

Financial Statements

Q2 2023



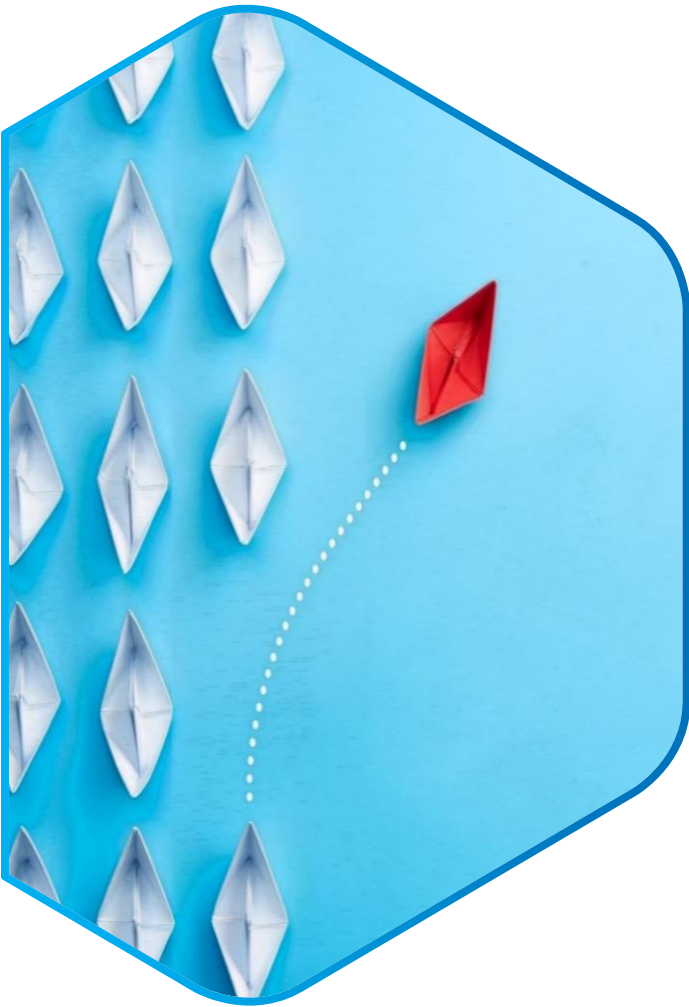
Limitation of Liability

This presentation includes partial information only with respect to the Company's results for the period January-June 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



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

Scope of managed assets: NIS 328 billion as of 30 June 2023

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

MAX

Consumer and business lending as of 30 June 2023 is approximately NIS 10 billion

The number of valid cards as of 30 June 2023 is approximately 3.4 million

The issuing volume in H1 2023 is approximately NIS 61 billion

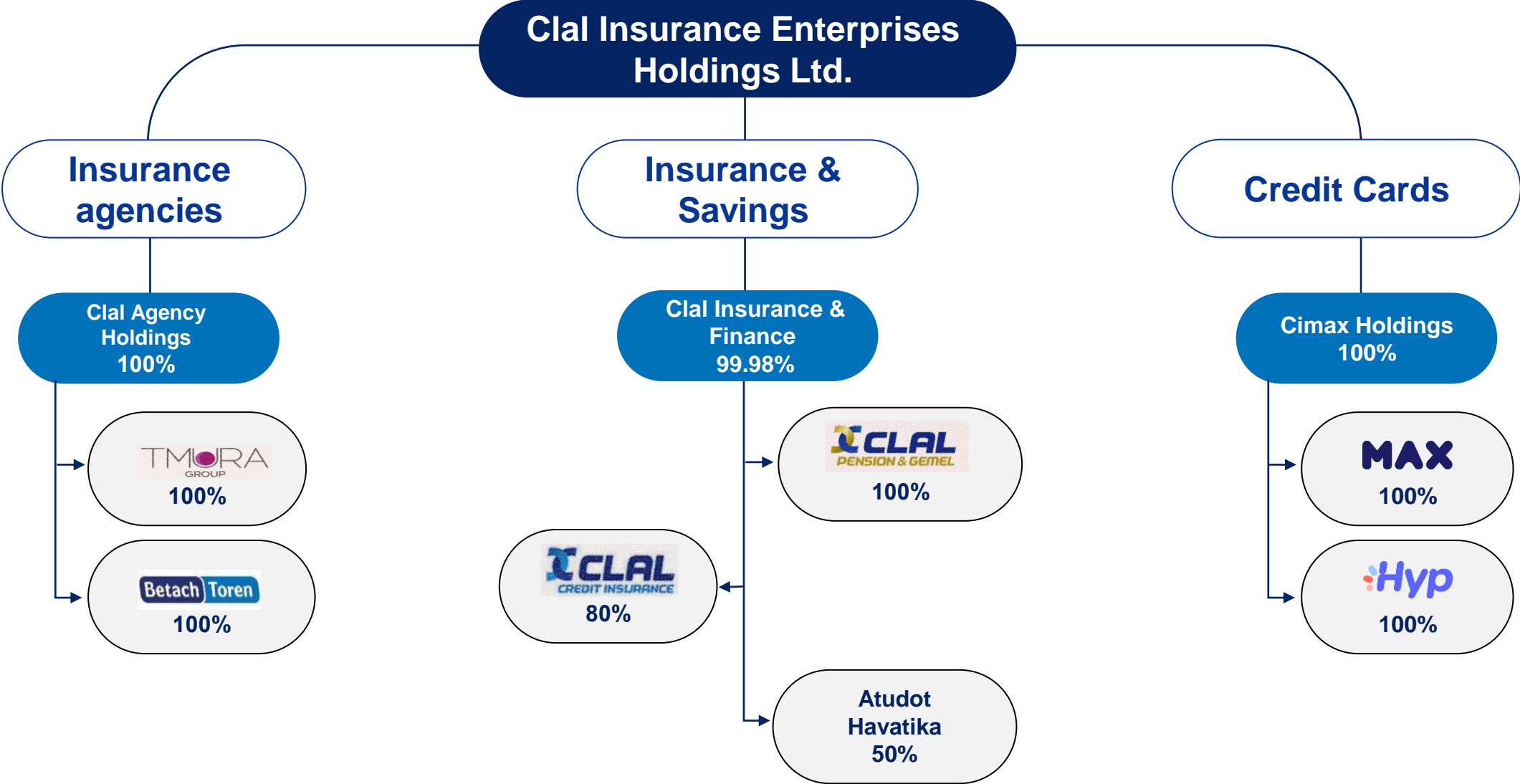


Scope of premiums, contributions and receipts for investment contracts in H1 2023 is approximately NIS 13.4 billion

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.)

6.9%

Harel Insurance Investments & Financial Services Ltd.

6.9%

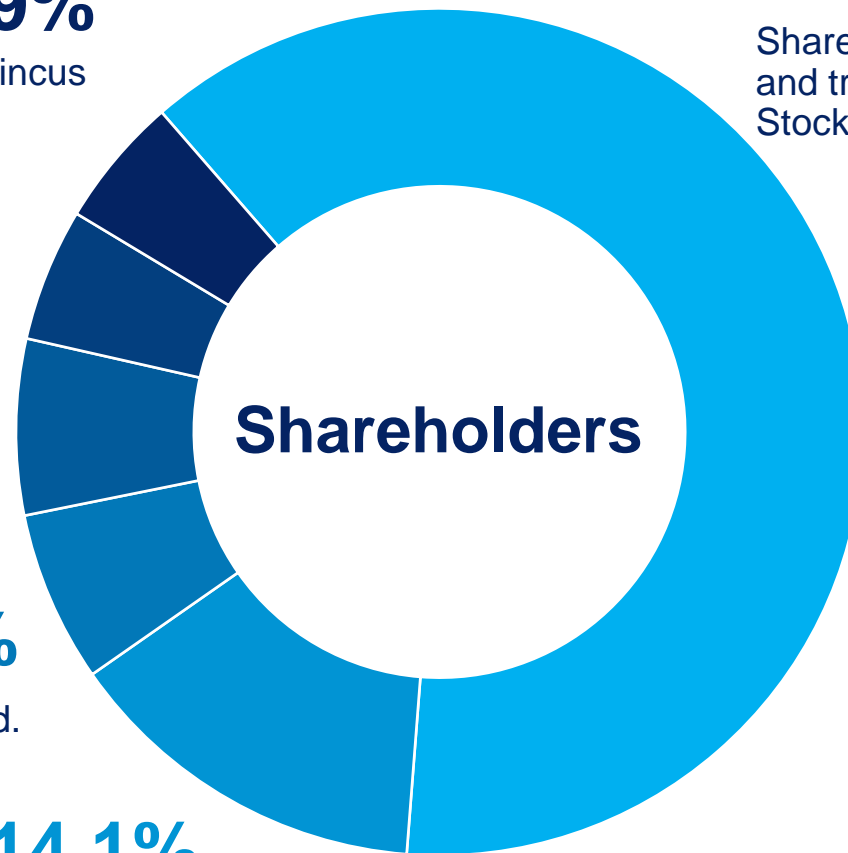
Phoenix Holdings Group Ltd.

14.1%

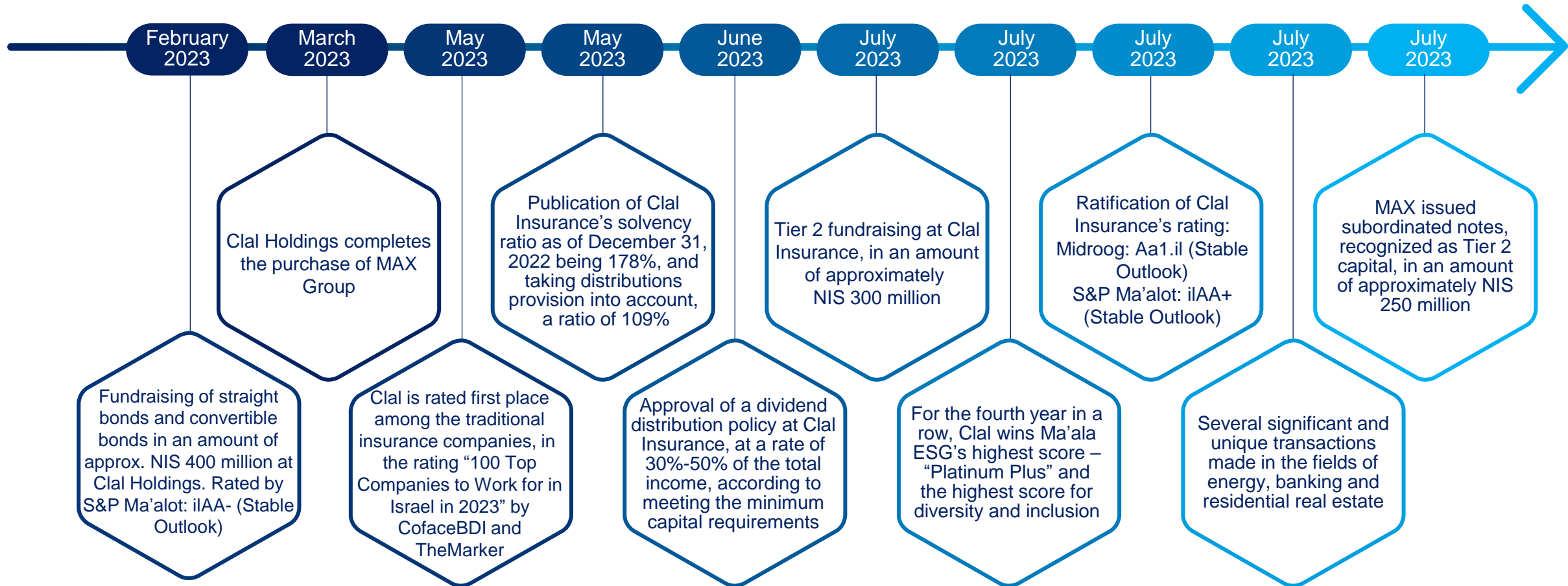
Alrov Real Estate & Hotels Ltd.

62.0%

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

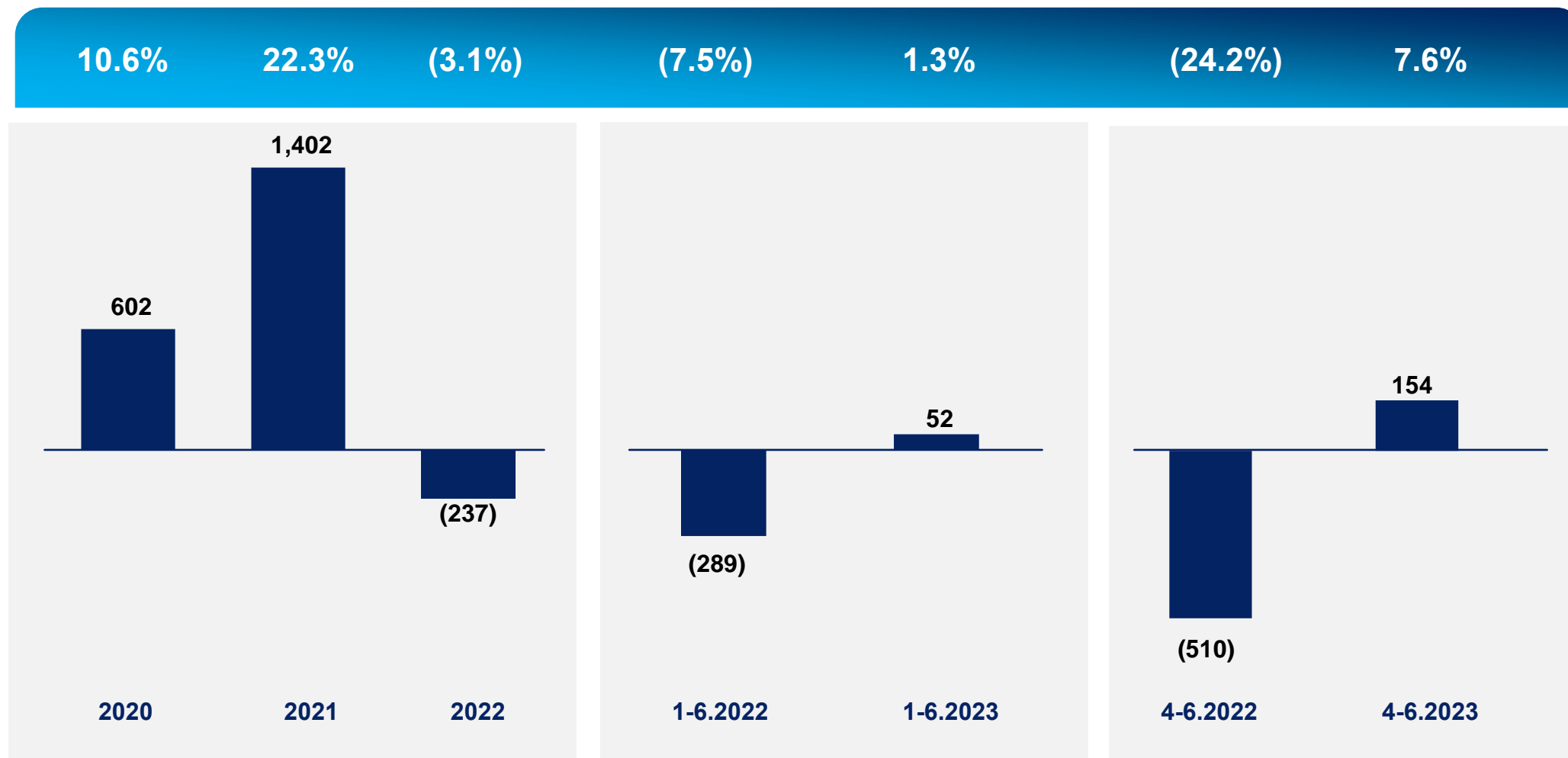


Key milestones 2023



Comprehensive Income After Tax Attributable to Shareholders (NIS Millions)

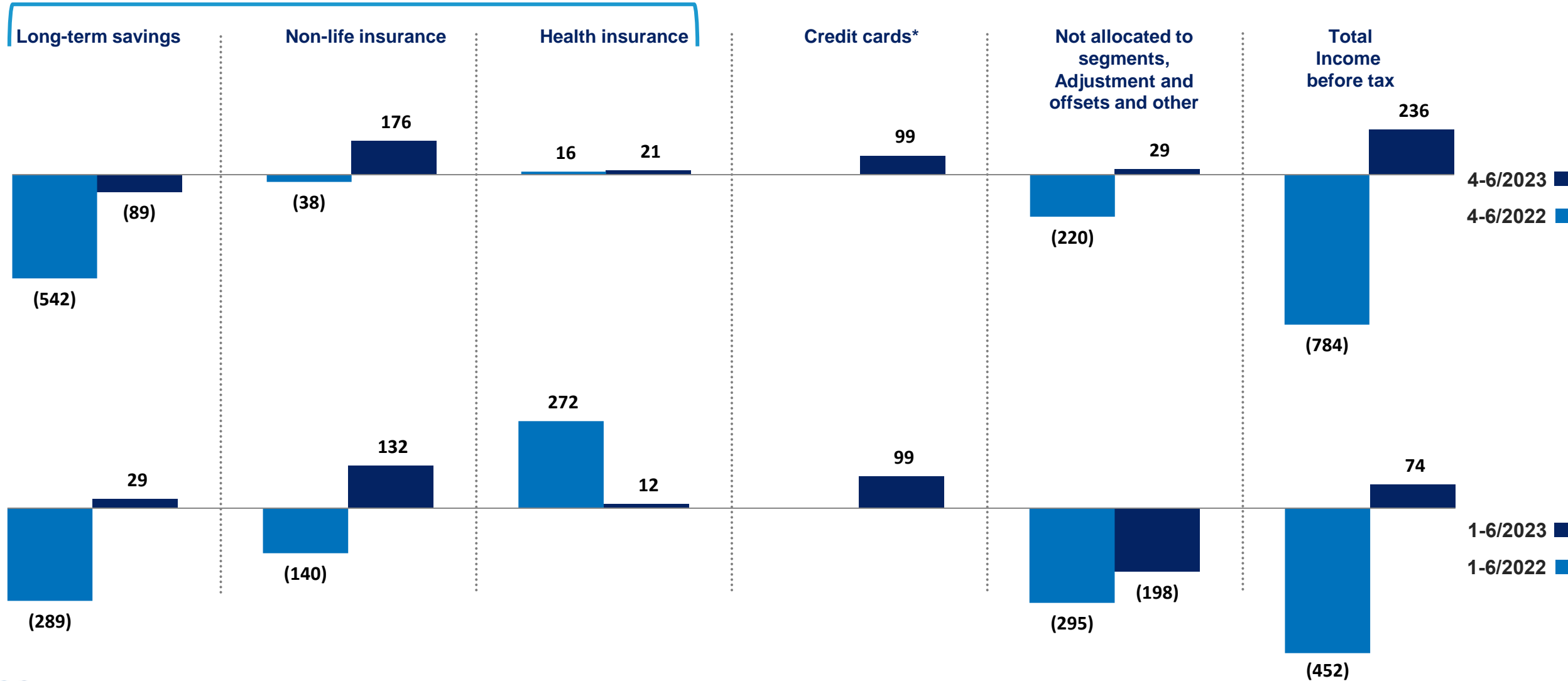
Return on Equity*



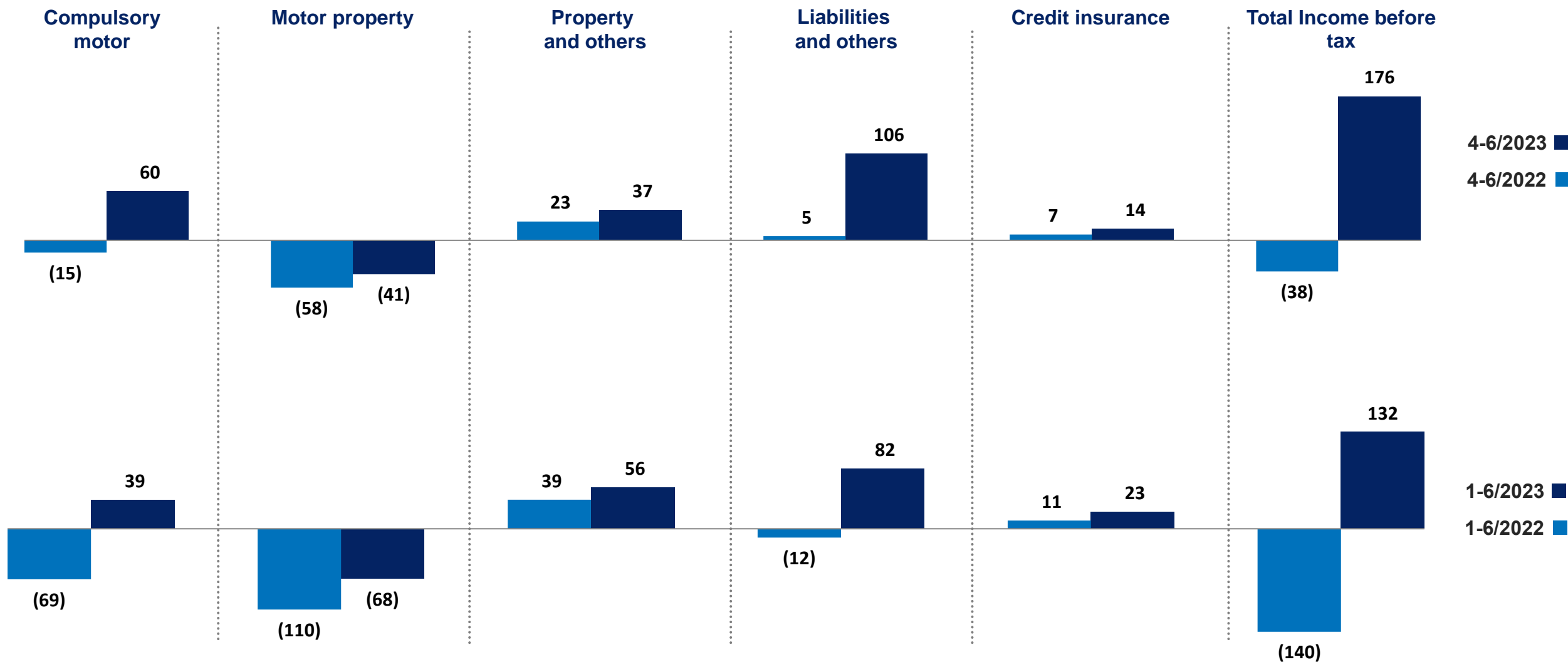
* Return on Equity In annual terms - return on equity is calculated on the basis of profit for the period attributable to the Company's shareholders, divided by equity at the beginning of the period attributable to the Company's shareholders. The profit used for the calculation of the quarterly return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

Comprehensive Income Before Tax by Segments (NIS Millions) For the First Time – the Credit Cards Segment

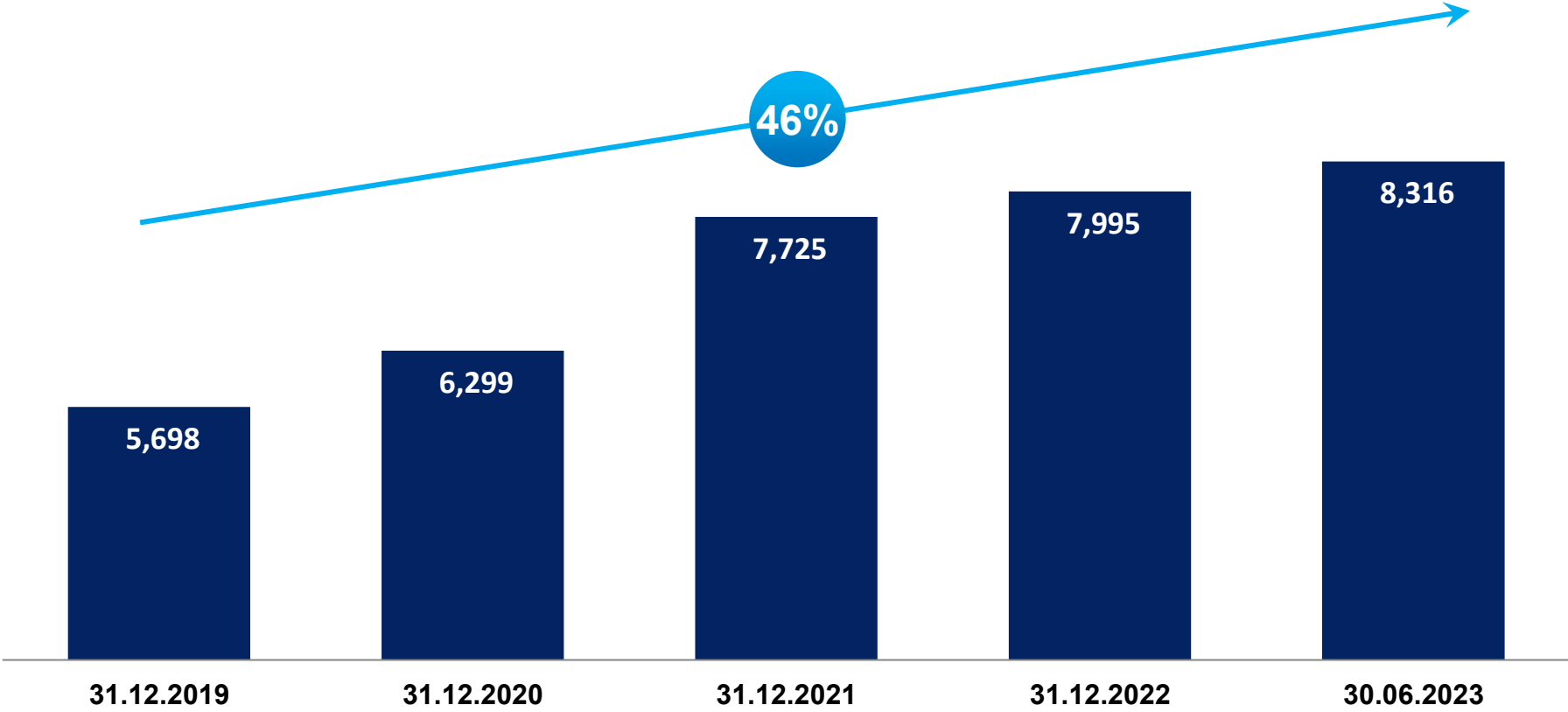
Insurance & Savings



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



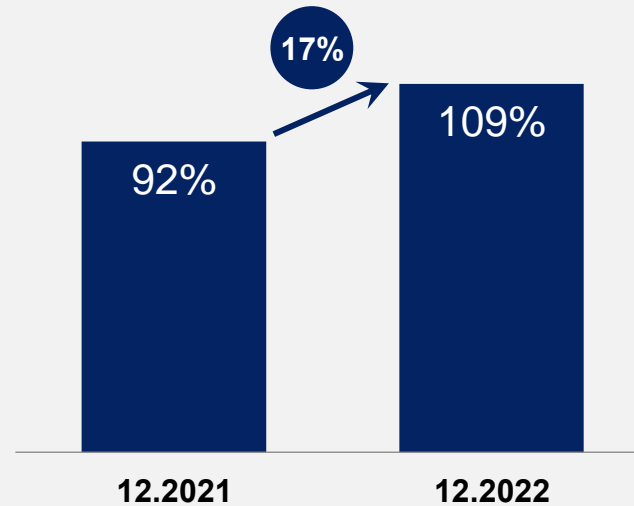
Total Capital Attributable to Company Shareholders (NIS millions) An Increase of 46% since the Beginning of the Year



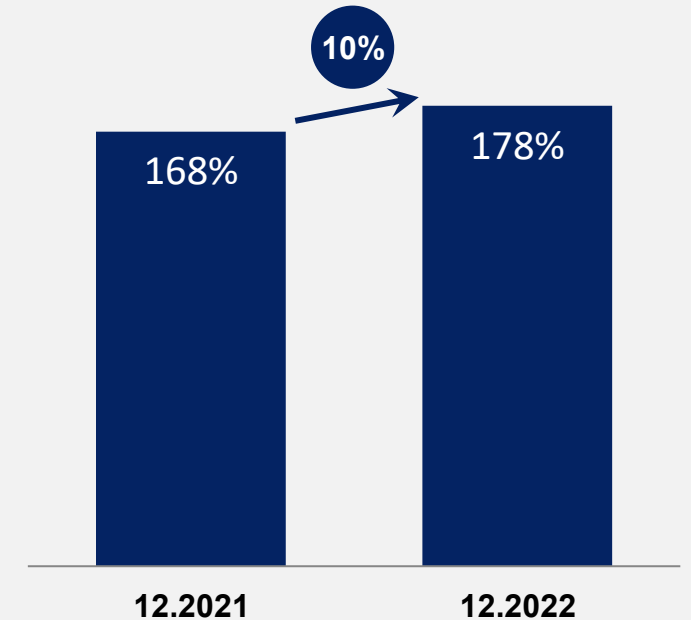
Clal Insurance – Significant Improvement of the Solvency Ratios



Not taking distribution provisions into account

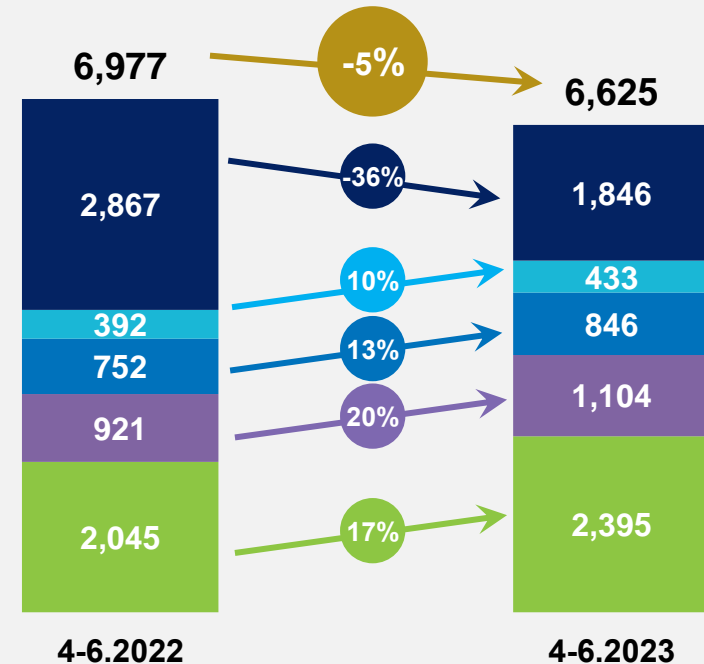
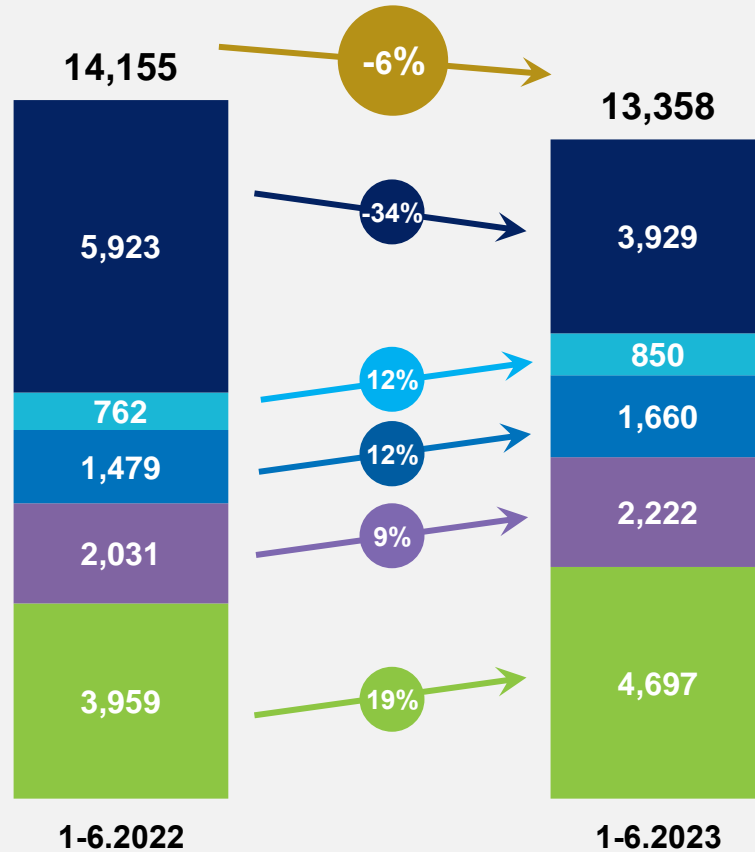


Taking distribution provisions into account



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

Double-digit Growth in all Areas of Activity, with the Exception of Life insurance*

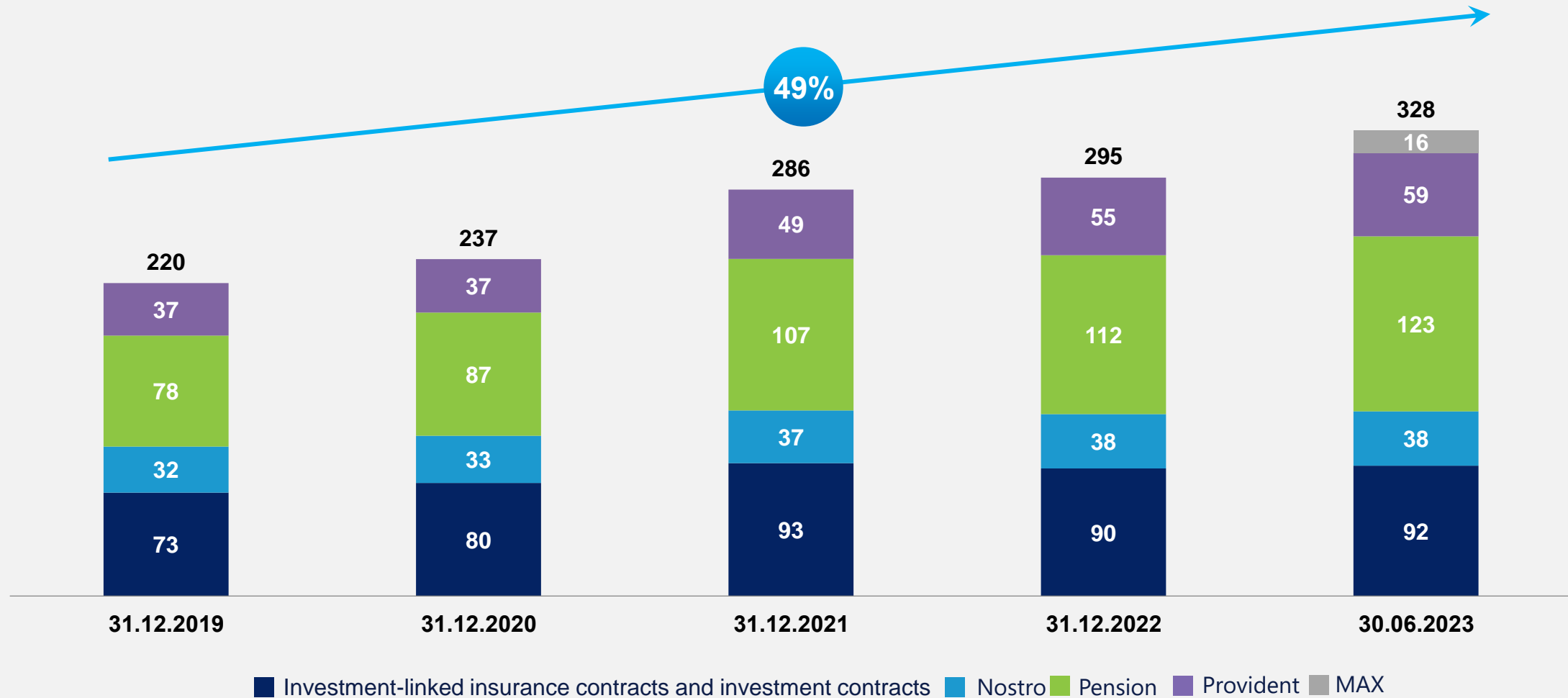


■ Pension
 ■ Provident
 ■ Non-life insurance
 ■ Health insurance
 ■ Life insurance

* The reduction in life insurance arises primarily from a decrease, in the 1st half and in the 2nd quarter, of approximately NIS 1,718 million and NIS 884 million in receipts with respect to investment contracts, respectively

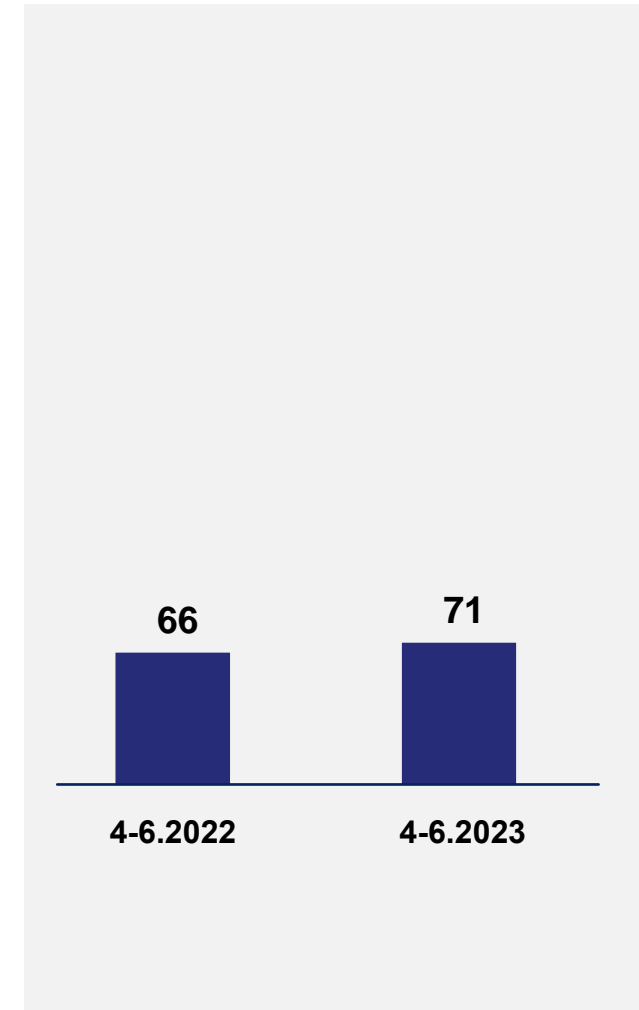
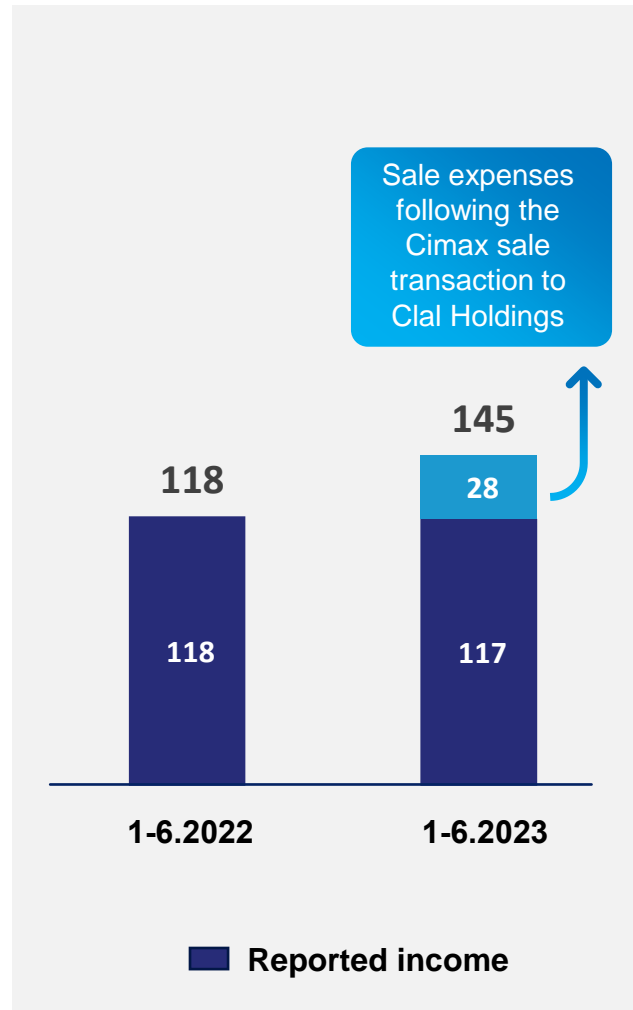
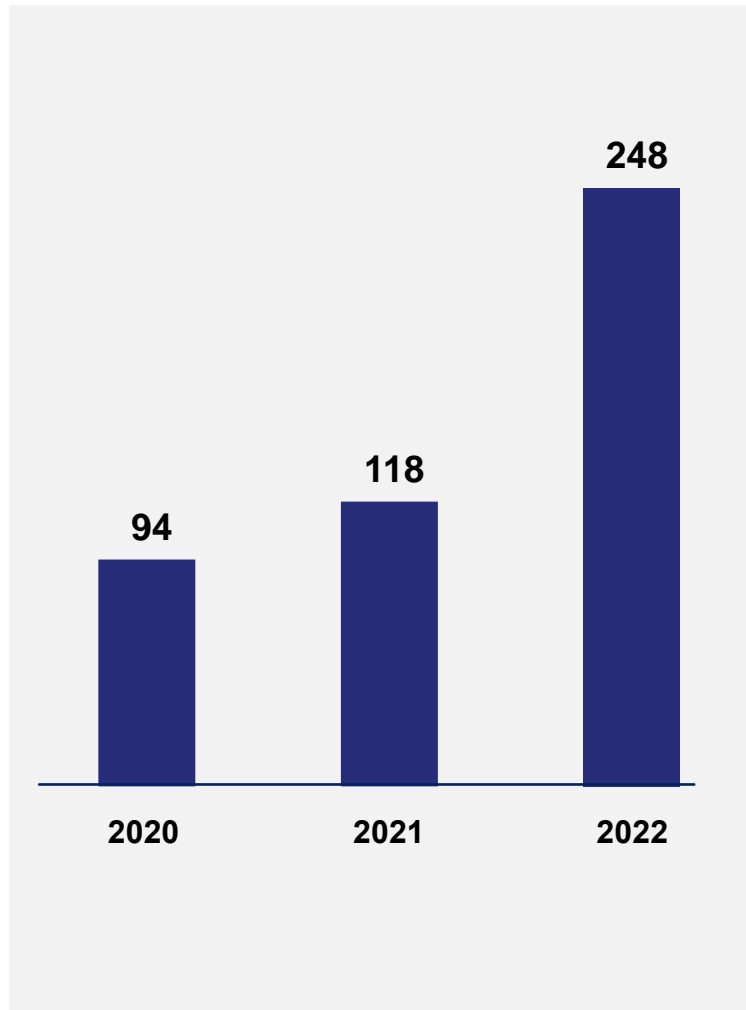
Assets under management (NIS Billions)

An Increase of 11% since the Beginning of the Year*



MAX - Net Income After Tax (NIS Millions)

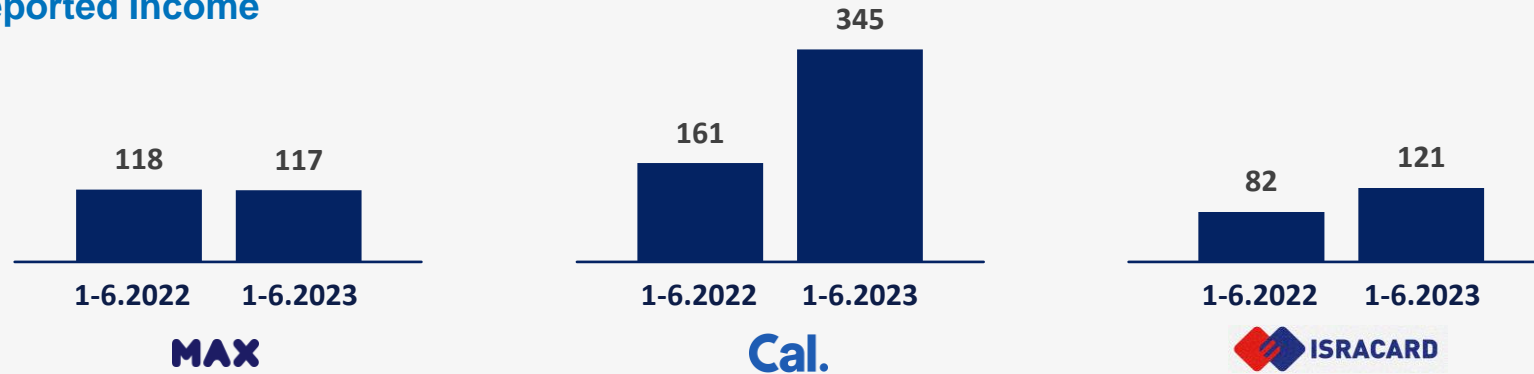
An increase of 23% in the net income in H1 compared to last year



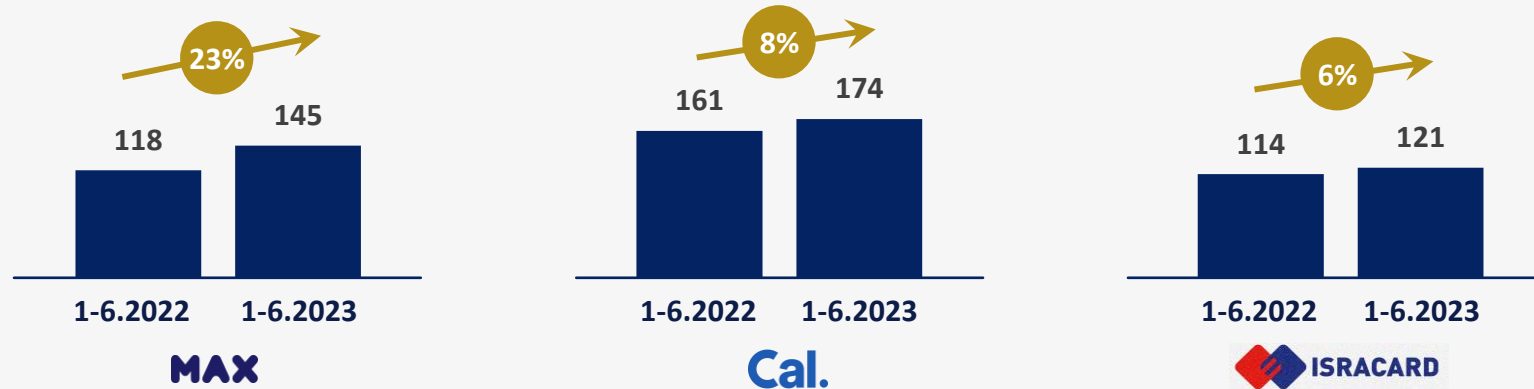
Credit Card Companies – Net Income Attributable to Shareholders (NIS Millions)



Reported Income



Income after neutralizing one-time items*



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

Words of the CEO and Chairman



Yoram Nave
CEO

“The quarter’s results, which for the first time include the companies MAX and Hyp, reflect the strategy which led us to purchase MAX, while reducing the dependence of the company’s results on the capital market’s volatility. In Q2 2023 the company made a profit amounting to approximately NIS 154 million shekels, compared to a loss of approximately NIS 510 million in the equivalent quarter of last year. Clal Insurance continues to present improvement in its underwriting results and in its total profit – the company is still showing double-digit growth in all its core areas, with the exception of the life insurance sector, which has been affected by a significant reduction of financial savings policies, as a result of market conditions and the rising interest rate. MAX presents increased profit and strong results in H1, while showing impressive growth of the credit portfolio, the number of active cards and the transaction turnovers.

For the first time, Clal Insurance’s board of directors has approved a dividend distribution policy at a rate of 30%-50% of Clal Insurance’s total profit, in accordance with meeting the minimum capital requirement, subject to a solvency ratio of 110% not accounting for the distributions provisions.

The company’s managed assets has reached a new record at the end of the quarter, amounting to approximately NIS 328 billion, compared to total assets of approximately NIS 295 billion at the end of 2022, an increase of approximately 11%. Concurrently, in recent months we made several significant and unique transactions in the fields of energy, banking and residential real estate, with the intent of maximizing the potential returns for our members in the long run.

This July, Clal carried out a Tier 2 fundraising, in which the capital market expressed its confidence in the company, with demands being three times higher than the requested initial amount. The company ended up raising NIS 300 million at an attractive interest rate considering the market terms.

Soon thereafter, MAX very successfully issued subordinated notes, known as Tier 2 capital, in an amount of approximately NIS 250 million, which will improve its financial flexibility and support its continued growth.

About a month ago, the Clal Insurance and Finance group won, for the fourth year in a row, the highest score awarded by Ma’ala ESG – “Platinum Plus”. This year we participated, for the first time, in Ma’ala’s and the Equal Employment Opportunity Commission’s diversity and inclusion rating. We were awarded the highest score in this new rating as well. These wins reflect the deep commitment felt by Clal and its employees toward the general public and toward our diverse stakeholders and to social and environmental responsibility, for a sustainable future.”



Haim Samet
Chairman

“We are pleased to present, for the first time, the consolidated statements of all of the group’s companies, including MAX, which is already contributing to the overall profitability and strengthening the group.

Clal was the first to identify the significant business opportunity for bolstering the group by purchasing a credit company, sparking competition in the economy and reducing the dependence on the capital market. We will continue acting to improve the group’s assets and maximize value for all its stakeholders, and the approval of Clal Insurance’s dividend distribution policy is a significant step in this regard.”

Thank
You

 **CCLAL**
INSURANCE & FINANCE

