CONDENSED CONSOLIDATED FINANCIAL REPORTS

AS OF 30.09.2026

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מזרחי טפחות
MIZRAHI TEFAHOT

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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, 2026

This translation of the financial statement is for convenience purposes only. The only binding version of the financial statement is the Hebrew version.

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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, 2026

Introduction

The Board of Directors of Mizrahi Tefahot Bank Ltd., at its meeting held on November 16, 2026, 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, 2026.

The Bank's condensed financial statements as of September 30, 2026 are prepared in accordance with the Public Reporting Directives of the Supervisor of Banks and his guidelines, which largely adopt the accounting principles generally accepted in the United States (US GAAP). See also Note 1 to the financial statements as of December 31, 2025 and Note 1 to these condensed 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 2026, 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 2025 audited annual financial statements.

Condensed financial information and key performance indicators for the Bank Group

	2026			2025			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Statement of profit and loss – key items							
Interest revenues, net	2,905	3,012	2,693	2,689	3,146	3,093	2,799
Non-interest financing revenues	125	171	186	145	57	43	142
Commissions and other revenues	600	619	604	587	627	655	605
Total revenues	**3,630**	**3,802**	**3,483**	**3,421**	**3,830**	**3,791**	**3,546**
Expenses with respect to credit losses	70	90	31	25	44	56	103
Operating and other expenses	1,280	1,287	1,328	1,267	1,310	1,323	1,339
Of which: Payroll and associated expenses	790	830	843	779	835	857	877
Pre-tax profit	2,280	2,425	2,124	2,129	2,476	2,412	2,104
Provision for taxes on profit	887	949	840	671	935	910	764
Net profit[1]	**1,366**	**1,428**	**1,238**	**1,404**	**1,483**	**1,453**	**1,290**

	Nine months		All of
	2026	2025	2025
	NIS in millions		
Statement of profit and loss – key items			
Interest revenues, net	8,610	9,038	11,727
Non-interest financing revenues	482	242	387
Commissions and other revenues	1,823	1,887	2,474
Total revenues	**10,915**	**11,167**	**14,588**
Expenses with respect to credit losses	191	203	228
Operating and other expenses	3,895	3,972	5,239
Of which: Payroll and associated expenses	2,463	2,569	3,348
Pre-tax profit	6,829	6,992	9,121
Provision for taxes on profit	2,676	2,609	3,280
Net profit[1]	**4,032**	**4,226**	**5,630**

Net profit for the Group in the first nine months of 2026 amounted to NIS 4,032 million, compared to NIS 4,226 million in the corresponding period last year. This profit reflects annualized return on equity of 15.0%.

In the third quarter of 2026, the Group's net profit amounted to NIS 1,366 million, compared to NIS 1,483 million in the corresponding period last year. This profit reflects annualized return on equity of 15.0%.

Following are the major factors which affected the Group's profit in the first nine months of 2026 compared to the corresponding period last year:

- Total financing revenues in the first nine months of 2026 decreased by 2.0%, compared to the corresponding period last year, mainly as a result of the impact of the Consumer Price Index, which increased by 2.1% in the first nine months of 2026, compared to an increase of 3.0% in the corresponding period last year, the effect of the 1.25% cut to the Bank of Israel Interest, the effect of the 0.5% cut to the Fed's interest rate, the effect of benefits provided to customers under the various outlines, and - on the other hand - an increase following a rise in activity volumes.
- Other revenues in the first nine months of 2025 included revenues amounting to NIS 153 million with respect to net deferred credit balance recognized with respect to the acquisition of Union Bank which was recognized in profit and loss over 5 years as from the fourth quarter of 2020 through the end of the third quarter of 2025, such that no revenues were recorded in 2026.
- The provision for taxes on profit in the first nine months of 2026 was affected, among other things, by the approval of the Special Payment for the Achievement of Budgetary Targets Law. For more information see Note 17 to the financial statements and the business goals and strategy chapter below.

(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, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
	NIS in millions						
Balance sheet – key items							
Total assets	575,227	580,815	554,365	551,173	525,389	517,287	498,029
Loans to the public, net	436,434	423,726	413,574	400,501	391,875	376,672	364,384
Cash and deposits with banks	73,755	77,734	74,960	82,849	68,478	78,885	87,194
Securities	42,391	56,459	45,600	47,903	45,375	39,704	29,412
Buildings and equipment	2,354	2,243	2,220	2,159	1,940	1,906	1,879
Deposits from the public	468,192	474,424	450,663	448,397	421,487	417,394	399,275
Bonds and subordinated notes	43,106	40,627	42,731	40,365	41,358	36,332	41,890
Deposits from banks	2,131	1,998	1,988	2,058	2,926	2,497	1,902
Shareholders' equity[(1)]	36,667	36,100	35,246	34,765	33,965	33,114	32,094

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

- Total assets as of September 30, 2026 amounted to NIS 575.2 billion, an increase by NIS 49.8 billion (a 9.5% increase) compared to September 30, 2025.
- Loans to the public, net as of September 30, 2026 amounted to NIS 436.4 billion, an increase of NIS 44.6 billion, (a 11.4% increase) compared to September 30, 2025.
- Deposits from the public as of September 30, 2026 amounted to NIS 468.2 billion, an increase by NIS 46.7 billion (a 11.1% increase) compared to September 30, 2025.
- Shareholders' equity as of September 30, 2026 amounted to NIS 36.7 billion, an increase by NIS 2.7 billion (a 8.0% increase), compared to September 30, 2025. 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)

	2026			2025			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Key performance indicators							
Net profit return on equity[1][2]	15.0	16.0	14.1	16.3	17.6	17.8	16.2
Net profit return on risk assets[1][2][3]	1.49	1.61	1.41	1.63	1.78	1.81	1.66
Return on average assets[2]	0.95	1.01	0.90	1.04	1.14	1.14	1.05
Deposits from the public to loans to the public, net	107.3	112.0	109.0	112.0	107.6	110.8	109.6
Ratio of Tier I equity to risk components	10.10	10.22	10.17	10.24	10.14	10.41	10.37
Leverage ratio[4]	5.93	5.79	5.89	5.88	6.01	6.03	6.03
Liquidity coverage ratio (Quarterly)[5]	127	132	147	129	131	135	139
Net stable funding ratio[6]	110	110	111	112	112	112	113
Ratio of revenues to average assets[2]	2.51	2.68	2.52	2.54	2.94	2.99	2.88
Cost-income ratio – operating expenses to total revenues[7] (Cost Income Ratio)	35.3	33.9	38.1	37.0	34.2	34.9	37.8
Basic net earnings per share (in NIS)	5.25	5.49	4.76	5.40	5.71	5.60	4.98
Key credit quality benchmarks							
Ratio of balance of provision for credit losses to total loans to the public	0.83	0.85	0.89	0.95	0.98	1.06	1.11
Ratio of non-accruing debts or debts in arrears 90 days or longer to loans to the public	0.87	0.95	1.03	1.02	1.05	1.07	1.12
Expenses with respect to credit losses to loans to the public, net for the period[2]	0.06	0.08	0.03	0.02	0.04	0.06	0.11
Net accounting write-offs as percentage of average loans to the public[2]	0.11	0.13	0.16	0.09	0.17	0.13	0.15
Additional data							
Share price (in NIS) at end of quarter	230.1	197.0	227.8	222.4	217.9	219.5	166.5
Dividends per share (in Agorot)[8]	274	238	270	285	279	199	202
Ratio of net interest revenues to average assets[2]	2.01	2.12	1.95	2.00	2.41	2.44	2.28
Ratio of commissions to average assets[2]	0.40	0.42	0.42	0.42	0.43	0.46	0.43

	Nine months	All of
	2026	2025	2025
Key performance indicators			
Net profit return on equity[1][2]	15.0	17.2	17.0
Net profit return on risk assets[1][2][3]	1.50	1.75	1.72
Return on average assets[2]	0.95	1.11	1.09
Ratio of revenues to average assets[2]	2.57	2.94	2.83
Cost-income ratio – operating expenses to total revenues[7] (Cost Income Ratio)	35.7	35.6	35.9
Basic net earnings per share (in NIS)	15.50	16.29	21.69
Key credit quality benchmarks			
Expenses with respect to credit losses to loans to the public, net for the period[2]	0.06	0.07	0.06
Net accounting write-offs as percentage of average loans to the public[2]	0.13	0.14	0.13
Additional data			
Dividends per share (in Agorot)[8]	782	680	965
Ratio of net interest revenues to average assets[2]	2.03	2.38	2.27
Ratio of commissions to average assets[2]	0.42	0.44	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".

(*) The financial statements are prepared in accordance with the directives and guidelines of the Supervisor of Banks as stated in Note 1 to the annual financial statements; the directives of the Supervisor of Banks largely adopt the accounting principles generally accepted in the United States (US GAAP).

(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 and 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 2025 Report by the Board of Directors and Management.
For more information about updates on estimated potential impact of various risk factors on the Bank Group, see chapter "Risks overview" below.

Business goals and strategy

Strategic plan
For more information regarding the Bank's business goals and strategy for 2025-2027, see chapter "Business goals and strategy" of the 2025 Report of the Board of Directors and Management ("The Bank's 2025-2027 Strategic Plan").

The Bank's 2025-2027 Strategic Plan provides, among other things, that the target return on net profit attributable to shareholders to average shareholders' equity will stand at 17% to 18% in each of the strategic plan's years.

On March 30, 2026, an amendment to the Special Payment for the Achievement of Budgetary Targets Law (Temporary Order – Iron Swords), 2024 (hereinafter - the "Law") was approved, whereunder, among other things, banks - other than small banks - (as defined in the Law) will be subject to a tax totaling NIS 3 billion in respect of the profits of the abovementioned banks for 2026, and to tax totaling NIS 125 million in respect of the profits of the abovementioned banks for 2027 ("Profit" as defined in the Value Added Tax, 1975), with respect of a Profit generated from activity in Israel.

In accordance with the Bank's preliminary assessment, the Bank's share in the above NIS 3 billion special tax, based on the proportionate share of its profit in 2025 out of the total profits of banks other than small banks to which the Law applies, is NIS 550 million (which will reduce the Bank's net profit for 2026 by this amount).

In view of the above, the Bank revised the target of the strategic plan for 2026 with regard to the return on net profit attributable to shareholders to average shareholders' equity to 15% to 16%. The Bank estimates that the Law is not expected to affect the achievement of the other targets in its 2026 strategic plan, nor to have any effect on the achievement of the targets of the 2027 plan. For more information, see immediate report dated March 30, 2026 (Ref. No.: 2026-01-029795).

The above information constitutes forward-looking information, as defined in the Securities Law, 1968, based on assumptions, facts and data (hereinafter - the "Assumptions"), which were detailed in the Bank's immediate report of June 5, 2025 regarding the strategic plan (Ref. No.: 2025-01-040281).

The Assumptions may not materialize due to the potential effect of factors which are not entirely under the Bank's control, which may result in the Law's effect on the Bank's profits varying from the above, and in the strategic plan not materializing or materializing only partially or in a different manner, all as detailed in the abovementioned immediate report.

Developments in capital structure

Investments in Bank capital and transactions in Bank shares
On March 26, 2026, 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 2026. 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

The Group's financing sources include deposits from the public and from other banking corporations, issuance of various types of bonds and 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.
Set forth below is the balance of deposits from the public by supervisory operating segments and the average interest rate

	September 30, 2026		September 30, 2025	
	Balance of deposits from the public[(1)]	Average balance nine months[(1)]	Balance of deposits from the public[(1)]	Average balance nine months[(1)]
Households	134,167	134,713	135,244	134,317
Private banking	33,775	32,761	32,604	31,761
Small and micro businesses	54,895	53,547	52,166	52,411
Medium businesses	34,406	34,750	32,915	26,052
Large businesses	53,305	51,149	40,158	43,879
Institutional entities	138,814	138,091	113,939	103,045
Operations overseas	18,830	17,493	14,461	17,581
Total	**468,192**	**462,504**	**421,487**	**409,046**
Expense rate (in %)		**3.0**		**3.3**

(1) Including deposits not bearing interest.

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

Issuance of notes, bonds and commercial papers

The Bank acts to raise long-term sources through issuances, including through Mizrahi Tefahot Issuance Company Ltd. (hereinafter: "Tefahot Issuance"), a wholly-owned subsidiary of the Bank. Over the years, Tefahot Issuance has issued bonds to the public pursuant to published prospectuses.

On August 20, 2025, Tefahot Issuance published a shelf prospectus for issuance of bonds dated August 21, 2025. On May 5, 2026, the Bank also published a shelf prospectus dated May 6, 2026 for the issuance of various securities. These prospectuses are valid for two years, with an optional extension by a further one year.

As of September 30, 2026, total bonds and subordinated notes amounted to NIS 43.2 billion, compared to NIS 40.4 billion as of December 31, 2025.

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, 2026, amounted to NIS 7.3 billion, compared to NIS 6.1 billion as of December 31, 2025.

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".

Issuances and early repayments in the reporting period

On January 15, 2026, the Bank issued - under an international private placement to institutional investors - contingent subordinated notes (Contingent Convertibles – CoCo) with loss-absorption mechanism through principal write-off (compliant with Basel III eligibility conditions and recognized as Tier II capital by the Supervisor of Banks), whose par value is USD 750 million.

On January 28, 2026, the Bank issued - under an international private placement to institutional investors - bonds whose par value is USD 700 million.

On April 7, 2026, full early redemption was executed of CoCo contingent subordinated notes, which were issued to institutional investors by the Bank, at a par value of USD 600 million.

On June 8, 2026, Tfahot Issuance issued to the public Bonds (Series 72) with par value of NIS 3.0 billion, contingent subordinated notes (CoCo) (Series 73) with par value of NIS 0.5 billion and Commercial Papers (Series 6) with par value of NIS 1.5 billion. The total monetary proceeds received amounted to NIS 5.0 billion.

On June 24, 2026, full early redemption of contingent subordinated notes (CoCo) (Series 53) with a par value of NIS 0.4 billion was executed.

On September 14, 2026, Tfahot Issuance issued to the public Bonds (Series 74) with par value of NIS 2.5 billion, contingent subordinated notes (CoCo) (Series 73) by way of series expansion with par value of NIS 0.75 billion and Commercial Papers (Series 7) with par value of NIS 1.0 billion. The total proceeds received amounted to NIS 4.3 billion.

Significant developments in management of business operations

Banking reliefs and benefits for Bank customers

The Bank adopted the Bank of Israel's support outlines in view of the Iron Swords War and the war with Iran. For more information, see the chapter Corporate Governance, Audit, Other Information about the Bank and Management thereof.

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.

Following the conflict with Iran (Operation Lion's Roar), the Bank of Israel published during March 2026 a dedicated support outline, which was also adopted by the Bank, and which focused mainly on allowing loan repayment deferrals to mortgage customers, households and small businesses. It is noted that the Bank has expanded the reliefs provided to customers beyond the provisions of the outline published by the Bank of Israel. In mid-April 2026, the Bank of Israel extended the support outline by one month. The Bank adopted the extension until the conclusion of the outline in mid-May 2026.

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 in the fourth quarter of 2026 consists of several components, as follows (for the Bank's plan for 2025 see chapter "Significant developments in management of business operations" in the 2025 financial statements):

- "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 specific populations: 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).
- In October 2026, the Bank granted the "Start of the Academic Year" benefit - a one-off grant totaling NIS 1,000 to students who served as reservists as from October 7, 2023, and comply with additional conditions set by the Bank. The cost of the benefit will be included in the outline's expenses for the fourth quarter of 2026.
- During November 2026, the Bank grants the "After the Holidays - After School Clubs" benefit - a one-off grant totaling NIS 1,000 for participation in after school clubs by children aged 4-16 to private customers who comply with additional conditions as set by the Bank, and in accordance with the provision of evidence as required. The cost of the benefit will be included in the outline's expenses for the fourth quarter of 2026.

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

The estimated cost, which will be included in the financial statements upon utilization of the benefits in respect of this outline, amounts to NIS 600 million for a two-year period, of which NIS 486 million were recorded through September 30, 2026, NIS 264 million of this amount in the first nine months of 2026.

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):

	Resi-dential	Private indivi-duals – other	Small and micro businesses	Medium and large businesses	Total	For the nine months ended September 30, 2026	2025
	For the three months ended September 30, 2026						
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]	3	16	12	-	31	99	102
Other interest benefits with respect to credit[2]	40	2	-	-	42	54	69
Interest benefits on on-call deposits	-	14	3	-	17	66	76
Interest benefits on other deposits	-	-	1	-	1	47	-
Waiver of commissions[3]	-	2	1	-	3	10	11
Charitable donations	-	-	8	-	8	19	1
Total	**43**	**34**	**25**	**-**	**102**	**295**	**259**
Of which: Under the Bank of Israel's 2025 outline (voluntary outline):							
Interest benefits through changes in credit terms[1]	1	14	10	-	25	85	80
Other interest benefits with respect to credit[2]	37	1	-	-	38	38	58
Interest benefits on on-call deposits	-	14	3	-	17	66	76
Interest benefits on other deposits	-	-	1	-	1	47	-
Waiver of commissions[3]	-	2	1	-	3	9	8
Charitable donations	-	-	8	-	8	19	-
Total	**38**	**31**	**23**	**-**	**92**	**264**	**222**
A2. Estimated amounts of benefits which have not yet been charged to the statement of profit and loss as of the report date[4]:					**368**	**368**	**581**

Additional information about activities to benefit borrowers during wartime

	Resi-dential	Private indivi-duals – other	Small and micro business-es	Medium businesses	Large businesses	Total	For the nine months ended September 30, 2026	2025
	For the three months ended September 30, 2026							
B.1.a Total loans that have undergone a change to terms during the reporting period[5]								
Change in terms for borrowers in financial difficulties	-	-	-	-	-	-	4	2
Change in terms for borrowers not in financial difficulties:	-	-	-	-	-	-	7,455	4,404
Total credit	**-**	**-**	**-**	**-**	**-**	**-**	**7,459**	**4,406**

	Resi-dential	Private indivi-duals – other	Small and micro businesses	Medium businesses	Large businesses	Total	As of June 30, 2026	As of December 31, 2025
	As of September 30, 2026							
Balance of loans with changes in terms for borrowers in financial difficulties	-	-	4	-	-	4	4	18
Balance of loans with changes in terms for borrowers not in financial difficulties:							-	
Credit with interest waiver	-	1	-	-	-	1	205	132
Credit in deferral of payments and/or the extension of the period in which the deferral period had not yet ended	53	7	3	-	-	63	1,159	158
Of which: Problematic credit	-	-	-	-	-	-	15	7
Of which: Non-problematic credit, in arrears 30 days or longer	-	-	-	-	-	-	2	-
Payment amounts deferred[6]	2	1	1	-	-	4	84	25
Average payment deferment by months	6	9	4	-	-	6	3	5
Credit with other change in terms	-	-	-	-	-	-	-	-
Total	**53**	**8**	**7**	**-**	**-**	**68**	**1,368**	**308**
Additional information on change in terms for borrowers not in financial difficulties:								
Balance of credit in which the payment deferral has ended	22,770	329	1,707	78	47	24,931	26,600	26,932
Of which: Debts defaulted after changes in terms	965	10	88	8	-	1,071	1,170	1,126
B2. Balance of extended loans as of the report date, which bear no interest or reduced interest[7]								
Credit balance	262	139	735	155	-	1,291	1,343	1,423

(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 regarding tax expenses due to the "Special Payment for the Achievement of Budgetary Goals Law (Temporary Order – Iron Swords), 2024", and its amendment of March 30, 2026, see Note 17 to the Financial Statements and the Business goals and strategy chapter above.

Significant developments in human resources and administration

Developments in labor relations

Labor and payroll agreements at the Technology Division

On June 29, 2026, a special collective bargaining agreement was signed by Mizrahi Tefahot Ltd.'s Technology Division, the New General Labor Union and the Company's Employee Committee, which focuses mainly on the relocation of the employees to the campus of the Bank's HQ in Lod.

Other matters

The Competition Commissioner's decision regarding a concentration group in the retail banking services market and the issuance of directives

Further to what is stated in the Explanation and analysis of results and business standing chapter in the Bank's financial statements as of December 31, 2025 regarding the Competition Commissioner's intention to declare the five largest banking groups - the Bank (including Bank Yahav), Bank Hapoalim, Bank Leumi, Bank Discount and First International Bank (hereinafter jointly – the "Five Largest Banking Groups" or the "Banks") - a concentration group and to issue to the Banks directives regarding deposits, on May 6, 2026 the Competition Commissioner (hereinafter - the "Commissioner") handed down a decision under Section 43(A)(6) to the Economic Competition Law, 1988, in which it was stipulated that the Five Largest Banking Groups constitute a "concentration group" in the retail banking services market.

In its resolution, the Commissioner determined that effectively there is very little competition between the banks with respect to the provision of all retail banking products, and that the banks refrain from competing over the offering of separable products to those customers.

In its decision, the Commissioner determined that the five banking groups will be subject to directives pertaining to their deposits activity, as follows:

- Prohibition of discrimination with regard to deposit interest rates and a requirement to be transparent and make their terms and conditions available.
- - A requirement that banks will proactively contact customers on the deposit renewal or repayment date, and provide them with information as to proposed interest rates on deposits and similar money market funds, and simplifying the process of their purchase.
- - A prohibition on a bank, the value of whose asset exceeds 20% of the total asset value of all banks in Israel (a "bank with large-scale activity") from unreasonably refusing to enter into an engagement with "money aggregators".
- A prohibition on placing barriers on the transfer of deposits, and allowing the transferee entity to run the transfer process.

The Commissioner determined that the coming into effect of the directives will be postponed to May 6, 2027 in order to allow the exhaustion of the appeal proceedings in the Competition Tribunal and in order to prepare for the implementation of the directives.

Further to the publication of the Commissioner's decision, on May 6, 2026 the Bank of Israel published its position regarding the Commissioner's above declaration and the deposits-related directives set under this decision. The Bank of Israel's position published as described above stated, among other things, that "under the circumstance of the matter, declaring the banks a concentration group is an extreme and disproportionate step; on the one hand, it may deter investors from operating in Israel, and on the other hand it is not expected to contribute in any way to improving the welfare of bank customers. This is particularly so given that most of the directives prescribed following the declaration have already been implemented in practice by the Banking Supervision Department as part of the structural reforms it has led". It was further noted in the Bank of Israel's position regarding the Commissioner's declaration and its subsequent directives, that "this move is merely declaratory in nature, which undermines regulatory certainty in the Israeli economy and may therefore deter investors from operating in Israel, without driving competition in any way." The Bank of Israel has also noted that with respect to at least some of the directives, the law requires the consent of the Bank of Israel. Such consent was not granted."

On August 16, 2026 the Bank appealed against the Competition Commissioner's decision.

Imposition of a financial sanction by the Sanctions Committee for Banking Corporations

On March 25, 2026, the Bank received the Supervisor of Banks' notice regarding the Sanctions Committee for Banking Corporations' decision (hereinafter - the "Committee") to impose a NIS 6.8 million financial sanction on the Bank by virtue of the power vested in it under Section 14(A) to the Prohibition of Money Laundering Law, 2000 (hereinafter - the "Law"), based on the findings of the Banking Supervision Department's audit report on the prohibition of terror financing, conducted during the first half of 2023.

Most of the breaches in respect of which the financial sanction was imposed pertain to checks against the list of entities subject to sanctions, reports to the Anti-Money Laundering Authority (hereinafter - the "Authority") based on transaction-size, reports to the Authority on transactions that appear irregular, and know-your-customer procedures.

The amount of the abovementioned financial sanction reflects, among other things, mitigating circumstances, including the Bank's collaboration with the Bank of Israel's audit team and the effective steps taken by the Bank to rectify the deficiencies.
The Bank rectified the deficiencies which were raised in the report; some of the deficiencies were rectified during the audit.

Engagement in insurance policy
On March 26, 2026, the Bank's Board of Directors approved, after approval by the Remuneration Committee, the Bank's engagement in a Board member and other officers liability insurance policy, for a term of 18 months as from April 1, 2026. Pursuant to Regulation 1B1 and pursuant to Regulations 1A1 and 1B(a)(5) of the Corporate Regulations (Relief for transactions with interested parties), 2000, and in accordance with the remuneration policy for officers.
The insurance policy covers, inter alia, the Bank President & CEO, the controlling shareholders of the Bank and relatives thereof. For more information see immediate report dated March 26, 2026 (Ref. No.: 2026-01-028074).

Approval of an amended exemption and indemnity letter
On August 18, 2026, the General Meeting of the Bank's shareholders approved an amended letter of exemption and indemnity to Board members and other officers, including the Bank's President & CEO, controlling shareholders of the Bank and their relatives, as well as employees who serve from time to time, including those who had served in the past or would be appointed in future, all in accordance with the amended letter of exemption and indemnity. For more information see Immediate Report dated July 13, 2026, (reference: 2026-01-066252) and Immediate Report of August 18, 2026 (Ref. No. 2026-01-077389) and Note 10B(2) to the financial statements.

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, as well as analysis of development of assets, liabilities, capital and capital adequacy. 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

Developments in the business and geopolitical environment

During the third quarter of 2026, economic activity in Israel continued to grow after the recovery from the effects of Operation Lion's Roar in the second quarter. However, the effects of security-related uncertainty and the potential for a resumption of fighting, alongside ongoing geopolitical tensions, continued to have an adverse effect on economic activity. The labor market remained tight and supply constraints are still marked, although it is apparent that the rate of employees temporarily absent from their workplace due to their service as reservists has declined alongside a gradual uptick in the number of foreign workers entering the economy. The government's fiscal policy navigates through the increase in defense spending and in government debt. However, the deficit rate has consistently subsided over 2026 and is currently below the government deficit target due to underperformance in civil expenses of government departments alongside higher than expected expenses tax revenues. Israel's risk premium stands close to its level prior to the war, which started in October 2023. This occurred alongside an increase in domestic share indices and a certain devaluation of the shekel against the dollar.

For more information see chapter "Risks Overview" below, as well as the Report of the Board of Directors and the Risks Report for 2025.

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 2025 Report of the Board of Directors and Management.

Developments in the Israeli and global economy in 2026

Israeli economy

Non-financial developments

In the first half of 2026, the GDP in Israel grew by an annual rate of 3.7%, further to an annual growth of 3.5% in 2025. The GDP growth rate varied between the quarters in the first half of 2026: A 1.5% annual contraction in the first quarter due to the effects of Operation Lion's Roar and an annual growth of 15.4% in the second quarter, mainly due to the effects of the increase in private consumption, public consumption, and exportation of goods and services.

The Bank of Israel's Composite State-of-the-Economy Index for the third quarter of 2026 reflected sustained positive monthly average growth of 0.3%, due to the uncertainty level affected by sustained geopolitical tensions.

The broad unemployment rate (ages 15 and older, original data), remained stable throughout the year except for the sharp rise in March 2026 following the outbreak of Operation Lion's Roar and stood at 4.0% in September 2026, slightly lower than its level prior to the operation and compared to 3.9% in December 2025. The number of vacancies in September is higher than pre-operation levels.

According to a forecast published by the Bank of Israel's Research Division in October 2026, GDP in Israel is expected to grow by 5.6% in 2026 and the broad unemployment rate (ages 25-64) is expected to stand at 4.6% on average in 2026.

Inflation and exchange rates

In the first nine months of 2026, the "known" Consumer Price Index increased by 2.1%, further to a 3.0% increase in the corresponding period last year, and after a 1.5% increase in the past 12 months.

In the first nine months of this year, the Consumer Price Index "in lieu" increased by 1.6%, compared to an increase of 2.6% in the corresponding period last year. In the past 12 months ending September 2026, the CPI increased by 1.6%, within 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.

Over the course of the first nine months of 2026 the shekel has appreciated by 4.0% against the dollar and by 7.2% against the euro. The shekel's appreciation trend reduced inflationary pressures in Israel during this period.

Below is information regarding the representative exchange rates and changes therein:

	September 30, 2026	December 31, 2025	Change in %
Exchange rate of:			
USD (in NIS)	3,063	3.190	(4.0)
EUR (in NIS)	3,475	3,746	(7.2)

On November 10, 2026, the USD/NIS exchange rate was 3.161 – a 3.2% devaluation compared to September 30, 2026. On said date, the EUR/NIS exchange rate was 3.546 – a 2.0% devaluation compared to September 30, 2026.

Monetary policy

In its interest decision of October 2026, the Bank of Israel held its interest rate at 3.25%. This was following interest rate cuts in June, July and September 2026 - of 0.25 percentage points each - from 4.0% on January 9, 2026 to 3.25% on September 1, 2026.

Fiscal policy

In the first nine months of 2026, the Government budget recorded a NIS 29.5 billion cumulative deficit, compared to a NIS 56.3 billion cumulative deficit in the corresponding period last year. The deficit rate as percentage of GDP for the 12 months ended in September 2026 was 3.2%. Government expenses recorded an increase of 3.4% relative to the corresponding period last year. The deficit rate is currently below the government deficit target due to, among other things, underperformance in civil expenses of government departments alongside higher than expected expenses tax revenues.

In accordance with a publication by the Bank of Israel Research Division of October 2026, the deficit to GDP ratio in 2026 is estimated at 4.4%.

The State of Israel's credit rating

On January 31, 2026, the rating agency Moody's reaffirmed the State of Israel's credit rating at Baa1 and upgraded its rating outlook from negative to stable. The agency noted that geopolitical risks have subsided, despite the high level of uncertainty attached to the ceasefire agreement. However, the level of risk remains high and places a constraint on the rating.

On February 3, 2026, the rating agency Moody's upgraded the rating outlook of the five largest banks in Israel from "negative" to "stable" and affirmed the rating at Baa1. The upgrading was made against the backdrop of the upgrading of Israel's rating outlook from negative to stable and reflects the expectation that the banks' solvency and liquidity will remain stable on the back of improved operating conditions and as Israel's economy rebounds.

On March 27, 2026 the credit rating agency Fitch affirmed Israel's credit rating at A with a negative rating outlook. The agency noted that the outlook reflects a sustained increase in public debt and the risks that stress scenarios will materialize, which might weaken Israel's growth potential.

On May 8, 2026 the S&P rating agency announced that it was affirming the credit rating of the State of Isarel at A with a stable outlook. The agency noted that assuming that the security situation will not deteriorate, the Israeli economy is expected to start recovering during the second half of 2026.

On July 15, 2026, the rating agency Moody's reaffirmed the State of Israel's credit rating at Baa1 with a stable rating outlook. The agency noted that a sustained improvement in the security situation, resumption of strong growth, a reduction in the debt-to-GDP ratio, and the maintenance of a responsible fiscal policy may support an upgrade in the rating or outlook in the future.

On October 30, 2026 Fitch rating agency announced that it was affirming the credit rating of the State of Isarel at A with a negative outlook.

On November 1, 2026, the rating agency Moody's announced its affirmation of the rating at Baa1 with a stable rating outlook.

On November 7, 2026, the rating agency S&P announced its affirmation of the rating at A with a stable rating outlook.

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 2026 (new and second-hand apartments, original data) amounted to 67.5 thousand, a 1.4% decrease compared to the corresponding period last year and a 12.5% decrease compared to the corresponding period in 2024.

In the first nine months of 2026, residential mortgages extended to the public amounted to NIS 88.3 billion, compared to NIS 78.8 billion in the corresponding period last year and NIS 64.5 billion in the corresponding period in 2024 – an increase by 12.0% and 36.7%, respectively.

According to data from the Central Bureau of Statistics, owned house prices in the 12 months ended August 2026 declined by 1.8% compared to a 0.3% increase in 2025 and a 7.3% increase in 2024.

Capital market

In the third quarter of 2026, the trading trend in key indices on Israeli equity markets was mixed, similar to the trend on stock exchanges in the USA and globally.

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

	2026			2025			
Index	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Tel-Aviv 35	4.7	(0.8)	12.9	13.5	8.2	22.4	1.0
Tel-Aviv 125	2.8	(0.2)	9.6	12.7	7.5	23.6	0.8
Tel-Aviv 90	(2.8)	2.2	(1.9)	11.2	5.0	26.3	(0.6)

Average daily trading volume in equities and convertible securities in the third quarter of 2026 was NIS 4.4 billion, compared to NIS 3.7 billion in the corresponding period last year. Average daily trading volume in the first nine months of 2026 was NIS 5.2 billion, compared to NIS 3.3 billion in the corresponding period last year. In 2025, the average daily trading volume amounted to NIS 3.4 billion.

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

	2026			2025			
Index	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
All-Bond general	(0.2)	2.8	(0.2)	1.5	1.6	2.7	0.4
Government bonds, CPI-linked	(0.6)	2.7	(1.2)	0.8	1.8	2.7	(0.6)
Government bonds, non-linked	(1.1)	2.6	0.5	1.9	1.2	2.8	0.9
Tel-bond 20	0.3	3.4	(0.8)	1.0	2.2	3.0	0.2
Tel-bond 40	0.7	3.0	0.1	0.5	2.0	2.8	0.3

Global economy

According to an IMF publication of October 2026, global GDP growth in 2026 is expected to amount to 3.1% compared to 3.5% in 2025. Global growth is supported by an increase in investments in the technology sector and AI and by the relative strength of developed economies. On the other hand, growth is subsiding due to volatility and rises in energy and food prices, disruption to supply chains, trade barriers and sustained geopolitical uncertainty.

In the first nine months of 2026, the USA's GDP has grown at an annualized rate of 2.2%, following growth of 2.3% in 2025 and growth of 2.8% in 2024. GDP growth is mainly supported by strong private consumption, a stable labor market, an increase in the number of new vacancies in the first nine months of 2026, alongside a slight decrease in the unemployment rate to 4.2% in September 2026, compared to 4.4% in December 2025, and further capital investments in the technology sector. The conflict between the USA and Iran and sustained geopolitical uncertainty led to an increase in energy prices and to an acceleration in the inflation rate to 3.7% in the 12 months ended September 2026 compared to a 2.7% increase at the end of 2025. Against this backdrop, in September 2026, the Fed raised its interest rate for the first time since early 2026 by 0.25 percentage points to 4.0%, having cut them from 4.5% to 3.75% in September, October, and December 2025.

The GDP in the Euro Zone in the first nine months of 2026 increased at an annualized rate of 1.1%, compared to 1.2% growth in 2025 and 0.9% growth in 2024. The recovery in economic activity remained moderate and was restricted by weak consumer sentiment and high food and energy prices due to the effects of the conflicts in the Middle East. These price rises resulted in an increase in inflation to 3.8% in the 12 months ended September 2026 - an acceleration compared to 2.0% at the end of 2025. In September and June 2026, the monetary interest rate on deposits in the Euro Zone increased by 0.25 percentage points in each of the interest decisions from 2.0% to 2.5%. This followed a 2.0 percentage point interest-rate cut in the year ended June 2025.

China's economy grew in the first nine months of 2026 at a rate of 4.6%, further to growth of 5.0% in 2024 and 2025. The slowdown in growth arises primarily from weaker domestic demand, sustained challenges in the real estate sector and the effect of disruptions to global supply chains. On the other hand, economic activity is supported by high performance in the exportation of technology and by targeted fiscal and monetary support measures of the Chinese government.

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

	2026			2025			
Index	Third quarter	Second quarter	First | quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Dow Jones	(2.7)	12.9	(3.6)	3.6	5.2	5.0	(1.3)
S&P 500	2.0	14.9	(4.6)	2.4	7.8	10.6	(4.6)
NASDAQ 100	0.4	27.5	(6.0)	2.3	8.8	17.6	(8.3)
DAX	0.8	12.8	(7.4)	2.6	(0.1)	7.9	11.3
FTSE 100	1.0	3.2	2.5	6.2	6.7	2.1	5.0
CAC	(5.2)	7.5	(4.1)	3.2	3.0	(1.6)	5.6
Nikkei	(4.7)	37.2	1.4	12.0	11.0	13.7	(10.7)

Major and emerging risks

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

As part of processes conducted by the Bank to map and identify risk, the Bank reviews major risks, existing or new, arising from developments in the Bank's business environment, which may materialize over the coming year and with potential to materially impact the Bank's financial results and stability. The Bank also identifies emerging risks, 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.

Developments in risk assessments in the first nine months of 2026:

1. **Strategic business risk** – is the risk, in real time or in future, to Bank profits, capital, reputation or status, which may arise from erroneous business decisions, improper implementation of decisions by the Bank or inappropriate adaptation by the Bank to changes in the business environment in which it operates. The Bank is preparing for these changes by, inter alia, adapting the banking production functions through, inter alia, increased investment in technology, so as to maintain the Bank's position as an advanced, human bank. This is material risk requiring risk management measures to be applied, assessment and early identification of events which may preclude implementation of the strategy.

   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) and immediate report dated March 30, 2026 (Ref. No.: 2026-01-029795).
2. **Business and geopolitical environment risk** - reflects exogenous risks arising from the business environment in which the Bank operates and the uncertainty as to the security, economic and geopolitical conditions in Israel. The business and geopolitical environment risk is assessed as medium-high and 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.

- **Macro-economic risk** – The Bank's activity is affected by the state of the local and global economy; significant changes in monetary policy and in interest rate curves, market volatility and changes in prices of financial assets in Israel and world-wide and in real estate prices may potentially impact the Bank's activity. In the third quarter of 2026 the Israeli economy continued to recover despite geopolitical effects.
  The Bank regularly assesses the macroeconomic risk, monitors the potential effects on the credit portfolio and on sectors with high sensitivity, and modifies the credit policy accordingly. Furthermore, the collective provision is increased in respect of macroeconomic uncertainty.
- **Regulatory risk** – reflects the risk of legislation, including legislation in progress, in core banking areas, as well as new regulation and regulatory expectations of regulatory entities, whether in progress or completed, which may potentially impact core banking operations.

  This risk includes aspects pertaining to the threat to impose international sanctions on Israel. The Bank assesses and monitors this risk on an ongoing basis.

3. **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. Under the bolstering of its technological infrastructure, the Bank invests extensively in technology systems in order to address the evolving challenges of the business environment, and to maintain its differentiation as an advanced yet people-focused bank while providing advanced technological solutions, implementing the use of AI-based business, technological, and operational solutions, and mitigating various aspects of technological risk. 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 risk level remained medium.
4. **Cyber and information security risk** - a risk arising from deficiencies in protection of the Bank's computer systems and information stored therein. Cyber risk materializes in case of an event including an attack on computer systems by or on behalf of internal or external adversaries of the Bank. The Bank's information security and cyber team operates fully and continuously, improving and bolstering defense capabilities and mechanisms, in conformity with expansion of threats and challenging needs which the Bank is required to face. In view of the war, the Bank significantly raised its alert, vigilance and readiness in order to identify and avert any cyber events. The Bank also acts to prevent fraud, by bolstering its monitoring activity to identify any suspect activity in customer accounts.

   In view of the war with Iran and the 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. Iran may potentially attempt to achieve success in the cyberspace. The Bank constantly enhances and improves its control and protection function and monitors developments in risk aspects.

   During the third quarter of 2026, the assessment of information security and cyber risk levels remained unchanged at medium-high, having been increased from medium in the second quarter of 2025.

   The Bank is making preparations for the emerging threat in recognition that the expansion of the use of AI technologies by attackers and the deployment of offensive AI tools might lead to more sophisticated cyberattacks. The Bank is studying the risk and preparing for it through an orderly plan to improve the effectiveness of the controls and defense capabilities.

5. **Compliance and regulatory risks**[(1)] – Bank business operations are subject to regulation. Compliance risk is the risk of the imposition of sanctions, material financial loss or damage to reputation, which the Bank may incur due to its failure to comply with various compliance provisions.

   Compliance provisions also include the following laws: ISA Enforcement Proceeding Streamlining Law (Legislative Amendments), 2011; Securities Law 1968; Mutual Investment Law, 1994; Arrangement of Engagement in Investment Consultancy, Investment Marketing and Management of Portfolios Law, 1995 (hereinafter: "the Advisory Law"); (hereinafter jointly – "securities laws") as well as the Economic Competition Law, 1988. Compliance with these laws is also handled by internal enforcement programs of securities laws and economic competition laws, respectively. Compliance risk also includes Bank compliance with fairness aspects and with the provisions of the Privacy Protection Law, 1981 and regulations promulgated thereunder. As part of the Bank's addressing this issue, the Chief Compliance Officer was appointed as the officer in charge of privacy protection.

   The Bank has minimal risk appetite for compliance and regulatory risk, with regard to compliance with statutory provisions applicable to the Bank. Therefore, the Bank has determined that any deficiencies found in compliance with

(1) Compliance and regulatory risks may arise from non-compliance with regulatory directives applicable to business operations, vs. regulatory business risk, which refers to the impact of new legislation and regulation in core matters of the financial system.

statutory provisions should be addressed by Bank units as a top priority. The Bank has specified a multi-annual work plan, which includes required action for reducing compliance risk.

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 risks (including conduct, fairness and privacy-protection compliance), AML and terror financing risk. 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.

6. **Artificial Intelligence (AI) risks** - the Bank takes action to implement AI solutions in its technological and business domains in order to improve customer services and the Bank's internal and technological processes and support a faster and more accurate decision-making processes by employees and managers. The incorporation of AI applications in the banking system constitutes an opportunity to streamline and improve processes; however, it also involves risks, such as: Model risk, technology risk, operational risk, information security and cybersecurity risks, and other risks. Therefore, the Bank ensures a responsible and gradual implementation supported by risk management and monitoring and control processes. The Bank has in place control and monitoring mechanisms in line with corporate governance principles defined to achieve adequate risk management.
7. **Environmental risk and climate risk** – such risks are part of ESG (Environment, Society and Governance) risks - emerging risks which are characterized with greater changes compared to other risks over time.
   - **A.** **Environmental risks** are risk deriving from the Bank's potential exposure to loss due to deterioration in the borrower's financial position due to high costs incurred as a result of environmental hazards (such as air and water pollution, soil contamination), regulation concerning environmental protection, or due to the Bank being indirectly liable for an environmental hazard caused by a project funded by the Bank. Environmental risk also includes other, derived risks: reputation risk, third-party liability risk and so forth.
   - **B.** **Climate risks** are due to increased frequency and intensity of weather events due to climate change. The Bank faces risk of financial loss or impact to its reputation, due to materialization of physical events, processes or adjustment to transition risk due to climate change.

     In recent years, there has been growing awareness in Israel and world-wide of the existence and extent of financial risk due to potential impact of events and processes related to climate change. The Bank is implementing Proper Conduct of Banking Business Directive 345 "Principles for effective management of climate-related financial risk", which entered into effect in June 2026.

   For more information regarding the management of these risks, see the Environment, society and governance chapter to the 2025 Report of the Board of Directors and Management and the 2025 ESG report, which includes the report of the Task Force on Climate-Related Financial Disclosures (TCFD), which presents the Bank's preparations for effective management of climate risks.

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 2025 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 2026, 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

In the first nine months of 2026, the Group's net profit amounted to NIS 4,032 million, compared to NIS 4,226 million in the corresponding period last year - a 4.6% decrease. This profit reflects annualized return on equity of 15.0%.

The Group's net profit in the third quarter of 2026 amounted to NIS 1,366 million, compared to NIS 1,483 million in the corresponding period last year – a 7.9% decrease. This profit reflects annualized return on equity of 15.0%.

The Group's net profit after deducting the effect of the special tax outline for 2026 and benefits to customers under the voluntary consumer benefits outline (net total effect of NIS 574 million) totaled NIS 4,606 million in the first nine months of 2026. This profit reflects a return on equity of 17.1%. This, compared to a NIS 4,512 million net profit after deducting the effect of the special tax outline for 2025 and benefits to customers under the voluntary consumer benefits outline, which started in the second quarter of 2025, and net of revenues in respect of a deferred credit balance recognized following the acquisition of Union Bank in the corresponding period last year.

The Group's net profit after deducting the effect of the special tax outline for 2026 and benefits to customers under the voluntary consumer benefits outline (net total effect of NIS 208 million) totaled NIS 1,574 million in the third quarter of 2026. This profit reflects a return on equity of 17.2%. This, compared to a NIS 1,605 million net profit after deducting the effect of the special tax outline for 2025 and benefits to customers under the voluntary consumer benefits outline, which started in the second quarter of 2025, and net of revenues in respect of a deferred credit balance recognized following the acquisition of Union Bank in the corresponding period last year.

It is noted that the profit was affected, among other things, by a 1.25% decrease in the Bank of Israel's interest rate and by an 0.5% decrease in the Fed's interest rate.

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 2026, , as detailed below, totaled NIS 8,297 million, compared to NIS 8,480 million in the corresponding period last year - a 2.2% decrease; in the third quarter of 2026 they totaled NIS 2,758 million compared to NIS 2,822 million in the corresponding quarter last year, a 2.3% decrease.

net interest revenues and non-interest financing revenues[(1)]In the first nine months of 2026,) totaled NIS 9,092 million, compared to NIS 9,280 million in the corresponding period last year - a 2.0% decrease; in the third quarter of 2026 they totaled NIS 3,030 million compared to NIS 3,203 million in the corresponding quarter last year, a 5.4% decrease.

Net interest revenues and non-interest financing revenues are affected by the CPI, the cuts to the Bank of Israel and the Fed's interest rates, the effect of benefits provided to customers under the various outlines, and - on the other hand - an increase following a rise in activity volumes.

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

	2026			2025				Change rate in %
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter	Third quarter of 2026 to third quarter of 2025
Interest revenues, net	2,905	3,012	2,693	2,689	3,146	3,093	2,799	
Non-interest financing revenues[(1)]	125	171	186	145	57	43	142	
Total financing revenues	**3,030**	**3,183**	**2,879**	**2,834**	**3,203**	**3,136**	**2,941**	**(5.4)**
Net of:								
Effect of the Consumer Price Index	278	311	(23)	(140)	347	323	60	
Revenues from interest collected with respect to problematic debts	10	11	9	12	13	11	11	
Gains (losses) from bonds and shares	(57)	110	49	168	37	55	38	
Other effects[(2)]	41	(19)	75	(30)	(16)	(82)	3	
Total effects other than from current operations	**272**	**413**	**110**	**10**	**381**	**307**	**112**	
Total financing revenues from current operations	**2,758**	**2,770**	**2,769**	**2,824**	**2,822**	**2,829**	**2,829**	**(2.3)**
Average Bank of Israel interest (in percentages)	**3.44**	**3.91**	**4.02**	**4.40**	**4.50**	**4.50**	**4.50**	

	Nine months		
			Change rate
	2026	**2025**	**(In %)**
Total financing revenues	9,092	9,280	(2.0)
Total effects other than from current operations	795	800	
Total financing revenues from current operations	**8,297**	**8,480**	**(2.2)**
Average Bank of Israel interest (in percentages)	**3.79**	**4.50**	

(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 is a breakdown of financing revenues by supervisory operating segment (NIS in millions):

	Third quarter			
Operating segment	**2026**	**2025**	**Change amount**	**Change in %**
Private individuals:				
Households – residential mortgages	657	702	(45)	(6.4)
Households – other	887	972	(85)	(8.7)
Private banking	113	114	(1)	(0.9)
Total individuals	**1,657**	**1,788**	**(131)**	**(7.3)**
Business operations:				
Small and micro businesses	608	622	(14)	(2.3)
Medium businesses	193	213	(20)	(9.4)
Large businesses	427	380	47	12.4
Institutional investors	92	84	8	9.5
Total business activity	**1,320**	**1,299**	**21**	**1.6**
Financial management	(125)	(54)	(71)	-
Total activity in Israel	**2,852**	**3,033**	**(181)**	**(6.0)**
Overseas activity	178	170	8	4.7
Total	**3,030**	**3,203**	**(173)**	**(5.4)**

	For the nine months ended September 30			
Operating segment	**2026**	**2025**	**Change amount**	**Change in %**
Private individuals:				
Households – residential mortgages	2,078	2,103	(25)	(1.2)
Households – other	2,648	2,897	(249)	(8.6)
Private banking	333	334	(1)	(0.3)
Total individuals	**5,059**	**5,334**	**(275)**	**(5.2)**
Business operations:				
Small and micro businesses	1,800	1,900	(100)	(5.3)
Medium businesses	592	555	37	6.7
Large businesses	1,235	1,074	161	15.0
Institutional investors	284	217	67	30.9
Total business activity	**3,911**	**3,746**	**165**	**4.4**
Financial management	(422)	(330)	(92)	-
Total activity in Israel	**8,548**	**8,750**	**(202)**	**(2.3)**
Overseas activity	544	530	14	2.6
Total	**9,092**	**9,280**	**(188)**	**(2.0)**

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 the activity in Israel, in various linkage segments (NIS in millions):

	Third quarter			Nine months		
Linkage segment	**2026**	**2025**	**Change in %**	**2026**	**2025**	**Change in %**
Israeli currency – non-linked	370,241	324,362	14.1	361,771	320,676	12.8
Israeli currency – linked to the CPI	78,913	84,141	(6.2)	79,876	84,452	(5.4)
Foreign currency (including Israeli currency linked to foreign currency)	23,184	29,725	(22.0)	29,160	24,396	19.5
Total	**472,338**	**438,228**	**7.8**	**470,807**	**429,524**	**9.6**
Total including activity overseas	**501,187**	**472,223**	**6.1**	**500,069**	**463,118**	**8.0**

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

Below are the 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 percentages):

	Third quarter		Nine months	
Linkage segments	**2026**	**2025**	**2026**	**2025**
Israeli currency – non-linked	1.44	1.66	1.49	1.70
Israeli currency – linked to the CPI	1.78	2.24	2.04	2.01
Foreign currency	1.24	0.55	0.46	0.58
Total	**1.54**	**1.78**	**1.52**	**1.72**

(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 affected, among other things, by cuts to the Bank of Israel Interest rate and the Fed interest rate and by the subsidence of the increase in the inflation rate compared to the corresponding period last year.

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, In the first nine months of 2026, the Group's totaled NIS 191 million, constituting 0.06% (annualized) of total loans to the public, net. In the corresponding period last year, the Group's expenses with respect to credit losses totaled NIS 203 million, constituting 0.07% (annualized) of total loans to the public, net.
Expenses with respect to credit losses for the Group amounted to NIS 70 million in the third quarter of 2026, or an annualized rate of 0.06% of total loans to the public, net, compared to expenses amounting to NIS 44 million in the corresponding period last year – an annualized rate of 0.04% of total loans to the public, net.
The increase in expenses for credit losses in the third quarter of 2026 compared to the corresponding quarter last year arises primarily from collective provision and from an increase in the volume of credit.

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

	Third quarter		Nine months	
	2026	**2025**	**2026**	**2025**
Expenses for credit losses on individual basis				
Increased expenses	39	79	241	254
Decreased expenses	(48)	(46)	(123)	(149)
Total individual expense (revenue) for credit losses[1]	**(9)**	**33**	**118**	**105**
Net accounting write-offs[2]	**62**	**61**	**193**	**170**
Expenses for credit losses on group basis with respect to residential mortgages	(23)	(28)	(92)	(65)
Other	40	(22)	(28)	(7)
Total group expense (revenues) for credit losses	**17**	**(50)**	**(120)**	**(72)**
Total expenses with respect to credit losses	**70**	**44**	**191**	**203**
Rate of the expenses with respect to credit losses as percentage of total loans to the public, net (annualized)	**0.06%**	**0.04%**	**0.06%**	**0.07%**
Of which: With respect to commercial loans other than residential mortgages	**0.21%**	**0.19%**	**0.21%**	**0.23%**
Of which: with respect to residential mortgages	**(0.04%)**	**(0.05%)**	**(0.05%)**	**(0.04%)**
Rate of the expenses with respect to individual provision for credit losses, as percentage of total loans to the public, net (annualized):	**(0.01%)**	**0.03%**	**0.04%**	**0.04%**

(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	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Private individuals:								
Households – residential mortgages	(23)	(28)	(92)	(65)	(0.04)	(0.05)	(0.05)	(0.04)
Households – other	14	61	58	149	0.19	0.89	0.27	0.72
Private banking	(1)	-	-	-	-	-	-	-
Total individuals	**(10)**	**33**	**(34)**	**84**	**(0.01)**	**0.05**	**(0.02)**	**0.04**
Business operations:								
Small and micro businesses	20	(18)	90	31	0.22	(0.21)	0.33	0.12
Medium businesses	17	15	51	13	0.26	0.33	0.26	0.09
Large businesses	54	8	30	19	0.35	0.06	0.07	0.05
Institutional investors	(6)	-	(13)	9	(0.26)	-	(0.19)	0.16
Total business activity	**85**	**5**	**158**	**72**	**0.26**	**0.02**	**0.16**	**0.09**
Financial management	2	-	5	1	-	-	-	-
Total activity in Israel	**77**	**38**	**129**	**157**	**0.07**	**0.04**	**0.04**	**0.06**
Overseas activity	(7)	6	62	46	(0.17)	0.19	0.50	0.48
Total	**70**	**44**	**191**	**203**	**0.06**	**0.04**	**0.06**	**0.07**

(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 2026 amounted to NIS 482 million, compared to NIS 242 million in the corresponding period last year.
Non-interest financing expenses in the third quarter of 2026 amounted to NIS 125 million, compared to NIS 57 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 1,763 million in the first nine months of 2026, compared to NIS 1,684 million in the corresponding period last year – a 4.7% increase.
Commission revenues in the third quarter of 2026 amounted to NIS 580 million, compared to NIS 561 million in the corresponding period last year – an increase by 3.4%.

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

	Third quarter		Nine months		All of
	2026	2025	2026	2025	2025
Account management	108	111	320	328	447
Activities involving securities	83	86	271	250	341
Conversion differences	86	92	275	279	368
Commissions from financing transactions	92	81	287	279	366
Credit cards	84	72	244	205	283
Credit processing(1)	31	33	94	99	130
Other commissions	96	86	272	244	316
Total commissions	**580**	**561**	**1,763**	**1,684**	**2,251**

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

Other revenues in the first nine months of 2026, amounted to NIS 60 million compared to NIS 203 million in the corresponding period last year.
Other revenues in the third quarter of 2026 amounted to NIS 20 million, compared to NIS 66 million in the corresponding period last year.
Other revenues in the third quarter of 2025 included revenues amounting to NIS 51 million (NIS 153 million in the first nine months of 2025) with respect to net deferred credit balance recognized with respect to acquisition of Union Bank which is recognized on profit and loss over 5 years as from the fourth quarter of 2020 and through the end of the third quarter of 2025, such that no revenues were recorded in 2026.

Operating and other expenses in the first nine months of 2026 amounted to NIS 3,895 million, compared to NIS 3,972 million in the corresponding period last year, a decrease of 1.9%.
Operating and other expenses in the third quarter of 2026 amounted to NIS 1,280 million, compared to NIS 1,310 million in the corresponding period last year, a decrease by 2.3%.
For details by operating expense component, see below.

Payroll and associated expenses in the first nine months of 2026 amounted to NIS 2,463 million, compared to NIS 2,569 million in the corresponding period last year, a decrease of 4.1%.
Payroll and associated expenses in the third quarter of 2026 amounted to NIS 790 million, compared to NIS 835 million in the corresponding period last year – a decrease by 5.4%.
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 2026, amounted to NIS 809 million compared to NIS 807 million in the corresponding period last year – a 0.2% increase.
Maintenance and depreciation expenses for buildings and equipment amounted to NIS 273 million in the third quarter of 2026, compared with NIS 278 million in the corresponding period last year, a decrease by 1.8%.

Other expenses amounted to NIS 623 million in the first nine months of 2026, compared with NIS 596 million in the corresponding period last year – a year-over-year increase by 4.5%.
Other expenses in the third quarter of 2026 amounted to NIS 217 million, compared to NIS 197 million in the corresponding period last year.

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

	2026			2025			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Cost Income Ratio	35.3	33.9	38.1	37.0	34.2	34.9	37.8

	Nine months		All of
	2026	2025	2025
Cost Income Ratio	35.7	35.6	35.9

(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 6,829 million in the first nine months of 2026, compared with NIS 6,992 million in the corresponding period last year – a 2.3% decrease. For a detailed explanation, see above.
The Group's pre-tax profit in the third quarter of 2026 amounted to NIS 2,280 million, compared to NIS 2,476 million in the corresponding period last year, a 7.9% decrease. For a detailed explanation, see above.

The rate of provision for taxes out of profit In the first nine months of 2026, was 39.2%, compared to 37.3% in the corresponding period last year.
In the third quarter of 2026, the rate of provision for taxes out of profit was 38.9%, compared to 37.8% in the corresponding period last year.
The rate of provision for taxes of profit 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 and from the amendment to the law of March 30, 2026. For details see Note 17 to the financial statements and the business goals and strategy chapter above.

The Bank's share of post-tax profit of associates – in the first nine months of 2026 the Bank recognized profits with respect to associates amounting to NIS 42 million, compared to NIS 13 million in the corresponding period last year.

The Bank's share in associates' post-tax profits - in the third quarter of 2026 the Bank recognized gains with respect to associates amounting to NIS 27 million, compared to NIS 2 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 2026 amounted to NIS 163 million, compared to NIS 170 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 2026 amounted to NIS 54 million, compared to NIS 60 million in the corresponding period last year.

Net profit attributable to shareholders of the Bank in the first nine months of 2026 amounted to NIS 4,032 million, compared to NIS 4,226 million in the corresponding period last year.

Net profit attributable to shareholders of the Bank in the third quarter of 2026 amounted to NIS 1,366 million, compared to NIS 1,483 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 2026 by NIS 134 million, compared to a NIS 172 million increase in the corresponding period last year.

In the third quarter of 2026, those effects reduced the Bank's equity by NIS 105 million, compared to a NIS 76 million increase in the Bank's equity in the corresponding period last year.
For more information see Note 4 to the financial statements.

Below is the development of the Group's return[(1)] on equity[(2)] at the end of the quarter (in %):

	2026			2025			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net profit return on equity	15.0	16.0	14.1	16.3	17.6	17.8	16.2

(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.

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

	Third quarter		Nine months		All of
	2026	2025	2026	2025	2025
Basic earnings per share	5.25	5.71	15.50	16.29	21.69
Diluted earnings per share	5.21	5.68	15.45	16.20	21.58
Dividends per share	274	279	782	680	965

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
	2026	2025	2025	2025	2025
Total assets	575,227	525,389	551,173	9.5	4.4
Cash and deposits with banks	73,755	68,478	82,849	7.7	(11.0)
Loans to the public, net	436,434	391,875	400,501	11.4	9.0
Securities	42,391	45,375	47,903	(6.6)	(11.5)
Buildings and equipment	2,354	1,940	2,159	21.3	9.0
Deposits from the public	468,192	421,487	448,397	11.1	4.4
Deposits from banks	2,131	2,926	2,058	(27.2)	3.5
Bonds and subordinated notes	43,106	41,358	40,365	4.2	6.8
Shareholders' equity	36,667	33,965	34,765	8.0	5.5

Cash and deposits with banks – the balance of cash and deposits with banks decreased in the first nine months of 2026 by NIS 9.1 billion, as part of on-going management of Bank liquidity.

Loans to the public, net – loans to the public, net as of September 30, 2026 accounted for 76% of total assets, compared to 73% at the end of 2025. Loans to the public, net in the first nine months of 2026 increased by NIS 35.9 billion, or 9.0%.

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
	2026	2025	2025	2025	2025
Israeli currency					
Non-linked	332,508	286,041	296,231	16.2	12.2
CPI-linked	75,160	81,694	79,125	(8.0)	(5.0)
Foreign currency, including linked to foreign currency	28,766	24,140	25,145	19.2	14.4
Total	**436,434**	**391,875**	**400,501**	**11.4**	**9.0**

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
	2026	2025	2025	2025	2025
Private individuals:					
Households – residential mortgages	257,809	239,012	244,163	7.9	5.6
Households – other	29,149	27,411	28,143	6.3	3.6
Private banking	243	151	182	60.9	33.5
Total individuals	**287,201**	**266,574**	**272,488**	**7.7**	**5.4**
Business operations:					
Small and micro businesses	36,096	34,746	34,680	3.9	4.1
Medium businesses	26,240	18,316	20,621	43.3	27.2
Large businesses	61,180	51,782	51,844	18.1	18.0
Institutional investors	9,256	7,669	7,882	20.7	17.4
Total business activity	**132,772**	**112,513**	**115,027**	**18.0**	**15.4**
Overseas activity	16,461	12,788	12,986	28.7	26.8
Total	**436,434**	**391,875**	**400,501**	**11.4**	**9.0**

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, 2026				**As of September 30, 2025**			
	Com-mercial	**Resi-dential**	**Indi-vidual**	**Total**	**Com-mercial**	**Resi-dential**	**Indi-vidual**	**Total**
Credit risk at performing credit rating[2]								
On-balance sheet credit risk	148,220	252,542	29,126	429,888	123,004	234,180	27,033	384,217
Off-balance sheet credit risk[5]	78,922	18,799	7,831	105,552	87,202	19,352	16,423	122,977
Total credit risk at performing credit rating	**227,142**	**271,341**	**36,957**	**535,440**	**210,206**	**253,532**	**43,456**	**507,194**
Credit risk other than at performing credit rating								
A. Non-problematic	4,080	3,837	363	8,280	4,868	3,413	335	8,616
B. Problematic accruing	1,220	-	212	1,432	1,027	-	204	1,231
C. Problematic non-accruing	1,133	2,433	41	3,607	1,374	2,577	72	4,023
Total on-balance sheet credit risk other than at performing credit rating	**6,433**	**6,270**	**616**	**13,319**	**7,269**	**5,990**	**611**	**13,870**
Off-balance sheet credit risk not in credit performance rating[5]	1,578	-	21	1,599	1,962	-	39	2,001
Total credit risk other than at performing credit rating	**8,011**	**6,270**	**637**	**14,918**	**9,231**	**5,990**	**650**	**15,871**
Of which: Accruing debts, in arrears 90 days or longer	174	-	79	253	94	-	56	150
Overall credit risk including of the public[3]	**235,153**	**277,611**	**37,594**	**550,358**	**219,437**	**259,522**	**44,106**	**523,065**
Non-performing assets[4]	**1,133**	**2,433**	**41**	**3,607**	**1,374**	**2,577**	**72**	**4,023**

	Credit risk[1]			
	As of December 31, 2025			
	Com-mercial	**Resi-dential**	**Indi-vidual**	**Total**
Credit risk at performing credit rating[2]				
On-balance sheet credit risk	125,271	239,336	27,845	392,452
Off-balance sheet credit risk	89,731	19,284	16,440	125,455
Total credit risk at performing credit rating	**215,002**	**258,620**	**44,285**	**517,907**
Credit risk other than at performing credit rating				
A. Non-problematic	5,221	3,396	355	8,972
B. Problematic accruing	1,095	-	221	1,316
C. Problematic non-accruing	1,345	2,535	76	3,956
Total on-balance sheet credit risk other than at performing credit rating	**7,661**	**5,931**	**652**	**14,244**
Off-balance sheet credit risk not in credit performance rating	2,039	-	51	2,090
Total credit risk other than at performing credit rating	**9,700**	**5,931**	**703**	**16,334**
Of which: Accruing debts, in arrears 90 days or longer	90	-	80	170
Overall credit risk including of the public[3]	**224,702**	**264,551**	**44,988**	**534,241**
Non-performing assets[4]	**1,345**	**2,535**	**76**	**3,956**

(1) On- and off-balance sheet credit risk presented before the effect of provision for credit losses.

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

(4) Assets not accruing interest.

(5) The balances as of September 30, 2026 are presented in accordance with the measurement requirements and method prescribed under the new Public Conduct of Banking Business Directive 313, which is implemented as from July 1, 2026. The implementation of the new directive was carried out on a prospective basis.

- 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, 2026 amounted to NIS 550 billion, compared to NIS 534 billion as of December 31, 2025 – an increase by 3.0%.

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, 2026				As of September 30, 2025			
	Com-mercial	Resi-dential	Indi-vidual	Total	Com-mercial	Resi-dential	Indi-vidual	Total
Analysis of quality of loans to the public								
Non-accruing credit as percentage of total loans to the public	0.74	0.94	0.14	0.82	1.06	1.07	0.26	1.01
Non-accruing credit in arrears 90 days or longer as percentage of total loans to the public	0.85	0.94	0.40	0.87	1.14	1.07	0.46	1.05
Problematic credit as percentage of total loans to the public	1.54	0.94	0.85	1.14	1.86	1.07	1.00	1.32
Credit not at performing credit rating as percentage of total loans to the public	4.25	2.42	2.07	3.03	5.68	2.49	2.21	3.50
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	0.21	(0.05)	0.27	0.05	0.13	(0.04)	0.72	0.07
Net accounting write-offs as percentage of average balance of loans to the public	0.21	-	0.80	0.13	0.32	-	0.60	0.15
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	1.49	0.39	2.07	0.88	1.79	0.48	2.61	1.05
Provision for credit losses as percentage of total loans to the public non-accruing	203.0	41.3	1,502.4	108.2	168.1	44.5	1,002.8	103.7
Provision for credit losses as percentage of total loans to the public non-accruing or in arrears 90 days or longer	175.6	41.3	513.3	101.1	157.3	44.5	564.1	99.9
Expense rate with respect to credit losses from net accounting write-offs	0.97	-	0.33	0.46	0.42	-	1.20	0.50

	As of December 31, 2025			
	Com-mercial	Resi-dential	Indi-vidual	Total
Analysis of quality of loans to the public				
Non-accruing credit as percentage of total loans to the public	1.02	1.03	0.27	0.97
Non-accruing credit in arrears 90 days or longer as percentage of total loans to the public	1.09	1.03	0.55	1.02
Problematic credit as percentage of total loans to the public	1.85	1.03	1.04	1.30
Credit not at performing credit rating as percentage of total loans to the public	5.87	2.42	2.29	3.52
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	(0.05)	0.72	0.06
Net accounting write-offs as percentage of average balance of loans to the public	0.28	-	0.59	0.13
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	1.74	0.45	2.57	1.01
Provision for credit losses as percentage of total loans to the public non-accruing	171.1	43.3	964.5	104.1
Provision for credit losses as percentage of total loans to the public non-accruing or in arrears 90 days or longer	160.2	43.3	469.9	99.8
Expense rate with respect to credit losses from net accounting write-offs	0.46	29.75	1.22	0.48

(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	December 31
	2026	2025	2025	2025	2025
Off-balance sheet financial instruments other than derivatives:					
Unutilized debitory account and other credit facilities in accounts					
On-call, un-utilized	43,807	41,646	42,821	5.2	2.3
Guarantees to home buyers	18,293	17,776	17,518	2.9	4.4
Irrevocable commitments for loans approved but not yet granted	39,835	38,821	38,921	2.6	2.3
Unutilized revolving credit card facilities	14,675	13,550	13,658	8.3	7.4
Commitments to issue guarantees	23,808	18,754	19,231	26.9	23.8
Guarantees and other commitments	21,347	16,132	18,749	32.3	13.9
Loan guarantees	5,316	5,093	5,356	4.4	(0.7)
Documentary credit	397	481	193	(17.5)	105.7
Derivative financial instruments[(1)]:					
Total par value of derivative financial instruments	555,181	465,863	503,027	19.2	10.4
(On-balance sheet) assets with respect to derivative instruments	7,197	6,346	6,293	13.4	14.4
(On-balance sheet) liabilities with respect to derivative instruments	6,802	6,561	7,028	3.7	(3.2)

(1) Includes forward transactions, swaps, futures, 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 decreased in the first nine months of 2026 by NIS 5.5 billion. The decrease in investment in securities is under asset and liability management by the Bank.

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

	Carrying amount	Amortized cost (for shares – cost)	Provision for credit losses	Gain from fair value adjustments	Loss from fair value adjustments	Fair value[(1)]
						September 30, 2026
Bonds held to maturity	3,582	3,582	-	18	(70)	3,530
Bonds available for sale	15,801	15,989	-	[(2)]208	[(2)](396)	15,801
Investment in shares not held for trading	1,188	882	-	[(3)]367	[(3)](61)	1,188
Securities held for trading	21,820	21,887	-	[(3)]32	[(3)](99)	21,820
Total securities	**42,391**	**42,340**	**-**	**625**	**(626)**	**42,339**
						September 30, 2025
Bonds held to maturity	3,501	3,501	-	10	(90)	3,421
Bonds available for sale	27,435	27,456	(8)	[(2)]291	[(2)](304)	27,435
Investment in shares not held for trading	1,048	885	-	[(3)]170	[(3)](7)	1,048
Securities held for trading	13,391	13,094	-	[(3)]309	[(3)](12)	13,391
Total securities	**45,375**	**44,936**	**(8)**	**780**	**(413)**	**45,295**
						December 31, 2025
Bonds held to maturity	3,514	3,514	-	16	(78)	3,452
Bonds available for sale	24,753	24,645	-	[(2)]384	[(2)](276)	24,753
Investment in shares not held for trading	1,180	917	-	[(3)]279	[(3)](16)	1,180
Securities held for trading	18,456	18,400	-	[(3)]63	[(3)](7)	18,456
Total securities	**47,903**	**47,476**	**-**	**742**	**(377)**	**47,841**

(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):

				Change in % compared to	
	September 30	December 31		September 30	December 31
	2026	2025	2025	2025	2025
Israeli currency					
Non-linked	19,734	15,671	17,312	25.9	14.0
CPI-linked	12,662	8,557	12,337	48.0	2.6
Foreign currency (including linked to foreign currency)	8,779	20,076	17,048	(56.3)	(48.5)
Non-monetary items	1,216	1,071	1,206	13.5	0.8
Total	**42,391**	**45,375**	**47,903**	**(6.6)**	**(11.5)**

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

	Carrying amount as of		
	September 30, 2026	September 30, 2025	December 31, 2025
Government bonds:			
Government of Israel	36,541	29,734	34,891
US Government	1,451	11,894	9,139
Total Government bonds	**37,992**	**41,628**	**44,030**
Bonds of financial institutions in Israel:			
Total bonds of financial institutions in Israel	**1,833**	**1,297**	**1,281**
Bonds of banks in developed nations:			
USA	21	19	18
Other	42	50	48
Total bonds of banks in developed nations	**63**	**69**	**66**
Corporate bonds (by economic sector):			
Rental property	397	460	452
Power, gas, steam and air conditioning	190	233	230
Mining and excavation	56	86	81
Industrial – chemical industry	42	47	44
Construction	128	134	133
Other	424	296	329
Total corporate bonds	**1,237**	**1,256**	**1,269**
Asset-backed corporate bonds (ABS)			
Mining and excavation	50	54	51
Total asset-backed corporate bonds (ABS)	**50**	**54**	**51**
Shares and other securities			
Investment in shares not held for trading	1,188	1,048	1,180
Of which: Shares for which no fair value is available[(1)]	760	738	837
Shares and other securities held for trading	28	23	26
Total shares and other securities	**1,216**	**1,071**	**1,206**
Total securities	**42,391**	**45,375**	**47,903**

(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 2026 by NIS 195 million. The increase arises mainly from technological investments against current change due to depreciation.

Deposits from the public – these account for 81% of total consolidated balance sheet as of September 30, 2026, which is similar to their weight as of December 31, 2025. In the first nine months of 2026, deposits from the public with the Bank Group increased by NIS 19.8 billion, or 4.4%.

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
	2026	2025	2025	2025	2025
Israeli currency					
Non-linked	365,182	314,817	340,219	16.0	7.3
CPI-linked	30,583	32,572	35,170	(6.1)	(13.0)
Foreign currency, including linked to foreign currency	72,427	74,098	73,008	(2.3)	(0.8)
Total	**468,192**	**421,487**	**448,397**	**11.1**	**4.4**

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
	2026	2025	2025	2025	2025
Private individuals:					
Households – other	134,167	135,244	134,084	(0.8)	0.1
Private banking	33,775	32,604	32,795	3.6	3.0
Total individuals	**167,942**	**167,848**	**166,879**	**0.1**	**0.6**
Business operations:					
Small and micro businesses	54,895	52,166	53,114	5.2	-
Medium businesses	34,406	32,915	34,696	4.5	(0.8)
Large businesses	53,305	40,158	43,234	32.7	23.3
Institutional investors	138,814	113,939	134,535	21.8	3.2
Total business activity	**281,420**	**239,178**	**265,579**	**17.7**	**6.0**
Overseas activity	18,830	14,461	15,939	30.2	18.1
Total	**468,192**	**421,487**	**448,397**	**11.1**	**4.4**

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

	September 30		December 31
	2026	2025	2025
Maximum deposit			
Up to 1	115,619	112,848	112,941
Over 1 to 10	98,913	97,667	97,901
Over 10 to 100	44,307	44,554	44,779
Over 100 to 500	35,215	34,995	35,754
Above 500	174,138	131,423	157,022
Total	**468,192**	**421,487**	**448,397**

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, 2026 amounted to NIS 2.1 billion, a NIS 0.1 billion increase compared to the end of 2025.

Bonds and subordinated notes – The balance of bonds and subordinated notes as of September 30, 2026 amounted to NIS 43.1 billion, an increase by NIS 2.7 billion compared to the balance as of December 31, 2025. Over the course of the first nine months of 2026, bonds and subordinated notes were affected, among other things, by private international placements and by the issuance of bonds alongside early redemptions, current redemptions and changes 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, 2026 amounted to NIS 36.7 billion, compared to NIS 34.8 billion and NIS 34.0 billion as of December 31, 2025 and as of September 30, 2025, an increase by 5.5% and 8.0%, respectively.

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

	September 30		December 31
	2026	2025	2025
Share capital and premium[1]	3,702	3,654	3,655
Capital reserve from benefit from share-based payment transactions	121	111	129
Cumulative other comprehensive income (loss)[2][3]	(59)	(43)	75
Retained earnings[4]	32,903	30,243	30,906
Total	**36,667**	**33,965**	**34,765**

(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 2025 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, 2026, the shareholders' equity to total assets ratio was 6.37% compared to 6.31% as of December 31, 2025 and 6.46% as of September 30, 2025.

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, 2026, 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 of 2025, 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 2025 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 0.03% 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.

For details regarding the Bank and the State of Israel's credit rating, see chapter "Corporate governance, audit, other information about the Bank and its management".

A 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, 2026 will decline by 0.20% and 0.26%, 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 2025 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
	2026	2025	2025
Capital for purpose of calculating the capital ratio			
Tier I shareholders' equity	37,170	34,406	35,239
Tier I capital	37,170	34,406	35,239
Tier II capital	10,675	9,837	9,671
Total capital	**47,845**	**44,243**	**44,910**
Weighted risk asset balances			
Credit risk	345,719	312,876	317,841
Market risks	2,281	2,171	2,126
Operational risk[(1)]	20,119	24,158	24,188
Total weighted risk asset balances	**368,119**	**339,205**	**344,155**

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

	September 30, 2026	September 30, 2025	December 31, 2025
Ratio of Tier I equity to risk components	10.10	10.14	10.24
Ratio of total capital to risk components	13.00	13.04	13.05
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

(1) As from January 1, 2026 the Bank applies the revised Directive 206 regarding the calculation of capital requirements in respect of operational risk. For more information see Note 9 to the financial statements.

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

	As of September 30, 2026		As of September 30, 2025		As of December 31, 2025	
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	1,528	191	1,885	236	1,807	226
Debts of public sector entities	899	112	729	91	979	122
Debts of banking corporations	4,152	519	3,554	444	3,489	436
Securities companies	3,068	384	2,480	310	3,319	415
Debts of corporations	135,869	16,984	120,691	15,086	121,400	15,175
Debts secured by commercial property	8,114	1,014	6,906	863	7,768	971
Retail exposures to individuals	24,157	3,020	22,511	2,814	22,639	2,830
Loans to small businesses	11,366	1,421	10,850	1,356	10,935	1,367
Residential mortgages	142,506	17,813	129,865	16,233	132,261	16,533
Other assets	12,395	1,549	11,841	1,480	11,708	1,464
Total	**344,054**	**43,007**	**311,312**	**38,913**	**316,305**	**39,539**

(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, 2026		As of September 30, 2025		As of December 31, 2025	
	Weighted risk asset balances	**Capital requirement[1]**	**Weighted risk asset balances**	**Capital requirement[1]**	**Weighted risk asset balances**	**Capital requirement[1]**
Market risk	2,281	285	2,171	271	2,126	266
CVA risk with respect to derivatives [2]	1,665	208	1,564	196	1,536	192
Operational Risk[3]	20,119	2,515	24,158	3,020	24,188	3,024
Total	**24,065**	**3,008**	**27,893**	**3,487**	**27,850**	**3,482**
Total risk assets	**368,119**	**46,015**	**339,205**	**42,400**	**344,155**	**43,021**

(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) As from January 1, 2026 the Bank applies the revised Directive 206 regarding the calculation of capital requirements in respect of operational risk. For more information see Note 9 to the financial statements.

Leverage ratio

The Bank applies the rules set in Proper Conduct of Banking Business Directive 218 with regard to leverage ratio, which adopts the Basel Committee's recommendations on 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 on this date would be required to revert to the required leverage ratio required prior to the temporary order within two quarters.

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
	2026	2025	2025
Consolidated data			
Tier I capital	37,170	34,406	35,239
Total exposure	626,541	572,454	599,134
			In %
Leverage ratio	5.93	6.01	5.88
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 the dividend distribution rate such that it will amount 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 more information see the Dividend chapter of the 2025 Report of the Board of Directors and Management.

Note that in conformity with the aforementioned dividends policy, the Bank may buy-back Bank shares, subject to the foregoing. Note that buy-back of Bank shares, as noted above, shall be considered a "distribution", as defined in the Corporate Law, 1999 and would therefore reduce any dividends amount to be distributed by the Bank pursuant to the dividends policy. "Distribution" pursuant to the dividends policy (both dividends distribution and share buy-back), as noted above, in conformity with Board resolutions in this regard, as passed from time to time and subject to statutory provisions, including restrictions stipulated by the Supervisor of Banks.

Note that the aforementioned dividends policy does not constitute any resolution nor commitment to make any dividends distribution, and that any "distribution" would be subject to approvals as required by law, including approval of the distribution by the Board of Directors, all at the discretion of the Board of Directors and subject to all statutory provisions.

Dividend distribution

Below is information about dividend distributions by the Bank since 2024 (in reported amounts):

Declaration date	Payment date	Dividend per share (Agorot)	Dividends as percent of profit (In %)	Total dividends paid (NIS in millions)
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[(1)]				**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
November 17, 2025	December 2, 2025	285.24	50	741.5
Total dividends distributed in 2025[(2)]				**2,506.4**
February 25, 2026	March 16, 2026	270.04	50	702.0
May 18, 2026	June 4, 2026	237.99	50	619.0
August 16, 2026	August 31, 2026	274.12	50	714.0
Total dividends distributed in 2026[(3)]				**2,035.0**

(1) Total dividends distributed with respect to 2024 earnings – NIS 2,182.0 million.

(2) Total dividends distributed with respect to 2025 earnings – NIS 2,686.0 million.

(3) Total dividends distributed with respect to 2026 earnings – NIS 1,333.0 million.

Dividends declared

On November 16, 2026, the Bank's Board of Directors resolved to distribute dividends amounting to NIS 683 million, constituting 50% of earnings in the third quarter of 2026, in accordance with the Bank's dividend policy, and after examining the Bank's capital planning in the various scenarios.

The dividend amount constitutes 2620.92% of the issued share capital, i.e. NIS 2.6209 per NIS 0.1 par value share. The effective date for dividends payment is November 24, 2026 and the payment date is December 1, 2026. 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
	2026	2025	2025	2025
Securities[(1)]	717,892	620,805	644,679	15.6	11.4
Assets of provident funds for which the Group provides operating services	286,065	221,523	238,224	29.1	20.1
Assets held in trust by Bank Group	193,282	154,185	163,265	25.4	18.4
Other assets under management[(2)]	17,842	18,597	17,890	(4.1)	(0.3)

(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 the supervisory operating segments in the Report of the Board of Directors and Management, and due to the correlation between supervisory segments and the management approach, segment information (both qualitative and quantitative) is presented below in a condensed format 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 revenues and deposit interest expenses are directly attributed to the customer. In respect of credit, customers are attributed an expense at the cost of the sources, against an inter-segment credit to the Financial Management segment. For deposits, revenue set at the original cost of capital raised is attributed to customers, against an inter-segment debit to the Financial Management segment. Each of the segments is credited for capital attributed to its operations against a debit to the Financial Management segment. Capital consumption is measured by the average risk-weighted assets managed by the segment.

All other revenues are allocated directly to the segment in accordance with the customer assignment, and the expenses are allocated 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 2025 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	
	2026	2025	2026	2025
Private individuals:				
Households – residential mortgages	991	1,030	24.6	24.4
Households – other	808	878	20.0	20.8
Private banking	221	226	5.5	5.3
Total individuals	**2,020**	**2,134**	**50.1**	**50.5**
Business operations:				
Small and micro businesses	804	933	19.9	22.1
Medium businesses	314	320	7.8	7.6
Large businesses	752	658	18.7	15.6
Institutional investors	129	60	3.2	1.4
Total business activity	**1,999**	**1,971**	**49.6**	**46.7**
Financial management	(241)	(129)	(6.0)	(3.1)
Total activity in Israel	**3,778**	**3,976**	**93.7**	**94.1**
Overseas activity	254	250	6.3	5.9
Total	**4,032**	**4,226**	**100.0**	**100.0**

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

Household Segment

Supervisory definition

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

Differences between management approach and supervisory definition

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

Operating results in the household segment

	For the nine months ended September 30					
	2026			2025		
	NIS in millions					
	Other	Residential mortgages	Total	Other	Residential mortgages	Total
Profit and profitability						
Total interest revenues, net	2,648	2,078	4,726	2,897	2,103	5,000
Commissions and other revenues	604	87	691	552	97	649
Total revenues	**3,252**	**2,165**	**5,417**	**3,449**	**2,200**	**5,649**
Expenses (reduction of expenses) with respect to credit losses	58	(92)	(34)	149	(65)	84
Operating and other expenses	1,678	628	2,306	1,677	622	2,299
Profit before provision for taxes	1,516	1,629	3,145	1,623	1,643	3,266
Provision for taxes	594	638	1,232	606	613	1,219
After-tax profit	922	991	1,913	1,017	1,030	2,047
Net profit:						
Attributable to non-controlling interests	(114)	-	(114)	(139)	-	(139)
Attributable to shareholders of the banking corporation	**808**	**991**	**1,799**	**878**	**1,030**	**1,908**
Balance sheet – key items:						
Loans to the public (end balance)	29,746	258,785	288,531	28,111	240,124	268,235
Loans to the public, net (end balance)	29,149	257,809	286,958	27,411	239,012	266,423
Deposits from the public (end balance)	134,167	-	134,167	135,244	-	135,244
Average balance of loans to the public	29,629	251,514	281,143	28,378	232,199	260,577
Average balance of deposits from the public	134,713	-	134,713	134,317	-	134,317
Average balance of risk assets	24,380	147,257	171,637	23,085	137,496	160,581
Credit spreads and deposit spreads:						
Margin from credit granting operations	673	1,732	2,405	686	1,746	2,432
Margin from activities of receiving deposits	1,929	-	1,929	2,153	-	2,153
Other	46	346	392	58	357	415
Total interest revenues, net	**2,648**	**2,078**	**4,726**	**2,897**	**2,103**	**5,000**

Net profit attributable to the household segment in the first nine months of 2026 amounted to NIS 1,799 million, compared to NIS 1,908 million in the corresponding period last year. The decrease is largely due to a decrease in interest revenues, net, mainly from the cost of benefits given to Bank customers adversely affected by the impact of the war, and the decrease in the Bank of Israel and the Fed's interest rates.

Net profit attributable to residential mortgage operations in the household segment in the first nine months of 2026 amounted to NIS 991 million, compared to NIS 1,030 million in the corresponding period last year.
Interest revenues, net in the first nine months of 2026 amounted to NIS 2,078 million, compared to NIS 2,103 million in the corresponding period last year.
The decrease arose mainly from the cut to the Bank of Israel interest, but was largely offset by further increase in the volume of activity – an increase of 8.3% in the average balance of the loans to the public compared to the corresponding period last year.
Net profit attributable to household operations (other than residential mortgages) in the first nine months of 2026 amounted to NIS 808 million, compared to NIS 878 million in the corresponding period last year.
Interest revenues, net amounted to NIS 2,648 million, compared to NIS 2,897 million in the corresponding period last year. The decrease was largely due to the cost of benefits given to Bank customers adversely affected by the impact of the war, and the decrease in the Bank of Israel and the Fed's interest rates.
Expenses with respect to credit losses amounted to NIS 58 million in the first nine months of 2026, compared to NIS 149 million last year. The change in expenses with respect of credit losses was due to a decrease in collective provision with respect to the war and the uncertainty in the economy.
Operating and other expenses amounted to NIS 1,678 million, compared to NIS 1,677 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					
	2026			2025		
	NIS in millions					
	Other	Residential mortgages	Total	Other	Residential mortgages	Total
Profit and profitability						
Total interest revenues, net	887	657	1,544	972	702	1,674
Commissions and other revenues	206	30	236	194	31	225
Total revenues	**1,093**	**687**	**1,780**	**1,166**	**733**	**1,899**
Expenses (reduction of expenses) with respect to credit losses	14	(23)	(9)	61	(28)	33
Operating and other expenses	555	209	764	564	202	766
Profit before provision for taxes	524	501	1,025	541	559	1,100
Provision for taxes	204	194	398	205	212	417
After-tax profit	320	307	627	336	347	683
Net profit:						
Attributable to non-controlling interests	(35)	-	(35)	(47)	-	(47)
Attributable to shareholders of the banking corporation	**285**	**307**	**592**	**289**	**347**	**636**
Balance sheet – key items:						
Loans to the public (end balance)	29,746	258,785	288,531	28,111	240,124	268,235
Loans to the public, net (end balance)	29,149	257,809	286,958	27,411	239,012	266,423
Deposits from the public (end balance)	134,167	-	134,167	135,244	-	135,244
Average balance of loans to the public	30,163	256,080	286,243	28,748	237,299	266,047
Average balance of deposits from the public	134,941	-	134,941	134,977	-	134,977
Average balance of risk assets	24,836	150,211	175,047	22,795	140,292	163,087
Credit spreads and deposit spreads:						
Margin from credit granting operations	227	548	775	224	579	803
Margin from activities of receiving deposits	645	-	645	731	-	731
Other	15	109	124	17	123	140
Total interest revenues, net	**887**	**657**	**1,544**	**972**	**702**	**1,674**

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.

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	
	2026	2025	2026	2025
	NIS in millions			
Profit and profitability				
Total interest revenues, net	333	334	113	114
Commissions and other revenues	45	43	16	14
Total revenues	**378**	**377**	**129**	**128**
Operating and other expenses	14	16	4	7
Profit before provision for taxes	364	361	126	121
Provision for taxes	143	135	49	46
Net profit	**221**	**226**	**77**	**75**
Balance sheet – key items:				
Loans to the public (end balance)	244	152	244	152
Loans to the public, net (end balance)	243	151	243	151
Deposits from the public (end balance)	33,775	32,604	33,775	32,604
Average balance of loans to the public	191	139	225	143
Average balance of deposits from the public	32,761	31,761	33,231	32,175
Average balance of risk assets	150	113	150	129
Credit spreads and deposit spreads:				
Margin from credit granting operations	3	1	1	1
Margin from activities of receiving deposits	330	333	112	113
Total interest revenues, net	**333**	**334**	**113**	**114**

Net profit attributable to the private banking segment in the first nine months of 2026 amounted to NIS 221 million, compared to NIS 226 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.

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	
	2026	2025	2026	2025
	NIS in millions			
Profit and profitability				
Total interest revenues, net	1,800	1,882	608	622
Commissions and other revenues	435	452	149	150
Total revenues	**2,235**	**2,334**	**757**	**772**
Expenses with respect to credit losses	90	31	20	(18)
Operating and other expenses	816	828	267	262
Profit before provision for taxes	1,329	1,475	470	528
Provision for taxes	521	551	183	199
After-tax profit	**808**	**924**	**287**	**329**
Net profit attributed to non-controlling interests	(4)	(3)	(2)	(1)
Net profit attributable to shareholders of the banking corporation	**804**	**921**	**285**	**328**
Balance sheet – key items:				
Loans to the public (end balance)	37,285	36,002	37,285	36,002
Loans to the public, net (end balance)	36,096	34,746	36,096	34,746
Deposits from the public (end balance)	54,895	52,166	54,895	52,166
Average balance of loans to the public	36,284	38,238	36,778	37,192
Average balance of deposits from the public	53,547	52,411	54,567	55,073
Average balance of risk assets	34,373	33,872	34,605	34,744
Credit spreads and deposit spreads:				
Margin from credit granting operations	938	924	314	308
Margin from activities of receiving deposits	751	851	257	278
Other	111	107	37	36
Total interest revenues, net	**1,800**	**1,882**	**608**	**622**

Net profit attributable to the micro and small businesses segment in the first nine months of 2026 amounted to NIS 804 million, compared to NIS 921 million in the corresponding period last year. The decrease is largely due to a decrease in interest revenues, net.

Interest revenues, net in the first nine months of 2026 amounted to NIS 1,800 million, compared to NIS 1,882 million in the corresponding period last year. The decrease is largely due to the cost of benefits given to Bank customers adversely affected by the impact of the war, and the decrease in the Bank of Israel's interest rate.

Operational and other expenses in the first nine months of 2026 amounted to NIS 816 million, compared to NIS 828 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.

Operating results of medium business segment

	For the nine months ended September 30		For the three months ended September 30	
	2026	2025	2026	2025
	NIS in millions			
Profit and profitability				
Total interest revenues, net	592	571	193	213
Commissions and other revenues	98	97	32	34
Total revenues	**690**	**668**	**225**	**247**
Expenses (reduction of expenses) with respect to credit losses	51	13	17	15
Operating and other expenses	122	128	39	42
Profit before provision for taxes	517	527	169	190
Provision for taxes	203	197	66	72
Net profit	**314**	**330**	**103**	**118**
Balance sheet – key items:				
Loans to the public (end balance)	26,491	18,559	26,491	18,559
Loans to the public, net (end balance)	26,240	18,316	26,240	18,316
Deposits from the public (end balance)	34,406	32,915	34,406	32,915
Average balance of loans to the public	23,929	15,650	25,371	17,608
Average balance of deposits from the public	34,750	26,052	34,534	29,952
Average balance of risk assets	20,491	17,184	21,281	17,672
Credit spreads and deposit spreads:				
Margin from credit granting operations	338	322	110	112
Margin from activities of receiving deposits	203	202	64	83
Other	51	47	19	18
Total interest revenues, net	**592**	**571**	**193**	**213**

Net profit attributable to the medium businesses segment in the first nine months of 2026 amounted to NIS 314 million, compared to NIS 330 million in the corresponding period last year.
Interest revenues, net in the first nine months of 2026 amounted to NIS 592 million, compared to NIS 571 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 2026, expenses due to credit losses amounted to NIS 51 million, compared to expenses of NIS 13 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.

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	
	2026	2025	2026	2025
	NIS in millions			
Profit and profitability				
Total interest revenues, net	1,235	1,076	427	380
Commissions and other revenues	218	197	78	53
Total revenues	**1,453**	**1,273**	**505**	**433**
Expenses (reduction of expenses) with respect to credit losses	30	19	54	8
Operating and other expenses	186	203	62	68
Profit before provision for taxes	1,237	1,051	389	357
Provision for taxes	485	391	152	134
Net profit	**752**	**660**	**237**	**223**
Balance sheet – key items:				
Loans to the public (end balance)	61,613	52,181	61,613	52,181
Loans to the public, net (end balance)	61,180	51,782	61,180	51,782
Deposits from the public (end balance)	53,305	40,158	53,305	40,158
Average balance of loans to the public	57,883	45,194	61,049	48,448
Average balance of deposits from the public	51,149	43,879	55,279	40,993
Average balance of risk assets	84,848	70,406	87,888	77,294
Credit spreads and deposit spreads:				
Margin from credit granting operations	897	753	311	266
Margin from activities of receiving deposits	161	154	60	52
Other	177	169	56	62
Total interest revenues, net	**1,235**	**1,076**	**427**	**380**

Net profit attributable to the large businesses segment in the first nine months of 2026 amounted to NIS 752 million, compared to NIS 660 million in the corresponding period last year. The increase was primarily due to increase in interest revenues, net.

Interest revenues, net in the first nine months of 2026 amounted to NIS 1,235 million, compared to NIS 1,076 million in the corresponding period last year. The increase was 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.

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	
	2026	2025	2026	2025
	NIS in millions			
Profit and profitability				
Total interest revenues, net	284	217	92	84
Commissions and other revenues	51	36	17	11
Total revenues	**335**	**253**	**109**	**95**
Expenses (reduction of expenses) with respect to credit losses	(13)	9	(6)	-
Operating and other expenses	136	149	44	51
Profit before provision for taxes	212	95	71	44
Provision for taxes	83	35	28	16
Net profit	**129**	**60**	**43**	**28**
Balance sheet – key items:				
Loans to the public (end balance)	9,256	7,686	9,256	7,686
Loans to the public, net (end balance)	9,256	7,669	9,256	7,669
Deposits from the public (end balance)	138,814	113,939	138,814	113,939
Average balance of loans to the public	9,268	5,173	9,120	6,895
Average balance of deposits from the public	138,091	103,045	139,095	110,283
Average balance of risk assets	1,672	1,423	1,552	1,241
Credit spreads and deposit spreads:				
Margin from credit granting operations	42	24	14	9
Margin from activities of receiving deposits	239	190	77	74
Other	3	3	1	1
Total interest revenues, net	**284**	**217**	**92**	**84**

Net profit attributable to the institutional investors segment in the first nine months of 2026 amounted to NIS 129 million, compared to NIS 60 million in the corresponding period last year. The increase was mainly due to an increase in net interest revenues, due to an increase in volume 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	
	2026	2025	2026	2025
	NIS in millions			
Profit and profitability				
Interest revenues (expenses), net	(904)	(572)	(250)	(111)
Non-interest financing revenues	482	242	125	57
Commissions and other revenues	245	389	51	133
Total revenues (expenses)	**(177)**	**59**	**(74)**	**79**
Expenses with respect to credit losses	5	1	2	-
Operating and other expenses	210	240	66	79
Profit (loss) before provision for taxes	(392)	(182)	(142)	-
Provision for taxes	(154)	(68)	(56)	(1)
After-tax profit (loss)	(238)	(114)	(86)	1
Share of banking corporation in earnings of associated companies	42	13	27	2
Net profit (loss) before attribution to non-controlling interests	(196)	(101)	(59)	3
Net profit (loss) attributed to non-controlling interests	(45)	(28)	(17)	(12)
Net profit (loss) attributable to shareholders of the banking corporation	**(241)**	**(129)**	**(76)**	**(9)**
Balance sheet – key items:				
Average balance of risk assets	26,322	22,933	26,730	23,923
Credit spreads and deposit spreads:				
Margin from credit granting operations	-	-	-	-
Margin from activities of receiving deposits	-	-	-	-
Other	(904)	(572)	(250)	(111)
Total interest revenues, net	**(904)**	**(572)**	**(250)**	**(111)**

The loss attributable to the financial management segment in the first nine months of 2026 amounted to NIS 241 million, compared to a NIS 129 million loss in the corresponding period last year.

Financing revenues amounted to a NIS 422 million expense, compared to a NIS 330 million expense in the corresponding period last year. The decease was mainly due to the effect of the Consumer Price Index.

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

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

Overseas activity

Supervisory definition

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

Differences between management approach and supervisory definition

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

Operating results overseas

	For the nine months ended September 30		For the three months ended September 30	
	2026	2025	2026	2025
	NIS in millions			
Profit and profitability				
Total interest revenues, net	544	530	178	170
Commissions and other revenues	40	24	21	7
Total revenues	**584**	**554**	**199**	**177**
Expenses with respect to credit losses	62	46	(7)	6
Operating and other expenses	105	109	34	35
Profit before provision for taxes	417	399	172	136
Provision for taxes	163	149	67	52
Net profit	**254**	**250**	**105**	**84**
Balance sheet – key items:				
Loans to the public (end balance)	16,646	12,953	16,646	12,953
Loans to the public, net (end balance)	16,461	12,788	16,461	12,788
Deposits from the public (end balance)[(1)]	18,830	14,461	18,830	14,461
Average balance of loans to the public	14,894	10,342	15,948	10,428
Average balance of deposits from the public	17,493	17,581	18,952	16,939
Average balance of risk assets	18,760	15,281	19,661	15,646
Credit spreads and deposit spreads:				
Margin from credit granting operations	339	305	111	103
Margin from activities of receiving deposits	77	98	28	25
Other	128	127	39	42
Total interest revenues, net	**544**	**530**	**178**	**170**

Net profit attributable to the overseas operations segment in the first nine months of 2026 amounted to NIS 254 million, compared to NIS 250 million in the corresponding period last year.

Interest revenues, net in the first nine months of 2026 amounted to NIS 544 million, compared to NIS 530 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 2026 amounted to NIS 449 million, compared with NIS 368 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 2026 amounted to NIS 163 million, compared to NIS 170 million in the corresponding period last year. Bank Yahav's net profit return on equity in the first nine months of 2026 was 13.0% on annualized basis, compared to 15.2% in the corresponding period last year.

Bank Yahav's total assets as of September 30, 2026 amounted to NIS 37,870 million, compared to NIS 37,912 million as of December 31, 2025 – a NIS 42 million decrease (0.1%). Net loans to the public as of September 30, 2026 amounted to NIS 12,975 million, compared to NIS 12,458 million as of December 31, 2025 – an increase by NIS 517 million, or 4.1%. Net deposits from the public as of September 30, 2026 amounted to NIS 33,224 million, compared to NIS 32,954 million as of December 31, 2025 – an increase by NIS 270 million, or 0.8%.

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 2026 amounted to NIS 71 million, compared to NIS 78 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 2026 amounted to NIS 59 million, compared to NIS 81 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 22 million in the first nine months of 2026 – compared to NIS 15 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.

Most of the nostro investments and the investments in associates are carried out through Mizrahi Tefahot Invest Ltd., a wholly-owned investment company of the Bank, which is engaged in the investment of funds and/or sale of interests in corporations, initiating investments and operating and managing companies.

Net profit of Mizrahi Tefahot Invest Ltd. in the first nine months of 2026 amounted to NIS 129 million, compared to NIS 29 million in the corresponding period last year.

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, 2026 amounted to NIS 2,061 million, compared to NIS 1,551 million and NIS 1,687 million as of September 30, 2025 and as of December 31, 2025, respectively. The Bank’s gains from investment in shares in the first nine months of 2026 amounted to NIS 149 million, compared to NIS 133 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 2025 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 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.

In view of the developments in the economy during the third quarter of 2026, 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 2026 remained unchanged compared to assessments issued in the second quarter of 2026. 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 2025.

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 2026, the Bank delivered to the Bank of Israel the results of the stress scenario for 2025. According to the results of the stress scenario, the Bank retains its robustness and stability throughout the scenario period, while maintaining adequate regulatory capital and leverage ratios. For more information regarding the uniform scenario outline for 2025, see the Risks Report for the second quarter of 2026.

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 factor, the Bank estimates its potential impact on business operations over the coming year based on a scale comprising five risk levels: Low, Low-medium, Medium, Medium, Medium-High and High.
The risk assessment for each risk and examination of their materiality level is reviewed as part of the ICAAP process (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.
In the current quarter, the risk assessments remained unchanged and reflect the security and economic uncertainty.
For details, see the 2025 Risks Report and the Risks overview chapter in the 2025 financial statements.

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 a significant risk in the activity of 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.

On December 29, 2025, the Supervisor of Banks published Proper Conduct of Banking Business Directive No. 313 regarding large exposures (LEX10-LEX40); this provision is based on a Basel Committee standard on this topic of 2014 and supplements the capital measurement and capital adequacy provisions.

The new directive entered into effect on July 1, 2026.

Set forth below are the key changes in the directive:

- Putting in place a new set of definitions, and in particular revised definitions of "counterparty" and a "group of counterparties" instead of "borrower" and a "group of borrowers", setting control and economic dependency tests and revising some of the exposure limits.
- Modifying the measurement of the exposure and the mitigation of credit risk in respect of qualifying collateral such that they comply with the Basel Committee directives regarding capital adequacy.
- Setting a principle whereby when a counterparty exposure was reduced against eligible credit risk mitigation technique, the exposure to the entity providing the credit protection should be recognized by the amount by which the original exposure was reduced.
- The calculation of the exposures includes on- and off-balance sheet exposures in the banking portfolio and the trading portfolio.

Concurrently, directives regarding reporting to the supervisor, reporting to the public directives and certain Proper Conduct of Banking Business Directives were revised to comply with the requirements and the new indebtedness measurement method under the new Directive 313.

In accordance with the provisions of a Bank of Israel circular, the implementation of the new Directive 313 as from July

Overall effect of credit risks

In the third quarter of 2026, the overall level of credit risk remained medium. Against the backdrop of uncertainty regarding the geopolitical risks and the potential effect of the economic conditions on the business sector the credit quality benchmarks remained stable.

The Bank monitors and assesses the risk measures and risk levels on an ongoing basis, adapting them as required to current business activity, subject to and in line with the risk appetite.
Credit is at the core of banking activity, and therefore this is the primary risk of all risk types addressed by the banking system. Consequently, the lion's share of capital allocated in Pillar 1 is due to credit risk.

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, 2026, there is one group of counterparties whose exposure - after eligible deductions - exceeds 15% of the Bank's capital, as defined under Proper Conduct of Banking Business Directive 313. This group includes counterparties across sectors. Excess net exposure to this group amounts to NIS 5.7 billion, of which: NIS 3.3 billion in respect of off-balance sheet exposure; the potential off-balance sheet exposure in respect of derivative instruments out of this amount is immaterial.
For more information about significant exposures to borrower groups, see chapter "Credit Risk" in the Report of the 2025 Report of the Board of Directors and Management.

Major borrowers

Below is the sectoral composition of the top 6 borrowers for the Group as of September 30, 2026 (NIS in millions):

Borrower no.	Economic sector	On-balance sheet credit risk(1)	Off-balance sheet credit risk(1)	Total credit risk(1)
1.	Financial services	2,954	20	2,973
2.	Financial services	2,638	-	2,638
3.	Financial services	2,628	8	2,636
4.	Financial services	888	1,321	2,209
5.	Construction and real estate	-	2,202	2,202
6.	Financial services	120	2,001	2,121

(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.
(2) The balances as of September 30, 2026 are presented in accordance with the measurement requirements and method prescribed under the new Public Conduct of Banking Business Directive 313, which is implemented as from July 1, 2026. The implementation of the new directive was carried out on a prospective basis.

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, 2026				September 30, 2025				December 31, 2025			
Economic sector of acquired company	**On-balance sheet credit risk**	**Off-balance sheet credit risk**	**Total credit risk[1]**	**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**
Commerce	-	-	-	-	391	-	391	-	372	-	372	-
Power and water	335	-	335	-	425	-	425	-	379	-	379	-
Transport and storage	285	372	657	-	-	-	-	-	-	-	-	-
Mining and excavation	-	-	-	-	249	-	249	-	-	-	-	-
Financial services	-	-	-	-	603	-	603	-	602	-	602	-
Total	**620**	**372**	**992**	**-**	**1,668**	**-**	**1,668**	**-**	**1,353**	**-**	**1,353**	**-**

Credit to leveraged companies (NIS in millions):

	September 30, 2026				September 30, 2025				December 31, 2025			
Economic sector of borrower	**On-balance sheet credit risk**	**Off-balance sheet credit risk**	**Total credit risk[1]**	**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	456	412	868	-	424	493	917	-	455	436	891	-
Transport and storage	391	25	416	-	410	48	458	-	387	48	435	-
Total	**847**	**437**	**1,284**	**-**	**834**	**541**	**1,375**	**-**	**842**	**484**	**1,326**	**-**

(1) The balances as of September 30, 2026 are presented in accordance with the measurement requirements and method prescribed under the new Public Conduct of Banking Business Directive 313, which is implemented as from July 1, 2026. The implementation of the new directive was carried out on a prospective basis.

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[1]		
	September 30, 2026	September 30, 2025	December 31, 2025
Problematic credit risk:			
Non-accruing credit risk	3,636	4,063	3,996
Accruing problematic credit risk	1,483	1,297	1,380
Total problematic credit risk	**5,119**	**5,360**	**5,376**

(1) The balances as of September 30, 2026 are presented in accordance with the measurement requirements and method prescribed under the new Public Conduct of Banking Business Directive 313, which is implemented as from July 1, 2026. The implementation of the new directive was carried out on a prospective basis.

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

	September 30, 2026	September 30, 2025	December 31, 2025
Non-accruing credit in arrears 90 days or longer as percentage of total loans to the public	0.87	1.05	1.02
Non-accruing credit in arrears 90 days or longer as percentage of total non-residential loans to the public	0.78	1.02	0.99
Non-accruing credit in arrears 90 days or longer as percentage of total residential mortgages	0.94	1.07	1.03
Ratio of problematic loans to the public to total non-residential mortgages	1.43	1.71	1.71
Ratio of problematic credit risk to total credit risk with respect to the public	0.93	1.03	1.01

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, 2026				For the nine months ended September 30, 2025				For the year ended December 31, 2025			
	Com-mercial	Resi-dential	Indi-vidual	Total	Com-mercial	Resi-dential	Indi-vidual	Total	Com-mercial	Resi-dential	Indi-vidual	Total
Non-accruing loans to the public – balance at start of period	1,327	2,535	76	3,938	2,019	2,141	83	4,243	2,019	2,141	83	4,243
Loans classified as non-accruing during the period	444	1,502	57	2,003	532	1,441	42	2,015	740	2,046	64	2,850
Loans resuming accrual of interest revenues during the period	(227)	(1,492)	(17)	(1,736)	(346)	(981)	(10)	(1,337)	(366)	(1,584)	(16)	(1,966)
Loans subject to accounting write-off	(223)	-	(61)	(284)	(326)	-	(25)	(351)	(414)	-	(30)	(444)
Loans repaid	(206)	(112)	(14)	(332)	(520)	(24)	(18)	(562)	(652)	(68)	(25)	(745)
Non-accruing debt balance at end of period	**1,115**	**2,433**	**41**	**3,589**	**1,359**	**2,577**	**72**	**4,008**	**1,327**	**2,535**	**76**	**3,938**

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

Analysis of provision for credit losses

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

	Provision for credit losses					
	Loans to the public				Banks, governments and bonds	Total
	Com-mercial	Housing	Individual – other	Total		
	For the three months ended September 30, 2026					
Balance of provision for credit losses at start of period	2,244	1,029	654	3,927	5	3,932
Expenses with respect to credit losses	78	(23)	13	68	2	70
Net accounting write-offs	(59)	-	(51)	(110)	(1)	(111)
Balance of provision for credit losses at end of period	**2,263**	**1,006**	**616**	**3,885**	**6**	**3,891**
	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 with respect 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 nine months ended September 30, 2026					
Balance of provision for credit losses at start of period	2,270	1,098	733	4,101	5	4,106
Expenses with respect to credit losses	220	(92)	58	186	5	191
Net accounting write-offs	(227)	-	(175)	(402)	(4)	(406)
Balance of provision for credit losses at end of period	**2,263**	**1,006**	**616**	**3,885**	**6**	**3,891**
	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 with respect 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 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, 2026	September 30, 2025	December 31, 2025
Ratio of provision for credit losses to total loans to the public	0.88	1.05	1.01
Ratio of provision for credit losses to total credit risk with respect to the public	0.71	0.80	0.77

	Nine months [1]		All of
	2026	2025	2025
Ratio of expenses with respect to credit losses to average balance of loans to the public, gross	0.06	0.07	0.06
Ratio of net write-offs to average balance of loans to the public, gross	0.13	0.14	0.13
Ratio of expenses with respect to credit losses to average balance of loans to the public, net	0.06	0.07	0.06
Of which: With respect to commercial loans other than residential mortgages	0.22	0.25	0.24
Of which: with respect to residential mortgages	(0.05)	(0.04)	(0.05)
Ratio of net write-offs to average balance of loans to the public, net	0.13	0.14	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 slowdown in non-banking operations is a major risk factor for household activity and higher unemployment may increase the number of customers who face difficulties.
Credit policies and work procedures with regard to extending credit, including to individual customers, include directives and guidelines with regard to credit underwriting and adapting credit to customer needs and repayment capacity: Review of credit objective, requested LTV, loan term, analysis of customer's repayment capacity and repayment sources, for all of their indebtedness. This includes review of various economic parameters of the customer based, inter alia, on the customer's regular income[2], pledged or unencumbered savings, knowledge of the customer and past experience working with the customer. There are also procedures, designated work processes and controls for proactive offering of consumer credit to individual customers, in conformity with Bank of Israel directives.
As for credit to individual customers, the Bank's policy is in line with the Supervisor of Banks' Proper Conduct of Banking Business Directive 311A regarding "Management of consumer credit".
The Bank regularly monitors the risk level in the credit portfolio for individuals using, *inter alia*, the internal credit rating model for individual customers, as well as through continuous monitoring and analysis of expenses with respect credit losses.

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

	As of September 30		As of December 31
	2026	**2025**	**2025**
Debts			
Current account balances	2,143	1,911	2,081
Utilized credit card balances	5,379	4,782	5,228
Auto loans – adjustable interest	1,026	1,192	1,127
Auto loans – fixed interest	5,320	5,014	5,009
Other loans and credit – variable interest	15,473	14,331	14,626
Other loans and credit – fixed interest	390	412	423
Total debt (on-balance sheet credit)	**29,731**	**27,642**	**28,494**
Unutilized facilities, guarantees and other commitments [6]			
Current accounts – un-utilized facilities	6,235	6,049	5,986
Credit cards – un-utilized facilities	1,318	10,065	10,137
Guarantees	284	310	327
Other liabilities	32	48	50
Total un-utilized facilities, guarantees and other commitments (off-balance sheet credit)	**7,869**	**16,472**	**16,500**
Total credit risk to individuals	**37,600**	**44,114**	**44,994**
Of which:			
Bullet / balloon loans[3]	811	674	647
Financial asset portfolio and other collateral against credit risk[4]			
Financial assets portfolio:			
Deposits	4,577	4,107	4,427
Securities	494	316	349
Other monetary assets	57	87	77
Other collateral[5]	3,596	3,464	3,388
Total financial assets portfolio and other collateral against credit risk	**8,724**	**7,974**	**8,241**

(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.
(6) The balances as of September 30, 2026 are presented in accordance with the measurement requirements and method prescribed under the new Public Conduct of Banking Business Directive 313, which is implemented as from July 1, 2026. The implementation of the new directive was carried out on a prospective basis.

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

Loan ceiling and credit risk (NIS in thousands)		As of September 30, 2026		As of September 30, 2025		As of December 31, 2025	
		Number of Borrowers	Total credit risk[2]	Number of Borrowers	Total credit risk	Number of Borrowers	Total credit risk
	Up to 10	348,642	959	257,392	817	251,061	801
Above 10	Up to 20	116,700	1,692	116,146	1,717	115,693	1,709
Above 20	Up to 40	142,438	4,113	152,749	4,468	154,587	4,521
Above 40	Up to 80	125,023	7,065	164,889	9,472	168,402	9,663
Above 80	Up to 150	82,086	8,985	107,438	11,701	109,939	11,963
Above 150	Up to 300	52,240	10,676	58,304	12,024	59,402	12,154
Above 300		10,169	4,110	9,956	3,915	10,710	4,183
Total		**877,298**	**37,600**	**866,874**	**44,114**	**869,794**	**44,994**

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

(2) The balances as of September 30, 2026 are presented in accordance with the measurement requirements and method prescribed under the new Public Conduct of Banking Business Directive 313, which is implemented as from July 1, 2026. The implementation of the new directive was carried out on a prospective basis.

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

Income	As of September 30, 2026		As of September 30, 2025		As of December 31, 2025	
	NIS in millions	in %	NIS in millions	in %	NIS in millions	in %
Accounts with no fixed income for the account[2]	7,548	25.4	7,278	26.3	7,225	25.4
Less than NIS 10 thousand	2,843	9.6	2,940	10.6	3,253	11.4
Between NIS 10 thousand and NIS 20 thousand	8,254	27.8	7,935	28.7	8,166	28.7
Over NIS 20 thousand	11,086	37.2	9,489	34.4	9,850	34.5
Total	**29,731**	**100**	**27,642**	**100**	**28,494**	**100**

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

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

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

Term to maturity	As of September 30, 2026		As of September 30, 2025		As of December 31, 2025	
	NIS in millions	in %	NIS in millions	in %	NIS in millions	in %
Up to 1 year	4,476	20.2	4,182	20.0	4,271	20.2
Over 1 year to 3 years	6,867	30.9	6,558	31.3	6,634	31.3
Over 3 years to 5 years	5,075	22.9	5,003	23.9	4,883	23.0
Over 5 years to 7 years	2,594	11.7	2,339	11.2	2,403	11.3
Over 7 years[2]	3,197	14.3	2,867	13.6	2,994	14.2
Total	**22,209**	**100.0**	**20,949**	**100.0**	**21,185**	**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, 2026			As of September 30, 2025			As of December 31, 2025		
	Credit risk[3]			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	253	2	255	276	2	278	297	2	299
Problematic credit risk rate[2]	0.85%	0.03%	0.68%	1.00%	0.01%	0.63%	1.04%	0.01%	0.66%

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

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

(3) The balances as of September 30, 2026 are presented in accordance with the measurement requirements and method prescribed under the new Public Conduct of Banking Business Directive 313, which is implemented as from July 1, 2026. The implementation of the new directive was carried out on a prospective basis.

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

	Nine months		2025
	2026	2025	
Expense with respect to credit losses as percentage of total loans to the public to individuals	0.27%	0.72%	0.72%

Data for credit risk to individuals show that:

- Total debts by individuals (on-balance sheet credit) increased by 7.6% compared to September 30, 2025 and by 4.3% compared to December 31, 2025.
- Set forth below is the breakdown of total debts to private individuals:
  Checking accounts - 7.2%
  Credit cards - 18.1%
  Auto loans - 21.3%
  Other loans and credit - 53.4%
- Of all debts (on-balance sheet credit) as of September 30, 2026, 29.3% is secured by financial assets and other collateral in the customer's account (compared to 28.8% as of September 30, 2025 and 28.9% as of December 31, 2025).

Credit risk in construction and real estate economic sector in Israel

In financing the construction and real estate industry, specific analysis and monitoring tools are used to assist the Bank in reaching decisions on the granting of financial support to the various projects. Construction financing is focused mainly on residential construction. In addition, the financing is allocated between geographic regions. In extending credit for construction, the Bank focuses on the financial support method (closed-end financing). The application of this method is designed to reduce the exposure to risks in the granting of the loans, because it incorporates current and close monitoring of the progress of the financed projects, both before the loans are provided, and as the project receives the financial support, while maintaining a distinction between the financed projects and the business risks inherent in the other activities of the developer-borrower. The Bank is assisted by outside construction supervisors, and also relies on liens on the land in the project, to secure the loans. Loans under closed-end project financing are advanced only through corporate banking centers and specialized branches, and supervised by the real estate and construction 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 mitigate the risk, the Bank partially insures the portfolio of land designated for construction in a closed-end project and the portfolio of housing bonds and performance guarantees in projects to which it provides financing with domestic and overseas reinsurers.

The rate of sales has not changed to a material extent. An assessment of apartment sales data indicates that from June 2024 to December 2025 sales declined by an average of 0.9% per month, whereas between January 2026 to July 2026 they increased by 0.8% on average. However, the rate of sales remains lower compared to the years prior to the interest rate hike, due to, among other things, the interest rate environment which moderated to some extent but remained relatively high, unstable security conditions, high house prices as a proportion of income, and public expectations of a decline in price levels. Concurrently, the duration of execution of financed projects became longer and the cost of raw materials increased - factors which led to an increase in project budgets.

In terms of residential construction starts, from July 2025 to June 2026 the construction of 76 thousand residential units started, a 7% decrease compared to the previous 12 months. Concurrently, residential housing construction completions increased by 7.9%, at 61 thousand residential units. As of July 2026, the inventory of new apartments stood at approx. 85 thousand apartments, approx. 56% of which are located in Tel Aviv and the Central regions. The increase in inventory levels reflects the stagnation in the number of transactions, which was affected mainly by the high interest rate environment, the economic uncertainty due to the many security-related events in recent years, and the increased level of construction starts in recent years.

In recent years demand declined in the office space subsegment. This trend arises, among other things, from the decline in exchange rates and the slowdown in demand for employees in the high-tech sector, which is one of the principal users of office space; this slowdown has resulted in a mixed trend in the market, reflected in decline in rent and occupancy rates in the sector. This slowdown is mainly prominent in the suburbs of Tel Aviv and Gush Dan (where there is also oversupply), whereas the new office buildings at the center of Tel Aviv benefit from a higher demand alongside a renewed increase in rent.

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 the activity in this segment, including new credit provided, in conformity with benchmarks set in the Bank's policy.

Over the course of the third quarter of 2026, the credit risk in the construction and real estate sectors decreased by 2.8% compared to a 10.1% increase in the corresponding period last year). The decrease in the credit risk in this quarter arises from the implementation of the new Directive 313. For further details see the credit risk chapter.

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, 2026, as presented below (Credit Risk by Economic Sector) is 18.5%. It is noted 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 13.0% (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.

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. As stated above, the Bank's activity in this sector is mostly focused on extending credit for construction using the financial support method (closed-end financing). 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.

Stabilization of the security and political conditions and the sustained easing in the interest rate environment may cause buyers to return to the market and increase the rate of sales, which has slowed down in the past few quarters. The Bank monitors the development of the sector's risk characteristics and the effects of changes on Bank operations, including monitoring the portfolio and focusing on risk concentrations, including areas with high levels of unsold inventory, non-linear purchase contracts and transaction cancellations; so far, no risk materialization has been identified in those risk concentrations.

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, 2026							
	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[6]		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	32,502	7,381	23,990	63,873	181	55	279	21
Commercial and industrial	12,553	222	2,940	15,715	122	121	182	2
Total secured by real estate	**45,055**	**7,603**	**26,930**	**79,588**	**303**	**176**	**461**	**23**
Not secured by real estate	9,821	10	9,279	19,110	55	92	207	18
Total for construction and real estate economic sector in Israel	**54,876**	**7,613**	**36,209**	**98,698**	**358**	**268**	**668**	**41**
Of which: Designated for project assistance	32,470	7,597	24,441	64,508	144	52	35	21

	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[6]	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

	December 31, 2025							
	Credit risk to the public[1]							
				Credit risk	Total problematic credit risk		Balance of provision for credit losses	
	On balance sheet[2]	Guarantees to home buyers[5]	Off balance sheet[3] Facilities and other commitments	Of which:	Non-accruing	Other problematic[4]	On-balance sheet credit risk	Off-balance sheet credit risk
Secured by real estate:								
Housing	30,954	7,070	23,131	61,155	148	69	186	29
Commercial and industrial	12,053	199	2,841	15,093	101	107	160	3
Total secured by real estate	**43,007**	**7,269**	**25,972**	**76,248**	**249**	**176**	**346**	**32**
Not secured by real estate	9,735	9	10,285	20,029	84	78	166	18
Total for construction and real estate economic sector in Israel	**52,742**	**7,278**	**36,257**	**96,277**	**333**	**254**	**512**	**50**
Of which: Designated for project assistance	31,197	7,258	23,805	62,260	146	58	37	30

(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.
(6) The balances as of September 30, 2026 are presented in accordance with the measurement requirements and method prescribed under the new Public Conduct of Banking Business Directive 313, which is implemented as from July 1, 2026. The implementation of the new directive was carried out on a prospective basis.

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

	September 30, 2026			September 30, 2025			December 31, 2025		
	Credit risk[1][2]			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	18,634	939	19,573	19,616	1,386	21,002	19,269	1,319	20,588
Real estate under construction	17,512	31,026	48,538	13,298	29,028	42,326	15,400	29,669	45,069
Real estate completely constructed	8,909	2,568	11,477	8,854	2,949	11,803	8,338	2,253	10,591
Total credit secured by real estate in Israel	**45,055**	**34,533**	**79,588**	**41,768**	**33,363**	**75,131**	**43,007**	**33,241**	**76,248**
Not secured by real estate	9,821	9,289	19,110	8,382	9,352	17,734	9,735	10,294	20,029
Total credit risk for construction and real estate	**54,876**	**43,822**	**98,698**	**50,150**	**42,715**	**92,865**	**52,742**	**43,535**	**96,277**

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

	September 30 2026	December 31 2025	Change
	Credit risk to the public[1][2]		
Credit risk at performing credit rating:			
Total non-problematic credit risk	94,555	91,519	3.3%
Credit risk other than at performing credit rating:			
Problematic accruing	268	254	5.5%
Problematic non-accruing	358	333	7.5%
Non-problematic	3,517	4,171	(15.7%)
Total credit risk other than at performing credit rating	**4,143**	**4,758**	**(12.9%)**
Total credit risk for construction and real estate	**98,698**	**96,277**	**2.5%**

(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) The balances as of September 30, 2026 are presented in accordance with the measurement requirements and method prescribed under the new Public Conduct of Banking Business Directive 313, which is implemented as from July 1, 2026. The implementation of the new directive was carried out on a prospective basis.

Credit risk by economic sector

As of September 30, 2026

Reported amounts (NIS in millions)

	Total credit risk[1][7]				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	1,171	1,135	5	31	1,171	907	31	19	(5)	5	19
Mining and excavation	7,042	7,023	18	1	6,933	4,916	1	-	16	-	52
Industry and production	15,272	14,087	631	554	15,001	8,834	554	161	(25)	17	320
Of which: Diamonds	1,086	965	3	118	1,086	707	118	56	(6)	6	38
Construction and real estate – construction[6]	86,056	82,220	3,384	452	85,954	43,921	452	271	114	26	433
Construction and real estate – real estate operations	12,642	12,335	133	174	12,275	10,521	170	83	63	4	276
Electricity and water delivery	14,199	14,072	103	24	13,871	9,207	24	1	9	1	174
Commerce	18,911	18,043	346	522	18,703	15,085	522	290	6	95	353
Hotels, dining and food services	2,814	2,686	66	62	2,716	2,240	62	26	4	29	82
Transport and storage	6,242	5,644	511	87	6,215	4,413	87	45	(1)	-	115
Information and communications	2,665	2,581	69	15	2,571	1,831	15	7	1	(1)	28
Financial services	48,157	48,082	69	6	42,424	26,932	6	2	(27)	(11)	19
Of which: Non-bank financial institutions	22,847	22,847	-	-	18,020	9,256	-	-	(10)	-	5
Of which: Capital market actors	7,925	7,925	-	-	7,910	7,675	-	-	-	-	-
Of which: Credit services providers	6,823	6,823	-	-	6,784	5,916	-	-	7	-	8
Of which: Holding companies	942	938	2	2	918	700	2	2	(16)	(10)	3
Other business services	8,391	8,084	148	159	8,376	6,073	159	69	1	15	155
Public and community services	4,198	4,031	97	70	4,190	3,412	70	45	20	11	92
Total commercial	**227,760**	**220,023**	**5,580**	**2,157**	**220,400**	**138,292**	**2,153**	**1,019**	**176**	**191**	**2,118**
Private individuals – residential mortgages	268,372	262,102	3,837	2,433	268,372	258,788	2,433	2,433	(92)	-	1,006
Private individuals – other	37,608	36,971	382	255	37,600	29,731	255	41	58	175	616
Total public – activity in Israel	**533,740**	**519,096**	**9,799**	**4,845**	**526,372**	**426,811**	**4,841**	**3,493**	**142**	**366**	**3,740**
Banks in Israel	1,366	1,366	-	-	799	799	-	-	-	-	-
Government of Israel	36,562	36,562	-	-	-	-	-	-	-	-	-
Total activity in Israel	**571,668**	**557,024**	**9,799**	**4,845**	**527,171**	**427,610**	**4,841**	**3,493**	**142**	**366**	**3,740**
Borrower activity overseas											
Total public – activity overseas	16,618	16,344	-	274	16,409	12,238	260	125	52	44	145
Overseas banks	17,616	17,616	-	-	14,159	14,112	-	-	1	-	5
Overseas governments	1,743	1,742	-	1	292	292	1	1	(4)	(4)	1
Total activity overseas	**35,977**	**35,702**	-	**275**	**30,860**	**26,642**	**261**	**126**	**49**	**40**	**151**
Total	**607,645**	**592,726**	**9,799**	**5,120**	**558,031**	**454,252**	**5,102**	**3,619**	**191**	**406**	**3,891**

(1) On- and off-balance sheet credit risk, including with respect to derivatives (NIS in millions): Debts[2] – 454,252; bonds – 41,175; securities borrowed or acquired under resale agreements – 21; (on- and off-balance sheet) credit risk with respect to derivatives – 8,418; and credit risk of off-balance-sheet financial instruments as calculated for the purpose of determining per-borrower indebtedness limits – 103,779.

(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 446 million and off-balance sheet credit risk amounting to NIS 566 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.

(7) The balances as of September 30, 2026 are presented in accordance with the measurement requirements and method prescribed under the new Public Conduct of Banking Business Directive 313, which is implemented as from July 1, 2026. The implementation of the new directive was carried out on a prospective basis.

Credit risk by economic sector – Continued

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	1,987	1,987	-	-	487	487	-	-	-	-	-
Government of Israel	30,371	30,371	-	-	-	-	-	-	-	-	-
Total activity in Israel	**543,102**	**527,632**	**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	26,627	26,627	-	-	23,780	23,706	-	-	1	-	4
Overseas governments	12,369	12,368	-	1	475	351	1	1	-	-	1
Total activity overseas	**51,317**	**50,915**	-	**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 December 31, 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	1,168	1,070	53	45	1,168	854	45	32	(3)	-	29
Mining and excavation	5,167	5,165	-	2	5,035	3,822	2	-	3	-	36
Industry and production	15,167	13,972	759	436	14,980	8,758	436	180	(53)	67	362
Of which: Diamonds	1,208	898	115	195	1,208	796	195	81	(29)	40	50
Construction and real estate – construction[6]	82,021	77,688	3,929	404	81,906	40,155	404	257	(51)	(14)	345
Construction and real estate – real estate operations	14,256	13,831	242	183	13,878	12,126	179	72	(9)	1	217
Electricity and water delivery	13,479	12,916	555	8	13,119	7,745	8	2	42	5	166
Commerce	17,445	16,243	601	601	17,229	13,430	601	374	43	53	442
Hotels, dining and food services	2,579	2,322	98	159	2,575	1,975	159	50	(1)	7	107
Transport and storage	5,295	4,688	517	90	5,279	2,817	90	54	62	31	116
Information and communications	2,060	2,021	27	12	1,988	1,183	12	7	(1)	(1)	26
Financial services	40,130	40,067	56	7	36,566	20,393	7	4	(12)	(2)	35
Other business services	8,561	8,221	195	145	8,547	5,362	145	76	25	42	169
Public and community services	3,700	3,481	125	94	3,688	2,754	94	65	26	23	83
Total commercial	**211,028**	**201,685**	**7,157**	**2,186**	**205,958**	**121,374**	**2,182**	**1,173**	**71**	**212**	**2,133**
Private individuals – residential mortgages	264,579	258,648	3,396	2,535	264,579	245,226	2,535	2,535	(119)	(4)	1,098
Private individuals – other	45,006	44,302	405	299	44,994	28,494	299	76	200	164	733
Total public – activity in Israel	**520,613**	**504,635**	**10,958**	**5,020**	**515,531**	**395,094**	**5,016**	**3,784**	**152**	**372**	**3,964**
Banks in Israel	1,972	1,972	-	-	584	584	-	-	-	-	-
Government of Israel	35,485	35,485	-	-	1	1	-	-	-	-	-
Total activity in Israel	**558,070**	**542,092**	**10,958**	**5,020**	**516,116**	**395,679**	**5,016**	**3,784**	**152**	**372**	**3,964**
Borrower activity overseas											
Total public – activity overseas	13,628	13,272	-	356	13,464	9,261	342	194	75	120	137
Overseas banks	20,053	20,053	-	-	17,364	17,364	-	-	1	-	4
Overseas governments	9,486	9,485	-	1	347	347	1	1	-	-	1
Total activity overseas	**43,167**	**42,810**	**-**	**357**	**31,175**	**26,972**	**343**	**195**	**76**	**120**	**142**
Total	**601,237**	**584,902**	**10,958**	**5,377**	**547,291**	**422,651**	**5,359**	**3,979**	**228**	**492**	**4,106**

(1) On- and off-balance sheet credit risk, including with respect to derivatives (NIS in millions): Debts[2] – 422,651; bonds – 46,697; securities borrowed or acquired in conjunction with resale agreements – 593; (on- and off-balance sheet) credit risk with respect to derivatives - 6,656; and credit risk of off-balance-sheet financial instruments as calculated for the purpose of determining per-borrower indebtedness limits – 124,640.

(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 724 million and off-balance sheet credit risk amounting to NIS 821 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, 2026			September 30, 2025			December 31, 2025		
	Exposure								
	On balance sheet[2]	Off-balance sheet [2][3][4][7]	Total	On balance sheet[2]	Off-balance sheet [2][3][4]	Total	On balance sheet[2]	Off-balance sheet [2][3][4]	Total
USA	26,410	4,485	30,895	41,404	3,613	45,017	34,568	4,353	38,921
Others[5]	22,163	13,977	36,140	19,675	11,468	31,143	20,278	12,438	32,716
Total exposure to foreign countries	**48,573**	**18,462**	**67,035**	**61,079**	**15,081**	**76,160**	**54,846**	**16,791**	**71,637**
Of which: Total exposure to LDC countries[6]	641	108	749	660	114	774	662	123	785

(1) Based on final risk, after effect of guarantees, liquid collateral and credit derivatives.

(2) On- and off-balance sheet credit risk presented before the effect of provision for credit losses.

(3) Credit risk of off-balance-sheet financial instruments as calculated for the purpose of determining per-borrower indebtedness limits, in conformity with Proper Conduct of Banking Business Directive 313.

(4) The balance of off-balance sheet exposure includes NIS 7,003 million, mostly with respect to acquiring insurance from international reinsurers for the portfolio of housing bonds for borrowers in the real estate sector in Israel (as of September 30, 2025 - NIS 6,323 million and as of December 31, 2025 - NIS 6,920 million).

(5) Balance sheet exposure includes NIS 5,216 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, 2025 - NIS 3,697 million and as of December 31, 2025 - NIS 4,890 million).

(6) The exposure to LDC countries includes countries defined as less developed, which are the countries classified by the World Bank as lower-middle-income countries.

(7) The balances as of September 30, 2026 are presented in accordance with the measurement requirements and method prescribed under the new Public Conduct of Banking Business Directive 313, which is implemented as from July 1, 2026.
The implementation of the new directive was carried out on a prospective basis.

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, 2026, there are no foreign countries for which the balance sheet exposure exceeds the threshold for this disclosure. As of September 30, 2025, the balance sheet exposure to Barbados stood at NIS 4.4 billion and was higher than the reporting threshold required for this disclosure (as of December 31, 2025 - NIS 4.8 billion).

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

As of September 30, 2026, 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.

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.

Credit exposure to foreign financial institutions

In the third quarter of 2026, the global financial system faced increasing market volatility following the collapse of the ceasefire with Iran and the resumption of attacks on vessels in the Strait of Hormuz. The rise in energy prices increased inflationary pressures and resulted in interest rate hikes in the United States and Europe and a sharp increase in long-term yields. Despite these conditions, major financial institutions in the United States and Europe remained resilient, supported by high capital and liquidity levels and adequate profitability, and no system-wide deterioration in asset quality was observed. In the United States, most of the large banks reported good results, alongside risk concentrations pertaining to the private credit market - where fund redemption restrictions continued - and hedge fund leverage. In Europe, the banks maintained significant capital and liquidity buffers, but tighter credit terms and an increase in the cost of financing continued. The conflict with Iran was not resolved by the end of the quarter, and macroeconomic conditions will continue to be affected by its development.

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.

As of September 30, 2026, the balance of the Bank's exposure to foreign financial institutions amounted to NIS 22.8 billion, compared to NIS 21.2 billion as of December 31, 2025. Most of the exposure is to financial institutions with a rating of A+ or higher.

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 its 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.

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.

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, among other things: 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 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. 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 2026) was 55.4% (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.

The risk level in the mortgages portfolio remains unchanged, at a low-medium level, due to the uncertainty regarding the geopolitical risks. The risk benchmarks in the third quarter of 2026 did not indicate a material change in risk level, and therefore the risk assessment remained unchanged.

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

	Loans granted (NIS in millions)		
	Nine months		Rate of Change
	2026	2025	In %
Mortgages issued (for housing and any purpose)			
From the Bank's funds	31,108	30,439	2.2
From funds of the Finance Ministry:			
Directed loans	108	111	(2.7)
Standing loans and grants	124	122	1.6
Total new loans	**31,340**	**30,672**	**2.2**
Refinanced loans	14,090	10,276	37.1
Total loans originated	**45,430**	**40,948**	**10.9**
Number of borrowers (includes refinanced loans)	55,320	53,351	3.7

Below are details of various risk attributes of the residential mortgage portfolio[1] as of September 30, 2026 (NIS in millions):

LTV ratio	Repayment ratio out of regular income	Loan age[2] (time elapsed since loan grant) Up to 3 months	3-12 months	1-2 years	2-5 years	5-10 years	Over 10 years	Total
Up to 60%	Up to 35%	3,765	12,367	17,504	36,217	34,406	19,350	123,609
	35%-50%	865	3,259	4,706	9,358	5,403	3,993	27,584
	50%-80%	-	14	37	128	97	626	902
	Over 80%	-	-	1	-	10	47	58
60%-75%	Up to 35%	3,021	8,560	11,043	27,186	21,368	7,660	78,838
	35%-50%	1,290	3,837	4,843	8,806	3,111	1,442	23,329
	50%-80%	1	3	4	61	58	178	305
	Over 80%	-	-	-	5	3	8	16
Over 75%	Up to 35%	78	400	442	853	616	846	3,235
	35%-50%	27	137	150	245	112	184	855
	50%-80%	-	5	3	22	4	37	71
	Over 80%	-	-	-	-	2	8	10
Total		**9,047**	**28,582**	**38,733**	**82,881**	**65,190**	**34,379**	**258,812**
Of which:								
Loans granted with original amount over NIS 2 million		2,092	6,396	7,629	13,644	5,766	1,882	37,409
Percentage of total residential mortgages		23.1%	22.4%	19.7%	16.5%	8.8%	5.5%	14.5%
Loans bearing variable interest:								
Non-linked, at prime lending rate		1,483	2,329	1,790	12,966	17,129	10,198	45,895
CPI-linked[3]		154	690	1,809	5,990	1,956	1,882	12,481
In foreign currency[3]		20	117	98	545	749	583	2,112
Total		**1,657**	**3,136**	**3,697**	**19,501**	**19,834**	**12,663**	**60,488**
Non-linked loans at prime lending rate, as percentage of total residential mortgages		16.4%	8.1%	4.6%	15.6%	26.3%	29.7%	17.7%
CPI-linked loans bearing variable interest as percentage of total residential mortgages		1.7%	2.4%	4.7%	7.2%	3.0%	5.5%	4.8%
Loans with LTV over 75% as percentage of total residential mortgages		1.2%	1.9%	1.5%	1.4%	1.1%	3.1%	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 LTV for the Bank's mortgage portfolio as of September 30, 2026 is 55.4%, compared to 54.7% at the end of last year, and 54.5% on September 30, 2025. Out of the total loan portfolio of the Bank, amounting to NIS 258.8 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 assets used 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 assets 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 1.2 billion, or only 0.5% of the total residential mortgage portfolio.

Note, in this regard, that the Bank's average LTV ratio as of September 30, 2026, 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 5.0%; for loans originated over 5 years ago – by 16.0%; for all loans in total – by 9.0%.

The percentage of loans granted with a high LTV ratio (over 75%) out of total residential mortgage portfolio of the Bank to 1.5% for loans granted 1-2 years ago, 1.9% for loans granted 3-12 months ago and 1.2% for loans granted in the third quarter of 2026.

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.

It is noted that on February 8, 2026 a circular, which revised Proper Conduct of Banking Business Directive - Limitations on residential mortgages - was published, which entered into effect on October 1, 2026; among other things, the revised circular clarifies the method for calculating the Payment-to-Income (PTI) limit when taking out an additional residential mortgage in addition to an existing one, where both residential mortgages are secured by the same asset.

Furthermore, on November 1, 2026 a revision was published to the FAQ file pertaining to Proper Conduct of Banking Business Directive - Limitations on Residential Mortgages. The revision clarifies, among other things, that it will no longer be allowed to take into account more than half of the monthly disposable income of a relative who joins as an additional borrower or as a new borrower, even if the relative signed the loan agreement as a borrower, including a loan in which the relative pays the entire monthly repayment.

The average repayment ratio for the Bank's residential mortgage portfolio is 26.8%. Some 79.6% of the Bank's mortgage portfolio were granted to borrowers with a repayment ratio under 35% (the average repayment ratio for these borrowers is: 23.6%). Some 19.9% of the mortgage portfolio were granted to borrowers with a repayment ratio of 35% to 50% (the average repayment ratio for these borrowers is: 38.5%). Only 0.5% of all mortgages were extended to borrowers with a repayment ratio of 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 37.4 billion on September 30, 2026, which constitute 14.5% of the Bank's residential mortgage portfolio.

For more information about residential mortgages risk, see also the 2025 Risks Report available on the Bank website.

Market risk and interest risk

Risk description and development thereof

Market risk – This is the risk of loss from on– and off-balance sheet positions, arising from change in fair value of financial instruments, due to change in market risk factors (interest rates, exchange rates, inflation, prices of equities and commodities).

Interest rate risk in the banking portfolio is the risk to Bank profit (change in revenues) or to the Bank's economic value, primarily due to changes in the structure of interest rate curves relevant for Bank operations, non-identical fluctuations of various curves used by the Bank for pricing and management of its exposures, or from the fact that a change in interest rates may result in a change in composition of the Bank's assets and liabilities due to exercise of options for early repayment due to change in market interest rates.

The market risk in the trading portfolio is minimal, in line with Bank policy. The Bank structure, which is weighted towards the mortgage portfolio, produces long-term uses for which the Bank requires sources. The Bank regularly reviews the risk estimation methodology, in line with global common practice.

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

During the third quarter, the Bank of Israel Interest was cut to 3.25%.

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.

The models used by the Bank to measure the Bank's interest risk are based on behavioral models. The models' assumptions are regularly presented in management and Board forums, including presentation of sensitivity scenarios, for the purpose of assessing the effect of changes in these assumptions on risk outcomes. It should be noted that the Bank also assesses a scenario of a collapse of the assumptions, which addresses the collapse of each assumption individually and collectively.

As of September 30, 2026, under the parallel interest-rate-increase scenario, the fair value of the Bank's position in the banking portfolio is expected to decrease by NIS 3,742 million, and no deviations from the Bank's risk appetite limits were recorded.

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

	First nine months		All of
	2026	2025	2025
At end of period	995	1,360	1,090
Maximum value during period	(May) 1,204	(May) 1,645	(May) 1,645
Minimum value during period	(Sep.) 995	(Sep.) 1,360	1,062 (November)

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, 2026
A parallel standard scenario - increase	(2,663)	(1,067)	(172)	86	74	(3,742)
A parallel standard scenario - decrease	2,626	1,145	226	(99)	(81)	46
						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)
						December 31, 2025
A parallel standard scenario - increase	(3,286)	(945)	81	62	32	(4,231)
A parallel standard scenario - decrease	3,540	1,281	(23)	(69)	(36)	(128)

(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) 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 checking accounts are attributed in line with common practice in conformity with the Basel directives, i.e. over an average term of 4-5 years for different customer types. The Bank regularly reviews the risk estimation methodology, in line with global common practice.

Quantitative information about interest risk – Sensitivity analysis

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

	As of September 30, 2026			As of September 30, 2025			As of December 31, 2025		
	NIS	Foreign currency[(2)]	Total	NIS	Foreign currency[(2)]	Total	NIS	Foreign currency[(2)]	Total
Net balance sheet balance[(1)]	32,215	40	32,255	32,230	87	32,317	30,881	174	31,055
Net adjusted fair value[(1)]	35,329	603	35,932	31,963	407	32,370	31,734	385	32,119
Of which: Banking portfolio	9,986	2,335	12,321	24,978	(6,738)	18,240	14,201	(1,994)	12,207
Of which: Effect of attribution to terms of non-maturity deposits	4,609	647	5,256	4,223	499	4,722	4,151	450	4,601
Of which: Effect of early repayment of residential mortgages	(507)	(27)	(534)	(573)	(34)	(607)	(538)	(33)	(571)
Effect of attribution of deposits to terms after the next withdrawal date	(582)	-	(582)	(115)	-	(115)	(167)	-	(167)

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

	As of September 30, 2026			As of September 30, 2025			As of December 31, 2025		
	NIS	Foreign currency[(2)]	Total	NIS	Foreign currency[(2)]	Total	NIS	Foreign currency[(2)]	Total
Concurrent changes									
Concurrent 1% increase	(1,662)	(49)	(1,711)	(1,824)	68	(1,756)	(1,789)	52	(1,737)
Of which: Banking portfolio	(1,671)	(23)	(1,694)	(1,745)	66	(1,679)	(1,782)	67	(1,715)
Of which: Effect of attribution to terms of non-maturity deposits	1,065	222	1,287	982	224	1,206	1,001	193	1,194
Of which: Effect of early repayment of residential mortgages	3,500	3	3,503	2,999	3	3,002	3,130	3	3,133
Effect of attribution of deposits to terms after the next withdrawal date	(297)	-	(297)	(253)	-	(253)	(205)	-	(205)
Concurrent 1% decrease	1,078	72	1,150	1,274	18	1,292	1,337	(32)	1,305
Of which: Banking portfolio	1,026	43	1,069	1,331	(50)	1,281	1,322	(50)	1,272
Of which: Effect of attribution to terms of non-maturity deposits	(1,128)	(230)	(1,358)	(1,045)	(238)	(1,283)	(1,064)	(206)	(1,270)
Of which: Effect of early repayment of residential mortgages	(4,305)	(3)	(4,308)	(3,691)	(4)	(3,695)	(3,856)	(4)	(3,860)
Effect of attribution of deposits to terms after the next withdrawal date	311	-	311	269	-	269	219	-	219

(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 non-maturity deposits to terms.

(2) Includes Israeli currency linked to foreign currency.

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%. For quantitative information regarding the exposure to changes in interest rates based on other key quantitative metrics, see the Risks Report.

See Note 16 to the financial statements for additional information.

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

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

	As of September 30, 2026			As of September 30, 2025			As of December 31, 2025		
	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	77	120	197	(119)	192	73	(57)	263	206
Of which: Banking portfolio	68	124	192	(123)	235	112	(64)	284	220
Concurrent 1% decrease	(412)	(5)	(417)	(151)	(261)	(412)	(238)	(176)	(414)
Of which: Banking portfolio	(403)	23	(380)	(147)	(251)	(398)	(231)	(114)	(345)

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

Impact of scenarios simulating changes in interest rates on shareholders' equity attributed to Bank shareholders:

	As of September 30, 2026	As of September 30, 2025	As of December 31, 2025
	NIS in millions		
Concurrent 1% increase	(101)	(29)	(41)
Concurrent 1% decrease	75	(2)	13

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

- Credit balances in checking accounts are attributed in line with common practice in conformity with the Basel directives, i.e. over an average term of 4-5 years for different customer types.
- When calculating sensitivity of interest revenues 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 a 1% interest rate increase, the capital reserve with respect to securities is expected to decrease by NIS 344 million; under the scenario of an interest rate decrease the effect is opposite.

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, 2025.

Overall exposure of the Bank and its subsidiaries to changes in interest rates:

	As of September 30, 2026				
	On Call to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years
Financial assets[1]	265,646	25,924	85,224	100,816	35,128
Other amounts receivable[2]	205,188	153,157	161,297	66,757	48,084
Financial liabilities[1]	226,335	50,044	116,481	64,683	40,858
Liabilities with respect to employees' rights	5	6	30	237	204
Other amounts payable[2]	204,958	153,542	161,206	66,650	48,037
Exposure to interest rate fluctuations	39,536	(24,511)	(31,196)	36,003	(5,887)
Additional details on exposure to changes in interest rates					
A. By nature of activity:					
Exposure in bank portfolio	38,111	(25,289)	(51,601)	35,770	(6,159)
Exposure in trading portfolio	1,425	778	20,405	233	272
B. By linkage basis:					
Israeli currency – non-linked	39,128	(13,640)	(48,999)	24,285	(7,137)
Israeli currency – linked to the CPI	(10,067)	1,248	21,048	8,652	1,963
Foreign currency [4]	10,475	(12,119)	(3,245)	3,066	(713)
C. Effect on exposure to interest rate fluctuations					
Financial assets[1], before assumptions	264,370	23,543	78,510	93,333	29,476
Effect of early repayment of residential mortgages[6]	1,276	2,381	6,714	7,483	5,652
Financial assets[1]	265,646	25,924	85,224	100,816	35,128
Financial liabilities[1], before assumptions	269,651	44,892	102,143	64,709	35,306
Effect of attribution to terms of non-maturity deposits[6]	(44,719)	1,851	5,291	9,871	8,102
Effect of attribution of deposits to terms after the next withdrawal date[6][7]	1,403	3,301	9,047	(9,897)	(2,550)
Financial liabilities[1]	226,335	50,044	116,481	64,683	40,858

(1) Excludes balance sheet balances of financial derivatives, fair value of off-balance sheet financial instruments and fair value of complex financial instruments.

(2) Amounts receivable and payable with respect to compound and off-balance sheet derivative financial instruments.

(3) Weighted average by fair value of average effective duration.

(4) Includes Israeli currency linked to foreign currency.

(5) Difference between effective average duration of financial assets and effective average duration of financial liabilities.

(6) The effect of the behavioral assumptions on average duration and internal rate of return is calculated by comparing the difference between the average duration and internal rate of return after the effect of the assumptions and the average duration and internal rate of return without those effects.

(7) The fair value of total deposits after the next withdrawal date, including the effect of early withdrawal assumptions, amounts to NIS 84,517 million.

									As of December 31, 2025
Over 5 years to 10 years	Over 10 years to 20 years	Over 20 years	Without maturity	Total fair value	Internal rate of return	Average effective duration[3]	Total fair value	Internal rate of return	Average effective duration[3]
					In %	in years		In %	in years
32,519	11,806	1,585	737	559,385	4.33	1.41	534,957	4.58	1.41
19,696	4,399	461	-	659,039		0.67	593,540		0.61
22,682	917	(9)	4	521,995	3.33	0.98	500,149	2.74	0.94
442	593	336	-	1,853		11.13	1,954		11.52
19,517	4,286	448	-	658,644		0.82	594,275		0.80
9,574	10,409	1,271	733	35,932			32,119		
9,300	10,315	1,141	733	12,321		0.13	12,207		0.13
274	94	130	-	23,611		0.93	19,912		1.46
5,268	6,676	672	723	6,976		[5]0.11	7,766		[5]0.18
2,461	2,866	182	-	28,353		[5]1.17	23,968		[5]0.87
1,845	867	417	10	603		[5](0.03)	385		[5](0.10)
33,115	28,453	8,383	737	559,920	4.35	2.08	535,528	4.55	2.05
(596)	(16,647)	(6,798)	-	(535)	(0.07)	(1.41)	(571)	0.02	(1.36)
32,519	11,806	1,585	737	559,385	4.33	1.41	534,957	4.58	1.41
9,285	688	(9)	4	526,669	3.30	1.04	504,583	2.73	0.98
13,946	402	-	-	(5,256)	3.06	1.39	(4,601)	3.03	1.25
(549)	(173)	-	-	582	0.05	(0.17)	167	0.04	(0.15)
22,682	917	(9)	4	521,995	3.33	0.98	500,149	2.74	0.94

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, 2026, 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]	2,746	1,373	(1,373)	(2,746)	317	(191)
USD	(39)	(15)	8	10	(10)	6
GBP	(1)	-	(1)	-	-	(1)
JPY	-	-	-	-	-	-
EUR	7	3	(1)	-	2	-
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 824 million and NIS (824) million, respectively.

Share price risk

For more information about share price risk, see the 2025 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 2025 financial statements.

Liquidity and financing risk

Risk description and development thereof

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

Financing risk - 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.

In the first nine months of 2026, no deviations from the Board of Directors' limits were recorded.

Liquidity risk remained low-medium.

As of January 2025, the alert level is "yellow," a decrease from the "orange" alert declared in October 2023.

In March 2026, due to Operation Lion's Roar the level of alert was maintained, while tightening the close monitoring of the markets and the various indicators.

Even in the third quarter of 2026, after the conclusion of the operation, the Bank maintains its level of readiness, and closely monitors the markets and various indicators.

During the first nine months of 2026, there was no material change in the "comprehensive concentration index" (which averages all indicators related to concentration of financing sources), which stood at low-medium.

As of September 30, 2026, the balance of the three largest depositor groups at the Bank Group amounted to NIS 32.9 billion (as of December 31, 2025 and September 30, 2025 the balance amounted to NIS 37.8 billion and NIS 35.4 billion, respectively).

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 details regarding the Bank's credit rating, see chapter "Corporate governance, audit, other information about the Bank and its management" in these financial statements.

For more information about financing risk, see also the 2025 Risks Report available on the Bank website.

Liquid and pledged assets

As of September 30, 2026, the Bank's liquid assets balance (consolidated) is approx. NIS 93.5 billion, in addition to liquid bonds, which are not recognized for the purpose of calculating the liquid assets. The net total contractual cash outflow (excluding cash inflows from liquid assets) under the cash-flow note (excluding behavioral assumptions) stood at approx. NIS 136.9 billion in a one-day range and approx. NIS 184.9 billion in a one-month range. The Bank holds a sufficient amount in high-quality liquid Level 1 assets [(1)] to meet its short-term cash needs, including after applying the internal restrictions under the stress scenarios and after the application of the Bank's most conservative internal scenario. The Bank may receive loans from the Bank of Israel[(2)] and the Fed against a pledge on these liquid assets.

As of September 30, 2026, the balance of liquid assets decreased by NIS 18.8 billion mainly due to excess loans origination over raising of sources (deposits from the public and bonds).

For a breakdown of the liquid assets, including a reference to pledged assets, see the Liquidity chapter in the Risks Report.

In accordance with Proper Conduct of Banking Business Directive No. 222 - Net stable funding ratio - as of September 30, 2026 the Bank has in place stable financing sources (on a consolidated basis) (mainly capital, deposits of retail customers and long-term wholesale financing) amounting to a weighted total of NIS 358.8 billion.

Liquidity coverage ratio

The ratio between liquid assets and net projected cash outflow. Net projected cash outflow is defined as the difference between payments and proceeds over a 30-day period. In accordance with Proper Conduct of Banking Business Directive No. 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

(1) The definition of the liquid assets used by the Bank for management purposes is consistent with the definition set in Proper Conduct of Banking Business Directive No. 221 "Liquidity coverage ratio".
(2) The Bank may receive loans from the Bank of Israel against a pledge on monetary deposits, NIS- and foreign currency-denominated bonds (after application of hair-cut factors) and foreign-currency deposits.

observations over 90 days prior to the report date. This regulation is in addition to liquidity risk management using internal models, as stipulated by Directive 342, as described above. The average liquidity coverage ratio for the third quarter of 2026 was 127%. As of September 30, 2026, the consolidated liquidity coverage ratio stood at 126%.

As of September 30, 2026 - total liquid assets - NIS 93.5 billion; total cash outflows (after weighting) - NIS 162.3 billion; total cash inflows (after weighting) - NIS 88.2 billion; total net cash outflows (after weighting) - NIS 74.1 billion.

As of September 30, 2026, total pledged assets amount to NIS 4.7 billion. These assets not recognized for the purpose of calculating HQLA.

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

Net stable funding ratio

The ratio between the available amount of stable funding – existing sources which are highly likely to be available to the banking corporation within 1 year or longer and the required amount of stable funding – existing uses which the banking corporation is likely to be required to fund within 1 year or longer. Proper Conduct of Banking Business Directive No. 222 "Net stable funding ratio" stipulated a minimum net stable funding ratio of 100% ("Regulatory NSFR") between 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.

As of September 30, 2026, net stable funding ratio (on a consolidated basis) stood at 110%, compared to 112% as of the end of 2025 and 112% as of September 30, 2025.

No deviations from the risk appetite limitations were recorded.

For more information regarding the stable funding ratio, see the Risks Report available on the Bank website.

For more information about the Bank's cash flows by maturity, see Note 15 to the financial statements.

The Bank consistently acts, as part of its strategy on resource and use management, to raise long-term sources.

The Bank's NIS-denominated on-balance-sheet sources for terms longer than one month, as a percentage of total NIS-denominated sources as of September 30, 2026, was 63% (similar to June 30, 2026 - 61%), of which the rate of on-balance-sheet sources for terms longer than one year is 15% (similar to June 30, 2026).

Most of the Bank's on-balance-sheet sources in foreign currency as of September 30, 2026 are for terms of up to one year, constituting 92% of total foreign currency-denominated sources (as of June 30, 2026 - 93%), of which 36% are sources for terms longer than 3 months (as of June 30, 2026 - 33%).

The NIS-denominated sources have longer terms than foreign currency-denominated sources, in line with the longer-term use of NIS-denominated funds, primarily for mortgages denominated in NIS.

The Bank maintains high foreign currency surpluses, and closely manages its liquidity based on specified guidelines, including regular review of the Bank's stability under systemic emergency scenarios.

The Bank also enters into futures of significant volume to divert excess liquidity between NIS and foreign currency in conformity with the terms, as part of dynamic management of sources and uses.

For more information about raising sources 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 regarding the liquidity risk, see the 2025 Report of the Board of Directors and Risks Report available on the Bank website.

Operational Risk

Legal risk

Legal risk remained Low-medium. In the current quarter there were no extraordinary events which may affect the Bank's 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 components of the legal risk, its boundaries (stemming, for example, from the counterparty's identity, the manner in which collateral is created, etc.) and its specific characteristics, while assessing the level of risk and exposure thereto having regard to the Bank's various lines of business, and accordingly provides ongoing legal advice to the Bank and its various units.

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 remained 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.
The Bank commenced the implementation of AI and GenAI-based models, which give rise to unique model risks, and accordingly, the Bank has in place adequate risk management and control mechanisms in order to ensure that the risk is properly mitigated.

For additional details regarding the operating risk including legal risk, model risk, business continuity risks, information security and cybersecurity risk and information technology risk, see the Report of the Board of Directors and the Risks Report for 2025.

Other risks

Reputational risk

The Bank's reputational risk remained Low. The Bank regularly monitors various benchmarks and indicators with regard to its reputation, indicating that the Bank has maintained a distinct reputational image among its customers.

For further details regarding reputational and other risks including compliance and regulation risks, cross-border risks, money laundering risks, terror financing risks, strategic business risks and regulatory business risks, see the Report of the Board of Directors and the Risks Report for 2025.

Policies and critical accounting estimates, controls and procedures

Policies and critical accounting estimates

The Financial Statements of the Bank have been prepared in accordance with the Public Reporting Directives of the Supervisor of Banks. These directives largely adopt the accounting principles generally accepted in the United States (US GAAP). These condensed financial statements should be read in conjunction with the audited financial statements as of December 31, 2025.

The significant accounting policies are detailed in Note 1 to the 2025 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, 2025. For more information about accounting policies on critical matters, see chapter "Policies and critical accounting estimates" of the 2025 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 first nine months of 2026 amounted to NIS 191 million, compared to NIS 203 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.

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 collectie 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 macroeconomic parameters on default rates. The collective provision recognized by the Bank with respect to uncertainty is similar to total loss under the stress scenario of short-term decline by 0.75% in the GDP, a 0.2% increase in Bank of Israel interest rate, a 0.15% increase in mortgage interest, and a rise in unemployment to 3.3%.

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 the 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, 2026. 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, 2026, 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 Supervisor of Banks' directives, on the date stipulated in these directives.

Changes to internal controls

During the quarter ending September 30, 2026, there were no changes to the Bank's internal controls over financial reporting, which materially affected, or are reasonably likely to materially affect internal controls over the Bank's financial reporting.

Avraham Zeldman
Chairman of the Board of Directors

Moshe Lari
President & CEO

Approval date:
November 16, 2026

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, 2026 (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 the directives and guidelines of the Supervisor of Banks. As stated in Note 1 to the annual financial statements, the directives of the Supervisor of Banks largely adopt the accounting principles generally accepted in the United States (US GAAP);
   c. We have evaluated the effectiveness of the Bank’s disclosure controls and procedures and have presented in this report 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, the Audit Committee and the Balance Sheet Committee 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.

Moshe Lari
President & CEO

November 16, 2026

(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, 2026 (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 the directives and guidelines of the Supervisor of Banks. As stated in Note 1 to the annual financial statements, the directives of the Supervisor of Banks largely adopt the accounting principles generally accepted in the United States (US GAAP);
   c. We have evaluated the effectiveness of the Bank’s disclosure controls and procedures and have presented in this report 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 16, 2026

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

Deloitte.

Auditor's 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 (hereinafter - "the Bank"), consisting of the condensed consolidated interim balance sheet as of September 30, 2026 and 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 disclosure of financial information for this interim period in accordance with directives and guidelines set by the Supervisor of Banks. 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 3.44% of total consolidated assets as of September 30, 2026, and whose net interest revenues before expenses with respect to credit losses included in the consolidated statements of profit and loss constitute 4.88% and 4.76% of total consolidated net interest revenues before expenses with respect to credit losses, respectively, for the nine-month and three-month periods then ended. The condensed financial information for interim periods of these companies was reviewed by other auditors, whose review reports were furnished to us, and our opinion, insofar as it relates to amounts included with respect to these companies, is based on the review reports of the other auditors.

Review scope

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

Conclusion

Based on our review, and on the review reports of other auditors, nothing has come to our attention that would cause us to assume that the aforementioned financial information has not been prepared, in all material aspects, in accordance with the directives and guidelines set by the Supervisor of Banks (hereinafter: the “Directives”).

As stated in Note 1 to the Financial Information, the Directives primarily adopt the generally accepted accounting principles in the United States (US GAAP).

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

Tel Aviv, November 16, 2026

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Bank Mizrahi Tefahot

Condensed Financial Statements as of September 30, 2026

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ondensed 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
		2026	2025	2026	2025	2025
	Note		(Unaudited)			(Audited)
Interest revenues	2	6,909	7,426	20,428	20,804	26,703
Interest expenses	2	4,004	4,280	11,818	11,766	14,976
Interest revenues, net		2,905	3,146	8,610	9,038	11,727
Expenses with respect to credit losses	6,13	70	44	191	203	228
Interest revenues, net after expenses with respect to credit losses		**2,835**	**3,102**	**8,419**	**8,835**	**11,499**
Non-interest revenues						
Non-interest financing revenues	3	125	57	482	242	387
Commissions		580	561	1,763	1,684	2,251
Other revenues		20	66	60	203	223
Total non-interest revenues		**725**	**684**	**2,305**	**2,129**	**2,861**
Operating and other expenses						
Payroll and associated expenses		790	835	2,463	2,569	3,348
Maintenance and depreciation of buildings and equipment		273	278	809	807	1,081
Other expenses		217	197	623	596	810
Total operating and other expenses		**1,280**	**1,310**	**3,895**	**3,972**	**5,239**
Pre-tax profit		2,280	2,476	6,829	6,992	9,121
Provision for taxes on profit		887	935	2,676	2,609	3,280
After-tax profit		**1,393**	**1,541**	**4,153**	**4,383**	**5,841**
Share of profits of associated companies, after tax effect		27	2	42	13	17
Net profit:						
Before attribution to non-controlling interests		1,420	1,543	4,195	4,396	5,858
Attributable to non-controlling interests		(54)	(60)	(163)	(170)	(228)
Attributable to shareholders of the Bank		**1,366**	**1,483**	**4,032**	**4,226**	**5,630**

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

Avraham Zeldman
Chairman of the Board of Directors

Moshe Lari
President & CEO

Menahem Aviv
Vice-president
Chief Accountant

Approval date:
Lod, November 16, 2026

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
	2026	2025	2026	2025	2025
	(Unaudited)		(Unaudited)		(Audited)
Earnings per share[1] (in NIS)					
Basic earnings					
Net profit attributable to shareholders of the Bank	5.25	5.71	15.50	16.29	21.69
Weighted average number of ordinary shares used to calculate basic earnings (thousands of shares)	260,389	259,941	260,154	259,457	259,576
Diluted earnings					
Net profit attributable to shareholders of the Bank	5.21	5.68	15.45	16.20	21.58
Weighted average number of ordinary shares used to calculate diluted earnings (thousands of shares)	262,354	261,249	260,932	260,809	260,914

(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
		2026	2025	2026	2025	2025
		(Unaudited)		(Unaudited)		(Audited)
Net profit:						
Before attribution to non-controlling interests		1,420	1,543	4,195	4,396	5,858
Attributable to non-controlling interests		(54)	(60)	(163)	(170)	(228)
Net profit attributable to shareholders of the Bank		**1,366**	**1,483**	**4,032**	**4,226**	**5,630**
Other comprehensive income (loss) before taxes	4					
Adjustments for presentation of available-for-sale bonds at fair value, net		(234)	135	(297)	292	413
Net gains (losses) with respect to cash flows hedging		(24)	(2)	(74)	(3)	(9)
Adjustments of liabilities with respect to employee benefits		70	(8)	125	(12)	59
Total other comprehensive income (loss), before tax		**(188)**	**125**	**(246)**	**277**	**463**
Related tax effect		71	(44)	90	(94)	(155)
Other comprehensive income (loss) after taxes[1]						
Other comprehensive income (loss), before attribution to non-controlling interests		(117)	81	(156)	183	308
Less other comprehensive income (loss) attributed to non-controlling interests		(12)	5	(22)	11	18
Other comprehensive income (loss) attributed to shareholders of the Bank, after taxes		**(105)**	**76**	**(134)**	**172**	**290**
Comprehensive income:						
Before attribution to non-controlling interests		1,303	1,624	4,039	4,579	6,166
Attributable to non-controlling interests		(42)	(65)	(141)	(181)	(246)
Comprehensive income attributable to shareholders of the Bank		**1,261**	**1,559**	**3,898**	**4,398**	**5,920**

(1) For more information see Note 4 to the financial statements – cumulative other comprehensive income (loss).

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

Condensed consolidated balance sheets

Reported amounts (NIS in millions)

	Note	As of September 30 2026	As of September 30 2025 (Unaudited)	As of December 31 2025 (Audited)
Assets				
Cash and deposits with banks		73,755	68,478	82,849
Securities[1][2]	5	42,391	45,375	47,903
Securities borrowed or purchased in resale agreements		21	637	593
Loans to the public	6,13	440,066	395,768	404,355
Provision for credit losses	6,13	(3,632)	(3,893)	(3,854)
Loans to the public, net	6,13	436,434	391,875	400,501
Loans to Governments		291	350	347
Investments in associated companies		845	479	481
Buildings and equipment		2,354	1,940	2,159
Intangible assets and goodwill		87	94	87
Assets with respect to derivatives	11	7,197	6,346	6,293
Other assets		11,852	9,815	9,960
Total assets		**575,227**	**525,389**	**551,173**
Liabilities and Equity				
Deposits from the public	7	468,192	421,487	448,397
Deposits from banks		2,131	2,926	2,058
Deposits from the Government		29	114	197
Securities loaned or sold in re-sale agreements		-	33	-
Bonds and subordinated notes		43,106	41,358	40,365
Liabilities with respect to derivatives	11	6,802	6,561	7,028
Other liabilities [3]		16,576	17,347	16,700
Total liabilities		**536,836**	**489,826**	**514,745**
Shareholders' equity attributable to shareholders of the Bank		36,667	33,965	34,765
Non-controlling interests		1,724	1,598	1,663
Total equity		**38,391**	**35,563**	**36,428**
Total liabilities and equity		**575,227**	**525,389**	**551,173**

(1) Of which: NIS 38,049 million at fair value on consolidated basis (on September 30, 2025: NIS 41,136 million; on December 31, 2025: NIS 43,552 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 253 million (on September 30, 2025: NIS 262 million, on December 31, 2025: NIS 247 million).

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

Condensed Statements of Changes in Shareholders' Equity

Reported amounts (NIS in millions)

	Share capital and premium[1]	Capital reserve from benefit from share-based payment transactions	Total paid-up share capital and capital reserves	Cumulative other comprehensive income (loss)[2]	Retained earnings[3]	Total shareholders' equity	Non-controlling interests	Total equity
					For the three months ended September 30, 2026 (unaudited)			
Balance as of June 30, 2026	3,666	137	3,803	46	32,251	36,100	1,722	37,822
Net profit for the period	-	-	-	-	1,366	1,366	54	1,420
Dividends paid[4]	-	-	-	-	(714)	(714)	-	(714)
Benefit from share-based payment transactions	-	20	20	-	-	20	-	20
Realization of share-based payment transactions	36	(36)	-	-	-	-	-	-
Dividends attributable to non-controlling interests in subsidiary	-	-	-	-	-	-	(40)	(40)
Other comprehensive income, net, after tax	-	-	-	(105)	-	(105)	(12)	(117)
Balance as of September 30, 2026	**3,702**	**121**	**3,823**	**(59)**	**32,903**	**36,667**	**1,724**	**38,391**
					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**

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 transactions	Total paid-up share capital and capital reserves	Cumulative other comprehensive income (loss)[2]	Retained earnings[3]	Total shareholders' equity	Non-controlling interests	Total equity
	For the nine months ended September 30, 2026 (unaudited)							
Balance as of December 31, 2025	3,655	129	3,784	75	30,906	34,765	1,663	36,428
Net profit for the period	-	-	-	-	4,032	4,032	163	4,195
Dividends paid[4]	-	-	-	-	(2,035)	(2,035)	-	(2,035)
Benefit from share-based payment transactions	-	39	39	-	-	39	-	39
Realization of share-based payment transactions	47	(47)	-	-	-	-	-	-
Dividends attributable to non-controlling interests in subsidiary	-	-	-	-	-	-	(80)	(80)
Other comprehensive income (loss), net, after tax	-	-	-	(134)	-	(134)	(22)	(156)
Balance as of September 30, 2026	**3,702**	**121**	**3,823**	**(59)**	**32,903**	**36,667**	**1,724**	**38,391**
	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 year ended December 31, 2025 (audited)							
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	-	-	-	-	5,630	5,630	228	5,858
Dividends paid[4]	-	-	-	-	(2,506)	(2,506)	-	(2,506)
Benefit from share-based payment transactions	-	59	59	-	-	59	-	59
Realization of share-based payment transactions	84	(84)	-	-	-	-	-	-
Dividends attributable to non-controlling interests in subsidiary	-	-	-	-	-	-	(20)	(20)
Other comprehensive income (loss), net, after tax	-	-	-	290	-	290	18	308
Balance as of December 31, 2025	**3,655**	**129**	**3,784**	**75**	**30,906**	**34,765**	**1,663**	**36,428**

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

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

(3) For information about various restrictions on dividend distribution, see Note 24 to the 2025 financial statements.

(4) For more information regarding dividends paid, see Note 24 to the 2025 Financial Statements.

- On November 16, 2026, the Bank's Board of Directors resolved to distribute a dividend totaling NIS 683.0 million, which constitutes 50% of net profit in the third quarter of 2026, in accordance with the Bank's dividend policy. According to accounting rules, this amount will be deducted from retained earnings in the fourth quarter of 2026.

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
	2026	2025	2026	2025	2025
	(Unaudited)		(Unaudited)		(Audited)
Cash Flows from Current Activity					
Net profit before attribution to non-controlling interests	1,420	1,543	4,195	4,396	5,858
Adjustments					
Share of banking corporation in undistributed earnings of associated companies	(27)	(2)	(42)	(13)	(17)
Depreciation of buildings and equipment (including impairment)	82	73	233	216	289
Expenses with respect to credit losses	70	44	191	203	228
Loss (gain) from sale of securities available for sale and shares not held for trading	(3)	(11)	(55)	(27)	(63)
Realized and unrealized loss (gain) from adjustment to fair value of securities held for trading	21	(2)	17	(9)	(6)
Realized and unrealized loss (gain) from adjustments to fair value of shares not held for trading	47	14	(29)	(15)	(126)
Impairment (increase in value) of securities held for sale and shares not held for trading	-	1	12	(26)	(27)
Expenses arising from share-based payment transactions	20	19	39	40	59
Deferred taxes, net	6	57	126	117	237
Change in employees' provisions and liabilities	10	4	31	26	38
Adjustments with respect to exchange rate differentials	(154)	120	140	687	1,021
Gain from sale of loan portfolios	-	-	(20)	-	(16)
Accrual differences included with investment and financing operations	63	(1)995	902	(1)496	1,301
Net change in current assets					-
Assets with respect to derivatives	(153)	3,117	(978)	(823)	(776)
Securities held for trading	115	(984)	735	174	(96)
Other assets, net	637	(484)	(1,547)	(1,782)	(2,356)
Net change in current liabilities					-
Liabilities with respect to derivatives	(1,214)	(3,643)	(226)	1,438	1,905
Other liabilities	(1,210)	1,235	(407)	2,432	2,088
Net cash provided by current operations	**(270)**	**2,096**	**3,317**	**7,530**	**9,541**

(1) Reclassified.

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
	2026	2025	2026	2025	2025
		(Unaudited)		(Unaudited)	(Audited)
Cash flows from investment activities					
Net change in deposits with banks	360	81	755	(449)	(298)
Net change in loans to the public	(10,420)	(1)(13,037)	(28,283)	(1)(30,564)	(37,474)
Net change in loans to Governments	(5)	(51)	56	(32)	(29)
Net change in securities loaned or acquired in resale agreements	43	(164)	572	(373)	(329)
Acquisition of bonds held to maturity	(106)	(554)	(695)	(912)	(618)
Proceeds from redemption of bonds held to maturity	7	656	644	1,030	1,060
Purchase of securities available for sale and shares not held for trading	(2,673)	(1)(17,454)	(34,735)	(1)(35,009)	(1)(51,889)
Proceeds from sale of securities available for sale and shares not held for trading	7,891	5,421	22,979	11,193	19,386
Proceeds from redemption of securities available for sale	9,001	9,344	19,867	12,238	22,679
Proceeds from sale of loan portfolios	-	-	20	120	136
Purchase of loan portfolios – public	(469)	(395)	(2,018)	(1,330)	(1,797)
Acquisition of buildings and equipment	(193)	(107)	(428)	(304)	(596)
Purchase of shares in associated companies	(99)	(105)	(356)	(208)	(207)
Proceeds from realized investment in associated companies	12	3	34	5	6
Net cash provided by investment activities	**3,349**	**(16,362)**	**(21,588)**	**(44,595)**	**(49,970)**
Cash flows provided by financing operations					
Net change in deposits from the public	(8,427)	(215)	9,856	20,493	41,331
Net change in deposits from banks	133	429	73	327	(541)
Net change in deposits from Government	(54)	(14)	(168)	65	148
Net change in securities loaned or sold in re-sale agreements	-	33	-	33	-
Issuance of bonds and subordinated notes	4,250	4,554	13,781	9,730	9,344
Redemption of bonds and subordinated notes	(2,000)	-	(11,355)	(5,726)	(6,399)
Dividends paid to shareholders	(714)	(727)	(2,035)	(1,765)	(2,506)
Dividends paid to external shareholders in subsidiaries	(40)	-	(80)	(20)	(20)
Net cash provided by financing operations	**(6,852)**	**4,060**	**10,072**	**23,137**	**41,357**
Increase (decrease) in cash	(3,773)	(10,206)	(8,199)	(13,928)	928
Cash balance at beginning of the period	77,275	77,799	81,995	82,088	82,088
Effect of changes in exchange rate on cash balances	154	(120)	(140)	(687)	(1,021)
Cash balance at end of the period	**73,656**	**67,473**	**73,656**	**67,473**	**81,995**
Interest and taxes paid / received					
Interest received	4,922	(1)5,465	14,759	(1)15,272	19,956
Interest paid	3,816	(1)3,390	10,476	(1)9,916	12,717
Dividends received	9	34	49	53	77
Income taxes received	36	-	478	331	331
Income taxes paid	916	904	2,818	2,627	3,653
Appendix A – Non-cash Transactions					
Acquisition of buildings and equipment	-	-	-	-	-

(1) Reclassified.

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

Note 1 – Reporting Principles and Accounting Policies

A. General

On November 16, 2026, the Bank's Board of Directors authorized publication of the condensed financial statements as of September 30, 2026.

The Condensed Financial Statements have been prepared in accordance with the Public Reporting Directives of the Supervisor of Banks and his guidelines (hereinafter - the "Supervisor of Banks' Directives"). These directives largely adopt the accounting principles generally accepted in the United States (US GAAP). These condensed financial statements should be read in conjunction with the audited financial statements as of December 31, 2025.

In accordance with the Supervisor of Banks' Directives, 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 the number of 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% of the sale price (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, 2026, 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 the reporting period commencing on January 1, 2026 (unless otherwise stated), the Bank applies the following new accounting standards and directives:

1. **Update to Proper Conduct of Banking Business Directive 206 Capital Measurement and Adequacy – Operational Risk**

Note 1 – Reporting Principles and Accounting Policies – continued

On June 19, 2024, the Bank Supervisor published a circular that updates the guidelines for calculating capital requirements for operating risk. The principal revisions to the directive are as follows: Recalculation of the components of the standardized approach such that it includes the business indicator component calculated by multiplying the total business indicator by the coefficients set in the directive and the internal loss multiplier, which will be based on an average of the Bank's historical losses, and new guidance regarding the Bank's historical loss data, the data collection method, the use of the data and the disclosure requirements in respect thereof. The directive entered into effect on January 1, 2026l however, through December 31, 2028, the internal loss multiplier will be set at 1.
The Bank applies the recalculation to the measurement of the operational risk. The application of the directive did not have a material effect on the Bank's capital ratios. For further details, see Note 9 below.

2. Reporting to the Public Directive regarding "Revision of Disclosure in the Statement of Profit and Loss and on Additional Topics in Public Reports"

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").
In order to align the disclosure in the statements of profit and loss and the notes to the financial statements with the disclosures provided by banks in the United States, on June 9, 2026, the Supervisor of Banks published the Reporting to the Public Directive regarding "Revision of Disclosure in the Statement of Profit and Loss and on Additional Topics in Public Reports" (hereinafter: "the Directive"). The Directive details the adjustments required in the statement of profit and loss and the notes relevant to the Update.
In addition, the Directive expands the disclosure in the report to the public regarding pledged assets, credit risks in the financial services sector, and the activities of institutional entities and capital market participants, including a disclosure regarding unsecured securities lending activities and cash collateral in respect of derivative transactions, revision of the disclosure in the report to the public regarding exposures to other countries and foreign financial institutions, and expansion of the disclosure in the report to the public regarding taxation and human capital, as detailed in the Directive.
The provisions of the circular regarding lending and borrowing of securities and the pledges note have been implemented as from the Financial Statements as of June 30, 2026. All other disclosure requirements will apply as from the Financial Statements as of December 31, 2026.
The implementation of the directive has not had, and is not expected to have a material effect on the Financial Statements.

Note 1 – Reporting Principles and Accounting Policies – continued

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 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). Highlights of the Update are as follows: • 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.
Revisions to standards ASU 2025-08 Measurement of provision for credit losses in respect of purchased loans	In November 2025, the US Financial Accounting Standards Board (hereinafter - the “FASB”) published ASU 2025-08 regarding the expansion of the use of the gross-up method under ASC 326 to certain purchased loans, including loans purchased under business combinations. The update expands the group of purchased loans, which will be subject to the gross-up method, to include loans other than purchased loans with credit deterioration. Among other things the Update: • Defines a new term “purchased seasoned loans) and prescribe that the gross-up method will apply to those loans upon initial recognition. • Defines the accounting treatment to be applied to purchased seasoned loans in subsequent periods. • Leaves unchanged the guidance applicable to purchased loans with credit deterioration (PCD).	As from December 15, 2026	No material impact is expected on the financial statements.
Revisions to standards ASU 2025-09 Application improvements Hedge accounting	In November 2025, the Financial Accounting Standards Board (hereinafter - the "FASB") issued ASU 2025-09 (hereinafter - the “Update”) regarding improvements in hedge accounting guidance. To qualify for hedge designation, the variable price component of the forecasted purchase or sale of a non-financial asset if the component is clearly and closely related to the purchased or sold asset. Highlights of the Update are as follows: • The pooling of hedge transactions with similar risk. • Defining a dedicated model for hedging cash flows to borrowers in respect of “choose-your-rate” debt instruments. • Eliminate the requirement to apply the net written option test to a compound derivative comprising a swap and a written option under certain circumstances. Eliminate the mismatch between recognition and presentation when a debt instrument denominated in a foreign currency is designated both as a net investment hedge and as the hedged item in a fair value hedge of interest rate risk.	As from December 15, 2026	No material impact is expected on the financial statements.

Note 1 – Reporting Principles and Accounting Policies – continued

New accounting standards and new directives by the Supervisor of Banks prior to their implementation - continued

Amendment	Publication requirements	Start date and transition provisions	Implications
Revisions to standards ASU 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.
Revisions to standards ASU 2025-11 regarding improvements to and clarification of directives regarding interim financial reporting	On December 8, 2025, the Financial Accounting Standards Board published Accounting Standards Update (ASU) 2025-11 regarding improvements to and clarification of directives regarding interim financial reporting (Interim Reporting), Topic 270 of the Codification (hereinafter: "the Update"). The Update clarifies the applicability of the Interim Reporting directives, and clarifies the disclosure requirements applicable in interim periods; however, it does not make any material changes to the Interim Reporting requirements. Highlights of the Update are as follows: • Setting alternatives and requirements as to the format and content of the financial statements and the notes to the financial statements. • Adding a comprehensive and condensed list of the interim disclosure requirements, which are derived from other topics included in the codification. • Adopting a principle which requires entities to disclose events and changes that occur after the most recent annual reporting period and have a material effect on the entity.	As from December 15, 2027	No material impact is expected on the financial statements.
Banking corporations’ report in accordance with the Public Reporting Directives of the Supervisor of Banks and its guidelines, and in accordance with accounting principles generally accepted in the United States (US GAAP)	On August 9, 2026, the Supervisor of Banks published guidance to banking corporations wishing to note in their financial statements that they are also prepared in accordance with accounting principles generally accepted in the United States (US GAAP). After receipt of guidance from the Supervisor of Banks, the banking corporation will be allowed to report in accordance with US GAAP, and discontinue the application of several transitional provisions and other changes, which were previously prescribed by the Bank of Israel.	To the extent that the Bank will wish to implement the above, it will do so in coordination with the Supervisor of Banks	The Bank is studying this issue and the manner of its implementation

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
	2026	2025	2026	2025	2025
	(Unaudited)		(Unaudited)		(Audited)
a. Interest revenues[1]					
From loans to the public	6,110	6,325	17,744	17,573	22,550
From loans to Governments	2	3	8	10	13
from cash and deposits with central banks	524	689	1,708	2,288	2,884
From deposits with banks	18	62	50	83	64
Of securities borrowed or purchased in resale agreements	-	5	5	13	20
From bonds	255	342	913	837	1,172
Total interest revenues	**6,909**	**7,426**	**20,428**	**20,804**	**26,703**
B. Interest expenses					
On deposits from the public	3,477	3,629	10,427	10,184	13,340
On deposits from governments	1	1	3	2	4
On deposits from banks	19	10	43	48	65
On bonds and subordinated notes	505	627	1,326	1,491	1,520
On other liabilities	2	13	19	41	47
Total interest expenses	**4,004**	**4,280**	**11,818**	**11,766**	**14,976**
Total interest revenues, net	**2,905**	**3,146**	**8,610**	**9,038**	**11,727**
c. Net Effect of Hedging Financial Derivatives on Interest Revenues	113	22	(15)	(99)	(93)
d. Details of interest revenues on accrual basis from bonds					
Held to maturity	34	28	89	84	122
Available for sale	209	304	781	725	1,015
Held for trading	12	10	43	28	35
Total included under interest revenues	**255**	**342**	**913**	**837**	**1,172**

(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
	2026	2025	2026	2025	2025
		(Unaudited)		(Unaudited)	(Audited)
a. Non-interest financing revenues (expenses) with respect to non-trading operations					
1. From activity in derivative instruments					
Revenues (expenses) with respect to ALM[1]	742	(286)	(289)	(1,692)	(2,207)
Total from activity in derivative instruments	**742**	**(286)**	**(289)**	**(1,692)**	**(2,207)**
2. From investment in bonds					
Gains on sale of bonds available for sale	2	6	13	6	12
Provision for impairment of bonds available for sale	-	(1)	-	(10)	(14)
Total from investment in bonds	**2**	**5**	**13**	**(4)**	**(2)**
3. Exchange rate differences, net	**(649)**	**211**	**406**	**1,639**	**2,084**
4. Gains from investment in shares					
Gains from sale of shares not held for trading	1	5	42	21	51
Decrease (increase) in provision for impairment of shares not held for trading	-	-	(12)	36	41
Dividends from shares not held for trading	9	34	49	53	77
Unrealized gains (losses)[3]	(47)	(14)	29	15	126
Total from investment in shares	**(37)**	**25**	**108**	**125**	**295**
5. Net gains with respect to loans sold	**-**	**-**	**20**	**-**	**16**
Total non-interest financing revenues with respect to non-trading purposes	**58**	**(45)**	**258**	**68**	**186**
b. Non-interest financing revenues (expenses) with respect to trading operations[2]					
Net revenues with respect to other derivatives	88	100	241	165	195
Realized and un-realized gains (losses) from adjustment to fair value of bonds held for trading, net	(23)	1	(18)	2	(3)
Realized and un-realized gains from adjustment to fair value of shares held for trading, net	2	1	1	7	9
Total from trading activity[4]	**67**	**102**	**224**	**174**	**201**
Details of non-interest financing revenues (expenses) with respect to trading operations, by risk exposure					
Interest exposure	39	9	93	41	53
Foreign currency exposure	27	92	122	133	140
Exposure to shares	1	1	9	-	8
Total	**67**	**102**	**224**	**174**	**201**

(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					Other comprehensive income attributed to non-controlling interests	Other comprehensive income (loss) attributable to shareholders of the Bank
	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	Total		
						For the three months ended September 30, 2026	
						(Unaudited)	
Balance as of June 30, 2026	9	(2)	(34)	62	35	(11)	46
Net change in the period	(148)	-	(15)	46	(117)	(12)	(105)
Balance as of September 30, 2026	**(139)**	**(2)**	**(49)**	**108**	**(82)**	**(23)**	**(59)**
						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 nine months ended September 30, 2026	
						(Unaudited)	
Balance as of December 31, 2025	51	(2)	(1)	26	74	(1)	75
Net change in the period	(190)	-	(48)	82	(156)	(22)	(134)
Balance as of September 30, 2026	**(139)**	**(2)**	**(49)**	**108**	**(82)**	**(23)**	**(59)**
						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 year ended December 31, 2025	
						(Audited)	
Balance as of December 31, 2024	(222)	(2)	5	(15)	(234)	(19)	(215)
Net change in the period	273	-	(6)	41	308	18	290
Balance as of December 31, 2025	**51**	**(2)**	**(1)**	**26**	**74**	**(1)**	**75**

(1) Translation adjustments of financial statements of associated companies whose functional currency differs from the Bank's functional currency.

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					
	2026			2025		
	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	(232)	85	(147)	140	(50)	90
Losses (gains) with respect to available-for-sale securities reclassified to the statement of profit and loss[1]	(2)	1	(1)	(5)	2	(3)
Net change in the period	**(234)**	**86**	**(148)**	**135**	**(48)**	**87**
Cash flows hedges						
Net gains (losses) with respect to cash flows hedging	(24)	9	(15)	(2)	1	(1)
Net change in the period	**(24)**	**9**	**(15)**	**(2)**	**1**	**(1)**
Employees' benefits						
Net actuarial gain (loss) for the period	66	(22)	44	(12)	5	(7)
Net losses (gains) reclassified to the statement of profit and loss	4	(2)	2	4	(2)	2
Net change in the period	**70**	**(24)**	**46**	**(8)**	**3**	**(5)**
Total net change in the period	**(188)**	**71**	**(117)**	**125**	**(44)**	**81**
Total net change in the period attributable to non-controlling interests	**(18)**	**6**	**(12)**	**8**	**(3)**	**5**
Total net change in the period attributable to shareholders of the Bank	**(170)**	**65**	**(105)**	**117**	**(41)**	**76**

(1) Pre-tax amount included in the statement of profit and loss under "Non-interest financing revenues". For details, see Note 3.A.2.

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		
	2026			2025			2025		
	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	(291)	105	(186)	288	(98)	190	411	(139)	272
Losses (gains) with respect to available-for-sale securities reclassified to the statement of profit and loss[1]	(6)	2	(4)	4	(1)	3	2	(1)	1
Net change in the period	**(297)**	**107**	**(190)**	**292**	**(99)**	**193**	**413**	**(140)**	**273**
Cash flows hedges									
Net gains (losses) with respect to cash flows hedging	(74)	26	(48)	(3)	1	(2)	(9)	3	(6)
Net change in the period	**(74)**	**26**	**(48)**	**(3)**	**1**	**(2)**	**(9)**	**3**	**(6)**
Employees' benefits									
Net actuarial gain (loss) for the period	114	(39)	75	(26)	9	(17)	40	(11)	29
Net losses reclassified to the statement of profit and loss	11	(4)	7	14	(5)	9	19	(7)	12
Net change in the period	**125**	**(43)**	**82**	**(12)**	**4**	**(8)**	**59**	**(18)**	**41**
Total net change in the period	**(246)**	**90**	**(156)**	**277**	**(94)**	**183**	**463**	**(155)**	**308**
Total net change in the period attributable to non-controlling interests	**(33)**	**11**	**(22)**	**17**	**(6)**	**11**	**27**	**(9)**	**18**
Total net change in the period attributable to shareholders of the Bank	**(213)**	**79**	**(134)**	**260**	**(88)**	**172**	**436**	**(146)**	**290**

(1) Pre-tax amount included in the statement of profit and loss under "Non-interest financing revenues". For details, see Note 3.A.2.

Note 5 – Securities

September 30, 2026 (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	3,348	3,348	-	18	(65)	3,301
Of financial institutions in Israel	167	167	-	-	(4)	163
Of others in Israel	67	67	-	-	(1)	66
Total bonds held to maturity	**3,582**	**3,582**	**-**	**18**	**(70)**	**3,530**

	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	11,667	11,816	-	179	(328)	11,667
of foreign governments[3]	1,240	1,249	-	7	(16)	1,240
Of financial institutions in Israel	1,653	1,667	-	6	(20)	1,653
Of foreign financial institutions	63	65	-	-	(2)	63
Asset-backed (ABS)	50	49	-	1	-	50
Of others in Israel	1,001	1,017	-	10	(26)	1,001
Of others overseas	127	126	-	5	(4)	127
Total bonds available for sale	**15,801**	**15,989**	**-**	**208**	**(396)**	**15,801**

	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	**1,188**	**882**	**-**	**367**	**(61)**	**1,188**
Of which: Shares for which no fair value is available[6]	760	677	-	128	(45)	760
Total securities not held for trading	**20,571**	**20,453**	**-**	**593**	**(527)**	**20,519**

See footnotes below.

Note 5 – Securities – continued

September 30, 2026 (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	21,526	21,591	-	17	(82)	21,526
Of foreign governments	211	226	-	-	(15)	211
Of financial institutions in Israel	13	13	-	-	-	13
Of others in Israel	26	26	-	-	-	26
Of others overseas	16	17	-	-	(1)	16
Total bonds held for trading	**21,792**	**21,873**	**-**	**17**	**(98)**	**21,792**
Shares and other securities	28	14	-	15	(1)	28
Total securities held for trading	**21,820**	**21,887**	**-**	**32**	**(99)**	**21,820**
Total securities[2]	**42,391**	**42,340**	**-**	**625**	**(626)**	**42,339**

(5) Additional information about bonds	
Recorded debt balance of	
Problematic bonds accruing interest revenues	-
Problematic bonds not accruing interest revenues	18
	18

(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 1,002 million and securities provided as collateral to lenders, amounting to NIS 414 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 investments in bonds, see Notes 2D, 3A.2 and 3B. For information about investments in shares, see Note 3A.4.
- 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, 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]		Fair value[1]
				Gains	Losses	
(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 investments in bonds, see Notes 2D, 3A.2 and 3B. For information about investments in shares, see Note 3A.4.
- 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, 2025 (audited)

Reported amounts (NIS in millions)

	Carrying amount	Amortized cost	Balance of provision for credit losses	Adjustments to fair value yet to be recognized: Gains	Adjustments to fair value yet to be recognized: Losses	Fair value[1]
(1) Bonds held to maturity						
of Government of Israel	3,244	3,244	-	16	(71)	3,189
Of financial institutions in Israel	195	195	-	-	(6)	189
Of others in Israel	75	75	-	-	(1)	74
Total bonds held to maturity	**3,514**	**3,514**	**-**	**16**	**(78)**	**3,452**

	Carrying amount	Amortized cost	Balance of provision for credit losses	Cumulative other comprehensive income[4]: Gains	Cumulative other comprehensive income[4]: Losses	Fair value[1]
(2) Bonds available for sale						
of Government of Israel	13,394	13,299	-	325	(230)	13,394
of foreign governments[3]	8,999	8,992	-	9	(2)	8,999
Of financial institutions in Israel	1,086	1,076	-	25	(15)	1,086
Of foreign financial institutions	66	67	-	-	(1)	66
Asset-backed (ABS)	51	49	-	2	-	51
Of others in Israel	1,010	1,015	-	19	(24)	1,010
Of others overseas	147	147	-	4	(4)	147
Total bonds available for sale	**24,753**	**24,645**	**-**	**384**	**(276)**	**24,753**

	Carrying amount	Cost	Balance of provision for credit losses	Adjustments to fair value yet to be realized[5]: Gains	Adjustments to fair value yet to be realized[5]: Losses	Fair value[1]
(3) Investment in shares not held for trading	**1,180**	**917**	**-**	**279**	**(16)**	**1,180**
Of which: Shares for which no fair value is available[6]	837	760	-	84	(7)	837
Total securities not held for trading	**29,447**	**29,076**	**-**	**679**	**(370)**	**29,385**

	Carrying amount	Amortized cost (for shares – cost)	Balance of provision for credit losses	Adjustments to fair value yet to be realized[5]: Gains	Adjustments to fair value yet to be realized[5]: Losses	Fair value[1]
(4) Bonds held for trading						
of Government of Israel	18,253	18,213	-	46	(6)	18,253
Of foreign governments	140	138	-	2	-	140
Of financial institutions in Israel	-	-	-	-	-	-
Of others in Israel	15	15	-	-	-	15
Of others overseas	22	22	-	-	-	22
Total bonds held for trading	**18,430**	**18,388**	**-**	**48**	**(6)**	**18,430**
Shares and other securities	26	12	-	15	(1)	26
Total securities held for trading[7]	**18,456**	**18,400**	**-**	**63**	**(7)**	**18,456**
Total securities[2]	**47,903**	**47,476**	**-**	**742**	**(377)**	**47,841**

(5) Additional information about bonds	
Recorded debt balance of	
Problematic bonds accruing interest revenues	-
Problematic bonds not accruing interest revenues	18
	18

(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 495 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 104 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 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				
		Unrealized losses		Total	Fair value[1]	Unrealized losses			Total
	Fair value[1]	0%-20%	20%-40%			0%-20%	20%-40%	Over 40%	
	As of September 30, 2026 (unaudited)								
Bonds available for sale									
of Government of Israel	3,648	110	-	110	562	142	36	40	218
of foreign governments[2]	645	16	-	16	-	-	-	-	-
Of financial institutions in Israel	803	8	-	8	227	12	-	-	12
Of foreign financial institutions	17	1	-	1	35	1	-	-	1
Asset-backed (ABS)	-	-	-	-	-	-	-	-	-
Of others in Israel	269	14	-	14	189	12	-	-	12
Of others overseas	61	3	-	3	18	1	-	-	1
Total bonds available for sale	**5,443**	**152**	**-**	**152**	**1,031**	**168**	**36**	**40**	**244**
	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 December 31, 2025 (audited)								
Bonds available for sale									
of Government of Israel	316	1	-	1	724	176	25	28	229
Of foreign governments(2)	134	1	-	1	48	1	-	-	1
Of financial institutions in Israel	-	-	-	-	272	15	-	-	15
Of foreign financial institutions	-	-	-	-	44	1	-	-	1
Asset-backed (ABS)	-	-	-	-	-	-	-	-	-
Of others in Israel	140	12	-	12	266	12	-	-	12
Of others overseas	54	3	-	3	18	1	-	-	1
Total bonds available for sale	**644**	**17**	**-**	**17**	**1,372**	**206**	**25**	**28**	**259**

(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, 2026 (unaudited)
Asset-backed bonds (ABS)	50	49	1	-	50
Total asset-backed bonds available for sale	**50**	**49**	**1**	**-**	**50**
					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 December 31, 2025 (audited)
Asset-backed bonds (ABS)	51	49	2	-	51
Total asset-backed bonds available for sale	**51**	**49**	**2**	**-**	**51**

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, 2026 (unaudited)					
	Loans to the public					
	Commercial	Housing	Individual – other	Total	Banks, governments and bonds	Total
Recorded debt balance:						
reviewed on individual basis	136,200	-	93	136,293	34,586	170,879
reviewed on group basis	15,314	258,812	29,647	303,773	-	303,773
Total debts	**151,514**	**[2]258,812**	**29,740**	**[4][3]440,066**	**34,586**	**474,652**
Of which:						
Non-accruing debts	1,115	2,433	41	3,589	1	3,590
Debts in arrears 90 days or longer	174	-	79	253	-	253
Other problematic debts	1,046	-	133	1,179	-	1,179
Total problematic debts	**2,335**	**2,433**	**253**	**5,021**	**1**	**5,022**
Balance of provision for credit losses with respect to debts:						
reviewed on individual basis	1,619	-	1	1,620	6	1,626
reviewed on group basis	439	976	597	2,012	-	2,012
Total provision for credit losses	**2,058**	**976**	**598**	**3,632**	**6**	**3,638**
Of which: With respect to non-accruing debts	**223**	**121**	**18**	**362**	**1**	**363**
Of which: With respect to other problematic debts	**216**	**-**	**89**	**305**	**-**	**305**

	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**	**[4][3]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**

(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 15,911 million (as of September 30, 2025 – NIS 15,466 million).

(3) Of which: In respect of unsecured lending of securities amounting to NIS 15,426 million (as of September 30, 2025 - NIS 8,328 million).

(4) Of which: In respect of cash collateral provided in respect of derivative transactions amounting to NIS 1,017 million (as of September 30, 2025 - NIS 1,658 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, 2025 (audited)					
	Loans to the public					
	Commercial	Housing	Individual – other	Total	Banks, governments and bonds	Total
Recorded debt balance:						
reviewed on individual basis	116,249	-	19	116,268	46,563	162,831
reviewed on group basis	14,344	245,267	28,476	288,087	-	288,087
Total debts	**130,593**	**[2]245,267**	**28,495**	**[4][3]404,355**	**46,563**	**450,918**
Of which:						
Non-accruing debts	1,327	2,535	76	3,938	1	3,939
Debts in arrears 90 days or longer	90	-	80	170	-	170
Other problematic debts	1,005	-	141	1,146	-	1,146
Total problematic debts	**2,422**	**2,535**	**297**	**5,254**	**1**	**5,255**
Balance of provision for credit losses with respect to debts:						
reviewed on individual basis	1,585	-	1	1,586	5	1,591
reviewed on group basis	495	1,063	710	2,268	-	2,268
Total provision for credit losses	**2,080**	**1,063**	**711**	**3,854**	**5**	**3,859**
Of which: With respect to non-accruing debts	**289**	**127**	**39**	**455**	**1**	**456**
Of which: With respect to other problematic debts	**191**	**-**	**89**	**280**	**-**	**280**

(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 15,601 million.

(3) Of which: In respect of unsecured lending of securities amounting to NIS 9,602 million.

(4) Of which: In respect of cash collateral provided in respect of derivative transactions amounting to NIS 1,866 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				Banks, governments and bonds	Total
	Commercial	Housing	Individual – other	Total		
	For the three months ended September 30, 2026 (unaudited)					
Balance of provision for credit losses at start of period	2,244	1,029	654	3,927	5	3,932
Expenses with respect to credit losses	78	(23)	13	68	2	70
Accounting write-offs	(89)	-	(92)	(181)	(8)	(189)
Collection of debts written off for accounting purposes in previous years	30	-	41	71	7	78
Net accounting write-offs	(59)	-	(51)	(110)	(1)	(111)
Balance of provision for credit losses at end of period	**2,263**	**1,006**	**616**	**3,885**	**6**	**3,891**
Of which: With respect to off balance sheet credit instruments	**205**	**30**	**18**	**253**	**-**	**253**
	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 with respect to credit losses	11	(28)	61	44	-	44
Accounting write-offs	(159)	-	(83)	(242)	-	(242)
Collection of debts written off for accounting purposes in previous years	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 nine months ended September 30, 2026 (unaudited)					
Balance of provision for credit losses at start of period	2,270	1,098	733	4,101	5	4,106
Expenses with respect to credit losses	220	(92)	58	186	5	191
Accounting write-offs	(351)	-	(296)	(647)	(8)	(655)
Collection of debts written off for accounting purposes in previous years	124	-	121	245	4	249
Net accounting write-offs	(227)	-	(175)	(402)	(4)	(406)
Balance of provision for credit losses at end of period	**2,263**	**1,006**	**616**	**3,885**	**6**	**3,891**
Of which: With respect to off balance sheet credit instruments	**205**	**30**	**18**	**253**	**-**	**253**
	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 with respect to credit losses	118	(65)	149	202	1	203
Accounting write-offs	(433)	-	(248)	(681)	-	(681)
Collection of debts written off for accounting purposes in previous years	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**

Note 7 – Deposits from the Public

Reported amounts (NIS in millions)

A. Deposit types by location solicited and depositor type

	September 30		December 31
	2026	2025	2025
		(Unaudited)	(Audited)
In Israel			
On-call			
Non-interest-bearing	74,336	70,719	70,776
Interest-bearing	44,643	43,205	50,449
Total on-call	**118,979**	**113,924**	**121,225**
Term deposits	330,383	293,102	311,233
Total deposits in Israel[(1)]	**449,362**	**407,026**	**432,458**
Outside of Israel			
On-call			
Non-interest-bearing	406	409	469
Interest-bearing	777	1,518	768
Total on-call	**1,183**	**1,927**	**1,237**
Term deposits	17,647	12,534	14,702
Total deposits overseas	**18,830**	**14,461**	**15,939**
Total deposits from the public	**468,192**	**421,487**	**448,397**
Of which: Deposits in respect of unsecured borrowing of securities	35,732	19,721	26,230
Of which: Deposits received in respect of derivative transactions	941	1,033	975

(1) Includes:

Deposits from individuals	**167,942**	**167,848**	**166,879**
Deposits from institutional investors	**138,814**	**113,939**	**134,535**
Deposits from corporations and others	**142,606**	**125,239**	**131,044**

b. Deposits from the public by size

	September 30		December 31
	2026	2025	2025
		(Unaudited)	(Audited)
Maximum deposit (NIS in millions)			
Up to 1	115,619	112,848	112,941
Over 1 to 10	98,913	97,667	97,901
Over 10 to 100	44,307	44,554	44,779
Over 100 to 500	35,215	34,995	35,754
Above 500	174,138	131,423	157,022
Total	**468,192**	**421,487**	**448,397**

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 2025 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 2025 financial statements.

3. Labor and payroll agreements at the Technology Division

   Employment terms of employees of Mizrahi Tefahot Technology Division Ltd. (hereinafter: "the Technology Division") are arranged in the labor constitution that was signed in 1989 and in a series of agreements signed by the Technology Division Employee Council, the Labor Union and the Technology Division over the years.

   Employees of the Technology Division have their pay linked to the pay for Bank employees.

   On June 29, 2026, a special collective bargaining agreement was signed by Mizrahi Tefahot Ltd.'s Technology Division, the New General Labor Union and the Company's Employee Committee, which focuses mainly on the relocation of the employees to the campus of the Bank's HQ in Lod.

4. 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
	2026	2025	2026	2025	2025
		(Unaudited)	(Unaudited)		(Audited)
Under payroll and associated expenses					
Cost of service[1]	18	17	51	49	77
Under other expenses					
Cost of interest[2]	26	27	78	82	109
Expected return on plan assets[3]	(7)	(7)	(20)	(20)	(26)
Deduction of non-allowed amounts:					
Net actuarial loss[4]	4	4	11	14	19
Total under other expenses	23	24	69	76	102
Total benefit cost, net	**41**	**41**	**120**	**125**	**179**
Total expense with respect to defined-contribution pension	57	57	173	169	224
Total expenses recognized in profit and loss	**98**	**98**	**293**	**294**	**403**

	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
	2026	2026	2025	2026	2025	2025
			(Unaudited)		(Unaudited)	(Audited)
Deposits	2	2	2	6	6	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 the end of 2026.

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 "Capital Adequacy and Measurement"

	As of September 30		As of December 31
	2026	2025	2025
		(Unaudited)	(Audited)
1. Consolidated data			
a. Capital for purpose of calculating the capital ratio			
Tier I shareholders' equity	37,170	34,406	35,239
Tier I capital	37,170	34,406	35,239
Tier II capital	10,675	9,837	9,671
Total capital	**47,845**	**44,243**	**44,910**
b. Weighted risk asset balances			
Credit risk	345,719	312,876	317,841
Market risks	2,281	2,171	2,126
Operational risk[1]	20,119	24,158	24,188
Total weighted risk asset balances	**368,119**	**339,205**	**344,155**
c. Ratio of capital to risk components			
			In %
Ratio of Tier I equity to risk components	10.10	10.14	10.24
Ratio of Tier I capital to risk components	10.10	10.14	10.24
Ratio of total capital to risk components	13.00	13.04	13.05
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	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	14.82	14.08	14.36
Ratio of Tier I capital to risk components	14.82	14.08	14.36
Ratio of total capital to risk components	15.39	16.27	16.48
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) As from January 1, 2026 the Bank applies the revised Directive 206 regarding the calculation of capital requirements in respect of operational risk. For more information see Section K below.

(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 "Capital Adequacy and Measurement" - continued

	As of September 30		As of December 31
	2026	2025	2025
		(Unaudited)	(Audited)
3. Capital components for calculating the capital ratio (on consolidated data)			
a. Tier I equity			
Shareholders' equity	38,391	35,563	36,428
Differences between shareholders' equity and Tier I equity	(1,084)	(966)	(1,017)
Tier I equity before regulatory adjustments and deductions	**37,307**	**34,597**	**35,411**
Supervisory adjustments and deductions:			
Goodwill and intangible assets	(87)	(92)	(87)
Supervisory adjustments and other deductions	(50)	(99)	(85)
Total supervisory adjustments and deductions - Tier I equity	**(137)**	**(191)**	**(172)**
Total Tier I equity after supervisory adjustments and deductions	**37,170**	**34,406**	**35,239**
b. Tier II capital			
Tier II capital: Instruments	7,180	6,143	6,051
Tier II capital: Provisions	3,495	3,694	3,620
Total Tier II capital	**10,675**	**9,837**	**9,671**
Total capital	**47,845**	**44,243**	**44,910**

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
	2026	2025	2025
		(Unaudited)	(Audited)
1. Consolidated data			
Tier I capital	37,170	34,406	35,239
Total exposure	626,541	572,454	599,134
	In %		
Leverage ratio	5.93	6.01	5.88
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	8.86	8.09	8.54
Minimum leverage ratio required by the Supervisor of Banks	4.50	4.50	4.50

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
	2026	2025	2025
		(Unaudited)	(Audited)
		In %	
1. Consolidated data			
Liquidity coverage ratio[(1)]	127	131	129
Minimum liquidity coverage ratio required by the Supervisor of Banks	100	100	100
2. Bank data			
Liquidity coverage ratio[(1)]	128	132	130
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)]	240	442	316
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
	2026	2025	2025
	(Unaudited)		(Audited)
			In %
(1) On consolidated data			
Net stable funding ratio	110	112	112
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	172	168
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, 2026 was 110%. The volatility of this ratio throughout the quarter was low; the main factors affecting the net stable funding ratio are: composition of Bank sources and uses by financing term, financing type and counter party. On the sources side – long-term liabilities are more stable than short-term liabilities, and funding from retail customers and small businesses is more stable than wholesale funding with the same maturity. When long-term sources grow shorter on a large scale (such as with subordinated notes) to a term shorter than one year, this factor affects the resulting ratio; however, because this is a funding source which typically has scattered maturities, the impact on the resulting ratio is not material. On the uses side – asset type, asset term and quality and liquidity value determine the required stable funding amount.

E. Basel III

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

Note 9 – Capital adequacy, liquidity and leverage – continued

Reported amounts (NIS in millions)

F. Capital adequacy target

As per instructions of the Supervisor of Banks, the Bank is required to maintain a minimum Tier I equity ratio of no less than 9% and a minimum total equity ratio of no less than 12.5% of weighted total of risk components of its balance sheet assets and off-balance-sheet items. Calculation of total capital and total risk components is set forth in the directives.

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

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

G. Assignment of Credit Rating to the State of Israel 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 uses 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.

On November 7, 2026, the rating agency S&P announced its affirmation of the State of Israel's credit rating at A with a stable rating outlook.

H. Subordinated notes with a loss-absorption mechanism

On January 15, 2026, the Bank issued - under an international private placement to institutional investors - contingent subordinated notes (Contingent Convertibles – CoCo) with loss-absorption mechanism through principal write-off (compliant with Basel III eligibility conditions and recognized as Tier II capital by the Supervisor of Banks), whose par value is USD 750 million.

On April 7, 2026 full early redemption was executed of CoCo contingent subordinated notes, which were issued to institutional investors by the Bank, at the total amount of USD 600 million.

On June 8, 2026, an issuance of contingent subordinated notes (CoCo) with a par value of NIS 0.5 billion was executed.

On June 24, 2026, full early redemption of contingent subordinated notes (CoCo) with a par value of approx. NIS 0.4 billion was executed.

On September 14, 2026, an issuance of contingent subordinated notes (CoCo) with a par value of NIS 0.75 billion was executed.

I. 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, 2026, the Directive has no material effect on the financial statements, and it is not expected to have a material effect in the future. See Note 1 to the 2025 financial statements for additional information.

J. Leverage ratio

The Bank applies the rules set in Proper Conduct of Banking Business Directive 218 with regard to leverage ratio, which adopts the Basel Committee's recommendations on 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.

Note 9 – Capital adequacy, liquidity and leverage – continued

Reported amounts (NIS in millions)

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 revert to the required leverage ratio required prior to the temporary order within two quarters.
On September 14, 2025, the Supervisor of Banks published a circular, which extended the relief by one further year through December 31, 2026.

K. Update to Proper Conduct of Banking Business Directive 206

On June 19, 2024, the Bank Supervisor published a circular that updates the guidelines for calculating capital requirements for operating risk. The principal revisions to the directive are as follows: Recalculation of the components of the standardized approach such that it includes the business indicator component calculated by multiplying the total business indicator by the coefficients set in the directive and the internal loss multiplier, which will be based on an average of the Bank's historical losses, and new guidance regarding the Bank's historical loss data, the data collection method, the use of the data and the disclosure requirements in respect thereof. The directive entered into effect on January 1, 2026l however, through December 31, 2028, the internal loss multiplier will be set at 1. As from January 1, 2026, the Bank has been applying the recalculation to the measurement of the operational risk. The application of the directive did not have a material effect on the Bank's capital ratios.

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

M. For more information about the Supervisor of Banks' directives and guidance with regard to capital adequacy, see Note 25 to the 2025 Financial Statements.

Note 10 - Contingent Liabilities and Special Commitments

Reported amounts (NIS in millions)

A. Other liabilities and special commitments

	September 30		December 31
	2026	2025	2025
	(Unaudited)		(Audited)
Acquisition and renovation of buildings	18	107	33

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
	2026	2025	2026	2025	2025
	(Unaudited)		(Unaudited)		(Audited)
Carrying amount of credit sold	-	-	-	120	120
Total consideration	-	-	20	120	136
Total net gain with respect to credit sold	-	-	20	-	16

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 2025 financial statements. Below is a description of material changes from the Note included in the 2025 Financial Statements.
2. On August 18, 2026, the General Meeting of the Bank's shareholders approved an amended letter of exemption and indemnity to Board members and other officers, including the Bank's President & CEO, controlling shareholders of the Bank and their relatives, as well as employees who serve from time to time, including those who had served in the past or would be appointed in future, all in accordance with the amended letter of exemption and indemnity.

   The amended letter includes, among other things, several clarifications, details and elaboration to the events listed in the addendum to the current letter of undertaking in order to clarify and align the list of events in accordance with the events which the Board of Directors considers to be likely in view of actual Bank activities upon the award of the indemnity undertaking.

   The resolution to approve the amended letter of undertaking, with regard to its applicability to controlling shareholders of the Bank and relatives thereof, would be brought for re-approval no later than three (3) years after approval by the General Meeting of the Bank's shareholders (i.e. after August 18, 2026), as required by law. The resolution to approve the amended letter of undertaking, with regard to its applicability to all other entitled parties who are not controlling shareholders of the Bank and relatives thereof, would be brought for re-approval no later than 9 years after approval by the General Meeting of the Bank (i.e. after August 18, 2026).
3. 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 2025 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.
   On November 13, 2025, the parties filed a motion with the Court seeking approval of a settlement agreement, which was reached as part of a mediation proceeding.
   On April 23, 2026, the District Court handed down its judgement, approving the settlement agreement which was filed.

Note 10 - Contingent Liabilities and Special Commitments – continued

Reported amounts (NIS in millions)

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. On June 28, 2026, the Court handed down its judgement, approving the settlement agreement which was filed.

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 conducted a mediation proceeding. On August 12, 2026 the Bank served the court a notice whereby the mediation proceeding was unsuccessful. No resolutions have been issued in this case.

d) In April 2021, the Bank was served with a claim and motion for class action status filed against the Bank and 14 other defendants (other banks and financial institutions) 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 their summations and the movants' summations were filed on July 2, 2026. A ruling in the case has not yet been handed down.

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 July 1, 2026, the movant filed a motion to withdraw the class action certification motion, and the banks' response to the motion was filed on July 16, 2026. On August 5, 2026, the respondent submitted its response to the movants' reply; a ruling has not yet been handed down in the case.

f) 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.
The Supervisor of Banks' position was filed on September 2, 2026, and the parties' response to this position was filed on October 15, 2026. A hearing for this case is scheduled for December 16, 2026.

g) 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".
On January 28, 2026, a judgment was handed down, which approves the withdrawal arrangement filed by the parties.

Note 10 - Contingent Liabilities and Special Commitments – continued

Reported amounts (NIS in millions)

h) 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 September 23, 2026 the court handed down a ruling approving the motion for class action certification on the grounds of unjust enrichment (hereinafter - the "Class Action Certification Ruling"). An amended class action statement of claim was filed on October 5, 2026. On November 4, 2026 the Bank filed a motion for stay of the Class Action Certification Ruling and stay of the class action proceedings. On November 9, 2026, the plaintiff submitted its response to the Banks' motion; a ruling has not yet been handed down in the case.

i) 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. In accordance with the court ruling, the movants' summations were filed on July 9, 2026, and the Bank is required to file summations on its behalf by November 20, 2026.

j) 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.
On April 28, 2026 a judgement was handed down which dismissed the certification motion, and the movants were required to pay legal expenses.

k) 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. An evidence hearing was scheduled for March 23, 2027.

l) 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 took place on September 15, 2026. On October 22, 2026, the Bank served a notice on its behalf stating that it agrees to refer the matter to a mediation proceeding. In accordance with the court ruling, the parties are to inform the court regarding the status of the mediation proceeding by January 31, 2027.

Note 10 - Contingent Liabilities and Special Commitments – continued

Reported amounts (NIS in millions)

m) In March 2024 the Bank was served with a claim and a motion for approval of class action status, with no estimated sum, filed against the Bank and other Banks, for alleged unlawful billing for exchange rate differences for foreign currency conversion transactions, without basis for the billing in the Bank's price list and in agreements with customers and with no fair 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. On June 30, 2026 the appellant filed a motion for striking the appeal and the Bank responded to the motion. On September 3, 2026, a judgment was handed down approving the striking of the appeal.

n) 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. On February 9, 2026, the court handed down a decision ordering a stay of proceedings in this court case, until a judgment is rendered in a related proceeding regarding credit balances in current accounts as detailed in Section H above. On September 23, 2026 the court handed down a ruling in the related case approving the Class Action Certification Motion on the grounds of unjust enrichment. On September 24, 2026, the movant submitted to the court a notice containing an update regarding the Class Action Certification Motion. A hearing for the case was scheduled for December 16, 2026.

o) 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. Dates were scheduled for the filing of summations.

p) In June 2026, the Bank was served with a claim and a motion to approve a class action to the sum of NIS 1 billion. The motion concerns the manner by which specific and general trust accounts were managed. It is claimed in the motion that the Bank allegedly failed in risk management, oversight, and monitoring of activities in trust accounts under its management, by allowing the trustees of such accounts to conduct unrestricted activity, and consequently, financial and/or non-financial damage was caused to the beneficiaries. On September 17, 2026, the plaintiff filed a motion for outright dismissal of the Class Action Certification Motion. The movants' reply to the dismissal motion was field on October 29, 2026, and the Bank may respond to the motion by November 23, 2026.

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 96 million.

4. Motions for class action status are pending against the Bank and its subsidiaries, where the amount claimed is material, as well as appeals to the High Court of Justice, as itemized below, which, in the opinion of the Bank's management, based on the opinion of the managements of its subsidiaries, and on the opinion of their legal counsel, the prospects for which cannot be estimated on the date of the financial statements, hence no provision was made for these.

A. In November 2026, the Bank was served a class action certification motion with no estimated amount, which was filed against the Bank and other banks with the Tel Aviv District Court. The motion deals with operational and/or marketing notices emailed by the banks to their customers. It is alleged that the Bank incorporates into the emails technological means of tracking, which enable monitoring, attribution, processing and documentation of information pertaining to the addressee's engagement with the email (or lack thereof), without making an effective disclosure, without obtaining the customer's informed consent and without an effective optout mechanism for the customer.
According to the allegations made in the motion, the Bank's abovementioned alleged conduct establishes causes of action to its customers, among other things, under the Privacy Protection Law and the Unjust Enrichment Law.

Note 10 - Contingent Liabilities and Special Commitments – continued

Reported amounts (NIS in millions)

B. In May 2026, the Bank was served with a claim and a motion to approve a class action to the sum of NIS 522 million. The motion alleges the existence of five (5) systemic failures in the manner data is presented on the Bank's online digital platforms for securities trading, which allegedly deprive its customers of the ability to obtain reliable information, understand the status of their accounts, and properly conduct trading transactions, while allegedly breaching various statutory provisions resulting in unjust enrichment.
The deadline for filing the Bank's response to the certification motion is November 25, 2026.

C. In November 2025, Bank Yahav was served with a claim and a motion for approval of class action of unspecified amount. The motion alleges that Bank Yahav does not deliver messages regarding the termination of the benefits awarded to a customer and does not inform the customer proactively with respect thereof, thereby allegedly breaching the law. Bank Yahav submitted its response to the certification motion. A pre-trial hearing is scheduled for May 2, 2027.

5. Motions for class action status and a motion for approval of a derivative claim are pending against the Bank and subsidiaries thereof, as follows:

A. In October 2026, the Bank was served with a motion for the issuance of a disclosure of documents order pursuant to Section 198A to the Companies Law, 1999, which was filed against the Bank and additional banks with the District Court - Central. Under the Motion, the court is requested to order the Respondents to disclose various documents and relevant information regarding the determination of the damages which the Respondents incurred and/or will incur due to the ruling of the District Court - Central of September 22, 2026, which approved a class action status to the lawsuit against the Respondents, based on alleged unjust enrichment, due to retention of credit balances in their customers' current account and failure to pay interest in respect of those credit balances (hereinafter - the "Certification Ruling"). The motion alleges that the court's rulings and judgement regarding the Certification Motion establish prima facie evidence of the officers' negligence in connection with the unjust enrichment which is the subject matter of the Certification Ruling, due to which the Respondents will incur significant damages and losses.

   The date for submission of the Bank's response to the disclosure motion is December 1, 2026. A pre-trial hearing was scheduled for April 11, 2027.

6. In April 2026, the Bank and Isracard Ltd. signed an agreement on joint issuance of payment cards to be issued to the Bank's customers. This agreement revised, among other things, the commercial terms agreed by the parties in previous agreements. The Bank also has an agreement with Premium Express Ltd. of the Isracard Group on joint issuance of payment cards to the Bank's customers.

7. In June 2026, the Bank signed an agreement with Israel Credit Cards Ltd. (CAL) and Diners Club Israel Ltd. for joint issuance of payment cards to be issued to the Bank's customers. This agreement revised, among other things, the commercial terms agreed by the parties in previous agreements.

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, 2026 (unaudited)				
	Expiring in one year or sooner	Expiring in 1 to 3 years	Expiring in 3 to 5 years	Expiring in over 5 years	Total
Loan guarantees	3,845	980	235	256	5,316
Guarantees to home buyers	13,454	4,065	710	64	18,293
Guarantees and other commitments	9,610	6,970	4,690	77	21,347
Commitments to issue guarantees	4,983	12,107	6,718	-	23,808
Total guarantees	**31,892**	**24,122**	**12,353**	**397**	**68,764**

	As of September 30, 2025 (unaudited)				
	Expiring in one year 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 December 31, 2025 (audited)				
	Expiring in one year or sooner	Expiring in 1 to 3 years	Expiring in 3 to 5 years	Expiring in over 5 years	Total
Loan guarantees	4,072	845	184	255	5,356
Guarantees to home buyers	11,913	4,714	823	68	17,518
Guarantees and other commitments	8,794	5,430	4,453	72	18,749
Commitments to issue guarantees	3,691	9,870	5,670	-	19,231
Total guarantees	**28,470**	**20,859**	**11,130**	**395**	**60,854**

Note 10a - Pledges, Restrictive Conditions and Collateral

Reported amounts (NIS in millions)

Pledges, Restrictive Conditions and Collateral

A. Pledged assets and undertakings in respect of which they are pledged

	To central bank [1]	To stock exchanges and clearing houses	In securities lending, repo and derivative transactions [2]	Total
Pledged assets as of September 30, 2026				
Cash and deposits with banks	-	**1,361**	**1,918**	**3,279**
Bonds of the Government of Israel	89	258	-	347
Bonds of foreign governments	596	473	-	1,069
Total securities	**685**	**731**	**-**	**1,416**
Total assets	**685**	**2,092**	**1,918**	**4,695**
Amount of liabilities against which the assets are pledged				
Liabilities to the central bank	71	-	-	71
Liabilities with respect to derivatives	-	-	1,106	1,106
Total liabilities	**71**	**-**	**1,106**	**1,177**
Pledged assets as of December 31, 2025				
Cash and deposits with banks	-	**969**	**3,370**	**4,339**
Bonds of the Government of Israel	89	256	-	345
Bonds of foreign governments	379	546	-	925
Total securities	**468**	**802**	**-**	**1,270**
Total assets	**468**	**1,771**	**3,370**	**5,609**
Amount of liabilities against which the assets are pledged				
Liabilities to the central bank	71	-	-	71
Liabilities with respect to derivatives	-	-	1,876	1,876
Total liabilities	**71**	**-**	**1,876**	**1,947**

(1) The presented balances include amounts which - as of the reporting date - are pledged to a central bank and the banking corporation is required to obtain the central bank's approval to withdraw them or receive liquid instruments against them. Out of those balances, the banking corporation pledged to a central bank NIS 15 million in securities, which - as of the reporting date - the banking corporation can, at any time and without prior notice, withdraw or receive liquid instruments against them from the central bank.

(2) For further details, see Note 11C regarding financial instruments provided as collateral and cash collateral pledged against liabilities with respect to derivatives.

Note 10a - Pledges, Restrictive Conditions and Collateral - continued

Reported amounts (NIS in millions)

B. Sources of securities which have been received and which the Bank may sell or pledge, at fair value excluding set-offs:

	As of September 30 2026 (Unaudited)	As of December 31 2025 (Audited)
Securities purchased in resale agreements	**21**	**593**

C. Balances in respect of unsecured transactions for lending and borrowing of securities:

	As of September 30 2026 (Unaudited)	As of December 31 2025 (Audited)
Securities held for trading received in unsecured securities borrowing transactions	20,306	16,628
Loans to the public in respect of unsecured securities lending transactions	15,426	9,602
Deposits to the public in respect of unsecured securities borrowing transactions	35,732	26,230

Note 11 – Derivative instruments and hedging activities

Reported amounts (NIS in millions)

A Activity on a consolidated basis

	September 30, 2026 (unaudited)			September 30, 2025 (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	-	-	-	-	-	-
Options written	-	-	-	-	-	-
Options purchased	-	-	-	-	-	-
Swaps[1]	45,439	123,261	168,700	34,956	100,902	135,858
Total[2]	**45,439**	**123,261**	**168,700**	**34,956**	**100,902**	**135,858**
Of which: Hedging derivatives[3]	**18,441**	**-**	**18,441**	**10,284**	**-**	**10,284**
Currency contracts						
Forward contracts and futures[4]	70,693	199,146	269,839	60,664	174,027	234,691
Options written	-	11,933	11,933	-	6,278	6,278
Options purchased	-	10,627	10,627	-	5,951	5,951
Swaps	1,378	1,555	2,933	661	1,214	1,875
Total	**72,071**	**223,261**	**295,332**	**61,325**	**187,470**	**248,795**
Of which: Hedging derivatives[3]	**1,378**	**-**	**1,378**	**-**	**-**	**-**
Contracts for shares						
Forward contracts and futures contracts	-	60,510	60,510	-	40,343	40,343
Options written	213	14,987	15,200	213	20,232	20,445
Options purchased[5]	-	14,990	14,990	-	20,234	20,234
Swaps	-	431	431	-	162	162
Total	**213**	**90,918**	**91,131**	**213**	**80,971**	**81,184**
Commodities and other contracts						
Forward contracts and futures contracts	-	20	20	-	18	18
Options written	-	-	-	-	4	4
Options purchased	-	-	-	-	4	4
Total	**-**	**20**	**20**	**-**	**26**	**26**
Total stated amount	**117,723**	**437,460**	**555,183**	**96,494**	**369,369**	**465,863**

(1) Includes swaps where the banking corporation pays a fixed interest rate amounting to NIS 97,402 million (as of September 30, 2025: NIS 80,005 million)
(2) Of which: NIS/CPI swaps amounting to NIS 4,400 million (as of September 30, 2025: NIS 3,694 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 7,424 million (as of September 30, 2025: NIS 4,738 million)
(5) Of which: Traded on the Stock Exchange, amounting to NIS 14,989 million (as of September 30, 2025 - NIS 20,232 million)

Note 11 – Derivative instruments and hedging activities – continued

Reported amounts (NIS in millions)

A. Activity on a consolidated basis – continued

	As of December 31, 2025 (audited)		
	Derivatives not held for trading	Derivatives held for trading	Total
1. Stated amounts of derivative instruments			
Interest contracts			
Forward contracts	-	-	-
Options written	-	-	-
Options purchased	-	-	-
Swaps[1]	33,747	108,326	142,073
Total[2]	**33,747**	**108,326**	**142,073**
Of which: Hedging derivatives[3]	**9,881**	**-**	**9,881**
Currency contracts			
Forward contracts and futures[4]	63,649	200,442	264,091
Options written	-	6,655	6,655
Options purchased	-	6,661	6,661
Swaps	638	1,021	1,659
Total	**64,287**	**214,779**	**279,066**
Of which: Hedging derivatives[3]	**-**	**-**	**-**
Contracts for shares			
Forward contracts and futures contracts	-	47,420	47,420
Options written	213	16,940	17,153
Options purchased[5]	-	16,943	16,943
Swaps	-	370	370
Total	**213**	**81,673**	**81,886**
Commodities and other contracts			
Forward contracts	-	2	2
Options written	-	-	-
Options purchased	-	-	-
Total	**-**	**2**	**2**
Total stated amount	**98,247**	**404,780**	**503,027**

(1) Of which: seeps where the banking corporation pays a fixed interest, amounting to NIS 86,378 million.
(2) Of which: NIS/CPI swaps amounting to NIS 4,056 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 4,624 million.
(5) Of which: Traded on the stock exchange, amounting to NIS 16,940 million.

Note 11 – Derivative instruments and hedging activities – continued

Reported amounts (NIS in millions)

A. Activity on a consolidated basis – continued

	September 30, 2026 (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	1,662	1,345	3,007	1,376	1,207	2,583
Of which: Hedging derivatives	517	-	517	393	-	393
Currency contracts	69	3,363	3,432	31	3,430	3,461
Of which: Hedging derivatives	-	-	-	20	-	20
Contracts for shares	19	773	792	-	758	758
Total assets / liabilities with respect to derivatives, gross[(1)]	**1,750**	**5,481**	**7,231**	**1,407**	**5,395**	**6,802**
Carrying amount of assets / liabilities with respect to derivative instruments	**1,750**	**5,481**	**7,231**	**1,407**	**5,395**	**6,802**
Of which: Carrying amount with respect to derivative instruments not subject to a master netting agreement or to similar agreements	107	1,061	1,168	1	1,052	1,053

	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
Contracts for shares	15	660	675	-	644	644
Total assets / liabilities with respect to derivatives, gross[(1)]	**1,190**	**5,187**	**6,377**	**965**	**5,596**	**6,561**
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

(1) Of which: Gross fair value of assets with respect to embedded derivatives amounting to NIS 34 million (as of September 30, 2025 - NIS 31 million).

Note 11 – Derivative instruments and hedging activities – continued

Reported amounts (NIS in millions)

B. Activity on consolidated basis – continued

	December 31, 2025					
	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	1,065	869	1,934	926	825	1,751
Of which: Hedging derivatives	272	-	272	225	-	225
Currency contracts	65	3,739	3,804	23	4,699	4,722
Contracts for shares	22	565	587	-	555	555
Total assets / liabilities with respect to derivatives, gross[(1)]	**1,152**	**5,173**	**6,325**	**949**	**6,079**	**7,028**
Carrying amount of assets / liabilities with respect to derivative instruments	**1,152**	**5,173**	**6,325**	**949**	**6,079**	**7,028**
Of which: Carrying amount with respect to derivative instruments not subject to a master netting agreement or to similar agreements	92	834	926	4	1,051	1,055

(1) Of which: Gross fair value of assets with respect to embedded derivatives amounting to NIS 32 million.

Note 11 – Derivative instruments and hedging activities – continued

Reported amounts (NIS in millions)

C. 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
	2026	2025	2026	2025	2025
					Interest revenues (expenses)
Interest contracts					
Hedged items	(322)	3	(203)	114	156
Hedging derivatives	313	(3)	192	(110)	(146)

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

	Balance as of September 30, 2026		Balance as of September 30, 2025		Balance as of December 31, 2025	
	2026		2025		2025	
	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	4,399	185	4,860	98	4,718	214
Bonds and subordinated notes	3,104	144	-	-	-	-
Mortgages credit	8,061	98	5,288	56	5,317	85

2. Cash flows hedges[2]

	For the three months ended September 30, 2026		For the nine months ended September 30, 2026		For the year ended December 31, 2025	
	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)
Bonds and subordinated notes	(15)	3	(48)	6	-	-
Mortgages credit	-	-	-	-	(6)	(3)

	For the three months ended September 30, 2025		For the nine months ended September 30, 2025	
	Amounts recognized in Other Comprehensive Income (loss) from derivatives	Interest revenues (expenses)	Amounts recognized in Other Comprehensive Income (loss) from derivatives	Interest revenues (expenses)
Mortgages credit	(1)	(2)	(2)	(3)

(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)

D. Credit risk on financial derivatives according to counter-party to the contract – Consolidated

	September 30, 2026 (unaudited)						
	Stock exchanges	Banks	Dealers/ Brokers	Governments and central banks	Institutional investors	Others	Total
Carrying amount of assets with respect to derivative instruments	**91**	**4,195**	**-**	**17**	**2,188**	**740**	**7,231**
Gross amounts not offset in the balance sheet:							
Mitigation of credit risk with respect to financial instruments	-	(2,874)	-	(10)	(1,076)	(146)	(1)(4,106)
Mitigation of credit risk with respect to cash collateral received(2)	-	(804)	-	(7)	(884)	(58)	(1,753)
Net amount of assets with respect to derivative instruments	**91**	**517**	**-**	**-**	**228**	**536**	**1,372**
Net off-balance sheet credit risk with respect to derivative instruments(3)	114	2,857	123	4	2,857	458	6,413
Total credit risk on derivative instruments	**205**	**3,374**	**123**	**4**	**3,085**	**994**	**7,785**
Carrying amount of liabilities with respect to derivative instruments	**33**	**3,126**	**-**	**10**	**3,024**	**609**	**6,802**
Gross amounts not offset in the balance sheet:							
Financial instruments	-	(2,874)	-	(10)	(1,076)	(146)	(4,106)
Pledged cash collateral(4)	-	(252)	-	-	(1,017)	-	(1,269)
Net amount of liabilities with respect to derivative instruments	**33**	**-**	**-**	**-**	**931**	**463**	**1,427**

	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(2)	-	(1,011)	-	(82)	(1,033)	-	(2,126)
Net amount of assets with respect to derivative instruments	**81**	**131**	**418**	**19**	**173**	**732**	**1,554**
Off-balance sheet credit risk on derivative instruments(3)	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(4)	-	(382)	-	-	(1,579)	(42)	(2,003)
Net amount of liabilities with respect to derivative instruments	**82**	**-**	**418**	**-**	**541**	**820**	**1,861**

(1) This balance consists entirely of derivative instruments subject to offset agreements.

(2) Balances in respect of cash collateral received are presented under the deposits from the public and deposits from banks line items.

(3) 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 balance of assets with respect to derivative instruments of the borrower.

(4) Balances in respect of cash collateral pledged are presented under the deposits from the public and deposits from banks line items.

Note 11 – Derivative instruments and hedging activities – continued

Reported amounts (NIS in millions)

D. Credit risk on financial derivatives according to counter-party to the contract – Consolidated – continued

	As of December 31, 2025 (audited)						
	Stock exchanges	Banks	Dealers/ Brokers	Governments and central banks	Institutional investors	Others	Total
Carrying amount of assets with respect to derivative instruments	**113**	**3,060**	**305**	**157**	**1,911**	**779**	**6,325**
Gross amounts not offset in the balance sheet:							
Mitigation of credit risk with respect to financial instruments	-	(2,126)	-	-	(1,131)	(80)	[1](3,337)
Mitigation of credit risk with respect to cash collateral received[2]	-	(934)	-	(152)	(780)	-	(1,866)
Net amount of assets with respect to derivative instruments	**113**	**-**	**305**	**5**	**-**	**699**	**1,122**
Net off-balance sheet credit risk with respect to derivative instruments[3]	137	2,207	116	16	2,408	374	5,258
Total credit risk on derivative instruments	**250**	**2,207**	**421**	**21**	**2,408**	**1,073**	**6,380**
Carrying amount of liabilities with respect to derivative instruments	**112**	**2,387**	**305**	**-**	**3,356**	**868**	**7,028**
Gross amounts not offset in the balance sheet:							
Financial instruments	-	(2,126)	-	-	(1,131)	(80)	(3,337)
Pledged cash collateral[4]	-	(261)	-	-	(1,771)	(95)	(2,127)
Net amount of liabilities with respect to derivative instruments	**112**	**-**	**305**	**-**	**454**	**693**	**1,564**

(1) This balance consists entirely of derivative instruments subject to offset agreements.

(2) Balances in respect of cash collateral received are presented under the deposits from the public and deposits from banks line items.

(3) 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 balance of assets with respect to derivative instruments of the borrower.

(4) Balances in respect of cash collateral pledged are presented under the deposits from the public and deposits from banks line items.

Expenses (income) from an increase (decrease) in provision for credit losses amounting to NIS 4 million, NIS (8) million, NIS 4 million and NIS (2) million were recognized in the three-month periods ended September 30, 2026 and 2025 and the nine-month periods ended September 30, 2026 and 2025, respectively.

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

	September 30, 2026 (unaudited)				
	Up to three months	3 months to 1 year	1-5 years	Over 5 years	Total
Interest contracts:					
NIS – CPI	1,137	1,460	1,299	504	4,400
Other	19,355	27,330	90,527	27,088	164,300
Currency contracts	206,062	80,225	8,733	312	295,332
Contracts for shares	89,765	1,045	321	-	91,131
Commodities and other contracts	19	1	-	-	20
Total	**316,338**	**110,061**	**100,880**	**27,904**	**555,183**
	September 30, 2025 (unaudited)				
Total	**239,510**	**127,797**	**76,613**	**21,943**	**465,863**
	As of December 31, 2025 (audited)				
Total	**291,568**	**107,294**	**80,731**	**23,434**	**503,027**

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, 2026 (unaudited)
Reported amounts (NIS in millions)

	Operations in Israel			
	Households			
	Residential mortgages	Others	Of which: Credit cards	Total
Interest revenues from externals	9,894	1,490	46	11,384
Interest expenses from externals	18	2,497	-	2,515
Interest revenues, net from externals	9,876	(1,007)	46	8,869
Interest revenues, net – inter-segment	(7,798)	3,655	(3)	(4,143)
Total interest revenues, net	**2,078**	**2,648**	**43**	**4,726**
Total non-interest financing revenues	-	-	-	-
Total commissions and other revenues	87	604	161	691
Total non-interest revenues	**87**	**604**	**161**	**691**
Total revenues	**2,165**	**3,252**	**204**	**5,417**
Expenses due to credit losses	(92)	58	(4)	(34)
Operating and other expenses to externals	628	1,676	51	2,304
Operating and other expenses – inter-segment	-	2	-	2
Total operating and other expenses	**628**	**1,678**	**51**	**2,306**
Pre-tax profit	1,629	1,516	157	3,145
Provision for taxes on profit	638	594	62	1,232
After-tax profit	**991**	**922**	**95**	**1,913**
Share of banking corporation in earnings of associated companies	-	-	-	-
Net profit before attribution to non-controlling interests	991	922	95	1,913
Net profit attributed to non-controlling interests	-	(114)	(3)	(114)
Net profit attributable to shareholders of the banking corporation	**991**	**808**	**92**	**1,799**
Average balance of assets	251,514	29,629	4,061	281,143
Of which: Investments in associated companies	-	-	-	-
Average balance of loans to the public	251,514	29,629	4,061	281,143
Balance of loans to the public at end of reported period	258,785[3]	29,746	5,293	288,531
Balance of non-accruing debts and debts in arrears over 90 days	2,433	120	1	2,553
Balance of other problematic debts	-	133	4	133
Balance of provision for credit losses at end of reported period	976	597	-	1,573
Net accounting write-offs in the reported period	-	175	-	175
Average balance of liabilities	-	134,713	-	134,713
Of which: Average balance of deposits from the public	-	134,713	-	134,713
Balance of deposits from the public at end of reported period	-	134,167	-	134,167
Average balance of risk assets[1]	147,257	24,380	4,657	171,637
Balance of risk assets at end of reported period[1]	151,761	24,396	4,795	176,157
Average balance of assets under management[2]	8,052	72,645	-	80,697
Breakdown of interest revenues, net:				
Margin from credit granting operations	1,732	673	36	2,405
Margin from activities of receiving deposits	-	1,929	-	1,929
Other	346	46	7	392
Total interest revenues, net	**2,078**	**2,648**	**43**	**4,726**

(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 8,026 million.

Private banking	Small and micro businesses	Medium businesses	Large businesses	Institutional investors	Financial management segment	activity in Israel	Operations overseas Total – operations overseas	Total
6	1,984	796	2,642	125	2,282	19,219	1,209	20,428
832	942	926	1,569	3,057	1,468	11,309	509	11,818
(826)	1,042	(130)	1,073	(2,932)	814	7,910	700	8,610
1,159	758	722	162	3,216	(1,718)	156	(156)	-
333	**1,800**	**592**	**1,235**	**284**	**(904)**	**8,066**	**544**	**8,610**
-	-	-	-	-	482	482	-	482
45	435	98	218	51	245	1,783	40	1,823
45	**435**	**98**	**218**	**51**	**727**	**2,265**	**40**	**2,305**
378	**2,235**	**690**	**1,453**	**335**	**(177)**	**10,331**	**584**	**10,915**
-	90	51	30	(13)	5	129	62	191
11	814	124	185	136	216	3,790	105	3,895
3	2	(2)	1	-	(6)	-	-	-
14	**816**	**122**	**186**	**136**	**210**	**3,790**	**105**	**3,895**
364	1,329	517	1,237	212	(392)	6,412	417	6,829
143	521	203	485	83	(154)	2,513	163	2,676
221	**808**	**314**	**752**	**129**	**(238)**	**3,899**	**254**	**4,153**
-	-	-	-	-	42	42	-	42
221	808	314	752	129	(196)	3,941	254	4,195
-	(4)	-	-	-	(45)	(163)	-	(163)
221	**804**	**314**	**752**	**129**	**(241)**	**3,778**	**254**	**4,032**
191	36,284	23,929	57,883	9,268	132,506	541,204	29,678	570,882
-	-	-	-	-	649	649	-	649
191	36,284	23,929	57,883	9,268	-	408,698	14,894	423,592
244	37,285	26,491	61,613	9,256	-	423,420	16,646	440,066
-	709	301	157	-	-	3,720	122	3,842
-	529	113	270	-	-	1,045	134	1,179
1	1,189	251	433	-	-	3,447	185	3,632
-	116	46	21	-	-	358	44	402
32,761	53,547	34,750	51,149	138,091	64,962	509,973	17,965	527,938
32,761	53,547	34,750	51,149	138,091	-	445,011	17,493	462,504
33,775	54,895	34,406	53,305	138,814	-	449,362	18,830	468,192
150	34,373	20,491	84,848	1,672	26,322	339,493	18,760	358,253
159	34,599	21,501	87,682	1,458	26,383	347,939	20,180	368,119
38,927	61,062	23,669	50,225	477,117	4,263	735,960	-	735,960
3	938	338	897	42	-	4,623	339	4,962
330	751	203	161	239	-	3,613	77	3,690
-	111	51	177	3	(904)	(170)	128	(42)
333	**1,800**	**592**	**1,235**	**284**	**(904)**	**8,066**	**544**	**8,610**

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	240,124[3]	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 million.

Private banking	Small and micro businesses	Medium businesses	Large businesses	Institutional investors	Financial management segment	activity in Israel	Operations overseas Total – operations overseas	Total
3	2,108	863	2,422	71	2,410	19,329	1,475	20,804
868	995	821	1,523	2,775	1,572	11,188	578	11,766
(865)	1,113	42	899	(2,704)	838	8,141	897	9,038
1,199	769	529	177	2,921	(1,410)	367	(367)	-
334	**1,882**	**571**	**1,076**	**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	**2,334**	**668**	**1,273**	**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	1,475	527	1,051	95	(182)	6,593	399	6,992
135	551	197	391	35	(68)	2,460	149	2,609
226	**924**	**330**	**660**	**60**	**(114)**	**4,133**	**250**	**4,383**
-	-	-	-	-	13	13	-	13
226	924	330	660	60	(101)	4,146	250	4,396
-	(3)	-	-	-	(28)	(170)	-	(170)
226	**921**	**330**	**660**	**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	52,411	26,052	43,879	103,045	68,478	459,943	18,302	478,245
31,761	52,411	26,052	43,879	103,045	-	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	924	322	753	24	-	4,456	305	4,761
333	851	202	154	190	-	3,883	98	3,981
-	107	47	169	3	(572)	169	127	296
334	**1,882**	**571**	**1,076**	**217**	**(572)**	**8,508**	**530**	**9,038**

Note 12 – Operating Segments – continued
Supervisory operating segments
For the three months ended September 30, 2026 (unaudited)
Reported amounts (NIS in millions)

	Operations in Israel			
			Households	
	Residential mortgages	Others	Of which: Credit cards	Total
Interest revenues from externals	3,490	508	15	3,998
Interest expenses from externals	7	835	-	842
Interest revenues, net from externals	3,483	(327)	15	3,156
Interest revenues, net – inter-segment	(2,826)	1,214	4	(1,612)
Total interest revenues, net	**657**	**887**	**19**	**1,544**
Total non-interest financing revenues	-	-	-	-
Total commissions and other revenues	30	206	63	236
Total non-interest revenues	**30**	**206**	**63**	**236**
Total revenues	**687**	**1,093**	**82**	**1,780**
Expenses due to credit losses	(23)	14	(5)	(9)
Operating and other expenses to externals	209	554	18	763
Operating and other expenses – inter-segment	-	1	-	1
Total operating and other expenses	**209**	**555**	**18**	**764**
Pre-tax profit	501	524	69	1,025
Provision for taxes on profit	194	204	27	398
After-tax profit	**307**	**320**	**42**	**627**
Share of banking corporation in earnings of associated companies	-	-	-	-
Net profit before attribution to non-controlling interests	307	320	42	627
Net profit attributed to non-controlling interests	-	(35)	(1)	(35)
Net profit attributable to shareholders of the banking corporation	**307**	**285**	**41**	**592**
Average balance of assets	256,080	30,163	4,211	286,243
Of which: Investments in associated companies	-	-	-	-
Average balance of loans to the public	256,080	30,163	4,211	286,243
Balance of loans to the public at end of reported period	258,785[3]	29,746	5,293	288,531
Balance of non-accruing debts and debts in arrears over 90 days	2,433	120	1	2,553
Balance of other problematic debts	-	133	4	133
Balance of provision for credit losses at end of reported period	976	597	-	1,573
Net accounting write-offs in the reported period	-	51	-	51
Average balance of liabilities	-	134,941	-	134,941
Of which: Average balance of deposits from the public	-	134,941	-	134,941
Balance of deposits from the public at end of reported period	-	134,167	-	134,167
Average balance of risk assets[1]	150,211	24,836	4,819	175,047
Balance of risk assets at end of reported period[1]	151,761	24,396	4,795	176,157
Average balance of assets under management[2]	7,884	75,239	-	83,123
Breakdown of interest revenues, net:				
Margin from credit granting operations	548	227	12	775
Margin from activities of receiving deposits	-	645	-	645
Other	109	15	7	124
Total interest revenues, net	**657**	**887**	**19**	**1,544**

(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 8,026 million.

Private banking	Small and micro businesses	Medium businesses	Large businesses	Institutional investors	Financial management segment	activity in Israel	Operations overseas Total – operations overseas	Total
2	635	250	897	45	675	6,502	407	6,909
291	314	297	625	904	548	3,821	183	4,004
(289)	321	(47)	272	(859)	127	2,681	224	2,905
402	287	240	155	951	(377)	46	(46)	-
113	**608**	**193**	**427**	**92**	**(250)**	**2,727**	**178**	**2,905**
-	-	-	-	-	125	125	-	125
16	149	32	78	17	51	579	21	600
16	**149**	**32**	**78**	**17**	**176**	**704**	**21**	**725**
129	**757**	**225**	**505**	**109**	**(74)**	**3,431**	**199**	**3,630**
(1)	20	17	54	(6)	2	77	(7)	70
3	267	40	61	44	68	1,246	34	1,280
1	-	(1)	1	-	(2)	-	-	-
4	**267**	**39**	**62**	**44**	**66**	**1,246**	**34**	**1,280**
126	470	169	389	71	(142)	2,108	172	2,280
49	183	66	152	28	(56)	820	67	887
77	**287**	**103**	**237**	**43**	**(86)**	**1,288**	**105**	**1,393**
-	-	-	-	-	27	27	-	27
77	287	103	237	43	(59)	1,315	105	1,420
-	(2)	-	-	-	(17)	(54)	-	(54)
77	**285**	**103**	**237**	**43**	**(76)**	**1,261**	**105**	**1,366**
225	36,778	25,371	61,049	9,120	128,578	547,364	29,260	576,624
-	-	-	-	-	773	773	-	773
225	36,778	25,371	61,049	9,120	-	418,786	15,948	434,734
244	37,285	26,491	61,613	9,256	-	423,420	16,646	440,066
-	709	301	157	-	-	3,720	122	3,842
-	529	113	270	-	-	1,045	134	1,179
1	1,189	251	433	-	-	3,447	185	3,632
-	44	20	(4)	-	-	111	(1)	110
33,231	54,567	34,534	55,279	139,095	63,380	515,027	19,503	534,530
33,231	54,567	34,534	55,279	139,095	-	451,647	18,952	470,599
33,775	54,895	34,406	53,305	138,814	-	449,362	18,830	468,192
150	34,605	21,281	87,888	1,552	26,730	347,253	19,661	366,914
159	34,599	21,501	87,682	1,458	26,383	347,939	20,180	368,119
40,415	61,020	23,729	54,479	488,641	4,197	755,604	-	755,604
1	314	110	311	14	-	1,525	111	1,636
112	257	64	60	77	-	1,215	28	1,243
-	37	19	56	1	(250)	(13)	39	26
113	**608**	**193**	**427**	**92**	**(250)**	**2,727**	**178**	**2,905**

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	240,124[3]	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 million.

Private banking	Small and micro businesses	Medium businesses	Large businesses	Institutional investors	Financial management segment	activity in Israel	Operations overseas Total – operations overseas	Total
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 year ended December 31, 2025 (audited)
Reported amounts (NIS in millions)

	Operations in Israel			
			Households	
	Residential mortgages	Others	Of which: Credit cards	Total
Interest revenues from externals	12,394	2,020	62	14,414
Interest expenses from externals	24	3,355	-	3,379
Interest revenues, net from externals	12,370	(1,335)	62	11,035
Interest revenues, net – inter-segment	(9,550)	5,202	(4)	(4,348)
Total interest revenues, net	**2,820**	**3,867**	**58**	**6,687**
Total non-interest financing revenues	-	-	-	-
Total commissions and other revenues	126	755	198	881
Total non-interest revenues	**126**	**755**	**198**	**881**
Total revenues	**2,946**	**4,622**	**256**	**7,568**
Expenses due to credit losses	(119)	200	1	81
Operating and other expenses to externals	824	2,240	69	3,064
Operating and other expenses – inter-segment	-	3	-	3
Total operating and other expenses	**824**	**2,243**	**69**	**3,067**
Pre-tax profit	2,241	2,179	186	4,420
Provision for taxes on profit	806	784	67	1,590
After-tax profit	**1,435**	**1,395**	**119**	**2,830**
Share of banking corporation in earnings of associated companies	-	-	-	-
Net profit before attribution to non-controlling interests	1,435	1,395	119	2,830
Net profit attributed to non-controlling interests	-	(189)	(5)	(189)
Net profit attributable to shareholders of the banking corporation	**1,435**	**1,206**	**114**	**2,641**
Average balance of assets	234,887	28,577	3,993	263,464
Of which: Investments in associated companies	-	-	-	-
Average balance of loans to the public	234,887	28,577	3,993	263,464
Balance of loans to the public at end of reported period	245,226[3]	28,853	5,153	274,079
Balance of non-accruing debts and debts in arrears over 90 days	2,535	156	1	2,691
Balance of other problematic debts	-	141	5	141
Balance of provision for credit losses at end of reported period	1,063	710	-	1,773
Net accounting write-offs in the reported period	(4)	164	-	160
Average balance of liabilities	-	134,309	-	134,309
Of which: Average balance of deposits from the public	-	134,309	-	134,309
Balance of deposits from the public at end of reported period	-	134,084	-	134,084
Average balance of risk assets[1]	138,875	23,269	4,482	162,144
Balance of risk assets at end of reported period[1]	143,714	23,117	1,705	166,831
Average balance of assets under management[2]	8,725	63,302	-	72,027
Breakdown of interest revenues, net:				
Margin from credit granting operations	2,340	918	47	3,258
Margin from activities of receiving deposits	-	2,874	-	2,874
Other	480	75	11	555
Total interest revenues, net	**2,820**	**3,867**	**58**	**6,687**

(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 9,162 million.

Private banking	Small and micro businesses	Medium businesses	Large businesses	Institutional investors	Financial management segment	activity in Israel	Operations overseas Total – operations overseas	Total
5	2,817	1,092	3,277	101	3,111	24,817	1,886	26,703
1,081	1,350	1,094	1,905	3,793	1,677	14,279	697	14,976
(1,076)	1,467	(2)	1,372	(3,692)	1,434	10,538	1,189	11,727
1,517	1,077	782	130	3,997	(2,663)	492	(492)	-
441	**2,544**	**780**	**1,502**	**305**	**(1,229)**	**11,030**	**697**	**11,727**
-	-	-	-	-	387	387	-	387
57	595	132	262	56	462	2,445	29	2,474
57	**595**	**132**	**262**	**56**	**849**	**2,832**	**29**	**2,861**
498	**3,139**	**912**	**1,764**	**361**	**(380)**	**13,862**	**726**	**14,588**
-	21	35	24	5	(7)	159	69	228
16	1,048	169	276	194	327	5,094	145	5,239
3	4	(2)	1	-	(9)	-	-	-
19	**1,052**	**167**	**277**	**194**	**318**	**5,094**	**145**	**5,239**
479	2,066	710	1,463	162	(691)	8,609	512	9,121
172	743	255	526	58	(248)	3,096	184	3,280
307	**1,323**	**455**	**937**	**104**	**(443)**	**5,513**	**328**	**5,841**
-	-	-	-	-	17	17	-	17
307	1,323	455	937	104	(426)	5,530	328	5,858
-	(5)	-	-	-	(34)	(228)	-	(228)
307	**1,318**	**455**	**937**	**104**	**(460)**	**5,302**	**328**	**5,630**
144	36,981	16,590	46,897	5,733	114,045	483,854	33,692	517,546
-	-	-	-	-	373	373	-	373
144	36,981	16,590	46,897	5,733	-	369,809	11,504	381,313
183	35,900	20,884	52,259	7,896	-	391,201	13,154	404,355
-	739	310	183	-	-	3,923	185	4,108
-	570	99	187	-	-	997	149	1,146
1	1,220	263	415	14	-	3,686	168	3,854
-	142	63	7	-	-	372	120	492
31,878	55,920	26,312	42,824	106,674	69,189	467,106	17,852	484,958
31,878	55,920	26,312	42,824	106,674	-	397,917	17,230	415,147
32,795	53,114	34,696	43,234	134,535	-	432,458	15,939	448,397
117	34,120	17,490	73,169	1,372	23,312	311,724	15,624	327,348
131	34,195	19,511	81,170	1,245	24,302	327,385	16,770	344,155
32,115	65,168	19,686	40,305	394,576	4,030	627,907	-	627,907
2	1,248	428	1,047	33	-	6,016	403	6,419
439	1,128	284	201	268	-	5,194	124	5,318
-	168	68	254	4	(1,229)	(180)	170	(10)
441	**2,544**	**780**	**1,502**	**305**	**(1,229)**	**11,030**	**697**	**11,727**

Note 12 – Operating Segments – continued

B. Operating segments in conformity with the management approach

The Bank manages its operations in six major operating segments, which are distinguished by customer characteristics and type of banking services required, as well as by the organizational unit responsible for servicing each segment. Operating segment definition is based on the Bank's organizational structure, as described below. The operations in the six operating segments include all areas of banking operations including classic banking activity (loans and deposits), securities activity for customers and activity in derivatives, as well as custom banking services designed for needs in specific fields. Operations of the various segments are conducted through Bank branches, the trading room, the business centers, headquarters units of the Bank and Bank subsidiaries in Israel and overseas.

For more information about measurement of Bank operations in conformity with the supervisory segments approach, as specified by the Supervisor of Banks, see information about supervisory operating segments above.

Below are the Bank's operating segments in conformity with the management approach:

Household segment – under the responsibility of the Retail Division. This segment includes small household customers and mortgage operations. The division provides appropriate banking services and financial products to segment customers, including in the field of mortgages.

Small business segment – under responsibility of the Retail Division, which also serves micro business customers (businesses with annual turnover below NIS 10 million) and small businesses (with annual turnover from NIS 10 million to under NIS 50 million). Occasionally, due to growth in activity of a customer served by the Retail Division, the customer may exceed the aforementioned criteria. Banking services and financial products, including commercial banking services as required, are provided to segment customers.

Private banking – The Retail Division is responsible for private banking. Segment customers are primarily individual customers with liquid assets (primarily short-term deposits and security investments) over NIS 1 million. Customers of this segment have high financial wealth, to whom the Bank offers access to unique products and services in capital market activity, advisory service and investment management.

Commercial banking – customers of this segment are private and public companies of medium size (middle market) and medium level of indebtedness, and are served by the Business Banking Division, primarily by the Business sector, which operates via four business centers located throughout Israel. As from 2019, new business customers with annual turnover from NIS 50 million to under NIS 250 million are assigned to the Business sector. Segment customers operating in the real estate sector are served by the Construction and Real Estate sector of the Corporate Division, which specializes in provision of dedicated services to this sector.

Business banking – the Major Corporations sector in the Corporate Division is responsible for the Business Banking segment, which is the focal point for handling the largest business customers. As from 2019, businesses with annual turnover above NIS 250 million are assigned to the Corporate Sector. This segment provides a range of banking and financial services to the largest companies in the economy, in an array of industries, at relatively high levels of indebtedness. Segment customers operating in the real estate sector are served by the Construction and Real Estate sector of the Corporate Division, which specializes in provision of dedicated services to this sector.

Financial management – operations in this segment include, inter alia, management of assets and liabilities, management of exposure to market risk, management of the nostro portfolio and liquidity management as well as trading room operations in the financial and capital markets. The Finance Division is responsible for this segment, except for investments in non-banking corporations, for which the Corporate Division is responsible.

The major products and guidelines for attribution of balances, revenues and expenses to customers in the system to operating segments in conformity with the management approach, are similar to products and guidelines according to the supervisory operating segment approach.

Note 12 – Operating Segments – continued
Operating segments in conformity with the management approach
For the nine months ended September 30, 2026 (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	(1,228)	9,014	(133)	616	160	(494)	675	8,610
Inter-segment	4,584	(7,354)	184	951	240	2,787	(1,392)	-
Total interest revenues, net	**3,356**	**1,660**	**51**	**1,567**	**400**	**2,293**	**(717)**	**8,610**
Non-interest financing revenues	27	(3)	-	11	1	156	290	482
Commissions and other revenues	712	87	18	410	66	272	258	1,823
Total revenues	**4,095**	**1,744**	**69**	**1,988**	**467**	**2,721**	**(169)**	**10,915**
Expenses with respect to credit losses	6	(86)	1	75	29	159	7	191
Operating and other expenses	1,679	610	25	706	172	434	269	3,895
Pre-tax profit	2,410	1,220	43	1,207	266	2,128	(445)	6,829
Provision for taxes on profit	944	478	17	473	104	834	(174)	2,676
After-tax profit	**1,466**	**742**	**26**	**734**	**162**	**1,294**	**(271)**	**4,153**
Share in net profit of associated companies, after tax	-	-	-	-	-	-	42	42
Net profit:								
Before attribution to non-controlling interests	1,466	742	26	734	162	1,294	(229)	4,195
Attributable to non-controlling interests	(114)	-	-	(4)	-	-	(45)	(163)
Net profit attributable to shareholders of the Bank	**1,352**	**742**	**26**	**730**	**162**	**1,294**	**(274)**	**4,032**
Return on equity (percentage of net profit attributed to shareholders of the banking corporation out of average equity)[1]	58.2%	7.2%	-	39.4%	15.2%	13.7%	-	15.0%
Average balance of loans to the public, net	39,797	235,155	505	27,451	11,929	104,930	-	419,767
Average balance of deposits from the public	167,501	-	5,922	53,156	18,176	169,529	48,220	462,504
Average balance of assets	43,470	237,032	621	27,584	12,093	108,034	142,048	570,882
Average balance of risk assets[2]	35,530	135,206	401	25,055	14,067	123,544	24,450	358,253

(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, 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	675	92	16	393	66	307	338	1,887
Total revenues	**4,280**	**1,851**	**65**	**2,015**	**448**	**2,379**	**129**	**11,167**
Expenses with respect 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	2,452	1,324	38	1,283	252	1,803	(160)	6,992
Provision for taxes on profit	915	494	14	479	94	673	(60)	2,609
After-tax profit	**1,537**	**830**	**24**	**804**	**158**	**1,130**	**(100)**	**4,383**
Share in net profit of associated companies, after tax	-	-	-	-	-	-	13	13
Net profit:								
Before attribution to non-controlling interests	1,537	830	24	804	158	1,130	(87)	4,396
Attributable to non-controlling interests	(139)	-	-	(3)	-	-	(28)	(170)
Net profit attributable to shareholders of the Bank	**1,398**	**830**	**24**	**801**	**158**	**1,130**	**(115)**	**4,226**
Return on equity (percentage of net profit attributed to shareholders of the banking corporation out of average equity)[(1)]	62.4%	8.7%	-	46.2%	16.5%	14.2%	-	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 three months ended September 30, 2026 (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	(396)	3,174	(50)	204	43	(191)	121	2,905
Inter-segment	1,526	(2,653)	67	334	91	977	(342)	-
Total interest revenues, net	**1,130**	**521**	**17**	**538**	**134**	**786**	**(221)**	**2,905**
Non-interest financing revenues	7	(4)	-	1	-	88	33	125
Commissions and other revenues	231	30	7	140	22	84	86	600
Total revenues	**1,368**	**547**	**24**	**679**	**156**	**958**	**(102)**	**3,630**
Expenses with respect to credit losses	-	(21)	2	7	42	36	4	70
Operating and other expenses	529	203	7	250	48	150	93	1,280
Pre-tax profit (loss)	839	365	15	422	66	772	(199)	2,280
Provision for taxes on profit (loss)	326	142	6	164	26	300	(77)	887
After-tax profit	**513**	**223**	**9**	**258**	**40**	**472**	**(122)**	**1,393**
Share in net profit of associated companies, after tax	-	-	-	-	-	-	27	27
Net profit:								
Before attribution to non-controlling interests	513	223	9	258	40	472	(95)	1,420
Attributable to non-controlling interests	(35)	-	-	(2)	-	-	(17)	(54)
Net profit (loss) attributable to shareholders of the Bank	**478**	**223**	**9**	**256**	**40**	**472**	**(112)**	**1,366**
Return on equity (percentage of net profit attributed to shareholders of the banking corporation out of average equity)[(1)]	89.6%	6.4%	-	42.6%	10.8%	14.4%	-	15.0%

(1) Calculated in conformity with capital attributed to this segment based on risk components attributed to it in conformity with provisions of Basel III.

Note 12 – Operating Segments – continued
Operating segments in conformity with the management approach
For the three months ended September 30, 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	(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	235	31	7	136	22	81	115	627
Total revenues	**1,446**	**635**	**27**	**681**	**153**	**837**	**51**	**3,830**
Expenses with respect 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 (loss)	814	468	15	460	87	673	(41)	2,476
Provision for taxes on profit (loss)	306	177	6	174	33	254	(15)	935
After-tax profit	**508**	**291**	**9**	**286**	**54**	**419**	**(26)**	**1,541**
Share in net profit of associated companies, after tax	-	-	-	-	-	-	2	2
Net profit:								
Before attribution to non-controlling interests	508	291	9	286	54	419	(24)	1,543
Attributable to non-controlling interests	(47)	-	-	(1)	-	-	(12)	(60)
Net profit (loss) attributable to shareholders of the Bank	**461**	**291**	**9**	**285**	**54**	**419**	**(36)**	**1,483**
Return on equity (percentage of net profit attributed to shareholders of the banking corporation out of average equity)[(1)]	86.4%	9.0%	-	48.8%	16.4%	14.8%	-	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 year ended December 31, 2025 (audited)
Reported amounts (NIS in millions)

	Households – other	Households – mortgages	Private banking	Small businesses	Commercial banking	Business banking	Financial management	Total consolidated
Interest revenues, net:								
From externals	(1,714)	11,283	(182)	538	302	(109)	1,609	11,727
Inter-segment	6,485	(8,947)	248	1,642	212	2,959	(2,599)	-
Total interest revenues, net	**4,771**	**2,336**	**66**	**2,180**	**514**	**2,850**	**(990)**	**11,727**
Non-interest financing revenues	24	5	1	8	1	14	334	387
Commissions and other revenues	927	125	20	529	88	391	393	2,474
Total revenues	**5,722**	**2,466**	**87**	**2,717**	**603**	**3,255**	**(263)**	**14,588**
Expenses with respect to credit losses	127	(111)	2	15	38	164	(7)	228
Operating and other expenses	2,291	778	32	927	228	599	384	5,239
Pre-tax profit (loss)	3,304	1,799	53	1,775	337	2,492	(640)	9,121
Provision for taxes on profit	1,189	647	19	638	121	896	(230)	3,280
After-tax profit (loss)	**2,115**	**1,152**	**34**	**1,137**	**216**	**1,596**	**(410)**	**5,841**
Share in net profit of associated companies, after tax	-	-	-	-	-	-	17	17
Net profit (loss):								
Before attribution to non-controlling interests	2,115	1,152	34	1,137	216	1,596	(393)	5,858
Attributable to non-controlling interests	(187)	-	-	(4)	-	-	(37)	(228)
Net profit (loss) attributable to shareholders of the Bank	**1,858**	**1,152**	**34**	**1,133**	**216**	**1,618**	**(381)**	**5,630**
Return on equity (percentage of net profit attributed to shareholders of the banking corporation out of average equity)[1]	61.2%	8.9%	-	48.1%	16.5%	14.7%	-	17.0%
Average balance of loans to the public, net	38,240	220,212	355	24,997	10,844	82,647	-	377,295
Average balance of deposits from the public	166,497	-	5,754	51,871	15,181	145,142	30,702	415,147
Average balance of assets	41,633	221,854	471	25,215	10,985	98,557	118,831	517,546
Average balance of risk assets[2]	34,116	127,046	240	23,261	12,809	107,888	21,988	327,348

(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				Banks, governments and bonds	Total
	Commercial	Housing	Individual – other	Total		
	For the three months ended September 30, 2026 (unaudited)					
Balance of provision for credit losses at start of period	2,244	1,029	654	3,927	5	3,932
Expenses with respect to credit losses	78	(23)	13	68	2	70
Accounting write-offs	(89)	-	(92)	(181)	(8)	(189)
Collection of debts written off for accounting purposes in previous years	30	-	41	71	7	78
Net accounting write-offs	(59)	-	(51)	(110)	(1)	(111)
Balance of provision for credit losses at end of period	**2,263**	**1,006**	**616**	**3,885**	**6**	**3,891**
Of which: With respect to off balance sheet credit instruments	**205**	**30**	**18**	**253**	**-**	**253**
	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 with respect to credit losses	11	(28)	61	44	-	44
Accounting write-offs	(159)	-	(83)	(242)	-	(242)
Collection of debts written off for accounting purposes in previous years	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 nine months ended September 30, 2026 (unaudited)					
Balance of provision for credit losses at start of period	2,270	1,098	733	4,101	5	4,106
Expenses with respect to credit losses	220	(92)	58	186	5	191
Accounting write-offs	(351)	-	(296)	(647)	(8)	(655)
Collection of debts written off for accounting purposes in previous years	124	-	121	245	4	249
Net accounting write-offs	(227)	-	(175)	(402)	(4)	(406)
Balance of provision for credit losses at end of period	**2,263**	**1,006**	**616**	**3,885**	**6**	**3,891**
Of which: With respect to off balance sheet credit instruments	**205**	**30**	**18**	**253**	**-**	**253**
	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 with respect to credit losses	118	(65)	149	202	1	203
Accounting write-offs	(433)	-	(248)	(681)	-	(681)
Collection of debts written off for accounting purposes in previous years	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**

(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.

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					
	Commercial	Housing	Individual – other	Total	Banks, governments and bonds	Total
						September 30, 2026 (unaudited)
Recorded debt balance						
reviewed on individual basis	136,200	-	93	136,293	34,586	170,879
reviewed on group basis	15,314	258,812	29,647	303,773	-	303,773
Total debts	**151,514**	**[2]258,812**	**29,740**	**440,066**	**34,586**	**474,652**
Provision for credit losses with respect to debts						
reviewed on individual basis	1,619	-	1	1,620	6	1,626
reviewed on group basis	439	976	597	2,012	-	2,012
Total provision for credit losses	**2,058**	**976**	**598**	**3,632**	**6**	**3,638**
						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**
						As of December 31, 2025 (audited)
Recorded debt balance						
reviewed on individual basis	116,249	-	19	116,268	46,563	162,831
reviewed on group basis	14,344	245,267	28,476	288,087	-	288,087
Total debts	**130,593**	**[2]245,267**	**28,495**	**404,355**	**46,563**	**450,918**
Provision for credit losses with respect to debts						
reviewed on individual basis	1,585	-	1	1,586	5	1,591
reviewed on group basis	495	1,063	710	2,268	-	2,268
Total provision for credit losses	**2,080**	**1,063**	**711**	**3,854**	**5**	**3,859**

(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 15,911 million (as of September 30, 2026: NIS 15,466 million and as of December 31, 2025: NIS 15,601 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, 2026 (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]	43,509	146	266	43,921	28	54
Construction and real estate – real estate operations	10,351	87	83	10,521	16	70
Financial services	27,943	4	2	27,949	1	36
Commercial – other	55,429	849	640	56,918	129	207
Total commercial	**137,232**	**1,086**	**991**	**139,309**	**174**	**367**
Private individuals – residential mortgages	256,355	-	2,433	258,788	-	2,062
Private individuals – other	29,478	212	41	29,731	79	133
Total loans to the public – activity in Israel	**423,065**	**1,298**	**3,465**	**427,828**	**253**	**2,562**
Borrower activity overseas						
Public – commercial						
Construction and real estate	5,111	-	107	5,218	-	-
Commercial – other	6,836	134	17	6,987	-	-
Total commercial	**11,947**	**134**	**124**	**12,205**	**-**	**-**
Private individuals	33	-	-	33	-	-
Total loans to the public – activity overseas	**11,980**	**134**	**124**	**12,238**	**-**	**-**
Total loans to the public	**435,045**	**1,432**	**3,589**	**440,066**	**253**	**2,562**

(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 156 million were classified as problematic debts.
(4) Includes debts amounting to NIS 446 million, extended to certain purchase groups which are in the process of construction.
(5) Including 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 58 million (commercial debts amounting to NIS 6 million, residential mortgages amounting to NIS 52 million and private individuals' debts amounting of a negligible amount).

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, 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 December 31, 2025 (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]	39,813	97	245	40,155	5	48
Construction and real estate – real estate operations	11,948	106	72	12,126	18	32
Financial services	20,387	3	3	20,393	1	16
Commercial – other	47,142	740	818	48,700	66	154
Total commercial	**119,290**	**946**	**1,138**	**121,374**	**90**	**250**
Private individuals – residential mortgages	242,691	-	2,535	245,226	-	1,863
Private individuals – other	28,197	221	76	28,494	80	181
Total public – activity in Israel	**390,178**	**1,167**	**3,749**	**395,094**	**170**	**2,294**
Borrower activity overseas						
Public – commercial						
Construction and real estate	3,708	82	161	3,951	-	-
Commercial – other	5,173	67	28	5,268	-	-
Total commercial	**8,881**	**149**	**189**	**9,219**	**-**	**-**
Private individuals	42	-	-	42	-	-
Total public – activity overseas	**8,923**	**149**	**189**	**9,261**	**-**	**-**
Total public	**399,101**	**1,316**	**3,938**	**404,355**	**170**	**2,294**

(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 143 million were classified as problematic debts.
(4) Includes debts amounting to NIS 724 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 234 million in respect of residential mortgages.

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, 2026 (unaudited)								
	Recorded debt balance of term loans to the public								
	2026	2025	2024	2023	2022	Previously	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	**19,149**	**12,692**	**6,650**	**6,188**	**2,429**	**2,427**	**3,858**	**1,049**	**54,442**
Credit at performing credit rating	18,293	12,284	6,038	5,216	1,745	1,812	3,575	992	49,955
Credit other than at performing credit rating and non-problematic	806	359	550	920	487	532	202	49	3,905
Accruing problematic credit	38	13	30	34	33	53	24	8	233
Non-accruing credit	12	36	32	18	164	30	57	-	349
Accounting write-offs in the reported period	-	6	2	1	3	2	28	-	42
Commercial, other – total	**20,814**	**11,101**	**4,940**	**2,394**	**1,530**	**2,954**	**40,461**	**673**	**84,867**
Credit at performing credit rating	20,288	10,638	4,566	2,245	1,388	2,833	39,437	603	81,998
Credit other than at performing credit rating and non-problematic	276	175	147	35	49	27	653	12	1,374
Accruing problematic credit	163	110	78	52	48	75	272	55	853
Non-accruing credit	87	178	149	62	45	19	99	3	642
Accounting write-offs in the reported period	10	32	23	15	15	8	159	1	263
Individuals – residential mortgages – total	**26,872**	**37,936**	**31,141**	**19,212**	**29,615**	**114,007**	**5**	**-**	**258,788**
LTV up to 60%	14,161	21,636	17,089	10,914	15,500	72,829	-	-	152,129
LTV from 60% to 75%	12,091	15,697	13,376	7,580	12,795	40,949	-	-	102,488
LTV over 75%	620	603	676	718	1,320	229	5	-	4,171
Credit at performing credit rating, not in arrears	26,444	37,339	30,389	18,458	28,676	110,258	5	-	251,569
Credit not at performing credit rating, not in arrears	343	372	360	293	305	1,051	-	-	2,724
In arrears 30-89 days	81	164	258	224	277	1,058	-	-	2,062
Non-accruing credit	4	61	134	237	357	1,640	-	-	2,433
Accounting write-offs in the reported period	-	-	-	-	-	-	-	-	-
Individuals, other – total	**7,669**	**5,967**	**3,474**	**2,119**	**1,358**	**1,552**	**7,525**	**67**	**29,731**
Credit at performing credit rating, not in arrears	7,556	5,821	3,374	2,050	1,319	1,507	7,407	65	29,099
Credit not at performing credit rating, not in arrears	75	77	62	44	24	38	57	2	379
In arrears 30-89 days	16	38	19	15	11	4	30	-	133
In arrears over 90 days	9	22	13	6	4	3	22	-	79
Non-accruing credit	13	9	6	4	-	-	9	-	41
Accounting write-offs in the reported period	19	72	51	31	18	18	87	-	296
Total loans to the public – activity in Israel	**74,504**	**67,696**	**46,205**	**29,913**	**34,932**	**120,940**	**51,849**	**1,789**	**427,828**
Borrower activity overseas									
Total loans to the public – activity overseas	**2,912**	**4,344**	**1,450**	**1,666**	**523**	**1,343**	**-**	**-**	**12,238**
Non-problematic credit	2,912	4,305	1,301	1,642	523	1,297	-	-	11,980
Accruing problematic credit	-	39	95	-	-	-	-	-	134
Non-accruing credit	-	-	54	24	-	46	-	-	124
Accounting write-offs in the reported period	-	-	-	26	-	20	-	-	46
Total loans to the public	**77,416**	**72,040**	**47,655**	**31,579**	**35,455**	**122,283**	**51,849**	**1,789**	**440,066**

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, 2025 (unaudited)								
	Recorded debt balance of term loans to the public								
	2025	2024	2023	2022	2021	Previously	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 December 31, 2025 (audited)								
	Recorded debt balance of term loans to the public								
	2025	2024	2023	2022	2021	Previously	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	**25,681**	**8,829**	**7,719**	**2,792**	**1,787**	**2,141**	**2,662**	**670**	**52,281**
Credit at performing credit rating	25,163	8,433	6,524	2,417	1,466	2,044	2,438	484	48,969
Credit other than at performing credit rating and non-problematic	480	351	1,127	170	294	45	143	182	2,792
Accruing problematic credit	34	13	42	34	13	12	52	3	203
Non-accruing credit	4	32	26	171	14	40	29	1	317
Accounting write-offs in the reported period	1	2	3	4	2	1	36	-	49
Commercial, other – total	**21,471**	**6,592**	**3,529**	**2,031**	**2,180**	**2,046**	**30,860**	**384**	**69,093**
Credit at performing credit rating	20,322	6,075	3,218	1,750	1,841	1,940	29,588	336	65,070
Credit other than at performing credit rating and non-problematic	754	251	97	153	300	33	859	12	2,459
Accruing problematic credit	171	126	83	55	11	35	238	24	743
Non-accruing credit	224	140	131	73	28	38	175	12	821
Accounting write-offs in the reported period	27	35	31	30	3	5	249	4	384
Individuals – residential mortgages – total	**37,224**	**32,795**	**20,552**	**31,699**	**28,491**	**94,452**	**13**	**-**	**245,226**
LTV up to 60%	20,352	18,689	11,864	17,136	15,996	64,043	5	-	148,085
LTV from 60% to 75%	15,970	13,461	8,180	13,985	11,767	29,756	2	-	93,121
LTV over 75%	902	645	508	578	728	653	6	-	4,020
Credit at performing credit rating, not in arrears	36,706	32,139	19,826	30,714	27,606	91,335	13	-	238,339
Credit not at performing credit rating, not in arrears	388	355	309	314	254	869	-	-	2,489
In arrears 30-89 days	101	210	202	318	300	732	-	-	1,863
Non-accruing credit	29	91	215	353	331	1,516	-	-	2,535
Accounting write-offs in the reported period	-	-	-	-	-	-	-	-	-
Individuals, other – total	**8,844**	**4,950**	**3,074**	**2,023**	**850**	**1,370**	**7,311**	**72**	**28,494**
Credit at performing credit rating, not in arrears	8,682	4,810	2,970	1,956	824	1,325	7,155	68	27,790
Credit not at performing credit rating, not in arrears	88	69	52	33	17	38	67	3	367
In arrears 30-89 days	40	38	28	19	5	6	45	-	181
In arrears over 90 days	18	18	13	9	3	1	18	-	80
Non-accruing credit	16	15	11	6	1	-	26	1	76
Accounting write-offs in the reported period	30	56	49	29	11	15	137	-	327
Total loans to the public – activity in Israel	**93,220**	**53,166**	**34,874**	**38,545**	**33,308**	**100,009**	**40,846**	**1,126**	**395,094**
Borrower activity overseas									
Total loans to the public – activity overseas	**3,338**	**1,629**	**1,790**	**768**	**608**	**1,128**	**-**	**-**	**9,261**
Non-problematic credit	3,314	1,504	1,710	768	572	1,055	-	-	8,923
Accruing problematic credit	24	125	-	-	-	-	-	-	149
Non-accruing credit	-	-	80	-	36	73	-	-	189
Accounting write-offs in the reported period	-	-	87	3	-	30	-	-	120
Total loans to the public	**96,558**	**54,795**	**36,664**	**39,313**	**33,916**	**101,137**	**40,846**	**1,126**	**404,355**

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, 2026 (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	345	31	4	349	459	2
Commercial – other	600	173	42	642	1,121	11
Total commercial	**945**	**204**	**46**	**991**	**1,580**	**13**
Private individuals – residential mortgages	2,433	121	-	2,433	2,499	-
Private individuals – other	41	18	-	41	110	4
Total loans to the public – activity in Israel	**3,419**	**343**	**46**	**3,465**	**4,189**	**17**
Borrower activity overseas						
Total loans to the public – activity overseas	**122**	**19**	**2**	**124**	**206**	**-**
Total	**3,541**	**362**	**48**	**3,589**	**4,395**	**17**
Of which:						
Measured individually at present value of cash flows	875	178	45	920	1,488	
Measured individually at fair value of collateral	147	16	3	150	302	
Measured on group basis	2,519	168	-	2,519	2,605	

(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 154 million.

Total average recorded debt balance for non-accruing debt in the nine months ended September 30, 2026 amounted to NIS 3,834 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, 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 December 31, 2025 (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	306	25	11	317	417	3
Commercial – other	743	242	78	821	1,284	16
Total commercial	**1,049**	**267**	**89**	**1,138**	**1,701**	**19**
Private individuals – residential mortgages	2,535	127	-	2,535	2,552	-
Private individuals – other	76	39	-	76	138	5
Total loans to the public – activity in Israel	**3,660**	**433**	**89**	**3,749**	**4,391**	**24**
Borrower activity overseas						
Total loans to the public – activity overseas	**185**	**22**	**4**	**189**	**198**	**-**
Total	**3,845**	**455**	**93**	**3,938**	**4,589**	**24**
Of which:						
Measured individually at present value of cash flows	894	239	74	968	1,467	
Measured individually at fair value of collateral	278	24	19	297	365	
Measured on group basis	2,673	192	-	2,673	2,757	

(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 199 million.

Additional information: Total average recorded debt balance for non-accruing debt in the year ended December 31, 2025 amounted to NIS 4,018 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, 2026 (unaudited)				
Borrower activity in Israel					
Commercial	81	113	1	47	242
Private individuals – residential mortgages	90	-	9	77	176
Private individuals – other	13	17	1	16	47
Total loans to the public – activity in Israel	**184**	**130**	**11**	**140**	**465**
Total loans to the public – activity overseas	**-**	**8**	**-**	**-**	**8**
Total loans to the public	**184**	**138**	**11**	**140**	**473**
	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**
	As of December 31, 2025 (audited)				
Borrower activity in Israel					
Commercial	113	104	1	8	226
Private individuals – residential mortgages	121	-	13	32	166
Private individuals – other	32	16	-	18	66
Total loans to the public – activity in Israel	**266**	**120**	**14**	**58**	**458**
Total loans to the public – activity overseas	**-**	**10**	**-**	**-**	**10**
Total loans to the public	**266**	**130**	**14**	**58**	**468**

(1) In the nine months ended September 30, 2026 accruing debts which have undergone changes in terms in previous years amounting to NIS 4 million are no longer included in the disclosure (as of December 31, 2025: NIS 45 million, as of September 30, 2025: NIS 38 million).

(2) Including NIS 5 million in respect of debts of borrowers undergoing financial difficulties, which have undergone changes in terms more than twice (as of December 31, 2025: NIS 3 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.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, 2026 (unaudited)					
Borrower activity in Israel						
Commercial	9	47	-	-	56	(1)
Private individuals – residential mortgages	16	-	-	-	16	-
Private individuals – other	3	3	-	-	6	-
Total loans to the public – activity in Israel	**28**	**50**	**-**	**-**	**78**	**(1)**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**28**	**50**	**-**	**-**	**78**	**(1)**
	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**

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, 2026 (unaudited)					
Borrower activity in Israel						
Commercial	21	68	-	1	90	8
Private individuals – residential mortgages	51	-	-	5	56	-
Private individuals – other	9	9	-	1	19	2
Total loans to the public – activity in Israel	**81**	**77**	**-**	**7**	**165**	**10**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**81**	**77**	**-**	**7**	**165**	**10**

	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**

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 Principal	Waiving Interest	Extending Period	Deferring Payments	Extending Period and Waiving Interest	Deferring Payments and Waiving Interest
	For the three months ended September 30, 2026 (unaudited)							
Borrower activity in Israel								
Commercial	56	0.04	-	-	2	-	54	-
Private individuals – residential mortgages	16	0.01	-	-	16	-	-	-
Private individuals – other	6	0.02	-	1	1	-	4	-
Total loans to the public – activity in Israel	**78**	**0.02**	**-**	**1**	**19**	**-**	**58**	**-**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**78**	**0.02**	**-**	**1**	**19**	**-**	**58**	**-**

	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**	**-**

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, 2026 (unaudited)			
Borrower activity in Israel				
Commercial	-	1.55	24	-
Private individuals – residential mortgages	-	-	18	-
Private individuals – other	-	2.45	45	-
Total loans to the public – activity in Israel	**-**	**1.60**	**22**	**-**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**
Total loans to the public	**-**	**1.60**	**22**	**-**

	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**	**-**

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, 2026 (unaudited)						
Borrower activity in Israel							
Commercial	-	-	-	-	-	-	-
Private individuals – residential mortgages	6	-	-	6	-	-	-
Private individuals – other	-	-	-	-	-	-	-
Total loans to the public – activity in Israel	**6**	**-**	**-**	**6**	**-**	**-**	**-**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**6**	**-**	**-**	**6**	**-**	**-**	**-**
	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**	**-**

(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, 2026 (unaudited)							
Borrower activity in Israel								
Commercial	90	0.06	-	3	4	-	83	-
Private individuals – residential mortgages	56	0.02	-	-	56	-	-	-
Private individuals – other	19	0.06	1	2	7	-	10	-
Total loans to the public – activity in Israel	**165**	**0.04**	**1**	**5**	**67**	**-**	**93**	**-**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**165**	**0.04**	**1**	**5**	**67**	**-**	**93**	**-**
	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**	**-**

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, 2026 (unaudited)			
Borrower activity in Israel				
Commercial	-	2.67	35	-
Private individuals – residential mortgages	-	-	19	-
Private individuals – other	-	2.50	41	-
Total loans to the public – activity in Israel	**-**	**2.65**	**30**	**-**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**
Total loans to the public	**-**	**2.65**	**30**	**-**

	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**	**-**

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, 2026 (unaudited)						
Borrower activity in Israel							
Commercial	9	-	2	1	-	6	-
Private individuals – residential mortgages	15	-	-	15	-	-	-
Private individuals – other	6	-	1	1	-	4	-
Total loans to the public – activity in Israel	**30**	**-**	**3**	**17**	**-**	**10**	**-**
Total loans to the public – activity overseas	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total loans to the public	**30**	**-**	**3**	**17**	**-**	**10**	**-**
	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**	**-**

(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, 2026 (unaudited)
Commercial	207	106	236	473	79	4	10	1,115
Residential mortgages	403	563	585	614	161	52	55	2,433
Private individuals – other	15	6	18	2	-	-	-	41
Total	**625**	**675**	**839**	**1,089**	**240**	**56**	**65**	**3,589**
								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 December 31, 2025 (audited)
Commercial	347	99	315	483	62	13	8	1,327
Residential mortgages	352	734	652	553	164	26	54	2,535
Private individuals – other	30	16	5	16	5	3	1	76
Total	**729**	**849**	**972**	**1,052**	**231**	**42**	**63**	**3,938**

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, 2026 (unaudited)			
		Balance of residential mortgages			Off-balance sheet credit risk
		Total	Of which: Bullet / balloon	Of which: Variable interest	Total[2]
Senior lien: LTV	Up to 60%	151,505	10,548	86,095	4,322
	Over 60%	106,634	3,323	63,465	5,262
Junior lien or no lien		673	12	396	-
Total		**258,812**	**13,883**	**149,956**	**9,584**

		September 30, 2025 (unaudited)			
		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**

		As of December 31, 2025 (audited)			
		Total	Of which: Bullet / balloon	Of which: Variable interest	Total
Senior lien: LTV	Up to 60%	144,142	9,207	81,769	4,600
	Over 60%	100,558	2,955	59,883	4,967
Junior lien or no lien		567	9	342	9,786
Total		**245,267**	**12,171**	**141,994**	**19,353**

(1) Ratio of approved facility upon extending the facility to the property value, as approved by the Bank upon extending the facility.

(2) The balances as of September 30, 2026 are presented in accordance with the measurement requirements and method prescribed under the new Public Conduct of Banking Business Directive 313, which is implemented as from July 1, 2026. The implementation of the new directive was carried out on a prospective basis.

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][3] purchased in the period	Of which: Problematic credit
	For the three months ended September 30, 2026 (unaudited)							
Commercial – other	-	51	-	-	706	51	600	-
Private individuals – residential mortgages	-	-	-	-	3,447	-	-	-
Private individuals – other	-	-	-	-	-	[4]418	-	-
Total credit risk to public	**-**	**51**	**-**	**-**	**4,153**	**469**	**600**	**-**
	For the three months ended September 30, 2025 (unaudited)							
Commercial – other	-	265	-	-	386	-	-	-
Private individuals – residential mortgages	-	-	-	-	4,029	-	-	-
Private individuals – other	-	-	-	-	-	[4]395	-	-
Total credit risk to public	**-**	**265**	**-**	**-**	**4,415**	**395**	**-**	**-**
	For the nine months ended September 30, 2026 (unaudited)							
Commercial – other	-	51	-	-	706	615	622	-
Private individuals – residential mortgages	-	-	-	-	3,447	-	-	-
Private individuals – other	-	-	-	20	-	[4]1,403	-	-
Total credit risk to public	**-**	**51**	**-**	**20**	**4,153**	**2,018**	**622**	**-**
	For the nine months ended September 30, 2025 (unaudited)							
Commercial – other	120	265	-	-	386	-	-	-
Private individuals – residential mortgages	-	-	-	-	4,029	-	-	-
Private individuals – other	-	-	-	-	-	[4]1,330	-	-
Total credit risk to public	**120**	**265**	**-**	**-**	**4,415**	**1,330**	**-**	**-**
	For the year ended December 31, 2025 (audited)							
Commercial – other	120	515	-	-	635	-	-	-
Private individuals – residential mortgages	-	-	-	-	3,858	-	-	-
Private individuals – other	-	-	-	16	-	[4]1,797	-	-
Total credit risk to public	**120**	**515**	**-**	**16**	**4,493**	**1,797**	**-**	**-**

(1) Excluding short-term factoring transactions.
(2) The balances as of September 30, 2026 are presented in accordance with the measurement requirements and method prescribed under the new Public Conduct of Banking Business Directive 313, which is implemented as from July 1, 2026. The implementation of the new directive was carried out on a prospective basis.
(3) Credit risk of off-balance-sheet financial instruments as calculated for the purpose of borrower indebtedness, except for derivatives.
(4) 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, 2026					
	Syndication transactions initiated by the Bank				Syndication transactions initiated by others	
	Bank's share		Others' share [3]		Bank's share[4]	
	Loans to the public	Off-balance sheet credit risk[1]	Loans to the public	Off-balance sheet credit risk[1]	Loans to the public	Off-balance sheet credit risk[1]
	Unaudited					
Construction and real estate	2,732	5,452	1,777	1,687	967	2,870
Commercial – other	4,954	1,891	7,420	2,071	6,241	4,825
Total credit risk to public	**7,686**	**7,343**	**9,197**	**3,758**	**7,208**	**7,695**

	September 30, 2025					
	Syndication transactions initiated by the Bank				Syndication transactions initiated by others	
	Bank's share		Others' share [3]		Bank's share[4]	
	Loans to the public	Off-balance sheet credit risk[2]	Loans to the public	Off-balance sheet credit risk[2]	Loans to the public	Off-balance sheet credit risk[2]
	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**

	December 31, 2025					
	Syndication transactions initiated by the Bank				Syndication transactions initiated by others	
	Bank's share		Others' share [3]		Bank's share[4]	
	Loans to the public	Off-balance sheet credit risk[2]	Loans to the public	Off-balance sheet credit risk[2]	Loans to the public	Off-balance sheet credit risk[2]
	Audited					
Construction and real estate	1,836	5,467	1,287	1,340	1,152	3,005
Commercial – other	5,135	1,817	7,652	2,383	4,297	2,919
Total credit risk to public	**6,971**	**7,284**	**8,939**	**3,723**	**5,449**	**5,924**

(1) The balances as of September 30, 2026 are presented in accordance with the measurement requirements and method prescribed under the new Public Conduct of Banking Business Directive 313, which is implemented as from July 1, 2026. The implementation of the new directive was carried out on a prospective basis.

(2) Credit risk of off-balance-sheet financial instruments as calculated for the purpose of borrower indebtedness, except for derivatives.

(3) Not inducing balances of the parts of others for syndication transactions initiated by the Bank but managed by others.

(4) 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 255 million. (As of September 30, 2025 - NIS 444 million; as of December 31, 2025 - NIS 440 million).

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
	2026	2025	2025	2026	2025	2025
			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	43,807	41,646	42,821	31	33	33
- Guarantees to home buyers	18,293	17,776	17,518	3	3	3
- Irrevocable commitments for loans approved but not yet granted[2]	39,835	38,821	38,921	67	85	75
- Unutilized revolving credit card facilities	14,675	13,550	13,658	10	14	15
- Commitments to issue guarantees	23,808	18,754	19,231	1	3	2
- Guarantees and other liabilities[3]	21,347	16,132	18,749	83	64	64
- Loan guarantees	5,316	5,093	5,356	58	59	55
- Documentary credit	397	481	193	-	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 67 million (as of September 30, 2025 and December 31, 2025 a total of NIS 33 million and NIS 28 million, respectively).

Note 14 – Assets and Liabilities by Linkage Basis

As of September 30, 2026 (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	58,410	-	14,813	437	95	-	73,755
Securities	19,734	12,662	8,086	689	4	1,216	42,391
Securities borrowed or bought in conjunction with resale agreements	21	-	-	-	-	-	21
Loans to the public, net[3]	332,508	75,160	17,855	6,571	4,340	-	436,434
Loans to Governments	-	-	6	285	-	-	291
Investments in associated companies	-	-	-	-	-	845	845
Buildings and equipment	-	-	-	-	-	2,354	2,354
Intangible assets and goodwill	-	-	-	-	-	87	87
Assets with respect to derivatives	2,325	55	4,296	477	44	-	7,197
Other assets	10,169	607	350	13	18	695	11,852
Total assets	**423,167**	**88,484**	**45,406**	**8,472**	**4,501**	**5,197**	**575,227**
Liabilities							
Deposits from the public	365,182	30,583	62,314	6,914	3,199	-	468,192
Deposits from banks	259	-	1,389	357	126	-	2,131
Deposits from the Government	14	2	13	-	-	-	29
Bonds and subordinated notes	10,678	28,058	4,370	-	-	-	43,106
Liabilities with respect to derivatives	2,539	52	3,790	391	30	-	6,802
Other liabilities	13,721	2,144	403	8	36	264	16,576
Total liabilities	**392,393**	**60,839**	**72,279**	**7,670**	**3,391**	**264**	**536,836**
Difference	**30,774**	**27,645**	**(26,873)**	**802**	**1,110**	**4,933**	**38,391**
Impact of hedging derivatives:							
Derivative instruments (other than options)	-	-	-	-	-	-	-
Non-hedging financial derivatives:							
Derivative instruments (other than options)	(24,729)	(121)	26,711	(724)	(1,137)	-	-
Net in-the-money options (in terms of underlying asset)	148	-	(77)	(152)	81	-	-
Net out-of-the-money options (in terms of underlying asset)	(283)	-	228	67	(12)	-	-
Grand total	**5,910**	**27,524**	**(11)**	**(7)**	**42**	**4,933**	**38,391**
Net in-the-money options (capitalized par value)	(11)	-	(38)	(60)	109	-	-
Net out-of-the-money options (capitalized par value)	(415)	-	140	344	(69)	-	-

(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, 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 December 31, 2025 (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	65,123	-	17,563	88	75	-	82,849
Securities	17,312	12,337	16,123	925	-	1,206	47,903
Securities borrowed or bought in conjunction with resale agreements	593	-	-	-	-	-	593
Loans to the public, net[3]	296,231	79,125	15,152	6,513	3,480	-	400,501
Loans to Governments	-	-	13	334	-	-	347
Investments in associated companies	-	-	-	-	-	481	481
Buildings and equipment	-	-	-	-	-	2,159	2,159
Intangible assets and goodwill	-	-	-	-	-	87	87
Assets with respect to derivatives	4,751	44	942	533	23	-	6,293
Other assets	8,393	508	317	9	20	713	9,960
Total assets	**392,403**	**92,014**	**50,110**	**8,402**	**3,598**	**4,646**	**551,173**
Liabilities							
Deposits from the public	340,219	35,170	62,919	7,252	2,837	-	448,397
Deposits from banks	474	-	963	465	156	-	2,058
Deposits from the Government	27	2	167	1	-	-	197
Bonds and subordinated notes	7,580	30,857	1,928	-	-	-	40,365
Liabilities with respect to derivatives	5,695	55	723	530	25	-	7,028
Other liabilities	13,831	2,219	357	8	27	258	16,700
Total liabilities	**367,826**	**68,303**	**67,057**	**8,256**	**3,045**	**258**	**514,745**
Difference	**24,577**	**23,711**	**(16,947)**	**146**	**553**	**4,388**	**36,428**
Impact of hedging derivatives:							
Derivative instruments (other than options)	-	-	-	-	-	-	-
Non-hedging financial derivatives:							
Derivative instruments (other than options)	(17,251)	499	17,641	(299)	(590)	-	-
Net in-the-money options (in terms of underlying asset)	138	-	(168)	37	(7)	-	-
Net out-of-the-money options (in terms of underlying asset)	287	-	(357)	72	(2)	-	-
Grand total	**7,751**	**24,210**	**169**	**(44)**	**(46)**	**4,388**	**36,428**
Net in-the-money options (capitalized par value)	169	-	(198)	36	(7)	-	-
Net out-of-the-money options (capitalized par value)	808	-	(941)	148	(15)	-	-

(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
As of September 30, 2026 (unaudited)					
Cash, deposits and marketable bonds [3]					
Cash and deposits with banks	50,556	5,521	17,058	4	10
Negotiable government bonds	-	-	77	3,606	23,449
Other marketable bonds	1	-	6	105	194
Total cash, deposits and marketable bonds	**50,557**	**5,521**	**17,141**	**3,715**	**23,653**
Other monetary assets					
Loans to the public [4]	3,391	4,427	12,718	36,091	62,157
Other monetary assets excluding derivatives	795	1,112	1,779	1,071	2,796
Total other monetary assets excluding derivatives	**54,743**	**11,060**	**31,638**	**40,877**	**88,606**
Monetary liabilities					
Deposits from the public[5]	136,525	16,461	44,775	131,888	110,144
Of which: Households and small businesses	72,958	7,220	19,408	40,466	43,384
Deposits from banks	1,681	47	183	89	133
Securities loaned or sold in re-purchase agreements	-	-	-	-	-
Bonds and subordinated notes	38	-	72	1,871	8,878
Other monetary liabilities excluding derivatives	941	1,430	2,294	3,842	2,850
Total other monetary liabilities excluding derivatives	**139,185**	**17,938**	**47,324**	**137,690**	**122,005**
Employee rights and off-balance sheet items					
Effect of derivative instruments	(2)	(82)	(176)	415	(74)
Credit provision undertakings	(1,936)	(231)	(2,194)	(11,594)	(106,084)
Employees' rights	-	-	(6)	(5)	(30)
Effect of employee rights and off-balance sheet items	**(1,938)**	**(313)**	**(2,376)**	**(11,184)**	**(106,188)**
Total net cash flows (including NIS and foreign currency)	**(86,380)**	**(7,191)**	**(18,062)**	**(107,997)**	**(139,587)**
Of which:					
Total cash, deposits and marketable bonds in foreign currency	9,341	5,021	37	364	555
Total other monetary assets in foreign currency	2,242	496	4,104	5,334	5,466
Total monetary liabilities in foreign currency	23,852	2,055	8,925	16,921	22,070
Effect of employee rights and off-balance sheet items in foreign currency	(961)	(5,930)	(6,899)	4,127	(23,845)
Total net cash flows in foreign currency	**(13,230)**	**(2,468)**	**(11,683)**	**(7,096)**	**(39,894)**
As of September 30, 2025 (unaudited)					
Cash, deposits and marketable bonds	23,944	25,433	3,454	30,240	13,092
Other monetary assets excluding derivatives	5,803	3,189	12,519	28,045	50,973
Deposits from the public	143,886	12,930	41,252	113,089	88,039
Other monetary liabilities excluding derivatives and deposits from the public	3,336	1,490	2,391	2,968	14,447
Effect of employee rights and off-balance sheet items	(599)	(171)	(3,081)	(10,550)	(72,297)
Total net cash flows	**(118,074)**	**14,031**	**(30,751)**	**(68,322)**	**(110,718)**
Of which: Net cash flows in foreign currency	**(9,533)**	**10,480**	**(6,613)**	**(12,760)**	**(7,179)**
As of December 31, 2025 (audited)					
Cash, deposits and marketable bonds	49,703	15,374	17,629	12,773	19,209
Other monetary assets excluding derivatives	**6,115**	**4,920**	**12,373**	**26,429**	**47,059**
Deposits from the public	140,986	19,113	40,361	113,261	112,386
Other monetary liabilities excluding derivatives and deposits from the public	2,891	1,560	4,947	2,251	14,034
Effect of employee rights and off-balance sheet items	(5,638)	(414)	(3,853)	(12,151)	(92,190)
Total net cash flows	**(93,697)**	**(793)**	**(19,159)**	**(88,461)**	**(152,342)**
Of which: Net cash flows in foreign currency	**(18,996)**	**18,152**	**(7,217)**	**(521)**	**(16,863)**

(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 114,635, NIS 113,877 million and NIS 128,695 million as of September 30, 2026, September 30, 2025 and December 31, 2025, 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 1 year to 3 years	Over 3 years to 5 years	Over 5 years	No repayment date	Total	Effective rate of return[2]
112	28	685	350	73,755	2.79%
2,566	2,632	10,325	-	37,992	4.04%
1,062	831	1,677	-	3,183	3.63%
3,740	**3,491**	**12,687**	**350**	**114,930**	**3.91%**
84,688	57,107	314,519	26,018	436,434	4.85%
752	1,282	2,118	-	11,469	0.81%
89,180	**61,880**	**329,324**	**26,368**	**562,833**	**4.76%**
15,393	16,439	4,739	-	468,192	2.88%
3,578	722	933	-	187,034	2.39%
3	-	-	-	2,131	3.25%
-	-	-	-	-	0.00%
10,935	16,051	10,115	-	43,106	2.39%
1,639	1,748	(118)	-	14,488	0.88%
27,970	**34,238**	**14,736**	**-**	**527,917**	**2.63%**
(142)	(281)	448	-	395	
(17,351)	(13,741)	(10,629)	-	(164,113)	
(241)	(220)	(2,619)	-	(1,853)	
(17,734)	**(14,242)**	**(12,800)**	**-**	**(165,571)**	
43,476	**13,400**	**301,788**	**26,368**	**(130,655)**	
1,889	1,896	8,327	-	24,120	4.26%
6,222	4,533	4,289	3,145	29,438	4.91%
945	5,270	443	-	79,126	2.52%
(733)	(1,881)	315	-	15,654	
6,433	**(722)**	**12,488**	**3,145**	**(9,914)**	
7,451	3,831	11,785	324	112,782	4.79%
84,701	55,396	302,646	28,214	401,959	5.22%
9,679	14,837	5,322	-	421,487	3.14%
11,405	14,965	11,856	270	59,541	1.47%
(10,896)	(3,478)	(16,273)	-	(116,453)	
60,172	**25,947**	**280,980**	**28,268**	**(82,740)**	
7,304	**4,800**	**10,432**	**3,221**	**(7,672)**	
4,595	5,216	10,387	323	129,546	4.14%
88,466	56,012	306,911	22,619	410,688	4.95%
11,225	14,437	4,316	-	448,397	3.00%
13,856	11,142	9,574	260	57,108	1.62%
(14,862)	(9,806)	(23,266)	-	(161,420)	
53,118	**25,843**	**280,142**	**22,682**	**(126,691)**	
6,417	**4,865**	**9,488**	**2,730**	**(8,857)**	

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, 2026 (unaudited)				
		Fair value			
	Book balance	Level 1[1]	Level 2[1]	Level 3[1]	Total
Financial assets					
Cash and deposits with banks	73,755	26,220	45,270	2,266	73,756
Securities[3]	42,391	34,216	7,346	777	42,339
Securities borrowed or purchased in resale agreements	21	21	-	-	21
Loans to the public, net	436,434	15,426	14,233	[5]405,419	435,078
Loans to Governments	291	-	-	286	286
Assets with respect to derivatives	7,197	754	5,473	[2]970	7,197
Other financial assets	9,119	-	7,241	1,880	9,121
Total financial assets	[4]569,208	76,637	79,563	411,598	567,798
Financial liabilities					
Deposits from the public	468,192	35,732	116,873	316,553	469,158
Deposits from banks	2,131	-	937	1,184	2,121
Deposits from the Government	29	-	-	29	29
Securities loaned or sold in re-purchase agreements	-	-	-	-	-
Bonds and subordinated notes	43,106	38,153	-	4,173	42,326
Liabilities with respect to derivatives	6,802	755	4,841	[2]1,206	6,802
Other financial liabilities	13,621	374	9,335	3,908	13,617
Total financial liabilities	[4]533,881	75,014	131,986	327,053	534,053

(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 148,565 million and NIS 160,639 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 34 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, 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:

	As of December 31, 2025 (audited)				
		Fair value			
	Book balance	Level 1[1]	Level 2[1]	Level 3[1]	Total
Financial assets					
Cash and deposits with banks	82,849	28,321	52,975	1,539	82,835
Securities[3]	47,903	39,090	7,920	831	47,841
Securities borrowed or purchased in resale agreements	593	593	-	-	593
Loans to the public, net	400,501	9,602	11,937	[5]375,885	397,424
Loans to Governments	347	-	-	349	349
Assets with respect to derivatives	6,293	387	5,008	[2]898	6,293
Other financial assets	7,121	-	5,497	1,624	7,121
Total financial assets	**[4]545,607**	**77,993**	**83,337**	**381,126**	**542,456**
Financial liabilities					
Deposits from the public	448,397	26,230	118,899	304,315	449,444
Deposits from banks	2,058	-	494	1,555	2,049
Deposits from the Government	197	-	-	197	197
Bonds and subordinated notes	40,365	37,740	-	1,980	39,720
Liabilities with respect to derivatives	7,028	387	5,701	[2]940	7,028
Other financial liabilities	13,347	1,853	7,559	3,928	13,340
Total financial liabilities	**[4]511,392**	**66,210**	**132,653**	**312,915**	**511,778**

(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 146,642 million and NIS 152,764 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 32 million.

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, 2026 (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	5,247	6,420	-	11,667
Of foreign governments	1,240	-	-	1,240
Of banks and financial institutions in Israel	1,246	407	-	1,653
Of banks and financial institutions overseas	-	63	-	63
Asset-backed (ABS)	-	50	-	50
Of others in Israel	670	331	-	1,001
Of others overseas	110	8	9	127
Shares not held for trading	400	23	29	452
Securities held for trading:				
Bonds of the Government of Israel	21,526	-	-	21,526
Bonds of foreign governments	211	-	-	211
Bonds of financial institutions in Israel	13	-	-	13
Bonds of others in Israel	26	-	-	26
Bonds of foreign others	15	-	1	16
Shares held for trading	28	-	-	28
Securities borrowed or purchased in resale agreements	21	-	-	21
Credit with respect to loans to customers	15,426	-	-	15,426
Assets with respect to derivatives[1]				
Interest contracts:				
NIS / CPI	-	22	42	64
Other	-	2,808	135	2,943
Currency contracts	48	2,591	793	3,432
Contracts for shares	706	52	-	758
Commodities and other contracts	-	-	-	-
Other financial assets	-	7,240	-	7,240
Other	-	-	34	34
Total assets	**46,933**	**20,015**	**1,043**	**67,991**
Liabilities				
Deposits with respect to borrowing from customers	35,732	-	-	35,732
Liabilities with respect to derivatives[1]				
Interest contracts:				
NIS / CPI	-	32	17	49
Other	-	2,432	102	2,534
Currency contracts	48	2,335	1,078	3,461
Contracts for shares	707	42	9	758
Commodities and other contracts	-	-	-	-
Other financial liabilities	374	7,240	-	7,614
Other	-	-	-	-
Total liabilities	**36,861**	**12,081**	**1,206**	**50,148**

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, 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 foreign 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
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

	As of December 31, 2025 (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	5,976	7,418	-	13,394
Of foreign governments	8,999	-	-	8,999
Of banks and financial institutions in Israel	1,038	48	-	1,086
Of banks and financial institutions overseas	-	66	-	66
Asset-backed (ABS)	-	51	-	51
Of others in Israel	759	251	-	1,010
Of others overseas	136	10	1	147
Shares not held for trading	323	28	21	372
Securities held for trading:				
Bonds of the Government of Israel	18,253	-	-	18,253
Bonds of foreign governments	140	-	-	140
Bonds of financial institutions in Israel	-	-	-	-
Bonds of others in Israel	15	-	-	15
Bonds of foreign others	22	-	-	22
Shares held for trading	26	-	-	26
Securities borrowed or purchased in resale agreements	593	-	-	593
Credit with respect to loans to customers	9,602	-	-	9,602
Assets with respect to derivatives(1)				
Interest contracts:				
NIS / CPI	-	23	34	57
Other	-	1,761	116	1,877
Currency contracts	26	3,031	747	3,804
Contracts for shares	361	193	1	555
Other financial assets	-	5,497	-	5,497
Other	-	-	32	32
Total assets	**46,269**	**18,377**	**952**	**65,598**
Liabilities				
Deposits with respect to borrowing from customers	26,230	-	-	26,230
Liabilities with respect to derivatives(1)				
Interest contracts:				
NIS / CPI	-	30	9	39
Other	-	1,660	52	1,712
Currency contracts	26	3,821	875	4,722
Contracts for shares	361	190	4	555
Other financial liabilities	1,853	5,497	-	7,350
Other	-	-	-	-
Total liabilities	**28,470**	**11,198**	**940**	**40,608**

(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:

2. On non-recurring basis

	September 30, 2026 (unaudited)				For the three months ended September 30, 2026	For the nine months ended September 30, 2026
	Fair value					
	Level 1[1]	Level 2[1]	Level 3[1]	Total	Gains (losses)	
Non-accruing credit whose collection is contingent on collateral	-	-	150	150	(2)	(33)
Investments in shares for which no fair value is available	-	-	736	736	10	79

	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

	As of December 31, 2025 (audited)				For the year ended December 31, 2025
	Fair value				
	Level 1[1]	Level 2[1]	Level 3[1]	Total	Gains (losses)
Non-accruing credit whose collection is contingent on collateral	-	-	297	297	2
Investments in shares for which no fair value is available	-	-	808	808	169

(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, 2026 (unaudited)									
		Net realized / unrealized gains (losses) included[1]								
	Fair value as of June 30, 2026	In statement of profit and loss	In statement of other comprehensive income under Equity	Acquisitions	Sales	Dispositions	Transfer to level 3[3]	Transfers from Level 3[3]	Fair value as of September 30, 2026	Unrealized gain (loss) with respect to instruments held as of September 30, 2026
Assets										
Securities available for sale										
Bonds:										
Of others overseas	4	-	4	-	-	-	1	-	9	3
Securities held for trading										
Of others overseas	-	-	-	-	-	-	1	-	1	-
Shares not held for trading	29	-	-	-	-	-	-	-	29	-
Assets with respect to derivatives[2]										
Interest contracts:										
NIS / CPI	31	-	11	1	-	(1)	-	-	42	10
Other	213	-	(77)	-	-	(1)	-	-	135	(75)
Currency contracts	1,049	-	26	264	-	(553)	7	-	793	265
Contracts for shares	2	-	(2)	-	-	-	-	-	-	(2)
Other	33	-	1	-	-	-	-	-	34	1
Total assets	**1,361**	**-**	**(37)**	**265**	**-**	**(555)**	**9**	**-**	**1,043**	**202**
Liabilities										
Liabilities with respect to derivatives[2]										
Interest contracts:										
NIS / CPI	8	-	5	4	-	-	-	-	17	(8)
Other	65	-	27	10	-	-	-	-	102	(38)
Currency contracts	1,300	-	24	322	-	(568)	-	-	1,078	(352)
Contracts for shares	-	-	8	1	-	-	-	-	9	(9)
Other	-	-	-	-	-	-	-	-	-	-
Total liabilities	**1,373**	**-**	**64**	**337**	**-**	**(568)**	**-**	**-**	**1,206**	**(407)**

(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, 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 comprehensive income under Equity	Acquisitions	Sales	Dispositions	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 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 nine months ended September 30, 2026 (unaudited)									
		Net realized / unrealized gains (losses) included[1]								
	Fair value as of December 31, 2025	In statement of profit and loss	In statement of other compre-hensive income under Equity	Acqui-sitions	Sales	Dispos-itions	Transfer to level 3[3]	Transfers from Level 3[3]	Fair value as of September 30, 2026	Unrealized gain (loss) with respect to instruments held as of September 30, 2026
Assets										
Securities available for sale										
Bonds:										
Of others overseas	1	3	4	-	-	-	1	-	9	7
Securities held for trading										
Of others overseas	-	-	-	-	-	-	1	-	1	-
Shares not held for trading	21	8	-	-	-	-	-	-	29	8
Assets with respect to derivatives[2]										
Interest contracts:										
NIS / CPI	34	(1)	11	2	-	(6)	2	-	42	10
Other	116	90	(77)	7	-	(1)	-	-	135	26
Currency contracts	747	469	26	883	-	(1,339)	7	-	793	1,385
Contracts for shares	1	22	(2)	6	-	(27)	-	-	-	26
Other	32	1	1	-	-	-	-	-	34	2
Total assets	**952**	**592**	**(37)**	**898**	**-**	**(1,373)**	**11**	**-**	**1,043**	**1,465**
Liabilities										
Liabilities with respect to derivatives[2]										
Interest contracts:										
NIS / CPI	9	8	5	4	-	(8)	(1)	-	17	(14)
Other	52	(5)	27	28	-	-	-	-	102	(55)
Currency contracts	875	723	24	881	-	(1,425)	-	-	1,078	(1,634)
Contracts for shares	4	(1)	8	1	-	(3)	-	-	9	(8)
Other	-	-	-	-	-	-	-	-	-	-
Total liabilities	**940**	**725**	**64**	**914**	**-**	**(1,436)**	**(1)**	**-**	**1,206**	**(1,711)**

(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 comprehensive income under Equity	Acquisitions	Sales	Dispositions	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 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 year ended December 31, 2025 (audited)									
		Net realized / unrealized gains (losses) included[1]								
	Fair value as of December 31, 2024	In statement of profit and loss	In statement of other comprehensive income under Equity	Acquisitions	Sales	Dispositions	Transfer to level 3[3]	Transfers from Level 3[3]	Fair value as of December 31, 2025	Unrealized gains (losses) with respect to instruments held as of December 31, 2025
Assets										
Securities available for sale										
Bonds:										
Of others overseas	7	1	1	-	-	(8)	-	-	1	-
Shares not held for trading	24	(3)	-	-	-	-	-	-	21	(3)
Assets with respect to derivatives[2]										
Interest contracts:										
NIS / CPI	81	(11)	-	8	-	(49)	5	-	34	(2)
Other	9	27	-	88	-	(8)	-	-	116	115
Currency contracts	377	673	-	1,583	-	(1,935)	90	(41)	747	731
Contracts for shares	1	-	-	1	-	(1)	-	-	1	8
Other	25	7	-	-	-	-	-	-	32	-
Total assets	**524**	**694**	**1**	**1,680**	**-**	**(2,001)**	**95**	**(41)**	**952**	**849**
Liabilities										
Liabilities with respect to derivatives[2]										
Interest contracts:										
NIS / CPI	66	5	-	8	-	(71)	1	-	9	(8)
Other	50	(2)	-	9	-	(5)	-	-	52	(5)
Currency contracts	352	766	-	1,258	-	(1,507)	6	-	875	(866)
Contracts for shares	3	2	-	4	-	(5)	-	-	4	(4)
Other	-	-	-	-	-	-	-	-	-	-
Total liabilities	**471**	**771**	**-**	**1,279**	**-**	**(1,588)**	**7**	**-**	**940**	**(883)**

(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, 2026	Valuation technique	Non-observed data	Range	Weighted average
Shares not held for trading	29	Quote from counter-party to the transaction			
Securities available for sale					
Bonds of foreign others	9	Cash flows discounting	Price	7.75-90.00	31.46
Assets with respect to derivative instruments:					
NIS / CPI	16	Cash flows discounting	Inflationary expectations	1.83%-1.85%	1.84%
Other	988	Cash flows discounting	Counter-party credit quality	0.30%-2.65%	1.70%
Liabilities with respect to derivative instruments:					
Interest contracts – NIS CPI	13	Cash flows discounting	Inflationary expectations	1.83%-1.85%	1.84%
Other	1,192	Cash flows discounting	Counter-party credit quality	0.30%-2.65%	1.66%

	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 December 31, 2025	Valuation technique	Non-observed data	Range	Weighted average
Shares not held for trading	21	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	11	Cash flows discounting	Inflationary expectations	1.63%-2.06%	1.78%
Other	919	Cash flows discounting	Counter-party credit quality	1.20%-3.10%	1.70%
Liabilities with respect to derivative instruments:					
Interest contracts – NIS CPI	7	Cash flows discounting	Inflationary expectations	1.65%-2.02%	1.79%
Other	933	Cash flows discounting	Counter-party credit quality	0.30%-2.65%	1.68%

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

E. Information regarding uncertainty of fair value measurements to changes in unobserved data

The main valuation technique of significant unobserved data used in measurement of fair value of assets and liabilities at Level 3 is Discounted Cash Flow. The future cash flow for the instrument is derived from the agreement with the counter-party. The discount rate used to discount the cash flow reflects the Bank's assumptions.

The primary unobserved data used in measurement of fair value of bonds is the price of the bonds.

F. Election of fair value option

Should the Bank elect the fair value option, changes to fair value of investments in certain bonds would be recorded to profit and loss, with bonds classified under the portfolio held for trading, although they had not been purchased for this purpose.

The election of the fair value option was made under the following circumstances:

1. Reduce volatility in profit and loss resulting from changes between the original measurement basis of financial instruments designated at the fair value option, and the measurement basis of derivative financial instruments used to manage risks with respect to such investments.
2. Complexity of implementing hedge accounting.
3. More accurate economic presentation of assets managed on fair value basis.

As of September 30, 2026, the Bank did not opt for the fair value option; as of December 31, 2025 and September 30, 2025 the securities were measured in amounts with the fair value option at NIS 104 million and NIS 101 million, respectively.

Note 17 – Other Matters

A. On March 30, 2026, an amendment to the Special Payment for the Achievement of Budgetary Targets Law (Temporary Order – Iron Swords), 2024 (hereinafter - the "Law") was approved, whereunder, among other things, banks - other than small banks - (as defined in the Law) will be subject to a tax totaling up to NIS 3 billion in respect of the profits of the abovementioned banks for 2026, and to tax totaling up to NIS 125 million in respect of the profits of the abovementioned banks for 2027 ("Profit" as defined in the Value Added Tax Law, 1975), with respect of a Profit generated from activity in Israel. The financial statements include the effect of the special tax based on the Bank's assessment in accordance with an estimate of its proportionate share.

B. On March 26, 2026, the Bank's Board of Directors, after receiving approval by the Remuneration Committee, decided to approve 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 March 26, 2026 (hereinafter: "the Outline").

As resolved by the Board of Directors on March 26, 2026, the following plans for allocating options were approved for 2026 after obtaining the Renumeration Committee's approval:

- Option plan 1 – up to 46,827 options 1 to be awarded to the Bank President & CEO, exercisable for up to 6,349 Bank ordinary shares of NIS 0.1 par value each.
- Option plan A – up to 399,424 options A to be awarded to up to eight Bank officers who are not gatekeepers, exercisable for up to 54,159 Bank ordinary shares of NIS 0.1 par value each.
- Option plan B – up to 173,180 options B to be awarded to up to five Bank officers who are gatekeepers, exercisable into up to 23,482 Bank ordinary shares of NIS 0.1 par value each.
- Option plan C – up to 744,000 options C to be awarded to up to forty three key Bank and Bank subsidiaries' employees exercisable into up to 100,881 ordinary Bank shares of NIS 0.1 par value each.
- Option plan D – up to 809,250 options D to be awarded to up to a ninety four 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 109,728 ordinary Bank shares of NIS 0.1 par value each.
- Option plan E – up to 1,719,200 options E to be awarded to up to two hundred seventy-one executives employed by the Bank subject to collective agreements, exercisable to up to 233,111 ordinary Bank 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, taking into account a closing price cap of NIS 295 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, 2029; and (3) April 1, 2030, and each batch of options would expire 18 months after each of said dates.
All options issued pursuant to option plans D and E may be exercised in a single lot from the second anniversary of the issue date and would expire two years after the vesting date, as defined in the Memorandum.
An offeree's eligibility for options pursuant to each of the option plans would be contingent upon the Bank's total capital adequacy ratio and Tier I equity ratio for the award year not falling below the minimum ratios established by the Bank of Israel's 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 in respect of the bonus year 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' decision as to the achievement of individual targets of the officer as defined in the outline.
- Eligibility of offerees who are not Bank officers to options C, D, and E, with respect to the 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.

Note 17 – Other Matters - Continued

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 2026 is NIS 255 (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 of each option 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 plus approx. NIS 16. 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 single option 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:

- Option 1 – NIS 16.8;
- Option A – NIS 16.0;
- Option B – NIS 16.1;
- Option C – NIS 15.8;
- Option D or E – NIS 17.3.

The theoretical benefit value of the options in the approved lot, calculated in accordance with US accounting rules (ASC 718 "Share-based Payment"), amounts to NIS 65 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 2026 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 16, 2026, the Bank's Board of Directors resolved to distribute a dividend totaling NIS 683.0 million, constituting 50% of earnings in the third quarter of 2026, in accordance with the Bank's dividend policy, and after assessing the planning of the Bank's capital under the various scenarios.

The dividend amount constitutes 2620.92% of the issued share capital, i.e. NIS 262.09 per NIS 0.1 par value share. The effective date for dividends payment is November 24, 2026 and the payment date is December 1, 2026. 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 2026.

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 2026, the Bank's Board of Directors held 13 plenary meetings. Furthermore, during this period there were 36 meetings of Board committees.
The permanent Board committees are: Audit, Credit, Risks Management, IT and Technology Innovation and Remuneration.

During the first nine months of 2026 and through the financial statements' publication date, there were no changes in the composition of the Board of Directors.

Bank management and senior officers

During the first nine months of 2026 and through the financial statements' publication date there were no changes to members of the Bank's management and senior officers.

Internal Auditor

Information about Internal Audit at the Group, including professional standards applied by Internal Audit, the annual and multi-annual work plan and considerations in setting this plan, the scope of work of the Internal Auditor and their team and reporting of the Internal Auditor's findings are provided in chapter "Corporate governance, audit, other information about the Bank and its management" of the 2025 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, 2026 are Wertheim Group and Ofer Group.

Wertheim Group's ownership interests in the Bank are held through M.W.Z (Holdings) Ltd., and through F&W Registered Partnership - jointly and both directly and indirectly. As of September 30, 2026, Wertheim Group holds approx. 20.46% of capital and voting rights in the Bank.

M.W.Z (Holdings) Ltd. is a privately-held company whose shares are held by David Wertheim (63%) and by Drorit Wertheim (37%); F&W Registered Partnership is a general partnership owned (1%) by Mr. David Wertheim and Ms. Drorit Wertheim (at a ratio of 63% and 37%, respectively) and by M.W.Z (Holdings) Ltd. (99%).

M. W. Z. (Holdings) Ltd. acquired - on March 16, 27 and 30, 2026, on May 19, 20, and 28, 2026, on June 1 and 2, 2026, on July 1 and 14, 2026 and on October 7 and 8, 2026 - an aggregate number of 562,386 ordinary Bank Mizrahi Tefahot Ltd. shares of NIS 0.1 par value each (hereinafter: the "Bank"). For further details see the Bank's immediate report of March 17, 2026 and March 30, 2026 (Ref. Nos.: 2026-01-023242 and 2026-01-029969) dated May 20, 24 and 28, 2026 (Ref. Nos.: 2026-01-046716, 2026-01-047300 and 2026-01-050765) dated June 2 and 3, 2026 (Ref. Nos.: 2026-01-052278 and 2026-01-052787) dated July 2 and 15, 2026 (Ref. Nos.: 2026-01-062503 and 2026-01-067086) dated October 7 and 8, 2026 (Ref. Nos.: 2026-01-091227 and 2026-01-091689).

F&W (Registered Partnership) acquired - on March 23 2026 and March 24, 2026 - an aggregate number of 32,884 ordinary Bank shares of NIS 0.1 par value each. For further details see the Bank's immediate report of March 24, 2026 and March 25, 2026 (Ref. Nos.: 2026-01-026508 and 2026-01-026824).

Ofer Group's holdings in the Bank are through L.I.N. (Holdings) Ltd., which holds the Bank directly and through L.A.B.M. (Holdings) Ltd. (a wholly-owned subsidiary thereof). As of September 30, 2026, Ofer Group holds approx. 20.95% of capital and voting rights in the Bank.

L.I.N. (Holdings) Ltd. is a privately-held company owned (100%) by a foreign trust whose main beneficiary, with regard to Bank shares, is Mr. Eyal Ofer.

L.I.N. (Holdings) Ltd. acquired - on June 3 and 8, 2026 - an aggregate number of 98,281 ordinary Bank shares of NIS 0.1 par value each. For further details see the Bank's immediate reports of June 3 and 8, 2026 (Ref. Nos.: 2026-01-052976 and 2026-01-054450).

On October 12, 2026, 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.

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

Amendment to the Special Payment for the Achievement of Budgetary Targets Law (Temporary Order – Iron Swords), 2024

On March 30, 2026, the Special Payment for the Achievement of Budgetary Targets Law (Temporary Order – Iron Swords), 2024 was approved, whereunder, among other things, banks - other than small banks - (as defined in the Law) will be subject to a total tax of NIS 3 billion in respect of the profits of the banks for 2026, and to a total tax of NIS 125 million in respect of the profits of the banks for 2027, which will be divided pro rata between the banks in accordance with their pre-tax profit in those periods, all with respect of profits generated from activity in Israel.

The provision for taxes on income in the financial statements for the first nine months of 2026 includes the effect of the abovementioned law.

The Law for the Promotion of Competition in the Banking Sector (Legislative Amendments), 2026

On March 30, 2026, the Knesset passed the Economic Arrangements Law which amended, among other things, the Law for the Promotion of Competition in the Banking Sector (Legislative Amendments), 2026.

Under the amendment, the summary report of the interministerial taskforce on measures to increase competition in the banking sector and in the field of credit to small businesses and households was passed into law, in order to enable the formation of small banks, set appropriate supervision mechanisms, remove barriers and encourage competition and innovation in the banking system.

Increased Competition and Reduced Concentration in the Israeli Banking Market Law (Legislation Amendments), 2017

On March 30, 2026, the Knesset passed the Economic Arrangements Law which amended, among other things, the Increased Competition and Reduced Concentration in the Israeli Banking Market Law (Legislation Amendments), 2017 (hereinafter - the “Strum Law”).

The primary provisions of the amendment stipulated that as from April 1, 2027 a further four-year period will start during which a bank with a broad-scope of activity, or a bank which held a means of control in a processing company immediately prior to the effective date will carry out the processing activity of the payment cards it issues through a processing company, and will allow a processing company to be a party to a payment card contract. Furthermore, it was stipulated that during the additional period, no single processing company will be used to process the issuance of more than 40% of all new credit cards the Bank issues to its customers (instead of 52% under the existing law). A credit card which was issued under a credit card contract which was signed before April 1, 2027 and was renewed during the additional period will not be taken into account in the calculation of this restriction.

The amendment also stipulated that subject to the agreement of the Governor of the Bank of Israel and the Knesset’s Economic Affairs Committee, the Minister of Finance may extend the additional period by further periods, which will not exceed four years in total, and will be allowed to change the rate of the 40% restriction applicable to the processing of an issuance.

The amendment also defines a “processing company” as a corporation which, immediately prior to the effective date, was engaged in the processing of the issuance of credit cards in Israel, or as another corporation designated by order of the Governor of the Bank of Israel with the consent of the Minister of Finance.

Credit Data Law (Amendment no. 6), 2026

On July 26, 2026, Amendment No. 6 to the Credit Data Law was published on the official gazette. The amendment makes several changes to the provisions of the law, the key ones of which include the setting up of a credit database, which also includes data regarding SMEs in order to increase the competition in the business credit market, and other steps and changes to improve the database’s efficiency.

Under the law, the various sources of information prescribed by the law, including banks, will be required to file regular and extensive reports to credit bureaus regarding the credit of such corporations. The credit bureaus will be able to deliver data and generate credit reports and credit ratings with regard to these corporations based on the new database which will be set up. Additional changes included in the amendment deal with improving the efficiency of the database and include, among other things, expanding the option of using credit data to develop models and the conditions therefor, expanding the option of using credit reports with regard to other transactions of the customer, shortening the period for retaining individuals' negative credit data from three years to one year, regulating the consent required for the use of credit reports, and other topics.

Most of the amendment's clauses will come into force within 6 months from its publication date. The Bank is making preparations for the implementation of the amendment to the law. The amendment to the law is not expected to have a material effect on the Bank's financial statements.

Amendment to the Banking (Service to Customer) Law, 1981 – Obligation to Record Calls, Retain them, and Deliver them to the Customer.

On July 22, 2026, Amendment to the Banking (Service to Customer) Law, 1981 was published on the official gazette, whereunder banking corporations which market services and products through phone calls they initiate will be required to record each and every such call made to a private customer (other than a corporation), to inform the customer at the beginning of the call that it is being recorded and that they have the right to receive the recorded call, and to retain the recorded call for two years. The call will be delivered within 10 business days from the date on which the customer requested it, including the written details of the call's date, without consideration, except for cases for which the Governor of the Bank of Israel prescribed special conditions under Chapter B-2 or if the customer requests the same call again.

Among other things, the key points of the amendment prescribe that failure to comply with the provisions of the law might result in the imposition of sanctions by the Supervisor of Banks at the total amount of NIS 50 thousand.

The amendment to the law will come into force within 8 months from its publication date; however, the duty to deliver marketing phone calls initiated by the banking corporation and recorded by it will also apply to calls recorded before the law came into force. The Bank is making preparations for the implementation of the amendment to the law. Implementation of the amendment is not expected to have a material impact on the Bank's Financial Statements.

Supervisor of Banks

Circulars and public reporting directives

Emphasis for the banking system due to the war

Throughout the war, the Bank of Israel published several customer support outlines. For further details about the support outlines, see the "Corporate governance, audit, other information about the Bank and its management" chapter in the 2025 Annual Financial Statements.

In view of Operation Lion's Roar, on March 17, 2026 the Supervisor of Banks published a circular comprising Temporary Order No. 253, which includes adjustments to Proper Conduct of Banking Business Directive aimed at supporting the banking system and its customers in addressing the challenges arising from the operation. The Temporary Order shall be in effect from its publication date through April 30, 2026. On April 30, 2026, the term of the Temporary Order and its amendments was extended by one further month through May 31, 2026.

Large-scale exposures

On December 29, 2025, the Supervisor of Banks published Proper Conduct of Banking Business Directive No. 313 regarding large exposures (LEX10-LEX40); this provision supplements the capital measurement and capital adequacy provisions.

This directive is based on a Basel Committee standard on this subject of 2014, and it supersedes the old Directive 313 as from July 1, 2026.

Set forth below are the key changes:

- Putting in place a new set of definitions, and in particular revised definitions of "counterparty" instead of "borrower", setting control and economic dependency tests and revising some of the exposure limits.
- Modifying the measurement of the exposure and the mitigation of credit risk in respect of qualifying collateral such that they comply with the Basel Committee directives regarding capital adequacy.
- Setting a principle whereby when a counterparty exposure was reduced against eligible credit risk mitigation technique, the exposure to the entity providing the credit protection should be recognized by the amount by which the original exposure was reduced.
- The calculation of the exposures includes on- and off-balance sheet exposures in the banking portfolio and the trading portfolio.

Concurrently, directives regarding reporting to the supervisor, reporting to the public and certain Proper Conduct of Banking Business Directives were revised to comply with the requirements and the new indebtedness measurement method under the new Directive 313.

The implementation of the new Directive 313 was carried out on a prospective basis. Application of this directive has no 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 Proper Conduct of Banking Business 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 exceeds 40% (hereinafter - "Contracts with Non-Linear Payment"), 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 came into force on the circular publication date and they will be in effect through December 31, 2026.

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

AML and terror financing risk management

On April 30, 2026, a circular was published, which revises Proper Conduct of Banking Business Directive No. 411; the circular includes several updates regarding various topics aimed at adapting the directive to international standards pertaining to prohibition of money laundering and terrorism financing and the coming into effect of the Payment Services and Payment Initiation Regulation Law, 2023.

The amendments came into effect on the directive's publication date, except for the amendments to Appendix B2 (revisions to the arrangement in connection with the provision of payment services by a banking corporation to a service recipient), the amendments pertaining to which will come into effect six months after the publication date of this directive.

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.

On May 9, 2022, the Bank of Israel published a revision to the directive, which included the adding of Section 87A regarding payment services associated with customer transactions involving virtual currency. In a circular of October 7, 2026, the Supervisor of Banks revised the relevant section in the directive to clarify the risk management principles pertaining to this activity, with an emphasis on a risk-based approach to support the development of cryptographic asset activities.

The amendments' effective date is May 1, 2027. The Bank is preparing to implement the directive. The application of this directive has no effect on the Bank's Financial Statements.

Pledging the assets of a banking corporation

On June 17, 2026, the Bank of Israel issued a circular revising Proper Conduct of Banking Business Directive 336 regarding pledging the assets of a banking corporation. The revision was designed to enable banking corporations to issue a new instrument - covered bonds - as is customary in other countries, under certain conditions and restrictions. The circular provides a definition of covered bonds and details the conditions for their issuance.

The circular's effective date is its publication date. The directive has no material effect on the Bank's financial statements.

Reform Regarding Fees Collected from Households and Small Businesses

On June 21, 2026, the Banking Supervision Department published a draft of circular No. H-06-2851 - Reform Regarding Fees Collected from Households and Small Businesses for Account Management and Debit Card Services.

The reform prescribes a comprehensive change in the structure of fees applicable to account management and debit card services, and includes, among other things, amendments to various regulatory provisions, as detailed below:

- The Banking Rules (Service to Customer) (Fees), 2008 were revised to include a new service - "payment account management" - comprising a package of routine payment services, and supervised prices were set for this service.
- Proper Conduct of Banking Business Directive No. 423 - the "Tracks Service".
- The Banking Order (Customer Service) (Supervision of Payment Account Management Service, Debit Card Fee Service, and Changes to Monthly Repayment Date of a Housing Loan), 2026 was published, which prescribes supervised prices for payment account management service, such that the maximum tariff will stand at NIS 10 for up to 100 transactions per month (a teller transaction and a direct-channel transaction); it was also prescribed that for customers executing up to 2 transactions per month, the maximum tariff will stand at NIS 5. Furthermore, a maximum price of NIS 1 per transaction was prescribed for any transaction in excess of 100 transactions. In addition, the order sets a supervised price for debit card fees, such that the maximum tariff will stand at NIS 7 per month.
- Proper Conduct of Banking Business Directive No. 425 - "Annual Reports to Customers of Banking Corporations" was revised.

The provisions of the reform entered into effect gradually - as from October 1, 2026, the supervision of the debit card fees came into effect, and on July 1, 2027, the new structure of the "payment account management" service will come into effect and the old fee model will be permanently cancelled.

The Bank started making preparations for the implementation of the reform. The implementation of the reform is not expected to have a material effect on the Bank's financial statements.

Supervisory framework for small and new banks

On June 30, 2026, the Bank of Israel published a circular which defines Proper Conduct of Banking Business Directive 490 on Supervisory Framework for Small and New Banks. The directive establishes permanent supervisory tiers in accordance with the banking corporation's size, and for each tier adjustments were made to the Proper Conduct of Banking Business Directives in accordance with the size of the banking corporation. The directive establishes preparatory phases for a newly licensed bank.

The publication of the directive cancels Proper Conduct of Banking Business Directive 480, which was published in March 2020, which addressed adjustments to Proper Conduct of Banking Business Directives applicable to a new banking corporation and a banking corporation being formed.

The Directive will come to effect on its publication date. The application of this directive has no effect on the Bank's Financial Statements.

FAQ regarding the implementation of Proper Conduct of Banking Business Directive regarding Compensation Policy in Banking Corporations

On July 22, 2026, the Bank of Israel published a circular comprising a file summarizing certain positions regarding the implementation of Proper Conduct of Banking Business Directive regarding Compensation Policy in Banking Corporations (A301). The file does not constitute an exhaustive list of the Supervisor of Bank's positions regarding issues arising from the implementation of the directive, and reflects the Supervisor of Bank's binding position and interpretation of the directive.

The Supervisor of Banks will consider incorporating some of the answers into the directive itself. The Bank is applying this directive. The application of this directive has no effect on the Bank's Financial Statements.

Policy regarding permits to open branches and provide banking services

On October 6, 2026, the Bank of Israel published a circular which revises the policy regarding the granting of permits to open branches and provide banking services. The policy's appendices set out general permits to open branches for various purposes, provide certain banking services outside the branch's premises, or to provide certain services at branches of another bank of the same banking group, subject to the conditions listed in the permits.

The policy shall apply to banks which are required to comply with Proper Conduct of Banking Business Directive 400 regarding "Closure of Bank Branches and Reducing Teller Services", and will enter into effect on January 1, 2027. General permits granted prior to the policy's effective date will be valid until their expiration date.

The Bank is preparing to implement the directive. The application of this directive has no effect on the Bank's Financial Statements.

Extension of the routing period upon bank switch

Under the implementation of Amendment 27 to the Banking (Service to Customer) Law, 1981, which requires banks to enable customers who wish switch to another bank to do so online, conveniently, reliably, securely, and free of charge,

the Governor determined, among other things, that certain types of financial activities will be subject to a three year post-switch routing period starting on the switch date. On October 18, 2026, the Bank of Israel published a circular prescribing that the routing period for customers who switched bank through the online system before September 21, 2026 should be extended. The transitional provision for those customers is extended through July 31, 2029.

The Bank is preparing to implement the directive. The application of this directive has no effect on the Bank's Financial Statements.

Bank's credit rating

Latest updates to the Bank's ratings by domestic rating agencies:

On August 9, 2026, Midroog Ltd. (created in partnership with Moody's International, which owns a 51% equity stake) (hereinafter: "Midroog") left the Bank ratings unchanged. The Bank's long-term deposits and senior debt are rated Aaa.il with a 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 27, 2026, S&P GLOBAL RATINGS MAALOT LTD (hereinafter: "Maalot") affirmed the Bank's issuer rating at ilAAA with a 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 ilAA- by Maalot.

Latest updates to the Bank's ratings by international rating agencies:

On October 19, 2026, 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. The rating outlook is stable. According to the agency, the rating reflects the Bank's strong universal banking franchise in Israel, alongside robust asset quality and profitability despite several wars. The rating of the senior dollar-denominated unsecured bond series is A-. The series was issued on January 28, 2026. The rating of the series of subordinated notes with loss-absorption mechanism which are eligible for recognition as Tier II capital is BBB. The series was issued on January 15, 2026.

On May 27, 2026, 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 with a stable rating outlook (without change). The senior dollar-denominated unsecured bond series is rated by the rating agency at BBB+. The series was issued on January 28, 2026. In addition, the rating agency rates the dollar-denominated subordinated notes with loss-absorption mechanisms, which are eligible for recognition as Tier II capital, at BBB-. The series was issued on January 15, 2026.

On February 3, 2026, Moody's rating agency (hereinafter: "Moody's") affirmed the Bank's long-term deposit rating to Baa1. The rating agency affirmed the Bank's short-term deposit rating at P-2. The rating outlook was upgraded from negative to stable following the upgrading of the rating outlook of the State of Israel.

The State of Israel's rating

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).

The rating assigned by Moody's to the State of Israel is Baa1 (the rating outlook was upgraded from negative to stable on January 30, 2026).

For further details regarding the effect of the downgrading of the State of Israel's credit rating, see the Capital, capital adequacy and leverage chapter to the Report of the Board of Directors and Management.

Operating segments

For extensive information about supervisory operating segments, see chapter "Corporate governance, audit, other information about the Bank and its management" of the 2025 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, 2026			For the three months ended September 30, 2025		
	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	398,394	[(7)]5,837	5.86	362,537	[(7)]6,085	6.71
Outside of Israel	15,991	273	6.83	11,421	240	8.41
Total	**414,385**	**6,110**	**5.90**	**373,958**	**6,325**	**6.77**
Loans to the Government						
In Israel	280	2	2.86	272	2	2.94
Outside of Israel	11	-	-	21	1	19.05
Total	**291**	**2**	**2.75**	**293**	**3**	**4.10**
Deposits with banks						
In Israel	2,349	18	3.07	2,191	61	11.14
Outside of Israel	155	-	-	379	1	1.06
Total	**2,504**	**18**	**2.88**	**2,570**	**62**	**9.65**
Deposits with central banks						
In Israel	49,254	417	3.39	45,703	483	4.23
Outside of Israel	10,582	107	4.04	19,920	206	4.14
Total	**59,836**	**524**	**3.50**	**65,623**	**689**	**4.20**
Securities borrowed or purchased in resale agreements						
In Israel	58	-	-	524	5	3.82
Outside of Israel	-	-	-	-	-	-
Total	**58**	**-**	**-**	**524**	**5**	**3.82**
Bonds held to maturity and available for sale[(4)]						
In Israel	20,503	216	4.21	26,211	299	4.56
Outside of Israel	2,110	27	5.12	2,254	33	5.86
Total	**22,613**	**243**	**4.30**	**28,465**	**332**	**4.67**
Bonds held for trading[(5)]						
In Israel	1,500	12	3.20	790	10	5.06
Outside of Israel	-	-	-	-	-	-
Total	**1,500**	**12**	**3.20**	**790**	**10**	**5.06**
Total interest-bearing assets	**501,187**	**6,909**	**5.51**	**472,223**	**7,426**	**6.29**
Receivables for credit card operations	5,525			5,105		
Other non-interest bearing assets[(6)]	67,307			42,863		
Total assets	**574,019**			**520,191**		
Total interest-bearing assets attributed to overseas operations	**28,849**	**407**	**5.64**	**33,995**	**481**	**5.66**

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, 2026			For the three months ended September 30, 2025		
	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	47,813	333	2.79	42,898	342	3.19
Term deposits	294,348	2,961	4.02	273,248	3,105	4.55
Outside of Israel						
On-call	781	-	-	416	-	-
Term deposits	18,172	183	4.03	16,523	182	4.41
Total	**361,114**	**3,477**	**3.85**	**333,085**	**3,629**	**4.36**
Deposits from the Government						
In Israel	45	1	8.89	139	1	2.88
Outside of Israel	-	-	-	-	-	-
Total	**45**	**1**	**8.89**	**139**	**1**	**2.88**
Deposits from banks						
In Israel	1,928	19	3.94	2,243	10	1.78
Outside of Israel	91	-	-	2	-	-
Total	**2,019**	**19**	**3.76**	**2,245**	**10**	**1.78**
Securities loaned or sold in re-purchase agreements						
In Israel	3	-	-	1	-	-
Outside of Israel	-	-	-	-	-	-
Total	**3**	**-**	**-**	**1**	**-**	**-**
Bonds and subordinated notes						
In Israel	40,172	505	5.03	40,174	627	6.24
Outside of Israel	-	-	-	-	-	-
Total	**40,172**	**505**	**5.03**	**40,174**	**627**	**6.24**
Other liabilities						
In Israel	228	2	3.51	1,133	13	4.59
Outside of Israel	-	-	-	-	-	-
Total	**228**	**2**	**3.51**	**1,133**	**13**	**4.59**
Total interest-bearing liabilities	**403,581**	**4,004**	**3.97**	**376,777**	**4,280**	**4.54**
Non-interest bearing deposits from the public	74,328			69,704		
Payables for credit card transactions	4,423			4,164		
Other non-interest bearing liabilities[8]	53,538			34,773		
Total liabilities	**535,870**			**485,418**		
Total equity instruments	**38,149**			**34,773**		
Total liabilities and equity instruments	**574,019**			**520,191**		
Interest spread			**1.55**			**1.75**
Net return[9] on interest-bearing assets						
In Israel	472,338	2,681	2.27	438,228	2,847	2.60
Outside of Israel	28,849	224	3.11	33,995	299	3.52
Total	**501,187**	**2,905**	**2.32**	**472,223**	**3,146**	**2.66**
Total interest-bearing liabilities attributed to overseas operations	**19,044**	**183**	**3.84**	**16,941**	**182**	**4.30**

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, 2026			For the nine months ended September 30, 2025		
	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	390,513	[7]16,971	5.79	352,197	[7]16,882	6.39
Outside of Israel	14,904	773	6.92	11,326	691	8.13
Total	**405,417**	**17,744**	**5.84**	**363,523**	**17,573**	**6.45**
Loans to the Government						
In Israel	295	7	3.16	286	8	3.73
Outside of Israel	13	1	10.26	24	2	11.11
Total	**308**	**8**	**3.46**	**310**	**10**	**4.30**
Deposits with banks						
In Israel	2,234	49	2.92	2,104	82	5.20
Outside of Israel	178	1	0.75	194	1	0.69
Total	**2,412**	**50**	**2.76**	**2,298**	**83**	**4.82**
Deposits with central banks						
In Israel	49,947	1,357	3.62	51,098	1,619	4.22
Outside of Israel	11,913	351	3.93	19,883	669	4.49
Total	**61,860**	**1,708**	**3.68**	**70,981**	**2,288**	**4.30**
Securities borrowed or purchased in resale agreements						
In Israel	179	5	3.72	401	13	4.32
Outside of Israel	-	-	-	-	-	-
Total	**179**	**5**	**3.72**	**401**	**13**	**4.32**
Bonds held to maturity and available for sale[4]						
In Israel	26,215	787	4.00	21,889	713	4.34
Outside of Israel	2,254	83	4.91	2,167	96	5.91
Total	**28,469**	**870**	**4.07**	**24,056**	**809**	**4.48**
Bonds held for trading[5]						
In Israel	1,424	43	4.03	1,549	28	2.41
Outside of Israel	-	-	-	-	-	-
Total	**1,424**	**43**	**4.03**	**1,549**	**28**	**2.41**
Total interest-bearing assets	**500,069**	**20,428**	**5.45**	**463,118**	**20,804**	**5.99**
Receivables for credit card operations	5,310			5,106		
Other non-interest bearing assets[6]	61,476			38,939		
Total assets	**566,855**			**507,163**		
Total interest-bearing assets attributed to overseas operations	**29,262**	**1,209**	**5.51**	**33,594**	**1,459**	**5.79**

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, 2026			For the nine months ended September 30, 2025		
	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	47,117	1,015	2.87	39,252	968	3.29
Term deposits	293,684	8,903	4.04	264,873	8,672	4.37
Outside of Israel						
On-call	784	-	-	409	-	-
Term deposits	16,710	509	4.06	17,156	544	4.23
Total	**358,295**	**10,427**	**3.88**	**321,690**	**10,184**	**4.22**
Deposits from the Government						
In Israel	104	3	3.85	88	2	3.03
Outside of Israel	-	-	-	-	-	-
Total	**104**	**3**	**3.85**	**88**	**2**	**3.03**
Deposits from banks						
In Israel	2,135	43	2.69	2,320	48	2.76
Outside of Israel	35	-	-	3	-	-
Total	**2,170**	**43**	**2.64**	**2,323**	**48**	**2.76**
Securities loaned or sold in re-purchase agreements						
In Israel	11	-	-	2	-	-
Outside of Israel	-	-	-	-	-	-
Total	**11**	**-**	**-**	**2**	**-**	**-**
Bonds and subordinated notes						
In Israel	40,941	1,326	4.32	40,107	1,491	4.96
Outside of Israel	-	-	-	-	-	-
Total	**40,941**	**1,326**	**4.32**	**40,107**	**1,491**	**4.96**
Other liabilities						
In Israel	551	19	4.60	2,141	41	2.55
Outside of Israel	-	-	-	-	-	-
Total	**551**	**19**	**4.60**	**2,141**	**41**	**2.55**
Total interest-bearing liabilities	**402,072**	**11,818**	**3.92**	**366,351**	**11,766**	**4.28**
Non-interest bearing deposits from the public	72,680			72,076		
Payables for credit card transactions	4,224			4,101		
Other non-interest bearing liabilities[8]	50,255			30,542		
Total liabilities	**529,231**			**473,070**		
Total equity instruments	**37,624**			**34,093**		
Total liabilities and equity instruments	**566,855**			**507,163**		
Interest spread			**1.53**			**1.71**
Net return[9] on interest-bearing assets						
In Israel	470,807	7,910	2.24	429,524	8,123	2.52
Outside of Israel	29,262	700	3.19	33,594	915	3.63
Total	**500,069**	**8,610**	**2.30**	**463,118**	**9,038**	**2.60**
Total interest-bearing liabilities attributed to overseas operations	**17,529**	**509**	**3.87**	**17,568**	**544**	**4.13**

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, 2026			For the three months ended September 30, 2025		
	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	370,241	4,730	5.11	324,362	4,738	5.84
Total interest-bearing liabilities	286,505	(2,632)	(3.67)	250,662	(2,619)	(4.18)
Interest spread			**1.44**			**1.66**
Israeli currency – linked to the CPI						
Total interest-bearing assets	78,913	1,462	7.41	84,141	1,850	8.79
Total interest-bearing liabilities	47,965	(675)	(5.63)	55,468	(908)	(6.55)
Interest spread			**1.78**			**2.24**
Foreign currency (including Israeli currency linked to foreign currency)						
Total interest-bearing assets	23,184	310	5.35	29,725	357	4.80
Total interest-bearing liabilities	50,067	(514)	(4.11)	53,706	(571)	(4.25)
Interest spread			**1.24**			**0.55**
Total – operations in Israel						
Total interest-bearing assets	472,338	6,502	5.51	438,228	6,945	6.34
Total interest-bearing liabilities	384,537	(3,821)	(3.97)	359,836	(4,098)	(4.56)
Interest spread			**1.54**			**1.78**

See footnotes below.

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

Reported amounts (NIS in millions)

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

	For the nine months ended September 30, 2026			For the nine months ended September 30, 2025		
	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	361,771	14,401	5.31	320,676	13,883	5.77
Total interest-bearing liabilities	279,187	(7,990)	(3.82)	241,250	(7,359)	(4.07)
Interest spread			**1.49**			**1.70**
Israeli currency – linked to the CPI						
Total interest-bearing assets	79,876	3,834	6.40	84,452	4,558	7.20
Total interest-bearing liabilities	52,756	(1,727)	(4.36)	55,545	(2,164)	(5.19)
Interest spread			**2.04**			**2.01**
Foreign currency (including Israeli currency linked to foreign currency)						
Total interest-bearing assets	29,160	984	4.50	24,396	904	4.94
Total interest-bearing liabilities	52,600	(1,592)	(4.04)	51,988	(1,699)	(4.36)
Interest spread			**0.46**			**0.58**
Total – operations in Israel						
Total interest-bearing assets	470,807	19,219	5.44	429,524	19,345	6.01
Total interest-bearing liabilities	384,543	(11,309)	(3.92)	348,783	(11,222)	(4.29)
Interest spread			**1.52**			**1.72**

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, 2026 compared to the three months ended September 30, 2025			For the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025		
	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	525	(773)	(248)	1,665	(1,576)	89
Outside of Israel	78	(45)	33	186	(104)	82
Total	**603**	**(818)**	**(215)**	**1,851**	**(1,680)**	**171**
Other interest-bearing assets						
In Israel	(16)	(179)	(195)	83	(298)	(215)
Outside of Israel	(101)	(6)	(107)	(240)	(92)	(332)
Total	**(117)**	**(185)**	**(302)**	**(157)**	**(390)**	**(547)**
Total interest revenues	**486**	**(1,003)**	**(517)**	**1,694**	**(2,070)**	**(376)**
Interest-bearing liabilities						
Deposits from the public						
In Israel	250	(403)	(153)	1,067	(789)	278
Outside of Israel	19	(18)	1	(2)	(33)	(35)
Total	**269**	**(421)**	**(152)**	**1,065**	**(822)**	**243**
Other interest-bearing liabilities						
In Israel	(16)	(108)	(124)	(29)	(162)	(191)
Outside of Israel	-	-	-	-	-	-
Total	**(16)**	**(108)**	**(124)**	**(29)**	**(162)**	**(191)**
Total interest expenses	**253**	**(529)**	**(276)**	**1,036**	**(984)**	**52**

(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, 2026 and September 30, 2025, for the nine-month periods ended September 30, 2026 and September 30, 2025, 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 (15) million, NIS (47) million, NIS 0 million and NIS (115) million, respectively.

(5) From the average balance of bonds held for trade, for the three-month periods ended September 30, 2026 and September 30, 2025, and for the nine-month periods ended September 30, 2026 and September 30, 2025, we added / deducted the average balance of unrealized gains from adjustment to fair value of bonds held for trade amounting to NIS 69 million, NIS 234 million, NIS (64) million and NIS 201 million, respectively.

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

(7) Commissions amounting to NIS 158 million, NIS 129 million, NIS 466 million and NIS 386 million were included in interest revenues for the three-month periods ended September 30, 2026 and 2025 and for the nine-month periods ended September 30, 2026 and 2025, 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.

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 subordinated 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.
E	**Exposure** - on- and off-balance sheet credit, as defined in Proper Conduct of Banking Business Directive 313.
F	**Financial instrument** – A contract that creates a financial asset for one entity and a financial liability or capital instrument for another entity.
I	**Inferior debt** – Inferior debt is debt insufficiently secured by collateral or by debtor repayment capacity, and for which the Bank may incur a loss if faults are not corrected, including debt over NIS 700 thousand which is 60-89 days in arrears.
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).
	Off-balance sheet credit Risk – credit risk arising from off-balance sheet financial instruments prior to credit risk mitigation, as calculated for the purpose of the cap on a banking corporation's exposure to a borrower and a group of borrowers. The off-balance sheet risk in respect of derivative instruments will be calculated as the difference, if positive, between the total amounts included in the borrower's exposure to derivative instruments, after credit risk mitigation, and the borrower's on-balance sheet credit risk with respect to derivative instruments.
	On-balance sheet credit risk - debts before mitigation of credit risk and the balance of assets in respect of derivative instruments after credit risk mitigation.
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

F	**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).
L	**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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