CONDENSED CONSOLIDATED FINANCIAL REPORTS 3
AS OF 30.09.2025

מזרחי טפחות
MIZRAHI TEFAHOT

People first and foremost

The Israel Securities Authority's MAGNA website also includes the following reports: The condensed financial statements, as well as in XBRL format, a detailed risk management report and additional supervisory information regarding supervisory capital instruments issued by the Bank. In conformity with the Supervisor of Banks' directives, these reports are also available on the Bank website at www.mizrahi-tefahot.co.il/en ▸ financial reports. In accordance with the Equal Rights for Persons with Disabilities (Service Accessibility Adjustments) Regulations, 2013, the website also includes accessible reports.

Bank Mizrahi Tefahot

Condensed quarterly financial statements

As of September 30, 2025

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Bank Mizrahi Tefahot

Report of the Board of Directors and Management

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Condensed Report of the Board of Directors and Management on Financial Statements as of September 30, 2025

Introduction

On October 10, 2025, a ceasefire between Israel and Hamas came into effect, and the living hostages were released on October 13, 2025; however, there is still uncertainty as to the stability of the ceasefire and the continuation of the fighting.

Mizrahi Tefahot Group commiserates with the families of those murdered and of IDF soldiers who lost their life in the war on their profound grief, and sends wishes for a speedy recovery to all those 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 regarding steps taken by the Bank, and the 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 17, 2025, 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, 2025.

The Condensed Financial Statements as of September 30, 2025 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, 2024 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 2025, 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 2024 audited annual financial statements.

Condensed financial information and key performance indicators for the Bank Group

	2025			2024			
	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	3,146	3,093	2,799	2,753	3,156	3,220	2,685
Non-interest financing revenues	57	43	142	143	60	26	345
Commissions and other revenues	627	655	605	595	581	589	568
Total revenues	**3,830**	**3,791**	**3,546**	**3,491**	**3,797**	**3,835**	**3,598**
Expenses due to credit losses	44	56	103	105	130	109	175
Operating and other expenses	1,310	1,323	1,339	1,326	1,289	1,328	1,279
Of which: Payroll and associated expenses	835	857	877	860	847	868	856
Pre-tax profit	2,476	2,412	2,104	2,060	2,378	2,398	2,144
Provision for taxes on profit	935	910	764	700	898	893	835
Net profit(1)	**1,483**	**1,453**	**1,290**	**1,306**	**1,425**	**1,452**	**1,272**

	Nine months		All of
	2025	2024	2024
	NIS in millions		
Statement of profit and loss – key items			
Interest revenues, net	9,038	9,061	11,814
Non-interest financing revenues	242	431	574
Commissions and other revenues	1,887	1,738	2,333
Total revenues	**11,167**	**11,230**	**14,721**
Expenses due to credit losses	203	414	519
Operating and other expenses	3,972	3,896	5,222
Of which: Payroll and associated expenses	2,569	2,571	3,431
Pre-tax profit	6,992	6,920	8,980
Provision for taxes on profit	2,609	2,626	3,326
Net profit(1)	**4,226**	**4,149**	**5,455**

Net profit for the Group in the first nine months of 2025 amounted to NIS 4,226 million, compared to NIS 4,149 million in the corresponding period last year. This profit reflects a 17.2% annualized return on equity, compared to a return on equity of 19.0% in the corresponding period last year.

In the third quarter of 2025, the Group's net profit amounted to NIS 1,483 million, compared to NIS 1,425 million in the corresponding period last year. This profit reflects a 17.6% annualized return on equity, compared to 19.0% in the corresponding period last year, and 18.5% in 2024.

The following major factors affected Group profit in the first nine months of 2025 over the corresponding period last year:

- In the first nine months of 2025, financing revenues from operating activities increased by 1.2% compared to the corresponding period last year. In the first nine months of 2025, total financing revenues decreased by 2.2%, compared to the corresponding period last year, mainly as a result of the effect of the Consumer Price Index, which increased by 1.4% in the first nine months of 2025, compared to an increase of 1.6% in the corresponding period last year, and as a result of the effect of accounting for derivatives at fair value. The financing revenues were also affected by benefits and reliefs granted to customers under the various outlines.
- Expenses with respect to credit losses in the first nine months of 2025 amounted to NIS 203 million, compared to NIS 414 million in the corresponding period last year. The decrease in expenses with respect to credit losses compared to the corresponding period last year arises from a decrease in individual provisions and from a decrease in the collective provision in respect of the war in the first nine months of the current year. However, in view of the level of uncertainty in the economy, which remained high, the amount of the balance-sheet balance of the provision for credit losses still remained high.

(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.

	As of						
	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
	NIS in millions						
Balance sheet – key items							
Total assets	525,389	517,287	498,029	485,643	472,379	461,684	450,683
Loans to the public, net	391,875	376,672	364,384	357,981	348,314	337,698	330,487
Cash and deposits with banks	68,478	78,885	87,194	82,644	79,342	85,912	84,653
Securities	45,375	39,704	29,412	28,491	30,829	25,370	23,466
Buildings and equipment	1,940	1,906	1,879	1,852	1,705	1,612	1,575
Deposits from the public	421,487	417,394	399,275	393,383	385,119	373,579	365,371
Bonds and subordinated notes	41,358	36,332	41,890	36,916	36,408	39,578	35,776
Deposits from banks	2,926	2,497	1,902	2,599	1,816	2,433	3,603
Shareholders' equity(1)	33,965	33,114	32,094	31,292	30,408	29,464	28,578

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

- Total assets as of September 30, 2025 amounted to NIS 525.4 billion, an increase by NIS 53.0 billion (a 11.2% increase) compared to September 30, 2024.
- Loans to the public, net as of September 30, 2025 amounted to NIS 391.9 billion, an increase of NIS 43.6 billion, (a 12.5% increase) compared to September 30, 2024.
- Deposits from the public as of September 30, 2025 amounted to NIS 421.5 billion, an increase by NIS 36.4 billion (a 9.4% increase) compared to September 30, 2024.
- Shareholders' equity as of September 30, 2025 amounted to NIS 34.0 billion, an increase by NIS 3.6 billion (a 11.7% increase), compared to September 30, 2024. 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)

	2025			2024			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Key performance benchmarks							
Net profit return on equity[(1)(2)]	17.6	17.8	16.2	16.9	19.0	19.9	18.1
Net profit return on risk assets[(1)(2)(3)]	1.78	1.81	1.66	1.71	1.93	2.05	1.84
Return on average assets[(2)]	1.14	1.14	1.05	1.09	1.22	1.27	1.13
Deposits from the public to loans to the public, net	107.6	110.8	109.6	109.9	110.6	110.6	110.6
Ratio of Tier I equity to risk components	10.14	10.41	10.37	10.40	10.43	10.44	10.60
Leverage ratio[(4)]	6.01	6.03	6.03	6.04	6.01	5.99	5.99
Liquidity coverage ratio (Quarterly)[(5)]	131	135	139	135	127	131	139
Net stable funding ratio[(6)]	112	112	113	113	113	113	114
Ratio of revenues to average assets[(2)]	2.94	2.99	2.88	2.92	3.25	3.36	3.20
Cost-income ratio – operating expenses to total revenues[(7)] (Cost Income Ratio)	34.2	34.9	37.8	38.0	33.9	34.6	35.5
Basic net earnings per share (in NIS)	5.71	5.60	4.98	5.05	5.52	5.62	4.93
Key credit quality benchmarks							
Ratio of balance of provision for credit losses to total loans to the public	0.98	1.06	1.11	1.14	1.17	1.20	1.22
Ratio of non-accruing debts or debts in arrears 90 days or longer to loans to the public	1.05	1.07	1.12	1.21	1.24	1.14	1.11
Expenses with respect to credit losses to loans to the public, net for the period[(2)]	0.04	0.06	0.11	0.12	0.15	0.13	0.21
Net accounting write-offs as percentage of average loans to the public[(2)]	0.17	0.13	0.15	0.17	0.10	0.08	0.16
Other information							
Share price (in NIS) at end of quarter	217.9	219.5	166.5	157.6	145.5	130.8	140.0
Dividends per share (in Agorot)[(8)]	279	199	202	221	225	197	81
Ratio of net interest revenues to average assets[(2)]	2.41	2.44	2.28	2.30	2.70	2.82	2.39
Ratio of commissions to average assets[(2)]	0.43	0.46	0.43	0.44	0.44	0.45	0.45

	Nine months		All of
	2025	2024	2024
Key performance benchmarks			
Net profit return on equity[(1)(2)]	17.2	19.0	18.5
Net profit return on risk assets[(1)(2)(3)]	1.75	1.93	1.87
Return on average assets[(2)]	1.11	1.21	1.18
Ratio of revenues to average assets[(2)]	2.94	3.27	3.17
Cost-income ratio – operating expenses to total revenues[(7)] (Cost Income Ratio)	35.6	34.7	35.5
Basic net earnings per share (in NIS)	16.29	16.07	21.12
Key credit quality benchmarks			
Expenses with respect to credit losses to loans to the public, net for the period[(2)]	0.07	0.16	0.14
Net accounting write-offs as percentage of average loans to the public[(2)]	0.14	0.11	0.13
Other information			
Dividends per share (in Agorot)[(8)]	680	503	724
Ratio of net interest revenues to average assets[(2)]	2.38	2.64	2.55
Ratio of commissions to average assets[(2)]	0.44	0.45	0.44

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 dividend per share is calculated based on the amount of the dividend actually distributed in the reporting period.

Key risks

As part of the Bank's risk mapping process, the list of major risks was specified as follows:
Credit and concentration risks, financial risks that include liquidity risk, market and interest risks, compliance and regulatory risk, operational risks including IT risk, information and cyber security risk, legal risk, human capital risk, model risk and other risks mitigated as part of business management at the Bank, such as: Reputational risk, climate and environmental risks, strategic business risk and business and geopolitical environment 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 2024 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
On June 4, 2025 the Bank’s Board of Directors approved a new three-year strategic plan for 2025-2027 (hereinafter - the “Plan Period”), which is based on the following objectives:

- Establishing the Bank Group’s position as a leading bank among households by making efforts in the following areas: Maintaining the Bank’s leadership in the mortgage market while introducing product and process innovation and leveraging the Bank’s prominent position in this market to increase synergies with commercial operations; expanding operations among target populations, including through credit products and dedicated deposits.
- Positioning the Bank as a key player in business banking by leading large and complex transactions; leading transactions for the financing of national infrastructure projects, expanding the Bank’s existing business activity and its activity in other business sectors in Israel.
- Providing personal banking services by human representatives, who are supported by advanced digital technology, based on a multi-channel approach that maintains continuous service availability while optimally combining various digital channels and personal banking services provided by humans in accordance with the customer’s choices and needs.
- Timely adaptation of the operation model to the challenges of the future and maintaining operational efficiency (the ratio between operating expenses and total revenues) by making efforts in the following areas: Relocating and concentrating the Bank’s HQ on a central campus in Lod; optimizing the deployment of the branches and the utilization of real estate assets used by the branches; further automation of operational processes and removing responsibility thereto from the branches.

The strategic plan is designed to achieve the following objectives:
- To achieve in 2025-2027 a return on net profit attributable to shareholders to average shareholders’ equity of 17% to 18% on average.
- To achieve growth in banking operations in order to increase the Bank’s market shares in credit from 21.5% at the end of 2024 to 23% to 24% by the end of the Plan Period; in business credit in Israel from 11.7% at the end of 2024 to 15% to 16% by the end of the Plan Period; in deposits from 18.4% at the end of 2024 to 20% to 21% by the end of the Plan Period.
- Maintaining high level of operational efficiency, such that the average operational efficiency ratio in 2025-2027 will not exceed 35%.

The new strategic plan stipulates that the Board of Directors shall monitor the execution of the new strategic plan, in order to examine a potential increase of the dividend rate (which stands at up to 40% under the current dividend policy), to up to 50% of net profit attributable to the Bank’s shareholders. This, subject to the Bank’s compliance with the Tier I capital to risk components ratio, as required under the Supervisor of Banks’ directives, maintaining an appropriate safety buffer and subject to the Supervisor of Banks’ approval.

It should be noted that in accordance with the aforementioned dividend policy, the Bank may buy-back Bank shares (subject to the above), all in accordance with the Board of Directors’ resolutions regarding this matter, as passed from time to time, and subject to the provisions of the law. Buy-back of Bank shares, as noted above, shall be considered a "distribution", as defined in the Companies Law, 1999, and as such it would reduce any dividend amount to be distributed by the Bank pursuant to the dividend policy, all in accordance with the Board of Directors’ resolutions regarding this matter, as passed from time to time.

For further details regarding the strategic plan and the assumptions, facts and data the plan relies upon, which may not materialize or materialize in a different manner and therefore cause the new strategic plan not to materialize or materialize in a different manner (”Forward-looking information protection”), see immediate report of June 5, 2025 (Ref. No.: 2025-01-040290).

Developments in capital structure

Investments in Bank capital and transactions in Bank shares

On March 23, 2025, 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 2025. See Note 17 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.

For more information see chapter "Analysis of developments in assets, liabilities, equity and capital adequacy" below.

Issuance of subordinated 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 May 4, 2023, the Bank published a shelf prospectus for issuance of bonds. On August 20, 2025, Tefahot Issuance also published a shelf prospectus for issuance of bonds dated August 21, 2025. These prospectuses are valid for two years, with an optional extension by a further one year. On April 27, 2025, the Bank received the approval of the Securities Authority to extend its shelf prospectus by one additional year until May 4, 2026.

As of September 30, 2025, total bonds and subordinated notes amounted to NIS 41.4 billion, compared to NIS 36.9 billion as of December 31, 2024.

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, 2025, amounted to NIS 6.1 billion, compared to NIS 5.7 billion as of December 31, 2024.

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 January 29, 2025, Tefahot Issuance issued to the public Bonds (Series 52 - by way of expansion) with par value of approx. NIS 2.5 billion and Commercial Papers (Series 4) with par value of approx. NIS 2.3 billion. The total proceeds received amounted to NIS 4.8 billion.

On July 17, 2025, Tefahot Issuance issued to the public Bonds (Series 63 - by way of expansion) with par value of approx. NIS 1.9 billion, contingent subordinated notes (CoCo) (Series 71 - by way of expansion) with par value of approx. NIS 0.7 billion and Commercial Papers (Series 5) with par value of approx. NIS 2.0 billion. The total proceeds received amounted to NIS 4.5 billion.

Significant developments in management of business operations

Banking reliefs and benefits for Bank customers

During 2025, the Bank adopted two support outlines by the Bank of Israel in view of the Iron Swords War and the war with Iran.

The Bank of Israel's support outline for those adversely affected by the Iron Swords War, which was launched immediately after the outbreak of the war, was discontinued in March 2025, having been extended 6 times. For further information about the Bank of Israel's support outline, see the chapter Corporate governance, audit, other information about the Bank and its management.

Furthermore, in order to assist Bank customers to get through this challenging period, the Bank decided to offer a range of solutions to provide support and relief to Bank customers, at a scope which is substantially wider than the basis set by the Supervisor of Banks, including, among other things, support to reservists, special benefits to mortgage holders, who are residents of the north, refurbishment, and the setting up the Orange.Israel platform. which allows businesses and tradesmen from conflict zones to advertise their businesses.

For details of the benefits see the "significant developments in management of business operations" chapter of the 2024 annual financial statements.

As from May 2025, customers who serve as reservists, are given a benefit in the form of NIS 100 thousand interest and linkage-free mortgage, when they take out a new mortgage with respect of one apartment.

Following the conflict with Iran (Operation "Rising Lion"), the Bank of Israel published a dedicated support outline, which was also adopted by the Bank and was discontinued on July 31, 2025.

Voluntary consumer relief outline

In March 2025, the Bank of Israel announced a voluntary consumer relief outline for customers of the banking system. Under the outline, during 2025-2026 the banks will provide reliefs and monetary refunds to retail banking customers; this will be implemented by each bank in accordance with the plan it prepared, at a total amount of NIS 1.5 billion per year and NIS 3 billion for the entire plan period (two years) for the entire banking system.

As from April 1, 2025, the Bank has in place a dedicated consumer plan for households and small businesses comprising several benefits pertaining to management of current accounts and mortgages. The plan constitutes the voluntary consumer outline initiated by the Supervisor of Banks. The Bank's plan for the second and third quarters of 2025 consists of several components, as follows:

- Interest payable on credit balance in the account: The Bank gives private customers and small businesses annual interest of 2% on credit balances of up to NIS 30,000 in current accounts (to customers with average balance of funds available for investment of up to NIS 100,000, including credit balance in current account, deposits, savings and securities).
- A NIS 500 quarterly grant to mortgage holders: This benefit will be available to households, which took from the Bank a mortgage to acquire a single property (not for investment purposes), whose value - as of the loan provision date - was lower than NIS 2.5 million, LTV higher than 60% and debt service ratio of more than 30%.
- "We've got the overdraft": Private customers, who have both a mortgage and a current account overdraft facility with Mizrahi-Tefahot would be exempt from paying interest on their overdraft up to the monthly mortgage repayment amount of NIS 6,000, whichever is lower.
- Reduction of the interest payable on debit balance in credit facilities: Private customers and small businesses shall benefit from a 3% reduction in the interest payable on debit balances in their credit facilities and current loan accounts.
- "No interest overdraft": A benefit for private customers, which includes a monthly offsetting mechanism between the credit and debit balances in the account; this enables the customer not to pay interest on their overdraft up to a maximum offset amount of NIS 10,000 per day.
- Benefits for certain populations against the backdrop of the Iron Swords War: Reservists in active service, households and small businesses located near the conflict zones in the south and the north, and Bank customers, who are first-degree relatives of people who lost their life in the war or of hostages held in Gaza will be eligible to an exemption from account management fees and 0% interest on amounts utilized out of current account credit facilities (NIS 10,000 to private customers and NIS 30,000 to owners of small businesses).

The Bank will reassess the benefits every quarter and may revise or renew them at its discretion.

The total cost, which will be included in the financial statements upon utilization of the benefits in respect of this outline, amounts to approximately NIS 600 million for two years, of which NIS 149 million were recorded through September 30, 2025.

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.

Set forth below are data regarding the benefits provided by the Bank to its customers under the Bank of Israel's 2025 outline and in respect of the Iron Swords War (NIS in millions):

	Residen -tial	Private individuals – other	Small and micro busines-ses	Medium and large busines_ ses	Total	For the nine months ended September 30, 2025	2024
	For the three months ended September 30, 2025						
A. Benefits provided to the public							
A1. Amounts of benefits charged to statement of profit and loss in the reporting period:							
Interest benefits through changes in credit terms(1)	4	13	12	-	29	69	48
Other interest benefits with respect to credit(2)	21	-	-	-	21	47	18
Interest benefits on on-call deposits	-	21	3	-	24	51	-
Waiver of commissions(3)	-	3	1	-	4	8	46
Charitable donations	-	1	-	-	1	1	13
Total	**25**	**38**	**16**	**-**	**79**	**176**	**125**
Of which: Under the Bank of Israel's 2025 outline (voluntary outline):							
Interest benefits through changes in credit terms(1)	-	13	11	-	24	52	-
Other interest benefits with respect to credit(2)	19	-	-	-	19	40	-
Interest benefits on on-call deposits	-	21	3	-	24	51	-
Waiver of commissions(3)	-	3	1	-	4	6	-
Total	**19**	**37**	**15**	**-**	**71**	**149**	**-**
A2. Estimated amounts of benefits which have not yet been charged to the statement of profit and loss as of the report date(4):	**308**	**260**	**72**	**-**	**640**	**640**	**168**

Additional information about activities to benefit borrowers during wartime

	Residen-tial	Private individuals – other	Small and micro busines -ses	Medium busines -ses	Large busines -ses	Total	For the nine months ended September 30, 2025	2024
	For the three months ended September 30, 2025							
B.1.a. Total credit whose terms changed during the reporting period								
Change in terms for borrowers in financial difficulties	-	-	1	-	-	1	2	8
Change in terms for borrowers not in financial difficulties:	1,368	95	299	3	18	1,783	4,230	22,366
Total credit	**1,368**	**95**	**300**	**3**	**18**	**1,784**	**4,232**	**22,374**

	Residen-tial	Private individuals – other	Small and micro busines-ses	Medium busines-ses	Large busines-ses	Total	As of June 30, 2025	As of December 31, 2024
	As of September 30, 2025							
Balance of loans with changes in terms for borrowers in financial difficulties	-	1	13	4	-	18	18	28
Balance of loans with changes in terms for borrowers not in financial difficulties:							-	
Credit with interest waiver	150	10	70	-	-	230	88	-
Credit in deferral of payments and/or the extension of the period in which the deferral period had not yet ended	584	212	128	-	18	942	598	5,543
Of which: Problematic credit	7	1	1	-	-	9	6	117
Of which: Non-problematic credit, in arrears 30 days or longer	-	-	-	-	-	-	2	2
Payment amounts deferred	33	21	25	-	1	80	62	232
Average payment deferment by months	5	2	8	-	4	5	5	6
Credit with other change in terms	-	-	-	-	-	-	-	-
Total	**734**	**223**	**211**	**4**	**18**	**1,190**	**704**	**5,571**
Additional information on change in terms for borrowers not in financial difficulties:								
Balance of credit in which the payment deferral has ended	25,640	475	1,802	113	23	28,053	28,431	27,554
Of which: Debts defaulted after changes in terms	923	12	94	8	-	1,037	735	578
B2. Balance of extended loans as of the report date, which bear no interest or reduced interest[7]								
Credit balance	183	130	951	206	-	1,470	1,534	1,742

(1) Including by waiving interest on receivables and by deferral of loan repayments.

(2) Including by providing loans which bear no interest or reduced interest and by providing interest grants/refunds in respect of credit provided in periods prior to the outline.

(3) Including provision of grants/refunds in respect of commissions.

(4) The estimated amounts of benefits which have not yet been charged to the statement of profit and loss as of the report date reflect the amounts, which the Bank expects will be charged in the future in respect of the adoption of the outlines, including the costs of the voluntary outline over two years.

(5) Credit, whose terms changed during the reporting period, also includes credit whose repayment was deferred again during the reporting period

(6) Including deferral of payments without interest during the deferral period. If the repayment of debt was deferred again, the cumulative deferral period is presented. The deferral of payments does not include a deferral to which the borrower is entitled by law.

(7) Including loans extended under State-guaranteed funds and/or funded by the Bank of Israel.

C. Special payment to the state due to the war

For details on tax expenses due to the “Special Payment for the Achievement of Budgetary Goals Law (Temporary Order – Iron Swords), 2024”, see Note 17 to the Financial Statements.

Significant developments in human resources and administration

Changes to the Bank Board of Directors

For more information regarding the reappointment of Mr. Gilad Rabinovich as an external director in the Bank for a further (third) three (3)-year term in office, see chapter "Corporate governance, audit, other information about the Bank and its management".

For more information regarding the reappointment of Mr. Joseph Fellus as an external director in the Bank for a further (third) three (3)-year term in office, see the "Corporate governance, audit, other information about the Bank and its management" chapter.

Changes in Bank management

On May 20, 2025, the Bank's Board of Directors approved the CEO's recommendation to appoint Mr. Meir Aharoni, as VP, the Bank's Chief Information Officer (CIO) and CEO of Mizrahi Tefahot's Technology Division, further to Ms. Ayala Hakim's notice - of April 24, 2025 - regarding her wish to terminate her service and leave the Bank. Mr. Aharoni's term in office started on July 1, 2025.

Other matters

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

General environment and impact of external factors on the Bank Group

Effects of the war

During the third quarter of 2025, the Israeli economy continued to operate in an environment of high geopolitical uncertainty due to the fighting in Gaza. The signing of the ceasefire agreement with Hamas in the south front at the beginning of October 2025 led to subsidence in the level of geopolitical uncertainty; however, uncertainty remains high in view of the concerns that the terms of the agreement might not be complied with and the challenges pertaining to the implementation of its later stages. The effects of the war are mainly evident on the supply side, in view of the continued shortage of workers, while on the demand side private spending has recovered. The deficit has gradually subsided throughout 2025 and was stable during the third quarter of the year.
The end of Operation "Rising Lion" and the ceasefire agreement in the south front led to a significant decrease in Israel's risk premium; however, this premium is still higher than its level before the outbreak of the Iron Swords War.

If fighting is renewed, the Israeli economy, financial markets and the banking system may be adversely affected.

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, which remained unchanged despite the improvement in economic parameters and in the security situation, and despite the fact that no material changes were observed in the various risk benchmarks against the backdrop of the geopolitical uncertainty. The Bank will continue assessing the risk assessments in the forthcoming quarters.

For more information see chapter "Risks Overview" below, as well as the Report of the Board of Directors and the Risks Report for 2024.

For more information about banking reliefs and 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 2024 Report of the Board of Directors and Management.

Developments in the Israeli and global economy in 2025

Israeli economy

During the first nine months of 2025, economic activity in Israel was still affected by developments in the Iron Swords War. In June, Operation "Rising Lion" caused a GDP contraction; however, in the third quarter, after the end of the operation, economic activity in Israel recovered, and economic indicators point to growth in levels of domestic production, exports and demand. The intensification in fighting in August led to an increase in uncertainty levels. The signing of the ceasefire agreement with Hamas in the south front at the beginning of October 2025 led to subsidence in the level of geopolitical uncertainty; however, uncertainty remains high in view of the fragility of the agreement and the challenges pertaining to the implementation of its later stages.

Despite the gradual recovery in economic activity, activity levels are still lower than pre-war levels. The effects of the war are mainly evident on the supply side, in view of the continued shortage of workers due to the mobilization of reservists and the ban on the entry of Palestinian workers, although steps taken by the government to increase the availability of foreign workers in the construction sector alleviated the shortage of workers to some extent. On the demand side, private consumption, which was adversely affected in the first months of the war, has recovered and reached a level which is higher than pre-war levels. A combination of demand side constraints and the recovery of demand in the Israeli economy caused the inflation rate to be higher than the upper bound of the Bank of Israel's target throughout most of the year. Weaker supply side constraints throughout the year caused the inflation rate to be within the Bank of Israel's target range during the third quarter. The end of Operation and the ceasefire agreement in the south front led to a significant decrease in Israel's risk premium and a rally in domestic share indices, a decline in yields on bonds of the Israeli government and an appreciation in the shekel's exchange rate.

Non-financial developments

In the first nine months of 2025, the GDP in Israel grew by an annual rate of 2.8%, further to an annual growth of 1.0% in 2024. In 2025, the GDP growth rate exhibited significant quarter-to-quarter fluctuations: An annual growth rate of 4.8% in the first quarter, annual contraction of 4.3% in the second quarter, and an annual growth of 12.4% in the third quarter against the backdrop of the economy's recovery from the effects of Operation "Rising Lion". In the third quarter, GDP was 2.8% higher than pre-war levels, with significant variance between components of the GDP: Private spending is 7% higher than its pre-war level, but - on the other hand - levels are still low compared to pre-war levels of investment in property, plant and equipment (2% lower) and exports (1% lower).

The broad unemployment rate (ages 15 and older, original data) stood at 3.9% in September 2025, which is identical to the December 2024 level, whereas the number of vacancies is higher than pre-war levels.

According to a forecast by the Bank of Israel's Research Division of September 2025, GDP in Israel is expected to grow by 2.5% in 2025. The average broad unemployment rate in 2025 (persons aged 25-64) is expected to be 3.4%.

Inflation and exchange rates

In the first nine months of this year, the Consumer Price Index (CPI "in lieu") increased by 2.2%, compared to a 3.4% increase in the corresponding period last year. During the 12 months ending September 2025, the CPI increased by 2.5% reaching the upper bound of the Bank of Israel's target range of 1% to 3%. Expectations in the capital market for the next 12 months are at around the middle of the Bank of Israel's target range.

During the first nine months of the year, the shekel's exchange rate experienced volatility, and at the end of this period the shekel was appreciated by 9.4% against the dollar and devalued by 2.2% against the Euro.

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

	September 30, 2025	December 31, 2024	Change in %
Exchange rate of:			
USD (in NIS)	3.306	3.647	(9.4)
EUR (in NIS)	3.881	3.796	2.2

On November 11, 2025, the USD/NIS exchange rate was 3.217 – a 2.7% appreciation compared to September 30, 2025. On that date, the EUR/NIS exchange rate was 3.723 - a 4.1% appreciation compared to September 30, 2025.

Monetary policy

In early January 2024, the Bank of Israel cut its interest rate from 4.75% to 4.50%. However, the Bank of Israel interest rate remained unchanged in view of high geopolitical uncertainty and the inflation rate, which was above the upper bound of the target range over most of the period. In the interest decision of September 2025 the Committee noted that interest rates will be determined in accordance with economic activity and fiscal policy, inflation's meeting its goal and the continued stability of financial markets.

Fiscal policy

In the first nine months of 2025, the Government budget recorded a NIS 56.2 billion cumulative deficit, compared to a NIS 93.2 billion cumulative deficit in the corresponding period last year. The deficit rate as percentage of GDP in the 12 months ended in September 2025 was 4.7%, and government spending increased by 4.4% compared to the corresponding period last year. At the end of September, the Knesset approved raising the deficit cap for 2025 to 5.2%, compared to 4.9% prior to the approval of the additional budget.
In accordance with the forecast of the Bank of Israel's Research Division of September 2025, the deficit to GDP ratio is expected to be 5.1% in 2025.

The State of Israel's credit rating

During 2024, the rating agency S&P downgraded the credit rating of the State of Isarel from AA- (pre-war level) to A with a negative outlook. 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.

During 2024, the rating agency Moody's downgraded the credit rating of the State of Isarel by three notches from A1 (pre-war level) to Baa1 with a negative outlook.

During 2024, the rating agency S&P downgraded Israel's credit rating from A+ (pre-war level) to A, with a negative outlook.

During January 2025 and following the subsidence of fighting in the south and the ceasefire in the north, the international rating agencies published revised reviews regarding the Israeli economy. According to the reviews, the mitigation of the security risks increases Israel's economic potential; however, at this stage no changes were made to the credit rating and the outlook, mainly due to the potential future effects of the war and the need to wait for a stabilization of the security situation.

The credit rating agencies maintain Israel's credit rating unchanged with a negative outlook, and an emphasis on geopolitical risks. At the beginning of March 2025, the rating agency Fitch published a rating action, which affirmed the A+ credit rating with a negative outlook. According to the agency, the mitigation of the security risks increases Israel's economic potential; however, at this stage no changes were made to the credit rating and the outlook, mainly due to the potential future effects of the war.

On May 9, 2025 the S&P rating agency announced that it was affirming the credit rating of the State of Isarel at A with a negative outlook. In its statement, the agency noted that despite the stability of Israel's economy, the risks arising from the continued fighting with Hamas, Iran and its proxies remain high. The agency warned from a further downgrading of the rating if in the next couple of years the war will adversely affect the growth of GDP or the fiscal stability.

On July 7, 2025 the credit rating agency Moody's affirmed Israel's credit rating at Baa1 with a negative rating outlook. The agency noted that Israel demonstrated economic robustness despite the ongoing war. However, concerns as to an increase in the national debt and the geopolitical risks led to the agency's leaving the rating unchanged.

On October 16, 2025 the credit rating agency Moody's affirmed Israel's credit rating at Baa1 with a negative rating outlook. As part of its review, the rating agency noted that the ceasefire agreement has a positive effect on Israel's rating, but the implementation of the next stages will be difficult to achieve.

On November 7, 2025, the rating agency S&P reaffirmed the State of Israel's credit rating at A and upgraded its rating outlook from negative to stable. The agency noted that the ceasefire agreement triggered the subsidence of security tensions in the region which it expects will support the recovery of the Israeli economy.

On October 30, 2025, the rating agency Fitch upgraded the rating outlook of the five largest banks in Israel from "negative" to "stable" and affirmed the rating at A-. The upgrade reflects the banks' tenacity in navigating the challenges Israel faced since the beginning of the war, and the reduced risks in the banking system.

Residential construction and the mortgage market

According to data from the Central Bureau of Statistics, the number of apartments sold in the first nine months of 2025 (new and second-hand apartments, original data) amounted to approx. 68.4 thousand, an 11.8% decrease compared to the corresponding period last year and an 18.0% increase compared to the corresponding period in 2023. The decline in the number of property purchase transactions may have been affected by restrictions placed by the Supervisor of Banks in March 2025 on sales of apartments, in which payment is deferred, and on financing of loans by developers.

In the first nine months of 2025, residential mortgages extended to the public amounted to NIS 78.8 billion, compared to NIS 64.5 billion in the corresponding period last year and NIS 55.4 billion in the corresponding period in 2023 – an increase by 22.1% and 42.1%, respectively.

In accordance with data from the Central Bureau of Statistics, owned house prices during the 12 months ended August 2025 increased by 0.7%, compared to a 7.3% increase in 2024 and a 1.7% decrease in 2023.

Capital market

In the third quarter of 2025, the trading trend in key indices on Israeli equity markets was positive, similar to the trend on stock exchanges in the USA and globally.

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

	2025			2024			
Index	**Third quarter**	**Second quarter**	**First quarter**	**Fourth quarter**	**Third quarter**	**Second quarter**	**First quarter**
Tel-Aviv 35	8.2	22.4	1.0	12.8	7.0	(1.3)	7.8
Tel-Aviv 125	7.5	23.6	0.8	14.6	8.4	(4.4)	8.3
Tel-Aviv 90	5.0	26.3	(0.6)	19.6	13.3	(12.9)	10.9

Average daily trading volume in equities and convertible securities in the third quarter of 2025 was NIS 3.8 billion, compared to NIS 2.0 billion in the corresponding period last year. Average daily trading volume in the first nine months of 2025 was NIS 3.3 billion, compared to NIS 2.1 billion in the corresponding period last year. In 2024, the average daily trading volume amounted to NIS 2.2 billion.

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

	2025			2024			
Index	**Third quarter**	**Second quarter**	**First quarter**	**Fourth quarter**	**Third quarter**	**Second quarter**	**First quarter**
All-Bond general	1.6	2.7	0.4	2.7	2.4	(0.9)	0.6
Government bonds, CPI-linked	1.8	2.7	(0.6)	2.0	3.2	(2.3)	(0.5)
Government bonds, non-linked	1.2	2.8	0.9	3.2	1.8	(1.5)	(0.5)
Tel-bond 20	2.2	3.0	0.2	2.4	2.5	(1.0)	1.5
Tel-bond 40	2.0	2.8	0.3	1.8	2.7	(0.1)	1.6

Global economy

In 2025, global economy growth has subsided slightly compared to recent years. This was due to high uncertainty levels as a result of an increase in tariffs between the USA and its trade partners, which led to growing concerns regarding a decline in international trade, a slowdown in global economic growth and a global increase in inflation.
According to the IMF's forecast of October 2025, global GDP growth in 2025 is expected to amount to 3.2% compared to 3.3% in 2024.
Since the beginning of the second quarter of 2025, the United States signed new trade deals with some of its trade partners, including the European Union, the UK and Japan. However, there is still uncertainty as to trade deals with other countries and the effect of those deals on the global economy.

The US administration has been shut down since the beginning of October 2025 due to the Congress's failure to pass budget legislation for the new fiscal year. Consequently, the provision of non-essential services of the administration was disrupted and the publication of economic data was delayed. The USA's economy expanded at an annualized rate of 1.1% in the first half of 2025, following growth of 2.8% in 2024 and growth of 2.9% in 2023. This in light of an increase in private and public spending and exports. The Purchasing Manager index in the services sector indicated a declining expansion over the first nine months of the year, while the Purchasing Manager index in the industrial sector indicated a contraction in most months. The US labor market showed signs of cooling, as the number of new vacancies declined throughout 2025, alongside a decrease in the participation rate and a slight increase in the unemployment rate to 4.3% in August 2025, compared to 4.1% in December 2024. The inflation rate stood at 3.0% in the 12 months ended in September, which is identical to its level in 2024. In September and October 2025, the FED cut interest rates from 4.5% to 4.0%. This decision was made after a cumulative 1.0 percentage point interest rate cut in 2024. During May, the rating agency Moody's downgraded the USA's credit rating due to an increase in federal deficit and debt levels. In July, the US Senate approved a plan comprising the application of lower tax rates, increasing the defense budget and the national debt level.

The GDP in the Euro Zone in the first nine months of 2025 increased at an annualized rate of 1.5%, compared to 0.8% growth in 2024 and 0.5% growth in 2023. The Purchasing Manager Index in industry sectors indicated an improvement in the first nine months of 2025, whereas the Purchasing Manager Index in service sectors indicated a slow expansion. The inflation rate stood at 2.2% in the 12 months ended in September, which reflects a decrease compared to a rate of 2.4% in 2024. In light of the cooling of the inflation rate and in order to support the economic activity, the monetary interest rate on deposits in the Euro Zone dropped by 2.0 percentage points from the second half of 2024 to a rate of 2.0% in April 2025, and has not changed since then.

China's economy grew in the third quarter of 2025 at a rate of 4.8%, further to growth of 5.2% in the second quarter and growth of 5.0% in 2024. In the third quarter, GDP was affected by expansion in exports and investments. In view of the imposition of mutual tariffs by China and the USA, the Chinese government announced a number of measures in order to support the economy, such as an increase in the minimum wage and support to businesses.

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

	2025			2024			
Index	**Third quarter**	**Second quarter**	**First quarter**	**Fourth quarter**	**Third quarter**	**Second quarter**	**First quarter**
Dow Jones	5.2	5.0	(1.3)	0.5	8.2	(1.7)	5.6
S&P 500	7.8	10.6	(4.6)	2.1	5.5	3.9	10.2
NASDAQ 100	8.8	17.6	(8.3)	4.7	1.9	7.8	8.5
DAX	(0.1)	7.9	11.3	3.0	6.0	(1.4)	10.4
FTSE 100	6.7	2.1	5.0	(0.8)	0.9	2.7	2.8
CAC	3.0	(1.6)	5.6	(3.3)	2.1	(8.9)	8.8
Nikkei	11.0	13.7	(10.7)	5.2	(4.2)	(2.0)	20.6

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 reputation. 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, the consumer environment, the regulatory environment and 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 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.

Changes to risk assessment and to the Bank's risk profile are set forth below in chapter "Risks overview".

For more information regarding the State of Israel’s credit rating, see the chapter “Developments in the Israeli and global economy in 2025” 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 2024 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 2025, 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 2025 amounted to NIS 4,226 million, compared to NIS 4,149 million in the corresponding period last year – an increase by 2%. This profit reflects a 17.2% annualized return on equity, compared to a return on equity of 19.0% in the corresponding period last year.

Group net profit in the third quarter of 2025 amounted to NIS 1,483 million, compared to NIS 1,425 million in the corresponding period last year – an increase by 4%. This reflects a 17.6% annualized return on equity, compared to 19.0% in the corresponding period last year and 18.5% in 2024.

Analysis of developments in revenues, expenses and other comprehensive income

Net interest revenues and non-interest financing revenues[(1)] from current operations in the first nine months of 2025 as detailed below amounted to NIS 8,480 million, compared to NIS 8,383 million in the corresponding period last year - a 1.2% increase.

Net interest revenues and non-interest financing revenues[(1)] **from current operations** in the third quarter of 2025 as described below amounted to NIS 2,822 million compared to NIS 2,816 million in the corresponding period last year - a 0.2% increase.

Net interest revenues and non-interest financing revenues[(1)] in the first nine months of 2025 amounted to NIS 9,280 million, compared to NIS 9,492 million in the corresponding period last year, a decrease of 2.2%.

Net interest revenues and non-interest financing revenues[(1)] in the third quarter of 2025 amounted to NIS 3,203 million, compared to NIS 3,216 million in the corresponding period last year, a 0.4% decrease.

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

	2025			2024				Change rate in %
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter	Third quarter of 2025 to third quarter of 2024
Interest revenues, net	3,146	3,093	2,799	2,753	3,156	3,220	2,685	
Non-interest financing revenues[(1)]	57	43	142	143	60	26	345	
Total financing revenues	**3,203**	**3,136**	**2,941**	**2,896**	**3,216**	**3,246**	**3,030**	**(0.4)**
Net of:								
Effect of the Consumer Price Index	347	323	60	(13)	439	494	88	
Revenues from interest collected with respect to problematic debts	13	11	11	14	13	13	8	
Gains from bonds and shares	37	55	38	49	16	16	44	
Other effects[(2)]	(16)	(82)	3	(7)	(68)	(69)	115	
Total effects other than from current operations	**381**	**307**	**112**	**43**	**400**	**454**	**255**	
Total financing revenues from current operations	**2,822**	**2,829**	**2,829**	**2,853**	**2,816**	**2,792**	**2,775**	**0.2**

	Nine months		Change rate
	2025	2024	(In %)
Total financing revenues	9,280	9,492	(2.2)
Total effects other than from current operations	800	1,109	
Total financing revenues from current operations	**8,480**	**8,383**	**1.2**

(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 fair value and revenues from early repayment commissions, cost of benefits to customers as part of the various plans, including a voluntary consumer outline of the second quarter of 2025 and one-time effects, if any.

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

	Third quarter			
Operating segment	**2025**	**2024**	**Change amount**	**Change in %**
Private individuals:				
Households – residential mortgages	702	709	(7)	(1.0)
Households – other	972	988	(16)	(1.6)
Private banking	114	104	10	9.6
Total individuals	**1,788**	**1,801**	**(13)**	**(0.7)**
Business operations:				
Small and micro businesses	622	651	(29)	(4.5)
Medium businesses	213	151	62	41.1
Large businesses	380	337	43	12.8
Institutional investors	84	55	29	52.7
Total business activity	**1,299**	**1,194**	**105**	**8.8**
Financial management	(54)	85	(139)	-
Total activity in Israel	**3,033**	**3,080**	**(47)**	**(1.5)**
Overseas activity	170	136	34	25.0
Total	**3,203**	**3,216**	**(13)**	**(0.4)**

	For the nine months ended September 30			
Operating segment	**2025**	**2024**	**Change amount**	**Change in %**
Private individuals:				
Households – residential mortgages	2,103	2,090	13	0.6
Households – other	2,897	2,845	52	1.8
Private banking	334	308	26	8.4
Total individuals	**5,334**	**5,243**	**91**	**1.7**
Business operations:				
Small and micro businesses	1,900	1,935	(35)	(1.8)
Medium businesses	555	475	80	16.8
Large businesses	1,074	994	80	8.0
Institutional investors	217	172	45	26.2
Total business activity	**3,746**	**3,576**	**170**	**4.8**
Financial management	(330)	213	(543)	-
Total activity in Israel	**8,750**	**9,032**	**(282)**	**(3.1)**
Overseas activity	530	460	70	15.2
Total	**9,280**	**9,492**	**(212)**	**(2.2)**

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	**2025**	**2024**	**Change in %**	**2025**	**2024**	**Change in %**
Israeli currency – non-linked	324,362	291,838	11.1	320,676	292,360	9.7
Israeli currency – linked to the CPI	84,141	85,683	(1.8)	84,452	83,714	0.9
Foreign currency (including Israeli currency linked to foreign currency)	29,725	19,137	55.3	24,396	17,115	42.5
Total	**438,228**	**396,658**	**10.5**	**429,524**	**393,189**	**9.2**
Total including activity overseas	**472,223**	**433,300**	**9.0**	**463,118**	**426,587**	**8.6**

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	**2025**	**2024**	**2025**	**2024**
Israeli currency – non-linked	1.66	1.84	1.70	1.99
Israeli currency – linked to the CPI	2.24	1.90	2.01	1.78
Foreign currency	0.55	0.59	0.58	0.68
Total	**1.78**	**1.85**	**1.72**	**1.82**

(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 the overall interest spread was also affected by the lower increase in inflation compared to the corresponding period last year, and to benefits and reliefs in financing terms provided to customers under the voluntary consumer reliefs outline. After deducting the effect of the benefits to customers, the interest spread in the unlinked NIS-denominated segment would have amounted to 1.85% in the third quarter of 2025.

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.

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 203 million in the first nine months of 2025, or an annualized rate of 0.07% of total loans to the public, net, compared to expenses amounting to NIS 414 million in the corresponding period last year – an annualized rate of 0.16% of total loans to the public, net.
Expenses with respect to credit losses for the Group amounted to NIS 44 million in the third quarter of 2025, or an annualized rate of 0.04% of total loans to the public, net, compared to expenses amounting to NIS 130 million in the corresponding period last year – an annualized rate of 0.15% of total loans to the public, net.
The decrease in expenses with respect to credit losses compared to the corresponding period last year arises from a decrease in individual provisions and from a decrease in the collective provision in respect of the war in the first nine months of the current year. However, in view of the level of uncertainty in the economy, which remained high, the amount of the balance-sheet balance of the provision for credit losses still remained high.

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

	Third quarter		Nine months	
	2025	**2024**	**2025**	**2024**
Expenses for credit losses on individual basis				
Increased expenses	79	148	254	384
Decreased expenses	(46)	(91)	(149)	(221)
Total individual expense for credit losses(1)	**33**	**57**	**105**	**163**
Net accounting write-offs(2)	**61**	**40**	**170**	**160**
Expenses for credit losses on group basis				
with respect to residential mortgages	(28)	39	(65)	73
Other	(22)	(6)	(7)	18
Total group expense (revenues) for credit losses	**(50)**	**33**	**(72)**	**91**
Total expenses with respect to credit losses	**44**	**130**	**203**	**414**
Rate of the expenses with respect to credit losses as percentage of total loans to the public, net (annualized)	**0.04%**	**0.15%**	**0.07%**	**0.16%**
Of which: With respect to commercial loans other than residential mortgages	**0.19%**	**0.28%**	**0.23%**	**0.35%**
Of which: with respect to residential mortgages	**(0.05%)**	**0.07%**	**(0.04%)**	**0.04%**
Rate of the expenses with respect to individual provision for credit losses, as percentage of total loans to the public, net (annualized):	**0.03%**	**0.07%**	**0.04%**	**0.06%**

(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):

	Third quarter		Nine months		Rate of expenses with respect to credit losses(1) in the third quarter		Rate of expenses with respect to credit losses(1) for the nine months	
Operating segment	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Private individuals:								
Households – residential mortgages	(28)	39	(65)	73	(0.05)	0.07	(0.05)	0.07
Households – other	61	11	149	85	0.89	0.16	1.09	0.62
Private banking	-	-	-	-	-	-	-	-
Total individuals	**33**	**50**	**84**	**158**	**0.05**	**0.08**	**0.06**	**0.13**
Business operations:								
Small and micro businesses	(18)	19	31	184	(0.21)	0.22	0.18	1.05
Medium businesses	15	17	13	31	0.33	0.56	0.14	0.51
Large businesses	8	(18)	19	(93)	0.06	(0.19)	0.07	(0.48)
Institutional investors	-	1	9	7	-	0.07	0.23	0.26
Total business activity	**5**	**19**	**72**	**129**	**0.02**	**0.08**	**0.13**	**0.28**
Financial management	-	-	1	1	-	-	-	-
Total activity in Israel	**38**	**69**	**157**	**288**	**0.04**	**0.08**	**0.08**	**0.17**
Overseas activity	6	61	46	126	0.19	2.25	0.72	2.33
Total	**44**	**130**	**203**	**414**	**0.04**	**0.15**	**0.10**	**0.24**

(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 2025 amounted to NIS 242 million, compared to NIS 431 million in the corresponding period last year.
Non-interest financing expenses in the third quarter of 2025 amounted to NIS 57 million, compared to NIS 60 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 1,684 million in the first nine months of 2025, compared to NIS 1,532 million in the corresponding period last year – a 9.9% increase.
Commission revenues in the third quarter of 2025 amounted to NIS 561 million, compared to NIS 514 million in the corresponding period last year – an increase by 9.1%.

The increase in commission revenues arises mainly from an increase in activity, mainly with respect to account, securities and foreign currency fees.

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

	Third quarter		Nine months		All of
	2025	**2024**	**2025**	**2024**	**2024**
Account management	111	101	328	292	394
Activities involving securities	86	75	250	210	294
Conversion differences	92	90	279	248	341
Commissions from financing transactions	81	73	279	276	351
Credit cards	72	71	205	202	266
Credit processing(1)	33	34	99	97	131
Other commissions	86	70	244	207	283
Total commissions	**561**	**514**	**1,684**	**1,532**	**2,060**

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

Other revenues in the first nine months of 2025, amounted to NIS 203 million compared to NIS 206 million in the corresponding period last year.
Other revenues in the third quarter of 2025 amounted to NIS 66 million, compared to NIS 67 million in the corresponding period last year.

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

Operating and other expenses in the first nine months of 2025 amounted to NIS 3,972 million, compared to NIS 3,896 million in the corresponding period last year, an increase by 2.0%.

Operating and other expenses in the third quarter of 2025 amounted to NIS 1,310 million, compared to NIS 1,289 million in the corresponding period last year, an increase by 1.6%.

For details by operating expense component, see below.

Payroll and associated expenses in the first nine months of 2025 amounted to NIS 2,569 million, compared to NIS 2,571 million in the corresponding period last year, a decrease of 0.1%.
Payroll and associated expenses in the third quarter of 2025 amounted to NIS 835 million, compared to NIS 847 million in the corresponding period last year – a decrease by 1.4%.
Payroll expenses were affected, among other things, by adjustments to variable remuneration items, due to the financial results.

buildings and equipment maintenance and depreciation expenses In the first nine months of 2025, amounted to NIS 807 million compared to NIS 739 million in the corresponding period last year – a 9.2% increase.
Maintenance and depreciation expenses for buildings and equipment amounted to NIS 278 million in the third quarter of 2025, compared to NIS 246 million in the corresponding period last year – a 13.0% increase.
The increase in expenses was affected from a rise in tariffs and includes one-off expenses.

Other expenses amounted to NIS 596 million in the first nine months of 2025, compared with NIS 586 million in the corresponding period last year – a year-over-year increase by 1.7%.
Other expenses in the third quarter of 2025 amounted to NIS 197 million, compared to NIS 196 million in the corresponding period last year – a 0.5% increase.

Below is Cost-Income Ratio data[1)] (in percentages):

	2025			2024			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Cost Income Ratio	34.2	34.9	37.8	38.0	33.9	34.6	35.5

	First nine months		All of
	2025	2024	2024
Cost Income Ratio	35.6	34.7	35.5

(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 6,992 million in the first nine months of 2025, compared with NIS 6,920 million in the corresponding period last year – an increase by 1.0%. For a detailed explanation, see above.
Pre-tax profit for the Group in the third quarter of 2025 amounted to NIS 2,476 million, compared to NIS 2,378 million in the corresponding period last year, an increase by 4.1%. For a detailed explanation, see above.

the rate of provision for taxes out of profit In the first nine months of 2025, was 37.3%, compared to 37.9% in the corresponding period last year.
In the third quarter of 2025, the rate of provision for taxes out of profit was 37.8%, which is similar to the provision rate in the corresponding period last year.
The rate of provision to taxes from profits was influenced, among other things, from the Special Payment Law to Achieve the Budgetary Targets (Temporary Order – Iron Swords), 2024, which was passed by the Knesset in March 2024 (for details see Note 17 to the Financial Statements).

The Bank's share of post-tax profit of associates – in the first nine months of 2025 the Bank recognized profits with respect to associates amounting to NIS 13 million, compared to NIS 15 million in the corresponding period last year.

The Bank's share in associates' post-tax profits - in the third quarter of 2025 the Bank recognized gains with respect to associates amounting to NIS 2 million, compared to NIS 3 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 first nine months of 2025 amounted to NIS 170 million, compared to NIS 160 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 2025 amounted to NIS 60 million, compared to NIS 58 million in the corresponding period last year.

Net profit attributable to shareholders of the Bank in the first nine months of 2025 amounted to NIS 4,226 million, compared to NIS 4,149 million in the corresponding period last year.

Net profit attributable to shareholders of the Bank in the third quarter of 2025 amounted to NIS 1,483 million, compared to NIS 1,425 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 2025 by NIS 172 million, compared to NIS 69 million in the corresponding period last year.
In the third quarter of 2025, these effects increased the Bank's shareholders' equity by NIS 76 million, compared to a decrease of NIS 79 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 %):

	2025			2024			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net profit return on equity	17.6	17.8	16.2	16.9	19.0	19.9	18.1
Ratio of Tier I equity to risk components at end of quarter	10.14	10.41	10.37	10.40	10.43	10.44	10.60
Liquidity coverage ratio (quarterly)	131	135	139	135	127	131	139
Leverage ratio at end of quarter	6.01	6.03	6.03	6.04	6.01	5.99	5.99

	First nine months		All of
	2025	2024	2024
Net profit return on equity	17.2	19.0	18.5

(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
	2025	2024	2025	2024	2024
Basic earnings per share	5.71	5.52	16.29	16.07	21.12
Diluted earnings per share	5.68	5.49	16.20	16.00	21.02
Dividends per share	279	225	680	503	724

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):

				Change in % compared to	
		September 30	December 31	September 30	December 31
	2025	2024	2024	2024	2024
Total assets	525,389	472,379	485,643	11.2	8.2
Cash and deposits with banks	68,478	79,342	82,644	(13.7)	(17.1)
Loans to the public, net	391,875	348,314	357,981	12.5	9.5
Securities	45,375	30,829	28,491	47.2	59.3
Buildings and equipment	1,940	1,705	1,852	13.8	4.8
Deposits from the public	421,487	385,119	393,383	9.4	7.1
Deposits from banks	2,926	1,816	2,599	61.1	12.6
Bonds and subordinated notes	41,358	36,408	36,916	13.6	12.0
Shareholders' equity	33,965	30,408	31,292	11.7	8.5

Cash and deposits with banks – the balance of cash and deposits with banks decreased in the first nine months of 2025 by NIS 14.2 billion, as part of on-going management of Bank liquidity.

Loans to the public, net – loans to the public, net as of September 30, 2025 accounted for 75% of total assets, compared to 74% at the end of 2024. Loans to the public, net in the first nine months of 2025 increased by NIS 33.9 billion, or 9.5%.

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):

				Change in % compared to	
		September 30	December 31	September 30	December 31
	2025	2024	2024	2024	2024
Israeli currency					
Non-linked	286,041	242,534	253,275	17.9	12.9
CPI-linked	81,694	84,812	84,048	(3.7)	(2.8)
Foreign currency, including linked to foreign currency	24,140	20,968	20,658	15.1	16.9
Total	**391,875**	**348,314**	**357,981**	**12.5**	**9.5**

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

				Change in % compared to	
		September 30	December 31	September 30	December 31
	2025	2024	2024	2024	2024
Private individuals:					
Households – residential mortgages	239,012	218,589	224,114	9.3	6.6
Households – other	27,411	27,337	27,438	0.3	(0.1)
Private banking	151	111	140	36.0	7.9
Total individuals	**266,574**	**246,037**	**251,692**	**8.3**	**5.9**
Business operations:					
Small and micro businesses	34,746	35,170	35,627	(1.2)	(2.5)
Medium businesses	18,316	12,168	14,448	50.5	35.4
Large businesses	51,782	38,767	41,643	33.6	21.7
Institutional investors	7,669	5,350	3,844	43.3	99.5
Total business activity	**112,513**	**91,455**	**95,562**	**23.0**	**17.7**
Overseas activity	12,788	10,822	10,727	18.2	19.2
Total	**391,875**	**348,314**	**357,981**	**12.5**	**9.5**

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, 2025				As of September 30, 2024			
	Commercial	Residential	Individual	Total	Commercial	Residential	Individual	Total
Credit risk at performing credit rating(2)								
On-balance sheet credit risk	123,004	234,180	27,033	384,217	101,086	214,819	26,719	342,624
Off-balance sheet credit risk(3)	87,202	19,352	16,423	122,977	70,566	17,652	15,393	103,611
Total credit risk at performing credit rating	**210,206**	**253,532**	**43,456**	**507,194**	**171,652**	**232,471**	**42,112**	**446,235**
Credit risk other than at performing credit rating								
A. Non-problematic	4,868	3,413	335	8,616	3,685	2,935	341	6,961
B. Problematic accruing	1,027	-	204	1,231	1,360	-	177	1,537
C. Problematic non-accruing	1,374	2,577	72	4,023	2,058	2,106	85	4,249
Total on-balance sheet credit risk other than at performing credit rating	**7,269**	**5,990**	**611**	**13,870**	**7,103**	**5,041**	**603**	**12,747**
Off-balance sheet credit risk(3) other than at performing credit rating	1,962	-	39	2,001	2,020	-	35	2,055
Total credit risk other than at performing credit rating	**9,231**	**5,990**	**650**	**15,871**	**9,123**	**5,041**	**638**	**14,802**
Of which: Accruing debts, in arrears 90 days or longer	94	-	56	150	92	-	52	144
Total credit risk, including risk to the public(4)	**219,437**	**259,522**	**44,106**	**523,065**	**180,775**	**237,512**	**42,750**	**461,037**
Non-performing assets(5)	**1,374**	**2,577**	**72**	**4,023**	**2,058**	**2,106**	**85**	**4,249**

	Credit risk(1)			
	As of December 31, 2024			
	Commercial	Residential	Individual	Total
Credit risk at performing credit rating(2)				
On-balance sheet credit risk	104,601	220,122	26,828	351,551
Off-balance sheet credit risk(3)	77,581	16,732	15,702	110,015
Total credit risk at performing credit rating	**182,182**	**236,854**	**42,530**	**461,566**
Credit risk other than at performing credit rating				
A. Non-problematic	3,956	3,101	350	7,407
B. Problematic accruing	1,339	-	189	1,528
C. Problematic non-accruing	2,027	2,141	83	4,251
Total on-balance sheet credit risk other than at performing credit rating	**7,322**	**5,242**	**622**	**13,186**
Off-balance sheet credit risk(3) other than at performing credit rating	1,293	-	34	1,327
Total credit risk other than at performing credit rating	**8,615**	**5,242**	**656**	**14,513**
Of which: Accruing debts, in arrears 90 days or longer	82	-	63	145
Total credit risk, including risk to the public(4)	**190,797**	**242,096**	**43,186**	**476,079**
Non-performing assets(5)	**2,027**	**2,141**	**83**	**4,251**

(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.

- For further information regarding debts whose payment has been postponed by 180 days or more, which are not classified as problematic, see Note 13.B.1.A to the Financial Statements.

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, 2025 amounted to NIS 523 billion, compared to NIS 476 billion as of December 31, 2024 – an increase by 9.7%.

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, 2025				As of September 30, 2024			
	Commercial	Residential	Individual	Total	Commercial	Residential	Individual	Total
Analysis of quality of loans to the public								
Non-accruing credit as percentage of total loans to the public	1.06	1.07	0.26	1.01	1.94	0.96	0.31	1.20
Non-accruing credit in arrears 90 days or longer as percentage of total loans to the public	1.14	1.07	0.46	1.05	2.03	0.96	0.50	1.24
Problematic credit as percentage of total loans to the public	1.86	1.07	1.00	1.32	3.23	0.96	0.96	1.64
Credit not at performing credit rating as percentage of total loans to the public	5.68	2.49	2.21	3.50	6.75	2.29	2.21	3.62
Analysis of expenses with respect to credit losses for the reporting period[(1)]								
Expenses with respect to credit losses as percentage of average balance of loans to the public	0.13	(0.04)	0.72	0.07	0.33	0.04	0.41	0.16
Net accounting write-offs as percentage of average balance of loans to the public	0.32	-	0.60	0.15	0.24	-	0.55	0.12
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	1.79	0.48	2.61	1.05	2.37	0.56	2.47	1.25
Provision for credit losses as percentage of total loans to the public non-accruing	168.1	44.5	1,002.8	103.7	122.1	58.0	795.3	103.8
Provision for credit losses as percentage of total loans to the public non-accruing or in arrears 90 days or longer	157.3	44.5	564.1	99.9	116.9	58.0	493.4	100.3
Expense rate with respect to credit losses from net accounting write-offs	0.42	-	1.20	0.50	1.43	-	0.77	1.43

	As of December 31, 2024			
	Commercial	Residential	Individual	Total
Analysis of quality of loans to the public				
Non-accruing credit as percentage of total loans to the public	1.85	0.95	0.30	1.17
Non-accruing credit in arrears 90 days or longer as percentage of total loans to the public	1.92	0.95	0.53	1.21
Problematic credit as percentage of total loans to the public	3.07	0.95	0.99	1.59
Credit not at performing credit rating as percentage of total loans to the public	6.70	2.33	2.27	3.64
Analysis of expenses with respect to credit losses for the reporting period[(1)]				
Expenses with respect to credit losses as percentage of average balance of loans to the public	0.31	0.03	0.51	0.15
Net accounting write-offs as percentage of average balance of loans to the public	0.28	-	0.53	0.12
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	2.24	0.54	2.54	1.20
Provision for credit losses as percentage of total loans to the public non-accruing	121.2	56.7	839.8	102.7
Provision for credit losses as percentage of total loans to the public non-accruing or in arrears 90 days or longer	116.5	56.7	477.4	99.3
Expense rate with respect to credit losses from net accounting write-offs	1.10	-	0.97	1.20

(1) Annualized.

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

				Change in % compared to	
	September 30	December 31	September 30	September 30	December 31
	2025	2024	2024	2024	2024
Off-balance sheet financial instruments other than derivatives:					
Unutilized debitory account and other credit facilities in accounts On-call, un-utilized	41,646	29,796	34,011	39.8	22.4
Guarantees to home buyers	17,776	17,663	18,671	0.6	(4.8)
Irrevocable commitments for loans approved but not yet granted	38,821	33,658	33,445	15.3	16.1
Unutilized revolving credit card facilities	13,550	12,493	12,928	8.5	4.8
Commitments to issue guarantees	18,754	13,510	15,376	38.8	22.0
Guarantees and other commitments	16,132	15,320	15,573	5.3	3.6
Loan guarantees	5,093	3,902	4,194	30.5	21.4
Documentary credit	481	459	272	4.8	76.8
Derivative financial instruments[(1)]:					
Total par value of derivative financial instruments	465,863	421,509	428,888	10.5	8.6
(On-balance sheet) assets with respect to derivative instruments	6,346	7,319	5,526	(13.3)	14.8
(On-balance sheet) liabilities with respect to derivative instruments	6,561	6,095	5,123	7.6	28.1

(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 2025 by NIS 16.9 billion. The increase in the balance of investment in securities is mainly due to investment in US treasuries as part of the management of liquidity.

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, 2025
Bonds held to maturity	3,501	3,501	-	10	(90)	3,421
Bonds available for sale[(2)]	27,435	27,456	(8)	291	(304)	27,435
Investment in shares not held for trading[(3)]	1,048	885	-	170	(7)	1,048
Securities held for trading[(3)]	13,391	13,094	-	309	(12)	13,391
Total securities	**45,375**	**44,936**	**(8)**	**780**	**(413)**	**45,295**
						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**
						December 31, 2024
Bonds held to maturity	3,624	3,624	-	9	(122)	3,511
Bonds available for sale[(2)]	15,721	16,034	(8)	121	(426)	15,721
Investment in shares not held for trading[(3)]	878	710	-	177	(9)	878
Securities held for trading[(3)]	8,268	8,024	-	266	(22)	8,268
Total securities	**28,491**	**28,392**	**(8)**	**573**	**(579)**	**28,378**

(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) Included in shareholders' equity in "adjustments on presentation of securities available for sale at fair value".
(3) Charged to statement of profit and loss but not yet realized.

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

	September 30	December 31	September 30	Change in % compared to September 30	Change in % compared to December 31
	2025	**2024**	**2024**	**2024**	**2024**
Israeli currency					
Non-linked	15,671	13,604	12,754	15.2	22.9
CPI-linked	8,557	5,795	6,119	47.7	39.8
Foreign currency (including linked to foreign currency)	20,076	10,645	8,720	88.6	130.2
Non-monetary items	1,071	785	898	36.4	19.3
Total	**45,375**	**30,829**	**28,491**	**47.2**	**59.3**

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

	Carrying amount as of September 30, 2025	September 30, 2024	December 31, 2024
Government bonds:			
Government of Israel	29,734	23,364	23,245
US Government	11,894	4,150	1,961
Total Government bonds	**41,628**	**27,514**	**25,206**
Bonds of financial institutions in Israel:			
Total bonds of financial institutions in Israel	**1,297**	**888**	**799**
Bonds of banks in developed nations:			
USA	19	83	72
Other	50	67	66
Total bonds of banks in developed nations	**69**	**150**	**138**
Corporate bonds (by economic sector):			
Rental property	460	551	552
Power, gas, steam and air conditioning	233	248	243
Mining and excavation	86	81	77
Industrial – chemical industry	47	60	150
Construction	134	146	52
Other	296	350	320
Total corporate bonds	**1,256**	**1,436**	**1,394**
Asset-backed corporate bonds (ABS)			
Mining and excavation	54	56	56
Total asset-backed corporate bonds (ABS)	**54**	**56**	**56**
Shares and other securities			
Investment in shares not held for trading	1,048	768	878
Of which: Shares for which no fair value is available(1)	738	514	582
Shares and other securities held for trading	23	17	20
Total shares and other securities	**1,071**	**785**	**898**
Total securities	**45,375**	**30,829**	**28,491**

(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 2025 by NIS 88 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 80% of total consolidated balance sheet as of September 30, 2025 compared to 81% of total balance sheet as of December 31, 2024. In the first nine months of 2025, deposits from the public with the Bank Group increased by NIS 28.1 billion, or 7.1%.

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

				Change in % compared to	
	September 30		December 31	September 30	December 31
	2025	2024	2024	2024	2024
Israeli currency					
Non-linked	314,817	284,363	290,010	10.7	8.6
CPI-linked	32,572	30,387	29,729	7.2	9.6
Foreign currency, including linked to foreign currency	74,098	70,369	73,644	5.3	0.6
Total	**421,487**	**385,119**	**393,383**	**9.4**	**7.1**

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

				Change in % compared to	
	September 30		December 31	September 30	December 31
	2025	2024	2024	2024	2024
Private individuals:					
Households – other	135,244	138,548	133,619	(2.4)	1.2
Private banking	32,604	28,111	30,815	16.0	5.8
Total individuals	**167,848**	**166,659**	**164,434**	**0.7**	**2.1**
Business operations:					
Small and micro businesses	52,166	58,295	58,622	(10.5)	(11.0)
Medium businesses	32,915	18,585	19,166	77.1	71.7
Large businesses	40,158	42,322	42,312	(5.1)	(5.1)
Institutional investors	113,939	82,192	91,823	38.6	24.1
Total business activity	**239,178**	**201,394**	**211,923**	**18.8**	**12.9**
Overseas activity	14,461	17,066	17,026	(15.3)	(15.1)
Total	**421,487**	**385,119**	**393,383**	**9.4**	**7.1**

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

	September 30		December 31
	2025	2024	2024
Maximum deposit			
Up to 1	112,848	108,006	108,574
Over 1 to 10	97,667	96,598	95,547
Over 10 to 100	44,554	42,837	45,023
Over 100 to 500	34,995	36,246	36,198
Above 500	131,423	101,432	108,041
Total	**421,487**	**385,119**	**393,383**

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, 2025 amounted to NIS 2.9 billion, an increase of NIS 0.3 billion compared to the end of 2024, which arises from the repayment of monetary loans.

Bonds and subordinated notes – The balance of bonds and subordinated notes as of September 30, 2025 amounted to NIS 41.4 billion, an increase by NIS 4.4 billion compared to the balance as of December 31, 2024. In the first nine months of 2025, bonds and subordinated notes were affected, among other things, by the issuance of commercial papers (Series 4), and bonds (Series 52 – by way of expansion) in consideration for approx. NIS 4.8 billion, by the issuance of bonds (Series 63 - by way of expansion), conditional deferred CoCo letters of undertaking (Series 71 - by way of expansion) and commercial papers (Series 5) in consideration for approx. NIS 4.5 billion, and from current redemptions and 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, 2025 amounted to NIS 34.0 billion, compared to NIS 31.3 billion and NIS 30.4 billion as of December 31, 2024 and as of September 30, 2024, an increase by 8.5% and 11.7%, respectively.

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

	September 30		December 31
	2025	**2024**	**2024**
Share capital and premium[1]	3,654	3,566	3,571
Capital reserve from benefit from share-based payment transactions	111	137	154
Cumulative other comprehensive loss[2][3]	(43)	(341)	(215)
Retained earnings [4]	30,243	27,046	27,782
Total	**33,965**	**30,408**	**31,292**

(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 2024 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.

As of September 30, 2025, the shareholders' equity to total assets ratio was 6.46% compared to 6.44% as of December 31, 2024 and 6.44% as of September 30, 2024.

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, 2025, 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 Tier I capital ratio and minimum total capital ratio as of the report date are 9.6% and 12.5%, respectively.

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.

In the third quarter, the Bank's Board of Directors revised the Bank's capital management policy as part of its internal planning processes and considering the aforementioned stress scenarios and discussions held with the Banking Supervision Department as part of risk assessment processes, and has set an CET1 capital ratio internal target of no less than 9.80%, plus appropriate safety buffer for capital planning purposes.

For more information see the 2024 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 0.01% 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.

During 2024, the rating agency S&P downgraded the credit rating of the State of Isarel from AA- to A with a negative outlook, with no impact on the Bank's capital ratios. In May 2025, the rating agency affirmed the rating and the rating outlook.

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, 2025 will decline by 0.19% and 0.24%, 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 2024 financial statements and the chapter "Analysis of composition of assets, liabilities, capital and capital adequacy" (Dividend) below.

For more information regarding the circular on revision of Proper Conduct of Banking Business Directive No. 203 regarding "Measurement and Capital Adequacy – Credit Risk—the Standardized Approach", and Directive No. 329 on "Limitations on Issuing Residential Mortgages", regarding steps to address the increase in the credit risk in the construction and real estate industries and the housing market, see Note 9 to the Financial Statements.

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
	2025	**2024**	**2024**
Capital for purpose of calculating the capital ratio			
Tier I shareholders' equity	34,406	31,128	31,963
Tier I capital	34,406	31,128	31,963
Tier II capital	9,837	9,421	9,097
Total capital	**44,243**	**40,549**	**41,060**
Weighted risk asset balances			
Credit risk	312,876	273,855	282,287
Market risks	2,171	1,755	1,675
Operational Risk	24,158	22,926	23,402
Total weighted risk asset balances	**339,205**	**298,536**	**307,364**

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

	September 30, 2025	**September 30, 2024**	**December 31, 2024**
Ratio of Tier I equity to risk components	10.14	10.43	10.40
Ratio of total capital to risk components	13.04	13.58	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, 2025		As of September 30, 2024		As of December 31, 2024	
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	1,885	236	1,438	180	1,466	183
Debts of public sector entities	729	91	881	110	944	118
Debts of banking corporations	3,554	444	2,667	333	2,483	310
Securities companies	2,480	310	2,622	328	3,294	412
Debts of corporations	120,691	15,086	96,769	12,096	101,300	12,663
Debts secured by commercial property	6,906	863	5,768	721	6,224	778
Retail exposures to individuals	22,511	2,814	21,470	2,684	21,648	2,706
Loans to small businesses	10,850	1,356	10,658	1,333	10,476	1,310
Residential mortgages	129,865	16,233	119,008	14,876	122,008	15,251
Other assets	11,841	1,480	11,096	1,387	11,023	1,378
Total	**311,312**	**38,913**	**272,377**	**34,048**	**280,866**	**35,109**

(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, 2025		As of September 30, 2024		As of December 31, 2024	
	Weighted risk asset balances	**Capital requirement(1)**	**Weighted risk asset balances**	**Capital requirement(1)**	**Weighted risk asset balances**	**Capital requirement(1)**
Market risk	2,171	271	1,755	218	1,675	209
CVA risk with respect to derivatives (2)	1,564	196	1,478	185	1,421	178
Operational Risk(3)	24,158	3,020	22,926	2,866	23,402	2,925
Total	**27,893**	**3,487**	**26,159**	**3,269**	**26,498**	**3,312**
Total risk assets	**339,205**	**42,400**	**298,536**	**37,317**	**307,364**	**38,421**

(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 on this date would be required to achieve again the required leverage ratio prior to the temporary order within two quarters, such that when the temporary order expires, 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 temporary order, whichever is lower.

On September 14, 2025, the Supervisor of Banks published a circular, which extended the relief by one further year through December 31, 2026.

For more information see Note 9 to the financial statements.

Below is the Bank's leverage ratio:

	As of September 30		As of December 31
	2025	2024	2024
Consolidated data			
Tier I capital	34,406	31,128	31,963
Total exposure	572,454	517,795	529,598
			In %
Leverage ratio	6.01	6.01	6.04
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	8.09	7.13	7.45
Minimum leverage ratio required by the Supervisor of Banks	4.50	4.50	4.50

Dividends

Dividend distribution policy

The new strategic plan for 2025-2027, which was approved on June 4, 2025, stipulates that the Board of Directors shall monitor the execution of the new strategic plan, in order to examine a potential increase of the dividend rate (which stands at up to 40% under the current dividend policy), to up to 50% of net profit attributable to the Bank's shareholders. This, subject to the Bank's compliance with the Tier I capital to risk components ratio, as required under the Supervisor of Banks' directives, maintaining an appropriate safety buffer and subject to the Supervisor of Banks' approval. For further details regarding the Bank's current dividend policy and the Bank of Israel's letters, see the Dividend chapter in the 2024 Report of the Board of Directors and Management.

Dividend distribution

Below is information about dividend distributions by the Bank since 2023 (in reported amounts):

Declaration date	Payment date	Dividends per share	Dividends as percent of profit	Total dividends paid
		(Agorot)	(In %)	(NIS in millions)
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 dividends distributed in 2023(1)				**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
November 20, 2024	December 5, 2024	220.56	40	570.0
Total dividends distributed in 2024(2)				**1,869.0**
February 26, 2025	March 13, 2025	201.57	40	522.4
May 20, 2025	June 8, 2025	198.97	40	516.0
August 13, 2025	August 28, 2025	279.48	50	726.5
Total dividends distributed in 2025(3)				**1,764.9**

(1) Total dividends distributed with respect to 2023 earnings – NIS 1273.5 million.
(2) Total dividends distributed with respect to 2024 earnings – NIS 2,182.0 million.
(3) Total dividends distributed with respect to 2025 earnings – NIS 1,242.5 million.

Dividends declared

On November 17, 2025, the Bank's Board of Directors resolved to distribute a dividend amounting to NIS 741.5 million, constituting 50% of net profit in the third quarter of 2025; this resolution was made after assessing the Bank's capital planning under the various scenarios, all further to the Bank's Board of Directors' resolution of June 4, 2025 regarding the new strategic plan as stated above.

The dividend amount constitutes 2852.47% of issued share capital, i.e. NIS 2.8525 per each NIS 0.1 par value share. The effective date for dividends payment is November 25, 2025 and the payment date is December 2, 2025. 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
	2025	2024	2024	2024	2024
Securities[(1)]	620,805	509,545	546,930	21.8	13.5
Assets of provident funds for which the Group provides operating services	221,523	179,895	187,465	23.1	18.2
Assets held in trust by Bank Group	154,185	123,558	127,086	24.8	21.3
Assets of mutual funds for which the Group provides operating services	13,209	10,523	11,268	25.5	17.2
Other assets under management[(2)]	18,597	20,141	19,529	(7.7)	(4.8)

(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").

Credit interest revenue and deposit interest expenses are directly attributed to the customer. With respect to credit, customers are attributed an expense at a total equal to the cost of capital raised, against an inter-segment credit to the Financial Management segment. With respect to deposits, customers are attributed a revenue at an amount equal to the cost of the capital raised, against an inter-segment debit to the Financial Management segment. Each of the segments is credited for the capital attributed to its activity against a debit to the Financial Management segment. Capital consumption is measured based on the average risk-free assets managed by the segment.

All other revenues are allocated directly to the segment in accordance with the segment to which the customer belongs, and expenses are charged to the various segments.

For more information and detailed description of the segments, see chapter "Other information about the Bank and its management" of the 2024 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	
	2025	2024	2025	2024
Private individuals:				
Households – residential mortgages	1,030	920	24.4	22.3
Households – other	878	845	20.8	20.4
Private banking	226	190	5.3	4.6
Total individuals	**2,134**	**1,955**	**50.5**	**47.3**
Business operations:				
Small and micro businesses	933	838	22.1	20.2
Medium businesses	320	246	7.6	5.9
Large businesses	658	682	15.6	16.4
Institutional investors	60	40	1.4	1.0
Total business activity	**1,971**	**1,806**	**46.6**	**43.5**
Financial management	(129)	239	(3.1)	5.8
Total activity in Israel	**3,976**	**4,000**	**94.1**	**96.6**
Overseas activity	250	149	5.9	3.6
Total	**4,226**	**4,149**	**100.0**	**100.2**

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					
	2025			2024		
	NIS in millions					
	Other	Residential mortgages	Total	Other	Residential mortgages	Total
Profit and profitability						
Total interest revenues, net	2,897	2,103	5,000	2,845	2,090	4,935
Commissions and other revenues	552	97	649	483	91	574
Total revenues	**3,449**	**2,200**	**5,649**	**3,328**	**2,181**	**5,509**
Expenses due to credit losses	149	(65)	84	85	73	158
Operating and other expenses	1,677	622	2,299	1,679	625	2,304
Profit before provision for taxes	1,623	1,643	3,266	1,564	1,483	3,047
Provision for taxes	606	613	1,219	594	563	1,157
After-tax profit	1,017	1,030	2,047	970	920	1,890
Net profit:						
Attributable to non-controlling interests	(139)	-	(139)	(125)	-	(125)
Attributable to shareholders of the banking corporation	**878**	**1,030**	**1,908**	**845**	**920**	**1,765**
Balance sheet – key items:						
Loans to the public (end balance)	28,111	240,124	268,235	27,993	219,777	247,770
Loans to the public, net (end balance)	27,411	239,012	266,423	27,337	218,589	245,926
Deposits from the public (end balance)	135,244	-	135,244	138,548	-	138,548
Average balance of loans to the public	28,378	232,199	260,577	26,636	212,405	239,041
Average balance of deposits from the public	134,317	-	134,317	137,305	-	137,305
Average balance of risk assets	23,085	137,496	160,581	22,754	126,442	149,196
Credit spreads and deposit spreads:						
Margin from credit granting operations	686	1,746	2,432	705	1,790	2,495
Margin from activities of receiving deposits	2,153	-	2,153	2,092	-	2,092
Other	58	357	415	48	300	348
Total interest revenues, net	**2,897**	**2,103**	**5,000**	**2,845**	**2,090**	**4,935**

Net profit attributable to the household segment in the first nine months of 2025 amounted to NIS 1,908 million, compared to NIS 1,765 million in the corresponding period last year. The increase was primarily due to an increase in net interest revenues, and a decrease in expenses with respect to credit losses.

Net profit attributable to residential mortgage operations in the household segment in the first nine months of 2025 amounted to NIS 1,030 million, compared to NIS 920 million in the corresponding period last year. Interest revenues, net in the first nine months of 2025 amounted to NIS 2,103 million, compared to NIS 2,090 million in the corresponding period last year. Interest revenues increased largely due to continued increase in the volume of activity – a 9.3% increase in the average balance of the credit to the public compared to the corresponding period last year, and due to benefits given to Bank customers adversely affected by 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.
Net profit attributable to household operations (other than residential mortgages) in the first nine months of 2025 amounted to NIS 878 million, compared to NIS 845 million in the corresponding period last year.

Net interest revenues amounted to NIS 2,897 million, compared to NIS 2,845 million in the corresponding period last year - a moderate increase, which was affected by the benefits given to Bank customers who were adversely affected by the war.
Expenses with respect to credit losses amounted to NIS 149 million in the first nine months of 2025, compared to NIS 85 million last year. The increase in the expenses is mainly due to an increase in expenses due to the collective provision.
Operating and other expenses amounted to NIS 1,677 million, compared to NIS 1,679 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.

	For the three months ended September 30					
			2025			2024
						NIS in millions
	Other	Residential mortgages	Total	Other	Residential mortgages	Total
Profit and profitability						
Total interest revenues, net	972	702	1,674	988	709	1,697
Commissions and other revenues	194	31	225	150	30	180
Total revenues	**1,166**	**733**	**1,899**	**1,138**	**739**	**1,877**
Expenses due to credit losses	61	(28)	33	11	39	50
Operating and other expenses	564	202	766	560	206	766
Profit before provision for taxes	541	559	1,100	567	494	1,061
Provision for taxes	205	212	417	214	187	401
After-tax profit	336	347	683	353	307	660
Net profit:						
Attributable to non-controlling interests	(47)	-	(47)	(45)	-	(45)
Attributable to shareholders of the banking corporation	**289**	**347**	**636**	**308**	**307**	**615**
Balance sheet – key items:						
Loans to the public (end balance)	28,111	240,124	268,235	27,993	219,777	247,770
Loans to the public, net (end balance)	27,411	239,012	266,423	27,337	218,589	245,926
Deposits from the public (end balance)	135,244	-	135,244	138,548	-	138,548
Average balance of loans to the public	28,748	237,299	266,047	26,692	217,041	243,733
Average balance of deposits from the public	134,977	-	134,977	138,287	-	138,287
Average balance of risk assets	22,795	140,292	163,087	22,907	129,524	152,431
Credit spreads and deposit spreads:						
Margin from credit granting operations	224	579	803	241	605	846
Margin from activities of receiving deposits	731	-	731	731	-	731
Other	17	123	140	16	104	120
Total interest revenues, net	**972**	**702**	**1,674**	**988**	**709**	**1,697**

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	
	2025	2024	2025	2024
	NIS in millions			
Profit and profitability				
Total interest revenues, net	334	308	114	104
Commissions and other revenues	43	11	14	3
Total revenues	**377**	**319**	**128**	**107**
Operating and other expenses	16	13	7	4
Profit before provision for taxes	361	306	121	103
Provision for taxes	135	116	46	39
Net profit	**226**	**190**	**75**	**64**
Balance sheet – key items:				
Loans to the public (end balance)	152	112	152	112
Loans to the public, net (end balance)	151	111	151	111
Deposits from the public (end balance)	32,604	28,111	32,604	28,111
Average balance of loans to the public	139	80	143	92
Average balance of deposits from the public	31,761	27,380	32,175	27,724
Average balance of risk assets	113	45	129	48
Credit spreads and deposit spreads:				
Margin from credit granting operations	1	1	1	1
Margin from activities of receiving deposits	333	307	113	103
Total interest revenues, net	**334**	**308**	**114**	**104**

Net profit attributable to the private banking segment in the first nine months of 2025 amounted to NIS 226 million, compared to NIS 190 million in the corresponding period last year. The increase is primarily due to an increase in the scope of activity.

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	
	2025	2024	2025	2024
	NIS in millions			
Profit and profitability				
Total interest revenues, net	1,900	1,935	622	651
Commissions and other revenues	452	396	150	106
Total revenues	**2,352**	**2,331**	**772**	**757**
Expenses (reduction of expenses) with respect to credit losses	31	184	(18)	19
Operating and other expenses	828	777	262	261
Profit before provision for taxes	1,493	1,370	528	477
Provision for taxes	557	520	199	180
After-tax profit	**936**	**850**	**329**	**297**
Net profit attributed to non-controlling interests	(3)	(12)	(1)	(4)
Net profit attributable to shareholders of the banking corporation	**933**	**838**	**328**	**293**
Balance sheet – key items:				
Loans to the public (end balance)	36,002	36,591	36,002	36,591
Loans to the public, net (end balance)	34,746	35,170	34,746	35,170
Deposits from the public (end balance)	52,166	58,295	52,166	58,295
Average balance of loans to the public	38,238	34,105	37,192	35,701
Average balance of deposits from the public	57,011	56,835	55,073	58,279
Average balance of risk assets	33,872	31,866	34,744	31,614
Credit spreads and deposit spreads:				
Margin from credit granting operations	938	936	308	312
Margin from activities of receiving deposits	855	905	278	308
Other	107	94	36	31
Total interest revenues, net	**1,900**	**1,935**	**622**	**651**

Net profit attributable to the micro and small businesses segment in the first nine months of 2025 amounted to NIS 933 million, compared to NIS 838 million in the corresponding period last year. The increase arose mainly from a decrease in credit loss expenses which was partially offset against an increase in operational and other expenses.

Interest revenues, net in the first nine months of 2025 amounted to NIS 1,900 million, compared to NIS 1,935 million in the corresponding period last year.
Operational and other expenses in the first nine months of 2025 amounted to NIS 828 million, compared to NIS 777 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.

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	
	2025	2024	2025	2024
	NIS in millions			
Profit and profitability				
Total interest revenues, net	555	475	213	151
Commissions and other revenues	97	76	34	25
Total revenues	**652**	**551**	**247**	**176**
Expenses due to credit losses	13	31	15	17
Operating and other expenses	128	124	42	40
Profit before provision for taxes	511	396	190	119
Provision for taxes	191	150	72	45
Net profit	**320**	**246**	**118**	**74**
Balance sheet – key items:				
Loans to the public (end balance)	18,559	12,399	18,559	12,399
Loans to the public, net (end balance)	18,316	12,168	18,316	12,168
Deposits from the public (end balance)	32,915	18,585	32,915	18,585
Average balance of loans to the public	15,650	12,432	17,608	12,288
Average balance of deposits from the public	23,852	14,129	29,952	13,655
Average balance of risk assets	17,184	14,936	17,672	14,907
Credit spreads and deposit spreads:				
Margin from credit granting operations	308	286	112	92
Margin from activities of receiving deposits	200	156	83	49
Other	47	33	18	10
Total interest revenues, net	**555**	**475**	**213**	**151**

Net profit attributable to the medium businesses segment in the first nine months of 2025 amounted to NIS 320 million, compared to NIS 246 million in the corresponding period last year. The increase arose from an increase in the volume of activity and from a decrease in expenses due to credit losses.

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	
	2025	2024	2025	2024
	NIS in millions			
Profit and profitability				
Total interest revenues, net	1,074	994	380	337
Commissions and other revenues	197	223	53	74
Total revenues	**1,271**	**1,217**	**433**	**411**
Expenses (reduction of expenses) with respect to credit losses	19	(93)	8	(18)
Operating and other expenses	203	211	68	69
Profit before provision for taxes	1,049	1,099	357	360
Provision for taxes	391	417	134	136
Net profit	**658**	**682**	**223**	**224**
Balance sheet – key items:				
Loans to the public (end balance)	52,181	39,185	52,181	39,185
Loans to the public, net (end balance)	51,782	38,767	51,782	38,767
Deposits from the public (end balance)	40,158	42,322	40,158	42,322
Average balance of loans to the public	45,194	38,601	48,448	40,541
Average balance of deposits from the public	43,879	39,447	40,993	41,171
Average balance of risk assets	70,406	56,254	77,294	59,807
Credit spreads and deposit spreads:				
Margin from credit granting operations	753	684	266	224
Margin from activities of receiving deposits	152	191	52	69
Other	169	119	62	44
Total interest revenues, net	**1,074**	**994**	**380**	**337**

Net profit attributable to the large businesses segment in the first nine months of 2025 amounted to NIS 658 million, compared to NIS 682 million in the corresponding period last year. The decrease arose mainly from expenses due to credit losses.
Interest revenues, net in the first nine months of 2025 amounted to NIS 1,074 million, compared to NIS 994 million in the corresponding period last year. The increase was primarily due to an increase in the scope of activity.
In the first nine months of 2025, expenses due to credit losses amounted to NIS 19 million, compared to lower expenses amounting to NIS 93 million in the corresponding period last year. The increase arose mainly from an increase in expenses in respect of 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	
	2025	2024	2025	2024
	NIS in millions			
Profit and profitability				
Total interest revenues, net	217	172	84	55
Commissions and other revenues	36	40	11	16
Total revenues	**253**	**212**	**95**	**71**
Expenses due to credit losses	9	7	-	1
Operating and other expenses	149	141	51	50
Profit before provision for taxes	95	64	44	20
Provision for taxes	35	24	16	7
Net profit	**60**	**40**	**28**	**13**
Balance sheet – key items:				
Loans to the public (end balance)	7,686	5,362	7,686	5,362
Loans to the public, net (end balance)	7,669	5,350	7,669	5,350
Deposits from the public (end balance)	113,939	82,192	113,939	82,192
Average balance of loans to the public	5,173	5,108	6,895	5,128
Average balance of deposits from the public	100,645	81,422	110,283	84,306
Average balance of risk assets	1,423	1,380	1,241	1,532
Credit spreads and deposit spreads:				
Margin from credit granting operations	24	30	9	8
Margin from activities of receiving deposits	190	140	74	46
Other	3	2	1	1
Total interest revenues, net	**217**	**172**	**84**	**55**

Net profit attributable to the institutional investors segment in the first nine months of 2025 amounted to NIS 60 million, compared to NIS 40 million in the corresponding period last year. The increase arises from an increase in the scope of activity.

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	
	2025	**2024**	**2025**	**2024**
	NIS in millions			
Profit and profitability				
Interest revenues (expenses), net	(572)	(218)	(111)	25
Non-interest financing revenues	242	431	57	60
Commissions and other revenues	389	417	133	186
Total revenues (expenses)	**59**	**630**	**79**	**271**
Expenses due to credit losses	1	1	-	-
Operating and other expenses	240	231	79	67
Profit (loss) before provision for taxes	(182)	398	-	204
Provision for taxes	(68)	151	(1)	77
After-tax profit (loss)	(114)	247	1	127
Share of banking corporation in earnings of associated companies	13	15	2	3
Net profit (loss) before attribution to non-controlling interests	(101)	262	3	130
Net profit (loss) attributed to non-controlling interests	(28)	(23)	(12)	(9)
Net profit (loss) attributable to shareholders of the banking corporation	**(129)**	**239**	**(9)**	**121**
Balance sheet – key items:				
Average balance of risk assets	22,933	20,500	23,923	21,450
Credit spreads and deposit spreads:				
Margin from credit granting operations	-	-	-	-
Margin from activities of receiving deposits	-	-	-	-
Other	(572)	(218)	(111)	25
Total interest revenues, net	**(572)**	**(218)**	**(111)**	**25**

The loss attributable to the financial management segment in the first nine months of 2025 amounted to NIS 129 million, compared to a NIS 239 million profit in the corresponding period last year.

Interest expenses, net amounted to NIS 572 million, compared to NIS 218 million in the corresponding period last year. The increase arose mainly from the effect of the Consumer Price Index, which increased by 1.4% in the first nine months of 2025, compared to an increase of 1.6% in the corresponding period last year.

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	
	2025	2024	2025	2024
	NIS in millions			
Profit and profitability				
Total interest revenues, net	530	460	170	136
Commissions and other revenues	24	1	7	(9)
Total revenues	**554**	**461**	**177**	**127**
Expenses due to credit losses	46	126	6	61
Operating and other expenses	109	95	35	32
Profit before provision for taxes	399	240	136	34
Provision for taxes	149	91	52	13
Net profit	**250**	**149**	**84**	**21**
Balance sheet – key items:				
Loans to the public (end balance)	12,953	11,032	12,953	11,032
Loans to the public, net (end balance)	12,788	10,822	12,788	10,822
Deposits from the public (end balance)	14,461	17,066	14,461	17,066
Average balance of loans to the public	10,342	9,582	10,428	10,318
Average balance of deposits from the public	17,581	13,247	16,939	14,574
Average balance of risk assets	15,281	12,191	15,646	13,223
Credit spreads and deposit spreads:				
Margin from credit granting operations	305	262	103	78
Margin from activities of receiving deposits	98	75	25	22
Other	127	123	42	36
Total interest revenues, net	**530**	**460**	**170**	**136**

Net profit attributable to the overseas operations segment in the first nine months of 2025 amounted to NIS 250 million, compared to NIS 149 million in the corresponding period last year. The increase in profit is mainly due to an increase in the scope of activity.

Interest revenues, net in the first nine months of 2025 amounted to NIS 530 million, compared to NIS 460 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.

Principal investee companies

The contribution of investees to net operating profit in the first nine months of 2025 amounted to NIS 368 million, compared with NIS 336 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 2025 amounted to NIS 170 million, compared to NIS 160 million in the corresponding period last year. Bank Yahav's net profit return on equity in the first nine months of 2025 was 15.2% on annualized basis, compared to 16.2% in the corresponding period last year.

Bank Yahav's balance sheet total as of September 30, 2025 amounted to NIS 38,488 million, compared to NIS 37,615 million as of December 31, 2024 – an increase by NIS 873 million, or 2.3%. Net loans to the public as of September 30, 2025 amounted to NIS 12,238 million, compared to NIS 11,956 million as of December 31, 2024 – an increase by NIS 282 million, or 2.4%. Net deposits from the public as of September 30, 2025 amounted to NIS 33,607 million, compared to NIS 32,973 million as of December 31, 2024 – an increase by NIS 634 million, or 1.9%.

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 2025 amounted to NIS 78 million, compared to NIS 63 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 2025 amounted to NIS 81 million, compared to NIS 77 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 NIS 15 million in the first nine months of 2025 – compared to NIS 14 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, 2025 amounted to NIS 1,551 million, compared to NIS 1,034 million and NIS 1,162 million as of September 30, 2024 and as of December 31, 2024, respectively. Bank net gain from investment in shares in the first nine months of 2025 amounted to NIS 133 million, compared to NIS 82 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 2024 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.

In view of the developments in the economy during the third quarter, as described in the chapter “Trends, phenomena and material changes - general environment and impact of external factors on the Bank Group”, the Bank's risk profile and risk assessments for the third quarter of 2025 remained unchanged compared to assessments issued in the second quarter of 2025, due to the uncertainty and the anticipation for stabilization in security conditions. The Bank will continue monitoring economic and geopolitical developments and where necessary will reassess risk levels.

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 2024.

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 May 2025, the Bank submitted to the Bank of Israel the results of the stress scenario for 2025 based on December 2024 data. A review of the Israeli banking system in 2024, which was published in May 2025, presented the system-wide results of a uniform stress scenario. For more information about the scenario outline and outcome at the system level and at Bank level, see the Risks Report for the second quarter of 2025.

Risk factor severity

The Bank has put in place a framework for risk management and control in the Group, which includes the mapping of the material risks; for each risk, the Bank estimates its potential impact on business operations over the coming year.
The table below lists the risk factors and management assessments of the impact of each risk factor, on a scale of five risk levels: Low, Low-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 (a self-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 up-to-date risk assessment is carried out for each of the risks in accordance with the actual risk profile, quantitative and qualitative indices, developments in the business environment and macroeconomic environment, and the existence of 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.

Set forth below is a mapping of risk factors and their potential impact on the Bank Group:

Risk factor	Effect of the risk factor
Overall effect of credit risks(1)	Medium
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
Interest risk	Medium
Inflation risk	Low-Medium
Foreign currency risk	Low
Liquidity risk	Low-Medium
Overall effect of operational risk	Medium
Cyber and information security risk	Medium-High
Model risk	Low-Medium
IT risk	Medium
Legal risk	Low-Medium
Compliance and regulatory risks(3)	Low-Medium
Reputational risk(4)	Low
Strategic business risk(5)	Low-Medium
Business and geopolitical environment risk(6)	Medium-High

(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.
(6) Business and geopolitical environment risk - reflects exogenous risks arising from the business environment in which the Bank operates.

Developments in risk assessments for the third quarter of 2025:

1. Credit risk

In the third quarter of 2025, the recovery in economic activity in Israel continued. In this quarter too there were no indications that risk levels have increased compared to previous quarters. At this stage, despite the improvement in economic conditions, the risk level remains unchanged and reflects the uncertainty in connection with the stability of the security situation, the potential effect of the economic conditions, and the effects of interest rates and inflation on the business sector.

A. Overall effect of credit risks

The overall level of credit risk remained Medium. The risk level for the quality of borrowers and collateral is slightly higher than previously, reflecting the economic and geopolitical uncertainty, and its impact on the borrowers' activity; this might affect the credit risk level. 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. In view of the coming into force of the ceasefire and the indicators which do not indicate a deterioration with respect to risk, the Bank will consider, over the coming quarters, reducing the risk level to align with the actual risk level. The Bank closely monitors the potential effects and constantly reviews and measures risk benchmarks and levels, adapting them as required to current business activity, subject to and in line with the risk appetite.

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 project method). 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. 18.2%. The ceasefire agreement in Gaza and its effects may trigger a gradual recovery of demand in the sector. The Bank tracks the development of the industry's risk characteristics and the effects of changes on Bank operations, including monitoring the portfolio and focusing on risk concentrations.

For more information see Note 1 to the financial statements.

C. Credit risk in the residential mortgage portfolio

The risk level in the mortgages portfolio remains unchanged, at a low-medium level, against the backdrop of continued uncertainty as to the stability of the security situation, the economic conditions and their impact on economic activity, including the cumulative effect of interest and inflation rates and borrowers' coping with repayment capacity over time. The risk benchmarks in the current quarter did not indicate any material change in risk level. The Bank continues to monitor the developments and their impact of economic growth and activity. Most of the customers who deferred payments resumed normal payments, and the Bank deals in an orderly manner with customers who defer payments, including those who deferred payments under the Bank of Israel's outline in response to Operation "Rising Lion".

2. Market and interest risks

The overall risk level of market and interest risk remained Low-Medium. Interest risk remained medium, and reflects the high interest rate environment and the potential impact on borrowers and depositors' behavior, in particular the transfer of funds from current accounts to deposits and changes to mortgage mixes in the direction towards channels which are less sensitive to changes in interest rates. The risk values are within the limits of the Bank's risk appetite.

3. Liquidity risk

Liquidity risk remained low-medium. The Bank closely monitors the 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 2025, the Bank maintained high liquidity by investing excess liquidity in liquid assets of very high quality – Level 1 assets. As of September 30, 2025, the average consolidated liquidity coverage ratio amounted to 131% and the standalone liquidity coverage ratio amounted to 132%. The net stable funding ratio as of September 30, 2025 was 112% 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.

4. Cyber and information security risk

Over the course of the third quarter of 2025, the assessment of information security and cyber risk levels remained unchanged at medium-high. In view of the war with Iran and the Israeli attack on Iranian cyberspace, and in particular the damage to the Iranian banking system, a global increase in threat factors has been identified, and primarily, an increase in Iran's motivation to potentially conduct cyberattacks on the Israeli banking-financial system. The Bank constantly enhances and improves its control and protection function and monitors developments in risk aspects.

5. Model risk

Model risk may arise from making decisions or taking actions based on an erroneous model outcome or from an incorrect use of model outcomes. The materialization of the risk might lead to financial losses, incorrect strategic results or damage to the Bank's reputation.

The model risk is assessed as low-medium; it is based on the model risk map maintained by the Bank. It is noted that most of the Bank's models are decision support models, and that the risk is closely managed by the Bank under an orderly corporate governance framework and work processes. On August 21, 2024, the Supervisor of Banks issued Proper Conduct of Banking Business Directive No. 369 regarding model risk management, which regulates the key aspects of an effective management of model risks. The directive came into effect in August 2025 with transitional provisions regarding the existing models. The Bank is applying the directive in accordance with the prescribed timelines.

6. IT risk

Technological risk is a significant risk, affected by accelerated evolution in technology and digital domains and by the need to provide response to changing customer and Bank needs, multitude of banking regulatory requirements and the need to implement technological tools within a short timeframe. The Technology Division operates to support normal Bank operations and to provide a response to current and future technology requirements for such operations. As part of bolstering its technology infrastructure, the Bank invests heavily in technology systems, in order to address the evolving challenges in the business environment, while maintaining its differentiation as an advanced, human bank. The Bank is developing advanced tools for analyzing data and extracting information from data, in order to improve its measuring capacity and decision making, both from business marketing aspects and from risk management aspects. The technology risk remained Medium.

7. 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.

8. Compliance and regulatory risks

Compliance and regulatory risk remained Low-Medium. The Bank applies the current and new regulatory provisions. The Bank continues to closely monitor and mitigate all aspects of the risks: Compliance, AML and terror financing risk. Moreover, the Bank operates within the international banking framework that applies cross-border enforcement rules, and has therefore set a specific policy regarding the management of cross-border risks and the implementation of international sanctions.

9. Reputational risk

The Bank's reputational risk remained Low. The Bank regularly monitors various benchmarks and indicators with regard to the Bank's reputation, indicating that the Bank has maintained a leading image in the service, fairness and perception as a different bank axes. 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. Strategic business risk

The strategic business level remains unchanged, at a low-medium level. Strategic business risk incorporates all of the Bank's business operations, also reflecting the risk in the Bank's business environment. The Bank maintains appropriate safety margins for minimum capital and leverage ratios.

On June 4, 2025, the Bank's Board of Directors approved a new strategic plan for 2025-2027 (hereinafter - the "Plan Period"). For further details regarding the strategic plan and the assumptions, facts and data the plan relies upon, which may not materialize or materialize in a different manner and therefore cause the new strategic plan not to materialize or materialize in a different manner ("Forward-looking information protection"), see immediate report of June 5, 2025 (Ref. No.: 2025-01-040290). For further details, see the "Business goals and strategy" chapter.

11. Business and geopolitical environment risk

The business and geopolitical environment risk, which also includes the risk involving potential effects on anti-banking regulation, and the effects of the macroeconomic risk, regarding which there is uncertainty as to the extent of the impact of the economic and security developments in Israel, is assessed as medium-high. The risk also includes the effects of the macroeconomic risk and the regulatory risk, which reflects the risk of legislation, including legislation in progress, new regulation and regulatory expectations in core areas of the banking system.

For further details see the risk report for, 2024 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.
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.

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, 2025, 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 2024 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, 2025 (NIS in millions):

Borrower no.	Economic sector	On-balance sheet credit risk(1)	Off-balance sheet credit risk(1)	Total credit risk(1)
1.	Construction and real estate	-	2,925	2,925
2.	Financial services	2,358	19	2,377
3.	Financial services	863	1,320	2,183
4.	Civil engineering works	-	2,061	2,061
5.	Financial services	1,782	-	1,782
6.	Financial services	1,534	-	1,534

(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, 2025				September 30, 2024				December 31, 2024			
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**
Power and water	425	-	425	-	-	-	-	-	-	-	-	-
Commerce	391	-	391	-	-	-	-	-	257	-	257	-
Mining and excavation	953	-	953	-	665	176	841	-	805	-	805	-
Financial services	603	-	603	-	-	-	-	-	666	-	666	-
Total	**2,372**	**-**	**2,372**	**-**	**665**	**176**	**841**	**-**	**1,728**	**-**	**1,728**	**-**

Credit to leveraged companies (NIS in millions):

	September 30, 2025				September 30, 2024				December 31, 2024			
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**
Construction and real estate	424	441	865	-	90	374	464	-	91	373	464	-
Power and water	-	-	-	-	188	3	191	-	-	-	-	-
Commerce	-	-	-	-	175	4	179	-	168	4	172	-
Transport and storage	410	48	458	-	444	47	491	-	431	49	480	-
Total	**834**	**489**	**1,323**	**-**	**897**	**428**	**1,325**	**-**	**690**	**426**	**1,116**	**-**

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, 2025	**September 30, 2024**	**December 31, 2024**
Problematic credit risk:			
Non-accruing credit risk	4,063	4,307	4,304
Accruing problematic credit risk	1,297	1,583	1,630
Total problematic credit risk	**5,360**	**5,890**	**5,934**

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

	September 30, 2025	**September 30, 2024**	**December 31, 2024**
Non-accruing credit in arrears 90 days or longer as percentage of total loans to the public	1.05	1.24	1.21
Non-accruing credit in arrears 90 days or longer as percentage of total non-residential loans to the public	1.02	1.71	1.64
Non-accruing credit in arrears 90 days or longer as percentage of total residential mortgages	1.07	0.96	0.95
Ratio of problematic loans to the public to total non-residential mortgages	1.71	2.76	2.65
Ratio of problematic credit risk to total credit risk with respect to the public	1.03	1.28	1.25

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, 2025				For the nine months ended September 30, 2024				For the year ended December 31, 2024			
	Commercial	Residential	Individual	Total	Commercial	Residential	Individual	Total	Commercial	Residential	Individual	Total
Non-accruing loans to the public – balance at start of period	2,019	2,141	83	4,243	1,466	2,153	74	3,693	1,466	2,153	74	3,693
Loans classified as non-accruing during the period	532	1,441	42	2,015	1,198	1,081	75	2,354	1,376	1,528	91	2,995
Loans resuming accrual of interest revenues during the period	(346)	(981)	(10)	(1,337)	(103)	(1,125)	(14)	(1,242)	(84)	(1,507)	(15)	(1,606)
Loans subject to accounting write-off	(326)	-	(25)	(351)	(232)	-	(32)	(264)	(341)	-	(42)	(383)
Loans repaid	(520)	(24)	(18)	(562)	(285)	(3)	(18)	(306)	(398)	(33)	(25)	(456)
Non-accruing debt balance at end of period	**1,359**	**2,577**	**72**	**4,008**	**2,044**	**2,106**	**85**	**4,235**	**2,019**	**2,141**	**83**	**4,243**

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					
	Commercial	Housing	Individual – other	Total	Banks, governments and bonds	Total
	For the three months ended September 30, 2025					
Balance of provision for credit losses at start of period	2,389	1,176	704	4,269	13	4,282
Expenses due to credit losses	11	(28)	61	44	-	44
Net accounting write-offs	(115)	-	(43)	(158)	-	(158)
Balance of provision for credit losses at end of period	**2,285**	**1,148**	**722**	**4,155**	**13**	**4,168**
	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 nine months ended September 30, 2025					
Balance of provision for credit losses at start of period	2,448	1,213	697	4,358	12	4,370
Expenses due to credit losses	118	(65)	149	202	1	203
Net accounting write-offs	(281)	-	(124)	(405)	-	(405)
Balance of provision for credit losses at end of period	**2,285**	**1,148**	**722**	**4,155**	**13**	**4,168**
	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 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, 2025	September 30, 2024	December 31, 2024
Ratio of provision for credit losses to total loans to the public	1.05	1.25	1.20
Ratio of provision for credit losses to total credit risk with respect to the public	0.80	0.95	0.92

	Nine months [(1)]		All of
	2025	2024	2024
Ratio of expenses with respect to credit losses to average balance of loans to the public, gross	0.07	0.16	0.15
Ratio of net write-offs to average balance of loans to the public, gross	0.14	0.11	0.12
Ratio of expenses with respect to credit losses to average balance of loans to the public, net	0.07	0.16	0.15
Of which: With respect to commercial loans other than residential mortgages	0.25	0.37	0.36
Of which: with respect to residential mortgages	(0.04)	0.05	0.03
Ratio of net write-offs to average balance of loans to the public, net	0.14	0.11	0.13

(1) Annualized.

Loans bearing variable interest

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 2025	As of September 30 2024	As of December 31 2024
Debts			
Current account balances	1,911	1,972	2,014
Utilized credit card balances	4,782	5,103	5,029
Auto loans – adjustable interest	1,192	1,584	1,516
Auto loans – fixed interest	5,014	4,605	4,725
Other loans and credit – variable interest	14,331	13,663	13,761
Other loans and credit – fixed interest	412	392	402
Total debt (on-balance sheet credit)	**27,642**	**27,319**	**27,447**
Un-utilized facilities, guarantees and other commitments			
Current accounts – un-utilized facilities	6,049	5,711	5,707
Credit cards – un-utilized facilities	10,065	9,383	9,697
Guarantees	310	301	290
Other liabilities	48	45	40
Total un-utilized facilities, guarantees and other commitments (off-balance sheet credit)	**16,472**	**15,440**	**15,734**
Total credit risk to individuals	**44,114**	**42,759**	**43,181**
Of which:			
Bullet / balloon loans(3)	674	699	692
Financial asset portfolio and other collateral against credit risk(4)			
Financial assets portfolio:			
Deposits	4,107	4,396	4,314
Securities	316	246	264
Other monetary assets	87	140	127
Other collateral(5)	3,464	3,432	3,396
Total financial assets portfolio and other collateral against credit risk	**7,974**	**8,214**	**8,101**

(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, 2025 Number of Borrowers	As of September 30, 2025 Total credit risk	As of September 30, 2024 Number of Borrowers	As of September 30, 2024 Total credit risk	As of December 31, 2024 Number of Borrowers	As of December 31, 2024 Total credit risk
	Up to 10	257,392	817	246,227	807	245,623	815
Above 10	Up to 20	116,146	1,717	114,616	1,686	115,942	1,723
Above 20	Up to 40	152,749	4,468	150,681	4,379	151,659	4,456
Above 40	Up to 80	164,889	9,472	163,739	9,356	164,079	9,442
Above 80	Up to 150	107,438	11,701	105,340	11,362	105,678	11,477
Above 150	Up to 300	58,304	12,024	57,594	11,794	58,151	11,933
Above 300		9,956	3,915	8,595	3,375	8,557	3,335
Total		**866,874**	**44,114**	**846,792**	**42,759**	**849,689**	**43,181**

(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:

Income	As of September 30, 2025 NIS in millions	As of September 30, 2025 in %	As of September 30, 2024 NIS in millions	As of September 30, 2024 in %	As of December 31, 2024 NIS in millions	As of December 31, 2024 in %
Accounts with no fixed income for the account(2)	7,278	26.3	7,206	26.4	7,301	26.6
Less than NIS 10 thousand	2,940	10.6	3,163	11.6	3,372	12.3
Between NIS 10 thousand and NIS 20 thousand	7,935	28.7	7,985	29.2	7,950	29.0
Over NIS 20 thousand	9,489	34.4	8,965	32.8	8,824	32.1
Total	**27,642**	**100.0**	**27,319**	**100.0**	**27,447**	**100.0**

(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, 2025		As of September 30, 2024		As of December 31, 2024	
Term to maturity	**NIS in millions**	**in %**	**NIS in millions**	**in %**	**NIS in millions**	**in %**
Up to 1 year	4,182	20.0	4,145	20.5	4,177	20.5
Over 1 year to 3 years	6,558	31.3	6,220	30.7	6,315	30.9
Over 3 years to 5 years	5,003	23.9	5,001	24.7	4,958	24.3
Over 5 years to 7 years	2,339	11.2	2,194	10.8	2,245	11.0
Over 7 years(2)	2,867	13.6	2,684	13.3	2,709	13.3
Total	**20,949**	**100.0**	**20,244**	**100.0**	**20,404**	**100.0**

(1) Excluding utilized current account balances in credit card.

(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, 2025			As of September 30, 2024			As of December 31, 2024		
	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	276	2	278	262	5	267	272	2	274
Problematic credit risk rate(2)	1.00%	0.01%	0.63%	0.96%	0.03%	0.62%	0.99%	0.01%	0.63%

(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		2024
	2025	**2024**	
Expense with respect to credit losses as percentage of total loans to the public to individuals	0.72%	0.42%	0.51%

Data for credit risk to individuals show that:

- Total debts by individuals (on-balance sheet credit) increased by 1.2% compared to September 30, 2024 and by 0.71% compared to December 31, 2024.
- Composition of debts as of September 30, 2025 is as follows:
  Current accounts - 6.9%
  Credit cards - 17.3%
  Auto loans - 22.5%
  Other loans and credit - 53.3%
- Of all debts (on-balance sheet credit) as of September 30, 2025, 28.8% is secured by financial assets and other collateral in the customer's account (compared to 30.1% as of September 30, 2024 and 29.5% as of December 31, 2024).

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 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 project method). 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 external 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.

Total housing construction starts in the 12 months from July 2024 to June 2025 were 76 thousand residential units, a 22% increase compared to the corresponding period in the previous year. Residential housing construction completions decreased by 4.9%, at 55 thousand residential units. In July 2025, the new apartments inventory stood at approx. 83 thousand apartments; as from April 2022, there has been a 1.5% average monthly increase in this line item. Approx. 56% of unsold apartments are located in Tel Aviv and the Central region. The increase in inventory reflects the decline in the volume of transactions, which was affected by the high interest rate, the war and the Bank of Israel’s restrictions on contracts based on non-linear payment methods.

As from 2024, the percentage of sale contracts based on non-linear payment methods out of total sale contracts of new apartments has increased as part of a marketing technique, which enables contractors to sell the apartments in a complex period against the backdrop of the war and high interest rates. This issue is assessed as part of the projects’ underwriting process and during the monitoring of the projects approved by the Bank, including an assessment of the effects of those contracts on the project’s financing costs. In addition, the Bank verifies that the supervisors take into account the scope of the contracts and their effects on financing costs. The project’s cash flow and the need to revise the budgetary framework are monitored closely, and the Bank also closely monitors the development of the risk characteristics arising from this segment. In view of the above, on April 6, 2025, the Supervisor of Banks published a circular on revision of Proper Conduct of Banking Business Directive No. 203 regarding “Measurement and Capital Adequacy – Credit Risk—the Standardized Approach”, and Directive No. 329 on “Limitations on Issuing Residential Mortgages”. The circular designates an increased risk weight to credit used to finance projects with a high proportion of house sale contracts where a significant proportion of the sale consideration is paid on the house delivery date. Furthermore, it was decided to limit the proportion of bullet and balloon loans, which are subsidized by the developer paying the interest payments, such that those loans will not exceed 10% of total residential mortgages. The directive is effective through December 31, 2026 and the Bank monitors the projects such that they comply with the restriction. For more information see Note 1 to the financial statements.

In the past three years there has been a slowdown in demand in the office space segment in view, among other things, of the slowdown in the high-tech sector, which is a major user of office space; this resulted in a shift and a decline in rent and occupancy rates in this segment (which are more prominent in the suburbs of Tel Aviv and Gush Dan), which may intensify as demand increases.

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 third quarter of 2025, total exposure to the construction and real estate sectors increased by 10.1%, 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, 2025, as presented below (Credit Risk by Economic Sector) is 18.2%. 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 13.4% (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.

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, 2025
	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	30,548	6,506	23,831	60,885	148	56	204	46
Commercial and industrial	11,220	202	2,824	14,246	97	79	140	3
Total secured by real estate	**41,768**	**6,708**	**26,655**	**75,131**	**245**	**135**	**344**	**49**
Not secured by real estate	8,382	9	9,343	17,734	92	52	158	16
Total for construction and real estate economic sector in Israel	**50,150**	**6,717**	**35,998**	**92,865**	**337**	**187**	**502**	**65**
Of which: Designated for project assistance	30,641	6,684	24,782	62,107	146	54	42	46

								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

								December 31, 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	23,716	6,768	18,193	48,677	342	47	219	24
Commercial and industrial	10,555	200	2,226	12,981	152	118	165	3
Total secured by real estate	**34,271**	**6,968**	**20,419**	**61,658**	**494**	**165**	**384**	**27**
Not secured by real estate	7,263	8	7,590	14,861	100	178	179	19
Total for construction and real estate economic sector in Israel	**41,534**	**6,976**	**28,009**	**76,519**	**594**	**343**	**563**	**46**
Of which: Designated for project assistance	23,400	6,948	17,956	48,304	359	94	44	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, 2025			September 30, 2024			December 31, 2024		
	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	19,616	1,386	21,002	15,469	1,327	16,796	15,156	1,319	16,475
Real estate under construction	13,298	29,028	42,326	10,068	22,372	32,440	9,992	23,458	33,450
Real estate completely constructed	8,854	2,949	11,803	8,650	2,413	11,063	9,123	2,610	11,733
Total credit secured by real estate in Israel	**41,768**	**33,363**	**75,131**	**34,187**	**26,112**	**60,299**	**34,271**	**27,387**	**61,658**
Not secured by real estate	8,382	9,352	17,734	7,479	7,163	14,642	7,263	7,598	14,861
Total credit risk for construction and real estate	**50,150**	**42,715**	**92,865**	**41,666**	**33,275**	**74,941**	**41,534**	**34,985**	**76,519**

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	
	2025	2024	Change
	Credit risk to the public(1)		
Credit risk at performing credit rating:			
Total non-problematic credit risk	88,736	73,152	21.3%
Credit risk other than at performing credit rating:			
Problematic accruing	187	343	(45.5%)
Problematic non-accruing	337	594	(43.3%)
Non-problematic	3,605	2,430	48.4%
Total credit risk other than at performing credit rating	**4,129**	**3,367**	**22.6%**
Total credit risk for construction and real estate	**92,865**	**76,519**	**21.4%**

(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.

Credit risk by economic sector

As of September 30, 2025

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	1,210	1,112	65	33	1,210	881	33	20	(5)	-	27
Mining and excavation	5,288	5,286	2	-	5,148	3,966	-	-	-	-	33
Industry and production	15,762	14,567	700	495	15,561	8,673	495	216	(20)	66	396
Of which: Diamonds	1,266	1,007	39	220	1,266	843	220	88	(14)	38	67
Construction and real estate – construction[(6)]	80,780	77,130	3,290	360	80,662	39,513	360	253	(15)	1	366
Construction and real estate – real estate operations	12,085	11,606	315	164	11,728	10,185	160	80	(25)	1	201
Electricity and water delivery	12,659	12,595	59	5	12,297	7,586	5	2	32	5	156
Commerce	19,116	17,962	598	556	18,972	14,174	556	333	35	23	464
Hotels, dining and food services	2,728	2,464	101	163	2,723	2,137	163	53	2	7	110
Transport and storage	5,343	4,179	1,120	44	5,325	3,109	44	24	29	31	83
Information and communications	2,040	2,007	25	8	1,950	1,154	8	4	-	-	26
Financial services	38,192	38,099	85	8	34,813	19,679	8	3	(5)	(4)	44
Other business services	8,254	7,891	212	151	8,236	5,170	151	76	26	36	176
Public and community services	3,632	3,361	154	117	3,633	2,729	117	103	9	12	77
Total commercial	**207,089**	**198,259**	**6,726**	**2,104**	**202,258**	**118,956**	**2,100**	**1,167**	**63**	**178**	**2,159**
Private individuals – residential mortgages	259,534	253,544	3,413	2,577	259,534	240,124	2,577	2,577	(65)	-	1,148
Private individuals – other	44,121	43,471	372	278	44,114	27,642	278	72	149	124	722
Total public – activity in Israel	**510,744**	**495,274**	**10,511**	**4,959**	**505,906**	**386,722**	**4,955**	**3,816**	**147**	**302**	**4,029**
Banks in Israel	4,765	4,765	-	-	487	487	-	-	-	-	-
Government of Israel	30,371	30,371	-	-	-	-	-	-	-	-	-
Total activity in Israel	**545,880**	**530,410**	**10,511**	**4,959**	**506,393**	**387,209**	**4,955**	**3,816**	**147**	**302**	**4,029**
Borrower activity overseas											
Total public – activity overseas	12,321	11,920	-	401	12,144	9,046	390	232	55	103	134
Overseas banks	23,849	23,849	-	-	23,780	23,706	-	-	1	-	4
Overseas governments	12,369	12,368	-	1	475	351	1	1	-	-	1
Total activity overseas	**48,539**	**48,137**		**402**	**36,399**	**33,103**	**391**	**233**	**56**	**103**	**139**
Total	**594,419**	**578,547**	**10,511**	**5,361**	**542,792**	**420,312**	**5,346**	**4,049**	**203**	**405**	**4,168**

(1) On- and off-balance sheet credit risk, including with respect to derivatives (NIS in millions): Debts[(2)] – 420,312; bonds – 44,281; securities borrowed or acquired under resale agreements – 637; (on- and off-balance sheet) credit risk with respect to derivatives – -6,709; and credit risk of off-balance-sheet financial instruments as calculated for the purpose of determining per-borrower indebtedness limits – 122,480.

(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 820 million and off-balance sheet credit risk amounting to NIS 933 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, 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 December 31, 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	1,408	1,307	75	26	1,408	1,103	26	20	7	7	32
Mining and excavation	4,888	4,880	-	8	4,753	2,771	8	6	8	-	33
Industry and production	15,542	14,444	549	549	15,350	8,587	545	211	25	(21)	482
Of which: Diamonds	1,608	1,319	49	240	1,608	1,113	240	99	29	-	119
Construction and real estate – construction(6)	64,807	61,746	2,300	761	64,684	31,310	761	483	13	27	382
Construction and real estate – real estate operations	11,712	11,406	130	176	11,293	9,688	176	111	2	-	227
Electricity and water delivery	12,356	12,305	41	10	12,002	7,114	10	7	44	3	129
Commerce	17,514	16,137	641	736	17,383	13,158	736	335	6	74	452
Hotels, dining and food services	2,216	1,958	86	172	2,211	1,681	172	62	1	32	115
Transport and storage	3,757	3,132	551	74	3,728	2,975	74	32	16	15	85
Information and communications	1,820	1,714	89	17	1,717	950	17	12	7	11	26
Financial services	32,901	32,640	225	36	27,168	14,878	36	7	12	11	45
Other business services	8,181	7,651	343	187	8,162	5,187	187	100	16	25	186
Public and community services	3,378	3,166	66	146	3,375	2,575	146	126	(23)	10	80
Total commercial	**180,480**	**172,486**	**5,096**	**2,898**	**173,234**	**101,977**	**2,894**	**1,512**	**134**	**194**	**2,274**
Private individuals – residential mortgages	242,069	236,827	3,101	2,141	242,069	225,291	2,141	2,141	64	-	1,213
Private individuals – other	43,186	42,530	382	274	43,181	27,447	274	83	139	144	697
Total public – activity in Israel	**465,735**	**451,843**	**8,579**	**5,313**	**458,484**	**354,715**	**5,309**	**3,736**	**337**	**338**	**4,184**
Banks in Israel	1,724	1,724	-	-	303	303	-	-	-	-	-
Government of Israel	23,511	23,511	-	-	2	2	-	-	-	-	-
Total activity in Israel	**490,970**	**477,078**	**8,579**	**5,313**	**458,789**	**355,020**	**5,309**	**3,736**	**337**	**338**	**4,184**
Borrower activity overseas											
Total public – activity overseas	10,344	9,723	-	621	10,071	7,379	617	560	181	92	182
Overseas banks	23,812	23,812	-	-	23,674	23,639	-	-	1	-	3
Overseas governments	2,400	2,399	-	1	439	317	1	1	-	-	1
Total activity overseas	**36,556**	**35,934**		**622**	**34,184**	**31,335**	**618**	**561**	**182**	**92**	**186**
Total	**527,526**	**513,012**	**8,579**	**5,935**	**492,973**	**386,355**	**5,927**	**4,297**	**519**	**430**	**4,370**

(1) On- and off-balance sheet credit risk, including with respect to derivatives (NIS in millions): Debts(2) – 386,355; bonds – 27,593; securities borrowed or acquired in conjunction with resale agreements – 264; (on- and off-balance sheet) credit risk with respect to derivatives – 6,696; and credit risk of off-balance-sheet financial instruments as calculated for the purpose of determining per-borrower indebtedness limits – 106,618.

(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 1,019 million and off-balance sheet credit risk amounting to NIS 1,098 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, 2025			September 30, 2024			December 31, 2024		
									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	41,404	3,613	45,017	33,390	2,042	35,432	33,238	1,901	35,139
Barbados[5]	-	-	-	5,000	-	5,000	4,857	-	4,857
Others[6]	19,675	11,468	31,143	12,251	11,195	23,446	10,478	11,599	22,077
Total exposure to foreign countries	**61,079**	**15,081**	**76,160**	**50,641**	**13,237**	**63,878**	**48,573**	**13,500**	**62,073**
Of which: To Greece, Portugal, Spain, Italy	145	8	153	56	10	66	54	12	66
Of which: Total exposure to LDC countries	660	114	774	774	193	967	580	110	690

(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 6,323 million, mostly with respect to acquiring insurance from international reinsurers for borrowers in the real estate sector in Israel. (As of September 30, 2024: NIS 7,420 million; as of December 31, 2024: NIS 7,744 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. As of September 30, 2025, the exposure to Barbados in respect of this insurance policy declined below the threshold required for a separate disclosure in a note.

(6) Balance sheet exposure includes NIS 3,697 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, 2024: NIS 3,370 million; as of December 31, 2024: NIS 3,408 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, 2025, the balance sheet exposure to Barbados meets the threshold required for this disclosure and amounts to NIS 4.4 billion.

As of September 30, 2024 and December 31, 2024, 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[2]

	For the nine months ended On September 30, 2024	For the year ended As of December 31, 2024
	Barbados[1]	Barbados[1]
Exposure at start of reported period	5,353	5,353
Net changes to exposure	(353)	(496)
Exposure at end of reported period	5,000	4,857

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.

(2) As of September 30, 2025, the Bank had no exposure to foreign countries facing liquidity issues where the exposure with respect of which exceeds the reporting threshold set in the Public Reporting Directives.

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, 2025
AAA to AA-	7,155	5,250	12,405
A+ to A-	3,680	4,087	7,767
BBB+ to BBB-	-	-	-
BB+ to B-	-	-	-
Lower than B-	-	-	-
Unrated	7	12	19
Total credit exposure to foreign financial institutions	**10,842**	**9,349**	**20,191**

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
			December 31, 2024
AAA to AA-	6,348	5,171	11,519
A+ to A-	3,197	3,011	6,208
BBB+ to BBB-	3	-	3
BB+ to B-	-	-	-
Lower than B-	-	-	-
Unrated	10	13	23
Total credit exposure to foreign financial institutions	**9,558**	**8,195**	**17,753**

(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 6,323 million as of September 30, 2025 (as of September 30, 2024: NIS 7,420 million; as of December 31, 2024: NIS 7,744 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.

The global financial system is facing with the potential effects of the changing customs policies of the US administration. The global economy demonstrated resilience in the face of the initial wave of trade disruptions; earlier forecasts of a recession this year did not materialize, and global growth may slow down slightly in 2025 and 2026. Many economies functioned better than feared, as the world avoided a deterioration into a trade war. The price of gold, which is traditionally deemed a safe-haven asset during times of turmoil, exceeded the USD 4,000/oz mark amid concerns regarding the US economy. Leading global banks currently assess their credit exposures to various sectors, with an emphasis on sectors such as the automotive, electronics and energy sectors, and look into way to deal with potential effects of tensions in global trade in order to mitigate potential risks. This uncertainty has an impact on economic forecasts. There are concerns that the tariff policies may lead to a slowdown in growth, affect inflation levels, and also impact the quality of the assets and levels of credit extended by the banking system; this is despite the fact that banks are currently deemed more resilient to economic changes. The uncertainty around future developments in the tariff policies creates an environment requiring strict risk assessments in the financial system. In mid-October, share prices of US regional banks declined amid concerns regarding the soundness of their credit underwriting and the exposure of several fraud cases in the private credit industry, to which the US banks are exposed. These concerns may intensify and lead to liquidity crises in certain US banks.

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 2,139 million, is to international affiliates of financial institutions in the USA. 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 closely monitors the exposures to financial institutions; among other things, it monitors public information and ratings, as well as any other information available with regard to financial institutions to which it is exposed. The exposure limits and actual exposure are assessed 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.

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 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 indicate material deterioration or change in risk level; however, there is uncertainty with regard to stability of the security situation. 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 2025) was 54.5% (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.

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

	Loans granted (NIS in millions)		
	Nine months		Rate of Change
	2025	2024	In %
Mortgages issued (for housing and any purpose)			
From the Bank's funds	30,439	25,524	19.3
From funds of the Finance Ministry:			
Directed loans	111	118	(5.9)
Standing loans and grants	122	120	1.7
Total new loans	**30,672**	**25,762**	**19.1**
Refinanced loans	10,276	6,278	63.7
Total loans originated	**40,948**	**32,040**	**27.8**
Number of borrowers (includes refinanced loans)	53,351	47,422	12.5

Below are details of various risk attributes of the residential mortgage portfolio(1) as of September 30, 2025 (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%	4,256	12,243	13,034	39,694	32,588	17,090	118,905
	35%-50%	1,130	3,174	3,437	9,102	5,078	3,651	25,572
	50%-80%	1	14	16	99	73	746	949
	Over 80%	-	-	-	5	7	56	68
60%-75%	Up to 35%	3,065	7,788	8,283	28,960	16,546	6,354	70,996
	35%-50%	1,349	3,668	3,228	7,883	2,212	1,241	19,581
	50%-80%	-	-	2	45	30	194	271
	Over 80%	-	-	-	2	1	10	13
Over 75%	Up to 35%	78	345	340	823	547	947	3,080
	35%-50%	24	102	71	175	79	214	665
	50%-80%	-	-	-	11	2	47	60
	Over 80%	-	-	-	1	-	9	10
Total		**9,903**	**27,334**	**28,411**	**86,800**	**57,163**	**30,559**	**240,170**
Loans granted with original amount over NIS 2 million		1,998	5,224	4,666	13,191	4,187	1,561	30,827
Percentage of total residential mortgages		20.2%	19.1%	16.4%	15.2%	7.3%	5.1%	12.8%
Loans bearing variable interest:								
Non-linked, at prime rate		559	868	575	21,998	15,416	9,396	48,812
CPI-linked(3)		253	1,558	2,391	6,104	976	2,210	13,492
In foreign currency(3)		40	73	36	991	871	677	2,688
Total		852	2,499	3,002	29,093	17,263	12,283	64,992
Non-linked loans at prime rate, as percentage of total residential mortgages		5.6%	3.2%	2.0%	25.3%	27.0%	30.7%	20.3%
CPI-linked loans bearing variable interest as percentage of total residential mortgages		2.6%	5.7%	8.4%	7.0%	1.7%	7.2%	5.6%
Loans with LTV over 75% as percentage of total residential mortgages		1.0%	1.6%	1.4%	1.2%	1.1%	4.0%	1.6%

(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, 2025 is 54.5%, compared to 55.1% at the end of last year, and 54.9% on September 30, 2024. Out of the total loan portfolio of the Bank, amounting to NIS 240.2 billion, some 98.4% 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 1.0 billion, or only 0.4% of the total residential mortgage portfolio.

Note, in this regard, that the Bank's average LTV ratio as of September 30, 2025, 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 3.5%. For loans originated one to 5 years ago – by 5.1%; for loans originated over 5 years ago – by 16.4%; 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 1.4% for loans granted 1-2 years ago, 1.6% for loans granted 3-12 months ago and 1.0% for loans granted in the third quarter of 2025.

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 26.6%. Some 80.5% of the Bank's mortgage portfolio were granted to borrowers with a repayment ratio under 35% (the average repayment ratio for these borrowers is: 23.5%). Some 18.9% of the mortgage portfolio were granted to borrowers with a repayment ratio of 35% to 50% (the average repayment ratio for these borrowers is: 38.6%). 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 unlinked (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

The up-to-date balance of the loans originally executed at an amount of over NIS 2 million amounted to NIS 30.8 billion on September 30, 2025, which constitute 12.8% of the Bank's residential mortgage portfolio.

For more information about residential mortgages risk, see also the 2024 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, legal risk, and model risk see the Report of the Board of Directors and Risks Report for 2024.

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 the Bank's 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. The risk values are within the limits of the Bank's risk appetite. The Bank of Israel interest rate remained unchanged at 4.50%.

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
	2025	2024	2024
At end of period	1,360	1,409	1,487
Maximum value during period	(May) 1,645	(Feb.) 1,734	(Feb.) 1,734
Minimum value during period	(Sep.) 1,360	(Sep.) 1,409	(Sep.) 1,409

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

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

Set forth below is the effect(1)(2)(3) of a parallel shift of the curve in a standard parallel scenario on the economic value of the Bank's portfolio in EVE terms (in NIS millions):

	Change in fair value					
	Israeli currency		Foreign currency			
	Non-linked	Linked to CPI	USD	EUR	Other	Total EVE
	September 30, 2025					
A parallel standard scenario - increase	(2,874)	(945)	(32)	80	29	(3,819)
A parallel standard scenario - decrease	3,369	1,274	(248)	(89)	(32)	(369)
	September 30, 2024					
A parallel standard scenario - increase	(2,136)	(1,415)	(223)	94	22	(3,658)
A parallel standard scenario - decrease	2,020	1,399	18	(101)	(26)	(109)
	December 31, 2024					
A parallel standard scenario - increase	(2,717)	(1,205)	(83)	66	29	(3,922)
A parallel standard scenario - decrease	2,689	1,265	(187)	(70)	(32)	(289)

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

(2) In accordance with Proper Conduct of Banking Business Directive 333, as from the third quarter of 2025, the reported scenario results in each currency is based on a different parallel scenario - 2.5% in NIS, 1.5% in linked NIS and 2% in US Dollar and Euro.

(3) As from the second quarter of 2024, in accordance with Proper Conduct of Banking Business Directive 333, the reported scenario results do not include offsetting between the scenario results in NIS and foreign currency results: NIS-denominated losses and foreign currency-denominated losses are summed in full, profits in both segments are also summed in full; however, profit from one segment will not offset a loss incurred in another segment and only the loss will be taken into account.

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 current 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 its subsidiaries thereof:

	As of September 30, 2025			As of September 30, 2024			As of December 31, 2024		
	NIS	Foreign currency(2)	Total	NIS	Foreign currency(2)	Total	NIS	Foreign currency(2)	Total
Net balance sheet balance(1)	32,230	87	32,317	30,013	(223)	29,790	30,433	(108)	30,325
Net adjusted fair value(1)	31,963	407	32,370	32,800	679	33,479	30,178	430	30,608
Of which: Banking portfolio	24,978	(6,738)	18,240	23,732	(6)	23,726	21,961	(1,086)	20,875
Of which: Effect of attribution of on-call deposits to terms	4,223	499	4,722	5,569	700	6,269	4,674	594	5,268
Of which: Effect of early repayment of residential mortgages	(573)	(34)	(607)	(242)	(31)	(273)	(235)	(40)	(275)
Of which: Impact of early receptions of public deposits	(115)	-	(115)	(18)	-	(18)	23	-	23

The difference between the fair value and the balance-sheet balance decreased by NIS 0.3 billion from NIS (3.0) billion as of December 31, 2024 to NIS (2.7) billion as of September 30, 2025. The decrease arises from the fact that interest rates in the long tenor declined during the first nine months of the year, which affects mortgages, alongside a stability in the short tenor, which affects the sources.

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

	As of September 30, 2025			As of September 30, 2024			As of December 31, 2024		
	NIS	Foreign currency(2)	Total	NIS	Foreign currency(2)	Total	NIS	Foreign currency(2)	Total
Concurrent changes									
Concurrent 1% increase	(1,824)	68	(1,756)	(1,746)	(55)	(1,801)	(1,994)	(129)	(2,123)
Of which: Banking portfolio	(1,745)	66	(1,679)	(1,733)	(67)	(1,800)	(1,972)	(115)	(2,087)
Of which: Effect of attribution of on-call deposits to terms	982	224	1,206	1,389	311	1,700	1,459	313	1,772
Of which: Effect of early repayment of residential mortgages	2,999	3	3,002	2,620	3	2,623	2,737	4	2,741
Of which: Impact of early receptions of public deposits	(253)	-	(253)	(175)	-	(175)	(183)	-	(183)
Concurrent 2% increase	(3,359)	107	(3,252)	(3,290)	42	(3,248)	(3,851)	(48)	(3,899)
Of which: Banking portfolio	(3,278)	134	(3,144)	(3,267)	36	(3,231)	(3,811)	(21)	(3,832)
Concurrent 1% decrease	1,274	18	1,292	1,186	(237)	949	1,539	(181)	1,358
Of which: Banking portfolio	1,331	(50)	1,281	1,167	(264)	903	1,514	(195)	1,319
Of which: Effect of attribution of on-call deposits to terms	(1,045)	(238)	(1,283)	(1,488)	(331)	(1,819)	(1,563)	(333)	(1,896)
Of which: Effect of early repayment of residential mortgages	(3,691)	(4)	(3,695)	(3,207)	(3)	(3,210)	(3,357)	(4)	(3,361)
Of which: Impact of early receptions of public deposits	269	-	269	188	-	188	197	-	197
Concurrent 2% decrease	3,596	27	3,623	3,021	(321)	2,700	4,249	(212)	4,037
Of which: Banking portfolio	3,629	(78)	3,551	2,978	(358)	2,620	4,191	(245)	3,946
Non-concurrent changes									
Steeper(3)	(1,847)	(117)	(1,964)	(959)	86	(873)	(936)	56	(880)
Shallower(4)	563	185	748	283	(12)	271	404	15	419
Short-term interest increase	(1,257)	304	(953)	(252)	152	(100)	(269)	173	(96)
Short-term interest decrease	1,420	(326)	1,094	186	(155)	31	355	(176)	179

(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.

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 arises from timing differences only.

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

There were no significant changes in the interest rate increase and decrease scenarios compared to the corresponding period last year.

See Note 16 to the financial statements for additional information.

Note that the internal rate of return and the effective average 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(4)(1):

	As of September 30, 2025			As of September 30, 2024(5)			As of December 31, 2024		
	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	(119)	192	73	57	(69)	(12)	(39)	297	258
Of which: Banking portfolio	(123)	235	112	56	(51)	5	(40)	315	275
Concurrent 1% decrease	(151)	(261)	(412)	(453)	(56)	(509)	(444)	(142)	(586)
Of which: Banking portfolio	(147)	(251)	(398)	(452)	(80)	(532)	(442)	(164)	(606)

(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) The interest rate increase/decrease scenario includes an assumption that funds are diverted from current accounts to deposits and/or from short-term deposits to current accounts. The decline in the Bank portfolio's sensitivity to decline in interest rates in this year arises both from operating activities and from revision to the behavioral assumptions.
(5) Reclassified.

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

	As of September 30, 2025	As of September 30, 2024	As of December 31, 2024
	NIS in millions		
Concurrent 1% increase	(29)	(56)	(43)
Concurrent 1% decrease	(2)	31	17

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

- Credit balances in current 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 and non-interest revenues, the risk-free interest rate is capped, in accordance with Proper Conduct of Banking Business Directive 333.
- The interest rate increase/decrease scenario includes an assumption that funds are diverted from current accounts to deposits and/or from short-term deposits to current accounts.

Under the concurrent scenario of interest rate increase by 1%, the capital reserve with respect to securities is expected to decrease by NIS 256 million.

For further details of assumptions used in calculation of the fair value of financial instruments, see Note 16 to these financial statements and Note 33 to the financial statements as of December 31, 2024.

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, 2025, 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)	2,314	1,157	(1,157)	(2,314)	262	(161)
USD	23	8	(4)	(7)	5	(3)
GBP	(5)	(3)	3	5	(2)	3
JPY	-	-	-	-	-	-
EUR	4	2	(1)	(2)	1	(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 694 million and NIS (694) million, respectively.

Share price risk

For more information about share price risk, see the 2024 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 2024 financial statements.

Liquidity and financing risk

Risk description and development thereof

A Liquidity risk is a risk arising from uncertainty about resource availability and the capacity to realize assets in a specified time at a reasonable price.

Financing risk is a risk resulting from shortage of financing sources or financing sources' raising costs, which are too high.

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 2025, there were no recorded deviations from the Board of Directors' restrictions.

Liquidity risk remained low-medium. In January 2025, in view of the subsidence in fighting in the south, the ceasefire in the north, and the calm in the markets, it was decided to lower the Bank's state of alert regarding liquidity by one notch, after its level was increased by one notch since the outbreak of the war and due to the security situation and its effects. In June 2025, following Operation ""Rising Lion"", the markets and the various indicators were closely monitored, and it was decided to maintain this state of alert. No changes were made to the state of alert during the third quarter.

The Bank closely monitors the 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, 2025, the balance of the three largest depositor groups at the Bank Group amounted to NIS 35.4 billion (as of December 31, 2024 - NIS 29.0 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 the credit rating of the Bank and its bonds, see chapter "Corporate Governance, Audit, Other Information about the Bank and Management thereof".

For more information about financing risk, see also the 2024 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.

In the third quarter of 2025, the Bank maintained appropriate liquidity by investing excess liquidity in liquid assets of very high quality – Level 1 assets. The average liquidity coverage ratio (on consolidated basis) for the third quarter of 2025 was 131%. The average ratio in the third quarter of 2025 decreased compared to the ratio in the second quarter of 2025, due to shorter sources for a range of 30 days. During the quarter, there were no recorded deviations from ratio restrictions.

As of September 30, 2025, the Bank has a high-quality liquid assets balance (consolidated) of approx. NIS 89.4 billion, in addition to other liquid assets, which are not recognized for the purpose of calculating HQLA. For more information regarding the composition of the Bank's high-quality liquid assets, see the Risks Report on the Bank website.

As of September 30, 2025, total pledged assets amount to approx. NIS 5.5 billion. These assets not recognized for the purpose of calculating HQLA. The increase in pledged assets arises from an increase in Bank customers' exposure to options and futures abroad.

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

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.

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 ratio limits over-reliance by banking corporations on short-term wholesale funding. The net stable funding ratio consists of two components: available stable funding items and required stable funding items.

Net stable funding ratio (on a consolidated basis) as of September 30, 2025 was 112%, which is similar to the ratio as of June 30, 2025.

No deviations from the risk appetite limitations were recorded.

"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 sum is based on the liquidity attributes and time to maturity of various assets held by the banking corporation, as well as of off-balance sheet exposures.

For more information regarding the stable funding ratio and its calculation, 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 2024.

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, 2024.

The significant accounting policies are detailed in Note 1 to the 2024 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, 2024. For more information about accounting policies on critical matters, see chapter "Policies and critical accounting estimates" of the 2024 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 2025 amounted to NIS 44 million, compared to NIS 130 million in the corresponding period last year, and in the first nine months of 2025 amounted to NIS 203 million, compared to NIS 414 million in the corresponding period last year. The components of the collective provision for credit losses calculated on a qualitative basis are subject to adjustments from time to time, in order to reflect the changes in the credit risk in the market due to the ongoing fighting (at various levels of intensity) and the associated uncertainty, both with respect to customers living in the conflict zones, who may face difficulties, and with respect to macro-economic and other developments which may affect everyone in Israel. This also reflects the risk potential due to customers, the repayment of whose loans was postponed for a limited period, and in respect of customers, the repayment of whose loans was resumed after such postponement. This was done despite the fact that when the adjustments were made no material indicators of increase in this risk have been identified. Upon conclusion of the war and the reduction in uncertainty levels, these components of the collective provision are expected to decrease, other than the recognized amounts, as required, with respect to specific customers who faced difficulties 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 4% in the GDP, a further 0.8% increase in Bank of Israel interest rate, a 0.45% increase and in mortgage interest, and a rise in unemployment to 6%.

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.

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, 2025. 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, 2025, 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 2025, 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:
November 17, 2025

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, 2025 (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 17, 2025

(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, 2025 (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 17, 2025

(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, 2025, 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 the preparation and fair presentation of financial information for these interim periods in accordance with instructions and guidelines set by the Supervisor of Banks (hereinafter: the "instructions"). 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 approximately 4.04% of total consolidated assets as of September 30, 2025, and whose net interest revenues before expenses with respect to credit losses included in the consolidated statements of profit and loss constitute approximately 5.17% and approximately 5.40% 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 conclusion, insofar as it relates to amounts included with respect to those companies, is based on the review reports of the other auditors.

Scope of Review

We conducted our review in accordance with Review Standard (Israel) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Institute of Certified Public Accountants in Israel and a review standard applied in the review of banking institutions according to the instructions and guidelines of the Supervisor of Banks. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we 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 causes us to believe that the accompanying interim financial information has not been prepared, in all material aspects, in accordance with the instructions. As described in Note 1 to the Financial Information, these instructions primarily adopt the generally accepted accounting principles in the United States (US GAAP).

Brightman Almagor Zohar & Co.

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

Tel Aviv, November 17, 2025

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Bank Mizrahi Tefahot

Condensed Financial Statements as of September 30, 2025

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Condensed consolidated statements of profit and loss

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
		2025	2024	2025	2024	2024
	Note	(Unaudited)				(Audited)
Interest revenues	2	7,426	7,121	20,804	19,937	25,798
Interest expenses	2	4,280	3,965	11,766	10,876	13,984
Interest revenues, net		3,146	3,156	9,038	9,061	11,814
Expenses due to credit losses	6.13	44	130	203	414	519
Interest revenues, net after expenses with respect to credit losses		**3,102**	**3,026**	**8,835**	**8,647**	**11,295**
Non-interest revenues						
Non-interest financing revenues	3	57	60	242	431	574
Commissions		561	514	1,684	1,532	2,060
Other revenues		66	67	203	206	273
Total non-interest revenues		**684**	**641**	**2,129**	**2,169**	**2,907**
Operating and other expenses						
Payroll and associated expenses		835	847	2,569	2,571	3,431
Maintenance and depreciation of buildings and equipment		278	246	807	739	992
Other expenses		197	196	596	586	799
Total operating and other expenses		**1,310**	**1,289**	**3,972**	**3,896**	**5,222**
Pre-tax profit		2,476	2,378	6,992	6,920	8,980
Provision for taxes on profit		935	898	2,609	2,626	3,326
After-tax profit		**1,541**	**1,480**	**4,383**	**4,294**	**5,654**
Share of profits of associated companies, after tax effect		2	3	13	15	16
Net profit:						
Before attribution to non-controlling interests		1,543	1,483	4,396	4,309	5,670
Attributable to non-controlling interests		(60)	(58)	(170)	(160)	(215)
Attributable to shareholders of the Bank		**1,483**	**1,425**	**4,226**	**4,149**	**5,455**

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

A. Zeldman

Avraham Zeldman
Chairman of the Board of Directors

Moshe Lari
President & CEO

Menahem Aviv
Vice-president Chief Accountant

Approval date:
Ramat Gan, November 17, 2025

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
	2025	**2024**	**2025**	**2024**	**2024**
		(Unaudited)	**(Unaudited)**		**(Audited)**
Earnings per share[(1)] (in NIS)					
Basic earnings					
Net profit attributable to shareholders of the Bank	5.71	5.52	16.29	16.07	21.12
Weighted average number of ordinary shares used to calculate basic earnings (thousands of shares)	259,941	258,343	259,457	258,262	258,306
Diluted earnings					
Net profit attributable to shareholders of the Bank	5.68	5.49	16.20	16.00	21.02
Weighted average number of ordinary shares used to calculate diluted earnings (thousands of shares)	261,249	259,668	260,809	259,322	259,551

(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
		2025	2024	2025	2024	2024
		(Unaudited)		(Unaudited)		(Audited)
Net profit:						
Before attribution to non-controlling interests		1,543	1,483	4,396	4,309	5,670
Attributable to non-controlling interests		(60)	(58)	(170)	(160)	(215)
Net profit attributable to shareholders of the Bank		**1,483**	**1,425**	**4,226**	**4,149**	**5,455**
Pre-tax other comprehensive income	4					
Adjustments for presentation of available-for-sale bonds at fair value, net		135	153	292	11	205
Net gains from cash flow hedges		(2)	2	(3)	-	3
Adjustments of liabilities with respect to employee benefits[1]		(8)	(36)	(12)	107	109
Total other comprehensive income (loss), before tax		**125**	**119**	**277**	**118**	**317**
Related tax effect		(44)	(31)	(94)	(35)	(107)
Post-tax other comprehensive income[2]						
Other comprehensive income before attribution to non-controlling interests		81	88	183	83	210
Less - comprehensive income attributed to non-controlling interests		5	9	11	14	15
Other comprehensive income attributable to shareholders of the Bank, after tax		**76**	**79**	**172**	**69**	**195**
Comprehensive income:						
Before attribution to non-controlling interests		1,624	1,571	4,579	4,392	5,880
Attributable to non-controlling interests		(65)	(67)	(181)	(174)	(230)
Comprehensive income attributable to shareholders of the Bank		**1,559**	**1,504**	**4,398**	**4,218**	**5,650**

(1) Primarily consists of the effect of changes in interest rates on the actuarial liability, as well as deduction of the capital reserve.
(2) 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)

		As of September 30		As of December 31
		2025	2024	2024
	Note		(Unaudited)	(Audited)
Assets				
Cash and deposits with banks		68,478	79,342	82,644
Securities(1)(2)	5	45,375	30,829	28,491
Securities borrowed or purchased in resale agreements		637	448	264
Loans to the public	6.13	395,768	352,451	362,094
Provision for credit losses	6.13	(3,893)	(4,137)	(4,113)
Loans to the public, net	6.13	391,875	348,314	357,981
Loans to Governments		350	388	318
Investments in associated companies		479	249	263
Buildings and equipment		1,940	1,705	1,852
Intangible assets and goodwill		94	125	117
Assets with respect to derivatives	11	6,346	4,612	5,526
Other assets		9,815	6,367	8,187
Total assets		**525,389**	**472,379**	**485,643**
Liabilities and Equity				
Deposits from the public	7	421,487	385,119	393,383
Deposits from banks		2,926	1,816	2,599
Deposits from the Government		114	23	49
Securities loaned or sold in re-sale agreements		33	-	-
Bonds and subordinated notes		41,358	36,408	36,916
Liabilities with respect to derivatives	11	6,561	4,189	5,123
Other liabilities (3)		17,347	13,015	14,844
Total liabilities		**489,826**	**440,570**	**452,914**
Shareholders' equity attributable to shareholders of the Bank		33,965	30,408	31,292
Non-controlling interests		1,598	1,401	1,437
Total equity		**35,563**	**31,809**	**32,729**
Total liabilities and equity		**525,389**	**472,379**	**485,643**

(1) Of which: NIS 41,136 million at fair value on consolidated basis (on September 30, 2024: NIS 26,542 million; on December 31, 2024: NIS 24,285 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 262 million (on September 30, 2024: NIS 257 million, on December 31, 2024: NIS 245 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 transac_tions	Total paid-up share capital and capital reserves	Cumulative other comprehen_sive income (loss)[(2)]	Retained earnings[(3)]	Total shareholders' equity	Non-controlling interests	Total equity
	For the three months ended September 30, 2025 (unaudited)							
Balance as of June 30, 2025	3,652	94	3,746	(119)	29,487	33,114	1,533	34,647
Net profit for the period	-	-	-	-	1,483	1,483	60	1,543
Dividends paid[(4)]	-	-	-	-	(727)	(727)	-	(727)
Benefit from share-based payment transactions	-	19	19	-	-	19	-	19
Realization of share-based payment transactions	2	(2)	-	-	-	-	-	-
Other comprehensive income, net, after tax	-	-	-	76	-	76	5	81
Balance as of September 30, 2025	**3,654**	**111**	**3,765**	**(43)**	**30,243**	**33,965**	**1,598**	**35,563**
	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	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**

Condensed Statement of Changes in Shareholders' Equity – Continued

Reported amounts (NIS in millions)

	Share capital and premium[1]	Capital reserve from benefit from share-based payment transac_tions	Total paid-up share capital and capital reserves	Cumulative other comprehen_sive income (loss)[2]	Retained earnings[3]	Total shareholders' equity	Non-controlling interests	Total equity
	For the nine months ended September 30, 2025 (unaudited)							
Balance as of December 31, 2024	3,571	154	3,725	(215)	27,782	31,292	1,437	32,729
Net profit for the period	-	-	-	-	4,226	4,226	170	4,396
Dividends paid[4]	-	-	-	-	(1,765)	(1,765)	-	(1,765)
Benefit from share-based payment transactions	-	40	40	-	-	40	-	40
Realization of share-based payment transactions	83	(83)	-	-	-	-	-	-
Dividends attributable to non-controlling interests in subsidiary	-	-	-	-	-	-	(20)	(20)
Other comprehensive income (loss), net, after tax	-	-	-	172	-	172	11	183
Balance as of September 30, 2025	**3,654**	**111**	**3,765**	**(43)**	**30,243**	**33,965**	**1,598**	**35,563**
	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	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 year ended December 31, 2024 (audited)							
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	-	-	-	-	5,455	5,455	215	5,670
Dividends paid[4]	-	-	-	-	(1,869)	(1,869)	-	(1,869)
Benefit from share-based payment transactions	-	50	50	-	-	50	-	50
Realization of share-based payment transactions	15	(15)	-	-	-	-	-	-
Dividends attributable to non-controlling interests in subsidiary	-	-	-	-	-	-	(35)	(35)
Other comprehensive income (loss), net, after tax	-	-	-	195	-	195	15	210
Balance as of December 31, 2024	**3,571**	**154**	**3,725**	**(215)**	**27,782**	**31,292**	**1,437**	**32,729**

(1) Share premium generated prior to March 31, 1986.
(2) For more information see Note 4 – Cumulative other comprehensive income.
(3) For information regarding various restrictions on dividend distribution and dividends paid, see Note 24 to the 2024 financial statements.
On August 28, 2025, a dividend distribution amounting to NIS 726.5 million was made in conformity with resolution by the Bank's Board of Directors. 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.
(4) For more information regarding "Share-based Payment Transactions" see Note 17.

- On November 17, 2025, the Bank's Board of Directors resolved to distribute a dividend amounting to NIS 741.5 million, constituting 50% of net profit in the third quarter of 2025; this resolution was made after assessing the Bank's capital planning under the various scenarios, all further to the Bank's Board of Directors' resolution of June 4, 2025 regarding the new strategic plan. This amount will be deducted from retained earnings in the third quarter of 2025.

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
	2025	**2024**	**2025**	**2024**	**2024**
		(Unaudited)		**(Unaudited)**	**(Audited)**
Cash Flows from Current Activity					
Net profit before attribution to non-controlling interests	1,543	1,483	4,396	4,309	5,670
Adjustments					
Share of banking corporation in undistributed earnings of associated companies	(2)	(3)	(13)	(15)	(16)
Depreciation of buildings and equipment (including impairment)	73	71	216	212	285
Expenses due to credit losses	44	130	203	414	519
Loss (gain) from sale of securities available for sale and shares not held for trading	(11)	26	(27)	15	25
Realized and unrealized loss (gain) from adjustment to fair value of securities held for trading	(2)	(11)	(9)	(44)	(43)
Realized and unrealized loss (gain) from adjustments to fair value of shares not held for trading	14	(26)	(15)	(20)	(74)
Impairment of securities held for sale and shares not held for trading	1	2	(26)	6	6
Expenses arising from share-based payment transactions	19	21	40	28	50
Deferred taxes, net	57	12	117	(33)	15
Change in employees' provisions and liabilities	4	(3)	26	18	64
Adjustments with respect to exchange rate differentials	120	89	687	(183)	(24)
Accrual differences included with investment and financing operations	190	1,819	6,541	1,923	9,669
Net change in current assets					
Assets with respect to derivatives	3,117	398	(823)	1,670	759
Securities held for trading	(984)	608	174	529	531
Other assets, net	(484)	(1,382)	(1,782)	(1,874)	(3,790)
Net change in current liabilities					
Liabilities with respect to derivatives	(3,643)	592	1,438	(3,178)	(2,244)
Other liabilities	1,235	1,340	2,432	1,209	2,978
Net cash provided by current operations	**1,291**	**5,166**	**13,575**	**4,986**	**14,380**

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
	2025	2024	2025	2024	2024
	(Unaudited)		(Unaudited)		(Audited)
Cash flows from investment activities					
Net change in deposits with banks	81	1,348	(449)	740	37
Net change in loans to the public	(13,021)	(10,492)	(30,349)	(21,380)	(26,888)
Net change in loans to Governments	(51)	11	(32)	92	162
Net change in securities loaned or acquired in resale agreements	(164)	(168)	(373)	(342)	(158)
Acquisition of bonds held to maturity	(310)	-	(583)	(281)	(291)
Proceeds from redemption of bonds held to maturity	557	17	1,030	200	151
Purchase of securities available for sale and shares not held for trading	(16,772)	(6,733)	(41,598)	(16,091)	(23,217)
Proceeds from sale of securities available for sale and shares not held for trading	5,421	1,006	11,193	5,671	6,527
Proceeds from redemption of securities available for sale	9,306	247	12,238	2,458	3,095
Proceeds from sale of loan portfolios	-	-	120	89	125
Purchase of loan portfolios – public	(395)	(305)	(1,330)	(1,681)	(2,300)
Acquisition of buildings and equipment	(107)	(164)	(304)	(386)	(606)
Purchase of shares in associated companies	(105)	(2)	(208)	(12)	(12)
Proceeds from realized investment in associated companies	3	1	5	20	22
Net cash provided by investment activities	**(15,557)**	**(15,234)**	**(50,640)**	**(30,903)**	**(43,353)**
Cash flows provided by financing operations					
Net change in deposits from the public	(215)	9,843	20,493	24,975	29,943
Net change in deposits from banks	429	(617)	327	(2,755)	(1,972)
Net change in deposits from Government	(14)	(15)	65	(48)	(22)
Net change in securities loaned or sold in re-sale agreements	33	-	33	-	-
Issuance of bonds and subordinated notes	4,554	-	9,730	4,461	8,111
Redemption of bonds and subordinated notes	-	(3,680)	(5,726)	(6,053)	(9,076)
Dividends paid to shareholders	(727)	(581)	(1,765)	(1,299)	(1,869)
Dividends paid to external shareholders in subsidiaries	-	(15)	(20)	(15)	(35)
Net cash provided by financing operations	**4,060**	**4,935**	**23,137**	**19,266**	**25,080**
Decrease in cash	(10,206)	(5,133)	(13,928)	(6,651)	(3,893)
Cash balance at beginning of the period	77,799	84,711	82,088	85,957	85,957
Effect of changes in exchange rate on cash balances	(120)	(89)	(687)	183	24
Cash balance at end of the period	**67,473**	**79,489**	**67,473**	**79,489**	**82,088**
Interest and taxes paid / received					
Interest received	6,932	5,711	19,360	17,312	23,704
Interest paid	4,110	3,816	10,636	9,991	13,605
Dividends received	34	6	53	32	38
Income taxes received	-	-	331	205	205
Income taxes paid	904	808	2,627	2,646	3,715
Appendix A – Non-cash Transactions					
Acquisition of buildings and equipment	-	-	-	-	-

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

Note 1 – Reporting Principles and Accounting Policies

A. General

On November 17, 2025, the Bank's Board of Directors authorized publication of these condensed financial statements as of September 30, 2025.

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, 2024.

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. Regulatory steps to address the increase in the credit risk in the construction and real estate industries and the housing market

On April 6, 2025, the Supervisor of Banks published a circular on revision of Proper Conduct of Banking Business Directive No. 203 regarding "Measurement and Capital Adequacy – Credit Risk—the Standardized Approach", and Directive No. 329 on "Limitations on Issuing Residential Mortgages". This circular was published in order to address the increase in the credit risk in the construction and real estate industries and the housing market due to agreements to finance residential projects where the proportion of sale contracts with a significant portion of the consideration payable to the developer is postponed to the delivery date exceeds 40% (hereinafter - "non-linear payment").

Set forth below is the Amendment to Proper Conduct of Banking Business Directive No. 203 "Measurement and Capital Adequacy":

Section 79 was revised such that the list of assets with risk weight of 150% includes (off and on-balance sheet) credit extended in respect of a new agreement to finance a residential project where the proportion of property sale contracts with non-linear payment exceeds 25% of the agreement's total property sale contracts. In respect of existing projects where the proportion of property sale contracts (in units) with non-linear payment exceeds 25% of total contracts - the credit shall be subject to risk weight of 150% only if the proportion of such contracts increases by more than 5 percentage points compared to the rate on the effective date. The above shall also apply to agreements to finance new projects, in respect of contracts signed before the construction financing started.

Set forth below is the Amendment to Proper Conduct of Banking Business Directive 329 concerning "Restrictions on provision of residential mortgages":

Section 8A was added, which limits the proportion of bullet and balloon loans, as defined in Section 1 to the Directive, which are subsidized by the developer, such that those loans will not exceed 10% of total residential mortgages extended in a calendar quarter as defined in Section 3 to Directive 451, net of general-purpose loans. With regard to this matter, transitional provisions were set whereby the abovementioned limit will not apply to bullet and balloon residential mortgages subsidized by the developer, to which the Bank has given an in-principle approval, as defined in Directive 451, prior to the Directive's effective date.

The effective date of the amendment to the directives is the circular's publication date, and it will be in effect through December 31, 2026.

As of September 30, 2025, the revision of the Directive has no material effect on the Bank's capital adequacy ratios, and it is not expected to have a material effect at a later stage.

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

As from reporting periods starting on January 1, 2025, the Bank applies the following new accounting standards and directives:

1. Regulation revision ASU 2024-01 on the applicability of Topic 718 on awards of rights to profits and similar bonuses.

Note 1 – Reporting Principles and Accounting Policies – continued

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. Regulation revision ASU 2024-01 on the applicability of Topic 718 on awards 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 revision clarifies the accounting treatment that should be applied to profit interest awards - renumeration, which confers upon employees or partners the right to participate in the organization's future profits, but not in rights to the Company's existing assets. The revision does not change the existing recognition and measurement rules; rather, it adds clear examples that are designed to assist entities in deciding whether such renumeration falls within the scope of Topic 718 of the codification, and implement them if the conditions listed in the standard are met.

The provisions of the revision shall be applied prospectively as from annual and interim periods starting after December 15, 2024.

Application of these directives had no material impact on the 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
Revisions to standards 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.	As from the 2025 financial reporting.	No material impact is expected on the financial statements.
Revisions to standards ASU 2024-03 regarding Disaggregation of Income Statement Expenses	In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU 2024-03 regarding the disaggregation of selected income statement expenses in a separate note (hereinafter: "the Update"). The key requirements of the Update include, among other things: • To provide a disaggregated quantitative disclosure - in tabular format - of certain types of expenses, which are included in each relevant expense caption in the main reports, including employee compensation, depreciation of fixed asset items and amortization of intangible. • Qualitative description of amounts that were not separately disaggregated quantitatively.	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 from January 1, 2026	The revision is expected to result in a certain decrease in the Bank's risk-weighted assets.
Revisions to standards ASE 2025 - 06 regarding the classification of costs to develop internal-use software	In September 2025, the Financial Accounting Standards Board ("FASB") issued ASU 2025-06 regarding the accounting treatment applied under Subtopic 40 of ASC 350 - classification of costs to develop internal-use software. The update removes the distinction between "development stages" and replaces it with "probability of completion" criteria to determine whether the costs should be capitalized. The update stipulates that the costs should be capitalized to the asset upon fulfilment of the following criteria: • Management, with the relevant authority, implicitly or explicitly authorizes and commits to funding a computer software project. • It is probable that the project will be completed and the software will be used to perform the function intended (referred to as the "probable-to-complete recognition threshold"). The update specifies when "it is reasonable to assume that the project will not be completed", including examples. • The period set in the standard for amortization of those assets did not change.	As from December 15, 2027	No material impact is expected on the financial statements.

Note 1 – Reporting Principles and Accounting Policies – continued

Amendment	Publication requirements	Start date and transition provisions	Implications
Revisions to standards ASU 2025-07 regarding the accounting treatment to be applied to Derivatives and Hedging (Topic 815) and Share-Based Noncash Consideration from a Customer (Topic 606)	In September 2025, the Financial Accounting Standards Board ("FASB") issued ASU 2025-07 regarding the accounting treatment to be applied to Derivatives and Hedging (Topic 815) and Share-Based Noncash Consideration from a Customer (Topic 606). • Revision to the guidance on the accounting treatment applied to derivatives and hedging (Topic 815): The update defines when to account for contracts which are not traded on a stock exchange and their variables are based on the activity or operation of one of the parties to the contract as ordinary contracts and when to account for them as a derivative. • Revision to the guidance regarding Share-Based Noncash Consideration from a Customer (Topic 606): The update provides guidance on how to account for share-based noncash consideration from a customer that is consideration for the transfer of goods or services.	As from December 15, 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
	2025	**2024**	**2025**	**2024**	**2024**
		(Unaudited)		**(Unaudited)**	**(Audited)**
a. Interest revenues[1]					
From loans to the public	6,325	6,041	17,573	16,708	21,523
From loans to Governments	3	5	10	18	22
from cash and deposits with central banks	689	830	2,288	2,544	3,334
From deposits with banks	62	17	83	39	55
Of securities borrowed or purchased in resale agreements	5	4	13	9	12
From bonds	342	224	837	619	852
Total interest revenues	**7,426**	**7,121**	**20,804**	**19,937**	**25,798**
b. Interest expenses					
On deposits from the public	3,629	3,302	10,184	9,353	12,304
On deposits from governments	1	1	2	2	2
On deposits from banks	10	19	48	67	82
On bonds and subordinated notes	627	627	1,491	1,397	1,528
On other liabilities	13	16	41	57	68
Total interest expenses	**4,280**	**3,965**	**11,766**	**10,876**	**13,984**
Total interest revenues, net	**3,146**	**3,156**	**9,038**	**9,061**	**11,814**
c. Net Effect of Hedging Financial Derivatives on Interest Revenues	22	(123)	(99)	(42)	109
d. Details of interest revenues on accrual basis from bonds					
Held to maturity	28	34	84	90	116
Available for sale	304	178	725	495	723
Held for trading	10	12	28	34	13
Total included under interest revenues	**342**	**224**	**837**	**619**	**852**

(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
	2025	2024	2025	2024	2024
		(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)]	(286)	(194)	(1,692)	717	91
Total from activity in derivative instruments	**(286)**	**(194)**	**(1,692)**	**717**	**91**
2. From investment in bonds					
Gains (losses) from sale of bonds available for sale	6	(29)	6	(51)	(64)
Provision for impairment of bonds available for sale	(1)	(1)	(10)	(1)	(1)
Total from investment in bonds	**5**	**(30)**	**(4)**	**(52)**	**(65)**
3. Exchange rate differences, net	**211**	**199**	**1,639**	**(547)**	**108**
4. Gains from investment in shares					
Gains from sale of shares not held for trading	5	3	21	36	39
Decrease (increase) in provision for impairment of shares not held for trading	-	(1)	36	(5)	(5)
Dividends from shares not held for trading	34	6	53	32	38
Unrealized gains (losses)[(3)]	(14)	26	15	20	74
Total from investment in shares	**25**	**34**	**125**	**83**	**146**
Total non-interest financing revenues with respect to non-trading purposes	**(45)**	**9**	**68**	**201**	**280**
b. Non-interest financing revenues (expenses) with respect to trading operations[(2)]					
Net revenues with respect to other derivatives	100	40	165	186	251
Realized and un-realized gains from adjustment to fair value of bonds held for trading, net	1	10	2	43	40
Realized and un-realized gains from adjustment to fair value of shares held for trading, net	1	1	7	1	3
Total from trading activity[(4)]	**102**	**51**	**174**	**230**	**294**
Details of non-interest financing revenues (expenses) with respect to trading operations, by risk exposure					
Interest exposure	9	42	41	123	168
Foreign currency exposure	92	6	133	102	116
Exposure to shares	1	3	-	5	10
Total	**102**	**51**	**174**	**230**	**294**

(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, 2025
							(Unaudited)
Balance as of June 30, 2025	(116)	(2)	4	(18)	(132)	(13)	(119)
Net change in the period	87	-	(1)	(5)	81	5	76
Balance as of September 30, 2025	**(29)**	**(2)**	**3**	**(23)**	**(51)**	**(8)**	**(43)**
							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 nine months ended September 30, 2025
							(Unaudited)
Balance as of December 31, 2024	(222)	(2)	5	(15)	(234)	(19)	(215)
Net change in the period	193	-	(2)	(8)	183	11	172
Balance as of September 30, 2025	**(29)**	**(2)**	**3**	**(23)**	**(51)**	**(8)**	**(43)**
							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 year ended December 31, 2024
							(Audited)
Balance as of December 31, 2023	(356)	(2)	3	(89)	(444)	(34)	(410)
Net change in the period	134	-	2	74	210	15	195
Balance as of December 31, 2024	**(222)**	**(2)**	**5**	**(15)**	**(234)**	**(19)**	**(215)**

(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					
			2025			2024
	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	140	(50)	90	123	(39)	84
Losses (gains) with respect to available-for-sale securities reclassified to the statement of profit and loss[1]	(5)	2	(3)	30	(10)	20
Net change in the period	**135**	**(48)**	**87**	**153**	**(49)**	**104**
Cash flows hedges						
Net gains (losses) with respect to cash flows hedging	(2)	1	(1)	2	(1)	1
Net change in the period	**(2)**	**1**	**(1)**	**2**	**(1)**	**1**
Employees' benefits						
Net actuarial gain (loss) for the period[2]	(12)	5	(7)	(47)	23	(24)
Net losses (gains) reclassified to the statement of profit and loss	4	(2)	2	11	(4)	7
Net change in the period	**(8)**	**3**	**(5)**	**(36)**	**19**	**(17)**
Total net change in the period	**125**	**(44)**	**81**	**119**	**(31)**	**88**
Total net change in the period attributable to non-controlling interests	**8**	**(3)**	**5**	**13**	**(4)**	**9**
Total net change in the period attributable to shareholders of the Bank	**117**	**(41)**	**76**	**106**	**(27)**	**79**

(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) 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 – continued

	For the nine months ended September 30						For the year ended December 31		
	2025			2024			2024		
	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	288	(98)	190	(41)	15	(26)	140	(49)	91
Losses (gains) with respect to available-for-sale securities reclassified to the statement of profit and loss[1]	4	(1)	3	52	(18)	34	65	(22)	43
Net change in the period	**292**	**(99)**	**193**	**11**	**(3)**	**8**	**205**	**(71)**	**134**
Cash flows hedges									
Net gains (losses) with respect to cash flows hedging	(3)	1	(2)	-	-	-	3	(1)	2
Net change in the period	**(3)**	**1**	**(2)**	**-**	**-**	**-**	**3**	**(1)**	**2**
Employees' benefits									
Net actuarial gain (loss) for the period[2]	(26)	9	(17)	73	(20)	53	84	(26)	58
Net losses reclassified to the statement of profit and loss	14	(5)	9	34	(12)	22	25	(9)	16
Net change in the period	**(12)**	**4**	**(8)**	**107**	**(32)**	**75**	**109**	**(35)**	**74**
Total net change in the period	**277**	**(94)**	**183**	**118**	**(35)**	**83**	**317**	**(107)**	**210**
Total net change in the period attributable to non-controlling interests	**17**	**(6)**	**11**	**21**	**(7)**	**14**	**23**	**(8)**	**15**
Total net change in the period attributable to shareholders of the Bank	**260**	**(88)**	**172**	**97**	**(28)**	**69**	**294**	**(99)**	**195**

(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) Primarily consists of the effect of changes in interest rates on the actuarial liability, as well as deduction of the capital reserve.

Note 5 – Securities

September 30, 2025 (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	3,222	3,222	-	10	(80)	3,152
Of financial institutions in Israel	199	199	-	-	(8)	191
Of others in Israel	80	80	-	-	(2)	78
Total bonds held to maturity	**3,501**	**3,501**	**-**	**10**	**(90)**	**3,421**

	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	13,427	13,437	-	245	(255)	13,427
of foreign governments[3]	11,644	11,637	-	8	(1)	11,644
Of financial institutions in Israel	1,098	1,103	-	17	(22)	1,098
Of foreign financial institutions	69	71	-	-	(2)	69
Asset-backed (ABS)	54	53	-	1	-	54
Of others in Israel	1,001	1,014	(8)	16	(21)	1,001
Of others overseas	142	141	-	4	(3)	142
Total bonds available for sale	**27,435**	**27,456**	**(8)**	**291**	**(304)**	**27,435**

	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	**1,048**	**885**	**-**	**170**	**(7)**	**1,048**
Of which: Shares for which no fair value is available[6]	738	728	-	10	-	738
Total securities not held for trading	**31,984**	**31,842**	**(8)**	**471**	**(401)**	**31,904**

See footnotes below.

Note 5 – Securities – continued

September 30, 2025 (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	13,085	12,801	-	292	(8)	13,085
Of foreign governments	250	248	-	4	(2)	250
Of financial institutions in Israel	-	-	-	-	-	-
Of others in Israel	10	10	-	-	-	10
Of others overseas	23	24	-	-	(1)	23
Total bonds held for trading	**13,368**	**13,083**	**-**	**296**	**(11)**	**13,368**
Shares and other securities	23	11	-	13	(1)	23
Total securities held for trading(7)	**13,391**	**13,094**	**-**	**309**	**(12)**	**13,391**
Total securities(2)	**45,375**	**44,936**	**(8)**	**780**	**(413)**	**45,295**

(5) Additional information about bonds	
Recorded debt balance of	
Problematic bonds accruing interest revenues	-
Problematic bonds not accruing interest revenues	15
	15

(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 736 million and securities provided as collateral to lenders, amounting to NIS 415 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.

(7) Of which NIS 101 million in securities, which were classified as securities held for trading, since the banking corporation opted to measure them in accordance with the fair value alternative in Section 20 to the Public Reporting Directives, despite the fact that they were not purchased for trading purposes.

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, 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)		Fair value(1)
				Gains	Losses	
(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

As of December 31, 2024 (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	3,287	3,287	-	6	(109)	3,184
Of financial institutions in Israel	253	253	-	-	(11)	242
Of others in Israel	84	84	-	3	(2)	85
Total bonds held to maturity	**3,624**	**3,624**	**-**	**9**	**(122)**	**3,511**

	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	11,901	12,168	-	91	(358)	11,901
of foreign governments(3)	1,811	1,813	-	-	(2)	1,811
Of financial institutions in Israel	545	565	-	9	(29)	545
Of foreign financial institutions	138	141	-	1	(4)	138
Asset-backed (ABS)	56	57	-	-	(1)	56
Of others in Israel	1,100	1,122	(8)	16	(30)	1,100
Of others overseas	170	168	-	4	(2)	170
Total bonds available for sale	**15,721**	**16,034**	**(8)**	**121**	**(426)**	**15,721**

	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	**878**	**710**	**-**	**177**	**(9)**	**878**
Of which: Shares for which no fair value is available(6)	582	568	-	14	-	582
Total securities not held for trading	**20,223**	**20,368**	**(8)**	**307**	**(557)**	**20,110**

See footnotes below.

Note 5 – Securities – continued

As of December 31, 2024 (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	8,057	7,813	-	257	(13)	8,057
Of foreign governments	150	156	-	-	(6)	150
Of financial institutions in Israel	1	1	-	-	-	1
Of others in Israel	16	14	-	2	-	16
Of others overseas	24	24	-	-	-	24
Total bonds held for trading	**8,248**	**8,008**	**-**	**259**	**(19)**	**8,248**
Shares and other securities	20	16	-	7	(3)	20
Total securities held for trading	**8,268**	**8,024**	**-**	**266**	**(22)**	**8,268**
Total securities[2]	**28,491**	**28,392**	**(8)**	**573**	**(579)**	**28,378**

(5) Additional information about bonds	
Recorded debt balance of	
Problematic bonds accruing interest revenues	-
Problematic bonds not accruing interest revenues	8
	8

(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 935 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 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	Unrealized losses			Fair	Unrealized losses			Total
	value[1]	0%-20%	20%-40%	Total	value[1]	0%-20%	20%-40%	Over 40%	
	As of September 30, 2025 (unaudited)								
Bonds available for sale									
of Government of Israel	768	3	-	3	1,169	179	45	28	252
of foreign governments[2]	-	-	-	-	49	1	-	-	1
Of financial institutions in Israel	-	-	-	-	322	22	-	-	22
Of foreign financial institutions	-	-	-	-	55	2	-	-	2
Asset-backed (ABS)	-	-	-	-	-	-	-	-	-
Of others in Israel	120	13	-	13	313	8	-	-	8
Of others overseas	24	-	2	2	15	1	-	-	1
Total bonds available for sale	**912**	**16**	**2**	**18**	**1,923**	**213**	**45**	**28**	**286**
	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 December 31, 2024 (audited)								
Bonds available for sale									
of Government of Israel	5,413	31	-	31	1,658	249	52	26	327
Of foreign governments(2)	-	-	-	-	52	2	-	-	2
Of financial institutions in Israel	18	1	-	1	317	28	-	-	28
Of foreign financial institutions	24	-	-	-	73	4	-	-	4
Asset-backed (ABS)	-	-	-	-	56	1	-	-	1
Of others in Israel	32	13	-	13	486	17	-	-	17
Of others overseas	3	-	-	-	73	2	-	-	2
Total bonds available for sale	**5,490**	**45**	**-**	**45**	**2,715**	**303**	**52**	**26**	**381**

(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, 2025 (unaudited)				
Asset-backed bonds (ABS)	54	53	1	-	54
Total asset-backed bonds available for sale	**54**	**53**	**1**	**-**	**54**
	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 December 31, 2024 (audited)				
Asset-backed bonds (ABS)	56	57	-	(1)	56
Total asset-backed bonds available for sale	**56**	**57**	**-**	**(1)**	**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, 2025 (unaudited)					
	Loans to the public					
	Commercial	Housing	Individual – other	Total	Banks, governments and bonds	Total
Recorded debt balance:						
reviewed on individual basis	113,712	-	17	113,729	55,480	169,209
reviewed on group basis	14,243	240,170	27,626	282,039	-	282,039
Total debts	**127,955**	**(2)240,170**	**27,643**	**395,768**	**55,480**	**451,248**
Of which:						
Non-accruing debts	1,359	2,577	72	4,008	1	4,009
Debts in arrears 90 days or longer	94	-	56	150	-	150
Other problematic debts	933	-	148	1,081	-	1,081
Total problematic debts	**2,386**	**2,577**	**276**	**5,239**	**1**	**5,240**
Balance of provision for credit losses with respect to debts:						
reviewed on individual basis	1,547	-	-	1,547	13	1,560
reviewed on group basis	533	1,112	701	2,346	-	2,346
Total provision for credit losses	**2,080**	**1,112**	**701**	**3,893**	**13**	**3,906**
Of which: With respect to non-accruing debts	**275**	**129**	**42**	**446**	**1**	**447**
Of which: With respect to other problematic debts	**176**	**-**	**84**	**260**	**-**	**260**

	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**

(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 15,466 million (as of September 30, 2024 – NIS 14,691 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, 2024 (audited)					
	Loans to the public				Banks, governments and bonds	Total
	Commercial	Housing	Individual – other	Total		
Recorded debt balance:						
reviewed on individual basis	95,331	-	25	95,356	43,606	138,962
reviewed on group basis	13,950	225,364	27,424	266,738	-	266,738
Total debts	**109,281**	**(2)225,364**	**27,449**	**362,094**	**43,606**	**405,700**
Of which:						
Non-accruing debts	2,019	2,141	83	4,243	1	4,244
Debts in arrears 90 days or longer	82	-	63	145	-	145
Other problematic debts	1,257	-	126	1,383	-	1,383
Total problematic debts	**3,358**	**2,141**	**272**	**5,771**	**1**	**5,772**
Balance of provision for credit losses with respect to debts:						
reviewed on individual basis	1,718	-	2	1,720	12	1,732
reviewed on group basis	541	1,180	672	2,393	-	2,393
Total provision for credit losses	**2,259**	**1,180**	**674**	**4,113**	**12**	**4,125**
Of which: With respect to non-accruing debts	**403**	**107**	**48**	**558**	**1**	**559**
Of which: With respect to other problematic debts	**215**	**-**	**79**	**294**	**-**	**294**

(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 14,905 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, 2025 (unaudited)					
Balance of provision for credit losses at start of period	2,389	1,176	704	4,269	13	4,282
Expenses due to credit losses	11	(28)	61	44	-	44
Accounting write-offs[(1)]	(159)	-	(83)	(242)	-	(242)
Collection of debts written off for accounting purposes in previous years[(1)]	44	-	40	84	-	84
Net accounting write-offs	(115)	-	(43)	(158)	-	(158)
Balance of provision for credit losses at end of period	**2,285**	**1,148**	**722**	**4,155**	**13**	**4,168**
Of which: With respect to off balance sheet credit instruments	**205**	**36**	**21**	**262**	**-**	**262**
	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 nine months ended September 30, 2025 (unaudited)					
Balance of provision for credit losses at start of period	2,448	1,213	697	4,358	12	4,370
Expenses due to credit losses	118	(65)	149	202	1	203
Accounting write-offs[(1)]	(433)	-	(248)	(681)	-	(681)
Collection of debts written off for accounting purposes in previous years[(1)]	152	-	124	276	-	276
Net accounting write-offs	(281)	-	(124)	(405)	-	(405)
Balance of provision for credit losses at end of period	**2,285**	**1,148**	**722**	**4,155**	**13**	**4,168**
Of which: With respect to off balance sheet credit instruments	**205**	**36**	**21**	**262**	**-**	**262**
	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**

(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 depositor type

	September 30		December 31
	2025	2024	2024
		(Unaudited)	(Audited)
In Israel			
On-call			
Non-interest-bearing[1]	70,719	75,091	78,954
Interest-bearing[1]	43,205	33,941	39,376
Total on-call	**113,924**	**109,032**	**118,330**
Term deposits	293,102	259,021	258,027
Total deposits in Israel[2]	**407,026**	**368,053**	**376,357**
Outside of Israel			
On-call			
Non-interest-bearing	409	457	440
Interest-bearing	1,518	777	673
Total on-call	**1,927**	**1,234**	**1,113**
Term deposits	12,534	15,832	15,913
Total deposits overseas	**14,461**	**17,066**	**17,026**
Total deposits from the public	**421,487**	**385,119**	**393,383**

(1) Reclassified

(2) Includes:

Deposits from individuals	**167,848**	**166,659**	**164,434**
Deposits from institutional investors	**113,939**	**82,192**	**91,823**
Deposits from corporations and others	**125,239**	**119,202**	**120,100**

B. Deposits from the public by size

	September 30		December 31
	2025	2024	2024
		(Unaudited)	(Audited)
Maximum deposit (NIS in millions)			
Up to 1	112,848	108,006	108,574
Over 1 to 10	97,667	96,598	95,547
Over 10 to 100	44,554	42,837	45,023
Over 100 to 500	34,995	36,246	36,198
Above 500	131,423	101,432	108,041
Total	**421,487**	**385,119**	**393,383**

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 2024 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 2024 financial statements.
3. 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
	2025	2024	2025	2024	2024
		(Unaudited)	(Unaudited)		(Audited)
Under payroll and associated expenses					
Cost of service(1)	19	11	56	44	68
Under other expenses					
Cost of interest(2)	27	26	82	81	113
Expected return on plan assets(3)	(7)	(7)	(20)	(19)	(26)
Deduction of non-allowed amounts:					
Net actuarial loss(4)	4	11	14	34	25
Total under other expenses	24	30	76	96	112
Total benefit cost, net	**43**	**41**	**132**	**140**	**180**
Total expense with respect to defined-contribution pension	57	56	169	163	217
Total expenses recognized in profit and loss	**100**	**97**	**301**	**303**	**397**

	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
	2025	2025	2024	2025	2024	2024
			(Unaudited)		(Unaudited)	(Audited)
Deposits	1	2	2	6	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 2025.

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
	2025	**2024**	**2024**
		(Unaudited)	**(Audited)**
1. Consolidated data			
a. Capital for purpose of calculating the capital ratio			
Tier I equity[(1)]	34,406	31,128	31,963
Tier I capital[(1)]	34,406	31,128	31,963
Tier II capital	9,837	9,421	9,097
Total capital	**44,243**	**40,549**	**41,060**
b. Weighted risk asset balances			
Credit risk	312,876	273,855	282,287
Market risks	2,171	1,755	1,675
Operational Risk	24,158	22,926	23,402
Total weighted risk asset balances	**339,205**	**298,536**	**307,364**
c. Ratio of capital to risk components			
			In %
Ratio of Tier I equity to risk components	10.14	10.43	10.40
Ratio of Tier I capital to risk components	10.14	10.43	10.40
Ratio of total capital to risk components	13.04	13.58	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	14.08	12.40	12.87
Ratio of Tier I capital to risk components	14.08	12.40	12.87
Ratio of total capital to risk components	16.27	14.59	15.03
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: Streamlining programs, charged equally over 5 years as from the start date thereof, effect of initial application of accounting principles with regard to expected credit losses and with respect to initial application of the Bank of Israel circular regarding weighting of loans subject to increased risk for purchase of land. 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
	2025	**2024**	**2024**
	(Unaudited)		**(Audited)**
3. Capital components for calculating the capital ratio (on consolidated data)			
a. Tier I equity			
Shareholders' equity	35,563	31,809	32,729
Differences between shareholders' equity and Tier I equity	(966)	(814)	(847)
Tier I equity before regulatory adjustments and deductions	**34,597**	**30,995**	**31,882**
Supervisory adjustments and deductions:			
Goodwill and intangible assets	(92)	(112)	(107)
Supervisory adjustments and other deductions[(1)]	(99)	156	99
Total supervisory adjustments and deductions, before adjustments with respect to the streamlining plan and before adjustments for expected credit losses – Tier I equity	**(191)**	**44**	**(8)**
Total adjustments for expected credit losses	-	89	89
Total Tier I equity after supervisory adjustments and deductions	**34,406**	**31,128**	**31,963**
b. Tier II capital			
Tier II capital: Instruments, before deductions	6,143	5,998	5,568
Tier II capital: Provisions, before deductions	3,694	3,492	3,598
Total Tier II capital, before deductions	**9,837**	**9,490**	**9,166**
Deductions:			
Deductions – Total adjustments for expected credit losses	-	(69)	(69)
Total Tier II capital	9,837	9,421	9,097
Total capital	**44,243**	**40,549**	**41,060**

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

	As of September 30		As of December 31
	2025	**2024**	**2024**
			In %
Ratio of capital to risk components			
Ratio of Tier I equity to risk components, before effect of adjustments	10.14	10.39	10.37
Effect of adjustments for expected credit losses	-	0.04	0.03
Ratio of Tier I equity to risk components	10.14	10.43	10.40

(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 accordance with Proper Conduct of Banking Business Directive 218 "Leverage ratio"

	As of September 30		As of December 31
	2025	**2024**	**2024**
		(Unaudited)	**(Audited)**
1. Consolidated data			
Tier I capital[1]	34,406	31,128	31,963
Total exposure	572,454	517,795	529,598
	In %		
Leverage ratio	6.01	6.01	6.04
Minimum leverage ratio required by the Supervisor of Banks	4.50	4.50	4.50
2. Significant subsidiaries			
Bank Yahav for Government Employees Ltd. and its subsidiaries			
Leverage ratio	8.09	7.13	7.45
Minimum leverage ratio required by the Supervisor of Banks	4.50	4.50	4.50

(1) This data includes adjustments with respect to streamlining plans and adjustments with respect to initial application of accounting principles for expected credit losses, see sections A.3 and A.4 above.

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
	2025	**2024**	**2024**
		(Unaudited)	**(Audited)**
		In %	
1. Consolidated data			
Liquidity coverage ratio[1]	131	127	135
Minimum liquidity coverage ratio required by the Supervisor of Banks	100	100	100
2. Bank data			
Liquidity coverage ratio[1]	132	128	136
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]	442	374	448
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

The Bank applies Proper Conduct of Banking Business Directive No. 222 concerning "Net stable funding ratio (NSFR)", which adopts the Basel Committee recommendation with regard to net stable funding ratio in the Israeli banking system. 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, to the extent that such directives were set.

	As of September 30		As of December 31
	2025	2024	2024
	(Unaudited)		(Audited)
			In %
(1) On consolidated data			
Net stable funding ratio	112	113	113
The minimum net stable funding ratio required by the Supervisor of Banks	100	100	100
(2) Significant subsidiaries			
Bank Yahav			
Net stable funding ratio	172	173	172
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 was 112%. 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.

Note 9 – Capital adequacy, liquidity and leverage – continued

Reported amounts (NIS in millions)

E. Basel III

The Bank applies Proper Conduct of Banking Business Directives Nos. 201-211 with regard to capital measurement and adequacy, as amended so as they are aligned with the 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
- Accounting treatment applied to exposures to credit risk with respect to troubled debt.
- Capital allocation with respect to CVA risk

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").
For more information about the effect of initial application, see Note 1 to the 2022 financial statements.

H. 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 rating purposes, the Bank used a single S&P rating; as from the first quarter of 2022, the Bank started using the lower of S&P and AM Best's rating, used for rating of credit risk insurers, in order to mitigate the credit risk such 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 March 31, 2025.
In October 2024, the rating agency S&P announced a further rating downgrade from to A+ to A, with no impact on the Bank's capital ratios.
On May 9, 2025, the credit rating agency S&P affirmed Israel's long-term rating at A with a negative outlook.
On November 7, 2025, the rating agency S&P reaffirmed the State of Israel's credit rating and upgraded its rating outlook from negative to stable.

i. Issue of subordinated notes with loss-absorption provisions

On July 17, 2025, Tefahot Issuance issued to the public Bonds (Series 63 - by way of expansion) with par value of approx. NIS 1.9 billion, contingent subordinated notes (CoCo) (Series 71 - by way of expansion) with par value of approx. NIS 0.7 billion and Commercial Papers (Series 5) with par value of approx. NIS 2.0 billion. The total proceeds received amounted to NIS 4.5 billion.

Note 9 – Capital adequacy, liquidity and leverage – continued

Reported amounts (NIS in millions)

J. Steps to address the increase in the credit risk in the construction and real estate industries and the housing market

On April 6, 2025, the Supervisor of Banks published a circular on revision of Proper Conduct of Banking Business Directive No. 203 regarding “Measurement and Capital Adequacy – Credit Risk—the Standardized Approach”, and Directive No. 329 on “Limitations on Issuing Residential Mortgages”. The circular applies an increased risk weight to credit used to finance projects with a high proportion of house sale contracts where a significant proportion of the sale consideration is paid on the house delivery date. Furthermore, it was decided to limit the proportion of bullet and balloon loans, which are subsidized by the developer paying the interest payments, such that those loans will not exceed 10% of total residential mortgages. As of September 30, 2025, the Directive has no material effect on the financial statements, and it is not expected to have a material effect in the future. For more information see Note 1 to the financial statements.

K. Leverage ratio

The Bank applies the rules of Proper Conduct of Banking Business Directive 218 regarding "Leverage ratio”.
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.

On September 14, 2025, the Supervisor of Banks published a circular, which extended the relief by one further year through December 31, 2026.

L. For more information about dividends, see "Condensed Statements of Changes in Shareholders' Equity" and Note 18 below.

M. For more information about directives and instructions by the Supervisor of Banks with regard to capital adequacy, see Note 25 to the 2024 Financial Statements.

Note 10 - Contingent Liabilities and Special Commitments

Reported amounts (NIS in millions)

A. Other liabilities and special commitments

		September 30	December 31
	2025	2024	2024
		(Unaudited)	(Audited)
Acquisition and renovation of buildings	107	69	30

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
	2025	2024	2025	2024	2024
		(Unaudited)		(Unaudited)	(Audited)
Carrying amount of credit sold	-	-	120	89	125
Total consideration	-	-	120	89	125
Service obligation – expense with respect to operational services	-	-	-	-	-
Total net gain with respect to credit sold	-	-	-	-	-

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 2024 financial statements. Below is a description of material changes from the Note included in the 2024 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 2024 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. On April 28, 2025, the parties filed a motion with the Court seeking approval of a settlement agreement, which was reached as part of a mediation proceeding; the Court has not yet ruled in this motion.

   C) In May 2020, the Bank received a claim and 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. As recommended by the Court, the parties are in mediation proceeding.

Note 10 – Contingent Liabilities and Special Commitments – continued

Reported amounts (NIS in millions)

D) In April 2021, the Bank received a claim and 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.
The movants filed summations and the Bank is required to file its summations by November 30, 2025.

E) In February 2022, the Bank received a claim and a motion for class action status, filed against the Bank and nine other banks and against two 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 claims and 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. On September 4, 2025, a judgment was handed down dismissing the appeal, with costs awarded in favor of the Bank.

G) In November 2022, the Bank received a claim and 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 is scheduled for December 18, 2025.

H) 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".
In accordance with the court ruling, the movant is required to submit their position with regard to the court proposal to withdraw the certification motion by November 27, 2025.

I) In June 2023, the Bank was served with a claim and 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 December 29, 2024, the Supervisor of Banks submitted its position, whereby, among other things, the Supervisor of Banks clarified that it objects to any intervening in the prices of banking services; it is the Supervisor of Banks’ position that requiring the banks to pay interest on credit balances in current accounts may be a misguided move. Further to a preliminary hearing, on October 20, 2025 the court approved a procedural arrangement whereby no questioning of witnesses will take place. Therefore, the court ordered the submission of the parties’ summations.

Note 10 – Contingent Liabilities and Special Commitments – continued

Reported amounts (NIS in millions)

J) In June 2023, the Bank was served 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. On September 8, 2025 the movants filed their response to the banks' responses and attached thereto a supplementary opinion. A preliminary hearing of this case is scheduled for December 2, 2025.

K) In July 2023, the Bank was served with 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, 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 that amounts 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.
The movants filed their summations and the Bank's summations were filed on July 31, 2025. Response summations have not yet been submitted on behalf of the movants.

L) In August 2023, the Bank received a claim and 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. According to the Court's decision to split the hearing, on November 14, 2024, the plaintiff filed a motion for approval of a class action relating solely to the Bank. A pre-trial hearing was held on November 3, 2025, at the conclusion of which the court ruled that the plaintiffs should inform the court - by November 16, 2025 - whether they intend to file a motion to transfer the hearing to another panel.

M) In August 2023, the Bank was served with a claim and 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, which is allegedly in contrast to the provisions of the mortgage agreement and in breach of a number of legal obligations of the Bank. A pre-trial hearing was held on July 15, 2025, in which various motions of the parties were discussed. A further pre-trial hearing is scheduled for January 19, 2026.

N) In March 2024 the Bank received a claim and a motion for approval of class action status, with no estimated sum, 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 was dismissed in limine, and the movants were required to pay legal expenses. On December 15, 2024, the Bank's attorney was served with an appeal against the verdict, which the applicant submitted to the Supreme Court. A hearing for the appeal was scheduled for November 26, 2025.

Note 10 – Contingent Liabilities and Special Commitments – continued

Reported amounts (NIS in millions)

O) In June 2024, the Bank was served with a claim and a motion to approve a class action to the sum of NIS 700 million. The motion concerns the payment of interest on credit balances in current accounts managed at the bank, by way of their deposit to the automatic daily interest deposit existing at the Bank. The motion claims that the Bank does not inform and does not actively offer all of its customers the option of using the said 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. A pre-trial hearing is scheduled for January 12, 2026.

P) In January 2025, Bank Yahav was served with a motion for class action certification with no estimated amount, in respect of alleged unlawful overcharging - without fair disclosure - fees and commissions and third-party expenses in respect of securities transactions. The movant filed an amended certification motion. Bank Yahav's response to the amended class action certification motion has not yet been filed.

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 57 million.

3. In March 2024, the Bank and other banks received from the Israel Competition Authority a "Hearing letter ahead of declaration of an oligopoly and prescription of directives" (hereinafter - the "First Letter").

   The First Letter states that the Competition Commissioner (hereinafter - the "Commissioner) is considering using the power vested in her under Section 43(A)(6) to the Economic Competition Law, 1988 (hereinafter - the "Law", and prescribe that the five largest banking groups in Israel constitute an oligopoly, and that each of a banks is an oligopolist. It was also declared that the Commissioner is considering issuing to the abovementioned five banking groups directives as to steps that they should take in order to prevent considerable adverse effects on the public and the business competition between the oligopolists and the sector in which they operate. Draft directives, which the Commissioner intends to issue, and which pertain to deposits, were attached to the First Letter.

   The Bank submitted its arguments in writing and presented them orally before the Commissioner. In its "Secondary letter ahead of declaration of an oligopoly and prescription of directives" (hereinafter - the Second Letter") of October 23, 2025 the Israel Competition Authority informed the Bank, that after considering the banks' arguments and conducting further assessments,

   the Commissioner concluded that the arguments made and the findings of the additional assessments do not warrant a change in its intension to use her power, as detailed above. A revised draft directives with respect to deposits was attached to the Second Letter.

   Before the Commissioner exercises her abovementioned power, the Bank was given an opportunity to present to the Commissioner its position regarding the additional findings detailed in the Second Letter, and it intends to do so.

Note 10 – Contingent Liabilities and Special Commitments – continued

Reported amounts (NIS in millions)

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, 2025 (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	4,018	686	166	223	5,093
Guarantees to home buyers	12,494	4,503	625	154	17,776
Guarantees and other commitments	8,294	4,735	3,041	62	16,132
Commitments to issue guarantees	5,097	8,256	4,182	1,219	18,754
Total guarantees	**29,903**	**18,180**	**8,014**	**1,658**	**57,755**

	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 December 31, 2024 (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	3,292	657	99	146	4,194
Guarantees to home buyers	12,778	5,616	202	75	18,671
Guarantees and other commitments	8,256	4,246	2,956	115	15,573
Commitments to issue guarantees	4,015	8,352	3,009	-	15,376
Total guarantees	**28,341**	**18,871**	**6,266**	**336**	**53,814**

Note 11 – Derivative instruments and hedging activities

Reported amounts (NIS in millions)

A) Activity on a consolidated basis

	September 30, 2025 (unaudited)			September 30, 2024 (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
Options written	-	-	-	-	-	-
Options purchased	-	-	-	-	-	-
Swaps[1]	34,956	100,902	135,858	[6]39,667	[6]59,906	99,573
Total[2]	**34,956**	**100,902**	**135,858**	**39,667**	**63,006**	**102,673**
Of which: Hedging derivatives[3]	**10,284**	**-**	**10,284**	**6,928**	**-**	**6,928**
Currency contracts						
Forward and Futures contracts[4]	60,664	174,027	234,691	60,709	165,530	226,239
Options written	-	6,278	6,278	-	13,907	13,907
Options purchased	-	5,951	5,951	-	13,366	13,366
Swaps	661	1,214	1,875	932	2,024	2,956
Total	**61,325**	**187,470**	**248,795**	**61,641**	**194,827**	**256,468**
Of which: Hedging derivatives[3]	**-**	**-**	**-**	**-**	**-**	**-**
Contracts for shares						
Forward and Futures contracts	-	40,343	40,343	-	38,209	38,209
Options written	213	20,232	20,445	80	11,546	11,626
Options purchased[5]	-	20,234	20,234	-	11,548	11,548
Swaps	-	162	162	-	927	927
Total	**213**	**80,971**	**81,184**	**80**	**62,230**	**62,310**
Commodities and other contracts						
Forward and Futures contracts	-	18	18	-	58	58
Options written	-	4	4	-	-	-
Options purchased	-	4	4	-	-	-
Total	**-**	**26**	**26**	**-**	**58**	**58**
Credit contracts						
Bank is guarantor	-	-	-	-	-	-
Bank is beneficiary	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Total stated amount	**96,494**	**369,369**	**465,863**	**101,388**	**320,121**	**421,509**

(1) Includes swaps where the banking corporation pays a fixed interest rate amounting to NIS 80,005 million (as of September 30, 2024: NIS 59,801 million)
(2) Of which: NIS/CPI swaps amounting to NIS 3,694 million (as of September 30, 2024: NIS 5,188 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 4,738 million (as of September 30, 2024: NIS 4,682 million)
(5) Of which: Traded on the Stock Exchange, amounting to NIS 20,232 million (as of September 30, 2024: NIS 11,564 million)
(6) Reclassified

Note 11 – Derivative instruments and hedging activities – continued

Reported amounts (NIS in millions)

A) Activity on a consolidated basis – continued

	As of December 31, 2024 (audited)		
	Derivatives not held for trading	Derivatives held for trading	Total
1. Stated amounts of derivative instruments			
Interest contracts			
Forward contracts	-	5,200	5,200
Options written	-	-	-
Options purchased	-	-	-
Swaps[(1)]	38,119	63,107	101,226
Total[(2)]	**38,119**	**68,307**	**106,426**
Of which: Hedging derivatives[(3)]	**8,427**	**-**	**8,427**
Currency contracts			
Forward and Futures contracts [(4)]	63,926	171,433	235,359
Options written	-	9,054	9,054
Options purchased	-	9,790	9,790
Swaps	729	1,219	1,948
Total	**64,655**	**191,496**	**256,151**
Of which: Hedging derivatives[(3)]	**-**	**-**	**-**
Contracts for shares			
Forward and Futures contracts	-	45,529	45,529
Options written	174	9,877	10,051
Options purchased[(5)]	-	9,879	9,879
Swaps	-	837	837
Total	**174**	**66,122**	**66,296**
Commodities and other contracts			
Forward and Futures contracts	-	15	15
Options written	-	-	-
Options purchased	-	-	-
Total	**-**	**15**	**15**
Credit contracts			
Bank is guarantor	-	-	-
Bank is beneficiary	-	-	-
Total	**-**	**-**	**-**
Total stated amount	**102,948**	**325,940**	**428,888**

(1) Of which: seeps where the banking corporation pays a fixed interest, amounting to NIS 59,603 million.
(2) Of which: NIS/CPI swaps amounting to NIS 4,908 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 7,893 million.
(5) Of which: Traded on the stock exchange, amounting to NIS 9,877 million.

Note 11 – Derivative instruments and hedging activities – continued

Reported amounts (NIS in millions)

A) Activity on a consolidated basis – continued

	September 30, 2025 (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	1,104	901	2,005	947	782	1,729
Of which: Hedging derivatives	262	-	262	203	-	203
Currency contracts	71	3,626	3,697	18	4,170	4,188
Of which: Hedging derivatives	-	-	-	-	-	-
Contracts for shares	15	660	675	-	644	644
Commodities and other contracts	-	-	-	-	-	-
Credit contracts	-	-	-	-	-	-
Total assets / liabilities with respect to derivatives, gross[1]	**1,190**	**5,187**	**6,377**	**965**	**5,596**	**6,561**
Fair value amounts offset in the balance sheet	-	-	-	-	-	-
Carrying amount of assets / liabilities with respect to derivative instruments	**1,190**	**5,187**	**6,377**	**965**	**5,596**	**6,561**
Of which: Carrying amount with respect to derivative instruments not subject to a master netting agreement or to similar agreements	79	967	1,046	2	1,175	1,177

	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	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[1]	**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

(1) Of which: Gross fair value of assets with respect to embedded derivatives amounting to NIS 31 million (as of September 30, 2024 - NIS 21 million).

Note 11 – Derivative instruments and hedging activities – continued

Reported amounts (NIS in millions)

A) Activity on consolidated basis – continued

	December 31, 2024					
	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	1,351	866	2,217	973	694	1,667
Of which: Hedging derivatives	357	-	357	75	-	75
Currency contracts	291	2,134	2,425	44	2,527	2,571
Of which: Hedging derivatives	-	-	-	-	-	-
Contracts for shares	10	899	909	-	885	885
Commodities and other contracts	-	-	-	-	-	-
Credit contracts	-	-	-	-	-	-
Total assets / liabilities with respect to derivatives, gross(1)	**1,652**	**3,899**	**5,551**	**1,017**	**4,106**	**5,123**
Fair value amounts offset in the balance sheet	-	-	-	-	-	-
Carrying amount of assets / liabilities with respect to derivative instruments	**1,652**	**3,899**	**5,551**	**1,017**	**4,106**	**5,123**
Of which: Carrying amount with respect to derivative instruments not subject to a master netting agreement or to similar agreements	38	1,237	1,275	9	1,250	1,259

(1) Of which: Gross fair value of assets with respect to embedded derivatives amounting to NIS 25 million.

Note 11 – Derivative instruments and hedging activities – continued

Reported amounts (NIS in millions)

B) Accounting hedges

1.A. Gain (loss) from fair value hedge [(1)]

	For the three months ended September 30		For the nine months ended September 30		For the year ended December 31
	2025	2024	2025	2024	2024
					Interest revenues (expenses)
Interest contracts					
Hedged items	3	103	114	66	(82)
Hedging derivatives	(3)	(100)	(110)	(56)	93

1.B. Items hedged under fair value hedge [(1)]

	Balance as of September 30, 2025		Balance as of September 30, 2024		Balance as of December 31, 2024	
	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	4,860	98	3,412	(46)	3,892	40
Mortgages credit	5,288	56	1,579	9	2,724	10

2. Cash flows hedges[(2)]

	For the three months ended September 30, 2025		For the nine months ended September 30, 2025		For the year ended December 31, 2024	
	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)
Mortgages credit	(1)	(2)	(2)	(3)	2	(15)

	For the three months ended September 30, 2024		For the nine months ended September 30, 2024	
	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)	0	(26)

(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, 2025 (unaudited)						
	Stock exchanges	Banks	Dealers/ Brokers	Governments and central banks	Institutional investors	Others	Total
Carrying amount of assets with respect to derivative instruments	**81**	**3,008**	**418**	**101**	**1,891**	**878**	**6,377**
Gross amounts not offset in the balance sheet:							
Mitigation of credit risk with respect to financial instruments	-	(1,866)	-	-	(685)	(146)	(1)(2,697)
Mitigation of credit risk with respect to cash collateral received	-	(1,011)	-	(82)	(1,033)	-	(2,126)
On-balance sheet credit risk with respect to derivative instruments	**81**	**131**	**418**	**19**	**173**	**732**	**1,554**
Net off-balance sheet credit risk with respect to derivative instruments(2)	258	2,092	124	16	2,092	356	4,938
Total credit risk on derivative instruments	**339**	**2,223**	**542**	**35**	**2,265**	**1,088**	**6,492**
Carrying amount of liabilities with respect to derivative instruments	**82**	**2,248**	**418**	**-**	**2,805**	**1,008**	**6,561**
Gross amounts not offset in the balance sheet:							
Financial instruments	-	(1,866)	-	-	(685)	(146)	(2,697)
Pledged cash collateral	-	(382)	-	-	(1,579)	(42)	(2,003)
Net amount of liabilities with respect to derivative instruments	**82**	**-**	**418**	**-**	**541**	**820**	**1,861**

	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**

(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, 2024 (audited)						
	Stock exchanges	Banks	Dealers/ Brokers	Governments and central banks	Institutional investors	Others	Total
Carrying amount of assets with respect to derivative instruments	**33**	**3,051**	**773**	**19**	**1,198**	**477**	**5,551**
Gross amounts not offset in the balance sheet:							
Mitigation of credit risk with respect to financial instruments	-	(1,802)	-	-	(1,064)	(159)	[(1)](3,025)
Mitigation of credit risk with respect to cash collateral received	-	(1,249)	-	(15)	(134)	(48)	(1,446)
Net amount of assets with respect to derivative instruments	**33**	**-**	**773**	**4**	**-**	**270**	**1,080**
Off-balance sheet credit risk on derivative instruments[(2)]	67	399	1,723	14	2,808	372	5,383
Total credit risk on derivative instruments	**100**	**399**	**2,496**	**18**	**2,808**	**642**	**6,463**
Carrying amount of liabilities with respect to derivative instruments	**33**	**1,809**	**773**	**-**	**1,939**	**569**	**5,123**
Gross amounts not offset in the balance sheet:							
Financial instruments	-	(1,802)	-	-	(1,064)	(159)	(3,025)
Pledged cash collateral	-	(7)	-	-	(218)	-	(225)
Net amount of liabilities with respect to derivative instruments	**33**	**-**	**773**	**-**	**657**	**410**	**1,873**

(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, 2025, the Bank recognized revenues from decrease in provision for credit losses amounting to NIS 8 million. In the nine-month period ended September 30, 2025, the Bank recognized revenues from decrease in provision for credit losses amounting to NIS 2 million (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 revenues from decrease in provision for credit losses amounting to NIS 8 million).

D) Maturity dates – stated amounts: Balances at end of period – Consolidated

	September 30, 2025 (unaudited)				
	Up to three months	3 months to 1 year	1-5 years	Over 5 years	Total
Interest contracts:					
NIS – CPI	452	1,161	1,521	560	3,694
Other	19,907	21,384	69,520	21,353	132,164
Currency contracts	143,205	100,034	5,526	30	248,795
Contracts for shares	75,920	5,218	46	-	81,184
Commodities and other contracts	26	-	-	-	26
Total	**239,510**	**127,797**	**76,613**	**21,943**	**465,863**
	September 30, 2024 (unaudited)				
Total	**245,920**	**107,639**	**48,074**	**19,876**	**421,509**
	As of December 31, 2024 (audited)				
Total	**248,036**	**109,838**	**52,217**	**18,797**	**428,888**

Note 12 – Operating Segments

A. Information regarding supervisory operating segments

According to the Directives, the Bank is required to provide in its financial statements a disclosure with regard to supervisory operating segments in conformity with a uniform and comparable format set by the Supervisor of Banks; allocation to supervisory operating segments is typically determined based on the customer's turnover.

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, 2025 (unaudited)
Reported amounts (NIS in millions)

	Operations in Israel			
	Households			
	Residential mortgages	Others	Of which: Credit cards	Total
Interest revenues from externals	9,869	1,583	46	11,452
Interest expenses from externals	18	2,616	-	2,634
Interest revenues, net from externals	9,851	(1,033)	46	8,818
Interest revenues, net – inter-segment	(7,748)	3,930	(3)	(3,818)
Total interest revenues, net	**2,103**	**2,897**	**43**	**5,000**
Total non-interest financing revenues	-	-	-	-
Total commissions and other revenues	97	552	146	649
Total non-interest revenues	**97**	**552**	**146**	**649**
Total revenues	**2,200**	**3,449**	**189**	**5,649**
Expenses due to credit losses	(65)	149	(9)	84
Operating and other expenses to externals	622	1,675	51	2,297
Operating and other expenses – inter-segment	-	2	-	2
Total operating and other expenses	**622**	**1,677**	**51**	**2,299**
Pre-tax profit	1,643	1,623	147	3,266
Provision for taxes on profit	613	606	55	1,219
After-tax profit	**1,030**	**1,017**	**92**	**2,047**
Share of banking corporation in earnings of associated companies	-	-	-	-
Net profit before attribution to non-controlling interests	1,030	1,017	92	2,047
Net profit attributed to non-controlling interests	-	(139)	(3)	(139)
Net profit attributable to shareholders of the banking corporation	**1,030**	**878**	**89**	**1,908**
Average balance of assets	232,199	28,378	3,913	260,577
Of which: Investments in associated companies	-	-	-	-
Average balance of loans to the public	232,199	28,378	3,913	260,577
Balance of loans to the public at end of reported period	(3)240,124	28,111	4,728	268,235
Balance of non-accruing debts and debts in arrears over 90 days	2,577	128	-	2,705
Balance of other problematic debts	-	148	5	148
Balance of provision for credit losses at end of reported period	1,112	700	-	1,812
Net accounting write-offs in the reported period	-	124	-	124
Average balance of liabilities	-	134,317	-	134,317
Of which: Average balance of deposits from the public	-	134,317	-	134,317
Balance of deposits from the public at end of reported period	-	135,244	-	135,244
Average balance of risk assets(1)	137,496	23,085	4,482	160,581
Balance of risk assets at end of reported period(1)	141,531	23,037	4,948	164,568
Average balance of assets under management(2)	8,814	61,794	-	70,608
Breakdown of interest revenues, net:				
Margin from credit granting operations	1,746	686	35	2,432
Margin from activities of receiving deposits	-	2,153	-	2,153
Other	357	58	8	415
Total interest revenues, net	**2,103**	**2,897**	**43**	**5,000**

(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 9,678.

							Operations overseas	Total
Private banking	Small and micro businesses	Medium businesses	Large businesses	Institutional investors	Financial management segment	activity in Israel	Total – operations overseas	
3	2,154	817	2,422	71	2,410	19,329	1,475	20,804
868	1,061	787	1,491	2,775	1,572	11,188	578	11,766
(865)	1,093	30	931	(2,704)	838	8,141	897	9,038
1,199	807	525	143	2,921	(1,410)	367	(367)	-
334	**1,900**	**555**	**1,074**	**217**	**(572)**	**8,508**	**530**	**9,038**
-	-	-	-	-	242	242	-	242
43	452	97	197	36	389	1,863	24	1,887
43	**452**	**97**	**197**	**36**	**631**	**2,105**	**24**	**2,129**
377	**2,352**	**652**	**1,271**	**253**	**59**	**10,613**	**554**	**11,167**
-	31	13	19	9	1	157	46	203
13	825	130	202	149	247	3,863	109	3,972
3	3	(2)	1	-	(7)	-	-	-
16	**828**	**128**	**203**	**149**	**240**	**3,863**	**109**	**3,972**
361	1,493	511	1,049	95	(182)	6,593	399	6,992
135	557	191	391	35	(68)	2,460	149	2,609
226	**936**	**320**	**658**	**60**	**(114)**	**4,133**	**250**	**4,383**
-	-	-	-	-	13	13	-	13
226	936	320	658	60	(101)	4,146	250	4,396
-	(3)	-	-	-	(28)	(170)	-	(170)
226	**933**	**320**	**658**	**60**	**(129)**	**3,976**	**250**	**4,226**
139	38,238	15,650	45,194	5,173	112,685	477,656	34,114	511,770
-	-	-	-	-	346	346	-	346
139	38,238	15,650	45,194	5,173	-	364,971	10,342	375,313
152	36,002	18,559	52,181	7,686	-	382,815	12,953	395,768
-	820	197	214	-	-	3,936	222	4,158
-	518	137	119	-	-	922	159	1,081
1	1,256	243	399	17	-	3,728	165	3,893
-	129	67	(18)	-	-	302	103	405
31,761	57,011	23,852	43,879	100,645	68,478	459,943	18,302	478,245
31,761	57,011	23,852	43,879	100,645	-	391,465	17,581	409,046
32,604	52,166	32,915	40,158	113,939	-	407,026	14,461	421,487
113	33,872	17,184	70,406	1,423	22,933	306,512	15,281	321,793
144	34,596	17,751	80,098	1,292	24,520	322,969	16,236	339,205
31,049	66,107	20,980	35,863	382,744	3,918	611,269	-	611,269
1	938	308	753	24	-	4,456	305	4,761
333	855	200	152	190	-	3,883	98	3,981
-	107	47	169	3	(572)	169	127	296
334	**1,900**	**555**	**1,074**	**217**	**(572)**	**8,508**	**530**	**9,038**

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			
	Residential mortgages	Others	Of which: Credit cards	Total
Interest revenues from externals	9,581	1,547	43	11,128
Interest expenses from externals	19	2,688	-	2,707
Interest revenues, net from externals	9,562	(1,141)	43	8,421
Interest revenues, net – inter-segment	(7,472)	3,986	(11)	(3,486)
Total interest revenues, net	**2,090**	**2,845**	**32**	**4,935**
Total non-interest financing revenues	-	-	-	-
Total commissions and other revenues	91	483	145	574
Total non-interest revenues	**91**	**483**	**145**	**574**
Total revenues	**2,181**	**3,328**	**177**	**5,509**
Expenses due to credit losses	73	85	1	158
Operating and other expenses to externals	625	1,676	51	2,301
Operating and other expenses – inter-segment	-	3	-	3
Total operating and other expenses	**625**	**1,679**	**51**	**2,304**
Pre-tax profit	1,483	1,564	125	3,047
Provision for taxes on profit	563	594	47	1,157
After-tax profit	**920**	**970**	**78**	**1,890**
Share of banking corporation in earnings of associated companies	-	-	-	-
Net profit before attribution to non-controlling interests	920	970	78	1,890
Net profit attributed to non-controlling interests	-	(125)	(2)	(125)
Net profit attributable to shareholders of the banking corporation	**920**	**845**	**76**	**1,765**
Average balance of assets	212,405	26,636	3,732	239,041
Of which: Investments in associated companies	-	-	-	-
Average balance of loans to the public	212,405	26,636	3,732	239,041
Balance of loans to the public at end of reported period	[3]219,777	27,993	5,071	247,770
Balance of non-accruing debts and debts in arrears over 90 days	2,106	137	1	2,243
Balance of other problematic debts	-	125	4	125
Balance of provision for credit losses at end of reported period	1,188	656	-	1,844
Net accounting write-offs in the reported period	-	111	-	111
Average balance of liabilities	-	137,305	-	137,305
Of which: Average balance of deposits from the public	-	137,305	-	137,305
Balance of deposits from the public at end of reported period	-	138,548	-	138,548
Average balance of risk assets[1]	126,442	22,754	4,465	149,196
Balance of risk assets at end of reported period[1]	130,973	22,583	4,604	153,556
Average balance of assets under management[2]	9,448	71,095	-	80,543
Breakdown of interest revenues, net:				
Margin from credit granting operations	1,790	705	32	2,495
Margin from activities of receiving deposits	-	2,092	-	2,092
Other	300	48	-	348
Total interest revenues, net	**2,090**	**2,845**	**32**	**4,935**

(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.

							Operations overseas	Total
Private banking	**Small and micro businesses**	**Medium businesses**	**Large businesses**	**Institutional investors**	**Financial management segment**	**activity in Israel**	**Total – operations overseas**	
1	2,099	728	2,109	97	2,129	18,291	1,646	19,937
774	1,193	365	1,342	2,439	1,537	10,357	519	10,876
(773)	906	363	767	(2,342)	592	7,934	1,127	9,061
1,081	1,029	112	227	2,514	(810)	667	(667)	-
308	**1,935**	**475**	**994**	**172**	**(218)**	**8,601**	**460**	**9,061**
-	-	-	-	-	431	431	-	431
11	396	76	223	40	417	1,737	1	1,738
11	**396**	**76**	**223**	**40**	**848**	**2,168**	**1**	**2,169**
319	**2,331**	**551**	**1,217**	**212**	**630**	**10,769**	**461**	**11,230**
-	184	31	(93)	7	1	288	126	414
12	772	125	210	148	233	3,801	95	3,896
1	5	(1)	1	(7)	(2)	-	-	-
13	**777**	**124**	**211**	**141**	**231**	**3,801**	**95**	**3,896**
306	1,370	396	1,099	64	398	6,680	240	6,920
116	520	150	417	24	151	2,535	91	2,626
190	**850**	**246**	**682**	**40**	**247**	**4,145**	**149**	**4,294**
-	-	-	-	-	15	15	-	15
190	850	246	682	40	262	4,160	149	4,309
-	(12)	-	-	-	(23)	(160)	-	(160)
190	**838**	**246**	**682**	**40**	**239**	**4,000**	**149**	**4,149**
80	34,105	12,432	38,601	5,108	100,833	430,200	33,871	464,071
-	-	-	-	-	250	250	-	250
80	34,105	12,432	38,601	5,108	-	329,367	9,582	338,949
112	36,591	12,399	39,185	5,362	-	341,419	11,032	352,451
-	850	212	442	-	-	3,747	632	4,379
-	651	100	445	-	-	1,321	72	1,393
1	1,421	231	418	12	-	3,927	210	4,137
-	74	101	(36)	-	-	250	39	289
27,380	56,835	14,129	39,447	81,422	60,100	416,618	13,486	430,104
27,380	56,835	14,129	39,447	81,422	-	356,518	13,247	369,765
28,111	58,295	18,585	42,322	82,192	-	368,053	17,066	385,119
45	31,866	14,936	56,254	1,380	20,500	274,177	12,191	286,368
58	31,966	15,332	60,447	1,292	22,200	284,851	13,685	298,536
4,460	56,045	15,539	26,363	415,610	3,268	601,828	-	601,828
1	936	286	684	30	-	4,432	262	4,694
307	905	156	191	140	-	3,791	75	3,866
-	94	33	119	2	(218)	378	123	501
308	**1,935**	**475**	**994**	**172**	**(218)**	**8,601**	**460**	**9,061**

Note 12 – Operating Segments – continued
Supervisory operating segments
For the three months ended September 30, 2025 (unaudited)
Reported amounts (NIS in millions)

	Operations in Israel			
	Households			
	Residential mortgages	Others	Of which: Credit cards	Total
Interest revenues from externals	3,633	543	15	4,176
Interest expenses from externals	5	954	-	959
Interest revenues, net from externals	3,628	(411)	15	3,217
Interest revenues, net – inter-segment	(2,926)	1,383	5	(1,543)
Total interest revenues, net	**702**	**972**	**20**	**1,674**
Total non-interest financing revenues	-	-	-	-
Total commissions and other revenues	31	194	51	225
Total non-interest revenues	**31**	**194**	**51**	**225**
Total revenues	**733**	**1,166**	**71**	**1,899**
Expenses due to credit losses	(28)	61	(6)	33
Operating and other expenses to externals	203	564	16	767
Operating and other expenses – inter-segment	(1)	-	-	(1)
Total operating and other expenses	**202**	**564**	**16**	**766**
Pre-tax profit	559	541	61	1,100
Provision for taxes on profit	212	205	23	417
After-tax profit	**347**	**336**	**38**	**683**
Share of banking corporation in earnings of associated companies	-	-	-	-
Net profit before attribution to non-controlling interests	347	336	38	683
Net profit attributed to non-controlling interests	-	(47)	(1)	(47)
Net profit attributable to shareholders of the banking corporation	**347**	**289**	**37**	**636**
Average balance of assets	237,299	28,748	4,015	266,047
Of which: Investments in associated companies	-	-	-	-
Average balance of loans to the public	237,299	28,748	4,015	266,047
Balance of loans to the public at end of reported period	(3)240,124	28,111	4,728	268,235
Balance of non-accruing debts and debts in arrears over 90 days	2,577	128	-	2,705
Balance of other problematic debts	-	148	5	148
Balance of provision for credit losses at end of reported period	1,112	700	-	1,812
Net accounting write-offs in the reported period	-	43	-	43
Average balance of liabilities	-	134,977	-	134,977
Of which: Average balance of deposits from the public	-	134,977	-	134,977
Balance of deposits from the public at end of reported period	-	135,244	-	135,244
Average balance of risk assets(1)	140,292	22,795	4,482	163,087
Balance of risk assets at end of reported period(1)	141,531	23,037	4,948	164,568
Average balance of assets under management(2)	8,638	64,894	-	73,532
Breakdown of interest revenues, net:				
Margin from credit granting operations	579	224	12	803
Margin from activities of receiving deposits	-	731	-	731
Other	123	17	8	140
Total interest revenues, net	**702**	**972**	**20**	**1,674**

(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 9,678.

							Operations overseas	Total
Private banking	Small and micro businesses	Medium businesses	Large businesses	Institutiona l investors	Financial manageme nt segment	activity in Israel	Total – operations overseas	
2	723	309	878	32	809	6,929	497	7,426
313	324	362	494	1,021	625	4,098	182	4,280
(311)	399	(53)	384	(989)	184	2,831	315	3,146
425	223	266	(4)	1,073	(295)	145	(145)	-
114	**622**	**213**	**380**	**84**	**(111)**	**2,976**	**170**	**3,146**
-	-	-	-	-	57	57	-	57
14	150	34	53	11	133	620	7	627
14	**150**	**34**	**53**	**11**	**190**	**677**	**7**	**684**
128	**772**	**247**	**433**	**95**	**79**	**3,653**	**177**	**3,830**
-	(18)	15	8	-	-	38	6	44
6	262	41	67	50	82	1,275	35	1,310
1	-	1	1	1	(3)	-	-	-
7	**262**	**42**	**68**	**51**	**79**	**1,275**	**35**	**1,310**
121	528	190	357	44	-	2,340	136	2,476
46	199	72	134	16	(1)	883	52	935
75	**329**	**118**	**223**	**28**	**1**	**1,457**	**84**	**1,541**
-	-	-	-	-	2	2	-	2
75	329	118	223	28	3	1,459	84	1,543
-	(1)	-	-	-	(12)	(60)	-	(60)
75	**328**	**118**	**223**	**28**	**(9)**	**1,399**	**84**	**1,483**
143	37,192	17,608	48,448	6,895	112,823	489,156	34,484	523,640
-	-	-	-	-	434	434	-	434
143	37,192	17,608	48,448	6,895	-	376,333	10,428	386,761
152	36,002	18,559	52,181	7,686	-	382,815	12,953	395,768
-	820	197	214	-	-	3,936	222	4,158
-	518	137	119	-	-	922	159	1,081
1	1,256	243	399	17	-	3,728	165	3,893
-	26	23	(4)	-	-	88	70	158
32,175	55,073	29,952	40,993	110,283	70,594	474,047	17,484	491,531
32,175	55,073	29,952	40,993	110,283	-	403,453	16,939	420,392
32,604	52,166	32,915	40,158	113,939	-	407,026	14,461	421,487
129	34,744	17,672	77,294	1,241	23,923	318,090	15,646	333,736
144	34,596	17,751	80,098	1,292	24,520	322,969	16,236	339,205
33,555	66,359	23,098	39,693	404,966	4,068	645,271	-	645,271
1	308	112	266	9	-	1,499	103	1,602
113	278	83	52	74	-	1,331	25	1,356
-	36	18	62	1	(111)	146	42	188
114	**622**	**213**	**380**	**84**	**(111)**	**2,976**	**170**	**3,146**

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			
	Residential mortgages	Others	Of which: Credit cards	Total
Interest revenues from externals	3,593	521	14	4,114
Interest expenses from externals	6	839	-	845
Interest revenues, net from externals	3,587	(318)	14	3,269
Interest revenues, net – inter-segment	(2,878)	1,306	(4)	(1,572)
Total interest revenues, net	**709**	**988**	**10**	**1,697**
Total non-interest financing revenues	-	-	-	-
Total commissions and other revenues	30	150	50	180
Total non-interest revenues	**30**	**150**	**50**	**180**
Total revenues	**739**	**1,138**	**60**	**1,877**
Expenses due to credit losses	39	11	-	50
Operating and other expenses to externals	206	559	17	765
Operating and other expenses – inter-segment	-	1	-	1
Total operating and other expenses	**206**	**560**	**17**	**766**
Pre-tax profit	494	567	43	1,061
Provision for taxes on profit	187	214	16	401
After-tax profit	**307**	**353**	**27**	**660**
Share of banking corporation in earnings of associated companies	-	-	-	-
Net profit before attribution to non-controlling interests	307	353	27	660
Net profit attributed to non-controlling interests	-	(45)	-	(45)
Net profit attributable to shareholders of the banking corporation	**307**	**308**	**27**	**615**
Average balance of assets	217,041	26,692	3,844	243,733
Of which: Investments in associated companies	-	-	-	-
Average balance of loans to the public	217,041	26,692	3,844	243,733
Balance of loans to the public at end of reported period	(3)219,777	27,993	5,071	247,770
Balance of non-accruing debts and debts in arrears over 90 days	2,106	137	1	2,243
Balance of other problematic debts	-	125	4	125
Balance of provision for credit losses at end of reported period	1,188	656	-	1,844
Net accounting write-offs in the reported period	-	26	-	26
Average balance of liabilities	-	138,287	-	138,287
Of which: Average balance of deposits from the public	-	138,287	-	138,287
Balance of deposits from the public at end of reported period	-	138,548	-	138,548
Average balance of risk assets(1)	129,524	22,907	4,564	152,431
Balance of risk assets at end of reported period(1)	130,973	22,583	4,604	153,556
Average balance of assets under management(2)	9,318	74,067	-	83,385
Breakdown of interest revenues, net:				
Margin from credit granting operations	605	241	10	846
Margin from activities of receiving deposits	-	731	-	731
Other	104	16	-	120
Total interest revenues, net	**709**	**988**	**10**	**1,697**

(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.

Private banking	Small and micro businesses	Medium businesses	Large businesses	Institutional investors	Financial management segment	activity in Israel	Operations overseas Total – operations overseas	Total
1	731	250	722	30	683	6,531	590	7,121
274	412	130	482	829	772	3,744	221	3,965
(273)	319	120	240	(799)	(89)	2,787	369	3,156
377	332	31	97	854	114	233	(233)	-
104	**651**	**151**	**337**	**55**	**25**	**3,020**	**136**	**3,156**
-	-	-	-	-	60	60	-	60
3	106	25	74	16	186	590	(9)	581
3	**106**	**25**	**74**	**16**	**246**	**650**	**(9)**	**641**
107	**757**	**176**	**411**	**71**	**271**	**3,670**	**127**	**3,797**
-	19	17	(18)	1	-	69	61	130
4	259	40	68	52	69	1,257	32	1,289
-	2	-	1	(2)	(2)	-	-	-
4	**261**	**40**	**69**	**50**	**67**	**1,257**	**32**	**1,289**
103	477	119	360	20	204	2,344	34	2,378
39	180	45	136	7	77	885	13	898
64	**297**	**74**	**224**	**13**	**127**	**1,459**	**21**	**1,480**
-	-	-	-	-	3	3	-	3
64	297	74	224	13	130	1,462	21	1,483
-	(4)	-	-	-	(9)	(58)	-	(58)
64	**293**	**74**	**224**	**13**	**121**	**1,404**	**21**	**1,425**
92	35,701	12,288	40,541	5,128	98,147	435,630	37,145	472,775
-	-	-	-	-	252	252	-	252
92	35,701	12,288	40,541	5,128	-	337,483	10,318	347,801
112	36,591	12,399	39,185	5,362	-	341,419	11,032	352,451
-	850	212	442	-	-	3,747	632	4,379
-	651	100	445	-	-	1,321	72	1,393
1	1,421	231	418	12	-	3,927	210	4,137
-	27	16	(11)	-	-	58	29	87
27,724	58,279	13,655	41,171	84,306	59,540	422,962	14,868	437,830
27,724	58,279	13,655	41,171	84,306	-	363,422	14,574	377,996
28,111	58,295	18,585	42,322	82,192	-	368,053	17,066	385,119
48	31,614	14,907	59,807	1,532	21,450	281,789	13,223	295,012
58	31,966	15,332	60,447	1,292	22,200	284,851	13,685	298,536
4,608	58,649	16,711	26,671	427,608	3,512	621,144	-	621,144
1	312	92	224	8	-	1,483	78	1,561
103	308	49	69	46	-	1,306	22	1,328
-	31	10	44	1	25	231	36	267
104	**651**	**151**	**337**	**55**	**25**	**3,020**	**136**	**3,156**

Note 12 – Operating Segments – continued
Supervisory operating segments
For the year ended December 31, 2024 (audited)
Reported amounts (NIS in millions)

	Operations in Israel			
	Households			
	Residential mortgages	Others	Of which: Credit cards	Total
Interest revenues from externals	12,026	2,067	59	14,093
Interest expenses from externals	25	3,342	-	3,367
Interest revenues, net from externals	12,001	(1,275)	59	10,726
Interest revenues, net – inter-segment	(9,205)	5,123	(15)	(4,082)
Total interest revenues, net	**2,796**	**3,848**	**44**	**6,644**
Total non-interest financing revenues	-	-	-	-
Total commissions and other revenues	123	682	192	805
Total non-interest revenues	**123**	**682**	**192**	**805**
Total revenues	**2,919**	**4,530**	**236**	**7,449**
Expenses due to credit losses	64	139	5	203
Operating and other expenses to externals	829	2,234	68	3,063
Operating and other expenses – inter-segment	-	3	-	3
Total operating and other expenses	**829**	**2,237**	**68**	**3,066**
Pre-tax profit	2,026	2,154	163	4,180
Provision for taxes on profit	751	799	60	1,550
After-tax profit	**1,275**	**1,355**	**103**	**2,630**
Share of banking corporation in earnings of associated companies	-	-	-	-
Net profit before attribution to non-controlling interests	1,275	1,355	103	2,630
Net profit attributed to non-controlling interests	-	(174)	(3)	(174)
Net profit attributable to shareholders of the banking corporation	**1,275**	**1,181**	**100**	**2,456**
Average balance of assets	215,013	26,616	3,746	241,629
Of which: Investments in associated companies	-	-	-	-
Average balance of loans to the public	215,013	26,616	3,746	241,629
Balance of loans to the public at end of reported period	(3)225,294	28,111	4,970	253,405
Balance of non-accruing debts and debts in arrears over 90 days	2,141	146	-	2,287
Balance of other problematic debts	-	126	4	126
Balance of provision for credit losses at end of reported period	1,180	673	-	1,853
Net accounting write-offs in the reported period	-	144	-	144
Average balance of liabilities	-	134,768	-	134,768
Of which: Average balance of deposits from the public	-	134,768	-	134,768
Balance of deposits from the public at end of reported period	-	133,619	-	133,619
Average balance of risk assets(1)	128,007	22,814	4,482	150,821
Balance of risk assets at end of reported period(1)	134,087	22,714	4,627	156,801
Average balance of assets under management(2)	9,383	53,697	-	63,080
Breakdown of interest revenues, net:				
Margin from credit granting operations	2,375	942	44	3,317
Margin from activities of receiving deposits	-	2,840	-	2,840
Other	421	66	-	487
Total interest revenues, net	**2,796**	**3,848**	**44**	**6,644**

(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 10,949.

							Operations overseas	Total
Private banking	**Small and micro businesses**	**Medium businesses**	**Large businesses**	**Institutional investors**	**Financial management segment**	**activity in Israel**	**Total – operations overseas**	
3	2,812	988	2,806	89	2,859	23,650	2,148	25,798
1,074	1,588	491	1,830	3,203	1,687	13,240	744	13,984
(1,071)	1,224	497	976	(3,114)	1,172	10,410	1,404	11,814
1,481	1,368	149	357	3,345	(1,833)	785	(785)	-
410	**2,592**	**646**	**1,333**	**231**	**(661)**	**11,195**	**619**	**11,814**
-	-	-	-	-	574	574	-	574
47	548	104	205	58	545	2,312	21	2,333
47	**548**	**104**	**205**	**58**	**1,119**	**2,886**	**21**	**2,907**
457	**3,140**	**750**	**1,538**	**289**	**458**	**14,081**	**640**	**14,721**
-	156	74	(114)	4	1	324	195	519
35	1,039	167	281	173	333	5,091	131	5,222
3	6	(2)	1	(8)	(3)	-	-	-
38	**1,045**	**165**	**282**	**165**	**330**	**5,091**	**131**	**5,222**
419	1,939	511	1,370	120	127	8,666	314	8,980
155	718	189	507	44	47	3,210	116	3,326
264	**1,221**	**322**	**863**	**76**	**80**	**5,456**	**198**	**5,654**
-	-	-	-	-	16	16	-	16
264	1,221	322	863	76	96	5,472	198	5,670
-	(14)	-	-	-	(27)	(215)	-	(215)
264	**1,207**	**322**	**863**	**76**	**69**	**5,257**	**198**	**5,455**
96	35,924	12,642	39,447	4,267	97,916	431,921	33,649	465,570
-	-	-	-	-	252	252	-	252
96	35,924	12,642	39,447	4,267	-	334,005	9,797	343,802
141	37,002	14,747	41,999	3,852	-	351,146	10,948	362,094
-	895	327	338	-	-	3,847	541	4,388
-	619	148	432	-	-	1,325	58	1,383
1	1,375	299	356	8	-	3,892	221	4,113
-	110	115	(31)	-	-	338	92	430
30,161	57,676	14,123	40,450	83,815	58,618	419,611	14,433	434,044
30,161	57,676	14,123	40,450	83,815	-	360,993	14,149	375,142
30,815	58,622	19,166	42,312	91,823	-	376,357	17,026	393,383
50	31,952	15,111	58,051	1,529	20,852	278,366	12,588	290,954
103	32,628	15,581	64,010	1,825	22,374	293,322	14,042	307,364
24,275	57,798	16,210	27,153	423,400	3,387	615,303	-	615,303
1	1,257	386	914	37	-	5,912	354	6,266
409	1,206	210	248	189	-	5,102	107	5,209
-	129	50	171	5	(661)	181	158	339
410	**2,592**	**646**	**1,333**	**231**	**(661)**	**11,195**	**619**	**11,814**

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 basic 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, 2025 (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	(1,346)	9,080	(149)	345	203	8	897	9,038
Inter-segment	4,935	(7,327)	198	1,275	179	2,066	(1,326)	-
Total interest revenues, net	**3,589**	**1,753**	**49**	**1,620**	**382**	**2,074**	**(429)**	**9,038**
Non-interest financing revenues	16	6	-	2	-	(2)	220	242
Commissions and other revenues	593	92	16	393	66	331	396	1,887
Total revenues	**4,198**	**1,851**	**65**	**2,015**	**448**	**2,403**	**187**	**11,167**
Expenses due to credit losses	96	(61)	1	26	18	122	1	203
Operating and other expenses	1,732	588	26	706	178	454	288	3,972
Pre-tax profit	2,370	1,324	38	1,283	252	1,827	(102)	6,992
Provision for taxes on profit	884	494	14	479	94	682	(38)	2,609
After-tax profit	**1,486**	**830**	**24**	**804**	**158**	**1,145**	**(64)**	**4,383**
Share in net profit of associated companies, after tax	-	-	-	-	-	-	13	13
Net profit:								
Before attribution to non-controlling interests	1,486	830	24	804	158	1,145	(51)	4,396
Attributable to non-controlling interests	(139)	-	-	(3)	-	-	(28)	(170)
Net profit attributable to shareholders of the Bank	**1,347**	**830**	**24**	**801**	**158**	**1,145**	**(79)**	**4,226**
Return on equity (percentage of net profit attributed to shareholders of the banking corporation out of average equity)(1)	59.9%	8.7%	-	46.1%	16.2%	14.3%	-	17.2%
Average balance of loans to the public, net	37,962	217,829	319	24,689	10,671	79,918	-	371,388
Average balance of deposits from the public	166,447	-	5,699	51,761	15,654	142,155	27,330	409,046
Average balance of assets	41,296	219,382	437	24,924	10,803	97,115	117,813	511,770
Average balance of risk assets(2)	33,852	125,701	211	23,041	12,602	104,727	21,659	321,793

(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, 2024 (unaudited)

Reported amounts (NIS in millions)

	House_holds – other	House_holds – mort_gages	Private banking	Small busines_ses	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 three months ended September 30, 2025 (unaudited)
Reported amounts (NIS in millions)

	House_holds – other	House_holds – mortg_ages	Private banking	Small busines_ses	Commer_cial banking	Business banking	Financial manage_ment	Total consoli_dated
Interest revenues, net:								
From externals	(527)	3,405	(62)	95	86	(20)	169	3,146
Inter-segment	1,733	(2,807)	82	450	45	758	(261)	-
Total interest revenues, net	**1,206**	**598**	**20**	**545**	**131**	**738**	**(92)**	**3,146**
Non-interest financing revenues	5	6	-	-	-	18	28	57
Commissions and other revenues	208	31	7	136	22	89	134	627
Total revenues	**1,419**	**635**	**27**	**681**	**153**	**845**	**70**	**3,830**
Expenses due to credit losses	52	(26)	1	(6)	12	11	-	44
Operating and other expenses	580	193	11	227	54	153	92	1,310
Pre-tax profit	787	468	15	460	87	681	(22)	2,476
Provision for taxes on profit	297	177	6	174	33	257	(9)	935
After-tax profit	**490**	**291**	**9**	**286**	**54**	**424**	**(13)**	**1,541**
Share in net profit of associated companies, after tax	-	-	-	-	-	-	2	2
Net profit:								
Before attribution to non-controlling interests	490	291	9	286	54	424	(11)	1,543
Attributable to non-controlling interests	(47)	-	-	(1)	-	-	(12)	(60)
Net profit attributable to shareholders of the Bank	**443**	**291**	**9**	**285**	**54**	**424**	**(23)**	**1,483**
Return on equity (percentage of net profit attributed to shareholders of the banking corporation out of average equity)[(1)]	82.1%	8.9%	-	48.5%	15.8%	14.7%	-	17.6%

(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, 2024 (unaudited)
Reported amounts (NIS in millions)

	House_holds – other	House_holds – mort_gages	Private banking	Small busines_ses	Commer_cial banking	Business banking	Financial manage_ment	Total consoli_dated
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 year ended December 31, 2024 (audited)

Reported amounts (NIS in millions)

	House_ holds – other	House_ holds – mort_ gages	Private banking	Small busines_ ses	Commer_ cial banking	Business banking	Financial manage_ ment	Total consoli_ dated
Interest revenues, net:								
From externals	(1,657)	10,944	(171)	525	238	428	1,507	11,814
Inter-segment	6,329	(8,620)	234	1,635	270	2,000	(1,848)	-
Total interest revenues, net	**4,672**	**2,324**	**63**	**2,160**	**508**	**2,428**	**(341)**	**11,814**
Non-interest financing revenues	20	-	-	2	1	101	450	574
Commissions and other revenues	718	121	17	482	86	410	499	2,333
Total revenues	**5,410**	**2,445**	**80**	**2,644**	**595**	**2,939**	**608**	**14,721**
Expenses due to credit losses	94	60	1	49	(44)	358	1	519
Operating and other expenses	2,276	777	30	913	202	623	401	5,222
Pre-tax profit (loss)	3,040	1,608	49	1,682	437	1,958	206	8,980
Provision for taxes on profit	1,126	596	18	623	162	725	76	3,326
After-tax profit (loss)	**1,914**	**1,012**	**31**	**1,059**	**275**	**1,233**	**130**	**5,654**
Share in net profit of associated companies, after tax	-	-	-	-	-	-	16	16
Net profit (loss):								
Before attribution to non-controlling interests	1,914	1,012	31	1,059	275	1,233	146	5,670
Attributable to non-controlling interests	(175)	-	-	(13)	-	-	(27)	(215)
Net profit (loss) attributable to shareholders of the Bank	**1,739**	**1,012**	**31**	**1,046**	**275**	**1,233**	**119**	**5,455**
Return on equity (percentage of net profit attributed to shareholders of the banking corporation out of average equity)[1]	59.5%	8.3%	-	47.5%	23.5%	13.3%	-	18.5%
Average balance of loans to the public, net	35,415	201,501	243	24,277	9,500	68,976	-	339,912
Average balance of deposits from the public	164,851	-	5,224	50,549	14,745	115,248	24,525	375,142
Average balance of assets	37,450	202,973	343	24,529	9,627	89,586	101,062	465,570
Average balance of risk assets[2]	32,601	116,948	160	21,434	11,246	89,044	19,521	290,954

(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, 2025 (unaudited)					
Balance of provision for credit losses at start of period	2,389	1,176	704	4,269	13	4,282
Expenses due to credit losses	11	(28)	61	44	-	44
Accounting write-offs[2]	(159)	-	(83)	(242)	-	(242)
Collection of debts written off for accounting purposes in previous years[2]	44	-	40	84	-	84
Net accounting write-offs	(115)	-	(43)	(158)	-	(158)
Balance of provision for credit losses at end of period	**2,285**	**1,148**	**722**	**4,155**	**13**	**4,168**
Of which: With respect to off balance sheet credit instruments	**205**	**36**	**21**	**262**	**-**	**262**
	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 nine months ended September 30, 2025 (unaudited)					
Balance of provision for credit losses at start of period	2,448	1,213	697	4,358	12	4,370
Expenses due to credit losses	118	(65)	149	202	1	203
Accounting write-offs[2]	(433)	-	(248)	(681)	-	(681)
Collection of debts written off for accounting purposes in previous years[2]	152	-	124	276	-	276
Net accounting write-offs	(281)	-	(124)	(405)	-	(405)
Balance of provision for credit losses at end of period	**2,285**	**1,148**	**722**	**4,155**	**13**	**4,168**
Of which: With respect to off balance sheet credit instruments	**205**	**36**	**21**	**262**	**-**	**262**
	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**

(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, governments and bonds	Total
	Commercial	Housing	Individual – other	Total		
	September 30, 2025 (unaudited)					
Recorded debt balance						
reviewed on individual basis	113,712	-	17	113,729	55,480	169,209
reviewed on group basis	14,243	240,170	27,626	282,039	-	282,039
Total debts	**127,955**	**(2)240,170**	**27,643**	**395,768**	**55,480**	**451,248**
Provision for credit losses with respect to debts						
reviewed on individual basis	1,547	-	-	1,547	13	1,560
reviewed on group basis	533	1,112	701	2,346	-	2,346
Total provision for credit losses	**2,080**	**1,112**	**701**	**3,893**	**13**	**3,906**
	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**
	As of December 31, 2024 (audited)					
Recorded debt balance						
reviewed on individual basis	95,331	-	25	95,356	43,606	138,962
reviewed on group basis	13,950	225,364	27,424	266,738	-	266,738
Total debts	**109,281**	**(2)225,364**	**27,449**	**362,094**	**43,606**	**405,700**
Provision for credit losses with respect to debts						
reviewed on individual basis	1,718	-	2	1,720	12	1,732
reviewed on group basis	541	1,180	672	2,393	-	2,393
Total provision for credit losses	**2,259**	**1,180**	**674**	**4,113**	**12**	**4,125**

(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 15,466 million (as of September 30, 2024: NIS 14,691 million and as of December 31, 2024: NIS 14,905 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, 2025 (unaudited)					
		Problematic[1]			Accruing debts – additional information	
	In good standing[5]	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]	39,211	62	240	39,513	7	38
Construction and real estate – real estate operations	10,025	80	80	10,185	19	45
Financial services	19,671	5	3	19,679	3	69
Commercial – other	48,050	721	808	49,579	65	143
Total commercial	**116,957**	**868**	**1,131**	**118,956**	**94**	**295**
Private individuals – residential mortgages	237,547	-	2,577	240,124	-	1,803
Private individuals – other	27,366	204	72	27,642	56	142
Total loans to the public – activity in Israel	**381,870**	**1,072**	**3,780**	**386,722**	**150**	**2,240**
Borrower activity overseas						
Public – commercial						
Construction and real estate	3,864	88	196	4,148	-	-
Commercial – other	4,748	71	32	4,851	-	-
Total commercial	**8,612**	**159**	**228**	**8,999**	**-**	**-**
Private individuals	47	-	-	47	-	-
Total loans to the public – activity overseas	**8,659**	**159**	**228**	**9,046**	**-**	**-**
Total loans to the public	**390,529**	**1,231**	**4,008**	**395,768**	**150**	**2,240**

(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 196 million were classified as problematic debts.
(4) Includes debts amounting to NIS 820 million, extended to certain purchase groups which are in the process of construction.
(5) Includes debts with payment deferral for a period of 180 days or more, which has not yet ended and which was made available during the War to borrowers which were not in financial difficulties, totaling NIS 540 million (commercial debts amounting to NIS 26 million, residential mortgages amounting to NIS 513 million and private individuals' debts amounting to NIS 1 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 – continued

	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 December 31, 2024 (audited)					
		Problematic[1]			Accruing debts – additional information	
	In good standing[5]	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]	30,622	219	469	31,310	6	72
Construction and real estate – real estate operations	9,513	65	110	9,688	9	35
Financial services	14,842	29	7	14,878	-	6
Commercial – other	44,251	968	882	46,101	67	222
Total commercial	**99,228**	**1,281**	**1,468**	**101,977**	**82**	**335**
Private individuals – residential mortgages	223,150	-	2,141	225,291	-	1,609
Private individuals – other	27,175	189	83	27,447	63	126
Total public – activity in Israel	**349,553**	**1,470**	**3,692**	**354,715**	**145**	**2,070**
Borrower activity overseas						
Public – commercial						
Construction and real estate	3,292	-	507	3,799	-	-
Commercial – other	3,403	58	44	3,505	-	-
Total commercial	**6,695**	**58**	**551**	**7,304**	**-**	**-**
Private individuals	75	-	-	75	-	-
Total public – activity overseas	**6,770**	**58**	**551**	**7,379**	**-**	**-**
Total public	**356,323**	**1,528**	**4,243**	**362,094**	**145**	**2,070**

(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 124 million were classified as problematic debts.
(4) Includes debts amounting to NIS 1,019 million, extended to certain purchase groups which are in the process of construction.
(5) Includes debts with payment deferral for a period of 180 days or more, which has not yet ended and which was made available during the War to borrowers which were not in financial difficulties, totaling NIS 2,839 million (commercial debts amounting to NIS 61 million, residential mortgages amounting to NIS 2,764 million and private individuals' debts amounting to NIS 14 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.B. Credit quality by year when credit was extended

	As of September 30, 2025 (unaudited)								
	Recorded debt balance of term loans to the public								
	2025	2024	2023	2022	2021	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	**20,636**	**10,404**	**7,939**	**2,993**	**1,976**	**2,121**	**3,104**	**525**	**49,698**
Credit at performing credit rating	20,265	10,058	7,506	2,579	1,643	2,018	2,751	460	47,280
Credit other than at performing credit rating and non-problematic	355	304	361	210	309	52	302	63	1,956
Accruing problematic credit	14	10	45	24	9	12	26	2	142
Non-accruing credit	2	32	27	180	15	39	25	-	320
Accounting write-offs in the reported period	1	1	3	4	1	1	20	1	32
Commercial, other – total	**18,289**	**7,760**	**4,025**	**3,077**	**2,381**	**2,332**	**31,026**	**368**	**69,258**
Credit at performing credit rating	17,088	7,236	3,727	2,725	2,010	2,173	29,711	316	64,986
Credit other than at performing credit rating and non-problematic	943	241	79	210	327	36	869	30	2,735
Accruing problematic credit	92	149	85	52	14	48	282	4	726
Non-accruing credit	166	134	134	90	30	75	164	18	811
Accounting write-offs in the reported period	23	28	28	32	4	4	177	2	298
Individuals – residential mortgages – total	**26,809**	**33,205**	**21,032**	**32,481**	**29,218**	**97,371**	**8**	**-**	**240,124**
LTV up to 60%	14,691	18,846	12,230	17,471	16,334	65,874	2	-	145,448
LTV from 60% to 75%	11,548	13,752	8,315	14,553	12,221	30,471	1	-	90,861
LTV over 75%	570	607	487	457	663	1,026	5	-	3,815
Credit at performing credit rating, not in arrears	26,465	32,645	20,301	31,559	28,345	94,018	8	-	233,341
Credit not at performing credit rating, not in arrears	265	356	323	311	266	882	-	-	2,403
In arrears 30-89 days	72	147	228	283	285	788	-	-	1,803
Non-accruing credit	7	57	180	328	322	1,683	-	-	2,577
Accounting write-offs in the reported period	-	-	-	-	-	-	-	-	-
Individuals, other – total	**6,911**	**5,661**	**3,532**	**2,359**	**1,002**	**1,553**	**6,543**	**81**	**27,642**
Credit at performing credit rating, not in arrears	6,801	5,533	3,432	2,285	976	1,508	6,432	77	27,044
Credit not at performing credit rating, not in arrears	72	66	51	35	17	39	45	3	328
In arrears 30-89 days	24	30	26	22	5	5	29	1	142
In arrears over 90 days	2	16	11	9	3	1	14	-	56
Non-accruing credit	12	16	12	8	1	-	23	-	72
Accounting write-offs in the reported period	16	43	60	20	8	3	98	-	248
Total loans to the public – activity in Israel	**72,645**	**57,030**	**36,528**	**40,910**	**34,577**	**103,377**	**40,681**	**974**	**386,722**
Borrower activity overseas									
Total loans to the public – activity overseas	**2,191**	**1,953**	**1,975**	**784**	**953**	**1,190**	**-**	**-**	**9,046**
Non-problematic credit	2,155	1,846	1,902	784	914	1,058	-	-	8,659
Accruing problematic credit	36	107	16	-	-	-	-	-	159
Non-accruing credit	-	-	57	-	39	132	-	-	228
Accounting write-offs in the reported period	-	-	70	3	-	30	-	-	103
Total loans to the public	**74,836**	**58,983**	**38,503**	**41,694**	**35,530**	**104,567**	**40,681**	**974**	**395,768**

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, 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 December 31, 2024 (audited)								
	Recorded debt balance of term loans to the public							Recorded debt balance of renewable loans converted into term loans	
	2024	2023	2022	2021	2020	Previ_ ously	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	**19,685**	**9,181**	**4,168**	**2,255**	**1,045**	**1,667**	**2,631**	**366**	**40,998**
Credit at performing credit rating	19,376	8,919	3,802	1,716	913	1,616	2,254	360	38,956
Credit other than at performing credit rating and non-problematic	270	130	74	460	91	23	127	4	1,179
Accruing problematic credit	23	94	84	61	4	5	12	1	284
Non-accruing credit	16	38	208	18	37	23	238	1	579
Accounting write-offs in the reported period	2	12	6	2	2	1	35	-	60
Commercial, other – total	**18,475**	**5,383**	**4,452**	**3,678**	**2,370**	**1,664**	**24,479**	**478**	**60,979**
Credit at performing credit rating	17,572	5,022	3,923	3,135	2,182	1,527	23,153	385	56,899
Credit other than at performing credit rating and non-problematic	565	117	255	370	50	18	777	42	2,194
Accruing problematic credit	154	147	111	87	39	28	391	40	997
Non-accruing credit	184	97	163	86	99	91	158	11	889
Accounting write-offs in the reported period	18	49	33	11	9	17	213	6	356
Individuals – residential mortgages – total	**33,061**	**22,081**	**34,437**	**31,006**	**19,976**	**84,730**	**-**	**-**	**225,291**
LTV up to 60%	18,268	13,043	18,038	16,905	11,274	57,910	-	-	135,438
LTV from 60% to 75%	13,953	8,628	14,947	13,577	8,442	26,642	-	-	86,189
LTV over 75%	840	410	1,452	524	260	178	-	-	3,664
Credit at performing credit rating, not in arrears	32,607	21,524	33,626	30,226	19,407	81,973	-	-	219,363
Credit not at performing credit rating, not in arrears	334	319	330	265	174	756	-	-	2,178
In arrears 30-89 days	102	144	247	249	142	725	-	-	1,609
Non-accruing credit	18	94	234	266	253	1,276	-	-	2,141
Accounting write-offs in the reported period	-	-	-	-	-	-	-	-	-
Individuals, other – total	**8,475**	**4,968**	**3,401**	**1,471**	**704**	**1,455**	**6,889**	**84**	**27,447**
Credit at performing credit rating, not in arrears	8,336	4,833	3,308	1,435	686	1,409	6,738	78	26,823
Credit not at performing credit rating, not in arrears	94	75	50	23	15	41	49	5	352
In arrears 30-89 days	15	22	15	4	1	4	65	-	126
In arrears over 90 days	7	19	15	5	1	-	16	-	63
Non-accruing credit	23	19	13	4	1	1	21	1	83
Accounting write-offs in the reported period	20	87	70	18	8	3	99	-	305
Total loans to the public – activity in Israel	**79,696**	**41,613**	**46,458**	**38,410**	**24,095**	**89,516**	**33,999**	**928**	**354,715**
Borrower activity overseas									
Total loans to the public – activity overseas	**1,846**	**1,926**	**764**	**1,071**	**478**	**1,294**	**-**	**-**	**7,379**
Non-problematic credit	1,814	1,603	631	1,018	453	1,251	-	-	6,770
Accruing problematic credit	4	30	18	6	-	-	-	-	58
Non-accruing credit	28	293	115	47	25	43	-	-	551
Accounting write-offs in the reported period	-	58	21	2	-	11	-	-	92
Total loans to the public	**81,542**	**43,539**	**47,222**	**39,481**	**24,573**	**90,810**	**33,999**	**928**	**362,094**

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, 2025 (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	309	24	11	320	409	3
Commercial – other	702	221	109	811	1,204	11
Total commercial	**1,011**	**245**	**120**	**1,131**	**1,613**	**14**
Private individuals – residential mortgages	2,577	129	-	2,577	2,653	-
Private individuals – other	72	42	-	72	138	5
Total loans to the public – activity in Israel	**3,660**	**416**	**120**	**3,780**	**4,404**	**19**
Borrower activity overseas						
Total loans to the public – activity overseas	**206**	**30**	**22**	**228**	**235**	**-**
Total	**3,866**	**446**	**142**	**4,008**	**4,639**	**19**
Of which:						
Measured individually at present value of cash flows	874	217	84	958	1,393	
Measured individually at fair value of collateral	275	33	58	333	391	
Measured on group basis	2,717	196	-	2,717	2,855	

(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 168 million.

Total average recorded debt balance for non-accruing debt in the nine months ended September 30, 2025 amounted to NIS 4,039 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, 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 December 31, 2024 (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	571	29	8	579	795	4
Commercial – other	796	255	93	889	1,322	14
Total commercial	**1,367**	**284**	**101**	**1,468**	**2,117**	**18**
Private individuals – residential mortgages	2,141	107	-	2,141	2,213	-
Private individuals – other	83	48	-	83	137	6
Total loans to the public – activity in Israel	**3,591**	**439**	**101**	**3,692**	**4,467**	**24**
Borrower activity overseas						
Total loans to the public – activity overseas	**541**	**119**	**10**	**551**	**621**	**-**
Total	**4,132**	**558**	**111**	**4,243**	**5,088**	**24**
Of which:						
Measured individually at present value of cash flows	1,194	254	69	1,263	1,805	
Measured individually at fair value of collateral	634	121	42	676	839	
Measured on group basis	2,304	183	-	2,304	2,444	

(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 246 million.

Total average recorded debt balance for non-accruing debt in the year ended December 31, 2024 amounted to NIS 3,911 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, 2025 (unaudited)				
Borrower activity in Israel					
Commercial	106	43	1	9	159
Private individuals – residential mortgages	204	-	27	60	291
Private individuals – other	29	15	1	19	64
Total loans to the public – activity in Israel	**339**	**58**	**29**	**88**	**514**
Total loans to the public – activity overseas	-	**10**	-	-	**10**
Total loans to the public	**339**	**68**	**29**	**88**	**524**
	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**
	As of December 31, 2024 (audited)				
Borrower activity in Israel					
Commercial	100	17	-	68	185
Private individuals – residential mortgages	214	-	22	48	284
Private individuals – other	34	5	-	19	58
Total loans to the public – activity in Israel	**348**	**22**	**22**	**135**	**527**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**348**	**22**	**22**	**135**	**527**

(1) In the nine months ending September 30, 2025 debts that have undergone changes in terms in previous years totaling NIS 38 million were no longer included in the disclosure, since the following two conditions have been met:

A An up-to-date and well-documented credit assessment was performed on the financial status of the borrower and their repayment capacity according to the new terms, which indicated that the debt can still be classified as a performing debt and that the debt is not in arrears and is not a problem debt.

b. The assessment included an examination of the borrower's historical ongoing repayment performance, as defined in Section 30e of the Public Reporting Directives, for a duration of at least 24 months.

(2) As of September 30, 2025 debts of borrowers undergoing financial difficulties have not undergone changes in terms more than twice.

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 three months ended September 30, 2025 (unaudited)					
Borrower activity in Israel						
Commercial	13	5	-	-	18	2
Private individuals – residential mortgages	8	-	1	3	12	-
Private individuals – other	2	3	-	1	6	-
Total loans to the public – activity in Israel	**23**	**8**	**1**	**4**	**36**	**2**
Total loans to the public – activity overseas	**-**	**10**	**-**	**-**	**10**	**-**
Total loans to the public	**23**	**18**	**1**	**4**	**46**	**2**
	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**

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 nine months ended September 30, 2025 (unaudited)					
Borrower activity in Israel						
Commercial	33	32	1	4	70	8
Private individuals – residential mortgages	54	-	16	34	104	-
Private individuals – other	4	11	-	2	17	2
Total loans to the public – activity in Israel	**91**	**43**	**17**	**40**	**191**	**10**
Total loans to the public – activity overseas	**-**	**10**	**-**	**-**	**10**	**-**
Total loans to the public	**91**	**53**	**17**	**40**	**201**	**10**
	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**

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, 2025 (unaudited)						
Borrower activity in Israel							
Commercial	18	0.02	2	2	-	14	-
Private individuals – residential mortgages	12	-	-	12	-	-	-
Private individuals – other	6	0.02	1	1	-	4	-
Total loans to the public – activity in Israel	**36**	**0.01**	**3**	**15**	**-**	**18**	**-**
Total loans to the public – activity overseas	**10**	**0.11**	**-**	**-**	**-**	**10**	**-**
Total loans to the public	**46**	**0.01**	**3**	**15**	**-**	**28**	**-**
	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**	**-**

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

	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, 2025 (unaudited)			
Borrower activity in Israel				
Commercial	-	2.22	26	-
Private individuals – residential mortgages	-	-	21	-
Private individuals – other	-	2.19	36	-
Total loans to the public – activity in Israel	**-**	**2.21**	**26**	**-**
Total loans to the public – activity overseas	**-**	**4.50**	**12**	**-**
Total loans to the public	**-**	**2.95**	**23**	**-**
	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, 2025 (unaudited)						
Borrower activity in Israel							
Commercial	6	-	-	1	-	5	-
Private individuals – residential mortgages	2	-	-	2	-	-	-
Private individuals – other	3	-	-	-	-	3	-
Total loans to the public – activity in Israel	**11**	**-**	**-**	**3**	**-**	**8**	**-**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**11**	**-**	**-**	**3**	**-**	**8**	**-**
	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 Principal	Waiving Interest	Extending Period	Deferring Payments	Extending Period and Waiving Interest	Deferring Payments and Waiving Interest
	For the nine months ended September 30, 2025 (unaudited)							
Borrower activity in Israel								
Commercial	70	0.06	-	2	22	-	46	-
Private individuals – residential mortgages	104	0.04	-	-	104	-	-	-
Private individuals – other	17	0.06	-	1	3	-	13	-
Total loans to the public – activity in Israel	**191**	**0.05**	**-**	**3**	**129**	**-**	**59**	**-**
Total loans to the public – activity overseas	**10**	**0.11**	**-**	**-**	**-**	**-**	**10**	**-**
Total loans to the public	**201**	**0.05**	**-**	**3**	**129**	**-**	**69**	**-**
	For the nine months ended September 30, 2024 (unaudited)							
Borrower activity in Israel								
Commercial	35	0.04	1	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**	**1**	**2**	**210**	**-**	**37**	**-**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**249**	**0.07**	**1**	**2**	**210**	**-**	**37**	**-**

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

	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, 2025 (unaudited)			
Borrower activity in Israel				
Commercial	-	1.10	27	-
Private individuals – residential mortgages	-	-	20	-
Private individuals – other	-	2.46	38	-
Total loans to the public – activity in Israel	**-**	**1.25**	**23**	**-**
Total loans to the public – activity overseas	**-**	**4.50**	**12**	**-**
Total loans to the public	**-**	**1.70**	**22**	**-**
	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, 2025 (unaudited)						
Borrower activity in Israel							
Commercial	11	-	-	2	-	9	-
Private individuals – residential mortgages	20	-	-	20	-	-	-
Private individuals – other	5	-	-	-	-	5	-
Total loans to the public – activity in Israel	**36**	**-**	**-**	**22**	**-**	**14**	**-**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**36**	**-**	**-**	**22**	**-**	**14**	**-**
	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, 2025 (unaudited)							
Commercial	418	90	265	494	70	13	9	1,359
Residential mortgages	302	872	648	537	149	20	49	2,577
Private individuals – other	30	8	12	13	6	2	1	72
Total	**750**	**970**	**925**	**1,044**	**225**	**35**	**59**	**4,008**
	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 December 31, 2024 (audited)							
Commercial	713	138	615	474	62	8	9	2,019
Residential mortgages	197	829	465	502	77	24	47	2,141
Private individuals – other	37	20	8	10	6	1	1	83
Total	**947**	**987**	**1,088**	**986**	**145**	**33**	**57**	**4,243**

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, 2025 (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%	145,027	8,667	83,002	4,887
	Over 60%	94,594	2,814	56,257	5,208
Junior lien or no lien		549	9	330	9,315
Total		**240,170**	**11,490**	**139,589**	**19,410**

		September 30, 2024 (unaudited)			
		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**

		As of December 31, 2024 (audited)			
		Total	Of which: Bullet / balloon	Of which: Variable interest	Total
Senior lien: LTV	Up to 60%	135,110	6,366	79,049	3,838
	Over 60%	89,732	2,244	53,838	3,544
Junior lien or no lien		522	11	324	9,396
Total		**225,364**	**8,621**	**133,211**	**16,778**

(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 at end of period of credit sold, which is serviced by the Bank	Loans to the public purchased in the period	Off-balance sheet credit risk[2] purchased in the period	Of which: Problematic credit
	For the three months ended September 30, 2025 (unaudited)							
Commercial – other	-	265	-	-	386	-	-	-
Private individuals – residential mortgages	-	-	-	-	4,029	-	-	-
Private individuals – other	-	-	-	-	-	[3]395	-	-
Total credit risk to public	**-**	**265**	**-**	**-**	**4,415**	**395**	**-**	**-**
	For the three months ended September 30, 2024 (unaudited)							
Commercial – other	-	-	-	-	-	-	-	-
Private individuals – residential mortgages	-	-	-	-	4,666	-	-	-
Private individuals – other	-	-	-	-	-	[3]305	-	-
Total credit risk to public	**-**	**-**	**-**	**-**	**4,666**	**305**	**-**	**-**
	For the nine months ended September 30, 2025 (unaudited)							
Commercial – other	120	265	-	-	386	-	-	-
Private individuals – residential mortgages	-	-	-	-	4,029	-	-	-
Private individuals – other	-	-	-	-	-	[3]1,330	-	-
Total credit risk to public	**120**	**265**	**-**	**-**	**4,415**	**1,330**	**-**	**-**
	For the nine months ended September 30, 2024 (unaudited)							
Commercial – other	89	12	-	-	-	428	29	-
Private individuals – residential mortgages	-	-	-	-	4,666	-	-	-
Private individuals – other	-	-	-	-	-	[3]1,253	-	-
Total credit risk to public	**89**	**12**	**-**	**-**	**4,666**	**1,681**	**29**	**-**
	For the year ended December 31, 2024 (audited)							
Commercial – other	125	254	-	-	-	507	29	-
Private individuals – residential mortgages	-	-	-	-	4,488	-	-	-
Private individuals – other	-	-	-	-	-	[3]1,793	-	-
Total credit risk to public	**125**	**254**	**-**	**-**	**4,488**	**2,300**	**29**	**-**

(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, 2025					
	Syndication transactions initiated by the Bank				Syndication transactions initiated by others	
	Bank's share		Others' share[2]		Bank'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	1,705	5,025	1,291	1,153	1,145	3,409
Commercial – other	5,499	1,782	7,646	2,617	3,124	1,307
Total credit risk to public	**7,204**	**6,807**	**8,937**	**3,770**	**4,269**	**4,716**

	September 30, 2024[4]					
	Syndication transactions initiated by the Bank				Syndication transactions initiated by others	
	Bank's share		Others' share[2]		Bank'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	1,695	2,205	1,165	1,202	1,554	394
Commercial – other	4,547	2,345	7,649	2,968	2,505	766
Total credit risk to public	**6,242**	**4,550**	**8,814**	**4,170**	**4,059**	**1,160**

	December 31, 2024[4]					
	Syndication transactions initiated by the Bank				Syndication transactions initiated by others	
	Bank's share		Others' share[2]		Bank'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	1,656	2,474	1,136	1,121	1,555	839
Commercial – other	4,522	2,283	7,352	2,867	2,942	891
Total credit risk to public	**6,178**	**4,757**	**8,488**	**3,988**	**4,497**	**1,730**

(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 444 million. (As of September 30, 2024: NIS 496 million; as of December 31, 2024: NIS 475 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
	2025	2024	2024	2025	2024	2024
			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	41,646	29,796	34,011	33	32	35
- Guarantees to home buyers	17,776	17,663	18,671	3	4	4
- Irrevocable commitments for loans approved but not yet granted[2]	38,821	33,658	33,445	85	58	66
- Unutilized revolving credit card facilities	13,550	12,493	12,928	14	16	17
- Commitments to issue guarantees	18,754	13,510	15,376	3	1	1
- Guarantees and other liabilities[3]	16,132	15,320	15,573	64	83	71
- Loan guarantees	5,093	3,902	4,194	59	61	50
- Documentary credit	481	459	272	1	2	1

(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 33 million (as of September 30, 2024 and December 31, 2024 a total of NIS 29 million and NIS 29 million, respectively).

Note 14 – Assets and Liabilities by Linkage Basis

As of September 30, 2025 (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	44,227	-	23,738	366	147	-	68,478
Securities	15,671	8,557	19,025	1,051	-	1,071	45,375
Securities borrowed or bought in conjunction with resale agreements	604	-	33	-	-	-	637
Loans to the public, net[3]	286,041	81,694	15,036	5,916	3,188	-	391,875
Loans to Governments	-	-	19	331	-	-	350
Investments in associated companies	-	-	-	-	-	479	479
Buildings and equipment	-	-	-	-	-	1,940	1,940
Intangible assets and goodwill	-	-	-	-	-	94	94
Assets with respect to derivatives	4,846	63	773	638	26	-	6,346
Other assets	8,179	484	400	10	24	718	9,815
Total assets	**359,568**	**90,798**	**59,024**	**8,312**	**3,385**	**4,302**	**525,389**
Liabilities							
Deposits from the public	314,817	32,572	64,834	6,294	2,970	-	421,487
Deposits from banks	615	-	1,496	609	206	-	2,926
Deposits from the Government	19	2	89	4	-	-	114
Securities loaned or sold in re-sale agreements	-	-	33	-	-	-	33
Bonds and subordinated notes	7,498	31,847	2,013	-	-	-	41,358
Liabilities with respect to derivatives	5,182	88	565	699	27	-	6,561
Other liabilities	14,380	2,321	371	11	23	241	17,347
Total liabilities	**342,511**	**66,830**	**69,401**	**7,617**	**3,226**	**241**	**489,826**
Difference	**17,057**	**23,968**	**(10,377)**	**695**	**159**	**4,061**	**35,563**
Impact of hedging derivatives:							
Derivative instruments (other than options)	205	(205)	-	-	-	-	-
Non-hedging financial derivatives:							
Derivative instruments (other than options)	(10,014)	278	10,553	(732)	(85)	-	-
Net in-the-money options (in terms of underlying asset)	207	-	(254)	52	(5)	-	-
Net out-of-the-money options (in terms of underlying asset)	(26)	-	71	(45)	-	-	-
Grand total	**7,429**	**24,041**	**(7)**	**(30)**	**69**	**4,061**	**35,563**
Net in-the-money options (capitalized par value)	257	-	(300)	47	(4)	-	-
Net out-of-the-money options (capitalized par value)	(188)	-	145	43	-	-	-

(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, 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 December 31, 2024 (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	58,444	-	23,747	326	127	-	82,644
Securities	12,754	6,119	7,811	909	-	898	28,491
Securities borrowed or bought in conjunction with resale agreements	264	-	-	-	-	-	264
Loans to the public, net[3]	253,275	84,048	12,262	5,239	3,157	-	357,981
Loans to Governments	-	-	40	278	-	-	318
Investments in associated companies	-	-	-	-	-	263	263
Buildings and equipment	-	-	-	-	-	1,852	1,852
Intangible assets and goodwill	-	-	-	-	-	117	117
Assets with respect to derivatives	2,887	101	2,187	342	9	-	5,526
Other assets	6,556	398	486	8	35	704	8,187
Total assets	**334,180**	**90,666**	**46,533**	**7,102**	**3,328**	**3,834**	**485,643**
Liabilities							
Deposits from the public	290,010	29,729	60,583	6,729	6,332	-	393,383
Deposits from banks	747	-	1,397	385	70	-	2,599
Deposits from the Government	20	2	24	3	-	-	49
Bonds and subordinated notes	6,311	28,401	2,204	-	-	-	36,916
Liabilities with respect to derivatives	3,312	112	1,438	256	5	-	5,123
Other liabilities	11,715	2,310	369	8	27	415	14,844
Total liabilities	**312,115**	**60,554**	**66,015**	**7,381**	**6,434**	**415**	**452,914**
Difference	**22,065**	**30,112**	**(19,482)**	**(279)**	**(3,106)**	**3,419**	**32,729**
Impact of hedging derivatives:							
Derivative instruments (other than options)	1,639	(1,639)	-	-	-	-	-
Non-hedging financial derivatives:							
Derivative instruments (other than options)	(22,316)	165	19,041	(4)	3,114	-	-
Net in-the-money options (in terms of underlying asset)	(430)	-	249	222	(41)	-	-
Net out-of-the-money options (in terms of underlying asset)	(154)	-	145	15	(6)	-	-
Grand total	**804**	**28,638**	**(47)**	**(46)**	**(39)**	**3,419**	**32,729**
Net in-the-money options (capitalized par value)	307	-	(318)	33	(22)	-	-
Net out-of-the-money options (capitalized par value)	(1,051)	-	693	314	44	-	-

(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 - Cash flows in accordance with contractual repayment date

Reported amounts (NIS in millions)

	Cash flows in accordance with contractual repayment date					
	On-call to 1 day	Over a day to 1 week	Over a week to 1 month	1 to 3 months	Over 3 months to 1 year	Over 1 year to 3 years
As of September 30, 2025						
Cash, deposits and marketable bonds [(3)]						
Cash and deposits with banks	23,944	25,433	1,165	17,501	266	-
Marketable government bonds	-	-	2,278	12,609	12,494	6,518
Other marketable bonds	-	-	11	130	332	933
Total cash, deposits and marketable bonds	**23,944**	**25,433**	**3,454**	**30,240**	**13,092**	**7,451**
Other monetary assets						
Loans to the public [(4)]	5,157	2,249	11,013	27,140	48,919	83,451
Other monetary assets excluding derivatives	646	940	1,506	905	2,054	1,250
Total other monetary assets excluding derivatives	**5,803**	**3,189**	**12,519**	**28,045**	**50,973**	**84,701**
Monetary liabilities						
Deposits from the public[(5)]	143,886	12,930	41,252	113,089	88,039	9,679
Of which: Households and small businesses	77,162	6,461	19,151	42,911	37,359	4,136
Deposits from banks	2,427	44	249	60	81	77
Securities loaned or sold in re-purchase agreements	-	-	33	-	-	-
Bonds and subordinated notes	3	30	4	942	11,524	9,031
Other monetary liabilities excluding derivatives	906	1,416	2,105	1,966	2,842	2,297
Total other monetary liabilities excluding derivatives	**147,222**	**14,420**	**43,643**	**116,057**	**102,486**	**21,084**
Employee rights and off-balance sheet items						
Effect of derivative instruments	23	141	(754)	314	(196)	(23)
Credit provision undertakings	(622)	(312)	(2,320)	(10,857)	(72,068)	(10,618)
Employees' rights	-	-	(7)	(7)	(33)	(255)
Effect of employee rights and off-balance sheet items	**(599)**	**(171)**	**(3,081)**	**(10,550)**	**(72,297)**	**(10,896)**
Total net cash flows (including NIS and foreign currency)	**(118,074)**	**14,031**	**(30,751)**	**(68,322)**	**(110,718)**	**60,172**
Of which:						
Total cash, deposits and marketable bonds in foreign currency	12,018	11,592	2,284	9,035	938	1,922
Total other monetary assets in foreign currency	3,755	1,712	2,920	4,259	3,750	4,743
Total monetary liabilities in foreign currency	25,901	2,312	12,073	15,203	22,608	575
Effect of employee rights and off-balance sheet items in foreign currency	595	(512)	256	(10,851)	10,741	1,215
Total net cash flows in foreign currency	**(9,533)**	**10,480**	**(6,613)**	**(12,760)**	**(7,179)**	**7,305**
As of December 31, 2024						
Cash, deposits and marketable bonds	17,800	46,697	18,252	5,093	8,525	5,910
Other monetary assets excluding derivatives	2,994	4,537	12,609	21,862	43,010	75,676
Deposits from the public	136,496	18,819	39,129	96,795	78,882	13,037
Other monetary liabilities excluding derivatives and deposits from the public	2,919	1,379	2,490	2,192	9,935	15,286
Effect of employee rights and off-balance sheet items	(5,573)	(441)	(4,187)	(8,121)	(79,693)	(14,525)
Total net cash flows	**(124,194)**	**30,595**	**(14,945)**	**(80,153)**	**(116,975)**	**38,738**
Of which: Net cash flows in foreign currency	**(20,086)**	**18,069**	**686**	**(1,252)**	**(20,062)**	**3,854**

(1) As included in Note 14 – "Assets and Liabilities by Linkage Basis", including off-balance sheet amounts in respect of derivatives which are not settled on a net basis.
(2) The discount rate applied to future contractual cash flows in respect of a monetary item to its balance sheet balance.
(3) The fair value of cash, deposits and marketable bonds, which are not pledged, amounts to NIS 111,952 million and NIS 109,142 million as of September 30, 2025 and December 31, 2024, respectively.
(4) The future contractual cash flows of loans to the public are presented in accordance with the loans' contractual repayment date. Credit in current accounts or current loan accounts, on-call credit and credit in arrears of 30 days or more are presented in the "no repayment date" column. The provision for credit losses is deducted from the relevant cash flows.
(5) The future cash flows of the deposits are presented based on the earliest withdrawal date allowed under the contract. Deposits, which are available for immediate withdrawal under the contract are presented under the "on-call to 1 day" column.

Balance sheet balance [1]				
Over 3 years to 5 years	**Over 5 years**	**No repayment date**	**Total**	**Effective rate of return [2]**
112	307	324	68,478	3.82%
2,863	10,690	-	41,628	5.03%
856	788	-	2,676	3.15%
3,831	**11,785**	**324**	**112,782**	**4.79%**
54,292	300,792	27,742	391,875	5.27%
1,104	1,854	472	10,084	0.66%
55,396	**302,646**	**28,214**	**401,959**	**5.22%**
14,837	5,322	-	421,487	3.14%
1,739	993	-	188,050	2.64%
-	-	-	2,926	3.84%
-	-	-	33	0.00%
13,182	9,746	-	41,358	1.65%
1,783	2,110	270	15,224	0.52%
29,802	**17,178**	**270**	**481,028**	**2.33%**
(120)	278	-	(215)	
(3,135)	(14,309)	-	(114,242)	
(223)	(2,242)	-	(1,996)	
(3,478)	**(16,273)**	**-**	**(116,453)**	
25,947	**280,980**	**28,268**	**(82,740)**	
2,220	7,399	-	44,327	4.18%
2,997	3,257	3,221	24,957	5.06%
457	499	-	78,948	2.15%
40	275	-	1,992	
4,800	**10,432**	**3,221**	**(7,672)**	
3,086	10,400	302	110,237	4.94%
52,209	287,962	24,706	366,046	5.28%
7,508	4,297	-	393,383	3.16%
8,885	11,442	308	52,038	1.22%
(3,718)	(18,260)	-	(133,863)	
35,184	**264,363**	**24,700**	**(103,001)**	
3,776	**11,257**	**2,200**	**(8,672)**	

Note 16 – 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, 2025 (unaudited)				
		Fair value			
	Book balance	Level 1[(1)]	Level 2[(1)]	Level 3[(1)]	Total
Financial assets					
Cash and deposits with banks	68,478	31,771	34,183	2,510	68,464
Securities[(3)]	45,375	36,317	8,246	732	45,295
Securities borrowed or purchased in resale agreements	637	604	33	-	637
Loans to the public, net	391,875	8,328	10,630	[(5)]369,964	388,922
Loans to Governments	350	-	-	352	352
Assets with respect to derivatives	6,346	585	4,741	[(2)]1,020	6,346
Other financial assets	6,867	-	5,355	1,512	6,867
Total financial assets	**[(4)]519,928**	**77,605**	**63,188**	**376,090**	**516,883**
Financial liabilities					
Deposits from the public	421,487	19,721	111,373	291,120	422,214
Deposits from banks	2,926	-	1,469	1,451	2,920
Deposits from the Government	114	-	-	114	114
Securities loaned or sold in re-purchase agreements	33	-	33	-	33
Bonds and subordinated notes	41,358	38,184	-	2,089	40,273
Liabilities with respect to derivatives	6,561	586	5,180	[(2)]795	6,561
Other financial liabilities	14,061	2,211	7,498	4,346	14,055
Total financial liabilities	**[(4)]486,540**	**60,702**	**125,553**	**299,915**	**486,170**

(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 120,872 million and NIS 139,719 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 31 million.

Note 16 – Balances and estimates of fair value of financial instruments – continued

Reported amounts (NIS in millions)

A. Fair value balances – continued:

	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	[(6)]-	[(6)]1,889	1,519	3,408
Total financial assets	**[(4)]467,341**	**60,784**	**68,707**	**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	[(6)]1,314	[(6)]3,911	3,980	9,205
Total financial liabilities	**[(4)]436,766**	**47,409**	**114,152**	**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.

(6) Reclassified.

Note 16 – Balances and estimates of fair value of financial instruments – continued

Reported amounts (NIS in millions)

A. Fair value balances – continued:

	As of December 31, 2024 (audited)				
		Fair value			
	Book balance	Level 1(1)	Level 2(1)	Level 3(1)	Total
Financial assets					
Cash and deposits with banks	82,644	32,509	48,996	1,092	82,597
Securities(3)	28,491	21,008	6,792	578	28,378
Securities borrowed or purchased in resale agreements	264	264	-	-	264
Loans to the public, net	357,981	6,005	9,930	(5)338,207	354,142
Loans to Governments	318	-	-	320	320
Assets with respect to derivatives	5,526	806	4,252	(2)468	5,526
Other financial assets	5,216	(6)-	(6)3,108	2,108	5,216
Total financial assets	**(4)480,440**	**60,592**	**73,078**	**342,773**	**476,443**
Financial liabilities					
Deposits from the public	393,383	13,370	115,350	265,015	393,735
Deposits from banks	2,599	-	731	1,865	2,596
Deposits from the Government	49	-	-	47	47
Bonds and subordinated notes	36,916	33,408	-	2,200	35,608
Liabilities with respect to derivatives	5,123	807	3,845	(2)471	5,123
Other financial liabilities	11,147	(6)1,470	(6)5,041	4,630	11,141
Total financial liabilities	**(4)449,217**	**49,055**	**124,967**	**274,228**	**448,250**

(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 116,234 million and NIS 128,876 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 25 million.

(6) Reclassified.

Note 16 – 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, 2025 (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	5,636	7,791	-	13,427
Of foreign governments	11,644	-	-	11,644
Of banks and financial institutions in Israel	1,048	50	-	1,098
Of banks and financial institutions overseas	-	69	-	69
Asset-backed (ABS)	-	54	-	54
Of others in Israel	792	209	-	1,001
Of others overseas	131	9	2	142
Shares not held for trading	289	30	22	341
Securities held for trading:				
Bonds of the Government of Israel	13,051	34	-	13,085
Bonds of overseas governments	250	-	-	250
Bonds of financial institutions in Israel	-	-	-	-
Bonds of others in Israel	10	-	-	10
Bonds of foreign others	23	-	-	23
Shares held for trading	23	-	-	23
Securities borrowed or purchased in resale agreements	604	33	-	637
Credit with respect to loans to customers	8,328	-	-	8,328
Assets with respect to derivatives(1)				
Interest contracts:				
NIS / CPI	-	27	40	67
Other	-	1,853	85	1,938
Currency contracts	40	2,762	895	3,697
Contracts for shares	545	99	-	644
Commodities and other contracts	-	-	-	-
Other financial assets	-	5,355	-	5,355
Other	-	-	31	31
Total assets	**42,414**	**18,375**	**1,075**	**61,864**
Liabilities				
Deposits with respect to borrowing from customers	19,721	-	-	19,721
Securities loaned or sold in re-purchase agreements	-	33	-	33
Liabilities with respect to derivatives(1)				
Interest contracts:				
NIS / CPI	-	39	21	60
Other	-	1,613	56	1,669
Currency contracts	41	3,434	713	4,188
Contracts for shares	545	94	5	644
Commodities and other contracts	-	-	-	-
Other financial liabilities	2,211	5,355	-	7,566
Other	-	-	-	-
Total liabilities	**22,518**	**10,568**	**795**	**33,881**

(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 16 – 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, 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(2)	-	1,889	-	1,889
Other	-	-	21	21
Total assets	**26,335**	**11,958**	**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(2)	1,314	1,896	-	3,210
Other	-	-	-	-
Total liabilities	**14,788**	**5,040**	**428**	**20,256**

(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.

(2) Reclassified.

Note 16 – 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, 2024 (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	5,621	6,280	-	11,901
Of foreign governments	1,811	-	-	1,811
Of banks and financial institutions in Israel	490	55	-	545
Of banks and financial institutions overseas	4	134	-	138
Asset-backed (ABS)	-	56	-	56
Of others in Israel	882	218	-	1,100
Of others overseas	155	8	7	170
Shares not held for trading	271	41	24	336
Securities held for trading:				
Bonds of the Government of Israel	8,057	-	-	8,057
Bonds of overseas governments	150	-	-	150
Bonds of financial institutions in Israel	1	-	-	1
Bonds of others in Israel	16	-	-	16
Bonds of foreign others	24	-	-	24
Shares held for trading	20	-	-	20
Securities borrowed or purchased in resale agreements	264	-	-	264
Credit with respect to loans to customers	6,005	-	-	6,005
Assets with respect to derivatives[(1)]				
Interest contracts:				
NIS / CPI	-	25	81	106
Other	-	2,102	9	2,111
Currency contracts	44	2,004	377	2,425
Contracts for shares	762	121	1	884
Commodities and other contracts	-	-	-	-
Other financial assets[(2)]	-	3,108	-	3,108
Other	-	-	25	25
Total assets	**24,577**	**14,152**	**524**	**39,253**
Liabilities				
Deposits with respect to borrowing from customers	13,370	-	-	13,370
Liabilities with respect to derivatives[(1)]				
Interest contracts:				
NIS / CPI	-	39	66	105
Other	-	1,512	50	1,562
Currency contracts	44	2,175	352	2,571
Contracts for shares	763	119	3	885
Commodities and other contracts	-	-	-	-
Other financial liabilities[(2)]	1,470	3,071	-	4,541
Other	-	-	-	-
Total liabilities	**15,647**	**6,916**	**471**	**23,034**

(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.

(2) Reclassified.

Note 16 – 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, 2025 (unaudited)				For the three months ended September 30, 2025	For the nine months ended September 30, 2025
	Fair value					
	Level 1[(1)]	Level 2[(1)]	Level 3[(1)]	Total	Gains (losses)	
Non-accruing credit whose collection is contingent on collateral	-	-	333	333	18	(5)
Investments in shares for which no fair value is available	-	-	708	708	34	104

	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	(24)	(37)
Investments in shares for which no fair value is available	-	-	470	470	7	62

	As of December 31, 2024 (audited)				For the year ended December 31, 2024
	Fair value				
	Level 1[(1)]	Level 2[(1)]	Level 3[(1)]	Total	Gains (losses)
Non-accruing credit whose collection is contingent on collateral	-	-	676	676	(92)
Investments in shares for which no fair value is available	-	-	541	541	72

(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 16 – 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, 2025 (unaudited)									
		Net realized / unrealized gains (losses) included[1]								
	Fair value as of June 30, 2025	In statement of profit and loss	In statement of other comprehen_sive income under Equity	Acquisit_ions	Sales	Disposit_ions	Transfer to level 3[3]	Transfers from Level 3[3]	Fair value as of Septem ber 30, 2025	Unrealized gain (loss) with respect to instrument s held as of September 30, 2025
Assets										
Securities available for sale										
Bonds:										
Of others in Israel	-	-	-	-	-	-	-	-	-	-
Of others overseas	8	-	-	-	-	(6)	-	-	2	-
Shares not held for trading	23	(1)	-	-	-	-	-	-	22	(1)
Assets with respect to derivatives[2]										
Interest contracts:										
NIS / CPI	64	4	-	1	-	(29)	-	-	40	7
Other	95	(10)	-	-	-	-	-	-	85	(4)
Currency contracts	1,201	298	-	225	-	(744)	(85)	-	895	429
Contracts for shares	-	-	-	-	-	-	-	-	-	-
Commodities and other contracts	-	-	-	-	-	-	-	-	-	-
Other	28	3	-	-	-	-	-	-	31	3
Total assets	**1,419**	**294**	**-**	**226**	**-**	**(779)**	**(85)**	**-**	**1,075**	**434**
Liabilities										
Liabilities with respect to derivatives[2]										
Interest contracts:										
NIS / CPI	50	2	-	3	-	(34)	-	-	21	(31)
Other	55	4	-	2	-	(5)	-	-	56	(2)
Currency contracts	1,063	98	-	171	-	(619)	-	-	713	(249)
Contracts for shares	4	1	-	-	-	-	-	-	5	-
Other	-	-	-	-	-	-	-	-	-	-
Total liabilities	**1,172**	**105**	**-**	**176**	**-**	**(658)**	**-**	**-**	**795**	**(282)**

(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 16 – 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, 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 comprehen_sive income under Equity	Acquisit_ions	Sales	Dispositi_ons	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										
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
Commodities and other contracts	-	-	-	-	-	-	-	-	-	-
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 16 – 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, 2025 (unaudited)									
		Net realized / unrealized gains (losses) included[(1)]								
	Fair value as of December 31, 2024	In statement of profit and loss	In statement of other comprehen_sive income under Equity	Acquisiti_ons	Sales	Dispositi_ons	Transfer to level 3[(3)]	Transfers from Level 3[(3)]	Fair value as of September 30, 2025	Unrealized gain (loss) with respect to instruments held as of September 30, 2025
Assets										
Securities available for sale										
Bonds:										
Of others in Israel	-	-	-	-	-	-	-	-	-	-
Of others overseas	7	-	1	-	-	(6)	-	-	2	1
Shares not held for trading	24	-	(2)	-	-	-	-	-	22	(1)
Assets with respect to derivatives[(2)]										
Interest contracts:										
NIS / CPI	81	-	-	6	-	(48)	1	-	40	1
Other	9	(3)	-	87	-	(8)	-	-	85	83
Currency contracts	377	515	-	1,293	-	(1,296)	6	-	895	849
Contracts for shares	1	-	-	-	-	(1)	-	-	-	-
Other	25	6	-	-	-	-	-	-	31	6
Total assets	**524**	**518**	**(1)**	**1,386**	**-**	**(1,359)**	**7**	**-**	**1,075**	**939**
Liabilities										
Liabilities with respect to derivatives[(2)]										
Interest contracts:										
NIS / CPI	66	4	-	6	-	(55)	-	-	21	(8)
Other	50	7	-	4	-	(5)	-	-	56	(9)
Currency contracts	352	467	-	1,017	-	(1,138)	15	-	713	(671)
Contracts for shares	3	3	-	4	-	(5)	-	-	5	(5)
Other	-	-	-	-	-	-	-	-	-	-
Total liabilities	**471**	**481**	**-**	**1,031**	**-**	**(1,203)**	**15**	**-**	**795**	**(693)**

(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 16 – 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 comprehen_sive income under Equity	Acquisiti_ons	Sales	Dispositi_ons	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										
Bonds:										
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	1
Commodities and other contracts	-	-	-	-	-	-	-	-	-	-
Other	16	5	-	-	-	-	-	-	21	5
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 16 – 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, 2024 (audited)									
		Net realized / unrealized gains (losses) included[(1)]								
	Fair value as of December 31, 2023	In statement of profit and loss	In statement of other comprehen_sive income under Equity	Acquisit_ions	Sales	Disposit_ions	Transfer to level 3[(3)]	Transfers from Level 3[(3)]	Fair value as of December 31, 2024	Unrealized gains (losses) with respect to instruments held as of December 31, 2024
Assets										
Securities available for sale										
Bonds:										
Of others in Israel	-	-	-	-	-	-	-	-	-	-
Of others overseas	2	1	-	-	-	(2)	6	-	7	(1)
Shares not held for trading	24	-	-	-	-	-	-	-	24	1
Assets with respect to derivatives[(2)]										
Interest contracts:										
NIS / CPI	58	16	-	3	-	(28)	32	-	81	47
Other	2	5	-	2	-	-	-	-	9	8
Currency contracts	567	(283)	-	680	-	(585)	-	(2)	377	354
Contracts for shares	1	-	-	3	-	(3)	-	-	1	1
Other	16	9	-	-	-	-	-	-	25	9
Total assets	**670**	**(252)**	**-**	**688**	**-**	**(618)**	**38**	**(2)**	**524**	**419**
Liabilities										
Liabilities with respect to derivatives[(2)]										
Interest contracts:										
NIS / CPI	25	22	-	7	-	(24)	36	-	66	(65)
Other	48	(5)	-	7	-	-	-	-	50	(3)
Currency contracts	583	(218)	-	601	-	(615)	3	(2)	352	(315)
Contracts for shares	-	15	-	2	-	(12)	-	(2)	3	(3)
Other	-	-	-	-	-	-	-	-	-	-
Total liabilities	**656**	**(186)**	**-**	**617**	**-**	**(651)**	**39**	**(4)**	**471**	**(386)**

(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 16 – 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, 2025	Valuation technique	Non-observed data	Range	Weighted average
Shares not held for trading	22	Quote from counter-party to the transaction			
Securities available for sale					
Bonds of foreign others	2	Cash flows discounting	Price	7.75-19.00	13.74
Assets with respect to derivative instruments:					
NIS / CPI	10	Cash flows discounting	Inflationary expectations	1.88%-2.29%	2.08%
Other	1,041	Cash flows discounting	Counter-party credit quality	0.30%-3.10%	1.75%
Liabilities with respect to derivative instruments:					
Interest contracts – NIS CPI	20	Cash flows discounting	Inflationary expectations	2.03%-2.29%	2.42%
Other	775	Cash flows discounting	Counter-party credit quality	0.30%-2.60%	2.23%

	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	2.89%-3.00%	2.95%
Other	363	Cash flows discounting	Counter-party credit quality	0.30%-2.60%	1.84%
Liabilities with respect to derivative instruments:					
Interest contracts – NIS CPI	70	Cash flows discounting	Inflationary expectations	2.91%-3.00%	2.96%
Other	358	Cash flows discounting	Counter-party credit quality	0.30%-3.30%	2.02%

	Fair value as of December 31, 2024	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	7	Cash flows discounting	Price	7.75-90.50	33.40
Assets with respect to derivative instruments:					
NIS / CPI	44	Cash flows discounting	Inflationary expectations	2.57%-2.76%	2.71%
Other	449	Cash flows discounting	Counter-party credit quality	1.20%-3.10%	1.79%
Liabilities with respect to derivative instruments:					
Interest contracts – NIS CPI	70	Cash flows discounting	Inflationary expectations	2.57%-2.76%	2.70%
Other	401	Cash flows discounting	Counter-party credit quality	0.30%-3.10%	1.97%

Note 16 – Balances and estimates of fair value of financial instruments – continued

Reported amounts (NIS in millions)

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, 2025, September 30, 2024 and December 31, 2024 the Bank did not elect the fair value option.

Note 17 – 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 2025 includes the impact of the law in question with the 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 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 March 23, 2025, the following plans for allocating options were approved for 2025 after obtaining the Renumeration Committee's approval:

- Option plan 1 – up to 47,105 options 1 to be awarded to the Bank President & CEO, exercisable for up to 8,909 Bank ordinary shares of NIS 0.1 par value each.
- Option plan A – up to 397,344 options A to be awarded to up to eight Bank officers who are not gatekeepers, exercisable for up to 75,148 Bank ordinary shares of NIS 0.1 par value each.
- Option plan B – up to 167,540 options B to be awarded to up to five Bank officers who are gatekeepers, exercisable into up to 31,686 Bank ordinary shares of NIS 0.1 par value each.
- Option plan C – up to 739,150 options C to be awarded to up to forty three key Bank and Bank subsidiaries' employees exercisable into up to 139,792 ordinary Bank shares of NIS 0.1 par value each.
- Option plan D – up to 883,600 options D to be awarded to up to a hundred Bank managers employed by the Bank subject to individual employment contracts and other managers at the Bank and at Bank subsidiaries, which have been approved for inclusion in this group, exercisable into up to 167,111 ordinary Bank shares of NIS 0.1 par value each.
- Option plan E – up to 1,694,500 options E to be awarded to up to two hundred sixty-eight executives employed by the Bank subject to collective agreements, exercisable to up to 320,473 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, issuance of the maximum number of exercise shares, which will arise from the options and which the offerees will be entitled to exercise is merely theoretical, since in practice the Bank would not issue to the offerees the full number of exercise shares pursuant to terms of each plan – but only the number of shares reflecting the monetary benefit inherent in those options, based, inter alia, on a closing price cap of NIS 211.5 plus linkage differentials from the known CPI upon approval by the Board of Directors to the known CPI upon the exercise date.

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, 2028; and (3) April 1, 2029, 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.

Note 17 – Other Matters - Continued

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.

Furthermore, in accordance with the terms listed in the outline, grounds were set for no entitlement to options for these groups.

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 of each option to be issued pursuant to each of the plans for 2025 is NIS 171.5 (subject to adjustments) plus CPI linkage differentials, from the known CPI upon approval by the Board of Directors of the issuance of options to the offerees and until the known CPI upon exercise of the option by the offeree. The exercise price is determined based on the average closing price of Bank ordinary shares on the stock exchange over the thirty trading days preceding the approval date by the Board of Directors of the issuance of the options. 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 option issuance 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, as of the approval date by the Board of Directors of the issuance of the options, is as follows:

- Options 1 – NIS 15.37;
- Options A – NIS 15.10;
- Options B – NIS 15.22;
- Options C – NIS 14.74;
- Options D or E – NIS 15.24.
- 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 59 million.

The theoretical batch value shall be recognized in the Bank's books of accounts over the vesting period, i.e. from the first quarter of 2025 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 18 – Events Subsequent to the Balance Sheet Date

On November 17, 2025, subsequent to the balance sheet date, the Bank's Board of Directors resolved to distribute a dividend amounting to NIS 741.5 million, constituting 50% of net profit in the third quarter of 2025; this resolution was made after assessing the Bank's capital planning under the various scenarios, all further to the Bank's Board of Directors' resolution of June 4, 2025 regarding the new strategic plan.
The dividend amount constitutes 2852.47% of issued share capital, i.e. NIS 285.25 per each NIS 0.1 par value share. The effective date for dividends payment is November 25, 2025 and the payment date is December 2, 2025. 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 2025.

Bank Mizrahi Tefahot

Corporate governance, audit, other information about the Bank and its management

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Corporate governance

Board of Directors and management

Board of Directors

During the first nine months of 2025, the Bank's Board of Directors held 10 plenary meetings. During this period there were also 40 meetings of Board committees and 6 Board member workshops.
The permanent Board committees are: Audit, Credit, Risks Management, IT and Technology Innovation and Remuneration.

Presented below are changes in the Bank’s Board of Directors during the first nine months of 2025 and through publication of these financial statements:

The Extraordinary General Meeting held on March 3, 2025 resolved to approve re-appointment of Mr. Gilad Rabinovich as an external director in the Bank, pursuant to the Companies Law (also compliant with qualifications for External Board member pursuant to Proper Conduct of Banking Business Directive 301) for a further term of three (3) years (third term in office) starting March 12, 2025. For more information see the Bank’s report dated March 3, 2025 (reference no.: 2025-01-014244).

The Extraordinary General Meeting held on August 11, 2025 resolved to approve the re-appointment of Mr. Joseph Fellus as an external director in the Bank, pursuant to the Companies Law (also compliant with qualifications for External Board director pursuant to Proper Conduct of Banking Business Directive 301) for a further term in office of three (3) years (third term in office) starting August 20, 2025. For further details see the Bank’s report of August 11, 2025 (Ref. No.: 2025-01-059496).

Bank management and senior officers

On May 20, 2025, the Bank’s Board of Directors approved the CEO’s recommendation to appoint Mr. Meir Aharoni, as VP, the Bank’s Chief Information Officer (CIO) and CEO of Mizrahi Tefahot’s Technology Division, further to Ms. Ayala Hakim’s notice - of April 24, 2025 - regarding her wish to terminate her service and leave the Bank. Mr. Aharoni’s term in office started on July 1, 2025.

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 2024 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, 2025 are Wertheim Group and Ofer Group.

Holdings of Wertheim Group are through M. W. Z. (Holdings) Ltd. And F&W (Registered Partnership), which hold directly and indirectly, as of September 30, 2025, 7.22% and 13.07%, respectively, of the capital and voting rights.

On July 9, 2025, F&W (Registered Partnership) purchased an aggregate number of 175,000 ordinary Bank Mizrahi Tefahot shares of NIS 0.1 par value each. For further details see the Bank’s report (Ref. No.: 2025-01-051028).

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, 2025 20.96% of capital and voting rights in the Bank.

On June 29, 2025, L.I.N. (Holdings) Ltd. transferred to L.A.B.M. (Holdings) Ltd. 100,000 ordinary Bank Mizrahi Tefahot shares of NIS 0.1 par value each.

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 Targets 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.

The provision for taxes on income in the financial statements for the first half of 2025 includes the effect of the abovementioned law.

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.

Amendment 38 to the Banking Law (Customer Service), 2025

On May 14, 2025, Amendment No. 38 to the Banking Law (Customer Service) was published on the official gazette. The amendment focuses mainly on the regulation of the process of transferring bank customers' deposits without a bank account transfer. In accordance with the amendment, banks which are not banks with a small scope of activity, are required to allow customers to deposit funds with a deposit through a closed system account in a simple and convenient manner, including online. Accordingly, a bank which did not allow a customer to deposit funds with a closed system account as stated in the amendment and/or anyone, who unfairly influenced a customer contrary to the provisions of the law, may be subject to sanctions. Furthermore, the law prescribes the issuance of a report to the Supervisor of Banks in connection with the number of deposits, which were deposited through a closed system account including with respect to their amount. The amendment will come into force on December 1, 2025.

The Bank implements the depositing of deposits with a closed system account in accordance with Proper Conduct of Banking Business Directive 417 (Activity of a Banking Corporation in a Closed System), and accordingly, the Bank is making preparations for an automated process of depositing of funds online with a closed system deposit account, and for the implementation of the directive on its effective date. The impact of the amendment on the Financial Statements is not expected to be material.

Supervisor of Banks

Circulars and public reporting directives

Emphasis for the banking system due to the war

Throughout the war, the Bank of Israel issued a customer support outline, which includes supervisory emphasis regarding handling of debts and reporting to the public, while dividing banks' customers to two relevant populations. The customer support outline was extended six times for 3 months each time, during which adjustments were made to the benefits included in the outline and in the relevant populations. On January 14, 2025 the Bank of Israel extended the outline through the end of March 2025, made adjustments to the first group of customers and created a dedicated outline for owners of businesses operating in the north. For further details about the support outline, see the "Corporate governance, audit, other information about the Bank and its management" chapter in the 2024 Annual Financial Statements.

Further to the outlines published following the Iron Swords War, in March 2025 the Bank of Israel published a new voluntary outline for the provision of relief packages and monetary refunds to support banks' customers; the said outline was adopted by the banking system.

In a letter of May 22, 2025 banking corporations were requested to verify that the reports they publish to the public provide full and fair disclosure of the benefits provided to the public as from the report for the second quarter of 2025.

For details regarding reliefs and monetary refunds to support the Bank's customers, see the "Significant developments in management of business operations" in the Bank's Report of the Company's Board of Directors and Management.

In view of Operation Rising Lion, on June 24, 2025, the Banking Supervision Department published Temporary Order 252 as part of a Circular, which includes a number of adjustments designed to give banks the business flexibility they need in order to support customers, who were adversely affected.

The Temporary Order was in effect from its publication date through July 24, 2025.

Large-scale exposures

On February 3, 2025, the Supervisor of Banks published a directive, which replaces an existing Proper Conduct of Banking Business Directive No. 313 regarding "Limitations on the Indebtedness of a Borrower and of a Group of Borrowers" with the directive "Large-Scale Exposures" as part of the adaptation of the Proper Conduct of Banking Business Directives to the recommendations of the Basel Committee. The directive's effective date as per the circular is January 1, 2026. 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.

"Measurement and Capital Adequacy – the Standardized Approach - Credit Risk", and "Limitations on Issuing Residential Mortgages"

On April 6, 2025, the Supervisor of Banks published a circular on revision of Proper Conduct of Banking Business Directive No. 203 regarding "Measurement and Capital Adequacy – Credit Risk—the Standardized Approach", and Directive No. 329 on "Limitations on Issuing Residential Mortgages". The directive covers property sale contracts where the proportion of sale price, whose payment is postponed to the delivery date (hereinafter - "Contracts with Non-Linear Payment") exceeds 40%, and stipulates that credit extended under new contracts (subsequent to April 6, 2025 - the directive's effective date) for the financing of construction projects, where the rate of Contracts with Non-Linear Payment exceeds 25%, shall be weighted at an increased risk weight of 150% for the purpose of calculating the capital ratio. With regard to existing projects as of the directive's effective date, where the proportion of Contracts with Non-Linear Payment exceeds 25%, the increased risk weight will only apply if the proportion of such contracts increased by more than 5 percentage points compared to the rate on the effective date. In that respect, it was clarified that contracts where a significant portion of the property's price was paid shall not be included in the calculation of the abovementioned rate.

In addition, as part of the revision of Directive 329 it was decided to limit to 10% the proportion - out of the total residential mortgages extended in the calendar quarter - of bullet and balloon loans, which are subsidized by the developer, and in which the developer pays some or all of the interest payments, when the loan is provided or during its term.

The amendments to these directives under this circular will be in effect through December 31, 2026 came into effect on the circular publication date.

The Bank is applying this directive. The application of the directive does not have, and is not expected to have, a material effect on capital ratios in the Bank's financial statements.

Publication of condensed information regarding money market funds and central bank bills

On April 9, 2025, the Supervisor of Banks published a circular, which prescribed a new Proper Conduct of Banking Business Directive No. A447, which makes information accessible to customers of banks, such that together with the required disclosure regarding deposits prescribed under Proper Conduct of Banking Business Directive No. 447 information will be published in a uniform format about the money market funds and central bank bills.

The directive's effective date is six months since its publication date, except for the sections dealing with displaying customer personal data and posting the condensed information on the public website - which will come into force 10 months after the directive's publication date. The Bank is applying this directive. Application of this directive has no material impact on the Bank's financial statements.

Proper Conduct of Banking Business Directive 301 - the Board of Directors (Amendment of July 2025)

A circular, which revised Proper Conduct of Banking Business Directive 301 - the Board of Directors - was published on July 14, 2025. The revisions focus on the procedure for approval of the appointment of officers, and on the cooling-off period required upon transition of a director, who served in one banking corporation to serve in the Board of Directors of another banking corporation.

The revision stipulates, among other things, that the questionnaire for a candidate for serving as an officer in a banking corporation and its appendices- in the wording attached to the directive - will be attached to the notice to the Banking Supervision Department regarding the appointment of an officer in a banking corporation, including the extension of a term in office or reappointment to the same position, an appointment to a different position as an officer and appointment of a director as the Chairperson of the Board of Directors. The directive also defines the instances in which it will not be required to append the questionnaire.

In addition, the directive added a provision, where under the banking corporation is required to inform the Banking Supervision Department of any material change in the organization's structure and in the officer's areas of responsibility and tasks, in order to assess the list of officers, whose appointment must be approved by the Banking Supervision Department.

The revision further stipulates that the cooling off period of a director transitioning from one banking corporation to another shall not be shorter than six months from the end of the officer's term in office as a director in the other banking corporation.

The questionnaire and the related statements were revised and added based on experience gained by the Banking Supervision Department and in view of various revisions to regulations, including due to the coming into force of the Criminal Information Law and the Rehabilitation regulations and the Privacy Protection Law.

The amendments to this directive will come into force on December 1, 2025. The Bank is preparing to implement the directive. Application of the directive is not expected to have a material effect on the Bank's financial statements.

E-banking

On July 17, 2025, a circular revising Proper Conduct of Banking Business Directive 367 - "E-banking" was published. The revision requires banking corporations to deliver to another banking corporation substantiated information, which - in its opinion - may assist the identification and prevention of fraud in the other banking corporation in accordance with the provisions of the law, including privacy protection laws and competition laws.

The amendments to this directive will come into force on December 31, 2025. The Bank is preparing to implement the directive. Application of the directive is not expected to have a material effect on the Bank's financial statements.

Bank's credit rating

On August 10, 2025, 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 May 29, 2025, S&P GLOBAL RATINGS MAALOT LTD (hereinafter: "Maalot") affirmed the Bank's ilAAA issuer rating and changed the rating outlook from negative to stable.

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.

During the Iron Swords War 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. The Bank's ratings were revised at a later stage:

On October 29, 2025, the rating agency Fitch Ratings (hereinafter - "Fitch") affirmed the Bank's Long-Term Issuer Default Rating (IDR) at A- and the Bank's Short Term IDR at F1. In addition, the rating agency upgraded the Bank's rating outlook from "negative" to "stable", which reflects the Bank's stability when faced with the challenges in the environment it has been operating in since the outbreak of the Iron Source War, and the agency's assessment that the risks have subsided. The rating of the CoCo notes, which include a loss absorption mechanism is BBB.

On May 29, 2025, rating agency S&P Global Ratings (hereinafter: "S&P") affirmed the long-term issuer credit rating at BBB+. The agency affirmed the Bank's short-term issuer credit rating of A-2, and upgraded the rating outlook from negative to stable. 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 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 (Stable 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 2024 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, 2025			For the three months ended September 30, 2024		
	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	362,537	[(7)]6,085	6.71	328,041	[(7)]5,816	7.09
Outside of Israel	11,421	240	8.41	10,318	225	8.72
Total	**373,958**	**6,325**	**6.77**	**338,359**	**6,041**	**7.14**
Loans to the Government						
In Israel	272	2	2.94	360	5	5.56
Outside of Israel	21	1	19.05	38	-	-
Total	**293**	**3**	**4.10**	**398**	**5**	**5.03**
Deposits with banks						
In Israel	2,191	61	11.14	1,822	16	3.51
Outside of Israel	379	1	1.06	116	1	3.45
Total	**2,570**	**62**	**9.65**	**1,938**	**17**	**3.51**
Deposits with central banks						
In Israel	45,703	483	4.23	[(11)]47,236	501	4.24
Outside of Israel	19,920	206	4.14	24,091	329	5.46
Total	**65,623**	**689**	**4.20**	**71,327**	**830**	**4.65**
Securities borrowed or purchased in resale agreements						
In Israel	524	5	3.82	371	4	4.31
Outside of Israel	-	-	-	-	-	-
Total	**524**	**5**	**3.82**	**371**	**4**	**4.31**
Bonds held to maturity and available for sale[(4)]						
In Israel	26,211	299	4.56	17,011	177	4.16
Outside of Israel	2,254	33	5.86	2,079	35	6.73
Total	**28,465**	**332**	**4.67**	**19,090**	**212**	**4.44**
Bonds held for trading[(5)]						
In Israel	790	10	5.06	1,817	12	2.64
Outside of Israel	-	-	-	-	-	-
Total	**790**	**10**	**5.06**	**1,817**	**12**	**2.64**
Total interest-bearing assets	**472,223**	**7,426**	**6.29**	**433,300**	**7,121**	**6.57**
Receivables for credit card operations	5,105			4,918		
Other non-interest bearing assets[(6)]	42,863			[(11)]30,976		
Total assets	**520,191**			**469,194**		
Total interest-bearing assets attributed to overseas operations	**33,995**	**481**	**5.66**	**36,642**	**590**	**6.44**

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

	For the three months ended September 30, 2025			For the three months ended September 30, 2024		
	Average balance[2]	Interest expenses (revenues)	Expense (revenue) rate in %	Average balance[2]	Interest expenses (revenues)	Expense (revenue) rate in %
Interest-bearing liabilities						
Deposits from the public						
In Israel						
On-call	42,898	342	3.19	[11]32,728	333	4.07
Term deposits	273,248	3,105	4.55	[11]239,767	2,748	4.58
Outside of Israel						
On-call	416	-	-	474	-	-
Term deposits	16,523	182	4.41	15,427	221	5.73
Total	**333,085**	**3,629**	**4.36**	**288,396**	**3,302**	**4.58**
Deposits from the Government						
In Israel	139	1	2.88	32	1	12.50
Outside of Israel	-	-	-	-	-	-
Total	**139**	**1**	**2.88**	**32**	**1**	**12.50**
Deposits from banks						
In Israel	2,243	10	1.78	2,115	19	3.59
Outside of Israel	2	-	-	4	-	-
Total	**2,245**	**10**	**1.78**	**2,119**	**19**	**3.59**
Securities loaned or sold in re-purchase agreements						
In Israel	1	-	-	-	-	-
Outside of Israel	-	-	-	-	-	-
Total	**1**	**-**	**-**	**-**	**-**	**-**
Bonds and subordinated notes						
In Israel	40,174	627	6.24	39,030	627	6.43
Outside of Israel	-	-	-	-	-	-
Total	**40,174**	**627**	**6.24**	**39,030**	**627**	**6.43**
Other liabilities						
In Israel	1,133	13	4.59	2,361	16	2.71
Outside of Israel	-	-	-	-	-	-
Total	**1,133**	**13**	**4.59**	**2,361**	**16**	**2.71**
Total interest-bearing liabilities	**376,777**	**4,280**	**4.54**	**331,938**	**3,965**	**4.78**
Non-interest bearing deposits from the public	69,704			77,924[11]		
Payables for credit card transactions	4,164			4,030		
Other non-interest bearing liabilities[8]	34,773			23,460		
Total liabilities	**485,418**			**437,352**		
Total equity instruments	**34,773**			**31,842**		
Total liabilities and equity instruments	**520,191**			**469,194**		
Interest spread			**1.75**			**1.79**
Net return[9] on interest-bearing assets						
In Israel	438,228	2,847	2.60	396,658	2,787	2.81
Outside of Israel	33,995	299	3.52	36,642	369	4.03
Total	**472,223**	**3,146**	**2.66**	**433,300**	**3,156**	**2.91**
Total interest-bearing liabilities attributed to overseas operations	**16,941**	**182**	**4.30**	**15,905**	**221**	**5.56**

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, 2025			For the nine months ended September 30, 2024		
	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	352,197	(7)16,882	6.39	320,896	(7)16,053	6.67
Outside of Israel	11,326	691	8.13	9,582	655	9.11
Total	**363,523**	**17,573**	**6.45**	**330,478**	**16,708**	**6.74**
Loans to the Government						
In Israel	286	8	3.73	389	15	5.14
Outside of Israel	24	2	11.11	42	3	9.52
Total	**310**	**10**	**4.30**	**431**	**18**	**5.57**
Deposits with banks						
In Israel	2,104	82	5.20	1,412	36	3.40
Outside of Israel	194	1	0.69	132	3	3.03
Total	**2,298**	**83**	**4.82**	**1,544**	**39**	**3.37**
Deposits with central banks						
In Israel	51,098	1,619	4.22	(11)52,158	1,648	4.21
Outside of Israel	19,883	669	4.49	21,841	896	5.47
Total	**70,981**	**2,288**	**4.30**	**73,999**	**2,544**	**4.58**
Securities borrowed or purchased in resale agreements						
In Israel	401	13	4.32	264	9	4.55
Outside of Israel	-	-	-	-	-	-
Total	**401**	**13**	**4.32**	**264**	**9**	**4.55**
Bonds held to maturity and available for sale(4)						
In Israel	21,889	713	4.34	15,735	496	4.20
Outside of Israel	2,167	96	5.91	1,801	89	6.59
Total	**24,056**	**809**	**4.48**	**17,536**	**585**	**4.45**
Bonds held for trading(5)						
In Israel	1,549	28	2.41	2,335	34	1.94
Outside of Israel	-	-	-	-	-	-
Total	**1,549**	**28**	**2.41**	**2,335**	**34**	**1.94**
Total interest-bearing assets	**463,118**	**20,804**	**5.99**	**426,587**	**19,937**	**6.23**
Receivables for credit card operations	5,106			4,785		
Other non-interest bearing assets(6)	38,939			(11)29,118		
Total assets	**507,163**			**460,490**		
Total interest-bearing assets attributed to overseas operations	**33,594**	**1,459**	**5.79**	**33,398**	**1,646**	**6.57**

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, 2025			For the nine months ended September 30, 2024		
	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	39,252	968	3.29	[11]35,511	1,012	3.80
Term deposits	264,873	8,672	4.37	[11]236,626	7,822	4.41
Outside of Israel						
On-call	409	-	-	466	-	-
Term deposits	17,156	544	4.23	12,781	519	5.41
Total	**321,690**	**10,184**	**4.22**	**285,384**	**9,353**	**4.37**
Deposits from the Government						
In Israel	88	2	3.03	45	2	5.93
Outside of Israel	-	-	-	-	-	-
Total	**88**	**2**	**3.03**	**45**	**2**	**5.93**
Deposits from banks						
In Israel	2,320	48	2.76	3,116	67	2.87
Outside of Israel	3	-	-	3	-	-
Total	**2,323**	**48**	**2.76**	**3,119**	**67**	**2.86**
Securities loaned or sold in re-purchase agreements						
In Israel	2	-	-	-	-	-
Outside of Israel	-	-	-	-	-	-
Total	**2**	**-**	**-**	**-**	**-**	**-**
Bonds and subordinated notes						
In Israel	40,107	1,491	4.96	37,180	1,397	5.01
Outside of Israel	-	-	-	-	-	-
Total	**40,107**	**1,491**	**4.96**	**37,180**	**1,397**	**5.01**
Other liabilities						
In Israel	2,141	41	2.55	3,057	57	2.49
Outside of Israel	-	-	-	-	-	-
Total	**2,141**	**41**	**2.55**	**3,057**	**57**	**2.49**
Total interest-bearing liabilities	**366,351**	**11,766**	**4.28**	**328,785**	**10,876**	**4.41**
Non-interest bearing deposits from the public	72,076			74,310[11]		
Payables for credit card transactions	4,101			4,942		
Other non-interest bearing liabilities[8]	30,542			21,589		
Total liabilities	**473,070**			**429,626**		
Total equity instruments	**34,093**			**30,864**		
Total liabilities and equity instruments	**507,163**			**460,490**		
Interest spread			**1.71**			**1.82**
Net return[9] on interest-bearing assets						
In Israel	429,524	8,123	2.52	393,189	7,934	2.69
Outside of Israel	33,594	915	3.63	33,398	1,127	4.50
Total	**463,118**	**9,038**	**2.60**	**426,587**	**9,061**	**2.83**
Total interest-bearing liabilities attributed to overseas operations	**17,568**	**544**	**4.13**	**13,250**	**519**	**5.22**

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, 2025			For the three months ended September 30, 2024		
	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	324,362	4,738	5.84	[(11)]291,838	4,202	5.76
Total interest-bearing liabilities	250,662	(2,619)	(4.18)	[(11)]220,648	(2,165)	(3.92)
Interest spread			**1.66**			**1.84**
Israeli currency – linked to the CPI						
Total interest-bearing assets	84,141	1,850	8.79	85,683	2,047	9.56
Total interest-bearing liabilities	55,468	(908)	(6.55)	53,471	(1,024)	(7.66)
Interest spread			**2.24**			**1.90**
Foreign currency (including Israeli currency linked to foreign currency)						
Total interest-bearing assets	29,725	357	4.80	19,137	282	5.89
Total interest-bearing liabilities	53,706	(571)	(4.25)	41,914	(555)	(5.30)
Interest spread			**0.55**			**0.59**
Total – operations in Israel						
Total interest-bearing assets	438,228	6,945	6.34	396,658	6,531	6.59
Total interest-bearing liabilities	359,836	(4,098)	(4.56)	316,033	(3,744)	(4.74)
Interest spread			**1.78**			**1.85**

See footnotes below.

Interest Revenues and Expenses Rates – of the Bank and its Subsidiaries[1] – Continued

Reported amounts (NIS in millions)

C. Average balances and interest rates – Further information regarding interest-bearing assets and liabilities attributed to operations in Israel – Continued

	For the nine months ended September 30, 2025			For the nine months ended September 30, 2024		
	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	320,676	13,883	5.77	[11]292,360	12,532	5.72
Total interest-bearing liabilities	241,250	(7,359)	(4.07)	[11]226,443	(6,329)	(3.73)
Interest spread			**1.70**			**1.99**
Israeli currency – linked to the CPI						
Total interest-bearing assets	84,452	4,558	7.20	83,714	4,897	7.80
Total interest-bearing liabilities	55,545	(2,164)	(5.19)	49,991	(2,256)	(6.02)
Interest spread			**2.01**			**1.78**
Foreign currency (including Israeli currency linked to foreign currency)						
Total interest-bearing assets	24,396	904	4.94	17,115	862	6.72
Total interest-bearing liabilities	51,988	(1,699)	(4.36)	39,101	(1,772)	(6.04)
Interest spread			**0.58**			**0.68**
Total – operations in Israel						
Total interest-bearing assets	429,524	19,345	6.01	393,189	18,291	6.20
Total interest-bearing liabilities	348,783	(11,222)	(4.29)	315,535	(10,357)	(4.38)
Interest spread			**1.72**			**1.82**

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, 2025 compared to the three months ended September 30, 2024			For the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024		
	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	579	(310)	269	1,500	(671)	829
Outside of Israel	23	(8)	15	106	(70)	36
Total	**602**	**(318)**	**284**	**1,606**	**(741)**	**865**
Other interest-bearing assets						
In Israel	80	65	145	160	65	225
Outside of Israel	(40)	(84)	(124)	(53)	(170)	(223)
Total	**40**	**(19)**	**21**	**107**	**(105)**	**2**
Total interest revenues	**642**	**(337)**	**305**	**1,713**	**(846)**	**867**
Interest-bearing liabilities						
Deposits from the public						
In Israel	476	(110)	366	1,014	(208)	806
Outside of Israel	11	(50)	(39)	134	(109)	25
Total	**487**	**(160)**	**327**	**1,148**	**(317)**	**831**
Other interest-bearing liabilities						
In Israel	2	(14)	(12)	45	14	59
Outside of Israel	-	-	-	-	-	-
Total	**2**	**(14)**	**(12)**	**45**	**14**	**59**
Total interest expenses	**489**	**(174)**	**315**	**1,193**	**(303)**	**890**

(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 (to) the average balance of bonds available for sale, for the three-month periods ended September 30, 2025 and September 30, 2024, for the nine-month periods ended September 30, 2025 and September 30, 2024, 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 (47) million, NIS (345) million, NIS (115) million and NIS (305) million, respectively.

(5) From the average balance of bonds held for trade, for the three-month periods ended September 30, 2025 and September 30, 2024, and for the nine-month periods ended September 30, 2025 and September 30, 2024, we added / deducted the average balance of unrealized gains from adjustment to fair value of bonds held for trade amounting to NIS 234 million, NIS (116) million, NIS 201 million and NIS (86) million, respectively.

(6) Includes derivative instruments, other non-interest bearing assets, net of provision for credit losses.

(7) Commissions amounting to NIS 129 million, NIS 121 million, NIS 386 million and NIS 380 million were included in interest revenues for the three-month periods ended September 30, 2025 and 2024 and for the nine-month periods ended September 30, 2025 and 2024, 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 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 assessing capital adequacy and risk management, published by the Basel Committee on Banking 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, among other things, setting capital targets, capital planning processes and assessment of the status of capital under a range of stress scenarios. This process constitutes a part of Pillar 2 of the Basel II directive.
L	**LGD (Loss Given Default)** – Loss rate from credit should the customer go into default.
	Loan To Value Ratio (LTV) – The ratio between the approved facility when extended and the asset value.
M	**Minimum capital ratio** – The ratio represents the minimum regulatory capital ratios which the Bank is required to maintain, pursuant to the provisions of Proper Conduct of Banking Business Directive 201.
P	**PD (Probability of Default)** – Probability (in percent) of a borrower going into default within a specified time.
	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, 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 which were set out.
	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.
R	**Regulatory capital (total capital)** – Regulatory capital is composed 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".
	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.
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.
	Stress tests – Term covering multiple methods designed to assess the financial standing of a banking corporation under a stress scenario.
	Subordinated notes – subordinated notes whose rights are subordinated to claims by other Bank creditors, except for other obligatory notes of the same type.
V	**VAR –** A model used to assess total exposure to various 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.

Banking and finance terms

A	**Active market** – Market where transactions involving 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 its life, through final maturity. The average duration of bonds reflects the financial instrument's sensitivity 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 an issuer's undertaking to pay to bond holders the issued principal and interest on set dates or upon fulfillment of certain conditions.
D	**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 the Bank's management. If such weaknesses are not addressed, the likelihood of debt repayment may decline.
	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.
F	**Financial instrument** – A contract that creates a financial asset for one entity and a financial liability or capital instrument for another entity.
I	**Indebtedness** – On- and off-balance sheet credit, as defined in Proper Conduct of Banking Business Directive 313.
	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.
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 accordance 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** – engagements for provision of credit and guarantees (excluding derivative instruments).
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.
T	**Troubled debts** – Debts classified under one of the following negative classifications: special supervision, inferior or non-accruing.

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 ability to meet its liquidity needs for the forthcoming month.

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