

Financial Statements

Q1 2023

 **CCLAL**
INSURANCE & FINANCE



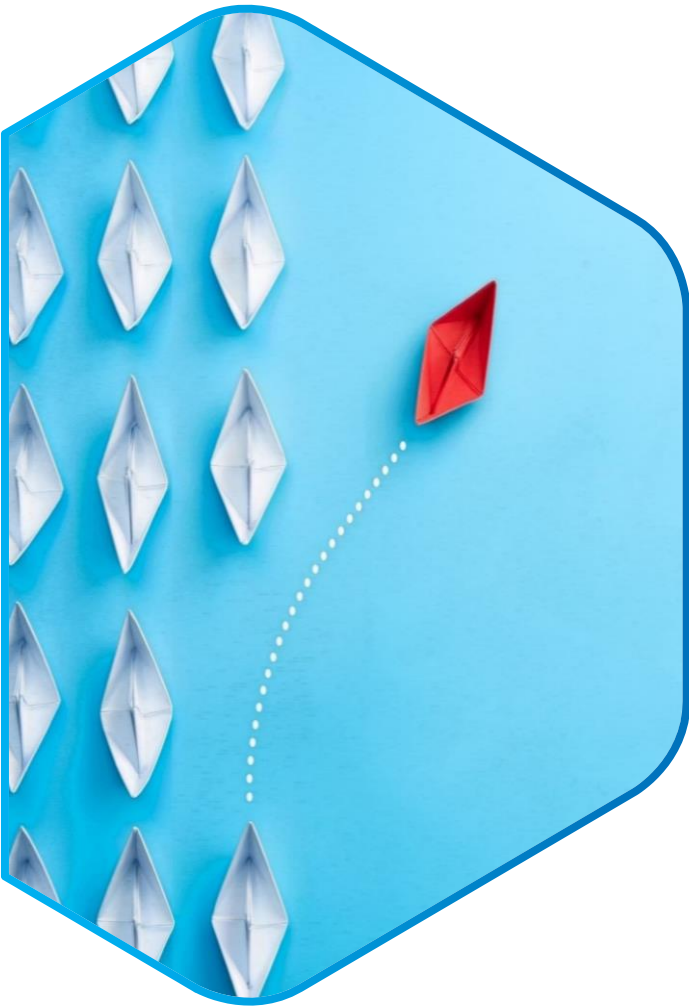
Limitation of Liability

This presentation includes partial information only with respect to the Company's results for the period January-March 2023, and was prepared for summary and convenience purposes only. This presentation cannot serve as a substitute for a review of the Company's public reports (including in the Company's financial statements), which contain the complete information regarding the Company, before reaching any decision regarding an investment in the Company's securities.

This presentation does not constitute an offer for the acquisition of the Company's securities, nor a request for any such offers, and is intended for the delivery of information only, as part of the provision of explanations regarding the Company.

This presentation is an unofficial translation from the Hebrew language and is intended for convenience purposes only.

The binding version of the presentation is in the Hebrew language only.



About us



Clal Insurance Enterprises Holdings is a holding company whose primary holdings are Clal Insurance & Finance and MAX

Scope of managed assets: NIS 316 billion as of 31 March 2023

Rated iAA-\Stable by S&P Ma'alot

As of December 2022, the company employs 4,403 employees at Clal Insurance & Finance and insurance agencies, and 1,337 employees at MAX

MAX

Consumer and business lending as of 31 March 2023 is NIS 9.8 billion

The number of valid cards as of 31 March 2023 is approximately 3.4 million

The issuing volume in Q1 2023 is approximately NIS 30 billion

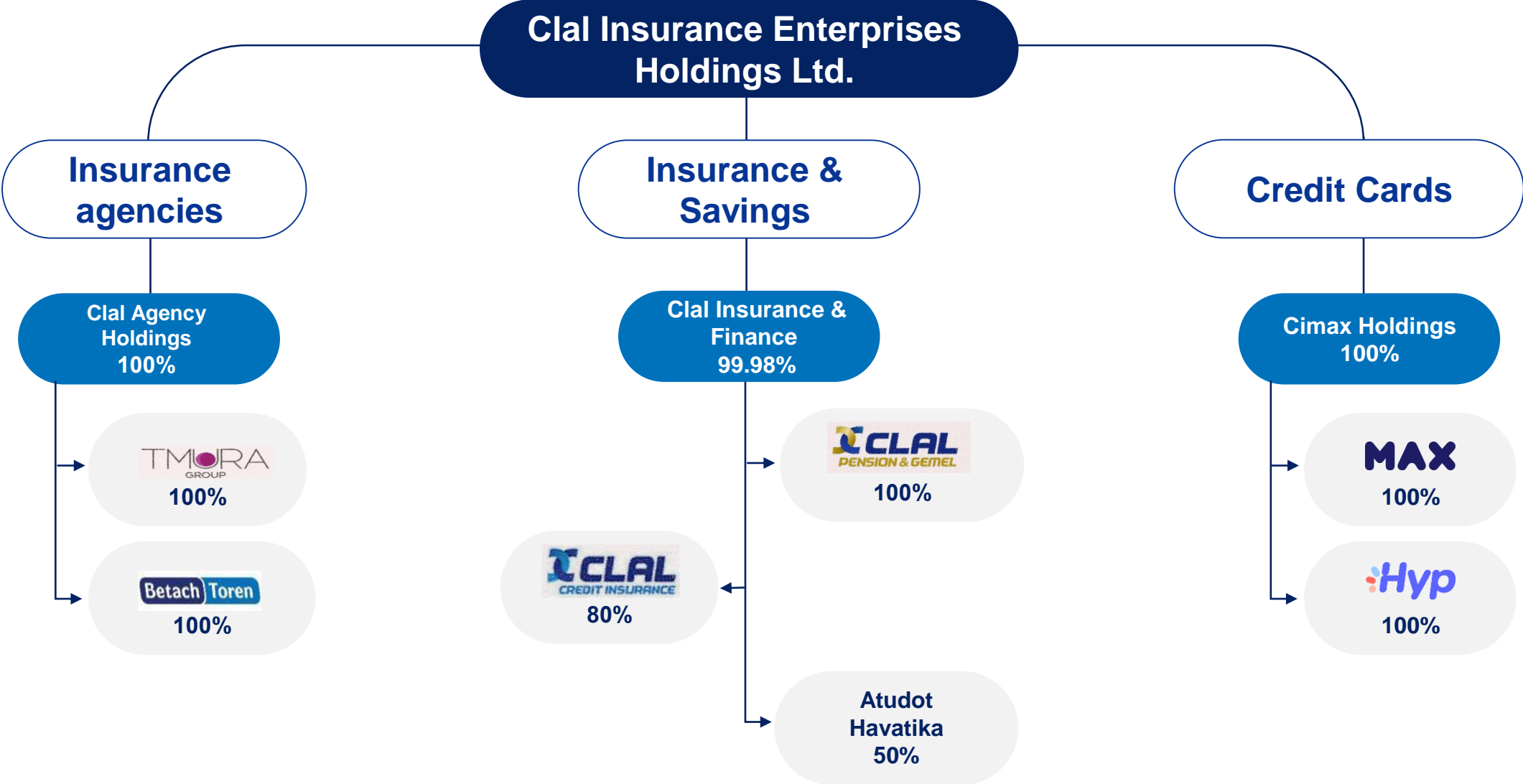


Scope of premiums, contributions and receipts for investment contracts in Q1 2023 is approximately NIS 6.7 billion

Rated Aa1.il with Stable Outlook by Midroog, iAA+\Stable by S&P Ma'alot

Solvency ratio of 178%, and without taking distributions provision into account a ratio of 109%, as of 31 December 2022

The group's main holding structure





4.99%

Warburg Pincus

5.1%

Mr. Shalom Shai (Dona Engineering & Construction Co.)

6.7%

Harel Insurance Investments & Financial Services Ltd.

7.1%

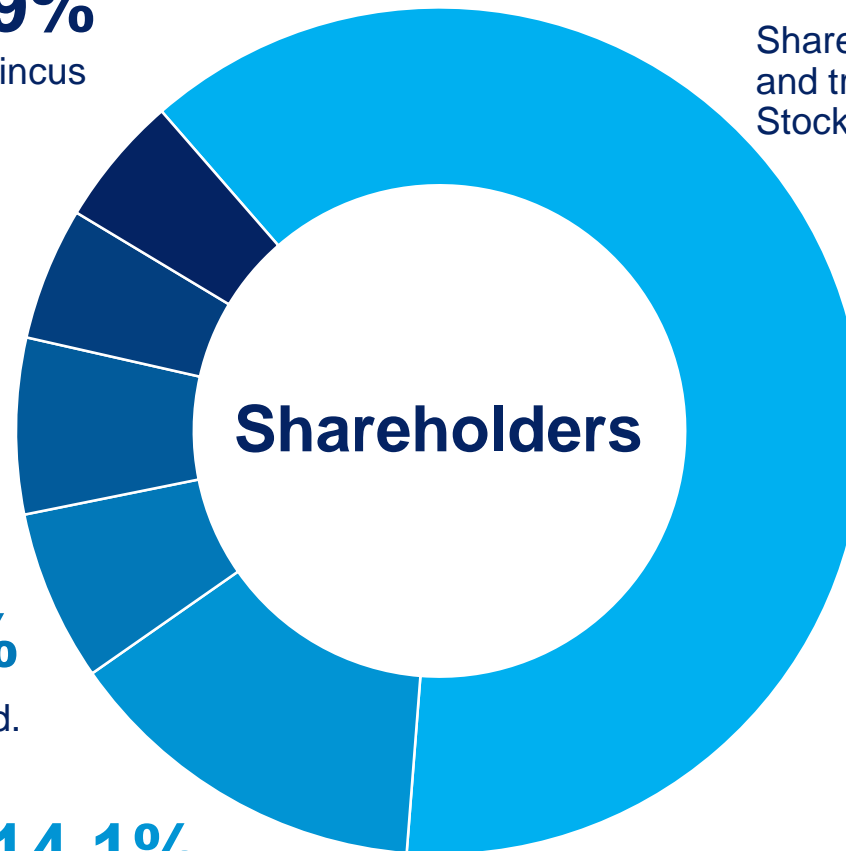
Phoenix Holdings Group Ltd.

14.1%

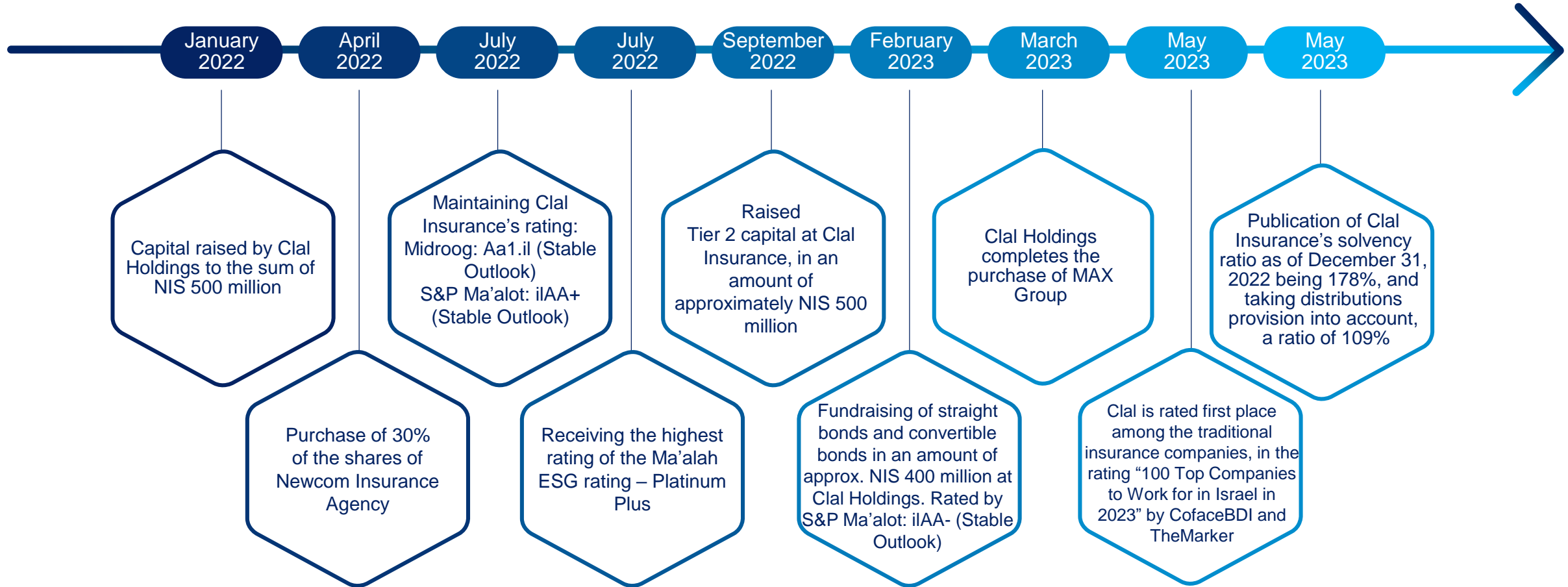
Alrov Real Estate & Hotels Ltd.

62.0%

Shares held by the public and traded on the Tel Aviv Stock Exchange

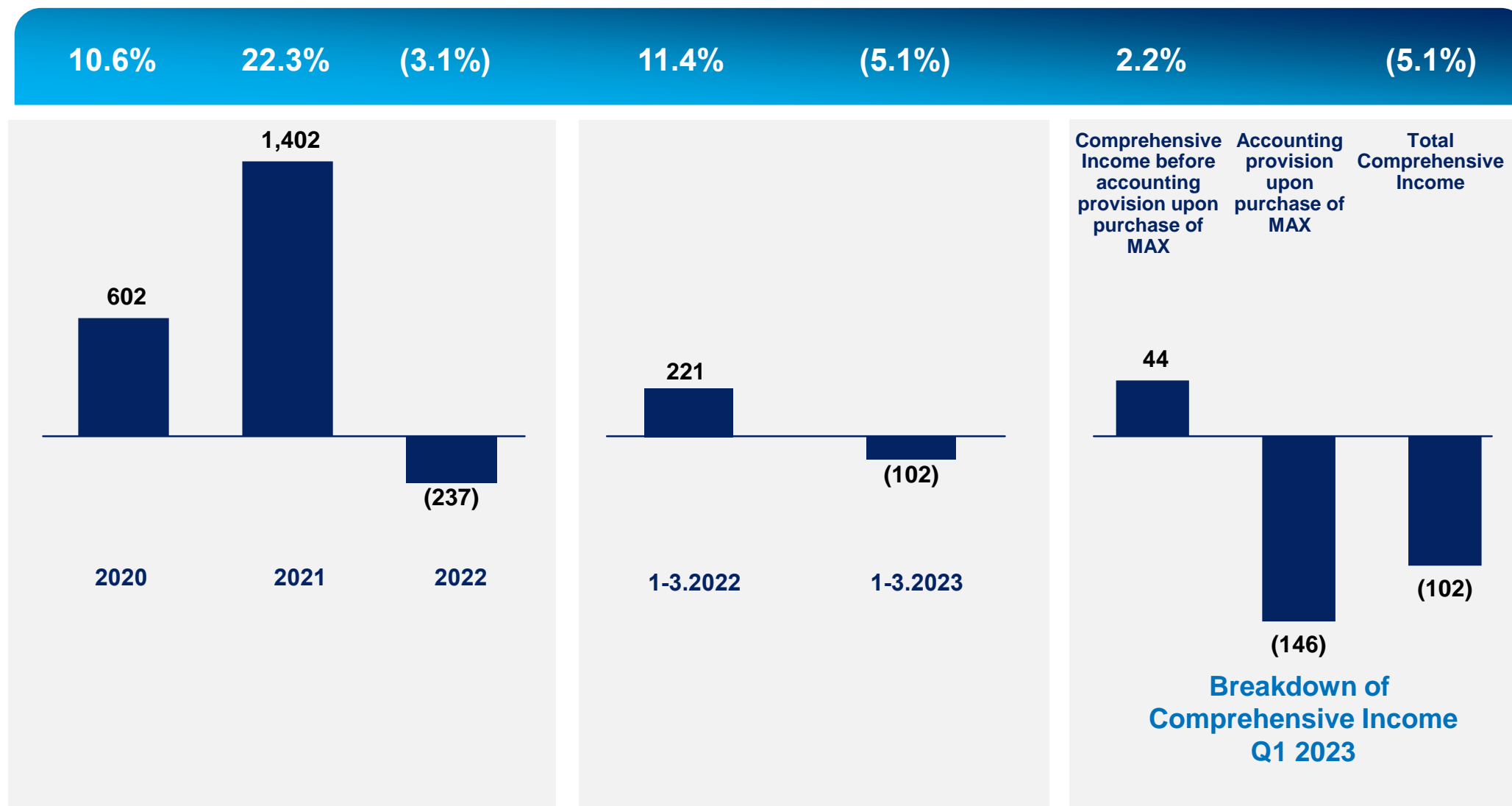


Primary milestones



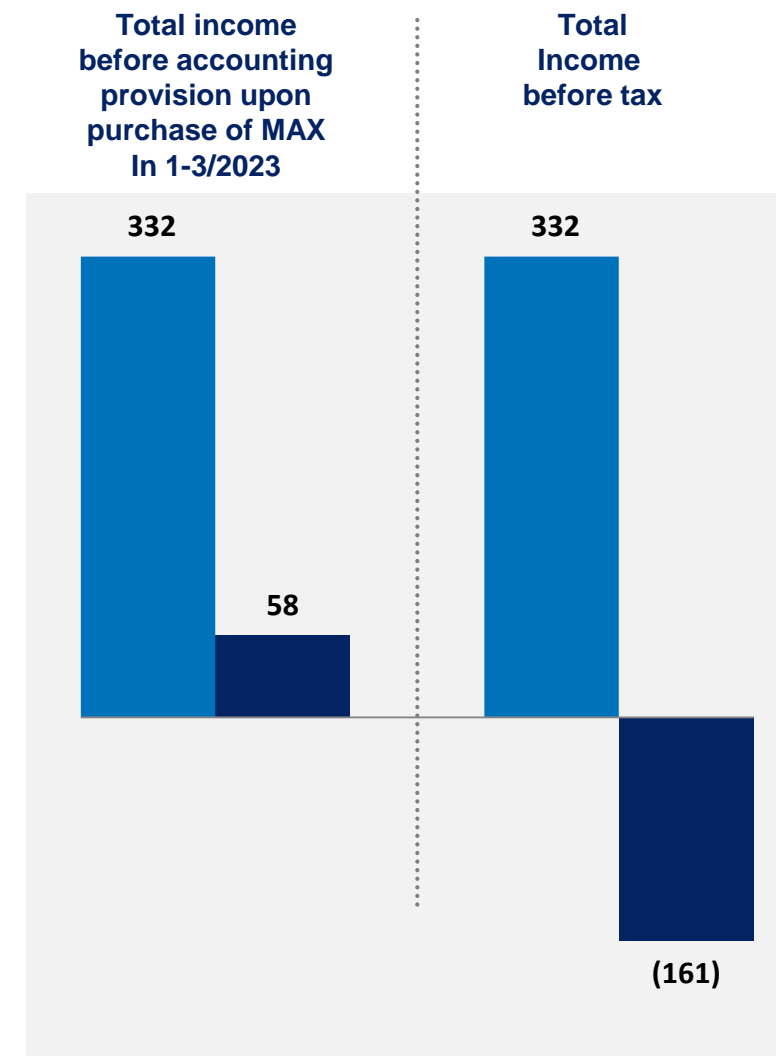
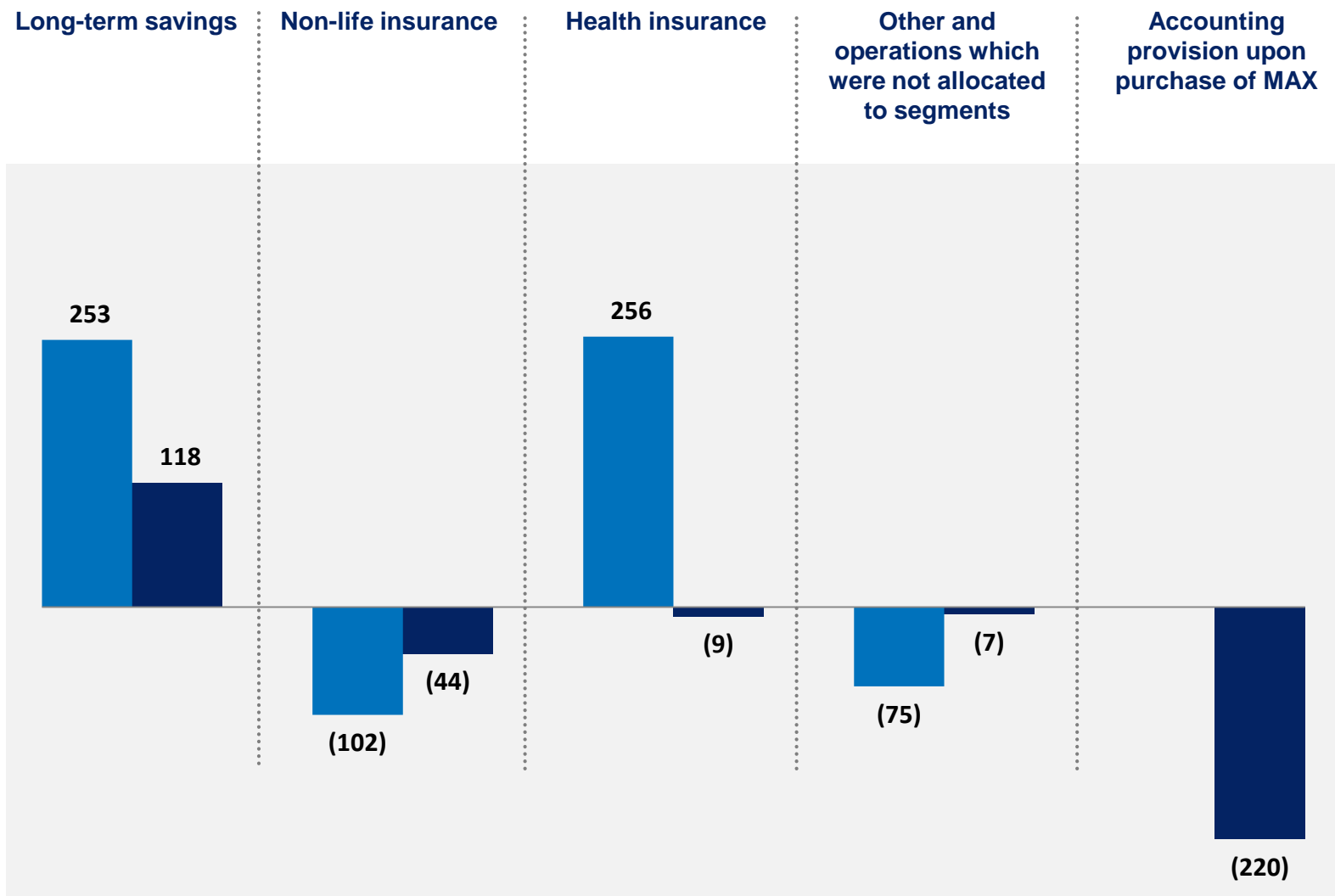
Comprehensive Income After Tax Attributable to Shareholders (NIS Millions)

Return on Equity¹

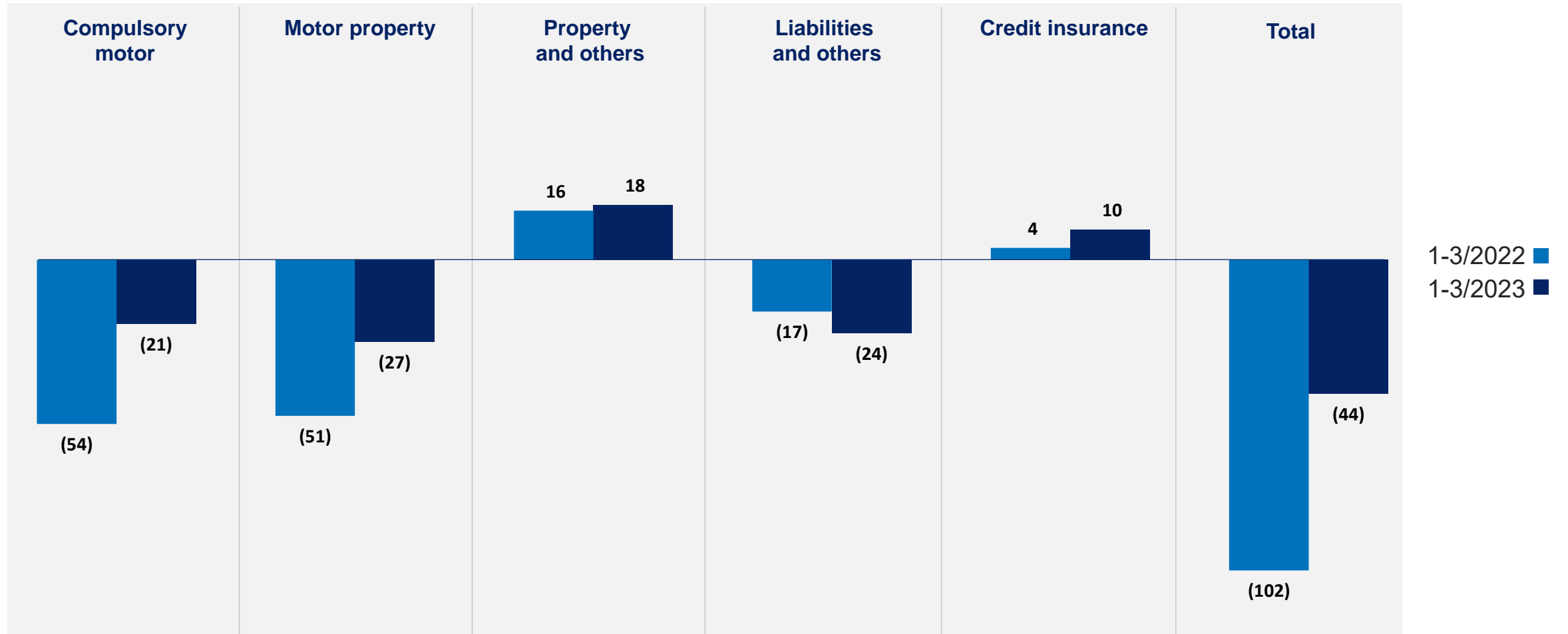


¹ Return on Equity In annual terms - return on equity is calculated on the basis of profit for the period attributable to the Company's shareholders, divided by equity at the beginning of the period attributable to the Company's shareholders. The profit used for the calculation of the quarterly return on equity is calculated by multiplying by four the quarterly profit.

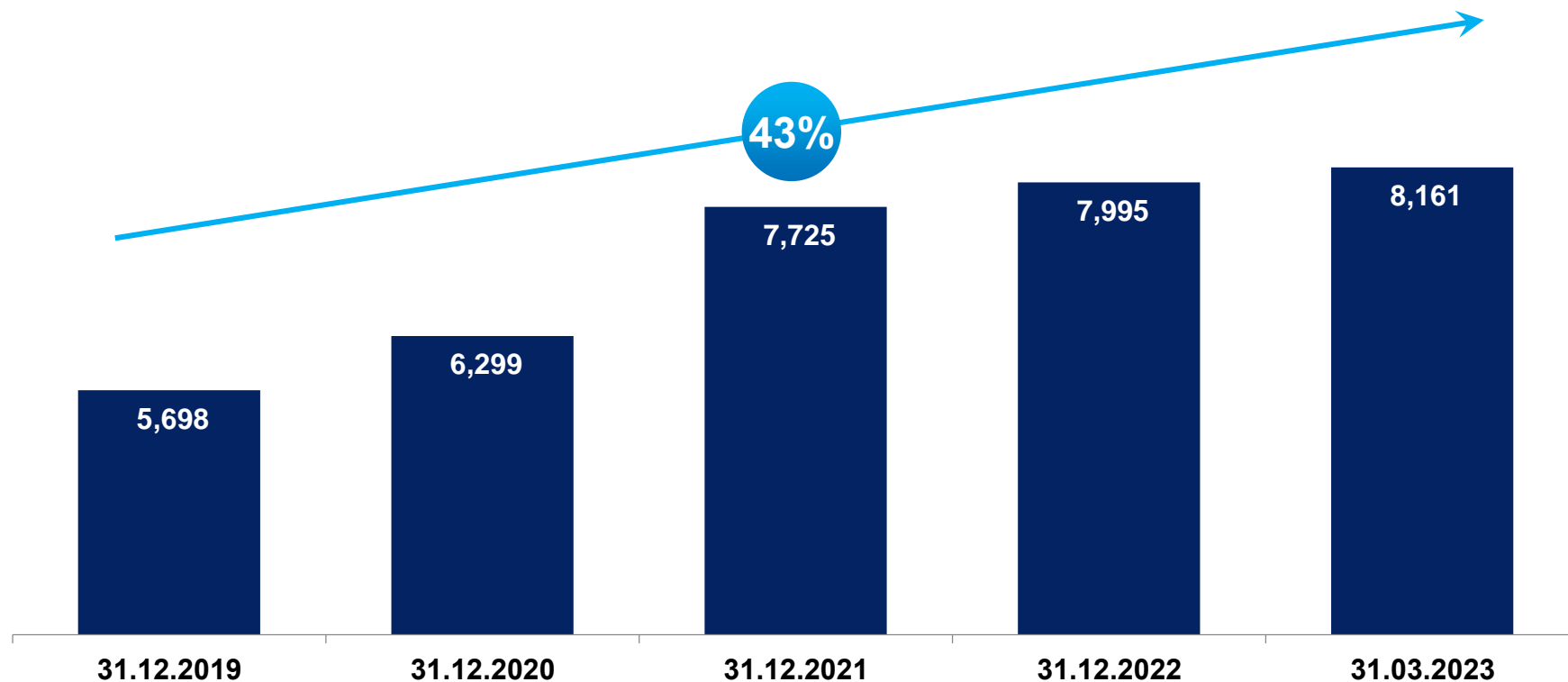
Comprehensive Income Before Tax by Segments (NIS Millions)



Non-Life Insurance : Comprehensive Income Before Tax (NIS Millions)



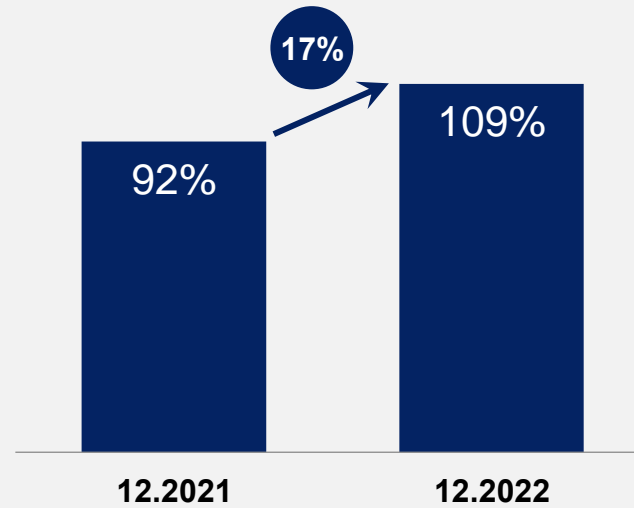
Total Capital Attributable to Company Shareholders (NIS millions)



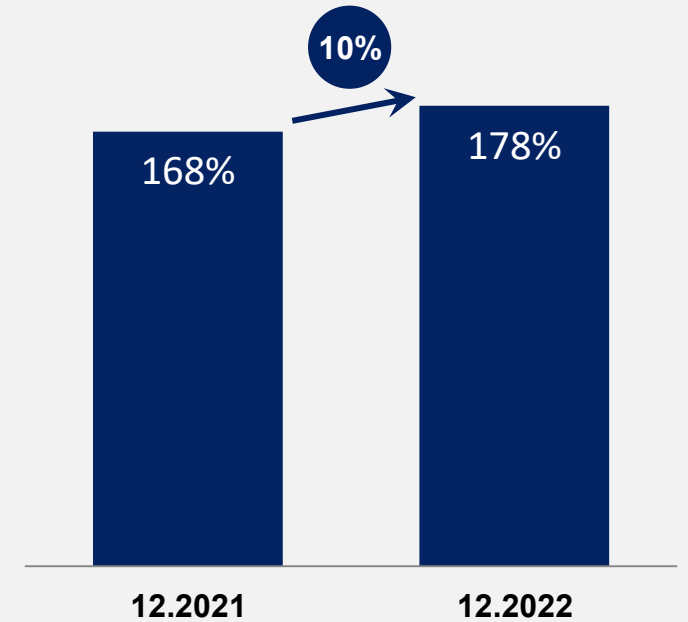
Solvency ratios



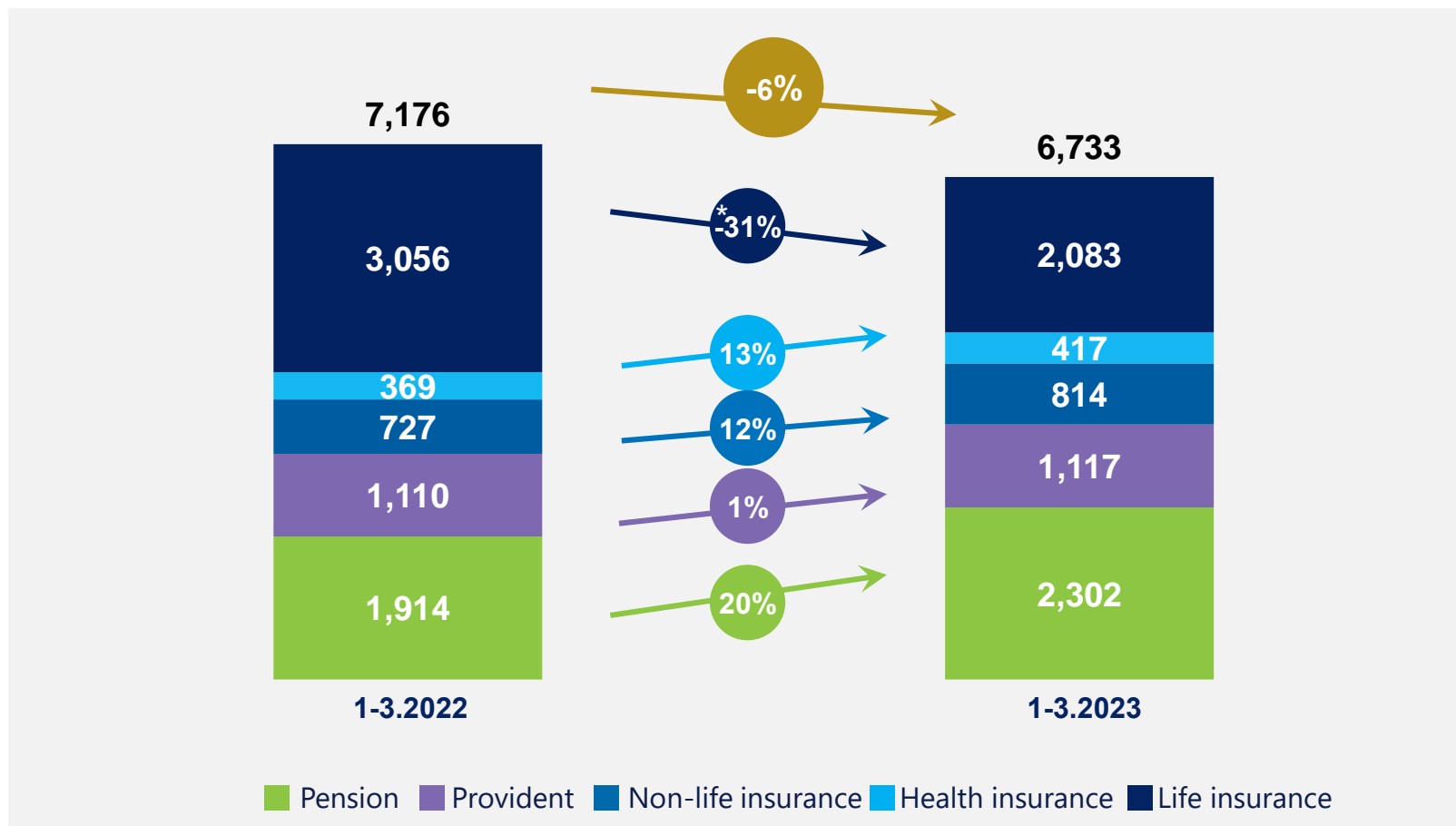
Not taking distribution provisions into account



Taking distribution provisions into account

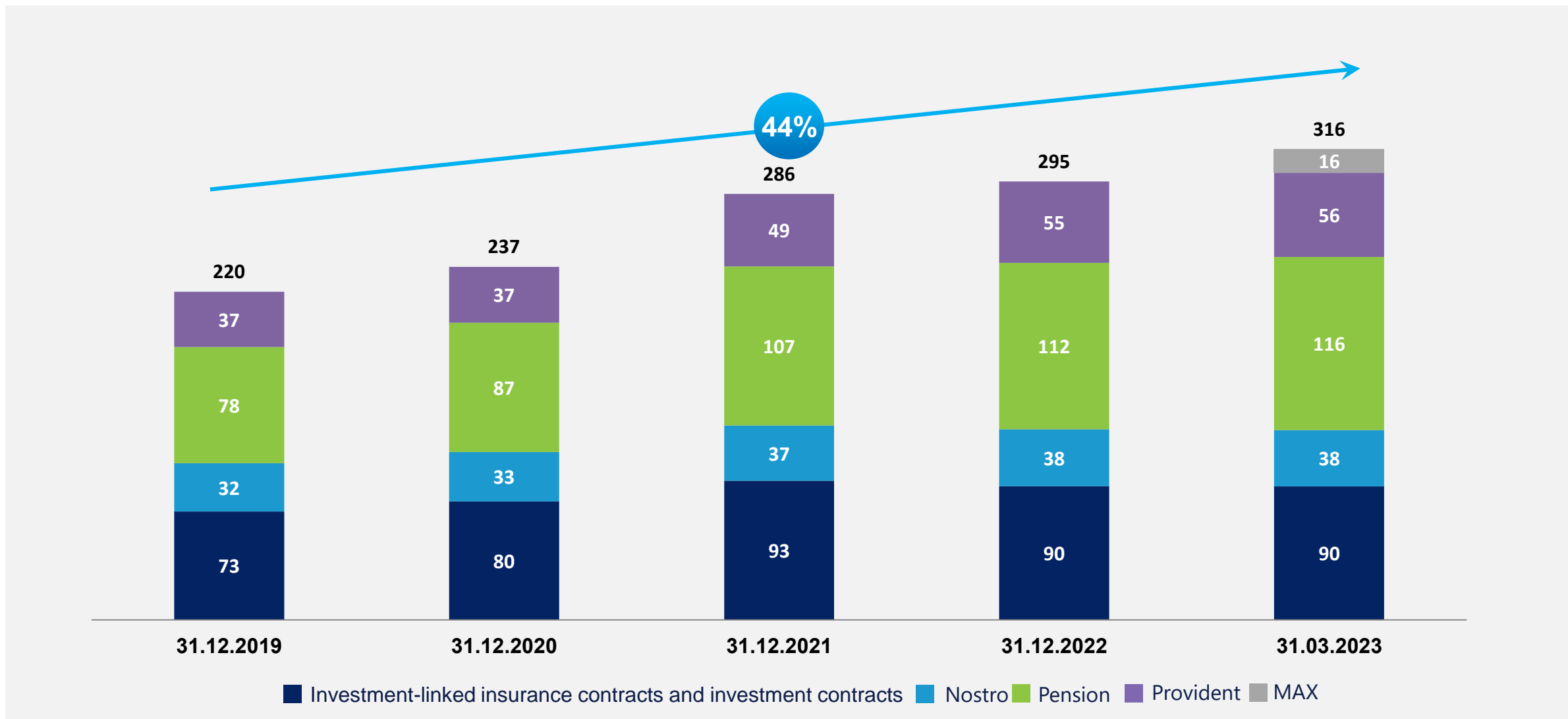


Gross Premiums Earned, Contributions and Receipts with respect to investment contracts (NIS Millions)



* The reduction in life insurance arises primarily from a decrease of approximately NIS 834 million in receipts with respect to investment contracts

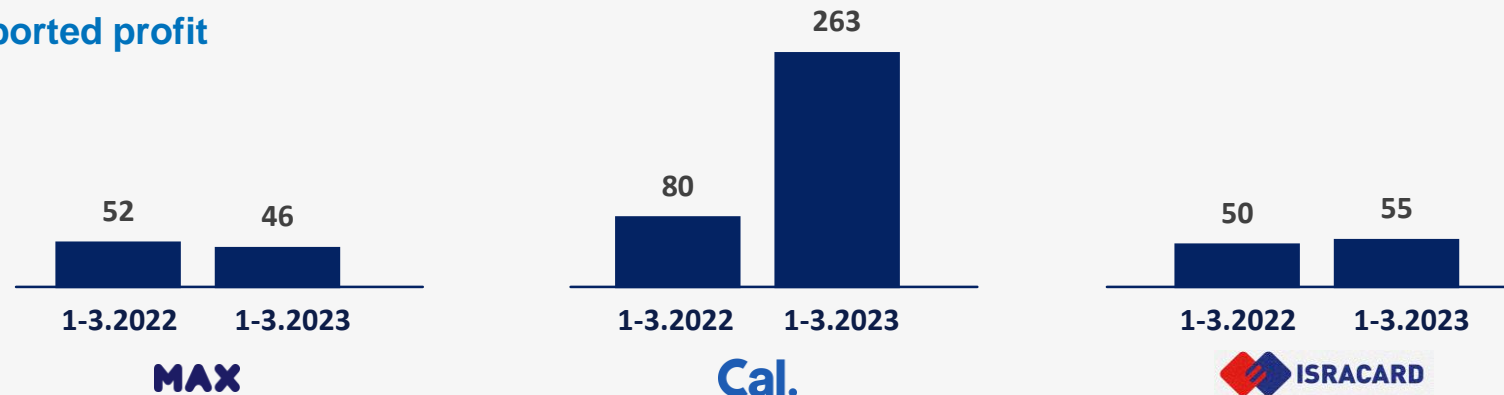
Assets under management (NIS Billions)



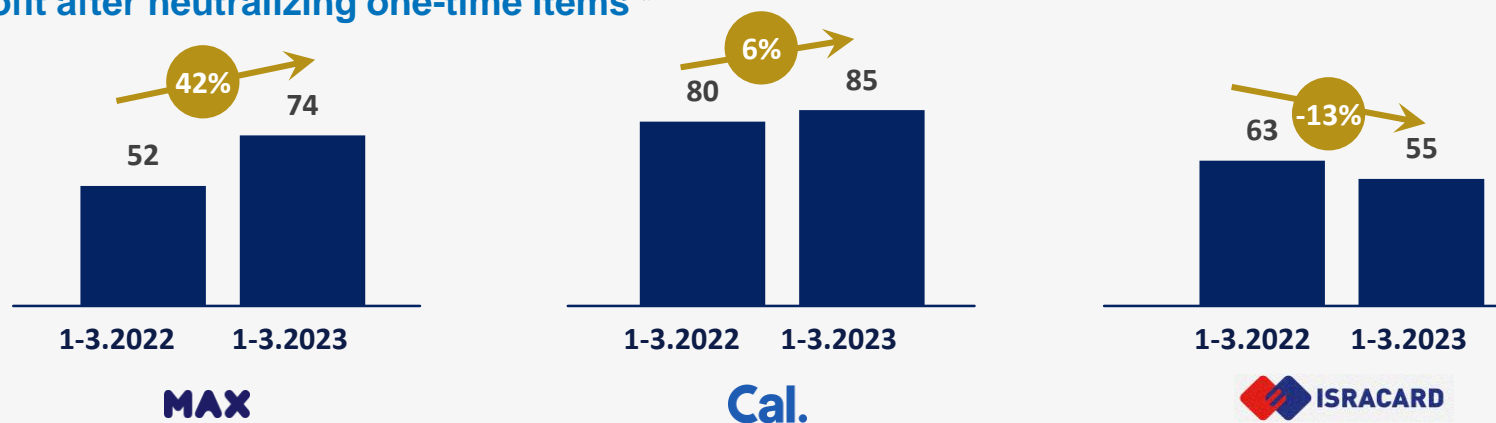
Credit Card Company Profitability (NIS Millions)



Reported profit



Profit after neutralizing one-time items *



* Profit after neutralizing one-time items as reported by the companies

Words of the CEO and Chairman



Yoram Nave
CEO

“In Q1 2023, we completed the MAX purchase transaction and are the first in the industry to act to promote competition in the field of consumer credit, to the benefit of the Israeli public. In Q1 2023, Clal Insurance and Finance made a profit of approximately NIS 44 million after tax, but, as part of the purchase, was required to record a one-time provision for implementation of accounting standards, resulting in the company recording a loss of approximately NIS 102 million. In Q1 2023, MAX is showing impressive continued growth in all its business parameters. MAX’s profit is approximately NIS 74 million and, deducting one-time acquisition expenses, amounts to NIS 46 million. Following the completion of the MAX transaction, the balance of CIMAX, the parent company of MAX, was consolidated to Clal Holdings. Full consolidation of the financial statements, including the financial results of CIMAX will take place starting the next quarter.

We intend to approve soon a dividend distribution policy at Clal Insurance, thanks to a new solvency ratio which, as of the end of 2022, is approximately 109%, compared to a ratio of approximately 92% as of December 2021 and, when taking the distributions provisions into account, is 178%, compared to 168%. The scope of the company’s managed assets has reached a new record at the end of the quarter and is approximately NIS 300 billion, compared to total assets of approximately NIS 295 billion at the end of 2022, an increase of approximately 2%. The scope of the company’s assets, plus the assets of MAX, is approximately NIS 316 billion. Within that scope, in this quarter as well, we continued to show impressive results of positive net accrual in the pension and provident sectors, amounting to NIS 4.5 billion, and the company’s pension fund has crossed a threshold of approximately NIS 100 billion in managed assets.

Clal Insurance and Finance has recently been rated first place among the insurance companies in the industry, in a rating of Israel’s top institutional investment managers in 2022, by Forbes Magazine. Earlier this month, the company has once again been rated first place among all traditional insurance companies in the industry, in the rating of the “Top 100 Companies to Work for in Israel”, as rated by CofaceBDI and TheMarker Magazine for 2023, and ranked the 20th! leading company in the Israeli economy, and I value this great importance for the company’s success”



Haim Samet
Chairman

“Clal Insurance and Finance is concluding a significant quarter in the life of the group, thanks to its largest strategic purchase - that of MAX. I am confident that this purchase will strengthen the group and prove beneficial to all its stakeholders.

In addition, we are glad to of the improved solvency ratio of Clal Insurance, which indicates the financial strength of the company and will allow the company to soon hold a discussion and approve a dividend distribution policy”.

Thank
You

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