



2025

Environmental, Social and Governance Report

People first ♡ and foremost


MIZRAHI TEFAHOT

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Letter from the Chairman and the CEO

The 2025 ESG Report reflects another year in which Mizrahi-Tefahot Group continues to promote ESG as an integral part of its business strategy. The report presents the Bank's activities in environmental, social and corporate governance areas.

In the past two years, Israel's economy and society have faced significant challenges – security, economic and social. Since the outbreak of the War in October 2023, the Bank has worked to support its customers and communities affected by the security escalation, demonstrating special sensitivity due to the circumstances and the changing reality. The Bank has provided an extensive variety of banking concessions and benefits, beyond the Bank of Israel's guidelines, for the benefit of residents from the conflict zones in the south and north, business owners and reserve soldiers who were confronted with a challenging economic reality. As the leader of the mortgage market in Israel and as a gesture of appreciation to the reservists' crucial contribution to national security, the Bank also offered them a special mortgage benefit.

Alongside its social activities, the Bank continued to increase the integration of ESG principles into decision-making processes and ongoing management. In 2025, the Bank approved a three-year strategic plan for 2025–2027, which combines responsible growth, diligent risk management, a personal and human service strategy, and the creation of long-term value for all stakeholders.

The areas of environment and climate, employment diversity, and corporate governance are at the core of the Bank's strategy, and the progress achieved in 2025 reflects the consistent implementation of these goals in practice. Within this framework, the Bank continues to promote operational and energy efficiency, including the concentration of all headquarters units in a central campus in Lod, which operates as a green building in accordance with the LEED standard, reducing environmental impact and improving resource utilization.

With regard to green financing, the Bank has already passed its 2030 target by five years – an achievement that demonstrates a true commitment to promoting a sustainable economy and supporting renewable energy and clean transportation infrastructure projects. As a result, the 2030 target was updated from a forward-looking perspective and the continued growth trend in this area.

This report also includes the climate report in accordance with TCFD recommendations, which reflects the Bank's preparation for the management of risks and opportunities arising from climate change, in addition to the measuring of financed emissions for 2025. At the same time, the Bank continued to integrate climate aspects and risks into the activities of the various divisions and progressed in its preparation for the implementation of Proper Conduct of Banking Business Directive (PCBB) 345 – Principles for the Effective Management of Climate-Related Financial Risks.

This year, an independent external audit of the report was carried out for the first time according to the ISAE 3000 standard, as part of strengthening the reporting reliability and transparency to stakeholders.

The Bank's ESG achievements were also reflected in the maintaining of the top AAA rating in the "Maala" rating index and in active participation in reporting to international ESG ratings, including CDP, the Ministry of Environmental Protection's voluntary mechanism on greenhouse gas emissions, and the UN Global Compact initiative.

We are committed to being a leading entity in the banking system in ESG implementation and promotion and in the creation of positive value for our customers, employees, the environment, and society.

Avraham Zeldman – Chairman of the Board of Directors

Moshe Lari – CEO

ESG at Mizrahi-Tefahot Group

2025 was a challenging year, but also a year in which the Bank's stability and values stood out. Alongside continued business growth, we increased our commitment to customers, businesses and communities, and operated consistently from our people-oriented worldview.

Since the outbreak of the War, the Bank has been part of the national effort, directly supporting impacted populations, primarily in the Gaza border area and near the Northern border – including through adoption of the city of Sderot and Kibbutz Kfar Aza, and through initiatives and banking relief measures, designed to support the Bank's customers who were directly or indirectly affected by these events and assist them in overcoming the period's challenges.

Since the outbreak of the War on October 7, 2023, and throughout 2024–2025, the Bank initiated a series of measures and initiatives to support its customers, communities, businesses, and populations in need of assistance. Along with charitable donations to finance urgent needs of residents in the Gaza border area, as well as those of soldiers and volunteers, the Bank adopted Sderot and Kfar Aza and accompanied their rehabilitation and renewal efforts. The unique solutions provided by the Bank's teams to households and businesses helped them cope with a complex reality of disrupted routines and uncertainty. Even in the current period, against the backdrop of Operation Roaring Lion, the Bank continues to stand by its customers, both private and business, and provide them with various benefits and customized solutions, as well as support for customers whose homes were damaged.

In 2025, the Group's total social investment amounted to approx. NIS 33 million. The investment in the community is based on a long-term social strategy anchored in our core values: acceptance of others, solidarity and equal opportunity – values that are the 'compass' for our social activity. The solidarity and equal opportunity values have been prominent in the past two years, and the Bank has implemented a relief and benefits outline for private and business customers affected by the War. These steps reflect the Bank's commitment to integrating social responsibility at the core of banking activities, and even more so in times of crisis.

Beyond financial investment, the Bank's contribution to the community is also reflected in the broad involvement of its employees and managers and demonstration of the deep commitment to the community. Employee involvement in the community is a central pillar of the Bank's corporate and social responsibility culture. In 2025, thousands of employees participated in a variety of volunteer initiatives throughout the country,

accumulating approx. 42,600 volunteer hours in various areas: financial education, support for populations in need of assistance – including war victims, guidance and assistance to families affected by the War, packaging and distribution of equipment and food to those in need, mentoring and guidance for youth, as well as ongoing collaborations with non-profit and social organizations adopted by branches and headquarters units. The Bank has a deep-rooted culture of volunteering, which is a central pillar of the Bank's value-based identity, strengthening the direct connection between its employees and the community.

Regarding social credit, the Bank provided financing in the amount of approx. NIS 9 billion in 2025 for social value products and projects, including support for small businesses in peripheral areas and for customers whose homes were damaged in the War.

With regard to environment and climate, and as part of the effort to mitigate its negative impact on the environment, in 2025 the Bank reduced its carbon footprint intensity per sq.m. by 8%, compared to 2024. The Bank also continues to promote long-term infrastructure measures, and is working to obtain LEED Platinum certification, the highest green construction level, for its new campus in Lod. The campus was designed in accordance with advanced energy efficiency standards, and measures have been approved for installing photovoltaic systems and an energy storage facility, which are expected to strengthen operational efficiency in the coming years.

As regards green credit, the Bank reached its original target for 2030 (NIS 10 billion) five years ahead of schedule. In fact, the total green balance sheet credit in 2025 was approx. NIS 10 billion – an increase of approx. 30% in the financing for environmental projects compared to the previous year, mainly through the financing of renewable energy and clean transportation infrastructure projects. In view of the early achievement of the target and the continuing market trend, the target was updated to approx. NIS 13 billion by 2030.

This achievement is evidence of the Bank's commitment to promoting environmental issues. We will continue to work to expand our green credit portfolio while maintaining informed risk management and supporting our customers' transition to a more sustainable economy.

The Bank will continue to lead in business excellence while integrating ESG principles at the core of its activities.

Sincerely,

Meital Haroush

Head of Human Capital and Resources Division

Summary of the Bank's ESG performance in 2025



Environment

The Mizrahi-Tefahot Group places great importance on the management of environmental aspects related to its operations, including preparing for climate change and promoting environmental initiatives. This is done with responsible resource consumption and management of environmental performance, management of climate- and environment-related risks and opportunities, and customer support in the transition to a low-carbon economy, such as by promoting and financing green credit.



Social

The Mizrahi-Tefahot Group is driven by a deep commitment to its customers, employees, suppliers, and to the communities in which it operates. This people-oriented approach, which places compassion first, is reflected in activities aimed at creating positive value for all of its stakeholders.

Equal, diverse work environment to promote personal and professional growth

Number of Group employees (annual average) ¹	Percentage of female Bank executives	Average training hours per employee
7,223	38%	52
Estimated percentage of employees at the Bank from underrepresented population groups in the labor market ⁴	Percentage of women in STEM ⁵ positions	Investment in training for employees (NIS millions)
14.2%	38%	93.3



Governance

The Mizrahi-Tefahot Group is committed to responsible and ethical conduct in all areas of its activity, with strict adherence to the principles of proper corporate governance and compliance with legal requirements and its Code of Ethics. The Group emphasizes the fostering of a culture of compliance, including privacy protection and information security, preventing corruption, and the Board of Directors' effective management.

Leadership in fairness and ethical conduct

Mizrahi-Tefahot Bank is a leader with the perception of fairness towards customers ⁷	Employee training hours in the Bank Group regarding compliance and prevention of corruption	Bank employees who have signed a declaration of commitment to act in accordance with the values of the Bank's code of ethics
	137,045	100%

- Number of full-time Group employees based on annual average.
- Based on generally accepted global practice, the Bank measures green financing provided by actual credit amount utilized by customers to promote environmental causes (on-balance sheet credit).
- According to the Bank of Israel's Banking Supervision Department survey regarding customer (households) satisfaction with the quality of the banks' service in 2025 (published in February 2026).

Data as of December 31, 2025

Preparing for transition to low-carbon economy

Financing for environmental issues (NIS millions)²

10,035

Management and reduction of carbon footprint

Change in overall carbon footprint (CO2e tons, location based), compared to the previous year	Change in overall carbon footprint (CO2e tons, location based) compared to the base year 2020
4%	(10.6%)

Supporting the social periphery

Credit for social products and for the development of the social periphery (NIS millions)

9,138

Impacting the community

Percentage of small and micro suppliers out of all the Group's suppliers	Investment in the community (NIS millions)	Employee volunteer hours
72%	32.9	42,600

Quality customer service

According to a Bank of Israel survey³, among the five largest banks, Mizrahi-Tefahot is the **fairest bank, the best at solving customer problems, and the most recommended**, for the sixth consecutive year.

206
Number of Group branches
First place in service, for the third consecutive year, in the Israeli Center for Management competition for excellence in service and customer experience, for the "Personal Banker on WhatsApp" service concept.

Economic data and business excellence

Provision for taxes (NIS Millions)	Profit before tax (NIS millions)	Operating expenses (NIS millions)
3,280	9,121	5,239
Dividend distribution (NIS millions)	Net profit (NIS millions)	Group revenues (NIS millions)
2,506.4	5,630	14,588
Retained economic value ⁶ (NIS millions)		
3,563		

- An estimate prepared in accordance with the Ministry of Economy and Industry's Equal Employment Opportunity Commission definition for the recruitment of employees from demographic sectors characterized by occupational underrepresentation.
- STEM: Science, Technology, Engineering, Mathematics. STEM employees use their knowledge of science, technology, engineering, or mathematics in their day-to-day responsibilities.
- The difference between the Group's revenue and the operating expenses, provisions for taxes and dividends.
- According to the Bank of Israel's Banking Supervision Department survey regarding customer (households) satisfaction with the quality of the banks' service in 2025 (published in February 2026), which also studied the perception of fairness among customers.

In 2022, the Bank defined long-term ESG goals for environmental, social and governance areas, derived from its strategic plan. As an influential and leading financial institution, the Bank considers the promotion of ESG goals extremely important as part of its responsibility to integrate sustainability values and social responsibility into its ongoing operations. The goals will assist the Bank and its customers in the transition to a low-carbon economy through sustainable financing and investments, with responsible management of climate risks and opportunities, alongside active support for the advancement of Israel's climate goals. The goals reflect the Bank's commitment to creating a positive and broad impact, not only regarding the environment, but also socially. In 2025, further progress is evident towards implementing these goals, which is another step towards realization of the vision by 2030. Alongside these goals, the UN Sustainable Development Goals (SDGs) are presented to reflect the Bank's efforts to promote these goals in its activities

Environment



Goals for 2030

To support the transition to a low-carbon economy, the Bank has set a target for financing and investing in projects that promote a green environment in the amount of approx. NIS 10 billion in balance sheet credit by 2030.

Progress status – performance in 2025

NIS 10.03 billion, an increase of 30% in the amount of green credit compared to the previous year. In this way, the Bank has met its target five years ahead of schedule. As a result, the Bank set itself a new target for 2030 – NIS 13 billion.

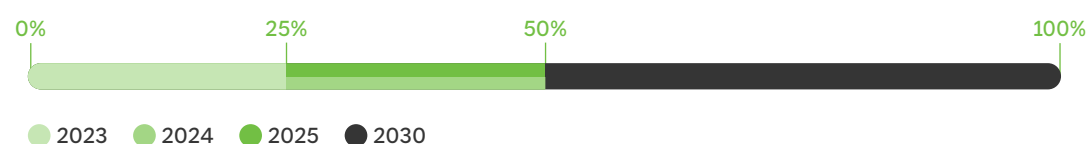


Goals for 2030

The Bank will invest resources and develop green financial products that will promote green and environmental projects.

Progress status – performance in 2025

In 2025, the Bank promoted and developed additional green financial products.



Goals for 2030

Reduction to zero of exposure in the nostro portfolio in new coal mining and oil drilling industries by 2030. In addition, the Bank will not participate in IPOs of assets that create exposure to these industries.

Progress status – performance in 2025

In 2025, there were no new equity investments in these industries. Furthermore, the Bank has committed not to make new equity investments in companies engaged in oil and gas exploration and production.

Goals for 2030

Reduction of the operational carbon footprint and emissions intensity by 40% by 2030, compared to 2020 (the base year).

Progress status – performance in 2025

Reduction of 10.6% in total carbon footprint and 20.6% in carbon footprint intensity per sq.m. (location based), compared to 2020.



Social



Goals for 2030

Promotion of occupational diversity by increasing the absorption rate of employees from underrepresented population groups in the labor market to 20%.

Progress status – performance in 2025

14.2% of all Bank employees are employees from underrepresented populations in the labor market¹, and this year 24.2% of all employees absorbed were from these population groups.



Governance



Goals for 2030

Increasing female representation on the Board of Directors to 30% or more by 2026.

Progress status – performance in 2025

At the end of 2025, female representation on the Board of Directors was 30%.

1. The methodology was improved for calculating employees from the ultra-orthodox sector, and as a result, a retroactive correction was made to the data for 2023–2024.

Mizrahi-Tefahot Group



Mizrahi-Tefahot Bank Ltd. (hereinafter – the “Bank”) is a public company and one of the first banks founded in Israel. The Bank was incorporated as a company on June 6, 1923, under the name Mizrahi Bank Ltd. The Mizrahi-Tefahot Group also includes Bank Yahav for Government Employees Ltd. (the Bank has held 50% of all rights and means of control therein since 2008). The Chairman of the Bank’s Board of Directors is Avraham Zeldman, and the Bank’s CEO is Moshe Lari.

Group and Bank activities

The Bank Group is the third largest banking group in Israel and operates in Israel and abroad. The Group engages in commercial banking activities (business and retail) and mortgage activities in Israel through 206 branches, business centers and branches nationwide. In addition, the business customer activity is supported by business centers and by professional headquarters units with industry specialization. As of the end of 2025, the Bank’s activities abroad are carried out through two banking branches (in the UK and in the United States).

Customers from various supervisory operating segments

The Group serves customers associated with various operating segments, in accordance with the definitions of the Banking Supervision Department (annual sales turnover or annual revenue):

- **Households** – Individuals, except private banking customers.
- **Private banking** – Individuals whose financial asset portfolio balance at the Bank exceeds NIS 3 million.
- **Micro and small businesses** – Businesses with a turnover of up to NIS 50 million.
- **Medium-sized businesses** – Businesses with a turnover of more than NIS 50 million and up to NIS 250 million.
- **Large businesses** – Businesses with a turnover exceeding NIS 250 million.
- **Institutional entities** – Provident funds, pension funds, advanced study funds, trust funds, exchange-traded funds, insurance companies and stock exchange members that manage customer funds.
- **Financial management** – Includes trading activities, asset and liability management and real investments.
- **Overseas activity** – Presented separately with a focus primarily on business activity.

The main products offered by the Group in the various operating segments¹

The Group offers a variety of products according to the specific needs of the Group’s customers, their financial situation, the different stages in their lives and the unique needs of various population groups. The aim is to provide value to its customers and enable them to make decisions tailored to their needs in the short, medium and long term.

Mortgages – Mizrahi-Tefahot Bank leads the mortgage market in Israel and provides housing loans secured by a mortgage on a residence, both from the Bank’s funds and within the framework of government assistance programs, as well as all-purpose loans. In addition, the Bank provides unique financing solutions for selected population groups, such as a pension mortgage for the elderly population, a mortgage for businesses, and more.

Insurance marketing (mortgage insurance) – “Tefahot Insurance Agency (1989) Ltd.” is an insurance agency wholly-owned by the Bank, which sells life insurance policies and property insurance policies to customers with housing loans at the Bank.

Banking and finance – Banking services are offered to private customers, business customers and corporations, including the management of current accounts and revolving debit accounts, provision of credit and guarantees of all types, deposits, State-guaranteed loans, foreign trade activities (import, export, documentary credit, etc.), credit operations, syndication transactions, factoring and activity in derivative instruments, including currency and interest rate trading.

Deposits – The Bank promotes its deposits by offering a wide range of deposits to customers of all banks. Deposits are offered for various periods and with a variety of liquidity options. Deposits are offered at attractive interest rates that are updated in accordance with the Bank of Israel interest rates, according to customer needs and market conditions.

Capital market – The Bank carries out securities activity on stock exchanges in Israel and abroad for customers. It provides consulting for capital market activity, operational services for provident funds, operational and distribution services for mutual funds, trust services for mutual funds and bonds (which serve as investment channels for the Bank’s customers, including management of securities portfolios for customers). In addition, the Bank has a subsidiary, Etgar Portfolio Management of Mizrahi-Tefahot Bank Ltd., which manages investment portfolios in securities and provides investment consulting for Bank customers and customers of other banks.

1. The Group does not offer or sell financial products and services that have been confiscated or banned.

Credit Cards – The Bank provides the full range of financial products and banking services related to credit cards. These cards are issued to the Bank’s customers by credit card companies in Israel, with accessible financial solutions tailored to the customers’ diverse needs.

Construction and real estate – The Bank has extensive banking activity with companies in the real estate sector and also provides unique real estate banking services, including financing for the construction of real estate projects, urban renewal using the closed-end lending method, and financing for income-generating real estate. The Bank offers various types of credit tailored to the financing needs of companies in the construction and real estate sectors.

Large infrastructure projects – The Bank leads the financing of large infrastructure projects in a wide variety of areas. Examples include solar projects, transportation projects, desalination projects, and more. The Bank also examines environmental aspects in these projects.

High-tech – The Bank is increasing its activity among high-tech business customers in Israel and abroad (including start-ups) through the High-Tech Department, which operates in the Corporate Sector in the Business Banking Division.

Mizrahi-Tefahot Invest – Mizrahi-Tefahot Bank operates a real investments segment, through which the Bank considers real investments in mature companies, real estate companies, investment funds and investments in start-up companies. ESG considerations are also taken into account when examining investments, and the Bank refrains from investing in companies that do not comply with the its policy on this subject.

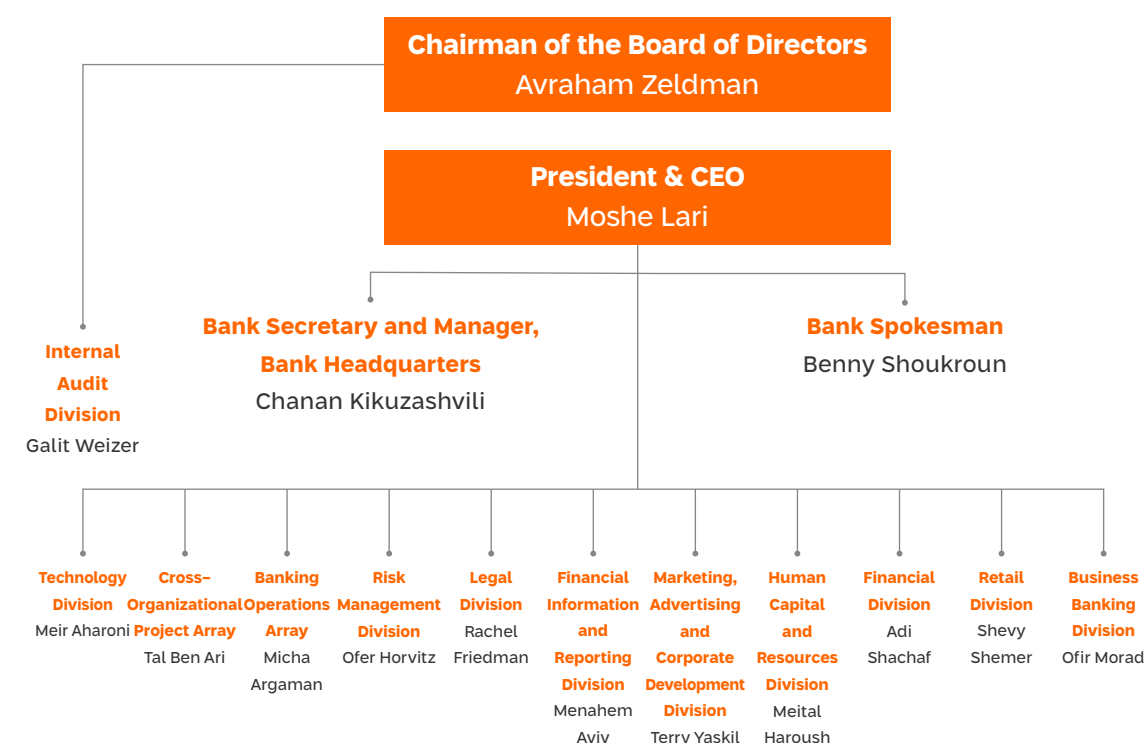
Pension consulting – The Bank offers complimentary pension consulting services to all customers, through licensed pension consultants nationwide. The Bank’s website has a zone dedicated to pension consulting, which includes professional information and explanations in accessible and user-friendly language.

Financing for car loans – The subsidiary “Mizrahi-Tefahot Leasing” provides car loans to private customers who are not necessarily Bank customers and financial leasing to business customers.

Credit card voucher discounting – The subsidiary Mizrahi Tefahot Discounting and Finance Ltd. offers credit card voucher discounting services to a variety of businesses. The company purchases the business’s rights to receive payments for transactions carried out with it using credit cards, and the business’s account is credited with the discounted funds in advance on a fixed and pre-agreed date.

Organizational structure

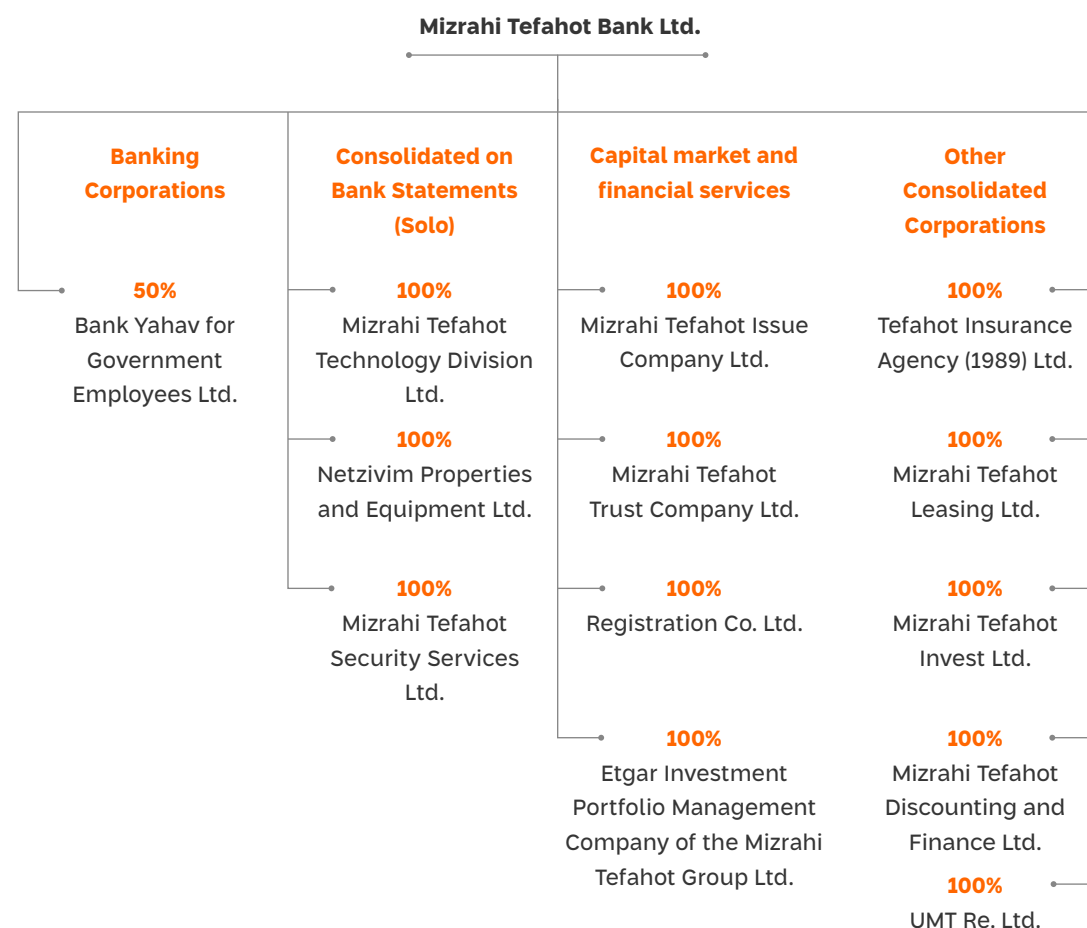
The following is the Bank’s organizational structure as of December 31, 2025:



Holding and control structure¹

As of December 31, 2025, the Bank's controlling shareholders are the Wertheim Group and the Ofer Group. For additional information on the holding and control structure, please see the Controlling Shareholders chapter (in the Corporate Governance chapter) of the Bank's financial statements for 2025.

Structure of the Bank's main holdings



1. The Bank has holdings in additional companies that are not material in the Bank's operations. For additional information regarding the investees and investments therein, please see Note 15 to the Group's financial statements for 2025.

ESG management approach in the Mizrahi-Tefahot Group



The Group's ESG risk policy is derived from the ESG-related risks and opportunities identified by the Group and its stakeholders. The Group optimally manages ESG risks in order to create economic and social value for stakeholders, including shareholders, while minimizing a negative impact on society and the environment. In addition, the Group continuously works to increase transparency and reports annually on its activities in accordance with the GRI and SASB international reporting standards, and also reports on climate aspects in accordance with the TCFD principles.

ESG risk policy

In 2022, a Group policy for managing ESG risks was established for the first time at the Bank. The policy details the nature of the risk, its management approach, the measurement and monitoring processes, and the measures taken by the Bank to reduce the risk. The policy is reviewed annually, updated if necessary, discussed and submitted for approval by the Bank's management and Board of Directors. In 2025, the policy was updated in accordance with the Group's progress in the implementation and assimilation processes of PCBB 345 – "Principles for the Effective Management of Climate-Related Financial Risks". ESG risk is the risk of financial loss to the Bank or damage to its reputation, resulting from current or future impacts of environmental, social and governance factors on the Bank, its counterparties or its invested assets. ESG risk touches many areas of activity and is, therefore, of greatest importance. Direct ESG risks relate to the impacts of the Bank's activities, including the management of its ongoing business, products and services. These are risks that the Bank is able to control, mitigate and manage through internal policies and operational changes. Indirect ESG risks are risks originating in external factors that are not directly controlled by the Bank, but that may affect its customers and the business environment in which it operates.

ESG risks, as identified by the Bank, include various risk factors: ESG risks in financing; climate risks; social risk factors, such as human capital; customer relations; product and service marketing in a fair and equitable manner; and the supply chain, and risk factors in governance, such as corporate governance, ethics and compliance, privacy and information security.

ESG risks may also damage the Bank's reputation, especially on socially sensitive issues, and therefore social risk management is integrated into the overall risk management

system. This sensitivity is reflected in product development and in the customer experience, by adapting the solutions, products and services to a diverse range of customers, based on an in-depth study of needs and expectations. The Bank's guideline is to ensure the absence of discrimination or harm to customer groups, while maintaining fairness and equality. The Bank conscientiously provides customers with options for choosing how to consume services and makes a wide range of contact channels available for them to choose a time and situation that suits them, while maintaining a high quality of service, personal attention and adaptation to changing customer preferences.

Involvement of the Board of Directors and management

The Bank's Board of Directors – The Board of Directors is responsible for outlining and approving the ESG risk management framework, which ensures an adequate infrastructure for managing environmental, social and governance risks, in accordance with the Bank's strategy. The Board of Directors approves the ESG risk policy management document once a year and ensures that the policy principles are implemented and that they reflect the Group's strategy. The Board of Directors oversees all ESG risks through its professional committees, such as the Risk Management Committee. In addition, an ESG report and ESG activity status are submitted once a year to the Board of Directors, alongside an annual report on ESG risk management at the Bank. The subject is also included in the quarterly risk document, which is presented to the Risk Management Committee and the Board of Directors as part of the ongoing risk management process. In 2025, ESG risks were discussed in the Risk Management Committee and the Board of Directors plenary session. In addition, an annual status report was presented to the Board of Directors and the ESG report was approved.

The Bank's management – The management is responsible for implementing the policy document principles and integrating them into the work processes in various areas. A Risk Manager was appointed for this purpose, who is responsible for the proper implementation of the ESG risk policy. The Risk Manager is the Human Capital and Resources Division Head, and she reports regularly to the Bank's management on a semi-annual basis, and to the Board of Directors on an annual basis, regarding the issue's progress at the Bank. The management's involvement in the issue of ESG risks is through a quarterly Steering Committee headed by the Human Capital and Resources Division Head, whose members are the heads of the relevant divisions, including gatekeepers. The Committee's role is to lead policy, activity, control and reporting regarding ESG risks, and to ensure that it is managed optimally. The assimilation and implementation of the ESG policy are carried out by the Corporate Responsibility Officer, who leads the ESG activity at the Bank in cooperation with the various divisions. This is through ongoing work interfaces with designated representatives who serve as partners in monitoring, reporting, assimilation, and implementation of the issue.

Monitoring of ESG risks in overseas branches is carried out as part of the Overseas Branches Risk Management Forum and the Overseas Branches Management Committee.

ESG implementation at the Bank

The Bank is working to integrate ESG as an integral part of the organizational culture and decision-making processes through training, raising awareness, intra-organizational communication and integrating ESG aspects into ongoing business activities. In 2025, 6,855 hours of dedicated training was held for employees and managers on ESG and corporate responsibility, alongside intra-organizational communication activities aimed at raising awareness of the issue and strengthening the connection between ESG principles and the Bank's daily activity. Within this framework, intra-organizational communications were distributed, such as the publication of the annual ESG report and receipt of the AAA Maala ESG rating, which included highlights of the Bank's ESG achievements and performance. The issue and organizational discourse are also promoted on social networks intended for bank employees, for example on Earth Day.

The ESG report is available and accessible to all employees on the organizational portal, and serves as a key knowledge tool for increasing familiarity with the Bank's policy and its corporate responsibility goals and performance. In addition, dedicated content has been published on the organizational portal, with the aim of making the issue accessible even to employees who are not directly involved in it. As part of the integration of ESG into work processes, the Bank integrates an examination of ESG aspects into the process of developing and launching new products, from a perspective of responsibility, risk management, and creating long-term value for customers and stakeholders. These activities demonstrate the Bank's commitment to ESG implementation as a guiding principle in its business and organizational activities.

Annual ESG Report

The Mizrahi-Tefahot Group has been reporting on an annual basis to its stakeholders on its ESG performance for over a decade. The report reviews the Group's activities in Israel and abroad, and is approved by the Bank's management and the Board of Directors' plenary session. This report, which summarizes ESG issues in 2025, was written in accordance with the GRI reporting standard, and is in accordance with the most advanced transparency standard. In addition, the Group is reporting also according to the SASB (Sustainability Accounting Standards Board) reporting standard.

The report presents the performance of Mizrahi-Tefahot Bank, Bank Yahav and the Group's branches abroad: in the UK and the United States (hereinafter – the "Group"), except where stated otherwise. However, since the activities of the Group companies or its branches abroad may differ from the activities of the Bank, it was decided in certain places to describe the performance only at Mizrahi-Tefahot Bank, and in these sections, "the Bank" rather than "the Group" is used. In any case, all activities of the Group's branches

abroad are carried out in accordance with the Bank’s policy principles, and if there are any material differences, this is explicitly stated, especially with regard to Bank Yahav.

Most of the information presented in the report was collected on an ongoing and routine basis during the reporting year through the Group’s information systems and from organizational sources. For this purpose, the Bank has created tools and means for measurement, monitoring and control, according to its activities.

The writing of the report was accompanied by expert ESG and sustainability consultants. In addition, an external assurance was performed by an independent third party (please see the Index section of this report). The combination of professional guidance and an independent external audit helps the Group ensure that the information appearing in the report represents its activities properly and in accordance with the requirements of the standard. The Group has committed to making informed use of the responses and feedback it receives from its stakeholders in order to learn from them and to continue to examine itself in these contexts.

As part of the internal control processes (SOX), the Bank has mapped and documented the relevant risks and controls regarding the main ESG indicators and data reported annually in the Bank’s Board of Directors and Management Report.

In addition, this year, for the first time, the Bank has performed an independent external audit of the ESG Report and the data reported therein as part of a Limited Assurance process according to the ISAE 3000 standard.

Climate Report (TCFD)² and measurement of financed emissions

As part of the Bank’s long-standing ESG commitment and its preparation for climate change and its implications, the Bank has published an annual report on the management of climate aspects starting in the 2022 reporting year.¹ The report was written in accordance with the accepted principles for reporting on the management of the financial impacts of climate change on business organizations – TCFD. The Bank also measures and publishes its carbon footprint, including the amount of financed emissions. The calculation of financed emissions is in accordance with the international PCAF³ standard.

1. The climate reports for 2022–2024 can be viewed on the Bank’s website. The 2025 Climate Report has been published as part of this report.
 2. Task Force on Climate-related Financial Disclosures.
 3. Partnership for Carbon Accounting Financials.

Partnership in ESG initiatives

Mizrahi-Tefahot Bank adopts international and Israeli ESG standards.

 UN Global Compact	Since 2015, the Bank has been a member of the UN Global Compact initiative. The Bank promotes the principles of the initiative and reports on an annual basis to the organization regarding the progress in the implementation of the COP (Communication on Progress) through this report.
 Voluntary reporting mechanism for greenhouse gas emissions	Once a year, the Bank reports on greenhouse gas emissions to the Ministry of Environmental Protection and to the Manufacturers Association of Israel.
 UN Sustainable Development Goals (SDGs)	The Bank works to realize the SDGs through its business and social activities and reports in the ESG Report on its commitment to promoting the goals.

Selected ESG Ratings¹

The Bank’s ESG performance is assessed by international and local rating agencies, which make the information accessible to stakeholders, and specifically for investors from Israel and around the world. The Bank maintains an ongoing dialogue with various types of rating agencies. Through these ratings, the Bank examines its activities compared to the performance of the financial sector in Israel and around the world and uses them to identify trends and improve its performance regarding ESG aspects.

Israeli rating agencies

Maala ratings – ESG and diversity and inclusion	Again in 2025, the Bank received the highest “Platinum Plus” rating for its ESG performance. The Bank’s rating in the “Maala ESG” index on the Tel Aviv Stock Exchange is AAA. The Bank’s diversity and inclusion rating is the highest – 5 stars.
 Greeneye	The Bank is rated in the Greeneye ESG Index.
 Entropy rating – ESG	The Bank was ranked in the Top 5 out of 100 companies ranked in the TA-125 Index and in the Top 3 among banks.

1. The ratings are as of February 23, 2026 and may change later this year. These ratings should not be regarded as investment recommendations nor as expert opinion.

International rating agencies

Rating agency	Range	The Bank's score
 Sustainalytics ESG Risk Rating¹	100–0 (inverted range)	17.5 Low Risk
 S&P Global ESG Score	0–100	54
MSCI ESG Rating²	AAA–CCC	AA
Bloomberg ESG Disclosure Score	0–100	68.57
Bloomberg ESG Score	0–10	6.68
 CDP Climate Change Score³	A to D–	C

The Bank is also included in the FTSE4GOOD⁴ index series and is rated by other rating agencies, including the ISS.

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2. As of 2025, Mizrahi Tefahot Bank received an MSCI ESG Rating of AA.

3. Additionally, the Bank's CDP scores for Forests and Water Security were C.

4. FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Bank Mizrahi Tefahot has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products

Ongoing dialogue with stakeholders

The Mizrahi–Tefahot Group maintains an ongoing and productive dialogue with stakeholders: customers, employees, investors, suppliers, social and environmental organizations, and more, in order to gain a deeper understanding of their positions, needs and expectations. The Group works proactively to establish a continuous dialogue, while providing an effective response to inquiries received. The Group considers the dialogue a business and management tool that assists in decision–making, product development, and in improving the solutions it provides.



**Bank
customers
and the
general
public**

- In 2025, the Bank conducted and published in–depth studies of value to the public on strategic issues, including:
 - Growth Index – Dialogue with business customers: An index based on research among business owners that reflects the main needs and challenges of businesses in Israel.
 - Real Estate Report – A comprehensive study presenting the Israeli real estate market, including an analysis of trends, risks and opportunities in the housing and real estate market in Israel. The report is designed to make essential economic information accessible to the public and strengthen economic knowledge.
- Direct communication channel with the Bank's customers – direct WhatsApp to a personal banker.
- Customer satisfaction surveys.
- Meetings and workshops for customers and the general public on financial education and other diverse topics.
- Public inquiries – A central channel for dialogue with customers and the public.



Employees

- Feedback and evaluation conversations – At least once a year.
- “Roundtables” – Open dialogue with the CEO and bank employees from all units, and implementation of conclusions in the work plan.
- “Breakfast Club” – Meetings of division heads with branch and department managers with the aim of creating an ongoing and direct dialogue between middle management and the Bank’s management, also including the raising ideas and insights.
- BDI Ranking – The Bank conducts an annual survey among employees in collaboration with BDI to determine the Bank’s ranking among the best companies to work for. The survey measures employee satisfaction and other employee experience indicators.
- “You Vote – You Influence” – A project that enables employees to be partners in deciding to which associations and social projects the Bank will contribute.
- Efficiency suggestions – Bank employees propose initiatives for improvement and efficiency at the Bank. Some of the initiatives are integrated into the work plans.



Community and suppliers

- Meetings and dialogue with organizations and associations on social and environmental issues in order to identify activities in which the Bank can contribute and invest.
- Reviewing the effectiveness of existing projects and satisfaction with the volunteering of the Bank’s employees.
- Regular meetings and visits to the Bank’s suppliers.



Regulators and government entities

- The Bank maintains an ongoing dialogue with regulators in its areas of activity.
- Cooperation with the Bank of Israel and the Banks Association on financial education and raising public awareness of financial fraud.



Professional bodies and sector forums

- The Bank is a member of the Association of Banks in Israel and is active on its Executive Committee and Legal Committee.
- The Bank is a member of the Association of Publicly Traded Companies in Israel and maintains a dialogue with the branches of government in the public and private sectors on issues relating to the entire banking system.



Investors and shareholders

- Dialogue with analysts and institutional investors in Israel and abroad, with the publication of annual and quarterly financial reports, and ongoing and substantial updates, including with regard to ESG.
- Ongoing dialogue and response to ESG questionnaires and ratings in Israel and abroad.

Identifying material issues

The Bank conducts an extensive and thorough materiality analysis, which includes dialogue with stakeholders as necessary, and each year validates the material issues in order to identify and update relevant trends and changes, thereby intensifying the Group’s activity regarding the most material ESG issues, in addition to their presentation in the report. The principles guiding the Group’s ESG policy are derived from the material issues identified by the Group, based on the Bank’s ESG risk identification process, and from an assessment of the impact on stakeholders through stakeholder dialogue and a comparative review of trends in Israel and around the world. The selected issues are those most important to the Bank’s stakeholders and to the Group itself.

At the end of 2025, an analysis of the Group’s material issues was carried out as part of a process that included a comparative review of the material issues against the issues reviewed by leading banks in Israel and around the world, major rating agencies and international reporting standards on the subject. In addition, a dialogue was held with stakeholders based on the findings of the materiality analysis that presented the main issues to stakeholders arising from the review. The dialogue took place through questionnaires addressed to customers, the general public, suppliers, employees and managers.

Material issues selected for reporting

- Reduction of environmental impact
- Management of environmental and climate risks
- Development of environmental and social products
- Responsible, transparent and fair service
- Financial inclusion and accessibility to the Bank’s services
- Customer privacy and information security
- Diversity, equal opportunities and preventing discrimination in employment
- Human capital
- Protection of human rights
- Involvement in the local community
- Responsible conduct and proper corporate governance
- Risk management

Based on the findings from the materiality analysis and the dialogue with stakeholders, there was no change in the list of material issues in 2025 compared to the previous year. The list of material issues for 2025 was approved by the Bank’s management.

Key objectives for 2026 that promote the realization of the SDGs

The following are the Bank's objectives in the areas of activity and their relation to the relevant SDG goals¹ (these goals are part of the Bank's objectives for 2026, which appear at the end of each chapter in the report).

Goals for 2026		Goals for 2026	
	Environment	Construction of a rooftop solar energy facility on the Bank's Lod campus. Continued promotion of initiatives reducing paper consumption through the implementation of digital processes and automation. Expansion of employee training regarding environmental and climate risks.	Completion of the Bank's preparations for implementation of the Bank of Israel's PCBB 345 – "Principles for the Effective Management of Climate-Related Financial Risks", including completion of the formulation of a comprehensive climate risk policy and its approval by management and the Board of Directors. Climate training for senior management and the Board of Directors.
		Social	Expansion of regulatory and compliance topics in management courses. The Bank's participation as an anchor investor in a social bond aimed at increasing the number of graduates of 4 and 5 study units in mathematics in the matriculation exam among the Negev's Bedouin youth. Expansion of the Bank's support for programs accompanying the wounded and bereaved families affected by the War. Update and refreshment of financial education kits as part of the "Money Path" program in Bank development. Upgrade of wellness and employee welfare services at the new campus and for all Bank employees. Promotion of a healthy lifestyle among employees.
		Governance	Implementation of the Bank of Israel's PCBB 364 – "Management of IT, Information Security and Cyber Protection Risks". Adapting the Bank's defense systems' methods according to changes in the threat environment, while ensuring the level of protection for the Bank's systems and customer information. Treatment of the findings of surveys in the various compliance areas to ensure proper management processes. Continued maintaining of a strict management routine to ensure compliance with legal and regulatory provisions, including risk-based control processes, extensive training for employees, use of automated processes to reduce compliance risks, and more. Provision of a response to customers during fraud incidents, with expanded call center hours of response to customers on fraud issues, available continuously 24/7/365. Examination of the Bank's adaptation of its code of ethics to aspects involving the use of AI. Completion of preparations for the implementation of the Bank of Israel's PCBB 369 – "Management of Model Risk" regarding material models and preparations for implementation of all models, including AI models. Examination of the definition of a dedicated policy for managing AI risks.

1. All of the objectives appearing in the report are forward-looking information as defined in the Securities Law, 1968. The information is based on assumptions, facts and data (hereinafter collectively – "assumptions") that were presented to the Bank's Board of Directors. The assumptions may not be realized due to factors beyond the Bank's control.



The Mizrahi-Tefahot Group places great importance on the management of environmental aspects of its activities, including preparing for climate change and promoting environmental initiatives. The Group's activity regarding climate and environment aspects is carried out through responsible resource consumption and environmental performance management, managing climate and environmental opportunities and risks, and supporting customers in the transition to a low-carbon economy, such as by promoting and financing credit for projects that promote a green environment, and more.

nvironment and climate

Corporate governance and management of climate and environmental aspects

In recent years, global awareness of the potential impacts of climate change on ecosystems, society and the global financial system has been growing. In the coming years, these impacts are expected to continue, intensify and become a major challenge for countries around the world. The Mizrahi-Tefahot Group sees great importance in preparing for these impacts and their implications, and is striving to reduce its negative environmental impact.

The Group is working professionally and responsibly to increase its preparedness for risks that may arise from climate change. This is in accordance with the requirements of the Israeli regulator and based on accepted global practices, while preparing to make the necessary adjustments in its operating segments for the benefit of all stakeholders and for the stability of the Israeli economy. In addition, in recent years the Group has been working in various ways to reduce its environmental impact, both as a financial institution that finances various entities and projects, and as a business entity that uses resources for its operations.

In 2023, the Bank published its first Climate Report (TCFD) for 2022, which dealt extensively and comprehensively with its preparations for the management of risks and opportunities arising from climate change. This report was an important milestone in the Bank's preparation for the integration of climate aspects into all its activities. Since then, the Bank reports annually to the public on its progress integrating climate aspects, its measures and performance in this area as part of the Bank's consolidated ESG Report, which includes the Climate Report.

The Bank manages climate and environmental aspects as part of ESG. As such, they are under the joint responsibility of the Human Capital and Resources Division Head (who manages ESG risks at the Bank) and the other divisions of the bank that lead the management of climate aspects in various areas, each division according to its area of expertise and under the supervision of the Board of Directors. The Bank has established a corporate governance structure for the management and supervision of climate and environmental aspects, which includes the regulation of the assignment of authorities and areas of responsibility, alongside the integration of climate and environmental aspects management into business activities according to Bank's established policy.

Main entities responsible for the Bank's management of climate aspects



Supervision by the Board of Directors, management and Bank divisions over climate and environmental issues

The Board of Directors and its Committees

The Board of Directors is responsible for the Bank's business operations and financial stability. Its involvement in climate aspects is reflected in the ongoing activities of the Board of Directors and its committees. The Board is responsible for outlining and approving the policy principles for managing ESG risks, including climate and environmental risks, and ensuring that these principles are implemented and that they support the Bank's business strategy. The Board receives regular reports on the Bank's preparedness for climate change and for other environmental aspects through the Bank's management and content experts and holds an annual discussion on climate and environmental risks. In 2025, several discussions were held at meetings of the Risk Management Committee and the Board of Directors' plenary session on the subject of climate and environment, which included an update on the Bank's progress in preparing to integrate climate and environmental aspects into its operations.

Risk Management Committee

The Board of Directors' Risk Management Committee discusses and approves the Bank's ESG risk management policy. This Committee discusses ESG risk aspects and the Bank's risk management and control policy, including the overall risk strategy and risk appetite. The Committee is responsible for the formulation of recommendations for the Bank's Board of Directors on the subject and it supervises the integration of climate aspects into the Bank's risk management frameworks. The ESG risk management status, including climate risks and other environmental aspects, is reported annually to the Board of Directors. In 2025, the progress status of climate aspects was presented as part of the progress status regarding ESG aspects, and the Bank's ESG risk management policy was also approved. In addition, at the beginning of 2026, the Committee discussed the ICAAP document for 2025, which includes a climate stress scenario for transition risks prepared by the Risk Management Division.

The Bank's management

ESG, including climate and environmental aspects, is a cross-organizational issue that is integrated into the ongoing activities of all Bank divisions due to its impact on a variety of aspects and activities at the Bank. Risk management crosses divisions and levels and involves all members of management. In order to integrate the issue into ongoing operations, work interfaces exist between the Bank's divisions to manage climate risks, realize climate opportunities and manage other environmental aspects. In particular, each of the Bank's risk managers independently examines, in collaboration with the Human Capital and Resources Division Head, the integration of climate risks into their areas of responsibility and the implementation of the desired risk management practices in the appropriate work processes, according to their materiality level.

Responsibilities of the Bank's divisions

Human Capital and Resources Division

The Human Capital and Resources Division Head is responsible for integrating and concentrating all efforts promoting climate and environmental aspects at Mizrahi-Tefahot Bank, including the implementation of regulations applicable to the Bank on the subject.¹ The Division Head is responsible for reporting on the development of the subject at the Bank – she reports to the Bank's management on a semi-annual basis, and to the Board of Directors' Risk Management Committee and the Board of Directors' plenary session on an annual basis. In addition, the Division Head submits regular reports to the Bank's CEO regarding the status of processes implemented at the Bank and its preparedness, according to needs that arise from time to time.

1. As part of her responsibilities as the Bank's ESG Risk Manager.

The ESG Unit

The Bank's ESG Unit works to integrate and implement climate and environmental aspects into operational and management processes. The subject is led by the head of the Corporate Responsibility Team, in full cooperation with the business and operational units. In addition, there are ongoing work interfaces with designated representatives who serve as partners in the control, reporting, implementation and integration processes of the Bank's ESG issues. The Unit, which operates within the Corporate Leadership Department in the Human Capital and Resources Division, is responsible for devising and implementing the Bank's ESG strategy. Its role includes integrating ESG aspects on a cross-functional level, along with the management of internal and external reporting processes in accordance with accepted global practices. The Unit also coordinates efforts to identify and realize ESG opportunities, including regarding climate and the environment, and to integrate these risks into the relevant risk management processes. In addition, the ESG Unit promotes the subject of climate and environment from various perspectives together with the Bank's divisions and is responsible for drawing up external reports on climate risk management, including within the framework of the annual ESG Report and the TCFD Report.

Business Banking Division

Credit, the Bank's main area of activity, is the main banking area that is affected by and even affects climate and environmental issues. The Business Banking Division is responsible for managing all credit risks at the Bank, and it leads the management of climate and environmental risks in the Bank's credit activities, including the integration of these considerations into credit decisions (large businesses, medium-sized and small businesses and mortgages), regarding both the risk and the business opportunities. The Division is working to fulfill this responsibility through a dedicated team on the subject of climate in credit (please see details below). In addition, the Division is responsible for managing environmental risks within credit risk.

With respect to business credit, the Division is in the advanced stages of implementing a methodology for identifying and assessing climate risk factors that may affect the credit risk of the Bank and of specific business borrowers. The methodology is an extension of the existing processes for managing environmental risks related to business credit, and the Division continues with its development along with the development of risk and its management tools. In order to improve the methodology, expand capabilities, and provide a quality response to reporting requirements and regulatory compliance, challenging processes of collecting, concentrating, and analyzing data, devising geographic mapping

tools for collateral, and working with professional entities to improve methodological tools are carried out. In particular, the Division is working in collaboration with other Bank units to complete the automation of tools for assessing climate risks in business credit and the systems for collecting and analyzing the relevant data.

In view of the importance that the Bank places on the development of expertise in the fields of climate and the environment and the need to monitor and follow up on the development and management of the risk, a dedicated position was established in 2024 in the Business Banking Division, which is responsible for monitoring, measuring and gathering information in this area. The Head of Climate and Environmental Risks in Credit serves as a professional knowledge source on the front line of credit risk at the Bank regarding climate, and to whom professionals required for the subject can turn in decision-making processes. Appointing an internal entity in the Bank responsible for the subject enhances the Bank's ability to integrate climate aspects into the core of its activities in a way that supports the development of its business and its relationships with customers.

At the same time, the Division leads the efforts throughout the Bank to identify and evaluate climate opportunities. It is responsible for leading the development of unique and innovative green credit products and increasing the amount of green credit provided by the Bank, as well as updating credit policy in accordance with climate risk management mechanisms that have been formulated.

Retail Division

The Retail Division is responsible for integrating climate aspects into the Division's activities, which include diverse aspects of credit opportunities and risks (in cooperation with the Business Banking Division) as well as diverse liability products. In 2025, the Division continued to integrate climate risks into its operations (particularly the mortgage and commercial divisions), which included improvements to the tools and processes for assessing and measuring climate risks in retail credit and in the Bank's mortgage portfolio. As part of the Retail Division's responsibility for liability products, the Division has a work team on the subject of realizing liability opportunities. In 2025, the Division continued its participation in forums and work teams established for the integration of climate aspects into its activities.

Financial Division

The Financial Division is responsible for integrating climate aspects into the Division's activities, both in the management of the risks – market risk and liquidity risk – and in the realization of opportunities under its management. The Division's professionals

continued their work creating mechanisms for assessing and managing climate aspects of investment risk in the nostro portfolio and in the Bank's real investments, and to devise mechanisms for assessing and managing climate aspects of liquidity risk. The Division's personnel participate in the Bank's efforts to develop and lead value propositions for the Bank's customers in liability products. The relevant professionals participate in the Bank's steering committees and work teams to promote these issues.

Risk Management Division

The Risk Management Division serves as a second line of defense for managing ESG risks, including climate and environmental risks. The Division is responsible for reviewing and challenging the Bank's ESG risk management policy document, particularly with respect to climate and environmental risks; developing and applying stress scenarios with environmental aspects (including climate scenarios); determining and integrating processes for managing climate and environmental risks within the overall risk assessment and adapting them to the risk management framework.

Steering and Management Committees

The Bank has cross-organizational forums for integrating, leading and managing climate aspects, with the aim of coordinating between the Bank's departments to advance this area, make decisions, and approve the necessary measures.

ESG Steering Committee

The management's involvement in the issue of ESG risks is through a quarterly Steering Committee headed by the Human Capital and Resources Division Head and whose members are the heads of the relevant divisions. The Committee consists of the heads of the relevant divisions and the Bank's unit managers involved in promoting ESG aspects. The Committee's role is to lead policy, activity, control, and reporting in the promotion of ESG aspects in all of the Bank's activities. The Committee reports to the Bank's management on progress and improvement in ESG performance, including environmental performance. The authorities and responsibilities of this Committee also include integrating and leading the processes required to prepare for climate change. The Committee is responsible for formulating the Bank's strategy for dealing with climate change and taking advantage of the opportunities that arise from it; examining and devising risk management mechanisms; updating policy documents with ESG aspects; reviewing the products offered at the Bank in order to take advantage of opportunities, and for overseeing ongoing reporting processes. In 2025, the ESG Steering Committee convened on a quarterly basis.

Climate Management Committee

For the ongoing management of the integration of climate aspects and multi-year preparation for the implementation of PCBB 345¹, a dedicated management committee was established, led by the Human Capital and Resources Division Head and with the participation of managers and representatives from the following divisions: Human Capital and Resources, Risk Management, Legal, Business Banking, Retail and Finance. The climate management committee is responsible for preparing recommendations to the Bank's management regarding climate risk management policy and for capitalising on climate-related opportunities. The climate management committee operates in two main branches: the Credit-related Climate Risk Management and Opportunity Development Team and the Liabilities Opportunity Realization Team.

In 2025, the climate management committee convened a full forum on a semi-annual basis to review and approve the work teams' activities, review professional materials, and to make decisions on necessary courses of action to advance the issue at the Bank and ensure regulatory compliance. In addition, the Bank's climate risks and the status of progress in processes for compliance with PCBB 345 were discussed. Issues related to climate risk management were also discussed in the ESG Steering Committee, and focused meetings were also held in small forums as needed as part of the integration of climate aspects and risks into the activities of the various divisions.

Credit-related Climate Risk Management and Opportunity Development Team

The work team, headed by the Deputy Head of the Business Banking Division and with the participation of representatives of the Retail Division, Human Capital and Resources Division, Financial Reporting and Information Division and the Risk Management Division, was established to prepare the Bank for the inclusion of climate risks in the Bank's credit underwriting processes and methodologies, as well as to identify and realize climate opportunities through innovative green financing products. The team worked to create the mechanisms required for identification, classification and assessment of risks, and their implementation in the Bank's credit risk management policy. In 2025, the team mostly met monthly.

Work Team – Realization of liability opportunities

The work team, led by the Head of the Customer Assets and Consulting Sector, with the participation of representatives of the Financial Division, the Business Banking Division, and consulting and investment related departments and the Risk Management Division, was established to examine and prepare work plans for the realization of climate opportunities

1. PCBB 345 – "Principles for Effective Management of Climate-Related Financial Risks" is the most important regulatory directive regarding climate for banks in Israel, which deals with guidelines for managing financial risks related to climate change.

in non-credit business areas. In 2025, the work team met generally on a monthly basis, or according to the development of the issue. The team examined opportunities in liability products and worked to promote the development of environmentally sustainable financial products, such as investment products and deposits, while integrating relevant information into the consulting and analysis systems and integrating these considerations into the investment advice provided to customers.

Energy Efficiency Committee

Due to the nature of the Bank's operations in office buildings, energy consumption is the Bank's largest direct climate impact factor. However, this area also represents one of the main opportunities for operational efficiency. The Bank measures and manages its energy consumption on an ongoing basis and takes various steps to improve energy efficiency. In recent years, the main effort has focused on the construction of the Bank's new headquarters building in Lod, which was designed and constructed in accordance with the advanced LEED green building standard. In 2025, documentation was submitted for LEED Platinum certification. The Bank is also promoting additional initiatives in its facilities, such as replacing outdated and energy-intensive systems with advanced efficient energy utilization systems. The issue of energy efficiency is managed by the Energy Efficiency Committee, led by the Head of Assets, Construction and Maintenance. The Committee, which consists of professionals from the Logistics Department and permanent professional consultants, meets on a quarterly basis to examine efficiency initiatives and options.

Climate and environment strategy

Climate and environment strategy

Mizrahi-Tefahot Bank is preparing for climate change and its implications and is working to assist its customers in managing the possible adjustments that will be required. Management of climate aspects consists of three layers, which provide a broad response to the impacts of climate change on the Bank and its customers: support for customers in the transition to a low-carbon economy, responsible management of climate and environmental risks, and the Bank's responsibility towards the environment.



Support for customers in the transition to a low-carbon economy

With an understanding of the Bank's unique position in the Israeli economy and the challenges involved in addressing climate change, the Bank is working to develop advanced financial products that enable its customers, and as a result the Israeli economy, to channel financial resources for a reduction in greenhouse gas emissions. The aim of these products is to contribute both to the global fight against climate change and to the business readiness of the Bank's customers for a low-carbon future.



Responsible management of climate and environmental risks

Climate change creates diverse risk factors for the economy, which are developing gradually. The Bank must adapt its existing risk management frameworks to the nature of the new risks. The Bank is working to implement comprehensive and in-depth risk management mechanisms that will enable it to continue to provide its services optimally and consistent with its risk appetite, while paying close attention to the needs and readiness of its customers at the present time.



Environmental responsibility

The Bank strives to reduce direct impacts on the climate and the environment, to prepare its operations for the possible impacts of climate change, and to ensure operational continuity and readiness to deal with possible climate challenges. In this regard, the Bank is working to reduce its operational carbon footprint, improve energy efficiency indicators, and reduce its consumption of resources.

Strategic climate and environmental goals

As part of the Bank's commitment to the management of climate and environmental aspects in an orderly and professional manner, the Bank has set long-term targets in this area. These targets are consistent with the Bank's strategy for managing climate and environmental aspects and enable the Bank to create orderly and data-based work processes. The targets relate to making the most of opportunities and to the management of risks. This section

includes indicators used by the Bank to monitor the management of climate aspects: measuring the exposure to risk in the business portfolio and measuring the Bank's full carbon footprint, including its financed emissions. This section also includes indicators used by the Bank to monitor and manage environmental aspects such as water consumption, the volume of waste production and energy consumption of the Mizrahi-Tefahot Group.

Strategic core component	Targets for 2030	Progress status – performance in 2023		Progress status – performance in 2024	Progress status – performance in 2025
Environmental responsibility	Reduction of the operational carbon footprint and emissions intensity by 40% by 2030, compared to 2020 (the base year).	Reduction of 8.9% in total carbon footprint and 8% in carbon footprint intensity per sq.m. (location based), compared to 2020.		Reduction of 14.2% in total carbon footprint and 13.3% in carbon footprint intensity per sq.m. (location based), compared to 2020.	Reduction of 10.6% in total carbon footprint and 20.6% in carbon footprint intensity per sq.m. (location based), compared to 2020.
Support for customers in the transition to a low-carbon economy	The remaining financing and investments in projects that promote a green environment will be approx. NIS 10 billion.	NIS 6.7 billion, an increase of 52% in the amount of green credit compared to the previous year.		NIS 7.7 billion, an increase of approx. 15% in the amount of green credit compared to the previous year.	NIS 10.03 billion, an increase of 30% in the amount of green credit compared to the previous year. In this way, the Bank has met its target five years ahead of schedule. As a result, the Bank set itself a new target for 2030 – NIS 13 billion.
	The Bank will invest resources and develop green financial products that will promote green and environmental projects.	In 2023, a new track – "Sustainable Energy" was established as part of the State-guaranteed credit facility for small and medium-sized businesses. The track is for investments in goals and projects that reduce negative impact on the environment and promote energy efficiency.		In 2024, three new and unique green products were launched for private customers: - Designated loans for the purchase of electric vehicles - Benefits in charging electric vehicles for members of the Bank's club - A dedicated financing track for the installation of solar panels, which enables loans on favorable terms and an expedited procedure	In 2025, the Bank promoted and developed additional green financial products.
Responsible management of climate and environmental risks	Reduction of exposure in the nostro portfolio to zero in new coal mining and oil drilling industries by 2030. In addition, the Bank will not participate in IPOs of assets that create exposure to these industries.	The Bank is formulating an outline to reduce exposure to these industries.		In 2024, there were no equity acquisitions in these industries	In 2025, there were no new equity investments in these industries. Furthermore, the Bank has committed not to make new equity investments in companies engaged in oil and gas exploration and production.

Support for customers in the transition to a low-carbon economy

The global transition to a low-carbon economy, and the processes this requires, including the development of low-carbon technologies and raw materials, alongside the need to prepare and adapt infrastructure to physical climate risks, creates many business opportunities for the Bank in the areas of credit, investments and financial consulting. These opportunities create shared value by assisting the Bank's customers in the transition to low-carbon economic activity, and are demonstrated in two main aspects:

- Development of green credit products – including dedicated credit for financing projects and companies with a climate and environmental contribution.
- Integration of climate and environmental aspects into the Bank's investment advisory services and development of additional financial products.

Green credit

The Bank sees the importance of promoting environmental issues and provides dedicated credit for the development, establishment, operation or initiation of green products, services and infrastructures, which contribute to a mitigation of the negative impact on the climate and environment and promote sustainability. The Bank has started the process of developing dedicated credit products for both business and private customers, which provide a solution for a variety of activities with a reduced climate impact and a reduction of the business sector's negative impacts on the environment. The Bank has formulated an internal taxonomy that defines the criteria for environmental credit, in accordance with accepted international standards³ and adapted to the Israeli market. The taxonomy serves as the basis for developing a variety of green credit and liability products.

The Bank's green taxonomy includes seven categories with several optional financing channels that promote environmental aspects.

1. The Bank's taxonomy was based on the GBP standard for green bonds, which has been adopted by the world's leading banks as a standard that also regulates green credit.

Green taxonomy for identifying and managing climate opportunities

The Bank's green taxonomy includes seven categories with several optional financing channels that promote environmental aspects.



Renewable energies

One of the main components of the transition to a low-carbon economy is the generation of energy through renewable means as an alternative to the burning of fossil fuels (which include: coal, oil and natural gas). Renewable energy projects in Israel include, among others: solar energy (installation of photovoltaic cells by renewable energy companies for sale, or by companies and businesses for self-use), hydroelectric energy, geothermal energy and wind energy. The renewable energy sector in Israel is growing rapidly, due to the increasing demand and the geographic characteristics of Israel, which enable the utilization of renewable resources. This classification includes infrastructure companies or ventures in the renewable energy sector, as well as companies or projects that are engaged in the installation of solar panels on private and business properties. The Bank is involved in the financing for many renewable energy projects throughout the country and has also significantly expanded its activities in this area through its overseas branches.



Energy efficiency

In addition to efforts for the generation of energy from renewable sources, the reduction of greenhouse gas emissions also includes efforts to improve efficiency and save energy consumption in existing systems. Energy efficiency measures include, among other things, technological upgrading of high-emission production systems, renovation of assets to improve their energy consumption, and the establishment of energy storage systems. Companies or ventures included in this classification are projects for the replacement of energy-consuming machines in industry with energy-efficient machines, renovation of real estate assets that improve their energy efficiency, and energy storage infrastructure projects in Israel and abroad.



Prevention and control of contaminants

Waste reduction and waste management are essential for the transition to a low-carbon economy, due to the large amount of emissions resulting from untreated waste. Waste collection, sorting and treatment systems enable a reduction in the negative impacts resulting from waste, and sometimes even use waste for additional secondary uses (through recycling, production or energy recovery). This classification includes waste recycling and treatment companies as well as companies or ventures engaged in the rehabilitation of contaminated land.



Clean transportation

Vehicles are a significant source of greenhouse gas emissions in the world in general, particularly in Israel, which is a car-oriented country. In recent years, there has been an increase in the demand for electric vehicles, the development of mass transit systems, and improved walkability in urban areas. All of these enable a significant reduction in greenhouse gas emissions. The Bank provides financing for projects, such as the fast lane and the Green Line of the light rail. Companies or ventures included in this classification involve the construction and operation of public transportation systems and infrastructure, financing of urban development that supports walkability and non-motorized transportation, as well as financing for the purchase of electric vehicles and the establishment of charging infrastructure.



Green construction

Green construction is designed to reduce the negative impacts of construction processes and to improve environmental performance and climate risk preparedness of buildings built using green construction. In 2005, an Israeli green building standard (TI 5281) was published, outlining the principles of green construction, along with other accepted international standards (such as the LEED building standard). The real estate and construction industry is a major industry in Israel, and the Bank sees great importance in the promotion of green building in Israel. This classification includes companies or ventures that engage in the construction, operation and acquisition of buildings/properties that comply with green building standards.



Sustainable water and wastewater management

Efficient use of water and wastewater treatment is an important factor in preparing for climate change, due to the possible impact of increased desalination and water treatment activities in periods of dryness and drought. In addition, it helps reduce the negative impact of greenhouse gas emissions resulting from wastewater. Israel is recognized as an advanced country in water treatment, but desalination and water treatment are energy-intensive operations with a cost that may increase significantly as a result of rising energy prices. Due to its geographic location, Israel is exposed to numerous water challenges that require solutions. The Bank places great importance in financing projects that help solve these challenges and is already involved in financing for desalination and wastewater treatment projects. This classification includes companies and ventures for the construction and operation of wastewater treatment and water desalination facilities.



Technological developments

Technological innovation and climate technology are essential tools with which the world strives to find a solution to climate change and its potential consequences. Israeli innovation and technology industries create diverse solutions to prepare for or mitigate climate change, and the Bank places great importance on financing these technology companies. This classification includes companies or ventures that finance investments in green companies as well as companies that develop climate and environmental technologies (climate-tech\clean-tech).

Green financing – Performance in 2025

In 2025, the Bank continued to develop additional green products, in accordance with the evolution of global trends in this area and the maturity of the Israeli market. This follows the significant development of green products in 2024, which included, among other things, a loan for the purchase of electric vehicles, benefits for charging electric vehicles, and a dedicated financing track for private customers for the installation of solar panels. At the same time, the Bank's professionals worked to create collaborations that provide value to customers and support the Bank's green financing goals.

The objective of the green products is to make it easier for the Bank's customers to adopt advanced environmental solutions, reduce carbon emissions in the Israeli economy, and adapt the solutions to the personal needs of each customer through a fast, accessible, and efficient financing process.

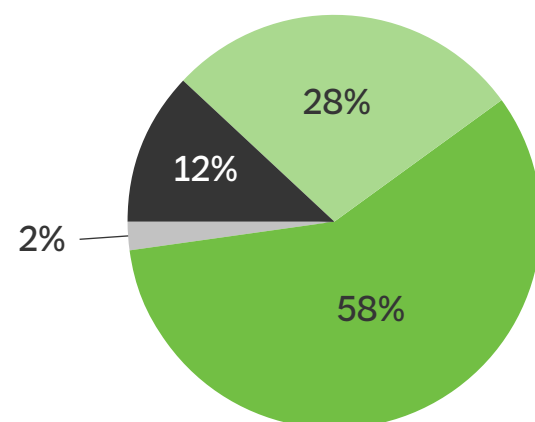
In accordance with accepted global practices, the Bank measures the green financing it has provided according to the credit amounts actually utilized by customers to promote environmental goals (balance sheet credit). In this way, the Bank is able to manage and disclose its actual impact to stakeholders, and according to this measurement, the Bank sets its targets in this area, as is customary worldwide. At the same time, the Bank also measures additional and future commitments for green financing (off-balance sheet credit, which includes guarantees and future commitments that have not yet been utilized by customers).



The financing¹ provided for environmental issues as of December 31, 2025 amounted to approx. NIS **10** billion, compared to NIS **7.7** billion in the previous year.

Financing for environmental issues in 2025

- Clean transportation
- Environmental services
- Development of environmental and climate technologies
- Renewable energies

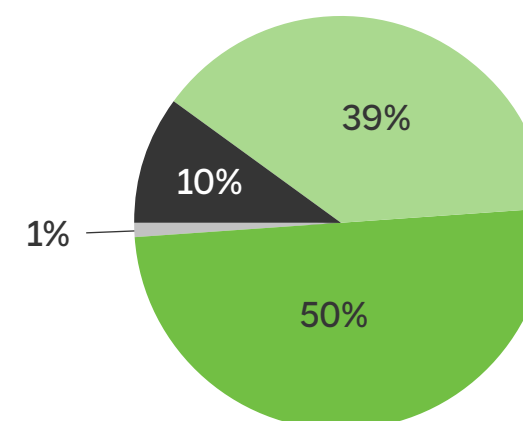


The credit exposure² to environmental issues as of December 31, 2025 amounted to approx. NIS **18** billion, compared to NIS **11.7** billion in the previous year.

1. Only balance sheet credit. In accordance with accepted global practices, the Bank measures the green financing it has provided according to the credit amounts actually utilized by customers to promote environmental goals.
2. Balance sheet and off-balance sheet credit.

Credit exposure to environmental issues in 2025

- Clean transportation
- Environmental services
- Development of environmental and climate technologies
- Renewable energies



In 2025, the increase in the amount of green credit continued as a result of the Bank's efforts to invest in the financing of customers and projects that promote a green environment in general, and renewable energy in particular, in accordance with the 2030 target.

Owing to the business focus, during 2025 the Bank surpassed the NIS 10 billion mark in green financing and reached NIS 10.03 billion, thereby meeting the original green financing target it had set. This achievement is based, among other things, on the continued expansion of activity in the financing of projects involving renewable energy and clean transportation infrastructure, and serves as a significant milestone in increasing the Bank's contribution to the promotion of activities with environmental value.

In view of reaching the target ahead of schedule and the continued development of the market, the Bank's green financing target was updated to NIS 13 billion by 2030. The Bank will continue to expand its green financing portfolio, subject to risk management considerations and with support to its customers in the transition to a more sustainable economy.

Integration of climate and environmental aspects into financial products

Alongside the green financing activity, the Bank aims to integrate climate and environmental aspects into other financial products and services it offers to its customers. The Bank is undergoing an in-depth review process of the most effective channels for integrating these aspects into several liability products (products for managing the customers' capital, such as investment products and deposits), which will enable customers to realize climate opportunities in cooperation with the Bank.

Integrating ESG aspects into investment advice

The Bank operates in accordance with a policy for integrating ESG aspects into investment advice.¹ The Bank provides its customers with financial advisory services tailored to the customer's needs through expert financial advisors. In addition, the Bank's Investment and Strategy Department is responsible for publishing investment recommendations to investment advisors at the branches, and it periodically publishes updates on ESG issues as well.

In 2025, the Bank continued to implement and expand the use of the ESG scoring and review system acquired the previous year. Investment advisors provide advice tailored to sustainability (ESG) preferences to interested customers and integrate the scores and reviews into decision-making processes and investment recommendations.

The Bank is preparing an expansion of ESG rating-based services through additional channels also in 2026 with the aim of increasing the integration of sustainability considerations into advisory services and adapting them to the needs and preferences of customers.

The Bank is working to implement decision-support tools for the investing public and has entered into agreements with several suppliers for this purpose. The Bank is expected to launch decision-support tools for customers active in the capital market that will be accessible on the Bank's website and later, also in the app, and will also include reference to ESG issues.

Real investments

The Bank has real investment activity in accordance with the Banking Law (Licensing), through its subsidiary Mizrahi Tefahot Invest. ESG aspects are taken into account in the Bank's investment policy and are examined for each investment, and as part of the investment examination, an ESG questionnaire is sent to the company, by which information is obtained regarding the company's activities and its impact on these aspects. The Real Investments team conducts a qualitative assessment of the companies, and takes into account environmental and climate considerations, including air and soil pollution, greenhouse gas emissions, damage to biodiversity, work conditions and labor rights, community donations and support, as well as other aspects. The assessment also examines the companies' exposure to areas such as nuclear involvement, weapons production, tobacco, gambling, mineral mining, pornography, and chemicals prohibited under international treaties. If there is exposure, the issue will be examined and the investment will be prevented. When making an investment decision, preference will be given to companies that see the importance of contributing to the environment and the community. All investments in 2025 were carried out in accordance with the ESG investment policy.

Development of additional financial products

In 2025, the Bank worked to increase its liability product activity and to develop additional financial products. As part of these processes, the necessary infrastructures were developed for various products, collaborations with external parties were examined, and initial assessments of the Bank's customers' needs for these products were carried out. The Bank plans to promote additional green products in 2026.

¹<https://www.mizrahi-tefahot.co.il/en/corporate-report/esg-policy-for-investment-advisory/>

Responsible management of climate and environmental risks

Climate risk management

The Bank is developing and updating its climate risk management frameworks, which include methodologies for identifying, assessing and mitigating risks, as part of the traditional banking risk management frameworks. The Bank has expanded the framework for managing environmental risks in credit to also include climate risks, and has established dedicated work teams and is working in collaboration with external consultants who are experts in this area. Substantial resources have been invested in this process to create an infrastructure that will provide a long-term solution for the Bank's business and regulatory needs, while maintaining an effective response to customer needs. The Bank chose to begin this process early, even before the approval of regulation in Israel on the subject with its recognition of the importance of advance preparation and understanding the complexity of the climate aspects and its potential impact on the Bank.

Climate risks

Climate change creates risk factors for the global and local economies, and the Bank is working to identify and manage them responsibly and effectively in accordance with its business objectives. It is customary to classify climate risks into two broad categories: physical risks and transition risks.

Physical risks

Risks arising from changes in weather patterns and geographic changes, including the increased frequency and intensity of extreme weather events due to global warming. These risks are divided into two main categories:

- **Acute risks** – Risks that include an increase in the intensity and frequency of extreme climatic events, such as floods, fires, heat waves and tropical storms.
- **Chronic risks** – risks that involve gradual and long-term change in climatic systems, and include a gradual increase in temperatures, changes in precipitation patterns, sea level rise, soil erosion and salinization of natural water sources, as well as other climatic phenomena.

According to the current scientifically accepted global scenarios, long-term climate change as well as specific climate events have a potential for wide-ranging impacts on the labor market, fiscal and monetary policy, growth and other macroeconomic indicators. All of these may affect the Bank's credit risk profile and the credit ratings of private and business borrowers, as well as other financial risks managed by the Bank. Physical risks also have the potential for widespread microeconomic impacts, and may harm borrowers and the Bank's investments, due to damage to the value of assets affected by the realization of extreme events, damage to business continuity (due to disruptions in supply chains, difficulty in employees arriving to work, etc.) and a decrease

in demand for products due to the loss of technological or business relevance resulting from physical changes.

Transition risks

Business risks arising from the global transition to a low-carbon economy, designed to curb and reduce the impacts of climate change, including through the promotion of regulations and the promotion of climate-related technological innovation. These risks are divided into several sub-categories: policy and regulatory risks, technological risks, market risks, and reputational risks.

- Policy and regulatory risks – These risks arise from frequent changes in the requirements of legislators in Israel and around the world regarding climate aspects, which are expressed in changes in taxation, disclosure and licensing. Such changes are already being implemented worldwide, such as the application of the carbon tax at the borders of the European Union (known as CBAM¹), which is imposed on the import of goods from high-emission sectors and which will affect many companies in the Israeli economy (including in the metal products sector and the fertilizer sector).
- Technological risks – These risks arise from the development of alternative technologies to existing technologies in high-emission sectors, in order to best deal with climate change, which may affect companies that develop or are based on existing technologies.
- Market risks – These risks arise from fluctuations in the availability and prices of goods and products traded in markets, such as raw materials, energy and water prices, and securities.
- Reputational risks – These risks arise from a loss of confidence in companies and various industries as a result of climate change preparations and from changes in the preferences of consumers and business customers who wish to purchase more sustainable products and services that have a reduced impact on climate change.

Similar to physical risks, transition risks also have the potential for significant economic impact as a result of macroeconomic changes in the market structure of various economic sectors and changes in the volume of international trade between Israel and developed markets. From a microeconomic perspective, many companies are expected to be harmed financially due to the transition risks. This stems from changes in the business, regulatory, technological and public environment in which they operate, which may lead to a decrease in demand for their products and an increase in their operating expenses. Changes in these financial indicators may also translate into damage to the repayment capacity of these companies.

1. Carbon Border Adjustment Mechanism.

Identification of climate risks that affect traditional banking risks

As a basis for building a systematic methodology for the Bank's management of climate risks, the Bank carried out a comprehensive mapping of the potential impacts of climate risks on each of the relevant traditional risks that are routinely managed by the Bank. This is in order to identify the traditional risks for which the impact may be material, and select the traditional risk management frameworks in which climatic risk factors should also be integrated, based on the level of materiality. Among other things, the following impacts were identified in this process:

Risk category	Definition of the risk Examples of possible effects of climate change on the risk
Credit risk	Definition of the risk Credit risk is the risk that a borrower, or a counterparty of the Bank, will not meet its obligations to the Bank. Credit risk is a material risk in the Bank's operations, and is affected by several main factors: business risk arising from the customer's activities, concentration risks arising from excessive exposure to a borrower/group of borrowers and to economic sectors, geographic concentration risk, risk arising from exogenous changes relating mainly to changes in the borrower's macroeconomic environment, environmental risks, climate risks and operational risks, the realization of which has implications for credit risks.
	Examples of possible effects of climate change on the risk ● Climate change is expected to have macroeconomic impacts, which will affect growth and employment indicators, and consequently the financial strength and repayment capacity of private and business borrowers. ● Climate change may affect the ability of borrowers to meet their obligations as a result of damage to profitability or physical damage to assets. ● Physical risks may cause damage to the value of assets that serve as collateral for loans. ● The materialization of transition risks could lead to a deterioration in the repayment capacity of companies operating in industries exposed to transition risks, due to "heavy" investment costs in the transition to a low-carbon economy and a decrease in the companies' profitability.

Risk category	Definition of the risk Examples of possible effects of climate change on the risk
Market risk	Definition of the risk Market risk is the risk of a loss in on- and off-balance sheet positions resulting from a change in the fair value of a financial instrument due to a change in market risk factors (interest rates, exchange rates, prices of stocks, commodities and inflation).
	Examples of possible effects of climate change on the risk ● A change in market conditions may lead to high volatility in the value of the Bank's holdings in securities of companies operating in industries that may be affected by climate change. ● Extreme climate events may lead to a change in the value of various financial instruments related to regions affected by the extreme event, with emphasis on prices of securities and commodities and exchange rates.
Liquidity risk	Definition of the risk The risk arising from uncertainty regarding the availability of sources, the ability to realize assets in a limited time and at a reasonable price. This is a material and unique risk due to the need for a response within as short a period of time as possible.
	Examples of possible effects of climate change on the risk ● Extreme climate events may lead to a significant and rapid increase in customer demand for liquidity and credit in order to adapt to or deal with climate change. ● Changes in investor tastes and climate regulations may lead to an increase in the Bank's financing costs, if it does not meet market expectations in terms of its climate performance.
Operational risk	Definition of the risk Operational risk is defined as the risk of a loss resulting from inadequate or obstructed internal processes, people, systems, or as a result of external events.
	Examples of possible effects of climate change on the risk The Bank's business continuity may be affected as a result of physical damage to its assets or disruption in the operational continuity. For example, extreme climate events and their effects on energy and transportation infrastructure in Israel. In addition, the Bank's operating costs may increase as a result of climate change.
Reputational risk	Definition of the risk Reputational risk is the risk to the Corporation's profits, its stability or its ability to achieve its goals as a result of damage to its reputation. The damage may result from the Corporation's conduct, its financial condition or negative publicity (true or false).
	Examples of possible effects of climate change on the risk The Bank's reputation may be damaged as a result of increased expectations from its customers and other stakeholders regarding the adaptation of its activities to climate change, and as a result of damage to the reputation of its materially financed entities.

In 2025, the Bank intensified the integration processes of climate aspects into its risk management, which included an expansion and refinement of the work processes in business credit, retail credit, housing credit and in the Bank's investments. Regarding these business activities, the Bank is working to effectively integrate climate aspects into the risk management frameworks, and for that purpose it implements regular processes that include identification, assessment, monitoring, control and where necessary, mitigation of climate risks. Furthermore, in 2025, the Bank integrated relevant climate aspects into its reputational risk and liquidity risk management frameworks. In addition, the Bank is taking steps to reduce exposure to climate risk within its operational risk management. With that in mind, as part of the preparations for business continuity management, the Bank's plan also includes a response to the potential effects of extreme weather scenarios such as fires, floods, snow events, and more.

Identification and assessment of climate risks in business credit

The methodology for identifying and assessing climate risks in business credit was developed in view of two objectives: one – the mapping and quantifying of the degree of the Bank’s exposure to climate and environmental risks; and two – the development of appropriate mechanisms for mitigating and managing risk at an individual and aggregate level (cumulative, gradual). The Bank has invested significant resources in the methodology development process, adopted leading global practices in this area and adapted them to the maturity level of the Israeli market.

The process included mapping and analyzing the Bank’s business credit portfolio, which led to the establishment of industry groups. The groups were characterized according to their economic activity, as well as by their credit characteristics and the nature of the Bank’s credit risk exposure regarding them. Members of each group were found to have a similar climate risk profile. The Bank conducted a risk survey for each industry group in collaboration with external consultants who are experts in this area, thereby identifying the material climate and environmental risks for that industry group, taking into account the specific profile of the Bank’s customers. In addition, the time frames in which each material risk is expected to materialize were assessed, based on information available to the Bank. The risk survey was also approved by the industry experts in the Business Banking Division.

Following the risk mapping, a “heat map” was formulated that ranks the risks according to their potential impact on each industry. The heat map is reviewed and updated periodically, weighting parameters such as the time frame for the risk’s occurrence, the availability of technological alternatives and the ability to adapt to changes. This map provides a coherent picture of climate risks for the entire credit portfolio.

As part of the Bank’s efforts to improve and refine the methodology for assessing climate risks and integrate it into its ongoing operations, the Bank has developed a methodology for assessing exposure to short- to medium-term transition risks. This methodology takes into account the evolving nature of climate risks and the characteristics of the Israeli economy and provides an alternative short-term risk score. In order to update and validate this rating, risk indicators have been developed that are periodically monitored by the Bank’s professionals. If these risk indicators materialize, the risk rating is updated in accordance with the determined long-term risk score.

Mapping of climate risks for commercial credit, with a breakdown by operating industry as defined by the Bank

Industry	Excluded industries	Intensity of exposure to transition risks in the short term (2 years) to medium term (up to 5 years)	Intensity of exposure to transition risks in the long term (over 5 years)	Intensity of exposure to physical risks
Electricity generation from fossil fuels	Retail sale of fuel for cars	High ¹	High	Medium
		Medium		
Metals (production and commerce)		Medium	High	Medium
Chemical-based industries	Plastic products industries	Medium	High	Medium
		Medium		
Electronics, optics and mechanical industries		Medium	Medium	Medium
Infrastructure and environmental quality		Medium	Medium	Medium
Construction (closed projects)		Low	Low	Medium
Land uses (including renewable energy)		Medium	Medium	Medium
Commerce in energy-intensive products and services, including transportation and shipping services		Medium	High	Medium
Production and commerce in food products		Medium	Medium	Medium
Other commerce		Medium	Medium	Medium
Agriculture		Low	Low	High
Other industries ²		Low exposure to climate risks		

1. In this report, the intensity of exposure to climate risks is presented for the first time, divided into high, medium, and low exposure. The change in presentation is intended to simplify the exposure picture for the report’s readers and is consistent with accepted reporting methodologies in Israel and abroad. For transparency, the conversion key is as follows: a rating of 5 on the numerical scale translates to high risk; ratings of 3–4 are classified as medium risk; and ratings of 1–2 are defined as low risk. It should be noted that level 1 is included in the ‘low’ range, although it was not actually used in past reports.

2. Industries with low exposure to climate risks.

To correctly assess the unique level of risk associated with each of the Bank's customers in the Business Banking Division, the Bank has developed a tool for assessing an individual borrower's risk profile based on industry-specific risk assessment questionnaires. The questionnaires examine the customer's exposure to climate change and other environmental risks, based on an analysis of his business activity and the risks involved. In addition, the customers' mitigation mechanisms and preparedness for the materialization of risks are examined, as well as the effectiveness of these mechanisms. The residual risk assessment questionnaires are to be completed by the Bank's customers with the aim of helping the Bank to more accurately assess the risks to which it is exposed and to take into account the customers' unique characteristics and their mitigation and management mechanisms. In addition, these questionnaires may increase customers' awareness of the main risks to which they are exposed, and to subsequently adapt their activities to climate risks.

The risk assessment tool is implemented for Business Banking Division customers who meet material threshold levels determined by the Bank, and in order to professionally implement the assessment tool, professional training on climate risks and methods of risk assessment and management is provided to the Business Banking Division professionals. In 2025, the Bank intensified the integration of the questionnaires into ongoing activities of the Business Banking Division and in new credit applications, as well as into the analysis of the responses received to the questionnaires from the Bank's customers. At the same time, these aspects were integrated into the Bank's credit policy.

In 2025, the Bank used the advanced geographic mapping tool launched the previous year for managing climate risks. The mapping tool helps to accurately identify locations sensitive to physical climate risks (such as extreme weather events and rising sea level) in business credit portfolios, enables the Bank to estimate the degree of exposure of collateral assets to these risks and adjust mitigation policies if necessary.

In 2025, the Bank adapted the methodology and processes for assessing climate risks in business credit to the activities of its United States and London branches. The climate risk survey was adapted to the characteristics of the branches' credit portfolios and the questionnaires were adjusted to the findings of the updated survey. The Bank also began the actual implementation of the tools and processes, including training for branch employees. The methodology's implementation, the measuring of the business credit portfolio's exposure in branches, and analysis of the findings are expected to continue throughout 2026.

Identification and assessment of climate risks in housing credit

Physical climate risks in Israel are expected to be seen in rising temperatures, an increase in the frequency and intensity of floods and fires, and more. Housing credit is long-term credit, and as such it is expected to be increasingly exposed to intensifying physical climate risks. As part of the Bank's preparations for integrating climate aspects into credit risk management, the Bank formulated a methodology for identifying and assessing the exposure of the housing credit portfolio to physical risks according to the identification of the risk profile to which various regions in Israel are exposed, based on climate and meteorological reviews and forecasts, and in accordance with accepted global practices in this area. In order to accurately determine the risk exposure of an individual asset, characteristics that affect the risk exposure of that asset were mapped.

In 2025, the Bank continued the methodology's implementation and used it to measure the exposure of the housing credit portfolio to physical climate risks. In addition, it was decided to periodically monitor the risk profile of the credit granted during the year for climate risks, alongside the ongoing monitoring of climate risk developments relevant to Israel. Based on the above monitoring findings, the Bank will examine the need for an update to the methodology. At the same time, the Bank is working to collect the data required to improve the accuracy of the measurement, including data from the mortgage underwriting process, and if necessary through professional entities, and to automate the data collection and risk assessment processes in the Bank's systems. Based on the findings that will accumulate over time from the measurement and monitoring processes, the Bank will evaluate the need to take risk mitigation measures.

In 2025, a mapping of the mortgage portfolio was completed according to the residual risk level of the portfolio assets according to the methodology developed by the Bank. The level of exposure identified in the mapping is not high, and therefore it was decided to continue annual measurement of the exposure without determining hedging measures at this stage. The automation of the data collection and processing system will simultaneously be completed, which is expected to significantly upgrade the Bank's capabilities in assessing the risk level of the mortgaged assets.

Identification and assessment of climate risks in small business credit

In 2024, the Bank developed a methodology for assessing and managing climate aspects of credit risk in the Retail Division. After reviewing the issue, a decision was made to focus the Bank’s efforts on credit for small businesses, based on an understanding of the impact of climate risks on their operations. The exposure profile of small businesses to climate risks differs from the exposure profile of large businesses and corporations. In many cases, their business activities are focused on a limited geographic area, their liquidity cushions are small, and their ability to make significant capital investments, which are often required to prepare for climate risks or to deal with their materialization, is limited. Furthermore, the ability of these businesses to adapt to the changing demands of their customers is often less than that of more established businesses. In addition, the Bank’s credit risk exposure characteristics for these customers are different, and the work methodologies are adapted to these characteristics.

The risk management and assessment methodology is based on the methodology developed in the Business Banking Division with the required adaptation to the risk profile of small businesses and the characteristics of the Bank’s retail credit portfolio. In the first stage, industry groups with a similar climate risk exposure profile were established. For each industry group, a risk survey was conducted to identify the material risks, and an inherent risk was determined for each industry group. The inherent risk for business credit was determined on a uniform scale that takes into account exposure to both physical and transition risks. The risk survey and risk rating were conducted in collaboration with external consultants, according to leading global methods, and were validated by professionals in the Retail Division. In order to assess the level of residual risk for customers who meet the determined materiality threshold, the Bank has developed short questionnaires regarding the customer’s resilience regarding industry climate risks, which will be filled out by the banker during the underwriting process according to the defined materiality thresholds.

In 2025, the Bank continued to promote the implementation of the climate risk management and assessment methodology for small business credit in the Retail Division. During the year, materiality thresholds for filling out dedicated questionnaires were formulated and approved, and automation processes were initiated to implement the tools and data in the Bank’s systems. In view of the broad diversification of the portfolio and the operational aspects involving the process’ implementation, the actual comprehensive measurement of the exposure to climate risks will be carried out upon completion of the automation processes.

Mapping of climate risks for retail credit, with a breakdown by activity segments as defined by the Bank

Industry	Root cause of risk
High-emissions industry	High
Other industry	Medium
Transportation	Medium
Garages and spare parts	High
Construction, contractors, and engineering work	Medium
Real estate and renewable energy	Medium
Commerce	Medium
Agriculture and food production	High
Other industries	Low exposure to climate risks

Identification and assessment of risks in the tradable investment portfolio

In order to assess the Bank’s exposure to climate risks in the tradable investment portfolio, the Bank developed a methodology for identifying and assessing risks based on ESG ratings from leading rating agencies in Israel and around the world, according to the operating region of the listed companies. For companies operating in Israel, a rating from an Israeli rating agency is used, and for international companies, a parallel international rating is used, with the values adjusted to the rating model.

In 2025, the Bank used the ESG scores of the tradable investment portfolio companies to assess the extent and diversification of the portfolio’s exposure to climate risks. The Bank determined that at this stage, based on the risk assessment carried out for the portfolio, its materiality and its composition, the materiality of climate risks in the Bank’s tradable investment portfolio is not high and at this stage there is no need to establish dedicated mechanisms for monitoring and managing individual risk in the portfolio. Nevertheless, it was decided that the Bank will continue to monitor risk levels and developments in this area (including developments relating to methodologies for managing and assessing risk in Israel and abroad and adding to the knowledge available to companies in Israel), and will periodically examine the need for implementing additional processes and updating policies.

The Bank continues to operate responsibly and with transparency, and carefully maintains its goals of reducing exposure in the nostro portfolio to new coal mining and oil drilling industries to zero by 2030, and avoids participating in IPOs of assets that create exposure to these industries. As part of this commitment, no equity purchases were made in 2025 and no new purchases of shares will be made in the coal mining and oil drilling sectors.

Identification and assessment of risks in the real investment portfolio

In 2025, as part of the Bank's preparations to comply with the requirements of PCBB 345, a methodology was formulated for assessing climate risks in the Bank's real investments. The methodology is based on the Bank's methodology for assessing and managing climate risks in business credit, according to the composition of the real investment portfolio, its materiality for the Bank, and the level of maturity and relevant knowledge among the companies and funds that make up the portfolio. The formulated methodology includes assigning an inherent risk rating to each investment according to its operating industry, based on the Bank's methodology for assessing climate risks in business credit and the composition of the real investment portfolio. The Bank examined the method of determining the residual climate risk of investments in the portfolio based on the portfolio's materiality, composition and investment characteristics. During the first half of 2026, a residual risk rating assessment model will be implemented for the Bank's real investment activity to assist the Bank's Investment Committee in conducting an informed examination of the climate risks to which the investment is exposed, as part of the overall set of considerations and risks examined by the Bank regarding new real investments, the degree of the real investment portfolio's exposure to climate risks, and, if necessary, to make decisions regarding risk hedging in the portfolio.

Processes for identification and management of climate risks in additional risks

As part of the comprehensive and cross-organizational process carried out by the Bank to integrate climate aspects into all of its relevant risk management frameworks, the Bank continued in 2025 to examine the impact of these risks and to integrate them into the appropriate frameworks. The Bank formulated indicators for monitoring its reputational risk exposure to climate aspects and examined mechanisms for assessing the impact of climate risks on reputational risk. The Bank also promoted the integration of climate aspects into the reference scenarios carried out at the Bank for assessing liquidity risks.

Climate risk exposure indicators in the Bank's credit portfolio

As part of the Bank's commitment to the management of climate aspects, in 2025 the Bank expanded the analysis of the business credit portfolio's exposure to climate risks in the Business Banking Division. This year, for the first time, the exposure assessment results of the business credit portfolio in the Business Banking Division, reported below, include a weighting of the residual risk levels of the Division's customers. That is, the amount of exposure after evaluating the customer's characteristics and the climate risk management and existing mitigation mechanisms. The customers' residual risk levels are based on an analysis of their responses to the questionnaires regarding the assessment of climate risk in business credit.

Integration of the residual risk levels of the Bank's business credit portfolio customers in the Business Banking Division into the exposure measurement for climate risks helps the Bank assess the aggregate exposure to climate risks in a data-based and updated manner, thereby producing a more comprehensive and accurate picture of the actual level of exposure of the business credit portfolio in the Bank's Business Banking Division to climate risks.

In order to provide as complete a picture as possible, in the following presentation of the Business Banking Division's business credit portfolio exposure measurement to climate risks, the business credit risk rate given to customers associated with "additional industries" (software, communications, public sector, professional and financial services), is presented separately from the rest of the credit. These industries have been identified by the Bank as having low exposure to climate risks, and accordingly, the Bank does not apply the residual climate risk assessment methodology to them through customer questionnaires. Consequently, the separation of these industries in the exposure index is intended to enable the Bank and stakeholders to continuously examine trends, improve the quality of risk assessment, exposure levels, risk diversification, and evaluate the need for implementing additional risk hedging measures in an informed and transparent manner. This process is an advanced stage in the implementation of the Bank's risk management methodology.

Intensity of exposure to physical risks	Percentage of credit risk	Intensity of exposure to transition risks	Percentage of credit risk
High ¹	0.3%	High	2.3%
Medium	58.2%	Medium	24.6%
Low	15.2%	Low	46.8%
Industries for which residual climate risk is not calculated	26.3%	Industries for which residual climate risk is not calculated	26.3%

1. In this report, for the first time, the intensity of exposure to climate risks is presented according to a division into high, medium, and low exposure. The change in presentation is intended to simplify the exposure picture for the report's readers and is consistent with accepted reporting methodologies in Israel and abroad. For transparency, the conversion key used is as follows: a rating of over 4 on the numerical scale translates to high risk; ratings of 2.5-4 are classified as medium risk; and ratings of 1-2.5 are defined as low risk.

Exposure to economic sectors at increased risk in the transition to a low-carbon economy

Another indicator examined by the Group, in accordance with regulatory directives, is the extent of the Group's credit risk attributable to sectors that are defined at increased risk due to the transition to a low-carbon economy, mainly due to their high emissions. The Group has classified these sectors as having increased transition risk, in accordance with leading global frameworks on the subject. The total credit risk to the public in economic sectors at increased risk is 4.12% of the total credit risk to the public in the Group as of the end of 2025.

Based on the Bank's climate risk assessment, in 2025 it was decided to update the composition of the measurement so that it would consistently reflect the internal transition risk classifications. For this, it was decided to exclude the credit provided to the income-generating property sector from the measurement, which the Bank assesses as having medium exposure to transition risks over all time frames. The Bank will continue to monitor developments in the Israeli economy and update the assessment of transition risks for the various sectors, and if there are changes in the transition risks to the income-generating property sector, the Bank will consider reinstating it in the measurement in the future.

Economic sectors exposed to increased risk in the transition to a low-carbon economy	Percentage of total public credit risk
Fossil fuels ¹	1.82%
Animal agriculture	0.07%
Electricity generation from fossil fuels	0.73%
Manufacturers of cement, metal products, wood and paper products	0.99%
Transportation, shipping and vehicle manufacture	0.51%
Total	4.12%

1. This sector includes the entire fossil fuel value chain (including exploration, mining, production, refining, marketing and sale of products based on fossil fuels, including coal, oil and gas).

Analysis of the effects of materialization of climate risks on the Bank through scenario analysis

Climate change may develop at a varying pace, intensity and manner, depending on the speed and nature of the global transition to a low-carbon economy. This may cause changes in the business environment in which the Bank operates and create new opportunities and risks. In order to examine the resilience of the Bank's business strategy to the potential impacts of climate change, climate scenarios were applied to physical risks, and their impact on the value of the assets pledged to the Bank was estimated (flood scenario, sea level rise scenario, fire scenario and kurkar ridge erosion scenario). In addition, as part of the 2025 ICAAP process under Pillar 2 of capital planning, a climate stress scenario was applied to transition risks and the impact was estimated on the default rates of Bank customers associated with economic sectors exposed to increased risk in the transition to a low-carbon economy, and on the resulting rate of credit loss expense.

Scenario analysis for climate risks (physical risk)

Physical risks are considered material threats in Israel, and have the potential to damage the Bank's physical assets or assets pledged to the Bank. In order to assess the Bank's exposure to these risks, during 2024 the Bank performed an analysis of four climate stress scenarios regarding physical risks:

Flood scenario¹ – A localized event in which water floods dry land, usually on a large scale, that could cause damage and loss of life and property. Flooding can result from a flash flood (a sudden flow of water following heavy rain), from river flooding, tsunami, etc.

Rising sea level scenario – An event that may materialize in the longer term, an accelerated rise in sea level resulting from global warming and climate change, the melting of glaciers and the warming of the oceans (and consequently an increase in their volume). A rise in the sea level in Israel may cause a retreat of the coastline, damage to beaches and structures near the coast, and make many areas uninhabitable, the salinization of the coastal aquifer (reducing the amount of Israel's potable water) and an increased risk of flooding in coastal cities.

Fire – Natural fire that occurs with increased frequency, intensity and scale, due to global warming. Climate change causes an increase in temperature, prolonged dry periods and changes in wind conditions, which may cause an increased occurrence of forest and natural woodland fires.

1. It should be clarified that flood events and rising sea levels may have additional impacts such as damage to infrastructure, disruption to business continuity and supply chains, and loss of income, which were not taken into account in the current scenario analysis, which only addressed credit aspects.

Erosion of the Kurkar Ridge – This is caused on Israel's coastline by sea waves, winds and storms, as well as due to human activity (beach development, construction and infrastructure near the coastline). Erosion of the kurkar ridge may cause cliff collapse, damage to infrastructure, worsening erosion processes, and more.

The analysis was based on a mapping of the properties pledged to the Bank and of the risk areas for various scenarios, according to updated maps from the Ministry of Environmental Protection. These maps are based on past flood events, including the 1992 flood. It was assumed that all pledged properties would be damaged according to their proximity to the mapped risk areas, according to damage rates determined at various intensities. Also, for reasons of conservatism, additional risk area layers were added to the risk areas, expanding the scope of the affected area. The extent of damage to the assets is according to the risk areas. Also, there is no reference to individual characteristics of the property (such as the property's height, floor, age of the building, and the quality of local drainage infrastructure) that may reduce the extent of the damage.

The scenario calculated the impact on the value of assets pledged to the Bank for both the mortgage portfolio and the assets pledged as collateral to secure business credit. For this purpose, a mapping of all assets pledged to the Bank was performed according to the risk zone maps. The damage rates were calculated based on a conservative asset value (for example, for mortgages – the original value without the change in housing prices from the date the mortgage was taken; for business credit – according to the lowest existing valuation) and were determined in accordance with the risk characteristics of the various areas. After calculating the new value of the property after impairment (if the property is located in the risk areas and in accordance with the determined damage rate), the gaps between the current credit balances and the value of the damaged property were examined and classified as credit balances at potential risk.

In all climate scenarios, an analysis was performed for several scenarios with different levels of severity. In addition, a combined scenario was calculated that assumes the realization of several climate scenario events simultaneously.

The results of the analysis, which was conducted based on conservative assumptions, indicate insignificant damage to the Bank's credit portfolio, even without taking into account insurance coverage on the assets. However, it should be noted that this analysis has limitations resulting from the limited availability of data in Israel. The Bank will continue to monitor the development of the risk and examine additional impact aspects and scenarios.

Scenario analysis for climate risks (transition risks)

Transition risks arise from the global changes associated with the transition to a low-carbon economy, including technological development, stricter regulation and changes in government policy, changes in markets and consumer and investor preferences, as well as reputational and legal risk aspects. These risks are divided into several main impact channels:

Policy and regulatory risks may appear as changes in disclosure and reporting requirements, in the imposition of taxes or carbon pricing, in the tightening of emissions standards, in restrictions on the use or marketing of high-emission products and processes, or in the conditions for updating licenses and permits, changes that may increase compliance costs and change the viability of operations of borrowers in various industries.

Technological risks stem from the accelerated development and adoption of alternative and more efficient technologies, which may make existing solutions less competitive, require capital investments to upgrade assets and processes, and lead to a decline in the value of assets, equipment or business models (e.g. due to technological obsolescence).

Market risks relate to changes in market conditions and in the pricing of production inputs and outputs, including volatility in energy and raw material prices, changes in demand and consumption mix, changes in supply chains and competition, which may affect borrowers' revenues, profitability and cash flow.

Reputational risks arise from changes in the expectations of stakeholders (customers, investors, regulators and the public) regarding climate behavior, and may be reflected in damage to the brand, loss of customers or partnerships, difficulties in raising capital or insurance or the lack of a "social license to operate". The combination of these channels may have a material impact on companies' operations, including through a decrease in demand for products and an increase in operating and adjustment expenses, which may lead to changes in financial indicators and an impairment of borrowers' repayment capacity.

During 2025, as part of the annual ICAAP process, a stress scenario for transition risks was implemented to assess the Bank's exposure. In the scenario, damage to the credit rating of customers operating in industries with increased exposure to the transition to a low-carbon economy was assumed, such that increases the likelihood of credit default (an increase in PD rates). Accordingly, the expected credit losses due to the realization of the scenario were calculated, and the potential impact on capital requirements for transition risks was assessed, as part of the ICAAP Pillar 2.

Management of climate-related operational risks

The Bank is preparing for the operational risks arising from climate change and adapting its policy for these preparations. The Bank is working to prepare appropriately for future challenges and business continuity for the critical services in various scenarios, including climate scenarios, and to provide solutions for its customers even in times of emergency, to the extent possible.

The Bank has a systematic Continuity Management Plan, which includes a policy document for disaster recovery and business continuity approved by the Bank's management and the Board of Directors, detailed work plans and operating procedures for times of emergency. The Continuity Management Plan is implemented in the emergency processes of the Bank's divisions and is led by the Business Continuity Unit. The Bank's preparedness for national extreme scenarios, with an emphasis on earthquake events, is expected to provide a response for business continuity needs in extreme climatic events as well. At the same time, to prepare appropriately for the realization of climate risks, the Bank has mapped its strategic assets in order to assess their resilience in a realization of climate scenarios, with an emphasis on the risk of flooding due to the geographic location of these assets. There are plans for the relevant assets to mitigate the risk and prepare for its realization.

The Bank's preparations for operational climate risks is also reflected in the planning and construction of the Bank's new buildings. The Bank's new headquarters building in Lod was built in accordance with an advanced green building standard, and includes systems that protect against natural damage such as floods and fires, as well as systems for saving and monitoring the use of resources and air quality. In addition, the Bank is insured against fire risks and natural hazards, and is therefore prepared with insurance to deal with the effects of climate change.

The electricity sector in Israel is characterized by a relatively low level of preparedness for climate risks – frequent power outages are a significant risk in Israel, and are also expected to increase because climate change is expected to lead to an increase in demand for electricity and damage to electricity infrastructure.¹ In order to prepare for this risk, the essential facilities at the Bank are backed up by emergency power generation and emergency tanks in accordance with Bank of Israel guidelines and relevant regulations.

1. Based on the Institute for National Security Studies review – "Energy Security in the Face of the Climate Crisis".

Management of environmental risks

Environmental risks are risks arising from the potential impact of environmental changes or damage on financial corporations. The Bank is exposed to a loss that may result from a deterioration in a borrower's financial condition, due to high costs caused by environmental hazards and environmental quality regulation. There may also be damage from a decrease in the value of collateral exposed to environmental risk, or from the Bank being indirectly responsible for an environmental hazard caused by its financed project. Environmental risk also includes additional derivative risks: reputational risk, third party liability, etc. Environmental risk factors are the Corporation's diverse effects on the environment, including air and water pollution, contaminated soil, damage to biodiversity, compliance with environmental regulations in various areas, and more.

The Bank has an established policy regarding environmental risk management within the framework of credit policy documents. Credit risk is the most relevant and important, and is affected by borrowing entities that have the potential to create pollution and environmental hazards. The Bank's credit policy documents include a dedicated policy for environmental risks, which includes a methodology for identifying, assessing and addressing environmental risk. Work processes have also been established to identify material risk when granting credit and to integrate the risk assessment, if any, into the periodic assessment of the quality of the credit provided.

The Bank examines the implications of environmental risks as an integral part of credit risks (in financial, legal and insurance aspects). The environmental risk management policy when granting credit takes into account not only considerations based on customer quality, solvency, collateral quality, etc., but also environmental considerations, including the potential for harm to the environment as a result of the borrower's activities and the potential for environmental impacts on their routine activities.

The Bank integrates environmental considerations when granting credit, both in projects it organizes and leads and in the granting of ongoing credit to companies. This risk is evaluated in companies with a wide range of activities and a significant potential for environmental risk. In addition, when assessing the value of land collateral, the Appraisal Department performs an assessment of environmental risks that are taken into account when providing credit, in the context of environmental pollution and their implications on the value of the assets, with an emphasis on assets with the potential for soil and groundwater contamination.

Identification, measurement and supervision of environmental risks

- **Detection, identification, mapping and monitoring** – The Bank has mapped sectors with significant potential for environmental risk, including various energy, industry, transportation, desalination, mining and quarrying sectors. The economic sectors were sorted according to their degree of impact on the quality of the environment in the following aspects: wastewater, hazardous materials, noise, radiation, waste, soil, air, odor, asbestos, air emissions. Next, material customers operating in industries with real potential for environmental risk, including climate risks, were identified. This mapping is reviewed periodically, and changes and adjustments are made following local and international guidelines, regulations and standards.
- **Assessment of the impact of environmental risks** – Credit that met the defined criteria was examined, among other things, through: asset appraisals (according to criteria for locating land and assets where environmental aspects must be considered), material information published in the financial statements, information received from customers and reports to the Ministry of Environmental Protection. In large-scale financing (as a percentage of the Bank's capital) of real estate and land projects, an examination of positive indications of environmental risks is carried out according to a list of criteria defined by the Bank. Examination of this issue is also established as part of the project inspectors' reporting. In very large infrastructure projects (development and new construction, as well as operation), for which the Bank organizes the financing, an environmental assessment is carried out with an emphasis on environmental hazards and compliance with relevant regulations, including: requiring the technical/environmental consultant to address the environmental impacts, an estimate of the project's costs and measures for minimizing the risk, compliance with environmental regulatory requirements, the purpose of the project and its future uses, and operational steps to minimize environmental risks.
- **Credit for economic sectors with a material environmental impact** – In credit applications in a material amount, for companies in sectors identified as having a material environmental impact, reference is made to environmental risks that may affect the ability to repay the credit. For example, compliance with regulatory directives, significant environmental costs and legal proceedings conducted against the company. These are all factored into the customer's overall risk assessment.
- **Use of environmental databases** – As part of the integration of environmental risks into the work system, an extensive list of environmental quality databases has been compiled with the assistance of the Bank's environmental consultants to support the business units. The list includes databases relating to planning and construction information, legal databases, licenses and permits, ratings and reports, maps and more.

Training program on the subject of climate risk management

As part of the Bank's preparations for climate risk management and for compliance with PCBB 345, the Bank is formulating a dedicated training program for the relevant positions, with the aim of creating a common professional language and integrating the management principles for various climate risks into ongoing operations. The training program includes, among other things, an introduction to the types of climate risks and their relationship to financial risks, the main requirements of PCBB 345, as well as applied training with respect to the methodologies, tools and indicators that the Bank develops and integrates for risk management. The emphasis is on bankers and professionals in the Business Banking Division, the Retail Division and the Financial Division, alongside training for management and senior executives as needed. In 2025, the Bank commenced implementation of the program, and its further distribution and completion are expected to continue in 2026.

Employee training regarding environmental and climate risks in the Business Banking Division

A central part of the Bank's preparation is the assimilation of awareness of climate and environmental issues among those involved in the provision of credit. The Business Banking Division headquarters conducts training in this area for relevant positions in the division, with the assistance of external professional consultants from the environmental and legal fields. The training includes the identification of warning signs regarding environmental and climate risks, the implications of these risks on business aspects, regulatory updates, sources of information on environmental risk issues, how they are managed in the companies (investments and expenses in this area, legal claims, etc.), and aspects of environmental risks during receivership. The training is adapted to the characteristics of the business units' activities and reviews the environmental work processes in the companies' ongoing activities, in project support, in assets pledged to the Bank and in legal documents. In 2025, approx. 145 hours of training on environmental and climate risk management were provided in dedicated training sessions for relevant positions. In the Business Banking Division, the subject of environmental risks and the expansion of policy and activities in this area were integrated into internal meetings with the relevant positions. These meetings presented an overview of environmental risks in general, and climate risks and their growing importance in particular, with an emphasis on warning signs that require a more in-depth examination of environmental aspects.

Management of environmental and climate risks in overseas branches

Environmental issues are also integrated into the activities of the Bank's overseas branches. Mizrahi-Tefahot London operates in accordance with principles published by the PRA (Prudential Regulation Authority) on behalf of the Bank of England. In the London branch, corporate governance mechanisms were implemented through a climate change committee, and climate risk management was also implemented within the credit processes, by integrating the climate risk assessment into credit application templates. Environmental aspects are examined as part of the credit approval considerations: In the real estate sector, risks are evaluated, such as fires, floods and frost to green areas, and in the commercial credit sector, risks arising from the use and production of plastics, aquaculture, oil and gas are examined. These risks are also taken into account in the valuation of assets that serve as collateral. The Bank's branch in the United States is working to include climate risk management considerations in the credit approval process, by requesting that certain customers complete specific questionnaires. The information collected will be examined and discussed in the Credit Committee's deliberations.

Climate and environmental risk management at Bank Yahav

Bank Yahav carried out a mapping process for climate risks relevant to the Bank and established a framework for managing climate risks. The process included the establishment of reporting frameworks for the management and the Board of Directors, along with the development of mechanisms for identifying, assessing and managing climate-related risks. In 2026, the Bank will complete its preparations for the implementation of PCBB 345, including the drafting of a dedicated policy document and an update to relevant policy documents and procedures. In addition, the Bank integrates climate and environmental considerations into its investment advisory system, and receives information from an Israeli rating agency regarding mutual funds, ETFs and issuers on the local stock exchange. The information is presented to advisors through review sheets distributed through the advisory system, and advisors have been trained on the subject. Regarding climate risk management in the nostro portfolio, Bank Yahav addresses climate and environmental risk aspects in its capital management and investment policy. The Bank has no significant activity in the business sector involving corporate financing. Its activity is limited to investment in corporate bonds on a small scale and in small volumes at a specific sector level and from a single issuer. The main exposure in the Bank's investments is to the banking sector, with reliance on S&P ratings and public publications indicating a low risk level.

Environmental responsibility

Management and reduction of the carbon footprint

The Mizrahi-Tefahot Group's carbon footprint consists of two main components: greenhouse gas emissions resulting from the Company's operational activities and greenhouse gas emissions associated with the Group's financial activities.¹ The Group has been managing its operational carbon footprint since 2012,² and has set a long-term reduction target.

As part of the Bank's commitment to reducing emissions and mitigating its climate impacts, it measures its full carbon footprint, including the amount of financed emissions. The calculation of financed emissions is in accordance with the international PCAF standard,³ which is currently the leading global standard for calculating emissions associated with financial activities.

As with any business organization, Mizrahi-Tefahot Bank's ongoing operational activities also have a direct environmental impact. The Bank strives to implement environmentally responsible practices in its ongoing operations and to reduce direct impacts while improving operational efficiency. As a consequence of the Bank's operations in office buildings, the Bank's main direct environmental impacts stem from energy consumption in offices and the vehicle fleet, as well as from the consumption of office materials, with an emphasis on paper. The Bank manages these aspects through multi-year work plans aimed at reducing impacts with frequent monitoring by the relevant teams at the Bank.

In 2025, the Bank continued its energy efficiency program and completed a key stage in establishing the Bank's new headquarters, which was designed in accordance with green building principles, the LEED standard and advanced energy efficiency standards. For additional information regarding the energy efficiency processes, please see below in this chapter.

Measuring the Bank's operational carbon footprint

The Mizrahi-Tefahot Group diligently measures the greenhouse gas emissions caused directly by its operations from the consumption of gas and diesel (Scope 1), indirect emissions from the Bank's electricity consumption (Scope 2) and additional indirect emissions in the supply chain: paper consumption and paper waste sent for recycling, water consumption, electronic waste sent for scrapping and business flights (Scope 3). Also in 2025, the Group continued to report its greenhouse gas emissions to the Ministry of Environmental Protection's voluntary reporting system. The greenhouse gas emission findings are measured in accordance with the GHG Protocol methodology.⁴ The Group reports according to a breakdown by Location-based and Market-based.

1. Category 15 in Scope 3, according to the GHG protocol taxonomy, the leading global standard for calculating the carbon footprint.

2. In 2012, the Bank's first ESG report was published, which included carbon footprint data.

3. Partnership for Carbon Accounting Financials.

4. Greenhouse Gas Protocol.

From the data, it is evident that in 2025 there was an increase of approx. 4% in the total carbon footprint compared to the previous year (Location-based) and a decrease of approx. 10.6% compared to the base year, 2020. On the other hand, there was a decrease of approx. 8% in the footprint intensity per sq.m., and an increase of approx. 3% in the footprint intensity per employee, compared to the previous year.

In 2025, there was an increase of approx. 7% in Scope 2 emissions (Location-based) compared to 2024, due to an increase in electricity consumption at Mizrahi-Tefahot Bank stemming from the operation of the new Mizrahi-Tefahot Lod building throughout the year in order to run the electricity and air conditioning systems concurrently with the operation of the existing buildings, even though the building was only occupied in the second half of the year. On the other hand, the carbon footprint per sq.m. decreased by approx. 8%, indicating continued efficiency in electricity consumption.

Mizrahi-Tefahot Group's operational carbon footprint (tons of CO₂e)¹

Market based	Measurement unit	2021	2022	2023	2024	2025 ²
Scope 1	Tons of CO ₂ e	2,090	2,138	2,095	2,212	2,172
Scope 2 ³	Tons of CO ₂ e	18,875	18,166	18,167	16,113	17,033
Scope 3 (categories 1, 5, 6) ³	Tons of CO ₂ e	831	845	622	930	777
Total carbon footprint – Scopes 1, 2, 3	Tons of CO₂e	21,796	21,149	20,884	19,255	19,982
Carbon footprint intensity per sq.m.	Tons of CO ₂ e / sq.m	0.143	0.128	0.139	0.128	0.117
Carbon footprint intensity per employee	Tons of CO ₂ e / employee	2.851	2.787	2.878	2.625	2.695

Location based	Measurement unit	2021	2022	2023	2024	2025 ²
Scope 1	Tons of CO ₂ e	2,090	2,138	2,095	2,212	2,172
Scope 2	Tons of CO ₂ e	15,887	16,162	16,075	14,549	15,496
Scope 3 (categories 1, 5, 6) ⁴	Tons of CO ₂ e	831	845	622	930	777
Total carbon footprint – Scopes 1, 2, 3	Tons of CO₂e	18,808	19,145	18,792	17,691	18,445
Carbon footprint intensity per sq.m.	Ton CO ₂ e/sq.m.	0.123	0.116	0.125	0.118	0.108
Carbon footprint intensity per employee	Ton CO ₂ e/employee	2.460	2.523	2.589	2.412	2.488

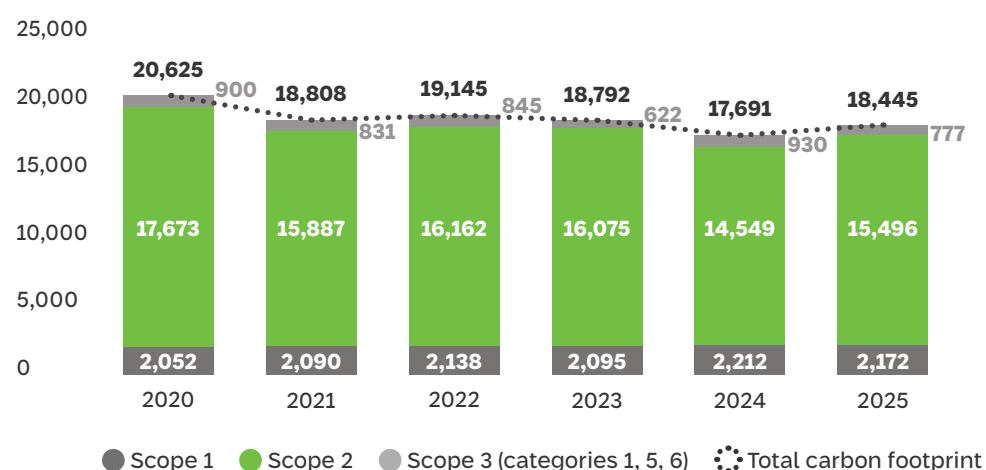
1. The Group's carbon footprint data includes Mizrahi-Tefahot Bank and its main subsidiaries. Union Bank was included in 2021-2022, and starting in 2023 Union Bank was fully consolidated with Mizrahi-Tefahot Bank.

2. In 2025, there was an increase of approx. 7% in Scope 2 emissions (Location-based) compared to 2024, due to an increase in electricity consumption at Mizrahi-Tefahot Bank stemming from the operation of the new Mizrahi-Tefahot Lod building throughout the year in order to run the electricity and air conditioning systems concurrently with the operation of the existing buildings, even though the building was only occupied in the second half of the year. On the other hand, the carbon footprint per sq.m. decreased by approx. 8%, indicating continued efficiency in electricity consumption.

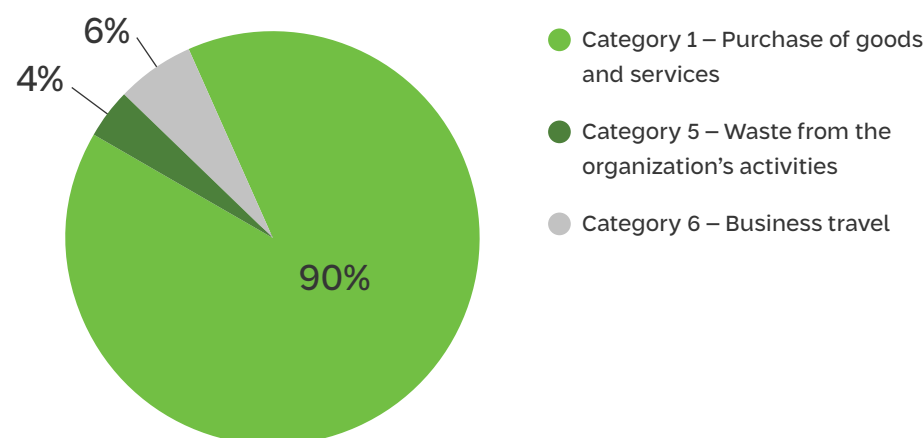
3. Starting in 2023, Scope 3 calculations also include water consumption. The 2024 figure has been updated, following a change in the work assumption regarding the water rate. In 2025, there was a decrease of approx. 17% in Scope 3 compared to the previous year as a result of the continued processes of streamlining paper consumption in the Mizrahi-Tefahot Group.

4. This calculation includes paper consumption, paper recycling, electronic waste, toners and ink cartridges, business flights, and water consumption.

The Group's operational carbon footprint (tons of CO₂e)¹



Source of emissions – Scope 3²



1. The Group's carbon footprint data includes Mizrahi-Tefahot Bank and its main subsidiaries. Union Bank was included in 2020–2022, and starting in 2023 Union Bank was fully consolidated with Mizrahi-Tefahot Bank.
 2. The Scope 3 greenhouse gas emissions reporting is presented with a division into categories in accordance with the GHG Protocol guidelines. The percentages presented in this graph do not include Category 15.

Financed emissions

For the fourth consecutive year, the Bank is reporting on its financed emissions. The measurement enables the Bank to manage its exposure to high-emission financing in the business credit portfolio systematically and in-depth, and to use the information for high quality, data-based decision-making. Also this year, the Bank is operating and developing its capabilities for measuring and assessing financed emissions, while ensuring compliance with the specific and updated requirements of the PCAF standard. In this context, the Bank worked to expand its managed emissions database for conducting the assessment, alongside its capabilities for collecting the financial and environmental information required from its customers.

In 2025, the Bank expanded the use of carbon footprint and energy consumption data collected directly from the Bank's business borrowers for this purpose, as part of the Business Banking Division's climate risk assessment questionnaires (see the "Responsible Management of Climate and Environmental Risks" chapter above). As part of the methodology updating and adapting, the Bank has used additional environmental data, which is increasing year by year with the Israeli economy's increasing maturity in this area. A clear example of progress in the economy's maturity in 2025 can be found in the first publication of emissions data by several significant companies in the Israeli real estate and construction sectors, which is reflected in a significant decrease in the intensity of the Bank's financed emissions in this sector, alongside an improvement in the quality of the data.

In the work process for calculating the financed emissions for 2025, the Bank validated the 2024 data and applied the same methodological updates to them that were applied in the calculation of the financed emissions for 2025.

The measurement results for 2025 showed a decrease in the intensity of the Bank's financed emissions, to 66 tons of CO₂e per million NIS, compared to 83 tons of CO₂e per million NIS in 2024.¹ This decrease in the intensity of financed emissions was made possible by a combination of several factors, including: an increase in the rate of credit to the construction and real estate sectors, which are characterized by low emissions intensity, according to PCAF standard calculations; the continued upward trend in the volume of green financing provided by the Bank; and the efficiency of the Israeli electricity grid. Another factor in the decrease in the intensity of financed emissions is the expansion of the use of emissions data collected from customers, alongside an increase in the availability of existing data in the Israeli economy. All of these also led to an improvement in the assessment's information quality score,² from 3.7 to 3.5.

1. Emissions intensity data for the Bank's total commercial credit for 2024, after validation and update.
 2. There is no change in the information quality score for 2024 following the validation and update process.

The Bank continues to refine and develop its carbon footprint calculation and assessment methodology, to enrich the environmental database on which it is based, and to collaborate with its customers to promote a low-carbon economic future in Israel.

Amount of financed emissions out of total commercial credit – 2025¹

Economic sector	Total financed emissions (MTCO ₂ e)	Percentage of total debts ²	Emission intensity ³ (Tons per NIS millions)	Information quality score ⁴
Real estate and construction	0.35	10.43%	8.7	3.3
Commerce and services	2.13	5.01%	108.5	4.1
Fossil fuel-based energy	1.63	3.00%	138.4	2.5
Industry	1.08	1.89%	145.8	4.0
Infrastructure and environmental quality	0.18	0.96%	48	3.0
Other	0.18	0.52%	89.5	5
Transportation and shipping	0.23	0.52%	115	3.3
Total	5.78	22.34%	66.2	3.4

1. The amount of financed emissions for 2025 includes the credit data defined as material, from the balance sheet commercial credit provided by the Bank in the Business Banking Division and in the Retail Division. This data does not include credit in the Bank's overseas branches, credit to municipal authorities, and does not include credit in an amount less than NIS 1,000,000 (NIS 10,000 in the 2022 report). Credit to municipal authorities is not included in the calculation for 2025. Guidelines for calculating financed emissions for municipal credit were published in the third edition of the PCAF standard, which was published in late 2025, concurrent with the period for calculating financed emissions at the Bank.

2. Loans to the public at the Bank.

3. Total emission intensity is calculated separately by sector and for total commercial credit. Intensity is the ratio of total emissions to NIS 1 million in debt.

4. Data quality scores are assigned in accordance with the PCAF Standard and are attributed to each financing or investment exposure based on the reliability of the available data. The scoring scale ranges from 1 (highest data quality) to 5 (lowest data quality).

Management of environmental aspects in the Bank's operational activities

Responsible resource consumption – energy efficiency

Energy consumption in the Mizrahi-Tefahot Group

		2021	2022	2023	2024	2025
Electricity (KWh)	Total electricity consumption per sq.m.	221.5	209.1	228.3	221.9	214.6
	Total electricity consumption per employee	4,427	4,541	4,725	4,543	4,943
	Total electricity consumption	33,846,527	34,453,858	34,286,597	33,325,097	36,651,250
Fuel (liters)	Total gas consumption	710,442	678,542	625,829	652,695	689,357
	Total diesel consumption ¹	162,068	197,345	228,516	246,095	204,251
Energy (GJ)	Total electricity consumption	121,847	124,034	123,432	119,970	131,945
	Total gas consumption	24,239	23,150	21,352	22,268	23,519
	Total diesel consumption	6,252	7,613	8,816	9,494	7,880
	Total energy consumption	152,338	154,797	153,599	151,733	163,343
Energy intensity	Total energy intensity per sq.m. (GJ/sq.m.)	0.99	0.94	1.02	1.01	0.96
	Total energy intensity per employee (GJ/employee)	19.92	20.4	21.17	20.68	22.03

* KWh – Kilowatt/hour

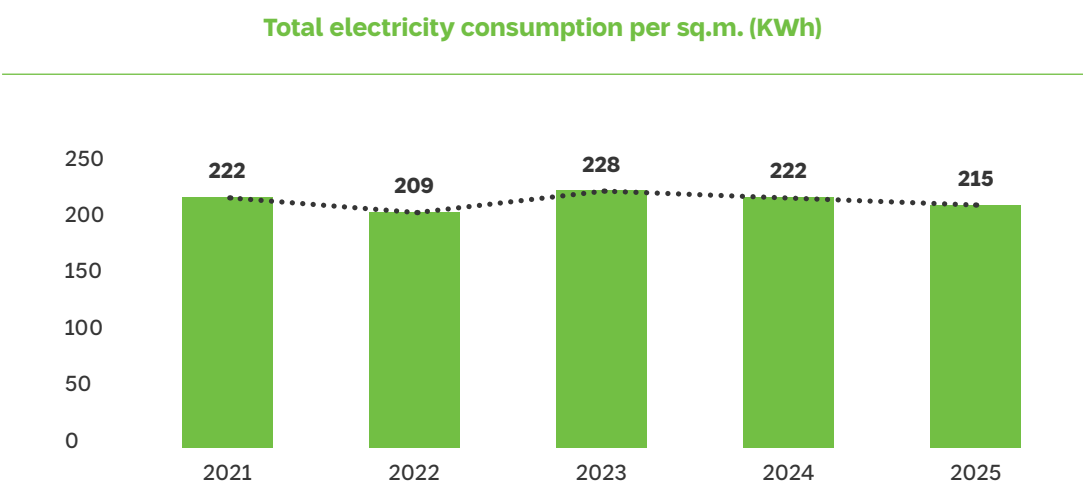
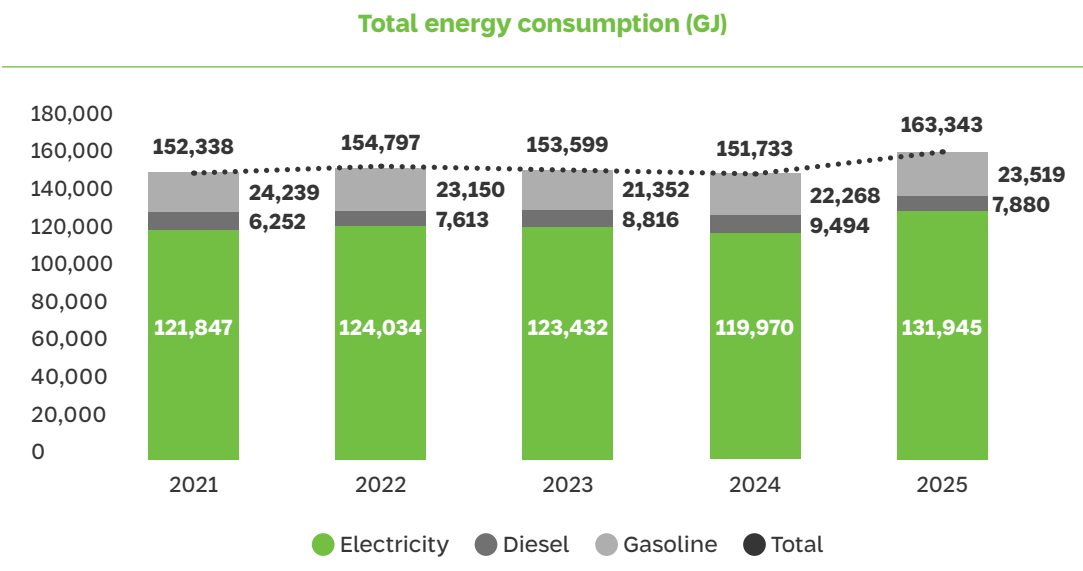
** GJ – an energy measurement unit

In 2025, there was an increase in the Group's gasoline consumption of approx. 6% due to an increase in the number of vehicles fully financed by the Bank and due to an increase in the average number of kilometers driven by the Bank's vehicle fleet compared to 2024. On the other hand, diesel fuel consumption decreased by approx. 17% due to the reduced purchase of large quantities for the operation of generators, as required in the previous two years during the War.

In 2025, there was an increase of approx. 10% in the Group's electricity consumption due to the operation of the new Mizrahi-Tefahot Lod building (concurrently with the operation of the existing buildings) throughout the year in order to run the electricity

1. Diesel fuel consumption also includes diesel consumption in generators. This is actually purchasing data and not consumption.

and air conditioning systems, even though the building was only occupied in the second half of the year. However, also this year, the energy efficiency processes led by the Group in recent years continued, which resulted in a decrease of approx. 5% in energy intensity per sq.m. (GJ/sq.m.). In addition, there was a decrease of approx. 3% in electricity consumption intensity (KWh) per sq.m. and an increase of approx. 8% in electricity consumption intensity (KWh) per employee, as a result of the above.



Measures for improving energy efficiency in electricity consumption

The following is a description of measures implemented to improve energy efficiency in electricity consumption in recent years, as well as in 2025:

- **Efficient use of space** – Efficient use of space also contributes to a reduction in electricity consumption. In 2025, decisions were made for a reduction in space in several branches, and they will be reviewed and implemented in 2026–2027. The plan is expected to streamline branch areas and adapt them to the Bank’s volume of activity and customer needs.
- **Operation of a control and monitoring system in headquarters buildings, which assists in the monthly examination of electricity consumption** – The Bank analyzes electricity consumption costs for each main building on a monthly basis, and in the event of an exception, it works (with the assistance of consultants) to identify the cause and address it.
- **Utilization of the generator system (for emergencies) during peak hours on an ongoing basis** – In accordance with the agreement with the Israel Electric Company (IEC), the Bank participates in the Electricity Authority’s load shedding program and sells electricity to the IEC during peak hours, at its request, by operating the emergency generators. This helps to reduce peak points at the national level and utilize the diesel fuel in the generators at the Bank’s headquarters in Lod. Consequently, the generators’ operating hours for self-testing were also reduced, as they rely on actual operation for testing purposes.
- **Installation of a circulation system for diesel fuel in generators** – This system was installed to prevent soil contamination with unusable diesel fuel, as well as to extend the life of the diesel fuel. In addition, a leak test is carried out on diesel fuel tanks to prevent leakage.

Measures for energy efficiency in fuel consumption

In order to reduce fuel consumption in the organization’s vehicle fleet, several measures are being implemented that complement each other. The Bank is adopting a policy of prioritizing vehicles with high energy efficiency and encourages the use of hybrid and electric vehicles.

- **Hybrid vehicles** – In 2025, the proportion of hybrid and electric vehicles was approx. 27% of the total vehicle fleet.¹ In view of the changes in the electric vehicle market and the increase in their use, the option of expanding the use of this type of vehicle is currently under review.
- **Transportation system** – The Lod campus has a shuttle system available to employees commuting from all over the country. In addition, the Bank encourages the use of public transportation in general, and the train in particular, by providing a shuttle system from the train station to the Bank’s Lod campus (a supplementary system during arrival and departure hours). In 2025, approx. 22% of the employees at the Bank’s Lod campus made daily use of the organized transportation.²

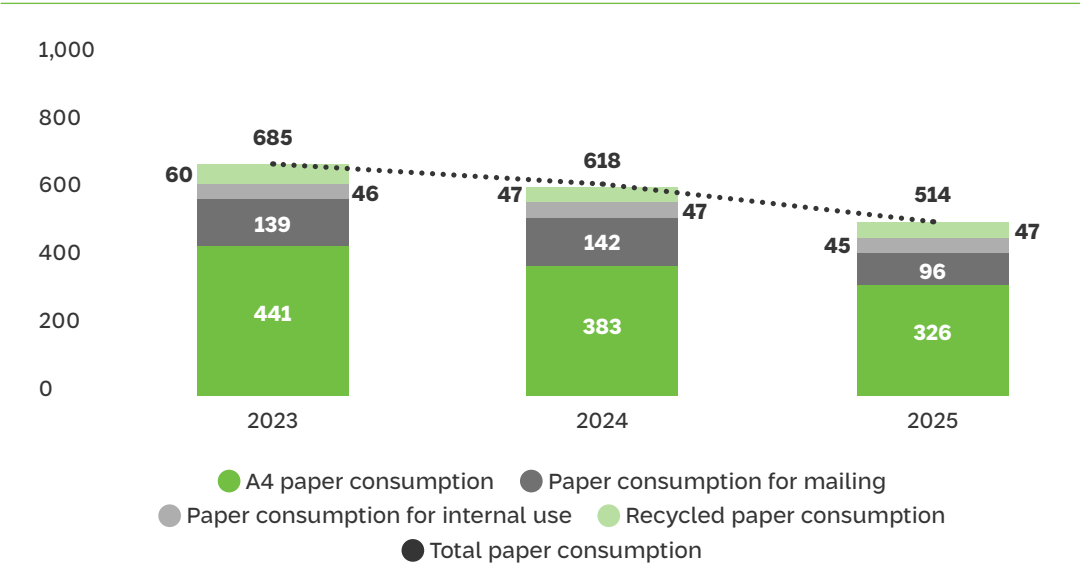
1. Compared to approx. 39% in 2024.
2. As of the end of December 2025, the Bank’s Lod campus has not yet been fully occupied.

Paper consumption

The Group uses paper primarily for printing forms, customer correspondence and reports, with a significant part of the use due to regulatory directives, such as Bank of Israel requirements.

	2023	2024	2025
Total paper consumption (tons)	685	618	514
Percentage of recycled paper out of total paper consumption	8.8%	7.6%	9.1%

Paper consumption in the Group



In 2025, the Bank continued the promotion of initiatives for the reduction of paper consumption, including by expanding automation processes and creating digital solutions and interfaces, both in internal work processes and in the interface with customers, such as sending documents via secure correspondence, remote signing of documents, interfaces for data capture, issuing digital sales law guarantees, and more. These steps contributed to a reduction in paper consumption and a significant decrease in the number of pages printed in the Bank’s systems compared to the previous year. In 2025, there was a decrease of 104 tons in paper consumption (approx. 17% compared to the previous year) due to these efforts. The Bank is also working to expand digital mailings in the commercial and mortgage sectors. More than half of customers in the commercial sector currently receive mailings by email, and approx. 30% of customers in the mortgage sector. At the same time, the Bank aims to incorporate environmentally friendly materials, and in 2025, approx. 9% of the paper purchased was recycled, all made from 100% recycled fibers, and meeting international standards. In 2026, the Bank will continue the promotion of initiatives for the reduction of paper use in various business processes, including in commercial and mortgage activities.

Recycling and waste treatment

The Group’s waste treatment focuses on the separation of three types of waste: paper, electronic waste and ink cartridges.

Type of waste	Treatment method	2021	2022	2023	2024	2025
Paper waste	Transferred for recy-cling (tons)	795	1,157	579	323	480
Treatment of electronic waste	Scrapped (tons)	11	41	44	17	50
Treatment of ink cartridges and toners ¹	Scrapped (tons)	10,033	9,849	6,376	7,473	5,888

All of the Group’s paper and electronic waste is recycled. The amount of electronic waste recycled each year varies depending on the projects related to the replacement of electronic equipment carried out according to the Bank’s needs. The Group complies with the Ministry of Environmental Protection’s instructions in all matters related to the disposal of ordinary and hazardous waste.² In 2025, there was an increase in the amount of paper waste recycled, mainly due to the move to the Mizrahi-Tefahot Lod campus, which included the removal of old materials during the decommissioning of the unit offices. There was also an increase in the amount of electronic waste as a result of the widespread purchase and replacement of monitors with new ones throughout the Bank.

Water consumption

Water consumption in the Mizrahi-Tefahot Group is primarily for office needs, such as cleaning, drinking water, and restrooms. In 2025, the Group’s water consumption was approx. 56,846 cu.m., with a consumption intensity of 7.67 (cu.m./employee), which is a decrease of approx. 10% compared to the previous year, following the completion of construction of the Bank’s new campus in Lod.³

When abnormal water consumption is recorded at branches (usually through an alert from the local authority), maintenance center representatives are immediately dispatched to locate and address the source of the deviation. In some headquarters buildings, there is a building control system that turns off the water taps at night and immediately sends alerts regarding abnormal consumption (for example, a leak) by text message. These calls are handled as quickly as possible in order to minimize damage to the water resource.

1. This data does not include Union Bank.
2. As a financial entity, the Bank’s hazardous waste includes batteries and light bulbs. This data is presented within the Bank’s electronic waste.
3. Water consumption data is significantly lower than previously reported volumes, following a change in the work assumption in the per-cubic meter rate used to calculate consumption quantities. In 2024, the actual water consumption amount was 62,166 cubic meters, and the consumption intensity per employee was 8.47.

Raising awareness of environmental issues – Measures to encourage recycling among employees

The Bank works to create environmental awareness among its employees and promotes initiatives for recycling, reuse and reducing waste.

- **Collection of bottles, batteries and electronic waste for recycling** – Containers for collecting bottles, batteries and electronic waste have been placed on the Bank’s premises to encourage Bank employees to recycle.
- **Collection of medicines for reuse** – The Bank has partnered with the “Haverim L’Refuah” association to collect medicines that are no longer in use and donate them to those in need. Dedicated collection containers are located in all bank branches and headquarters buildings. The initiative has been operating for a decade, during which time medicines with a cumulative value of over NIS 8 million have been collected.
- **A book lending project in collaboration with “Rebooks”** – The Bank has partnered with the “All Good” association in a book lending project for Bank employees through libraries in the Bank’s headquarters buildings. The libraries encourage reuse and encourage sustainable consumerism.

Control and regulatory compliance

In the reporting year, no fines or sanctions were imposed on the Group for environmental regulatory violations. The Bank conducts internal and external control regarding all aspects of environmental management. Paper consumption and shredding are monitored by computer systems and supplier reports. The Group’s fuel consumption data is provided directly by the fuel suppliers. In addition, employees who use a Bank vehicle regularly receive a report reflecting their fuel consumption data. The Group’s electricity consumption data is provided by the electricity supplier. Electronic waste recycling data is provided by supplier reports.



Construction of the new campus and promotion of green construction

In 2022, construction work began on the new Mizrahi-Tefahot campus in the city of Lod with the aim of housing all of the Bank's headquarters units. In late 2025, the campus commenced occupancy, and the move was completed at the end of the first quarter of 2026.

The campus was designed and built in accordance with advanced environmental and employee welfare standards that measure the carbon footprint, reduce environmental impacts, and improve working conditions. The building was designed in accordance with the LEED standard, a voluntary American standard for green building, and in 2025, documentation was submitted for LEED PLATINUM certification – the highest level. The standard focuses on the core systems of the building and establishes an infrastructure for implementing sustainable practices throughout the life of the building.

Green building materials were selected during the design and construction, measures for preventing pollution were implemented, and resource consumption and waste generation were reduced. The campus includes energy-efficient features, including advanced insulation, high-performance glazing, efficient air conditioning systems, and solar panels, which contribute to reducing energy consumption and greenhouse gas emissions. An advanced control and monitoring system enables smart management and operation of the systems and optimizes energy use. In addition, water-saving measures are implemented, including low-flow fixtures and air-conditioning water collection systems for toilet flushing. This is in addition to the recycling infrastructure and vehicle charging stations.

In 2025, an engagement was approved for the construction and installation of photovoltaic systems, and their construction is expected in 2026. An engagement was also approved for the construction and operation of an electricity storage facility on campus under the BOT model, and construction is expected in 2026–2027.

In order to reduce the use of private vehicles, a system of transportation and shuttles to and from train stations is operated throughout the day, with high accessibility to intercity transportation infrastructure. The bank encourages ride-sharing and has integrated parking on campus for bicycles and motorcycles. The concentration of headquarters units on one campus, along with the use of technological means for holding online meetings and training, contributes to the conservation of resources and reduced emissions.

The campus is designed in accordance with the WELL V2 standard, which focuses on creating a healthy and comfortable work environment. Within this framework, advanced facades with built-in shading developed through energy and thermal analysis, high-efficiency air conditioning systems with filtration, economical electrical and lighting systems, and air quality management infrastructures have been implemented. Certification documentation is currently being compiled for submission. For the well-being of employees, landscaping and rest areas, an active gym and locker rooms have been established. The planning of traffic on the campus, which includes illuminated and inviting staircases, encourages physical activity throughout the workday.

Defined goal	Response to SDGs	Status
The Bank's new campus in Lod is being built in accordance with the LEED standard for green building and is for platinum certification of the standard in order to promote energy efficiency.	   	In 2025, documentation was submitted for LEED Platinum certification.
Promotion of the placement of photovoltaic installations at the Bank's Lod campus.	 	In 2025, an engagement was approved for the construction of photovoltaic installations at the Bank's Lod campus. The facility is expected to be installed in 2026.
Reduction in paper consumption by approx. 30% by the end of 2025 compared to 2023.		In progress (25% reduction); implementation will continue in 2026.
Scenario analysis – The implementation of climate scenarios relating to transition risks will be examined.		Done.
Increased training for employees and managers on the subject of climate.		Done.
Continued preparations for the implementation of the Bank of Israel's PCBB 345 – "Principles for the Effective Management of Climate-Related Financial Risks". In 2025, the Bank will continue preparations for the implementation of the Directive, while improving methodologies and integrating climate considerations into decision-making processes.		The Bank has made significant progress in in-tegrating climate risks into all required activi-ties. By June 2026, the Bank will complete its preparations for compliance with PCBB 345.

Defined goal	Response to SDGs
Construction of a rooftop solar energy facility on the Bank's Lod campus.	  
Continued promotion of initiatives reducing paper consumption through the implementation of digital processes and automation.	
Climate training for senior management and the Board of Directors.	
Completion of the Bank's preparations for implementation of the Bank of Israel's PCBB 345 – "Principles for the Effective Management of Climate-Related Financial Risks", including comple-tion of the formulation of a comprehensive climate risk policy and its approval by management and the Board of Directors.	



The Mizrahi-Tefahot Group considers corporate and social responsibility an integral part of its business strategy. Social activity is based on a long-term commitment to creating value for stakeholders. The Group works to make service accessible to customers in a human-centered, fair and responsible manner, to strengthen the community through focused social involvement and investment, and to promote a diverse and inclusive work environment.



The Bank's service concept, "People First", anchors a commitment to providing professional, fair and transparent service at all points of contact between the Bank and the customer, both in branches and through digital channels. In 2025, against the backdrop of the ongoing war and its economic and social consequences, the Bank continued to work to strengthen the relationship with its customers and adapt its activities to current needs. This human-centered approach is reflected in four main areas: developing and adapting products and services to customer needs, including the development of products with social value; promoting financial inclusion and making financial services accessible to diverse populations; managing and improving the customer experience across a variety of channels and continuous measuring of satisfaction; implementing principles of fairness and transparency as part of binding policies and procedures.

- **Adapting products and services to customer needs** – The Bank offers a variety of financial products and services according to its customers' needs and develops social products with shared value that have a positive social-community impact.
- **Financial inclusion and financial education** – Making financial services equally accessible to the entire population, through the development of products and services adapted for diverse population groups, financial education, digitization and a human response at bank branches for population groups with low access to digital tools.
- **Customer experience** – The Bank considers customer satisfaction a measure of success, and therefore it attaches great importance to the quality of service and works to provide personal and optimal service to all its customers.
- **Fairness and transparency with the customer** – These are fundamental values in the Bank's concept and code of ethics. The Bank conscientiously maintains a fair relationship with all stakeholders, and in particular with customers who are at the center of business activity.

Investing in customers

Adapting products and services to customer needs



The Group offers its customers various financial solutions tailored to their personal needs, financial situation and various stages of life. The Bank promotes initiatives and products with social, community and environmental value, while integrating innovation and continuous improvement in the customer experience. The Bank's services combine professionalism, accessibility and personal attention, and they enable customers to make informed decisions even in changing market conditions, such as a high interest rate environment, or in challenging times such as a state of war, with all its financial implications.

Development of products with social and community value

In its focus on social impact and responsible management of risks and opportunities, the Bank allocates credit for the development, establishment or initiation of products with social-community value.



In 2025, the Bank provided **social credit** in the amount of approx. **NIS 9.1 billion** for the promotion of social goals:^{1,2}

Promoting small businesses

- **Small Business Credit: "North-South Fund"** – The Bank promotes small and medium-sized businesses in peripheral areas, turning them into centers of attraction. This is achieved by creating employment opportunities, increasing income and improving the quality of life of the area's residents. At the beginning of the Iron Swords War,

1. The bank's methodology is based on the SASB standard relating to financial inclusion, adapted to the characteristics existing in Israel. The credit amount specified is only balance sheet credit.
2. In 2025, there was a decrease of approx. 8% in total social credit compared to 2024, due to the closure of designated credit lines that were provided during the Iron Swords War.

two aid funds were established for small and medium-sized businesses that were financially impacted by the War, with a focus on the southern and northern communities and the industrial sector, which continued operating also in 2025.

- **Development of small and micro businesses in the underserved communities¹** – The Bank provides credit to small and micro businesses located in localities with a low and medium socio-economic index, thereby helping to promote the economy and employment in these areas.
- **State-guaranteed fund for small and medium-sized businesses** – The Bank has been active within the framework of the fund for providing State-guaranteed loans to small and medium-sized businesses since 2012. During 2025, a "Northern Track" was launched within the framework of the fund, with the aim of supporting and rehabilitating small and medium-sized businesses operating along the northern border that were damaged during the war.

Community development

- **Credit provided for community services and infrastructure in the underserved communities²** – The Bank provides credit for the promotion of education, health, welfare and culture, as well as for the development of infrastructure in peripheral areas.
- **Social Investments by the Los Angeles Branch** – In 2025, Mizrahi-Tefahot USA continued social investments, in accordance with CRA (Community Reinvestment Act) requirements, intended to support small businesses and promote affordable housing for low- and moderate-income populations. In addition, the branch donated to community organizations serving these populations.
- **Renovation Loan** – Customers living in northern communities were provided a loan to upgrade and renovate their homes.
- **"Renovation until Compensation" loan** – A bridging loan provided until receipt of property tax funds (against a compensation claim). The loan was provided to private customers whose homes were damaged in the Iron Swords War, including Operation Rising Lion.
- **Social bonds** – The Bank's core investment portfolio includes a portfolio designated for bonds issued for social purposes:
 - **Mathematics and Hebrew studies for youth in the Negev city of Rahat (Rahat bonds / Momentum bonds)** – In 2019, the Bank entered as an anchor investor in a social bond, which was issued to finance the "Mathematics in Rahat" project initiated by the SFI organization. The proceeds from the bonds purchased

1. Businesses located in localities included in Clusters 1–5, according to the Central Bureau of Statistics' Socio-Economic Index for 2021. Micro and small businesses, as defined by the Bank of Israel.
2. The category includes credit provided in localities included in Clusters 1–5, according to the Central Bureau of Statistics' Socio-Economic Index for 2021, for education, health, culture and welfare services, for community and public facilities and for infrastructure development in these localities.

by the Bank were intended, among other things, for investment in a project to strengthen matriculation studies in four and five study unit levels in high school mathematics, and to strengthen Hebrew language studies in seven high schools in the Bedouin city of Rahat (approx. 1,200 students). The Bank's total investment, which is approx. NIS 3.6 million, was transferred in full, and this bond reached final maturity in September 2025. In January 2026, the Bank joined as an anchor investor in the Momentum Plus social bond, which expands the investment to four Bedouin communities in the Negev for a total amount of NIS 7.5 million.

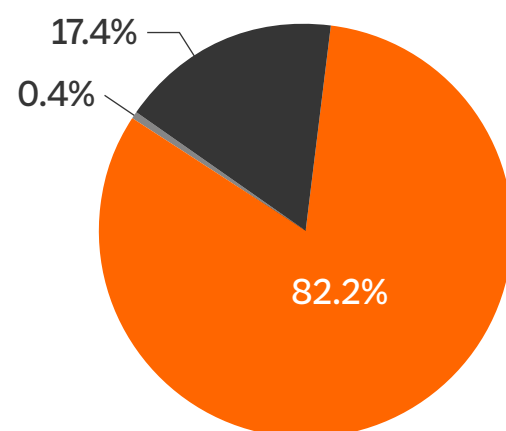
- o **Training ultra-orthodox men for the high-tech market (Developer Bonds) –** In 2022, the amount of NIS 1.25 million was transferred as an investment in the bonds, which are aimed at increasing the participation of ultra-orthodox men in the high-tech market by training them as programmers and finding them employment upon completion of the training. The bond issuer is a sister company of the social bond issuer mentioned above (Momentum Bonds).

Community assistance services

- **Credit to NPOs and aid organizations –** The Bank allocates credit to NPOs that work for the benefit of Israeli society. The Bank also allocates credit to businesses that provide health and welfare assistance.

Social credit for 2025

- Community development
- Associations
- Small businesses



Mortgage products

Mizrahi-Tefahot is the leading mortgage bank in Israel. The Bank works to adapt a variety of financial solutions to its customers and to the Israeli public, enabling a balance between short-term and long-term needs and financial capabilities. The Bank provides its customers with the personal support of an expert banker, who helps them choose their ideal mortgage composition. In this way, the Bank creates a positive, simple, clear and convenient experience for customers. In addition, the Bank's unique "Tefahot Touch" application eases the mortgage approval process for the customer, with close support from an expert banker throughout the entire process.

The Bank offers the customer the broadest range of products in the banking system, and allows its customers to adapt the product to changing market conditions or to the customer's needs and monthly repayment capacity at various stages of life, with consideration for unique sectors as well. The Bank offers, among others, the following tracks:

- **Secure mortgage –** A track in which the amount of the monthly mortgage repayment remains stable even when the interest rate changes. When the interest rate increases, the period is automatically extended, and when the interest rate decreases, it is automatically shortened. This is a unique product of Mizrahi-Tefahot Bank, which provides peace of mind and security in a period of uncertainty. This product is of real value for customers, especially in a period when there is real concern regarding the purchase of an apartment due to the interest rate environment and high housing prices.
- **Mortgage at your own pace –** A track in which the Bank allows its customers to receive a flexible mortgage loan. In this format, the amortization schedule is established in advance, before the loan is executed, customized to the needs of the customers. For example, if at the beginning of the mortgage there is difficulty in committing to a high repayment, it is possible to opt for a lower repayment and subsequently increase the monthly amount. The product is suitable for families with low initial incomes, or when the household has several high financial obligations, which burden the ongoing cash flow. Later, as income increases, the monthly repayment is increased according to their ability.
- **"Mortgage for Business" –** The Bank offers a business mortgage, a product that helps business owners purchase a property for ongoing operations as an alternative to renting and/or finance the acquisition of a commercial property through a mortgage. The loan repayment is amortized over a long period of up to 25 years.
- **Mortgages for a variety of sectors –** The Bank expands the product market according to the characteristics of each sector and its unique needs, including the ultra-orthodox population, the Arab population, foreign residents, senior citizens and kibbutzim.

Adapting products to changing market conditions

In view of the high interest rate environment and its impact on customers, the Bank has taken several steps that will make it easier for customers during this period:

- **Mortgages** – The Bank provides a variety of services to existing customers who wish to perform various actions during the life of the mortgage, such as changing the due date of the mortgage payment, freezing payments in view of a specific change in financial circumstances, early repayment of the mortgage, and more. In 2025, in view of the ongoing War and its financial implications, the Bank took several steps out of a desire to adapt the mortgage to the customer's needs, provide accurate information regarding the financial implications, and implement the solution that best suits each customer: a quarterly grant of NIS 500 to eligible mortgage holders. In addition, focusing assistance to customers in the implementation of the Bank of Israel's payment deferral scheme for eligible populations; expanding the variety of solutions in terms of conditions and the scope of the eligible population; enabling quick and easy mortgage refinancing with remote signing. The Bank also prepared for customers to resume payment after the deferral periods, and proactively identified customers with the potential to have difficulty meeting their monthly repayments and provided a personal response to each request, to ensure, as much as possible, that there would be a proper return to regular payments.
- **Deposits** – The Bank strives for a thorough understanding of the customer's needs and characteristics in order to adapt the deposit to the customer's needs, while providing detailed disclosure to the customer with an emphasis on the deposit interest rate, the deposit period and the deposit's exit points. In addition, there are a variety of deposits that offer the customer an attractive interest rate based on the prime rate, deposits with CPI-linkage and high liquidity as a response to market uncertainty. In 2025, in view of the expected decline in interest rates, the Bank allowed its customers to deposit into products that maintain a fixed interest rate over time and combine periodic liquidity in order to avoid being adversely affected by a decline in interest rates.
To make the service accessible to customers of all banks, the Bank allows a deposit to be managed without an account – a service for depositing funds in a variety of deposits according to the customer's needs without a current account at the Bank and without having to go to a branch.
- **Credit** – The volatile interest rate environment is specifically considered when providing a loan at a variable interest rate (Prime-based), as well as ensuring that the type of credit and repayment terms requested by the customer are appropriate for his needs, financial situation and ability to meet the credit repayment obligations.

In 2025, the Bank introduced a new benefit basket, under which initiated benefits were provided to private customers and small businesses (according to criteria), such as a 3% reduction in interest on credit facilities (current accounts and revolving debit accounts); offsetting credit balances and debit balances up to a total of NIS 10,000; exemption from interest payments on debit balances up to the amount of the mortgage repayment or up to NIS 6,000 (whichever is lower); 2% interest on account credit balances up to a total of NIS 30,000; 0% on current accounts for private customers up to NIS 10,000 and small business customers up to NIS 30,000, and exemption from account management fees (clerk fee, direct channel fee, minimum fee, and fee tracks).

Bank activities for customers and businesses that were affected during the War

During the Iron Swords War and the war with Iran, the Bank initiated measures that would ease the burden on its customers, as well as on business owners living on the front lines and reservists, who faced many difficulties and the consequences of the war on their financial situation.

Banking reliefs and benefits for Bank customers

During 2025, the Bank adopted two Bank of Israel guidelines for assistance to those affected by the Iron Swords War and the war with Iran. The Bank of Israel guideline to support victims of the Iron Swords War, which began immediately after the outbreak of the War, ended in March 2025, after being extended six times.

In addition, in order to help the Bank's customers get through this difficult period, the Bank decided on various solutions to assist and provide relief to its customers on a much broader scale than the baseline set by the Banking Supervision Department. These solutions included, among other things, assistance to reservists, special mortgage and renovation benefits for residents of the north, and the establishment of the "Orange Israel" platform, which enables businesses and professionals from conflict zones to advertise themselves.

From May 2025 to December 2025, reservists were given a mortgage benefit for the purchase of a primary residence – up to NIS 100,000 free of interest and linkage on a new mortgage.

Following the events of the Operation Rising Lion against Iran, the Bank of Israel published a dedicated aid outline that was also adopted by the Bank and ended on July 31, 2025.

Voluntary consumer relief outline

In March 2025, the Bank of Israel announced a voluntary consumer relief plan for customers of the banking system. Under the plan, in 2025–2026, banks will provide relief and financial refunds to customers from the retail sector, each bank in accordance with the plan it has formulated, in a cumulative amount of NIS 1.5 billion per year and NIS 3 billion for the two-year plan period, for the entire banking system.

Starting on April 1, 2025, the Bank has been operating a dedicated consumer program for households and small businesses, which includes a series of benefits involving current account management and mortgages. This program is the voluntary consumer plan initiated by the Banking Supervision Department. The Bank's plan for the second, third and fourth quarters of 2025 consisted of several components, as follows:

- **Interest on the credit balances:** The Bank grants private customers and small businesses an annual interest rate of 2% on credit balances of up to NIS 30,000 in current accounts (for customers with an average credit balance not exceeding NIS 100,000, including credit balances in current accounts, deposits, savings and securities).
- **A quarterly grant of NIS 500 for mortgage holders:** This benefit is available to households that took a loan from the bank to purchase a primary residence (not including investment properties), where at the time the loan was granted the value of the property was less than NIS 2.5 million, the LTV ratio exceeded 60% and the DTI ratio exceeded 30%.
- **"The Overdraft is on Us":** Private customers who have both a mortgage and an overdraft facility at Mizrahi-Tefahot are exempt from paying interest on the overdraft up to the amount of the mortgage repayment, or up to an amount of NIS 6,000 per month, whichever is lower.
- **Reduction of the interest on a debit balance in credit facilities:** Private customers and small businesses benefit from a 3% reduction in the debit balance interest in their credit facilities and revolving debit accounts.
- **"Interest-Free Overdraft":** A benefit intended for private customers, which includes a monthly offset mechanism between credit and debit balances in the account and allows the customer to avoid paying interest on the overdraft up to an offset amount of NIS 10,000 per day.
- **Benefits for designated populations, in view of the Iron Swords War:** Active reservists, households and small businesses near the conflict zones in the south and north, and Bank customers who are immediate family members of war casualties or hostages will be eligible for exemption from account management fees and 0% interest on the utilization of overdraft facilities up to NIS 10,000 for private customers and up to NIS 30,000 for small business owners).



The estimated cost to be recognized in the financial statements upon utilization of the benefits for this plan amounts to approx.

NIS 600 million over two years, of which approx. NIS 222 million is in 2025.

"Orange Israel" Project – A digital business hub to support businesses during the War

Throughout the war, hundreds of business owners living near the conflict zones and reservists faced many difficulties. With the aim of financially assisting and supporting them, Mizrahi-Tefahot Bank launched the "Orange Israel" project, a digital platform and a physical presence that enables these businesses to sustain themselves and reach new audiences. The project connected businesses from the combat zones and reservist-owned businesses with the public interested in supporting them and purchasing products and services from them, on a non-profit basis for the Bank.

The "Orange Israel" digital domain appears on the Bank's website and in 2025, the number of active businesses rose by approx. 50% compared to the previous year. A separate zone was created for each business, which includes business details, contact details and a link to the business's website and pages on social networks. The Bank continued to promote the project through advertising campaigns and referrals for direct purchases from businesses, both in the digital space and through fairs and purchase benefits. The result was a significant increase in demand, high revenues and exposure to new audiences.

In addition, every conference or meeting held by the Bank prioritized suppliers from "Orange Israel", and the Bank made purchases directly from these suppliers.

The following are the "Orange Israel" initiatives that stood out in 2025:

- **"Orange North"** – The Bank accompanied residents of the north on their return home and offered the "Orange North Package", which included various solutions that would make their return home easier. A dedicated zone was also established to promote businesses from the north.
- **"Orange Reserve"** – To strengthen the businesses of reservists, a dedicated zone was established on the Bank's website that provides a platform for reservist-owned businesses. In 2025, on the occasion of Reserve Appreciation Day, an "I'm also an Orange Reserve" stamp was issued that will allow the general public to identify these businesses and support them directly.

Financial inclusion and financial education



The Mizrahi-Tefahot Group promotes financial inclusion and financial education as a tool for positive social impact, reducing inequality in society and empowering various communities. The Bank provides tailored and dedicated services to diverse population groups according to their needs, promotes social and environmental initiatives and expands the accessibility of financial services and financial education, in order to strengthen the customer, support the community and promote responsible economic growth.

Unique solutions for diverse population groups

The Bank focuses its activities on the Arab community, the ultra-orthodox community and senior citizens and provides them with financial solutions tailored to their unique social and cultural needs. The Bank promotes financial inclusion, financial education, community support and access to services, with the aim of reducing social gaps and enhancing the economic capabilities of all of society's populations groups.

Arab sector

The Bank places great importance on providing a tailored response to the unique needs of the Arab community and continues to expand its activity in branches in Arab localities. The Bank works to increase the accessibility of financial services and remove cultural and language barriers, among other things by recruiting Arabic-speaking employees as part of the employment diversification strategy. With the aim of making mortgage products accessible to the Arab community, the Bank has developed solutions in recent years tailored to the unique characteristics of the sector, such as a "rural mortgage", with a focus on the quality of the collateral pledged. In addition, the Bank expanded the deployment of mortgage bankers to branches in Arab communities. In 2025, the Bank launched a dedicated advertising campaign that supported the transition language that is also used in the general sector, and the message – "Moving from a Bank to a Banker" – continues by presenting the personal and considerate service at Mizrahi-Tefahot. The campaign appeared on signage, radio, and digital channels.

As of the end of 2025, the Bank has branches in the following Arab localities: Kafr Yassif, Nazareth, Shfaram, Sakhnin, Baqa al-Gharbiya, Umm al-Fahm and Kafr Qassem, as well as remote branches in the Arara Council in the Negev, Kuseife and Jaljulia. The Bank also has branches in mixed cities.

Ultra-orthodox society

In 2025, the Bank continued to expand its relationship with the ultra-orthodox sector through additional advertising of the "Mortgage for Young Couples" concept, intended for couples starting their family and financial journey, usually before or after a wedding. The initiative aimed to provide young couples and their parents with tailored financial tools, with an emphasis on mortgages. Marketing the concept included adapting the language and marketing messages to designated media channels. It emphasized special solutions for young couples provided by Tefahot's experts, as detailed below:

- **"Secure Mortgage for Young Couples"** – A product based on the "Secure Mortgage" (a track in which the monthly mortgage repayment amount remains stable even when the interest rate changes), intended primarily for young couples in the ultra-orthodox sector and in general, who are concerned regarding the volatility of mortgage repayments in an environment of variable interest rates. The product guarantees a stable monthly repayment, regardless of changes in interest rates, and provides financial security. When the interest rate drops, the repayment period is shortened, and when it rises, the period is extended, automatically without the need for intervention by the borrower..
- **"Parental Assistance for Young Couples"** – A product based on the "Pension Mortgage", which provides a solution for parents in the ultra-orthodox sector who must financially assist their children when they get married but have difficulty supporting them all. The loan enables receipt of funds against a lien on an existing property, without selling the parents' home, thereby turning the property into a source of capital. The mortgage can be amortized over a term of up to 30 years, while maintaining the parents' ownership, allowing them to continue to live in the property or rent it out at their discretion.
- **"Mortgage at the Young Couples' Pace"** – A product based on "Mortgage at Your own Pace" (A track through which the Bank enables its customers to receive a flexible mortgage loan. In this format, the amortization schedule is built in advance, before the loan is executed, customized to the needs of the customers), and is designed for young couples who may face financial challenges in the first year of their marriage. The product enables the planning of a personalized mix, in which lower monthly repayments can be made at the beginning and subsequently increased, depending on financial progress. Alternatively, it is possible to start with high repayments and reduce them in the future, depending on the borrower's needs. The Bank also promoted the synergy product for both the young couple and the young couple's parents, "Joyful Occasions" – an introductory benefit for parents who serve as guarantors for the young couple's mortgage, offering a loan of up to NIS 100,000, with a 12-year amortization schedule.

The Bank initiated three conferences open to the general public and free of charge, which included lectures on "Mortgage at Your Pace" and prudent financial management for the family. The conferences were attended by approx. 300 participants, and they received information and practical tools for effective financial management at this new stage of life.

Senior Citizens

As part of the plan to expand activity among senior citizens, the Bank operates through several channels:

- **Accessibility of banking services** – Customers aged 70 and over receive priority in telephone answering and service at branches, in accordance with regulations and even beyond what is required by law. In addition, the Bank's website has a designated zone that centralizes information and services for senior citizens.
- **Tailored financial advice** – The Bank offers its senior citizen customers a financial advice service tailored to their needs.
- **Pension advice services** – The Bank offers a pension advice service by licensed pension advisors, tailored to the needs of senior citizen customers, at no additional cost.
- **Digital banking empowerment for senior citizens** – The Bank has published three instructional guides on the subject "The Easy Way to Digital Banking". These guides serve as reference tools for senior citizens using the Bank's digital channels. In addition, customers who are interested can receive personal guidance on digital banking at the Bank's branches.
- **Pension mortgage** – A unique financing plan with maximum flexibility, which provides a solution for those aged 60 and over. Pension mortgage products allow senior citizens to finance their ongoing financial plans through a monthly income supplement or to finance a large one-time expense by mortgaging a residential apartment, with the property remaining in the borrowers' ownership. In the past two years, the Bank continued to expand the product's development for residential mortgages, increasing the number of branches offering this product with the aim of enabling maximum geographic distribution while maintaining the focus and uniqueness of the product. In addition, the Bank promoted awareness of the product in media channels and through content promotion and sponsorship of dedicated conferences, collaborations with professionals active in the market, and lectures on the subject of pension mortgages at select branches.

Promoting disadvantaged population groups and assisting customers in a crisis

The Bank is committed to supporting disadvantaged populations in Israel, as part of its role as a leading financial institution in Israeli society. The Bank proactively identifies business and private customers facing financial difficulties, and provides unique and tailored solutions that will help them in challenging times. Since the outbreak of the Iron Swords War, the Bank has increased its assistance to various population groups, including non-customers.

Promoting disadvantaged populations and making financial services accessible to diverse populations

The Bank works to assist disadvantaged populations in Israeli society, including customers in debt, women victims of domestic violence and populations in need, both directly and through entities working with these population groups.

- **Assistance to women who are victims of domestic violence and survivors of prostitution** – The Bank is a partner in the voluntary agreement initiated by the Association of Banks in Israel and in cooperation with the Bank of Israel to ease the financial burden on women victims of domestic violence staying in shelters and transitional housing, or who are being treated in the community, as well as of women or survivors of prostitution. The Bank provides assistance through a designated contact person in the Public Inquiries Unit who handles inquiries in real time, as well as through agreements in principle, under appropriate conditions, to delay legal proceedings. In 2025, Mizrahi-Tefahot Bank received 47 inquiries from social workers, women's aid centers and shelters for women victims of domestic violence who accompany women in the community, which were handled by the designated contact person. Bank Yahav received 13 inquiries.
- **Interest rate retention for reparation recipients (Holocaust survivors)** – AA program to maintain a uniform and favorable interest rate for customers receiving reparation (Holocaust survivors), allowing them to renew these deposits indefinitely..
- **Voucher payment service for the Insolvency Commissioner** – The Bank won a tender to provide voucher payment services to individuals or businesses in insolvency proceedings. As part of the service, the Bank allows debtors to pay the vouchers at the cash desks of some of its branches. These are debtors who were ordered to make monthly payments as part of bankruptcy proceedings.
- **Deferral of mortgage payments** – Assistance to customers who need it at any time, such as deferring mortgage payments before the holidays. Assistance is also provided during periods when household expenses increase and sometimes

difficulty arises in making mortgage payments. The Bank also provides other relief solutions, such as loan refinancing and restructuring of mortgage payments, adapted to the customers' new financial circumstances.

- **Services for beneficiaries of the Ministry of Construction and Housing's assistance program** – The Bank is an executing agency for the State for providing services to those eligible for assistance from the Ministry of Construction and Housing. These services include loans within the framework of the Ministry's assistance programs, including location-specific loans, conditional grants and loans for designated population groups (residents of the periphery, immigrants, people with limited mobility, etc.). It should be noted that Mizrahi-Tefahot Bank is the main entity providing loans of this type, and the Bank's extensive branch network ensures availability and accessibility to the diverse population groups eligible for this assistance program.
- **Foreign worker deposits** – The Bank was selected by the State of Israel in a tender to provide deposit services for foreign workers. As part of the service, the Bank accumulates the deposits transferred by the employer for the foreign worker until the end of his employment. When the employee ends his employment in Israel, the balance of the deposit is given to him at his request (in cash or on a prepaid credit card or by transfer to his account abroad).

Assistance for customers in crisis

The Bank advocates for fair treatment of customers based on their circumstances, especially in cases of financial difficulties and crisis. The "Special Customers" sector in the Business Banking Division is responsible for handling the debt collection from customers and managing audited accounts. This sector strictly adheres to the Code of Ethics values, including maintaining human dignity, reliability and fairness from a perspective of providing respectful and sensitive service to customers who have experienced a crisis.

In order to reach arrangements that debtors are able to meet, the Bank maintains a structured and lengthy process for handling customers before transferring them to legal authorities. First, the branch holds conversations and meetings with customers in order for them to repay the debt, without requiring legal proceedings against them. If the branch has exhausted this process, in appropriate cases, the account will be transferred to the National Collection Center for further attempts to settle the debt. Only if this is unsuccessful, the customer in debt is transferred to the "Special Customers" sector and is handled according to legal debt collection procedures that are updated from time to time according to economic and regulatory changes and Bank policy. In addition, employees undergo training to strengthen their negotiation skills, customer handling strategies, and professional legal, economic and regulatory knowledge, through internal and external training frameworks.

In order to promote arrangements with customers in debt, representatives of the "Special

Customers" sector or the representing lawyers hold meetings with the customers and joint initiatives with the Enforcement and Collection Authority. They also examine settlement proposals from customers and aid organizations. The Bank has ongoing contact with aid organizations, including the "Paamonim" organization and the "Yedid" association, which assist customers in debt. Once a year, a report is submitted to the Board of Directors regarding the legal handling of accounts of customers transferred to the sector.

In 2025, the Bank joined the "Soldiers' Charter" published by the Bank of Israel. This is a voluntary initiative that aims to assist soldiers in regular service who have fallen into debt (up to NIS 15 thousand). The charter is intended to streamline cooperation between the banking system and the soldiers and provide them with a tailored, considerate and inclusive response, with an emphasis on easing debt collection processes. The special treatment will be carried out by a designated representative authorized for this purpose and will include direct and personal dialogue with the soldiers, strengthening their financial knowledge and coordinating with representatives of the relevant institutions. Legal proceedings will be suspended for a year, and payment arrangements made before mobilization will remain in effect.

Promoting accessibility for people with disabilities

The Mizrahi-Tefahot Group is committed to providing equal service to all its customers, according to each individual's needs, including customers with disabilities. For this purpose, the Group works to make its services and products accessible, enabling anyone who would like to become a customer of the Group. The Group strictly adheres to the Equal Rights for People with Disabilities Law, and accordingly places emphasis on making buildings, infrastructure and the environment accessible, and on making the service provided to the public accessible and suitable, so that people with disabilities can use it independently and conveniently. The accessibility issue is managed by a certified Accessibility Coordinator, as required, and the Bank is also guided by professional consultants on the subject. The accessibility of banking services and products is reflected in all areas:

- **Physical accessibility of facilities** – The Group is working to make branches, ATMs, service terminals, the website and the application accessible to customers. As of the end of 2025, 100% of Mizrahi-Tefahot Bank and Yahav Bank branches are physically accessible to people with disabilities, including their structure and facilities. The Bank addresses any problem on an ongoing basis through the Logistics Department, which operates a branch maintenance hotline. Representatives from the hotline regularly visit the branches and resolve logistical problems.
- **Accessibility surveys** – As part of a comprehensive survey at the Group's branches and according to work procedures and a consolidated work plan, maintenance inspectors conduct appearance surveys at the branches twice a year, which also include accessibility aspects. In addition, in accordance with regulatory requirements, a comprehensive accessibility audit is performed every five years by a licensed accessibility consultant. In 2025, an appearance survey was conducted at all Bank branches, and all deficiencies discovered were immediately addressed. The ongoing appearance surveys did not reveal any significant gaps and no physical accessibility deficiencies were discovered. In each new property leased by the Bank, the necessary adjustments for accessibility are immediately made, on the recommendation of a licensed accessibility consultant.
- **Accessibility of banking services** – The Group is working to make banking services accessible in accordance with the Equal Rights for People with Disabilities Law. As of the end of 2025, all of the ATMs of Mizrahi-Tefahot Bank and Bank Yahav are accessible to people with disabilities.
- **Accessibility of service terminals** – The bankers' service stations and the automated service terminals in the Group are accessible to people with disabilities, both physically and technologically, in compliance with legal requirements. Accessibility

software has been implemented in the automated service terminals, and an "induction loop" for hearing-impaired customers, as well as a support tray, have been placed in the bankers' accessible service stations.

- **Accessibility of E-banking services** – The Mizrahi-Tefahot Group makes the necessary adjustments to the accessibility of the website and application, in accordance with the Equal Rights for People with Disabilities Law, its underlying regulations, and in accordance with the Bank's service values. The websites of Mizrahi-Tefahot Bank and Bank Yahav have been made accessible for people with disabilities according to the recommendations of the Israeli standard (IS 5568) for accessibility of Internet content and according to the guidelines of the WCAG 2.0 standard at level AA, as defined by the international organization W3C.
- **Accessibility by telephone** – The Bank also offers accessible service to customers who have difficulty receiving telephone service, such as customers with hearing impairments. For this purpose, the telephone service was adapted: the call routing was recorded at a slow pace, in clear language and without background music.
- **Employee training to promote accessible service** – The Group banks hold annual training sessions for their employees on accessibility to raise employees' awareness of the Bank's accessibility services and to refine the provision of proper service to customers with disabilities. Every year, the Group's employees complete a refresher course on the provision of accessible service, and new employees undergo courseware on the subject. The onboarding and introduction course includes training on accessibility. In 2025, approx. 4,199 hours of training were provided to Bank employees throughout the Group on service for customers with disabilities.

In 2025, the Group in Israel received five justified complaints regarding accessibility. They were addressed as required and in accordance with the Group's procedures.

Financial education



In 2025, the Bank held 24 activities as part of the **"Meeting at Mizrahi-Tefahot"** activity, at which there were approx. **3,650** participants.

Financial inclusion and financial education are a central element of the Bank's social responsibility approach. The Bank works to make customized financial services and products accessible, and carefully identifies and addresses the unique needs of diverse populations, with the aim of strengthening their ability to integrate and conduct themselves optimally in the financial system. The Bank also strives to make professional knowledge, tools and content accessible to its customers and the general public to strengthen budget management skills, make informed financial decisions and responsible financial management. By sharing the knowledge and expertise that the Bank has accumulated, it contributes to the narrowing of gaps, strengthening the financial stability and economic development of its customers, both private and business, as well as of the entire community.

Bank activities for the general public

"Meeting at Mizrahi-Tefahot" – Based on its concept as an ethical bank that works to strengthen the connection between customers, the Bank and the branches, the Bank has been leading social activities for over a decade to empower, enrich and bring together the community surrounding the Bank's branches with its staff. The core activity offers a rich variety of general enrichment lectures, alongside lectures on financial topics, which are held at the Bank's branches. Participation in these meetings is open to customers of all banks free of charge. In 2025, similar to the previous year, the Bank expanded its activities and added a unique layer of large-scale activities for the public in diverse content areas, which take place throughout the country and host hundreds of people at each activity. The Bank regularly provides updates regarding the activities in a dedicated zone on the Bank's website, which presents information regarding the lecturers, lecture schedules, and details of activities for a variety of audiences. As part of these activities, the Bank holds meetings with content tailored to target customers from diverse population groups in order to respond to their needs. Over the years, the connection between the Bank's branches and the community has been strengthened and the Bank's core value, humanity, maintains its brand value.

"Big in Business" – The Bank held a series of professional conferences for business owners in three locations: Ashdod, Rishon Letzion and Eilat, with the participation of hundreds of business owners from all banks. The conferences included lectures by marketing experts on practical strategies for business growth and brand empowerment. The meeting series provided participants with practical content regarding marketing, advertising and growing a business under competitive conditions. In addition, participants were given the opportunity to learn about Mizrahi-Tefahot's variety of products and services, including its unique credit solutions, particularly during this challenging wartime and postwar period. The series of meetings was created from the Bank's perspective, which recognizes the needs of businesses that strive not only to survive, but also to grow and reach new audiences, which led to high levels of involvement and strengthening of the relationship with the Bank's customers.

Financial Education Forum: Preventing financial fraud – As part of the Bank's membership in the Financial Education Forum and joint activity with the Banking Supervision Department at the Bank of Israel, the Association of Banks in Israel and the Israel Police, the Bank also participated in raising awareness about financial fraud in 2025. Volunteer instructors from the Bank who had undergone specialized training lectured to senior citizens throughout the country. In 2025, a banner was published on the Bank's website inviting Bank customers to join a webinar on financial fraud presented by a Bank representative. In addition, Bank customers with small businesses were invited to participate in a professional webinar, and branch managers from the northern region led a professional in-person workshop for business owners.

Training for economic recovery – The Bank collaborates with the "Paamonim" organization, which conducts training for economic recovery, and accompanies families to success and financial strength. In addition, some Bank employees volunteer as consultants throughout the country.

"Women's Friday" meetings – As part of International Women's Day events, the Bank held a series of morning meetings for women at three locations around the country. Approximately 1,000 women participated in the meetings, which included a platform for promoting women-owned businesses as part of the Bank's "Orange Israel" initiative, alongside inspirational lectures and performances by prominent cultural and social female figures.





"New Beginnings" deposit

As part of the Bank's commitment to promoting financial education and strengthening the economic stability of its customers, the Bank offers the "New Beginnings" deposit, designed to encourage savings habits and responsible financial conduct among households. Bank customers who had children from October 7, 2023 until the end of 2025 are entitled to a benefit – a deposit of NIS 1,000 for each child born, a first milestone in long-term savings.

Bank activity among young people

- **"Money Path Kit"** – A program that provides financial training for youth. A renewed and up-to-date kit appears on the Bank's website, enabling teachers, instructors and counselors to study its contents and guide youth in this area. The kit is also translated into Arabic. In 2025, training sessions for the "Money Path Kit" were delivered by Bank employees, and by students who received scholarships from the Bank to finance their studies in exchange for mentoring groups of teenagers in high schools. In 2025, an additional kit on the capital market was developed and will be added to the existing kits.
- **"Money Path for Elementary Schools" kit** – A kit adapted for activity in elementary school classrooms (grades 1–6). The kit is intended for use by Bank employees who are interested in conducting activities in their children's schools.
- **Strengthening financial education for students** – The Bank has deepened its ties with higher education institutions through collaborations with colleges and universities, providing lectures to students by volunteer managers and employees, and providing scholarships to students at several universities and colleges in financial professions. In 2025, the Bank awarded designated scholarships to students in financial professions who were affected by a prolonged absence from their studies due to active reserve duty during the period.
- **From studies to a financial career** – The Bank funds scholarships for students in the Social Sciences BA program with a specialization in Banking and Finance at Bar-Ilan University. The degree prepares students to integrate into management and operational positions in the banking system. The program enables students to be absorbed into practical work at the Bank from the first day of their studies,

thereby beginning their professional training in the call centers or in one of the Bank's branches concurrently with their degree studies. As part of the program, the students came for a two-day tour of the Bank that included a variety of lectures in various banking areas and tours of departments.

Making economic and business information accessible to the public

As part of the Bank's commitment to promoting financial education and enhancing the ability of its customers and the general public to make informed economic decisions, the Bank works to make data-based economic and business information accessible. The Bank provides decision-making tools, such as the Business Growth Index and the Real Estate Report, which are based on the analysis of aggregate data and present key trends in business activity and in the Israeli housing market. These publications serve as an educational tool that helps entrepreneurs, businesses and households understand the economic activity environment, identify risks and opportunities and make responsible and informed decisions. This is the second year that the Bank has made this information accessible to the public, allowing investors, businesses and the entire public an alternative perspective on the Israeli economy.

Israel's Growth Index for 2025

This is the second year that the growth index evaluates the state of the business sector. The index, established by Mizrahi-Tefahot economists, is based on a comprehensive weighting of macro data and marketing research that presented the expectations of private business owners. In the weeks leading up to the publication of the index, a comprehensive survey was conducted among a representative sample of business owners, with the aim of learning how they perceive the development of their private businesses and the economic developments in the economy as a whole in the coming years. The index was presented at the "Growth Index" conference, which was also held for the second consecutive year.

Israel Real Estate Report for 2025

For the second year in a row, the Bank has published the Israel Real Estate Report. This special report presents a comprehensive picture of the local real estate market in 2025 and is the result of two major studies conducted by the Bank. These studies examined the general public's attitudes regarding the real estate market, including reference to the impact of Operation Rising Lion, and subsequently, to the end of the fighting in Gaza. Prior to the launch of the report and the conference, opinion columns by senior bank officials in the real estate field were published, regarding both mortgages and commercial real estate. The report was launched at a professional conference led by the Bank, attended by hundreds of the Bank's senior customers in the real estate industry. The conference and the report received significant media exposure and reinforced the Bank's leadership in this area.



Customer experience in a variety of service channels



Mizrahi-Tefahot Bank considers the customer experience a central component of its corporate responsibility and works to integrate personal, human, professional and fair service with advanced technological infrastructures. The Bank promotes a service culture based on transparency, accessibility, availability and adaptation to customer needs across a variety of channels, with a commitment to continuous improvement based on measurement, control and lessons learned. The human-centered service concept is implemented in all service interfaces – in branches, digital channels and call centers.

Service experience at the Bank

Personal, human-centered and advanced banking

The Bank offers its customers banking service through a variety of main channels that optimally combines personal and digital banking, providing all customers with access to their personal banker at the branch or through another service channel of their choice. To enhance the service experience, the Bank is making efforts to expand its direct communication channels and in 2025, WhatsApp correspondence was launched for the first time for all Bank customers. This channel enables customers to correspond directly with their personal banker, and receive information and execute transactions easily, simply and from anywhere. Mizrahi-Tefahot's service language continues to evolve while adapting to each new and existing service channel, and is based on values of empathy and caring as well as transparency and accessible communication. In order to maintain a high quality customer experience, Mizrahi-Tefahot devotes many hours to training aimed at improving the knowledge of bankers and maintaining a high level of service awareness, professionalism in service, and the ability to listen, be inclusive and empathize with customers.

Service charter

The bank has been leading the banking service standard in Israel throughout the years, combining personal and human-centered banking with advanced technology. As part of the entry into effect of PCBB 501 (Management of a Customer Service and Support System), the Bank published a service charter that details the principles of the Bank's service concept, which include the following:

- **Human-centered banking** – The core of the Bank's DNA, implemented in every customer service platform.
- **Fairness and familiarity** – The bankers spend time getting to know the customers, remain up to date on their situation and needs, and provide transparent and fair service and treatment.
- **Variety of communication channels** – Available for the customer's choice, to ensure flexibility and convenience and give them the freedom of choice to consume service in the channel that suits them in the relevant situation.
- **Resolving issues with maximum speed** – Constantly aiming to handle customer inquiries quickly and with the highest quality.
- **Professionalism and customer perspective** – Constant attention to customer needs and a sense of responsibility for professional and helpful service.



In 2025, employees participated in **45,130** hours of **customer service** training throughout the Group.

A variety of service channels

The Bank promotes freedom of choice for customers regarding how to consume the service and provides them with a wide variety of channels so that each customer can contact the Bank at a time and in a way that suits them, while ensuring high quality service, personal attention, and adaptation to the customer’s changing needs and preferences.

206 service points¹ – The Bank focuses on constantly optimizing the branch layout and providing high-quality and professional service to a wide range of customers. Service points include business centers, branches and extension offices. In addition, the Bank operates six “Live” branches that offer banking services through direct and digital channels, with no reception service with extended operating hours. The Bank also operates four branches that provide service to foreign residents, a premium branch for affluent customers, and investment advisory centers.

289 self-service terminals – Customers have access to 214 Mizrahi-Tefahot Bank self-service terminals and 75 Bank Yahav terminals. These terminals enable many operations, including cash deposits and receipt of information independently. Most terminals are available 24 hours a day.

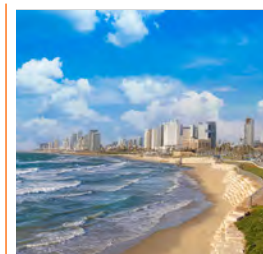
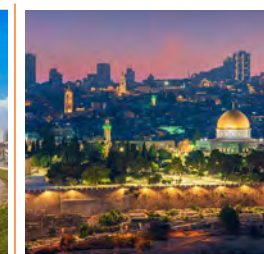
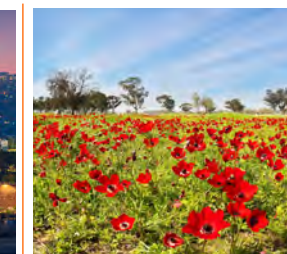
260 ATMs – Of which 203 belong to Mizrahi-Tefahot Bank, 57 to Bank Yahav. Some of the ATMs are not adjacent to a branch.

Online communication channels – Mizrahi-Tefahot Bank offers its customers a variety of applications for convenient access to all of its financial products and services, including the most advanced mortgage application in Israel and an application for capital market trading. The Bank also operates an advanced website that integrates means for contacting a personal banker. The website is also accessible in Arabic and English. In 2025, The Bank allowed customers to correspond with their banker, receive information or perform account transactions, directly and indirectly on the WhatsApp platform..

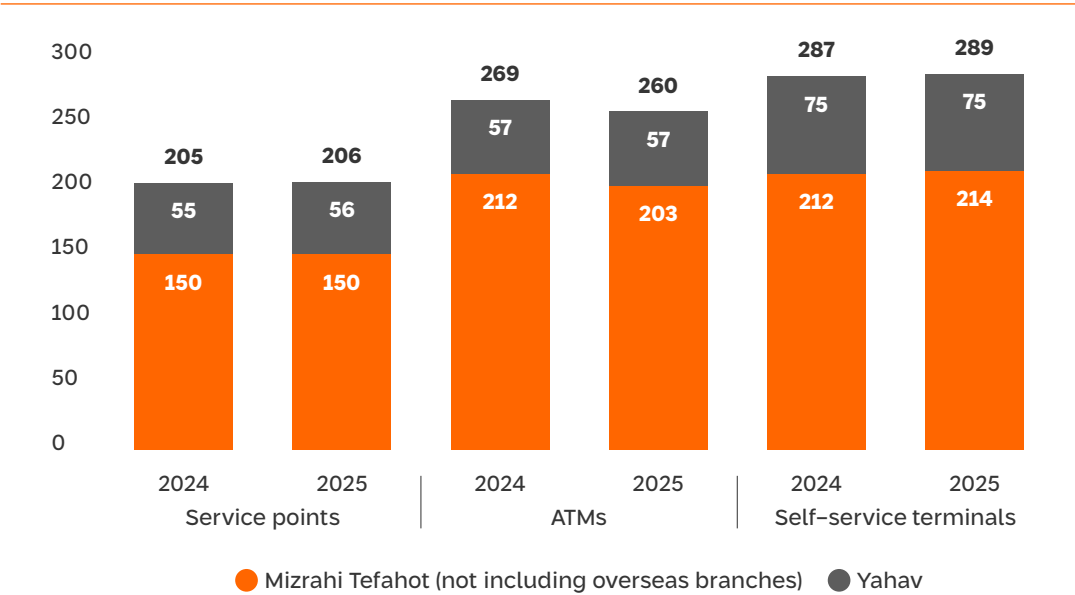
Multilingual support – Customers who contact the call centers can receive service in several languages, including Arabic, French, Russian, Amharic, Spanish and English. In some of the Bank’s branches, especially those located near a new immigrant population, service can be received in a variety of languages.

1. Including Bank Yahav.

Channels for receiving banking service

			
North	Center	Jerusalem and the surroundings	South
 94  61  64	 82  109  62	 54  38  37	 59  52  43

 Service and sales points **Total 206**  ATMs **Total 260**  Self-service terminals¹ **Total 289**



1. Changes may occur compared to previous years, due to re-classification of geographic regions.

Measuring customer satisfaction

In order to assess the level of customer satisfaction within the organization and compare it to the service provided to customers of competing banks, the Bank uses various research tools, such as customer satisfaction surveys, image surveys, prospective mortgage borrower surveys, focus groups, onboarding customer experience surveys, AI-driven surveys, etc. The studies are distributed and presented to various relevant entities at the Bank, from the professional units to the Bank's management. Based on the findings, the Bank develops strategic plans, establishes plans of action and adjusts its conduct, both internally and with customers. In 2025, approx. 125,000 existing and potential customers participated in customer surveys.



Bank of Israel customer satisfaction survey for households and business customers regarding bank service quality

According to the findings of the 2025 survey, Mizrahi-Tefahot Bank is the most highly recommended bank among customers of the major banks for the sixth consecutive year.

The Bank also leads in the perception of fairness among the major banks, as well as in a new indicator added in 2025 – the bank that resolves customer issues most effectively.

Customer Satisfaction Survey – A comparative satisfaction survey among customers of the five largest banks in Israel, conducted by a research institute in June 2025, indicates that satisfaction with Mizrahi-Tefahot bankers continues to be very high and stable over time. For years, the Bank has led the banking system in satisfaction and recommendation indicators by a real margin over its competitors. The Bank's ongoing focus on enhancing the customer experience has proven effective, as the Net Promoter Score (NPS) has doubled over the last two years.

Customer experience quality surveys in the mortgage sector – Also in this sector, Mizrahi-Tefahot Bank continues to lead the banking system in Israel in customer experience. In a comparative satisfaction survey conducted in 2025 by a research institute among mortgage borrowers at the four largest banks in Israel, it was found that the Bank leads in satisfaction with the service, customers' willingness to recommend it, personalized

service, availability, effort, and perceived banker expertise. This leadership has been maintained for years as a result of constant improvement in the customer experience, which is reflected in the continuous rise in these indicators.

Awards and recognition

- The Bank won first place in service for the third consecutive year in the 2025 Israeli Center for Management's Excellence in Service and Customer Experience competition. The award was presented in the "Simplicity of Service" category for expanding the contact channels accessible to the customer with the WhatsApp service connecting customers with their personal banker.
- Mizrahi-Tefahot Bank leads the banking service category according to the 2025 BRAVO index conducted by a research institute.
- In 2025, the Mizrahi-Tefahot brand was again named a Superbrand in Israel by the international Superbrands organization, which operates in 70 countries around the world. The prestigious title has been awarded to the Bank every year for over a decade, and it testifies to the strong bond established between the brand and Israeli consumers, and to the fact that the brand provides consumers with more tangible and emotional benefits than other brands.

Treatment of public inquiries

As part of the Bank's commitment to provide optimal service and to maintaining relationships of trust with its customers, the Bank systematically manages and constantly reviews the system for handling public inquiries and complaints, and attaches great importance to enhancing service quality, correcting deficiencies, and streamlining banking processes. The Bank is committed to handling every inquiry in accordance with its Code of Ethics values and its organizational culture, which promotes values of reliability, loyalty, human dignity, excellence, commitment, integrity, fairness, and transparency.

The Public Inquiries Charter appears on the Bank's website and in branches, stating the Bank's approach to customer inquiries and the various ways of contacting the Public Inquiries Unit. The inquiries come directly from the customers to the Bank, to the Public Inquiries Unit, or to various entities within the Bank, or through the Bank of Israel and other external entities. The Public Inquiries Unit is headed by the Ombudsman, who reports to the Bank's Chief Internal Auditor. The Ombudsman and the Unit employees work objectively and impartially, thoroughly reviewing all inquiries and responding to the customer quickly.

Customer inquiries are received by the Ombudsman and handled in accordance with PCBB 308A, which regulates the Ombudsman's activities at the Bank. The Ombudsman

addresses the failures that led to the complaint to prevent their recurrence, and also determines an estimated timetable for their correction in coordination with the Bank's relevant professional entities. At Bank Yahav, the entity responsible for handling customer inquiries operates in the Legal Advice and Compliance Department.

The Ombudsman submits periodic reports to the Bank's Board of Directors (at least once a year) and to the Bank's management (a comprehensive report twice a year and a concise report once a month) regarding the number of inquiries and the issues raised therein, according to the details required by the Bank of Israel's directives and internal procedures. The report includes deficiencies identified while handling complaints, and measures taken to correct the deficiencies. The report also includes data on public inquiries at subsidiaries and overseas branches, including reference to cross-organizational issues raised in complaints.

The Board of Directors approves the policy for handling public inquiries and the service charter and discusses the past year's data, complaints that have been resolved, pending complaints, details on amounts that have been refunded or paid following complaints, remedies applied and material deficiencies that have arisen in the handling of complaints. In addition, a report is submitted twice a year to the Bank of Israel, which includes data on the number of inquiries, their classification, processing duration, and the issues addressed. Once a year the data is published on the Bank's website as public information. Every inquiry received by the Public Inquiries Unit receives a response within two business days, and receives a full and professional response within a period not exceeding 45 days from the date of receipt (except in rare cases where a longer time is required for examination and response). In accordance with Bank of Israel directives, every complaint received by the Bank will be answered in as reasoned and detailed a manner as possible, and the allegations raised in the complaint will be addressed with relevant documentation. If it is determined that the complainant is entitled to financial restitution or an equivalent remedy, the reasons for determining the remedy will be detailed. As part of the response, the Bank clarifies to the customer their right to appeal the Bank's decision by re-submitting the inquiry to the Ombudsman or by appealing to the Banking Supervision Department.

As part of the lessons learned process, the Bank monitors the deficiencies that were discovered until an appropriate solution is found, issues communications to employees on sensitive issues and holds training sessions that present examples of incidents that have occurred and common mistakes, with the aim of improving service and reducing the number of justified complaints. Insights that emerge from the system for handling complaints are integrated into the development of the Bank's services and the optimization of the customer experience.

Information on customer complaints in 2025

The Bank operates with full transparency and publishes information regarding public inquiries handled during the year on its website. The following is data regarding all inquiries received at Mizrahi-Tefahot Bank and Bank Yahav in 2025 that were handled by the Public Inquiries Unit:

- In 2025, 4,497 inquiries were handled.
- 93% of the inquiries received were complaints and 7% were requests.

	Requests	Complaints
Mizrahi Tefahot	179	3,413
Yahav	137	768
Total	316	4,181

Subject	Mizrahi Tefahot		Bank Yahav	
	Percent of complaints in 2025	Percent of justified complaints (of total complaints) in 2025	Percent of complaints in 2025	Percent of justified complaints (of total complaints) in 2025
Means of payment	18%	30%	29%	15%
Housing credit	27%	30%	0%	0%
Service quality	13%	31%	17%	10%
Current accounts (incl. revolving debit accounts)	14%	26%	10%	10%
Credit (non-housing)	11%	21%	20%	11%
Other activity of the corporation	9%	20%	8%	8%
Deposits and savings	4%	16%	4%	15%
Foreign currency	3%	25%	5%	11%
Securities	1%	30%	5%	14%
Information	1%	19%	1%	25%
Other	0%	0%	1%	33%
Dormant account	0%	0%	0%	0%

Complaints findings in 2025

In 2025, the rate of complaints found to be justified was approx. 27% at Mizrahi-Tefahot Bank, and approx. 12% at Bank Yahav (the remaining complaints were found to be unjustified, their handling was concluded without determining a position¹ or the subject of the complaints was not within the Unit's authority²). The Bank monitors all justified complaints and the deficiencies found until their full resolution.

In addition to the inquiries handled by the Public Inquiries Unit, inquiries are received through additional channels, including social media platforms, which are managed by the Marketing Division as the first line of reputation risk management.

1. Cases of "he said, she said", without established evidence, or cases in which there is no significance to determining a position, in order to provide customer relief and resolve the issue.
2. Complaints regarding the fact that the branch did not approve credit or a debt settlement.

Promoting innovation and initiatives to improve the customer experience

The Bank works to encourage and adopt innovation in all areas of its activity, while constantly analyzing the pace of technological development and changes in consumer habits and preferences in Israel and around the world. The Bank's investment in promoting innovation is reflected in the development of products and services, including the integration of innovation in business and operational processes, and the implementing of a culture of organizational innovation in all of the Bank's divisions. In addition, innovation content and methodologies are integrated into the Bank's training programs and in management training.

The Bank encourages its employees to participate in promoting innovation, improving work processes and enhancing customer service and for this purpose, it encourages a team of innovation ambassadors, whose goal is to promote the value of innovation throughout the organization. The innovation ambassadors are selected from among the organization's employees and managers, ensuring representation from all of the Bank's divisions (headquarters and branches) and undergo periodic training on creativity and the development of ideas. For the past five years, the ambassadors have carried out an annual bank-wide process of brainstorming to improve the Bank's existing value propositions and develop a variety of new offerings and services. Following a rigorous screening process, the best and most suitable ideas are presented to the members of the management and to the Bank's CEO to determine which initiative will be advanced in the following year. In 2025, several ideas for enhancing the customer experience and improving operational processes were selected and were incorporated into the Bank's work plans.

In 2025, 20,597 hours of training focused on innovation were conducted throughout the Group.

As part of the Bank's commitment to continuous improvement, it has an Encouraging Improvement and Savings Initiatives Committee, which evaluates efficiency suggestions from employees aimed at improving customer service, improving processes, and streamlining. The internal and higher efficiency committees meet several times a year and discuss the suggestions received. The best proposals are implemented in the system and the proposers receive recognition awards at a festive ceremony attended by the Bank's CEO. Other high-quality proposals earn their proposers recognition awards. In 2025, employees submitted efficiency proposals, some of which were incorporated into the work plans of the various Bank divisions.

Fairness and transparency



Fairness and transparency are fundamental principles in the Bank's operations and in its concept of corporate responsibility. The Bank is committed to maintaining a relationship based on trust with all stakeholders, and in particular with its customers, based on full disclosure, clarity, putting the customer's best interests first, and professional and responsible decision-making. The Bank's fairness policy affirms this commitment and guides its business activities and customer service. Accordingly, the Bank undertakes to provide full and clear information regarding the financial products and services offered at the Bank's branches and on digital channels, including the implications for customers if they fail to comply with the product terms, provide available and accessible service to customers, and more.

The Bank operates in accordance with the fairness values detailed in its policy documents, procedures and Code of Ethics. Automated processes and systems assist bankers in providing full and proper disclosure regarding products offered to customers, and the Bank manages the fairness risk as part of the compliance risk.

The concept of fairness and transparency towards customers is based first and foremost on the provision of all necessary information regarding financial products and services in a clear and accessible manner to each customer, so that they can make the best decisions for themselves. The Bank ensures that agreements with customers comply with the requirements of the law and the Banking Supervision Department directives regarding due disclosure, and that they are clear and easy to understand. The agreement includes ensuring that the customer understands the products and services offered to them, with a clear, simple and detailed explanation of the costs, conditions, risks and opportunities stemming from the product or service. In addition, the agreement must include the obtaining of prior consent before executing the transaction in the account.

As part of the evaluation process for a new product or service at the Bank, the Compliance Department examines all relevant compliance risks, including fairness risk. This includes the various aspects of the product and their impact on the existence of a fair relationship that places the customer at the center of the banking activity. The issue of due diligence to the customer, the benefits of the product or service, the suitability of the product to

the customer's needs, and the marketing and sales processes of the product or service are examined.

As part of the Internal Audit Division's work plan, audits are conducted on the information presented to customers regarding various products and services, and agreements with customers are also sampled. In the event that agreements are found to require updating, including regarding due diligence and fees, the issue is reflected in the audit report. In addition, the Compliance Department conducts controls regarding fairness as part of the annual control plan. The audit findings are discussed and addressed with the relevant divisions, and in cases where a cross-organizational deficiency is identified, the issue is addressed accordingly.

The publication of marketing materials and ongoing updates to customers is carried out in accordance with the Group's values, the provisions of the law and the Banking Supervision Department directives, and they include all the information required in accordance with the duty of disclosure. The Bank monitors the perception and sentiment of fairness among its customers to evaluate the Bank's status and reputation as a fair bank compared to others. Similar to previous years, Mizrahi-Tefahot Bank was perceived by respondents as the most fair to its customers. This figure was revealed in the Bank's internal image survey, conducted on a quarterly basis among customers of the major banks. The Bank implements comprehensive integration measures in all Bank units for the implementation of the values of fairness, through courseware, professional training courses and newsletters published from time to time.

Responsible marketing and advertising

The Bank works to create transparency and clarity regarding its products and services, thereby helping its customers make informed decisions based on a clear understanding. To promote fairness and transparency, the Bank ensures that its marketing messages are equitable, respectful and non-offensive, and comply with legal requirements and the Banking Supervision Department's Proper Conduct of Banking Business Directives (PCBB). The Bank operates according to clear standards regarding marketing communications, advertisements, sales promotions and sponsorships. These standards are anchored in the marketing procedures and are regularly reviewed in each campaign, as well as once a year or more, if necessary.

As a leading entity in the economy, the Bank operates its marketing and advertising towards potential and existing customers, in strict compliance with legal requirements, compliance with the duty of full disclosure, and with respect and sensitivity to the diverse groups in Israeli society. The Bank operates according to a fair marketing policy in all channels, including social networks. In addition, before launching marketing campaigns, a systematic risk assessment and potential impact analysis of the planned communications

are carried out. These issues are presented for approval to the management, and sometimes also to the Board of Directors. Marketing communications are managed according to all accepted industry codes, both in terms of ethical rules and voluntary codes. The Group ensures that its advertising is carried out in accordance with the ethics rules of the Second Authority for Television and Radio.

In accordance with marketing procedures, all messages published on behalf of the Bank comply with legal requirements and are consistent with the following guiding principles:

- **Respectful and non-offensive advertising** – The Bank adapts its messages diverse population segments tailored to their cultural norms and codes. The messages reflect the principles that guide the Bank in its ongoing activities: reliability, loyalty, respect for human dignity, professional integrity and commitment to customers.
- **Clear language** – The use of clear language is an essential element in providing quality customer service. The Bank aims to ensure that its customers properly understand their financial rights, their obligations and the terms of the products and services, enabling them to make informed financial decisions.

Fairness in products and services

The Bank applies the principles of fairness and transparency throughout the life cycle of a financial product or service from the planning and approval stage, through marketing and sales to ongoing management and control. The Compliance Officer is responsible for implementing these principles, as an integral part of the Bank's compliance risk management framework.

In every new product development or approval process at the Bank, aspects of customer fairness, suitability for customer needs and lack of discrimination are also examined in addition to compliance with legal requirements and Banking Supervision Department directives. The examination is carried out in an orderly process, which includes input from all relevant business entities, gatekeepers, management and, in certain cases, also the Board of Directors' Risk Management Committee. Within this framework, the Bank ensures that compliance risk and fairness risk (which is a component thereof) are properly managed, and that the Bank implements appropriate controls and work processes to mitigate the risk.

The Risk Management Division presents an annual review of the new products or activities that have gone through the approval process at the Bank, for discussion by management and the Board of Directors' Risk Management Committee. The Bank also maintains extensive control programs throughout business lines and maintains effective enforcement programs adapted to the Bank, as part of the Bank's overall risk management system, which also includes fairness risk.

Bankers have several decision-support tools at their disposal that help them adapt products to the customer's risk level, repayment capacity and needs.

Bank employees are required to complete an annual refresher course on fairness. The subject is also integrated into introductory courses for branch employees and in relevant seminars and conferences on compliance. Quarterly ethics training is also conducted for Bank employees, which includes reference to ethical aspects in service and sales situations.



In 2025, **37,068** hours of training on **"fairness to customers"** were held throughout the Group.

In 2025, the Bank did not commit material violations regarding non-compliance with regulations on the subject of fairness in products and services or in marketing communications. In addition, Mizrahi-Tefahot Bank leads in customers' perception of fairness according to the Bank of Israel's Banking Supervision Department survey regarding customer (households) satisfaction with banking service quality in 2025.



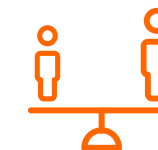
The Bank's social strategy is derived from its business strategy, which is based on the "People First" principle. The social strategy is implemented through focused activity based on three central values: acceptance of others, promotion of equal opportunities, and solidarity. The activity is designed to provide a response to significant social challenges and the needs of society and the community, and is carried out in collaboration with non-profit associations and social organizations, with the participation of Bank employees.

Social strategy

The core values in Mizrahi-Tefahot Bank's social strategy were formulated in a structured process, which established a social strategy consistent with the Bank's business strategy and focused on the needs of society and the community. The Bank promotes social projects and activities for the community in accordance with its core values: acceptance of others, promotion of equal opportunities, and solidarity. The strategy is implemented through the Community Relations Unit and subject to the directives of senior management.



**Acceptance
of others**



**Promoting equal
opportunities**



Solidarity



Acceptance of others

This value was selected to support individuals with disabilities: physical, mental, cognitive, communication disabilities and more, and to raise awareness of the issue among the public.

Orange Equals

In the "Orange Equals" project, the Bank established a digital hub on its website to promote and strengthen non-profit associations and social organizations and businesses. The hub brings together non-profits and social organizations and businesses that employ people with disabilities or marginalized populations, enabling purchases to be made directly from these businesses and organizations. The Bank's customers who are members of the

Community and volunteering

"The Card" club were invited to purchase gifts and products, and the Bank gave them a gift voucher to encourage them to make a social purchase. In 2025, the Bank financed social purchases worth NIS 260 thousand as part of the "Orange Equals" project.



Promoting equal opportunities

This value was selected to promote equal opportunities for all population groups in the social and geographic peripheries. The Bank works to provide practical tools for disadvantaged population groups to ensure they receive equal opportunities in the community.

Nitzanim PRO – Promoting technological education

In 2025, the Bank increased its collaboration with the "Benetivei Udi" association in the "Nitzanim PRO" program. The program is intended for students in grades 10–12 and aims to promote technological education for youth from the social and geographic periphery. The Bank sponsors the project and supports the students' training and their integration into the technological units of the IDF and the high-tech industry. As part of the Bank's support for the program, financial assistance and guidance continued for students in grades 10–12 in the cities of Ofakim, Sderot and Netivot, with the involvement of Bank employees in these branches. In addition, in 2025, the Bank adopted another group of students in Kiryat Shmona.



Solidarity

This value was selected to support disadvantaged populations and to encourage active involvement of customers, employees and their families in joint activities for the community.

Partners by Choice

In the "Partners by Choice" initiative, now in its 17th consecutive year, the Bank's customers are partners in deciding to which non-profit organizations the Bank will donate a special financial grant. The Bank's donation is intended to promote social projects for the benefit of populations in need, in cooperation with the winning non-profit organizations. The Bank's customers selected from a list of non-profit organizations whose activities are consistent with the Bank's social strategy. The 13 non-profit organizations selected in 2025 won a total of NIS 650,000 for the promotion of social projects in collaboration with the Bank. The Bank's customers who voted and had an impact received a benefit for purchasing a social gift from the "Enosh" association, which works to promote health and mental well-being, by which the Bank added another layer of social impact to the grant donation project.

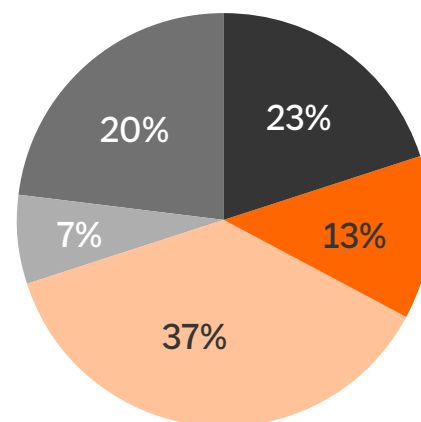




The Group's social investment in 2025 was NIS **32.9** million. The investment amount consists of financial donations totaling approx. NIS **29.9** million, and donations in cash equivalents amounting to approx. NIS **3** million.

Community investment budget by areas of activity for 2025

- Financial education
- Promoting equal opportunities
- Solidarity
- Acceptance of others
- Community support during the War and other aspects



In 2023, community investment amounted to NIS 40.8 million, and in 2024, it was NIS 52.3 million. In 2025, there was a decrease in the amount of social investment compared to the years 2023–2024. This decrease reflects the exceptional nature of the previous two years, which were marked by the Iron Swords War and its social consequences, during which the Bank significantly expanded and increased the amount of donations and assistance to the community as an immediate response to the needs that arose. In 2025, with the transition to rehabilitation, the investment amount returned to a level consistent with the Bank's policy, while maintaining an ongoing commitment to the community.

Impacting society and the community

The Bank's community activities contribute and impact diverse communities. The following are several notable examples from 2025:

"Hanukkah Gift Menorah" initiative – In 2025, the Bank's employees donated thousands of gifts to at-risk children and youth from a variety of non-profit organizations in preparation for Hanukkah, as they do each year. The donation amount enabled the purchase of **2,000** Hanukkah gifts this year.

Purchases from non-profit organizations and social businesses amounting to hundreds of thousands of NIS – The Bank routinely purchases gifts for its employees and customers from non-profit organizations and social businesses, and also encourages employees to purchase holiday gifts from them. In addition, sales fairs of a variety of non-profit organizations and social businesses are held in the Bank's buildings.

Scholarships for higher education – The Bank promotes equal opportunities in the social and geographic periphery through higher education scholarships totaling approx. NIS **1 million** for students from a low socioeconomic status studying financial subjects. In 2025, approx. 100 scholarships were awarded to outstanding students, with an emphasis on reservists who served during the Iron Swords War. In addition, the Bank grants scholarships to students of Ethiopian descent as part of the "Feuerstein Program". The Bank's contribution to the community creates a ripple effect of social impact – most scholarship recipients contribute back to the community in volunteer activities through financial training for their fellow students and for school children and youth in their local areas.

57 social projects for youth received the Bank's support – This is a joint venture of the Bank with the Youth Movements Council, which leads the "Zazim" project, which aims to encourage youth movement members to volunteer for society and the community. This year, the Bank focused on projects to strengthen the stability of communities from the north and south who were evacuated from their homes.

Thousands of food baskets packed for donation – The bank's employees, in collaboration with the non-profit organizations "Latet", "Leket Israel" and others, packaged thousands of food baskets for donation in preparation for the Passover and Ramadan holidays. The Bank financed the contents of the food baskets from the non-profit organizations as a donation.



715 participants in the "In Good Company" activity – The Bank, in cooperation with the Midot – SFI organization, leads the "In Good Company" Center to promote non-profits associations and social organizations. The center offers a variety of programs: training and workshops, consulting and guidance, peer learning and a "Call for Proposals" competition to encourage impact-oriented social entrepreneurship. In the competition, the Bank awarded financial grants to four non-profit organizations with projects aligned with its social strategy values, including the "Wings of Dror" association, which combats bullying and social exclusion, and the "Mashkiot" association, which works to reduce the gender gap in investments and in financial capital.

Orange Classrooms – The Bank is promoting the "Orange Classrooms" activity in Kiryat Shmona, in which it supports the regional Center of Excellence established by the Kiryat Shmona Municipality in partnership with IASA (the Israeli Center for Excellence in Education). The Center of Excellence offers classes for children and youth in English, mathematics, science, technology and cyber. In addition, the activity will include a series of meetings with the students' parents at the Bank's Kiryat Shmona branch, which will be dedicated to topics such as: financial education, enrichment and inspiration led by expert lecturers. The Bank also plans to host the Center of Excellence students for an enrichment day at the Bank's training center, and expose them to diverse marketing and finance content.

Combating violence against women – The Bank supported this cause by participating in and contributing to the social responsibility project of the Israeli business sector, led by the "Ruach Nashit" association. In addition, in 2025, the Bank made donations to additional associations operating in this area, including "Isha L'Isha," the Association of Rape Crisis Centers and "Bat Melech".

Restoration of forests – Bank employees participated in the "Rehabilitating the KKL-JNF Forests" campaign to restore the Biriya Forest, which was burned during the Iron Swords War. As part of the campaign, employees donated their personal funds, along with an additional donation from the Bank, for the forest's restoration.

Promoting accessibility to culture – The Bank sponsored and funded Beit Zvi Theater performances planned for populations in the periphery, mainly in the south of the country, as well as for populations affected by the Iron Swords War, with the aim of promoting access to culture, community stability and equal opportunities.

Supporting art that breaks boundaries – The Bank sponsored the Boundary-Breaking Art Festival " of the "Na Laga'at" Center in Tel-Aviv-Yafo for the fourth consecutive year, which featured performances by creators and artists with visual and hearing disabilities. In addition, Bank customers were offered discounted tickets and bank employee volunteers participated in the festival events.

The Bank's support for populations affected by the war



Since the outbreak of the Iron Swords War and throughout 2025, the Bank continued its extensive social activity, including donations, employee volunteering, and the launch of dedicated projects to support communities and populations affected by the War. The Bank allocated donations to affected citizens, healthcare institutions, rescue and security organizations, and social non-profit organizations, and expanded its areas of assistance beyond the routine operations while adapting the response to changing needs. After the immediate assistance phase, the Bank focused on adopting communities and long-term initiatives.

Return to Life

The Bank leads the "Return to Life" project, which was designed to support soldiers injured in the War and hospitalized at Sheba Hospital by providing social support and financial assistance. Since the outbreak of the War, approx.



150 Bank employees and managers have volunteered in this project. The volunteers accompany the wounded soldiers in the hospital's rehabilitation wards, conducting weekly visits and building personal relationships with the hospitalized soldiers. They identify specific needs and provide support in two main areas: banking support (personalized financial assistance) and economic assistance (including gift certificates and support). Approximately 1,600 volunteer hours were recorded in 2025 in the project. In 2025, the Bank participated with the "Etgirim" association for a group rehabilitation cycling activity at Sheba Hospital, with the participation of volunteer employees from the Bank.

Support for bereaved families

In 2025, the Bank led a collaboration with the "Or L'Mishpachot" association, which supports bereaved parents who have lost children in military service or in terrorist activity. This special initiative included the distribution of Hanukkah gift boxes donated by the Bank for the bereaved families. Hundreds of volunteer employees visited these families' homes throughout Israel and delivered the gift boxes while providing a supportive, listening ear. In addition, the Bank sponsored a Purim event for the IDF Widows and Orphans Organization, with the participation of employee volunteers.

Adopt a Soldier

In 2025, the Bank continued, for the fifth consecutive year, to adopt the Tzabar Battalion of the Givati Brigade as part of the "Adopt a Soldier" project.

Alongside the financial support, there is ongoing contact that includes participation in events, assistance to lone soldiers and those in need with monetary vouchers, and responding to needs that arose during the War (including equipment, aid packages, support for families of the wounded and bereaved families). The bank also supported rehabilitation and trauma-processing initiatives veterans of the Tzabar Battalion coping with PTSD.

Adoption of the Sderot and Kibbutz Kfar Aza communities

With the outbreak of the War, the Bank made immediate donations to the Gaza envelope communities and subsequently adopted the city of Sderot and Kibbutz Kfar Aza, in a short-, medium- and long-term support model. In 2025, the assistance included scholarships for vocational training for disadvantaged populations and funding scholarships for vocational training for young people in the city of Sderot. The Bank continued to support the English language program and the summer school program for the children of Kfar Aza. The Bank also continued to contribute to the learning center to strengthen the core subjects for the children of Kfar Aza.

Employee volunteering



The Bank considers employee volunteerism a key engine for community involvement and works to expand long-term activity. Each unit and branch that adopts a social organization has a community liaison who manages the ongoing communication and implements the activity plan, which is carried out mostly during the workday. In addition, employees are integrated into projects such as financial guidance, mentoring, purchasing products from non-profit organizations, and other social initiatives.

Employee volunteering and involvement circles

Bank-wide and unit-specific volunteering

- Approx. 70 branches and units **"adopt"** social organizations and conduct ongoing activities for disadvantaged populations throughout the year.
- **"Good Deeds" Marathon** – Approx. 800 employees from 57 branches and headquarters units participated in various community initiatives.
- **"Impact Vote"** – In 2025, Bank employees selected 20 non-profit organizations to receive a donation of approx. NIS 10,000 each, for joint projects.
- **Peak volunteering days** – In 2025, peak volunteering days were held for branch and headquarters employees.
- **Latet** – The bank has a long-standing relationship with the "Latet" organization, and every year, in preparation for Passover, Bank employees pack and donate approx. 1,000 boxes of food to those in need. In addition, the Bank supports the "Latet Youth" activity, a program for social entrepreneurship, volunteering and youth empowerment, in collaboration with the "Latet" organization. Youth from all segments of Israeli society initiate and operate social projects for the benefit of their local communities. In 2025, 1,800 youths participated in this project, in 33 local authorities. In preparation for Purim, Bank employees joined the youth in the organization and together prepared food baskets for families in need. In 2025, the Bank donated additional food baskets to the "Latet" organization for families in the north returning to their homes in the cities of Kiryat Shmona and Shlomi.

Bank employees arrived at the association's logistics center in Beit Shemesh and helped pack food baskets and products for the evacuee families.

- **Special in Uniform** – Since 2022, the Bank has actively sponsored groups of soldiers with disabilities as part of the "Special in Uniform" program of the "Yad LaYeled HaMeyuchad" association. As part of the activity, the Bank supports three groups of young people with special needs who volunteer in the army and serve at the Home Front Command base in Ramla and a base in the north under the name "Mizrahi-Tefahot Units". This volunteering enables these young adults to integrate into society as equals. Bank employees involved in the project meet with the soldiers several times a year and accompany them to events throughout their army service.
- **"Taglit" organization** – Bank employees participated in a joint volunteer activity with volunteers from the "Taglit" (Birthright) organization, young Jewish adults from South America who came to volunteer and visit Israel through the Jewish Agency, and assisted in the rehabilitation of two communities damaged in the War.
- **Make a Wish** – Bank employees took an active part in fulfilling the dreams of children with life-threatening illnesses in collaboration with the Make a Wish association. The Bank also sponsored an event to mark the 30th anniversary of the association's activities.



Family volunteering

The Bank encourages community involvement by Bank employees and their families:

- **"The Race for Equality"** – In 2025, more than 550 employees and their families participated in a social happening with approx. 200 members of the "Simcha Laveled" association. The participants experienced the daily realities of people with disabilities through activities led by instructors who are alumni of the association and who deal with chronic illnesses and disabilities.



- **“Youth Summer” project** – More than 120 children of employees volunteered in the summer of 2025 for approx. 8,200 hours in non-profit organizations such as Yad Sara, MDA, Ezer Mizion, Haverim L’Refuah, Simcha Layeled and Latet, in this ninth year of the project. The Bank provides participants with a recognition voucher based on their total volunteer hours.
- **Parents and children pack & donate** – In the “Pack & Donate” project for Passover, Bank employees and their families participate together to pack food boxes for those in need at non-profit organizations throughout the country.
- **Lod Race** – Hundreds of Bank employees and their families participated in the 8th Lod Race entitled “Lod Runs Forward”, with the aim of strengthening the partnership and as part of the involvement in the city of Lod, where the Bank’s headquarters are located.

Individual volunteering

The Bank promotes volunteerism at the core of its financial and banking activities, including:

- Training on prudent financial management for diverse populations (at-risk youth, women’s support groups, etc.);
- Mentoring for businesses and social initiatives;
- Participation in investment committees for social projects (for example, as part of the “Beehive” activity in Lod).
- Collaborations with non-profit organizations such as ERAN and Paamonim, and employee training for professional activity even beyond working hours, subject to a screening and training process.
- Training program in collaboration with “Zikaron Basalon” to deepen awareness of Holocaust survivors and promote ethical involvement.



Employee volunteering in 2025

42,600 volunteer hours by the Group’s employees in community activities.

6,714 employees volunteered this year in a variety of projects.

39% of employees who volunteer do so regularly.

6 volunteer hours on average per employee.

41% of the Group’s volunteer hours took place during working hours.

Measuring activity effectiveness and impact

In addition to the volunteers' satisfaction with the community activity, the Bank also measures the effectiveness and impact of the projects in which it is involved. At the end of the activity, the Bank distributes feedback questionnaires to assess the participants' satisfaction and the need for constant improvement. At the end of each major activity, a lessons learned process is held with all the relevant parties based on the feedback received from the field.

Financial donations

Each year, the Bank allocates a budget for financial donations to non-profit organizations whose goals are consistent with its social strategy. The decisions on approving donations and their amount are made by the Bank's Donations Committee, which meets once each period. All donation requests must meet the following threshold criteria: The non-profit organization submitting the request is a registered non-profit organization with approval to receive donations (Section 46A of the Income Tax Ordinance) and has a valid proper management certificate; the donation is for a specific purpose, and the organization commits to utilizing the Bank's donation only for the purpose of the donation specified in the request; the donation is not intended for political activity. Requests to the Mizrahi-Tefahot Bank Donations Committee can be submitted through the email listed on the Bank's website.¹

Bank Yahav's community involvement

As part of its community involvement, Bank Yahav works to create long-term relationships with organizations and social partners, and it often focuses on empowering at-risk youth, supporting individuals with disabilities and packing food baskets for disadvantaged populations. In this spirit, the Bank works to reduce gaps and promote equal opportunities.

Community involvement at overseas branches

In 2025, Mizrahi-Tefahot employees in the United States volunteered with non-profit organizations whose main focus is the development of affordable housing, community economic development for low- and middle-income populations, and small business development. This activity is in addition to social investments made in compliance with CRA (Community Reinvestment Act) requirements, which assist low- and middle-income small businesses and promote affordable housing initiatives.

In 2025, the London branch's community investments included financial donations to support social businesses and disadvantaged populations in Israel and in the UK. The branch's employees participated in local volunteer days and raised funds to support an association dedicated to multiple sclerosis patients, honoring the memory of a senior manager who worked at the Bank for 28 years who passed away from the disease.



1. <https://www.mizrahi-tefahot.co.il/about-mizrahi-tefahot-he/for-the-community/donation-requests/>

Responsible supply chain



The Mizrahi-Tefahot Group maintains an orderly and responsible management of its supply chain. The Group incorporates ESG criteria into its procurement policy and supply chain management, with the understanding that the Bank has an impact on environmental and social aspects through its suppliers and its entire supply chain.

Responsible supply chain policy and management

The Bank implements responsible supply chain management as part of a responsible supply chain policy, which integrates ESG considerations into the processes of engaging with suppliers and managing the relationship with them. Integrating sustainability values in the supply chain enables the reduction of social, environmental and economic risks and impacts that arise, directly or indirectly, from the provision of services and products to the Bank.

The Bank promotes local procurement as well as diversified procurement from small businesses throughout the country, recognizing their contribution to the local economy and their ability to provide a flexible and professional response to the Bank's needs. At the same time, the Bank applies a responsible and orderly payment policy with suppliers and ensures compliance with payment deadlines that have been set in advance, which are generally shorter than required under the Payment Ethics Law.

The Bank conscientiously engages only with suppliers who operate in accordance with all laws and regulations relevant to their area of activity. The threshold conditions include, among others, possession of a business license and the required permits, compliance with labor laws and protective legislation, protection of the health and safety of employees, payment of a minimum wage, prohibition on the employment of children and prevention of human trafficking and forced labor, prevention of discrimination and protection of employees' rights. Under the engagement agreements, suppliers are obligated to fulfill their obligations as employers and to act in accordance with legal provisions regarding equal opportunities, prevention of discrimination, bribery and corruption in all areas of their operation.

The procedures for engaging with suppliers are in accordance with internal procedures and are carried out in a way that is designed to ensure fairness, transparency and prevent embezzlement and fraud. ESG aspects in the selection of suppliers, including the existence of a code of ethics, environmental criteria and diversity aspects, are applied through specific questions in a structured form, when submitting a supplier engagement request to the Bank's Engagement Committees.



Criteria for selecting suppliers and preference for responsible suppliers

The selection of suppliers at the Bank is based on compliance with regulatory and ethical conditions, and on the integration of ESG considerations as part of the decision-making process.

Integration of environmental and social aspects into engagement processes

Among the considerations for selecting a supplier, the Bank integrates environmental and social considerations into the criteria for prioritizing suppliers as early as the request for a price quote stage, depending on the supplier's operating sector. Subject to the context and evaluation of the engagement, as part of weighing the quality of the overall proposal, environmental policy, carbon footprint, the product's energy efficiency coefficient and contribution to the community are also examined.

Code of Ethics

The Bank prefers suppliers who operate according to a code of ethics in their organization. In the engagements, suppliers are required to declare the implementation of the dedicated code of ethics principles for suppliers, which is based on the Bank's values and UN Global Compact principles. In the engagement agreements, suppliers undertake to act in accordance with the values of reliability, professionalism and service, excellence, transparency and fairness that are consistent with the Bank's code of ethics.

Supplier Diversity

The Bank considers diversity and equal opportunities as guiding principles in supply chain management. When evaluating suppliers, considerations such as prioritizing local suppliers, micro, small and medium-sized businesses, businesses from the periphery, and businesses owned or managed by women or that promote the employment of women are taken into account, among other things. In 2025, the Bank purchased a significant amount of services and products from small businesses or businesses affected by the War that participate in the "Orange Israel" project – a project established by the Bank with the aim of supporting business owners from the north, the south, and reserve soldiers.

Promoting responsible procurement in the Group in 2025¹

In 2025, the amount of procurement orders was approx.

NIS **775** million.

The Group has **2,348** active suppliers.

20% of the suppliers are new suppliers.



72% of the suppliers are small and micro businesses.³

27% of the procurement amount is paid to small and micro businesses.

97% of the suppliers are local Israelis.

25% of the suppliers are from peripheral areas.²

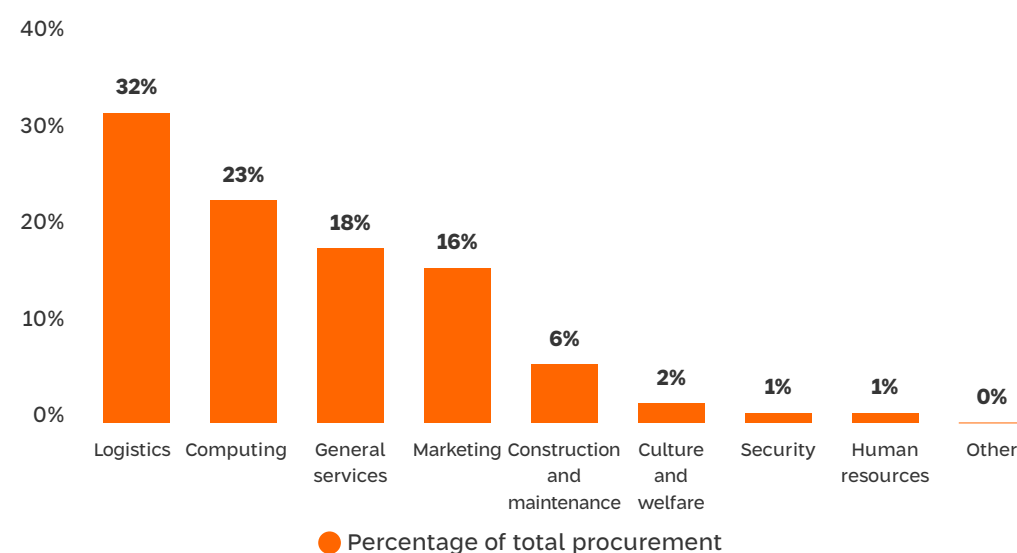


1. The breakdown that appears in this chapter is based on estimates that are based on data for the January–December 2025.

2. Clusters 1–5 according to the Central Bureau of Statistics' Socio-Economic Index for 2021.

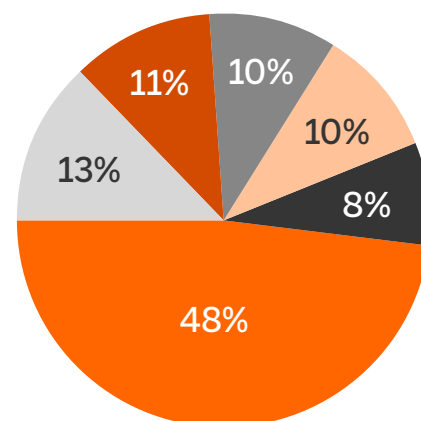
3. In accordance with Government Resolution no. 2190.

Procurement in the Mizrahi-Tefahot Group



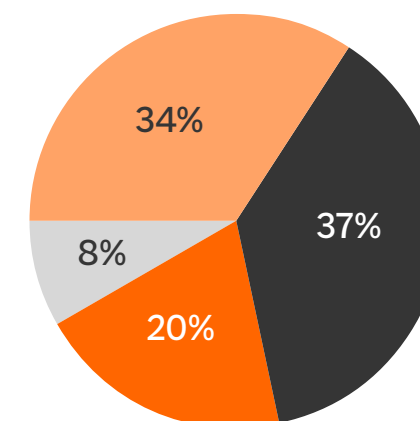
Breakdown of the Group's suppliers in Israel, by geographic region

- Center
- Sharon
- Judean foothills
- Jerusalem and the surroundings
- North
- South



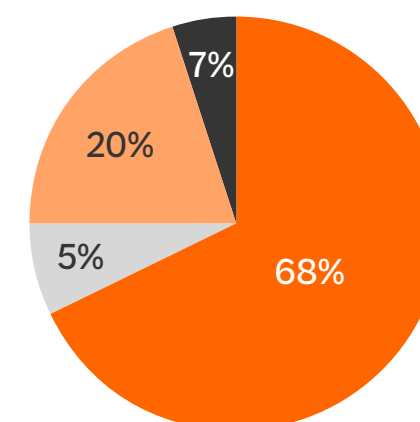
Rate of the Group's suppliers, by business size

- Large
- Medium-sized
- Small
- Micro



Rate of payments to the Group's suppliers, by business size

- Large
- Medium-sized
- Small
- Micro



Supplier control

- **Supplier risk management and control** – The Bank has a policy for supplier and outsourcing management (outsourcing is managed in accordance with the Bank of Israel's PCBB 359A), which determines, among other things, the corporate governance aspects of supplier risk management, including defining the role of the risk manager, and the responsibilities and authorities of the relevant units in the lines of defense. In addition, principles for measuring and managing risk have been established, including periodic updates to the risk assessment. The Bank conducts a risk management assessment, including corruption risks among suppliers and subcontractors with whom it works on an ongoing basis. The final accounts of renovations and cleaning contractors are individually and regularly reviewed by the supervisor in charge of this area. In addition, contracts signed with architects, planners and supervisors contain a unique clause prohibiting them from receiving any benefit, directly or indirectly, from a third party.
- **Supplier control for lawful employment** – The Bank's engagement managers, including the Logistics Department Manager and the Bank's Procurement Manager, conduct visits to the Bank's main suppliers and evaluate the suppliers based on criteria defined by the Bank. A supplier who does not meet the criteria is subject to a engagement termination procedure. In recent years, there have been visits to all main suppliers, and some of them have even had repeat visits. The visit is accompanied by a questionnaire developed to evaluate the suppliers according to the specified criteria. Voluntary issues (for example, whether a code of ethics exists) are also discussed during these visits. In 2025, several visits were conducted to permanent procurement suppliers, and in addition, the Bank maintains ongoing contact with its regular suppliers.
- **Monitoring the employment conditions in the cleaning, security and catering sectors** – The Bank ensures that the employment conditions of workers in these sectors comply with all laws and regulations. The inspection is carried out by a qualified salary inspector in accordance with legal requirements, and inquiries may be received from workers requesting specific inspections. Workers have access to an anonymous and discreet reporting mechanism for violations and non-compliance by their employers. In 2025, the engagement was terminated with two cleaning providers who did not cooperate in an audit by a certified salary inspector, even after receiving several warnings.

- **Supplier control on environmental issues** – Where applicable, agreements with suppliers include clauses relating to environmental aspects in accordance with legal requirements. In cases where a supplier does not meet the criteria, an evaluation of their continued engagement may be conducted.
- **Safety controls and training** – The Bank works on an ongoing basis to monitor safety compliance and to train supplier employees on this issue. A safety expert on behalf of the Bank conducts controls and provides safety guidelines to contractors on various projects. In addition, proactive inspections are conducted by the Bank's safety consultant every Bank site where there is a construction project or construction work. From time to time, training is provided to all external supervisors working with the Bank on this issue. In addition, a Safety Forum convenes on a quarterly basis with the participation of Bank representatives from the Logistics Department, a safety consultant and inspectors from the Bank's maintenance service provider.



The Mizrahi-Tefahot Group continues to grow and lead in business excellence and considers human capital, its employees, a key factor in implementing strategy and achieving growth goals in operations and profitability, alongside its commitment to providing fair and professional service to customers. The Group is committed to the professional and personal development of its employees and to providing a proper and fair work environment that safeguards their health and well-being. The Group employs individuals equitably from all sectors of Israeli society.

Mizrahi-Tefahot employees in 2025

The Mizrahi-Tefahot Group has **7,415** employees and managers.

85% of them are employees of Mizrahi-Tefahot Bank, **13%** are employees of Bank Yahav and **2%** are employees of the Bank's overseas branches.

The number of full-time Group employees, based on an annual average, is **7,223**.

Approx. **94%** of the employees in the Group are employed full-time.



Investing in employees

The average age of all employees in the Group is **41.4**.

The percentage of academics in the Group as a whole is approx. **77%**.

The percentage of students is approx. **7%**.



The average seniority in the Group is **12.7** years.

35% of the employees are new employees in the Group (up to five years, inclusive).

37% of the employees are employed at the headquarters (and the rest work in branches and call centers).

Breakdown of Group employees, by age group

	Age group	2024			2025		
		Women	Men	Total	Women	Men	Total
Employees in non-management positions	Up to 30	1,184	415	1,599	1,178	416	1,594
	31–50	2,192	1,167	3,359	2,200	1,177	3,377
	51 and over	566	329	895	609	368	977
	Total	3,942	1,911	5,853	3,987	1,961	5,948
Group managers	Up to 30	8	4	12	9	3	12
	31–50	500	418	918	477	394	871
	51 and over	257	296	553	290	294	584
	Total	765	718	1,483	776	691	1,467
Total employees	Up to 30	1,192	419	1,611	1,187	419	1,606
	31–50	2,692	1,585	4,277	2,677	1,571	4,248
	51 and over	823	625	1,448	899	662	1,561
	Total	4,707	2,629	7,336	4,763	2,652	7,415
	Total – based on full-time according to an annual average ¹	4,603	2,571	7,174	4,640	2,583	7,223

Geographic distribution of Mizrahi-Tefahot Group employees in Israel and abroad for 2025

	Residential area in Israel and abroad	Percentage of total employees
Israel	South	10.8%
	Jerusalem and the surroundings	17.1%
	North	10.7%
	Judean foothills	23.7%
	Sharon	11.4%
	Greater Tel Aviv	24.8%
Total Israel		98.5%
UK	London	1%
USA	Los Angeles	0.5%
Total overseas branches		1.5%

1. This figure is included in the report starting from this reporting year, in accordance with what is stated in the annual reports.

External employees

The Bank implements a policy whereby every employee is defined as an employee of the Bank for all intents and purposes from the first day. From time to time, the Bank receives services from external companies for projects with a fixed term, but employs a minimal number of employees in this way. In 2025, the Bank received services from 33 external employees in professional positions. External employees participate in the Bank's training and undergo training on regulatory issues in various areas: privacy protection, prevention of sexual harassment, prohibition of money laundering, the Antitrust Law, prevention of embezzlement and fraud, prohibition on the use of inside information, consumer protection and fairness.

Employee turnover

Employee turnover in the Group, by gender and age²

	Age group	2024				2025			
		Employees and managers hired to work at the Bank	Employees and managers who were fired	Employees and managers who resigned	Employees who retired	Employees and managers hired to work at the Bank	Employees and managers who were fired	Employees and managers who resigned	Employees who retired
Men	Up to 30	157	15	67	0	170	16	103	0
	31–50	83	23	57	0	102	30	81	0
	51 and over	10	3	1	48	18	3	23	50
Total men		250	41	125	48	290	49	207	50
Women	Up to 30	251	36	148	0	321	30	190	0
	31–50	89	30	98	0	96	38	108	0
	51 and over	2	3	3	86	9	3	12	53
Total women		342	69	249	86	426	81	310	53
Total up to 30		408	51	215	0	491	56	293	0
Total 31–50		172	53	155	0	198	66	187	0
Total 51 and over		12	6	4	134	26	6	34	103
Total		592	110	374	134	715	128	514	103

1. This policy does not apply to the Technology Division.
2. The data in the table does not include the call centers (banking center), which have a high turnover rate due to the nature of the work, which mainly includes students.

Retaining the Bank's employees, while developing their capabilities and maintaining their satisfaction, is a central and important aspect of the Bank's approach, as a leading bank in Israel that provides professional and high-quality service to its customers. The Group's turnover rate in 2025 (not including banking centers) is 9.5% (employees who resigned / were terminated) and 11.1% including employees who retired.¹ The voluntary attrition rate (not including banking centers) is 7.6%. The overall turnover rate of the Mizrahi-Tefahot Group, including banking centers, was 13.2% (employees who resigned / were terminated), and 14.6% including employees who retired.

Absence data (in number of days) in the Group in Israel, in 2025

		Vacation	Reserves ²	Days of absence due to illness (including work accidents)	Sick leave absence rate (in percent)
Mizrahi-Tefahot ³	Women	73,954	2,597	64,607	5.4%
	Men	40,681	19,751	25,810	3.7%
	Total	114,635	22,348	90,417	4.8%
Bank Yahav	Women	12,128	475	10,632	4.9%
	Men	4,356	2,406	2,968	3.8%
	Total	16,484	2,881	13,600	4.6%
Total Group in Israel	Total	131,119	25,229	104,017	5%

1. Data on employees who retired appear on page 157 of this report under the heading "Support for employees preparing for retirement", in a separate table, "Retirement in 2025 in the Mizrahi-Tefahot Group".
2. Continued high numbers of reserve days, given the continuation of the Iron Swords War in 2025.
3. Including the Technology Division, and excluding overseas branches.



Human capital management



The Bank considers its employees and managers as partners in its success, and therefore it promotes them and creates a supportive and respectful work environment. This approach is reflected in the Bank's operations with its concern for employee rights and the maintaining of fair employment conditions, as well as employee safety and health. The Bank does not engage in any form of forced labor and does not employ workers under the legal working age, in accordance with the its commitment to protecting human rights.

The Bank treats its employees in accordance with the Human Capital Risk Policy document, which outlines the key principles for managing human resources, such as the Bank's commitment to promoting a fair work environment and employment conditions, maintaining employee rights, committing to comply with all labor laws in the countries where the Bank operates, and even providing better working conditions than required by labor laws. In addition, the policy document deals with labor relations with managers and employees in a collective framework and maintaining a continuous dialogue with employees and their representatives. This policy is reviewed annually and submitted for approval to the Board of Directors.

As part of the human capital risk management policy, the Bank's management receives reviews of the Bank's human capital, including standards, monthly personnel movement and attrition and absence rates. The reviews are presented according to a schedule defined in the policy document and include defined risk thresholds. The Head of the Human Capital and Resources Division, assisted by the Head of the Human Resources Division, is responsible for policy and control regarding all labor relations at the Bank. Human Resource Unit Managers are responsible for the treatment of employees. There are automatic control mechanisms that ensure that employee rights are maintained, including the prevention of excessive working hours, ensuring the utilization of annual vacation days, and more.

The Human Capital and Resources Division manages human capital through data analysis (People Analytics) for all of the Bank's workforce needs. This is reported to management on an ongoing basis and includes workforce strategy, identification of skill gaps among employees, measuring the recruitment process, performance evaluations and more.

As part of this analysis, a dedicated unit constantly reviews the Bank's organizational structure, and recommendations for changes are implemented by adapting personnel to new roles. Various organizational surveys are also conducted, including a survey for new employees that examines their satisfaction with the onboarding process, their position and the Bank, conducted at intervals of two weeks, two and a half months, and one year from the start of work.

Dialogue with managers and employees

The Bank places great importance on maintaining ongoing communication with its employees and managers to expand the dialogue with employees, as part of its commitment to a responsible employment environment. The Group operates in various ways:

- **"Roundtables" with the Bank's CEO** – In 2025, the Bank's CEO continued to meet with some of the employees in roundtable meetings that included open dialogue regarding ongoing activities at the Bank, at the headquarters and branches.
- **Breakfast Club** – In 2025, meetings were held between division/array heads and branch and department managers. The purpose of the meetings was to create an ongoing and direct dialogue between middle management and the Bank's management, which included raising ideas and sharing insights.
- **Employee surveys** – The Bank cooperates with BDI on an annual basis to determine the Bank's ranking among the best companies to work for, and the findings are presented to management. The survey results are also analyzed segmentation by gender, hierarchical level and age group. The survey insights are evaluated by the Bank and suggestions are made for implementation in the work plan. In 2025, the survey results showed that the Bank's ranking was maintained and that there were upward trends and improvements in a significant number of indicators, including an increase in employee satisfaction.
- **Providing feedback to employees** – The Group ensures that its employees receive regular feedback on their performance in a personal conversation or meeting at least once a year. The feedback conversation is a mutual dialogue that also allows employees to provide feedback on the Bank's activities. Workshops are held prior to the review period, and explanations on the evaluation process are distributed alongside tools that will help managers conduct an effective feedback conversation. Workshops on employee evaluation and providing effective feedback are also held as part of the management training processes. In 2025, approx. 97% of the Bank's employees received a performance evaluation and feedback.¹

1. The figure does not include employees who, during the feedback period, were on maternity leave / unpaid leave / reserves and no feedback interview was held with them.

- New employees** – The Bank’s portal has a designated zone for new employees, which contains professional and personal aspects and milestones that guide the employee along the way, including a detailed presentation for the new employee that includes information regarding his rights, an explanation of the salary slip and components at the Bank, as well as information on promotions, compensation, and incentives. In addition, human resource managers meet new employees during the first three months of employment for a personal introductory conversation with the employee, and a discussion regarding their labor rights, their prospects for promotion at the Bank, an explanation of the salary slip and the Bank’s incentive system.
- Direct dialogue with Bank employees at branches** – Human resource managers regularly visit Bank branches and hold discussions with managers and employees.

Freedom of association

As part of the protection of employee rights, the Bank maintains the right of its employees to organize. Mizrahi–Tefahot Bank employees are organized under three committees: the Mizrahi–Tefahot Bank Employees’ Organization, the Mizrahi–Tefahot Bank Directors’ and Authorized Signatories’ Organization, and the Mizrahi–Tefahot Bank Technology Division Employees’ Committee. Bank Yahav employees are also organized under a labor committee. The labor agreement determines the employment aspects of Bank employees that are not on individual contracts, addressing standard employment conditions at the Bank, including work hours, employee compensation, and equal opportunities. The Bank’s managers are aware of the guidelines and procedures that ensure the committees’ operational freedom and act accordingly. Collective bargaining agreements apply to approx. 91% of Mizrahi–Tefahot Bank employees, 95% of employees in the Technology Division, and 88% of employees at Bank Yahav. Employees who are not employed under the collective bargaining agreements work under individual employment contracts. In 2023, a special collective agreement was signed between the Bank and the Mizrahi–Tefahot Employees’ Organization for the years 2022–2026. In addition, in 2024, a special collective agreement was signed between the Bank and the Directors’ and Authorized Signatories’ Organization at the Bank regarding wages and working conditions for the years 2023–2027. In 2023, an agreement was signed between the Bank and the Technology Division Employees’ Committee. In 2023, a new collective wage agreement was signed at Bank Yahav with the employee representatives, establishing the labor relations and compensation at Bank Yahav for the years 2023–2027.¹

1. For additional information on collective labor relations and working conditions for employees represented by the employee organization, please see the 2025 Annual Report.

Promoting employment security

The Group works to promote job security among its employees, and according to its policy, every employee is defined as an employee of the Bank for all intents and purposes from the first day. This policy also applies to employees of the banking centers, most of whom are students whose work is characterized by a higher turnover. Upon onboarding at the Bank, an employee has “probationary” status, and after a relatively short period of three years, the Bank decides on the granting of permanent status to the employee, in accordance with standard procedures. 94% of employees are employed full-time, most of those employed part-time are students employed under a collective agreement, who are entitled to the same benefits and rights as full-time employees. As of the end of 2025, approx. 69% of the Group’s employees were permanent employees. Under the collective agreement with the employees’ organization in June 2023, the Bank has the option of extending the period for receiving permanent employment status to up to five years for a certain percentage of employees.

Breakdown of the Group’s employees according to employment agreement

Employment agreement	2023			2024			2025		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Permanent	3,267	1,771	5,038	3,247	1,780	5,027	3,301	1,786	5,087
Probationary	1,170	422	1,592	1,176	475	1,651	1,176	490	1,666
Employees on a personal contract	274	352	626	285	373	658	286	376	662

Maintaining the safety and health of employees

The Bank places great importance on maintaining the safety and security of its employees, both physically and mentally, as an integral part of their employment conditions. In order to properly manage these aspects, the Bank has procedures that are communicated to the relevant employees. In addition, the Bank conducts measurements, investigations, inspections and training for continuous improvement.

Safety at the Bank’s facilities

The Bank has an external safety officer who is employed on a regular basis. Meetings of the Quarterly Safety Committee, which includes external inspectors and the Safety Officer, are held once a quarter, and measures are discussed to improve the safety of employees, customers, contractors and cleaning workers in all the Bank’s buildings. At these meetings, the Safety Officer presents findings and recommendations based on the safety surveys conducted at the Bank. The meetings are attended by the supervisors

responsible for branch maintenance, and a safety refresher course 505 is also provided. Ongoing reporting of all safety events is conducted in the Operational Risk Portal system.

Road safety, driving and vehicle maintenance

As part of its traffic safety work plan, the Bank instructs its employees on the vehicle's safety systems and on defensive driving (for employees who drive a Bank-owned or leased vehicle). In 2025, a refresher brochure on driver rights and obligations was distributed to the Bank's permanent drivers in the first quarter, a communication on summer driving was distributed in the second quarter, and a communication on winter driving was distributed in the fourth quarter. This year, the transportation system to and from the headquarters was upgraded, including the operation of shuttles from nearby train stations and the expressway parking lot to ensure maximum accessibility and safety for employees. Assessment of the safety status of the Bank's vehicles is carried out on an ongoing basis by the Traffic Safety Officer. In addition, the Bank sends a postcard once a year to employees whose children have reached driving, with guidelines for accompanying a new driver, safe driving and adapting driving to environmental conditions.

In 2025, 8,859 hours of safety training were held in the Bank Group.

Work accidents

In 2025, 61 work accidents occurred at the Bank, 56 of which led to lost work days, and 33 occurred on the way to or from work. As a result of the work accidents, the employees involved were absent for a total of 904 days. The lost time incident rate (LTIR) is 1.26.¹ In 2025, no deaths occurred among Bank employees as a result of work accidents in or outside the Bank.²

Emergency preparedness

The Bank is prepared for emergencies such as fire, flood, epidemic, earthquake and war, and is in compliance with the Bank of Israel's PCBB 355 regarding the management of business continuity. Emergency procedures define the division of authorities, responsibilities and procedures for handling emergencies. The Bank's business continuity plan is reviewed periodically as part of the Internal Audit Division's work plan, and there are procedures for cooperation and reporting to authorities, such as the Bank of Israel, the Israel Police, the Fire Department and Magen David Adom. Periodic exercises are also held for various emergency scenarios.

1. Lost Time incident rate – Calculated in relation to 200,000 work hours per 100 employees. The figure also includes accidents on the way to or from work.
2. It should be noted that two employees died during 2025, unrelated to their work at the Bank.

Mental strength and managing operational distress situations

As part of maintaining employee safety and security, Bank employees participate in training focused on managing operational distress situations at the branches. Branch employees undergo specialized training in their onboarding at the Bank to handle robberies and emergency incidents. In addition, reference and learning materials are distributed, training on the subject is held at the branches, and a lessons learned process and emergency drills are carried out. Security trustees are appointed in the Bank's units and branches who are trained and instructed to act in accordance with these scenarios. The Bank also attaches importance on managing stress and maintaining mental resilience among its employees. In 2025, 12,048 hours of training were provided to the Group's employees and managers on the subject of mental strength, management of stress and crisis situations.

Prevention of workplace abuse and sexual harassment

The Bank prioritizes ensuring a safe and pleasant work environment, and as such it strictly works to prevent abusive conduct, bullying of employees and sexual harassment. The Bank has appointed an officer in charge of preventing sexual harassment, who has been trained for the position and participates in further training from time to time. The officer is responsible for handling complaints regarding sexual harassment, according to an established procedure. The officer's responsibilities also include handling inquiries from outsourced employees who work at the Bank's facilities. Each year, the sexual harassment prevention procedure is sent to all Bank employees, including the officer's contact details. Once a year, the management and Board of Directors receive a report on sexual harassment at the Bank.

All new employees participate in training on the subject through a mandatory course, and workshops on the prevention of bullying and sexual harassment are held in management courses and at the Bank's management conferences. New managers participate in a workshop on the prevention of harassment and fostering a respectful work environment as part of their first management course at the Bank. The Human Resources Department is responsible for receiving complaints regarding abusive conduct from Bank employees. If a complaint regarding harassment at work is received, it is investigated by an external party or by a Human Resources employee. The Bank also provides an anonymous line for Bank employees to report any issue requiring investigation, including sexual harassment, discrimination, violation of labor rights, or issues related to compliance with the law, corruption, etc.

In 2025, the Group received only a few complaints regarding sexual harassment. An investigation was conducted, no justified complaints were found and appropriate actions

were taken to prevent a recurrence of the cases and increase awareness of the issue. In 2025, 3,308 hours of training were provided in the Group on the prevention of sexual harassment and bullying at work.

Maintaining employee privacy

As part of the job security provided to employees, the Bank also ensures the privacy of employee information stored in its various systems. These systems are managed in a database maintained at a high level of information security, similar to the customer database. The information in the employees’ personal files is classified, and permissions are defined according to necessity and authorization level required for the position. In addition, when carrying out external engagements or activities that require the sharing of information with an external supplier, the initiating party must act in accordance with the appropriate procedure. The matter is forwarded to the Legal Division and the Privacy Protection Officer to ensure processing in accordance with the Bank’s strict standards. The work processes in the Human Resources Division with regard to privacy protection are consistent with the Bank’s standards for handling information. Upon onboarding, new employees are briefed on the privacy protection policy and acknowledge that their personal information is stored in the Bank’s databases in accordance with the policy.

Upholding terms of employment

Ensuring wages and social benefits in conformity with legal requirements

In all regions of its operations, including at the overseas branches, the Bank strictly ensures payment of its employees’ salaries in accordance with legal guidelines, including mandatory minimum wage laws. The salaries for employees under the collective agreement are updated annually. The collective agreement determines, among other things, conditions relating to work hours and employee remuneration. In addition, the Bank provides increased social benefits – the convalescence allowances paid to Bank employees exceed those stipulated by law, as does the sick leave allowance. In a new employee’s onboarding, the Bank provides a comprehensive breakdown of the employee’s rights and conditions with full reference to the requirements of the position, organizational alignment, direct supervisor, salary components and conditions, work hours, social benefits including pension contributions, benefits and reference to the sensitivity of the position and the mandatory consecutive leave requirement.

Parental leave data¹

	2024			2025		
	Women	Men	Total	Women	Men	Total
Went on parental leave	427	7	434	468	5	473
Number of employees who returned to work after parental leave ended	168	6	174	159	3	162
Went on parental leave during the year and remained on parental/unpaid leave after the end of the calendar year ²	229	1	230	260	1	261
Went on parental leave during the year and chose not to return to work	30	–	30	46	1	47
Number of employees who went on parental leave in the previous year and remained employed 12 months after returning to work	365	5	370	372	4	376

Organizational changes and career development

The Bank makes sure to inform its employees in advance of organizational changes, ensuring that all parties involved can collaboratively find the most appropriate solution. All organizational changes are carried out with professional guidance together with the management. Employees who are required to change positions following organizational changes receive advance notice, as well as training from the Bank, if required. In cases of termination of employment, the advance notice period takes into consideration the employee’s needs and systemic constraints, provided that it is not less than the minimum required by law.

Job openings at the Bank and internal tenders for management positions are distributed regularly to all Bank employees, and they are invited to apply for any position. Employees can assess existing knowledge gaps with their managers or the Center for Training and Learning Development in order to advance to their next position, and they can request professional training to bridge the gaps. In addition, the Unit Human Resources Manager works to proactively identify employees for positions at the Bank, and collects data to evaluate options for filling future positions. Managers hold one-on-one conversations with employees periodically and during the annual performance review to discuss their aspirations for career development at the Bank. Depending on the employee’s desires and skills, the Unit Manager and the Human Resources Manager can recommend a development path through the training available at the Center for Training and Learning Development.

1. The data is for the entire Group, excluding overseas branches.
2. A retroactive correction was made following a typing error.

Employee remuneration

The Bank leads several incentives to compensate and incentivize its employees, including the following:

- **Salary promotion** – Once a year, based on the management's recommendation, the Board of Directors decides on promotional step increases or salary raises in the organization, based on performance in the past year. This is carried out in accordance with employee agreements.
- **Individual bonus** – Once a year, the Board of Directors decides on the granting of bonuses, their rate and the distribution method. Eligibility for the bonus and the amount for each employee are determined based on meeting targets and management recommendations. The main part of the bonus is granted based on the employee's individual performance and contribution to the Bank's success, and a portion is distributed uniformly to all employees.
- **Share options for managers** – The granting of options to officers and managers in the Bank Group (department/branch managers and above) is intended to coordinate the compensation incentives with the Bank's strategic plan, long-term goals, results over time and the actual contribution of the Bank's employees to achieving the Bank's goals. The Bank's Board of Directors may from time to time approve an employee options plan, under which the Bank may grant managers (including the CEO and officers) and subsidiaries options exercisable for shares.
- **Outstanding employees** – The Bank greatly values outstanding employees. Top performers receive a special bonus in addition to the annual bonus or an additional step promotion during the annual review. They are invited to an appreciation day – an event and a meeting with the CEO and members of management, where their achievements and contributions to the Bank are highlighted. The selection of outstanding employees is based on management recommendations, the achievements of the outstanding employees and their contribution to the Bank.
- **Individual awards** – The branch network operates a system of incentives and rewards based on excellence in key indicators, branch activities and special promotions. Usually, the reward is given within a branch, for a social gathering and leisure activities for employees at the branch. At the Bank's headquarters, individual awards are distributed in recognition of employees who have achieved impressive results in the course of their work.

Diversity, equality and prevention of discrimination in employment



Mizrahi-Tefahot Bank maintains that diversity and equality in the workplace create social and economic value for the Bank, its employees, and for all of Israeli society. Hiring employees from a variety of population groups helps the Bank's customers receive service that is appropriate for their unique needs. The Bank works continuously to promote equality in the work environment and does not discriminate against any employee on the basis of religion, nationality, race, origin, sex, age, gender identity, place of residence or any other characteristic.

Recruitment and retention of quality and equitable human capital

Mizrahi-Tefahot Bank works to recruit and retain quality human capital in accordance with job specifications and the required qualifications. The Bank maintains ongoing contact with various organizations to locate quality candidates for various positions. Candidates are located by contacting various recruitment channels, with the aim of expanding the pool of candidates and recruiting the most suitable candidate for the required position. The Bank's investment in human capital recruitment in 2025 totaled NIS 4.6 million. Hiring employees from diverse population groups has both social and business advantages, and a multifaceted workforce enables the Bank to provide professional solutions for the Bank's customers' unique needs. In addition, the Bank benefits from a high level of commitment from these employees, due to the recognition of their uniqueness and the creation of a work environment adapted for them.

In 2025, the Bank's managers underwent a refresher course on equal opportunities in employment, designed to provide them with information and practical training on the Equal Opportunities at Work Law, which prohibits discrimination of any kind. This prohibition applies to the hiring stage and throughout the entire period of employment in the organization, including in promotion, training and compensation processes.

The subject of diversity is managed by a dedicated manager. The Bank adheres to a recruitment process that offers equal opportunity to candidates from all sectors in Israeli society, without discrimination based on nationality, religion, cultural or ethnic affiliation, age, sex, gender, sexual orientation, disability or any other characteristic. In the recruitment

processes, adjustments are made to ensure equal opportunities, so that job candidates are hired based on their skills and the needs of the Group. These adjustments usually include additional time and the option of taking the test in their native language (such as Arabic). As a strategy, the Bank actively works to recruit employees from a variety of population groups and from sectors characterized by underrepresentation in the labor market.

Initiatives for increasing diversity at the Bank

Employees from the ultra-orthodox community

As part of its strategy to create a diverse work environment, the Bank is working to integrate employees from the ultra-orthodox community. In its efforts, the Bank collaborates with specialized placement companies dedicated to the ultra-orthodox community and employment guidance centers for the ultra-orthodox sector. In addition, the Bank participates in specialized job fairs for employees from the ultra-orthodox community and advertises jobs through appropriate websites. The direct banking sector recruits women from the ultra-orthodox community, and the Banking Center has two dedicated teams staffed by ultra-orthodox women. Since most candidates come without any background or work experience, the Bank provides them with on-the-job banking training. When the team is established and throughout their entire period of employment, the necessary adjustments are made to facilitate their integration, offering both modified shifts and an adapted work environment.

Employees from the Arab community

As part of its strategy to create a diverse work environment, the Bank has continued to recruit employees from the Arab community in 2025. Recruitment efforts include cooperation with associations for career development and for promoting employment in the Arab sector, which refer qualified candidates to the Bank.

Integration of employees with disabilities

The bank is committed to promoting equal opportunities for individuals with disabilities. In compliance with legal requirements for the employment of people with disabilities, a strategy was developed to absorb employees with disabilities and identify relevant positions for them in the Bank's units. The Bank also appointed a dedicated coordinator for the employment of people with disabilities. The Bank maintains working relationships with the Ministry of Labor's "Equal Employment Program" and with associations specializing in the placement of these candidates, and each year, the Bank hires employees with disabilities into a variety of positions and allocates dedicated positions for new employees with disabilities. To ensure optimal integration of these employees at the Bank, the work environment is fully accessible, and the Bank makes additional adjustments as required.

In 2025, an internal communication was sent to Bank employees on the subject of hiring and promoting employees with disabilities, and in this framework, employees who wish to declare a disability or seek guidance on the subject were invited to contact the relevant internal authorities. In addition, human resource representatives responsible for the issue participated in the Accessibility in Employment Conference of the Access Israel Association.

Bank Yahav is a member of "The Valuable 500" project, which promotes accessibility and integration of people with disabilities in the world's largest companies



Supporting reservists and helping IDF soldiers integrate into the labor market

At Mizrahi-Tefahot Bank, support and consideration for reservist employees is not only a legal obligation but also an organizational value to ensure employee stability and for the economic and social resilience of the Bank and the country. The Bank joined the "Reservist Badge" initiative – a voluntary certification for companies that recognize the contribution of reservists and support them. The Bank's commitment to supporting reservists is embedded in its organizational culture and implemented in various aspects: training for managers and human resource teams on ways to support reservist employees, including optimal integration upon their return to work, maintaining employment continuity, days of appreciation and gratitude for reservist employees, providing gifts and benefits to reservist employees and their families, and more.

In addition, as part of the Bank's approach to the responsible management of human capital and the promotion of equal opportunities in employment, the Bank collaborates with non-profit associations and social organizations that help individuals, such as reservists, reintegrate into the labor market. In these collaborations, potential candidates are referred to the Bank for recruitment, in addition to advertising specific positions to relevant target audiences and participation in various employment initiatives, including job fairs. This activity is another layer in the Bank's approach to expanding recruitment sources, promoting equal opportunities, and strengthening human capital.

Employee diversity data

Mizrahi-Tefahot Bank treats every employee equally and without discrimination, and therefore there is no registration or classification of employees by groups based on ethnicity or sector. However, based on an analysis of accompanying data and based on **the employees' own statements**, the following is an **estimate** of the data for the Bank's employees from underrepresented populations in the labor market. It is important to note that it is likely that the Bank has additional employees from these and other groups that are not included in the data.

14.2% of all Bank employees are employees from diverse underrepresented populations in the labor market, including employees from the Arab, ultra-orthodox, Ethiopian and disabled communities.

8.4% of employees are from the ultra-orthodox community.¹

3.1% of employees are from the Arab community.

24.2% of all employees hired by the Bank in 2025 are from diverse populations underrepresented in the labor market.

4.6% of those hired by the Bank in 2025 are from the Arab community.

16.3% of those hired by the Bank in 2025 are from the ultra-orthodox community.

1. The methodology was improved for calculating employees from the ultra-orthodox sector, and as a result, a retroactive correction was made to the data for 2023-2024.

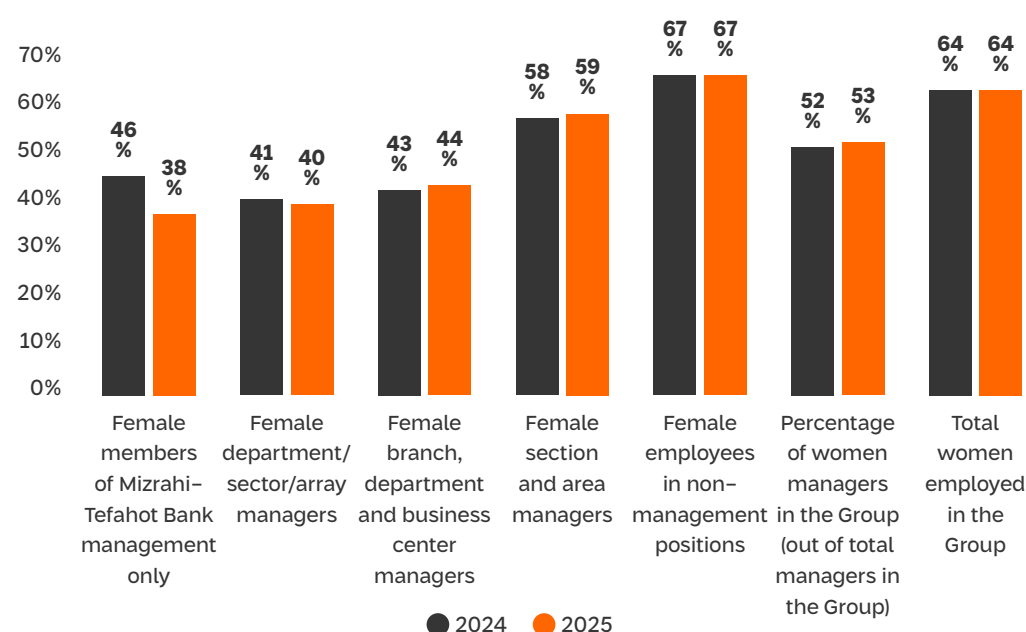
Promoting a diverse and equitable work environment

The Group strictly complies with statutory requirements regarding equal and fair employment, including regarding employee benefits, subject to various employment agreements. Part-time and full-time employees are entitled to the same benefits, including vacation pay, holiday gifts and employee gifts. In addition to the standard benefits, there are specific benefits that are derived from the employee's full-time equivalent percentage, and consequently, there are differences between full-time and part-time employees for items such as convalescence pay, clothing allowances, and accrued vacation and sickleave. In addition, the integration of employees from a variety of sectors requires a work environment that is culturally sensitive and adapted to the religious and cultural needs of its employees. Non-Jewish employees may take up to five vacation days each year on their holidays and special occasions at the Bank's expense, in addition to the vacation days on holidays according to the Hebrew calendar (when the Bank does not operate). As part of its promotion of equality, the Bank enforces a zero-tolerance anti-discrimination policy that includes initiatives aimed at reducing gender inequality, preventing biases due to ethnic or cultural backgrounds, dispelling prejudices against individuals with disabilities, etc. The Bank operates an anonymous hotline that employees can contact if necessary. In 2025, no complaints were received from employees regarding discrimination.

Promoting gender equality

The Bank places great importance on the promotion of gender equality in the work environment and ensuring equal employment opportunities for both women and men, and enables women to reach key positions at the Bank and advance throughout all management levels. Bank employees are hired and promoted strictly based on their qualifications and in accordance with the Bank's needs.

Percentage of women in the Group, by rank



The proportion of women in management positions in income-generating divisions (retail, business and finance) is 50.5%. In addition, 43% of all employees who were promoted to a management position were women. The proportion of women in STEM¹ positions among all employees in these positions is 38%.

Pay differences between male and female employees

The salary of each employee, at all levels and positions, is determined at the beginning of his or her employment at the Bank, regardless of the employee's gender, based on qualifications, professional experience and the designated position. The Group employees receive merit-based salary increases according to equitable criteria, taking into account only relevant considerations. In fact, when the salary of women and men in the same position was examined upon entry into the organization and up to a period of three years, no salary differences were found. Differences were also evaluated between the average salaries of women and men at the various levels throughout the Bank.

1. STEM (Science, Technology, Engineering, Mathematics) employees use their knowledge of science, technology, engineering, or mathematics in their day-to-day responsibilities. The figure includes employees of the Bank's headquarters and employees of the Bank's Technology Division.

Ratio of women's to men's salaries at the Bank for 2025

Rank	Salary ratio ¹
Executive Management	0% ²
Senior managers	10.7%
Branch and department managers	4.6%
Employees ³	10%
Employees in the same position (with up to three years of seniority)	0%

The data presented relates to full-time employees who have worked for at least 12 months at the Bank. The wage gap stems from the wide variety of positions within each of the categories presented above, and from the variation in the total salary paid in each position (regardless of gender), which is affected by both rank and management status. Furthermore, variations in salary conditions are also derived from the personal attributes of the employee, such as seniority, child allowances, etc.

1. The figure indicates the salary ratio between women and men, with a value higher than 0% indicating that men's wages are higher.
2. The figure includes the members of Executive Management, and does not include the CEO.
3. Includes section and area of activity managerial ranks. The differences are due to maternity leave / unpaid leave. There is no difference in salary between men and women at the time of their absorption at work.

Responsibility for employee well-being



The Group promotes the well-being of employees in their professional and personal lives in various ways: employee benefits, work-life balance, healthy lifestyle and supportive guidance for employees upon retirement.

Employees' benefits

The Bank places emphasis on supporting and accompanying employees throughout their years of employment, professional development, personal occasions and, when necessary, in times of crisis and hardship. All Bank employees are entitled to benefits, with no distinction between probationary, part-time and permanent employees.

- **Benefits upon reaching milestones during employment at the Bank** – upon onboarding, tenure confirmation, promotion, seniority milestones and approaching retirement.
- **Seasonal celebrations** – Benefits, gifts and gift certificates on holidays and at various calendar events.
- **The employees' family circle** – Benefits for personal and family events, including gifts for events such as birthdays, weddings, births, children entering first grade and enlistment into the military or national service, alongside events also intended for the employees' families. In addition, each employee receives automatic approval for breastfeeding time for a year, and an employee with more than a year of seniority can submit quarterly verification for an extension of up to two and a half years for a newborn. Employees also benefit from subsidies for daycare, kindergartens and higher education for their children.
- **Banking benefits** – Bank employees and their families enjoy benefits and preferential terms for managing their bank account, in facilities, loans and mortgages.



Supporting a healthy lifestyle

- **Team building and recreational days** – The Bank ensures that all employees participate in recreational days and team building activities.
- **Fitness center** – Bank employees have access to a gym offering a variety of weekly activities and classes for a nominal fee.
- **Workplace sports league** – The Bank has ten sports teams that participate each year in the Workplace League. Approximately 160 employees actively participate in the Bank's sports teams, in training and competitions.



- **Medical screening for employees** – As part of its concern for the health and well-being of employees, the Bank finances medical screening tests for all employees over the age of 35. Employees over the age of 35 are entitled once every two years, and employees over the age of 50 are entitled to an annual screening test.
- **Assistance for critically ill employees** – The bank has a Welfare Officer who maintains contact with employees with critical illnesses, and handles their requests and needs. Treatment and assistance is also provided to employees whose families need financial support for medical aspects through a mutual aid fund.
- **Assistance in times of crisis** – As part of the care for the family circle, unit managers, with the assistance of the Human Capital and Resources Division, accompany and support employees and their immediate families in situations of hardship and crisis. In addition, a volunteer employee mutual aid fund has been established. Employees who are interested may contribute a nominal deduction amount from their salary for the fund, which assists employees in crisis situations.

Employee benefits at Bank Yahav

Bank Yahav provides benefits to employees, including eligibility for a continuing education fund, summer camp, scholarships, dormitories, newspapers, convalescence, annual bonus, welfare fund benefits and clothing allowances. In addition, there are benefits and bonuses on holidays and special events, such as a years of service award, gifts on holidays and for personal events, and more. There is also an increased compensation track for employees opting for early retirement. Bank Yahav retirees enjoy various benefits, such as holiday and birthday gifts, and participation in clubs and leisure activities. In addition, the Bank provides a budget for the retiree representative body to finance trips and lectures for Bank retirees. The Bank participates in the payment of a pension consultant for employees reaching retirement age.

Work-leisure balance

A properly balanced combination of career and family directly affects the employee's well-being. The Bank also strives for a balance between the development of capabilities and professional progress and the development of personal development and interests, and therefore it encourages employees to maintain a healthy work-life balance and ensures that the employee has free time during the work week for family and other activities. The following are several examples:

- **Work week** – The Bank's work week for a full-time employee is 39 hours, instead of the 42 hours defined by law. For control purposes, the Bank monitors excessive overtime hours and issues notices to employees who exceed the permitted quota, with a copy to their managers. The Bank also ensures that employees take advantage of their annual leave, including consecutive days off, in accordance with the Annual Vacation Law, through control mechanisms. On an individual basis, the Bank accommodates individual requests regarding employment percentages in special cases.
- **Additional vacation days paid by the Bank** – The vacation day quota is in accordance with the law and seniority, and is even higher.
- **Support for employees caring for a sick family member ("caregivers")** – The Bank supports employees and shows flexibility in crisis situations in which they must care for a sick family member.
- **Vacation voucher** – Once a year, employees receive a cash voucher for a vacation reservation in Israel or abroad of their choice.

Support and assistance for employees during the Iron Swords War

Since the outbreak of the Iron Swords War, the Bank has supported its employees and their families, with an emphasis on those who were harmed by the conflict, evacuated from their homes or called up for active reserve duty. This included the establishment of a mental health support center, continuous support and assistance was provided to employees and their families, gift packages and gift vouchers were distributed, and workdays were paid to employees who were evacuated from their homes. In addition, during Operation Rising Lion, resilience-building workshops were held for children, and packages were distributed to injured employees and their families according to eligibility criteria.

Pre-retirement employee guidance and support

As part of its responsible employment policy, the Group supports employees preparing for retirement (or as part of early retirement arrangements). Employees who retire upon reaching standard retirement age are entitled to a pension from the pension fund. The provisions for Bank employees are made in accordance with the law and even beyond legal requirements.

Employees who retire before reaching retirement age (early retirement) are offered two tracks: an early pension track and an increased compensation track. In addition, employees who retire in these tracks are entitled to assistance from the Bank for professional training courses and consultations with a pension advisor to maximize their rights.

Employees preparing for standard or early retirement are entitled to a retirement plan that includes personal guidance, a retirement preparation workshop and advice from the Bank's Retirement Officer, reimbursements for independent tax and pension advice and professional training of the employees' choice. All retirees are entitled to benefits in bank account management, gift certificates for holidays and cultural events organized by the Retiree Committee, which is also supported by the Bank. In addition, the Bank encourages managers to maintain contact with retirees in their departments and to continue to benefit from their experience and the extensive knowledge they accumulated over the years, subject to the retiree's preferences.

Women and men are entitled by law to work until the age of 67, a policy upheld at the Bank. As a rule, the Bank does not retain employees after retirement age, but in cases of employees who serve as a critical source of knowledge, and in cases where the Bank and the employee show mutual interest, the possibility of extending their employment beyond the age of 67 may be evaluated. In 2025, the Bank had 30 employees over the age of 67, including employees in the Technology Division.

Retirement in 2025 in the Mizrahi-Tefahot Group

	Women	Men	Total
Number of employees who retired	18	33	51
Number of employees who voluntarily retired (according to a voluntary retirement plan)	35	17	52
Total	53	50	103

Preparing for retirement

Retirement from the workplace is a significant process in the lives of employees and managers. In preparation for their retirement from the Bank, employees and managers are invited to a three-day preparatory course in which they are given tools and extensive information for their future on various topics, including: financial planning, pension advice, insurance, personal vision, managing social connections and relationships during retirement, building an action plan, preparing a plan for retirement, and more.

In addition, a full-day retirement conference is held annually for all employees retiring from the Bank that year, to which they are invited with their spouses. At the conference, retirees enjoy lectures, participate in a workshop, connect with non-profit associations where they can volunteer, and in a festive ceremony, the Bank's CEO presents them with a certificate of appreciation.

The course and conference express the Bank's gratitude to employees who have retired. In 2025, 95 employees participated in the retirement preparation conference and course.

Employee training and development



The Bank places great importance on the development of human capital and advocates for the continuous improvement of the professional and personal skills of its employees and managers. The Bank provides diverse professional and personal opportunities for advancement and strives to provide its employees with learning and development experiences that will help them stay current in the changing work environment while contributing to the execution of the Bank's business strategy.

The Bank's Training and Learning Development Center serves as a strategic partner for cross-organizational infrastructure initiatives and specializes in change management, implementation and professional training. The organizational training program includes a wide variety of courses, training and enrichment for employees and managers at all levels. Bank employees undergo a training course that includes specialized training tailored to the specific organizational and professional needs of their respective fields. Learning is carried out through a "hybrid learning methodology", which includes in-person instruction and self-study.

Training and mentoring of employees and managers

The personal and professional training and development processes, led by the Training and Learning Development Center in the Human Capital and Resources Division, accompany employees throughout their career path at the Bank – starting from apprenticeship and certification tracks at the start of a position, through participation in various continuous training programs during employment, participation in professional or managerial reserves to prepare for subsequent positions, and ending with tailored preparatory activities for retirement. At the end of each training program, employees receive a detailed feedback form, and the data collected is used to continuously update and improve the training programs.

- **Personal mentoring program** – The Bank emphasizes professional and managerial mentoring. An employee entering a new position is mentored by both a peer and the unit manager as part of a structured mentoring program tailored to the specific position. In management courses, the mentors are managers at various levels. In addition, instructors from the Training and Learning Development Center

provide personal instruction at the employee's desk and online lessons directly to the employee's workstation after identifying needs and defining study topics with the manager.

- **Learning organization** – The Training and Learning Development Center develops projects aimed at instilling a culture of continuous organizational learning and professional development for Bank employees. Within this framework, the Bank's learning portal makes a variety of training products accessible to managers and employees, such as training kits on professional topics for use at unit team meetings, interactive kits for self-learning, management newsletters distributed to managers, and more.
- **Training sessions, seminars and continuing education** – The Bank holds training sessions and seminars on the professional, behavioral and managerial skills required for bankers in their positions. The training is carried out on banking professions, regulation and compliance, the implementation of "soft skill" systems, such as service and sales, etc., as well as management training, leadership, and more. The training focuses on the assimilation of new content among employees and managers, as well as maintaining competence, refreshing and strengthening knowledge over time.
- **Personal support and counseling** – Upon entering a managerial position (branch managers, department heads and senior executives), managers receive personal counseling and guidance, and personal counseling meetings are held in select management training courses. Counseling and guidance are provided on an ongoing basis and in the context of specific events, such as organizational restructuring.
- **Senior executive meetings** – A "Forum 100" meeting is held quarterly, a platform for senior executives to enrich their knowledge and discuss strategic issues.
- **Development of interpersonal skills** – During the year, workshops were held for branch and headquarters employees, aimed at enriching and strengthening diverse interpersonal skills, such as personal excellence, empathetic communication, managing partnerships and interfaces, NLP as a language of influence, entrepreneurship, creativity and fulfillment, innovation, negotiation management, and more. In 2025, approx. 865 employees participated in these programs in 44 training cycles.
- **Enrichment courses** – The bank offers its employees enrichment courses and courseware that go beyond the requirements of their position, such as language courses, negotiation skills, innovation and creative thinking, and training in the use of SAS, Office and more.

- **Training of employees outside the organization** – In addition to the courses taught within the organization, from time to time employees are also sent to external training courses to expand their professional knowledge.
- **Academic education** – The Bank encourages activities aimed at completing and expanding academic education among its employees, and participates in the financing of academic studies for bachelor's and master's degrees.
- **Training at Bank Yahav** – At Yahav Bank, an annual training program is developed for all employees, based on the work plans and the Bank's needs. This program, tailored to the Bank's values and regulatory requirements, is distributed to all employees.



In 2025, **56,590** training days were held, compared to **59,115** training days in the previous year.¹

62% of the training hours were held in person.

38% of the training hours were distance learning, including through e-learning and videos.

The cost of investing in employee training at Mizrahi-Tefahot Bank for 2025 is NIS **93.3** million.

Average training hours per employee by rank in 2025

	2024			2025		
	Men	Women	Overall average	Men	Women	Overall average
Managers	58	64	61	52	54	53
Employees	52	53	53	52	51	51
Headquarters	27	27	27	35	33	34
Branches	76	68	71	66	60	62
Total average	54	55	54	52	51	52

1. A training day is equal to nine academic hours.

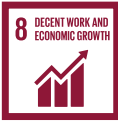
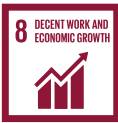
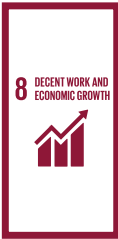
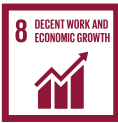
Career development tracks

The Bank offers career development tracks for employees and managers, as part of its policy promoting employee advancement, long-term development, as well as internal promotion from among the Bank's employees. In general, Bank employees are recruited into entry-level positions and advance through various career development tracks in the organization. The Bank offers several career development tracks for employees and managers and evaluates the effectiveness of the training over the years. The existing career development tracks are as follows:

- **Promotion of employees to management positions** – The Bank encourages the promotion of its employees to management positions and provides them with the necessary tools. In 2025, approx. 92% of the managers appointed from among the Bank's employees were promoted, of which 43% were women. The percentage of positions at the Bank that were filled by candidates from among lower salary grades or non-management positions was 99.2%.
- **Management development program** – A program designed for managers of divisions, sectors, branch and department managers. The program includes many courses, personal counseling, and workshops that teach management skills.
- **"Accelerating Forward" program** – A program for the personal and professional development of long-standing branch managers. The program integrates experience with practical management tools and deals with topics such as motivation, innovation, entrepreneurship, and more.
- **Management reserve training program** – The Bank has developed a program that trains suitable employees for future managerial positions, offering both professional and managerial training. Employees and managers who are found suitable for advancement undergo a screening and training process within the program, which includes workshops on diverse topics: leadership, management and influence, employee development tools, ODT workshops, personal mentoring with the course instructor, and the execution of a final project that deals with a strategic issue at the Bank that will be presented to the Bank's management.
- **Professional Track Training Program** – The Bank has developed training programs for employees in future professional positions. As part of this reserve, bankers study the content related to all branch positions and receive tools that will qualify them for additional positions and advance their careers. For example, a reserve track for business managers – a three-month track with approximately 24 participants, during which training will be held on a variety of banking, business and behavioral topics, as well as practical experience, regional meetings and individual mentoring.

- **Professional teams** – The Bank has established teams for various fields, such as an analyst team, an economist team, AI experts and more, with the aim of creating knowledge groups and professional communities that will enrich each other. The teams meet periodically for seminars and enrichment in their area.
- **Manager training at Bank Yahav** – Bank Yahav operates development and retention programs for the Bank's management level, which includes management development courses at headquarters and branches, specialized workshops, and personal guidance for managers throughout the year.



Defined goal	Response to SDGs	Status
Promotion of a healthy lifestyle among employees.		Done and will continue in 2026
Upgrading of wellness and employee welfare services at the new campus and for all bank employees.		Done and will continue in 2026
Development and adapting of training courses in soft skills for employees with the aim of fostering an innovative work environment that adapts to the changing work world.	  	Done
Expansion of social investment in community projects to promote equal opportunities in the social and geographic periphery.		Done
Intensified activity and adapting of services and products to a variety of population groups: Arab, ultra-orthodox and new immigrants, according to their unique characteristics.		Currently being carried out
Expanded recruitment activities from the ultra-orthodox community, adapted to its unique characteristics.		Done
Implementation of an updated responsible procurement policy in the Bank's divisions.	 	Done and will continue in 2026

Defined goal	Response to SDGs	Status
Continued support and assistance to communities in the south and north affected by the War as part of the Bank's community activities.	  	Done
Expansion of employee knowledge and connection to the ESG aspects.	 	Done and will continue in 2026

goal	Response to SDGs
Upgrade of wellness and employee welfare services at the new campus and for all Bank employees.	
Promotion of a healthy lifestyle among employees.	
Update and refreshment of financial education kits as part of the "Money Path" program developed by the Bank.	  
Bank participation as an anchor investor in a social bond aimed at increasing the number of graduates of 4 and 5 study units in mathematics in the matriculation exam among the Negev's Bedouin youth.	 
Expansion of employee training regarding environmental and climate risks.	 
Expansion of regulatory and compliance topics in management courses.	 

goal	Response to SDGs
Expansion of the Bank's support for programs accompanying the wounded individuals and bereaved families affected by the War.	 



The Mizrahi-Tefahot Group is committed to responsible and ethical conduct in all areas of its activity, with strict adherence to the principles of proper corporate governance and compliance with legal requirements and the Code of Ethics. The Group emphasizes the fostering of a culture of compliance, including privacy protection and information security, preventing corruption, and the Board of Directors' effective management.



The Group's commitment to responsible conduct



Stable, reliable and high-quality corporate governance is the key to the Group's success and to the trust of investors and stakeholders. Proper corporate governance is required, among other things, to maintain the Group's stability and implement its strategy over time. This is supported by an independent Board of Directors, high-quality management and clear reporting principles between the corporate bodies, which ensure effective oversight within the corporation. In addition, corporate governance is supported by remuneration based on appropriate criteria, independent and effective auditing and ethical conduct of employees with all stakeholders.

Mizrahi-Tefahot Board of Directors

As part of the Bank's corporate governance management, the Board of Directors outlines the Bank's policy and oversees the management's performance, and is responsible for the Bank's business operations and its financial strength. The Bank's Board of Directors operates in accordance with legal provisions, including the Bank of Israel's Proper Conduct of Banking Business Directives. The Board of Directors implements the legal requirements, which include, among other things, the duty of care and the fiduciary duty, including the obligation to act in the absence of conflicts of interest.

Profile of the Board of Directors¹

- As of the end of 2025, ten directors serve on the Group's Board of Directors – seven men and three women.
- Eight members of the Board of Directors have accounting and financial expertise (in the Audit Committee – five directors with such expertise), in accordance with the provisions of the Companies Regulations.
- The Board of Directors includes four external directors, as defined in the Companies Law and in accordance with PCBB 301. All external directors are also independent directors.

1. For additional information regarding the members of the Bank's Board of Directors, including their qualifications, education, experience and additional data regarding their tenure and additional information regarding directors with accounting and financial expertise and professional qualifications, as required by the Public Reporting Directives and the Securities Regulations, see Regulation 26 of the Bank's Periodic Report for 2025, on the Israel Securities Authority's Magna website.

- Among the directors are those with experience and knowledge in risk management, including credit risks. The Board of Directors' Risk Management Committee includes directors with extensive experience and seniority in risk management, as well as a director with proven knowledge and experience in information technology, information security and cyber.
- The education, expertise, and skills of all Board members are directly related to the Bank's core operations.
- None of the directors are subordinate to the CEO, directly or indirectly, and none hold an executive position at the Bank.
- The average attendance rate of the directors in 2025 was 99%.
- No indictments have been filed against any of the directors and there are no pending proceedings or convictions of the directors in the last ten years.

The following is the list of the members of the Bank's Board of Directors as of December 31, 2025:¹

Avraham Zeldman, Chairman of the Board of Directors		
Eli Alroy	Hedva Ber	Jonathan Kaplan
Ron Gazit	Hannah Feuer	Ilan Kremer
Estheri Giloz-Ran	Joseph Fellus	Gilad Rabinovich

Independence of the Board of Directors and appointment of directors

The Board of Directors operates in accordance with the Companies Law and in accordance with PCBB 301, which established a list of issues within its authority upon which it deliberates and decides. In doing so, the Board of Directors exercises its independence. This is reflected in the detailed Board of Directors' procedures, which address, among other things, the composition and many functions of the Board of Directors, including actions it must take to exercise this status.

1. On December 15, 2025, on the date of the annual General Meeting, Mr. Moshe Weidman's term as a director on the Bank's Board of Directors ended. At that meeting, Ms. Hedva Ber was appointed as a director on the Bank's Board of Directors, and she has served there ever since.

According to PCBB 301, the following rules apply to the Board of Directors:

- Bank employees may not be appointed as directors of the Bank, a director may not hold an executive position at the Bank and will refrain from participating in the ongoing management of the Bank.
- A director may not be present at meetings of the management and its committees, except for the presence of the Chairman of the Board of Directors in a discussion dealing with the Bank's overall strategy.
- A director may not address business matters to Bank employees, but only within meetings of the Board of Directors or its committees, except for inquiries to the Bank's CEO in specific cases that are documented according to PCBB 301.
- A controlling shareholder may not serve as Chairman of the Board of Directors.
- An individual whose current business or occupation create a permanent conflict of interest between themselves and the Bank or for whom there is concern that they may create a permanent conflict of interest will not serve as a director.
- At least one-third of the Board of Directors must be external directors. The external directors at the Bank are appointed, each from the date of their appointment, for three-year terms according to the law. It should be noted that in corporations in which there is a controlling core, as there is in the Bank, this serves to impede a hostile takeover.

On December 24, 2020, the General Meeting of shareholders approved an amendment to the Bank's Articles of Association regarding the term of office of directors are appointed by the annual General Meeting for a term (other than external Board members) until the third annual General Meeting following the annual General Meeting which approved their appointment, or until an earlier date approved by the Banking Supervision Department. The Bank may, at a Special General Meeting, appoint additional directors, either to fill a vacancy (for any reason) or as additional directors, provided that the total number of directors does not exceed the maximum number set forth in the Articles of Association. Shareholders may nominate candidates for appointment as directors. The nominated candidate will be brought for approval by the General Meeting, and the candidates will be included on the agenda of the General Meeting, in accordance with the Bank's Articles of Association and legal provisions.

Prior to the appointment of a new director, whether external or internal, a dedicated ad hoc committee will be appointed, consisting of members with no personal interest in the matter, and its role is to review the composition of the Board of Directors, taking the Bank's needs into consideration, and to discuss the suitability of the candidates.

In 2025, the ad hoc committee convened twice, first – for the reappointment of an external director, and second – for the renewal of the appointments of five directors and the appointment of a female director. An officer, as defined in the Companies Law, will not take action to appoint a specific director or to prevent such an appointment, except by proposing their own candidacy for the office of director. A person who does not have the necessary qualifications and does not undertake to devote the appropriate time to fulfilling the role, taking into consideration the Bank's special needs and its size, will not be appointed as a director of the Bank and will not serve as a director.

Except for an individual who served as a director up to the date of the Annual General Meeting, no director will be appointed at the Annual General Meeting, unless nominated by the Board of Directors or by Company shareholders. Nevertheless, the Board of Directors may appoint directors if any position on the Board of Directors should become vacant, after the previous Annual General Meeting or by approval of the Banking Supervision Department, provided that the term in office of the previously appointed director expires at the next Annual General Meeting. Voting in a General Meeting on the appointment or termination of directors will be for each candidate or director separately. These decisions will be made by a simple majority of those participating in the vote, and abstentions will not be taken into account. If the number of candidates elected exceeds the vacancies, the candidates with the highest number of votes at the General Meeting will be elected.

The onboarding process for a director at the Bank is structured and comprehensive, and in addition to materials provided to each director for review upon appointment and the required information that is brought to their attention, meetings are also scheduled with members of the Bank's management.

Each of the Bank's subsidiaries has its own Articles of Association that determine the method for appointing its directors and the number of independent directors, if applicable. In addition, some of the subsidiaries are subject to regulations that govern corporate governance principles in accordance with their specific activities. Related-party transactions are regulated by law and anchored in procedures, and the subsidiaries operate accordingly.

Gender diversity on the Board of Directors

In July 2022, the Bank's Board of Directors approved a gender diversity policy, ensuring adequate gender representation on the Board of Directors. According to the policy, adequate representation will be provided for both genders, and the proportion of women serving as directors at the Bank will not be less than 30% of all Board members by December 31, 2025. As of December 15, 2025, the proportion of women on the Board of Directors is 30%.

The Board of Directors' work

The Board of Directors fulfills its duties through discussions in its plenary session, in meetings at least once a month (or more frequently as needed) and in meetings of its committees. In 2025, 19 Board meetings and 53 Board committee meetings were held. A variety of topics are presented to the Board of Directors and its committees for discussion and reporting, the vast majority of which are presented after being discussed by the Bank's professional departments, control functions and by the Bank's management. Management's recommendations, as appropriate, are included in the background material distributed to the directors.

Within the framework of the Board of Directors' procedures, a series of topics and matters have been determined, with an emphasis on risk management at the Bank, for which there is a duty to report to the Board of Directors, and the frequency and format of reports have also been defined. In addition, the procedures include reference to types of events that require immediate reporting to the Board of Directors. Once a month, the Bank's CEO presents a report that reviews all of the Bank's activities and special events, and, if necessary, it also includes aspects related to ESG issues. Once a quarter, a comprehensive risk review is presented to the Board of Directors' Risk Management Committee and to the full Board of Directors, covering all of the Bank's risks, developments in risk management and control in the reporting quarter, and occasionally ESG-related issues.

If there are any extraordinary material events that affect the Bank in economic, social or environmental areas, they are presented to the Board of Directors as part of the quarterly risk report and as part of ongoing reports from the Bank's management to the Board of Directors.

In 2025, reports were submitted to the Board of Directors on an ongoing basis regarding the Bank's operations and preparedness in Operation Rising Lion (regarding aspects of business continuity, credit risks, financial risks, human capital and cyber), including discussions regarding a prolonged power outage scenario.

Training and continuing education

The Board of Directors has a broad and diverse annual training program, and from time to time the Board members participate in professional training in various subjects. The program focuses on training in technological aspects, information and cyber security, environmental risks, climate risks, local and foreign legislation and regulation, credit rating methodologies at the Bank, internal banking models, prohibition of money laundering and terror financing, PCBB 301, related-party transactions, all types of credit aspects, Basel IV Directive, capital management and market risks.

The training program for 2025 included 13 training sessions for directors, covering technological, strategic, financial and regulatory topics, led by a broad mix of internal and external lecturers.

Board of Directors advisory and support

A director's right to receive information and to consult with various parties in the performance of his duties was determined in accordance with the provisions of the Companies Law and in accordance with the Banking Supervision Department's PCBB 301 regarding the Board of Directors. This right is anchored in the Board of Directors' procedures, and the Board must approve reimbursement of the advisory expenses. In justified cases, the Board of Directors may seek the assistance of external consultants, in the manner and under the circumstances stipulated in the Companies Law and in PCBB 301. In special cases, a director is entitled to receive professional consultation at the Bank's expense, if the cost has been approved by the Bank's Board of Directors, all subject to and in accordance with the provisions of the Companies Law and PCBB 301.

Effectiveness of the Board of Directors' work

The effectiveness of the Board of Directors' performance is evaluated in accordance with PCBB 301 every two years. The previous evaluation was carried out at the end of 2024 with the assistance of an external and independent consultant, using structured and anonymous questionnaires. The output resulting from these questionnaires is a document that includes points for improvement in several content areas. The document was reviewed by the Board of Directors, and following the discussion, a list of recommendations for implementation was established. The Bank's secretariat monitors the implementation of these recommendations.

General Meetings

- The Bank will hold an Annual General Meeting attended by shareholders, no later than fifteen months after the date of the last Annual General Meeting.
- The Bank Board of Directors will convene a Special General Meeting by passing a Board resolution, or on demand from any of the following:
 - Two directors.
 - One or more shareholders who hold at least five percent of the issued capital and one percent of the voting rights in the Company, or one or more shareholders who hold at least five percent of the voting rights in the Company.
- Subject to the provisions of the Companies Law or the Bank’s Articles of Association, the majority required at a General Meeting or at an adjourned General Meeting to adopt a resolution is a simple majority of all the votes of the shareholders present at the General Meeting, entitled to vote and who have voted, excluding abstentions. A shareholder may vote at a General Meeting or at a Special Meeting, in person or by proxy, in accordance with the provisions of the Bank’s Articles of Association and subject to the provisions of the Companies Law.
- One or more shareholders holding at least 1% of voting rights at the General Meeting, may require the Board of Directors to include an item on the agenda for a future General Meeting, provided that the topic is suitable for discussion at a General Meeting. Shareholders may vote separately on each matter on the agenda of the General Meeting. The Bank does not have preferred shares.
- In 2025, three General Meetings were held, which included the following topics:
 - (Re)appointments of Mr. Avraham Zeldman (who serves as Chairman of the Board of Directors), Mr. Ron Gazit, Mr. Jonathan Kaplan, Mr. Ilan Kremer and Mr. Eli Alroy, as directors of the Bank, as well as the appointment of Ms. Hedva Ber as a director of the Bank. Their term of office will be until the end of the third annual General Meeting to be held after the annual General Meeting at which the appointments were approved.
 - Discussion of the Bank’s annual financial statements.
 - The reappointment of Brightman Almagor Zohar & Co. as the Bank’s auditors.

Board of Directors’ Committees

In 2025, the Board of Directors had five standing committees:

Credit Committee	
Name	
Composition	Avraham Zeldman (Chairman), Hannah Feuer, Joseph Fellus, Jonathan Kaplan, Ron Gazit, Eli Alroy
Function	This committee is authorized to discuss general policy issues related to credit and to formulate recommendations to be presented to the Board of Directors’ plenary session. The committee is also authorized to discuss the annual and multi-year work plan of the Credit Control Unit and to receive periodic reports on issues related to credit risk. The committee is also authorized to discuss credit applications that deviate from the credit policy and to make recommendations to the Board of Directors’ plenary session for approval.
Number of committee meetings	11
Attendance rate at meetings	96%
Risk Management Committee	
Name	
Composition	Until December 15, 2025: Avraham Zeldman (Chairman), Gilad Rabinobich, Moshe Weidman, Jonathan Kaplan, Joseph Fellus, Ilan Kremer From December 25, 2025: Avraham Zeldman (Chairman), Gilad Rabinobich, Hedva Ber, Jonathan Kaplan, Joseph Fellus, Ilan Kremer
Function	This committee is authorized to discuss issues and policies related to the management and control of risks at the Bank, the Bank’s capital planning and internal control. The committee discusses recommendations brought before the Board of Directors’ plenary session and formulates them prior to a discussion by the Board of Directors on these issues. The committee discussed, among other things, the master policy regarding the risk management and control framework, the overall risk strategy, the risk appetite, the capital adequacy assessment process and the quarterly risk document. The committee discussed the policy documents for the various risks and recommends to the Board of Directors that these documents be approved, including: financial risk management, operational risk management including business continuity management, reputation risk management, E-banking management, ESG policy, ESG risk management, privacy protection, compliance officer report and unified compliance policy. The committee has the authority to approve new products that require the approval of the Board of Directors’ plenary session.
Number of committee meetings	10
Attendance rate at meetings	96%

Name	Remuneration Committee
Composition	Hannah Feuer (Chairwoman), Estheri Giloz–Ran, Gilad Rabinovich, Joseph Fellus
Function	This committee is authorized to discuss and make recommendations to the Board of Directors regarding remuneration policies and procedures, as required by the Companies Law and in accordance with the Proper Conduct of Banking Business Directives. The remuneration policy should be in accordance with the Bank's organizational culture, its long-term strategic goals and its control environment, so that the remuneration incentives do not encourage risks beyond the Bank's risk appetite as determined and will enable the maintaining of a solid capital base. The committee meets at least once a year to review the implementation of the remuneration policy. Every three years, the committee recommends to the Board of Directors whether to approve or change the established policy. In addition, this committee recommends to the Board of Directors the principles of the employment and retirement conditions of the Bank's senior management and employees. This committee also approves officer remuneration, prior to approval by the Board of Directors and by the General Meeting of shareholders, as the case may be.
Number of committee meetings	5
Attendance rate at meetings	100%
Name	Audit Committee
Composition	Until December 15, 2025: Joseph Fellus (Chairman), Estheri Giloz–Ran, Hannah Feuer, Moshe Weidman, Gilad Rabinovich From December 25, 2025: Joseph Fellus (Chairman), Estheri Giloz–Ran, Hannah Feuer, Ilan Kremer, Gilad Rabinovich
Function	The authority and duties of this committee are to discuss deficiencies discovered in the management of the Bank's business and to propose to the Board of Directors corrective measures, determine arrangements regarding the manner in which complaints from bank employees regarding deficiencies in the management of its business are handled, to examine the annual and quarterly reports to the public, to discuss them and to make recommendations for their approval, to approve transactions and operations as stated in the Companies Law, and to approve related-party transactions in accordance with PCBB 312 regarding transactions with related parties. In addition, the Board of Directors has appointed the Audit Committee to serve as the body responsible for supervising the work of the Compliance Officer, including the issue of information privacy, implementation of the enforcement plan under securities laws and competition laws and their implementation. The Audit Committee oversees the work of the auditors. It also recommends the salary and the type of services requested from the auditors. The Audit Committee supervises events related to corruption and receives reports on unusual events of this type, and also receives reports as part of the quarterly Compliance Officer Report
Number of committee meetings	19
Attendance rate at meetings	100%

Name	Information Technology and Technological Innovation Committee
Composition	Gilad Rabinovich (Chairman), Eli Alroy, Ron Gazit, Estheri Giloz–Ran, Hedva Ber, Jonathan Kaplan
Function	The purpose of the committee is to discuss and advise the Board of Directors regarding the strategy, risk appetite, and information technology policy, and the management of both the Bank and the corporations under its control, including its subsidiaries outside Israel (hereinafter – the "Bank Group"). Among other things, the committee deals with information security and cyber protection issues, the Bank Group's technological infrastructure, the management and use of databases, technological innovation and business innovation and their alignment with the Bank Group's overall strategy and policy. The committee also determines goals, annual work plans, and resources.
Number of committee meetings	6
Attendance rate at meetings	100%

Remuneration policy

The remuneration of directors, including external directors, with the exception of the terms of office and employment of the Chairman of the Board of Directors, is provided in accordance with the Companies Regulations (Rules concerning Remuneration and Expenses for External Directors), 2000 (the "Remuneration Regulations").

Executive remuneration policy

On December 20, 2023, after receiving the approval of the Board of Directors and the recommendation of the Remuneration Committee, the Bank's General Meeting approved a remuneration policy for Bank officers (hereinafter – the "Officers Remuneration Policy") effective for the years 2024–2026 starting from January 1, 2024.

The remuneration policy combines the provisions of the Companies Law, 1999, and the provisions of the Remuneration for Officers in Financial Corporations Law (Special Approval and Inadmissibility of Expenses for Tax Purposes due to Irregular Remuneration), 2016 ("Executive Remuneration Law") and PCBB 301A on the subject of remuneration with the cross-organizational principles that the Bank's Board of Directors, following the recommendation of the Remuneration Committee, deemed appropriate to adopt regarding the remuneration of the Bank's officers, taking into consideration, among other things, the Bank's approved strategic plan for the years 2021–2025 and the terms of employment for officers currently in effect at the Bank.

The remuneration package for officers who are not directors will consist of two main

components: a monthly salary (and related components) and performance-based variable remuneration (based on the Bank's performance targets, on personal performance indicators, including reference to ESG and including discretionary remuneration), which will include a cash bonus, and may also include long-term equity remuneration. The remuneration package may also include retirement-related benefits.

The medium-term remuneration (annual bonuses), as well as the long-term remuneration, are intended to promote the common interests of the officer and the Bank, and to strengthen the connection between the Bank's performance as a whole and the contribution of the officer to achieving the performance and the officer's remuneration, while adjusting it to the Bank's risk profile.

According to the remuneration policy, the maximum variable remuneration will not exceed 100% of the fixed remuneration, except in exceptional circumstances, in which the maximum variable remuneration will not exceed 200% of the fixed remuneration. In addition, the Bank's Board of Directors has determined that the maximum variable remuneration for officers who serve as gatekeepers will not exceed 80% of the fixed remuneration and that these officers will be entitled to an additional fixed component (in the amount of two monthly salaries, which constitutes fixed remuneration in accordance with the remuneration policy).

According to the remuneration policy, the remuneration ceiling, as defined in the Executive Remuneration Law (i.e., excluding payments for compensation and severance pay according to law), of the Chairman of the Board of Directors and the CEO will be less than 35 times the lowest salary of a full-time employee of the Bank, including a contractor employee.

With respect to other officers (other than the CEO and directors), the Remuneration Committee and the Board of Directors may award annual remuneration in excess of that specified in Section 2(a) to the Executive Remuneration Law, provided that it does not exceed the maximum remuneration permitted under Section 2(b) to the Executive Remuneration Law, excluding severance pay and retirement benefits contributions by law).

Remuneration policy for all Bank employees

In December 2023, following the recommendation of the Remuneration Committee, the Board of Directors decided to approve an updated remuneration policy for three years, for all Bank employees, except for officers to whom the Bank's Officers Remuneration Policy applies.

The remuneration policy for all Bank employees addresses the remuneration conditions of the key employees at the Bank, as defined in PCBB 301A, as well as the remuneration conditions of the other managers at the Bank and the remaining Bank employees for the

years 2024–2026. The terms of service or employment according to the remuneration policy for all Bank employees include fixed remuneration and variable remuneration, as is customary at the Bank, as well as retirement conditions and any benefit, other payment or payment obligation provided due to tenure or employment. The salary of most Bank employees is derived from comprehensive collective bargaining agreements.

For additional information regarding the remuneration of Bank employees, see Notes 22 and 23 to the Bank's 2025 Financial Statements.

Internal control

The Bank's comprehensive internal control system is based on cooperation between central divisions – the Risk Management Division serves as the leading and central entity in this area, and is supported by the Financial Information and Reporting Division and the Legal Division.

The Risk Management Division operates as a second line of defense in the Bank's risk management and control system, and is responsible for the overall framework for risk management and control. The Risk Management Division is involved in the processes of formulating policy documents and challenging them, so as to ensure efficient and effective control activities that are appropriate for the risks to which the Bank is exposed. The designated policy documents regulate the Bank's internal control system. This framework determines the reporting chain when material or exceptional events occur, as well as the principles of the Bank's internal control culture. The Bank's risk policy documents explicitly define the roles of the various layers of corporate governance for addressing internal control risks (including, among others, compliance, prohibition on money laundering, legal risk, operational risks, including embezzlement and fraud risks).

The policy documents detail the corporate governance for risk management, the roles of the Board of Directors, management and Bank units, and the roles of the Bank's lines of defense responsible for implementing the internal control framework and reviewing the effectiveness of the Bank's internal control.

The Risk Management Division holds a dedicated forum for gatekeepers, the Internal Control Forum, which meets quarterly to discuss broad aspects of internal control issues.

The Legal Division is responsible, among other things, for assessing the effects of legislative provisions and changes in legislation on the Bank's activities and providing ongoing legal advice to the Bank's units, as well as for coordinating the handling of claims against the Bank. The policy documents also regulate the ongoing and periodic reports provided by the Bank's Chief Legal Counsel to the CEO, the Board of Directors and its committees, depending on the type of information and the legal risk inherent therein.

The Financial Information and Reporting Division is responsible, among other things, for preparing the Bank's financial statements for the public, for reporting to statutory authorities and management, as well as for taxation. The Division is also responsible for the classification of credit, determining provisions for credit losses and for challenging the processes of identifying and revealing problematic debts. In addition, the Division is responsible for supervision and control over the Bank's budget, control over subsidiaries and monitoring the Bank's work plans.

Once a year, the Bank's Audit Committee holds meetings with the gatekeepers without the presence of additional parties, including the Chief Legal Counsel, the Chief Risk Manager, the Chief Internal Auditor, the Chief Accountant, the Auditing Accountant, the Financial Reporting Officer, the Compliance Officer and the officer responsible for the prohibition on money laundering.

If, during the reporting year, exceptional critical events on economic, social or environmental issues were brought before the Board of Directors, these are listed in the periodic risk report issued with the financial statements.

Internal audit

In accordance with the provisions of the law and regulations, the Bank operates an Internal Audit Division that reports directly to the Chairman of the Board of Directors. The authorities and obligations of the Internal Audit Division are detailed in a letter of appointment that was discussed and approved by the Bank's Board of Directors, including the authority and ability to initiate audits in all of the Bank's units and activities. In addition, the Internal Audit Division has the authority to request and receive any document and any information necessary to perform its duties. In order to perform their duties, employees of the Audit Division also have direct access to the records and information required relating to the audit subject.

The work plan prepared by the Internal Audit Division is presented annually for review by the Board of Directors' Audit Committee, followed by discussion and approval by the Board of Directors' plenary session. The multi-year plan includes, among other things, audit topics related to ESG risk management every two years, with an emphasis on climate risks (in accordance with PCBB 345), alongside audits in traditional areas. In the work plan, there are audit topics that deal with fairness to customers and employees, including labor law enforcement aspects, alongside additional human resource topics. Furthermore, the multi-year work plan defined several audits on the subject of withholding tax. The Division also coordinates the handling of employee reports regarding conduct deficiencies, including on suspicion of fraud. Inquiries that raise suspicions of improper

activity are reviewed by the Internal Audit and are included in the Division's semi-annual and annual reports to the Board of Directors' Audit Committee.

The Internal Audit Division prepares audit reports based on the following: legal requirements, including the Internal Audit Law, and directives from supervisory authorities, including the directives of the Banking Supervision Department. Audit reports are regularly distributed to the Chairman of the Board of Directors, the Chairman of the Audit Committee, the CEO, and the supervisor of the audited unit. In addition, a copy of each report is forwarded to the CRO, the Compliance Officer, and the Supervisor of the Prohibition on Money Laundering, the Director of the Risk Control Division, and the Director of the Information and Financial Reporting Division. Work processes in the Audit Division are carried out in accordance with structured procedures approved by the Board of Directors' Audit Committee. The internal audit examines, among other things, compliance with legal provisions, directives from the Bank of Israel and other regulators, policies, the code of ethics, and the Bank's procedures, and the existing systems and controls for ensuring this compliance are also evaluated within the framework of a multi-year, risk-based work plan. The audit reports address both the implementation of the directives in the field units, and the post-implementation control processes carried out by the control units, including the Risk Management Division and the Compliance Department. In 2025, the scope of internal audit work hours was approx. 55,000 hours.

External audit

The Bank's independent auditors since 1995 have been Brightman Almagor Zohar & Co. In 2025, the reappointment of Brightman Almagor Zohar & Co. as the Bank's auditors was approved at the General Meeting by a simple majority. Once a year, a discussion is held regarding the continuation of the engagement, and once every three years, a review is held regarding the need to replace the Bank's auditors. The Audit Committee oversees the work of the auditors. It also recommends the salary and type of services requested from the auditors. In 2025, the total amount of external audit work hours was 24,000 hours.

Tax policy

The Bank undertakes to maintain fair tax practices in all countries in which it operates and to comply with legal requirements. The Bank pays tax in accordance with the requirements of tax laws in Israel and the requirements of other countries in which the Bank Group has operations, and also implements the Double Taxation Convention to which Israel is a party. Tax audits are conducted regularly once a period, in accordance with the work plan of the Bank's Internal Audit. The subject of taxes is regularly included in the audit reports. The annual work plan regarding taxation is approved by the Bank's management. Transactions with related parties within the Bank Group are carried out at market prices, so that the Bank does not engage in profit shifting between operating areas to reduce tax liability, including the preparation of reports in accordance with various regulatory rules that establish this conduct. The Bank refrains from tax planning and does not use tax havens. In addition, the Bank submits a "country-by-country" report once a year in accordance with OECD guidelines. External control of the country-by-country tax payment data is carried out by Brightman Almagor Zohar & Co., and control over tax payments in Israel is also carried out.

The Bank implements the relevant compliance provisions on the subject of customer taxation, and as a rule, it does not provide tax advice to its customers. For that purpose, the Bank publishes new procedures to all Bank employees in order to inform them of the change and the operating method, as necessary. In cases where concerns arise on the subject, the Bank actively works to eliminate tax evasion by Bank customers. The Bank operates transparently and cooperates in full with the tax authorities, including providing required disclosures regarding its activities. The Bank cooperates with ongoing audits by tax authorities and provides tax authorities with any information requested as part of these audits. The tax liability of the Bank's subsidiaries is determined according to the tax rates applicable in that country. The Bank supplements the tax liability to rates in Israel for the overseas branches.

Tax payment

In 2025, the actual tax payment paid to the Israeli government was approx. NIS 3,653 million. In addition to that payment, the Bank paid tax in the US and the UK in amounts that are not material to the Bank's operations and are approx. 2% of the total tax paid by the Bank Group.

Government support

In 2025, the Group did not receive any subsidies, tax breaks, incentives or other financial benefits from the Government of Israel or from the governments of other countries in which it operates.

Preventing conflicts of interest

The Bank implements legal provisions regarding the prevention of conflicts of interest among the Board of Directors and operates in accordance with the provisions of the Companies Law, PCBB 301 – "Board of Directors" and PCBB 312 – "A Banking Corporation's Transactions with Related Parties".

The Bank's policy for preventing conflicts of interest incorporates relevant procedures that establish guidelines regarding the approval of transactions with related parties and mechanisms for separating the banking corporation's activities in the various sectors, between the activities of the Bank as a banking corporation and the activities of controlled corporations or between the activities of the banking corporation and the activities of the group to which it is associated, in order to avoid the existence of conflicts of interest. The Bank's internal enforcement plan regarding securities also includes the aforementioned relevant Bank procedures, which include detailed provisions on this subject. In addition, the Bank has outlined guidelines for cases in which a director or another officer at the Bank has a personal interest, and guidelines were also outlined for cases in which there is a potential for a permanent conflict of interest.



The Bank strictly adheres to business ethics among its employees. The fundamental values of the Bank’s activities are established in the Bank’s Code of Ethics, which is embedded in all levels of the Bank’s activities. The Bank has policy documents and procedures for handling embezzlement, fraud and violations of the law.

Code of Ethics

The Bank’s values that guide its activities:

 Credibility	 Commitment to the Bank
 Loyalty to Customers	 Fairness
 Human Dignity	 Transparency
 Excellence, Professionalism and Service Orientation	 Social and Community Responsibilities

Bank employees operate in accordance with laws and regulations that are updated frequently, as well as according to the Bank’s procedures. The Code of Ethics sets high standards from a personal and organizational perspective, and Bank employees must act in accordance with its values towards all of the Bank’s stakeholders – customers, employees, managers, investors, business partners, suppliers and the community.

The Code of Ethics reflects the Bank’s spirit and organizational culture, and defines the rules of conduct that are appropriate for all Bank employees. The Code is also based on an analysis of events that have arisen in the field and serves as a tool for dealing with issues and dilemmas that arise in ongoing operations. The Code of Ethics is regularly examined and reviewed by the Ethics Committee, which consists of employees and managers from all of the Bank’s divisions. The committee meets regularly, discusses ethical dilemmas that have arisen in the field and evaluates the implementation of the Code’s values as a solution to these dilemmas. Every six months, the committee reports to the management and to the Board of Directors regarding its activities and the dilemmas that have been brought to its attention and the corrective measures that have been implemented. The Head of the

Human Capital and Resources Division is the person in charge of ethics at the Bank. The Code was presented and approved by the Bank’s management and Board of Directors,¹ and all employees, including new employees, are required to sign it. The Bank’s Board of Directors and management promote a high level of ethics and integrity within the organization.

Implementing the Code of Ethics

- **Reporting to management and to the Board of Directors** – In accordance with the work plan for implementing the Code of Ethics, the Chair of the Ethics Committee presents a semi-annual report to management and to the Board of Directors regarding the implementation of the Code of Ethics and ethics-related events that have occurred.
- **Ethics Committee** – The committee, headed by the Head of the Human Capital and Resources Division, meets on a quarterly basis to discuss policy formulation, ethical dilemmas and inquiries that have come to its attention. The dilemmas deal with various aspects of the organization’s activities: business activities and the interface with customers, supplier interfaces and the ongoing work of all employees.



In 2025, **17,961** hours of training regarding the Code of Ethics and ethics issues were provided to the Group’s employees.

- **Training on the subject of ethics** – All bank employees receive training regarding the Bank’s Code of Ethics and management training programs include discussions on ethical issues relevant to managers. Each new employee at the Bank, whether full-time or part-time, is required to learn the subject and complete a mandatory course, at the end of which he must sign a declaration that he is committed to acting in the spirit of the values of the Bank’s Code of Ethics. The courseware performance on ethics is monitored. A lesson on the Code of Ethics is taught in each professional introductory course. Ethical dilemmas are also presented on the Code of Ethics website on the organizational portal.
- **Integration of ethical aspects in employee evaluation** – During employee evaluation, which, among other things, is used as a basis for making organizational decisions (such as promotion, remuneration, etc.), ethical aspects of the employee’s conduct are also taken into consideration.

1. The Code of Ethics appears in full on the Bank’s website.

- **Dialogue with employees** – The Bank constantly examines the degree of integration of the Code of Ethics through meetings, focus groups and training. As part of the work plan, an initiated discussion of ethical dilemmas is held in the Bank's units in Israel and abroad on a quarterly basis. Reports on these discussions are forwarded to the Ethics Committee on an ongoing basis. In addition, there is an ongoing dialogue through forums of managers and employees. Among other things, these forums assess the quality of the Code of Ethics' implementation and adjust the work plan accordingly. In 2025, no inquiries were received from Bank employees regarding the Code of Ethics.
- **Ethics Week** – In 2025, the Bank held an Ethics Week aimed at encouraging significant exposure to the Code of Ethics values and encouraging informal ethical discourse in a variety of activities. All managers received a "Dilemma Cafe" kit for unit activities, raising dilemmas and discussing them, and Bank employees participated in a hands-on game on the subject of the Code of Ethics.
- **Traveling Ethics Committee** – There were visits to the Southern Region, Northern Region and the Direct Banking Sector, where a discussion was held on ethical dilemmas.

Prevention of embezzlement and fraud

The Bank works to maintain credibility and integrity in the management of its business and in its relations with all stakeholders. Implementation and assimilation of business ethics principles also include addressing the prevention of embezzlement and fraud, under the supervision of the Board of Directors' Audit Committee. The Bank has policy documents and procedures for handling embezzlement, fraud and violations of the law, which include principles and tools for identifying and managing these risks, as well as monitoring, reporting and control. In addition, the Bank has established an organizational structure with a separation of duties, work processes, monitoring systems and additional tools aimed at mitigating these risks. These activities are integrated into several risk management policy documents, including human resource management, job rotation, mandatory consecutive leave and operational risk management. The Bank operates a system for monitoring customer fraud based on rules that enable the detection of irregularities and suspicious patterns. The rules and scenarios are reviewed and updated on an ongoing basis in accordance with changes in customer behavior and developments in fraud patterns in Israel and around the world, as well as accumulated experience. The Bank operates a dedicated center for dealing with fraud that handles accounts in which unusual activity has been identified, stopping and preventing fraud events, and recovering customer funds that have been harmed in fraud events. The Bank currently provides a response to its customers during fraud events and suspected fraud events, and preparations are being made to provide a response to fraud issues around the clock, seven days a week (24/7).

Mechanisms for identifying, detecting and reporting on business ethics

Systems for monitoring embezzlement incidents

The Bank has a monitoring system for suspected embezzlement incidents, which detects unusual events for review based on the business laws on which it is based. The audit compiles data concerning irregularities and employee complaints. The activity of all branches is monitored on an ongoing basis to detect unusual activity in general and unusual activity of employees in particular. In addition, the procedures at the Bank for engaging with suppliers are regulated by procedures that include work processes to prevent embezzlement and fraud.

Employee reporting channels

The Bank allows its employees to reach out on any issue, including ethics issues, through various channels and at all hours of the day. Bank entities can be contacted directly: the Chairman of the Ethics Committee through the Code of Ethics website, an open or anonymous application to the Internal Audit Division, and an anonymous line to the Compliance Officer. Inquiries can be made through an online form, email, telephone, voicemail, fax, and in an envelope in internal mail. According to procedure, an employee will report to his managers regarding cases or events in his area of responsibility that are suspected of involving a significant violation of procedures or legal provisions. Depending on the matter, the manager will forward the report to the Internal Audit. In cases of suspicion of a criminal offense, the employee will report the event to the Internal Audit personally or anonymously. Information regarding these contact methods is available on the organizational portal, on bulletin boards at overseas branches, and posted in branches.

Protection of whistleblowers

The Bank has a mechanism for reporting corruption aimed at protecting employees who disclose corruption – embezzlement, fraud and violations of the law. This protection includes, among other things, refraining from publishing identifying details about the complainant, as well as preventing dismissal, disciplinary proceedings, adverse changes to employment conditions, delays in promotion, threats or any similar harm that may be caused in connection with the report. In order to encourage Bank employees to fulfill their duty to report without fear of harm that may be caused to them, the reporting mechanisms for whistleblowers are anonymous. In the event of concern regarding harm to an employee's conditions on this basis, the employee may contact Human Resources or the Internal Audit, which oversees the protection provided to employees. The Board of Directors' Audit Committee oversees this issue. In order to enable the Audit Committee to monitor the policy's implementation, the Internal Auditor reports to the Audit Committee

on the number of anonymous reports, as well as whether it is necessary to implement protection for reporting employees. In 2025, no reports regarding bribery and corruption were received in the reporting mechanism, and there was no need to protect employees within the whistleblower mechanism.

Reporting by parties outside of the Bank

Parties outside of the Bank, such as customers, suppliers and the general public, can contact the Ombudsman through the Bank's website, by phone, fax, email, Israel Post or through an online form, and can also report by email directly to the Internal Audit. The Bank has a procedure that ensures the protection of informants. The Bank makes every effort to maintain ongoing contact with the reporting party, except in cases where this is not possible (for example, with anonymous submissions).

Handling suspected embezzlement

The Bank's policy for handling embezzlement determines the methods implemented and the chain of reports required to handle this suspicion, including reporting to the Bank's CEO, the Chairman of the Audit Committee and the Chairman of the Board of Directors. In the event that a violation of the law, regulations or Bank policy by a Bank employee is discovered, disciplinary measures are taken, based on the severity of the violation and the values embedded in the Bank's Code of Ethics, which may include termination of employment. The findings of the investigation are reported and brought for discussion before the management and the Board of Directors' Audit Committee according to the circumstances of the case. In addition, a process of investigation and lessons learned is carried out to prevent the recurrence of similar cases in the future. If a criminal offense is suspected, a complaint is filed with the Israel Police and the incident is reported to the Bank of Israel in accordance with the Bank's regulations and procedures.

Lessons learned, assimilation and employee training

In order to strengthen the reporting culture among employees, the Bank holds conferences and dedicated training sessions, investigates into various events and disseminates the conclusions to the field in order to prevent their recurrence in the future. The policy for preventing embezzlement and fraud is explained to employees. Every two years, a mandatory courseware on the prevention of embezzlement, fraud, violations of laws and procedures is distributed to all employees of the Bank and its subsidiaries. In 2025, in cases where employee irregularities were suspected (including following employee complaints, anonymous complaints and an examination of information on suspected violations of moral integrity received from other parties), disciplinary measures were taken, up to and including the employee's dismissal. It should be noted that these cases did not reveal deficiencies that indicate a general failure in the Bank's control environment processes and their effectiveness.

Commitment to regulatory compliance



The Bank strictly adheres to the implementation of legal requirements and corporate governance rules. Compliance with the legal provisions and the Bank's procedures is part of the Bank's organizational culture and applies to every entity at the Bank as an integral part of its business activities. The Legal Division advises on the implementation of legal provisions and their implications for the Bank Group's activities. The Risk Management Division accompanies the implementation processes in the activities of the relevant Bank units and ensures that the Bank units comply with legal provisions and the Bank's procedures.

The Bank has a compliance policy approved by the Board of Directors that addresses compliance issues, prohibition on money laundering, terror financing, cross-border risks, fairness, privacy protection, securities laws and antitrust laws. The policy applies to the entire Group with the necessary adjustments. The Bank's Chief Compliance Officer works in accordance with a formal letter of appointment that ensures his authorities and anchors his independence as part of proper corporate governance and in accordance with the duties that apply to his position, as defined in PCBB 308. The Compliance Officer is subordinate to the Chief Risk Officer and reports directly to the Board of Directors, its committees and the Bank's management, in accordance with the Bank's procedures.

Board of Directors involvement in the implementation of a culture of compliance and proper conduct

The Bank's compliance policy is approved by the Board of Directors once a year, and the Compliance Department's work plan and training plan are approved by the Board of Directors each year, as part of the multi-year work plans. The Board of Directors approves the Bank's compliance risk management policy, verifies the existence of reporting and supervisory measures for the implementation of the compliance risk management framework, and outlines the manner in which the compliance policy is communicated. The Compliance Officer updates the Audit Committee directly each quarter as part of the quarterly report, and he updates the Risk Management Committee twice a year. At

least once a year, the Compliance Officer meets in person with the Board of Directors' Audit Committee. In addition, the Compliance Officer's annual report is presented to the Board of Directors.

The Legal Counsel, the Chief Risk Officer (CRO), the Compliance Officer, and the Bank's Chief Internal Auditor participate and report to the Board of Directors and its committees.

Risk management policy

The Bank has specific policy documents in various risk management and control areas, which support the implementation of legal and regulatory provisions. In these documents, the Bank's Board of Directors have outlined the risk management principles aligned with the Bank's strategic plan, as well as the principles for risk monitoring and control. This policy determines, among other things, the risk appetite, and in particular it determines that the Bank has zero tolerance for the improper implementation of legal and regulatory provisions.

Compliance risk management

Compliance risk management includes risks concerning the prohibition on money laundering, terror financing, cross-border risks and fairness risks, internal enforcement of securities laws and privacy protection. This risk management is carried out by identifying, assessing and documenting the compliance risks inherent in the Bank's business activities, including developments relating to new products, business practices, business lines, new customers or material changes in any of these. In addition, the Bank maintains and regularly updates a mapping of compliance risks, it maintains comprehensive control and enforcement programs and takes various measures in order to reduce the risk. The Bank conducts legal and operational risk surveys, which also include reference to embezzlement, and operates an ongoing system for monitoring embezzlement.

The Bank maintains extensive control programs across the business lines as well as effective enforcement programs for securities and antitrust laws, tailored to the Bank and its unique circumstances, as part of the Bank's overall risk management system and with the aim of ensuring overall compliance with the provisions applicable to the Bank. In addition, the Compliance Department has detailed "second-line" control programs that evaluate the Bank's compliance with the applicable compliance provisions, in accordance with a risk-based approach. The Bank maintains and regularly updates a mapping of internal compliance and enforcement risks, conducts gap surveys, maintains comprehensive plans for control, implementation and enforcement and employs various measures to mitigate these risks. In addition, the Compliance Officer is involved in approving new products and relevant procedures, and handling relevant transactions.

Implementation and assimilation of compliance at the Bank

Mizrahi-Tefahot Bank operates in several ways to implement and integrate compliance aspects at the Bank:

- **Compliance controllers and trustees** – Each division is responsible for management and compliance with regulations in its area of activity. In order to implement enforcement in the Retail Division, regional compliance controllers were appointed, who report directly to the Compliance Department and assist in implementing compliance in the Bank's branches. Compliance controllers were also appointed in the Business Banking Division. In addition, compliance trustees were appointed in all branches and at the Bank's headquarters, and compliance bankers were also appointed in large branches. Compliance trustees were also appointed in back-office operations as well as in several locations in the direct banking sector. They receive training on the subject of compliance several times a year and are responsible as the primary professional knowledge hub for employee inquiries regarding compliance, for performing first-line controls, identifying compliance risks and taking appropriate mitigating measures, along with handling customers in accordance with procedures.
- **Training and publications for employees** – As part of the implementation of a culture of compliance, the Bank provides training for its employees on a variety of topics: compliance, prevention of money laundering, prohibition on terror financing, bribery and corruption risks, compliance with international sanctions, fairness towards the customer, protection of privacy, prohibition and prevention of discrimination against minorities and disadvantaged population groups, and more. Bank employees are required to complete courses and knowledge tests on compliance issues at the start of their employment, and subsequently at regular intervals according to their position. In addition, upon onboarding of new employees or when changing positions, employees participate in professional training relevant to their positions, which includes content on compliance issues. Furthermore, the Compliance Department operates according to a structured training program to strengthen employees' professional knowledge, refresh and update work procedures and incorporate learn lessons from events that have occurred. Accordingly, there are training days focused on compliance, training on compliance is integrated into the training center's professional courses, and brochures, job aids, case studies and more are published from time to time, which include emphasis on compliance with the provisions of the law. The Compliance Department also initiates seminars on the subject.



In 2025, the Group's employees were given

117,006 hours of training on regulatory compliance issues.

- **Handling of exceptions** – The Bank handles unusual activities identified within the control framework, both at headquarters and in branches. Handling includes implementing recommendations for improving processes and controls, ensuring that deficiencies have been corrected, lessons learned, and disciplinary action has been taken, when necessary.
- **Reporting mechanism** – The Internal audit operates a mechanism for employee inquiries regarding irregularities, and protections have been established for whistleblowers as detailed above. The Bank also operates anonymous telephone and fax lines that are open for employee reporting, if necessary, on issues of fraud, manipulation of securities and other compliance issues.
- **Internal audit** – The Bank conducts an independent internal audit, within the framework of a multi-year risk-based work plan, covering material units and processes at the Bank, among other things, regarding compliance with legal provisions, directives of the Bank of Israel and other regulators, and the Bank's policies and procedures, in both the business units and the control units. (For more information, please see the financial statements on the subject of disclosure regarding the Internal Auditor).
- **Compliance Forum** – The bank operates a forum headed by the Chief Risk Officer and attended by the Corporate Division managers or their representatives, a representative of the Legal Division, the Chief Compliance Officer and a representative of the Internal Audit Division. The purpose of the Forum is to present and discuss events related to compliance, including aspects related to privacy protection, to discuss material compliance risks, and to outline important regulatory updates and the Bank's preparedness for their implementation.
- **Cross Border Forum** – The Forum addresses cross-border risk management at the Bank. It is headed by the Head of the Risk Management Division and is attended by the managers of the Business Banking Division and the managers of the Legal, Retail, Technology, Human Capital and Resources Divisions, as well as the Chief Compliance Officer and other representatives from these divisions. The Forum

receives reports and updates regarding the Bank's compliance with its obligations derived from directives related to cross-border risks, and outlines the Bank's activity on this subject.

- **Regulation in Process Forum** – The Forum, headed by the Head of Banking Operations, discusses and reviews regulations on a quarterly basis, when they are still in the draft stage and have not yet entered into effect, in order to verify the Bank's readiness to implement them from the moment they are approved or enter into effect.
- **Regulatory Forum** – The Forum, chaired by the Chief Risk Officer, discusses and examines new regulations on a quarterly basis, including consumer issues. The Forum is also updated on the status of their implementation at the Bank by the units responsible for each directive.
- **Financial Information and Reporting Division Regulatory Forum** – The Forum, chaired by the Chief Accountant, meets on a quarterly basis and discusses new regulations from the preceding quarter that are relevant for financial reporting, including reference to all circulars and updates from the Banking Supervision Department and their impact, if any, on financial reporting, as well as additional regulations that are relevant to reporting on salary, taxes, and more.

Compliance management in subsidiaries

The Compliance Officer regularly oversees the implementation of policy in the Bank's subsidiaries and overseas branches through regular meetings, receipt of quarterly reports from the subsidiaries, involvement in formulating policy documents and work plans in the subsidiaries, approval of training programs in overseas branches, and ongoing monitoring. In addition, the Compliance Officer ensures that subsidiaries and overseas branches have been given the tools to implement the Group's compliance policy, and also ensures that the relevant employees have appropriate knowledge and experience in the jurisdictions in which the companies operate. If there are regulatory changes, the Compliance Officer monitors the subsidiaries' reporting of these changes and their preparedness status.

Political contributions

As part of proper management, Mizrahi-Tefahot Group does not promote positions and issues of a public policy nature and does not engage in lobbying for this purpose. The Group does not contribute to political parties, politicians or official institutions. This type of activity is prohibited in the State of Israel, and the Group operates in accordance with the law. The Group operates in the public arena, where necessary, solely in the context of its business affairs.

Commitment to the prevention of bribery and corruption



The Bank is committed to the international fight against bribery and corruption and works to prevent its exploitation for these purposes. The Bank will not allow transactions to be executed in cases where there is concern that the transaction is related to bribery and corruption, and will take action to ensure proper reporting of these transactions and the attempts to carry them out.

Prevention of bribery and corruption at Mizrahi-Tefahot

The Bank pays great attention to preventing bribery and corruption, and has outlined a structured policy on the subject. Risk assessments are carried out uniformly and without distinction, whether the transaction is carried out remotely or in a face-to-face meeting. The Bank works to prevent bribery and corruption and, in doing so, it works to identify and monitor transactions in the accounts of customers exposed to bribery and corruption, through the use of "red flags" and a procedure for reporting unusual activity. The Bank constantly monitors branch activities to detect corruption risks, and prevent cases such as bribery, embezzlement and fraud.

Measures and controls to prevent bribery and corruption

- **First and second line of defense controls** – The business lines and the Compliance and Risk Management Departments maintain control over the activity in order to ensure monitoring of activities sensitive to bribery and corruption risks. Compliance and Risk Management Departments' controls are carried out in accordance with annual risk-based work plans, in which elements such as the customer's area of activity, the country where the activity is carried out, and the parties involved in the transaction are evaluated. Various committees and forums have been established for this purpose:
 - Executive Operational Risk Committee headed by the CEO.
 - Operational Risk Steering Committee headed by the Chief Risk Officer – This committee reviews recommendations for implementing and updating operational processes, with an emphasis on processes to improve customer service, given adequate monitoring and risk minimization.

- Embezzlement Prevention Forum – Headed by the Chief Risk Officer and with the participation of the Internal Audit, Human Capital and Resources and Legal Divisions.
- Fraud Prevention Forum – Headed by the Chief Risk Officer and with the participation of representatives from various divisions, including representatives from the Business Banking Divisions, the Internal Audit Division, the Technology division, and the Legal Division.
- Internal Control Forum – A periodic forum responsible for the integration between the internal control areas at the Bank, which also discusses material cross-organizational events.
- **Prevention of bribery and corruption among customers** – The activities of the Bank's customers exposed to the risk of bribery and corruption are continuously monitored, and they are managed by the first line of defense according to the Bank's procedures, as well as by controls carried out in the Compliance Department. If necessary, their activities are reported to the appropriate regulatory entities. When an account is opened, the Bank identifies customers who may be exposed to giving or receiving bribes, it increases its familiarity with their expected activities, and increases their monitoring. A corresponding risk level is defined for those customers, and accordingly, restrictions and blocks are set on the activity in their accounts. These customers include, among others, public figures (PEPs) or their relatives and those with whom they conduct business activity, customers who operate with the accounts of foreign public figures, customers with areas of activity at risk, and customers who operate with countries at risk of bribery and corruption. Furthermore, the Bank maintains a table of countries at risk for bribery and corruption and monitors activity with these countries, among other things by obtaining declarations and supporting documents from customers.
- **Prevention of bribery and corruption among employees** – The Bank's procedures are designed to instill ethical conduct and prevent bribery and corruption, and are accessible to all Bank employees, including subsidiaries. Among other things, Group employees must refrain from accepting any benefits in the context of working relationships with customers or suppliers, and the Group maintains clear procedures on this issue. Granting of gifts, benefits or special conditions to customers will be done in accordance with the relevant procedure, according to a clear authority hierarchy and in accordance with Bank of Israel directives. In order to prevent a deviation from the procedures, the Bank presents the subject to employees and instructs them. The procedures and the Code of Ethics address the following issues: prohibition on accepting gifts from customers and suppliers, conditions for private engagement with customers and suppliers, receipt of a loan from a charitable fund and donations.

- **Incident investigation** – The Bank has a structured methodology for carrying out learning processes and corrective measures for preventing a recurrence of incidents in Israel and abroad. In addition, in necessary cases, a complaint is filed with the Israel Police or a report is forwarded to the relevant authorities.



In 2025, **20,039** hours of training on the subject of **corruption prevention** were provided to employees of the Bank Group.

Preventing corruption in Israeli subsidiaries and in overseas branches

Bank Yahav and the other companies in the Bank Group, including overseas branches, are also committed to strict compliance with all legal and regulatory requirements that apply to their business activities. The companies and overseas branches work hard to reduce exposure to embezzlement and fraud and consider this area highly critical, given their status as financial institutions. Their activities to ensure compliance with regulation and prevent bribery and corruption are carried out in accordance with the policy and practices of the Mizrahi-Tefahot Bank Group.

Generally, subsidiaries and branches abroad are subject to the Bank's core policy documents with the necessary adjustments based on their specific activities, provided these do not conflict with local law. In addition, individual policy documents are approved in subsidiaries and branches that are adapted to local regulation and their designated activities.

Prohibition on money laundering and terror financing

The Bank's policy on the prohibition on money laundering and terror financing is reviewed and approved by the Board of Directors at least once a year. The policy is based on legal and regulatory directives, includes the Bank's guiding principles in this area in accordance with legal provisions and is binding on the entire Mizrahi-Tefahot Group. The rules and principles stipulated in Bank policy are fully incorporated into the Bank's procedures. The Bank's Board of Directors discusses money laundering and terror financing prohibition issues during its reviews of the Compliance Officer's report. In addition, the Compliance Department conducts an annual risk assessment in the areas of money laundering, terror financing, and cross-border risks. As part of the assessment, a comprehensive

work process is carried out with the involvement of the Bank's relevant business lines and units together with Department employees. In collaboration with all these parties, a risk review and assessment is carried out, which includes an analysis of quantitative data regarding the types of customers and the various activities, as well as an estimate of the Bank's risk exposure in these areas.

The Bank considers itself a partner in the international fight against money laundering and terror financing. It is committed to the international fight against bribery and corruption and works to identify, monitor and track activities and customers that may be exposed to these risks. Moreover, the Bank refrains from carrying out activities that are contrary to the international sanctions programs of countries and international entities such as OFAC, the US Treasury Department and other countries and entities. The Bank adopts a risk-based approach, which contributes to the effectiveness of control lines and ensures the adequate management and mitigation of money laundering and terror financing risks. The management of money laundering and terror financing risks is integrated into all levels of the Bank's activities with its customers. In addition, a structured work procedure has been established for approving the activity of a high-risk customer, and opening an account for a high-risk customer is conditional on the approval of a senior manager.

As stated above, the Bank operates various systems to assist its employees in identifying, reporting and responding to unusual activity in compliance with the relevant legal provisions and internal procedures. When necessary, the Bank also uses information from public databases to prevent money laundering and terror financing, and reviews information to understand the customer's financial sources and the path of funds in a transaction. Money laundering and terror financing risks are managed by the Risk Management Division..

The Bank's prohibition on money laundering and terror financing policy addresses, among other things, the following principles:

- The conditions for accepting customers, providing services and performing transactions.
- The required familiarity with the customer and his business and banking activities.
- Classification of the Bank's customers according to risk levels.
- Risks unique to customers who are publicly exposed.
- Bribery and corruption risks.
- Prevention of illegal gambling activities.
- Prevention of terror financing and trade with enemy entities.
- Compliance with international sanctions.
- Monitoring of unusual activities.

Anti-Money Laundering System (AML System)

The AML System is an information and reporting system that flags unusual events according to criteria examined by the branches (first line) and the Compliance Department (second line), which report, if necessary, to the Anti-Money Laundering Authority in accordance with legal provisions. The Bank strictly documents and retains all records related to the prohibition of money laundering and terror financing for a period of at least seven years.

Training for all employees

The process of implementing the prohibition on money laundering and terror financing policy and the work procedures derived therefrom is comprehensive and in-depth, which includes training, courseware and knowledge assessments at varying frequencies for employees and managers at various levels based on their specific job functions. In addition, various brochures and training aids dealing with the subject have been published.



In 2025, **6,927** hours of training on the prohibition of money laundering and terror financing were held for Bank employees.

In 2025, there were no violations regarding bribery and corruption, money laundering, conflict of interest and insider trading.

Information security and privacy



The Bank places great importance on the issue of information security and is committed to maintaining the privacy and protecting the data of its customers. For this purpose, a strategy and policy on these issues have been defined and approved by the Bank's management and the Board of Directors. The strategy is consistent with the requirements of the Bank of Israel and the Privacy Protection Authority and enables the management of customers' personal information in a controlled and secure manner.

Information security

The Bank complies with the Bank of Israel's regulatory directives on information security and cyber protection, including Cyber Protection Management – PCBB 361, Information Technology Risk Management – PCBB 357, Supply Chain Cyber Risk Management – PCBB 363, and Reporting a Technological Failure and Cyber Incident – PCBB 366. The Bank is preparing for the entry into effect of a new Bank of Israel directive – PCBB 364, which will replace directives 357, 361, and 363. In addition, the Bank's direct banking services have been certified for the ISO 27001 Information Security Management Standard. This certification is renewed annually in an audit by the Standards Institution of Israel, and in 2025, a full certification test was performed on the latest version of the standard (2022). In addition, the Bank complies with SWIFT regulations in all matters related to the use of the SWIFT infrastructure for international money transfers.

The Bank's Board of Directors bears managerial responsibility for and approves the Cyber Security Strategy, the Cyber Risk Management Framework and the Corporate Cyber Security Policy. The Board of Directors receives updates several times a year from the Chief Information Security Officer, which include up-to-date cyber risk assessments, emerging threat trends, a review of major global events and in Israel, as well as reviews of the activities of the Bank's cyber security system. In addition, an Information Security and Cyber Risk Steering Committee, headed by the Chief Risk Officer, meets quarterly and discusses these issues, including a review of events and recommendations for implementation. The Chief Information Security and Cyber Protection Officer, who reports to the Head of the Risk Management Division, is responsible for determining policy, outlining information security initiatives, monitoring their implementation and evaluating the effectiveness of the security systems and processes.

Defense layers for protecting information

The Bank's customers entrust it with not only their money, but also financial and private information. In today's technological reality, which includes threats such as digital fraud and cybercrime, the Bank works extensively to protect information in the following ways:

- **Risk assessment and management** – To conduct risk assessments, the Bank uses an independent external audit that includes periodic risk surveys and penetration tests. These surveys and tests were conducted in 2025 for systems and processes, at the frequency required by regulatory directives, including the Bank of Israel's PCBB 357. Additional steps are also taken, such as monitoring sensitive operations, monitoring information leaving the organization to prevent information leakage, managing access permissions to information and using encryption mechanisms, analyzing and processing information, identifying anomalies, responding and controlling. The Bank also insures itself with professional liability insurance and dedicated insurance to cover cyber risks.
- **Privacy law risk** – Privacy protection risk is managed by the Compliance Department, which conducts compliance and regulatory adherence surveys to evaluate the risk management level of the directive. When developing new products that may be related to privacy protection, the Compliance Department is involved in the product approval process. In addition, according to the Bank's policies and procedures, any suspicion of a privacy protection violation is reported to the Compliance Department and handled accordingly. The Bank is working on the implementation of the legal provisions, including Amendment 13 to the Privacy Protection Law, which entered into effect in August 2025, and it has established a work plan that includes a legal and operational survey.
- **Addressing cyber threats** – The Bank is developing advanced technological capabilities to deal with cyber threats, including cybercrime, by implementing a multi-layered defense approach. Among other things, the Bank operates an ongoing monitoring, control and alert system for events and activities in the processes and in the information and technology systems. This includes monitoring sensitive activities, monitoring and blocking information leaving the organization in accordance with the Bank's policy, and identifying anomalies. In addition, customer activity is monitored through various channels in order to identify and prevent unauthorized use of customer accounts. If such use is detected, customers will be notified. The Bank uses external entities to locate information assets related to the Bank in cyberspace.
- **Cyber incident management and recovery plan** – The Bank has defined procedures

and mechanisms for managing a cyber and information security crisis, including disaster restoration or recovery. The path to business continuity in such a case was also defined, as were the roles of the Bank's business units and technological units and the cooperation between them. In addition, decision-makers were defined, as well as the required reports to internal and external parties. The Bank has built a capacity to recover from various failure cases and it exercises this capacity frequently at various management levels (both business and technical) and comprehensively within the Bank's management.

- **Awareness and information** – The Bank operates a comprehensive program to increase employee awareness of cyber, privacy and information security risks, while emphasizing their responsibility for safeguarding information assets and customer information. In the program in 2025, 48 training sessions were conducted for new employees, including external employees, alongside refresher training for employees of subsidiaries and employees of the Compliance Department. The training content included familiarization with the principles and objectives of information security, types of attacks, such as ransomware and social engineering, maintaining confidentiality and preventing information leaks, network safety and secure password management.

In addition, in 2025, four large-scale phishing awareness exercises were held for all employees, educational materials and animated videos on data protection and privacy protection were distributed, and nine dedicated communications were sent to warn against information security and cyber dangers. The program includes annual courseware for all employees, regular cyber briefings and phishing exercises as part of knowledge retention and safe behavior practices. In the event of a violation of procedures, disciplinary measures may be taken, up to and including termination of employment, and in cases with criminal aspects, the Bank reports to the authorities as required.



In 2025, **6,078** hours of training on the subject of information security were held for all Group employees, including external employees.

- **Securing operations through direct channels** – As described above, the Bank maintains a variety of communication channels with its customers, for example through a mobile application, various websites, email, WhatsApp and text messages (SMS). Upon enrolling in any of these channels, customers are instructed on how they should operate to best protect their data privacy. In addition, there are customer identification and verification processes when accessing each of the channels. The Bank manages communications through these channels in accordance with PCBB 367, which regulates the activities of banking corporations when providing E-banking services to customers, and it implements several measures to strengthen identification, detect anomalies and strengthen the level of protection for customer activity and the Bank's business operations. Customers who wish to open a bank account directly on the Internet can do so, in accordance with the authorization granted by the Bank of Israel in 2015. In order to eliminate the need to come to the Bank for physical identification, the Bank of Israel approved the implementation of customer identification through a video call system with a banker. The Bank ensures that customers who open an account on the Internet will enjoy an optimal user experience without compromising strict information security practices and while maintaining customer privacy.
- **Promoting safe browsing** – To promote awareness and expand customers' knowledge on the subject of secure internet browsing, an information page and tools on the subject are featured on the Bank's website, including: rules for safe browsing and how to verify the identity of the Bank's website (preventing fraudulent websites), tools to protect the customer's personal computer, correct use of a password, internet fraud, information security implemented at the Bank, and procedures for reporting suspected fraud.
- **Screening suppliers** – The Bank's suppliers who may be exposed to private information, and in particular suppliers who are exposed to information regarding customers, are required to meet high information security requirements. In addition, the Bank requires that suppliers commit to compliance with privacy protection laws. The Bank conducts meticulous information security assessments and surveys among material suppliers to verify the required level of security as part of the control and risk management processes with suppliers, and in accordance with PCBB 363.

Customer privacy protection

The Bank operates in accordance with its Customer¹ Privacy Policy and meticulously protects the privacy of customer information in compliance with the law. The Bank operates security mechanisms in its systems to protect customer data. The Bank's Board of Directors has the overall responsibility for compliance with the provisions of the Privacy Protection Law, and the Compliance Officer's reports to the Board of Directors also include reports regarding privacy protection. In addition, the Internal Audit conducts an audit of privacy protection in accordance with the work plan.

The issue of privacy protection is managed by the Compliance Department in the Risk Management Division. Due to the importance of compliance with the provisions of the law on privacy protection, and in accordance with the requirements of Amendment 13 to the Law, the Bank has appointed the Compliance Officer as the Bank Group's Data Protection Officer (DPO) (excluding Bank Yahav). The Bank's privacy policy establishes the Bank management's commitment to ensuring the availability, confidentiality, integrity and reliability of the information assets and information systems of the Bank and its customers, with an emphasis on maintaining the privacy of customer information through a broad and advanced technological information security system. The policy includes all of the Bank's activities, including those involving customers, employees and suppliers. In cases where the Bank has chosen to carry out operations with its customers through a third party (outsourcing), its policy ensures that conditions are met for maintaining the privacy of customer information by the supplier. In addition, the Bank's privacy policy and procedures define for Bank employees the permitted uses of private information stored in the Bank's systems.

The Bank has a formal, publicly available privacy protection policy applicable to the entire Mizrahi-Tefahot Group, which is brought to the attention of all Bank customers for their consent. This policy includes reference to respecting customer rights in all information privacy matters and also informs customers that there are cases in which the Bank is required to transfer information by law. The Bank exercises extreme caution in any request for information regarding customers from law enforcement and government authorities, and acts in strict compliance with the provisions of any law. As part of the Bank's privacy protection policy, Bank customers acknowledge and consent to the overall privacy policy.

1. The privacy policy is posted on the Bank's website: <https://www.mizrahi-tefahot.co.il/en/about-mizrahi-tefahot/privacy-policy/>

Defense layers for protecting customer privacy

Customer privacy protection is managed in several layers of defense:

- **Risk mapping** – The Bank maps, analyzes, manages and evaluates the full range of risks it faces. In addition, when examining new processes and systems, privacy protection risk is part of the planning process.
- **Risk management and mitigation** – Based on up-to-date risk mapping, the Bank implements processes and technologies for hedging and mitigating risk.
- **Control** – The Bank maintains control processes to identify gaps in the implementation of the defined tools and processes.
- **Confidentiality and privacy** – Access to customer information is classified and provided strictly in accordance with established policies. In addition, there is strict adherence to procedures regarding the protection of customer information privacy and banking secrecy, along with ongoing control and enforcement.
- **Awareness and information** – The Bank operates a compliance implementation program on the subject of privacy protection. The Compliance Department maintains a system for implementing privacy protection issues among all Bank employees, training is held and leaflets are distributed to employees. Once a year, all Bank employees complete a courseware program on fairness, and the relevant Bank employees also complete a courseware program on privacy protection. New employees undergo basic onboarding training on privacy protection.
- **Hotline to the Privacy Protection Officer** – The Bank's privacy policy is detailed on its website. This includes publication of the contact information of the Bank's Privacy Protection Officer for direct contact by customers if necessary in order to provide an efficient and rapid response to issues raised by customers on these matters.
- **Reporting data leak incidents** – Bank employees who encounter cases of concern regarding a data leak may report the incident in the Operational Risk Portal system. The Compliance Department handles the incident, carries out lessons learned processes together with the branch or unit, and reports on these incidents in the Compliance Forum.

In 2025, 31 complaints regarding customer privacy were received by the Public Complaints Unit, which were handled as required and in accordance with the Group's procedures.

In 2025, there were no information leak incidents involving the Bank's customers that required reporting to the regulator. In addition, no violations were recorded regarding information security in 2025.

Information security and protecting information privacy in Israeli subsidiaries

The subsidiaries have privacy protection policies and procedures for handling customer data breaches. The companies work to protect customer privacy in accordance with the Group policy on this matter in various ways, including:

- Publishing tools for safe browsing and the privacy protection policy on the Bank's website in order to raise customer awareness of the correct and safe use of the Internet.
- All employees have signed and are committed to information security and banking confidentiality procedures.
- Training is conducted for employees to raise awareness regarding information security and privacy protection.
- All suppliers must sign an information security addendum in their engagement agreements that defines the Bank's procedures in this area, and periodic information security surveys are conducted among material suppliers to evaluate the compliance and risk management.

Risk management and control



Mizrahi-Tefahot Bank maintains an efficient and comprehensive risk management system that is a central layer for ensuring the Bank's stability over time. The Bank's risk management strategy is designed to identify, manage, monitor, quantify, prevent or mitigate all material risks inherent in the Bank's activities and to support the achievement of its business goals.

Risk management at Mizrahi-Tefahot

The Bank's business activities are exposed to various material risks, both financial and non-financial, the realization of which could potentially harm its financial performance or reputation. The Bank has defined the following risks as material risks: credit and centralization risks; financial risks, including liquidity risk, market risk and interest rate risk; compliance and regulatory risks; operational risks, including information technology risk, information security and cyber risks; legal risks; human capital risk; model risk; and additional risks that are managed as part of the Bank's business operations, such as reputation risk, environmental and climate risks, strategic business risk and macroeconomic/geopolitical risk.

The Bank has an extensive framework for management and control of its risk exposure, including an organizational structure supporting management and control of such risks. The Bank operates in accordance with regulatory requirements regarding risk management and control and in accordance with the Banking Supervision Department's Proper Conduct of Banking Business Directives, and in particular PCBB 310 – "Risk Management", which is based on the principles of the Basel Committee. This directive outlines the principles of risk management and control in the Israeli banking system and determines the standards required of banks for creating a framework for risk management and control that is appropriate to the regulatory requirements, risk appetite, risk strategy and business objectives. These principles include proper involvement of management and of the Board of Directors in risk management, tools for risk identification and measurement, control and monitoring processes and measures for risk mitigation. The Bank's policy documents for risk control and management are based on these principles. The policy documents are approved at least annually by the Bank's management, the Board of Directors'

Risk Management Committee (or the Board of Directors' Technology and Innovation Committee, depending on the subject) and the Board of Directors' plenary session. The policy documents define the corporate governance for risk management, the roles and responsibilities of management, the Board of Directors, the Chief Risk Officer, the Risk Management Division and the business units, as well as the risk appetite, the reporting and control system for the various risks, and the processes for managing, measuring and preventing/mitigating risks.

The Bank has a general framework policy document for risk management and control that defines its overall risk appetite and the principles of risk management and corporate governance (the "Master Document") and individual policy documents for managing and controlling risks in various risk categories.

Risk management in the Bank Group is carried out with an overall view of the Bank's activities in Israel and in overseas branches. This approach complies with regulatory requirements and supports the achievement of the Group's strategic goals, with informed risk-taking and maintaining a risk level that is appropriate to the overall risk appetite defined by the Bank's Board of Directors.

Corporate governance of risk management at the Bank

Corporate governance at the Bank supports the risk management culture and is based on three lines of defense: The first line of defense – the Business Lines; the second line of defense – the Risk Management Division headed by the Chief Risk Officer, the Bank's CRO, which is the main control function together with control functions from other divisions; the third line of defense – the Internal Audit Division. The Board of Directors and management serve as additional lines of defense that operate to oversee the activities of the three lines of defense. The lines of defense are designed to ensure that an appropriate framework for risk management and control has been implemented at the Bank. Full details on the definition of the business functions in the three lines of defense are provided in the risk report. The Bank maintains an additional layer of protection, which is its independent External Auditor who reports directly to the Audit Committee. Various interfaces have been defined between the lines of defense, including ongoing monitoring processes, committees, forums, and reporting methods that have been implemented routinely and in emergencies, with the aim of maintaining a high-quality risk management culture and good communication between the three lines of defense, as a basis for proper risk management governance.

Management and Board of Directors Involvement in risk management at Mizrahi-Tefahot

The Bank's Board of Directors

- **The Bank's Board of Directors** – Responsible for outlining the overall risk management strategy and overseeing the risk management framework in the Group, including establishing the risk appetite and approving the risk management and control policy in accordance with the Bank's strategy. The Board of Directors supervises the management's implementation of the policy, verifies the existence of mechanisms for identifying, measuring, monitoring and mitigating risks, and promotes an organizational culture that supports risk management, integrity and compliance with legal and regulatory provisions.
- **Risk Management Committee** – An advisory committee to the Board of Directors responsible for reviewing the risk strategy, the risk appetite framework and capital planning. The committee approves the risk mapping and the dedicated policy documents for each risk, and it oversees the management's implementation of the risk strategy. The committee discusses the Bank's risk profile on a quarterly basis, including the risk report, the ICAAP process (Internal Capital Adequacy Assessment Process), and the results of stress scenarios.
- **Information Technology and Technological Innovation Committee** – The committee discusses technological risk strategy, information security, cyber security, cloud risks, database management and technological innovation, including the use of AI tools adapted to the Bank's overall strategy. The main points in the discussions are reported to the Risk Management Committee on a semi-annual basis.
- **Audit Committee** – The committee works to ensure that the Bank maintains the internal control framework in a manner that ensures the proper conduct of the Bank's activities. The Audit Committee is responsible for supervising the work of the Bank's Internal Auditor and its Independent External Auditor. Within this framework, the Committee discusses the Bank's financial statements, including the Risk Report and makes its recommendation to the Board of Directors with regard to its approval. The Audit Committee discusses the work plans of the internal audit and of the Independent External Auditor, as well as the audit reports of the Internal Auditor, the Independent External Auditor and reports received from the Banking Supervision Department or any other competent regulatory authority. One of the roles of the Audit Committee is to identify deficiencies in the Bank's business management, including those arising from organizational shortcomings, in consultation with the Internal Auditor or with the Independent External Auditor, and to propose corrective measures to the Board of Directors.

The Bank's management

- **Management and the CEO** – The CEO is responsible for the ongoing management of the Bank's operations and for implementing the risk strategy within the policy framework established by the Board of Directors. Management is responsible for managing the material risks, implementing control and reporting processes, and approving new products and activities in accordance with the risk appetite framework.
- **Chief Risk Officer (CRO)** – Heads the Risk Management Division, a central layer in the Bank's second line of defense and operates independently. It is his responsibility to ensure that an effective risk management framework exists, including the identification, measurement, monitoring, control and reporting of all risks, and to ensure compliance between the risk profile and the approved risk appetite. The division's activities and areas of responsibility are in accordance with the principles of PCBB 310 – "Risk Management". The CRO has direct access to the CEO and the Bank's Board of Directors and is involved in capital planning processes, remuneration policy, strategic plans and material projects.
- **Chief Compliance Officer** – Reports to the Head of the Risk Management Division, heads the Compliance Division and serves as the Privacy Protection Officer. Responsible for managing compliance risk, implementing a compliance culture in the Group and overseeing compliance with legal provisions, including securities, competition and privacy laws. The Officer operates a dedicated control system and reports to the relevant government authorities. The Compliance Officer is a member of various forums at the Bank to ensure a systemic view of various compliance aspects and to ensure compliance with all legal provisions.
- **Internal Audit Division** – Serves as a third line of defense, reports directly to the Board of Directors and assesses the effectiveness of the Bank's internal control framework. This assessment is usually carried out retrospectively, and uses various tools in accordance with a multi-year risk-focused work plan. Its findings and recommendations are reported to the management and the Board of Directors, and are accompanied by implementation monitoring.
- **Risk Management Forums** – Dedicated forums operating at the Bank to manage and monitor risks, including operational risks, cyber risks, compliance risks, model risks, overseas branches risks, embezzlement and fraud risks, credit risks and new product risks, as part of the corporate governance framework and lines of defense.

Processes for controlling and strengthening the Bank's risk management culture

Implementation of an organizational risk management culture in the Bank, based on the overall risk management framework and corporate governance that supports effective risk management, helps to increase risk awareness, identify and address emerging risks, take risks in an informed manner, and ensures that risks are identified and addressed in a timely manner. The Bank works continuously to develop and strengthen risk management processes and to create a risk management culture that is appropriate for its activities and supports the achievement of its business objectives. Risk management is an integral part of the Bank's ongoing operations, and the Risk Management Division is involved in the Bank's significant processes, in all areas of activity.

The risk management culture at the Bank is reflected, among other things, in these processes:

- **Challenging business and strategic processes** – Challenging the strategic plan, the Bank's annual work plans and capital planning, and material business and technological projects and processes. The Bank's work plans that are submitted for approval by the management and the Board of Directors are accompanied by a challenge document from the Risk Management Division. This document examines, among other things, the consistency between the business work plans and the Bank's overall risk appetite.
- **New product or new activity approval process at the Bank** – Identification and analysis of the risks associated with launching the new product in accordance with the Bank's business activity and risk appetite.
- **Risk surveys** – Periodic processes for conducting risk surveys in various areas: operational, technological, cyber and compliance. These surveys serve as a supporting tool for dynamic and active management of the risk map. The Risk Management Division regularly conducts risk surveys for operational processes in all Bank units, coordinated with the unit managers with the aim of identifying the inherent operational risks in their activities, assess their severity and evaluate the controls established and the strengthening processes required for their minimization.
- **Lessons learned and ad hoc reviews** – Maintaining an ongoing internal process in the various lines of defense for carrying out lessons learned and ad hoc reviews, following the materialization of internal or external failure events, including events that occurred in the local and global banking system.

- **Reporting system** – Reporting and communicating information on risks serves as a central layer in the Bank's ability to manage its risks. The Bank's reporting system is defined within its general risk management and control policy, specifying the required reports under normal conditions, in case of an exceptional event and under stress (emergency) conditions across all lines of defense at the Bank, as needed.
- **Quarterly risk document** – A reporting mechanism, which serves as a significant tool for management and the Board of Directors, to effectively monitor the Bank's activities and ensure the conformity of the risk profile to the risk appetite and the risk management framework.
- **Emergency operations** – The Bank has formal policy documents and procedures for business continuity in emergency events, including systemic emergencies and events specific to the Bank. The Bank has a procedure for business activity in the event of financial stress events in the markets and designated forums for emergencies, which are activated at the Bank by risk managers in the event of the occurrence or potential for the occurrence of such events involving credit, market and liquidity risks. With regard to liquidity, there is a detailed plan for various scenarios.
- **Training** – A comprehensive training and education system that utilizes various methods, including distance learning, specialized training and instruction on risk management, regulation, internal control, specialized conferences and more. In addition, ongoing communication is maintained between Risks Managers at headquarters and field units, in particular through representatives of each Bank unit appointed to be responsible for various risk areas, to disseminate operating principles and to communicate information to the various units. Board members regularly participate in training on risk management issues. Each quarter, the members of the Board of Directors receive a review of the risk status within the framework of the risk document and the risk report, as well as the annual ICAAP document.
- **Information systems** – Risk management and monitoring, through the use of automated and controlled systems, with minimal dependence on manual processes and an update frequency as close to real-time as possible. The Bank has measurement systems that are used to estimate the full range of material risks to which it is exposed, and information systems that support the tracking, reporting and monitoring of risks.
- **Controls** – An effective set of controls, including efficient and independent control processes.

- **Risk management and control policy documents** – All of the Bank's risk management and control policy documents are discussed and approved by the Bank's management and Board of Directors.
- **Risk Report** – The Bank has published a quarterly risk report in accordance with the Bank of Israel's directives. The report provides a review of the development of the Bank's risk management and control, corporate governance activities concerning risk management, and more. This report is the responsibility of the Bank's Chief Risk Officer (CRO).

Risk management in overseas branches and subsidiaries

Risk management is carried out at the Bank level and at the Group level, including at overseas branches and subsidiaries. The Bank has group responsibility for the risk management framework, which includes:

- **Subsidiaries wholly owned by the Bank** – subject to the Bank's policy regarding risk management and control.
- **Bank Yahav** – subject to the directives of the Bank of Israel, operates independently within the framework of risk management through three different lines of defense. Its risks are also monitored and managed from a Group perspective.
- **Overseas branches** – The Bank's overseas branches are directly subject to the instructions of the risk managers from the head office and in accordance with local regulations and their activities. Effective risk management and control of foreign branches is carried out by the function that coordinates the control of risks of foreign activities in the Compliance Department.



In 2025, **72,810** hours of risk management training were provided to Group employees.

Business continuity

The Bank is working to prepare appropriately for future challenges and to ensure business continuity for its critical services in various scenarios and to continue to provide service to its customers during emergencies, to the extent possible. The Bank's activity in all aspects related to business continuity is anchored in a dedicated policy that also includes a specific reference to the issue of climate risks and the resulting impacts on the Bank.

The Bank has a structured business continuity management plan, which includes a policy document for disaster recovery and business continuity that was approved by the Bank's management and the Board of Directors. The Bank operates its business continuity framework in strict compliance with the Bank of Israel's PCBB 355 (Business Continuity Management) and PCBB 357 (Information Technology Management). As derived from the policy document, the Bank maintains detailed plans for managing the business continuity of critical services under various risk scenarios and providing a response to its customers even in times of emergency. The Bank has a recovery plan that regulates the essential services (BIA – Business Impact Analysis) defined by the Bank, and based on this analysis, the sequence for system restoration and their recovery times in extreme events are established. The Bank has detailed work plans and procedures for times of emergency. The business continuity plan is implemented in the Bank's divisions and is led by the Business Continuity Unit. The Risk Management Division provides a second control layer with regard to business continuity risk and preparation for emergencies.

The business continuity policy was also adopted in the Bank's subsidiaries in Israel and in its foreign branches, in accordance with the corporate governance policy and Bank of Israel guidelines.

Tools for maintaining business continuity

Simulation plan – A central layer of the business continuity plan is the simulation plan. The Bank has an annual and multi-year simulation plan approved by the Bank's management and the Board of Directors. The Bank conducts exercises at both the backup site and in the Bank's units, and is prepared to back up the critical system processes and operational work processes. The simulation plan includes operational exercises and complex business exercises, according to national scenarios (war, earthquake, pandemic and cyber) and according to the Bank's internal scenarios. The exercises are held with the units' participation, from the branch, department, unit and division levels to the Bank's management level. Preparing for a disease and epidemic scenario includes procedures and work processes for dealing with cases where there is a fear of an outbreak of a disease or epidemic in Israel, and the Bank informs its employees regarding protective measures and preparation for this type of event.

The Technology Division's business continuity plan (DRP File) – The purpose of this plan is to restore the Bank's information systems. The plan is integrated into the Bank's business continuity plan and details the processes and actions required to restore critical information systems, including the desired recovery time and procedures for returning to normal operations. The Bank operates a remote central computing site to ensure availability and protection of the information systems and the information itself.

Climate risks – The Bank has defined emergency work processes derived from weather events, including work procedures for a snow event in the Jerusalem and northern areas. The Bank has expanded the issue of climate risks in the business continuity plan in accordance with PCBB 355, in addition to work processes and emergency response to flooding events and damage to facilities and branches located in sensitive areas. In addition, the Bank has remote work capabilities that enable it to provide continuous customer service and maintain functional continuity, even in the event of difficulties reaching the Bank's offices and facilities. The Bank has a generation solution and fuel stocks for all of its central facilities, which enables functional continuity in the event of power outages due to a weather event or in any other scenario. For information regarding the management of environmental and climate risks, please see the Environmental chapter in this report.

Commitment to human rights



The Bank is committed to the protection of human rights in all areas of its activity. This issue is a cornerstone at the Bank and a central value in its activities. The Bank has been a member of the UN Global Compact¹ initiative for a decade and operates in accordance with its principles regarding human rights, labor, environment and prevention of corruption. The Bank considers respect for human rights a fundamental value of its business and banking activities. This commitment applies to all areas of the Bank's activity, including its relations with employees, customers, suppliers and business partners, and is embedded in the Bank's Code of Ethics and Corporate Responsibility Policy.

The Bank proactively protects human rights with all of the Bank's stakeholders – including the Bank's employees, its customers, its suppliers and the community. The Bank has a formal policy on human rights protection and discrimination prevention that applies to all Bank employees. In order to implement this policy, ongoing training is provided to employees, aimed at dealing with human rights issues in all aspects of their work. In 2025, 24,417 hours of training were conducted in the Mizrahi-Tefahot Group on human rights aspects of the Bank's activities.

Human rights training for Bank employees includes, among other things: ethics and the Code of Ethics, prevention of discrimination, accessibility and accessible service, prevention of harassment and abuse, equal opportunities, fairness and protection of privacy. These topics are relevant to all stakeholders, including customers, suppliers and, of course, the Bank's employees themselves.

1. United Nations Global Compact.

Protecting human rights among the Bank's employees¹

The Bank protects the human rights of its employees through a human resource policy that deals with the treatment of human capital. The policy includes the Bank's commitment to ensuring a diverse workplace, equal opportunities for all employees, including ensuring an equal work environment in terms of recruitment and remuneration, equal opportunities in employee promotion, etc., with no discrimination based on religion, nationality, race, origin, sex, age, gender identity, or place of residence.

The Bank also protects the dignity and privacy of employees and the rights of its employees to organize in a union and be represented under a collective bargaining agreement. All employees have signed the Bank's Code of Ethics, whose values indicate the protection of human rights, fairness, and transparency within and outside the organization. The Bank provides training for employees on human rights issues, including the prevention of sexual harassment and abuse and equal opportunities at work. The Bank provides an anonymous line for Bank employees, where they can report or seek clarification regarding any matter, including employee rights, sexual harassment, discrimination or issues related to legal compliance, corruption, etc.

Protecting human rights among the Bank's customers²

The Bank is committed to protecting the human rights of its customers and fairness in its customer service, including maintaining equal opportunities for customers and ensuring the prevention of discrimination in services, and at the same time, create value for customers in each of its areas of activity, including creating a variety of channels for receiving service and adapting products to the needs of each customer. The Bank works actively to enable equal accessibility to the Bank's products and services and to provide services tailored to a wide range of populations, including disadvantaged populations, across a wide geographic distribution. The Bank's branches and self-service terminals are accessible and secure, and every customer can receive the services. Accessibility is meticulously ensured also in digital products and services. The Bank manages extensive information security layers in order to protect the privacy of all customers' information and conducts annual training for Bank employees regarding the protection of customer privacy.

When developing a new product or activity, as part of the new product approval process, the Bank examines various ESG aspects, including verifying that these products and services do not violate human rights and that they meet the standards to which the Bank is committed, such as non-discrimination. In addition, the Bank does not finance businesses or manage accounts of illegal gambling, binary options and pornography in Israel or abroad. The Bank refrains from granting credit to parties involved in fraudulent activity or other offenses, subject to the provisions of any law.

1. For additional information, please see the "Investing in Employees" chapter of this report.
2. For additional information, please see the "Investing in Customers" chapter of this report.

In 2025, the Group received 11 complaints (in public inquiries) regarding discrimination, of which two complaints were found to be justified, but upon examination it was found that both cases were isolated and did not indicate a general failure. However, clarification on the issue was provided to the relevant parties. It is important to note that the complaints regarding discrimination at Mizrahi-Tefahot include reference to the issue of discrimination on a sectorial basis, but in practice they deal with business processes and the customer's origin is never a parameter taken into account in the business consideration.

Protecting human rights among the Bank's suppliers¹

The Bank works to promote a responsible supply chain with importance placed on to the protection of human rights, fair employment and the prevention of discrimination among the suppliers and service providers with whom it engages.

The Bank engages with suppliers who operate in accordance with applicable labor laws, ethical rules and the protection of human dignity. The Bank's Code of Ethics principles are incorporated into the engagement agreements with suppliers, and they require action in accordance with the Bank's values.

As part of the processes for managing the relationship with material suppliers, the Bank conducts periodic reviews of compliance with these principles, including through questionnaires and designated visits.

1. For additional information, please see the "Responsible Supply Chain" chapter in this report.

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

External Assurance and Indexes



Further information and details, including the scope, content, assumptions, and estimates determined by the Group regarding these specific topics, can be found in the relevant chapters of the Bank’s ESG Report.

Based on the procedures performed and the evidence obtained, as described in this report, nothing has come to our attention to indicate that the specific data, as detailed in the table above, in the Group’s 2025 ESG Report, are not presented, in all material respects, in accordance with the Bank’s reporting criteria.

Basis for conclusion

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 – *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB).

We are required to comply with independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Bank

The Group’s management is responsible for (a) designing, implementing, and maintaining internal control relevant to the preparation of the Report, such that it is free from material misstatement, whether due to fraud or error; (b) selecting or developing appropriate criteria for the preparation of the Report and adequately describing those criteria, including who developed them, where this is not clear from the engagement circumstances; (c) preparing, presenting, and accurately calculating the reported information in accordance with the relevant criteria.

Responsibilities of KPMG Somekh Chaikin

Our responsibilities include: (a) planning and performing the engagement to obtain limited assurance that the Report is free from material misstatement, whether due to fraud or error; (b) forming an independent conclusion based on the procedures performed and the evidence obtained; (c) reporting our conclusion to the users/readers of the Bank’s ESG Report.

Summary of procedures performed as a basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We planned and performed our procedures to obtain evidence regarding the specific data that is sufficient and appropriate to provide a basis for our conclusion. The procedures selected depend on our understanding of the specific data and the engagement circumstances, including our assessment of areas where material misstatements are likely to arise. In performing our work, the procedures included primarily:

- Examination of the specific data included in the Report for the purpose of performing limited assurance
- Conducting interviews with relevant personnel within the Group responsible for providing the information included in the Report, to gain an understanding of the specific data

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- Comparing the specific data presented in the Report to corresponding information in relevant underlying sources, to determine whether all material information from such sources has been included

GRI 1: Foundation 2021

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1. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the Hebrew version of the report.

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GRI 301: Materials 2016	301-1	Materials used by the company measured by weight or volume	77-86
	301-2	Percentage of materials used by the company which are recycled materials	87-88
GRI 302: Energy 2016	302-1	Energy consumption within the organization	83-86
	302-2	Energy consumption outside of the organization	Not applicable the topic is not relevant due to the nature of the bank's activities.
	302-3	Energy intensity	83

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GRI 302: Energy 2016	302-4	Reduction of energy consumption	83-93
	302-5	Reduction in energy requirements of products and services	42-51
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	78-80
	305-2	Energy indirect (Scope 2) GHG emissions	78-82
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	305-4	Intensity of the organization's GHG emissions	78-80
	305-5	Reduction of GHG emissions	81-84
	305-6	Emission of Ozone Depleting Substances (ODS)	Not applicable the topic is not relevant due to the nature of the bank's activities.
	305-7	NOx SOx and other significant air emissions	Not applicable the topic is not relevant due to the nature of the bank's activities.
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	403-2	Risk identification and assessment and debriefing of safety events	165-167
	403-3	Occupational health services	178-182
	403-6	Promoting employee health	178-182

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GRI 403: Occupational Health and Safety 2018	403-7	Prevention and reduction of negative impact of occupational health and safety	178-181
	403-9	Rate of work-related injuries	161-166
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GRI 404: Training and Education 2016	404-1	Average training hours per employee	185
	404-2	Plans for improving employee skills and plans for assistance during transition periods	183-187
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GRI 3: Material Topics 2021	3-3	Management of material issue	225-231
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy or losses of data	225-231
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GRI G4 Financial Services Sector Disclosures (Product Portfolio)	FS6	The value of the portfolio of products and services that the organization provides	98-105
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Management of environmental and climate risks			
GRI 3: Material Topics 2021	3-3	Management of material issue	72-74
GRI G4 Financial Services Sector Disclosures (Audit)	G4-DMA	Volume and frequency of the audits of the implementation of the social-environmental policy and social-environmental risk-management processes	206-209
Risk management			
GRI 3: Material Topics 2021	3-3	Management of material issue	232-240

SASB Index¹

Subject	Accounting Index	Code	Disclosure in 2025 – Page in the report
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	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	225-231
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development	FN-CB-240a.1	98-100
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	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2	8-10 Risk Management Report 2025
Activity Metrics	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	FN-CB-000.A	8-10 Risk Management Report 2025
	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	FN-CB-000.B	333-346 Annual Financial Report 2025

TCFD recommendations

Section in the standard	Disclosure recommendation	Location in the report
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G(a)	Board of Directors' oversight of climate-related risks and opportunities	Environment and Climate chapter, pp. 30-33
G(b)	Management's role in assessing and managing climate-related risks and opportunities	Environment and Climate chapter, pp. 30-39
Strategy		
S(a)	Climate-related risks and opportunities in the short, medium and long term	Environment and Climate chapter, pp. 39-44, 54-59
S(b)	Impact of climate-related risks and opportunities on the Bank's activities, strategy and financial planning	Environment and Climate chapter, pp. 39-51
S(c)	Resilience of the Bank's strategy under different climate scenarios	Environment and Climate chapter, pp. 68-72
Risk Management		
R(a)	Processes for identifying and assessing climate risks	Environment and Climate chapter, pp. 54-68
R(b)	Processes for managing climate risks	Environment and Climate chapter, pp. 54-76
R(c)	Integration of climate risks into the Bank's overall risk management framework	Environment and Climate chapter, pp. 54-76; Governance chapter, pp. 232-239
Metrics and Targets		
M(a)	Metrics for assessing climate risks and opportunities	Environment and Climate chapter, pp. 42-43, 66-69
M(b)	Greenhouse gas emissions and financed emissions	Environment and Climate chapter, pp. 78-84
M(c)	Climate-related targets and performance	Environment and Climate chapter, pp. 42-43, 49-51, 92-93