

Bank Hapoalim Announces 2025 Fourth Quarter and Annual Results

- ◆ **Net profit** in 2025 totaled NIS 9,802 million; **return on equity** 15.9%.
 - ◆ **Net profit** and **ROE** in 2025 adjusted for the NIS 380 million income from insurance reimbursement were NIS 9,422 million and 15.3%, respectively.
- ◆ **Net profit** in 4Q25 totaled NIS 2,078 million; **return on equity** 13.0%.
 - ◆ **Net profit and ROE** in 4Q25 were impacted by a NIS 200 million provision in relation to the labor dispute at the bank.
- ◆ **Credit growth** was strong and diversified across all segments of operation, at 13.4% in the full year and 4.9% in the quarter.
- ◆ Credit quality metrics continue to improve. The **NPL ratio** decreased to 0.48%, and the **NPL coverage ratio** rose to 310%.
- ◆ In respect of the fourth quarter, the board of directors approved a **total distribution** of NIS 1,239 million (50% of the fourth quarter's profits, plus NIS 200 million from existing capital surpluses), of which a total of NIS 991 million to be paid as **dividends** on March 23, 2026, and a total of NIS 248 million within Stage B of the **share buyback** plan. Total **profit distribution** in 2025 amounted to NIS 4.9 billion, 50% of net profit, of which NIS 4.1 billion in **cash dividends** (4.6% dividend yield).
- ◆ Updated financial targets for 2026-2027:
 - ◆ Net profit in the range of NIS 9.0-10.0 billion in each of the years;
 - ◆ Return on equity in the range of approximately 14%-15% in each of the years;
 - ◆ Growth of the credit portfolio at an average annual rate of 8%-9%;
 - ◆ Profit distribution at a rate of 50%-60% of net profit, through cash dividends or buybacks, subject to the guidelines of the Bank of Israel.

Tel Aviv, Israel – March 5, 2026 – Bank Hapoalim (TASE: POLI) today announced its financial results for the fourth quarter and full year ended December 31, 2025.

Income statement

- ◆ **Net profit** for 2025 totaled NIS 9,802 million, compared with NIS 7,635 million in 2024, a 28.4% increase. Net profit excluding the NIS 380 million income from insurance reimbursement in the third quarter of 2025 was NIS 9,422 million. The main driver of the increase in net profit is 11.8% growth in total income, coupled with unchanged total expenses (excluding a NIS 597 million expense for an early retirement plan recorded in 2024). The growth in net profit was achieved despite an increase in the provision for credit losses.

Return on equity for 2025 stood at 15.9% (15.3% adjusted for the aforementioned income), vs. 13.8% in 2024.

Net profit in the fourth quarter of 2025 totaled NIS 2,078 million, compared with NIS 2,758 million in the preceding quarter (NIS 2,378 million **adjusted**) and NIS 1,554 million in the same quarter last year. **Net profit** was mainly impacted by the negative CPI, as well as an increase in expenses, which mainly resulted from a NIS 200 million provision in respect of the labor dispute declared at the bank in September 2025. At the date of publication of the financial statements, negotiations between the parties are still ongoing.

Return on equity for the fourth quarter stood at 13.0%, compared with 17.6% in the preceding quarter (15.2% adjusted) and 10.8% in the same quarter last year.

- ◆ **Total income** in 2025 increased by 11.8% compared to 2024, as a result of the growth in financing activity and fees, as well as the aforementioned income from insurance.

Total income in the fourth quarter decreased by 14.6% versus the preceding quarter, mainly as a result of the changes in the known CPI (-0.6% in the fourth quarter versus 1.4% in the third quarter), as well as the aforementioned income from insurance recorded in the third quarter of 2025.

- ◆ **Income from regular financing activity** totaled NIS 18,929 million in 2025, an increase of 7.0% vs. 2024. The main impact on the increase was the growth in activity and government bond portfolio repositioning, which mostly took place in 2024, where the bank realized losses on legacy securities and reinvested in higher-yield and longer-duration assets. This was partially offset by a lower contribution of the CPI and a decrease in credit spreads.

Income from regular financing activity in the fourth quarter of 2025 totaled NIS 4,404 million, vs. NIS 5,026 million in the preceding quarter. The decrease mainly resulted from the aforementioned changes in the known CPI between the quarters, leading to a decrease of NIS 194 million in income in the fourth quarter vs. an increase of NIS 468 million in the preceding quarter.

The **financial margin from regular financing activity** increased slightly in 2025 (to 2.68%, vs. 2.66% in 2024), and was lower in the fourth quarter (2.42% vs. 2.79%), due to the aforementioned impact of the CPI.

- ◆ **Fee income** totaled NIS 4,431 million in 2025, an 11.3% increase compared to 2024. The increase stems from most of the components of fees, including fees from securities activity, conversion differences, and account management. The increase in credit-card fees mainly resulted from nonrecurring income received from international credit-card organizations.

Fees in the fourth quarter amounted to NIS 1,109 million, a slight decrease vs. the previous quarter and an increase of 11.2% vs the corresponding quarter of the preceding year. Fees in the fourth quarter included NIS 17 million in customer benefits granted to customers to help cope with the impacts of the war, vs. NIS 3 million in the preceding quarter.

- ◆ **Operating and other expenses** decreased by 6.7% in 2025, as in 4Q24 the bank recorded a NIS 597 million expense for an early retirement plan. Excluding the retirement plan, operating and other expenses stayed flat in 2025 compared to 2024. **Salary and related expenses** increased by 4.1%, due to a NIS 200 million provision made in respect of the labor dispute at the bank, while current salary expenses stayed stable. **Other expenses** decreased, mainly due to the aforementioned expense for early retirement, as well as lower donations and aid granted by the bank in connection with the war, and lower expenses for advertising, professional services, and customer claims. This decrease was offset by an increase in expenses for fees due to growth of activity.

Operating and other expenses in the fourth quarter increased by 9.6% versus the preceding quarter, mainly due to the aforementioned provision for the labor dispute.

Accordingly, the **cost-income ratio** for the full year was 34.2% (34.8% excluding the income from insurance reimbursement), vs. 41.0% for 2024 (38.3% excluding the expense for the early retirement plan).

- ◆ **Provision for credit losses** in 2025 amounted to NIS 1,299 million, or 0.27% of total credit. The provision was driven by an increase in the collective allowance for credit losses, mainly due to growth of the credit portfolio, as well as continued uncertainty in the economic environment. Income was recorded in respect of the individual allowance, as a result of recoveries from a small number of borrowers.

- ◆ In the fourth quarter of 2025, **provision for credit losses** amounted to NIS 388 million (a credit-loss ratio of 0.31%), due to the above-mentioned factors affecting the full year.

Balance sheet

- ◆ **Net credit to the public** in the fourth quarter of 2025 totaled NIS 502.9 billion, compared with NIS 443.5 billion at the end of 2024 and NIS 479.3 billion at the end of the preceding quarter, an increase of 13.4% and 4.9%, respectively.

Corporate credit increased by 25.8% in comparison to 2024, and by 12.2% in comparison to the previous quarter; **commercial credit** increased by 11.3% YoY and 1.2% QoQ. In the retail banking division, the **housing loan** portfolio grew by 6.8% YoY and 1.0% QoQ, **small business** credit increased by 11.6% and 4.6%, and **consumer credit** grew by 6.8% and 1.5%, respectively.
- ◆ **Total deposits** reached NIS 592.7 billion, an increase of 3.2% vs. last year and 0.3% vs. the third quarter. **Retail deposits** decreased by 2.3% compared to 2024 and slightly increased in the fourth quarter, to NIS 320.2 billion, constituting 54% of **total deposits**. The **share of non-interest bearing deposits** of total deposits remained roughly unchanged in the last few quarters, and currently stands at 25%.
- ◆ **LCR** and **NSFR** are at 130% and 116% respectively, vs. the minimum regulatory requirement of 100%.
- ◆ **The allowance for credit losses** stood at NIS 8.8 billion as at December 31, 2025, of which NIS 8.5 billion attributed to the collective allowance. The total allowance constitutes 1.72% of total credit.
- ◆ Credit quality indicators remained strong and even improved; the **NPL ratio** dropped to 0.48% and the **NPL coverage ratio** (balance sheet allowance for credit losses/NPL) increased to a level of 310%. The high quality of the book is particularly evident in the real-estate sector portfolio indicators: the **allowance to loans** ratio is 2.24% and the **exposure to land financing with LTV ratios over 80%** is only 1.2% of total land exposure, vs. 2.5% for 2024.
- ◆ **Shareholders' equity** grew by 11.2% in the last year, to NIS 64.7 billion, due to our strong organic capital generation. The **CET-1 capital ratio** as at December 31, 2025, stood at 11.98%, vs. the 10.23% minimum regulatory requirement and 11.0% minimum internal target. The **total capital ratio** as at December 31, 2025, stood at 15.27%, vs. a 13.5% minimum regulatory requirement.
- ◆ **Dividend distribution and share buyback:** in respect of the fourth quarter, the board of directors approved a **total distribution** of NIS 1,239 million (50% of the fourth quarter's profits, plus NIS 200 million from existing capital surpluses), of which a total of NIS 991 million to be paid as **dividends** on March 23, 2026, and a total of NIS 248 million within Stage B of the **share buyback** plan. Total **profit distribution** in 2025 amounted to NIS 4.9 billion, 50% of net profit, of which NIS 4.1 billion in **cash dividends** (4.6% dividend yield).

Conference call/webinar information

Bank Hapoalim will host a conference call/webinar today to discuss the results. The call will take place at 5:00 p.m. Israel time / 3:00 p.m. UK time / 10:00 a.m. US Eastern time.

Participation in the call/webinar is available via the following link: [BankHapoalim2025](#) (pre-registration is also available via the link). No password or access code is required. The review will be conducted in listen-only mode, followed by a Q&A session.

The webinar will be accompanied by a presentation, which will be published on the day of the financial statements release on the distribution website of the Israel Securities Authority (MAGNA) website, the Tel Aviv Stock Exchange website, and the bank's Investor Relations page (Financial Information) at: <https://www.bankhapoalim.com>.

A recording of the conference call/webinar will be available one business day following the event, on the bank's Investor Relations page at the above-mentioned address.

Please note: The conference call does not replace the need to peruse the immediate reports and the financial statements of the bank, including all forward-looking information included therein, in accordance with Section 32A of the Israeli Securities Law, 1968.

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About Bank Hapoalim

Bank Hapoalim is Israel's leading financial group. In Israel, Bank Hapoalim operates 159 retail branches, regional business centers, and specialized industry relationship managers for major corporate customers. The Bank Hapoalim Group includes holdings in financial companies engaged in investment banking, trust services, and portfolio management. Internationally, commercial banking services are provided in North America by the New York branch. Bank Hapoalim is listed on the Tel Aviv Stock Exchange (TASE: POLI). For more information about Bank Hapoalim, please visit us online at www.bankhapoalim.com.

Please note: This press release was prepared for convenience only. In case of any discrepancy, the bank's reported financial statements in Hebrew will prevail.

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Table 1-1: Condensed financial information and principal performance indicators of the Bank Hapoalim Group over time

NIS millions	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Main profit and loss data – quarterly development								
Net interest income	4,203	4,829	4,796	4,275	4,175	4,577	4,384	3,814
Non-interest financing income	385	311	497	325	323	42	322	272
Net financing profit	4,588	5,140	5,293	4,600	4,498	4,619	4,706	4,086
Provision (income) for credit losses	388	347	302	262	350	406	(49)	(14)
Fees and other income ¹	1,132	1,561	1,152	1,090	1,013	1,008	1,026	1,004
Operating and other expenses	2,250	2,052	2,113	1,989	2,806	2,062	2,106	2,033
Profit before taxes	3,082	4,302	4,030	3,439	2,355	3,159	3,675	3,071
Net profit attributed to shareholders of the Bank	2,078	2,758	2,542	2,424	1,554	1,905	2,238	1,938
Return of net profit	13.0%	17.6%	16.7%	16.4%	10.8%	13.6%	16.4%	14.6%
Net profit attributed to shareholders of the Bank excluding items ²	2,078	2,378	2,542	2,424	1,554	1,905	2,238	1,938
Return of net profit excluding items ²	13.0%	15.2%	16.7%	16.4%	10.8%	13.6%	16.4%	14.6%
Financing margin from regular activity ³	2.42%	2.79%	2.85%	2.65%	2.53%	2.79%	2.79%	2.54%

(1) In the third quarter of 2025, includes income in the amount of approximately NIS 432 million due to amounts received from insurers and officers in connection with the settlement of a derivative claim concerning the United States tax investigation. For further details, see Note 25.C.c.1 to the Financial Statements.

(2) In the third quarter of 2025, excludes profit in the amount of approximately NIS 380 million, net, after tax, due to amounts received from insurers and officers in connection with the settlement of a derivative claim concerning the United States tax investigation, as noted above.

(3) Financing profit from regular activity (see the section “Material developments in income, expenses, and other comprehensive income,” below) divided by total financial assets after allowance for credit losses, net of non-interest bearing balances of debtors in respect of credit-card activity.

Table 1-1: Condensed financial information and principal performance indicators of the Bank Hapoalim Group over time (continued)

	For the year ended in December 31				
	2025	2024	2023	2022	2021
Main performance indicators					
Return of net profit attributed to shareholders of the Bank on equity	15.9%	13.8%	15.0%	14.8%	11.8%
Return of net profit on equity attributed to shareholders of the Bank excluding items ¹	15.3%	13.8%	15.0%	14.8%	11.9%
Return of net profit on average assets	1.33%	1.11%	1.09%	1.01%	0.85%
Return of net profit excluding items ¹ on average assets	1.28%	1.11%	1.09%	1.01%	0.85%
Ratio of income to average assets	3.33%	3.18%	3.17%	2.78%	2.48%
Ratio of income excluding items ² to average assets	3.28%	3.18%	3.17%	2.78%	2.48%
Ratio of net interest income to average assets	2.46%	2.46%	2.39%	2.09%	1.68%
Ratio of fees to average assets	0.60%	0.58%	0.58%	0.57%	0.58%
Efficiency ratio – cost-income ratio	34.2%	41.0%	38.5%	44.5%	54.2%
Efficiency ratio excluding items – cost-income ratio ²	34.8%	41.0%	38.5%	44.5%	54.2%
Financing margin from regular activity ³	2.68%	2.66%	2.67%	2.35%	1.79%
Liquidity coverage ratio (LCR) ⁴	130%	131%	129%	122%	124%
Net stable financing ratio (NSFR) ⁵	116%	125%	128%	130%	136%

	December 31				
	2025	2024	2023	2022	2021
Ratio of common equity Tier 1 capital to risk components ⁶	11.98%	11.80%	12.02%	11.25%	10.96%
Ratio of total capital to risk components ⁶	15.27%	14.77%	15.07%	14.70%	14.22%
Leverage ratio ⁶	7.52%	7.17%	6.92%	6.34%	6.03%

(1) In 2025, excluding profit in the amount of approximately NIS 380 million, net, after tax, due to amounts received from insurers and officers in connection with the settlement of a derivative claim concerning the United States tax investigation. For further details, see Note 25.C.c.1 to the Financial Statements. In 2021, excluding expenses in respect of provisions in connection with the investigation of the Bank Group's business with American customers.

(2) Total income – net interest income and non-interest income. In 2025, excluding income in the amount of approximately NIS 432 million, due to amounts received from insurers and officers in connection with the settlement of a derivative claim concerning the United States tax investigation, as noted above.

(3) Financing profit from regular activity (see the section "Material developments in income, expenses, and other comprehensive income," below) divided by total financial assets after allowance for credit losses, net of non-interest bearing balances of debtors in respect of credit-card activity.

(4) Based on the daily average in the three months ended on the report date.

(5) For additional information, see the section "Liquidity and refinancing risk," below.

(6) For additional information, see the section "Capital, capital adequacy, and leverage," below.

Table 1-1: Condensed financial information and principal performance indicators of the Bank Hapoalim Group over time (continued)

	December 31 and the year then ended				
	2025	2024	2023	2022	2021
Main credit quality indicators					
Total allowance for credit losses* as a percentage of credit to the public**	1.72%	1.76%	1.92%	1.64%	1.65%**
Allowance for credit losses in respect of credit to the public as a percentage of credit to the public**	1.49%	1.51%	1.69%	1.40%	1.43%**
Credit to the public, non-accruing or past due by 90 days or more, as a percentage of credit to the public**	0.52%	0.62%	1.06%	0.89%	1.20%**
Net charge-offs as a percentage of average credit to the public	0.08%	0.17%	0.09%	(0.03%)	(0.06%)
Provision (income) for credit losses as a percentage of average credit to the public***	0.27%	0.16%	0.46%	(0.01%)	(0.37%)
NIS millions					
Main profit and loss data					
Net profit attributed to shareholders of the Bank	9,802	7,635	7,360	6,532	4,914
Net profit attributed to shareholders of the Bank excluding items ¹	9,422	7,635	7,360	6,532	4,957
Net interest income	18,103	16,950	16,085	13,467	9,767
Net financing profit ²	19,621	17,909	17,352	14,048	10,848
Non-interest income	6,453	5,010	5,297	4,453	4,625
Non-interest income excluding items ³	6,021	5,010	5,297	4,453	4,625
Of which: fees	4,431	3,980	3,892	3,705	3,355
Total income	24,556	21,960	21,382	17,920	14,392
Total income excluding items ³	24,124	21,960	21,382	17,920	14,392
Provision (income) for credit losses	1,299	693	1,879	(34)	(1,220)
Operating and other expenses ⁴	8,404	9,007	8,231	7,972	7,803
Of which: salaries and related expenses	4,671	4,486	4,577	4,470	4,409
Additional data					
Net profit per share attributed to shareholders of the Bank – basic (in NIS)	7.43	5.72	5.50	4.89	3.68

* Including the allowance in respect of off-balance sheet balances.

** The Bank has implemented United States generally accepted accounting principles concerning current expected credit losses (CECL) as of January 1, 2022, prospectively. For this purpose:

1. The overall allowance for credit losses, as a percentage of credit to the public, as at January 1, 2022, after implementation of the CECL directive, is 1.80%.
2. The allowance for credit losses in respect of credit to the public, as a percentage of credit to the public, as at January 1, 2022, after implementation of the CECL directive, is 1.51%.
3. The term “impaired credit” has been eliminated, and non-accruing credit is presented instead. Comparative figures for previous periods have not been restated. If comparative figures had been restated, for convenience (i.e. accruing debts previously classified as impaired debts were not included in non-accruing debts under the new directives), credit to the public that is non-accruing or past due by 90 days or more as a percentage of credit to the public as at December 31, 2021, would be 1.13%.

*** Including provisions in respect of banks and governments.

(1) In 2025, excluding profit in the amount of approximately NIS 380 million, net, after tax, due to amounts received from insurers and officers in connection with the settlement of a derivative claim concerning the United States tax investigation. For further details, see Note 25.C.c.1 to the Financial Statements. In 2021, excluding expenses in respect of provisions in connection with the investigation of the Bank Group’s business with American customers.

(2) Net financing profit includes net interest income and non-interest financing income (expenses).

(3) In 2025, excluding income in the amount of approximately NIS 432 million, due to amounts received from insurers and officers in connection with the settlement of a derivative claim concerning the United States tax investigation, as noted above.

(4) In 2024, includes costs in the amount of approximately NIS 600 million in respect of the efficiency plan, included in the “other expenses” item.

Table 1-1: Condensed financial information and principal performance indicators of the Bank Hapoalim Group over time (continued)

NIS millions	December 31				
	2025	2024	2023	2022	2021
Main balance sheet data					
Total assets	766,665	720,844	686,530	665,353	638,781
Of which: Cash and deposits with banks	71,892	117,053	107,730	133,424	189,283
Securities	144,245	121,838	127,122	107,400	71,105
Net credit to the public	502,881	443,483	407,381	388,727	352,623
Net problematic credit risk*	7,159	7,807	7,814	6,487	7,926
Credit to the public not accruing interest income (NPL)*	2,448	2,678	4,012	3,444	2,897
Total liabilities	701,988	662,694	634,100	618,850	596,034
Of which: Deposits from the public	592,676	574,285	554,595	532,588	525,072
Deposits from banks	10,367	10,837	9,085	8,696	11,601
Bonds and subordinated notes	35,896	20,190	21,800	26,866	25,582
Shareholders' equity	64,677	58,150	52,430	46,502	42,735
Additional data					
Share price at end of year (in NIS)	72.1	44.0	32.9	31.7	32.1
	For the year ended December 31				
	2025	2024	2023	2022	2021
Total dividend per share (in NIS)**	3.10	1.73	1.69	1.10	1.11
Average number of employee positions	8,479	8,471	8,602	8,562	8,694

* The Bank has implemented United States generally accepted accounting principles concerning current expected credit losses (CECL) as of January 1, 2022, prospectively. Within this process, the term "impaired credit" has been eliminated, and non-accruing credit is presented instead. In addition, housing loans past due by 90 days or more are classified as non-accruing credit. If the balance of credit to the public not accruing interest income (NPL) as at December 31, 2021, were restated, the balance would be NIS 3,955 million. If net problematic credit risk were restated, the balance as at December 31, 2021, would be NIS 7,796 million.

** Dividends in respect of the relevant year (excluding buyback of shares, as detailed in the section "Capital, capital adequacy, and leverage" below).

Table 2-4: Composition of net financing profit

NIS millions	For the year ended		Change
	December 31, 2025	December 31, 2024	
Interest income	36,788	35,495	3.6%
Interest expenses	(18,685)	(18,545)	0.8%
Net interest income	18,103	16,950	6.8%
Non-interest financing income	1,518	959	58.3%
Total reported financing profit	19,621	17,909	9.6%
Excluding effects not from regular activity:			
Gain (loss) from realizations of bonds available for sale	194	(778)	(124.9%)
Profit from investments in shares	542	503	7.8%
Adjustments to fair value of derivative instruments ¹	186	290	(35.9%)
Others ²	(230)	211	(209.0%)
Total effects not from regular activity	692	226	206.2%
Total income from regular financing activity*	18,929	17,683	7.0%
* Of which: in respect of changes in the CPI	881	1,178	(25.2%)

(1) The effect of the measurement of profit and loss in derivative instruments constituting part of the Bank's asset and liability management strategy on a fair-value basis, versus measurement on an accrual basis.

(2) Including financing costs in respect of benefits granted by the Bank to its customers within the outline of reliefs of the Bank of Israel of 2025, and in respect of the Swords of Iron War and Operation Rising Lion, in the amount of approximately NIS 345 million in the one-year period ended December 31, 2025 (2024: NIS 127 million), and the effects of hedging of currency exposures of non-monetary items. In addition, in the one-year period ended December 31, 2024, includes profit in respect of buybacks of bonds in the amount of approximately NIS 260 million.

Table 2-4: Composition of net financing profit (continued)

NIS millions	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Interest income	8,638	9,887	9,565	8,698	8,686	9,608	9,110	8,091
Interest expenses	(4,435)	(5,058)	(4,769)	(4,423)	(4,511)	(5,031)	(4,726)	(4,277)
Net interest income	4,203	4,829	4,796	4,275	4,175	4,577	4,384	3,814
Non-interest financing income	385	311	497	325	323	42	322	272
Total reported financing profit	4,588	5,140	5,293	4,600	4,498	4,619	4,706	4,086
Excluding effects not from regular activity:								
Gain (loss) from realizations of bonds available for sale								
	10	66	49	69	(201)	(301)	(60)	(216)
Profit from investments in shares								
	211	129	142	60	134	146	84	139
Adjustments to fair value of derivative instruments ¹								
	85	49	68	(16)	175	28	40	47
Others ²								
	(122)	(130)	12	10	47	39	76	49
Total effects not from regular activity	184	114	271	123	155	(88)	140	19
Total income from regular financing activity*	4,404	5,026	5,022	4,477	4,343	4,707	4,566	4,067
* Of which: in respect of changes in the CPI	(194)	468	496	111	(27)	556	556	93

(1) The effect of the measurement of profit and loss in derivative instruments constituting part of the Bank's asset and liability management strategy on a fair-value basis, versus measurement on an accrual basis.

(2) Includes financing costs in respect of benefits granted by the Bank to its customers, within the Bank of Israel outline of reliefs of 2025 and in respect of the Swords of Iron War and Operation Rising Lion, in the amount of approximately NIS 144 million for the three-month period ended December 31, 2025 (in the third quarter of 2025: NIS 122 million; in the second quarter of 2025: NIS 73 million; in the first quarter of 2025: NIS 6 million; in the fourth quarter of 2024: NIS 10 million; in the third quarter of 2024: NIS 15 million; in the second quarter of 2024: NIS 44 million; in the first quarter of 2024: NIS 58 million), and the effects of hedging of currency exposures of non-monetary items. Also includes profit from buybacks of bonds in the amount of approximately NIS 111 million in the first quarter of 2024 and approximately NIS 149 million in the second quarter of 2024.

Table 2-6: Provision for credit losses in respect of debts and in respect of off-balance sheet credit instruments

	For the year ended	
	December 31, 2025	December 31, 2024
Individual provision for credit losses	333	344
Decrease in individual allowance for credit losses and recovery of charged off debts	(428)	(594)
Net individual income in respect of credit losses	(95)	(250)
Provision in respect of the collective allowance for credit losses and net automatic charge-offs*	1,394	943
Total provision for credit losses**	1,299	693
** Of which:		
Net provision for credit losses in respect of commercial credit risk	675	138
Net provision for credit losses in respect of housing credit risk	85	47
Net provision for credit losses in respect of other private credit risk	516	519
Net provision (income) for credit losses in respect of risk of credit to banks and governments and bonds	23	(11)
Total provision for credit losses	1,299	693
Provision as a percentage of total credit to the public:***		
Provision for credit losses as a percentage of the average balance of credit to the public ¹	0.27%	0.16%
Gross individual provision for credit losses as a percentage of the average balance of credit to the public	0.07%	0.08%
Gross provision for credit losses as a percentage of the average balance of credit to the public ²	0.36%	0.30%

* Charge-offs in respect of debts past due by 150 days or more not examined individually.

*** The rates below are calculated on an annualized basis.

(1) Including provisions in respect of banks and governments.

(2) The gross provision for credit losses is the total provision for credit losses, excluding the decrease in the individual allowance for credit losses and recovery of charged off debts.

Table 2-6: Provision for credit losses in respect of debts and in respect of off-balance sheet credit instruments (continued)

NIS millions	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Individual provision for credit losses	128	66	34	105	126	56	137	25
Decrease in individual allowance for credit losses and recovery of charged off debts	(161)	(65)	(66)	(136)	(41)	(120)	(377)	(56)
Net individual provision (income) for credit losses	(33)	1	(32)	(31)	85	(64)	(240)	(31)
Net provision in respect of the collective allowance for credit losses and net automatic charge-offs*	421	346	334	293	265	470	191	17
Total provision (income) for credit losses**	388	347	302	262	350	406	(49)	(14)
** Of which:								
Net provision (income) for credit losses in respect of commercial credit risk	226	158	254	37	53	357	(155)	(117)
Net provision (income) for credit losses in respect of housing credit risk	9	33	(20)	63	111	(12)	(8)	(44)
Net provision for credit losses in respect of other private credit risk	157	147	52	160	190	73	108	148
Net provision (income) for credit losses in respect of risk of credit to banks and governments and bonds	(4)	9	16	2	(4)	(12)	6	(1)
Total provision (income) for credit losses	388	347	302	262	350	406	(49)	(14)
In %								
Provision (income) as a percentage of total credit to the public:***								
Provision (income) for credit losses as a percentage of the average balance of credit to the public ¹	0.31%	0.29%	0.26%	0.23%	0.32%	0.38%	(0.05%)	(0.01%)
Gross individual provision for credit losses as a percentage of the average balance of credit to the public	0.10%	0.05%	0.03%	0.09%	0.11%	0.05%	0.13%	0.02%
Gross provision for credit losses as a percentage of the average balance of credit to the public ²	0.44%	0.34%	0.31%	0.35%	0.35%	0.49%	0.31%	0.04%

* Charge-offs in respect of debts past due by 150 days or more not examined individually.

*** The rates below are calculated on an annualized basis.

(1) Including provisions in respect of banks and governments.

(2) The gross provision for credit losses is the total provision for credit losses, excluding the decrease in the individual allowance for credit losses and recovery of charged off debts.

Table 2-12: Development of net credit to the public by operating segment according to the management approach

	Balance as at		Change
	December 31, 2025	December 31, 2024	
	NIS millions		
Private customers ¹	42,002	39,331	6.8%
Small businesses ¹	38,480	34,479	11.6%
Housing loans	149,005	139,540	6.8%
Commercial	69,857	62,747	11.3%
Corporate	176,284	140,180	25.8%
International activity ²	21,685	22,476	(3.5%)
Financial management	5,568	4,730	17.7%
Total	502,881	443,483	13.4%

(1) Includes the receivables balance in respect of credit cards.

(2) Of which: effect of exchange-rate differences, a decrease of approximately 12.5%.