
THE הסוכנות היהודית
JEWISH AGENCY לארץ
FOR ISRAEL ישראל
THE JEWISH AGENCY FOR ISRAEL
2025 FINANCIAL REPORT


THE
JEWISH AGENCY
FOR ISRAEL
הסוכנות היהודית
לארץ ישראל



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THE JEWISH AGENCY FOR ISRAEL
הסוכנות היהודית לארץ ישראל


V'hashevota ....
V'hashevota.... V'hashevota
וְהָשַׁבְתָּ
El l'vavecha.... El l'vavecha
אֶל לְבָבְךָ
Ki Adonai.... Ki Adonai
כִּי יְהוָה
Hu ha'Elohim.... Hu ha'Elohim
הוּא הָאֱלֹהִים



Consolidated Financial Statements as of December 31, 2025

THE JEWISH AGENCY FOR ISRAEL
הסוכנות היהודית לארץ ישראל


הסוכנות היהודית
לארץ ישראל
THE JEWISH AGENCY
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Independent Auditors' Report to the Board of Governors of

The Jewish Agency for Israel

Opinion

We have audited the consolidated financial statements of the Jewish Agency for Israel (hereafter-"The Jewish Agency"), which comprise the consolidated statement of financial position as of December 31, 2025, and the consolidated statements of operations, changes in net assets and cash flows of the Jewish agency for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audit, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of The Jewish Agency as at December 31, 2025, and the consolidated financial results and the cash flows of The Jewish Agency for the year then ended in accordance with generally accepted accounting principles in Israel (Israeli GAAP).

Basis for Opinion

We conducted our audit in accordance with Generally Accepted Auditing Standards in Israel, including standards prescribed by the Auditors' Regulations (Auditor's Mode of Performance)–1973. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements of the Jewish agency section of our report. We are independent of the Jewish agency and its consolidated entities in accordance with the directives of the law applicable in Israel regarding independence and avoidance of conflicts of interest of the auditor in Israel. We have also fulfilled our other ethical responsibilities in accordance with the Auditors Law 1955 and the regulations thereunder. We believe that the audit evidence obtained, is appropriate and sufficient to provide a basis for our opinion.

Responsibilities of Board of Governors and Management for the Consolidated Financial Statements

Board of Governors and management are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting principles in Israel (Israeli GAAP), and they are responsible for such internal control as Board of Governors and management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Board of Governors and management are responsible for assessing the Jewish agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Governors and management either intend to liquidate the Jewish agency or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

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Raanana	Rishon LeZion	

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conducted in accordance with Generally Accepted Auditing Standards in Israel will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit, in accordance with Generally Accepted Auditing Standards in Israel, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Jewish agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Governors and management.
- Conclude on the appropriateness of Board of Governors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Jewish agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Jewish agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Governors and management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Brightman Almagor Zohar

Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network
Jerusalem, July 26, 2026

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#israel mon choix

Consolidated Statements of Financial Position as of December 31,

Amounts in US$ thousands

	Note	2025	2024
Assets			
Current assets			
Cash and cash equivalents	3	220,428	208,201
Short-term deposits in banks	4a	16,523	9,832
Short-term deposits - restricted	4b	71,220	63,778
Investment in marketable securities	2h	9,720	5,596
Accounts receivable	5	127,185	87,021
Current maturities of long-term loans	7	-	610
Pension Fund retained surplus receivable	8	-	124,015
Total current assets		**445,076**	**499,053**
Non-current assets			
Endowment Fund-Investments	6	786,400	587,966
Investments and long-term receivables	7	30,987	25,892
Pension Fund retained surplus receivable	8	181,538	137,404
Fixed Assets	9	345,941	289,104
Total non-current assets		**1,344,866**	**1,040,366**
Total assets		**1,789,942**	**1,539,419**

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

Consolidated Statements of Financial Position as of December 31,

Amounts in US$ thousands

	Note	2025	2024
Liabilities and net assets			
Current liabilities			
Accounts payable	10	240,987	175,133
Short-term deposits and other payables		1,416	1,208
Current maturities of long-term debt	11	8,041	6,854
Total current liabilities		**250,444**	**183,195**
Long-term liabilities			
Long-term debt	11	106,523	96,006
Liabilities for employee rights upon retirement, net	12a	55,744	50,349
Other liabilities	13	50,604	43,739
Total long-term liabilities		**212,871**	**190,094**
Minority interest		**2,225**	**1,915**
Commitments and contingent liabilities	14		
Net assets			
Unrestricted net assets		1,048,505	907,971
Restricted net assets	15	275,897	256,244
Total net assets		**1,324,402**	**1,164,215**
Total liabilities and net assets		**1,789,942**	**1,539,419**



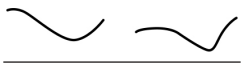
Bruce Sholk

Chair, Budget & Finance Committee



Yaron Shavit

Deputy Chair, Executive



Moshe Ashirie

Chief Financial Officer

July 26, 2026

Date of approval of Financial Statements

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

Consolidated Statements of Operations for the Year Ended December 31,

Amounts in US$ thousands

	Note	2025	2024
Revenues			
Unrestricted donations and contributions	26a	88,302	88,146
Net assets released from restrictions	26a,1d	157,265	146,048
Amounts received for distribution to others	2b4	225,495	271,001
Activities income:			
Israel experience programs (operated by subsidiaries)		64,131	51,019
Other program participations and service fees		160,344	128,163
Rental income		97,771	85,633
Other subsidiaries' income		12,690	9,519
		805,998	**779,529**
Less: amounts received for distribution to others	2b4	(225,495)	(271,001)
Total revenues		**580,503**	**508,528**
Cost of activities and other expenses	1d		
Aliyah	16	101,692	105,395
Israel Society	17	162,102	157,749
Connecting World Jewry	18	76,642	68,969
Community Services	19	36,810	30,539
Shlichim Platform	20	39,072	32,541
Content and Education Platform	21	3,145	3,036
Jewish Agency Wide Projects and Organizational Activities	22	132,851	90,736
Support Units	23	29,536	25,590
Marketing and Resource Development	24	11,144	11,123
Property related costs		6,496	5,084
Cost of activities and other expenses		**599,490**	**530,762**
Deficit from operations before capital income		**(18,987)**	**(22,234)**
Sale of assets	27	12,539	-
Deficit from operations before financial income		**(6,448)**	**(22,234)**
Financial income (expenses), net	25	2,859	(4,669)
Endowment investment income	6	96,103	59,043
Financial income, net		**98,962**	**54,374**
Net surplus for the year		**92,514**	**32,140**

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


CAMP AT
SAMBA
beach
THE BEACH

Statements of Changes in Net Assets

Amounts in US$ thousands

	Note	Unrestricted in use	
		For operations	Board designated endowment
Balance as of 1 January 2024		**61,170**	**551,683**
Changes during 2024:			
Restricted donations and contributions received		-	-
Released from restriction		-	-
Release of fixed assets depreciation expenses	2a	-	-
Net income for the year		32,140	-
Annual Endowment distribution	6	28,000	(28,000)
Endowment investment income	6	(59,043)	59,043
Change in Pension Fund surplus		-	-
Exchange rate differences		-	-
Net change during 2024		**1,097**	**31,043**
Balance as of December 31, 2024		**62,267**	**582,726**
Changes during 2025:			
Restricted donations and contributions received		-	-
Released from restriction		-	-
Release of fixed assets depreciation expenses	2a	-	-
Net income for the year		92,514	-
Annual Endowment distribution	6	24,609	(24,609)
Endowment investment income	6	(96,103)	96,103
Additional amounts added to Endowment Fund		-	124,606
Change in Pension Fund surplus		-	-
Exchange rate differences		-	-
Net change during 2025		**21,020**	**196,100**
Balance as of December 31, 2025		**83,287**	**778,826**

Unrestricted in use				
Pension Fund surplus	**Foreign currency translation differences**	**Total Unrestricted**	**Restricted**	**Total**
240,388	**1,607**	**854,848**	**232,327**	**1,087,175**
-	-	-	169,965	169,965
-	-	-	(136,072)	(136,072)
-	-	-	(9,976)	(9,976)
-	-	32,140	-	32,140
-	-	-	-	-
-	-	-	-	-
21,031	-	21,031	-	21,031
-	(48)	(48)	-	(48)
21,031	**(48)**	**53,123**	**23,917**	**77,040**
261,419	**1,559**	**907,971**	**256,244**	**1,164,215**
-	-	-	176,918	176,918
-	-	-	(147,485)	(147,485)
-	-	-	(9,780)	(9,780)
-	-	92,514	-	92,514
-	-	-	-	-
-	-	-	-	-
(124,606)	-	-	-	-
44,725	-	44,725	-	44,725
-	3,295	3,295	-	3,295
(79,881)	**3,295**	**140,534**	**19,653**	**160,187**
181,538	**4,854**	**1,048,505**	**275,897**	**1,324,402**

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

Consolidated Statements of Cash Flows for the Year Ended December 31,

Amounts in US$ thousands

	2025	2024
Cash flows from operating activities:		
Net surplus for the year	92,514	32,140
Adjustments required to reflect the cash flows from operating activities (see Appendix A)	(48,312)	50,296
Net cash provided by operating activities	**44,202**	**82,436**
Cash flows from investing activities:		
Purchase of fixed assets	(48,741)	(19,570)
Investment in short-term deposits in banks and other investments	(3,122)	(54,970)
Proceeds from long-term investments and other assets	21,272	25,932
Proceeds from sale of subsidiary – see Note 27	-	29,783
Investment in Endowment	-	(29,783)
Net cash used in investing activities	**(30,591)**	**(48,608)**
Cash flows from financing activities:		
Long term debt received	611	433
Long term debt repayments	(7,355)	(5,410)
Restricted donations received for investment in fixed assets	5,360	9,914
Net cash (used in) provided by financing activities	**(1,384)**	**4,937**
Increase in cash and cash equivalents, net	**12,227**	**38,765**
Balance of cash and cash equivalents at beginning of year	208,201	169,436
Balance of cash and cash equivalents at end of year	**220,428**	**208,201**

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

Consolidated Statements of Cash Flows for the Year Ended December 31,

Amounts in US$ thousands

Appendix A:

Adjustments required to reflect the cash flows from operating activities:

	2025	2024
Share in gains of equity investments, net of minority interest net	(460)	(790)
Exchange rate differences	(7,449)	722
Depreciation	27,086	25,244
Net assets released from restrictions	(157,265)	(146,048)
Restricted donations received for activities	161,341	158,111
	23,253	**37,239**
Changes in assets and liability items:		
Increase in short-term deposits and investment in marketable securities	(15,135)	(53)
Decrease (increase) in accounts receivable	(34,870)	11,651
Increase in endowment fund-investments	(96,103)	(59,043)
Decrease in investments and long-term receivables	2,842	1,941
Increase in accounts payable	56,930	50,679
Increase (decrease) in short-term deposits and other payables	208	(31)
Increase in other liabilities	9,115	7,368
Increase in liability for employee rights upon retirement, net	5,448	545
	(71,565)	**13,057**
	(48,312)	**50,296**

Appendix B:

Non-cash purchases of fixed assets:

	2025	2024
Fixed assets purchases that have not paid by year end	10,726	2,115
Investment grants that have not received by year end	5,294	1,741

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


ישראל
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Notes to the Consolidated Financial Statements as of December 31, 2025

Note 1: General

A. The Jewish Agency for Israel (The Jewish Agency) is an organization, recognized under the World Zionist Organization and Jewish Agency for Israel (Status) Law, 1952, as amended, which affirms The Jewish Agency as a distinct legal entity.

As the largest Jewish nonprofit in the world, with a presence on the ground in more than 65 countries, The Jewish Agency's mission is to ensure that every Jewish person feels an unbreakable bond to one another and to Israel.

In pursuit of this mission, The Jewish Agency fosters bonds between Jews from all countries and religious streams, solidifying our ties as a global family with Israel at its center. We continue to provide the global framework for Aliyah, ensure global Jewish safety, connect Jews to Israel and one another, and develop Israel's social fabric and cultivate its next generation of leaders to help shape its society.

In 2025, The Jewish Agency focused on our three strategic areas of impact:

- **Aliyah (Immigration):**
  - Enabling Aliyah from countries worldwide for those who wish to move to Israel (Aliyah of choice)
  - Facilitating Aliyah from countries where Jews are in distress (Aliyah of rescue)
  - Providing housing, Hebrew instruction and other resources to new immigrants at our Absorption Centers to ease their transitions into Israeli society
- **Connecting Jews Worldwide-to Israel and to Each Other:**
  - Offering young Jews diverse Israel experiences with opportunities to intern, study, volunteer and teach while living like a local in the Jewish state through programs like Masa Israel Journey
  - Sending Shlichim (Israeli emissaries) to communities around the world to bring Israel to life and form lasting, personal relationships
  - Creating a global network of mutual support and friendship between communities in Israel and those abroad through Partnership2Gether
  - Bringing young Jews and Israelis together to volunteer in disadvantaged communities while exploring their Jewish identities
  - Ensuring Jewish communities and institutions outside of North America are safe and equipped with protective security measures
- **Strengthening Israeli Society:**
  - Empowering young change agents and mentoring at-risk youth who will be Israel's future leaders
  - Supporting Israelis impacted by terror by providing emergency financial assistance and crucial resources through our Fund for Victims of Terror
  - Caring for vulnerable populations, including elderly Holocaust survivors and low-income families
  - Helping Israeli entrepreneurs and small-business owners turn dreams into reality

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 1: General (Cont'd)

B. The main supporters of The Jewish Agency's activities are the United Israel Appeal, Inc. (hereafter-UIA), which represents the Jewish community in the United States, and Keren Hayesod-United Israel Appeal, which represents other Jewish communities outside of Israel. The United States Government via its humanitarian migrant resettlement grants program renders further support to The Jewish Agency.

C. Under the terms of a covenant, pursuant to the World Zionist Organization and Jewish Agency for Israel (Status) Law, 1952, which was executed between the Government of Israel and The Jewish Agency in 1979 with retroactive effect as of 1971, The Jewish Agency is exempt from a wide range of taxes, including income tax and capital gains tax.

   In Israel, The Jewish Agency has a designation as a "National Fund" under Section 46 of the Income Tax Ordinance for the purpose of tax credits in respect of donations. The Jewish Agency is exempt from U.S. federal income tax under section 501(c)(3) of the Internal Revenue Code.

D. On October 7th, 2023 Israel was invaded by terrorists from Gaza, launching the Iron Swords War. The Jewish Agency responded to the outbreak of the War and subsequently during the course of the years ended December 31, 2024 and December 31, 2025, with additional programming, operations and activities supporting victims of the invasion, assisting communities in both the North and South of Israel and providing support to small businesses in the North and South with grants and loans. This was in addition to taking care and evacuating residents, when necessary, of the Jewish Agency's facilities in the North and South of Israel as well as other program participants. The additional costs incurred were funded by designated donations that were received as well as additional funding from the Government of Israel.

E. In order to provide hope and the opportunity for recovery and growth for the communities in the Gaza Envelope region which were ravaged on October 7th, 2023, The Jewish Agency has embarked on a project to build 1,000 houses in those communities. This project will not only benefit the communities but will help develop the entire region.

   The construction of the houses will be partially financed by debt to be taken from financial institutions which will be serviced by the sales proceeds of the houses built.

   On July 1, 2025, The Jewish Agency signed an agreement with the Government of Israel for the provision of a Government guarantee of 1 billion shekels for the debt to be taken by The Jewish Agency for the construction of the 1,000 houses. The Government guarantee will only be exercised in the event that the sales proceeds from the sale of the houses are insufficient to repay the debt. Within the terms of the agreement, The Jewish Agency will underwrite the first 75 million shekels of the Government guarantee. Management has secured 75 million shekels in donations to cover the potential exposure before the taking of any debt.

F. In June 2025, "Operation Rising Lion" took place and lasted 12 days, during which joint military strikes were carried out by the United States and Israel against Iran. Iran responded by launching hundreds of ballistic missiles and unmanned aerial vehicles toward Israel and certain Persian Gulf countries. The attacks resulted in casualties among Israeli civilians and caused significant damage to property. Following the operation, a special state of emergency was declared on the home front, which included the closure of Israel's airspace, restrictions on public gatherings, temporary

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 1: General (Cont'd)

closures or reduced operating hours of various businesses, and a large-scale call-up of reserve forces. During this period, The Jewish Agency continued and expanded its activities to support affected populations across a range of areas.

G. Subsequent to the reporting period, on February 28, 2026, "Operation Roaring Lion" commenced, which also involved joint military strikes by the United States and Israel against Iran. A special state of emergency was again declared on the home front, including disruptions to daily life as well as additional harm to life and property. The Jewish Agency responded immediately to support the civilian population, including by coordinating and delivering emergency relief activities, providing financial and social assistance, and supporting affected individuals, families and communities across impacted regions.

Note 2: Significant Accounting Policies

A. Accounting for non-profit organizations:

As from January 1, 2021 the financial statements are prepared in accordance with Accounting Standard No. 40, Accounting Principles and Financial Reporting of Non-Profit Organizations.

Pursuant to the provisions of Standard 40:

Donor-imposed restrictions on the use of net assets:

A restriction of a donor or external party on the use of the assets received from them as a donation, which are more specific than the nature of the organization, the environment in which it operates and the objectives specified in its articles of incorporation.

Unrestricted net assets:

That portion of net assets whose use has not been restricted by the donors.

The unrestricted net assets are divided into the following categories:

1. For operations - not designated by the management of The Jewish Agency
2. Board designated endowment - designated by the management of The Jewish Agency
3. Pension Fund surplus
4. Foreign currency translation differences

Transfers between the aforesaid categories will be presented in the statement of changes in net assets and not in the Statement of Operations.

Restricted net assets:

Donations whose use has been restricted by the donors will be presented as additions to restricted net assets. These include amounts for specifically designated projects, including capital projects.

When the restrictions are removed as a result of fulfilling their designated objectives, the amounts will be transferred from the restricted net assets and be presented as income in the statement of Operations as amounts released from restrictions for activities.

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 2: Significant Accounting Policies (Cont'd)

Donations of fixed assets and donations of cash for investing in fixed assets:

These will be recognized as income in the Statement of Operations when the asset is ready for its designated use or over a restriction period stipulated by the donor. From that date The Jewish Agency releases, annually, restricted net assets from restriction, in an amount corresponding to the depreciation expenses incurred in that year in respect of the donated fixed assets.

B. Revenue recognition:

(1) Recognition of donations and pledges:

Donations that were received are recognized as income or as additions to restricted net assets in the period they were received. The recognition of donations pledged at the year-end is contingent on fulfillment of each of the following conditions:

(a) the donations were pledged prior to the balance sheet date.

(b) granting of the donations was not contingent on the occurrence of some future event.

(2) Until December 31, 2022, grants received from the Government of Israel for the partial funding of the Jewish Agency's Social Housing Initiative (see Note 14a) were recorded as reductions in the costs of construction of the funded assets and not as income. As from January 1, 2023, as a result of the implementation of Accounting Standard 45 "Accounting for Government Grants and Disclosure of Government Assistance", grants received are recognized as additions to restricted net assets and released from restriction over the restriction period stipulated by the Government.

(3) Revenue from services, rental and Israel experience programs:

Those revenues from services are recognized proportionately over the period of the agreement or upon performance of the services if it is certain that the economic benefits attributed to performance of the services will be received.

(4) Amounts received for distribution to others - agency transactions:

In order to decide whether to recognize the donation income as revenue or whether to report the donation income on a net basis (income less amount remitted to other organizations) as agency transactions, The Jewish Agency examines whether it is acting as an agent, trustee or intermediary. When The Jewish Agency is able to control the benefit expected from the donation, The Jewish Agency is not an agent, trustee or intermediary and in such a case the donation income is recognized as revenue. Conversely, if the donor conditioned the donation on it being transferred to a third party and not being used by the Jewish Agency, and The Jewish Agency has no or little discretion as to how the transferred assets will be used, the transfer of the assets is not considered a donation and The Jewish Agency is an agent, trustee or intermediary. On the receipt of cash and financial assets for transfer to others, a liability is recognized upon receipt of the received assets according to their fair value.

(5) Recognition of contingent income:

Contingent income from the disposal of assets is only recognized subsequent to the occurrence of any contingent condition and clarification of the amount of the income.

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 2: Significant Accounting Policies (Cont'd)

C. Financial statements in US dollars:

The Jewish Agency applies Accounting Standard No. 13 (Revised), "Effects of Changes in Foreign Currency Exchange Rates" ("the Currency Standard"), which deals with determining the functional currency of an entity's foreign operations, the translation of transactions in foreign currency, the translation of financial statements of foreign operations and the translation of financial statements from the functional currency to the presentation currency.

(1) Functional currency:

The entity's functional currency is the currency that best reflects the economic environment in which the entity operates and conducts its transactions. It has been determined that the functional currency in which The Jewish Agency operates and conducts its transactions is the US dollar.

(2) Presentation currency:

The Jewish Agency can present its financial statements in any currency (or currencies). These financial statements are presented in US dollars as this is the currency that best reflects the economic environment in which The Jewish Agency operates (its "measurement currency"). The financial statements of consolidated and associated companies, whose financial statements are drawn up in other currencies other than US dollars (Non-US dollar operations), are translated into dollars or are remeasured into dollars, for the purpose of inclusion in these financial statements. Foreign currency differences in respect of the translation of Non-US dollar operations are `included in the "foreign currency translation differences" within unrestricted net assets.

Certain of the dollar amounts in the financial statements that are presented in dollars may represent the dollar equivalent of other currencies, including the New Israeli Shekel (NIS), and may not be exchangeable for dollars.

(3) Translation of financial statements of subsidiary whose activity currency is different from the company's activity currency:

For the purpose of presenting the consolidated financial statements, the assets and liabilities of subsidiary companies whose activity currency is different from the Jewish Agency's activity currency, are presented according to the exchange rates in effect at the end of the reporting period. Income and expense items are translated according to the average exchange rates during the reporting period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in the Statements of Changes in Net Assets as foreign exchange translation differences.

D. Following are details of foreign currency exchange rates and consumer price index:

	December 31 2025	December 31 2024	Change % 2025	Change % 2024
US dollar exchange rate in NIS	3.19	3.65	(12.60%)	0.55%
Consumer price index	111.27	108.4	2.6%	3.43%

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 2: Significant Accounting Policies (Cont'd)

Subsequent to the year-end the exchange rate of the Israeli shekel against the US Dollar continued to fall and reached, at its lowest point, a rate of $1=2.811 NIS, a reduction of 12% from the year-end exchange rate. At the time of the signing of these financial statements, the Shekel has somewhat strengthened and the exchange rate was approximately 4% lower than the year-end exchange rate. The Jewish Agency has taken actions, by executing financial hedging instruments, to mitigate the effect of the strengthening of the Israeli Shekel against the US Dollar.

E. CPI linkage basis:

Balances which stipulate linkage to the last Israeli Consumer Price Index (CPI) published prior to date of payment are stated on the basis of the CPI published subsequent to the balance sheet date (the CPI for November).

F. Principles of consolidation:

The consolidated financial statements include the financial statements of The Jewish Agency and its subsidiaries.

Intercompany balances and transactions have been eliminated.

G. Investment in associated companies:

Investment in associated companies is accounted for by the equity method.

H. Investments in marketable securities and in other companies:

(1) Marketable securities:

Marketable securities held as a current investment are stated at their market value as of balance sheet date. Changes in the value of securities are fully recognized on a current basis.

(2) Non-marketable securities:

Non-marketable securities and assets are stated at a value determined by experts (see also (3) below).

(3) Impairment in value of investments:

The Jewish Agency examines on an ongoing basis whether there has been an impairment in the value of its permanent investments in other companies which is not of a temporary nature. This examination is performed when there are signs that may indicate that there has been an impairment in value of permanent investments, including the business of the investee, the sector in which the investee operates and additional parameters. Write-downs in respect of the impairment in value of these investments, which, in accordance with the opinion of management, is based on an examination of the overall relevant aspects and the significance of each investment, and which is not of a temporary nature, are charged to the Statements of Operations (see K below).

I. Fixed assets

(1) Fixed assets held by The Jewish Agency prior to January 1, 1997 (including properties held by some subsidiary companies) are reflected in these financial statements at no value. These assets

include extensive rights in real estate, located mainly in Israel. Accordingly, upon realization of fixed assets, the full proceeds received from the sale of fixed assets held prior to January 1, 1997, are reflected as income in the Statements of Operations.

Pre-1997 properties held by subsidiaries, which record such properties among assets in their financial statements, have been included in the consolidated financial statements.

Fixed assets purchased as from January 1, 1997, are reflected at their historic cost, less accumulated depreciation and specific government grants received. Per Israeli Accounting Standard 13 (Revised) costs incurred by The Jewish Agency in currencies other than the US dollars, are recorded at the dollar equivalent of the non-dollar cost incurred and are not subsequently revalued. Fixed assets of subsidiaries whose functional currency is other than the US dollar are translated at the closing shekel- dollar exchange rate (see Note 2c).

(2) Fixed assets are depreciated by the straight-line method, on the basis of their estimated useful life.

Annual percentage rates of depreciation are as follows:

Annual depreciation rates	%
Buildings and improvements	Primarily 5
Social housing initiative	5 from date of occupancy
Furniture and equipment	25
Computer equipment and software	15-33

J. Cash equivalents:

The Jewish Agency considers highly liquid investments, which include short-term bank deposits (up to 3 months from date of deposit), to be cash equivalents.

Short-term deposits for periods over 3 months are presented separately.

K. Impairment in value of assets:

The Jewish Agency applies Accounting Standard 15-Impairment in Value of Assets (the Standard). The Standard provides procedures which a body must apply in order to ensure that its assets in the consolidated balance sheet (to which the Standard applies), are not presented at an amount which is in excess of their recoverable value, which is the higher of the net selling price and the use value (the present value of the estimated future cash flows expected to be derived from use and disposal of the asset). The Standard applies to all non-current assets in the consolidated statements of financial position. In addition, the Standard provides rules for presentation and disclosure with respect to assets whose value has been impaired. When the value of an asset in the consolidated statements of financial position is lower than its recoverable value, The Jewish Agency recognizes a loss from the impairment in value in the amount of the difference between the book value of the asset and its recoverable value. The loss thus recognized will be cancelled only in the event of changes occurring in the estimates that were used to determine the recoverable value of the asset since the date on which the most recent loss from the decline in value was recognized.

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 2: Significant Accounting Policies (Cont'd)

L. Use of estimates in the preparation of financial statements:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

M. Definitions:

Subsidiary:

An entity (including partnerships and joint ventures), of which more than 50% of the equity is owned and controlled by The Jewish Agency, the financial statements of which are fully consolidated, within the financial statements of The Jewish Agency.

Associated company:

A company controlled to the extent of 20% or more (which is not a subsidiary or proportionately consolidated company), which is presented by the equity method.

Related parties:

As defined in accounting standard No. 40 of the Israel Accounting Standards Board.

N. Reclassifications:

Certain prior year amounts have been reclassified to conform to the current year presentation.



Notes to the Consolidated Financial Statements as of December 31, 2025

Note 3: Cash and Cash Equivalents

	December 31	
	2025	2024
	in US$ thousands	
In or linked to the US dollar	150,425	155,762
In Israeli shekels	61,906	49,148
In or linked to other currencies	8,097	3,291
	220,428	**208,201**

Note 4: Short-term Deposits

A. Short-term deposits in banks

This is mainly comprised of deposits denominated in Israeli shekels.

The deposit periods are in excess of three months but less than one year.

B. Short-term deposits – restricted

Mostly amounts due by a subsidiary company to its clients for sales and rental income received by the subsidiary on behalf of its clients. As a result of a decision of the subsidiary's board of directors in March 2022, these amounts were deposited separately from the remainder of the subsidiary's funds, to be only used for the settlement of the amounts owed to its clients -see Note 10.

Note 5: Accounts Receivable

	December 31	
	2025	2024
	in US$ thousands	
Income receivable:		
Government of Israel	61,669	39,407
Donations and contributions	10,749	5,377
Other activities	24,448	18,970
US Government grant	-	141
Prepaid expenses	1,721	1,792
Related parties	6,427	11,041
Advances to suppliers	1,178	2,159
Other (see Note 27)	20,993	8,134
	127,185	**87,021**

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 6: Endowment Fund-Investments

	December 31	
	2025	2024
	in US$ thousands	
Board designated (a)	778,826	582,726
Restricted	7,574	5,240
	786,400	**587,966**

a. Board designated Endowment Fund:

(1) During the course of 2009, the Board of Governors designated the proceeds from a specific debt collection transaction as the seed money for the establishment of The Jewish Agency Endowment Fund (the Endowment Fund). Subsequently, the Board of Governors mandated Management to add proceeds from the sale of assets not utilized for the purpose of long-term debt reduction to the Endowment Fund. Also, agreements between the Jewish Agency, The Workers Union and the Pension Fund dictate that cash transfers of excess actuarial surpluses be added to the Endowment Fund (see Note 8c). The Endowment Fund is registered in Israel as a public trust with the Registrar of Trusts.

As from June 30, 2019, each year, 4.5% of the closing balance of the Endowment Fund as of June 30, of the previous year, is made available for the use of The Jewish Agency.

As from the distribution in 2026, 4.5% of a twelve quarter-end trailing average ending on June 30 of the previous year will be made available for the use of The Jewish Agency each year.

For the years 2026 through 2030, an additional annual distribution of up to $7 million, depending on needs arising from the results of the military operations (see Note 1) has been approved.

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 6: Endowment Fund-Investments (Cont'd)

(2) The value of the Endowment Fund changed as follows:

	Year ended December 31	
	2025	2024
	in US$ thousands	
Endowment Fund-balance at beginning of year	**582,726**	**551,683**
Yields (net) earned on the Endowment Fund's investments and exchange rate differences on shekel denominated Investments	96,103	59,043
Amounts distributed by the Endowment Fund to the unrestricted activities of The Jewish Agency (*)	(24,609)	(28,000)
Additional amounts added to the Endowment Fund – see Note 8A	124,606	-
Increase in the Endowment Fund	**196,100**	**31,043**
Endowment Fund - balance at end of year	**778,826**	**582,726**

(*) The distribution of $28 million during 2024, includes a $5 million distribution relating to 2022 that was not distributed in that year, see Note 8c(2)iii.

(3) At the end of the year, the Endowment Fund's assets were invested as follows:

	December 31	
	2025	2024
	in US$ thousands	
Bank deposits-US dollars	35,797	51,637
Bank deposits-NIS	2,018	6,287
Stocks	407,792	395,250
Bonds	63,296	41,231
Alternative investments	74,062	74,964
Real assets (see Note 8D) (a)	109,285	-
Hedge funds	72,631	2,417
Nursing home wards	10,256	9,192
Venture capital funds	3,689	1,748
Total	**778,826**	**582,726**

(a) Market value was not materially different to the book value as of December 31, 2025.

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 7: Investments and Long-Term Receivables

	December 31	
	2025	2024
	in US$ thousands	
Investments in associated companies-at equity (a)	9,276	5,525
Loans to communities at risk (b)	-	-
Loans to agricultural communities	-	764
Deposits with banks	13,237	10,631
Bank deposits for the granting of loans, net (c)	3,495	2,441
Other (d)	4,979	7,141
	30,987	**26,502**
Less: Current maturities of loans to agricultural communities	-	(610)
	-	**(610)**
	30,987	**25,892**

(a) Changes in investments in associated companies are composed as follows:

	Year ended December 31	
	2025	2024
	in US$ thousands	
Balance at beginning of year	**5,525**	**4,718**
Changes in Net Assets	2,588	-
Share of associated companies' gains during the year, net	1,163	807
Balance at end of year	**9,276**	**5,525**

(b) Amounts provided to overseas Jewish communities as loans to enable them to weather the financial crisis encountered resulting from the Covid-19 pandemic. In May 2020, The Jewish Agency launched a program to provide interest free loans to overseas Jewish communities encountering financial difficulties arising from the Covid-19 virus crisis. The loans were interest free and were originally repayable over 4 years. The receivable amount is presented after deduction of a provision for doubtful debts of $0.5 million.

(c) The Jewish Agency facilitates, with Israeli banks, the granting of loans to entrepreneurs and others. Recovery of the deposit is contingent upon repayment of the loans. The amount provided for doubtful debts as of December 31, 2025 was approximately $969 thousand (December 31, 2024, approximately $523 thousand).

(d) Mainly linked to NIS.



Notes to the Consolidated Financial Statements as of December 31, 2025

Note 8: Pension Fund retained surplus receivable

A. Labor laws and agreements require The Jewish Agency to pay severance and/or pensions to employees dismissed or retiring from employment. The Jewish Agency's pension and severance pay liability to its employees who joined The Jewish Agency before April 1995 is covered mainly by regular deposits with the Provident and Pension Fund of Employees of The Jewish Agency for Israel Ltd. (the Fund). If the assets of the Fund are not adequate to meet its actuarial liability, The Jewish Agency is obliged to fund the deficiency. In the event, however, that the assets of the Fund exceed the amount of the liability by 25%, then any amount over 20% as of December 31, 2025 (previously – 15%, see D below), is to be remitted by the Fund to The Jewish Agency.

Following an Israeli government pension fund reform, no new members are added to the Fund. Therefore, The Jewish Agency has entered into agreements with external pension funds, whereby employees who joined The Jewish Agency after March 1995 are members of one of those (or any other) funds. The terms of these funds relieve The Jewish Agency of all pension and standard severance pay liabilities. The amounts incurred with respect to severance payment deposits for the employees who joined The Jewish Agency and its subsidiaries after March 1995 amounted to $8,083 thousand in 2025 (2024 - $7,268 thousand).

B. On January 24, 2018 an agreement was signed between The Jewish Agency and the Pension Fund to determine a payment schedule and methodology for the full settlement of any Jewish Agency's liability to the Pension Fund ("The 2018 Agreement"). Any liability will be settled by 2038 or 2048 depending on the magnitude of the liability. The annual payment amount will be determined annually, based on the liability existing at the end of the previous year and will not exceed $4 million unless abiding by this amount will preclude the liability from being fully settled by the end of 2048.

C. On January 31, 2022, agreements between the Jewish Agency, The Workers Union, The Histadrut and the Pension Fund were signed that regulate the procedures for the treatment of the Pension Fund's actuarial surpluses and amended the terms of the 2018 Agreement:

(1) The main term of the collective agreement between the Jewish Agency, The Histadrut and The Workers Union is that as of December 31, 2022, in the event of future remittances of actuarial surpluses to the Jewish Agency, the surplus retention by the Pension fund will be increased from 7.5% to 15%.

(2) The main terms of the agreement between the Jewish Agency, The Workers Union and the Pension Fund are as follows:

i. All surpluses remitted to The Jewish Agency will be assigned to the Jewish Agency's Endowment Fund.

ii. In the event of actuarial deficits occurring in the future, deficits of below 50 million shekels will be remitted to the Pension Fund within six months of the approval of the Pension Fund's annual financial statements. Deficits of above 50 million shekels will be remitted in a combination of up to five annual installments and payments under the terms of the 2018 Agreement.

iii. For a period of 6 years, the annual allocation from the Endowment out of the amounts remitted to The Jewish Agency by the Pension Fund are governed by the terms of the agreement dependent on circumstances.

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 8: Pension Fund retained surplus receivable (Cont.)

D. On April 7, 2024, agreements between the Jewish Agency, The Workers Union, The Histadrut and the Pension Fund were signed. The main term of the agreements was, that, if certain, specific property rights are transferred to The Jewish Agency as part of future remittances of actuarial surpluses the surplus retention will subsequently be increased from 15% to 20% (see section c.1 of this note). In 2025, the said property rights with a value of approximately $88 million were transferred to The Jewish Agency as partial settlement of the excess actuarial deficit of $124 million existing as of December 31, 2024. See 8I below.

E. The financial statements and the actuarial computations of the Fund furnished to The Jewish Agency by the Fund as of December 31, 2025, show:

	December 31	
	2025	2024
	in US$ thousands	
Total assets, net	**1,215,176**	**1,177,445**
Projected benefit actuarial liability	(1,033,638)	(916,026)
Actuarial surplus	**181,538**	**261,419**

The abovementioned assets and projected benefit liability of the Fund are not reflected in the balance sheet since they are not under the control and management of the Jewish Agency. Only The Fund's surplus is reflected on the balance sheet.

F. The significant actuarial assumptions used are in accordance with the mandatory guidelines of the Capital Markets, Insurance and Savings Authority (The Capital Markets Authority) as follows:

* assumed real increase in pensions: mostly 0% to 2% (2024: 0% to 1%) per annum.
* assumed real increase in salaries of current employees: 0% - 1.5% (2024: 0% - 5.2%) per annum.
* assumed mortality based on Israeli mortality tables as directed by The Capital Markets Authority in July 2024.

G. The surplus is presented on the Jewish Agency's balance sheet as follows:

	December 31	
	2025	2024
	in US$ thousands	
Pension Fund Retained Surplus receivable (long-term)	181,538	137,404
Pension Fund Retained Surplus receivable (short-term) - surplus above 15% of Fund's actuarial liabilities	-	124,015
Total actuarial surplus	**181,538**	**261,419**

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 8: Pension Fund retained surplus receivable (Cont.)

H. Change in Pension Fund surplus receivable, net:

The Pension Fund surplus changed as follows:

	Year ended December 31	
	2025	2024
	in US$ thousands	
Pension Fund Surplus - balance at beginning of the year	**261,419**	**240,388**
Net change during year – see i. below	(79,881)	21,031
Pension Fund Surplus - balance at end of the year	**181,538**	**261,419**

I. The net change is comprised of the following elements:

	Year ended December 31	
	2025	2024
	in US$ thousands	
Past experience adjustments to actuarial assumptions	(4,732)	(40)
Surplus remitted to The Jewish Agency	(124,606)	-
Income received above (below) expected yield due to market performance	38,864	(2,187)
Change in the discount rate used	(6,518)	24,168
Changes in Government subsidies	(4,649)	-
Change of actuarial mortality assumptions	-	3,320
Exchange rate differences	22,138	(1,003)
Others	(378)	(3,227)
Increase (decrease) in Pension Fund surplus	**(79,881)**	**21,031**



Notes to the Consolidated Financial Statements as of December 31, 2025

Note 9: Fixed Assets

Amounts in US$ thousands

	Land, buildings and improvements	Social Housing Initiative	Furniture and equipment	Computer Equipment and software	Total
Cost:					
Balance as of beginning of year	**340,013**	**282,980**	**39,083**	**34,862**	**696,938**
Additions	37,258	14,430	1,704	4,084	57,476
Disposals	-	-	-	-	-
Exchange rate differences (*)	4,455	40,398	1,968	817	47,638
Balance as of end of Year	**381,726**	**337,808**	**42,755**	**39,763**	**802,052**
Less: Government grants (see Note 2b)					
Balance as of beginning of year	**-**	**95,466**	**-**	**-**	**95,466**
Exchange rate differences (*)	-	13,676	-	-	13,676
Balance as of end of year	**-**	**109,142**	**-**	**-**	**109,142**
Accumulated depreciation					
Balance as of beginning of year	**226,247**	**18,720**	**35,598**	**31,803**	**312,368**
Charge for year	13,040	9,223	2,046	2,777	27,086
Disposals	-	-	-	-	-
Exchange rate differences (*)	2,211	3,447	1,259	598	7,515
Balance as of end of year	**241,498**	**31,390**	**38,903**	**35,178**	**346,969**
Net book value as of December 31, 2025	**140,228**	**197,276**	**3,852**	**4,586**	**345,941**
Net book value as of December 31, 2024	**113,766**	**168,794**	**3,485**	**3,059**	**289,104**

See Notes 2b and 2i.

(*) Arising on consolidation of shekel denominated subsidiaries.

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 10: Accounts Payable

	December 31	
	2025	2024
	in US$ thousands	
Suppliers, contractors and institutions	82,311	51,141
Expenses payable	17,608	13,826
Salaries and related payables	27,683	23,107
Early retirement programs - see Note 12b	1,208	1,057
Due to clients – see Note 4b	67,187	56,631
Deferred revenue	6,715	5,288
Related parties	4,569	8,427
Amounts payable to third parties	24,770	9,496
Other	8,936	6,160
	240,987	**175,133**

Note 11: Long-term Debt

	December 31	
	2025	2024
	in US$ thousands	
Loans of Social Housing Initiative subsidiary (see Note 14a)	114,564	102,860
Less: current maturities	(8,041)	(6,854)
	106,523	**96,006**

These loans are linked to the Israeli Consumer Price Index and incur interest at rates between 1.01% to 2.75%.

Current maturities are determined in accordance with the terms of the loans.

Note 12: Liabilities for Employee Rights upon Retirement, net

a. Liabilities for employee rights upon retirement are composed as follows:

	December 31	
	2025	2024
	in US$ thousands	
Severance benefits for The Jewish Agency employees in Israel	27,046	23,691
Other pension and severance pay liabilities, net	24,250	20,251
Early retirement programs - long-term (see b. below)	4,448	6,407
	55,744	**50,349**

b. Early Retirement Programs

Prior years' early retirement programs that facilitated the early retirement of tenured employees. included a combination of additional pension entitlements and cash incentives. Some pension payments deriving from this program are incurred over a number of years.

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 13: Other Liabilities

	December 31	
	2025	2024
	in US$ thousands	
Property related costs-see Note 14 (c)	13,784	11,055
Former Prisoners of Zion (*)	3,053	3,163
Deposits payable	12,530	11,677
Others	21,237	17,844
	50,604	**43,739**

(*) This liability represents the actuarial liability, relating to The Jewish Agency's commitment to pay lifelong monthly stipends to former "Prisoners of Zion" who were imprisoned in their former countries as a result of Zionist activities they conducted there, prior to their Aliyah. The level and amounts of the stipends paid are governed by a law passed in 1992, later amended, per the terms of which, the entitlement to these stipends is subject to a means test.

Note 14: Commitments and Contingent Liabilities

A. On December 31, 2015, The Jewish Agency signed an agreement with the Government of Israel relating to the construction and subsequent operation of over 2,600 social housing units on numerous sites in Israel owned by The Jewish Agency and some of its major supporters.

The units constructed are used to provide housing for elderly members of Israel's most vulnerable populations entitled to government subsidized housing. The entire initiative (construction and operation) is undertaken by a special purpose company, the Company for the Financing of the Social Housing Initiative of The Jewish Agency Ltd. ("the SPC"), a wholly-owned subsidiary of The Jewish Agency, fully consolidated within these financial statements. Under the terms of the agreement, the Government of Israel will fund most of the rent for the housing provided.

The SPC subcontracted to Amigour Management of Assets Ltd, a wholly owned subsidiary of The Jewish Agency, the management of the construction and subsequently the operation of the properties included in the initiative.

The total expected cost of the construction is approximately NIS 1,508 Million ($473 million) of which the Government of Israel will provide funding by means of capital grants of approximately NIS 545 Million ($171 million), linked to the construction index. The remainder will be funded by debt raised by the SPC and by designated donations - for accounting treatment of the donations and the Government grants see Note 2b. Under the terms of the agreement with the Government of Israel, The Jewish Agency has provided a guarantee of $1.9 million to the Government for the full performance of the agreement. Also, The Jewish Agency has provided additional guarantees of $1.9 million in order to proceed with construction.

On November 1, 2017, the SPC signed an agreement with one of Israel's largest financial institutions (the "Lender") for the provision of a credit facility of approximately NIS 590 million ($184 million), linked to the construction index, to finance a portion of the capital costs of the initiative. The Lender's recourse to The Jewish Agency in respect of the SPC's debt will be limited to certain guarantees of approximately $24 million and security interests in the units to be constructed. Under the terms

Note 14: Commitments and Contingent Liabilities (Cont'd)

of the facility agreement, the SPC is required to meet certain financial covenants. The SPC was in full compliance with those covenants as of December 31, 2025.

The amounts drawn down against the credit facility will incur interest as follows:

(1) $111 million already drawn down incur interest at rates between 1.01% and 2.75% annum and;

(2) Any additional amounts drawn down will incur interest at the then prevailing interest rate of a certain Israeli Government bond plus a margin of 1.8% per annum

All amounts drawn down will be linked to the Israeli Consumer Price Index. An annual non-utilization fee in respect of the unused amount of the facility will be charged at rates between 0.2% and 1.06%. The amounts drawn down will be accounted for on a site-by-site basis, and the repayments to the Lender of principal, interest and linkage will only commence within 6 months subsequent to the completion of the construction on that site. The repayments, with respect to each site, will be made over a period of 19 years in equal payments. Management expects that the income generated from the operation of the housing units constructed will be more than sufficient to fund the required debt repayments.

As of the balance sheet date, construction of nine sites has been completed (1,870 units), two sites (342 units) under construction and another three sites are in the licensing process.

Contracts have been signed with construction companies for an aggregate amount of approximately $59 million that is expected to be expended as follows:

2026	$21 million
2027 and thereafter	$38 million

An additional agreement was signed with the Government on December 27, 2022 for the construction and subsequent operation of an additional 3,000 units, initially 1,500 units and an option of an additional 1,500 social housing units. The Israeli Government index-linked funding of the initial 1,500 units will be approximately $111 million (NIS 355 million). Under the terms of the agreement with the Government of Israel, The Jewish Agency has provided a guarantee of $1.7 million to the Government for the full performance of the agreement.

B. Various lawsuits (approximately 6) are pending against The Jewish Agency and some of its subsidiaries with a potential total exposure of approximately $3.4 million as of December 31, 2025. In respect of some of these lawsuits, based on the opinions of legal counsel received, The Jewish Agency has provided an amount that Management considers necessary to cover any liabilities that may arise.

C. As a consequence of a 2016 decision of the Israeli Supreme Court in the matter of certain property rights owned by The Jewish Agency, there might arise, in the opinion of legal counsel, additional liabilities resulting from the said decision. Based on counsel's opinion, Management has provided an amount that it considers adequate to cover potential liabilities.

D. The Jewish Agency entered into a long-term contract in 2007 with the Government of Israel and Masa: the Project for the Encouragement of Long-term Programs in Israel for Jewish Young Adults Ltd., ("Masa") an Jewish Agency wholly-owned subsidiary, for the purpose of bringing young

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 14: Commitments and Contingent Liabilities (Cont'd)

Jews from all over the world to Israel for periods of a duration of between four and ten months to participate in academic and volunteer programs that meet Masa standards. In accordance with the contract, Masa is responsible for facilitating the project. The major part of the Masa budget is the scholarship program for eligible participants, which subsidizes the cost of the participant's tuition and stay in Israel. Masa is jointly funded by The Jewish Agency and the Government of Israel. The amounts funded are a direct function of the number of participants that are recruited and participate in programs and the length of their program each academic year. See Note 18. The Jewish Agency has agreed with the Government of Israel a $16 million unconditional commitment of The Jewish Agency for the academic year 2025/2026.

E. As presented in Note 7(c), deposits are made with Israeli commercial banks for the purpose of enabling the banks to provide loans to entrepreneurs. These deposits act as security for the loans provided. In the event that a borrower defaults, the amount of the defaulted loan would be forfeited. To date, the default rate has been very low.

F. The Jewish Agency has available lines of credit, with repayment terms of up to 2 years, amounting to $100 million (December 31, 2024- $100 million). These were not utilized as of the balance sheet date.

H. The Jewish Agency has provided guarantees of $2.7 million to the Government of Israel for the satisfactory provision of services by one of its subsidiaries.

I. The Jewish Agency has provided guarantee of $0.7 million to the Government of Israel for the satisfactory provision of services by one of its subsidiaries.

J. Five subsidiaries have provided guarantees of $0.9 million in respect of their operations.

K. A class action lawsuit in the amount of $22M was filed, in 2024, against a commercial company, The Jewish Agency and one of its subsidiaries, regarding the termination of the employment of an employee of the company who was previously a participant in one of the subsidiary's programs. During the course of 2025, the plaintiff withdrew the lawsuit against The Jewish Agency and its subsidiary.

L. A related party has filed a lawsuit against another related party and The Jewish Agency with regard to an agreement from 2009. The plaintiff claims that the terms of the 2009 agreement were not fully executed and demands the transfer to the plaintiff of certain shares and an amount of approximately $6.2 million in respect of a dividend distributed for these shares. Counsel is of the opinion that there is no need for The Jewish Agency to make a provision in respect of this lawsuit.

M. During 2024, a local authority in Israel has filed a lawsuit against the Jewish Agency in connection with a property located within its jurisdiction. The lawsuit includes a claim for The Jewish Agency to vacate the property and for payment of approximately $10 million in respect of past use of the property. According to legal counsel, it is not possible to estimate the amount, if any, that The Jewish Agency may be required to pay. A provision was recognized in accordance with management's assessment of the risk.

N. Per the terms of the agreement with the Government of Israel, The Jewish Agency has underwritten the first 75 million shekels of a guarantee provided by the Government – see Note 1E .

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 15: Restricted Net Assets

	December 31	
	2025	2024
	in US$ thousands	
Designated donations received but not yet utilized in full or in part	137,490	132,169
Other:		
Designated donations and Government grants for sheltered housing for the elderly and other restricted assets-remaining unamortized balance (a)	108,518	97,318
Funding for loans and other programs (b)	13,130	12,241
UIA grant funds (c)	9,185	9,277
Restricted Endowments – Includes $ 3.4 million permanently restricted	7,574	5,239
	275,897	**256,244**

(a) This balance is amortized in parallel to the amortization of the fixed assets whose purchase these designated donations funded - see Note 2A.

(b) Designated amounts received for future use, including $4.7 million bearing interest at around the SOFR rate.

(c) Bearing interest at around the SOFR rate.

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 16: Aliyah

	Year ended December 31	
	2025	2024
	in US$ thousands	
Absorption Centers and Temporary Absorption Apartments	55,176	54,064
Olim Flights	7,408	13,261
Nativ-Conversion	13,445	10,845
Young Adults' Programs-Selah, Kibbutz Ulpan, First Home in the Homeland, Ulpan Etzion and Aliyah and Klita Together	7,608	8,516
Ethiopian Aliyah	2,403	5,051
Aliyah Services and Eligibility	5,271	4,480
Aliyah and Klita Management	2,117	1,893
Olim Belimud	3,815	1,790
Wings	1,755	1,618
Initial Ulpanim	623	1,258
Nefesh b'Nefesh	1,309	1,136
Bnei Menashe	239	-
Other	523	1,483
	101,692	**105,395**

Note 17: Israeli Society

	Year ended December 31	
	2025	2024
	in US$ thousands	
Amigour Social Housing	65,989	59,904
Developing Small-Business Initiatives	25,977	35,679
Youth Villages	25,766	25,084
Youth Futures	20,966	15,257
Mechinot: Post-High School and Post-Army Service Learning	8,401	7,703
Nitzana Eco Village	8,438	6,551
SparkIL: Social Loans to Micro-businesses	1,318	3,775
Intentional Communities	1,071	1,013
ShinShinui -Service Year Enrichment Program	1,090	954
Eshkol	1,820	910
Israeli Society Management	972	743
Scholarships	268	174
Community Residential Expansion	26	2
	162,102	**157,749**

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 18: Connecting World Jewry

	Year ended December 31	
	2025	2024
	in US$ thousands	
Masa Israel Journey (*)	32,682	34,142
Masa-mid-term	1,188	2,451
Partnership2Gether - Steering Committee Programming	12,859	13,170
Partnership2Gether - Managerial Infrastructure	3,821	3,397
Campers2gether	6,615	4,268
Machon-Young Leadership Training	4,753	3,586
Jewish Unity Activities-Pluralism (Religious Streams)	2,782	2,559
Project TEN (Global Tikun Olam)	19	1,650
Connecting World Jewry Management	1,038	1,088
Communities2gether	5,652	1,074
TAGLIT (Birthright - Israel)	1,000	1,000
Ami - Unity Initiative	471	506
Teen Israel Experiences	86	78
Morasha	3,670	-
Other	6	-
	76,642	**68,969**

(*) Expenses incurred by both The Jewish Agency and the Masa Israel Journey subsidiary company.

Note 19: Community Services

	Year ended December 31	
	2025	2024
	in US$ thousands	
Preparation for Aliyah	15,459	12,433
Community Activities	8,167	7,957
Worldwide Community Representatives	5,732	5,504
Informal Education in FSU	4,830	4,045
Voice of the people	2,022	-
England Youth Movement Activities	600	600
	36,810	**30,539**

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 20: Shlichim Platform

	Year ended December 31	
	2025	2024
	in US$ thousands	
Israel Fellows	7,987	6,109
Shin Shinim (Shlichim)	6,553	6,028
Israeli Counselors in Summer Camps - North America and FSU	7,879	5,765
Community Educators (Shlichim)	7,299	5,591
Youth Movement Educators (Shlichim)	4,338	3,716
Shlichut Institute	3,226	3,299
Pre-Shlichut costs and Training for Shlichut Institute	554	812
Ongoing and Supervision Shlichut Costs	201	579
Shlichut Platform Management	633	440
Returning Shlichim: Strengthening the Jewish Identity of Israelis & Shlichut Alumni Network	402	202
	39,072	**32,541**

Note 21: Content and Education Platform

	Year ended December 31	
	2025	2024
	in US$ thousands	
HEFTZIBA - Formal Education in FSU	1,798	2,049
Pincus Fund	923	695
Ulpanim in FSU	-	292
CHA'IL - Supporting Jewish Day Schools Around the World	424	-
	3,145	**3,036**

Note 22: Jewish Agency Wide Projects and Organizational Activities

	Year ended December 31	
	2025	2024
	in US$ thousands	
Israel Experience Company expenses	46,165	32,045
Other Israeli subsidiary companies' expenses (*)	27,268	23,241
Victims of terror fund, La'ad and Other Special Tasks	39,302	21,038
Kiryat Moriah Campus	4,246	3,678
Security Fund	3,115	2,167
Makom	925	770
Jewish People Policy Institute	730	731
Change in equity of associated companies	(1,163)	(807)
Other	12,263	7,873
	132,851	**90,736**

(*) Not including Jewish Agency activities conducted by subsidiaries

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 23: Support Units

	Year ended December 31	
	2025	2024
	in US$ thousands	
Finance	4,828	4,704
ERP, Cyber Security and other Organizational IT	5,182	4,464
Executive Offices	4,200	3,847
Worldwide Regional Management	3,530	3,466
Human Resources and Administration	3,618	3,028
Strategy, Research and Planning	4,175	2,553
Security Division	1,742	1,602
Legal Advisor	1,060	890
Comptroller	597	588
Chief Operations Officer	604	448
	29,536	**25,590**

Note 24: Marketing and Resource Development

	Year ended December 31	
	2025	2024
	in US$ thousands	
FRD and Sales Strategy	5,976	5,369
Corporate Marketing	4,487	5,240
Spokesman	681	514
	11,144	**11,123**

Note 25: Financial expenses, net

	Year ended December 31	
	2025	2024
	in US$ thousands	
Exchange rate differences income, net	6,600	436
Interest expenses, bank fees and other, net	(3,741)	(5,105)
	2,859	**(4,669)**

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 26: Transactions with Related Parties

A. Donations, Contributions (unrestricted and restricted), fees for services and amounts received for distribution to others:

	Year ended December 31	
	2025	2024
	in US$ thousands	
United Israel Appeal Inc.	344,525	382,035
Keren Hayesod-United Israel Appeal	43,632	43,969
Keren Kayemet Leisrael ("KKL")	14,102	4,143

In addition, the annual benefit value of properties made available in the year ended December 31, 2025 to The Jewish Agency free of charge was approximately:

i. $10 million by United Israel Appeal Inc. (2024: $9 million) and;

ii. $2 million by United Israel Appeal Canada (2024: $2 million).

B. Transactions during the ordinary course of business:

	Year ended December 31	
	2025	2024
	in US$ thousands	
Services received from World Zionist Organization, net	18,020	16,718
Services provided by (to) other related parties, net	725	(324)

C. Balances, donations and other transactions with related parties are disclosed separately in these financial statements.

D. The total compensation expense for the Chairman of the Executive, Deputy-Chairman of the Executive and the Director General amounted to $ 1,298 thousand for the year ended December 31, 2025 (year ended December 31, 2024 - $ 1,023 thousand).

Note 27: Sale of Assets

In 2011 an associated company (46.8% holding) of The Jewish Agency sold its interest in property in Tel-Aviv. Per the sale agreement, the final, future consideration for the sale was to only to be determined in the future, on the basis of the value of the developed property in 2024.

After finally reaching agreement on the value of the developed property, The Jewish Agency's portion of final net consideration of approximately 40 million shekels ($12.5 million) was agreed upon on December 31, 2025 and was remitted to The Jewish Agency in July 2026.

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 28: Classification of Expenses in the Consolidated Statement of Operations by Nature of Expense

	Year ended December 31	
	2025	2024
	in US$ thousands	
Salaries and compensation	211,761	178,414
Cultural and educational activities	95,342	73,866
Property maintenance, rental, security and office expense	103,481	86,213
Grants and allocations to External Organizations	87,636	95,647
Depreciation	27,086	25,244
Travel and Lodging	20,616	18,586
Airline Tickets for Immigrants	7,408	13,261
Computing expenses	17,003	14,530
Miscellaneous	12,984	8,785
Other Subsidiary companies' expenses	5,364	4,978
Professional services	7,978	7,354
Advertising & Marketing Services	2,831	3,882
	599,490	**530,762**





Every one of us, together.

THE JEWISH AGENCY FOR ISRAEL
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