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FIBI FIRST INTERNATIONAL BANK OF ISRAEL

ESG REPORT

The FIBI Group | 2025

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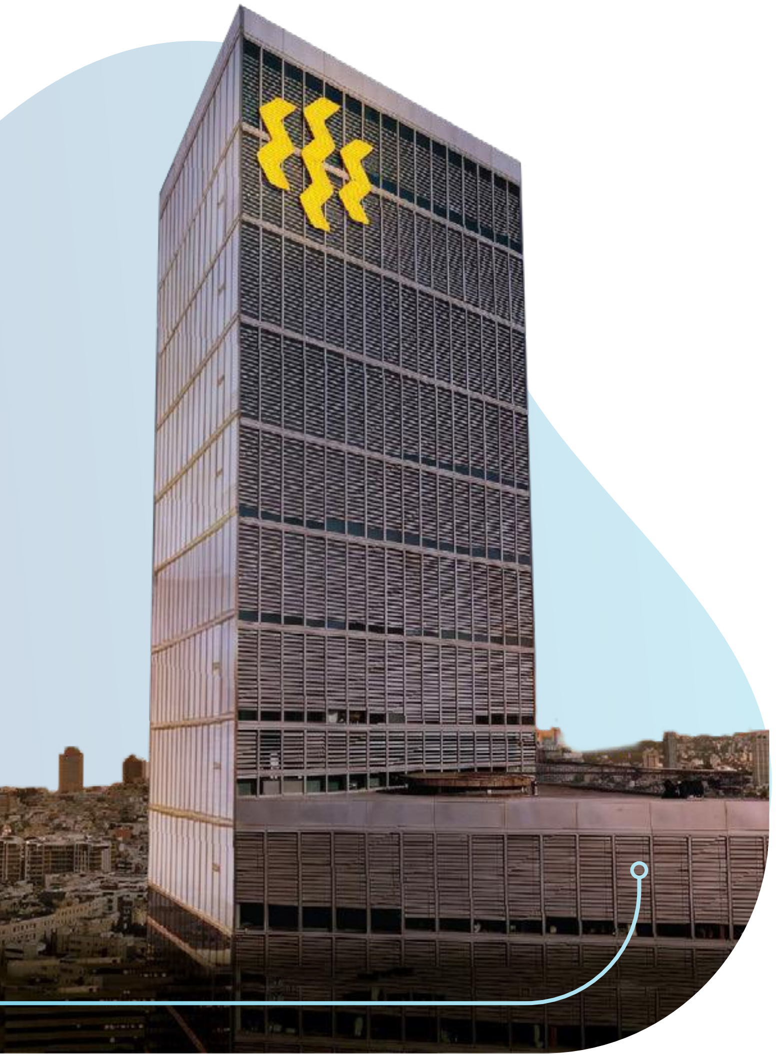
Letter from the Chairman and Chief Executive Officer



Dear stakeholders,

We are pleased to present the 2025 ESG (Environmental, Social, and Governance) Report of the First International Bank of Israel (hereinafter: FIBI) Group. Published for the thirteenth consecutive year, this report reflects the Group›s diverse activities to advance social and environmental values within and alongside its business operations.

ESG topics constitute a significant component of FIBI Group›s business activity and form an integral pillar of the Bank›s strategy. This is expressed in the present report through a new multi-year ESG target framework, and is reflected in the Bank›s ongoing engagement with all of its stakeholders. As always, we believe that integrating ESG considerations into our operations generates business value alongside social value — for stakeholders and for the Bank itself. Beyond that, we believe that as a leading financial institution forming an essential part of Israeli society, conducting our affairs fairly and responsibly toward all our stakeholders is a fundamental, correct, and appropriate course of action.

2025 was a year in which Israel continued to write one of the most complex and challenging chapters in its history. As an Israeli bank committed to our society and economy, we carried our share of this responsibility with full weight and recognition, while leading our business in the best way possible for all of the Bank›s stakeholders.

The Iron Swords War continued to cast its shadow over public life in Israel throughout 2025, leaving its mark on every sphere of life. Alongside the decline in the intensity of fighting in Gaza came significant news that we, along with all of Israel, had long awaited: the return of all hostages — the living and the deceased — home. We shared the joy of the entire nation in closing this dark chapter, yet geopolitical tensions did not subside and even intensified during Operation 'Rising Lion'. These tensions continue to accompany us to this day — as individuals, as Israelis, and as bankers. As such, we made every effort not to pause for even a moment in delivering the best possible service to all our customers whether in the south, north or across the country, as well as private individuals, households or businesses.

Thus, in 2025 , FIBI chose not to stand on the sidelines, but to lead. One prominent example of this is our ongoing commitment to the community of Kibbutz Nir Oz, which suffered the heaviest losses on the dark day of October 7, 2023. The Bank worked to consolidate its support measures for kibbutz members to facilitate the rehabilitation process and is now taking part in the reconstruction of kibbutz structures and contributing to the construction of a children›s house in the new neighborhood being built in the kibbutz. The Bank also gives donations transferred throughout the year the community›s welfare.

For us, this is a living example of what the term 'responsible banking› means, and of taking a central role in the society in which we live.

In 2025, FIBI continued to focus its community investment policy, with Kibbutz Nir Oz remaining the primary focus, while not limiting itself . The Bank continued to operate across several key social domains, with the support for the Israel Defense Forces and security forces being in the forefront.

Alongside the war, that has had consequences that continue to be felt deeply across Israeli society, the macroeconomic environment of 2025 brought complex developments. This underscored the need for active support of customers who encountered financial difficulties. FIBI participated in frameworks led by the Bank of Israel and developed and adapted additional supportive arrangements, which Bank staff and management implemented with accessibility, transparency, speed, and fairness — with the understanding that behind every credit file stands a family, a business, or a dream.

At the same time, we did not lose sight of the next generation. In 2025, FIBI launched the 'Top Trade› competitive value proposition, which is a dedicated and innovative trading platform for younger customers aged 18 to 30, characterized by exceptional benefits, primarily lower commissions than market standards for securities trading. This was complemented by expanded access to investment advisory services for this segment, with a minimum portfolio threshold of NIS 20,000 — unprecedented in the Israeli banking market.

As a leading and prominent participant in the domestic capital market, FIBI›s meaningful value propositions for younger investors reflect our belief that financial education and accessibility are directly linked to providing relevant, accessible, and practical tools that help people cultivate their economic lives. Customer empowerment is a core value in our operations.

Leading Toward a Better Future

Overall, 2025 marked the continued advancement of several important developments. The GenAI revolution is already here, and FIBI is alert to it and making considerable efforts to harness it as an opportunity for the Bank and its stakeholders. This is an AI revolution that is changing the world and advancing at an unprecedented pace, and it is not without risks.

We view these changes not with apprehension, but with the recognition that a bank that fails to adapt will not only be less efficient but risk falling behind, including in its ability to provide optimal responses and service to customers. Therefore, in 2025 we continued to invest in organizational development and in training our employees, who are our most valuable asset. Innovation is not a luxury, but an inseparable part of our responsibility toward customers and toward society.

In 2025, the Bank concluded its 2021-2025 multi-year ESG framework. The completion of this program highlights the Bank›s strong commitment to aligning with leading international environmental, social, and governance standards and reflects the significant progress made throughout this journey.

In this report, we are proud to present a new multi-year ESG target program for 2026-2030, which will carry the Bank further forward, both with respect to our direct environmental impact and in our role as a key financing institution in the economy. The Bank›s new ESG targets cover a broad range of areas, from reducing our operational carbon footprint, expanding green and social financing, to promoting diversity and excellence among our employees. We will of course continue to uphold FIBI›s strong corporate governance mechanisms.

As a leading financial institution — and particularly as a bank that drives competition in the Israeli banking sector — FIBI is proud to be one of the pillars of the Israeli economy. The Group will continue to promote business growth, alongside sustainable social and environmental investment, out of a deep commitment to all stakeholders and to Israeli society as a whole.

In summary, 2025 joins the especially complex years that preceded it, and it demonstrates that FIBI chooses, time and again, to be a bank that is present alongside customers who have been affected, communities that have been broken, employees and managers, and alongside all of its stakeholders — despite and because of the complexity.

Ron Levkovich
Chairman

Eli Cohen
CEO

Our 2025 ESG Achievements

Investing in our customers

120
The Group operates 120 branches

~ 40%
of which are located in the northern and southern regions of the country, including peripheral communities,

as well as a digital branch

24
The Group operates 24 dedicated branches serving security forces, 12 of which are located on IDF military bases

38%
of Bank Massad's branches are dedicated branches located in or adjacent to concentrations of Arab population

16
FIBI group operates 16 specialized location for the Haridi community, which are located in places where the Haridi community is concentrated.

100%
of the Group›s branches are accessible to persons with disabilities

Investing in Capital Market Development and Financial Empowerment

Over 87,000 Customers
During 2025, the Bank supported the financial empowerment of over 87,000 customers through conferences and various media channels

ESG considerations
Since 2024, ESG considerations have been integrated into securities analysis and investment advisory frameworks

More than 5,000
participants took part in dozens of in-person and digital conferences on financial education and literacy

Investing in Our Environment

+267,000 kWh
of self-generated solar energy consumed at the Mataf building

NIS 4.41 billion
Balance sheet green credit balance: approximately NIS 4.41 billion by the end of 2025 —approximately 38% growth vs. prior year. Including off-balance sheet: approximately NIS 7.25 billion (+32%)

Balance sheet green credit: approximately 5.3% of total balance sheet commercial credit; approximately 6.3% including off-balance sheet credit

4.5%
Credit risk exposure to carbon-intensive sectors: 4.5% of total commercial credit risk assets

Investing in our employees

16,907
10,298 non-digital training days and 6,609 digital learning days were invested in Group employees; total average: 4.8 learning days per employee

58%
of the Group's managers are women

22%
22% of Bank Massad employees are from the Arab community; 10% of Bank Massad managers belong to this community

9%
Approximately 9% of Group employees are from the Haredi community; 5.8% of FIBI managers are from the Haredi community

66%
66% of the Group's employees are women

35
employees from diverse populations were recruited this year — more than 13% of all new recruits; cumulative rate 2021-2025: over 14%

16%
By the end of 2025, employees from diverse populations accounted for approximately 16% of total Group employees and managers

Investing in the Israeli Economy

NIS 18.7 billion
Outstanding credit balance to microbusinesses and small businesses: approximately NIS 18.7 billion by the end of 2025

NIS 1.7 billion
Outstanding credit balance extended to Haredi community social organizations: more than NIS 1.7 billion by the end of 2025

71%
Approximately 71% of supplier payments in 2025 made within current month plus 15 days from invoice issuance

Bank Group Profile and Operations

The First International Bank of Israel is an Israeli public company, a banking corporation licensed as a 'bank' under the provisions of the Banking Ordinance, and is the fifth largest bank in Israel. FIBI Group is comprised of two banks – FIBI and Bank Massad, which specialize in providing banking services to the teaching profession in Israel. Both banks are members of the Association of Banks in Israel. FIBI also operates through additional leading banking brands focused on distinct target segments: Pagi, Otzar HaHayal, and UBank.

Principal Business Activities:

- Financial intermediation between depositors and borrowers
- Financial and banking services across a broad range of activities
- Investment advisory and pension advisory services
- Market risk and liquidity risk management, and management of the Bank's proprietary investment portfolio (nostro)
- Banking operations services for the capital market
- Trust services for institutional entities through the Trust Company

More about the business operations of the Bank Group on page 7 of the bank's annual financial report for 2025.

Ownership Structure

The controlling shareholder of FIBI Group is F.I.B.I. Holdings Ltd. (hereinafter - FIBI Holdings). FIBI Holdings is a public company, traded on the Tel Aviv Stock Exchange, which holds 48.34% of the issued share capital and voting rights of FIBI, constituting the controlling shareholder in accordance with the control permit issued by the Bank of Israel.

Controlling shareholders of FIBI Holdings:

- Mr. Zadik Bino and his children – Mr. Gil Bino, Ms. Hadar Bino-Shmueli, and Ms. Dafna Bino-Or (the 'Bino Family') – through Bino Capital Ltd.
- Mr. Michael and Ms. Helen Abeles – through Instanz No. 2 Ltd.
- Mr. Barry Liberman, Ms. Cassie Liberman-Harris, Ms. Lee Liberman, and Mr. Joshua Liberman – through Dolphin Energies Ltd.

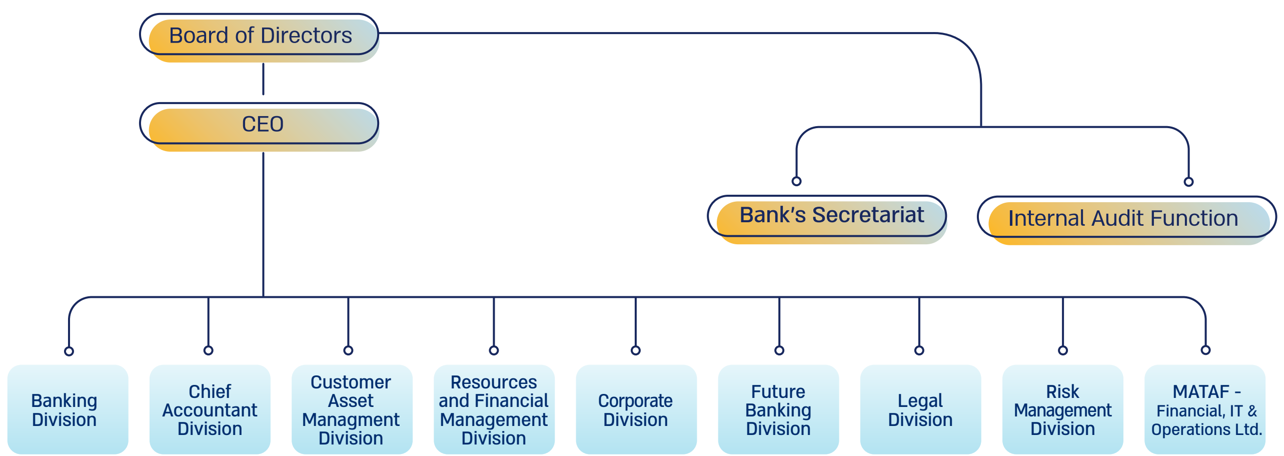
More details about the owners of control in the Bank Group on page 295, 323-326 of the bank's annual financial report for 2025.

Organizational Structure of the Bank Group

In 2025, FIBI operated through six divisions, three units, and the subsidiary Mataf (Computing and Financial Operations Ltd.) – a wholly owned subsidiary engaged in computing and operational processing for both banks in the Group. The Bank holds 51% of the shares of Bank Massad.

As of the end of 2025, 11 Board members served on the Bank's Board of Directors (including the CEO of Mataf), of whom approximately 64% are women. FIBI Group comprised 120 branches and sub-branches (99 branches in FIBI and its brands; 21 in Bank Massad).

The bank's organizational structure



Economic Value Created for Stakeholders

FIBI Group is a leading economic organization with significant economic impacts expressed through value creation for its various stakeholders: shareholders and investors (direct economic value); the State (tax payments, job creation, domestic procurement); Group employees (employment, salaries, welfare); customers, suppliers, and business partners (advancement of their activities); and the community (monetary donations and employee volunteering).
As of December 31, 2025, the total net credit extended by FIBI Group to the public stood at NIS 148 billion, representing approximately 13% compared to 2024.

The Group promotes access to financial services in remote areas, where more than 38% of its branches are located. The Group's banking brands specialize in serving diverse population segments: the Haredi and religious communities, the Arab community, career military personnel, soldiers and Ministry of Defense retirees, teachers, immigrants from the former Soviet Union, and others – alongside microbusinesses, small, and medium-sized enterprises.

Branch Distribution

Bank	Number of Branches	Branches Outside Metropolitan Area[1]	% Outside Metropolitan Area
FIBI	57	21	37%
UBank*	2	0	0%
Otzar HaHayal*	24	10	42%
Pagi*	16	5	31%
Bank Massad	21	9	43%
Total	120	45	38%

* Brands operating as part of FIBI

ESG at FIBI Group

FIBI Group places great importance on responsible and ethical business conduct, and on its commitment to advancing social and environmental values. It also generates a positive environmental and social impact. ESG considerations are embedded in the Group's day-to-day operations. The Group incorporates economic, social, and environmental considerations into its ongoing business activity and is committed to maintaining sound, effective, and appropriate corporate governance. It creates shared value for both the Group and all its stakeholders, through continuous dialogue with them.

FIBI Group's ESG Policy

In 2021-2022, FIBI Group developed a comprehensive policy for the management of environmental, social, and governance (ESG) aspects within the Bank's business operations. This policy was first approved in 2022 and is updated at least every three years. During 2025, it was updated and expanded, with particular emphasis on climate-related aspects and credit, including a climate risk management policy.

As a leading financial institution in Israel, the FIBI Group places great importance on responsible and ethical business conduct and is committed to promoting social and environmental values. Through its ESG policy, the Group strives to create a positive environmental and social impact

Within the framework of the Bank's updated policy - the 'ESG Policy and Climate Risk Management Policy 2025' - the treatment of corporate governance improvements in ESG matters was extended, the lines-of-defense for ESG were improved, and the management of a broad range of risks, including climate-related risks, was enhanced. In 2025, a new internal Group procedure was developed governing the leadership of ESG activities and their public disclosure.

- Environmental domain: Two principal avenues – addressing climate and environmental considerations in financing and investment activities; and commitment to reducing environmental impacts from ongoing operations
- Social domain: Commitment to supporting and empowering the Bank's customers, employees, and the community
- Governance domain: Commitment to operating in an effective, fair, ethical, and appropriate manner. Furthermore, the policy reflects the Bank's commitment to operating in alignment with regulatory guidelines and reporting its activities in accordance with leading international standards.

The ESG policy further details the roles and responsibilities of various stakeholders within the Bank regarding ESG issues, encompassing the Board of Directors, Executive Management, and the Bank's diverse business units. It outlines the process for identifying material ESG issues relevant to the Bank's operations, as well as the framework for managing associated ESG risks. Additionally, the policy defines the monitoring, control, and reporting processes required to ensure alignment with the Bank's ESG targets.

ESG Management Responsibility:
ESG Officer: Ms. Ella Golan, Head of the Resources and Financial Management Division, Executive Vice President and Management Board member. ESG Manager: Mr. Ron Stein, Regulatory Affairs and Government Relations Manager and ESG Manager. Contact: ESG@fibi.co.il

1. North of the Hadera line or south of the Gedera line

ESG Targets 2025 Status of the Group's

ENVIRONMENT

Target	Status	Details
90% of investment advisors will complete ESG-in-investment training	Completed	Following achievement of this target in 2022, the Asset Management Division continued deepening ESG-in-investment processes
Complete identification of securities with significant environmental and social impact; integrate ESG into securities analysis	Completed	In 2024, ESG ratings for securities were made accessible via the trading application, in collaboration with fintech company Bridgewise
25% of new proprietary investments in private funds will be through funds **with an ESG investment management policy**	Completed	All new investments made in 2025 were in funds with an ESG policy; all funds that were invested in since 2021 have an ESG policy

SOCIAL

Target	Status	Details
Support the **financial empowerment of 30,000 customers** through advanced financial knowledge, 10% of them small businesses	Completed	As of the end of 2025, the Bank supported the financial empowerment of more than 87,000 customers; approximately 22% were small and micro businesses. Small business clients represent approximately 13% of the aforementioned client base that has been exposed to financial empowerment initiatives since 2021
50% of businesses in the Pagi loyalty club will be local businesses in **Haredi communities**	Completed	50% of businesses in Pagi's business network are local businesses under Haredi ownership
10% of employees recruited will be from **diverse populations**	Completed	Approximately 13% of 2025 recruits were from diverse populations; cumulative rate 2021-2025: approximately 15%, which is 1.5x the target
At least 75% of managers will participate in at least one **power skills training** session[2] over a two-year period	Completed	957 managers participated in 2025
All extended courses in core subject areas (Credit, Mortgages, and Capital Markets) will **incorporate at least one power skills training session**	Completed	

GOVERNANCE

Target	Status	Details
At least 2,500 employees will receive quarterly **ethics refresher** communications	Completed	Quarterly refresher communications issued to all bank employees throughout 2025; new ethics e-learning module distributed in late 2025

2. Power skills refer to the personal development of employees and usually focus on 'soft' skills.

FIBI Group ESG Targets 2030-2026

FIBI concludes 2025 as clear evidence of consistent execution capability and responsible management: the Bank successfully completed the strategic ESG targets it set for itself, embedding environmental, social, and governance considerations at the core of its decision-making and business operations. Overall, the Bank surpassed its targets and maintained a steadfast commitment to continuous improvement, even after achieving its stated objectives. This milestone underscores our dedication to delivering long-term value to the Group's stakeholders, primarily our clients, staff, community, and shareholders, while maintaining high standards of transparency and control. Leveraging this momentum and our advanced perspective on navigating climate and social transitions, the Bank has established a new multi-year ESG target framework through 2030. These ambitious and quantifiable and measurable goals are designed to advance our ESG integration, strengthen our positive societal impact, foster responsible growth, and solidify our leadership in sustainable innovation.

Status of the Group's 2026-2030 ESG Targets

ENVIRONMENT

- Reduce the Bank's total carbon footprint by 40% relative to the 2022 baseline year
- Green credit deployment of NIS 5.5 billion (balance sheet)
- Refrain from financing new coal mining projects and companies, tar sands, and oil and gas exploration in the Arctic region
- Designate a 'Sustainability Year' - empowering and encouraging teachers as agents of change in promoting sustainability in their educational role, through the Bank's marketing platforms

SOCIAL

- Designate a 'Financial Literacy Year' - empowering teachers as agents of change in promoting financial literacy, with particular emphasis on the Arab sector
- Hold an annual prize-bearing competition recognizing teachers who served as agents of change in sustainability and financial literacy for their students
- Provide dedicated accessibility of financial literacy and capital market content to Arabic-speaking audiences, through dedicated communication channels and platforms
- Hold 3 dedicated lectures on pension and retirement for teachers from the Arab sector, including non-customers of the Bank
- Pagi will publish at least 5 financial education and guidance topics relevant to the Haredi and religious public and will hold conferences on these topics for its customers
- Provide dedicated accessibility of financial literacy content to women business owners, self-employed women, and women who aspire to lead financial decision-making — at least 3 times per year in each of 2026-2030
- 90% of the Bank's investment advisors will complete ESG training, and ESG considerations will be integrated into advisory activities
- Hold 5 lectures (one per year, in-person or online) on long-term savings and retirement for small business owners
- By 2027, approach at least 80% of eligible micro and small business customers with a proposal for investment advisory services
- Continue to maintain full physical accessibility at 100% of branches and work to preserve and improve digital accessibility on websites and applications

GOVERNANCE

- Ensure female representation in senior management positions of at least 40%
- Maintain an average annual employment diversity rate of at least 15% of total Group workforce from underrepresented populations in the labor market
- Maintain female representation on the Board of Directors of at least 30% of total Board members

The report reviews and presents the Group's activities and performance in the ESG areas identified as material to the Bank in 2025, with the aim of presenting these activities in a transparent and reliable manner

About This Report

FIBI Group's thirteenth ESG report examines and presents the Group's activities and performance in 2025 across the ESG topics identified as material to the Bank, with the objective of presenting these activities transparently and reliably. The Bank has chosen to reduce the scope of disclosure as much as possible, while focusing on the most material and relevant topics and metrics, consolidating repetitive qualitative descriptions, and removing information that is not material to this report and published elsewhere in publicly available sources.

The report has been prepared in accordance with the GRI Standards, at the level of comprehensive transparency (This report has been prepared in accordance with the GRI Standards). The report also refers to the definitions of the SASB (Sustainability Accounting Standards Board). Environmental and climate topics are reported in accordance with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), including the calculation of the carbon footprint — both of the Bank's operational activities and of financed emissions — in accordance with the PCAF (Partnership for Carbon Accounting Financials) international standard.

The report covers the activities of FIBI Group: FIBI, Bank Massad, and the subsidiary Mataf, in areas where their activities have material impacts in the subject areas presented in this report. As part of its ESG commitment, FIBI Group participates in advancing the Sustainable Development Goals (SDGs) adopted in 2015 by the United Nations General Assembly.

The information disclosed in this report aligns with previously reported data; any discrepancies or adjustments are fully explained in the appropriate sections.

Unless otherwise specified as pertaining to a single entity, all quantitative figures refer to the Bank Group on a consolidated basis. Please note that due to rounding, certain totals in the tables may not sum exactly.

Certain data is presented alongside historical comparisons, while other figures reflect updated baseline measurements to ensure improved accuracy. Our quantitative disclosures adhere to recognized industry metrics and comply with GRI reporting standards. Integrated into our ESG strategy, FIBI Group is committed to supporting the UN Sustainable Development Goals (SDGs) established in 2015 to promote global sustainable growth by 2030.

We thank all our employees for their ongoing commitment to driving ESG excellence throughout the Group.

The report has been prepared in accordance with leading international standards, including GRI, SASB, and TCFD. In addition, financed emissions are reported in line with the PCAF methodology and guidelines.

Double Materiality Assessment

The preparation of this report was preceded by a process of mapping and defining the topics material to disclosure in accordance with the double materiality approach. Material topics for disclosure are ESG topics whose effective management has a material impact on the organization's financial resilience and durability; as well as topics where the organization's activities and conduct may have a material impact on its environment and stakeholders.

The process of defining and periodically updating material topics is based on consultation with the Group's various stakeholders, alongside a review of current research on ESG aspects in the financial sector, particularly the regulatory positions of the banking supervisory authorities in Israel. The list of material topics is approved by Management and validated annually. In the current reporting year, there was no need identified that required changes to the list of material topics.

Material Topics for 2025 – FIBI Group

Ethics, Anti-Corruption, and Regulatory Compliance

The Bank maintains ethical and moral conduct across all its business dealings, aiming to mitigate Group operational risks while simultaneously driving both business and value-based excellence. This is achieved through the integration of business ethics into all operations, including the prevention of corruption, discrimination, and unfair treatment of customers. This framework encompasses the mapping of all statutory and regulatory obligations applicable to the Bank, as well as the implementation of robust measures to ensure the Group's full compliance

High-Quality Corporate Governance

Creating and embedding high-quality governance mechanisms and an effective, diverse, and active Board of Directors structure, or advance the attainment of the Bank's short- and long-term goals

Privacy and Data Security

Managing information security and ensuring effective confidentiality and proper use of customer data, while providing efficient handling of related customer inquiries

Operational Resilience

Advancing preparedness to maintain business continuity under various conditions, including emergency situations

Transparency and Fairness in Products and Services

Continuing to embed principles of transparency and fairness across the products and services offered by the Bank Group to its clients, while ensuring product suitability tailored to each customer's needs and profile. This is achieved through the implementation of applicable consumer protection regulations and the practice of responsible marketing, grounded in established industry ethical standards

Service Quality

Investment in high-quality service delivery to maintain customer satisfaction, Including training, monitoring and measurement, learning, and service quality enhancement

Innovation in Products and Services

Promotion of innovation with emphasis on digital services across direct channels

Financial Inclusion and Service Accessibility

Provision of tailored, accessible, and equitable services to diverse population segments in Israeli society alongside innovative and professional service, we prioritize accessibility to ensure that all customers—regardless of age, background, location, or disability—receive high-quality, tailored support equivalent to all our clients

Promotion of Financial Knowledge and Understanding

Deepening the financial knowledge of customers and providing tools for informed decision-making

Employee Training and Development

Professional training and personal and professional development of Group employees

Working Environment and Employment Conditions

Maintaining a safe, fair, and rewarding working environment for all employees Promoting personal well-being, fair remuneration, and respectful working conditions

Risk Management

Managing the Bank's financial stability through informed and effective enterprise risk management

Environmental and Climate Risk Management

Maintaining financial stability in the face of environmental and climate challenges by integrating these risks into the Bank's financial risk management frameworks

Equal Opportunity, Fairness, and Employment Diversity

The principles and processes that enable and promote equality and non-discrimination within the Bank's workplace, ensuring decent, fair, and pleasant working conditions for all Group employees. This is achieved by maintaining effective interfaces between employees and management, while ensuring job security. Furthermore, the Bank engages in proactive recruitment from underrepresented populations within Israeli society, fostering a diverse and high-quality workforce to address both business and social imperatives

The preparation of this report was preceded by a process of mapping and defining the material issues for disclosure in accordance with the double materiality approach. Material ESG issues are those whose effective management has a significant impact on the organization's financial resilience and stability, as well as issues for which the organization's activities and conduct may have a material impact on its environment and stakeholders. The list of material issues is approved by management and validated annually

Environmental and Climate Considerations in Financing and Investments

Incorporating environmental and climate considerations into financing and investment decision-making

Social Considerations in Financing and Investments

Incorporating social considerations into credit and investment decision-making

Operational Environmental Efficiency

Reducing environmental impact through resource, material, and energy consumption reduction

Responsible Supply Chain

Integrating environmental and social considerations into supplier relationship management

Community Investment

Investing in the community through donations, volunteering, and diverse social activities

ESG Climate and Environment

As a leading financial institution in Israel, the Bank recognizes the importance of taking part in national and global efforts to prevent and mitigate these environmental challenges and to reduce their impact on the environment and on people

Introduction

At FIBI Group, we are aware of the growing importance of environmental and climate developments, both at the global level and locally. In recent years, there has been a significant increase in environmental awareness worldwide and in Israel, driven in part by various extreme climate events impacting local resources and ecological systems, as well as the intensification of climate change, which is expected to affect all areas of life and broad populations.

In Israel, in addition to the growing scarcity of natural resources, experts anticipate heightened vulnerability to the climate crisis, expected to manifest in rising temperatures, damage to water sources, and changes to ecological systems. These environmental processes affect the Bank's business environment and customers, and may carry long-term economic consequences for the Bank. As a leading financial institution in Israel, the Bank places importance on participating in national and global efforts to prevent and slow these environmental processes.

In addition, the Bank is working to implement the provisions of Bank of Israel Directive 345 – Principles for the Effective Management of Climate-Related Financial Risks – which will enter into force in June 2026. The Bank has already begun implementing the principles of Directive 345 in advance of its effective date.

As climate risk management within the financial sector remains an evolving field, data management practices and availability is expected to change in the coming years, which may result in variations in presentation and reporting scope from year to year. Data gaps and limitations arising from real-time methodological updates and developments impact the quality of reported data. The Bank continuously monitors these developments and strives to enhance and refine the reported data. This section of the ESG Report pertains solely to FIBI Bank (and not to FIBI Group), unless explicitly stated otherwise.

Following approximately three years of significant preparation in developing and implementing climate risk management methodologies, the Bank has reached a high level of maturity in this area. The Bank is prepared to meet all applicable regulatory requirements and implements leading climate-related practices within the Israeli financial system.

Corporate Governance Regarding Climate

Climate change represents a significant global challenge, with its impacts on various economic sectors expected to intensify over the coming years. These changes present both opportunities and risks for the Israeli economy and the Bank is characterized particularly by considerable uncertainty regarding their timing and scope, which complicates preparedness.

Integrating climate considerations into the Bank's corporate governance is essential to manage both current and future climate-related impacts, concerning both the Bank's own operations and its financial activities involving clients and other stakeholders.

Board Oversight

As part of the role of FIBI's Board of Directors, which isto direct and guide Bank Management with respect to business strategy and risk management, the Board also addresses the formulation of the Bank's ESG policy. The Board of Directors is responsible for setting the Bank's approach to climate matters and for overseeing the management of this domain within the Bank. This approach, which links climate to all ESG domains, enables a holistic view of the opportunities and risks facing the Bank, and supports the creation of business value alongside social value for all stakeholders who are affected by climate-related risks. Within this framework, the Board approves policy documents addressing climate-related aspects and oversees their implementation, as well as the processes and mechanisms for managing this domain. Among other matters, the Board deliberates on various topics related to climate, including the Bank's climate and environmental risk (such as credit risks), the approval of the ESG policy and the Climate and Environmental Risk Chapter within the Bank's Credit Policy, the ICAAP process, and annual approval of the ESG report at a plenary session of the Board of Directors. For further details on Board deliberations addressing ESG topics, including climate, see the Corporate Governance chapter on page 78. In addition, Board committees engage in overseeing the climate domain, in accordance with their respective areas of expertise. The Risk Management Committee of the Board is responsible for overseeing the management of climate-related financial risks in general, and the implementation of Directive 345. Loans Committees deliberate on climate-related risks relevant to specific credit and investment applications.

Climate Risk Management within the Bank

Bank Management is responsible for implementing the climate policy and climate risk management policy led by the Board of Directors. Management is responsible for embedding climate-related risks within the general risk management frameworks. Given the Group's view that climate-related risks do not constitute a separate, independent risk category but rather serve as an amplifying factor in relation to traditional risks, within which the risk is managed, each risk manager in the Bank bears responsibility for implementing and embedding relevant climate-related aspects into the risk management processes under their purview. They must do so in a manner consistent with the Bank's climate risk management policy document.

Within this framework, Management has assigned responsibility for the active advancement and management of climate matters, including climate-related risks, to several key officers within the Bank, in accordance with the manner in which climate-related aspects are integrated into their ongoing activities. This governance structure is expected to continue to expand and consolidate as the Bank continues to develop its engagement with climate matters in line with accepted practices, and to integrate these aspects across the breadth of its operations.

Business Division:
The Business Division is the primary unit within the Bank responsible for managing climate-related risks and opportunities associated with commercial credit within the first line of defense. Within the scope of its responsibilities, the Division is charged with developing and implementing methodologies for climate risk management in credit underwriting processes, embedding climate-related aspects into the Bank's credit policy, initiating technological automation of data and processes, developing green credit products, and related activities. To fulfill its responsibilities in this area, a dedicated ESG Manager has been appointed within the Business Division, responsible for advancing and embedding the topic within the Division's activities. In 2025, the Division focused on completing its preparedness for the implementation of Directive 345 in commercial credit activities, and on embedding climate-related aspects in credit underwriting processes. In addition, the Division completed the development of an internal information system for the climate domain - with the support of Mataf - in which the relevant data and processes are automated, as part of the Bank's ongoing activities.

Following approximately three years of extensive preparation to develop and implement methodologies for managing climate-related aspects, the Bank has reached a high level of maturity in this area. The Bank is well positioned to comply with applicable climate-related regulations and implements leading practices adopted within Israel's financial sector in the field of climate management.

Asset Management Division:
The Asset Management Division is responsible for integrating climate and ESG aspects into the Bank's liability-side products and services, particularly within investment advisory services to customers with respect to capital market trading.

Risk Management Division:
Along with all other risks, this Division is responsible for managing climate-related risks within the Bank in the second line of defense. It challenges risk management processes and methodologies carried out in the first line, coordinates cross-functional compliance with Directive 345, and integrates climate-related risks into cross-functional risk management processes, such as the ICAAP and stress testing.

Resources and Financial Management Division:
The Resources Division leads the ESG domain within the Bank Group in its broadest sense, and is also responsible for the Bank's logistics and operational aspects. In this context, with respect to climate matters, the Division is responsible for advancing the climate domain within the Bank's operational activities. This includes operational efficiency improvements and carbon footprint reduction, which isclimate-related reporting, and the management of climate matters as an integral component of overall ESG management at the Bank. In addition, the Bank's

nostro investment unit operates within the Division, and is responsible for integrating ESG considerations and managing climate-related risks in the Bank's investment activities.

Climate Strategy

FIBI views the climate crisis as a complex of business risks and opportunities that will affect both the Bank directly and its various stakeholders. Accordingly, the Bank's strategic approach to the climate domain is focused on several dimensions that are exposed to climate-related risks on the one hand, and represent a range of opportunities on the other:

- Financing activities;
- Investment advisory and customer capital market trading activities;
- Ongoing operational activities.

Climate Change and the Bank's Business Activities

FIBI, by virtue of its role as a significant financial institution in the Israeli economy, is exposed to risks arising from climate change — both through direct exposure, such as operational and reputational risks, and through indirect exposure, arising from the activities of the Bank's customers. As part of an analysis conducted by the Bank as an initial assessment of the implications of climate change for the Bank's activities, it emerges that the majority of the Bank's exposure to climate-related risks is **indirect**. This exposure rises primarily through the potential impact of climate and environmental risks on the financial stability of borrowers. In addition, there are also direct exposures such as declines in collateral values.

The process of preparing for and implementing Directive 345 enables and will enable effective management of the Bank's exposure to climate-related risks. In addition, the Bank ensures that climate risk aspects are considered when processing material credit applications, as part of its risk management process.

Alongside the exposure to climate-related risks, the activities of the Bank's customers in preparing for climate change generate a range of new business opportunities that the Bank intends to realize in the near term. These opportunities include the development of dedicated credit products that will support customer needs with respect to financing the transition to a low-carbon economy — enabling the Bank to support and assist in achieving national emissions reduction targets, as set out in the draft Climate Law of the State of Israel.[3]

Key Climate Change Opportunities for FIBI

Operational and Energy Efficiency
Efficiency improvements in resource utilization at Bank branches and across the operational infrastructure, including through adoption of energy-efficient digital and technological tools

Integration of Climate Aspects in Investment Advisory and Analysis
As the leading bank in Israel in customer capital market trading, the Bank integrates climate risk and opportunity considerations (and ESG considerations more broadly) into its capital market trading services. The Bank takes these aspects into account and makes information available to its customers on these topics, in order to enable informed, data-driven decision-making in investment management with the aim of maximizing investor returns

Promotion of Green Financial Products
In particular, financing solutions for commercial and retail customers, for which demand is expected to grow and which are expected to become an avenue of increasing importance in the Bank›s financing activities over the medium and long term

Strengthening the Bank's Resilience
The Bank's preparedness for climate change represents an opportunity to add a further layer to the comprehensive risk management framework already in place - in the near term

3. https://www.gov.il/he/pages/the_climate_law_passed_the_ministerial_committee_for_legislation

FIBI's Exposure to Climate-Related Risks
In line with global banking practice, FIBI views climate-related risks as risk drivers that amplify the risks it manages in a traditional manner. Accordingly, the Bank works to incorporate these risks into its various risk management frameworks, such as credit risk, market risk (with emphasis on investments), operational risk (with emphasis on operational resilience), reputational risk, and liquidity risk. This process is currently underway at the Bank in light of new regulatory requirements in Israel (implementation of Bank of Israel Directive 345, governing the management of climate-related financial risks, which will enter into force in June 2026).

In accordance with TCFD recommendations, as commonly applied by financial institutions worldwide, the Bank uses the accepted climate risk taxonomy, which categorizes climate risk drivers into physical 'climate risks' (arising from the direct effects of extreme weather events and gradual climate changes) and 'transition risks' (arising from the global transition to a low-carbon economy).

Each of these risk categories encompasses a range of specific risk drivers, which have diverse impacts on the traditional risks the Bank manages. Alongside the climate risk categories, the Bank also identifies and manages, as required, other traditional environmental risk factors. Environmental risks are risks arising from potential environmental damage, such as harm to biodiversity, soil contamination, and water source pollution. When assessed as business risks, these may give rise to compliance, regulatory, legal, and other operational risks for the Bank and its customers.

Exposure to Physical Risks
To conduct an initial assessment of the Bank's operational exposure to physical climate risks, FIBI relies on regularly updated information from official sources in Israel. This assessment is based on the determinations of the Climate Change Administration within the Ministry of Environmental Protection. the official expert body of the State of Israel for climate change preparedness. Four central climate trends have been identified as expected to affect the region:

Hotter
(rising temperatures)

Drier
(declining precipitation)

More extreme
(increased frequency of extreme weather events)

Higher sea level
(rising sea levels)

Material Risk Drivers and Their Manifestation:

Trend Risk Driver	Manifestation
Hotter Wildfires and heat waves (Acute risk)	Rising temperatures, changes in wind patterns, and concentrations of moisture in local vegetation create conditions for the development of severe fires. An increased probability of wildfire events in Israel is expected to affect the Bank's activities primarily through damage to the business operations of customers because of property damage and other economic losses
Drier Decline in precipitation volume and changes in precipitation patterns (Chronic risk)	Over the past thirty years in Israel, there has been a trend of declining overall precipitation, expected to intensify through the end of the century. There is concern about increased exposure to market and credit risks as a result of rising commodity prices and increased volatility in agricultural output
More extreme Flooding (Acute risk)	In recent years there has been an increase in instances of flooding across the country. The proliferation of flooding events may increase risks to the Bank through potential damage to business continuity and asset values — both for the Bank and for its customers
Higher Rising sea levels (Chronic risk)	As a country with a significant concentration of economic activity near the coastline, the Israeli economy is exposed to the impact of rising sea levels. This risk may affect the Bank's credit risk and operational risk through damage to collateral values and erosion of the land value of FIBI's physical assets

Exposure to Transition Risks

As part of the global effort to address the climate crisis, structural changes are required in global economic activity. These changes may amplify traditional financial risks if the Bank and/or its customers do not act adequately to align their activities with the expected changes in the business environment.

In accordance with TCFD recommendations and the categorization commonly applied by leading financial institutions globally, FIBI manages transition risks across four categories:

Risk Driver	Manifestation
Legislation and Regulation (Legal Risk)	The fight against climate change is driving a range of regulatory changes aimed at reducing greenhouse gas emission volumes, as well as policy and incentive changes across various sectors, including changes in legal policy leading to an increase in climate-related litigation. These risks may directly affect the Bank's operations, including through reputational damage, changes in the business environment, imposition of additional regulatory obligations on the Bank, and increased compliance risk. In addition, numerous regulations will also affect the Bank's customers — for example in the energy, transportation, and industrial sectors — and are expected to increase their credit risk accordingly
Technology	Addressing climate change requires the development of new technology to enable emissions reductions in economic activities. These risks include, inter alia, disruptive technologies expected to transform entire industries including value chains in energy, food, automotive, metals, and construction. This risk driver may affect the Bank's credit risk through damage to the repayment capacity and financial soundness of borrowers. Conversely, this aspect also generates a business opportunity for the Bank, as customers will require significant capital investments to prepare for and respond to the risks associated with technological innovation — investments that the Bank may be positioned to finance
Market	Climate change and the efforts to address it increase market uncertainty and are expected to result in heightened price volatility, and shifts in supply and demand for raw materials, commodities, and various types of securities across different periods. These risk drivers may increase the Bank's exposure to credit risks due to potential damage to the financial stability of borrowers. The Bank's market risk, as managed within its traditional risk frameworks, may also be affected by this factor. For example, uncertainty and price volatility in global energy markets may affect the market value of the nostro portfolio and result in changes in the growth forecasts on which the Bank indirectly relies
Reputational	Growing awareness of the climate crisis and its impacts is increasing the importance that climate considerations receive in business decision-making by individuals and enterprises and may amplify the damage caused to companies that fail to act on these matters. This risk driver may directly affect the Bank's operations. For example, reputational damage to the Bank vis-à-vis international stakeholders, in particular investors and bondholders. At the same time, the Bank estimates that this risk is expected to affect its credit and market risks

Leveraging Climate Opportunities

FIBI Bank is aligning its business strategy to capitalize on the opportunities presented by climate change, thereby strengthening both its own readiness and that of its clients for a low-carbon future. The implementation of FIBI's climate strategy will ensure financial support for market demands and Israel's national objectives in reducing greenhouse gas emissions and transitioning to a low carbon economy.

Green Credit

As part of the Bank's support for global objectives to reduce greenhouse gas emissions and promote sustainable development (Sustainable Project Finance Policy), FIBI invests efforts in developing dedicated credit products that will provide green financing solutions for the Bank's customers. The allocation of credit to projects supporting the transition to a low carbon economy and sustainable development is an urgent requirement, given the significant investments that commercial customers are required to make — in part as components of energy efficiency processes and technological adjustments — with particular emphasis on carbon-intensive sectors such as energy and transportation.

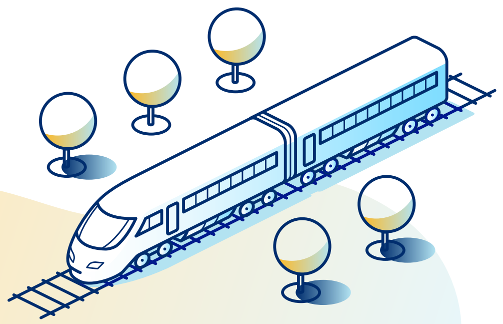
In light of the importance the Bank attributes to enhancing the environmental impact of its financing activities, and to the precise and reliable use of the term "green financing," the Bank has developed an internal green credit taxonomy in accordance with the international Green Bond Principles (GBP) standard, which, although a standard for bond financing, is also widely accepted in the global banking sector for the purpose of defining green credit.

Within the taxonomy, there is distinction between financing for green companies and financing for green projects (such as energy efficiency projects and green building), which are expected to assist the Bank in deepening its green financing activities through dedicated credit products offered to a broad range of its customers.

In addition to these categories, the Bank's green credit framework also includes Sustainability-Linked Loans (SLLs) provided within the framework of international consortia in which the Bank participates. Sustainability-Linked Loans are a financial product widely used globally but rare in Israel, under which the interest rate paid by the borrower is determined in accordance with the borrower's level of compliance with relevant ESG targets established within the underwriting process.

Green Financing Categories per the Bank's Green Taxonomy

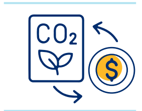
Category	Description
Renewable Energy	Financing of infrastructure projects and private projects in renewable energy (solar, wind, waste), including companies engaged in this field
Energy Efficiency	Financing of projects and corporate investments aimed at optimizing energy consumption in ongoing operational processes, as well as energy storage projects
Green Construction (Green Building)	Financing of green construction projects in accordance with Israeli Standard 5281 (at two-star level and above) or the LEED standard
Pollution Prevention and Control	Financing of projects, facilities, and companies for the effective treatment of waste including recycling, as well as soil and water source remediation
Clean and Smart Transportation	Financing of projects, infrastructure, and companies in public transportation, projects encouraging public transportation use, and electric transportation
Water and Wastewater Treatment	Financing of projects and companies in the field of water and wastewater treatment and infrastructure
Climate Technology Development	Financing of companies engaged in the development of innovative ClimaTech technologies
Sustainable Natural Resource Management	Financing of companies whose activities contribute to the sustainable management of natural resources including regenerative, smart, and precision agriculture



Financing Leading Transportation Infrastructure Projects

The Bank is one of the financiers of central infrastructure projects in the field of public transportation, which offer a green and environmentally friendly alternative to private vehicle travel and contribute to a greener urban environment, improving the overall quality of life of residents, contributing to the reduction of greenhouse gas emissions, reducing urban air pollution, and alleviating urban traffic congestion.

The Bank is working to strengthen its identification and measurement capabilities in green credit and is expected to expand the scope of its reporting on this topic from year to year. The balance sheet green credit balance in the Bank as of the end of 2025 stands at approximately NIS 4.41 billion[4], a growth of approximately 38% relative to end-2024[5] (for further details, see the Metrics and Targets chapter on page 30).

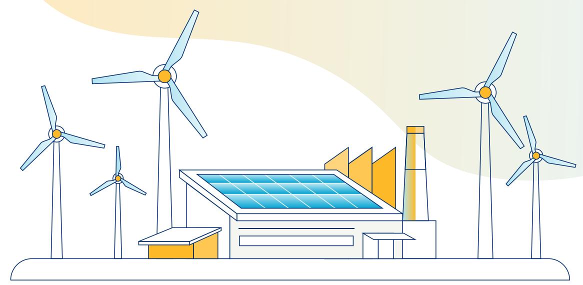


2023-2026 targets

In light of the importance, the Bank attributes to the climate topic and its view of it as a significant business opportunity. For example the Bank has set for the first time a target within its new multi-year target program: by 2030, the balance sheet green credit balance will stand at NIS 5.5 billion.[6]

Financing Green Energy Companies

The Bank initiates and finances renewable energy projects, including solar power and other renewable sources, contributing to the expansion of renewable electricity production and strengthening Israel's power grid as part of its commitment to the transition toward a low-carbon economy. This activity aids in reducing greenhouse gas emissions, enhances energy security, and solidifies the Bank's position as a leading financial institution in sustainable finance. Moving forward, the Bank remains committed to expanding its renewable energy portfolio and deepening its impact on the national economy.



Operational Sustainability

On the operational level, the Bank has been working foryears to reduce, to the greatest extent possible, the negative environmental impacts associated with the operational activities of the Bank's branches and its overall operational infrastructure, including reducing the Bank's operational carbon footprint. Within this framework, the Bank promotes extensive efficiency improvement processes, with particular emphasis on energy efficiency, as electricity consumption constitutes the primary component of the carbon footprint of the Bank's operational infrastructure. Alongside the reduction of environmental impacts, these actions support the overarching strategy of transitioning to the provision of high-quality digital services that reduce the need for resources such as real estate, electricity, and transportation — each of which carries significant environmental impact. These processes enable the Bank to provide higher-quality service to customers while reducing the environmental impacts associated with the delivery of that service.

For further details on all energy efficiency and operational improvement processes undertaken by the Bank, see page 34 of this report.

Leveraging Digital Tools to Reduce Resource Utilization

The first is the "Green Account" arrangement, which enables customers to manage their account on an ongoing basis through direct digital channels without visiting a branch including exemption from direct channel transaction fees, mobile banking fees, and fee refunds. The number of accounts enrolled in the FIBI Green Account arrangement grew by approximately 5% in 2025 relative to end-2024.

The second is the "**ME Branch**" - FIBI's digital branch, established in late 2023, which extends the advantages of convenience and resource savings by providing comprehensive, high-quality, and efficient service without the need for paperwork or branch visits. This branch offers unique terms including two courier services per year at the Bank's expense and an additional service enabling personal monitoring of events in customer accounts, with important highlights and recommendations delivered via SMS or the application. Its operations are growing, with the number of customers who joined the branch in 2025 accounting for approximately 27% of total branch customers as of year-end.

FIBI Green Account grew by ~ %5 ↑
in 2025

ME Branch ↑
27% new customers joined

4. Off-balance-sheet credit addition, the green credit balance at the bank as of the end of 2025 stood at about 7.25 billion ₪
5. The detailed data includes the balances of green credit (balance sheet credit only, except where noted otherwise) as of the end of the year shown, in thousands of NIS. The bank works to strengthen its green credit identification and measurement capabilities year by year, and therefore there have been adjustments and improvements to the data that was reported in the past.
6. Balance-only credit

Integration of Climate and ESG Aspects in Customer Capital Market Trading

FIBI is a leading bank in the field of customer capital market trading, and from this position of responsibility, we are committed to leading innovative and meaningful trends in capital market trading and making them accessible to our customers.

The Asset Management Division works to expand the access of customers who trade securities through the Bank to information and tools that will enable them to integrate climate and environmental considerations (and ESG considerations more broadly) into their investment management. This aims to broaden customer sophistication, enabling them to incorporate leading trends in the field into their decision-making processes, maximizing financial returns in the investment portfolio, and enabling the construction of investment portfolios aligned with the values and beliefs of the investing customer. As part of this framework, among other things, the Bank makes ESG ratings for securities accessible to its customers through the trading application.

ESG Considerations in the Advisory Framework

The Bank has adopted a policy integrating ESG aspects including climate aspects into customer advisory processes. Integration channels include:

- Integration of ESG considerations into analyses of specific companies - making ESG ratings accessible for a broad range of domestic and international assets through the trading system for customers and advisors, as an additional parameter in the decision-making process. In 2023, an agreement was signed with a ratings provider on this topic; the topic was embedded in 2024 and has been fully accessible to Bank customers since then.
- Integration of ESG considerations into the managed mutual fund rating system - the managed mutual fund rating system incorporates the ESG rating of mutual funds, where available, enabling investment advisors to take the ESG rating parameter into account when selecting recommended mutual funds.
- Integration of the ESG preferences into the customer needs assessment process- as part of the needs assessment, customers are asked whether they would like ESG considerations to be taken into account when selecting investment products. If so, the advisor incorporates the ESG rating of recommended assets into the investment recommendation process.
- ESG-oriented equity portfolio - making available recommended model portfolios at various risk levels, comprising managed mutual funds and index-tracking funds (domestically and internationally) defined as investing in ESG-oriented assets.

To enable advisors to integrate climate and ESG considerations into the advisory process, the Bank has invested in tailored training since 2022. Upon initiating the process, the Asset Management Division set itself a challenging multi-year target in the field: to train 90% of investment advisors on ESG in investments, and meet this target within a single year.

2023-2026 targets

Following the conclusion of the reporting year, the Bank again adopted a target for investment advisor training on ESG aspects for the coming years: by %90 ,2030 of the Bank's investment advisors will complete training on ESG and the integration of ESG considerations into advisory activities.

In recent years, tools enabling ESG rating and assessment have been integrated across a very broad range of assets and this has been made accessible and highlighted to investment advisors. The Division continues its deepening processes in ESG-in-investment areas and examines the effectiveness of its activities in this area in accordance with leading global practices.

ESG-Aware Portfolio Management

UNIQUE הבינלאומי
ניהול השקעות | מקבוצת הבינלאומי

Beinleumi UNIQUE is the investment portfolio management company of FIBI Group, managing investment portfolios for thousands of customers. As part of its ongoing activities, and from an understanding that companies operating in a fair manner and consistent with ESG principles may reduce the risk of the entity with which the investment is made, UNIQUE makes ESG-rated investment portfolios accessible to all its customers.

This is completedin two ways, in accordance with customer preferences as determined during the needs assessment process conducted upon joining UNIQUE's services:

- Portfolios of customers who join UNIQUE under a dedicated track are managed through an investment portfolio in which the primary emphasis is on ESG-based investments. The company offers global investment portfolio management focused on companies that have adopted ESG principles, alongside adherence to financial performance.
- UNIQUE's dedicated investment portfolio for customers who choose this track focuses on securities of companies that maintain an ESG strategy, and through investment instruments of leading global investment bodies. As part of the specific considerations for each security, UNIQUE incorporates ESG considerations as a decision-support tool in accordance with the portfolio manager's investment policy on the topic. Within this framework, UNIQUE has established a policy whereby every analysis of a security includes a score examining the level of verification and implementation of the ESG principles of the entity in which the investment is made in new investments with the assistance of rating companies with expertise in ESG in Israel and globally. There is a preference for investment in securities with an above-average ESG score. Deviation from this preference will be made only after review and justification by senior UNIQUE investment staff.

Advancing Climate Resilience - Climate Scenario Analysis

One of the approaches currently widely used to manage the implications of climate change across the range of embedded opportunities and risks, is the use of scenario analysis tools that examine the resilience of a company's business activities under various climate scenario realizations. These analyses assist financial institutions in formulating a data-driven strategy in a developing field characterized by high uncertainty.

As part of the ICAAP process conducted in 2023-2024, the Bank conducted a climate scenario analysis — a quantitative analysis addressing a single scenario examining a specific point risk driver: the sensitivity of selected portions of the Bank's commercial credit portfolio to a carbon tax imposition scenario in Israel.

Within the scenario analysis, the Bank examined together with external experts a scenario of a carbon tax imposed without advance notice on Israeli companies at a rate of NIS 167 per ton of CO_2eq (similar to the analysis conducted by the Bank of Israel on this topic in 2021). To examine the sensitivity of the Bank's commercial credit portfolio, it was decided to model an extreme scenario in which the tax is imposed within a timeframe so short as to not allow the Bank's customers to prepare for the tax through carbon footprint reduction processes.

In accordance with the initial nature of this process within the Bank, the analysis focused on economic sectors currently defined by the Bank as sectors with elevated climate risk, with emphasis on elevated transition risk (for further details see the Climate Risk Management sub-section on page 28):

- Conventional energy and petroleum products
- Mining and quarrying sectors
- Fuel trading
- Automotive vehicle trading
- Carbon-intensive industries including metal products, rubber and plastic, and the chemical industry

To quantify the financial implications for borrower groups within these sectors, an assessment was made of the additional annual costs that would be imposed on borrowers, taking into account sectoral emission intensity and the estimated tax rate under the selected scenario. Using basic microeconomic models and incorporating professional judgment and qualitative assessments, the financial sensitivity of borrowers in the face of tax costs was examined.

The results of the scenario analysis indicated that customers in carbon-intensive industries are expected to be affected materially in the short term. Nevertheless, the Bank estimates that the majority of companies in the sector will be able to cope with the impact of the tax over the medium term, particularly if they invest in emissions reduction processes.

Climate Risk Management

In June 2023, the Supervisor of Banks in Israel published Bank of Israel Directive 345, Principles for the Effective Management of Climate-Related Financial Risks, which banks are required to implement in full by June 2026.[7] These principles represent a significant regulatory step forward in the governance of climate risk management in the Israeli banking system. Within the framework of the Directive, the Bank is expected to implement organizational and operational processes for the integration of climate-related aspects into business processes, and to incorporate climate risk into the management frameworks for the various risks in the Bank in which climate risk constitutes a material risk driver. The principles focus on risk management based on a broad range of quantitative data collected from various sources and analyzed at both individual and aggregate levels, in accordance with accepted methodologies and relevance within each risk category.

In 2025, the Bank continued to deepen the embedding of new methodologies for managing environmental and climate-related risks within the framework of commercial credit risks, the primary risk category in which the Bank has elected to integrate climate-related risks at this stage. The Bank also continued to prepare for the embedding of the principles of Directive 345 across the various risk management dimensions, in accordance with the climate-related financial risk management policy approved by the Board of Directors in 2025.

Identification of Climate-Related Risks

FIBI manages climate risk as a driver that affects the full spectrum of traditional risks it manages. The identification process is based on identifying the linkages between evolving transition and physical risks (as defined on page 23) and several traditional risk categories managed by the Bank on an ongoing basis:

Risk Category[8]	Definition	Physical Risk Impact Example	Transition Risk Impact Example
Credit Risk	The risk that a borrower or counterparty will fail to meet its obligations to the Bank	Decline in borrower repayment capacity due to damage to business continuity during an extreme climate event	Damage to borrower business activities resulting from regulatory changes or technological developments that impair financial soundness of customers in certain sectors
Market Risk	Risk of loss or value decline arising from changes in the economic value of financial instruments or portfolios	Decline in the value of physical assets in the Bank's investment portfolios due to an extreme climate event	Impact on volatility of commodity prices and securities values in nostro portfolios, resulting from regulatory changes in response to the climate crisis
Operational Risk – Operational Resilience	Risk of loss resulting from inadequacy or failure of internal processes, people, or systems, or external events	Damage to the Bank's ability to deliver banking services due to an extreme climate event	The impact of transition risks on service delivery ability is not considered material
Compliance Risk	Risk of imposition of a legal or regulatory sanction, financial loss, or reputational damage due to non-compliance	Extreme climate event that may indirectly impair the Bank's ability to comply with legal requirements	Non-compliance with new climate and environmental regulatory requirements
Liquidity Risk	Risk that the Bank will experience difficulty meeting its obligations due to a shortage of available balances	Extreme surge in deposit withdrawals upon materialization of a climate disaster	Decline in availability of the Bank's funding sources due to changes in green financing requirements by international credit bodies
Reputational Risk	Risk arising from negative perception by customers, counterparties, shareholders, investors, or regulators	Customer attrition due to inadequate conduct by the Bank during an extreme climate event	Reputational damage due to failure to meet the standard of climate risk management or a perception of inadequate management

7. The original effective date was June 2025, but the implementation date for the guidelines was postponed by a year by the banking supervisor.

8. Additional risks such as legal risk, strategic risk, legislative and regulatory risk, and model risk, which the bank examined for the possible impact of climate risk on them, and found that at this stage the impact is expected to be less significant.

Assessment and Management of Risks in the Commercial Credit Portfolio

Managing environmental and climate risks in lending and financing activities means the ability to characterize, identify, and strive to reduce or prevent risks arising from environmental or climate factors that have the potential to damage the agreement between the Bank and the borrower — such as damage to the viability of the financed project, the repayment capacity for the financing, the financial stability of the borrower, or the value of collateral.

In general, borrowers with potential exposure to material climate risk are borrowers operating in sectors with the potential for negative impacts on the environment and the climate, or those whose business and operational model is dependent on certain climate conditions. These include, among others, borrowers from the industrial, fossil fuel, real estate, infrastructure, agriculture, and food sectors. Nevertheless, a borrower's sector of activity does not necessarily identify it as a borrower with high exposure to climate-related risks, as a range of factors, including the quality of risk management at the borrower level, affect the overall risk exposure. To enable the Bank to identify risks at the borrower level in an optimal and effective manner, a dedicated methodology was developed for the identification and assessment of climate-related risks at the level of the individual commercial borrower. The methodology was developed in accordance with leading global practices on the subject, adapted to the characteristics and maturity level of the Israeli market in which the Bank operates.

As part of the methodology development, in the first stage of the assessment process, the Bank's commercial customers were mapped according to the nature of their activities and divided into several groups. For each customer group, a dedicated methodology was created for the process of identifying and assessing climate-related risks to ensure a higher level of precision and a 'common language' for the purpose of integrating climate risk management into the existing credit underwriting process and credit risk management framework at the Bank.

For each customer group characterized by a similar climate risk profile, an orderly process was conducted for identifying the risks material to that group in the climate and environmental context. The objective of this assessment process was to quantify the level of inherent risk to which each customer is exposed and to identify the economic sectors with high exposure to climate-related risks.

Following comprehensive research, expert interviews, and analysis of the Bank's credit portfolio, a quantitative scoring was conducted summarizing the sectoral exposure to various climate-related risks. The risk scoring is conducted on a scale of 1 to 5 (5 = highest risk level), composed of three distinct ratings:

1. Physical risk rating (the risk arising from the borrower's vulnerability to the physical consequences of climate change)
2. Transition risk rating (the risk arising from the business impacts of the global transition to a low-carbon economy, including regulatory, technological, legal liability, and reputational factors)
3. Weighted risk rating, based on physical and transition risk, according to a variable weighting key reflecting the materiality of each risk type for each sector

Sectoral Climate Risk Exposure among the Bank's Customers:[9]

Sector Group	Inherent Physical Risk	Inherent Transition Risk	Weighted Risk Level	Share of Commercial Credit Risk[10]
Energy and fossil fuel-based - Conventional energy and petroleum products	4	5	4.7	2.06%
Energy and fossil fuel-based - Fuel and automotive trading	4	5	4.7	3.50%
Energy and fossil fuel-based - Transportation and storage	3	4	3.6	1.49%
Agriculture and food - Agriculture	5	2	4.4	0.46%
Agriculture and food - Food production and trading	4	4	4.0	2.67%
Real estate and construction - Construction project financing	4	2	3.6	20.06%
Real estate and construction - Income-producing real estate and renewable energy	4	3	3.6	9.85%
Industry and manufacturing - Metal products, rubber, plastic, and chemicals	4	5	4.6	5.33%
Industry and manufacturing — Machinery, electrical and electronic equipment	3	4	3.6	2.40%
Additional sectors - Trade, software and communications, services and finance, public sector	2	3	2.8	52.16%
Total				100%

9. These data relate to commercial credit lending in Israel (excluding private customers and housing loans)
10. Operations in the country, without private clients and housing loans

Following the stage of assessing the inherent exposure of the Bank's customers, an orderly method was developed for assessing the residual risk level of the customer; That is, the manner and quality in which the climate-related risks to which the customer is exposed to are managed by the customer. In order to refine the assessment process, and in accordance with the requirements of Directive 345, FIBI developed dedicated customer questionnaires for each sector group, tailored to the risks material to that group. The questionnaire results, combined with the sectoral risk profile weighting, enable the Bank to develop a qualitative view of its credit portfolio's exposure to climate risk drivers, while supporting the early identification, management and mitigation as early as the credit origination process.

In 2025, the Bank began embedding the questionnaire results of relevant customers into credit files. This embedding was carried out with reference to both the borrower scores and the business impacts of the climate-related risks to which the borrowers are exposed in order to facilitate the consideration of these risks by decision-makers within the overall set of factors. Within this framework, climate risk data of commercial customers whose credit characteristics and risk profile meet the established materiality threshold were incorporated into credit files.

Credit Policy — Exclusions

The credit policy includes a chapter on environmental and climate risk management, which is approved annually by the Bank's Board of Directors as part of the credit policy document. The policy for Managing Environmental and Climate Risks in Credit sets out the methodology and processes for monitoring environmental risks within the Bank's credit activities. Assessments are carried out by the Business Division and challenged by the Risk Management Division for material credit exposures. The policy covers identification of high-risk borrowers, the assessment of risk level and management quality, and establishes controls over transactions defined as posing high environmental risk.

The Bank's credit policy, adopted at the end of2023, approved by the Board of Directors in the first quarter of 2025, and expanded in the first quarter of 2026, fully embeds the new process for identifying and assessing climate and environmental risks. For the first time, it places an emphasis on business risks associated with climate-related risks. The 2025 and 2026 policy were updated to include a requirement for appropriate risk premiums in credit pricing, and measures to reduce risk exposure. These measures include, among others, the tightening of financial covenants, and in cases of high risk, refraining from extending credit. In addition, the Bank has imposed portfolio-level limits on the extent of exposure to high climate risk credit.

The policy also establishes guidelines for engaging external professional environmental consultants, and defines risk assessment processes and decision-making procedures.

The Bank's Credit Policy, which was adopted at the end of 2023, approved by the Board of Directors in the first quarter of 2025, and further expanded in the first quarter of 2026, fully incorporates the new process for identifying and assessing climate and environmental risks. For the first time, the process places particular emphasis on business risks associated with climate-related issues. The policy was updated for 2025 and 2026 to include a requirement for appropriate risk premiums in credit pricing, as well as measures aimed at reducing risk exposure.

Such cases arise primarily in projects with material environmental impacts or where there is a risk of accepting collateral linked to contaminated land. The environmental consultant assists the borrower in improving environmental performance and in meeting the Group's requirements for reducing environmental risk.

In 2025, FIBI updated its credit policy with a coal financing, as well as an unconventional oil and gas financing policy, defining specific domains which, due to their material environmental and climate impact, the Bank will refrain from financing with respect to new projects or new companies. The Bank will refrain from financing:

- New (non-ongoing) projects or new companies in the field of coal mining, tar sands, and oil and gas drilling or exploration in the Arctic region (applies to the entire value chain, except in support of Israeli energy supply needs)
- New projects or new companies in the field of coal transportation, coal infrastructure, and coal-fired electricity generation, except in cases where the Government of Israel determines that a new company should be established in these fields, or changes the structure of the coal-fired electricity generation market (applicable to customers where more than 10% of revenues derive from coal-related activities)
- New projects for the construction of power stations for energy generation from coal or fuel oil abroad including refraining from providing credit for the expansion or upgrading of coal-based power stations, except where the upgrade will result in a reduction in emission intensity
- Foreign companies engaged solely in electricity generation from coal and/or oil

ESG Risks in Proprietary Investment Portfolio Management

With regard to the Bank's proprietary investment portfolio as well, climate risk management is expressed within the investment management framework as part of the overall management of ESG aspects and risks. Within this framework, the Bank's financial policy was updated to include a dedicated ESG section, establishing that the Bank is required to examine diverse ESG aspects within the management of its proprietary investment portfolio. In addition, the Bank's policy includes a commitment to refrain from direct investments in companies and/or projects whose dominant activity falls within one or more of the following areas: tobacco production, gambling, coal mining, unconventional oil and gas (including tar sands, ultra-deepwater drilling (UDW), and Arctic drilling).

In 2021, the Bank set a long-term target that by 2025, at least 25% of new private investment funds in which it invests would have an ESG investment management policy. The Bank met the target it set for itself, and indeed exceeded it: all new investments made from 2021 through 2025 were in investment funds that have an ESG policy. In 2025, all new investments made were in funds with an ESG policy. When the target was set, it represented a significant challenge due to the limited awareness of the importance of this topic among investment funds, particularly within the Israeli markets. The Bank periodically reviews its performance against the target and assesses compliance in light of its evolving investment interest and commitments to new funds.

Irrespective of the target, the Bank periodically examines the adoption of ESG principles and policies also in funds in which it invested prior to 2021. As of the end of 2025, the substantial majority of private equity funds in which the Bank's proprietary assets are invested have an ESG policy. The Bank has also proactively approached funds with questions on the topic in order to signal to them the importance the Bank attaches to this matter and to encourage them to adopt relevant policies.

In addition, during 2025, the Bank made green investmentsboth domestically and internationally. These investments included an exchange-traded fund (ETF) focused on solar energy companies and corporate bonds issued by an Israeli company operating in the renewable energy field. Furthermore, with respect to tradable investments, the Bank refrains from investments in companies that consistently fail to maintain sound corporate governance, or operate in fields with clearly negative social impact (such as tobacco and gambling); It also examines investments in accordance with economic viability.

In addition, from a social perspective, the Bank participated in an investment in a social bond issued by Social Finance Israel (SFI) — a social organization working to promote impact investments in Israel. The Bank invested in a bond financing training programs for young people from the Haredi community for careers in the high-tech sector. This project is currently in the implementation phase, and its results will be reported in the future.

Management of Climate Risks in Operational Resilience (Adaption Measures)

Within the framework of its operational resilience management activities, the Bank prepares to maintain operational and business continuity also in emergency situations which may arise, among other factors, from climate-related risks. For further details on the management of operational resilience at the Bank, see the Operational Resilience chapter on page 92 of this report.

Climate Metrics and Targets

In accordance with the requirements of the regulator and the recommendations of the TCFD, FIBI Group reports on the metrics it manages in order to assess and manage opportunities and risks in the climate domain. The Bank maintains ongoing measurement processes consistent with the reporting conventions accepted in the financial sector in climate-related contexts. These metrics enable the monitoring and tracking of the impacts of climate-related risks on the Bank, the realization of business opportunities in the field, and the Bank's progress relative to its work plan and targets. As of the date of publication of this report, the Bank has not yet adopted targets in the climate domain, and intends to examine this going forward, following the completion of required data collection processes and as part of its preparation for the implementation of Directive 345.

Metrics Used by the Bank for Monitoring and Tracking Climate-Related Risks and Opportunities

Green Credit[11] (Figures in thousands of NIS - balance sheet credit only, unless otherwise stated)

	Renewable Energy	Green Construction	Water and Wastewater Treatment	Clean and Smart Transportation	Pollution Prevention and Control incl. Waste Treatment	Sustainable Natural Resource Management	Energy Efficiency and Climate Technology Development	Total	Total incl. Off-Balance Sheet Credit
2022	229,493	767,190	104,340	554,260	103,599	99,302	--	**1,858,184**	3,428,325
2023	276,069	838,905	86,849	877,556	134,463	363,264	--	**2,577,106**	4,128,484
2024	287,827	1,340,926	72,032	994,569	202,253	285,311	--	**3,182,918**	5,502,266
2025	537,891	2,376,715	105,659	1,020,952	200,754	160,707	3,489	**4,406,168**	7,252,050

11. The detailed data includes green credit balances (balance sheet credit only, except where otherwise indicated) as of the end of the year shown, in thousands of NIS. The bank is working to strengthen its green credit identification and measurement capabilities year by year, and therefore there are adjustments and improvements to the data reported in the past.

The Bank's Exposure to Carbon-Intensive Economic Sectors
Each year, the Bank monitors its exposure to business activities characterized by high greenhouse gas emissions which are typically characterized by elevated exposure to certain transition risks, in particular regulatory and technology risks.

The sectors defined as such by the Bank and accordingly selected for monitoring and disclosure, are sectors mapped as having elevated exposure to transition risks by leading global frameworks in the field of climate-related financial risks in the financial sector (UNEP FI - United Nations Environment Program Finance Initiative; SBTi - Science Based Targets initiative; PACTA - Paris Agreement Capital Transition Assessment). These sectors are those linked to the value chain of the fossil fuel industry, such as oil and gas production, exploration, and refining, carbon-intensive industrial sectors such as electricity generation and metals (as well as cement producers, which the Bank does not finance), and sectors characterized by distributed multi-source carbon emissions such as transportation and livestock agriculture.

Total Credit Risk Attributable to Carbon-Intensive Sectors:

Sector	Credit Risk 2025 (NIS millions)	Credit Risk 2024 (NIS millions)	Credit Risk 2023 (NIS millions)	Credit Risk 2022 (NIS millions)
Oil and gas production, exploration, and transportation	458	87	45	60
Electricity generation from coal and gas	1,425	1,313	1,150	1,142
Fuel refining, transportation, and retail	1,157	923	1,054	1,512
Metal producers	935	765	723	768
Livestock agriculture	279	223	222	494
Land, maritime, and air transportation and haulage	858	765	828	686
Total	**5,112**	**4,076**	**4,022**	**4,662**
Share of total credit risk assets of the Bank	2.7%	2.4%	2.1%	2.6%
Share of total commercial credit risk assets	4.5%	4.2%	4.7%	5.5%

Greenhouse Gas Emissions (Operational Carbon Footprint)

The Bank's carbon footprint comprises both direct and indirect emissions associated with its operational activities, and emissions associated with its financial activities. Namely, emissions of entities or projects financed by the Bank through its financing and investment activities. Emissions associated with financial activities are considered the primary component of the carbon footprint of financial institutions, and are included in Category 15 of Scope 3, in accordance with the international standard for carbon footprint measurement (the GHG Protocol).

The Bank has reported on the majority of its operational carbon footprint since 2014 (data for prior years can be found in the Bank's previous ESG reports), and within this framework includes Scope 3 emissions in the categories material to its operations - categories 1, 2, 5, and 6 out of the 15 GHG Protocol categories. Since 2023, reporting on emissions associated with financial activities has been added, as part of the significant advancement the Bank has made in managing climate-related aspects of its operations.

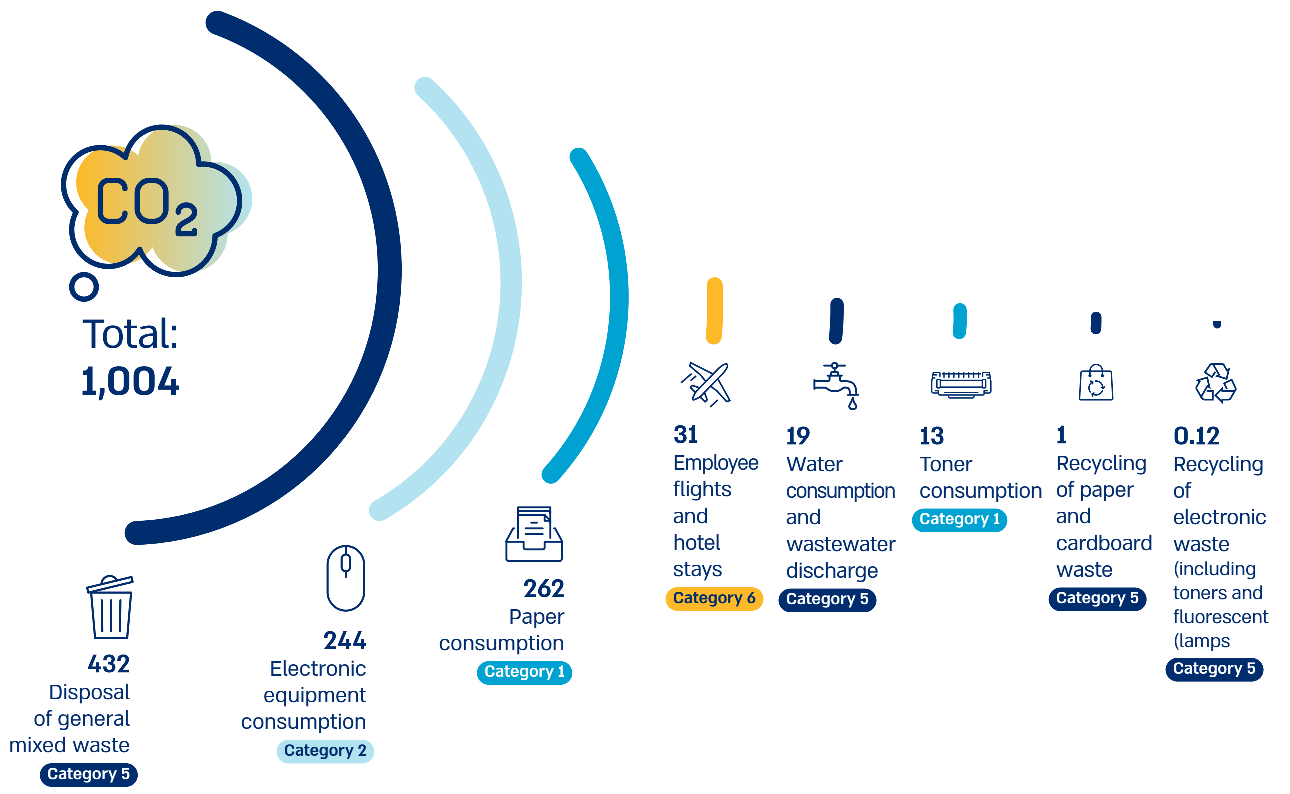
Operational Carbon Footprint
FIBI Group monitors the primary drivers of greenhouse gas emissions in its operations - in particular fuel and electricity consumption, and works to reduce its direct climate impacts through various means, as detailed below. The Group's "carbon footprint" is monitored in accordance with standards accepted in Israel and globally, and is calculated using the calculation tool developed by the Ministry of Environmental Protection and in accordance with the globally accepted standard - the GHG Protocol.

The Group's carbon footprint comprises:
- Scope 1 emissions (direct emissions): fuel combustion in the Group's vehicle fleet
- Scope 2 emissions (indirect emissions): electricity consumption
- Scope 3 emissions (additional indirect emissions): emissions arising from the consumption of various raw materials, from the disposal and recycling of waste generated at branches and Group offices, and from employee flights and hotel stays in the course of work

Scope 3 has been monitored by the Bank since 2021.
The total carbon footprint of FIBI Group in 2025 is approximately 11,561 tons CO_2eq. From analysis of the carbon footprint trend in recent years, it can be seen that in 2025 as well, the Bank continued to reduce its emission intensity.

	Unit	2025	2024	2023[12]	2022	2021
Scope 1	Tons CO_2e	1,417	1,506	1,601	1,620	1,647
Scope 2[13]	Tons CO_2e	9,140	9,273	10,385	10,987	9,444
Scope 3[14]	Tons CO_2e	1,004	974	1,492	1,386	922
Total	Tons CO_2e	11,561	11,753	13,478	13,993	12,013
Floor area	sq.m.	127,025	127,771	132,409	133,713	98,846
Emission intensity (Scope 2+1)	Tons CO2e/sq.m.	0.08	0.08	0.09	0.094	0.112
Emission intensity (all scopes)	Tons CO2e/sq.m.	0.09	0.09	0.102	0.105	0.141

Scope 3 Breakdown – 2025



For more about category 15 - greenhouse gas emissions financed by the Bank are reported separately per PCAF - see page XXXX.

12. 2023 data was revised after updating emissions due to the addition of electronic waste for scrapping
13. Emissions from Scope 2 were calculated using the two common approaches, Location-Based and Market-Based, and the results are the same for both since the electricity sources used by the bank don't differ in the emissions mix attributed to each approach.
14. Greenhouse gas emissions calculations in Complex 3 were done using the standard conversion factors in the field (Israel's Ministry of Environmental Protection, supplemented with data from environmental agencies in the UK and the US). The calculation does not include emissions from the bank's investment and financing activities.

Reduction of Energy Consumption and Emissions

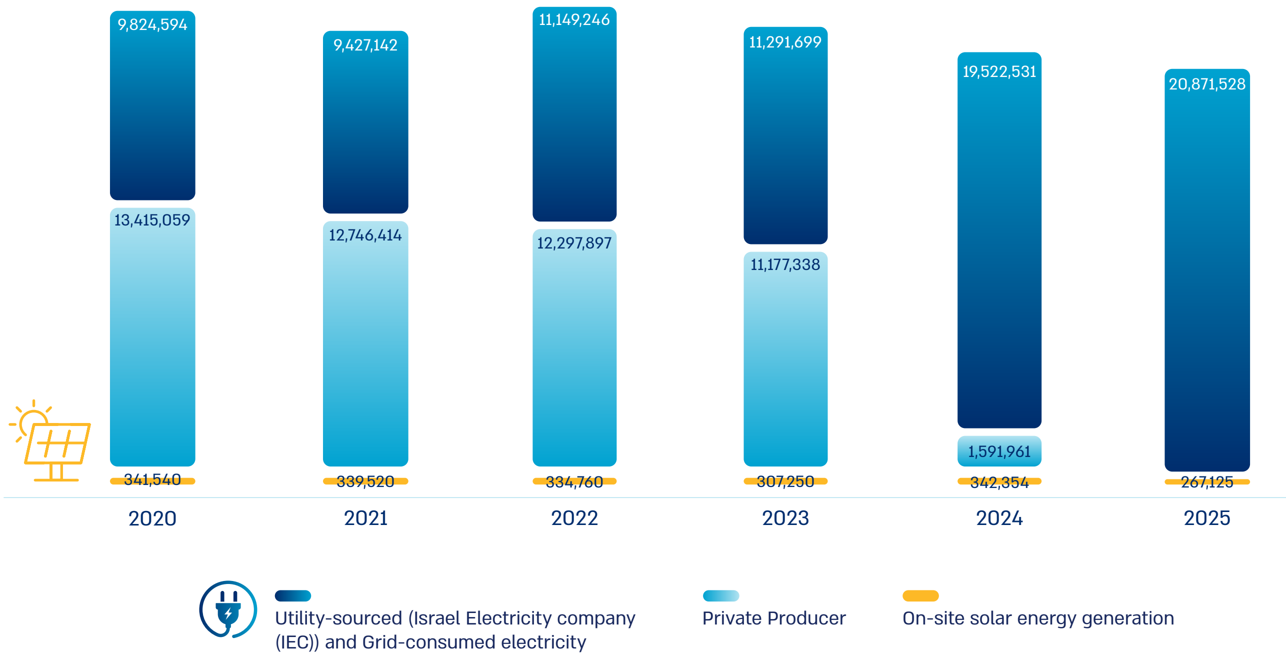
Within the framework of the new multi-year ESG target program, the Bank has set a multi-year target to reduce the Bank's total carbon footprint by 40% relative to the 2022 baseline year (consistent with other major banks in Israel). As of 2025, the Bank has reduced its carbon footprint relative to the baseline year by 17%. The continued reduction of emissions will be carried out through a long-term plan including energy efficiency improvements, floor area reduction, transition to green electricity consumption, and transition to hybrid and more fuel-efficient vehicles.

Energy is the most material environmental resource utilized by the Group, in the form of electricity and various fuels. Improving energy efficiency in the management and branch buildings of FIBI Group occupies a central position in the Group's environmental and operational management priorities. The Group's logistics unit is responsible for managing electricity consumption across the Group.

Electricity Consumption in FIBI Group (Energy Consumption): To reduce energy consumption, the Bank ensures the use of buildings that meet green construction standards. For example, the FIBI headquarters building was awarded the title of the first green office tower in Israel by the Ministry of Environmental Protection, and the Mataf building was also constructed in accordance with green construction standards.[15] The construction methodology of the Bank's headquarters and the Mataf building enables energy savings for cooling purposes, due to advanced construction and insulation methods.

In addition, a portion of electricity consumption at the Mataf building is from solar energy generated on-site. During 2025, 267,125 kWh of solar energy were generated and consumed through panels located on the roof and exterior wall of the Mataf building. Self-generated solar energy consumption this year represents approximately 1.2% of total Group electricity consumption, and approximately 4% of electricity consumption at the Mataf building.

Electricity Consumption Sources – FIBI Group (kWh)



Electricity Consumption	2025	2024[16]	2023	2022
Electricity consumption (kWh)	21,138,653	21,456,846	22,776,287	23,781,903
Floor area (sq.m.)	127,025	127,771	132,409	133,713
Energy intensity (kWh/sq.m.)	166.4	167.93	172.01	177.9

15. According to Israeli Standard (SI) 5281, two stars 15.
16. Data from 2024 onwards was changed – and the definition of the Electric Company was also changed – to Electric Company or consumption from the grid (GRID)

Energy Efficiency Efforts
In 2025 as well, FIBI Group continued to reduce its electricity consumption intensity, consistent with the trend of recent years. In the Group's energy management process, particular attention is given to the construction of new buildings - with a preference for buildings meeting the Israeli green construction standard (Israeli Standard 5281, 2011). In addition, the Group implements a range of measures to reduce electricity consumption, including the installation of energy-efficient air conditioning systems meeting green standards, the installation of occupancy sensors for lighting and air conditioning shutoff, the transition to energy-efficient lighting fixtures, and the installation of air conditioning system controllers.

61 (~ 21%)
of the Group's fleet are hybrid vehicles

The Group's vehicles consumed
605,509 ↓6%
liters of petrol
1,877 ↓17%
liters of petrol

Fuel Consumption
An additional component of energy consumption in FIBI Group, beyond electricity, is fuel consumption for the Group's vehicle fleet. The Group's fleet is predominantly composed of petrol-powered private vehicles. To reduce vehicle air pollution and improve fuel efficiency, the Group promotes the incorporation of hybrid and electric vehicles into the fleet, and works to expand the availability of such vehicles communicating their benefits to employees alongside the provision of information on fuel-efficient and safe driving practices.

Vehicle Fleet — 2025
- End of 2025: 295 vehicles in the Group's fleet, of which 61 (approximately 21%) are hybrid vehicles
- In 2025, the Group's vehicles consumed 605,509 liters of petrol and 1,877 liters of diesel, a reduction of approximately 6% and approximately 17% respectively vs. 2024

Since 2024, the Bank has been working to improve access to electric vehicles as part of its effort to reduce pollutant emissions. Electric vehicle charging stations are available at the Mataf building and at the Bank's headquarters on Rothschild Boulevard.

Financed Emissions (PCAF)
FIBI began in 2023 measuring greenhouse gas emissions arising indirectly from its financial involvement in financing activities, based on the PCAF (Partnership for Carbon Accounting Financials) reporting standard.

The Bank first calculated its scope 3 financed emissions for 2022 its data. The measurement was conducted for the Bank's commercial credit portfolio (in the Business Division and the Banking Division), subject to a materiality threshold of credit risk above NIS 1 million. The measurement was based on an assessment of the carbon footprint of the financed companies in accordance with their sector of activity and size, with only negligible use of the companies' own carbon footprint data. This was due both to the absence of available data in Israel and to the Bank's decision to conduct the measurement on the basis of a cross-sectional industry-level perspective rather than at the individual customer level.

Year	Total Commercial Debt Calculated (NIS millions)	Total Emissions Attributable to Financing Activities (tonnes CO_2e)	Financed Emission Intensity (tonnes CO_2e per NIS million)	Data Quality Score
2022	45,855	4,863,775	106.1	4.9
2023	51,956	5,149,436	99.1	4.5
2024	60,463	5,701,150	94.3	4.5
2025	74,591	6,803,472	91.2	4.3

Note: Data quality score scale: 1 = excellent (actual data only); 5 = lowest quality (extensive use of assumptions and estimates). The Bank anticipates improving measurement precision in coming years through the collection of environmental data from customers.

As this is an innovative measurement requiring, among other things, comprehensive data on the carbon footprint of the Bank's customers, much of which is currently unavailable in Israel, the data quality score17 is affected accordingly. The Bank anticipates that in coming years it will be able to increase the precision of its measurement and the tools it uses, including the collection of environmental data from customers and as a result improve the monitoring of the Bank's carbon footprint and the manner of reporting, achieving improvement in this metric.

17. Due to the need to use a wide range of financial and environmental data of borrowers and investment subjects when calculating the PCAF, many of which are not always fully available to financial institutions, it also includes an aspect of information quality scoring. The score is measured on a scale from 1 (excellent information quality, indicating the use of only real data) to 5 (low information quality, indicating extensive use of assumptions and estimates in the calculation); the bank's data still does not include information on private customers.

Other Environmental Impacts - Waste Reduction and Raw Material Consumption

Raw Material Consumption
The primary raw materials utilized by FIBI Group are various office materials – water for human consumption and irrigation, diverse electronic equipment such as computers and peripheral computing equipment, printer toners, and various types of paper.

The primary raw material consumed in the ongoing operations of the banks in the Group is paper in its various forms. Accordingly, FIBI Group manages this resource in accordance with an overarching approach of efficient use, consumption reduction, and increased recycling. Paper consumption is also directly linked to toner consumption for printing. Printer toner contains ink with significant environmental impacts. The Group views the reduction of paper and toner consumption as an opportunity for environmental efficiency improvement – contributing to a more efficient organization and a greener world.

In order to optimize and reduce paper and toner consumption, the Group encourages its customers to receive correspondence through digital communication tools, in accordance with applicable regulations. Within the framework of resource management, the Group monitors paper and ink consumption through internal systems and works to expand the measurement base for the purpose of more precise measurement and the advancement of efficiency initiatives. In addition, in 2020, the Bank launched the PaperLess Project in branches – through the promotion of digital signatures and the migration of various operations to different digital channels.

In recent years, a clear downward trend in the Bank's paper consumption is evident, reflecting the effectiveness of the PaperLess Project in reducing paper use at branches, as well as additional paper consumption reduction processes. This trend encourages the continued embedding of digital alternatives as the key to reducing paper use across FIBI Group.

In the month of November 2025, an air quality measurement pilot was conducted at Beit Matf. As part of the pilot, the air in the relevant area was monitored and various air quality parameters were assessed

Toner Consumption
The Group's toner consumption is divided between recycled toners and original non-recycled toners. Despite a general preference for the procurement of recycled toners, the Group is currently engaged in a cross-organizational project to replace old and inefficient printers, and the manufacturer's warranty on the new printers is conditional on the use of original toner only. Accordingly, the Group is required to reduce its consumption of recycled toner. In 2025, FIBI Group consumed 3,911 kg of toner (3,259 units), approximately 10% of which were recycled toners. Notwithstanding this, the Bank continues to ensure the recycling of all used toner cartridges after use, and 100% of consumed toners were transferred for recycling.

Water Consumption
Water consumption across the Group constitutes an additional factor affecting the environment. In order to reduce the Group's water consumption, water-saving devices are installed on all taps in the Mataf building, the central headquarters buildings of the Bank, and in a portion of the Group's bank branches. Total water consumption this year was approximately 51,000 cubic meters across the Group's branches and buildings. Approximately 39% of the Group's water consumption occurs at the Mataf building, of which the majority of water was used in cooling towers for air conditioning purposes. As part of the effort to reduce water use at the Mataf building, condensate water from air conditioning units is used for cooling water in the cooling towers and occasionally also for irrigation. In addition, at the Mataf building and the Bank's central headquarters buildings, monthly monitoring of water meters is conducted for the purpose of identifying anomalies and assessing water consumption trends in these buildings. Furthermore, water leak incidents, like all branch facility deficiencies, are documented and retained for lessons-learned purposes.

Paper Type	2025	2024	2023	2022	2021	2020
A4 copy paper	190,535	216,548	224,010	240,865	326,155	308,943
Total paper	195,070	222,440	229,787	244,894	334,537	315,679

Raw Material	2025	2024	2023	2022	2021	2020
Toners (Units)	3,259	3,621	3,560	5,431	5,236	5,383
Of which: recycled toners (Units)	320	500	955	2,596	4,389	4,974
Water (Cubic metres)	50,825	50,871	47,124	50,841	48,904	52,636

Waste Disposal Management
Waste generated because of the Group's operations can be classified into three principal categories:

General mixed office waste

Paper waste (including cardboard)

Computing equipment waste, including toners

The waste types most material to the nature of the Group's operations in terms of volume and content, are paper waste and computing equipment waste.

As a general practice, paper consumed across the Group is collected after use and transferred for recycling. Within this framework, cardboard is also collected at the principal facilities and transferred for recycling alongside the paper. In 2025, a total of 304.10 tons of paper and cardboard were recycled. Similarly, all toner cartridges consumed across the Group were collected and transferred for recycling this year.

Computing equipment waste and electrical and electronic product waste are collected in a centralized manner by the Group's procurement department and transferred for processing by an authorized party (a recognized implementation body pursuant to the Law for the Environmental Treatment of Electrical and Electronic Equipment Waste). The electronic waste collected includes magnetic media, batteries, computing equipment and peripheral computing equipment, electrical appliances, communications equipment, and similar items.

Waste Recycling Volumes - FIBI Group[18]

	2025	2024	2023	2022	2021
Paper and cardboard (tons)	304.10	187.53	486.82	601.95	364.45
Archive destruction (tons)	304.10	187.53	486.82	457.84	0
Toners (kg)[19]	3,911	4,345	4,272	6,517	6,283
Electronic waste and magnetic media (kg)	17,095	49,104	57,992[20]	23,469	10,819

In 2025, a total of **304.10 tons** of paper and cardboard were recycled

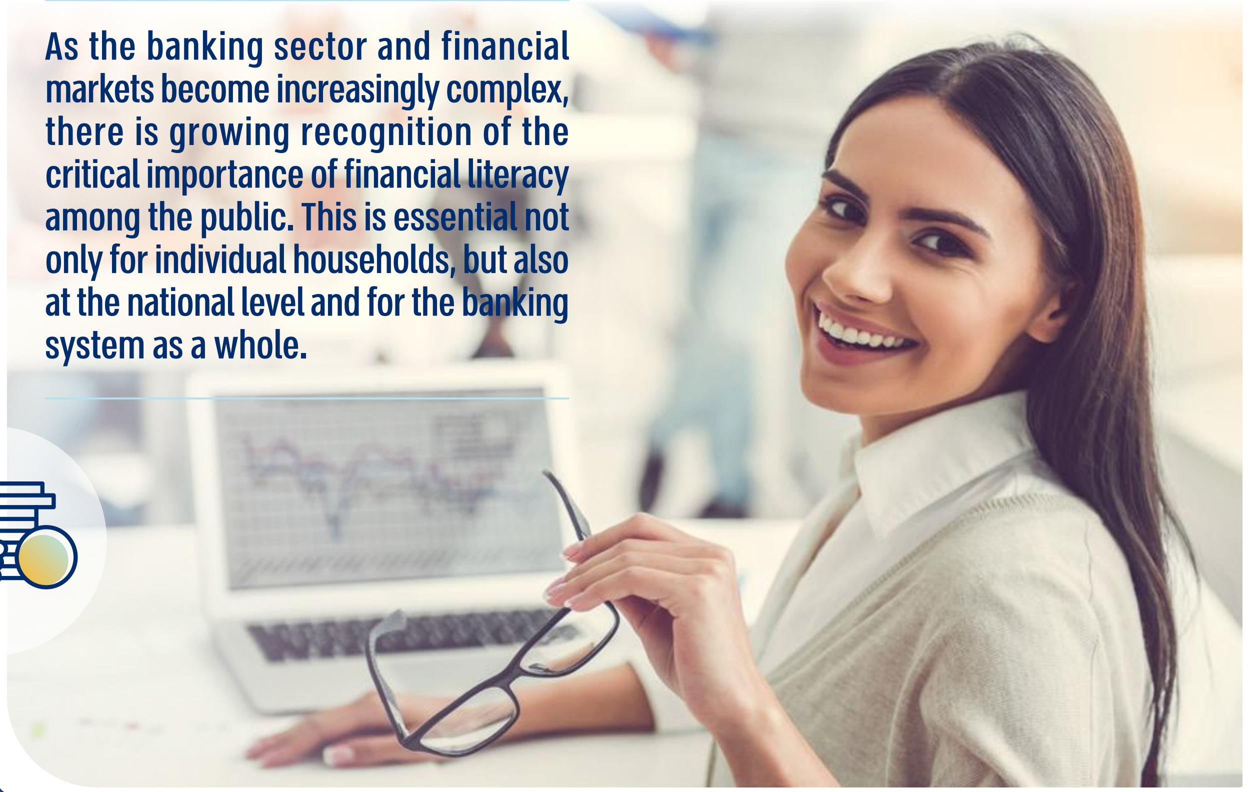
In addition to the primary recycling activities, FIBI Group works to raise employee awareness of recycling and its importance. In this context, various facilities contain recycling stations and separate bins designated for recycling with the Bank having installed dedicated waste separation bins since 2024. Among the materials the Bank encourages its employees to recycle are bottles, plastic and glass packaging, and batteries. It is noted that the Bank also recycles materials received from external parties, such as packaging and postal items. In addition to these recycling activities, the Bank conducts electronic waste collection through an authorized contractor for environmentally responsible recycling.

Air Quality Measurement
In November 2025, a pilot air quality measurement was conducted at the Mataf building on the ground floor of the Banking Service Centre (formerly known as Beinleumi CALL). The pilot is done in collaboration with "Red Green" company. Within the framework of the pilot, a component was installed that monitors the air and examines various air quality parameters such as toxins, humidity, carbon dioxide concentration, temperature, and similar measures. This measurement enables the reduction of energy consumption and pollutant emissions through continuous monitoring and real-time identification of deficiencies, and also ensures efficient management of air quality, energy, and indoor climate across all floors of the building and may also contribute to improvements in employee wellbeing.

18. The high turnover in 2022 is due to the fact that in 2021, no archive destruction was carried out because of a malfunction. The archive that wasn't destroyed in 2021 was carried over to the 2021-2022 cycle. In 2023, it wasn't possible to separate it under Management 18. The data between the paper sent for recycling and the paper sent for destruction, and therefore for reporting purposes, the bank takes a strict approach and attributes all returned and destroyed paper to destruction.
19. The weight of the toners sent for recycling refers to the original weight of the toners before use, not the weight of the empty toner cartridges that were actually recycled.
20. The 2023 figure has been updated based on improved data and according to the calculation method for year 2.

ESG Social

As the banking sector and financial markets become increasingly complex, there is growing recognition of the critical importance of financial literacy among the public. This is essential not only for individual households, but also at the national level and for the banking system as a whole.



Customers and Services

Financial Empowerment of Customers (Financial Inclusion)

Target Status 2025:

Target: The Bank set itself a target for 2025 to provide advanced financial knowledge to 30,000 customers, 10% of them small businesses.

Status:
The target was completed in 2024.

As of the end of 2025, the Bank supported the financial empowerment of more than 88,000 customers, including more than 11,500 small and micro businesses. During 2025, approximately 27,200 customers were exposed to advanced financial knowledge.

Financial Education (Financial Inclusion - Non-Financial Support)

In recent years, as the banking world and financial markets have become increasingly complex, recognition has grown of the critical importance of public financial literacy both for individual households, at the national level, and for the Bank itself as part of its risk management. In response, the Bank developed a learning framework for imparting practical financial knowledge to its customers, comprising in-person conferences and the dissemination of information through digital platforms. This is undertaken with ongoing recognition of the diverse financial needs and challenges facing different communities. In addition, the Bank actively participates in the financial education forum led by the Bank of Israel, and Bank employees contribute their time and expertise through social engagement programs in partnership with non-profit organizations in the field.

Key Financial Education Initiatives in 2025:

Content on Media and Digital Channels

- During 2025, the Bank continued developing and enriching its Telegram channel - "FIBI Investment Centre", focusing on capital market content. Since its establishment, the channel has accumulated more than 2,400 followers. During 2025, the Bank opened an additional channel on the WhatsApp application, which had approximately 6,500 subscribers by the end of 2025. Through both channels, Bank experts share analyses, news flashes, and important economic data several times per trading day - helping the public of followers make more informed decisions on financial matters, with emphasis on the capital market. These channels are open to the general public and not exclusively to FIBI customers.
- During 2025, the Bank expanded its direct engagement interfaces with its customers and with the broader Israeli public, through the opening of a TikTok account, serving its customers and the general public. This channel joins the Bank's active presence across various social networks, including Facebook, Instagram, and LinkedIn.
- **"Capital Market Academy"** - An online course providing practical capital market tools for the Bank's customers, launched in early 2022. During 2025, approximately 1,000 customers were exposed to the course content, and since its launch, more than 18,000 customers have been exposed to the course content. In 2025, the Bank distributed a new financial education course, expanding the topics covered by the Academy beyond capital market subjects to topics related to current account management, as part of the Bank's sense of responsibility toward its customers.
- During 2025, the Bank continued to emphasize the production and distribution of the **INVESTalk** video-podcast on capital market investing, led by Bank professionals who analyze economic events and topics. The podcast comprising dozens of produced and distributed videos is available to customers and the general public through social networks and digital platforms online. In 2025, the videos cumulatively recorded many views, and tens of thousands of viewer interactions were conducted, including likes, comments, and shares of podcast episodes on both Facebook and Instagram.

- During 2025, the Bank continued distributing the "**Financial Compass for Businesses**" video series, designed for micro and small business owners and managers, aimed at providing key financial tools to help them improve their business management. The videos were sent to relevant customers and are also available on YouTube to the general public. During 2025, more than 5,900 cumulative views of the series episodes were recorded, bringing the total since first distribution to more than 11,500 viewers from the relevant target audiences.
- In 2025, the Bank continued its regular segment on capital market topics on the popular radio program by Tal Berman, Tam Aharon, and Aviya Parhi on eco99fm radio station launched during the summer of 2024. Within the segment, Bank experts provide hundreds of thousands of listeners with tools and information on capital market investing alongside tips for sound financial management, with emphasis on the needs of private individuals and small businesses.
- In 2025, the Bank began promoting professional activities for the investing public with emphasis on younger investors, through dedicated videos and conferences, in collaboration with external parties.

The "Financial Compass for Businesses" Initiative

In 2023, the Bank launched a series of financial education videos designed to guide and provide tools on several key issues of particular importance to small business and micro business owners and managers. In 2024, the production and distribution of all four videos in the series was completed, directly to the relevant customer audience.

In 2025, the Bank continued distributing the videos and making them accessible to approximately 5,900 additional viewers. The professional videos are branded for the small and micro business audience as the "Financial Compass for Businesses".

The short videos series is designed to provide owners and managers of such businesses with particularly relevant tools during challenging times, as part of a comprehensive set of practical tools for informed financial management for small and micro businesses.

Topics covered in the "Financial Compass for Businesses" series:

- Foreign exchange - guidance on the foreign exchange market from the perspective of small/micro business owners and managers
- The importance of cash flow and working capital for small and micro businesses, and "why not to focus solely on increasing revenues"
- The importance of pension savings for small and micro business owners
- Small and micro businesses engaged in import and export - how to manage relationships with foreign suppliers

Conferences and Workshops:

During 2025, the bank held
~ 130 conferences
on investments and finance, as well as pensions and retirement, with
over 7,000 participants.»

- During 2025, approximately 80 in-person and digital conferences were held on investment and financial topics, attended by approximately 5,000 participants, including from the general public who are not among the Bank's customers. The conferences addressed the provision of tools for securities trading on the capital market and additional financial channels.
- During 2025, 48 in-person conferences were held with emphasis on pension and retirement topics, attended by 2,155 guests; of these, 9 conferences were held for IDF retirees, in collaboration with the Retirement Administration of the Mofet Department.
- In 2025, the Bank continued to hold numerous small conferences for its customers and also for non-customers (including prospective customers), within the framework of Branch activities. These conferences included content related to financial education and literacy among other topics covering day-to-day financial management, expense management, and capital market and investment analysis

Bank Massad Financial Education Initiatives:
Support for teaching staff in special education frameworks - collaboration with the 'Alumot Or' association (fifth consecutive year) in which Bank Massad holds lectures on financial education for teaching staff in special education schools across the country. **Enrichment for students** - collaboration with the **'Shiur Acher' ('Different Lesson')** association. Bankers from a number of Bank Massad branches provided school accompaniment, within which they provide enrichment lessons for students in grades 5–6. At the conclusion of each accompaniment, a familiarization visit by the students to the accompanying branch was held, aimed at acquainting them with the role of the bank branch. Lectures at academic colleges for students and teaching staff.

Advisory Support for Financial Decision-Making

The Group strives to provide its customers with the tools and knowledge to make informed financial decisions that will help them care for their financial future, balancing short-term and long-term needs. Accordingly, alongside its educational tools, FIBI Group offers a comprehensive range of objective and unbiased financial advisory services, alongside a broad offering of advanced investment products that assist customers in building investment portfolios tailored to their needs, characteristics, and preferences. We take pride in the fact that the Bank's eligibility threshold for investment advisory services is the lowest in the Israeli banking system: standing at just NIS 50,000 Investment Portfolio Value, enabling broad access to these important services for a wide public of savers.

The Group strives to equip its customers with the tools and knowledge needed to make informed financial decisions, helping them secure their financial future while balancing their short-term needs with their long-term goals.

Capital Market Investment Accompaniment

FIBI is the leading bank in Israel in the field of capital market trading, evidenced by its membership of the Tel Aviv Stock Exchange with the highest trading volumes in Israel, according to Stock Exchange publications for equity trading in 2009–2025. From this position, and from the conviction that informed and sound capital market trading is a significant tool for the public in extracting maximum value from their savings, the Bank invests in developing and making accessible advanced knowledge and tools that enable more efficient and effective trading generating shared value for the Group, its customers, and the broader public. The Bank's principal initiatives for optimal capital market trading accompaniment include the use of advanced technological tools:

- **Fibi Wise 360** - a system enabling customers to consolidate all their financial assets and liabilities in one place and view an analysis of all investments including bank accounts, accounts at other banks, pension products, and products not managed at the Bank. The system also offers the Life Plan financial planning tool, enabling sound financial management through the consolidation of income and expenditure, and a disposable income simulation assisting the customer in achieving sound conduct and meeting life and retirement goals. The system interfaces with the Open Banking and enables customers to consolidate information from other banks and institutional bodies through the pension clearinghouse - giving customers the ability to receive a consolidated and up-to-date management view of their financial assets.
- In 2025, the number of customers using the Fibi Wise service grew by almost 50% compared to the prior year.
- **SmartTrade trading software** - enabling the creation and automatic implementation of trading strategies while receiving mobile notifications for independent investors.
- **Advise.me system** - investment advisory services accessible through a mobile device at any hour

In addition, the Bank operates a range of useful advisory tools for investment management in a tailored and flexible format:

- Dedicated long-term investment advisory tracks - helping customers maximize returns in accordance with their needs and characteristics, and enabling, among other things, the integration of ongoing deposits into the investment portfolio. Each year, thousands of the Bank's customers benefit from this service.
- Extended advisory hours at advisory centers and the option of Zoom advisory sessions.
- 'Portfolio Star' track - flexible investment portfolio comprising multiple portfolios from different portfolio managers.
- First bank in Israel to make accessible a platform for activity in and advisory on hedge funds held in trust.
- FIBI is notable for offering customers the ability to deposit a "variable amount" for securities investments as a function of account balance - a tool that enables ongoing deposits while defining a minimum amount to remain in the current account.
- The Bank provides a broad range of tools for ongoing savings through standing orders - including the ability to make ongoing investments through standing orders in overseas ETFs (with the option of automatic conversion).
- In 2025, the Bank continued providing complimentary second-opinion services on investment portfolios managed outside the Bank, offered free of charge to the general public.

Dedicated Securities Trading Track for Young Investors - 'Top Trade'
In 2025, FIBI launched an initiative to strengthen the connection of younger customers aged 18 to 30 holding trading portfolios not exceeding NIS 200,000. As part of the initiative, the Bank introduced a dedicated and innovative trading offering a range of attractive benefits, including significantly reduced trading commissions compared to market rates, discounted bond and promissory note conversion fees, exemption from securities custody fees, exemption from securities custody fees, and additional value-added features. From 2025, the Bank provides investment advisory services to those aged 18 to 30 with an investment portfolio exceeding NIS 20,000 only - subject to conditions. The Top Trade track also includes unique benefits including exemption from trading commissions and deposit management fees for one year for soldiers and female soldiers on mandatory military service and national service participants with securities trading portfolios of up to NIS 300,000. This reflects the importance the Bank attributes to supporting the defense forces community and accompanying their first financial steps under attractive terms while benefiting from the advanced tools and framework of the leading capital market bank.

ESG Integration in Investment Advisory - Expansion of ESG Tools in Investment Advisory and Customer Access

- During 2025, the Bank continued integrating ESG topics into its investment advisory services. Bank customers are asked at the outset of the advisory process about their preferences regarding the integration of ESG considerations into investment decision-making. The customer is provided with an explanation of responsible investment that takes overall social welfare into account, and it is clarified that this topic forms part of the Bank's overall set of considerations in the investment advisory process. Beyond this, where ESG aspects constitute a leading consideration for the customer, the option is available to define this policy as having an impact on asset selection and portfolio composition.
- Since 2024, the Bank has expanded the use of ESG considerations in securities analysis, integrating these aspects into investment advisory - both with regard to managed mutual funds and with regard to direct investments in specific domestic and international companies. In this framework, every analysis of a listed company incorporates an ESG rating, where available, which advisors use in the process of selecting a security to recommend to the customer. The rating, where available, is presented to the Bank's investment advisors for each of the assets included in the Bank's recommendations system and serves as an advisory support tool. In addition, advisors are provided with a report explaining the significance of the ESG rating assigned to the asset.
- Since 2024, the Bank has been making ESG rating information accessible also to non-advised Bank customers, including independent traders, through digital channels.
- In 2025 the Bank placed emphasis on making affordable and beneficial trading services accessible to younger audiences up to age 30 across all service channels, including digital, with unique value propositions for soldiers and young people as noted at particularly low pricing (Top Trade).
- The Bank also provides a rich variety of standing orders for managed mutual funds, index/tracker funds, overseas ETFs (with automatic conversion options), and flexible standing orders enabling a variable deposit amount in accordance with the customer's balance. These standing orders give customers the ability to efficiently manage their current budget while ensuring savings toward future goals and a secure financial future.
- In 2025, the number of advised and eligible customer accounts at FIBI holding securities with ESG aspects integrated, valued above NIS 10,000, grew by approximately 14.8% relative to 2024.
- Alongside these initiatives, the Bank also works to empower customers to engage in secure online conduct (see further details on page 104).

Pension Advisory

Pension savings are a cornerstone of long-term financial management, and proper, personalized retirement planning is critical. Particularly ,decisions taken prior to retirement have a material impact on post-retirement standard of living and some are irreversible. Accordingly, high-quality, professional pension advisory is greatly importance. The pension advisory services provided by the Group include a review of customers' pension savings and an assessment of their alignment with the customer's needs, personal characteristics, and changing circumstances. The service is characterized by ongoing and continuous advisory using advanced information systems — to generate productive long-term pension savings following retirement.

The retirement advisory offered by the Bank includes an examination of the various alternatives for realizing pension savings (through monthly annuity payments or as a lump-sum withdrawal) taking into account tax aspects in accordance with the retiree's data and preferences, financial planning and investment management of personal funds after retirement, alongside an assessment of options to increase the annuity at retirement age where required. Retirement advisory is also offered to non-customers of the Bank and is provided to a variety of population groups with different occupations. In addition, retirement advisory integrates the "rights anchoring" process, financial and pension accompaniment also after retirement.

In addition, the Bank operates through several channels to make information and decision-making tools accessible, and to enable the full realization of the rights and benefits available to retirees. Bank representatives attend retiree clubs and retirement conferences organized by employers, delivering focused lectures on topics of retirement — including pension fund management, rights anchoring, tax benefits for pensioners, savings through a dedicated provident fund for those aged 60 and above, mapping options for pension fund withdrawal or continued savings, and more. During 2025, the Bank provided telephone pension advisory to customers including military personnel and evacuees. This was subject to applicable regulatory conditions, including the relevant non-enforcement periods published in response to the emergency situation.

It is further noted that the "Histadrut - New General Federation of Labor", the largest workers' organization in Israel, maintains a collaboration with FIBI, within the framework of which knowledge conferences are held for employees at places of business. FIBI delivers lectures to enrich employees' knowledge on the topic of pension savings, as well as on retirement from both pension and tax perspectives.

Accessibility of Financial Services for Diverse Population Segments (Financial Inclusion Commitment)

The banks in FIBI Group promote long-term relationships with customers through the provision of professional, fair, efficient, and courteous service — with the customer's best interests in mind and an aspiration to create value for the Group's diverse customer base. One of the Group's competitive advantages is its ability to tailor a high-quality service offering to all its customers while taking into account the unique needs of customers belonging to diverse social and community segments.

The banks in the Group make accessible and adapt advanced, high-quality financial services to the various sectors through the activities of their different brands — which develop tailored products and approach each customer group through the channels most appropriate to it. Providing service and responses tailored to customer characteristics increases the accessibility of banking services and enables customers to make informed financial decisions — contributing to the growth of the Israeli economy across all its diverse social components. Product development is carried out in alignment with customer due diligence processes and insights regarding customer satisfaction, measured through annual satisfaction surveys and market trend research.

The Group attaches great importance to assisting all its customers with maximum adaptation to their unique financial and economic needs. One of the tools for doing so is the provision of tailored responses enabling financial inclusion for customers from various sectors or groups with shared characteristics, including: the Haredi community, the Arab community, persons with disabilities, senior citizens, education and teaching workers, members of the security forces, as well as small business owners, women entrepreneurs and self-employed women, and individuals experiencing financial difficulty as cross-sector groups with unique characteristics and needs.

The Board of Directors oversees the financial inclusion policy through periodic reports and review of financial inclusion targets. The integration of financial inclusion for various populations is expressed at the Bank through the unique products for each population, as detailed below for the various populations. The Bank's policy on these matters is available on the Bank's website.

Learn more about FIBI's philosophy regarding financial education and its efforts to enhance the financial literacy of its customer base. Discover more about our core values and our commitment to the financial empowerment of FIBI customers.

Tailoring Services to Customers

- Providing appropriately skilled branch personnel and aligning marketing language and messaging
- Alignment with the target audience's lifestyle: featuring tailored loan terms, solutions adapted to various life stages or periods of crisis, and tools customized to individual financial capacity.
- The Bank engages in collaborations and supports social organizations in promoting financial literacy—such as producing professional content for youth, hosting pension seminars, or providing tools and training to improve financial management—while maintaining active engagement with opinion leaders and key influencers to better understand demographic needs.

Investing in the Haredi and Religious Community

Target Status 2025:
Target: By 2025, 50% of businesses participating in the Pagi customer loyalty club will be local businesses in Haredi communities.

Status: Completed — 100%.

As of the end of 2025, approximately %50 of businesses participating in Pagi's business network are local businesses adapted to the Haredi community.

2026-2030 Targets:
As part of the multi-year ESG target program, and in order to improve the area of financial education which is significant for the Haredi and religious public as well as for the general population, Pagi will publish at least 5 financial education and guidance topics relevant and tailored to the Haredi and religious public on the Bank's website, to which Pagi customers will be directed. In addition, Pagi will hold conferences on these topics for its customers.

The Pagi sub-division branch operates as an integral part of FIBI following its merger into the Bank while fully preserving the brand and its character, as well as its focus on serving the Haredi and religious communities. The sub-division branches are spread across areas with significant concentrations of these communities and develop products and services tailored to this population, both in the service model and in product and service characteristics.

To ensure that the sub-division branches continue to generate the required value for its customers, there is continuous dialogue with customers and opinion leaders in these populations, alongside research to identify evolving trends and needs in the sector as a whole and in its diverse sub-segments.

The sub-division's services are designed with consideration for the consumption patterns of its customers, including limited use of online service channels and deep familiarity with the typical life cycle and the financial needs it dictates. FIBI views the promotion of populations facing financial challenges as an important priority, and its support for the Haredi community forms an integral part of its engagement and advancement of this topic.

Service Features Tailored to the Target Audience (Financial Inclusion Products and Services)

- Ensuring human service for those who refrain from internet use at all 16 sub-division's branches or through representatives, alongside the expansion of options for transactions by telephone or through automated telephone systems (IVR)
- Maintaining connection with the public through various media - including events, use of dedicated communication channels, and even personal conversations with customers, in order to make accessible information on the various ways of engaging with the Bank and to ensure customers are aware of changes in service delivery and of the unique products and services the Bank offers
- Making online services accessible also to those who avoid them in daily life. For example, through the addition of self-service stations at branches, such as cheque deposit terminals or internet terminals
- Adapting products and services to the life cycle of Haredi community members
- Promoting economic development and professional financial knowledge in the Haredi and religious communities as part of the Bank's broader financial education and empowerment activities with content, location, and medium adapted to target audiences
- The sub-division's product portfolio includes products and

tracks targeted at distinct Haredi community segments including yeshiva scholars, young workers, students, and small business owners. Certain tracks include financial advisory that can help customers strengthen their financial independence. In addition, the network offers a credit card loyalty club within which hundreds of businesses provide discounts at the point of charge – some in the area of consumer goods, with emphasis on businesses dedicated to or locally owned by the Haredi community

The sub-division views itself as part of the community it serves and maintains community involvement – specializing in providing services to Haredi and religious non-profit organizations and institutions. In this way, the Bank contributes to economic activity alongside the promotion of social processes and aspects. The relevant departments within the network have accumulated extensive years of experience in working with non-profit entities, specializing in finding creative solutions and leading long-term processes aimed at strengthening sound management in these entities over time, while strictly adhering to regulatory constraints.

Pagi's activities in 2025:

- In 2025, the Bank held approximately 25 conferences at Pagi branches, with several dozen customers, including business customers, participating in each conference. In addition, at some of these conferences non-Bank customers also attended. At the entrance to Pagi branches, tablets and internet terminals are placed for opening accounts and conducting routine account transactions easily and at reduced service channel fees. Making services accessible for customers who choose to avoid direct internet access for religious reasons enables a comfortable, pleasant, and simple customer experience. In 2025, 79% of Pagi network accounts opened during the year were via tablets.
- The Pagi network collaborates with a dedicated customer loyalty club for the Haredi community, within which an additional tier "The Business Network" has been added. Businesses in the network were carefully selected and provide significant additional discounts. More than 50% of these businesses are not only adapted to the Haredi community but are also local businesses.
- Financial empowerment activities for the younger generation of the Haredi sector: approximately 250 young men and women from the Haredi sector, including new immigrants, students, and seminary girls, took part in 6 dedicated conferences including training in financial literacy.
- The Bank participated in initiating and funding the "Movilot BaDarom" ("Leading Women in the South") initiative in partnership with the "Movilot" association, which works to promote the employment leadership of Haredi women through social mobility while preserving their identity. This initiative assists in developing a local peripheral infrastructure of leading Haredi women in the south region of Israel, including in areas affected by the Iron Swords War. Within the framework of this initiative, participants receive leadership tools enabling them to improve their earning capacity.

Investing in the Arab Community

2026-2030 Targets:
Customers from the Arab community constitute a particularly significant customer group for Bank Massad. In light of this – and in view of FIBI Group's efforts to increase financial literacy across society – it was decided that as part of the multi-year ESG target program, the Group will, through Bank Massad, provide **dedicated accessibility** of Group content on financial literacy and capital markets to **Arabic-speaking audiences** – through dedicated communication channels and various platforms. In addition, Bank Massad will hold **dedicated lectures on pension and retirement** for teachers from the Arab sector – including for non-customers of the Group.

Bank Massad leads the Group's activities in expanding services to the Arab community and adapting products and services to its unique financial needs. In this context, the Bank focuses on creating value through unique products and adapting the service framework with emphasis on two primary populations: education workers and healthcare professionals, who constitute significant segments within the brand's historical customer mix.

Bank Massad operates eight branches and sub-branches in Arab population centers (approximately 38% of the Bank's branches), a distribution enabling high customer accessibility. Similarly, these branches recruit and employ staff from this community in order to strengthen the connection between the branch and its customers and to facilitate the provision of high-quality, tailored service appropriate to the environment in which it operates.

Service Features Tailored to the Target Audience (Financial Inclusion Products and Services):

- Design of tailored products and services and their marketing through accessible frameworks and channels, and in the Arabic language
- Consideration of the calendar. For example, with products and events adapted to holidays, including Christmas and Ramadan
- Maintaining close relationships with opinion leaders in the Arab community in order to strengthen and preserve the sense of belonging and familiarity
- Sponsorship and participation in shared Iftar feasts organized for the teaching worker community

The Bank attributes great importance to financial literacy among the Arab community and – in light of its significant commitment to the population of education and teaching workers in this community – will designate a **"Financial Literacy Year"** during which the Bank will empower and encourage Arab teachers as agents of change in promoting financial literacy in their educational role – through its marketing platforms (including materials, digital content, lectures, conferences, and more).

Investing in Education and Teaching Workers

Bank Massad's primary focus is the population of teachers and education workers.

The Bank offers financial products and services tailored to this population, including a variety of unique tracks and benefits. The Bank continuously learns about the needs of this population and develops tailored services for it, with its service and marketing framework also adapted to the characteristics of the teaching population.

The Bank maintains extensive collaboration with the Teachers Union across a broad range of channels, including participation of Bank representatives in various events for teachers organized by the Israel Teachers Union, professional conferences and annual conventions, and direct meetings with teachers to familiarize themselves with this target audience. In collaboration with the Teachers Union, Bank Massad participated in approximately 200 dedicated events for this population throughout 2025, reaching approximately 40,000 education workers and their families.

2026-2030 Targets:
As part of the multi-year ESG target program and as part of Bank Massad's sustainability efforts and in order to strengthen its engagement with education and teaching workers, the Group will work to encourage and deepen the embedding of sustainability content and relevant knowledge among teaching workers, in the hope that this knowledge will be made accessible through them to additional audiences - their students.
Within this framework, by 2030, Bank Massad will designate a "Sustainability Year" during which the Bank will empower and encourage teachers as agents of change in promoting sustainability in their educational role through its marketing platforms (including digital content, lectures, and conferences).

The Bank will also work to further strengthen the sustainability domain through the holding of a prize-bearing competition in one of the years 2030-2026, among teacher-customers of the Group, recognizing teachers who have served as agents of change in sustainability and financial literacy for their students. The competition will include categories for all educational sectors in Israel.

In addition, the Bank attributes great importance to financial literacy among Israelis, and in light of its significant commitment to the population of education and teaching workers, will designate a "Financial Literacy Year" during which the Bank will empower and encourage teachers as agents of change in promoting financial literacy within their educational role through its marketing platforms (including materials, digital content, lectures, conferences, and more).

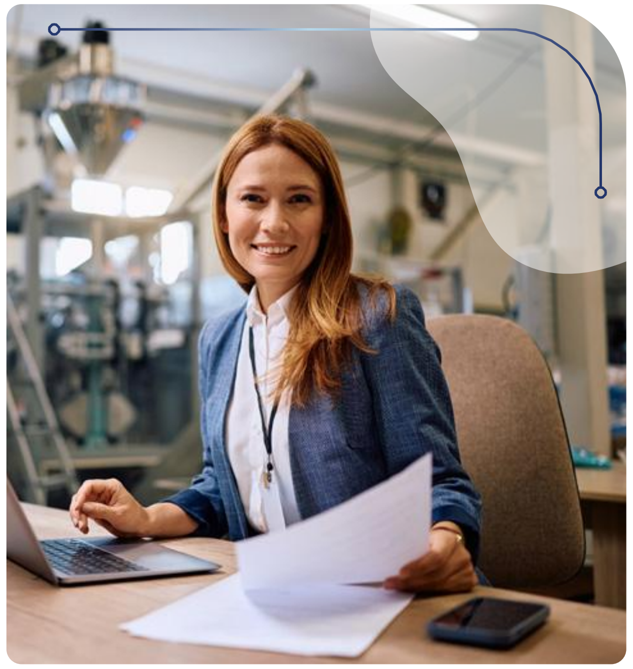
Building on the Bank's deep-rooted connection with the teaching profession, the community engagement of Massad Bank and its employees is closely tied to this sector. The Bank maintains numerous partnerships with community organizations dedicated to empowering educators and providing enrichment programs for students. Throughout 2025, the Bank has chosen to partner with projects and initiatives serving priority populations, including residents of the Gaza Envelope and Northern Israel. Further details can be found on page 75 under 'Community Engagement at Massad'.

Investing in Women Business Owners and Self-Employed Women

Women business owners and self-employed women constitute a significant growth engine for the local Israeli economy yet face unique barriers in accessing financing and resources.

Women entrepreneurs are an inseparable part of our vision of creating a fair, responsible, and sustainable banking system. We believe that investing in them is not only a social value but also an engine for developing a stable and diverse economy.

2026-2030 Targets:
Provide dedicated accessibility of financial literacy content to women business owners and self-employed women at least 3 times per year in each of the years 2030-2026.



Investing in Senior Citizens

During the third stage of life, the senior customers undergo significant financial changes arising from retirement and reduced income alongside expenditure on new needs. This period is sometimes characterized by the experience of new activities and the expansion of leisure culture, alongside concern for personal and family futures. In addition, the digitization of the service sector in general - and the banking sector in particular - presents a challenge for many senior citizens for whom this represents a substantial change in habits.

The Bank designs its service delivery to senior citizens in a manner intended to ease adaptation to these changes and offers dedicated services supporting informed financial decision-making in accordance with the unique characteristics of the retirement period. The objective of the Bank's activity in developing services for the third age is to make banking activity accessible in a simple and convenient manner, providing tailored service for this population. These services include fee discounts and tailored banking services, retirement advisory, and investment advisory to align the investment portfolio with new needs for eligible customers.

Service Features Tailored to the Target Audience (Financial Inclusion Products and Services):

- Priority and benefits in the use of personal service channels for those aged 75 and above, at branches or through telephone response at the call center. Accordingly, training on banking services for senior citizens was integrated into the Bank's training framework as a mandatory training requirement for new employees joining branches and the FIBI call center
- Remote assistance for conducting transactions and entitlement to certain banking services delivered to the home
- Activities to promote digital literacy for customers to ease the use of digital channels and technological services through dedicated training and guidance at the telephone call center and branches, and the deployment of service attendants at branches
- A dedicated fee track in accordance with Bank of Israel requirements
- Monitoring of digital banking activity for customers aged 70 and above, and supervision of the investment portfolios of these customers, as protection against fraud or error
- Publication of a "Senior Citizens Charter" and a "Tools for Sound Financial Management" presentation on the Bank's website, including content to raise awareness of sound online conduct, with recommendations for improving the protection of personal details and preventing their misuse, and highlights to increase awareness of sophisticated fraud methods primarily targeting senior citizens
- Making available decision-support financial information and information on services, benefits, and rights through channels convenient for senior citizens
- In order to ease bureaucratic processes, many benefits are granted automatically to eligible customers without requiring the customer to initiate a request
- Support in sound financial management during retirement and pension management processes through the provision of advisory services or lectures at relevant frameworks
- Where a bank branch is relocated or closed, the Bank proactively contacts customers aged 70 and above or customers with disabilities through various service channels, offering explanations and assistance alongside referral to the "Tools for Sound Financial Management" presentation on the Bank's website

Investing in Customers with Disabilities

2026-2030 Targets:
Continue to maintain full physical accessibility at %100 of branches and work to preserve and improve digital accessibility on websites and applications.

FIBI Group attributes great importance to making services accessible to person with disabilities so that each individual can exercise their basic right to receive the financial services offered by the Group. Accordingly, efforts are invested in making the banking services of the Group's banks accessible to all its customers across all channels: physically at branches, at the telephone call center, through digital channels, and at service facilities in branches. To this end, a Group accessibility coordinator exists, responsible for implementing the accessibility program at the Group level in accordance with the law and accessibility regulations. The Group's service accessibility program was accompanied by the "Negishut Israel" ("Access Israel") non-profit organization.

The Bank maintains a comprehensive, detailed procedure on "providing accessible service at branches for persons with disabilities, senior citizens, and pregnant women" aimed at providing equitable service to persons with disabilities, on a par with any other service recipient, while ensuring human dignity and freedom, and protection of privacy. This procedure details guidance for employees providing service to customers on how to deliver service adapted to persons with disabilities. In 2025, this procedure was validated and expanded.

A Group accessibility coordinator has been appointed whose responsibilities include advising, guiding, and training on making adaptations across FIBI Group in accordance with accessibility regulations, and disseminating information to the public on the accessibility adaptations made across the Group.

Currently, all Group branches are accessible and the Group maintains ongoing maintenance of accessibility facilities at branches, including dedicated parking, full physical accessibility for mobility limitations including access to counters and service desks, and aids for the hearing or visually impaired.

Accessibility of the various service channels includes, among other things, the accessibility of ATMs; the use of dedicated technology for making the Group's website and telephone response system accessible alongside the operation of a telephone line with a dedicated number for accessibility inquiries. In addition, the Group operates through the "Access Israel" non-profit organization information accessibility services through various means and in coordination with the customer: reading aloud, audio files, files adapted for software reading, and information in Braille.

To ensure respectful and high-quality service, the Group encourages its employees to learn about the accessibility domain and an accessibility e-learning module approved by "Access Israel" is included in the mandatory training requirements for all service-providing staff in the Bank.

In accordance with accessibility regulations requiring re-inspection after 5 years from the completion of accessibility adaptations at branches, in 2024 the Bank completed these inspections accompanied by the "Access Israel" non-profit organization. The Bank has also long implemented a content management system incorporating tools for improving and promoting the accessibility of the FIBI Group website. As part of this process, numerous corrections and adaptations were made to website content. In addition, new content and files uploaded to the website undergo accessibility processing by "Access Israel".

For further information regarding the Accessibility Statement and the full list of services made accessible by FIBI, please visit the Bank's website.

Investing in Security Forces

The Otzar HaHayal brand within FIBI specializes in providing services to members of the security and defense forces and their families. Otzar HaHayal offers unique and diverse financial services appropriate to the various needs of this population and ensures a holistic response to its needs both during defense forces and security service and following retirement from service.

Otzar HaHayal branches are familiar with the unique challenges facing active and retired security force members and offer responses at both the product and service level. As part of its commitment to providing accessible and dedicated service to the security forces, the Bank maintains 12 branches on IDF military bases, recognizing that security force members find it difficult to reach bank branches at their place of residence given their busy daily routine.

In addition, the Bank offers loans and credit on preferential terms within the framework of the Ministry of Defense tender, holds dedicated conferences for security force members, and maintains close collaboration across various topics with security force organizations including the "Hever" organization, the IDF Civilian Employees Union, the "Tzevet" organization, and the IDF Disabled Veterans Organization.

Investing in Customers in Financial Difficulty

FIBI Group accompanies customers who encounter difficulties in repaying their debt with flexibility and sensitivity and works to assist in finding an appropriate solution. The Group's policy is to act fairly and transparently in its conduct with debtors as required and at minimum in accordance with Bank of Israel Directive 450, with the aim of settling their debt prior to the transfer of the matter to legal counsel for the initiation of legal proceedings.

This conduct, anchored in Directive 450, applies to individuals and small businesses and is designed to increase fairness and transparency in debt collection from debtors who have not met the terms of the credit extended to them. The principal focus of the Directive is the regulation of the Bank's conduct with debtors in collection proceedings, the requirement for adequate disclosure, the manner of initiating legal proceedings through the Bank's attorney, and the supervision and control thereof.

Beyond the fact that debt settlement reached by agreement taking into account the debtor's financial capacity, through debt restructuring and rescheduling over a longer period on more favorable terms, is desirable in itself, it enables the debtor to save considerable financial costs, assisting in rehabilitation. The consideration shown to debtors and efforts to settle debt prior to legal proceedings assists in their financial rehabilitation and reduces the likelihood of insolvency proceedings.

Within the framework of its responsibilities, the collections department conducts oversight of branch handling of debts up to a threshold established in Bank procedures with the aim of promoting debt settlement "within the branch," and as required, transferring the matter to the collections department. Where no arrangement is reached by the collections department representative, the specific debt is transferred to Bank legal counsel, who also works to settle the debt with the debtor prior to initiating legal proceedings.

The number of arrangements concluded in debtor files without initiating legal proceedings in 2025 was 562 arrangements (attributed to the total collections department files). Throughout 2025, 2,281 files were received in the collections department, with arrangements concluded in debtor files without legal proceedings in 2025 representing approximately 25% of total files received during this period.

The collections department also handles mortgage files from the first payment arrears. Transfer of the file to legal counsel is made in accordance with legal requirements no earlier than 6 payment arrears. During this period, the collections department attempts "soft collection" with the debtor, making efforts to reach an arrangement with the debtor prior to attorney appointment, and to settle the arrears amount on the loan in accordance with the debtor's financial capacity. As with all files transferred to legal counsel, in mortgage files as well, extensive efforts are made to settle the debt by agreement to avoid receivership and asset realization.

In addition, the Bank periodically launches proactive campaigns to encourage debtor groups to reach agreed arrangements. These include:

- "Focus Days" - intensive days to which debtors are invited for a meeting at the attorney's office in the presence of Bank representatives, with the aim of settling the debt. Experience shows that a face-to-face trilateral meeting of debtor-banker-attorney contributes to effective debt resolution and increases the number of arrangements concluded, while reflecting the debtor's genuine willingness to honor the arrangement. In 2025, focus days were held at external legal offices, attended by numerous debtors, with additional debtors contacted by telephone reaching agreed arrangement terms. Thanks to the focus days, numerous arrangements were concluded to the satisfaction of all parties.
- "Collection Campaign" - an arrangement approved for a defined period, under which attorneys are granted defined authority to approve an arrangement with a debtor, in accordance with an agreed framework. Where a counter-proposal is submitted by the debtor that exceeds the authority threshold, the proposal is brought for decision by collections department management.

FIBI Group collaborates with various organizations that assist customers experiencing financial difficulties, on economic and health grounds, in organizing their situation. These organizations include, among others: the "Paamonim" non-profit entity, the "Pedut VeHatzala" association, the "Beit HaTavshil" association, the "Netivotiya Shalom" organization, the "Yadidim shel Orly VeGuy" association, and others working in the field, as well as companies providing economic coaching and counselling for individuals and families.

In addition, FIBI Group is a signatory to various charters for tailored responses to debtor populations with unique needs:

- "Soldier Support Charter" - within which the Bank examines the option of deepening the financial knowledge of the soldier through collaboration with various parties such as the IDF and the Enforcement and Collection Authority, and also examines the option of staying legal proceedings for up to one year while conducting debt collection with consideration of the debtor's repayment capacity.
- "Financial Availability Charter" - developed under the leadership of the Bank of Israel, under which the Bank is committed to providing high-priority treatment of debts owed by women victims of violence residing in shelters and safe houses, or survivors of prostitution. Within this framework, the Bank provides unique and rapid responses to various requests and/or support for women victims of violence and maintains direct contact with shelters throughout the country — including in collection matters.

The Bank works to assist customers who may be at risk of financial difficulty to prevent customers from incurring debts they cannot repay due to high credit facility utilization and absence of loan repayments. Subject to and in accordance with Bank procedures, the Bank's systems monitor indicators that may signal possible difficulties, and Bank branches contact the customer with the aim of finding a solution to assist them in meeting their obligations. As part of addressing this issue and in accordance with conditions established by the Bank, eligible customers who continuously utilize high percentages of their credit facility over a sustained period are presented with the option of taking a loan at a lower interest rate than the primary facility rate as an alternative to facility utilization.

Promoting the Small and Medium Enterprise Sector (Sustainable Financing Products and Services)

Small and medium enterprises constitute one of the significant growth engines of the Israeli economy and are the backbone of the Israeli economy. Accordingly, there is broad importance in creating economic value for this sector in a manner that enables these businesses to grow and succeed over time. Small and medium enterprises face unique economic challenges, and the Bank provides a tailored response — managed professionally, among other means, by a dedicated headquarters unit specializing in the small business domain.

2030-2026 Targets:
Hold 5 lectures, online or in-person, on long-term savings and retirement for small business owners; by 2027, approach at least %80 of eligible micro and small business customers with a proposal for investment advisory services, which will, among other things, assist them in making better use of their funds, including current account credit balances.

Service Features Tailored to the Target Audience (Financial Inclusion Products and Services)

- Provision of service tailored to the characteristics of the business, such as business sector, size, revenue turnover, and credit needs, alongside the offering of advisory and accompaniment services for small businesses tailored to customer needs
- Provision of credit to small businesses through all FIBI branches and through digital channels for accessibility and convenience. In addition, FIBI works to expand the range of services for businesses through digital channels recognizing customers' need to conduct banking operations around the clock
- Maintaining long-term relationships with commercial customers through the offering of a broad range of banking services required throughout the business lifecycle
- Personal familiarity of branch bankers with businesses, enabling comprehensive responses to the full range of small business owner needs. Services within this framework include financing solutions, including dedicated credit for small businesses provided within the framework of the Bank of Israel's monetary program for the provision of subsidized credit to small businesses, guarantees, and financial advisory services for capital management
- Focus on branch-level service with extensive authority vested in branch managers, enabling immediate responses to the diverse and urgent needs of small business owners who operate in a highly dynamic business environment with changing needs. Branch bankers specializing in responses to commercial customers who know their customers personally can advise customers and assist in finding personalized solutions

The Bank operates a number of dedicated credit tracks for small businesses as part of programs aimed at promoting small businesses which for many represent the key to achieving economic independence and a channel for economic development and growth. Within this framework, the Bank is a member of several dedicated state-guaranteed loan funds and in Marom – the small business development framework of The Jewish Agency for Israel (JAFI).

As of the end of 2025, the total credit balance extended by the Bank Group to the public for micro, small, and medium enterprises is NIS 27.95 billion, of which approximately 67% was extended to micro and small enterprises (SME lending). The volume of credit to medium enterprises grew by 26% over the year, while credit to small and micro enterprises grew by approximately 3%. The share of credit to micro, small, and medium enterprises out of total credit extended by the Bank as of the end of 2025 stood at approximately 19%.

It is further noted that FIBI operates a specialized Factoring Financing service providing a comprehensive response to the risks associated with extending credit to medium-sized and large commercial customers. Factoring services provide numerous benefits to customers, including advance payment and improved cash flow, neutralization of credit risks, expansion of the customer's financing sources beyond traditional bank credit, and a means of supporting the expansion of their turnover. During 2025, the Bank launched an advanced digital system for conducting factoring transactions enabling customers to conduct transactions simply and quickly. In addition, during the past year the Bank expanded its activities in the area of reverse factoring transactions, under which it enters into agreements with customers and advances payments to their suppliers through a dedicated advanced digital system, without opening an account for the customer or their suppliers, and immediately upon approval of the invoice by the customer.

Social Considerations in Banking Activity

FIBI Group operates on an ongoing basis from an approach that places the unique needs of different customers at the center — from the understanding that in order to create an inclusive financial system encompassing the entire Israeli mosaic, attention to diverse social and cultural characteristics alongside unique financial needs is required. This principle leads the Bank in designing the service and products it offers and is also expressed in targeted actions such as social credit provision and community involvement.

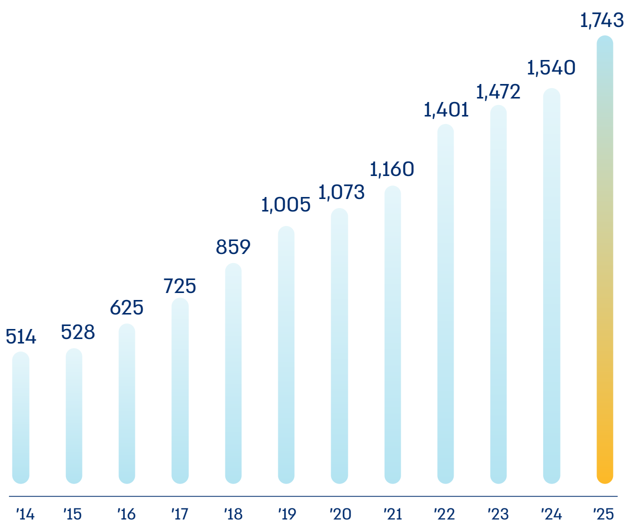
Actions within this Framework Include:

Support for Social Entities and Organizations

Promoting credit programs for social organizations supporting disadvantaged populations and advancing social and public objectives.

A leading example of social credit provision by the Group is the credit extended by the Bank (through the Pagi sub-division) to social organizations in the Haredi and religious communities. As of the end of 2025, the outstanding credit balance extended by the Bank to more than 4,940 social organizations in the Haredi and religious communities (education, welfare and social services, community social organizations, religious services, and more) stood at more than **NIS 1.7 billion.**

Credit Balance for Social Organizations and Non-Profits within the Ultra-Orthodox and Religious Sectors (in NIS Millions)



Investment in a social bond of Social Finance Israel (SFI)

SFI is a social organization working to promote impact investments in Israel. The Bank invested in a bond financing training programs for young people from the Haredi community for careers in the high-tech sector. This project is currently in the implementation phase, and its results will be reported in the future.

State-Guaranteed Loan Funds

In 2023, the Bank joined the state-guaranteed loan fund for small and medium enterprises - the "Iron Swords" track. As of the end of 2025, the total outstanding credit balance provided to small and medium enterprises under state guarantee stands at NIS 539 million, compared with NIS 886 million by the end of 2024 and approximately NIS 950 million by the end of 2023.

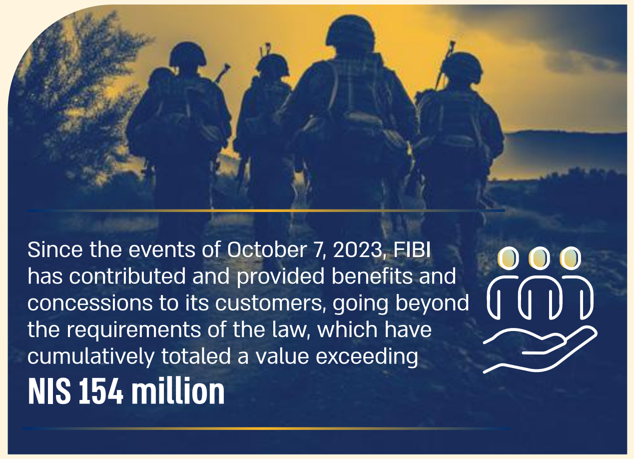
Marom – the small business development framework of The Jewish Agency for Israel (JAFI)

Beyond its extensive activities for customers with small and micro businesses, The Jewish Agency for Israel (JAFI) assists Israeli entrepreneurs with emphasis on the social and geographic periphery in obtaining loans on preferential terms. By reducing barriers to obtaining initial capital for establishing or growing a business, the Center contributes to encouraging growth in the economy. FIBI is a long-term partner of the Jewish Agency in this initiative and extends loans to businesses on behalf of the Jewish Agency funds.

The Bank extends loans within this framework to entrepreneurs and business owners from the Negev, the Galilee, the Jezreel Valley, and the Jerusalem area as well as to new immigrants, Israeli-Ethiopians, and entrepreneurs from the Haredi or Arab communities. The loans are extended on favorable and preferential terms, with a partial guarantee from the fund operated by the Jewish Agency. To date, loans have been extended under the funds to thousands of businesses, creating thousands of new jobs in the economy. As of the end of 2025, the outstanding loan balance in the fund stands at approximately NIS 55 million.

During the Iron Swords War period, and within the framework of an agreement with the Jewish Agency and in collaboration with the Association of Banks in Israel, the Bank transferred a dedicated donation of approximately **NIS 8 million** to the fund for reserve duty soldiers, in accordance with its proportional size within the banking system. The objective of the fund is to assist in the resilience and survival of self-employed business owners affected by reserve military service.

Support for Customers - since the Events of October 2023 ,7 and within the Iron Swords War and Operation 'Rising Lion'



On October 7, 2023, the Iron Swords War broke out, and in October 2025, an agreement was signed for the return of the hostages and cessation of the fighting. To assist bank customers in coping with the consequences of the war, the Banking Supervision in Bank of Israel published at the outset of the war a customer assistance framework for the banking system to help customers cope with the consequences of the war. Initially the framework was for a period of three months, but thereafter was extended and expanded during the course of the war. The last extension, which included certain modifications, was published on December 3, 2024, and was valid until March 31, 2025.

Alongside this, the Bank, which has always had its customers' best interests in mind and has worked extensively on their behalf, particularly during the difficult period since the outbreak of the war, and in light of the many difficulties caused to some Bank customers by the war and security events, and alongside interest rate developments in the economy, has since the events of October 7, 2023, contributed and provided benefits and concessions to its customers. These benefits and concessions going beyond the requirements of the law and have cumulatively totaled a value exceeding NIS 154 million - within the framework of voluntary arrangements agreed with the Banking Supervision Department at the Bank of Israel. Of this amount, approximately NIS 93 million in benefits was guven in 2025, compared with NIS 61 million in 2024.

These benefits are in addition to the NIS 3.3 million donated to various public beneficiaries in Israel by the end of 2023, NIS 13 million donated in 2024, and NIS 5.5 million donated in 2025. In total, since the events of October 7, 2023, and within the framework of Operation "Rising Lion", the Bank Group has provided concessions, benefits, and grants totaling approximately NIS 175 million to its customers within the voluntary arrangements, and donations to the public.

In addition, on March 30, 2025, a voluntary concession framework of financial benefits for banking system customers came into effect, developed with the Banking Supervision Department against the backdrop of the banking system's profitability in recent years and the impacts of the Iron Swords War on households and small micro businesses.

Within the framework of this voluntary arrangement, effective from the second quarter of 2025 through the first quarter of 2027, the Bank allocates significant resources totaling a cumulative NIS 254 million for the entire period. This is for the purpose of providing a range of concessions and financial refunds to households and small and micro businesses. Within this framework, the Bank provides a variety of benefits and concessions, in accordance with established criteria, to both retail customers and small businesses, as well as to various population groups such as career military personnel and reserve soldiers, mandatory military service soldiers, evacuees from the south and north, participants in southern outdoor events, first-degree relatives of war casualties or hostages, IDF disabled veterans, and others. The majority of benefits and concessions are granted automatically, without requiring proactive contact by the customer. During 2025, the Bank provided benefits under this framework totaling approximately NIS 89 million.

These benefits included (subject to the conditions established by the Bank and detailed on the Bank's website): interest benefits on credit balances in current accounts and short-term deposits; benefits on debit balance interest in current accounts; fee benefits and grants; and benefits on monthly repayments and interest payments on loans and mortgages. During the first quarter of 2026, the benefits and concessions provided under this framework were updated.

In addition, following Operation "Rising Lion" which began on June 13, 2025, the Bank adopted an additional voluntary concession framework to assist populations directly affected by combat damage, including households injured or whose homes were damaged by rocket fire and were required to evacuate, and small and micro business owners whose activities were affected. This framework commenced on July 1, 2025 and was valid until July 31, 2025, and included: deferral of mortgage payments, without amount limit, for a period of 3 months, without interest or fee charges; deferral of consumer loan repayments of cumulative amounts up to NIS 100,000 for a period of 3 months, without interest or fee charges for households injured or whose homes were affected by the operation. The framework also included concessions and benefits for micro and small businesses affected, physically or financially, by the operation, including a two-month deferral of loan repayments of cumulative amounts up to NIS 2 million per business without interest or fee charges.

Further details regarding the incentives provided to customers across various segments can be found on pages 18-23 of the Group's Annual Financial Statements for the year 2025.

Service Quality

In accordance with Group policy, the banks in the Group are committed to maintaining personal and human banking alongside increasingly high availability of high-quality, independent, and complementary digital service. As a leading financial organization, the Group views itself as committed to providing its customers with professional, fair, and courteous service based on trust across all service channels. Within the framework of the implementation of the Group's strategic plan, processes are carried out to improve the services and products offered to customers based on insights regarding customer satisfaction measured through satisfaction surveys and annual market trend research. Customer satisfaction with the implementation of adaptations and innovations in services is measured and monitored using various communication channels.

The Group's policy on service quality is derived from the provisions of applicable law, regulation, and the directives of the Banking Supervision Department as well as from the values of the ethics codes of the banks in the Group, which include appropriate principles and rules of conduct. The Bank's Service Charter updated in 2024 is derived from the foregoing and constitutes part of the Bank's efforts to promote fairness and transparency toward its customers. In 2025, the Bank's procedure governing the service management framework was validated with emphasis on maintaining the Bank's service values as delivered across all service channels: in-person reception at branches, telephone channels, written communications, and digital channels. The Bank customarily provides customers with service and support through a variety of communication methods and technological tools while adhering to service standards anchored in the Service Charter to which the Bank is committed and within this framework adopts a proactive approach and places itself "in the customer's shoes," alongside systematic and ongoing activities to improve the service framework.

The Bank places a strong emphasis on proactive, customer-focused service and is committed to continuously improving the quality of service and support provided through its direct channels, guided by the values of professionalism, care, and responsibility. Among other initiatives, the Bank provides tailored support to populations that may face challenges in adopting new technologies, ensuring that financial services remain accessible and inclusive.

The Bank places emphasis on proactive, customer-tailored service and strives for continuous improvement in the level of service and response through direct channels based on values of professionalism, care, and responsibility. Among other things, the Bank provides responses to populations that find it difficult to adopt new technologies enabling customers in the third age who contact the telephone banking service center to be transferred directly to a representative, without mandatory identification, through a simple and tailored routing system. The Bank's service philosophy holds, among other things, that consistency and continuity of service must be maintained among the Bank's service providers.

Service culture occupies center stage, and the Group's service philosophy is shared by all its employees to equip them with the professional tools and knowledge for efficient and high-quality service delivery. As part of this approach, the level of service measured at various branches constitutes a significant parameter in branch assessment, and the service model is taken into account in inter-branch competitions.

The Bank's Service Values:
Integrity, fairness, and reliability; Human dignity and equality; Excellence and professionalism; Transparency and openness; Updated and customer-adapted services; Availability and efficiency; Initiative and innovation; Responsibility and commitment

Service Channels in FIBI Group:
Bank websites and applications available 24/7; ATMs and automated machines available 24/7; Automated voice response (IVR) for information and transactions available 24/7; Written correspondence with a banker via the website and application; Staffed call centers the Banking Service Center (formerly known as Beinleumi CALL) available during extended hours; Bank branches open for in-person reception during operating hours; Technical support center available by telephone and dedicated email.

691 Bank employees
completed
2,293 hours
of advanced training in customer service

In 2025, FIBI continued its efforts to promote high-quality, professional service through:

- Operating a customer service and support network and allocating significant resources to the topic as part of processes led by the Bank of Israel
- Continued involvement of the Bank's Board of Directors and senior management in ensuring continuous and sustained improvement in service quality and adherence to customer service principles
- Use of policy, work processes, and procedures for customer service and support
- 691 Bank employees completed 2,293 hours of advanced training in customer service areas. Bank employees relevant to customer service delivery completed training in the final quarter of 2025 on effective service in written communications
- Defining service quality targets for branches and service centers affecting quarterly remuneration for leading teams. In addition, to ensure fair and professional conduct toward customers, a performance assessment and remuneration model was developed for measuring and examining the service quality of service providers in each communication channel for service providers at Bank branches, the telephone service center, and advisory centers
- Expanding the integration of service quality aspects in the specification of new products and in the construction of dedicated customer journeys to improve the customer experience across all customer interfaces with the Bank, including branches, call centers, and digital channels
- Integrating service-related content in management conferences across the Group
- Further details regarding service values, commitment to response and waiting times (SLAs), contact methods, and more, are available in the Bank's Service Charter, which can be accessed via both the FIBI Website and the Massad portal.

During 2025, approximately 200 branch employees at Massad Bank underwent training and upskilling programs focused on service excellence and customer experience. Additionally, around 100 employees completed specialized training tailored to written communication channels with bankers. Furthermore, service quality KPIs were established across all service channels, with performance results being subject to continuous monitoring through regular management meetings and departmental reviews.

Customer Satisfaction and Service Quality Measurement at FIBI Group

The Bank invests extensively in professional service and regularly monitors its customer satisfaction metrics both proactively through internal surveys and through surveys conducted by a third party. The extensive use of multiple information sources enables the Bank to reach thousands of customers each year and to take into account a range of satisfaction parameters. The Bank attributes great importance to these surveys and relies on their results to extract lessons and insights for the purpose of efficiency improvements and enhancement of customer satisfaction. Alongside this and from an aspiration toward excellence discussion groups are held within the annual work plan framework for embedding solutions and defining work processes to improve service.
The banks in the Group conduct satisfaction surveys on a regular and ongoing basis through the sending of SMS messages to customers following the majority of common transactions. Analysis of survey results at FIBI is conducted by the Bank itself, and at Bank Massad by a third-party provider. Once a month, the banks in the Group analyze survey findings, and point-specific interventions are made where required alongside cross-functional measures to preserve and improve central trends. The surveys cover a range of service channels, and their findings form the basis for planning initiatives, training sessions, and workshops in the work plan. In addition, during 2025, relevant FIBI employees were required to complete a mandatory workshop on improving service in written communications.

Service Quality Measurement (Feedback Loop):
In 2025, FIBI placed emphasis on improving customer service and commenced ongoing monitoring of service quality and compliance with service level agreements (SLAs) among other means through advanced monitoring and control tools developed specifically for this purpose. For the purpose of internal, consistent, and ongoing measurement, the Bank conducted ongoing satisfaction surveys through SMS messages sent to customers following service receipt across selected channels and population segments. These surveys measure overall satisfaction, professionalism, personal treatment, and waiting times and show consistently high satisfaction across all four parameters both at advisory centers and at branches. It is noted that within this framework, service quality measurements are also conducted at the telephone Banking Service Center and at the written banker correspondence center.

Furthermore, FIBI was ranked first among the five banking groups in Israel across several service quality dimensions according to the MarketTest Institute "Retail Customer Experience in the Banking Sector" Survey for 2025.

The parameters in which the Bank was ranked first are:

- Overall satisfaction with service at the Bank (jointly with one other bank)
- Advance expectations of service (jointly with additional banks)
- Satisfaction with value for money
- Willingness to continue being a customer (customer loyalty)
- Recommendation to friends to become Bank customers
- Satisfaction with specific service (banker handling of customer inquiry) in human service
- Satisfaction with waiting time for a banker (jointly with one other bank) in human service
- Courtesy of human service
- Professionalism of human service
- Overall satisfaction with the Bank's website as a communication channel with the Bank

In addition, the Bank was ranked second in:

- Overall satisfaction with the process of conducting a transaction on the website or application
- Satisfaction with the simplicity and ease of conducting a transaction on the website or application
- Ease of navigation on the website or application
- Overall satisfaction with the Bank's application as a communication channel with the Bank

In February 2026, the Banking Supervision Department at the Bank of Israel published the findings of its annual "Household Customer Satisfaction with Bank Service Quality" survey for 2025 based on two measurements conducted during the year. According to the findings of this survey, the proportion of FIBI customers who responded positively to the question of whether "in general, my bank conducts itself fairly toward me" was above the banking system average and in second place among banking groups. Bank Massad ranked first and leading in the overall banking system on this question with a positive response rate of 75%. The survey further revealed that:

- FIBI was first among the five leading banking groups on the question of proactivity in cost reduction *(the response to the question: "To what extent are you satisfied with the services or actions that bankers offer you on their own initiative to reduce costs for you"), while Bank Massad ranked second among all banks in the Israeli banking system
- FIBI stood out positively above the banking system average on questions examining satisfaction with the level of digital services offered by the Bank on its website and application (ranked 2nd and 3rd respectively, with high scores of 93% and 91%)
- FIBI's credit card the BEYOND loyalty club card was ranked first in the recommendation-to-friend-or-family-member ranking among credit cards of the five banking groups.

Service Quality at Bank Massad

During 2025, Bank Massad continued conducting digital surveys to examine customer satisfaction. Similar to FIBI's activities and following implementation of Bank of Israel requirements every Bank Massad customer who conducted a banking transaction through one of three channels (in-person/telephone/online) received a message to complete an online survey. Results indicated that the level of customer satisfaction with Bank Massad is high standing at 95.6%. Throughout the year, more than 4,300 Bank Massad customers responded to digital surveys distributed. In addition, Bank Massad continued this year with the process of embedding customer experience-based routines with service training conducted at branches.

Public Inquiries

FIBI Group works to provide a response to every customer while maintaining professionalism, care, and responsibility. The public inquiry units within the Group led by the Public Complaints Commissioners receive inquiries through various communication means (including an online form on the Bank's website, email, post, and fax). Contact details for the public inquiries unit are detailed in the Service Charter published on the Bank's website and on branch notice boards. On the Bank's website, there is an online form for submitting an inquiry or complaint to the public inquiries unit through which Bank customers and non-customers alike can contact the public inquiries unit directly and attach a file to the inquiry or complaint as required.

The public inquiry units conduct a thorough and impartial examination of every complaint received in accordance with regulations and Banking Supervision Department guidelines emphasizing the value of fairness and conducting an objective review. Findings arising from complaint investigations are examined in depth, and deficiencies identified are addressed systematically as required with adherence to responsibility for fulfilling the Group's mission and vision, which directs fair, responsible, high-quality, and committed treatment of customers and of the environment. Upon completion of complaint handling, findings are determined including remedies where required and a detailed, reasoned response addressing the claims raised in the complaint is sent to the complainant within a reasonable period. The Bank commits to responding to complaints within a reasonable period and at most within 45 days of receipt of the complaint and in exceptional cases within 60 days of receipt. For inquiries that do not relate to the banks' business judgment (inquiries not arising from Bank of Israel directives and laws), the customer is informed that they retain the right to appeal the commissioner's response to the Banking Supervision Department.

For the purpose of extracting lessons and setting targets, the public inquiries unit conducts a semi-annual and annual structured learning and lessons-extraction process following the inquiries received by topic or notable events and maps the material points from the perspective of customer expectations regarding service level and type. Annually, a lessons-extraction report is presented to Bank management and the Board of Directors, and a material deficiencies report is submitted to the Bank of Israel on a semi-annual and annual basis.

2024 Public Inquiries

Inquiry Type	Received	Handled	Handling Rate	Justified Complaints
FIBI Group				
Inquiry	1,659	1,660	100.1%	–
Complaint	2,272	2,246	98.9%	354
Total	3,931	3,906	99.4%	–

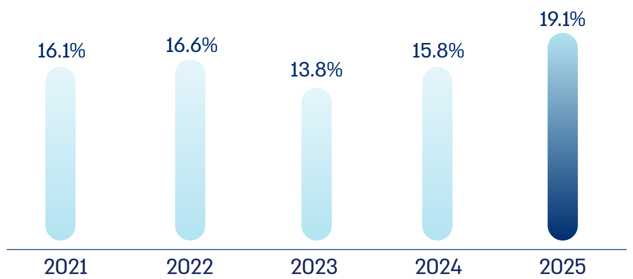
2025 Public Inquiries

Inquiry Type	Received	Handled	Handling Rate[21]	Justified Complaints
FIBI Group				
Inquiry	1,980	1,982	100.1%	–
Complaint	2,387	2,303	96.5%	440
Total	4,367	4,285	98.1%	–

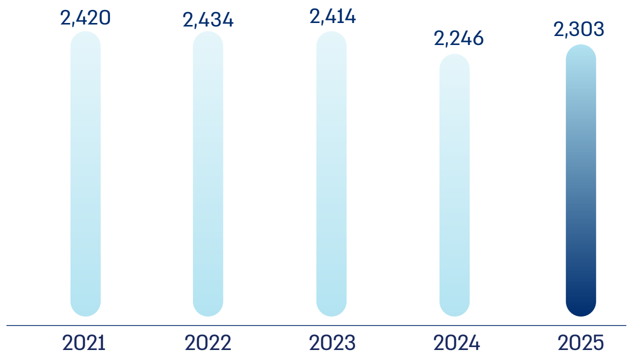
Complaint Response Times[22]

Bank	Year	15-1 days	30-16 days	45-31 days	46 days+
Group	2023	30%	29%	40%	0.7%
Group	2024	46%	25%	31%	0.4%
Group	2025	42%	25%	32%	1.3%

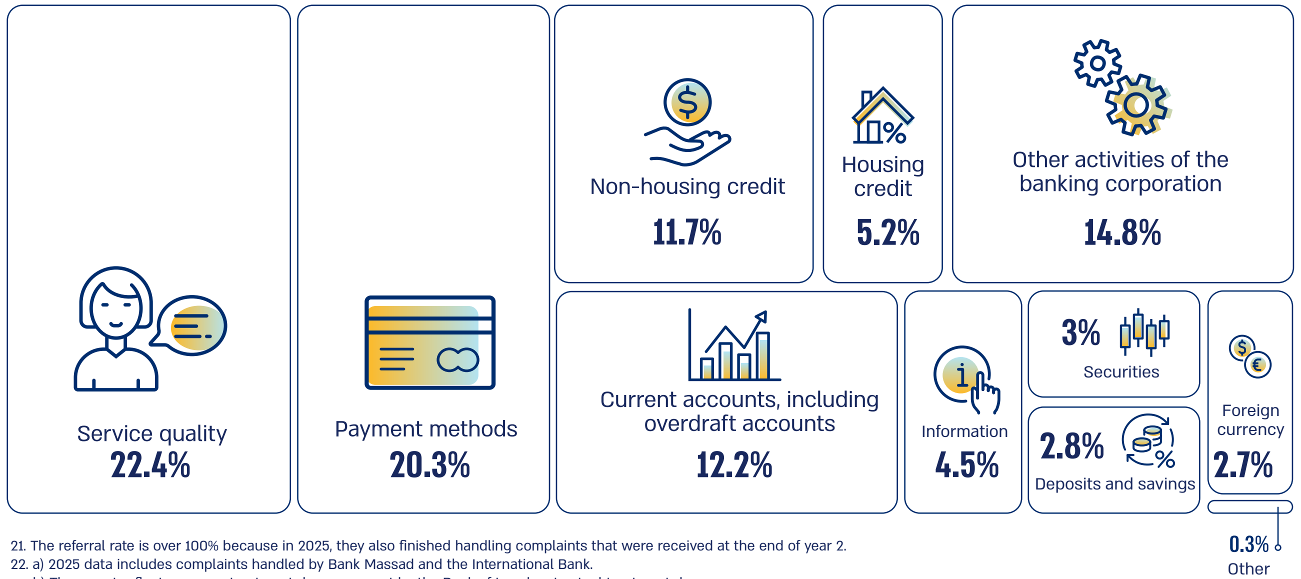
Percentage of Justified Compalints out of the total Compaints Handled at the International Bank, 2025-2021



Total Complaints Handled at the International Bank and at Bank Masad during the Reporting time Required by the Bank of Israel 2025-2021



Breakdown of Inquiries by Topic, 2025



21. The referral rate is over 100% because in 2025, they also finished handling complaints that were received at the end of year 2.
22. a) 2025 data includes complaints handled by Bank Massad and the International Bank.
b) The report reflects average treatment day groups set by the Bank of Israel, not actual treatment days.
c) Complaints regarding reporting to the credit data company are not included in reporting to the Bank of Israel under Directive 308A for handling customer complaints, except for customers who contacted the public inquiry units directly.
d) Treatment day group 46 and above: a letter will be sent to the customer indicating when they can expect a response.

The Bank views its employees and managers, its human capital, as one of the Group's most significant and important growth drivers. Employees are regarded as full partners in the Bank's business success and play a vital role in advancing its strategic objectives and long-term performance.

Investing in Our Employees

Target Status 2021-2025

1

Target: 10% of employees recruited will be from diverse populations.

Status: 150% achievement

Between 2021 and 2025 the percentage of new employees recruited from under-represented communities in the job market was 15% of new recruits during this time period

2

Target: 75% of managers will participate in at least one power skills training session over two years.

Status: 100% achieved

Between 2023 and 2025 approximately 88% of managers in the bank participated in at least one power skills lecture. During the previous two years, the percentage of participants was higher than the prescribed target as well.

3

Target: All extended courses in core subject areas will incorporate at least one power skills training session.

Status: 100% achieved

During 2023 and 2025, all of the long-term courses in core subjects (credit, mortgages and the stock market) included at least one power skills lecture

2030-2026 Targets:

Over the years, FIBI has consistently recruited employees from diverse populations and has acted as an employer to recruit and retain employees from underrepresented populations in the Israeli labor market. Although this was not an explicit target with respect to the total workforce and given the importance of the topic **the Bank is proud that more than 15% of its employees are from diverse populations that are underrepresented in the labor market**.

As part of the multi-year ESG target program and in light of the continued importance of workforce diversity among the Bank's employees by 2030, the Bank is expanding its target on this topic beyond the populations of newly recruited employees, and is extending the target to the total Group workforce. Within this framework, the Bank will ensure that during 2030-2026, an average annual rate of at least 15% of its employees will be from diverse populations.

The Bank does not limit itself to workforce diversity alone it regards all its employees and managers, the human capital, as one of the most significant and important growth engines of the Group, and employees are full partners in its business success. In order to enable all employees to realize their full potential, the banks in the Group work to provide beneficial employment terms including an appropriate working environment, professional and personal development, and responses to welfare needs while maintaining fairness and transparency.

Human capital management encompasses several central principles aimed at driving continuous improvement across all areas of activity:

- Long-term human capital development through workforce planning: Within this framework, the Group works to identify and realize the potential of employees, map knowledge gaps and impart core capabilities, adapt career tracks, recruit and train management reserves and professional reserves, and conduct professional and managerial training. During the initial period of new employees' tenure, the Bank maintains close contact with them to achieve optimal employee retention and identify crisis points.
- Development of advanced tools for human capital management: Improvement of recruitment, onboarding, and retention processes; employee recognition initiatives; optimization of organizational processes; development of performance monitoring and assessment tools; support for Group units; and more.
- Holistic approach to employee onboarding: Development of integrated onboarding processes encompassing professional knowledge acquisition, organizational onboarding to assist in embedding the rules, norms, and values accepted at the Bank, and social onboarding processes for building work team cohesion.
- Promotion of ongoing dialogue: Management of internal organizational communications through various means with the aim of maintaining open and transparent discourse.
- Organizational culture: Support for a culture that reinforces the Group's values and objectives with emphasis on excellence across all domains, ethics, social responsibility, and community contribution.

Employee Profile of the Group[23]

3,553[24] Total employees
As of the end of 2025, the Bank Group employed 3,553 employees

97.2% Direct employment
97.2% of employees are employed directly by the Bank. The remaining employees are outsourced workers. The Bank makes efforts to transition external workers to direct Bank employment, subject to organizational needs and suitability.

48.5 years Average age
The average age of the Group's employees is 48.5 years. The average employee tenure within the Group is more than 18.8 years.

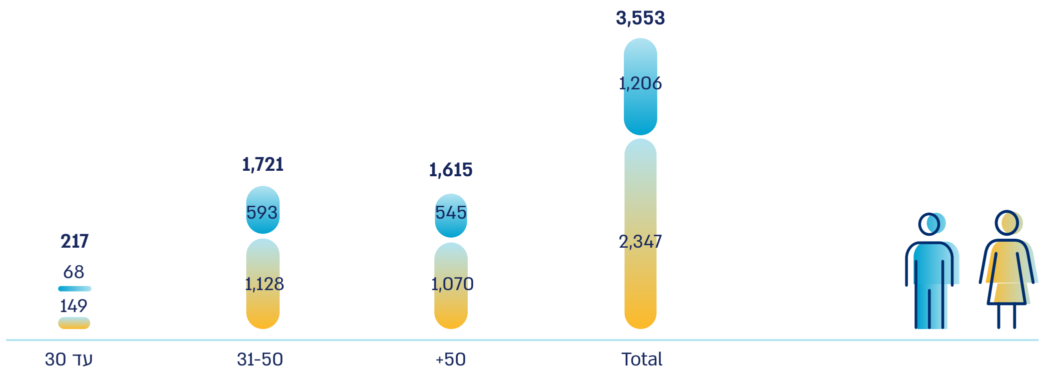
~ 80% are permanent employees
80% of employees are permanent employees, while 19.7% are temporary employees.

~ 95% are unionized
The Group's unionized employees are employed under collective labor agreements, while non-unionized employees are employed under personal employment contracts

8% employee turnover[25]
The employee turnover rate in 2025 was approximately 8%.

23. The human resources data collection methodology is based on data as of 12/31/25, collected from the bank's human resources control and monitoring systems, such as time reporting systems, employee data systems, and more. All data is aggregated unless stated otherwise.
24. Including external employees
25. Including retirement and external employees

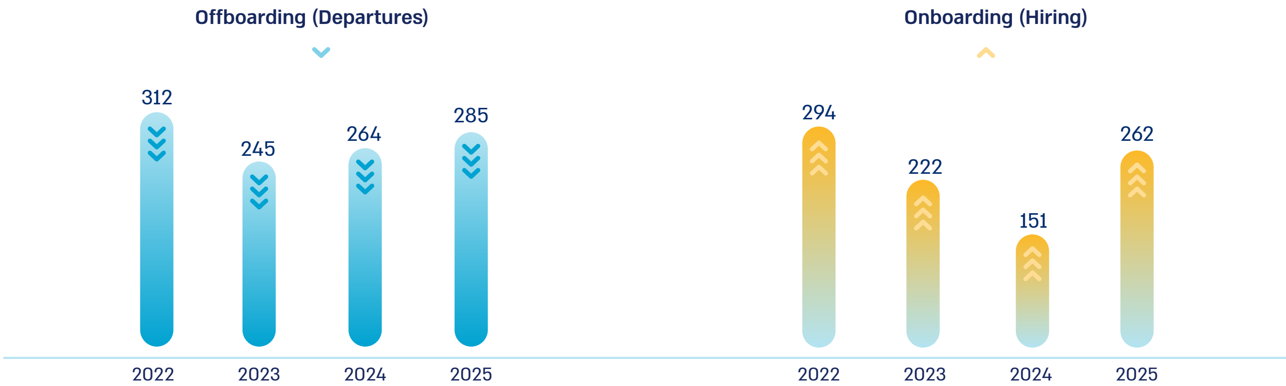
2025 Workforce Breakdown by Gender and Seniority Level[26]



New Employee Recruitment and Employee Departures:

Of the 285 employees who left FIBI Group in 2025, 138 employees retired at retirement age and earlier.

Group Employee Turnover 2025-2022



Employee Turnover Rate – 2025

	Recruitment				Departures			
Age Group	Women[27]	Men	Total	%	Women[28]	Men	Total	%
Up to 30	88	49	137	52%	35	19	54	19%
31-50	57	55	112	43%	59	37	96	34%
50+	8	5	13	5%	86	49	135	47%
Total	153	109	262		180	105	285	

26. Including outsourced workers
27. Including external workers who were hired directly
28. The departure data includes retirement

Employee Absentee Rate – 2025

Category	Women	Men	Total	% of Working Days
Sick days[29]	34,853	12,059	46,912	–
Work accident days[30]	507	178	685	–
Vacation days[31]	67,701	31,192	98,893	–
Reserve military duty days	293	7,708	8,001	–
Total absences	**103,354**	**51,137**	**154,491**	**17.3%**

Bank Group Employees Breakdown by Gender and Grade

	2023			2024			2025		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Senior Management	48	80	128	47	69	116	48	66	114
Middle Management	426	285	711	421	280	701	415	273	688
Junior Management	123	90	213	132	90	222	122	92	214
Employees[32]	1847	796	2643	1,786	780	2,566	1,762	775	2,537
Total	**2,444**	**1,251**	**3,695**	**2,386**	**1,219**	**3,605**	**2,347**	**1,206**	**3,553**

Employee Mobility and Organizational Changes (internal hires and promotions)

As part of human capital development within the Group, the Group enables and encourages employee mobility and transfers between different units in a manner enabling employees to develop professionally and maintain high motivation throughout their years of service at the Bank. To this end, new positions that open at the Bank are made accessible to employees through internal tenders published in the relevant organizational systems. Where employee mobility is required for organizational reasons, this is carried out with consideration for employee needs in accordance with the law and collective agreements. During 2025, at least 48 Group employees were promoted to more senior positions.

During 2025, at least **48 Group employees** were promoted to more senior positions

Promotions – 2025

Level	Women	Men	Total
Employees promoted to non-managerial position	1	4	5
Employees promoted to managerial position	17	22	39
First-line managers promoted to middle management	1	2	3
Middle managers promoted to senior management	1	0	1
Total	20	28	48

Further details regarding Employee Mobility can be found on page 332 of the Group's Annual Financial Statements for the year 2025.

29. Includes sick days for a family member, but not sick days due to inability to work
30. Sick days due to work accidents, in 2025 there were 25 work accidents in the group
31. Including vacation deals and holiday time off for non-Jewish employees
32. Doesn't include external employees

The Bank Group encourages ongoing and open dialogue among its various business units and between employees and management. This dialogue is intended to promote the sharing of professional knowledge, strengthen collaboration across the organization, and foster a strong sense of pride, belonging, and engagement among employees.

Employee Dialogue

(Labor Practices Commitment and Labor Practices Programs)

FIBI Group encourages continuous and open dialogue between different units and between employees and management with the aim of promoting the transfer of professional knowledge, strengthening cooperation between different units, and strengthening unit pride and organizational belonging. To this end, various channels have been developed for effective internal organizational communications.

The Organizational Portal centralizes useful information for employees and includes a human resources inquiry system. Within this framework, employees also have access to anonymous reporting channels on topics of audit, compliance, and ethics.

Internal organizational surveys: During 2025, a survey was conducted to assess employee satisfaction with the internal organizational services provided to them by other departments within the Bank. In 2025, the parameters for review were refreshed with emphasis placed, among other things, on service quality, courtesy and efficiency alongside adherence to reviewing response times, partnership, and innovation.

Employee satisfaction survey: FIBI conducted an employee workplace satisfaction survey in October 2025 through an external expert provider (BDI). The survey findings as well as a comparison with employee satisfaction results across the overall banking system will be published during 2026.

The "Open Door" program enables employees to participate in periodic open meetings with the Head of the Human Resources Department and the organizational development team in which various organizational and personal topics can be raised. During 2025, approximately 160 "Open Door" sessions were held.

Round Tables: Direct, unmediated dialogue between management and employees. "Round table" sessions include management representatives with employees enabling familiarization and strengthening of the connection and partnership between employees of different organizational units, and deepening employees' familiarity with the Bank's objectives, vision, and work plan. During 2025, 10 round table sessions were held attended by approximately 300 selected employees in external, off-site settings to illustrate and embed organizational values through practical experience and meaningful dialogue.

Recognition of outstanding employees: FIBI Group believes in the importance of recognition and appreciation for employees in general and outstanding employees in particular. Each year the Bank holds a celebratory recognition ceremony in the presence of all employees to mark the achievements of outstanding employees. Beyond the positive impact on the outstanding employees themselves, the recognition of outstanding employees promotes the value of excellence and creates an organizational culture befitting the Group's values. During 2025, 42 FIBI employees were awarded the title of "Outstanding Employee" for the year 2024.

Establishment of cross-organizational communities: Since 2024, FIBI's organizational development unit has been operating establishing and managing cross-organizational communities, within and alongside which actions are taken to strengthen organizational connectedness through round tables, joint brainstorming sessions, and more. In 2024, the Talent Community was established as the first such initiative and continues to operate. During 2025, the Mortgage Community was established with additional communities planned for 2026 and beyond.

Performance Assessment and Feedback (Type of Performance Appraisal)

In order to enable open dialogue between employees and managers, align expectations, and provide employees with ongoing direction for performance improvement the Group adheres to conducting feedback conversations: for permanent employees, at a frequency of once per year, and for employees who have not yet received permanent status, at a higher frequency.

42 employees were awarded the title of "Outstanding Employee"

10 "Round table" sessions attended by ~ 300 selected employees

~160 "Open Door" sessions were held

At key junctures such as recruitment, confirmation of permanent status, and promotions assessment by external institutes is also added. At FIBI, the annual employee assessment process begins at year-end and reaches its peak toward the end of the first quarter of the following year. By the end of 2025 and in the first quarter of 2026, approximately 95% of Bank employees underwent a direct manager assessment process, and 88% had already completed a feedback conversation.

By the end of 2025 and in the first quarter of 2026

~ 95%

of Bank employees underwent a direct manager assessment process

88% had already completed

a feedback conversation.

In 2025, a significant update was made to the employee assessment form at FIBI with the aim of better refining feedback for the purpose of employee performance assessment. The process of improving and updating the employee assessment process and completing the new feedback forms was accompanied by training and Zoom sessions for all organizational managers including an external professional lecture on "Radical Candor".

To create an open and relaxed atmosphere and to adapt the feedback process to the needs and preferences of employees, it was decided to hold a portion of feedback conversations outside the Bank's offices. This initiative was carried out on the basis of an employee initiative observed at the ethics values conference for embedding the Ethics Code among Bank employees. This initiative was designed to express the value of "partnership" while reducing the formality of the conversation, strengthening trust between employees and managers, encouraging open discourse, and creating a sense of comfort that assists employees in expressing their thoughts and opinions freely.

Labor Relations with Employee Committees

(Workforce Trade Union and Collective Bargaining Coverage)

Labor relations at the Bank are based primarily on collective employment agreements and supplementary arrangements entered into with New General Federation of Labor - the Histadrut, the Employee Committee and the Management and Authorized Signatories Committee as applicable and do not apply to employees with individual employment contracts.

Five employee committees operate within FIBI Group:

- Three at FIBI: the Management and Authorized Signatories Committee, the National Employee Committee ("Employees' Committee"), and the Employee Committee for the Otzar HaHayal Collective Agreement
- One at Bank Massad
- One at Mataf

Employee organizations protect the rights and obligations of the employees they represent and conduct welfare, cultural, and employee support activities as required. Management at the banks in the Group maintains continuous and open dialogue with employee organizations as part of labor relations built on mutual respect and listening.

The proportion of employees employed under collective agreements in FIBI Group in 2025 stood at approximately 95% excluding outsourced employees. The terms of non-unionized employees are established through direct negotiation between the Bank and the employee.

On July 13, 2023 and August 16, 2023, collective agreements were signed at the Bank for 2023–2026 with the Histadrut and with the Employees' Committee and the Management and Authorized Signatories Committee respectively.

On July 13, 2023, a collective agreement was signed at Mataf for 2023–2025 with the Mataf Employee Committee and the Histadrut. The agreement established principles for the payment of selective supplements for 2023–2025, institutionalized remote work, increased the number of employees who can be employed under individual contracts, and provided flexibility in engaging project-based external workers.

In December 2023, an agreement was signed at Bank Massad with the Employee Committee for 2023–2027. On November 19, 2024, a collective agreement was signed at the Bank with the Otzar HaHayal Employee Committee establishing principles for salary supplement payments for 2024–2026.

In 2025, there were no labor disputes within the Group. For further details on agreements and dialogue with employee committees in the Group, see the Annual Financial Statements for 2025, page 335.

Working Environment

FIBI Group aspires to provide all its employees with a professional, warm, and inclusive working environment, delivering each employee with a comprehensive support and care framework. All employees at the banks, permanent and temporary alike, are entitled to statutory social benefits as required by law including advance notice periods, sick leave for a spouse, child, or parent, and various benefits offered by the banks. Employees can monitor their overtime hours and performance to enable optimal transparency and the Group ensures payment to all its employees for overtime hours in accordance with the law. FIBI Group views the development of employee leisure, health, and maintenance of a balanced work-life relationship as important.

Welfare, Health, and Leisure Development (Employee Support Programs):

The Group attributes great importance to employee welfare and the development of leisure culture. As part of this approach, the human resources departments across the Group conduct throughout the year at the various banks and at Mataf social activities including family fun days, trips, clubs, workshops, and the operation of representative groups in sports disciplines, alongside welfare events for employees and family members.

The Group encourages its employees to maintain a healthy lifestyle. In this framework, the Group provides a medical welfare package including periodic medical check-ups, workplace vaccination access where required, and ergonomic adaptations. The Group also supports employees in the psychological dimension, providing responses to help in coping with mental health challenges.

Bank employees aged 35 and above with at least 5 years of tenure are entitled to periodic medical check-ups once every two complete years. These are periodic screening examinations aimed at providing a comprehensive health picture and are of great importance in early detection and prevention of medical problems. The Bank subsidizes at a significant rate the vast majority of the cost of these screening examinations for eligible employees at a number of specialized external institutes. In addition, the Bank makes available to employees an external psychological support and advisory service through a specialized external company across a range of treatment types, with significant financial assistance for treatment costs. The results of screening examinations and psychological support and advisory are confidential and are not transferred to the Bank.

Employees with at least one year of tenure are entitled to receive special paid leave in family and personal circumstances in addition to annual vacation days. This leave is granted for marriage, birth, circumcision, mourning days for the passing of

first-degree family members, and more. In addition, FIBI Group employs workers from a variety of populations and religions including Muslim, Christian, Druze, Samaritan employees, and others. Non-Jewish Bank employees are entitled to holiday leave on the days of their religion's festivals.

Employment terms in the Group also include a range of additional benefits including fee discounts, preferential terms in selected banking activities, health insurance, cultural institution memberships, festive gifts, and participation in funding family expenses such as summer camps, kindergartens, and academic tuition.

The Group recognizes the importance of balance across all components of life at home and at work. The working week at FIBI is shorter than customary in the Israeli economy (39 hours per week on average), while the annual vacation and sick leave quota exceeds the statutory requirements. The Group provides its employees with optimal conditions for accumulating and utilizing sick days and works to manage work processes to minimize the need for overtime.

The working week at FIBI is shorter than customary in the Israeli economy
39 hours per week on average
while the annual vacation and sick leave quota exceeds the statutory requirements

Retirement and Pension:
The Group's commitment to its employees continues beyond the conclusion of their employment. To ease the complex process of retirement for employees, the Group annually holds a three-day preparation workshop for employees and their partners approaching retirement addressing personal, family, and financial aspects of retirement. The workshop is offered free of charge. In 2025, 66 employees and their partners participated in the retirement preparation workshop which included preparedness and empowerment content, pension planning, family economics, retirement-age insurance, familiarization with the FIBI Retiree Club, and more.

66
employees and their partners participated in the retirement preparation workshop

Even following retirement, the Group continues to accompany its retirees through the operation of Retiree Clubs across the country offering members social activities, leisure and broadening activities, various banking account management benefits, and festive gifts.

Departing Bank employees are invited together with their partners to a Jubilee and Retirement Evening, a celebratory evening to which employees celebrating 20, 30, 40, and 50 years of service at the organization are also invited. The evening honors their work, dedication, and contribution throughout their years at the Bank.

Safe Working Environment (OHS Policy and OHS Programs):
Safety and security matters are managed and addressed on an ongoing basis at FIBI Group to continuously maintain a safe and proper environment at the Group's facilities for the wellbeing of employees, customers, and suppliers. The Bank implements high standards for ensuring the safety of employees and customers and complies with all mandatory laws and regulations in the areas of occupational health and safety.

FIBI Group takes all possible necessary measures to maintain physically comfortable working conditions and to protect the health and safety of employees. These measures include strict compliance with all fire safety standards and periodic inspections to monitor air quality and radiation detection. In 2025, a small number of non-material safety incidents were recorded. For the scope of work accidents at the Bank in 2025, see the employee absenteeism data table on page 61.

The occupational health and safety policy of FIBI Group is reviewed on a regular basis and adaptations are made as required. In 2025, no updates or changes were made to this policy. For further details, see the link to the safety statement on the Bank's ESG website.

Each year, an occupational safety e-learning module is distributed to all Group employees. In 2025, 3,278 Group employees completed the module.

518
FIBI employees served in reserve military duty totaling
~ 8,000 reserve duty days

The FIBI Bank Group is committed to supporting its people and standing by them in times of crisis. This commitment was demonstrated during the "Swords of Iron" War and continued during Operation "Rising Lion"

Standing by Our Employees
FIBI Group ensures it supports its people and stands by them also in moments of crisis as it did throughout the Iron Swords War and Operation "Rising Lion." The welfare department and Bank managers maintained ongoing contact with Bank employees during the war including evacuated employees, employees whose property was damaged by the Iranian attack during Operation "Rising Lion," reserve military service call-ups, and parents of soldiers. A range of welfare activities were conducted for employees to ensure their wellbeing given the challenges of the war, including digital activities for children of employee families and a supportive lecture providing tools for resilience and coping in times of crisis. Targeted support and assistance were also provided to specific employees and their family members as required.

In parallel, the Bank sent encouragement packages and recognition vouchers for special efforts by employees during the war.
Welfare actions were also carried out at Bank Massad to support employees and improve their wellbeing.

Support for Reserve Military Service Personnel and Their Families

FIBI Group encourages its employees to participate in the reserve military service system and to contribute to the national effort. During reserve military service, Bank employees are entitled to their full salary supplements. Employees whose annual reserve military service totals 14 days or more receive a prestigious gift for a couples leisure experience. In addition, the Group implements the legal requirement regarding shortened working days for the spouse of employees on reserve military service. In 2025, 518 FIBI employees served in reserve military duty totaling approximately 8,001 reserve duty days.

Since the outbreak of the war, the Bank has been accompanying on an ongoing basis the Bank employees called up for reserve military service and their families. Within this framework, ongoing conversations were held and tailored gift packages were sent adapted to their needs during this period.

Employee Training and Development

(Employee Development Programs)

In order to continue delivering high-quality financial services, the Group works on an ongoing basis to strengthen and develop its human capital. It does so through a rich array of training programs, personal development, and the encouragement of excellence, encompassing professional content alongside power skills (soft/behavioral skills) tailored to the Group's objectives and to the professional, organizational, and personal needs of employees and teams.

The training domain within the Group is led by a dedicated department at the FIBI headquarters which also provides services to Mataf and Bank Massad in coordination with the human resources departments at these subsidiaries. Training programs are developed on the basis of needs-mapping processes and knowledge gap assessments among employees, as well as in response to market developments and regulatory requirements.

Training programs are continuously developed and updated. Each year, new training sessions are embedded for employees and managers. During 2025, dozens of new training sessions, instructional courses, and study days were added across various domains tailored to the different areas of activity in the Bank including topics such as regulation, information security, managerial training, artificial intelligence, and more.

Alongside longstanding, extensively invested adherence to skills learning and improvement through workshops, e-learning modules, and training sessions significant work is undertaken at the Bank to improve and expand training and learning platforms through digital channels as well. Within this framework, since 2024, an innovative organizational learning system has been active at the Bank integrating user experience, making learning content accessible through various methods, and incorporating internal monitoring tools. The organizational learning system project was awarded second place out of approximately 180 projects submitted at the Human Resources Association Excellence Conference in the category of "Innovation in Learning".

To continue delivering high-quality financial services, the Group is continuously committed to developing and nurturing its human capital through a broad range of training programs, personal development initiatives, and the promotion of a culture of excellence.

In 2025, a mobile application was launched for the learning system making content accessible on mobile devices and supporting the embedding of a culture of continuous learning, excellence, and performance improvement. Within the framework of this embedding, an innovative training product was also launched: summaries of bestselling books from Israel and globally across a range of workplace skills for the new working world. The summaries are made accessible to employees as reading units and audio units (podcasts). To date, more than 100 book summaries have been launched.

The learning system promotes personal development of employees and managers and provides access to broad and diverse learning content across enriching domains. Through the learning system, digital content can be consumed across a range of skills such as storytelling, negotiation, creative thinking, resilience, and others through various tools: podcasts, recorded courses, story series, book summaries, and more.

In order to ensure the effectiveness of training sessions, the training department conducts ongoing assessments through knowledge tests, anonymous participant feedback, and debriefing conversations.

Training Activities Promoting Group Employee Knowledge:

- Basic banking training
- Advanced professional training in areas such as credit, capital markets, mortgages, foreign exchange, and foreign trade; within this framework, innovative training in the area of climate and environmental risk management in credit risk and the promotion of green financing is also included
- Technology training and professional support for the embedding of operational systems
- Customer service and sales
- Innovation and artificial intelligence
- Power skills (personal, social, and communication behavioral skills supporting role performance)
- Professional and personal ethics and anti-corruption
- Training in response to regulatory needs

Promoting Cross-Organizational Innovation (Innovation Programs)

Within the framework of activities to promote internal organizational innovation across all employees and managers, the Bank led a cross-organizational process culminating in the "X Factor Conference" within which managers from all Bank units present the innovation chapters of the 2026 work plan that will constitute the X Factor for the coming year. In 2025, the conference was held for the second time under the chairmanship of the Bank's CEO, Management Board members, and all senior management (approximately 120 managers from all FIBI divisions and from Mataf).

Recognizing that our employees possess diverse skills and expertise and are committed to continuously expanding their knowledge and professional capabilities, the Bank significantly expanded the activities of its Organizational Development Unit beginning in 2024. This expansion accelerated further in 2025 and continues to evolve beyond, supporting employee growth, fostering professional excellence, and strengthening organizational capabilities across the Group.

Each manager is required to arrive at the X Factor Conference with a "one-pager" a document prepared by them summarizing the innovation chapter for which dedicated innovation training sessions were previously conducted, and dedicated bots were developed to assist managers at all stages of writing the innovation chapter (ideation, piloting, milestones, presenting the initiative, and more). This organizational process is designed to develop and cultivate the innovation approach among all senior management with full involvement of employees in their respective units and it promotes innovation across all Bank units.

In light of the multi-channel activities to promote internal organizational innovation among all employees and managers, the Bank was awarded in 2025 the "Trailblazer" prize in the category of "Embedding Internal Organizational Innovation" within the framework of the Human Resources Association Excellence Competition. This prize was awarded for the presentation of three central projects: the Talent Program, the X Factor Conference described above, and the Entrepreneurship Program detailed below. In all programs, emphasis was placed on personal development, learning, and empowerment growing all employees into innovation advocates and initiating projects, participating, and influencing raising the organizational innovation pulse. The programs include, among other things, creative thinking workshops, AI workshops, and participant accompaniment with innovative tools foremost among them dedicated AI agents that assist in formulating the innovation proposal.

Organizational Development Unit Activities

From the understanding that employees are multi-disciplinary and aspire to expand their knowledge and professionalism since 2024, the activities of the organizational development

unit of the Bank have been significantly expanded continuing with even greater momentum in 2025 and beyond. The unit's objective is to strengthen the organizational culture while developing human capital and adapting it to changes in the business environment with emphasis on the values of partnership, excellence, transparency, fairness, synergy, and innovation. The unit emphasizes the importance of cross-departmental relationships within the Bank enabling employees to broaden their organizational understanding and be exposed to new development opportunities.

During 2024, the organizational development unit conducted a refresher of the Ethics Code values and during that year and 2025, sustained efforts were made to embed these values in the organizational culture among all employees through a new e-learning module distributed to all Bank employees at year-end, as well as through dedicated emails sent several times during the year to all employees and managers. The process of embedding and implementing Ethics Code values was carried out with full involvement and partnership of organizational employees who took part in the practical implementation of the values in daily routine.

Among the unit's initiatives, the following can be cited:

- **"Colleague for a Moment,"** an initiative comprising the embedding of an employee for one week in another unit with the aim of becoming closely acquainted with the activities carried out in the various departments
- **Establishment of cross-organizational communities** and bringing them together at a series of events throughout the year, with ongoing digital communications
- **Development of a personal accompaniment** (coaching) program bringing together organizational members with the relevant skills and certification and employees interested in this accompaniment for the purpose of strengthening their capabilities
- **Segmentation of the employee population** and provision of a professional training and enrichment package in collaboration with the training department
- **Activities to strengthen organizational connectedness** dedicated video communications to all employees on projects and activities in the field of innovation, organizational surveys, and more
- **The SANDBOX Entrepreneurship Program** in 2025, a cross-organizational entrepreneurship program was held at the Bank enabling all Bank employees to surface and identify innovative ideas and groundbreaking initiatives. Of 90 proposals submitted, 12 were selected and presented to FIBI Management Board members and were integrated into the work plans of the divisions and units of the Bank for 2026.

2025 Training Metrics

4.8
Average learning days per employee

10,298
Non-digital training days

NIS 5.2 million ~
Total financial investment in training

6,609
Digital learning days

Throughout 2025, Group employees underwent 10,298 non-digital training days representing approximately 3 average annual training days per employee in addition to 6,609 digital learning days through e-learning modules and the new learning system. These training days total 16,907 learning days representing approximately 4.8 average learning days per employee.

The total financial investment in training development, learning, and employee training at FIBI Group in 2025 stood at approximately NIS 5.2 million.

Workforce Development Framework
Unique Programs for Preparing Employees for the Future World of Work
Alongside addressing current needs, the Group also promotes human capital development in accordance with the future world of work through three axes:

Up-skilling - training and development of skills required for the changing world of work, in accordance with the human capital strategic plan

Up-skilling

Re-skilling

Re-skilling - strategic workforce planning and its adaptation to the evolving competitive environment. Within this framework, the Bank carries out adaptations through mapping the skills that will be required in the future world of banking

Re-careering - training employees with the aim of providing them with meaningful professional development that addresses the professional capabilities required by the Bank

Re-careering

Power Skills Development
During 2025, the Bank expanded the scope of power skills training in accordance with the Bank's human capital strategy and launched a new training domain: innovation and digital literacy. In addition, the Bank continued to expand the training sessions and courses integrated within this program and added 24 new training sessions in the areas of future skills including, for example, training in artificial intelligence and Gen AI, creative thinking, recruitment training, sales and marketing, written communications service workshops, and more Among the training sessions completed by employees within these domains:

Power Skills Training – 2025

Topic	Number of Training Types	Number of Participants
Communication and messaging tools	11	215
-360 degree customer view	23	607
Understanding the business environment	14	449
Business leadership	6	23
Personal leadership and social skills	24	934
Innovation	3	164

In 2025, a total of 2,392 employees and managers in FIBI Group participated in power skills training compared with 2,503 employees who underwent training in this domain in 2024, 2,364 in 2023, and 1,822 employees in 2022.

The Bank set itself a multi-year target for manager training that during 2021–2025, at least 75% of managers would participate in (at least one power skills training session every two years). During 2024–2025, 88% of managers completed at least one such training session following a rate of 87% during 2023–2024. In addition, within the framework of the multi-year target program completed by the end of 2025, it was established that all extended courses in core subject areas (credit, mortgages, and capital markets) would incorporate at least one power skills training session which was completed some time ago.

2030-2026 Targets
After the bank achieved the multi-year targets set for 2021-2025, and due to the importance of employee and manager development on a professional and personal level - the bank set new and even more challenging targets in this regard: As part of the long term plan for 2026-2030, the bank has set a target of at least 90% of bank managers participating in at least one power skills training every two years. In addition, the bank has set a target for 2026-2030, for 50% of bank employees to undergo at least one power skills training every two years, and by 2030 at least 80% of bank employees will participate in at least one training session on this matter.

Managerial Training
Within the group, there is a particular emphasis placed on the training and development of managers at the various management levels. Our manager training programs are designed to equip managers with managerial and leadership tools appropriate to the requirements of their role. In 2025, approximately 611 managers underwent 13,094 hours of training across a range of domains, including: Highlights in compliance topics, creative thinking, negotiation for managers, data, advanced management course, improving productivity through AI, inspiration in the spirit of innovation, and more.

The FIBI Bank Group places a strong emphasis on employee development, including the advancement of employees and managers who have been identified as high-potential talent.

Development Programs for Talented Employees
FIBI Group places emphasis on employee development including the development of employees and managers identified as talented. Following the "Mea" ("100") Program led by the Bank in 2023–2024 a development program for leading employees and managers comprising approximately 100 outstanding employees at the Bank. In 2024 and 2025 the Bank placed emphasis on developing talented employees as part of a community led by the organizational development unit.

Academic Education Support (Promoting Academic Education among Bank Employees)
The Bank attributes great importance to the acquisition and expansion of academic knowledge among its employees and accordingly provides benefits and concessions to employees wishing to pursue an academic degree. Bank employees are eligible for tuition reimbursement of up to NIS 10,000 for undergraduate studies in economics, finance, business administration, and accounting. To encourage continued academic advancement at higher levels, managers are eligible for financial reimbursement also for a master's degree in these subjects. In addition, to ease the burden on employees during intensive examination periods, the Bank approves up to 32 vacation days for the duration of the degree for study purposes at university institutions, and 26 vacation days per degree at other institutions in accordance with procedures established at the Bank and accessible to all employees and managers.

In addition, the Bank maintains an Employee Education Fund for staff-level employees designed to assist employees at this grade in funding undergraduate and postgraduate academic studies subject to eligibility conditions. In addition, the Bank allocates a limited special budget for postgraduate studies for authorized signatories with authorized signatories entitled to up to 24 vacation days during their postgraduate study period.

During 2025, 10 Bank employees received funding for academic knowledge acquisition, five for undergraduate degrees and five for postgraduate degrees.

During 2025,
10 Bank employees received funding
for academic knowledge acquisition, five for undergraduate degrees and five for postgraduate degrees.

Diversity, Equal Opportunity, and Inclusion

FIBI Group adheres to equal opportunity and opposes discrimination of any kind across all organizational processes conducted within the Group including the recruitment and onboarding of new employees, employment terms, promotion, and professional training. The Group attributes great importance to the representation of diverse populations and works to maintain an inclusive organizational culture that provides equal opportunity to all employees regardless of gender, religion, race, origin, nationality, disability, age, and sexual orientation. This approach delivers social value through the provision of employment opportunities to minority groups and simultaneously carries business importance arising from the in-depth familiarity of employees at the Bank with the unique needs of customers from various population sectors.

The Group's recruitment policy includes the promotion of diversity and is implemented through engagement with recruitment and placement companies with specific expertise in recruiting employees from various sectors.

In 2025 as well, no complaints of discrimination were received among FIBI Group employees. As a general practice, complaints received are examined by the Bank's legal counsel.

More than 13% of employees recruited this year into FIBI Group were from diverse populations underrepresented in the labor market.

Promoting Employment in the Haredi Community:
The Bank works to promote the employment of Haredi employees primarily and mainly within the Pagi network, which specializes in serving this population, and within additional frameworks foremost among them Mataf. To this end, the recruitment teams place emphasis on adapting the recruitment process for Haredi employees alongside the adaptation of the working environment under the leadership of a dedicated position holder at Group headquarters responsible for this topic. Pagi employees receive subsidized transportation to summer camps during

The Bank Group is committed to equal opportunity and opposes discrimination of any kind across all organizational processes. This commitment applies to all stages of the employee lifecycle, including recruitment and onboarding, employment conditions, promotion opportunities, and professional training and development.

children's holiday periods, as well as events and gifts including refreshments supplied under kashrut standards appropriate for the Haredi community.

Out of the Group's commitment to this topic, the Bank supports monetary donations and volunteering in initiatives to promote employment in the Haredi community such as "Movilot BaDarom" ("Leading Women in the South"). For further details, see "Investing in the Haredi and Religious Community" on page 70.

As of the end of 2025, approximately 8% of all Group employees and managers belonged to the Haredi community. As of the end of 2025, approximately 219 employees from the Haredi community were employed in the Group in non-managerial positions representing approximately 9% of all non-managerial Group employees. In addition, as of the end of 2025, approximately 6% of all managerial positions in the Group were held by managers from the Haredi community.

Promoting Employment in the Arab Community at Bank Massad:
Approximately one-third of the total branches and sub-branches of Bank Massad operate in geographic areas with an Arab majority. Accordingly, the Bank works to recruit numerous employees from the Arab public through specialized placement companies, dedicated publications in Arabic-language media, and through collaborations with the education system and the Teachers' Federation. In order to provide an adapted environment for employees from the Arab sector, Bank Massad allows employees who observe Ramadan more favourable employment terms during this period. In addition, Arab sector employees receive five additional vacation days for a non-Jewish holiday beyond the regular holiday leave to which every employee is entitled.

As of the end of 2025, approximately 22% of Bank Massad non-managerial employees are from the Arab community, with managers from the Arab community accounting for approximately 10% of total managers at Bank Massad.

Promoting Employment for Persons with Disabilities:
The Group views the inclusion and onboarding of people with disabilities into employment as a matter of the highest importance treating them on an equal and respectful basis while providing an accessible and adapted working environment. To this end, the Group engages bodies specializing in recruiting employees with disabilities and where required makes adaptations to organizational screening processes.

To enable employment under full accessibility and adaptation conditions, dedicated team members have been appointed for the topic of employment of persons with disabilities who undergo dedicated training on this topic. Beyond adapting the entire working environment to accessibility requirements in accordance with occupational physician recommendations, the Group adheres to adapting the working environment and employment conditions to the specific needs of employees with disabilities or employees whose health status has changed. To ensure adequate responses in this area, the Bank conducts an annual survey on awareness of the rights of employees with disabilities including employee self-reporting of disability status. In addition, the human resources department works to raise awareness of the topic among all employees through training and lectures. Managers and employees in service-providing units undergo an annual e-learning module on equal rights for people with disabilities including information on treatment of employees with disabilities and referral to the responsible officer in the human resources department. Within the new employee induction course, an equal rights training session is conducted designed to assist in integrating people with disabilities into the working environment and to empower all employees' awareness of the topic.

In order to encourage and increase the employment of persons with disabilities with the publication of every new position, the Bank contacts associations promoting the employment of persons with disabilities "Shavim" association, "Ta'asuka Shava" ("Equal Employment") association, and "Eshnav" association so that they can distribute the positions to their audiences for the purpose of receiving candidates for the Bank. FIBI estimates that approximately 7% of its employees are with disabilities.[33]

Promoting Employment for Retirees:
In an era in which life expectancy is increasing, the inclusion of retirees in employment is an opportunity to enrich the labor market with knowledge and experience. We believe that retirement age need not necessarily be the end of a career but rather an opportunity to continue contributing and developing. At FIBI, retirees are employed periodically for short periods.

Equal Rights:

All Group employees regardless of gender are entitled to parental leave in accordance with the law. Parents returning to work are entitled by law to greater flexibility in working hours, additional sick days and vacation days, and enhanced recreation pay. In addition, the banks in the Group provide parents with additional preferential terms such as extending the duration of entitlement to a parenting hour up to one year from the date of birth. In 2025, 105 employees went on parental leave and 108 employees returned from parental leave.

Parental Leave Data – 2025

	Men	Women	Total
Went on parental leave	1	104	105
Returned from parental leave	1	107	108
Returned and remained in employment 12 months	2	72	74

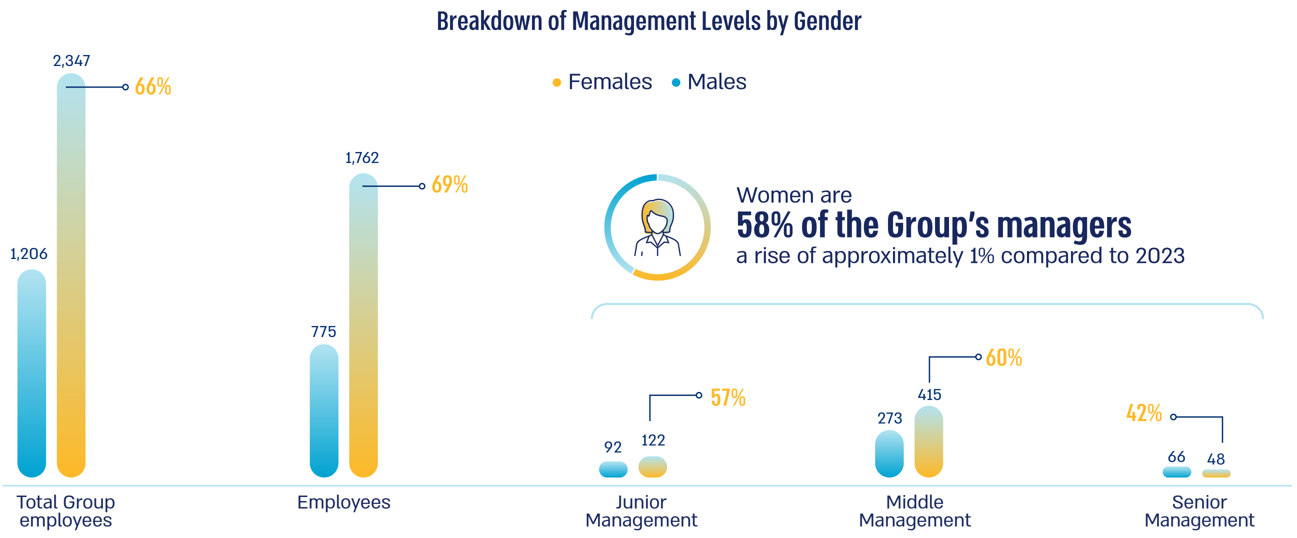
Gender Equality of Opportunity:
FIBI Group works to promote gender equality in the workplace. The Group has maintained a high proportion of women across all seniority levels and ensured their integration into key positions.

Overall, women account for 66% of all Group employees, 57% in first-line management, 60% in middle management, and 42% in senior management (which includes the Group's Management Board and managers at senior seniority levels as defined). In total, women account for 58% of the managerial level in the Group an increase of approximately one percentage point from 2023. The Bank is proud that 7 of 11 members of FIBI's senior Management Board are women with 70% of Vice President and equivalent-to-Vice President grade positions at the Bank held by women.

2026-2030 Targets:
As part of the new multi-year ESG target program and in light of the high importance of the topic of gender equality of opportunity at the Bank, and from an equal perspective on all its employees and managers the Bank will ensure the preservation of female representation in management of at least 40% of management membership by 2030.

Approximately 59% of female managers hold revenue-generating positions.[34]

33. This assessment is based both on statements from newly hired employees and on other sources of information 33.
34. An income-generating role is a job where the manager is directly involved with the product or services.



Average Gender Pay Gaps by Seniority Level at FIBI (Gender Pay Indicators)
Salaries at the Bank are established in an orderly manner in accordance with position, grade, and clear parameters, such as tenure and education and are therefore not influenced by the gender of employees.

In 2025, the highest salary paid to an employee at FIBI was 11.2 times the median salary at the Bank (excluding the highest salary for the purpose of calculating the median). In 2024, this ratio stood at 12.45. As of 2025, the minimum salary paid to an employee at FIBI Group is approximately 50% higher than the statutory monthly minimum wage in the economy compared with a rate of 41% in 2024. (Calculated on the basis of average gross monthly salary; a positive gap indicates higher male salary):

Seniority Level	Pay Gap
Senior management	2.6%
Middle management	9.6%
First-line management	7.4%
Employees	11.4%

In 2025, the highest salary paid to an employee at FIBI was 11.2 times the median salary at the Bank (excluding the highest salary for median calculation purposes). The minimum salary paid at FIBI Group is approximately 50% higher than the statutory monthly minimum wage, compared with 41% in 2024.

The Van Leer Institute Gender Index found a 6% regression in gender equality in Israel in 2025, and a national gender pay gap of 28% in median pay. At FIBI, the data indicates a higher degree of equality.

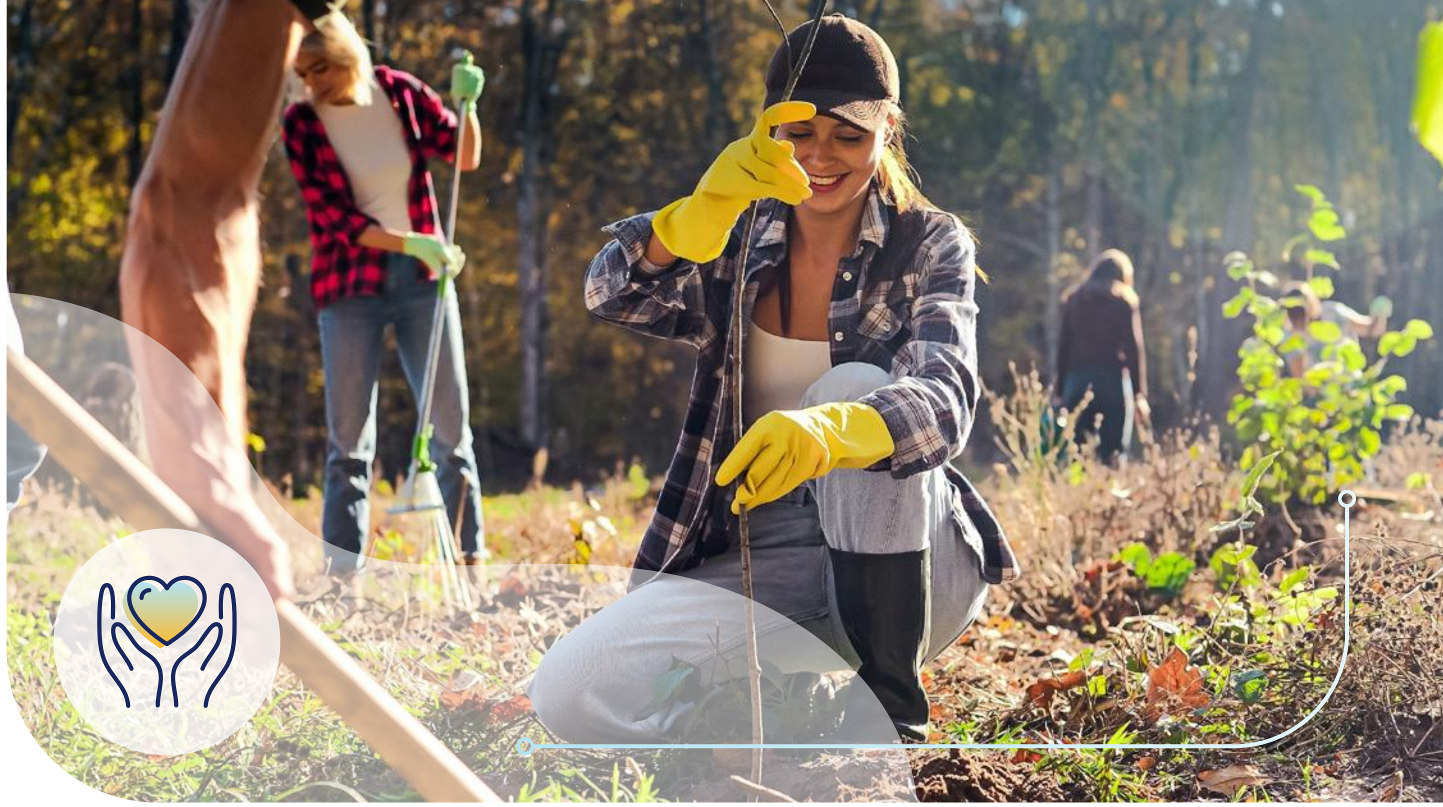
The Van Leer Institute Gender Index for the end of 2025 found that in the past year, a 6% regression in the level of gender equality in Israel was recorded. In contrast, at FIBI Group, the proportion of women in senior management of the Bank grew to 64% - 7 of 11 senior Management Board members of the Group - including the CEO. Within this framework, it is noted that a Management Board member serves as CEO of the Bank's computing and operations company, Mataf.

On the Board of Directors of FIBI Group, there are 10 members of whom three are women, accounting for 30% of Board members (Board Gender Diversity). The Bank has a policy that each gender shall account for at least 30% of Board members (Board Diversity Policy).

In addition, the Van Leer Institute research found that "in the labor market dimension, the ratio between the average monthly salary of women and men has remained unchanged in 2022–2024 and stands at 0.65 meaning women earn on average 35% less than men." The Gender Index also found a 28% gender gap in median pay in the Israeli economy. At FIBI, the data indicates a higher degree of equality.

Prevention of Sexual Harassment (Discrimination and Harassment)
FIBI Group views cases of sexual harassment with great seriousness. In each of the companies in the Group that employ staff, a designated officer responsible for the prevention of sexual harassment serves. The sexual harassment regulations are accessible across all Group units, published on the Group's website, and in addition distributed personally to every employee annually. New employees are required to undergo training on the prevention and handling of sexual harassment as part of their induction process. In addition, all employees are required to undergo training on the topic every three years with 759 employees completing training on the prevention of sexual harassment in 2025.

In 2025, a small number of complaints on topics of sexual harassment were received in the Group examined in accordance with the law with maximum protection of the dignity and privacy of all parties involved. In accordance with investigation findings, appropriate actions were taken in relevant cases to prevent recurrence and raise awareness and sensitivity on the topic.



Community Investment

FIBI Group is committed to active engagement in society and the community with emphasis on the participation and involvement of Group employees. The Group conducts diverse and wide-ranging community activities, through sustained strategic collaborations with social organizations. This is carried out in accordance with the vision, strategy, and values of FIBI Group and in accordance with its significant role in the Israeli economy and its business leadership.

The donations policy of the banks within the Group framework is approved annually by the Bank's Board of Directors and is led by a dedicated steering committee for community investment chaired by the Bank's Board Chairman. The steering committee formulates community investment policy, guides and directs the Group's areas of activity, and monitors performance in this context. New initiatives and proposals for social engagement arrive from both employees and civil society, and are reviewed periodically by the steering committee and by the Bank's professional staff. The donations budget and its management are handled by the Resources and Financial Management Division.

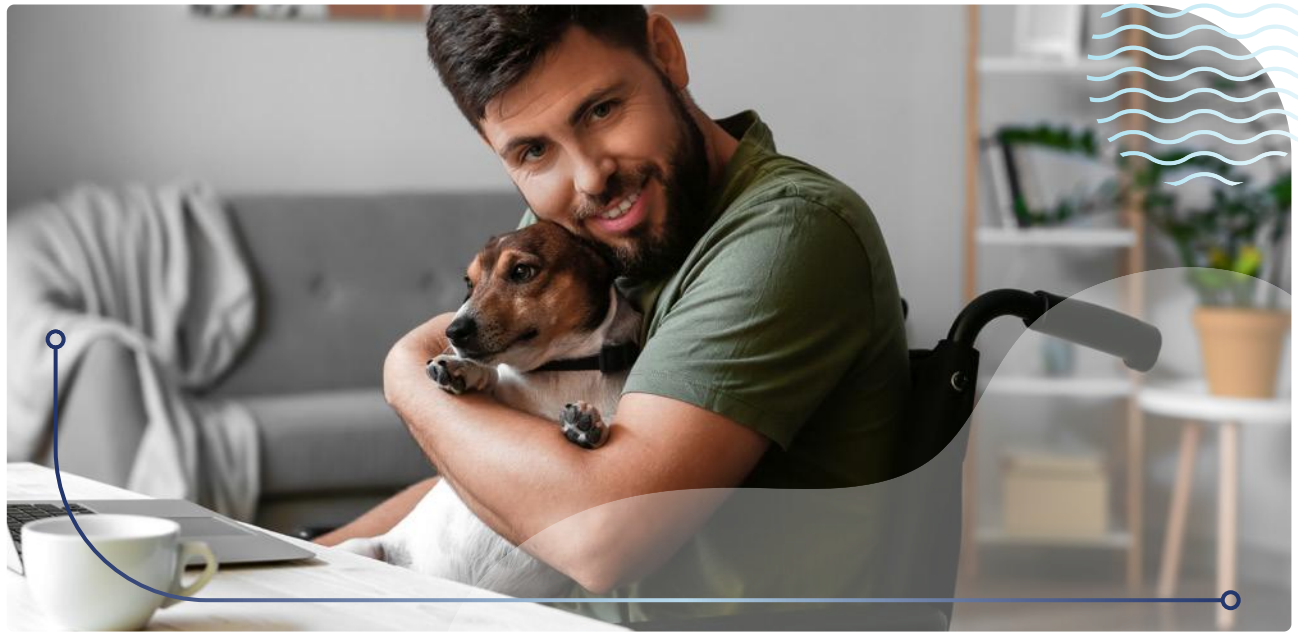
The selection of collaborations and donations to non-profit organizations is conducted in light of the Bank's vision and through the formulation of a joint action framework with the aim of maximizing the impact of resource investment. Approval for the granting of a donation is given only to non-profit organizations holding all the required certificates and approvals for sound management purposes. FIBI Group does not donate money or monetary equivalents to political parties, politicians, political institutions, political campaigns, lobbying organizations, trade unions, tax-exempt bodies, or other groups whose function is to influence political campaigns, public policy, or legislation (Contributions and Other Spending, as well as Largest Contributions & Expenditures).

The FIBI Group is committed to active involvement in society and the community, with a particular emphasis on employee engagement and participation. The Group carries out a wide range of extensive community activities, while maintaining ongoing strategic partnerships with various organizations to create meaningful social impact and contribute to the well-being of the communities in which it operates

In 2025, FIBI continued to focus its community investment policy with the primary focus remaining the accompaniment of the community of Kibbutz Nir Oz as a central component of the Bank's community contribution since the outbreak of the Iron Swords War. In parallel, the Bank continues to operate across two central social domains: support for the IDF and security forces, and support for the Haredi community (for further details on this topic, see the chapter "Investing in the Haredi and Religious Community").

In addition, within the framework of its social activities, the Bank also works to share the unique professional knowledge of its employees with the beneficiaries of its activities and the organizations with which it collaborates. Further information on these activities can be found in the chapter describing the Bank's financial empowerment and education activities.

Community Donations:
During 2025 and in its conclusion, the Bank continues to accompany Kibbutz Nir Oz as a central component of its community contribution activities since the outbreak of the Iron Swords War. In the first phase, the Bank worked



to consolidate the kibbutz's support measures to facilitate the rehabilitation management process. The Bank is now taking part in the reconstruction of kibbutz structures and is contributing to the construction of a children's house in the new neighborhood being built in the kibbutz alongside donations transferred throughout the year for the community's welfare.

In parallel, the Bank continued to support additional projects in accordance with its focus on security forces and the Haredi community.

During 2025, FIBI's total community donations amounted to approximately NIS 5.5 million. Information on the Bank's community engagement and the social initiatives it supports can also be found on the Group's website.

FIBI Donations in 2025 – by Domain (NIS millions)

Domain	2024	2025
Support for Kibbutz Nir Oz community	0.2	0.9
War effort	8.3	–
Security forces	1.9	3.3
Support for the Haredi community	1.2	0.5
Medical centers	0.4	0.3
Total	12	5

Total FIBI Group community donations in 2025: **approximately NIS 5.5 million**, including Massad Bank.

Support for the Security Forces through Collaborations with Organizations Supporting the IDF and Iron Swords War Casualties:

- **Academic Rehabilitation Program for Iron Swords War Casualties Bar-Ilan University:** Within the framework of this program, combatants integrate into academic courses of their choice as "free listeners" accumulating credit points and benefiting from a young and supportive environment that assists them in returning to active and meaningful lives. The program provides these young heroes with the logistical and emotional support framework required to begin building their academic future together with their peers strengthening their sense of self-worth, focusing on studies, and enabling a gradual return to a full and meaningful life routine.
- **"Makers for Heroes" Track through the "RESTART" Association:** A donation for the development of innovative and personalized technological solutions for IDF casualties and security forces personnel. The association's Makers team together with volunteer teams comprising engineers, therapists, medical professionals, and designers convenes around a unique challenge faced by a specific casualty to turn a groundbreaking idea into reality, with casualty as an integral part of the team and the development process. In parallel, the Bank hosted several closing events for cohorts of the association's Storytelling program which trains IDF and security forces casualties to tell their personal story in a TED-style lecture.
- **Commemoration of October 7:** The Bank donated toward the establishment of photographer Ziv Koren's "October 7th" exhibition at the Peres Center for Peace and toward the ceremony for the award of the Knighthood and Hope Prize held in the spirit of heroism, initiative, determination, and female leadership as exemplified during the war. In this way, the Bank serves as a partner in the commemoration and preservation of the memory of the disaster that occurred in the country.
- **"Mobiilim LeHatzlacha" ("Leading to Success"):** A scholarship program to fund academic courses at the Open University for soldiers and veterans from disadvantaged socioeconomic backgrounds with the aim of providing them with a key to economic independence, enabling a life change, increasing earning capacity, and thereby leading them to optimal integration in society.
- **"Mafteach Sol":** Scholarship donations for music therapy studies at the Tel Aviv Music Conservatory for combat trauma casualties
- **Author meetings with soldiers across the country:** The Bank, in collaboration with the "Lior Fund," donates toward these meetings thereby serving as a partner in promoting culture among IDF soldiers
- **"Achshav Ani" ("Now I Am"):** A personal coaching and growth program dedicated to IDF female casualties/disabled veterans in collaboration with the IDF Disabled Veterans Organization. Within the framework of this program, female managers at the Bank deliver financial content and provide personal financial accompaniment to participants
- **"Kelim MeHagalim"** ("Tools from the Waves") program through the "HaGal Sheli" ("My Wave") association:
- **A donation to a therapeutic surfing program** for physically and mentally injured combatants and IDF disabled veterans
- **"Beit Ham" ("Warm Home"):** Provision of 30 apartments across the country for the residential use of lone combat unit soldiers
- **"Amets Lochem" ("Adopt a Combatant"):** The Bank "adopts" within the framework of the "Adopt a Combatant" initiative Battalion 411. Within this framework, the Bank partners in unit events and supports soldier welfare throughout their service
- **"Gdolim BeMadim" ("Great in Uniform"):** A program working to integrate persons with disabilities into a military framework
- **"Achayot MeBarzel" ("Sisters of Iron"):** Initiative established at the outbreak of the war aimed at providing assistance to the wives of drafted soldiers through a nationwide network of Haredi female volunteers

Bank employees participate in various volunteering activities such as cooking for lone soldiers, building seating areas for soldiers in the field, and preparing care packages for soldiers. In parallel, Bank employees participate in teaching financial topics both within the framework of the Bank's ongoing contribution programs and within the framework of the "Nitzotzot Shiur Acher" ("Sparks Different Lesson") association through which Bank employees educate the next generation in sound financial management.

During 2025, hundreds of employees participated in the Bank's various volunteering activities – including cooking for lone soldiers, building seating areas for soldiers in the field, and preparing care packages for soldiers. Among other things, at Mataf, employees participated in various volunteering activities including in the "Babies of Life" volunteering project operated by the "Olal" association which provides immediate assistance to single mothers and families facing economic hardship, domestic violence, or family bereavement in the first year after birth through life-saving packages.

Community Engagement at Bank Massad:
In 2025, as part of Bank Massad's social commitment focused on support for teachers, student teachers, and the education sectorthe Bank continued to participate and support national and local programs and projects. Due to the war, the Bank chose in addition to its ongoing community activities to build a concessions and benefits framework for the entire population, with particular emphasis on the populations of the south and north. In addition, Bank Massad donated equipment to teachers' rooms in the north upon their return to activity in the north and the return to routine.

In addition, Bank Massad together with the Teachers' Federation promoted a teacher support fund for teachers whose homes were damaged in Operation "Rising Lion" at a total support volume of hundreds of thousands of shekels with Bank Massad bearing 50% of the costs. The Bank also participated in funding a retreat for bereaved families from among education workers.
Furthermore, in 2025, Bank Massad continued its collaborations with:

- **The "Alumot Or" association** operating in 15 special education schools across the country
- **The "Sasa Stone" association** accompanying approximately 40 schools operating within hospitals across the country
- **The "Kavim VeMachshavot"** ("Lines and Thoughts") association, operating in the area of attention deficit disorders

In addition, Bank employees participated this year as well in enrichment activities for students within the framework of the "**Shiur Acher**" ("Different Lesson") association.

ESG Governance

As a leading financial group in Israel, the FIBI Group and the banks within the Group recognize that strong corporate governance is essential to their ability to create value for their customers, the Israeli economy, and the Group's stakeholders

Corporate Governance

As a leading financial group in Israel, the corporate governance of FIBI Group and the banks in the Group is of great importance for the ability to generate value for their customers, the Israeli economy, and the stakeholders of the Group and the banks. Banking activity as the Group's core business is an activity significantly affected by the ability to manage corporate governance effectively, in accordance with the law and in line with appropriate professional ethics.

To ensure compliance with applicable law, appropriate ethics, and the desired effective standard of governance bodies, FIBI Group implements a broad range of measures to strengthen corporate governance. Among other things, we work to manage relationships with our customers and other stakeholders built on fairness and principles of professional ethics. We use innovation and various technological tools to streamline the Bank's activities and improve the service provided to the Bank's customers. We are making efforts to protect the privacy of our customers' data and to defend it against third parties. In this way, we work to strengthen the position of the banks in the Group as banks that operate in a fair, effective, and ethical manner.
The Bank publishes annually its responses to the corporate governance questionnaire of the Israel Securities Authority. The questionnaire can be found in the Bank's public disclosures.

Corporate Governance Structure
As part of the management of corporate governance at FIBI Group, at the head of corporate governance in each of the banks in the Group stands the Board of Directors responsible for setting the bank's policy and overseeing its implementation. In accordance with Bank of Israel Directive 301 on the subject of the Board of Directors of the Bank, the Boards of Directors of the banks in the Group are responsible for setting the business strategy of the banks, establishing their risk appetite, approving guiding policies for ongoing operations, and overseeing the management of the banks and the degree to which their actions conform to policy. Beyond this, the Board of Directors of each bank also approves the Bank's Ethics Code, oversees the Bank's compliance with legal and regulatory requirements, and formulates professional and appropriate standards of conduct as part of the Bank's organizational culture. The various Boards of Directors conduct their activities through subcommittees specializing in a specific topic within the Board's responsibilities.

The Board's responsibility for overseeing senior management is also expressed through the definition of the authorities and duties of the CEO. Within this framework, the Boards of Directors define the reporting methods and information flows between the CEO and Management and the Board of Directors. The CEO is responsible for directing, managing, and coordinating the activities of other Management Board members and through them, the activities of all Bank units.

The accounting firm KPMG, Somekh Chaikin, has served as the Bank's external auditor since 1972. The external auditor is appointed by the General Meeting annually based on the recommendation of the Audit Committee. In accordance with standard banking practice, the Audit Committee holds a discussion on the possibility of replacing the external auditor every three years.

Board of Directors Activities and Composition
Two central Boards of Directors operate within FIBI Group, the FIBI Board of Directors and the Bank Massad Board of Directors. The managements of the banks in the Group are directed and guided by the Board of Directors of that bank and its committees with respect to the bank's business strategy and policy with Bank Massad operating in accordance with the Group-level policy set by FIBI. Within this framework, two members of the FIBI Management Board serve as directors at Bank Massad one of them serving as Board Chairman.

Five members of the FIBI Board of Directors are external directors (in line with standard banking practice, with two of the directors being independent directors under the Companies Law, 1999). Within the framework of the Board's direction, it approves the objectives, quantitative and qualitative targets, areas of activity of the Bank, and resource allocation across the various domains.

The Board of Directors of FIBI and Bank Massad operate in accordance with corporate governance guidelines established by law serving as a guiding hand to Bank Management including the establishment of risk management policy and risk appetite across all areas of activity and risks to which the Bank is exposed. Based on the Bank's multi-year strategic plans, Management presents to the Board of Directors an annual work plan comprising the Bank's budget with quantitative and qualitative detail of the revenue mix, expenses, and investments that Bank Management has set as long-term goals and as specific targets for the current working year.

Among the additional roles of the Board of Directors is the oversight of the effective implementation of the Bank's risk management policy. The Boards of Directors and/or their committees at FIBI and Bank Massad approve once a year the annual work plan and the risk management policy across the various material risk domains such as credit risks, financial risks, market and liquidity risks, operational risks (including business continuity, cyber and information security), and compliance risks (including anti-money laundering and counter-terrorism financing, internal securities law enforcement, internal competition law enforcement, cross-border risk management, FATCA, CRS, QI, and data privacy).

The Board reviews annually the definition of compliance risk appetite and tolerance and oversees effective handling of compliance findings by Bank Management. Policy documents in other domains including strategic risks, reputational risks, legal risks, model risks, ESG and climate-related risks are reviewed every two to four years.

Work plans, policies, and the KPIs derived from them establish standards for the management, measurement, monitoring, and reporting of exposure to the various risks and include, among other things, the risk appetite, risk frameworks, and permitted exposure limits in the various areas of activity and sectors. Within this framework, the Board adapts its risk exposure policy to changes and developments in financial markets and the Bank's operating environment.

ESG material topics are also deliberated at the Board level and in its various committees. Within this framework, among other things, the Head of the Resources and Financial Management Division presents to the plenary session of the Board of Directors the Bank's annual ESG report. Various social and environmental topics managed by the Bank are overseen by the Board of Directors and deliberated across several forums both at Board plenary sessions and within the various committee discussions. Topics deliberated by the Board include, among other things: responsible employment practices, Bank control mechanisms, regulatory compliance aspects, the extension of credit to environmental projects, climate and environmental risk management in credit, reduction of environmental impacts, donations policy, executive remuneration, and more. During 2024, the Bank Massad Board of Directors received a review on climate-related risks and their impact on the Bank and on financial risks in general.

ESG matters that are material to the Group are also discussed by the Board of Directors and its various committees. As part of this oversight, the Bank's annual ESG Report is presented to the full Board, among other matters. Various social and environmental issues are monitored by the Board and discussed across a number of governance forums

The ESG policy document was updated, deliberated, and approved by the FIBI Board of Directors in 2025 and is brought for re-approval every 3 years, or earlier where a need arises. In 2025, FIBI developed a climate risk management policy document which is also brought for approval within this framework.

The Board also plays an important role in overseeing the senior execution levels of the Bank to ensure their activities are consistent with established policy. The Board appoints the CEO and defines his/her working methods and duties toward the Board and also approves the appointments of senior officers and additional position holders, and the remuneration to be provided to them. The Board also deliberates on the performance of these parties.

The Board and Management of each bank in the Group are responsible for formulating the vision, values, strategy, and objectives across the Bank's areas of activity; formulating organizational culture and standards of professional conduct, and a plan for embedding these across all Bank levels; ensuring the existence of clear accountability and reporting structures on matters of legal and regulatory compliance; and deliberating on any exceptional event and any matter of material importance to the Bank's operations or to the supervision and control of its management. Board members approve capital planning, discuss the Bank's financial position periodically, and are also responsible for approving financial statements. Beyond this, the Board's areas of responsibility also include the appointment of internal and external control

bodies; transactions and actions requiring approval by law or by Board decision; execution of structural changes within the Group, capital raising and investments including the realization of fixed investments, securities issuances, and periodic review of the Bank's capital adequacy; and more.

The Board is responsible for approving the policy for handling public complaints and the service charter of the public complaints commissioner. In this domain, the Board holds a discussion on the periodic reports of the Public Complaints Commissioner at least once a year and as close as possible to the time of receipt. Within this framework, the Board ensures that the public complaints function is staffed adequately and holds the resources and authorities required to perform its role.

In accordance with Board procedures in the banks in the Group if and as required, an urgent matter may be brought before the Board plenary session through the convening of an urgent meeting including a meeting conducted through communication means or a written resolution within which decisions may be made as required all in accordance with the conditions established in the Board procedure and applicable law. The Board procedures of each of the banks in the Group include provisions regulating the director's right to receive information required for the fulfillment of their duties as a director and where required, to hold consultations with various parties in the course of fulfilling their role all in accordance with applicable law (including the Companies Law, 1999) and in accordance with Bank of Israel Directive 301 on the subject of the Board of Directors.

The Board conducts a comprehensive annual assessment of Management performance. In addition, a Board performance assessment is conducted every two years (further details below). Based on these assessments, improvement targets and execution decisions are derived in order to strengthen the activities of these bodies and the Group's corporate governance overall. In addition, in order to advance the knowledge and understanding of directors in FIBI Group, a dedicated annual director training program is built each year.

Directors participate in professional training on an ongoing basis on business, regulatory, technological, and other topics in order to enhance the effectiveness of their oversight and to ensure they are updated on new and significant developments and prevailing trends in the banking system and financial sector.

Board of Directors Director Training in 2025:
In 2025, at the FIBI Board of Directors, several training sessions were delivered some directly relating to ESG domains. The training sessions addressed, among other things, the following topics:

- ESG training in banking in Israel and international highlights
- Artificial intelligence (AI) training including "The Generative AI Transformation"
- Cyber challenges and cyber fraud training
- Innovation training including "FIBI Fintech Day 2025"
- Root causes of Israel's socioeconomic challenges and long-term trends
- Data privacy protection
- Developments in competition law

The Bank Massad Board of Directors held training sessions in 2025 including reviews on innovation and digital topics, the Bank's AI roadmap, and a Group directors' training day (held on May 27, 2025).

The Corporate Secretary of FIBI supports and centralizes the Board of Directors' activities, including, among others, the following areas: convening plenary sessions and various committees, organizing general meetings, recording minutes, tracking decisions made by the Board and its committees, monitoring periodic discussions on regulatory matters, submitting various reports to regulatory authorities, managing the shareholder register, administering directors' remuneration, handling related party and stakeholder transactions, and executing dividend payments. This applies equally to Masad Bank.

Board Composition and Board Industry Experience (End of 2025)

Metric	FIBI	Bank Massad
Total number of directors	10	10
Number of independent directors[35]	4	4
Directors with accounting and financial expertise	10	8
Directors with information security and IT expertise	2	3
Directors with accounting and financial expertise on the Audit Committee	5	4
Number of women on the Board	3	5
Directors under 30	0	0
Directors between the ages of 31-50	1	1
Directors aged 51+	9	9
Number of Board plenary sessions	22	14
Number of sessions across all Board committees	51	20
Is the Board Chairman independent?	No	No
Age of youngest director	49	47
Age of oldest director	84	79
Average age on the Board	67.8	64.8
Average tenure on the Board (years)	7.6	4.7
Year of the youngest director's appointment	2024	2025
Year of the most senior director's appointment	2003	2013

For further details regarding the composition of the Board of Directors, including appointments, retirements, areas of responsibility, remuneration, expertise, conflicts of interest, and other positions held by Board members, please refer to the Corporate Governance section (page 305) of the Annual Reports of both FIBI Group.

35. This group also includes external directors according to the Companies Law and/or Bank of Israel regulations

Committees of the Board of Directors and Governance Framework

Both the FIBI and Massad Bank maintain standing Board committees. Additionally, each Board within the Group may appoint ad hoc committees as required, such as the Strategy Committee (which operates at Massad Bank once every five years). The roles and areas of responsibility of the various committees are determined in the Board's procedure and are subject to the law. The areas of activity of the committees concern most aspects of the Board's activity, and in many cases, a preliminary discussion is held in them prior to discussions on the Board.

The Audit Committee is responsible for supervising the activities of the Bank's internal and external auditors and ensuring the quality of their work. The Committee discusses the Bank's internal and external audit reports, as well as audit reports from regulatory bodies, and passes the reports it deems appropriate for discussion in the Board plenary or another of its committees. The Committee discusses deficiencies in the Bank's activity arising from audit reports, and the ways proposed to deal with them. The Committee discusses employee complaints regarding deficiencies and the policy regulating the method of transferring complaints and handling them, as well as the protection of employee complaints.

The Board determines procedures for disclosing conflicts of interest in the Bank. The Audit Committee discusses the approval of transactions with "related parties" according to the provisions of the law and in accordance with the instructions of the Bank of Israel. The Committee discusses the financial statements and recommends to the Board their approval. Among the material risks with which the Bank deals are compliance risks (including anti-money laundering and terrorism financing). In order to enhance the Board's ability to assess the effectiveness of compliance risk management and to address the challenges, failures, and the quality of risk management in the Bank and the Group, the Board conducts, through the Audit Committee, at least one discussion per year with the Compliance Officer alone. The Committee conducts discussions with other gatekeepers as defined by various regulators.

The Remuneration Committee discusses and recommends to the Board the approval of the remuneration policy and the retirement terms of employees, managers, and officers. The discussion on the subjects in the Committee take into account, among others, the Bank's business condition, the impact of the remuneration policy on the corporation's risk profile, the Proper Banking Management Instruction A.301, the Bank's organizational culture, its long-term strategy, and its control environment. Within this framework, the Remuneration Committee is responsible, among other things, to ensure that remuneration incentives do not encourage risk-taking beyond the set risk appetite.

The Committee also recommends to the Board the principles of the Bank employees' compensation agreements, including conducting a discussion on negotiation processes with the Bank's employee unions on this subject, and recommends the KPIs.

The Information Technology, Technological Innovation, and Management Committee of FIBI discusses, among other things, the Bank's innovation and technology matters, while considering the risks involved. The Committee defines the Bank's technological risk appetite. The Committee supervises the implementation of the work plan in the fields of innovation and digital and the appropriate allocation of resources for the implementation of these goals. Additionally, the Committee deals with other areas related to management, including programs for the training of the Bank's management succession, the organizational development program, and the annual training program of the training system. Additionally, the Committee discusses and approves general and exceptional matters related to human resources and construction fields, such as staffing, employee transfer, rotation, and continuous leave, etc.

Once every three years, the Committee discusses the renewal of the Bank's Code of Ethics, its dissemination methods, performing controls on its actual existence, and the mechanism for handling violation cases. Also, the Committee receives annual reports on community donations, and from time-to-time requests for extraordinary donations. At Massad, these roles are divided between the Credit and Risk Management Committee and the Audit and Remuneration Committee.

For several years, a steering committee has been operating in the Bank Group, in which two members of the Bank's Board of Directors participate in the field of community contribution, with the aim to closely monitor, direct, initiate, and outline the policy of all the Group's activity for the community on an ongoing basis and bring it to the approval of the Board.

A Risk Management Committee centralizes the Board's activity in the fields of risk management and creates a discussion infrastructure in the field for the Board. The Committee discusses the overall risk strategy of the Bank, looking both at the present and at the future. The Committee supervises the manner of risk management in the Bank, and the activity of the Risk Management Division. Within this framework, the Risk Management Committee is also responsible for the implementation of Directive 345 of the Banking Supervisor and for credit granting aspects in climate contexts.

Based on the Committee's recommendations, the Board reviews and approves periodically the various policy documents, the risk management framework anchored in the policy document, and ensures through discussions in the quarterly risk document brought for discussion by the Risk Management Division, as well as through discussions in additional reports brought for discussion in the Committee, that the risk management policy is implemented effectively in the Bank, including supervision of the management's work.

Beyond this, it is the responsibility of the Board to outline an organizational culture of risk management and standards of professional behavior and integrity, and to ensure their implementation in all grades of the Bank. In a joint meeting of the Loans Committee together with the Risk Management Committee, a discussion is held on the credit management policy and the credit risk management of FIBI, and a recommendation for their approval is submitted to the Bank's Board.

The Loans Committee supervises the Bank's compliance with the credit policy approved by the Board, and discusses, as required, the need to perform changes in the credit policy. The Committee monitors the credit status picture and developments in it, according to reports and parameters determined by the Committee from time to time. The Committee receives sectoral reviews and discusses them. In certain cases, the Committee is granted powers for the approval of credit requests, and for the approval of write-offs or waivers of debts, debt collection arrangements, and any arrangement in connection with credit-related claims, all in accordance with the terms of the credit policy document. At Massad, these matters are discussed in the Credit and Risk Management Committee.

Board Committee Composition – FIBI

Committee	Members	Independent Directors[36]	% Independent	Committee Chair Independent	Sessions
Remuneration Committee	3	2	67%	Yes	5
Audit Committee	5	4	80%	Yes	22
Technology, Innovation and Administration Committee	6	2	33%	No	6
Risk Management Committee	6	2	33%	No	9
Loans Committee	6	2	33%	No	9

Board Committee Composition – Bank Massad

Committee	Members	Independent Directors	% Independent	Chair Independent	Sessions
Credit and Risk Management Committee	5	4	80%	No	10
Audit, Balance Sheet, and Remuneration Committee	4	4	100%	Yes	10

36. This group also includes external directors according to the Companies Law and/or Bank of Israel regulations.

Director Qualifications and Experience
In accordance with Bank of Israel requirements (Bank of Israel Directive 301), the Board of Directors must collectively hold adequate knowledge, skills, competencies, and experience appropriate to the strategy and activity characteristics of the Bank. The Directive also establishes that at least one-third of all directors must have "banking experience", at least one-fifth must have "accounting and financial expertise", at least half must have "professional competence", and at least one director must have demonstrated knowledge and experience in information technology.

Director appointments at FIBI Group are made in accordance with applicable law, the provisions of Bank of Israel standard banking practice, and with Bank of Israel approval including:

The Companies Law (Section 57) establishes that the appointment of external directors must be approved by the General Meeting by a special majority

Chapter D of the FIBI Articles of Association establishes provisions regarding the director appointment process. Accordingly, Regulation 86 of the Articles of Association establishes that the authority to appoint directors is vested in the General Meeting. However, the Articles of Association also permit the appointment of directors by the Board of Directors subject to the provisions of applicable law and the conditions established in Regulation 87 of the Articles of Association in which case the appointment is valid until the conclusion of the annual General Meeting first held following the date of appointment. In accordance with the provisions of the Banking Ordinance, voting at the General Meeting on the appointment of directors is conducted for each candidacy separately. In addition, prior to convening a General Meeting with the appointment of a director on its agenda, an advance notice is published (an immediate report on MAGNA) at least 21 days before the publication of the notice convening the General Meeting. The right to request the convening of a General Meeting and to propose topics for deliberation, including the submission of a candidate for director appointment, is in accordance with the Companies Law (Sections 63, 64, 66). For example, the Board of Directors may propose a candidate, and any shareholder holding at least 1% of voting rights may present a candidate. Hence, the composition of the Board is subject to the provisions of the Companies Law, Proper Banking Management Instruction 301, and the Bank's Articles of Association.

Each of the banks in the Group implements all instructions according to the law and the Bank of Israel instructions regarding the prevention of conflicts of interest among the Board. Accordingly, dedicated procedures exist in each bank for this subject, and their purpose is to define guiding lines for situations in which a candidate for a director position may find themselves in a permanent conflict of interest between their businesses or ongoing occupations and the role they are expected to fulfill in the bank, in a manner that would lead to their disqualification from office as a director, as well as guiding lines for situations in which a director may have a personal interest. Additionally, there are dedicated procedures for the process of disclosure and reporting of a conflict of interest or a personal interest, as well as for the process of approving transactions in which officers have a personal interest. All directors, including the Chairman of the Board in each of the banks in the Group, do not serve in another managerial role in the bank in which they serve as a director or as Chairman of the Board.

Technology expertise among Board members (Information Security Governance):

It is noteworthy that on the FIBI Board of Directors, there are two female Board members with knowledge and expertise in technology domains:
Director **Orna Dov Mintz** who, among other roles, serves as a consultant to software companies and cybersecurity startups, and previously managed companies in the cybersecurity and risk management field at a technology company.
Director **CPA Roni Michaeli** who has expertise in technology domains, holding extensive years of experience in the fields of technology, innovation, risk management, and information systems audit including leading key positions at KPMG both in Israel and in global roles including leading global innovation at KPMG International and establishing and leading the technological arm of KPMG in Israel: KPMG Edge. In her most recent role prior to joining the FIBI Board, she served as Head of KPMG's Technological Division.

At Bank Massad, several directors hold technology expertise including Bank Massad Chairman **Ron Grisaro**, who also serves as a Management Board member and Head of the Banking Division at FIBI. Grisaro previously served, among other roles, as CEO of Mataf the computing and operations company of FIBI Group and as Head of the Information Systems Division and Deputy CEO of a large insurance and financial services group. Also serving on the Board is **Iris Lavon Zukershtein** who serves as Deputy CEO of Mataf and Head of the Applications Development Division and Director **Shirly Shaham Klein** who manages the Advanced Banking Division and within this framework is responsible for digital, AI, and strategy activities at FIBI.

ESG in the Board's Oversight Role: ESG material topics are deliberated at the Board level and in its various committees. The Head of the Resources and Financial Management Division presents the Bank's annual ESG report to the plenary session of the Board of Directors.

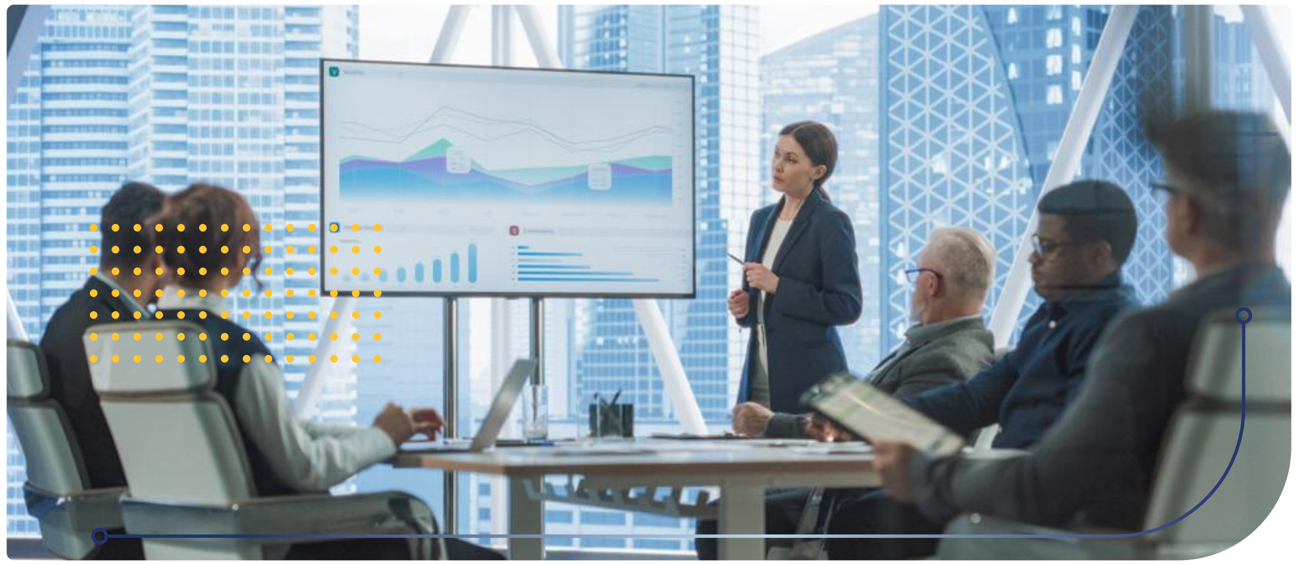
The ESG policy document was updated, deliberated, and approved by the FIBI Board of Directors in 2025 and is brought for re-approval every 3 years. In 2025, FIBI developed a climate risk management policy document which is also brought for approval within this framework.

Board Performance Assessment:
The Board of Directors of each of the banks in the Group conducts every two years an internal self-assessment process designed to improve Board operations. The assessment process is governed by a procedure written at the Bank in accordance with the requirements of Bank of Israel Directive 301. The process is designed to examine the effectiveness of the Board's work, identify weaknesses, and make changes and adaptations to its work and the work of its subcommittees, as required. The assessment process focuses on corporate governance aspects, risk management, and the monitoring and oversight conducted by the Board.

Board Communication Mechanisms - Mechanisms of Appeal to the Board:
The Board operates in an accepted management hierarchy – subjects, questions, and complaints are transferred from the employees of each bank to the management and, if necessary, from the management to the Board. Appeals to the Board are carried out through the secretariat of each bank. The transfer of subjects from shareholders to the Board is carried out through the mechanism of the General Assembly of shareholders. In the year 2025, 2 General Assembly meetings were held in FIBI, and in Massad Bank, 3 General Assembly meetings were held.

Board Independence:
The Bank Group monitors the provisions of the law regarding the independence of the Board and acts in accordance with the Bank of Israel instructions in Proper Banking Management Instruction 301 as well as the Companies Law. In appointments, the external directors sign a declaration including their acquaintance with the aforementioned instructions and laws and their compliance therewith. In the declaration, the directors undertake that neither they personally nor their relatives, partners, or /employers, or a corporation in which they hold control, have business or professional connections to the controlling shareholder in the company at the time of appointment, to a relative of the controlling shareholder at the time of appointment, or to another corporation, except for negligible connections. Likewise, the directors are not employees of the bank and declare that the bank will not employ them or their immediate relatives as officers or for providing professional services during their service on the Board or one year after the end of their term.

The directors undertake that they do not receive any remuneration, directly or indirectly, due to their service as directors beyond the remuneration set for this service. They declare that their other occupations or roles do not constitute a conflict of interest with their role as an external director, and that they are not relatives of controlling shareholders in the bank. These declarations are published to the public as an appendix in the voting documents for the General



Assembly regarding the appointment of directors, published on the bank's website and accessible to the public in other places such as the Tel Aviv Stock Exchange website.

In the reporting year, a check was conducted with the external directors (and the independent directors) and it was found that they complied in the reporting year with the provision of Section 240(b) and (f) of the Companies Law regarding the absence of affiliation of the external directors (and independent directors) serving in the corporation, as well as the fulfillment of the conditions required for serving as an external (or independent) director.

Board Gender Diversity
Within the framework of the Bank's compliance with regulatory requirements, the Bank ensures that the Board provides appropriate representation for women and men. To this end, the Board adopted in 2022 a gender diversity policy for its composition establishing, among other things, that "the Board views the promotion of gender equality and appropriate representation of both genders among Board members as important" and that "the gender diversity target for the composition of Board members shall be: at least 30% for each of the two genders." This target also constitutes one of the Group's targets for 2030. As of the end of 2025, three women and seven men serve on the Bank's Board of Directors and accordingly the Board meets the gender diversity target.

At Bank Massad as well, a gender diversity target exists for the Board at a similar rate, and the Bank meets and exceeds it. As of the end of 2025, 10 directors served on the Bank Massad Board of Directors of whom five are women.

Remuneration Policy
In accordance with Bank of Israel Directive A301, "Remuneration Policy in a Banking Corporation", the Board of Directors approves an updated remuneration policy for all Bank employees, including key employees, every three years. The Board also approves the principles of the Group-level remuneration policy, including the remuneration policy for officers, as part of this process. Officers of the Bank are entitled to remuneration in accordance with the policy established by the Board's Remuneration Committee and the Board of Directors and with approval by the Bank's General Meeting of Shareholders. Officers are entitled to fixed remuneration and variable remuneration subject, among other things, to meeting business targets in accordance with the Bank's remuneration policy. For further details on remuneration and incentives for Bank officers in general and CEO remuneration in particular, see pages 249–250 and 281 of the Annual Report.

At the beginning of each year, targets for remuneration *(KPIs)* are approved at the Remuneration Committee and at the Board of Directors in alignment with the approved remuneration policy and at year-end, the proposed remuneration is brought for approval by the Remuneration Committee and the Board of Directors.

Director remuneration is based on an annual fee and a per-session fee in accordance with applicable regulations and with reference to the size and nature of the bank. Directors at the Bank are entitled to fixed remuneration only. Further details on the remuneration of various officers and director remuneration can be found in the Bank's remuneration policy published on the Tel Aviv Stock Exchange website and on the Israel Securities Authority website.

Effective Stakeholder Engagement:
FIBI Group has numerous and diverse stakeholders who affect and are affected by the Group's activities. With each stakeholder, the Group maintains contact and dialogue on various topics of particular interest to them through both direct and indirect dialogue channels. Within this framework, designated parties within the Bank are responsible for the dialogue and relationship with each stakeholder group. FIBI Group makes extensive efforts to listen to the needs of its stakeholders and to take them into account within the framework of its business activities. Dialogue is conducted through the relevant professional parties within FIBI Group for each stakeholder at the frequency and in the manner arising from the nature of the interface with that stakeholder. As part of routine work, FIBI Group integrates and embeds the positions of stakeholders where these assist in avoiding risks and creating positive value for stakeholders.

Stakeholder Engagement Framework

Stakeholders Group	Primary Dialog Channels - 2025
Customers	**Branches** The Group maintains direct contact with its customers through its branches spread across the country, offering a broad range of banking services in private banking, capital markets, and/or commercial customers. **Direct channels** The Group continuously promotes the use of online channels *(including website, mobile application, Banking Service Center (formerly Beinleumi CALL), SMS services, online mail services, and a marketing presence on social networks including Facebook, WhatsApp, Telegram, Instagram, and TikTok)* and works to open the broadest possible communication channels. **Conferences and workshops** The Group promotes dialogue with Bank customers through dozens of training sessions, conferences, and workshops held annually. Professional conferences are held for commercial customers, capital market customers, and retail customers. Dedicated conferences are held for various populations including teachers and education workers, the Haredi community, security forces, senior citizens, retirees, women, and immigrants from the former Soviet Union. These conferences, which include a variety of lectures on a wide range of topics, are delivered by experts from the Bank and external experts, in accordance with the needs arising in the ongoing dialogue with stakeholders. **Satisfaction Surveys** The various banks in the Bank Group conduct satisfaction surveys every year, adapted to the unique activity of each bank and its customers. Likewise, the banks in the Group conduct ongoing satisfaction surveys through SMS messages sent to customers after receiving service on all channels, alongside surveys conducted by third parties. **Inquiries and requests** The Bank's customers have various ways of contacting the Public Complaints Department in the bank, in proposals, requests, and complaints through the website, in writing, or by fax. Additional communication methods are through "Have Your Say" on the Bank's website and through the Facebook page; the Bank is careful to provide a response in a fast and efficient manner for customer satisfaction. Customers have the option to contact the bank, even anonymously, regarding aspects of integrity and aspects of issues related to the Code of Ethics. **Business Customers** FIBI maintains a direct relationship with its business customers through business area branches that provide comprehensive financial support for every business need. The Bank has also focused the existing potential in the business customer population, by segmentation into three sectors of activity (derived according to the volume of their business turnover): small, medium-commercial, and large businesses. For each sector, a manager is appointed whose role is to adapt the relevant products and services to the nature of the population and to provide an adequate response to their needs. Likewise, a direct and continuous relationship is maintained with the small and medium business sector through business units in branches and teams in the credit units at the headquarters. Additionally, the various digital channels offer services adapted to the needs of business customers, who can also utilize the services offered in the various digital channels.

Suppliers

Issuing newsletters
In the year 2025, a magazine about increasing awareness of information security and cyber protection was distributed to material suppliers.

Direct address for contractor employees for complaints and inquiries
The Bank's group procurement manager serves as a direct address for contractor employees for the submission of complaints and inquiries regarding any matter whatsoever.

Employees

Open HR line
A direct line for Group employees for inquiries on any subject to the officer for employee inquiries (and to the officer for sexual harassment when necessary) and a red telephone for internal audit; in both channels, it is also possible to contact in an anonymous manner. Likewise, the Human Resources Department is responsible for inquiries on ethics matters, which can also be made anonymously.

Feedback and performance assessment and evaluation conversations
The Bank Group views the employee evaluation process as one of the central processes in human capital management. Therefore, once a year, an evaluation process is held for Group employees by means of an evaluation conversation between the employee and their manager.

Employee-management meetings
In all the banks of the Bank Group, management meetings with employees are held, which include visits by the CEO and members of the management and senior managers in the branch network and in the various headquarters units.

Roundtables
Promotion of dialogue processes in a forum of roundtables on a variety of professional and organizational topics, in which management representatives participate with employees. The meetings also allow for acquaintance and strengthening of the connection and partnership between employees of the various organizational units, as well as deepening the employees' acquaintance with the Bank's goals, its vision, and its work plan. During the year 2025, 10 round table meetings were held, in the presence of approximately 300 employees and management members, for an open discussion on the topics of the Code of Ethics values: excellence, partnership, innovation, and community contribution.

Internal communication channels
Including the organizational portal of each bank in the Group and other communication means.

Conferences and workshops for managers and employees
Unique activity for manager development and improvement of organizational performance. The conferences and workshops deal with strengthening management capabilities, activating discussion teams on core banking topics and banking enrichment, as well as on current topics in the fields of banking activity.

Process improvement teams
Annual discussions that constitute a central means for receiving information, feedback, and suggestions for improvement in a variety of strategic and procedural topics, from the entire population of managers and authorized signatories. These discussions allow for productive dialogue between managers from the various bank units, from the branch network and headquarters units.

Efficiency Forum
Efficiency proposals from employees on various subjects.

Satisfaction surveys (Trend of Employee Wellbeing)
Every year the Bank conducts surveys to measure employee satisfaction with the intra-organizational service from units within the Bank. Additionally, in late 2025, the Bank conducted an employee satisfaction survey regarding the workplace, the conclusions of which will be published during the year 2026.

Shareholders and investors

Reports to the Stock Exchange and the Israel Securities Authority in accordance with the law
Updating the investing public and the shareholders of FIBI with full transparency and immediately.
- Financial statements.
- ESG report and relevant documents and policy summaries on various topics related to ESG aspects published publicly on the Bank's website.
- Risk reports.
- Investor relations website allowing full access to information.
- Mechanism of the General Assembly of shareholders.
- Dialogue (conference calls, meetings) with analysts and investors on a regular basis.
- Contacting the investor relations officer in the bank.

Society and Community

Close and ongoing relationship with non-profits and social organizations
FIBI Group manages a dialogue with various social organizations (for details see the Community Contribution chapter on page 73 in this report). Together with these organizations, we lead the various community involvement programs that the Bank Group conducts. Likewise, the Bank Group conducts periodic meetings with the organizations and submits reports on the subject to the management and the Board.

The Environment

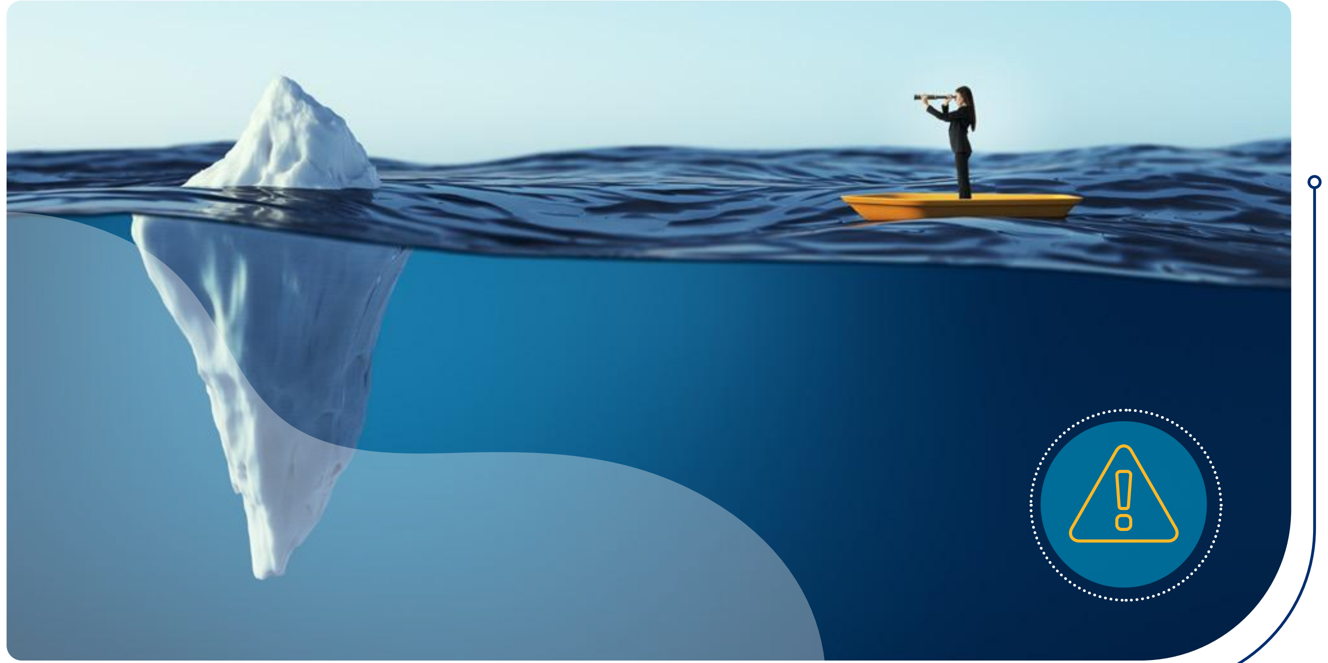
Measurement of the Bank Group's material impacts on the environment
The Bank Group utilizes relevant professional factors to assess its potential impact on the environment and the implementation of activities to reduce these impacts, both in its business activity and in its financing activity, directly and indirectly.

Government Authorities

Cooperation and continuous relationship
The Bank Group cooperates with the relevant government authorities, maintains contact with them, and is careful to update them with all relevant information. At the same time, the Bank Group does not express support for public positions and does not participate in the formulation of public and/or political policy.

Lobbying (LOBBYING)
The Bank's lobbying activity is conducted in accordance with Section XII of the Knesset Law, 1994, and the Bank's lobbying company reports on the Knesset website that the Bank is its client. The Bank does not donate to political purposes.

The Israel Association of Banks
the banks in the Bank Group are members of the Association of Banks in Israel.



Risk Governance and Risk Management Process

Alongside with all business activities, the Group's operations are accompanied by exposure to risks the principal among which are: credit risks (including sector and borrower concentration); market risks (the principal among which is interest rate risk); liquidity risks; operational risks (including cyber and information security risk, and information technology risk); compliance risk and anti-money laundering and counter-terrorism financing risk; strategic risk; legal risk; reputational risk; legislative and regulatory risk; and model risk. Effective risk management is an inseparable component of the Group's responsible business conduct and is carried out in accordance with Bank of Israel Directive 310 of the Supervisor of Banks and standard banking practice directives. The guiding principle for risk management at the Bank establishes that for every banking activity carrying risk, a risk management policy and risk appetite will be defined and characterized alongside limits on the scope of exposure, monitoring and control loops, reporting frameworks, and a mechanism for measuring and reporting on profitability.

FIBI views its risk management as a matter of critical importance and ensures the conduct of risk assessments on a periodic basis. A validation of risk assessments is conducted at the Bank once per quarter. In addition, a risk survey on operational risk topics is conducted once per year, and compliance surveys are conducted at the frequency required.

Board of Directors Oversight and Control

The Board of Directors formulates the overall risk strategy including the risk appetite, the risk management policy,

The Bank's risk management framework is guided by the principle that every banking activity involving risk must be supported by clearly defined policies and risk appetite, exposure limits, control and audit mechanisms, reporting processes, and systems for measuring and reporting performance and returns. The First International Bank considers effective risk management to be a matter of critical importance and conducts periodic risk assessment

and establishes standards for the management, measurement, monitoring, and reporting of exposure to the various risks. Board deliberations on material new activities also include risk aspects of these activities.
The Risk Management Committee of the Board of Directors oversees on an ongoing basis the Bank's and Group's exposure to risks and the Bank's and Group's compliance with risk management limits imposed by regulatory bodies and by the Board of Directors. In addition, the Committee oversees the risk management and control framework at the Bank.

The Board of Directors formulates desired standards of conduct and implements incentives that encourage professional and responsible behavior across all professional levels at the Bank establishing professional standards and the corporation's values. These values promote integrity and fairness as well as internal controls through, among other things, the establishment of an appropriate Ethics Code.

The Bank's Risk Management Mechanisms

Each material risk at the Bank is managed within the framework of a dedicated policy document establishing, among other things, the risk appetite for that risk.
The management and control of the various risks within the Group is conducted through three lines of defense:

First line of defense
maintained by those responsible for risk creation and management

Second line of defense
led by the Risk Management Division, the Legal Advisory unit, and the Chief Accountant Division
(other than the Planning Division, which is part of the first line of defense)

Third line of defense
maintained by the internal and external audit framework

The Chief Risk Officer (CRO) of the Bank is a Management Board member heading the Risk Management Division. The CRO bears responsibility for the risk management function and for the risk management framework across the entire organization. In addition, the CRO also serves as the operational risk manager, the officer responsible for internal enforcement in securities matters, and manages the business continuity domain. At the banking subsidiary (Bank Massad), a Chief Risk Officer serves reporting to the CEO of the subsidiary and professionally guided by the Group's CRO.

At each of the subsidiaries in the Group that operate a separate business activity, risk management is conducted in accordance with a policy established by the subsidiary's Board of Directors reflecting the nature of its activities and the overall Group policy.

Bank employees undergo ongoing training on various risk management topics, including information security, anti-money laundering, fraud and embezzlement, competition law, risk management, business conduct, and FATCA and CRS risks. An additional tool for risk management within the Group is the Bank's Ethics Code and the conduct of training sessions on it among employees.
For further information on risk management at FIBI Group, see the "Annual Financial Statements for 2025," chapter: "Risk Review".

Internal Audit

The Bank's internal audit framework evaluates within the audits it conducts at branches and headquarters the risk management process at the Group, the implementation of policy, and the actual execution of Board of Directors decisions across the various risk management dimensions. In addition, it evaluates the degree of alignment and the effectiveness and quality of control processes in use across the Group. The framework also conducts the independent review of the annual ICAAP (Internal Capital Adequacy Assessment Process) conducted at the Bank with the aim of challenging the process and examining the reliability and completeness of the data presented therein and its conformity with the requirements of the Banking Supervision Department.

The internal audit operates according to a multi-year work plan covering a period of four to five years, and an annual work plan derived from it encompassing all activities and entities of the Bank, including subsidiaries. The work plan is based on a systematic risk assessment methodology and takes into account, among other factors, the risk assessment as expressed in the ICAAP document, and the internal audit's assessments regarding risk focal points in the Bank's operations including various risk focal points and findings raised in prior audits conducted by internal audit and by external bodies. The work plan includes resource allocation and audit frequency in accordance with the risk level of the entity/activity being audited.

Internal audit work is carried out in accordance with various legal requirements including the Internal Audit Law, the Banking Ordinance, banking regulations, the Supervisor of Banks' directives and guidelines (including Bank of Israel Directive 307, which governs inter alia the function's roles, scope of activities, working methods, and reports to be submitted) as well as in accordance with professional standards established by the Institute of Internal Auditors (IIA).

Periodic reports of the internal audit including a monthly report, a semi-annual report, and an annual report are submitted to the CEO and Management Board members, members of the Audit Committee, and the Board Chairman. As a general rule, the Audit Committee of the Board of Directors convenes at least once per month overseeing the internal audit activities of the Bank.

The semi-annual and annual internal audit reports include a report on the execution of the work plan relative to plan,

Business continuity preparedness is essential for maintaining the Group's financial stability and its ability to withstand and continue operating during emergencies, disasters, or other disruptive events. The Group is committed to maintaining an appropriate level of preparedness for emergency situations as part of its responsibility to all stakeholders, including customers, employees, and investors

a list of all audit reports distributed during the reporting period, a report on the follow-up of deficiency correction arising from audit reports, and a summary of the material findings raised in audit reports along with an assessment of the effectiveness of internal control in the annual report.

The Bank's internal audit framework is independent reporting directly to the Board of Directors and constitutes a material component of the third line of defense in the Bank's organizational risk management structure.

Operational Resilience

The preparation for operational resilience (Business Continuity Planning) is a necessary factor for maintaining the Group's financial stability and its ability to survive and function also in times of emergency and in various disaster or failure situations. The Group adheres to appropriate preparedness for emergency situations out of its commitment to all its stakeholders, including customers, employees, and investors and in accordance with the provisions of Bank of Israel Directive 355. The Group's ongoing preparedness for operational resilience includes, among other things: updating the operational resilience plan through the development and embedding of comprehensive action plans and a supporting procedural infrastructure; a triennial business process analysis survey; analysis of emergency scenarios; preparation of adequate technological infrastructures for emergency situations; conducting drills simulating various emergency situations; and related training.

The Head of the Risk Management Division (CRO), a Management Board member, is responsible for coordinating the topic of operational risk management and preparedness for ensuring operational resilience at the Group level. The Bank maintains a Group situation room and a Group emergency preparedness forum chaired by the CRO which coordinates these activities across the entire Group. The emergency preparedness forum convenes at least once per quarter and is responsible for implementing policy, procedures, and monitoring the Group's preparedness for various emergency situations. In addition, a quarterly briefing is conducted with Management on the topic of operational resilience and emergency preparedness, as well as a quarterly briefing within the risk document submitted to Management and to the Board of Directors. The Board of Directors and the Risk Management Committee receive quarterly reports on operational resilience and emergency preparedness.

The Bank maintains an ongoing process to improve operational resilience preparedness within which the mapping of all critical activities and resources required in an emergency situation are updated, and emergency scenarios and the policy document are also updated accordingly. The Bank examines the situation on an ongoing basis and makes operational adjustments as required.

During 2024, FIBI Group approved a policy document and operational resilience management framework within which the objectives and targets in this area were defined, alongside the manner of their implementation, areas of responsibility and authority, the Group's activities to maintain readiness levels, a detailed list of emergency scenarios and failure situations, and the work and reporting framework for operational resilience management. The framework and its implementation are validated annually by the management of each of the banks in the Group and by the Board of Directors or one of its committees.

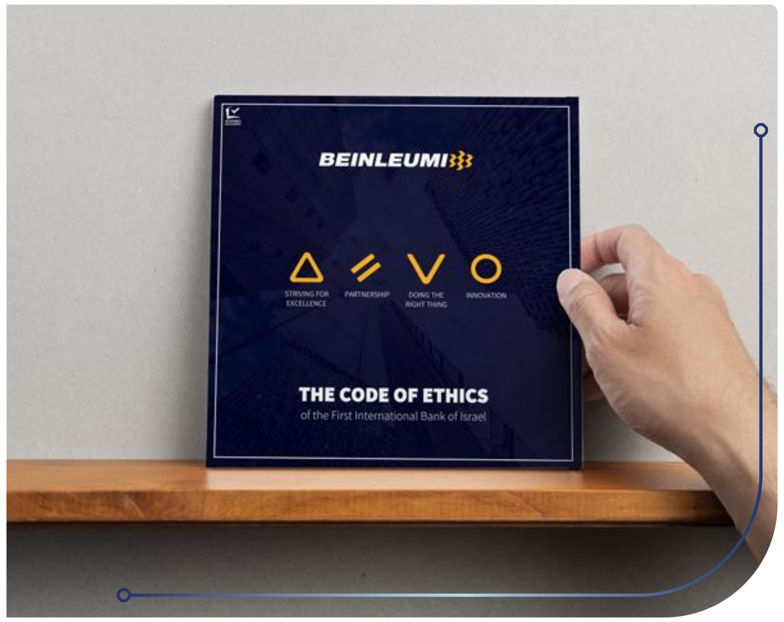
It is noted in this context that the core branches of the Bank and the customer service and support network foremost among them digital and telephone service channels continued to provide service to Bank customers also during intensive combat periods in 2025 including during the days of Operation "Rising Lion" with the Bank making required adjustments to continue providing continuous service also in times of emergency.

Leading and Emerging Risks

Leading and emerging risks are derived from the business operating environment of FIBI Group and include risks that may arise in new areas, or new risk focal points in existing areas arising, among other things, from changes in the environment affecting banking activity domains including regulatory, security, competitive, digital, and other environments. The following are the principal leading and emerging risks:

- Macroeconomic risk
- Strategic risk and business model risk
- Regulatory risk
- Compliance risk
- Cyber and information security risks (as part of operational risk)
- Information technology risk (as part of operational risk)
- Environmental and climate-related risks

The Bank, as noted, is preparing for the implementation of Bank of Israel Directive 345 "Principles for the Effective Management of Climate-Related Financial Risks" published by the Bank of Israel in June 2023, which will enter into force in June 2026. Towards the end of 2025, the Bank defined local systemic risk (which is a macroeconomic and geopolitical-security risk) within the framework of the Bank's principal risk drivers.



Ethics, Regulatory Compliance, and Preservation of Integrity

Ethics - The Values Compass of FIBI

Target Status 2025:

Target: In addition to biennial Ethics Code embedding processes, at least 2,500 employees will receive quarterly ethics refresher communications.

Status: Completed.

Quarterly refresher communications issued to all Bank employees during 2025. New ethics e-learning module distributed in late 2025.

FIBI Group operates and promotes a culture of ethics and social responsibility which serves as the foundation and cornerstone of all relationships and spheres of influence of the Group vis-à-vis employees, customers, suppliers, competitors, the community, and the environment.

FIBI's Code of Ethics (code of conduct) constitutes a binding values framework ensuring responsible, fair, and transparent management across all areas of the Bank's operations. The Code serves as a values compass for employees and managers reinforcing the commitment to delivering high-quality service to customers while upholding the principles of integrity, fairness, equality, and mutual respect. During 2024, the Bank's Ethics Code was updated in collaboration with Bank employees, and its core values were established:

- **Doing the right thing:** Acting with integrity, transparency, fairness, and responsibility in every interaction while adhering to the law, procedures, and regulations, and maintaining dignity and equality
- **Excellence:** Constant aspiration for improvement, continuous learning, and pursuit of the highest standards in service and quality
- **Partnership:** Listening to the needs and desires of all stakeholders and commitment to mutual success
- **Innovation:** Encouragement of creative thinking and finding new ways to improve work processes, platforms, and services – with the aim of generating an exceptional customer experience

STRIVING FOR EXCELLENCE | PARTNERSHIP | DOING THE RIGHT THING | INNOVATION

The Ethics Code at FIBI provides clear tools and mechanisms for coping with ethical dilemmas arising in the Bank's ongoing operations. Through clear guidelines, reporting channels, advisory, and an ethical decision-making model, the Code ensures transparent and responsible conduct consistent with the Bank's values and the needs of stakeholders.

In 2025, two ethics committee sessions were convened as required by issues arising in the field. The first addressed loans between employees and within its framework it was decided that the employee loans circular would be refreshed, specifying that loans between employees (at any amount) must be reported to human resources and to the direct manager. The second addressed activity between employees and related-party reporting with the emphasis on retrospective reporting and the committee decided to issue a refresher of the relevant circular as well as periodic refresher communications to all employees.

Further details on the Bank's values, how employees are expected to conduct themselves, responsibility for Ethics Code embedding, and ways of reporting ethics violations can be found in the Ethics Code published on the Bank's website.

In addition to the Group-level Ethics Code, each of the subsidiaries in the Group Mataf and Bank Massad has a dedicated and tailored Ethics Code. The Mataf Ethics Code is based on a set of values that Mataf's employees and managers must act in accordance with and aspire to maintain both within Mataf and vis-à-vis customers, the community, suppliers, and others. The organizational values were aligned in 2025 with the Bank's values and once per quarter, a course for new employees is held at Mataf at which the values are explained by one of Mataf's Management members. The Bank Massad Ethics Code was updated during 2024 in accordance with the changes and updates to the Group-level Ethics Code.

Ethics Code Embedding Activities
Throughout 2025, FIBI Bank continued its extensive process of establishing and implementing the renewed Code of Ethics and strengthening the Bank's values and organizational

culture among its employees. The Bank conducted refresher activities regarding the Bank's core values for all its employees, at least once per quarter, and distributed a new learning module on the Code of Ethics.

The learning module addresses, among other things, the implementation of the Bank's core values and demonstrates to employees our belief in:

- creative thinking and innovative solutions, meaning that employees should diversify and improve work processes, platforms, and services to enhance the customer experience and encourage creative initiatives within the Bank, while challenging existing perceptions and identifying new trends and adapting existing frameworks to the changing reality;
- acting with integrity and responsibility, fairness, respect, transparency, and based on data and value systems to build trust with stakeholders, including customers, suppliers, and employees;
- striving for partnership with customers, employees, and suppliers, listening to their needs and desires, and treating every partner with respect and appreciation;
- striving for improvement, learning, and seeing the big picture, and serving as a professional, accurate, efficient, and clear point of contact that provides real value to our partners.
- Additionally, a Dilemma Book exists on the corporate portal, describing the management and resolution of potential dilemmas in banking work. At least once every three years, Group employees undergo digital training regarding the Code of Ethics as part of a refresher of their familiarity with the subject. Every new employee in the Group learns the Code of Ethics upon joining their role and participates in an orientation day where Code of Ethics content is delivered, along with detailed explanations regarding the expected conduct of a Bank employee. During 2025, 235 new employees completed the Bank's ethics learning module.

Whistleblowing Mechanisms

FIBI attaches importance to the existence of continuous reporting channels regarding ethical aspects through multiple avenues, and views its employees as committed partners in reporting any irregular activity. The Bank employees may reach out anonymously to one of the ethics bodies (Ethics Committee members, Ethics Officer, or Ethics Designee) for consultation or to report unethical conduct; the identity of those reporting will remain confidential. Such reports can be made verbally or in writing via one of the following methods: through the Ethics Portal on the Human Resources website, via a dedicated telephone line, through internal mail or email to the Ethics Officer, or by contacting the Operational Risk Management Unit regarding Group failure incidents. Contact methods and the names of the Ethics Committee members are published through various means within the internal communication system and via various employee implementation tools. Additionally, the Bank maintains an "Open Door" policy, under which all Bank employees, at any level, may initiate a personal meeting or telephone call with Division Heads or the Bank's CEO, even without reporting such actions to their direct managers.

To ensure that their rights are not violated due to filing a complaint, individuals may also approach the ethics bodies anonymously and/or seek an objective and independent party in cases where suspicion arises regarding significant irregularities concerning the Bank's business management, integrity, and financial reporting controls. To this end, the Board of Directors of FIBI and the Board of Directors of Massad Bank have appointed the Head of the Finance and Capital Markets Department within the Internal Audit function as the designee for Group employee complaints, working alongside the Head of the Resources Division to provide protection to employees who have filed complaints.

Every inquiry from a Bank employee to any of the reporting channels is handled in a uniform, rapid, and efficient manner, while providing the option for absolute confidentiality. Employees who raise concerns or report violations regarding bribery and corruption do not suffer any prejudice to their status and/or position as a result of the report, and the Bank maintains a zero-tolerance policy toward retaliation against whistleblowers.

Furthermore, the Bank has appointed officers whose role is to provide protection to employees who complained and disclosed irregularities, ensuring they are not retaliated against and that their rights are not violated due to the submission of the complaint. As stated, an employee shall not be harmed for submitting a complaint in accordance with the Bank's procedure on this matter, or for assisting another employee in submitting a complaint according to this procedure, provided that the complaint or the assistance in filing it was made in good faith and that the complaint was submitted regarding a violation of law and/or procedure applicable to the Bank's business or activities, and/or due to a breach of integrity, the Code of Ethics, or the proper management of the Bank, or if the complaint was submitted regarding other acts that could have an implication or impact on the Bank and/or on the activities of the Bank employee.

Within the framework of the Bank's procedures and the promotion of values of integrity, fairness, reliability, transparency, and openness, the Bank ensures that all its stakeholders, including the general public, employees, customers, suppliers, and others, can contact the Bank's Internal Audit regarding matters of integrity, embezzlement, and fraud (distinct from contacting the Public Inquiries Unit). In any case where suspicion arises regarding irregular conduct related to the Bank's business management in aspects of integrity, the open referral channels for the public to contact Internal Audit are: the website, via an online form; mail to Rothschild 42, Tel Aviv, Zip Code 6688307, addressed to Internal Audit and specifically to the Head of Public Inquiries for Internal Audit; and via a voicemail service for leaving messages for Internal Audit only at the telephone number: 03-5183981. There is no necessity to leave identifying details, and inquiries may be made anonymously.

As mentioned, the referral to Internal Audit occurs only in the event of suspicion regarding irregularities strictly in the aspect of integrity. It is not intended to replace contacting the Public Inquiries Unit, which can be reached, among other ways, via the website. In 2025, two Ethics Committee meetings were held at FIBI, in accordance with the needs arising from the field. No additional inquiries or reports were received by the Group's ethics bodies. Once a year, a reminder circular regarding the existence of the procedure for the designee for integrity-related complaints is published to all Bank employees.

Reporting Channels:

Open Reporting:

- Ethics Officer: Ms. Danit Barzilay | D.Barzilay@fibi.co.il | 03-5196544
- Direct or Indirect Supervisors
- Internal Audit (regarding integrity matters)
- Human Resources Department
- Compliance Officer for Securities Law (regarding internal securities enforcement matters)
- Operational Risk Management Unit (regarding Group failure incidents)

Anonymous Reporting:

- Via internal mail to the Ethics Officer in the Human Resources Department. The inquiry must be as clear and detailed as possible to ensure that the circumstances and details of the case are transparent and unambiguous.
- Additionally, when suspicion arises regarding irregularities concerning the Bank's business management, integrity, and financial reporting controls, all Group employees may report such matters either directly or anonymously via the anonymous line: FIBI and Masad - 03-5183981.
- In cases of sexual harassment, please submit an open or anonymous report to the Sexual Harassment Prevention Officer: Dr. Moriah Hoftman-Doron, Adv.

Regulatory Compliance

FIBI Group as part of the Israeli banking system is subject to a wide-ranging system of legislation and regulation governing the banking sector, in addition to additional legislative systems governing the Group's activities in various areas such as activity as a publicly listed company, capital market activity, mortgage activity, and more. Additional laws on specific topics impose specific obligations and provisions on the entire banking system for example: anti-money laundering and counter-terrorism financing laws, the Credit Data Law, legislation in the area of data privacy protection, and more. The Group's compliance framework under the leadership of the Group Chief Compliance Officer (CCO) and with the assistance of compliance officers at branches is responsible for verifying the implementation of applicable law including an internal enforcement framework conducting, among other things, ongoing controls and training in these areas. The Group's compliance framework participates in the formulation of work processes through the approval of procedures and circulars, approval of new products, systems, and processes and in advising on aspects of fair disclosure, sound business conduct, anti-money laundering and counter-terrorism financing, and more.

In order to embed the Bank's compliance policy and reduce risk, the Bank invests in programs and training for employees and managers designed to maintain and improve their professionalism. During 2025, diverse training sessions were conducted, including:

- 14 types of professional training in various compliance areas in accordance with the focus and development of risks relative to the role and responsibility of participants within the framework of ongoing banking courses
- Study days for all branch managers and those engaged in compliance at branches
- 7 study days and workshops on various compliance topics designed for those directly engaged in compliance at headquarters and other relevant units including: legal issues in compliance and AML, compliance challenges in the security sphere, data privacy, terrorist financing, and more

In addition, the compliance framework holds a quarterly forum to monitor compliance directives alongside an annual forum for compliance risk managers who are not part of the compliance function and constitute the second line of defense designed to address compliance risks and strengthen working interfaces.

All employees of FIBI Group can contact directly by telephone, email, or through dedicated systems the Group CCO and/or the compliance framework for the purpose of receiving professional advice and/or for reporting compliance deficiencies. In 2025, to the best of the Bank's knowledge, no fines or regulatory sanctions were imposed on the Bank as a result of compliance violations.

Further details on policy, risk appetite, exposure management, and the compliance domain at the Group can be found in the Risk Report 2025.

Compliance Risk

Compliance risk is an inseparable part of the core operations of the banking corporation and the shaping of the organizational environment and culture touching on most of the Bank's processes and products. FIBI Group operates within the framework of laws and regulations applicable to the banking system in Israel and is supervised by several regulatory bodies foremost among them the Bank of Israel. Additional bodies responsible for the regulation applicable to the Bank's activities include, among others: the Capital Market Authority, the Anti-Money Laundering Authority, the Competition Authority, the Israel Securities Authority, the Israel Tax Authority, and

As part of Israel's banking system, the Bank Group operates within a comprehensive legislative and regulatory framework governing the banking sector. In addition, the Group is subject to various other legal and regulatory requirements that govern its activities in specific areas, including its operations as a publicly traded company, its activities in the capital markets, mortgage lending, and other areas of financial services

more. In a broader perspective, the Bank is also exposed to the directives of regulatory bodies in other countries (CROSS BORDER).

Alongside this, the Bank also manages conduct risk (Conduct Risk) a cross-organizational risk arising from a long series of legal and regulatory provisions built on foundational values such as fairness, equity, prevention of discrimination, and transparency in the manner in which the Bank conducts itself vis-à-vis its various stakeholders. As a consequence, the management of conduct risk requires a cross-functional perspective and an organizational culture that places the customer and business fairness and reliability at the heart of decision-making processes made both by Group management and by business lines and risk-taking units.

In these aspects, the Bank manages and operates, among other things, to maintain compliance with all laws and codes of conduct applicable to its various banking activities, in accordance with the provisions of Proper Banking Procedure 308. The Bank has adopted internal enforcement programs regarding securities laws and economic competition laws. The Bank's Board of Directors approves the Compliance Department's annual work plan once a year. Below is a summary of the Bank's compliance policy:

The policy establishes, among other things, the compliance values promoted by the Bank, serves as a guiding principle for the activities of all entities within the Bank in managing compliance risks in general and adhering to the complex of regulatory instructions in particular, outlines principles and fundamental guidelines, and defines the authorities and areas of responsibility of the various parties within the Bank and the Group to build an appropriate infrastructure for implementing the obligations applicable to the Bank and the Group in the field of compliance and organizing them into procedures and processes.

The Bank and the Group have adopted a policy of extreme diligence regarding compliance risk. With respect to violations of statutory provisions and Bank procedures related to legal requirements, the Group complies with the applicable compliance instructions and works to ensure adherence by all Group employees. All the Group's business dealings are conducted in accordance with the Bank's procedures, the Code of Ethics, and in compliance with all laws and regulations. The Group works to implement an organizational culture and standards of integrity and ethics as an essential basis for maintaining a culture of compliance at all levels of the organization.

The impact of compliance risk, anti-money laundering, and countering the financing of terrorism affects all areas of the Bank's activities, including administrative enforcement and local and international regulation in taxation fields, including FATCA and CRS. The Bank's Compliance Department, which reports to the Chief Compliance Officer, serves as an independent function responsible for managing compliance risk in the Bank. The department performs controls, with an emphasis on detecting "red flags" arising in connection with suspicious activity regarding compliance, anti-money laundering, and countering the financing of terrorism.

Furthermore, the Chief Compliance Officer is appointed as the Responsible Officer (RO) for the implementation of legislative rules and instructions in the field of FATCA, which aims to enforce reporting mechanisms regarding accounts held by U.S. persons outside the United States; as the RO for examining the implementation of the Qualified Intermediary (QI) agreement, which expands reporting and withholding tax requirements on certain payments from American accounts to other accounts with income from U.S. sources; and is also responsible for ensuring the implementation of the CRS (Common Reporting Standard) rules, which, similar to FATCA, regulate the exchange of information between countries that have an agreement for information exchange regarding the financial accounts of residents for the tax purposes of those countries.

Sanctions Compliance

For years, Western countries led by the United States have used sanctions programs to advance geopolitical objectives including deterrence and punishment of countries violating the international order, prevention of terrorist financing, reduction of human trafficking and drug trade, protection of human rights, and more. The Bank is required to comply with significant portions of sanctions requirements even where the State of Israel is not a party to their imposition or implementation. The Bank's compliance unit operates in accordance with the compliance policy which also refers to sanctions supported by external advisory provided by a professional and leading party in the field.

In addition, following the Iron Swords War that broke out in 2023, the Bank added monitoring activities and controls and, in some cases, implemented blocks on activity vis-à-vis associations suspected of connection to terrorist financing *(no accounts of these associations themselves were found at the Bank)*. In parallel, controls were tightened and procedures were sharpened in training and in Bank procedures on the topic of prohibition of terrorist financing in particular activity involving the Gaza Strip. During 2025 as part of the need to

The Bank's Compliance Department, which reports to the Chief Compliance Officer, operates as an independent function responsible for managing compliance risk across the Bank. The department conducts monitoring and control activities, with a particular focus on identifying "red flags" and suspicious indicators related to compliance matters, anti-money laundering (AML), and counter-terrorist financing (CTF) requirements.

sharpen responses a refreshed e-learning module on the prohibition of terrorist financing was redistributed to all Bank employees, alongside a new e-learning module on activity in connection with international sanctions regimes. These modules are defined as mandatory, and the completion rate is 100%.

Tax Policy (Tax Strategy and Governance)

The Bank manages its tax policy at the Group level and pays tax in accordance with legal requirements and in accordance with all provisions, laws, rules, and guidelines while ensuring cooperation with the relevant tax and legal authorities and implementing compliance, disclosure, and reporting provisions in full coordination with these authorities. For further information, see the Bank's Annual Report and the Bank's website "Tax Policy of FIBI Group".

Preservation of Integrity

FIBI places high importance on maintaining integrity and preventing instances of corruption throughout the activities of the various banks within the Group, from the Board of Directors and management down to the employees. Accordingly, the Group promotes mechanisms and workflows to prevent incidents in these areas through risk assessment processes and oversight thereof, in a manner that ensures comprehensive and thorough handling of incidents in these domains

These mechanisms are similar in nature to the Group's general risk management mechanisms and include a first line of defense maintained by every employee and manager in the Group, a second line of defense managed by the Risk Management Division, and a third line of defense managed by the Group's Internal Audit function. Further details can be found in the Group's Risk Report.
Additional measures to safeguard integrity include:

- Incorporating an "Objection No" requirement from the Chief Compliance Officer and Internal Audit prior to the appointment of a manager at any hierarchical level, depending on the role.
- Mapping of embezzlement and fraud risks is performed as part of operational risk surveys across all units in the Group, accompanied and challenged by the Operational Risk Management Unit, including monitoring the implementation of recommendations. Furthermore, risk analysis is conducted for new products and new activities to identify material risk centers, including embezzlement and fraud risks.

As previously stated, the Bank maintains a mechanism that allows the general public, including customers, suppliers, and employees to report irregular activities of the Bank and its employees, including cases involving suspicions regarding integrity. A complaint may be submitted via letter, email, through the Bank's website, or via telephone through the anonymous line, whether as an anonymous or non-anonymous complaint. All information reaching Internal Audit, both within the framework of ongoing audits and controls and within the framework of complaints received by the Employee Complaints Designee, as well as any complaint that reaches any other entity within the Bank, is examined and handled accordingly. If necessary, an audit report and a lesson-learned report regarding the incident are prepared. The determination of whether to take further steps is brought to a dedicated committee chaired by the Head of the Resources and Financial Management Division, with the participation of executive management members and other senior managers. The committee recommends the method of disciplinary action for employees found responsible for deficiencies in the audit reports on the matter.

Anti-Bribery, Anti-Corruption Policy and Crime Prevention: Business Policy/Procedures: the Bank employs a variety of measures to manage, monitor, and report exposure to risks related to anti-money laundering and countering the financing of terrorism, insider trading, bribery, and corruption. In 2025, no sanctions or other penalties were imposed on the Bank for violating regulations regarding anti-money laundering and countering the financing of terrorism, insider trading, bribery, or corruption, and to the best of the Bank's knowledge, no instances of money laundering, terrorist financing, insider trading, or bribery and corruption occurred.

Prevention of Conflict of Interest

A central risk to integrity may arise from the existence of a conflict of interest. To address this risk, a conflict-of- interest prevention procedure is implemented within the Bank Group, which specifies permitted and prohibited actions regarding relations with customers and suppliers, applicable to all Group employees. The procedure emphasizes the prevention of personal transactions with customers and suppliers, except in exceptional cases which shall be discussed by the Bank's Ethics Committee; proper management in the case of accounts belonging to related parties; and clear processes to prevent conflicts of interest for office holders, including detailed rules regarding the disclosure of related parties and the Bank's handling of the matter.

In 2025, to the best of the Bank's knowledge, no incidents occurred in which Bank employees acted amidst a conflict of interest.

Regarding legal proceedings involving the Bank, please refer to the details provided in Note 25 in the Bank's Annual Report for 2025.

Fair treatment of customers is a core value in FIBI Group. The Group is diligent about fairness and transparency in all banking products and services offered. FIBI Group believes that the key to forging long-term relationships with customers is to provide professional, fair, courteous and efficient service

Fairness

Fairness in Products, Services, and Marketing

The Banking Supervision Department works to embed a culture of customer fairness and optimal and inclusive service levels as part of its vision of advancing public welfare through maintaining the stability and fairness of the banking system through professional, leading, and transparent supervision.

In accordance with the Supervisor of Banks' approach and from a view of customer welfare as an inseparable component of business considerations, and a belief in the importance of establishing long-term relationships with the customer public FIBI Group places the value of fairness toward its customers as a first-order, cross-organizational value. The Group ensures fair and transparent conduct across all banking products and services it offers. The Group fulfills all disclosure obligations required by law and works to maintain customer satisfaction. The Group holds that the key to creating long-term customer relationships is the provision of professional, fair, courteous, and efficient service with continuous monitoring to ensure that the diverse customers of the Group's various banks receive added value from the products and services the Group offers.

As an inherent part of the Bank's policy on customer service and support, the Bank has defined for itself and for all its employees and managers service values including adherence to integrity, fairness, and reliability. Within this framework, the Bank has committed to these values alongside adherence to transparency vis-à-vis the customer.

FIBI Group is subject to a range of laws and regulations regarding fairness in the provision of banking services and products, and in the management of various operational and business processes. The products and services in FIBI Group are designed, developed, and offered to the customer public with constant awareness of the obligation to comply with the full range of laws and regulations to which the Group is subject. For information on the control mechanisms applied to ensure compliance with these obligations, see the regulatory compliance chapter as well as the principles document published on the Group's website. The Bank works to ensure that beyond the legal and regulatory requirements it complies with, the principles of fairness and ethics that it has committed to are implemented from a deeply-held value perspective that will guide its business conduct across all activity channels and communications with stakeholders.

In product development and service provision, the Bank adheres to procedures and control mechanisms that place customer welfare, characteristics, and needs at the forefront, in particular in the context of financial advisory services designed to assist customers in making beneficial long-term decisions.

In marketing activities as well, the Bank continues to implement this principled approach. The Bank ensures that all marketing and advertising messages published on behalf of FIBI Group comply with applicable law and include all information required for decision-making free of any misleading content or appearance of unfairness. This is also a tool for reputational risk management and reflects the desire to manage and preserve the positive brand and reputation of FIBI Group. Within this framework, the Bank works to make complex financial information accessible in clear, simple, and responsible language, enabling every customer to make informed decisions while avoiding aggressive sales practices and adhering to the adaptation of products to customer needs. The Bank adheres to equitable and respectful marketing avoiding gender stereotypes and is committed to making financial services and tools accessible to all sectors of society with the aim of reducing gaps and encouraging economic independence among diverse populations.

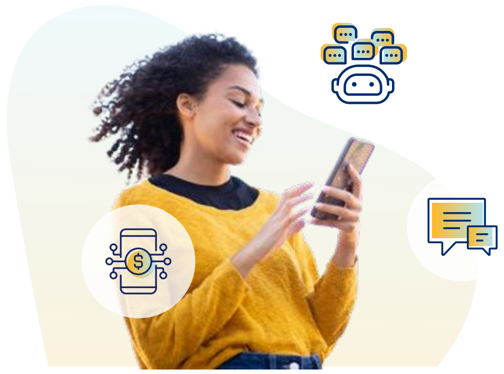
We at the Bank are committed to providing service to customers from the values of integrity, fairness, reliability, human dignity, and equality. We aspire to grow while strengthening our position as the preferred and trusted venue for our customers for the consumption of banking services tailored to their needs. We are committed to providing services with professionalism and excellence with initiative and innovation and in adaptation to the evolving banking environment while maintaining proportionate risk levels and all of this with responsibility, commitment, and in a reliable, open, and transparent manner toward our customers.

FIBI possesses a long line of service values:

- Integrity;
- Fairness and reliability;
- Responsibility and commitment;
- Initiative and innovation;
- Availability and efficiency;
- Up-to-date and customer-tailored services;
- Transparency and openness;
- Excellence and professionalism;
- Human dignity and equality.

For additional information regarding the guidelines governing the Bank's fairness in service provision can be found in the FIBI Service Charter, which is available on the Bank's website.

In 2025, consistent with FIBI Group's reputation for adherence to legal requirements and customer fairness, no fines were imposed on FIBI Group, and no other sanctions were taken against the Group due to non-compliance with laws and regulations on marketing and marketing communications.



The Group operates on two technological axes at the same time: developing advanced technologies and IT infrastructures for high-quality digital banking services, alongside identifying innovative technologies and promoting collaborations with fintech companies

Innovation

Innovation in Products and Services

FIBI Group invests significant resources in embedding advanced financial technologies with the aim of generating value for its customers, including, among other things, improvements in customer experience and communication options, investment advisory services in the capital market, the adaptation of services to the unique needs of customers, and information security at the highest standards.

To this end and alongside sustained, deep adherence to making all services accessible to all customers, including populations that do not adopt technological tools, the Group operates on two parallel technological axes: the development of advanced technologies and IT infrastructure for high-quality digital banking services, alongside the identification of innovative technologies and the promotion of collaborations with fintech companies. In this way, the Group also contributes to the development of the high-tech industry in Israel the "locomotive" of the Israeli economy.

One of the Group's focal areas in the innovation domain is the expansion of the availability of digital banking services with the aim of enabling customers to conduct transactions quickly and efficiently through the Bank's website and application without the need for a physical branch visit. To assist customers in accessing digital services, selected Bank branches are staffed with service attendants who guide customers in their use in addition to assistance through telephone response, written communications, and automated chat services. In addition, the Bank operates the "Fibi" (insights) service based on a platform by Personetics which assists customers in day-to-day management of their finances alongside the Fibi Wise system which assists in the long-term management of the customer's assets through a holistic view of the customer's investments and savings.

As the leading bank in capital market trading, many of the Bank's innovation solutions relate to this area of content. The Bank provides decision-support tools in the capital market including an alerts and strategies system, a mobile investment advisory access service, the display of analyst analyses, ESG analyses, shareholder analyses, news sentiment analysis, quarterly report accessibility for listed companies via AI, and a financial target planning system all through internal developments and collaborations with Israeli startups.

Key Activities in 2025

In 2025 as well, the volume of retail customers' use of digital services continued to be high with more than 88% of transactions conducted on the website or application. The rate of subscribers to the Bank's digital services stands at more than 92%.

In 2025 as well, the Bank continued developing, improving, and expanding the digital services offered to its diverse customers:

- Improving digital services for private customers: Among the online features added during the year are increasing credit limits via the app and website; receiving P2P payment requests; canceling checks via the website and app; and receiving OTP (One-Time Password) via push notifications, primarily serving customers residing abroad.

88%+ of operations being carried out on the website and app

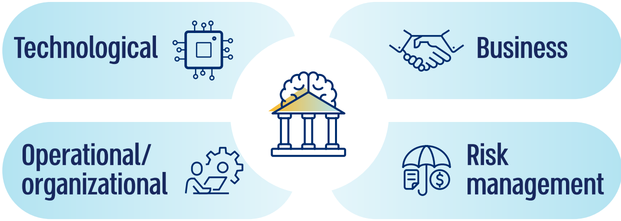
92%+ The rate of subscriptions for the bank's digital services

- Improving digital services for business customers: Submitting short-term loan applications digitally.
- This marks the fourth consecutive year that the Bank has held the "FIBI Day Fintech" conference, this time focusing on Artificial Intelligence in financial services. FIBI's "MultiBank" service, which provides financial data aggregation for the benefit of customers, was expanded in 2025 to include receiving deposit and credit card data from banks and credit card companies, as well as receiving securities data within the banking system.
- Improving digital services for capital market customers: Presenting ESG analysis and rating tools alongside an upgrade to the capital market area on the website, including advanced graphs for technical analysis.

Deliberate and Determined Integration of AI in Bank Operations

In 2025, FIBI placed emphasis on expanding activities in the domains of ML (Machine Learning) and AI (Artificial Intelligence) from the Bank's view of the great value embedded in making data and AI applications accessible for the purpose of improving customer experience, operational efficiency, risk management, and more. Within this framework, ML applications have been implemented among other areas in the field of anti-money laundering and in tools for examining customer satisfaction levels.

During 2025, a strategic AI roadmap was defined at the Bank in the domain of Generative AI (Gen AI). This roadmap defined four central work streams:



As part of the Bank's roadmap for Gen AI applications, the Bank began examining the use of general AI tools for employees and launched a pilot on CoPilot Web. In parallel, the R&D department at Mataf the Group's IT division developed a tool for querying internal documents. Alongside this, the roadmap defines the development of dedicated Gen AI applications for achieving business objectives, such as the implementation of call transcription and summarization for the purpose of improving customer experience and operational productivity.

In addition to the technological and business work streams in the AI strategy, an organizational AI use policy was also defined governing the principles for responsible and safe use of AI technologies including the protection of privacy and information security, protection of organizational systems against cyber risks, and the reduction of risks of potential biases in automated processes and decision-making. These principles are integrated into relevant work processes and serve as the basis for ongoing examination of AI applications within the organization.

It should be noted that given the unique risks embedded in the development of AI applications significant attention was also given at the Bank to statistical model risks inaccuracies, biases, errors, and "hallucinations" (situations in which AI tools provide incorrect information) alongside operational risks from the areas of information security and cyber, potential fraud, and regulatory risks disclosure and notification obligations, privacy and personal data protection, discrimination against vulnerable groups, intellectual property and copyright risks. All of these are particularly relevant for the banking system, which also faces the necessity of ensuring that AI tools do not create competition risk or damage the financial stability of the Bank and its customers.

On the organizational axis during 2025, the Bank provided employees with workshops to improve productivity through AI: "Generative AI (Gen AI)" and "Advanced Gen AI" alongside digital literacy courses and additional skills relevant to the world of AI. In addition, given the growing use of artificial intelligence in the market, and as part of FIBI Group's commitment to adopting innovation and efficiency in its risk management, the Group currently makes use of AI applications in anti-money laundering with the aim of improving the AML process; vis-à-vis the customer and improving productivity at the Bank. As noted above, the Bank also provides its customers with a decision-support tool based on AI serving the production of digital analyses of Israeli and international equities.

In 2025, FIBI also placed particular emphasis on promoting innovation among all its employees and managers. Within this framework, the Board of Directors received reviews on developments and trends in the areas of innovation and digital and deliberated on innovation topics as part of the annual work plans. In addition, the Bank incorporated extensive reference to the topic of innovation in the new Ethics Code and held an "Innovation Week" for employees comprising a competition for innovation initiatives and ideas by Bank employees and managers. Some of the ideas presented in this competition were even selected for implementation. As part of employee development, the Bank significantly expanded its portfolio of training and workshops in the area of innovation and entrepreneurship for employees and managers including, AI workshops in collaboration with Microsoft and a digital innovation workshop in collaboration with Amazon.

Fintech companies in the field of financial innovation, the Bank collaborated with throughout 2025:

LEVENT, scanovate, finnovest, Blings, personetics, TipRanks, BRIDGEWISE, transmit security

Investing in Convenience – New Channels for Account Management

In 2025, FIBI continued to develop and strengthen the operations of the ME Branch,FIBI's digital branch, which began operating at the end of 2023. The branch is adapted to the needs and preferences of customers offering high-quality, available, online, and accessible service.

Upon joining the ME Branch, customers are enrolled in the Hi Digital benefits track *(or an alternative track of their choice)* including significant benefits in the current account, securities trading, and foreign exchange activities. Alongside this, customers benefit from longer response hours than customary at physical branches, a personal and dedicated banking team that responds to the customer within the same business day in accordance with service terms, and the ability to schedule a telephone meeting with a banker through the WhatsApp application.

The digital branch also provides courier services and the EXTRA service including personal monitoring of account events and the provision of tailored alerts and recommendations via SMS or application. The ME Branch is in a stage of accelerated growth demonstrating the Bank's commitment to leading an advanced digital service experience based on the combination of innovative technology and personal, available banker accompaniment.

Digital Prepaid Wallet BEYOND

In 2025, the Bank launched the digital prepaid wallet service providing FIBI's BEYOND loyalty club customers with a fixed and significant discount at a range of retail chains and businesses. The prepaid wallet provides customers with a 16% fixed discount on every top-up for a range of domestic chains and businesses, as well as a 5% discount on food chain top-ups. With every top-up, the user accumulates points redeemable for purchases in the aviation and tourism sectors. The prepaid wallet service is the first of its kind in the banking system and enables the development of the FIBI BEYOND program, which has been active at the Bank since 2021.

IT Excellence - Excellence and Innovation in IT

Mataf recorded a significant achievement in the Israeli technological innovation arena this year. Within the framework of the IT Awards 2025 competition organized by "Anashim VeMachshevim" ("People and Computers") magazine Mataf projects won 16 prizes. This is a significant leap relative to prior years reflecting Mataf as a leading technological body contributing to the strengthening of the Bank›s overall innovative standing.

The winning projects relate to a range of domains, including AI and self-service solutions, digital customer initiatives, core credit and management developments, cloud-based services, and advanced automation for work process improvement. This diversity demonstrates the organization›s ability to drive holistic innovation from improving customer experience, through operational process efficiency, to the development of advanced technological infrastructure.

Privacy and Data Security

FIBI Group attributes great importance to the protection of information security for its customers and maintains a defined information security and cyber policy approved by Management and the Board of Directors at the various banks and companies within FIBI Group. FIBI Group places value on protecting user privacy and is committed to protecting their personal information. To this end, the Group operates in accordance with the provisions of its privacy policy and applicable law.

The Bank's information security and cyber policy relate among other things to the availability, confidentiality, integrity, and reliability of the Group and its customers' information assets and systems with reference to the protection of customer privacy, banking confidentiality, banking resilience, and operational continuity. The Group operates in this domain in accordance with applicable law and in accordance with strict regulatory requirements in information security issued by the Bank of Israel, the Privacy Protection Authority, and other relevant authorities including international bodies.[37]

The privacy domain within the Group is led by the Data Protection Officer (DPO) of the Bank, and the information security and cyber domain is led by the Head of the Information Security and Cyber Protection Division who is a Management Board member at Mataf. This domain is also

The Bank Group places great importance on protecting its customers' information and maintains a defined information security and cybersecurity policy that has been approved by the management and Boards of Directors of the various banks and companies within the FIBI Group.

overseen by the Board of Directors and the Technology, Innovation and Administration Committee in particular. During 2025, two director training sessions were held and these matters were deliberated at additional Board of Directors sessions and Technology, Innovation and Administration Committee sessions related to cyber, information security, and privacy topics. At the Bank Massad Board of Directors, one director training session was held. During the sessions, innovation and digital reviews were integrated in 14 Board plenary deliberations and 10 Credit and Risk Management Committee sessions.

To ensure the implementation of the most current security approaches, the Group operates in collaboration with relevant stakeholders updating itself on a regular basis and is engaged with all technological innovations in this domain domestically and globally. In addition, to remain at the cutting edge of technological developments in the domain, FIBI has been operating for the ninth consecutive year an accelerator for initiatives working on improving cyber defense capabilities. The program is directed at startups in the areas of information security, cyber defense, and IT with the aim of testing and utilizing advanced technologies.

To implement the Bank's information security policy, the Group has embedded a proactive strategy addressing: information protection, computing infrastructure protection, and the protection of the Bank's online presence. This strategy is implemented by the Information Security and Cyber Protection Division responsible for the ongoing management of the domain, providing real-time responses to information security incidents, conducting controls, embedding developments, and reporting to Management and the Board of Directors (Information Security Governance). This Division is certified against the requirements of the ISO 27032, ISO 27001, and ISO 27017 standards in the areas of information security, cyber defense, and cloud computing which are largely included in mandatory regulations.

Information Security Management Programs: the accelerated development in the technological world presents the Group with numerous challenges and opportunities including in the area of information security. The intensifying cyber-attacks globally and in the financial sector in particular present increasingly sophisticated threats that are growing in strength and frequency. This reality requires the Group to act for the purpose of banking stability and the protection of its customers. In order to respond to the rapidly evolving changes in information security the Division conducts numerous ongoing and emergency activities designed to reduce the Group's risk exposure including ongoing cyber risk assessments, maintenance of readiness and drills, and raising employee awareness of identifying suspicious incidents and how to act when they occur. These activities continued during 2025 as well.

In addition, each year drills and penetration tests are conducted to improve the readiness of the cyber division and the ability to respond to a cyber incident. For example, during 2025, a cyber incident preparedness drill was conducted for Group Management simulating attack scenarios and a framework for responding to a cyber incident.

The Bank maintains advanced mechanisms for incident detection and response and Group employees are required to report to the Cyber Defense Center on any suspicion of security and cyber incidents. Information on reporting channels for suspected security and cyber incidents is regularly sent to all Bank employees alongside inclusion in the content delivered in the new employee induction course.

During 2025, the Bank's privacy policy was updated including the digital privacy policy with the aim, among other things,

The Bank's proactive strategy in this area is implemented by the Information Security and Cyber Defense Division, which is certified in accordance with the requirements of the ISO/IEC 27032 and ISO/IEC 27017 standards.

of adapting it to the digital era and to legislative updates in the privacy domain (adapting to the provisions of Amendment 13 to the Privacy Protection Law).

As part of FIBI's effort to ensure maximum transparency and customer privacy protection, the Bank clearly explains to customers how it uses information, who can access it, and what the customer's rights are in this regard. As part of the privacy policy update, the Bank ensured advance customer notification through various means including a clarification that use of online services is subject to acceptance and a request for acceptance of the Bank's updated privacy policy.

The Bank's updated privacy policy includes, among other things:

- An explanation regarding the collection of personal information the types of information collected and the uses of information received from and collected about users in the course of using the online service including the collection of information from third parties and external services
- Notification that information will be stored in data registers of which the Bank is the controlling party that some personal information collected is not legally required and is provided to the Bank voluntarily and of the users' free will in order to enable the provision of certain services and that there are categories of information that the Bank is legally required to collect and retain due to the nature of the services provided
- Details on purposes of personal information use by the Bank and by entities processing information on its behalf and for its benefit
- Reference to the manner of information processing including through the use of advanced technological tools such as systems based on algorithms, models, and artificial intelligence
- Explanation regarding the provision and revocation of permissions to access certain services on user devices
- Reference to cases in which the Bank may transfer information to third parties domestically and internationally such as sharing information with outsourced service providers and business partners providing or related to online services, or parties involved in services such as correspondents, credit card companies, payment service providers, beneficiaries, and more who may transfer the information to additional third parties in accordance with applicable law transfers that may be subject to foreign law provisions and the privacy policies of the third parties to whom information

37. Instructions 357, 362, 361, 363, 367, and 368 of the Bank of Israel, the Privacy Protection Law and its regulations, the 'Cyber Risk Management Regulations for Institutional Entities of the Capital Market Supervisor,' and the like

is provided; for the purpose of responding to a court order of a competent authority; and in additional cases as stated in the privacy policy
- Reference to the use of automated tools and data-aggregating technologies on the Bank's online channels cookies and other technologies as well as direct marketing and promotional communications, information security, and more
- Notification regarding users' rights to review personal information held and stored through the online service and in the Bank's data registers and to request its correction or deletion where it is found to be inaccurate, incomplete, unclear, or outdated. Within this framework, the Bank enables users wishing to exercise rights or obtain further details to contact the Bank's DPO at: DPO@fibi.co.il

FIBI, Bank Massad, and the UNIQUE portfolio management company enable the public to contact them with privacy-related questions at dedicated email addresses:
DPO@fibi.co.il;
privacy.DPO@fibi.co.il;
and privacy_DPOubank@fibi.corp respectively.

Bank employees are required to complete a data privacy e-learning module.

The Bank conducts throughout the year information security testing of systems in accordance with regulatory obligations and the annual work plan for information security surveys as well as controlled and planned simulations of attacks (Penetration Testing). The Bank conducts a structured process of lessons extraction from internal and external incidents. During 2025 against the backdrop of the geopolitical situation attack attempts continued including Distributed Denial of Service (DDoS) attacks. As a result, the Bank continued to improve its defense framework with emphasis on improving monitoring and incident response mechanisms in addition to the Bank's ongoing risk mitigation activities. No material incidents of breaches of the information security framework or cyber defense and information security and data privacy domain occurred.

Information security and cyber management audits are included in the internal audit work plan annually incorporating also a data privacy review in these aspects. As part of compliance with information security standard criteria and in accordance with the regulatory obligation the Bank also conducts external audits on information security and cyber. Further details on information security and cyber risk management can be found in the Group's Risk Report.

Subject to the disclosure obligations applicable to the Group under applicable law the Group and its employees are bound by a duty of confidentiality and the protection of customer privacy both for individuals and for corporations. Information the Bank retains on its customers is used for the purpose of providing banking services of various types to its customers and for the purpose of making decisions regarding the relationship with them. The Bank does not transfer information in its possession to third parties except where customer consent has been obtained or where the transfer of information is legally required and/or necessary for the fulfillment of a vital public interest and/or necessary for the protection of a vital interest of the Bank.

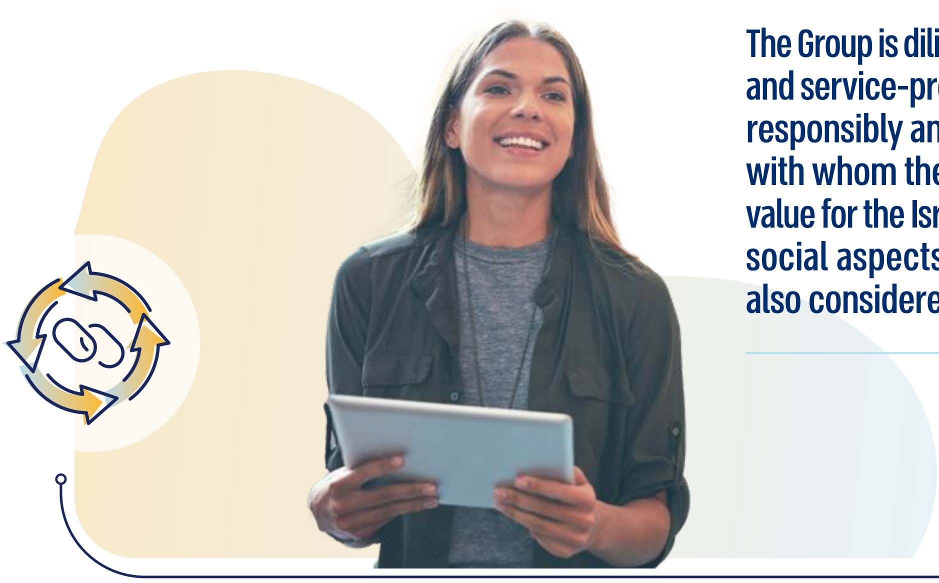
Key 2025 Cybersecurity Activities

- For the ninth consecutive year, FIBI operated a cyber innovation accelerator for startups in information security, cyber defense, and IT
- A cyber incident preparedness drill was conducted for Group Management in 2025 — simulating attack scenarios and response frameworks
- During 2025, attack attempts continued — including Distributed Denial of Service (DDoS) attacks; the Bank continued improving its monitoring and incident response mechanisms
- No material incidents of breaches of the information security framework occurred in 2025
- External audits on information security and cyber conducted in accordance with regulatory obligation

Empowering Customers for Safe Online Conduct

Beyond the Bank's activities to secure the information it holds, the Bank works to equip its customers with tools for safe conduct in online banking specifically, and safe online conduct generally. On the Bank's website, there is a dedicated page with brief explanations in accessible and clear language on a range of relevant and important topics for online conduct such as safe browsing, online shopping, general information security, protection from fraud, and the use of mobile phones and credit cards. This page complements training and written information made accessible to Bank customers with emphasis on populations with a tendency toward lower digital literacy.

Link to page: Safe Banking.



The Group is diligent about working with suppliers and service-providers that conduct themselves responsibly and about working with suppliers with whom the cooperation can create added value for the Israeli economy. In addition, certain social aspects of the suppliers' conduct are also considered

Responsible Supply Chain

2030-2026 Target:
In every procurement engagement initiated by the Bank above NIS 500,000, the Bank will integrate an ESG assessment of suppliers as part of the supplier evaluation process and will allocate points for ESG performance in the selection of the winning supplier.

FIBI Group manages its supply chain in accordance with the principles of ESG and the Bank's Ethics Code "striving for excellence," "partners along the way," "coming to innovate," and "doing the right thing." This is expressed both in fair and proper treatment of suppliers and in the supplier, service, and product selection process. Led by the Group Procurement Department, the Group manages long-term, fair, and responsible relationships with its suppliers and service providers and expects them to meet the highest managerial and social standards.

The Group's responsible procurement policy regulates the principles for the management and execution of procurement processes and for maintaining supplier relationships establishing that ESG considerations must be integrated into procurement processes in accordance with the Group's material topics. The Group ensures collaboration with suppliers and service providers who operate responsibly and those whose collaboration will generate added value for the Israeli economy. Accordingly, it integrates into the selection and management of procurement engagements considerations of service orientation, availability, compliance with quality and reliability standards, experience, compliance with requirements, and quality of service/product in addition to cost considerations. In addition, certain social aspects of supplier conduct are also weighed, such as compliance with applicable law, fair tax payment, and appropriate employment conditions.

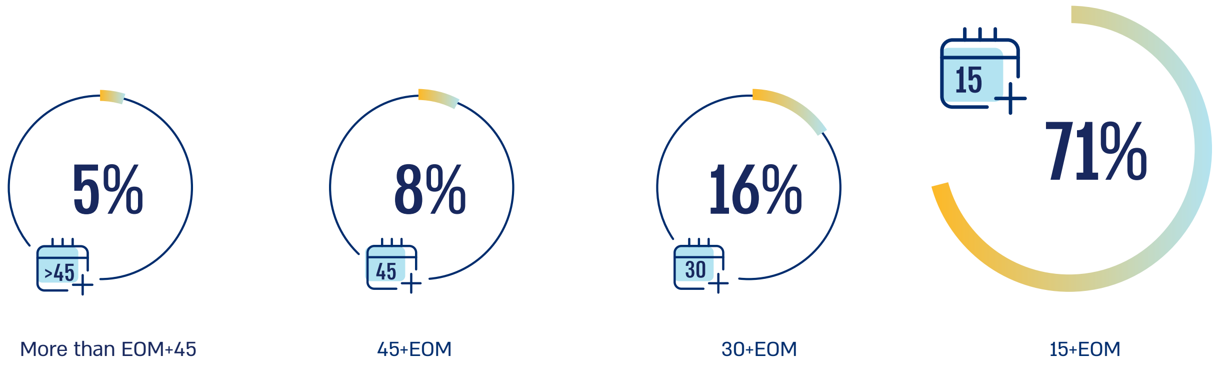
The procurement process at FIBI Group is conducted transparently with suppliers informed of the manner of conduct with them in line with principles of fairness, integrity, protection of employee rights, and reciprocity. Suppliers are required to present among other things a declaration that none of the Bank's employees receive payment for advancing the engagement and will not be a partner in profits arising alongside additional undertakings and certifications relating to the protection of confidentiality, and the prohibition of insider trading.

As part of the Bank's approach to also strengthening ESG principles in external circles, the parameters of the social responsibility questionnaire in requests for proposals were updated for engagements defined as material engagements with a value above NIS 500,000.

As part of the Bank's policy for promoting competitiveness and efficiency, the maximum engagement period with any supplier is limited to 7 consecutive years or 7 separate years within 10 years except in exceptional cases. This policy encourages new suppliers to accumulate unique experience in working with the banking sector, and enables the Group to familiarize itself with new products, services, and ideas.

Out of awareness of the limited credit capabilities of small suppliers, the Bank strives to transfer payments to suppliers as quickly as possible from the moment of receipt of the payment request. Approximately 71% of the Group's supplier payments in 2025 were made within a period of current month plus 15 days from the date of invoice issuance.

Invoice Payment Period FIBI Group (from date of invoice issuance):

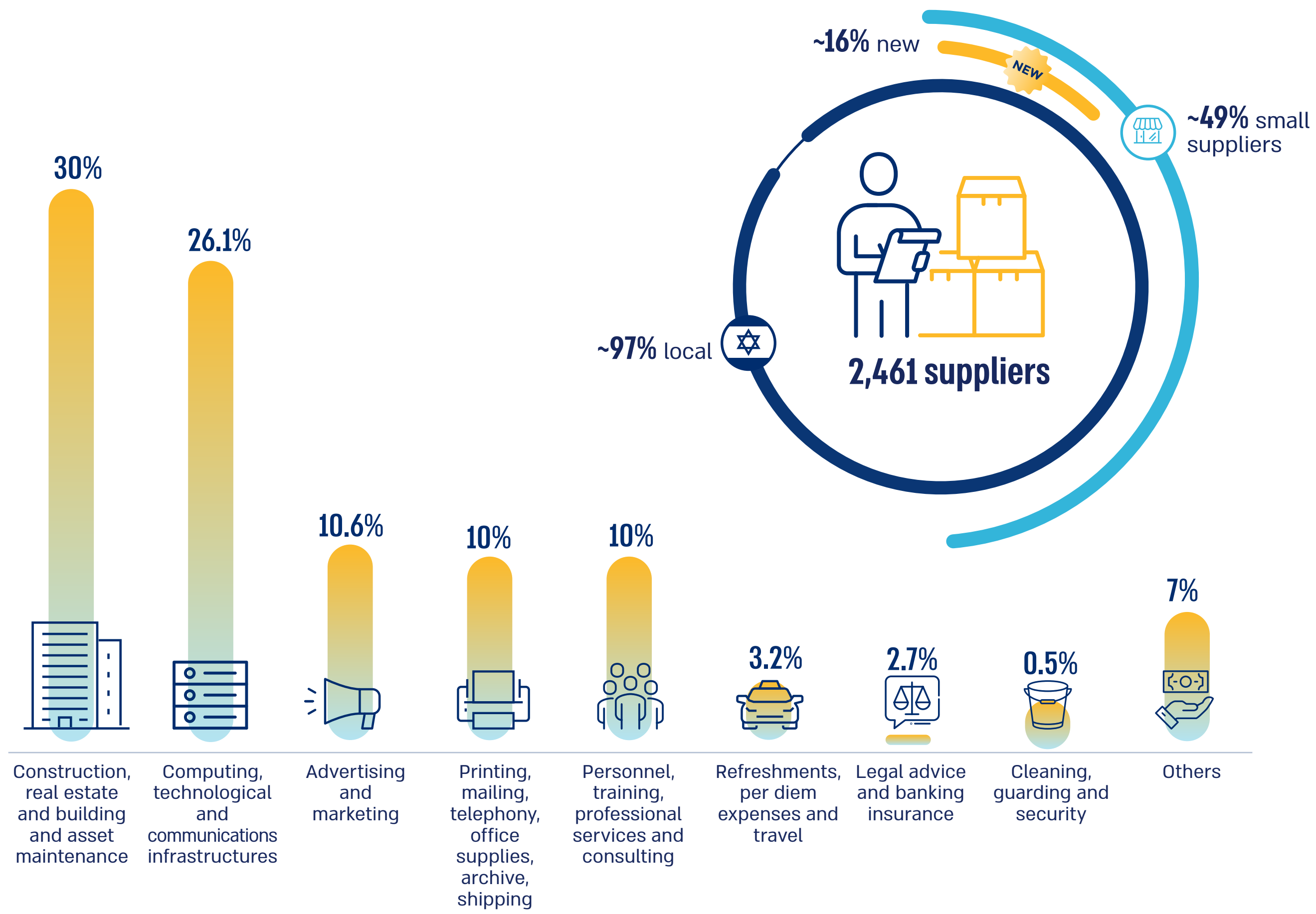


As part of promoting and maintaining ESG principles, the Bank has introduced a qualitative scoring component for issues related to sustainability and social responsibility. The goal is to evaluate suppliers based on their compliance with environmental, social, and governance (ESG) standards, in addition to price and commercial terms. The qualitative score includes criteria, such as the supplier's location in peripheral areas, the supplier's score within audits of their employees' rights, the use of electric vehicles, the use of ecological products, and the employment of disadvantaged workers. In 2025, no suppliers were disqualified due to the qualitative scoring.

The Bank's Supplier Profile in 2025

The Bank maintains working relationships with 2,461 suppliers. Of these, 404 (approximately 16%) were new suppliers with whom the Bank had not previously worked. The Bank adheres to "Blue and White" procurement practices; therefore, this year as well, the majority of our suppliers (approximately 97%) were local. Additionally, as part of the Bank's activities to encourage the small business sector, 1,204 (approximately 49%) of the suppliers that worked with the Bank in 2025 were small businesses. In 2025, of the new suppliers the Bank began working with241 (approximately 60%) were small businesses.

Main procurement groups 2025



Protection of Contractor Employee Rights

In 2025, the Group engaged with five workforce service providers in the areas of cleaning, guarding, and security (1 cleaning provider and 4 guarding and security providers), totaling 173 employees (excluding employees employed by property management companies in which the Group's offices are located). Workforce service providers who are contractor employees account for approximately 0.2% of all active suppliers in FIBI Group.

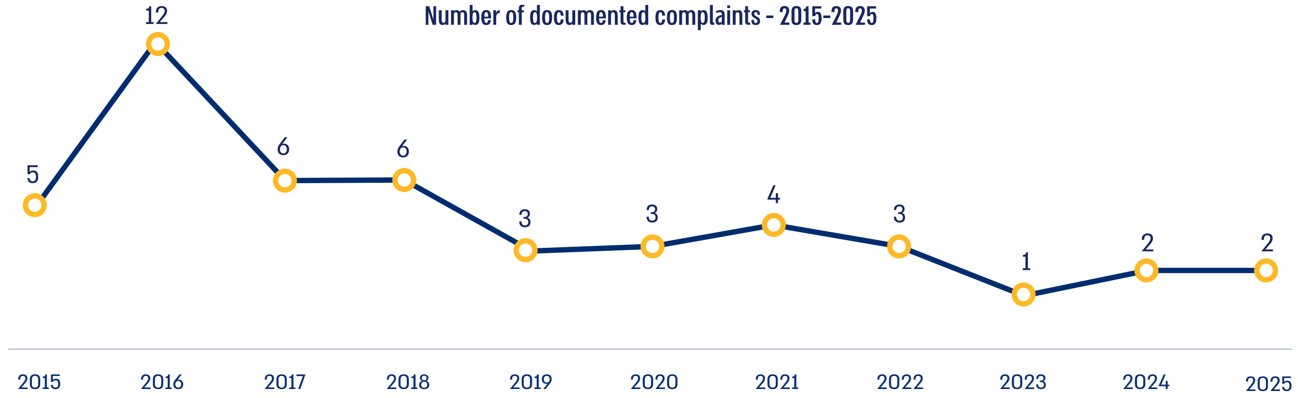
In accordance with applicable law, and in light of the Bank's commitment to fairness and the protection of employee rights, a procedure was developed at the Bank to regulate the work process; vis-à-vis workforce service providers employing contractor employees in accordance with the relevant regulatory definitions in Israel, and vis-à-vis the contractor employees themselves. Within this framework, the Procurement Department is responsible for ensuring that the employment of contractor employees is conducted in accordance with the law.

As in every year, in 2025 as well, the Bank conducted proactive biannual inspections of all its cleaning and security contractors with the aim of ensuring the protection of contractor employee rights. In order to conduct ongoing analysis and accurate assessments of the employment situation and the rights owed to employees, these inspections are conducted by a certified wage auditor specializing in employee rights and labor law enforcement audits and include monitoring of various employment conditions such as salary payment, working hours, social benefits, and severance pay. In addition, this auditor verifies that employees receive all the rights owed to them in accordance with the law. In any case of a deviation or violation of employee rights, the Bank ensures that the employers carry out immediate and retroactive corrections to ensure that employee rights are fully protected. The Bank also ensures that property management companies conduct inspections of their cleaning and security contractors.

In addition, the Group Procurement Manager serves as a direct address for contractor employees to submit complaints and inquiries on any matter. Workforce service providers are required to inform all contractor employees employed by them for the purpose of providing services to the Bank of the complaint and inquiry submission channels at the Bank. In accordance with applicable law, the Bank is required to document the inquiry, investigate it, and report the investigation findings to complainants within defined timelines.

During 2025, two complaints were received regarding workforce service providers both of which were found to be justified. The complaints are being handled in accordance with the requirements of applicable law and in accordance with the Bank's relevant procedures.

Number of documented complaints - 2015-2025



GRI Content Index

The First International Bank of Israel has reported in accordance with the GRI Standards for the period of 1 January 2025 to 31 December 2025.

GRI 2: General Disclosures 2021

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	4-2 Restatements of information	12-13, 31-36
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	9-2 Governance structure and composition	78-85
	10-2 Nomination and selection of the highest governance body	78-80
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	12-2 Role of the highest governance body in overseeing the management of impacts	78-80, 88-90
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GRI 201: Economic Performance 2016	1-201 Direct economic value generated and distributed	24-25
	2-201 Financial implications and other risks and opportunities due to climate change	28-29
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	2-202 Proportion of senior management hired from the local community	59
GRI 203: Indirect Economic Impacts 2016	1-203 Infrastructure investments and services supported	9, 24
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GRI 205: Anti-corruption 2016	1-205 Operations assessed for risks related to corruption	94-95
	2-205 Communication and training about anti-corruption policies and procedures	91-93
	3-205 Confirmed incidents of corruption and actions taken	92-93
GRI 206: Anti-competitive Behavior 2016	1-206 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	94-95
GRI 207: Tax 2019	1-207 Approach to tax	95
	2-207 Tax governance, control, and risk management	95
	3-207 Stakeholder engagement and management of concerns related to tax	95
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GRI 301: Materials 2016	1-301 Materials used by weight or volume	36
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	3-302 Energy intensity	34
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GRI 303: Water and Effluents 2018	1-303 Interactions with water as a shared resource	36
	5-303 Water consumption	36

GRI 305: Emissions 2016	1-305 Direct (Scope 1) GHG emissions	32-35
	2-305 Energy indirect (Scope 2) GHG emissions	32-35
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	4-305 GHG emissions intensity	34
	5-305 Reduction of GHG emissions	32-33
	6-305 Emissions of ozone-depleting substances (ODS)	Not applicable
GRI 306: Waste 2020	1-306 Waste generation and significant waste-related impacts	33, 37
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	2-401 Benefits provided to full-time employees that are not provided to temporary or part-time employees	64-65
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GRI 402: Labor/Management Relations 2016	1-402 Minimum notice periods regarding operational changes	64
GRI 403: Occupational Health and Safety 2018	1-403 Occupational health and safety management system	64-65
	3-403 Occupational health services	64-65
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GRI 404: Training and Education 2016	1-404 Average hours of training per year per employee	68
	2-404 Programs for upgrading employee skills and transition assistance programs	67-69
	3-404 Percentage of employees receiving regular performance and career development reviews	63
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GRI 407: Freedom of Association and Collective Bargaining 2016	1-407 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	104
GRI 413: Local Communities 2016	1-413 Operations with local community engagement, impact assessments, and development programs	40-51
GRI 414: Supplier Social Assessment 2016	1-414 New suppliers that were screened using social criteria	102
	2-414 Negative social impacts in the supply chain and actions taken	104
GRI 417: Marketing and Labeling 2016	1-417 Requirements for product and service information and labeling	96-97
	3-417 Incidents of non-compliance concerning marketing communications	96-97
GRI 418: Customer Privacy 2016	1-418 Substantiated complaints concerning breaches of customer privacy and losses of customer data	100-101

SASB Index – Commercial Banks

Topic	Metric	Category	Code	Reference
Data Security	(1) Number of data breaches, (2) % that are personal data breaches, (3) number of account holders affected	Quantitative	FN-CB230-a.1	ESG Report 2025: Privacy and Data Security
Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	FN-CB230-a.2	ESG Report 2025: Privacy and Data Security
Financial Inclusion and Capacity Building	(1) Number and (2) amount of loans outstanding qualifying for programs to promote small business and community development	Quantitative	FN-CB240-a.1	ESG Report 2025: Promoting the SME Sector; Financial Education
Financial Inclusion and Capacity Building	(1) Number and (2) amount of past due and nonaccrual loans qualifying for SME/ community development programs	Quantitative	FN-CB240-a.2	Not reported – see editorial note
Financial Inclusion and Capacity Building	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	FN-CB240-a.3	Not reported – see editorial note
Financial Inclusion and Capacity Building	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	FN-CB240-a.4	Not reported – see editorial note
Incorporation of ESG Factors in Credit Analysis	Description of approach to incorporation of ESG factors in credit analysis	Discussion and Analysis	FN-CB410-a.2	ESG Report 2025: Climate Risk Management; Climate Strategy; Advancing Climate Opportunities; Scenario Analysis; Risk Management
Financed Emissions	Absolute gross financed emissions, disaggregated by Scope 1, Scope 2, and Scope 3	Quantitative	FN-CB410-b.1	ESG Report 2025: Climate Metrics and Targets; GHG Emissions
Financed Emissions	Gross exposure for each industry by asset class	Quantitative	FN-CB410-b.2	ESG Report 2025: The Bank's Exposure to Carbon-Intensive Economic Sectors
Financed Emissions	Percentage of gross exposure included in the financed emissions calculation	Quantitative	FN-CB410-b.3	ESG Report 2025: Financed Emissions
Financed Emissions	Description of the methodology used to calculate financed emissions	Discussion and Analysis	FN-CB410-b.4	ESG Report 2025: Financed Emissions
Business Ethics	Total amount of monetary losses from legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behavior, market manipulation, malpractice, or other financial industry laws or regulations	Quantitative	FN-CB510-a.1	ESG Report 2025: Ethics, Compliance and Integrity
Business Ethics	Description of whistleblower policies and procedures	Discussion and Analysis	FN-CB510-a.2	ESG Report 2025: Whistleblowing Mechanisms
Systemic Risk Management	Global Systemically Important Bank (GSIB) score, by category	Quantitative	FN-CB550-a.1	Not applicable
Systemic Risk Management	Description of approach to integrate stress test results into capital adequacy planning and long-term corporate strategy	Discussion and Analysis	FN-CB550-a.2	ESG Report 2025: Advancing Climate Resilience – Scenario Analysis
Activity Metrics	(1) Number and (2) value of checking and savings accounts by segment	Quantitative	FN-CB000-.A	Annual Financial Statements 2025: Note 28(a) pp. 197-193
Activity Metrics	(1) Number and (2) value of loans by segment: personal, small business, corporate	Quantitative	FN-CB000-.B	Annual Financial Statements 2025

TCFD Index

TCFD Section	Information Required	Location in Report
	GOVERNANCE	
G(a)	Board oversight of climate-related risks and opportunities	Climate Corporate Governance section
G(b)	Management's role in assessing and managing climate-related risks and opportunities	Climate Risk Management within the Bank
	STRATEGY	
S(a)	Climate-related risks and opportunities identified over the short, medium, and long term	Climate Strategy; Physical and Transition Risk sections
S(b)	Impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	Climate Strategy; Advancing Climate Opportunities
S(c)	Resilience of the organization's strategy, taking into consideration different climate-related scenarios	Advancing Climate Resilience — Scenario Analysis
	RISK MANAGEMENT	
R(a)	Processes for identifying and assessing climate-related risks	Identification of Climate-Related Risks; Assessment and Management of Risks
R(b)	Processes for managing climate-related risks	Credit Policy; ESG in Proprietary Investment Portfolio
R(c)	Integration of climate-related risk identification, assessment, and management into overall risk management processes	Climate Risk Management within the Bank; Risk Management section
	METRICS AND TARGETS	
M(a)	Metrics used to assess climate-related risks and opportunities	Climate Metrics and Targets — green credit, sector exposure
M(b)	Scope 1, Scope 2, and Scope 3 GHG emissions, and related risks	GHG Emissions tables; Financed Emissions
M(c)	Targets used to manage climate-related risks and opportunities, and performance against targets	2030-2026 ESG Targets; Carbon Footprint Reduction Progress

Material Topics Index

Material Topic	GRI Standard
Ethics, Anti-Corruption, and Regulatory Compliance	GRI 27-2; GRI 205
High-Quality Corporate Governance	GRI 9-2
Risk Management	GRI 23-2
Privacy and Data Security	GRI 418
Operational Resilience	GRI 23-2
Transparency and Fairness in Products and Services	GRI 417
Innovation in Products and Services	GRI 6-2
Financial Inclusion and Service Accessibility	GRI 2-203; GRI 406
Employee Training and Development	GRI 404
Service Quality	GRI 417
Environmental and Climate Risk Management	GRI 2-201
Working Environment and Employment Conditions	GRI 401
Environmental and Climate Considerations in Financing and Investments	GRI 2-201
Equal Opportunity, Fairness, and Employment Diversity	GRI 405
Social Considerations in Financing and Investments	GRI 203
Promotion of Financial Knowledge and Understanding	GRI 413
Operational Environmental Efficiency	GRI 302; GRI 303; GRI 305; GRI 306
Responsible Supply Chain	GRI 204
Community Investment	GRI 413

CRO	Chief Risk Officer
CCO	Chief Compliance Officer
DPO	Data Protection Officer

Fahn Kanne Grant Thornton

Good Vision
יועצים לאחריות תאגידית

March 2026

Independent Assurance Statement (Third party verification)

Background
Good Vision Corporate Responsibility Consultants Ltd., a member of the Fahn-Kanne Grant Thornton group, was engaged by the First International Bank of Israel (Hereinafter: "FIBI") to perform an Assurance review of its 2025 ESG Report. Established in 2002, Good Vision has conducted over 200 consulting engagements across all domains of corporate responsibility and is accredited by AccountAbility (UK) to perform assurance reviews of sustainability and corporate responsibility reports.
This assurance engagement was conducted in March 2026 on a fee basis, maintained with the highest standards of objectivity and professionalism, and based upon the information provided by the FIBI Group. The process involved collaboration with the Group's designated ESG consultants. Good Vision confirms its independence and maintains no conflicting business interests with FIBI Group.

Methodology
This assurance review was conducted in accordance with the AA1000AS v3 standard, providing a Type 1 – Moderate level of assurance. The objective was to conduct a qualitative assessment of the report's adherence to the standard's principles, as detailed below.

Engagement Process
The assurance review of FIBI's 2025 ESG Report was executed through an extensive review of the report by our review team, complemented by interviews with company representatives regarding the available data and its presentation in alignment with accepted reporting principles. In this regard, we wish to note the full cooperation and transparency demonstrated by the Bank's personnel. Furthermore, several findings identified during the assurance process were remediated during the drafting phase and are reflected in the final report.
The review evaluated the following principles:

- **Inclusivity** – The extent to which the report addresses all relevant stakeholders.
- **Materiality** – The focus on issues identified as most significant to the company›s stakeholders relative to its field of operation.
- **Responsiveness** – The reporting of the organization›s response to the issues and concerns raised by its stakeholders.
- **Impact** – The establishment of performance metrics enabling the monitoring of the International Bank Group›s environmental and social impacts.

Conclusions
Based on our assurance review, we find that FIBI's 2025 ESG Report addresses material topics as required by the GRI Universal Standards. The data is presented in a comprehensive, clear, and structured manner, providing a broad description of the company's sustainability activities and addressing a wide range of stakeholders. We believe the report is reliable and evidence-based, relying on relevant data and documentation, and demonstrates adherence to the AccountAbility Principles and is aligned with the GRI Standards.
Additionally, certain opportunities for enhancing the reporting were identified. Consequently, a concluding report containing the full assurance findings and detailed recommendations for improvement has been submitted to the company separately.
Sincerely,

Ivri Verbin
CEO, Good Vision Corporate Responsibility Consultants
Member of Fahn Kanne Grant Thornton Group

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In the event of any discrepancy between the Hebrew and English versions of this report, the Hebrew version shall prevail.