**(46)**	**3,103**	**31,809**
Net in-the-money options (capitalized par value)	695	-	(560)	(122)	(13)	-	-
Net out-of-the-money options (capitalized par value)	(590)	-	448	128	14	-	-

(1) Includes linked to foreign currency.
(2) Includes derivative instruments whose base relates to a non-monetary item.
(3) Where the provision for credit losses may not be attributed to any specific linkage basis, such provision was deducted pro-rata from the different linkage bases.

Note 14 – Assets and Liabilities by Linkage Basis – continued

As of September 30, 2023 (unaudited)

Reported amounts (NIS in millions)

	Israeli currency		In foreign currency[1]				
	Non-linked	CPI-linked	USD	EUR	Other currencies	Non-monetary items[2]	Total
Assets							
Cash and deposits with banks	63,485	72	17,573	393	122	-	81,645
Securities	9,866	3,897	4,185	436	-	623	19,007
Securities borrowed or bought in conjunction with resale agreements	24	-	-	-	-	-	24
Loans to the public, net[3]	225,219	80,906	10,353	4,458	2,654	-	323,590
Loans to Governments	6	-	279	382	-	-	667
Investments in associated companies	36	-	-	-	-	205	241
Buildings and equipment	-	-	-	-	-	1,447	1,447
Intangible assets and goodwill	-	-	-	-	-	155	155
Assets with respect to derivatives	1,985	126	4,585	603	20	-	7,319
Other assets	2,671	244	462	14	27	776	4,194
Total assets	**303,292**	**85,245**	**37,437**	**6,286**	**2,823**	**3,206**	**438,289**
Liabilities							
Deposits from the public	258,473	24,510	59,000	6,294	2,757	-	351,034
Deposits from banks	3,240	-	1,556	205	7	-	5,008
Deposits from the Government	6	2	14	2	-	-	24
Bonds and subordinated notes	6,262	28,064	2,329	-	-	-	36,655
Liabilities with respect to derivatives	1,945	139	3,558	434	19	-	6,095
Other liabilities	8,023	2,720	345	2	30	681	11,801
Total liabilities	**277,949**	**55,435**	**66,802**	**6,937**	**2,813**	**681**	**410,617**
Difference	**25,343**	**29,810**	**(29,365)**	**(651)**	**10**	**2,525**	**27,672**
Impact of hedging derivatives:							
Derivative instruments (other than options)	1,055	(1,055)	-	-	-	-	-
Non-hedging financial derivatives:							
Derivative instruments (other than options)	(27,902)	(487)	28,224	317	(152)	-	-
Net in-the-money options (in terms of underlying asset)	(1,079)	-	874	169	36	-	-
Net out-of-the-money options (in terms of underlying asset)	(6)	-	(48)	53	1	-	-
Grand total	**(2,589)**	**28,268**	**(315)**	**(112)**	**(105)**	**2,525**	**27,672**
Net in-the-money options (capitalized par value)	(1,469)	-	1,489	(20)	-	-	-
Net out-of-the-money options (capitalized par value)	1,832	-	(2,147)	231	84	-	-

(1) Includes linked to foreign currency.
(2) Includes derivative instruments whose base relates to a non-monetary item.
(3) Where the provision for credit losses may not be attributed to any specific linkage basis, such provision was deducted pro-rata from the different linkage bases.

Note 14 – Assets and Liabilities by Linkage Basis – continued

As of December 31, 2023 (audited)

Reported amounts (NIS in millions)

	Israeli currency		In foreign currency[1]				
	Non-linked	CPI-linked	USD	EUR	Other currencies	Non-monetary items[2]	Total
Assets							
Cash and deposits with banks	59,254	-	27,020	175	101	-	86,550
Securities	12,980	4,330	4,623	520	-	618	23,071
Securities borrowed or bought in conjunction with resale agreements	106	-	-	-	-	-	106
Loans to the public, net[3]	226,844	80,674	10,485	4,394	2,949	-	325,346
Loans to Governments	1	-	111	368	-	-	480
Investments in associated companies	35	-	-	-	-	207	242
Buildings and equipment	-	-	-	-	-	1,531	1,531
Intangible assets and goodwill	-	-	-	-	-	148	148
Assets with respect to derivatives	4,252	99	1,268	572	91	-	6,282
Other assets	2,833	327	485	10	22	771	4,448
Total assets	**306,305**	**85,430**	**43,992**	**6,039**	**3,163**	**3,275**	**448,204**
Liabilities							
Deposits from the public	267,198	23,468	58,024	6,535	3,328	-	358,553
Deposits from banks	2,802	-	1,553	198	18	-	4,571
Deposits from the Government	10	2	56	3	-	-	71
Bonds and subordinated notes	7,675	27,203	2,192	-	-	-	37,070
Liabilities with respect to derivatives	5,666	111	912	564	114	-	7,367
Other liabilities	8,285	2,613	308	9	37	617	11,869
Total liabilities	**291,636**	**53,397**	**63,045**	**7,309**	**3,497**	**617**	**419,501**
Difference	**14,669**	**32,033**	**(19,053)**	**(1,270)**	**(334)**	**2,658**	**28,703**
Impact of hedging derivatives:							
Derivative instruments (other than options)	812	(812)	-	-	-	-	-
Non-hedging financial derivatives:							
Derivative instruments (other than options)	(19,430)	(766)	19,061	899	236	-	-
Net in-the-money options (in terms of underlying asset)	40	-	(252)	216	(4)	-	-
Net out-of-the-money options (in terms of underlying asset)	(127)	-	62	64	1	-	-
Grand total	**(4,036)**	**30,455**	**(182)**	**(91)**	**(101)**	**2,658**	**28,703**
Net in-the-money options (capitalized par value)	(652)	-	605	51	(4)	-	-
Net out-of-the-money options (capitalized par value)	683	-	(976)	221	72	-	-

(1) Includes linked to foreign currency.
(2) Includes derivative instruments whose base relates to a non-monetary item.
(3) Where the provision for credit losses may not be attributed to any specific linkage basis, such provision was deducted pro-rata from the different linkage bases.

Note 15 – Balances and estimates of fair value of financial instruments

Reported amounts (NIS in millions)

1) Information on the fair value of financial instruments is presented below:

A. Fair value balances

	September 30, 2024 (unaudited)				
		Fair value			
	Book balance	Level 1(1)	Level 2(1)	Level 3(1)	Total
Financial assets					
Cash and deposits with banks	79,342	30,822	46,919	1,540	79,281
Securities(3)	30,829	23,719	6,468	503	30,690
Securities borrowed or purchased in resale agreements	448	448	-	-	448
Loans to the public, net	348,314	5,181	9,830	(5)330,700	345,711
Loans to Governments	388	-	-	396	396
Assets with respect to derivatives	4,612	614	3,601	(2)397	4,612
Other financial assets	3,408	1,889	-	1,519	3,408
Total financial assets	**(4)467,341**	**62,673**	**66,818**	**335,055**	**464,546**
Financial liabilities					
Deposits from the public	385,119	12,857	106,350	265,442	384,649
Deposits from banks	1,816	-	747	1,073	1,820
Deposits from the Government	23	-	-	23	23
Bonds and subordinated notes	36,408	32,621	-	2,220	34,841
Liabilities with respect to derivatives	4,189	617	3,144	(2)428	4,189
Other financial liabilities	9,211	3,210	2,015	3,980	9,205
Total financial liabilities	**(4)436,766**	**49,305**	**112,256**	**273,166**	**434,727**

(1) Level 1 – Fair value measurements using quoted prices on an active market.
Level 2 – Fair value measurements using other significant observed data.
Level 3 – Fair value measurements using significant non-observed data.

(2) Fair value measurement is primarily based on use of observed data (market interest rate curves), except for credit quality of counter party.

(3) For more information about the carrying amount and fair value of securities, see Note 5 to the financial statements.

(4) Includes assets and liabilities amounting to NIS 112,756 million and NIS 116,516 million, respectively, whose carrying amount equals their fair value (instruments presented at fair value on the balance sheet). For more information on instruments measured at fair value on recurring basis and on non-recurring basis, see B.-D. below.

(5) Of which embedded derivatives in loans to the public, net amounting to NIS 21 million.

Note 15 – Balances and estimates of fair value of financial instruments – continued

Reported amounts (NIS in millions)

A. Fair value balances – continued:

	September 30, 2023 (unaudited)*				
		Fair value			
	Book balance	Level 1(1)	Level 2(1)	Level 3(1)	Total
Financial assets					
Cash and deposits with banks	81,645	26,036	52,983	2,568	81,587
Securities(3)	19,007	14,237	4,261	328	18,826
Securities borrowed or purchased in resale agreements	24	24	-	-	24
Loans to the public, net	323,590	2,590	9,646	(5)302,514	314,750
Loans to Governments	667	-	-	662	662
Assets with respect to derivatives	7,319	898	5,657	(2)764	7,319
Other financial assets	1,125	7	-	1,118	1,125
Total financial assets	**(4)433,377**	**43,792**	**72,547**	**307,954**	**424,293**
Financial liabilities					
Deposits from the public	351,034	7,437	87,853	(5)253,028	348,318
Deposits from banks	5,008	-	853	4,141	4,994
Deposits from the Government	24	-	-	22	22
Bonds and subordinated notes	36,655	31,792	-	2,688	34,480
Liabilities with respect to derivatives	6,095	901	4,067	(2)1,127	6,095
Other financial liabilities	7,620	1,578	2,041	3,994	7,613
Total financial liabilities	**(4)406,436**	**41,708**	**94,814**	**265,000**	**401,522**

(1) Level 1 – Fair value measurements using quoted prices on an active market.
Level 2 – Fair value measurements using other significant observed data.
Level 3 – Fair value measurements using significant non-observed data.

(2) Fair value measurement is primarily based on use of observed data (market interest rate curves), except for credit quality of counter party.

(3) For more information about the carrying amount and fair value of securities, see Note 5 to the financial statements.

(4) Includes assets and liabilities amounting to NIS 101,292 million and NIS 108,984 million, respectively, whose carrying amount equals their fair value (instruments presented at fair value on the balance sheet). For more information on instruments measured at fair value on recurring basis and on non-recurring basis, see B.-D. below.

(5) Of which embedded derivatives in loans to the public, net and in deposits from the public, amounting to NIS 11 million and NIS 1 million, respectively.

* Reclassified.

Note 15 – Balances and estimates of fair value of financial instruments – continued

Reported amounts (NIS in millions)

A. Fair value balances – continued:

	As of December 31, 2023 (audited)*				
		Fair value			
	Book balance	Level 1[(1)]	Level 2[(1)]	Level 3[(1)]	Total
Financial assets					
Cash and deposits with banks	86,550	36,486	48,012	2,008	86,506
Securities[(3)]	23,071	17,708	4,905	326	22,939
Securities borrowed or purchased in resale agreements	106	106	-	-	106
Loans to the public, net	325,346	2,379	9,097	[(5)]308,150	319,626
Loans to Governments	480	-	-	480	480
Assets with respect to derivatives	6,282	481	5,173	[(2)]628	6,282
Other financial assets	1,325	7	-	1,318	1,325
Total financial assets	**[(4)]443,160**	**57,167**	**67,187**	**312,910**	**437,264**
Financial liabilities					
Deposits from the public	358,553	8,483	92,576	256,795	357,854
Deposits from banks	4,571	-	1,084	3,467	4,551
Deposits from the Government	71	-	-	69	69
Bonds and subordinated notes	37,070	33,157	-	2,234	35,391
Liabilities with respect to derivatives	7,367	469	6,242	[(2)]656	7,367
Other financial liabilities	7,832	1,682	1,791	4,354	7,827
Total financial liabilities	**[(4)]415,464**	**43,791**	**101,693**	**267,575**	**413,059**

(1) Level 1 – Fair value measurements using quoted prices on an active market.
Level 2 – Fair value measurements using other significant observed data.
Level 3 – Fair value measurements using significant non-observed data.

(2) Fair value measurement is primarily based on use of observed data (market interest rate curves), except for credit quality of counter party.

(3) For more information about the carrying amount and fair value of securities, see Note 5 to the financial statements.

(4) Includes assets and liabilities amounting to NIS 98,547 million and NIS 117,458 million, respectively, whose carrying amount equals their fair value (instruments presented at fair value on the balance sheet). For more information on instruments measured at fair value on recurring basis and on non-recurring basis, see B.-D. below.

(5) Of which embedded derivatives in loans to the public, net amounting to NIS 16 million.

* Reclassified

Note 15 – Balances and estimates of fair value of financial instruments – continued

Reported amounts (NIS in millions)

B. Items measured at fair value:

1. On recurring basis

	September 30, 2024 (unaudited)			
	Prices quoted on active market (level 1)	Other significant observed data (level 2)	Non-observed significant data (level 3)	Total fair value
Assets				
Bonds available for sale				
Bonds:				
of Government of Israel	5,712	5,943	-	11,655
Of foreign governments	3,953	-	-	3,953
Of banks and financial institutions in Israel	527	67	-	594
Of banks and financial institutions overseas	2	148	-	150
Asset-backed (ABS)	-	56	-	56
Of others in Israel	937	165	-	1,102
Of others overseas	167	8	1	176
Shares not held for trading	229	44	25	298
Securities held for trading:				
Bonds of the Government of Israel	8,297	37	-	8,334
Bonds of overseas governments	197	-	-	197
Bonds of financial institutions in Israel	3	-	-	3
Bonds of others in Israel	23	-	-	23
Bonds of foreign others	28	-	-	28
Shares held for trading	17	-	-	17
Securities borrowed or purchased in resale agreements	448	-	-	448
Credit with respect to loans to customers	5,181	-	-	5,181
Assets with respect to derivatives[(1)]				
Interest contracts:				
NIS / CPI	-	29	101	130
Other	-	1,835	11	1,846
Currency contracts	97	1,673	283	2,053
Contracts for shares	513	64	2	579
Commodities and other contracts	4	-	-	4
Other financial assets	1,889	-	-	1,889
Other	-	-	21	21
Total assets	**28,224**	**10,069**	**444**	**38,737**
Liabilities				
Deposits with respect to borrowing from customers	12,857	-	-	12,857
Liabilities with respect to derivatives[(1)]				
Interest contracts:				
NIS / CPI	-	70	74	144
Other	-	1,443	35	1,478
Currency contracts	98	1,572	314	1,984
Contracts for shares	515	59	5	579
Commodities and other contracts	4	-	-	4
Other financial liabilities	3,210	-	-	3,210
Other	-	-	-	-
Total liabilities	**16,684**	**3,144**	**428**	**20,256**

Note 15 – Balances and estimates of fair value of financial instruments – continued

Reported amounts (NIS in millions)

B. Items measured at fair value – continued:

1. On recurring basis

	September 30, 2023 (unaudited)			
	Prices quoted on active market (level 1)	Other significant observed data (level 2)	Non-observed significant data (level 3)	Total fair value
Assets				
Bonds available for sale				
Bonds:				
of Government of Israel	3,729	3,365	-	7,094
Of foreign governments	288	-	-	288
Of banks and financial institutions in Israel	389	47	-	436
Of banks and financial institutions overseas	11	256	-	267
Asset-backed (ABS)	-	59	-	59
Of others in Israel	827	99	2	928
Of others overseas	212	6	1	219
Shares not held for trading	229	57	25	311
Securities held for trading:				
Bonds of the Government of Israel	5,241	-	-	5,241
Bonds of overseas governments	-	369	-	369
Bonds of financial institutions in Israel	3	-	-	3
Bonds of others in Israel	23	-	-	23
Bonds of foreign others	32	3	-	35
Shares held for trading	16	-	-	16
Securities borrowed or purchased in resale agreements	24	-	-	24
Credit with respect to loans to customers	2,590	-	-	2,590
Assets with respect to derivatives(1)				
Interest contracts:				
NIS / CPI	-	36	92	128
Other	-	2,571	66	2,637
Currency contracts	40	3,033	594	3,667
Contracts for shares	848	17	12	877
Commodities and other contracts	10	-	-	10
Other financial assets	7	-	-	7
Other	-	-	11	11
Total assets	**14,519**	**9,918**	**803**	**25,240**
Liabilities				
Deposits with respect to borrowing from customers	7,437	-	-	7,437
Liabilities with respect to derivatives(1)				
Interest contracts:				
NIS / CPI	-	82	57	139
Other	-	1,746	148	1,894
Currency contracts	43	2,209	922	3,174
Contracts for shares	848	28	-	876
Commodities and other contracts	10	2	-	12
Other financial liabilities	1,578	-	-	1,578
Other	-	-	1	1
Total liabilities	**9,916**	**4,067**	**1,128**	**15,111**

(1) Fair value measurement of derivative instruments classified under Level 3 is primarily based on use of observed data (market interest rate curves), except for credit quality of counter party.

Note 15 – Balances and estimates of fair value of financial instruments – continued

Reported amounts (NIS in millions)

B. Items measured at fair value – continued:

1. On recurring basis

	As of December 31, 2023 (audited)			
	Prices quoted on active market (level 1)	Other significant observed data (level 2)	Non-observed significant data (level 3)	Total fair value
Assets				
Bonds available for sale				
Bonds:				
of Government of Israel	4,818	4,320	-	9,138
Of foreign governments	310	-	-	310
Of banks and financial institutions in Israel	373	65	-	438
Of banks and financial institutions overseas	2	249	-	251
Asset-backed (ABS)	-	56	-	56
Of others in Israel	861	114	-	975
Of others overseas	196	7	2	205
Shares not held for trading	228	52	24	304
Securities held for trading:				
Bonds of the Government of Israel	7,111	39	-	7,150
Bonds of overseas governments	273	-	-	273
Bonds of financial institutions in Israel	4	-	-	4
Bonds of others in Israel	23	-	-	23
Bonds of foreign others	27	3	-	30
Shares held for trading	16	-	-	16
Securities borrowed or purchased in resale agreements	106	-	-	106
Credit with respect to loans to customers	2,379	-	-	2,379
Assets with respect to derivatives(1)				
Interest contracts:				
NIS / CPI	-	51	58	109
Other	-	1,867	2	1,869
Currency contracts	57	3,164	567	3,788
Contracts for shares	421	91	1	513
Commodities and other contracts	3	-	-	3
Other financial assets	7	-	-	7
Other	-	-	16	16
Total assets	**17,215**	**10,078**	**670**	**27,963**
Liabilities				
Deposits with respect to borrowing from customers	8,483	-	-	8,483
Liabilities with respect to derivatives(1)				
Interest contracts:				
NIS / CPI	-	87	25	112
Other	-	1,462	48	1,510
Currency contracts	45	4,600	583	5,228
Contracts for shares	421	91	-	512
Commodities and other contracts	3	2	-	5
Other financial liabilities	1,682	-	-	1,682
Other	-	-	-	-
Total liabilities	**10,634**	**6,242**	**656**	**17,532**

(1) Fair value measurement of derivative instruments classified under Level 3 is primarily based on use of observed data (market interest rate curves), except for credit quality of counter party.

Note 15 – Balances and estimates of fair value of financial instruments – continued

Reported amounts (NIS in millions)

B. Items measured at fair value – continued:

2. On non-recurring basis

	September 30, 2024 (unaudited)				For the three months ended September 30, 2024	For the nine months ended September 30, 2024
	Fair value					
	Level 1[(1)]	Level 2[(1)]	Level 3[(1)]	Total	Gains (losses)	
Non-accruing credit whose collection is contingent on collateral	-	-	709	709	34	59
Investments in shares for which no fair value is available	-	-	470	470	7	62

	September 30, 2023 (unaudited)				For the three months ended September 30, 2023	For the nine months ended September 30, 2023
	Fair value					
	Level 1[(1)]	Level 2[(1)]	Level 3[(1)]	Total	Gains (losses)	
Non-accruing credit whose collection is contingent on collateral	-	-	285	285	(5)	(43)
Investments in shares for which no fair value is available	-	-	295	295	3	22

	As of December 31, 2023 (audited)				For the year ended December 31, 2023
	Fair value				
	Level 1[(1)]	Level 2[(1)]	Level 3[(1)]	Total	Gains (losses)
Non-accruing credit whose collection is contingent on collateral	-	-	280	280	(46)
Investments in shares for which no fair value is available	-	-	298	298	21

(1) Level 1 – Fair value measurements using quoted prices on an active market.
Level 2 – Fair value measurements using other significant observed data.
Level 3 – Fair value measurements using significant non-observed data.

Note 15 – Balances and estimates of fair value of financial instruments – continued

Reported amounts (NIS in millions)

C. Change in items measured at fair value on recurrent basis, included in level 3:

	For the three months ended September 30, 2024 (unaudited)									
		Net realized / unrealized gains (losses) included(1)								
	Fair value as of June 30, 2024	In statement of profit and loss	In statement of other compre-hensive income under Equity	Acquisit-ions	Sales	Disposit-ions	Transfer to level 3(3)	Transfers from Level 3(3)	Fair value as of September 30, 2024	Unrealized gain (loss) with respect to instru-ments held as of September 30, 2024
Assets										
Securities available for sale										
Bonds:										
Of others in Israel	-	-	-	-	-	-	-	-	-	-
Of others overseas	2	1	(1)	-	-	(1)	-	-	1	-
Shares not held for trading	25	-	-	-	-	-	-	-	25	1
Assets with respect to derivatives(2)										
Interest contracts:										
NIS / CPI	73	12	-	-	-	(9)	25	-	101	39
Other	-	9	-	2	-	-	-	-	11	11
Currency contracts	351	(5)	-	157	-	(220)	-	-	283	148
Contracts for shares	1	-	-	1	-	-	-	-	2	23
Other	23	(2)	-	-	-	-	-	-	21	-
Total assets	**475**	**15**	**(1)**	**160**	**-**	**(230)**	**25**	**-**	**444**	**222**
Liabilities										
Liabilities with respect to derivatives(2)										
Interest contracts:										
NIS / CPI	32	19	-	2	-	(10)	31	-	74	(26)
Other	55	(21)	-	1	-	-	-	-	35	20
Currency contracts	276	(9)	-	234	-	(187)	-	-	314	(200)
Contracts for shares	9	4	-	1	-	(9)	-	-	5	(5)
Other	-	-	-	-	-	-	-	-	-	-
Total liabilities	**372**	**(7)**	**-**	**238**	**-**	**(206)**	**31**	**-**	**428**	**(211)**

(1) Realized gains (losses) included in the statement of profit and loss under "Non-interest financing revenues". Unrealized gains and losses included in equity under Adjustments for Presentation of Available-for-Sale Securities at Fair Value under Other Comprehensive Income.

(2) Fair value measurement is primarily based on use of observed data (market interest rate curves), except for credit quality of counter party.

(3) Transfers to Level 3 include transactions for which market data, in the reported periods, are not observed. Transfers from Level 3 result from the opposite situation.

Note 15 – Balances and estimates of fair value of financial instruments – continued

Reported amounts (NIS in millions)

C. Change in items measured at fair value on recurrent basis, included in level 3 – Continued:

	For the three months ended September 30, 2023 (unaudited)									
		Net realized / unrealized gains (losses) included[(1)]								
	Fair value as of June 30, 2023	In statement of profit and loss	In statement of other comprehensive income under Equity	Acquisitions	Sales	Dispositions	Transfer to level 3[(3)]	Transfers from Level 3[(3)]	Fair value as of September 30, 2023	Unrealized gain (loss) with respect to instruments held as of September 30, 2023
Assets										
Securities available for sale										
Bonds:										
Of others in Israel	2	-	-	-	-	-	-	-	2	-
Of others overseas	1	-	-	-	-	(1)	1	-	1	-
Shares not held for trading	25	-	-	-	-	-	-	-	25	-
Assets with respect to derivatives[(2)]										
Interest contracts:										
NIS / CPI	58	(1)	-	3	-	(1)	33	-	92	21
Other	3	2	-	61	-	-	-	-	66	53
Currency contracts	461	161	-	206	-	(234)	-	-	594	120
Contracts for shares	2	(1)	-	12	-	(1)	-	-	12	-
Commodities and other contracts	-	-	-	-	-	-	-	-	-	-
Other	10	1	-	-	-	-	-	-	11	-
Total assets	**562**	**162**	**-**	**282**	**-**	**(237)**	**34**	**-**	**803**	**194**
Liabilities										
Liabilities with respect to derivatives[(2)]										
Interest contracts:										
NIS / CPI	61	1	-	2	-	(33)	26	-	57	(25)
Other	70	17	-	67	-	(6)	-	-	148	(13)
Currency contracts	438	504	-	273	-	(293)	-	-	922	(383)
Contracts for shares	2	(1)	-	-	-	(1)	-	-	-	-
Other	5	(4)	-	-	-	-	-	-	1	-
Total liabilities	**576**	**517**	**-**	**342**	**-**	**(333)**	**26**	**-**	**1,128**	**(421)**

(1) Realized gains (losses) included in the statement of profit and loss under "Non-interest financing revenues". Unrealized gains and losses included in equity under Adjustments for Presentation of Available-for-Sale Securities at Fair Value under Other Comprehensive Income.

(2) Fair value measurement is primarily based on use of observed data (market interest rate curves), except for credit quality of counter party.

(3) Transfers to Level 3 include transactions for which market data, in the reported periods, are not observed. Transfers from Level 3 result from the opposite situation.

Note 15 – Balances and estimates of fair value of financial instruments – continued

Reported amounts (NIS in millions)

C. Change in items measured at fair value on recurrent basis, included in level 3 – Continued:

	For the nine months ended September 30, 2024 (unaudited)									
		Net realized / unrealized gains (losses) included[1]								
	Fair value as of December 31, 2023	In statement of profit and loss	In statement of other comprehensive income under Equity	Acquisitions	Sales	Dispositions	Transfer to level 3[3]	Transfers from Level 3[3]	Fair value as of September 30, 2024	Unrealized gain (loss) with respect to instruments held as of September 30, 2024
Assets										
Securities available for sale										
Of others in Israel	-	-	-	-	-	-	-	-	-	-
Of others overseas	2	1	-	-	-	(2)	-	-	1	-
Shares not held for trading	24	-	1	-	-	-	-	-	25	1
Assets with respect to derivatives[2]										
Interest contracts:										
NIS / CPI	58	27	-	2	-	(18)	32	-	101	61
Other	2	7	-	2	-	-	-	-	11	11
Currency contracts	567	(283)	-	398	-	(399)	-	-	283	208
Contracts for shares	1	-	-	3	-	(2)	-	-	2	6
Other	16	5	-	-	-	-	-	-	21	-
Total assets	**670**	**(243)**	**1**	**405**	**-**	**(421)**	**32**	**-**	**444**	**287**
Liabilities										
Liabilities with respect to derivatives[2]										
Interest contracts:										
NIS / CPI	25	29	-	6	-	(22)	36	-	74	(72)
Other	48	(19)	-	6	-	-	-	-	35	12
Currency contracts	583	(331)	-	458	-	(399)	3	-	314	(239)
Contracts for shares	-	14	-	2	-	(11)	-	-	5	(5)
Other	-	-	-	-	-	-	-	-	-	-
Total liabilities	**656**	**(307)**	**-**	**472**	**-**	**(432)**	**39**	**-**	**428**	**(304)**

(1) Realized gains (losses) included in the statement of profit and loss under "Non-interest financing revenues". Unrealized gains and losses included in equity under Adjustments for Presentation of Available-for-Sale Securities at Fair Value under Other Comprehensive Income.

(2) Fair value measurement is primarily based on use of observed data (market interest rate curves), except for credit quality of counter party.

(3) Transfers to Level 3 include transactions for which market data, in the reported periods, are not observed. Transfers from Level 3 result from the opposite situation.

Note 15 – Balances and estimates of fair value of financial instruments – continued

Reported amounts (NIS in millions)

C. Change in items measured at fair value on recurrent basis, included in level 3 – Continued:

	For the nine months ended September 30, 2023 (unaudited)									
		Net realized / unrealized gains (losses) included[1]								
	Fair value as of December 31, 2022	In statement of profit and loss	In statement of other comprehensive income under Equity	Acquisitions	Sales	Dispositions	Transfer to level 3[3]	Transfers from Level 3[3]	Fair value as of September 30, 2023	Unrealized gain (loss) with respect to instruments held as of September 30, 2023
Assets										
Securities available for sale										
Bonds:										
Of others in Israel	11	8	(6)	-	-	(11)	-	-	2	-
Of others overseas	3	-	-	-	-	(3)	1	-	1	-
Shares not held for trading	23	2	-	-	-	-	-	-	25	2
Assets with respect to derivatives[2]										
Interest contracts:										
NIS / CPI	56	13	-	5	-	(21)	39	-	92	54
Other	3	4	-	61	-	(2)	-	-	66	48
Currency contracts	307	353	-	539	-	(605)	-	-	594	417
Contracts for shares	39	(10)	-	15	-	(32)	-	-	12	-
Commodities and other contracts	2	(2)	-	-	-	-	-	-	-	-
Other	9	2	-	-	-	-	-	-	11	-
Total assets	**453**	**370**	**(6)**	**620**	**-**	**(674)**	**40**	**-**	**803**	**521**
Liabilities										
Liabilities with respect to derivatives[2]										
Interest contracts:										
NIS / CPI	61	20	-	4	-	(72)	44	-	57	(27)
Other	64	23	-	67	-	(6)	-	-	148	(75)
Currency contracts	233	726	-	750	-	(787)	-	-	922	(712)
Contracts for shares	83	(5)	-	6	-	(84)	-	-	-	-
Other	7	(6)	-	-	-	-	-	-	1	-
Total liabilities	**448**	**758**	**-**	**827**	**-**	**(949)**	**44**	**-**	**1,128**	**(814)**

(1) Realized gains (losses) included in the statement of profit and loss under "Non-interest financing revenues". Unrealized gains and losses included in equity under Adjustments for Presentation of Available-for-Sale Securities at Fair Value under Other Comprehensive Income.

(2) Fair value measurement is primarily based on use of observed data (market interest rate curves), except for credit quality of counter party.

(3) Transfers to Level 3 include transactions for which market data, in the reported periods, are not observed. Transfers from Level 3 result from the opposite situation.

Note 15 – Balances and estimates of fair value of financial instruments – continued

Reported amounts (NIS in millions)

C. Change in items measured at fair value on recurrent basis, included in level 3 – Continued:

	For the year ended December 31, 2023 (audited)									
		Net realized / unrealized gains (losses) included[(1)]								
	Fair value as of December 31, 2022	In statement of profit and loss	In statement of other comprehensive income under Equity	Acquisitions	Sales	Dispositions	Transfer to level 3[(3)]	Transfers from Level 3[(3)]	Fair value as of December 31, 2023	Unrealized gains (losses) with respect to instruments held as of December 31, 2023
Assets										
Securities available for sale										
Bonds:										
Of others in Israel	11	8	(6)	-	(2)	(11)	-	-	-	(1)
Of others overseas	3	-	-	-	-	(2)	1	-	2	-
Shares not held for trading	23	1	-	-	-	-	-	-	24	1
Assets with respect to derivatives[(2)]										
Interest contracts:										
NIS / CPI	56	7	-	7	-	(27)	42	(27)	58	54
Other	3	2	-	61	-	(4)	-	(60)	2	48
Currency contracts	307	261	-	1,007	-	(937)	-	(71)	567	417
Contracts for shares	39	(10)	-	16	-	(44)	-	-	1	-
Commodities and other contracts	2	(2)	-	-	-	-	-	-	-	-
Other	9	7	-	-	-	-	-	-	16	-
Total assets	**453**	**274**	**(6)**	**1,091**	**(2)**	**(1,025)**	**43**	**(158)**	**670**	**519**
Liabilities										
Liabilities with respect to derivatives[(2)]										
Interest contracts:										
NIS / CPI	61	11	-	4	-	(77)	45	(19)	25	(27)
Other	64	-	-	67	-	(7)	-	(76)	48	(75)
Currency contracts	233	803	-	1,180	-	(1,422)	-	(211)	583	(712)
Contracts for shares	83	(4)	-	6	-	(85)	-	-	-	-
Other	7	(7)	-	-	-	-	-	-	-	-
Total liabilities	**448**	**803**	**-**	**1,257**	**-**	**(1,591)**	**45**	**(306)**	**656**	**(814)**

(1) Realized gains (losses) included in the statement of profit and loss under "Non-interest financing revenues". Unrealized gains and losses included in equity under Adjustments for Presentation of Available-for-Sale Securities at Fair Value under Other Comprehensive Income.

(2) Fair value measurement is primarily based on use of observed data (market interest rate curves), except for credit quality of counter party.

(3) Transfers to Level 3 include transactions for which market data, in the reported periods, are not observed. Transfers from Level 3 result from the opposite situation.

Note 15 – Balances and estimates of fair value of financial instruments – continued

Reported amounts (NIS in millions)

D. Additional information about non-observed significant data and valuation techniques used in fair value measurement of items classified at Level 3:

	Fair value as of September 30, 2024	Valuation technique	Non-observed data	Range	Weighted average
Shares not held for trading	25	Quote from counter-party to the transaction			
Securities available for sale					
Bonds of foreign others	1	Cash flows discounting	Price	7.75	7.75
Assets with respect to derivative instruments:					
NIS / CPI	55	Cash flows discounting	Inflationary expectations	3.00%-2.89%	2.95%
Contracts for shares	7	Options pricing model	Standard deviation per share	213.03%-30.37%	73.43%
Other	356	Cash flows discounting	Counter-party credit quality	2.60%-0.30%	1.84%
Liabilities with respect to derivative instruments:					
Interest contracts – NIS CPI	70	Cash flows discounting	Inflationary expectations	3.00%-2.91%	2.96%
Other	358	Cash flows discounting	Counter-party credit quality	3.30%-0.30%	2.02%

	Fair value as of September 30, 2023	Valuation technique	Non-observed data	Range	Weighted average
Shares not held for trading	25	Quote from counter-party to the transaction			
Securities available for sale					
Bonds of others in Israel	1	Cash flows discounting	Price	7.75	7.75
	1	NAV (Net Asset Value) model	Price	13.3	13.3
Bonds of foreign others	1	Cash flows discounting	Price	1.31-5.71	5.24
Assets with respect to derivative instruments:					
NIS / CPI	26	Cash flows discounting	Inflationary expectations	2.83%-2.73%	2.80%
Contracts for shares	2	Options pricing model	Standard deviation per share	164.93%-49.53%	64.39%
Other	747	Cash flows discounting	Counter-party credit quality	3.10%-0.30%	2.09%
Liabilities with respect to derivative instruments:					
Interest contracts – NIS CPI	36	Cash flows discounting	Inflationary expectations	2.83% - 2.73%	2.81%
Other	1,092	Cash flows discounting	Counter-party credit quality	3.30%-0.30%	1.82%

	Fair value as of December 31, 2023	Valuation technique	Non-observed data	Range	Weighted average
Shares not held for trading	24	Quote from counter-party to the transaction			
Securities available for sale					
Bonds of foreign others	2	Cash flows discounting	Price	1.31-62.10	10.51
Assets with respect to derivative instruments:					
NIS / CPI	24	Cash flows discounting	Inflationary expectations	3.05%-2.37%	2.72%
Contracts for shares	4	Options pricing model	Standard deviation per share	145.27%-48.45%	72.06%
Other	616	Cash flows discounting	Counter-party credit quality	2.60%-1.80%	1.84%
Liabilities with respect to derivative instruments:					
Interest contracts – NIS CPI	24	Cash flows discounting	Inflationary expectations	3.05%-2.55%	2.82%
Other	632	Cash flows discounting	Counter-party credit quality	2.50%-1.80%	1.83%

Note 15 – Balances and estimates of fair value of financial instruments – continued

E. Information regarding uncertainty of fair value measurements to changes in unobserved data

The main valuation technique of significant unobserved data used in measurement of fair value of assets and liabilities at Level 3 is Discounted Cash Flow. The future cash flow for the instrument is derived from the agreement with the counter-party. The discount rate used to discount the cash flow reflects the Bank's assumptions.

The primary unobserved data used in measurement of fair value of bonds is the price of the bonds.

F. Election of fair value option

Should the Bank elect the fair value option, changes to fair value of investments in certain bonds would be recorded to profit and loss, with bonds classified under the portfolio held for trading, although they had not been purchased for this purpose.

The election of the fair value option was made under the following circumstances:

1. Reduce volatility in profit and loss resulting from changes between the original measurement basis of financial instruments designated at the fair value option, and the measurement basis of derivative financial instruments used to manage risks with respect to such investments.
2. Complexity of implementing hedge accounting.
3. More accurate economic presentation of assets managed on fair value basis.

As of September 30, 2024, September 30, 2023 and December 31, 2023 the Bank did not elect the fair value option.

Note 16 – Other Matters

a. In March 2024, the Knesset General Assembly approved the "Special Payment to Achieve Budget Targets Law (Interim Directive – Iron Swords"), 2024, whereby a special payment will be imposed on Israeli banks at a rate of 6% of their profits from activity in Israel (as defined in the VAT Law) in the period between April 1, 2024 and December 31, 2025. The payment and not be recognized as a tax deduction (exempt from this payment are banking groups with total assets on their balance sheet lower than 5% of total assets of banks in Israel). Likewise, the legislation stipulates that total payment on aggregate for all banks in Israel would be capped at NIS 1.2 billion in 2024 and at NIS 1.3 billion in 2025, divided among the banks pro rata to their pre-tax earnings in these periods.
The provision for taxes on income in the financial statements for the first nine months of 2024 includes the impact of the law in question with requisite adjustments.

b. In March 2024 the Knesset General Assembly ratified the order that sets the VAT rate increase from 17% to 18% starting January 1, 2025. However, a bank who is subject to the payment of 6% on the profit in 2025 as noted above, shall pay 17% of the salary paid and of the profit produced that year. To be clear, the increase in payroll tax and capital gains tax to 18% will come into effect from the date on which the bank will no longer be committed to the additional payment of 6% as noted. The amendment has no material impact on the Bank's financial statements.

c. On May 29, 2024, the Bank's Board of Directors, after receiving approval by the Remuneration Committee, approved the offering of options, in accordance with Section 15b(1)(a) of the Securities Law, to the Bank President & CEO and to the other officers of the Bank (other than the Bank directors) and to other key employees and managers at the Bank and at Bank subsidiaries, as stated in the employee offering outline dated May 29, 2024, including approval of pools for option warrant issuance in 2024-2026 (hereinafter: "the Outline").

As resolved by the Board of Directors on May 29, 2024, the following option plans for 2024 were approved:

- Option plan 1 – up to 48,904 options 1 to be awarded to the Bank President & CEO, exercisable for up to 11,242 Bank ordinary shares of NIS 0.1 par value each.
- Option plan A – up to 444,792 options A to be awarded to up to eight Bank officers who are not gatekeepers, exercisable for up to 102,251 Bank ordinary shares of NIS 0.1 par value each.
- Option plan B – up to 190,692 options B to be awarded to up to five Bank officers who are gatekeepers, exercisable for up to 43,837 Bank ordinary shares of NIS 0.1 par value each.
- Option plan C – up to 694,400 options C to be awarded to up to twenty eight key Bank employees and up to fourteen key employees at Bank subsidiaries, which have been approved for inclusion in this group, exercisable for up to 159,632 Bank ordinary shares of NIS 0.1 par value each.
- Option plan D – up to 820,800 options D to be awarded to up to sixty managers employed by the Bank subject to individual employment contracts and up to thirty-seven other managers at the Bank and at Bank subsidiaries, which have been approved for inclusion in this group, exercisable for up to 188,690 Bank ordinary shares of NIS 0.1 par value each.
- Option plan E – up to 1,461,200 options E to be awarded to up to two hundred sixty-seven managers employed by the Bank subject to collective bargaining agreements, exercisable for up to 335,908 Bank ordinary shares of NIS 0.1 par value each.

The number of options which offerees may actually exercise, pursuant to terms of each plan, would be derived from the eligibility terms set for each plan in the Outline, as follows. Furthermore, the deposit o the full amount of realization shares is based, among other things, on the closing price cap of NIS 174, plus linkage differentials to the CPI, from the known CPI upon approval by the Board of Directors to the known rate upon exercise.

In case of dividend distribution, bonus share distribution, rights issuance, split or reverse split of share capital and re-structuring at the Bank, the adjustments shall be made as set forth in the Outline employee offering.
The options issued in the name of the Trustee on behalf of the Bank President & CEO, pursuant to options plan 1, may be exercised as from the second anniversary of the issue date and would expire 18 months after the vesting date, as defined in the Memorandum.
The options issued in the name of the Trustee pursuant to option plans A, B or C would be in three equal lots, which may be exercised as from two years after: (1) The issuance date; (2) April 1, 2027; and (3) April 1, 2028, and each batch of options would expire 18 months after each of said dates.

Note 16 – Other Matters - Continued

The number of options which offerees may actually exercise, pursuant to terms of each plan, would be derived from the eligibility terms set for each plan in the Outline, as follows. Furthermore, the deposit o the full amount of realization shares is based, among other things, on the closing price cap of NIS 174, plus linkage differentials to the CPI, from the known CPI upon approval by the Board of Directors to the known rate upon exercise.

In case of dividend distribution, bonus share distribution, rights issuance, split or reverse split of share capital and re-structuring at the Bank, the adjustments shall be made as set forth in the Outline employee offering.

The options issued in the name of the Trustee on behalf of the Bank President & CEO, pursuant to options plan 1, may be exercised as from the second anniversary of the issue date and would expire 18 months after the vesting date, as defined in the Memorandum.

The options issued in the name of the Trustee pursuant to option plans A, B or C would be in three equal lots, which may be exercised as from two years after: (1) The issuance date; (2) April 1, 2027; and (3) April 1, 2028, and each batch of options would expire 18 months after each of said dates.

All options issued pursuant to option plans D and E may be exercised in a single lot from the second anniversary of the issue date and would expire two years after the vesting date, as defined in the Memorandum.

An offeree's eligibility for options pursuant to each of option plans would be contingent on the Bank's total capital adequacy ratio and Tier I capital ratio for the award year, would not be lower than the minimum ratios stipulated by Bank of Israel directives.

Moreover, eligibility for options shall be determined based on the following criteria, as set forth in the Outline:

- Options A and options B issued to offerees who are officers of the Bank, as noted above, constitute part of these officers' variable remuneration. Officer eligibility to options A or to options B would be determined based on four criteria which are measurable "company-wide criteria" (hereinafter: "the quantitative benchmarks") and based on one qualitative criterion based on supervisor assessment of achievement of individual targets of the officer as defined in the outline.
- Eligibility of offerees who are not officers of the Bank to options C, D, and E, with respect to any bonus year, would be determined exclusively based on the four quantitative benchmarks. For details on the grounds of lack of entitlement for options for these groups see Section 2.12.13 of the outline.

The quantitative benchmarks specified in the option plan are: return on equity, return on Bank shares relative to benchmark, operating efficiency ratio and average ratio of core deposits.

The exercise price for each option to be issued pursuant to each of the plans is NIS 134 plus CPI linkage differentials, from the known CPI upon approval by the Board of Directors of the issuance of the first offering of options to the offerees and until the known CPI upon exercise of the option by the offeree. The exercise price included in the first offering is determined based on the average closing price of Bank ordinary shares on the stock exchange over the thirty trading days preceding the date of the approval of the first offering of options by the Board of Directors. Accordingly, note that on the exercise date, an offeree would not be required to pay the exercise price – which would only serve to determine the monetary benefit amount and the number of exercise shares to be actually allotted to the offeree.

In order to calculate the fair value as of the approval date of the issuance of the options included in the first offering by the Board of Directors, as noted above, the terms and conditions of the option plans and the data and assumptions listed in the Outline have been taken into account.

Based on the assumptions listed in the Outline, the fair value of each option warrant to be awarded pursuant to each option plan, included in the first offering of options as of the approval date of issuance of the options included in the first offering by the Board of Directors, is as follows:

- Options 1 – NIS 14.15;
- Options A – NIS 13.60;
- Options B – NIS 13.74;
- Options C – NIS 13.19;
- Options D or E – NIS 13.71.

The theoretical benefit value of the options in these approved lots, calculated in accordance with US accounting rules (ASC718 "Share-based Payment"), amounts to NIS 50 million.

The theoretical lot value shall be recognized in Bank accounts over the vesting period, i.e. from the second quarter of 2024 through the end of the year.

The options were allotted under the "Capital Gain" track, pursuant to the Section 102 of the Income Tax Ordinance. Therefore, any benefit arising to the offerees from exercise of these options will be taxed at the capital gain tax rate applicable to the offerees upon exercise of the options. Therefore, the Bank would not be liable for wages tax with respect to the benefit arising to offerees from exercise of the options pursuant to the option plan. Furthermore, upon payment of tax with respect to this benefit by the offerees, the Bank would not have any tax deductible expense with respect to the aforementioned options.

Note 17 – Events Subsequent to the Balance Sheet Date

On November 20, 2024, the Bank's Board of Directors resolved to distribute dividends amounting to NIS 570.0 million, constituting 40% of earnings in the third quarter of 2024, in accordance with the Bank's dividend policy, and after examining the Bank's capital planning in the various scenarios.

The dividend amount is 2,205.85% of the issued capital, i.e. NIS 220.59 per NIS 0.1 par value share. The effective date for dividends payment is November 28, 2024 and the payment date is December 5, 2024. The final dividends per share is subject to changes due to realized convertible securities of the Bank. According to accounting rules, this amount will be deducted from retained earnings in the fourth quarter of 2024.

Bank Mizrahi Tefahot

Corporate governance, audit, other information about the Bank and its management

Table of Contents

Corporate governance

Board of Directors and management

Board of Directors

During the first nine months of 2024, the Bank's Board of Directors held 17 plenary meetings. During this period there were also 39 meetings of Board committees and 9 Board member workshops.
The permanent Board committees are: Audit, Credit, Risks Management, IT and Technology Innovation and Remuneration.

Set forth below are the changes in the Bank's Board of Directors during the first nine months of 2024 and through the financial statements' publication date:

- On February 12, 2024, the Bank's Board of Directors resolved to appoint Mr. Avraham Zeldman (who has been serving the Bank as Board member since 2015) to be Chairman of the Board of Directors, effective as from June 16, 2024, after the expiration of Moshe Vidman's term in office as Chairman of the Board of Directors. For further details see the Bank's report from February 12, 2024 (reference no.: 2024-01-015285).
  On April 10, 2024 the Bank reported that it had received the Supervisor of Banks' notice, according to which they had no objection to the abovementioned appointment, provided that Mr. Zeldman will resign from his positions in two other companies. For further details, see the Immediate Report from April 10, 2024 (ref. 2024-01-036214).
  On June 16, 2024, Mr. Avraham Zeldman began serving as the Chairman of the Board of Directors of the Bank. For further details see the Bank's reports from June 16, 2024 (reference nos.: 2024-01-060172 and 2024-01-060178).

  On August 27, 2024, the General Meeting of Bank shareholders approved, in line with the resolution by the Board of Directors and after approval by the Remuneration Committee, the terms of office and employment of Mr. Avraham Zeldman regarding his term in office as the Chairman of the Bank's Board of Directors, which commenced on June 16, 2024. For details regarding the terms of office and employment of the Chairman of the Board of Directors, see Appendix B to report dated July 22, 2024 (reference no.: 2024-01-077401).

- The Extraordinary General Meeting held on February 20, 2024 resolved to approve re-appointment of Ms. Esteri Gilez-Ran as External Board member of the Bank, pursuant to the Corporate Law (also compliant with qualifications for External Board member pursuant to Proper Bank Management Directive 301) for a further (second) term in office of three (3) years starting February 27, 2024. For further details see the Bank's report from February 20, 2024 (reference no.: 2024-01-018129).

- On March 28, 2024, the Bank reported that the Bank's Board of Directors had announced its intention to (re)-appoint Mr. Moshe Widman as Bank Board Member. On May 12 the Commissioner of Banks announced that he had no objection to the appointment in question. In a Special General Meeting of Shareholder held June 13, 2024 it was resolved to reappoint Mr. Moshe Vidman as Director at the Bank for an additional term starting June 16, 2024. The duration of Mr. Vidman's service as bank director shall be to the end of the Annual General Meeting held in 2025. On June 16, 2024, Mr. Moshe Vidman ceased serving as the Chairman of the Board of Directors of the Bank. Note that Mr. Vidman has served as Board member of the Bank since August 2010 and served as Chairman of the Bank Board of Directors from December 1, 2012. For further details see the Bank's reports dated March 28, 2024, May 6, 2024, May 12, 2024, June 13, 2024 and June 16, 2024 (reference nos.: 2024-01-034656, 2024-01-043780, 2024-01-046762, 2024-01-059959 and 2024-01-060169).
- The Extraordinary General Meeting held on August 27, 2024 resolved to approve re-appointment of Ms. Hannah Feuer as External Board member of the Bank, pursuant to the Corporate Law (also compliant with qualifications for External Board member pursuant to Proper Bank Management Directive 301) for a further (third) term in office of three (3) years starting August 30, 2024; for further details, see the Bank's report of August 27, 2024 (reference no.: 2024-01-094843).

Bank management and senior officers

In the first nine months of 2024 there were no changes to members of Bank management and senior officers.

Internal Auditor

Information about Internal Audit at the Group, including professional standards applied by Internal Audit, the annual and multi-annual work plan and considerations in setting this plan, the scope of work of the Internal Auditor and their team and reporting of the Internal Auditor's findings are provided in chapter "Corporate governance, audit, other information about the Bank and its management" of the 2023 report.

In the reported period there were no material changes to this information.

Transactions with controlling shareholders and related parties

Transactions with related parties were conducted in the normal course of business, at market terms and at terms and conditions similar to those of transactions with parties not related to the Bank.

Controlling shareholders

The Controlling Shareholders of the Bank as of September 30, 2024 are Wertheim Group and Ofer Group.

Holdings of Wertheim Group are through M. W. Z. (Holdings) Ltd. And F&W (Registered Partnership) holding, as of September 30, 2024, 7.27% and 13.09%, respectively, of the capital and voting rights.

Holdings of Ofer Group are through L.I.N (Holdings) Ltd., which holds, directly and through L.A.B.M. (Holdings) Ltd. (a wholly-owned subsidiary thereof) as of September 30, 2024 21.09% of capital and voting rights in the Bank.

On September 6 and September 9, 2024, F&W (Registered Partnership) purchased on the stock exchange 150,000 ordinary Bank Mizrahi Tefahot shares of NIS 0.1 par value each. For further details see the Bank's publications 2024-01-602143 and 2024-01-602284, respectively.

Note that the aforementioned share transfer was conducted between L.I.N. (Holdings) Ltd. and a wholly-owned subsidiary thereof, and does not change the overall holding stake of L.I.N. in Bank shares.

Shareholder agreements

L.A.B.M. (Holdings) Ltd. Of Ofer Group and Feinberg-Wertheim (Registered Partnership) of Wertheim Group are party to a cooperation agreement for exercising rights associated with Bank shares, dated October 6, 1994 (hereinafter: ("voting agreement"). The aforementioned voting agreement sets forth, inter alia, rules for joint voting of controlling shareholders at General Meetings, for each party's right of refusal upon sale of controlling shares by the other parties, for rights to appoint Board members and rights to appoint the Chairman of the Board of Directors.

Legislation and supervisory directives applicable to Bank Group operations

Laws and regulations

Special Payment for the Achievement of Budgetary Goals Law (Temporary Order – Iron Swords), 2024

In March 2024, the Knesset General Assembly approved the "Special Payment to Achieve Budget Targets Law (Interim Directive – Iron Swords"), 2024, whereby a special payment will be imposed on Israeli banks at a rate of 6% of their profits from activity in Israel (as defined in the VAT Law) in the period between April 1, 2024 and December 31, 2025. This payment would not be tax deductible. Exempt from this payment are banking groups with total assets on their balance sheet lower than 5% of total assets of banks in Israel. However, the legislation stipulates that total payment on aggregate for all banks in Israel would be capped at NIS 1.2 billion in 2024 and at NIS 1.3 billion in 2025, divided among the banks pro rata to their pre-tax earnings in these periods.

In accordance with the law, 75% of the tax rate will apply in 2024, across the entire year. The provision to taxes on income in these Financial Statements includes the impact of the law in question.

In March 2024 the Knesset General Assembly ratified the order that sets the VAT rate increase from 17% to 18% starting January 1, 2025. However, a bank who is subject to the payment of 6% on the profit in 2025 as noted above, shall pay 17% of the salary paid and of the profit produced that year. To be clear, the increase in payroll tax and capital gains tax to 18% will come into effect from the date on which the bank will no longer be committed to the additional payment of 6% as noted. The impact of the amendment on the Financial Statements is not expected to be material.

The Joint Investments in Trust Law (31st Amendment), 2024

On October 2024, an amendment to the Joint Investments in Trust Law, 2024 came into effect, in the matter of monetary funds on fixed dates as well as indirect amendments t the Occupation in Investment Consulting and Investment Portfolio Management Regulation Law, 1995, and in the Securities Law, 1968.

The amendment to the law seeks to make the monetary funds more accessible to the public, and to launch new monetary funds in Israel as part of the "money market". The law establishes rules that will be adapted to the characteristics of the monetary funds, in such a manner that will allow the development of new monetary funds with characteristics more similar to the characteristics of the bank deposits (low risk fund pre-assessed yield and set dates); these funds will allow for a solid and transparent investment in relation to the estimated expected return. In addition, in the indirect amendment made to the Investment Consulting Occupation Regulation Law, options for the brokerage of monetary funds to the pubic for any monetary fund the fixed redemption date of which is up to one year, not just by an investment consultant or investment marketer; this expanded the brokerage option of those funds. In addition, the remuneration model was adapted for the brokers of mutual funds in general and monetary funds in particular. The amendment seeks to develop the competition in the field of money market, and the make those funds accessible to all members of the public regardless of the investment amount and the investor's bargaining capabilities.

Alongside the amendment to the law the Israel Securities Authority and the Stock Exchange published their guidance, which assists in regulating the activity of the existing monetary funds and the launching the new monetary funds; this guidance clarifies, among other things, the manner of operation and implementation required from the Bank.

The Bank is preparing for implementation of the amendment to the law. Implementation of the amendment is not expected to have a material impact on the Bank's Financial Statements.

Privacy Protection Law (Amendment No. 13), 2024

On August 14, 2024, the amendment to the law was published, which will come into force a year after its publication (August 14, 2025). The amendment reflects the immense technological development that took place over the past few years and accordingly revises many of the definitions. The requirement to register the databases was reduced, the requirement to be transparent in dealings with data subjects was expanded, and a mandatory requirement to appointment of a privacy officer was set. The core element of the amendment is the expansion of the enforcement powers of the Israel Privacy Protection Authority, and the increase in severity of the criminal and administrative sanctions, the expansion of the grounds to receive compensation without proving damage, the applicability of administrative sanctions and penalties, and the expansion of the list of criminal offenses.

Supervisor of Banks

Circulars and public reporting directives

Emphasis for the banking system due to the war

On October 12, 2023, the Supervisor of Banks issued a circular regarding emphasis for the banking system due to the war. In this publication, the Supervisor of Banks noted that the system should strive to continue providing professional services that are appropriate and continuous to its customers, and to manage all of the operational and financial risks specific to this period. Based on these targets, the banking system should comply with the following: Board discussions, relief and assistance to customers in meeting obligations, with emphasis on residents of areas under a state of emergency, IDF soldiers currently called up for service and their families, as well as small businesses that have closed or that operate in reduced capacity due to the current situation. Moreover, the banking system is required to increase monitoring of all risk, with regard to diverse aspects including those of capital, liquidity and credit, including adjustment to policy and models for even stricter stress scenarios, and review of the required liquidity level. Furthermore, review is required of appropriateness of risk management measures and tools, while bolstering the control, management and audit mechanisms in all key operations of the bank and credit card issuer. Moreover, the Supervisor of Banks has partially activated the reporting requirements under special circumstances, which help the Supervisor of Banks in analyzing the situation, making appropriate decisions and providing a response to public inquiries. The Supervisor of Banks also indicated that the banking system should prepare for increased attempts and cyber attacks against the system.

Throughout the war, the Bank of Israel issued supervisory emphasis regarding handling of debt and public reporting. The key emphasis is as follows:

- Division into two circles. The first circle includes the following customer group: Those residing up to 30 kilometers from the Gaza Strip, those evacuated from their homes by an official entity, as of the issue date of this outline, those who are immediate relatives of those killed, kidnapped or missing in this war and those called up for reserve military duty and those called up under Directive 8. The second circle includes all other bank customers. On December 26, 2023 an update was made to the population of the first group so that it would include the accounts of those kidnapped or missing, accounts of siblings of those kidnapped or missing and accounts of those who took part at the NOVA party in Re'im. On April 24, 2024, adjustments were made to the first group population.
- For borrowers affected by the war, the Supervisor of Banks encourages banking corporations to act so as to allow flexibility in loan repayment for such borrowers.
- Debt in arrears – debt with no payments in arrears upon the outbreak of this war shall not be reported as debt in arrears if payments are not in arrears pursuant to revised terms and conditions of such debt. Otherwise, the status of arrears should be reset to what it was at the outbreak of this war and should be frozen for the duration of payment deferment.
- Problematic debts and accounting write-offs – the banking corporation should exercise discretion when classifying debt as problematic.
- Public disclosure – the banking corporation should provide disclosure for borrower debt affected by the war and subject to revised repayment arrangements, as noted above.
- Provision for credit losses – inclusion of the anticipated impact of Operation Swords of Iron as of soon before publication of the financial statements, should the Bank have additional information about further anticipated impact of the war. The estimated provision would be adjusted for such additional information.

- Disclosure on the Report of the Board of Directors and Management – this should reflect the major effects of the war on the Bank with regard to results and risks.
- Credit risk disclosure on the Report of the Board of Directors and Management – this disclosure shall include material developments in credit risk by operating segment and by economic segment, highlighting sectors subject to increased risk due to the war.
- On December 26, 2023, the Bank of Israel issued an expansion of the outline for assisting customers of banks and of credit card issuers, *inter alia:* Extending the validity of the current outline by a further three months, through March 31, 2024, for two demographics in first group and in the second group, and referring to the deferral of payments of consumer and business loans:
  - Customers who had not deferred payments pursuant to the outline would be entitled to defer payments for three months, subject to filing an application.
  - Customers who had already deferred payments for three months would be entitled to defer payments for a further three months, subject to filing an application, for a total maximum deferment period of six months.
- On April 24, 2024 the Bank of Israel published an additional extension of 3 months to the outline, to June 30, 2024.
- On September 19, 2024, the Bank of Israel published a further (and fifth) 3-month extension to the outline to the end of December 2024, which made adjustments to the first group population.

On November 12, 2023, the Bank of Israel sent a letter to banking corporations regarding capital planning and dividend distribution policy, requesting them to review their dividend distribution policy and share buy-back in the coming period, and to advise the Supervisor of Banks of the outcome of such review.

Adjustments to Proper Conduct of Banking Business Directives for addressing the war (Interim Directive)

Due to the war started on October 7, 2023 and its implications for the Israeli economy, and in order to assist the banking system and its customers to address this challenging situation, the Supervisor of Banks issued a range of relief measures included in this interim directive.

Proper Conduct of Business Banking Directive 251 – the adjustments to this directive are designed to allow banks and credit card companies the business flexibility required at this time, in order to provide relief to customers affected by the state of war. This interim directive shall be revised from time to time as required. The steps taken include adjustments to addressing public complaints, management of credit facilities in checking accounts, adjustments regarding E-banking due to the many customers called up for reserve military service or required to evacuate their homes, extension of the period allowed for providing financial data and currency of financial reports, relief in conducting rotations and contiguous time off, extension of dates in procedures for extending residential mortgages, relief on limitations on extending residential mortgages, management of AML and terror financing risk and so forth.

On February 4, 2024 some of the reliefs in Provision 251 were extended to March 31, 2024, with the exception of a continuous vacation in effect until April 30, 2024.

On June 30, 2024 most of the reliefs in Provision 251 were not extended, with the exception of the reliefs on the subject of restrictions on issuing residential mortgages (Provision 329), some of the reliefs given on the subject of money laundering and terror financing prohibition risks (Provision 411) and reliefs in the matter of simplifying agreements for customers (Provisions 449) and in the Banking Rules (Customer Service), full disclosure and delivering documents. The provisions and amendments will be in effect until December 31, 2024.

On October 30, 2024, the Bank of Israel published a circular, which updates Provision 251 and seeks to extend the period set in Provision 311 regarding management of credit risk, in which a report shall be deemed to be up-to-date.

On December 20, 2023, the Supervisor of Banks issued relief with regard to the leverage ration (Proper Conduct of Banking Business Directive 218), such that relief provided in Interim Directive 250 was included in Directive 218 and was extended through December 31, 2025.

Proper Conduct of Banking Business Directive 203 regarding "Measurement and capital adequacy – standard approach – credit risk" – it has been clarified that increase in LTV above 80% for loans designated for land purchase for development or construction, due to interest accrued through December 31, 2023 due to any grace period granted after October 7, 2023 would not be accounted for in the LTV calculation.

The Bank is implementing the directives. Application of this directive has no material impact on the Bank's financial statements.

Publication of Interest Rates on Deposits and on Account Credit Balances

On May 20, 2024, the Supervisor of Banks issued a circular establishing Proper Conduct of Banking Business Directive 447, which establishes rules and a uniform structure for the presentation of information on interest rates on deposits and on credit balances in the account. In accordance with the directive, banks will present in a single publication the interest rates in the accepted types of deposits, as set in the directive, and in addition will present the interest rates in other types of deposits they offer. The directive establishes an obligation to offer customers a search mechanism that will allow them to receive focused information on the types of deposits offered.

The directive comes into effect April 1, 2025. The Bank is preparing to implement the directive. Application of the directive is not expected to have any material impact on the Bank's financial statements.

Capital Measurement and Adequacy – Operational Risk

On June 19, 2024, the Bank Supervisor published a circular that updates Proper Bank Management Directive 206, on calculating operating risk in accordance with the terms of the Basel Agreement from December 2017.

The amendments to the directive come into effect on January 1, 2026. The banks must gather loss data for 2024-2025 as close as possible to the manner required by the directive. The Bank is preparing to implement the directive. Application of the directive is not expected to have any material impact on the Bank's financial statements.

Principles for the Effective Management of Climate-Related Financial Risks

On June 17, 2024, the Bank Supervisor published an update to Proper Bank Management Directive 345 concerning guidelines for the effective management of climate-related financial risks. In accordance with the circular, it was decided to defer the start date of the directive. The directive will come into effect starting June 12, 2026 (in lieu of the original date, June 12, 2025).

Model risk management

On August 21, 2024, the Supervisor of Banks issued a circular establishing Proper Conduct of Banking Business Directive 369 regarding model risk management. The directive describes the key aspects of effective management of model risks; it supersedes the letter issued by the Supervisor of Banks on the subject of October 17, 2010.

The directive will come into effect a year after its publication date, and its includes guidance as to the inventory of existing models and their validation. The Bank is preparing to implement the directive. Application of this directive has no material impact on the Bank's financial statements.

Banking Rules (Customer Service) (Fees)

On July 31, 2024, the Supervisor of Banks issued a circular, which includes explanatory notes to revisions to the banking rules. Among other things, the circular revised the definition of a “small business” and the structure of several fees.

The revisions to the fees rules will come into effect 6 months from the date on which the amendment is published in the official gazette. The Bank is preparing to implement the directive. Application of this directive has no material impact on the Bank's financial statements.

Bank's credit rating

On August 5, 2024, Midroog Ltd. (created in partnership with Moody's International, which owns a 51% equity stake) (hereinafter: "Midroog") left the Bank ratings unchanged. Long-term deposits and senior debt of the Bank are rated Aaa.il / Stable outlook.

Contingent subordinated notes with contractual loss-absorption provisions (CoCo), which qualify as Tier II equity in conformity with provisions of Basel III, are rated Aa3.il (hyb) with a stable outlook.

On October 9, 2024, S&P GLOBAL RATINGS MAALOT LTD (hereinafter: "Maalot") approved the Bank's issuer rating of ilAAA/Negative Outlook.

Contingent subordinated notes with contractual loss-absorption provisions (CoCo), which qualify as Tier II equity in conformity with provisions of Basel III, are rated ilAA- by Maalot.

In recent months all three international rating agencies downgraded the State of Israel’s credit rating, which, in turn, led to the downgrading of the Bank’s credit rating:

On October 9, 2024, rating agency S&P Global Ratings (hereinafter: "S&P") downgraded the long-term issuer credit rating from A- to BBB+. The agency ratified the Bank’s short-term issuer credit rating of A-2. Negative rating outlook. In addition, the agency rated the contingent subordinated notes with loss-absorption provisions which qualify as Tier II equity, at BBB-. This series was issued by the Bank on April 7, 2021 by international private placement to institutional investors.

On November 13, 2024, the rating agency Fitch Ratings (hereinafter - “Fitch”) affirmed the Bank’s Long-Term Issuer Default Rating (IDR) at A- with a negative outlook and Short Term IDR at F1. The rating of the CoCo notes, which include a loss absorption mechanism is BBB.

On October 1, 2024, Moody's rating agency (hereinafter: “Moody’s”) downgraded the Bank’s long-term deposit rating from A3 to Baa1. Negative rating outlook. The agency ratified the Bank’s short-term deposit rating of P-2.

The current rating of the State of Israel is as follows:

S&P rates the State of Israel at a rating of A (Negative Outlook).

Fitch rates the State of Israel at a rating of A (Negative Outlook).

Moody’s rates the State of Israel at a rating of Baa1 (Negative Outlook).

For more information about the impact of the lowering of the State of Israel’s credit rating, see Note 9 to the Financial Statements.

Operating segments

For extensive information about supervisory operating segments, see chapter "Corporate governance, audit, other information about the Bank and its management" of the 2023 financial statements.

Appendix 1 – Revenue rates and interest expenses of the Bank and subsidiaries thereof[1]

Reported amounts (NIS in millions)

A. Average balances and interest rates – assets

	For the three months ended September 30, 2024			For the three months ended September 30, 2023		
	Average balance[2]	Interest revenues	Revenue rate	Average balance[2]	Interest revenues	Revenue rate
			in %			in %
Interest-bearing assets						
Loans to the public[3]						
In Israel	328,041	[7]5,816	7.09	308,702	[7]4,995	6.47
Outside of Israel	10,318	225	8.72	7,896	186	9.42
Total	**338,359**	**6,041**	**7.14**	**316,598**	**5,181**	**6.55**
Loans to the Government						
In Israel	360	5	5.56	534	5	3.75
Outside of Israel	38	-	-	69	2	11.59
Total	**398**	**5**	**5.03**	**603**	**7**	**4.64**
Deposits with banks						
In Israel	1,822	16	3.51	1,700	15	3.53
Outside of Israel	116	1	3.45	937	-	-
Total	**1,938**	**17**	**3.51**	**2,637**	**15**	**2.28**
Deposits with central banks						
In Israel	55,305	501	3.62	63,626	635	3.99
Outside of Israel	24,091	329	5.46	17,298	245	5.67
Total	**79,396**	**830**	**4.18**	**80,924**	**880**	**4.35**
Securities borrowed or purchased in resale agreements						
In Israel	371	4	4.31	26	-	-
Outside of Israel	-	-	-	-	-	-
Total	**371**	**4**	**4.31**	**26**	**-**	**-**
Bonds held to maturity and available for sale[4]						
In Israel	17,011	177	4.16	12,213	112	3.67
Outside of Israel	2,079	35	6.73	1,091	16	5.87
Total	**19,090**	**212**	**4.44**	**13,304**	**128**	**3.85**
Bonds held for trading[5]						
In Israel	1,817	12	2.64	[11]2,384	13	2.18
Outside of Israel	-	-	-	-	-	-
Total	**1,817**	**12**	**2.64**	**2,384**	**13**	**2.18**
Total interest-bearing assets	**441,369**	**7,121**	**6.45**	**416,476**	**6,224**	**5.98**
Receivables for credit card operations	4,918			3,811		
Other non-interest bearing assets[6]	22,907			[11]17,901		
Total assets	**469,194**			**438,188**		
Total interest-bearing assets attributed to overseas operations	**36,642**	**590**	**6.44**	**27,291**	**449**	**6.58**

See footnotes below.

Appedix 1 – Revenue rates and interest expenses of the Bank and subsidiaries thereof (1) – Continued

Reported amounts (NIS in millions)

A. Average balances and interest rates – liabilities and equity

	For the three months ended September 30, 2024			For the three months ended September 30, 2023		
	Average balance(2)	Interest expenses (revenues)	Expense (revenue) rate	Average balance(2)	Interest expenses (revenues)	Expense (revenue) rate
			in %			in %
Interest-bearing liabilities						
Deposits from the public						
In Israel						
On-call	33,162	333	4.02	31,317	280	3.58
Term deposits	238,974	2,748	4.60	222,414	2,480	4.46
Outside of Israel						
On-call	474	-	-	452	-	-
Term deposits	15,427	221	5.73	10,987	158	5.75
Total	**288,037**	**3,302**	**4.59**	**265,170**	**2,918**	**4.40**
Deposits from the Government						
In Israel	32	1	12.50	27	1	14.81
Outside of Israel	-	-	-	-	-	-
Total	**32**	**1**	**12.50**	**27**	**1**	**14.81**
Deposits from banks						
In Israel	2,115	19	3.59	6,697	17	1.02
Outside of Israel	4	-	-	226	-	-
Total	**2,119**	**19**	**3.59**	**6,923**	**17**	**0.98**
Securities loaned or sold in re-purchase agreements						
In Israel	-	-	-	-	-	-
Outside of Israel	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Bonds and subordinated notes						
In Israel	39,030	627	6.43	36,410	324	3.56
Outside of Israel	-	-	-	-	-	-
Total	**39,030**	**627**	**6.43**	**36,410**	**324**	**3.56**
Other liabilities						
In Israel	2,361	16	2.71	(11)3,833	5	0.52
Outside of Israel	-	-	-	-	-	-
Total	**2,361**	**16**	**2.71**	**3,833**	**5**	**0.52**
Total interest-bearing liabilities	**331,579**	**3,965**	**4.78**	**312,363**	**3,265**	**4.18**
Non-interest bearing deposits from the public	78,283			74,772		
Payables for credit card transactions	4,030			5,712		
Other non-interest bearing liabilities(8)	23,460			(11)17,313		
Total liabilities	**437,352**			**410,160**		
Total equity instruments	**31,842**			**28,028**		
Total liabilities and equity instruments	**469,194**			**438,188**		
Interest spread			**1.67**			**1.80**
Net return(9) on interest-bearing assets						
In Israel	404,727	2,787	2.75	389,185	2,668	2.74
Outside of Israel	36,642	369	4.03	27,291	291	4.27
Total	**441,369**	**3,156**	**2.86**	**416,476**	**2,959**	**2.84**
Total interest-bearing liabilities attributed to overseas operations	**15,905**	**221**	**5.56**	**11,665**	**158**	**5.42**

See footnotes below.

Interest Revenues and Expenses Rates – of the Bank and its Subsidiaries[(1)] – Continued

Reported amounts (NIS in millions)

A. Average balances and interest rates – assets – Continued

	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
	Average balance[(2)]	Interest revenues	Revenue rate	Average balance[(2)]	Interest revenues	Revenue rate
			in %			in %
Interest-bearing assets						
Loans to the public[(3)]						
In Israel	320,896	(7)16,053	6.67	304,626	(7)14,944	6.54
Outside of Israel	9,582	655	9.11	7,337	490	8.90
Total	**330,478**	**16,708**	**6.74**	**311,963**	**15,434**	**6.60**
Loans to the Government						
In Israel	389	15	5.14	443	12	3.61
Outside of Israel	42	3	9.52	76	6	10.53
Total	**431**	**18**	**5.57**	**519**	**18**	**4.62**
Deposits with banks						
In Israel	1,412	36	3.40	2,582	67	3.46
Outside of Israel	132	3	3.03	259	2	1.03
Total	**1,544**	**39**	**3.37**	**2,841**	**69**	**3.24**
Deposits with central banks						
In Israel	60,179	1,648	3.65	66,117	1,821	3.67
Outside of Israel	21,841	896	5.47	16,159	617	5.09
Total	**82,020**	**2,544**	**4.14**	**82,276**	**2,438**	**3.95**
Securities borrowed or purchased in resale agreements						
In Israel	264	9	4.55	91	3	4.40
Outside of Israel	-	-	-	-	-	-
Total	**264**	**9**	**4.55**	**91**	**3**	**4.40**
Bonds held to maturity and available for sale[(4)]						
In Israel	15,735	496	4.20	12,811	301	3.13
Outside of Israel	1,801	89	6.59	1,128	46	5.44
Total	**17,536**	**585**	**4.45**	**13,939**	**347**	**3.32**
Bonds held for trading[(5)]						
In Israel	2,335	34	1.94	(11)1,904	14	0.98
Outside of Israel	-	-	-	-	-	-
Total	**2,335**	**34**	**1.94**	**1,904**	**14**	**0.98**
Total interest-bearing assets	**434,608**	**19,937**	**6.12**	**413,533**	**18,323**	**5.91**
Receivables for credit card operations	4,785			4,074		
Other non-interest bearing assets[(6)]	21,097			(11)15,862		
Total assets	**460,490**			**433,469**		
Total interest-bearing assets attributed to overseas operations	**33,398**	**1,646**	**6.57**	**24,959**	**1,161**	**6.20**

See footnotes below.

Interest Revenues and Expenses Rates – of the Bank and its Subsidiaries[(1)] – Continued

Reported amounts (NIS in millions)

A. Average balances and interest rates – liabilities and equity – Continued

	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
	Average balance[(2)]	Interest expenses (revenues)	Expense (revenue) rate	Average balance[(2)]	Interest expenses (revenues)	Expense (revenue) rate
			in %			in %
Interest-bearing liabilities						
Deposits from the public						
In Israel						
On-call	33,268	1,012	4.06	32,942	715	2.89
Term deposits	235,090	7,822	4.44	213,009	6,727	4.21
Outside of Israel						
On-call	466	-	-	444	-	-
Term deposits	12,781	519	5.41	8,996	367	5.44
Total	**281,605**	**9,353**	**4.43**	**255,391**	**7,809**	**4.08**
Deposits from the Government						
In Israel	45	2	5.93	45	2	5.93
Outside of Israel	-	-	-	-	-	-
Total	**45**	**2**	**5.93**	**45**	**2**	**5.93**
Deposits from banks						
In Israel	3,116	67	2.87	7,211	74	1.37
Outside of Israel	3	-	-	75	-	-
Total	**3,119**	**67**	**2.86**	**7,286**	**74**	**1.35**
Securities loaned or sold in re-purchase agreements						
In Israel	-	-	-	-	-	-
Outside of Israel	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Bonds and subordinated notes						
In Israel	37,180	1,397	5.01	34,945	1,141	4.35
Outside of Israel	-	-	-	-	-	-
Total	**37,180**	**1,397**	**5.01**	**34,945**	**1,141**	**4.35**
Other liabilities						
In Israel	3,057	57	2.49	[(11)]3,664	11	0.40
Outside of Israel	-	-	-	-	-	-
Total	**3,057**	**57**	**2.49**	**3,664**	**11**	**0.40**
Total interest-bearing liabilities	**325,006**	**10,876**	**4.46**	**301,331**	**9,037**	**4.00**
Non-interest bearing deposits from the public	78,089			81,364		
Payables for credit card transactions	4,942			5,554		
Other non-interest bearing liabilities[(8)]	21,589			[(11)]18,127		
Total liabilities	**429,626**			**406,376**		
Total equity instruments	**30,864**			**27,093**		
Total liabilities and equity instruments	**460,490**			**433,469**		
Interest spread			**1.65**			**1.91**
Net return[(9)] on interest-bearing assets						
In Israel	401,210	7,934	2.64	388,574	8,492	2.91
Outside of Israel	33,398	1,127	4.50	24,959	794	4.24
Total	**434,608**	**9,061**	**2.78**	**413,533**	**9,286**	**2.99**
Total interest-bearing liabilities attributed to overseas operations	**13,250**	**519**	**5.22**	**9,515**	**367**	**5.14**

See footnotes below.

Interest Revenues and Expenses Rates – of the Bank and its Subsidiaries[(1)] – Continued

Reported amounts (NIS in millions)

B. Average balances and interest rates – Further information about interest-bearing assets and liabilities attributed to operations in Israel

	For the three months ended September 30, 2024			For the three months ended September 30, 2023		
	Average balance[(2)]	Interest revenues (expenses)	Revenue (expense) rate	Average balance[(2)]	Interest revenues (expenses)	Revenue (expense) rate
			in %			in %
Israeli currency – non-linked						
Total interest-bearing assets	299,907	4,202	5.60	[(11)]292,757	4,239	5.79
Total interest-bearing liabilities	220,331	(2,165)	(3.93)	[(11)]212,653	(1,932)	(3.63)
Interest spread			**1.67**			**2.16**
Israeli currency – linked to the CPI						
Total interest-bearing assets	85,683	2,047	9.56	[(11)]82,043	1,267	6.18
Total interest-bearing liabilities	53,471	(1,024)	(7.66)	50,244	(543)	(4.32)
Interest spread			**1.90**			**1.85**
Foreign currency (including Israeli currency linked to foreign currency)						
Total interest-bearing assets	19,137	282	5.89	14,385	269	7.48
Total interest-bearing liabilities	41,872	(555)	(5.30)	37,801	(632)	(6.69)
Interest spread			**0.59**			**0.79**
Total – operations in Israel						
Total interest-bearing assets	404,727	6,531	6.45	389,185	5,775	5.94
Total interest-bearing liabilities	315,674	(3,744)	(4.74)	300,698	(3,107)	(4.13)
Interest spread			**1.71**			**1.80**

See footnotes below.

Interest Revenues and Expenses Rates – of the Bank and its Subsidiaries[1] – Continued

Reported amounts (NIS in millions)

B. Average balances and interest rates – Further information about interest-bearing assets and liabilities attributed to operations in Israel – Continued

	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
	Average balance[2]	Interest revenues (expenses)	Revenue (expense) rate	Average balance[2]	Interest revenues (expenses)	Revenue (expense) rate
			in %			in %
Israeli currency – non-linked						
Total interest-bearing assets	300,381	12,532	5.56	[11]291,844	12,042	5.50
Total interest-bearing liabilities	222,678	(6,329)	(3.79)	[11]206,606	(5,162)	(3.33)
Interest spread			**1.77**			**2.17**
Israeli currency – linked to the CPI						
Total interest-bearing assets	83,714	4,897	7.80	[11]80,787	4,323	7.13
Total interest-bearing liabilities	49,991	(2,256)	(6.02)	48,179	(1,902)	(5.26)
Interest spread			**1.78**			**1.87**
Foreign currency (including Israeli currency linked to foreign currency)						
Total interest-bearing assets	17,115	862	6.72	15,943	797	6.67
Total interest-bearing liabilities	39,087	(1,772)	(6.04)	37,031	(1,606)	(5.78)
Interest spread			**0.67**			**0.88**
Total – operations in Israel						
Total interest-bearing assets	401,210	18,291	6.08	388,574	17,162	5.89
Total interest-bearing liabilities	311,756	(10,357)	(4.43)	291,816	(8,670)	(3.96)
Interest spread			**1.65**			**1.93**

See footnotes below.

Interest Revenues and Expenses Rates – of the Bank and its Subsidiaries[(1)] – Continued

Reported amounts (NIS in millions)

C. Analysis of changes to interest revenues and expenses

	For the three months ended September 30, 2024 compared to the three months ended September 30, 2023			For the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023		
	Increase (decrease) due to change[(10)]			Increase (decrease) due to change[(10)]		
	Volume	Price	Net change	Volume	Price	Net change
Interest-bearing assets						
Loans to the public						
In Israel	343	478	821	814	295	1,109
Outside of Israel	53	(14)	39	153	12	165
Total	**396**	**464**	**860**	**967**	**307**	**1,274**
Other interest-bearing assets						
In Israel	(35)	(30)	(65)	(101)	121	20
Outside of Israel	96	6	102	258	62	320
Total	**61**	**(24)**	**37**	**157**	**183**	**340**
Total interest revenues	**457**	**440**	**897**	**1,124**	**490**	**1,614**
Interest-bearing liabilities						
Deposits from the public						
In Israel	208	113	321	738	654	1,392
Outside of Israel	62	1	63	149	3	152
Total	**270**	**114**	**384**	**887**	**657**	**1,544**
Other interest-bearing liabilities						
In Israel	(52)	368	316	(87)	382	295
Outside of Israel	-	-	-	-	-	-
Total	**(52)**	**368**	**316**	**(87)**	**382**	**295**
Total interest expenses	**218**	**482**	**700**	**800**	**1,039**	**1,839**

(1) Information in these tables is after the effect of hedging derivative instruments.

(2) Based on balance at start of month (in Israeli currency – non-linked segment: based on daily balances).

(3) Before deduction of average balance sheet balance of provisions for credit losses. Includes impaired debt not accruing interest revenues.

(4) From the average balance of bonds available for sale, for the three-month periods ended September 30, 2024 and September 30, 2023, and for the nine-month periods ended September 30, 2024 and September 30, 2023, we deducted / added the average balance of unrealized gains (losses) from adjustment to fair value of bonds available for sale, included in equity under Cumulative Other Comprehensive Income, under "Adjustments with respect to presentation of securities available for sale at fair value", amounting to NIS (345) million, NIS (555) million, NIS (305) million and NIS (593) million, respectively.

(5) From the average balance of bonds held for trade, for the three-month periods ended September 30, 2024 and September 30, 2023, and for the nine-month periods ended September 30, 2024 and September 30, 2023, we deducted / added the average balance of unrealized gains from adjustment to fair value of bonds held for trade amounting to NIS (116) million, NIS 18 million, NIS (86) million and NIS 13 million, respectively.

(6) Includes derivative instruments, other non-interest bearing assets, net of provision for credit losses.

(7) Commissions amounting to NIS 121 million, NIS 88 million, NIS 380 million and NIS 295 million were included in interest revenues for the three-month periods ended September 30, 2024 and 2023 and for the nine-month periods ended September 30, 2024 and 2023, respectively.

(8) Includes derivative instruments.

(9) Net return – net interest revenues divided by total interest-bearing assets.

(10) The change attributed to change in volume was calculated by multiplying the new price and the change in volume. The change attributed to change in price was calculated by multiplying the old volume and the change in price.

(11) Reclassified.

Glossary and index of terms included on the financial statements

Below is a summary of terms used on the financial statements:

Terms with regard to risk management and capital adequacy at the Bank

B	**Basel – Basel II / Basel III** – A framework for assessment of capital adequacy and risk management, published by the Basel Committee on Bank Supervision.
C	**Counter-party credit risk** – The risk that the other party to a transaction would be in default before final settlement of cash flows in the transaction.
	CVA – Credit Valuation Adjustment – CVA is the component of the fair value of a derivative, which accounts for the credit risk of the counter-party to the transaction. CVA risk is the risk of loss from revaluation to market value due to expected counter-party risk for over-the-counter (OTC) derivatives. This means loss due to impairment of fair value of derivatives, due to increase in counter-party credit risk (such as: lowered rating).
E	**EVE – Economic Value of Equity** – The economic value approach to analysis and estimation of the effect of changes in interest rates on the fair value of assets, liabilities and off-balance sheet positions of the Bank.
I	**ICAAP – Internal Capital Adequacy Assessment Process** by the Bank. The process includes, *inter alia*, setting capital targets, capital planning processes and review of the status of capital under diverse stress scenarios. This process is part of Pillar 2 of the Basel II directive.
L	**Loan To Value Ratio (LTV)** – The ratio between the approved facility when extended and the asset value.
	LGD (Loss Given Default) – Loss rate from credit should the customer go into default.
M	**Minimum capital ratio** – The ratio represents the minimum supervisory capital ratios which the Bank is required to maintain, pursuant to requirements set forth in Proper Conduct of Banking Business Directive 201.
P	**Pillar 2** – The second pillar of the Basel II document, referring to the supervisory review process. This part consists of the following underlying principles: The Bank shall conduct an ICAAP process, as defined above. The banking supervision shall conduct a process to assess the bank's capital adequacy assessment process, to review the bank's capacity to monitor and comply with supervisory capital ratios. The bank is expected to operate above the minimum capital ratios specified.
	Pillar 3 – The third pillar of the Basel II document, designed to promote market discipline by developing a set of disclosure requirements that would allow market participants to assess the capital, risk exposure and risk assessment processes, and accordingly – to assess the bank's capital adequacy.
	PD (Probability of Default) – Probability (in percent) of a borrower going into default within a specified time.
S	**Standard approach** – An approach used to calculate the required capital with respect to credit risk, market risk or operational risk. Calculation of capital allocation is conducted according to a formula based on supervisory assessment components, as specified by the Supervisor of Banks.
	Supervisory capital (total capital) – Supervisory capital consists of two tiers: Tier I capital, which includes Tier I equity and additional Tier I capital and Tier II capital. As defined in Proper Conduct of Banking Business Directive 202 "Capital measurement and adequacy – Supervisory capital".
	Subordinated notes – Obligatory notes whose rights are subordinated to claims by other Bank creditors, except for other obligatory notes of the same type.
	Stress tests – Term covering multiple methods designed to assess the financial standing of a banking corporation under a stress scenario.
R	**Risk assets** – Composed of credit risk, operating risk and market risk, calculated using the standard approach, as set forth in Proper Conduct of Banking Business Directives 201-211.
	Risks document – A document which concisely presents the Bank's risk profile, in order to allow the Board of Directors to monitor action taken by management and to ensure that such action is in line with the risk appetite and with the risks management framework approved by the Board of Directors. The risks document is reported and presented to the Board of Directors quarterly.
V	**VAR –** A model used to estimate total exposure to diverse market risks. The VAR (Value at Risk) obtained by the model is a statistical estimate of the maximum expected loss for the Bank due to materialization of market risks factors in a given time period at a pre-determined statistical confidence level.

Terms with regard to banking and finance

A	**Active market** – Market where transactions in an asset or liability are conducted with sufficient frequency and volume to provide regular information about pricing of assets and liabilities.
	Average duration – Average duration of bonds. Measured in years, by weighting principal and interest payments for the bond over time, through final maturity. The average duration of bonds reflects sensitivity of the financial instrument to changes in interest rates. Average duration is calculated as the ratio of weighted average payments to price of the bond.
B	**Bonds** – Securities which are issuer obligations to pay to bond holders the issued principal and interest upon set dates or upon fulfillment of certain conditions.
D	**Derivative instrument** – A financial instrument or contract whose value changes in response to changes in the price of the underlying asset (a financial instrument, physical asset, index, credit rating or other underlying asset), requires a small or minimal initial investment, compared to other contract types, and is expected to be settled on a future date.
	Debt secured by collateral – Non-accruing debt expected to be repaid by realizing collateral provided to secure such debt.
	Debt under special supervision – Debt under special supervision is debt with potential weaknesses that require special attention from Bank management. If such weaknesses are not addressed, the likelihood of debt repayment may deteriorate.
F	**Financial instrument** – A contract that creates a financial asset for one entity and a financial liability or capital instrument for another entity.
I	**Inferior debt** – Inferior debt is debt insufficiently secured by collateral or by debtor repayment capacity, and for which the Bank may incur a loss if faults are not corrected, including debt over NIS 700 thousand which is 60-89 days in arrears.
	Indebtedness – On- and off-balance sheet credit, as defined in Proper Conduct of Banking Business Directive 313.
N	**Non-accruing debt** – Debt reviewed on individual basis where it is expected that the banking corporation would not be able to collect all amounts due and principal and interest payments in conformity with contractual terms and conditions of the debt agreement. Debt reviewed on individual basis is categorized as non-accruing in any case where principal or interest is in arrears over 90 days straight, unless the debt is well secured and is in collection proceedings.
O	**Off-balance sheet credit** – Contracting for providing credit and guarantees (excluding derivative instruments).
P	**Problematic debt** – Debt classified under one of the following negative classifications: special supervision, inferior or non-accruing.
R	**Recorded debt balance** – The debt balance, including recognized accrued interest, un-amortized premium or discount, net deferred commissions or net deferred costs charged to the debt balance and not yet amortized, net of any debt amount subject to accounting write-off.
S	**Syndication** – Loan extended jointly by a group of lenders.

Terms with regard to regulatory directives

ABC	**FATCA – Foreign Accounts Tax Compliance Law** – The US Foreign Accounts Tax Compliance Law stipulates mandatory reporting to the US tax authority (IRS) of accounts held by US persons with foreign financial institutions (outside the USA).
	LCR – Liquidity Coverage Ratio – Defined as the ratio of High Quality Liquid Assets and net cash outflow for the next 30 days, under a stress scenario. This ratio is a measure of the Bank's capacity to meet its liquidity needs for the coming month.

MIZRAHI TEFAHOT

www.mizrahi-tefahot.co.il

HEAD OFFICE

7 Jabotinsky Street,
P.O.Box 3450, Ramat Gan 5252007, Israel
Tel. 03-7559000, Fax. 03-7559210
BIC: MIZBILIT

Trading in Financial Markets Sector

7 Jabotinsky Street,
P.O.Box 3450, Ramat Gan 5252007, Israel
Tel. 03-7559178, Fax. 03-7559029

Marketing & Business Development Division

7 Jabotinsky Street,
P.O.Box 3450, Ramat Gan 5252007, Israel
Tel. 03-7559260 Fax. 03-7559270

Trade Finance& International Activity

13 Abba Hillel Silver Street
Lod 7129463, Israel
Tel. 076-8043910, Fax. 08-9579484

Tel -Aviv Principal Business Center

105 Allenby Street,Tel Aviv 6513444
Tel. 076-8040610 Fax. 03-5600606
BIC: MIZBILITTLV

INTERNATIONAL PRIVATE BANKING CENTERS

Jerusalem:
9 Helene Hamalka Street
Jerusalem 9422105, Israel
Tel. 076-8041200, Fax. 02-6222146

Tel-Aviv:
25 Ben Yehuda Street
Tel-Aviv, 6380701, Israel
Tel. 076-8040780, Fax. 03-5332206

Ashdod:
12 Sderot Yerushalayim Street
Ashdod, 7752305, Israel
Tel. 076-8041020, Fax. 08-8654671

Netanya:
5 Mefi st, Netanya, 4250489
Tel. 076-8041410, Fax. 09-8358800

BRANCHES ABROAD

London Branch:

Mizrahi Tefahot Bank Ltd.
30 Old Broad Street
London EC2N 1HQ, England
Tel. +44 (0) 20-7448-0600
Fax. +44 (0) 20-7448-0610
BIC: MIZBGB2L
www.umtb.co.uk

Los Angeles Branch:

Mizrahi Tefahot Bank Ltd.
633 West 5th Street, Suite 5700
Los Angeles, CA 90071
Tel. +1-213-362-2999, Fax. +1-213-362-2998
info@umtbusa.com
www.umtbusa.com

SUBSIDIARY COMPANIES IN ISRAEL

ETGAR Portfolio Management of Mizrahi Tefahot Bank Ltd.

13 Abba Hillel Silver Street
Lod 7129463, Israel
Tel. 03-5558855
Fax. 08-9747247

Technology Division of Mizrahi Tefahot Ltd.

15 Lincoln St.
Tel Aviv 6713407, Israel
Tel. 03-5634333
Fax. 03-5611342

Mizrahi Tefahot Trust Company Ltd.

13 Abba Hillel Silver Street
Lod 7129463, Israel
Tel. 03-5558877
Fax. 08-9747229

MIZRAHI TEFAHOT LTD.
Head office: 7 Jabotinsky st.
Ramat-Gan, 5252007
www.mizrahi-tefahot.co.il