

# Clal Insurance Enterprises Holdings Ltd. Financial Statements as of March 31, **2026**



## **IMPORTANT**

**This document is an unofficial translation for convenience only of the Hebrew original of the March 31, 2026, financial report of Clal Insurance Enterprises Holdings Ltd. that was submitted to the Tel-Aviv Stock Exchange and the Israeli Securities Authority on May 28, 2026.**

**The Hebrew version submitted to the TASE and the Israeli Securities Authority shall be the sole legally binding version.**



# Quarterly Report As of March 31, 2026

May 28, 2026

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1. Report of the Board of Directors

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2. Condensed Consolidated Interim Financial Statements

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3. Separate Financial Data from the Consolidated Interim Financial Statements Attributable to the Company (Regulation 38D)

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4. Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure

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5. Solvency Ratio Report for Clal Insurance as of December 31, 2025

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# Clal Insurance Enterprises Holdings Ltd.

## Report of the Board of Directors

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as of March 31, 2026



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Report of the Board of Directors on the State of the Corporation's Affairs for the Period ended March 31, 2026 (hereinafter - the "**Report of the Board of Directors**") reviews the key changes in the activity of Clal Insurance Enterprises Holdings Ltd. (hereinafter - the "**Company**") in the first three months of 2026 (hereinafter - the "**Reporting Period**").

The Report of the Board of Directors was prepared in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970. The Report of the Board of Directors, with respect to the insurance business, was drawn up in accordance with the Supervision of Insurance Business Regulations (Reporting), 1998, and in accordance with the circulars of the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the "**Commissioner**"); the Report of the Board of Directors, with respect to the credit cards business, was drawn up in accordance with the reporting directives of the Banking Supervision Department (hereinafter - the "**Banking Supervision Department**") bearing in mind that the reader also has on hand the full periodic report of the Company for the year ended December 31, 2025 (hereinafter - the "**Periodic Report**" and/or "**Annual Financial Statements**").

## Forward-looking information

The following report of the Company may contain, in addition to data relating to the past, also forward-looking information, as defined by the Securities Law, 1968. Forward-looking information, to the extent that it is included, is based, among other things, on estimates and assumptions by the Group's managements and subsidiaries and on forecasts regarding the future in connection with economic and other developments in Israel and across the world, legislative and regulatory provisions, competition in the Group's areas of activity, accounting and taxation changes and technological developments. Although the Company's consolidated companies believe their assumptions to be reasonable as of the report date, by nature they are not certain, and actual results may materially differ from those predicted; therefore, the readers of the report should treat this information with due cation.

## 1. The Group's Structure, its Areas of Activity, and Developments Therein

### 1.1 The Group's structure

#### The Company's shareholders

In the Commissioner's letter of December 8, 2019, it was stated that no entity holds, whether directly or indirectly, the means of control in the Company.

For further details regarding shareholdings in the Company and changes during the Reporting Period, see Note 1 to the Consolidated Interim Financial Statements.

### 1.2 The Group's Areas of Activity and Developments Therein

1.2.1 For a description of the Group's areas of activity and its holding structure, see Section 1.1 in the chapter entitled Description of the Corporation's Business in the Periodic Report for 2025.

## 2. The Board of Directors' Explanations for the State of the Corporation's Business

The Group companies' operations are affected by constant changes in regulations and regulatory reforms. Clal Insurance's operations and results are significantly affected by changes in capital markets, including, among other things, by changes in the interest rate that has implications for Clal Insurance's insurance liabilities and financial assets portfolios, for the financial spread from investments as well. Max's activity is affected by macroeconomic conditions, the cost of living and interest rate in Israel. Macroeconomic conditions impact the level of private and business consumption, which, in turn, affect the Company's volume of activity and have direct consequences on its business results.

### 2.1 Significant Events during and Subsequent to the Reporting Period:

#### A. Approval of the Company's dividend distribution

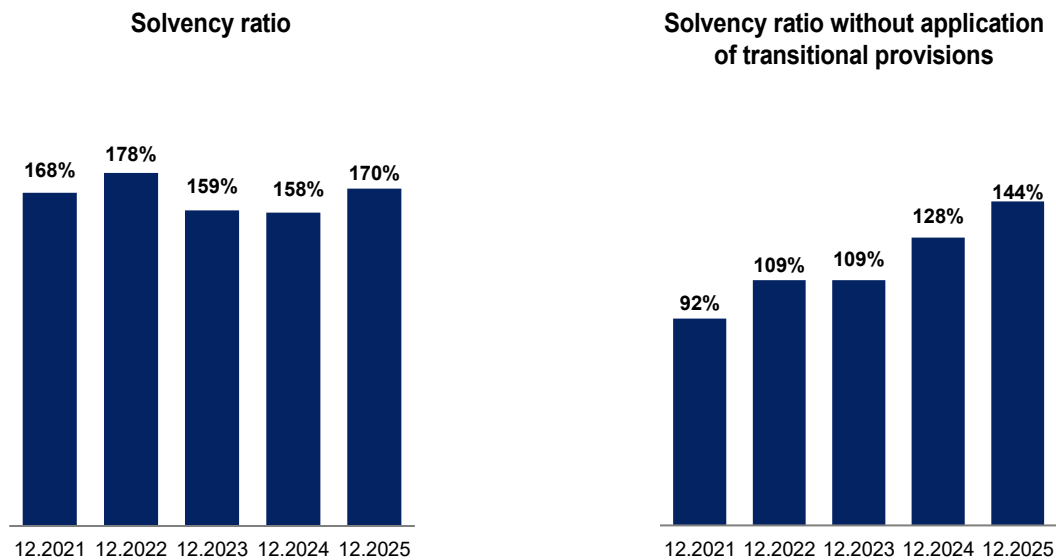
according to the Company's policy (see Note 23(c)1 to the Annual Financial Statements), on March 25, 2026, on approval of the Company's financial statements as of December 31, 2025, the Board of Directors approved a dividend distribution, totaling approx. NIS 400 million, which constitutes approx. 61% of the dividends declared and/or distributed in the Company's subsidiaries as of the approval date of the approval date of the financial statements. The dividend was paid subsequent to the reporting date, on April 23, 2026.

**B. Solvency ratio, capital target and dividend distribution in Clal Insurance**

Clal Insurance published an Economic Solvency Ratio Report as of December 31, 2025, whereunder the ratio net of the transitional provisions after the dividend distribution is 144% compared with a ratio of 128% as of December 31, 2024.

Taking into consideration the transitional provisions, the ratio after dividend distribution and revision of the deduction is 170% as of December 31, 2025, compared to 158% as of December 31, 2024, respectively. For further details, see Section 2.4 and Note 6 to the Consolidated Interim Financial Statements.

According to Clal Insurance's dividend distribution policy (see Note 23(c)2 to the Annual Financial Statements), on March 25, 2026, upon approval of Clal Insurance's financial statements as of December 31, 2025, Clal Insurance's Board approved a dividend distribution of NIS 600 million, which constitutes approx. 30% of Clal Insurance's 2025 comprehensive income in accordance with its Consolidated Annual Financial Statements, after having examined all aspects, including Clal Insurance's compliance with the economic solvency ratio targets detailed above. The dividend was paid on March 29, 2026.



**C. Capital markets and risk-free interest rate curve during the Reporting Period and thereafter**

The results in the Reporting Period and last year were affected by volatility in capital markets, mainly in share indices, which affected investment revenues in the nostro portfolio and by an increase in the risk-free interest rate curve in the Reporting Period and last year. The results in the quarter and last year were affected by an increase in the risk-free interest rate curve and by positive capital market returns compared to the corresponding quarter last year, which affected investment revenues in the nostro portfolio. Subsequent to the Reporting Period equity indices in Israel and globally were up.

**D. Debt raising by Clal Insurance Capital Raising Ltd. a subsidiary of Clal Insurance**

On January 22, 2026, Clal Capital Raising issued to the public approx. NIS 591 million p.v. in Notes (Series O), by way of expansion of an existing series. The proceeds of the offering amounted to approx. NIS 622 million and were recognized as Additional Tier 1 capital of Clal Insurance, subject to restrictions on the maximum rate of Tier 1 capital, in accordance with the provisions of the law. For further details, see Note 5 to the Consolidated Interim Financial Statements.

**E. The Company's bonds**

Subsequent to the reporting date, on April 16, 2026, the Company issued approx. NIS 605 million p.v. in Bonds (Series D) to the public, pursuant to the Company's shelf offering report dated April 14, 2026, published under the Company's shelf prospectus. The issuance expenses amounted to approx. NIS 5 million; the effective interest rate is 4.7%, and net proceeds of the issuance amounted to approx. NIS 600 million. The proceeds of the issuance were first used for full early redemption of the Company's outstanding Bonds (Series A), and the balance will be used for the Company's current needs, as decided by the Board of Directors from

time to time. Subsequent to the reporting date, on May 7, 2026, the Company redeemed, by way of early redemption, the full outstanding balance of Bonds (Series A) totaling NIS 549 million in par value. For further details, see Note 5 to the Consolidated Interim Financial Statements.

#### F. Debt raising by Max

On March 27, 2026, Max completed a public offering of Commercial Securities (Series 6), totaling approx. NIS 300 million in par value. The Commercial Papers (Series 6) were issued to the public at an interest rate of 0.06% above the Bank of Israel Interest, for a period of one year with no renewal option.

Subsequent to the reporting date, on April 23, 2026, Max repaid the full amount of the principal and interest in respect of Commercial Papers (Series 5) totaling approx. NIS 207 million in par value, in accordance with their terms. For further details, see Note 5 to the Consolidated Interim Financial Statements.

#### G. Operation Lion's Roar

Further to Note 36(i) to the Financial Statements for 2025, on February 28, 2026, the State of Israel and the United States launched a joint military operation in Iran, Operation Lion's Roar (hereinafter - the "**Operation**"), targeting Iran's missile systems and additional targets of the Iranian regime. In response, the Iranian regime began launching missiles and unmanned aerial vehicles toward the State of Israel and toward additional countries in the region. On March 1, 2026 the hostilities were also expanded to Lebanon following fire toward the State of Israel by the Hezbollah organization.

During the Operation, the economy's activity was limited, restricted by a prohibition on educational activities, gatherings, and attendance at workplaces, except for workplaces defined as essential to the economy. The scaling-up of activity started in mid-March 2026 and full-scale activity was gradually restored by the end of the operation in April 2026.

Subsequent to the reporting date, on April 8, 2026, it was reported that the United States and Iran announced that they reached understandings regarding a temporary ceasefire for a limited period brokered by international parties. The Israeli government announced that it had agreed to the ceasefire in coordination with the United States. According to the reports, the ceasefire does not fully apply to the conflict in Lebanon, and during the period fighting and localized strikes in Lebanon between the IDF and Hezbollah continued until a ceasefire was declared on this front as well on April 15, 2026.

#### Israel's credit rating

The consequences of the fighting and security situation were reflected in the State of Israel's credit rating downgrades by global rating agencies.

In November 2025, the rating agency S&P upgraded Israel's rating outlook from "negative" to "stable" and reiterated its credit rating at A. In January 2026, Moody's revised the State of Israel's rating outlook from negative to stable and reiterated the existing credit rating at Baa1; in March 2026, the rating agency Fitch reiterated the State of Israel's rating at A with a negative outlook (which remained without change). As of the report publication date, there were no further changes in the State of Israel's credit rating.

It is noted that subsequent to the reporting date, Israel's five-year CDS has declined substantially and currently stands at approx. 64 basis points per USD 1 million.

#### Effect on the financial statements

**Clal Insurance** – Due to the nature of its activity, Clal Insurance is exposed to changes in financial markets, a domestic economic slowdown, and other risks arising from the fighting. At this stage, there is uncertainty as to the development of the campaign, its scope and duration. Therefore, at this stage it is impossible to assess the full effect of the fighting and security situation on Clal Insurance and its results in the medium term; however, as of the report publication date, this effect is not expected to be material.

**Max** - The effect of Operation Lion's Roar on Max's first-quarter financial results was reflected in a decline in issuing and acquiring turnovers during the campaign; this decline occurred both in the domestic market - driven mainly by a slowdown in domestic economic activity due to Home Front Command restrictions - and, more notably, in overseas activity due to airspace closures.. In addition, credit and credit card sales declined during the operation. The decline in activity volumes during the operation resulted in a decrease in Max's March 2026 revenues from interchange, acquiring, and overseas transaction fees.

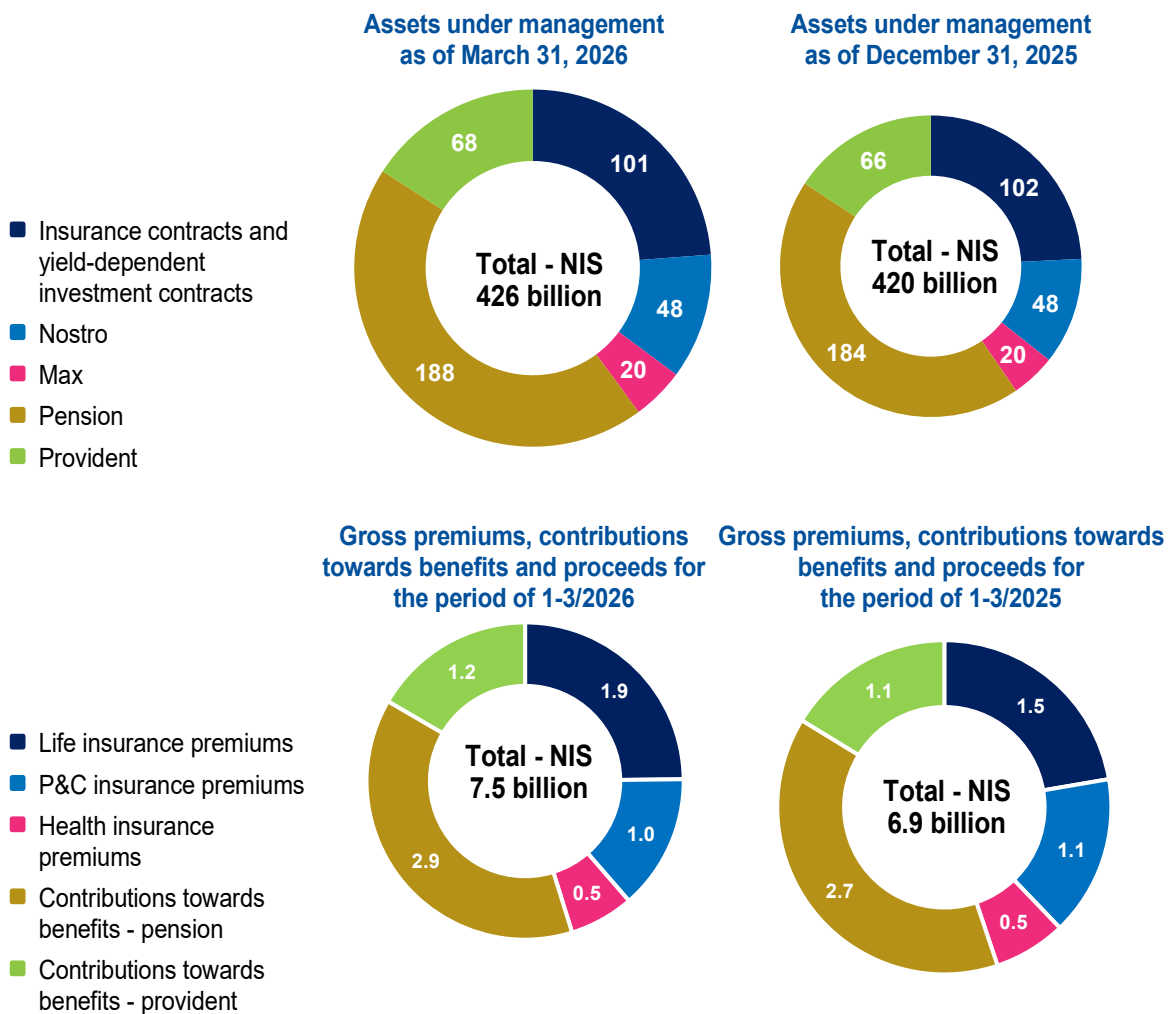
Subsequent to the Reporting Period, as the ceasefire took effect in early April 2026 and normal activity resumed, issuing and acquiring turnovers in Israel have improved.

During the Reporting Period, no higher-than-expected materialization of credit risk was observed among Max's customers, nor did it exceed its expected credit losses. However, there is still a certain degree of uncertainty regarding the full effects of the fighting and the security situation on the Israeli economy. Therefore, since the estimated provision for credit losses is based, among other things, on judgments and assessments, and involves uncertainty, there is still a high probability that future credit losses will vary from the current estimate. Max continuously assesses its credit portfolio's inherent risk including due to economic uncertainty and, in accordance with information accumulated and to be accumulated regarding borrowers' activity and financial position, revises its provision for credit losses.

**2.2 Financial information by area of activity (for details regarding the operating segments, see Note 4 to the Consolidated Interim Financial Statements).**

In the Reporting Period, Clal Insurance achieved growth in assets under management and sales of most products.

**Summary of data from the Group's consolidated Financial Statements**



Total assets under management and contributions toward benefits of provident funds, excluding guaranteed return provident fund tracks and pension funds, are not included in the Company's Consolidated Financial Statements.

**Following are the main changes in comprehensive income compared to prior periods:**

The following is a breakdown of key comprehensive income components:

In NIS million	1-3		1-12
	2026	2025	2025
Life Insurance	135	117	488
P&C Insurance	121	89	564
Credit Insurance	19	8	50
Health Insurance	104	101	430
Pension	19	15	54
Provident	2	2	(1)
<b>Total Core income - Insurance and Savings</b>	<b>399</b>	<b>332</b>	<b>1,586</b>
Credit Cards	114	118	455
Agencies and Other	14	14	59
Non-segmented	62	58	189
<b>Core income</b>	<b>589</b>	<b>521</b>	<b>2,289</b>
Excess financial spread	72	86	1,225
Adjustments	-	-	(140)
Minority share	(3)	(1)	(14)
<b>Total other income</b>	<b>69</b>	<b>85</b>	<b>1,071</b>
<b>Comprehensive income, before tax</b>	<b>659</b>	<b>607</b>	<b>3,360</b>
Taxes	(223)	(197)	(1,094)
<b>Comprehensive income tax attributable to shareholders, post-tax</b>	<b>436</b>	<b>409</b>	<b>2,266</b>
<b>Return on equity, annualized, in %*</b>	<b>16.1</b>	<b>18.7</b>	<b>26.1</b>
<b>Return on equity, net of adjustments, annualized, in %*</b>	<b>16.1</b>	<b>18.7</b>	<b>27.2</b>

\*) The return on equity is calculated based on the net income for the period attributable to the Company's shareholders divided by the equity attributable to the Company's shareholders as of the beginning of the period.

Change in the remaining contractual service margin (CSM) in retention for the year (in NIS millions)	1-3		1-12
	2026	2025	2025
<b>Remaining contractual service margin (CSM) - retention - at the beginning of the period</b>	<b>10,264</b>	<b>10,148</b>	<b>10,148</b>
Release of contractual service margin	(234)	(217)	(902)
New business at inception	*206	183	653
Actual vs. expected financial spread, including modified assumptions	58	200	364
<b>Balance of contractual service margin (CSM) - retention - at the end of the period</b>	<b>10,293</b>	<b>10,313</b>	<b>10,264</b>

\* The rate of the added contractual service margin in respect of sold risk portfolios compared to the release of their contractual service margin is approx. 145%

**Core income** - includes underwriting income, other operating expenses, income from savings management (investment contracts, pension and provident), credit cards, agencies, the Group's finance expenses, and adjusted financial spread.<sup>1</sup>

1. In the insurance segments - includes an additional annual spread of 2.5% above the risk-free interest rate plus a weighted illiquidity premium with respect to the investment portfolio held against non-yield-dependent insurance liabilities, excluding the Hetz bonds component - according to each segment's proportional share (return assumption) - and nominal risk-free interest plus an annual spread of 2.5% with respect to the investment portfolio held against the capital and financial liabilities of the Company and Clal Insurance (adjusted financial spread). In 2025, excluding the fourth quarter, the normalized financial spread stood at an annualized rate of 2.25% and did not include an allocation in respect of the equity of Clal Insurance's subsidiaries. The effect of the update is approx. NIS 25 million for the quarter.

**Excess financial spread** – includes the financial effects which were not included in the adjusted financial spread, including changes in the risk-free interest rate curve.

**Adjustments** – Effects outside the Company's ordinary course of business.

### A. The Company's results in the Reporting Period

The post-tax comprehensive income in the Reporting Period amounted to approx. NIS 436 million, compared with approx. NIS 409 million in the corresponding period last year.

#### **Core income:**

In the Reporting Period, core income increased to approx. NIS 589 million, compared to approx. NIS 521 million in the corresponding period last year.

#### **Insurance and savings**

In the Reporting Period, core income from insurance and savings increased to approx. NIS 399 million, compared to approx. NIS 332 million in the corresponding period last year as detailed below.

In the Reporting Period, there was an increase in contributions towards benefits provided by the Pension and Provident Segment and proceeds from investment contracts, such that the total gross premiums, contributions towards benefits and proceeds from investment contracts amounted to approx. NIS 7.5 billion, compared with approx. NIS 6.9 billion in the corresponding period last year - an increase of approx. 9%.

#### **Credit cards**

The total income from credit cards in the Reporting Period amounted to approx. NIS 114 million before tax compared to approx. NIS 118 million in the corresponding period last year.

Max's revenues in this period amounted to approx. NIS 591 million compared to approx. NIS 586 million in the corresponding period.

Max's net interest revenues increased and amounted to approx. NIS 214 million compared to approx. NIS 204 million in the corresponding period last year, mostly due to the increase in Max's business credit activity, due to the increase in the consumer and business credit portfolio.

Credit loss expenses amounted to approx. NIS 55 million, compared with an expense of approx. NIS 46 million in the corresponding period last year.

The increase in credit loss expenses is mainly due to a significant improvement in risk indicators in the first quarter of last year.

Max's operating expenses totaled approx. NIS 228 million, similar to the corresponding period last year.

#### **Investment revenue and the capital markets:**

The results in the Reporting Period were affected by capital market returns during the period compared to the corresponding period last year, which affected the returns achieved by the Company in the Reporting Period compared to last year, and by the gain due to a decrease in insurance liabilities as a result of an increase in the risk-free interest rate during the period and in the corresponding period last year, such that an excess financial spread of approx. NIS 72 million was recorded, compared to approx. NIS 86 million in the corresponding period last year.

#### **Return on equity**

The return on equity in annualized terms during the Reporting Period was a positive 16.1%, compared with 18.7% in the corresponding period last year.

#### **Premiums, contributions towards benefits and assets under management**

During the period, there was an increase in revenues from management fees for pension. For further details, see Section 2.2.1.3 and 2.2.1.4 below.

Assets under management by the Group as of March 31, 2026 totaled approx. NIS 426 billion compared with approx. NIS 420 billion on December 31, 2025 - an increase of approx. 1%.

Out of the total said assets, as of March 31, 2026 approx. NIS 188 billion are assets under management for pension compared to approx. NIS 184 billion on December 31, 2025 - an increase of approx. 2%.

It is noted that immediately prior to the financial statements' publication date, an additional increase was recorded in assets under management, such that the balance stands at approx. NIS 449 billion.

## 2.2.1 Long-Term Savings

### 2.2.1.1. Life Insurance Subsegment including investment contract

	1-3	1-12	
	2026	2025	2025
Income from insurance and savings services	87	78	329
Adjusted financial spread	48	39	155
<b>Total core income</b>	<b>135</b>	117	484
Effect of the change in the interest rate curve on the liabilities and Hetz bonds	146	120	(55)
Remaining financial spread	12	(28)	661
<b>Comprehensive income, before tax</b>	<b>293</b>	209	1,090
The redemption rate of the life insurance contracts out of average savings in annualized terms	1.9%	1.9%	2.2%

In the Reporting Period, the comprehensive income increased to approx. NIS 293 million, compared with approx. NIS 209 million in the corresponding period last year.

#### Core income:

The higher income in the Reporting Period, compared to the corresponding period last year, arises mainly from higher release of contractual service margin following the revision of actuarial assumptions in 2025, offset by higher-than-expected (retention) cost of claims.

#### Financial effects:

The effect of higher risk-free interest rates on insurance liabilities in the Reporting Period resulted in a gain of approx. NIS 146 million, compared to approx. NIS 120 million in the corresponding period last year. Furthermore, investment revenues increased due to the returns achieved in capital markets compared to last year.

**Investment income credited to policyholders in participating policies:** following are details regarding the estimated amount of investment income credited to policyholders in life insurance and participating investment contracts calculated based on the return and balances of the insurance reserves in Clal Insurance's business reports (in NIS million):

	1-3	
In NIS million	2026	2025
Investment income credited to policyholders net of management fees	854	(15)

Following is a description of the key results in life insurance by portfolio type in accordance with the details provided in Note 4(d) to the Consolidated Interim Financial Statements:

Life Insurance	1-3/2026	1-3/2025	Comment
<b>Policies with a non-yield-dependent savings component</b>			
Gross premiums	23	27	
Income from insurance services and activity	17	14	The increase arises primarily from higher release of contractual service margin and underwriting improvement.
<b>Policies with a yield-dependent savings component</b>			
Gross premiums	694	770	
Income from insurance services and activity	51	53	The decrease arises from higher-than-expected (retention) cost of claims offset by higher release of contractual service margin due to revisions to actuarial assumptions last year.
<b>Policies without a savings component</b>			
Gross premiums	296	281	
Income from insurance services and activity	22	12	The increase arises primarily from higher release of contractual service margin due to new business and improved profitability, and from lower-than-expected (retention) cost of claims.
<b>Investment contracts</b>			
Premiums/proceeds	849	413	The increase in the period is due to higher sales.
Loss	(4)	(1)	The higher loss is primarily due to an increase in acquisition expenses following an increase in activity.

2.2.1.2 Additional data regarding life insurance premiums and management fees:

In NIS million	1-3		For the year
	2026	2025	2025
Variable management fees	96	-	707
Fixed management fees on accrual	157	146	602
<b>Total management fees</b>	<b>252</b>	146	1,309
Current premiums	964	1,033	4,040
One-time premiums	49	(*45)	137
<b>Total premiums, gross for insurance contracts</b>	<b>1,013</b>	1,078	4,177
Current premiums	75	84	325
One-time premiums	774	329	1,469
<b>Total premiums from investment contracts</b>	<b>849</b>	413	1,794

\*) Reclassified.

**Details regarding the rates of return on participating policies**

In NIS million	Policies issued in 1992-2003 (Fund J)			Policies issued from 2004 and thereafter (the new Fund J)		
	1-3		For the year	1-3		For the year
	2026	2025	2025	2026	2025	2025
Real return before payment of management fees	1.45	(0.05)	13.85	1.51	(0.08)	13.66
Real return after payment of management fees	1.11	(0.20)	11.44	1.30	(0.31)	12.65
Nominal return before payment of management fees	1.35	0.23	16.54	1.41	0.21	16.35
Nominal return after payment of management fees	1.01	0.08	14.07	1.20	(0.02)	15.31

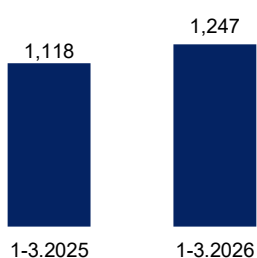
**2.2.1.3 Provident Subsegment**

In NIS million	1-3	
	2026	2025
Comprehensive income, before tax	1	3
Contributions towards benefits	1,247	1,118

**Reporting Period** - During the period management fees increased following the increase in assets under management. The decrease in comprehensive income compared to the corresponding period last year arises primarily from higher selling expenses.

The increase in contributions towards benefits in the Reporting Period arises mainly from the number of new planholders who signed on to the funds.

**Contributions towards benefits - provident**



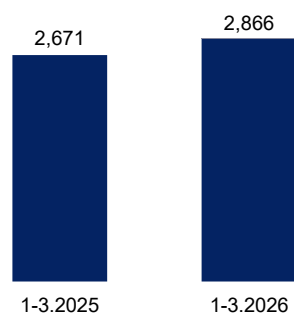
**2.2.1.4 Pension Subsegment**

In NIS million	1-3	
	2026	2025
Comprehensive income, before tax	17	15
Contributions towards benefits	2,866	2,671

**Reporting Period** - the increase in comprehensive income in the Reporting Period arises from higher revenues from management fees mainly from assets under management, which increased compared to the corresponding period last year, which was partially offset by an increase in operating expenses including commission to agents.

The increase in contributions towards benefits in the Reporting Period arises mainly from the number of new planholders who signed-on to the fund offset against the number of active planholders who left, and from the increase in the average salary of the fund's active planholders, in respect of which contributions towards benefits are paid.

#### Contributions towards benefits - pension



### 2.2.2 Property and Casualty Insurance

In NIS million	1-3	
	2026	2025
<b>Gross premiums:</b>		
Motor Property	313	363
Compulsory Motor Insurance	205	238
Credit Insurance	38	37
Remaining portfolios and other	483	434
<b>Total premiums, gross</b>	<b>1,156</b>	<b>1,174</b>
<b>Income from insurance services and activity:</b>		
Motor Property	38	32
Compulsory Motor Insurance	6	6
Credit Insurance	11	8
Other portfolios	48	25
<b>Total income from insurance services and activity</b>	<b>104</b>	<b>73</b>
Adjusted financial spread	36	24
<b>Total core income</b>	<b>140</b>	<b>97</b>
Effect of the change in the interest rate curve on the liabilities	18	15
Remaining financial spread	(16)	(19)
<b>Comprehensive income, before tax</b>	<b>135</b>	<b>93</b>
<b>CR rate in motor property*</b>	<b>86%</b>	<b>90%</b>

\* Calculated in accordance with the ratio between expenses from insurance services net of reinsurance revenues and revenues from insurance services net of reinsurance expenses.

#### **Gross premiums:**

The decrease in premiums in the Reporting Period is driven mainly by a decrease in motor property due to a decrease in average premiums and quantities and by a decrease in compulsory motor mainly due to timing differences in collective insurance transactions. This effect was offset by an increase in the other portfolios.

#### **Comprehensive income:**

The comprehensive income in the Reporting Period amounted to approx. NIS 135 million, compared to approx. NIS 93 million in the corresponding period last year.

Core income in the Reporting Period amounted to approx. NIS 133 million, compared to approx. NIS 98

million in the corresponding period last year. The improvement is mainly driven by underwriting improvement in all areas of activity.

**Motor Property:**

The decrease in premiums in the Reporting Period compared to the corresponding period last year is mainly due to lower average premium and quantities.

The higher income from insurance services and activities in the Reporting Period is mainly due to an improvement in cost of claims, arising from the effect of Operation Lion's Roar.

**Compulsory Motor Insurance:**

The decrease in premiums in the Reporting Period compared to the corresponding period last year is mainly due to timing differences in collective insurance.

**Credit Insurance:**

The higher income from insurance services and activity in the Reporting Period compared to the corresponding period last year arises mainly from higher underwriting income.

**Other portfolios:**

The increase in premiums in the Reporting Period compared to the corresponding period is driven mainly by policies in engineering insurance and Sale Law guarantees portfolios. This increase was offset by a decrease in the business insurance portfolio due to timing differences.

Higher income from insurance services and activity in the Reporting Period is driven primarily by an underwriting improvement in the Liability and Other Property subsegments compared to the corresponding period last year, and by an increase in the volume of activity in the Sale Law guarantees subsegment.

### 2.2.3 Health Insurance

	<u>1-3</u>	
	<u>2026</u>	<u>2025</u>
<b>Gross premiums</b>	<b>494</b>	481
Income from insurance services and activity	<b>87</b>	85
Adjusted financial spread	<b>17</b>	17
<b>Total Core income - Insurance</b>	<b>104</b>	101
Effect of the change in the interest rate curve on the liabilities	<b>36</b>	30
Remaining financial spread	<b>(47)</b>	(19)
<b>Comprehensive income, before tax</b>	<b>93</b>	113

**Gross premiums:**

The increase in premiums arises mainly from an increase in the individual insurance activity.

**Comprehensive income:**

Comprehensive income increased compared to the corresponding period last year mainly due to underwriting improvement and an increase in individual insurance activity, and - on the other hand - an underwriting deterioration in the cost of individual long-term care claims.

**Financial effects:**

In the period, comprehensive income increased due to a decrease in insurance liabilities following a shift in the interest rate curve, resulting from a more substantial increase in the risk-free interest rate, compared to the corresponding period last year.

The remaining financial spread declined during the period as a result of lower investment revenues compared to the corresponding period last year driven by capital market returns and the effects of inflation.

**Data regarding main portfolio groups in the health insurance segment:**

	1-3	
	2026	2025
<u>Gross premiums:</u>		
Individual long-term care	68	69
Collective Long-Term Care	6	6
Medical expenses and disabilities - individual	171	167
Medical expenses and disabilities - collective	34	32
Other	216	207
<b>Gross premiums</b>	<b>494</b>	<b>481</b>
<u>Income (loss) from insurance services and activity:</u>		
Individual long-term care	(3)	14
Collective Long-Term Care	4	2
Medical expenses and disabilities - individual	32	24
Medical expenses and disabilities - collective	1	(5)
Remaining portfolios and other	52	50
<b>Income from insurance services and activity</b>	<b>87</b>	<b>85</b>
Adjusted financial spread	17	17
<b>Total core income</b>	<b>104</b>	<b>101</b>
Effect of the change in the interest rate curve on the liabilities	36	30
Remaining financial spread	(47)	(19)
<b>Comprehensive income, before tax</b>	<b>93</b>	<b>113</b>

**Individual long-term care** – The lower income from insurance services and activity is driven mainly by higher-than-expected underwriting deterioration in the cost of claims and by lower release of contractual service margin, following changes to estimates in 2025.

**Individual medical expenses and disability insurance** – The improvement in income from insurance services and activity is driven primarily by an increase in individual insurance activity, which led to higher release of contractual service margin, alongside a substantial increase in the provision for class actions in the corresponding period last year.

**Collective medical expenses and disability insurance** – The higher income from insurance services and activity is driven mainly by higher release of contractual service margin, following changes to estimates in 2025.

**Remaining portfolios and other** – arises from an underwriting improvement in travel and personal accidents insurance.

Information regarding investment income credited to holders of health insurance policyholders of the participating long-term care type:

	1-3		1-12
<b>In NIS million</b>	2026	2025	2025
Investment income credited to policyholders	21	3	215

## 2.2.4. Credit cards

	1-3	
	2026	2025
<b>Total revenues from credit card transactions</b>	<b>414</b>	409
<b>Total comprehensive income, before tax</b> (see also 2.1(g))	<b>114</b>	118
<b>Credit card transactions (Max)</b> (see also Section 2.2.4.1)		
<b>Revenues</b>		
Revenues from credit card transactions	375	374
Interest revenues, net	214	204
Other revenue	2	8
<b>Total revenue</b>	<b>591</b>	586
<b>Expenses</b>		
Credit loss expenses	55	46
Operating expenses	228	228
Selling and marketing expenses (see Section 2.2.5 below)	124	122
General and administrative expenses (see Section 2.2.5 below)	18	20
Payments to banks	62	61
<b>Total expenses</b>	<b>487</b>	477
<b>Pretax income</b>	<b>104</b>	109
<b>Technological activity (Milo)</b>		
Revenues from credit card transactions	39	35
Comprehensive income, before tax	10	9

The results of the first quarter of 2026 reflect Max's continued growth despite the effects of Operation Lion's Roar. The effect of Operation Lion's Roar on Max's first-quarter financial results was reflected in a decline in issuing and acquiring turnovers during the campaign; this decline occurred both in the domestic market - driven by a slowdown in domestic economic activity due to Home Front Command restrictions - and, more notably, in overseas activity due to airspace closures. Despite the above, Max's total domestic issuing and acquiring turnovers increased in the first quarter of 2026 compared to the corresponding quarter last year. On the other hand, overseas issuing turnovers declined in the first quarter of 2026 compared to the corresponding quarter last year. The decline in activity volumes during the operation resulted in a decrease in the Company's March 2026 revenues from interchange, acquiring, and overseas transaction fees. As the ceasefire took effect at the beginning of April 2026 and following the lifting of the Home Front Command restrictions and the resumption of normal activity, issuing and acquiring turnovers in Israel have improved.

**Revenue from credit card transactions** include issuer fees and commissions, service fees and commissions in respect of the activity of card holders, fees and commissions from transactions carried out abroad, acquiring fees and commissions and other revenues from merchants net of fees and commissions to other issuers. Total revenue from credit card transactions in the first quarter of 2026 remained similar to that of the corresponding quarter last year.

**Max's net interest revenues** increased in the first quarter of 2026 compared to the corresponding quarter last year due to an increase in business activities, mainly in the issuing subsegment. This growth was achieved alongside responsible, rigorous and informed risk management practices, which are necessary under the prevailing macroeconomic environment and the uncertainty as to the effects of the security situation in the region.

**Credit loss expenses** in the first quarter of 2026 totaled approx. NIS 55 million, compared to approx. NIS 46 million in the corresponding period last year. The increase in credit loss expenses is mainly due to a significant improvement in risk indicators in the first quarter of last year.

Max's **operating expenses** in the first quarter of 2026 remained similar to that of the corresponding quarter last year.

2.2.4.1 Data by area of activity - Max

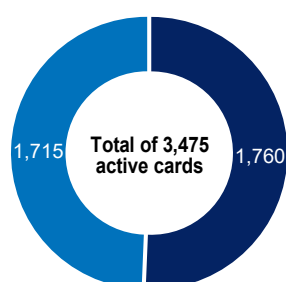
	1-3 2026	1-3 2025	Rate of change
<b>Total credit card transactions</b>			
Total revenues	591	586	1%
Comprehensive income, before tax	104	109	(5%)
<b>Of which - issuance activity</b>			
Operating revenues from credit cards	311	305	2%
Interest revenues	159	147	8%
Other revenue	2	8	(75%)
<b>Total revenue</b>	<b>473</b>	<b>460</b>	<b>3%</b>
Operating, marketing and general and administrative expenses	305	302	1%
Credit loss expenses	54	48	13%
Payments to banks	62	61	2%
<b>Total expenses</b>	<b>421</b>	<b>411</b>	<b>10%</b>
<b>Comprehensive income, before tax</b>	<b>52</b>	<b>49</b>	<b>26%</b>
<b>Of which - acquiring activity</b>			
Operating revenues from credit cards	64	69	(7%)
Interest revenues	55	57	(4%)
<b>Total revenue</b>	<b>118</b>	<b>126</b>	<b>5%</b>
Operating, marketing and general and administrative expenses	65	68	(4%)
Credit loss expenses	1	(2)	(150%)
<b>Total expenses</b>	<b>66</b>	<b>66</b>	<b>0%</b>
<b>Comprehensive income, before tax</b>	<b>52</b>	<b>60</b>	<b>(13%)</b>

2.2.4.2 Quantitative data regarding the credit card transactions

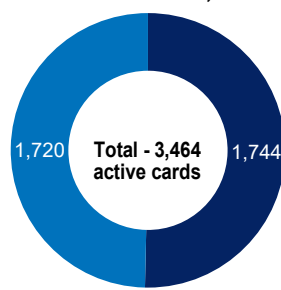
**Definitions:**

- Valid cards - valid issued cards, excluding blocked cards and prepaid cards.
- Active cards - valid cards with which at least one transaction was carried out during the last quarter.
- Issuance turnover - the turnover from transactions executed with all of the Company's cards, excluding cash withdrawals in Israel and net of cancelled transactions.
- Bank cards - cards issued jointly by the Company and banks to the banks' customers.
- Non-bank cards - cards issued by the Company to customers without cooperation with the banks, sometimes in collaboration with business entities such as organizations and loyalty programs.

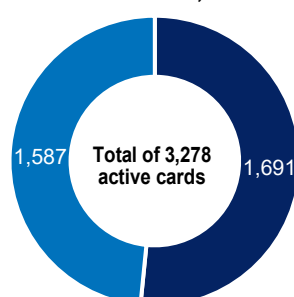
Breakdown of active cards  
as of March 31, 2026



Breakdown of active cards  
as of December 31, 2025



Breakdown of active cards  
as of March 30, 2025



■ Bank ■ Non-bank

**Turnover of transactions in respect of valid credit cards (active and inactive) (in NIS million):**

	For the three-month period ended March 31		For the year ended
	2026	2025	December 31, 2025
Bank cards	20,845	20,483	85,562
Non-bank cards	16,545	15,724	68,262
<b>Total</b>	<b>37,390</b>	<b>36,207</b>	<b>153,824</b>

**2.2.4.3 Key credit quality indicators**

Main credit quality indicators (in %)	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Rate of balance of the provision for credit losses of outstanding receivables for credit card transactions	2.00%	1.95%	2.20%
Rate of non-accruing receivable balance of receivables for credit card transactions	1.09%	1.06%	1.10%
Rate of net write-offs of the average balance of receivables for credit card transactions	0.97%	1.15%	1.31%

**2.2.6 Finance expenses in activity not allocated to segments**

**Reporting Period** - In the Reporting Period, finance expenses amounted to approx. NIS 84 million, compared with approx. NIS 68 million in the corresponding period last year. The increase arises primarily from the issuance of Notes (Series O) by Clal Insurance.

In NIS million	1-3	
	2026	2025
Clal Insurance - Tier 2 capital notes	60	44
Clal Holdings - Bonds	20	20
Other	4	4
<b>Total</b>	<b>84</b>	<b>68</b>

**2.3 Capital and Capital Requirements****A. Capital requirements in accordance with the application provisions of the Economic Solvency Regime in Clal Insurance (see Section 1 below)**

The insurance companies in the Group are subject to the Provisions of the Solvency II-based Economic Solvency Regime in accordance with the provisions of the Circular Amendment to the Consolidated Circular, Application Provisions for Solvency II-Based Provisions of the Economic Solvency Regime for Insurance Companies, which was published on October 14, 2020.

In accordance with the Consolidated Circular, the Economic Solvency Ratio Report in respect of the December 31 and June 30 data of each year shall be included in the first periodic report published after the calculation date.

On May 28, 2026, Clal Insurance approved and published its Economic Solvency Ratio Report as of December 31, 2025.

It is noted that the calculation of the economic solvency ratio is based on data and models that may differ from those used by Clal Insurance as part of financial reporting, and which are based, among other things, on forecasts and assumptions that rely mainly on past experience. Specifically, and as detailed in the Economic Solvency Regime Circular, the calculation of the economic solvency ratio is based, to a large extent, on the model used to calculate the embedded value. For further details regarding the capital requirements that apply to Group companies, see Note 23(f) to the Annual Financial Statements.

In accordance with the principles for calculating the deduction during the transitional period in accordance with the application provisions of the Economic Solvency Regime, the deduction as of December 31, 2025 was revised and stands at NIS 2,032 million.

For additional information, including a general description of the economic solvency regime, the general underlying principles of the regime, the calculation methodology of the economic balance sheet and of the solvency capital requirement, transitional provisions, general review of the directives of the Commissioner's Directives relating to the Economic Solvency Ratio Report, definitions of key terms, comments and clarifications, please also read Sections 1, 3.1, 4.1 and 5.1 to the Economic Solvency Ratio Report of Clal Insurance as of December 31, 2025.

The solvency ratio as of December 31, 2025 does not include the effect of Clal Insurance's business activity in the period subsequent to December 31, 2025 and through this report's approval date.

For details regarding additional events during and subsequent to the Reporting Period, see Note 2.1 above.

The calculation made by Clal Insurance as of December 31, 2025 was audited by the independent auditors. The audit held in accordance International Standard on Assurance Engagement (ISAE) 3400 – "The Examination of Prospective Financial Information".

Following are data regarding Clal Insurance's solvency ratio and minimum capital requirement (MCR) according to the Solvency II regime.

#### 1. Economic solvency ratio

In NIS million	As of December 31	As of December 31
	2025	2024
	Audited	Audited
Shareholders equity in respect of SCR	16,181	14,706
Solvency capital requirement (SCR)	9,893	9,624
Surplus	6,288	5,082
Economic solvency ratio (in %)	164%	153%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Company's Economic Solvency Ratio Report		
Raising of capital instruments	615	500
Deviation from quantitative limitation	-	-
Shareholders equity in respect of SCR	16,796	15,206
Surplus	6,903	5,582
Economic solvency ratio (in %)	170%	158%

For details regarding the solvency ratio without applying the transitional provisions and regarding the target solvency ratio and restrictions applicable to Clal Insurance in connection with dividend distribution, see Subsection 3 below.

For events during the Reporting Period and subsequent to the report date, and their potential effect on the solvency ratio, see Section 2.1 and 2.2 above.

**2. Minimum capital requirement (MCR)**

In NIS million	As of December 31	As of December 31
	2025	2024
	Audited	Audited
Minimum capital requirement (MCR)	2,650	2,406
Shareholders equity for MCR	12,296	10,975

**3. Solvency ratio without applying the transitional provisions**

According to the letter published by the Authority, in October 2017, (hereinafter - the "Letter") an insurance company shall be entitled to distribute a dividend only if, following the distribution, the company has a solvency ratio - according to the Economic Solvency Regime - of at least 100%, calculated without taking into account the transitional provisions and subject to the solvency ratio target set by the insurance company's Board of Directors. The aforesaid ratio shall be calculated without the relief granted in respect of the original difference attributable to the acquisition of the provident funds and management companies. In addition, the letter set out provisions for reporting to the Commissioner.

The following are data on Clal Insurance's economic solvency ratio, calculated without taking into account the transitional provisions.

**Solvency ratio without applying the transitional provisions**

In NIS million	As of December 31	As of December 31
	2025	2024
	Audited	Audited
Shareholders equity in respect of SCR	14,680	13,284
Solvency capital requirement (SCR)	10,599	10,341
Surplus	4,081	2,943
Economic solvency ratio - in %	139%	128%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the Company's Economic Solvency Ratio Report		
Raising of capital instruments	615	500
Deviation from quantitative limitation	-	(500)
Shareholders equity in respect of SCR	15,295	13,284
Surplus	4,696	2,943
Economic solvency ratio - in %	144%	128%
The surplus capital in view of equity transactions made in the period between the calculation date and the publication date of the Economic Solvency Ratio Report, relative to the Board of Directors' target (see Section B below):		
The Board of Directors' economic solvency ratio target (%)	115%	115%
Capital surplus over target	3,106	1,392

**4. Dividend distribution by Clal Insurance**

For details regarding the dividend distribution, see Note 2.1(b) above.

**5. The Company's Own Risk and Solvency Assessment (ORSA)**

In January 2022, a principles paper regarding the implementation of the Own Risk and Solvency Assessment of an Insurance Company (ORSA) as well as an amendment to the Provisions of the Consolidated Circular regarding Reporting to the Commissioner of the Capital Market - Own Risk and Solvency Assessment of an Insurance Company (ORSA) were published.

According to the Letter of Principles, the Company is required to examine, at least once a year, and to file with the Commissioner, each year, a report outlining the interrelationships between the overall strategy and annual work plan and the Company's risk profile, risk management policy, overall exposure level and the adequacy of the buffer under various assumptions and scenarios. In doing so, the risk management policy, capital targets and the range of risk management applied by the Company should be examined and taken into account.

#### **6. Debt raising by Clal Insurance Capital Raising Ltd. a subsidiary of Clal Insurance**

On January 22, 2026, Clal Capital Raising issued to the public approx. NIS 591 million p.v. in Notes (Series O), by way of expansion of an existing series. The proceeds of the offering amounted to approx. NIS 622 million and were recognized as additional Tier 1 capital of Clal Insurance, subject to restrictions on the maximum rate of Tier 1 capital, in accordance with the provisions of the law. For further details, see 2.1(d) above.

### **B. Capital requirements and capital adequacy in Max**

#### **1. Equity and capital adequacy**

Max's reported equity capital amounted to NIS 2,275 million as of March 31, 2026, compared to NIS 2,250 million at the end of 2025 - an increase of approx. 1%, and compared to NIS 2,140 million on March 31, 2025 - an increase of approx. 6%. The equity capital as of the end of the first quarter of 2026 includes NIS 26 million in share capital, NIS 376 million in share premiums, a NIS 83 million capital reserve, NIS 6 million in accumulated other comprehensive loss, and NIS 1,796 million in retained earnings.

At the end of the first quarter of 2026, Common Equity Tier 1 capital amounted to NIS 2,274 million, compared to NIS 2,252 million as of December 31, 2025, and compared to NIS 2,142 million on March 31, 2025.

At the end of the first quarter of 2026, total capital amounted to NIS 2,908 million, compared to NIS 2,882 million as of December 31, 2025, and compared to NIS 2,608 million on March 31, 2025.

The capital adequacy ratios are calculated as the ratio of capital to the risk-weighted assets. The CET1 capital ratio is calculated as the ratio of CET1 capital to the risk-weighted assets. The total capital ratio is calculated as the ratio of total capital to the risk-weighted assets.

As of March 31, 2026, the CET1 capital ratio amounted to 10.4%, compared to 10.2% on December 31, 2025, and 10.3% on March 31, 2025. As of March 31, 2026, total capital to risk-weighted components ratio amounted to 13.4%, compared to 13.0% at the end of 2025, and 12.5% on March 31, 2025.

In accordance with Proper Conduct of Banking Business Directive No. 203, "Measurement and Capital Adequacy - Credit Risk - the Standardized Approach", the weight of the risk of part of Max's exposure to Israeli banks derives from Israel's credit rating. Since Max uses ratings of the international credit rating agency Standard and Poor's (S&P), the downgrading of Israel's rating by this agency in April 2024 from -AA to +A led to an increase in the risk-weighted assets, which were recognized with respect to some of Max's exposures to the Israeli banks, which decreased Max's capital ratios by approx. 0.3%. The further downgrade of Israel's credit rating to A by S&P at the beginning of October 2024 did not affect Max's capital ratios, and even a further one-notch downgrade by S&P to A- is also not expected to affect Max's capital ratios. It is only if S&P will further downgrade Israel's rating by two or more notches to BBB+ or lower that, in Max's opinion, one can expect approx. 0.25% decrease in its CET1 capital ratio, based on data as of March 31, 2026. Max is not aware of an intention to affect such rating downgrade. In November 2025, S&P decided to reiterate the State of Israel's credit rating at A and raised the rating outlook from negative to stable; in May 2026, S&P decided to reiterate the credit rating and the outlook at stable. The credit ratings assigned by other rating agencies do not affect Max's capital ratios.

On January 1, 2026 Proper Conduct of Banking Business Directive No. 206, Capital Measurement and Adequacy - Operational Risk, which adopted the revised directives of the Basel Committee regarding the calculation of capital requirements in respect of operational risk, took effect. The new directive redefines the business indicator components that serve as the basis for calculating the capital requirements in respect of the operational risk, and sets marginal coefficients to be multiplied by the business indicator in accordance with the ranges of the business indicator. Furthermore, the new directive stipulates that the business indicator will be multiplied by an internal loss multiplier, which will be based on the banking corporation's historical operating losses. It was further stipulated that a banking corporation, whose business indicator is lower than NIS 5 billion, is not required to use loss data in its calculation of the capital requirements, and its internal loss multiplier will stand at 1; for all other banking corporations, the internal loss multiplier will stand also at 1 through December 31, 2028. This condition is fulfilled by Max, and therefore its internal loss multiplier stands at 1. The application of the new directive improved Max's capital ratios by approx. 0.3%.

Max's leverage ratio as of March 31, 2026 is 8.8%, similarly to the ratio at the end of 2025 and 8.9% as of March 31, 2025.

For further details regarding the regulatory directives on capital adequacy and leverage ratio, see Note 6 to the Consolidated Interim Financial Statements.

### 3. Max's capital adequacy targets

Max's capital is designed to support all risks embodied in its activity as well as its multi-year business activity, including supporting its lines of business, expanding the activity and entering into new areas of activity and complement and supplement its operations.

Furthermore, Max analyzes its performance in a stress scenario, and has targets it will wish to meet upon the materialization of a stress scenario.

Max's policy, which was approved by its Board of Directors is to maintain a capital adequacy ratio, which is higher than the minimum threshold set by the Bank of Israel, and which is greater from the capital requirements needed to cover the risks in accordance with the results of Max's Internal Capital Adequacy Assessment Process (ICAAP).

In accordance with Max's risk profile, on March 10, 2026 Max's Board of Directors approved Max's CET1 capital ratio internal target at 9.0% instead of 9.25% as was the case through June 2024. The revised internal target is 100 basis points (1 percentage point) higher than the minimum CET 1 capital ratio set by the Banking Supervision Department. Max intends to hold a safety buffer above the revised internal target. The internal target for total capital ratio has not changed and stands at 12%.

4. **Total capital adequacy to risk-weighted components ratio in Max: (\*\*)**

Following is a breakdown of the risk-weighted assets and capital requirements in respect thereof:

In NIS million	As of March 31, 2026		As of March 31, 2025		As of December 31, 2025	
	Unaudited		Unaudited		Audited	
	Risk-weighted assets	Capital requirements	Risk-weighted assets	Capital requirements	Risk-weighted assets	Capital requirements
<b>Credit risks - standardized approach</b>						
of banking corporations	1,386	159	1,236	138	1,382	159
Of corporations	2,207	254	1,792	190	2,074	239
Retail to individuals of small businesses	12,440	1,431	11,663	1,310	12,304	1,415
Other assets	1,632	188	1,547	160	1,603	184
Credit valuation adjustment (CVA)	969	111	1,059	121	938	108
	*	*	*	-	1	*
<b>Total credit risk</b>	<b>18,634</b>	<b>2,143</b>	<b>17,297</b>	<b>1,919</b>	<b>18,302</b>	<b>2,105</b>
<b>Market risk - standardized approach</b>	<b>62</b>	<b>7</b>	<b>124</b>	<b>13</b>	<b>80</b>	<b>9</b>
<b>Operational risk - standardized approach</b>	<b>3,083</b>	<b>355</b>	<b>3,454</b>	<b>372</b>	<b>3,704</b>	<b>426</b>
<b>Total risk-weighted assets and capital requirements</b>	<b>21,779</b>	<b>2,505</b>	<b>20,875</b>	<b>2,304</b>	<b>22,086</b>	<b>2,540</b>
<b>Capital base</b>	<b>2,908</b>		<b>2,608</b>	<b>-</b>	<b>2,532</b>	
<b>Total capital ratio</b>	<b>13.4%</b>		<b>12.5%</b>		<b>13.0%</b>	
<b>CET1 capital ratio</b>	<b>10.4%</b>		<b>10.3%</b>		<b>10.2%</b>	

\* An amount lower than NIS 1 million.

\* Calculated in accordance with Proper Conduct of Banking Business Directives Nos. 201-211 on "Capital Adequacy and Measurement", and Proper Conduct of Banking Business Directive No. 472 "Merchant Acquirers and Acquiring Payment Card Transactions", which came into effect on September 1, 2016.

5. **Dividend distribution by Max**

On March 10, 2026, Max's Board of Directors approved the distribution of a dividend in the amount of NIS 56 million, which constitutes approx. 30% of Max's net income for 2025. The dividend was paid on March 19, 2026.

2.4. **Analysis of Cash Flow Development, Sources of Financing and Liquidity**

2.4.1. **Cash flow for the Reporting Period**

The consolidated cash flows provided by operating activities in the Reporting Period amounted to approx. NIS 1,006 million; most of the amount arises from realization of financial investments by the Insurance Company, offset by paid taxes. The consolidated cash flows used for investing activities totaled approx. NIS 1,813 million in the Reporting Period, mainly from a reduction in credit provided to card holders and merchants. The consolidated cash flows provided by financing activities totaled approx. NIS 202 million in the Reporting Period and included mainly the repayment of credit from banking corporations. The Group's cash and cash-equivalent balances decreased from a total of approx. NIS 7,069 million at the beginning of the Reporting Period to approx. NIS 6,344 million at the end of the Reporting Period.

## 2.4.2. Company's financing

### 2.4.2.1 The Company's sources of financing and liquidity

The Company attaches great importance to maintaining sufficient cash balances, in a manner that will allow it to repay its obligations, and support, where required, the capital needs of Clal Insurance, and liquidity needs in respect of the activity of other Group investees. Other funding sources include, among other things, dividend distributions from investees, and the option of selling stakes in investees, debt raising from the banking system and/or the public, utilization of credit facilities and capital raising.

It is clarified that some of the investees are subject to regulatory provisions regarding dividend distribution beyond the distribution limitations set out in the Companies Law, 1999, which stipulates, among other things, that the Company may make a distribution out of its earnings, provided that there are no reasonable concerns that the distribution will prevent the Company from fulfilling its existing and future undertakings, when they fall due:

- A. **Clal Insurance** - the dividends from Clal Insurance depend on the policy set by the Board of Directors of Clal Insurance, see Section 3.2.A above, including compliance with the solvency ratio target set by the Board of Directors, which is higher than the minimum target set by the Banking Supervision Department. The Company considers interest proceeds received from its holding in a Restricted Tier 1 capital instrument of Clal Insurance as a source of liquidity, and classifies this holding as a financial investment.
- B. **Max** - the dividend distribution in Max is subject to the directives of the Banking Supervision Department, including compliance with capital adequacy restrictions under the Basel directives. Dividend distribution is permitted subject to the provisions of the Companies Law, 1999.

For further details regarding the restrictions on dividend distributions in Clal Insurance and Max, see Note 6 to the Consolidated Financial Statements.

Furthermore, the Company controls the following entities which are not subject to special Regulatory Restrictions pertaining to dividend distribution beyond those of the Companies Law:

- A. **Clal Agency Holdings** - the Company presents the net financial assets of Clal Agency Holdings within the net financial assets of Clal Agency Holdings.
- B. **Clal Finance** - as detailed in Note 10 to the Consolidated Annual Financial Statements, Clal Finance holds a 24.9% stake in Michlol Finance Ltd. Michlol Finance is a company whose share is listed on the Tel Aviv Stock Exchange; the market value of its shares, based on the share price on the Stock Exchange, is approx. NIS 168 million immediately prior to the report's publication date. Furthermore, Clal Finance has an option to purchase approx. further 2% of Michlol's shares.  
This investment is presented under equity-accounted investments in investees, and was not included in the financial investments in this section.

As of the reporting date, the Group has three types of financial liabilities, subordinated notes issued to address Clal Insurance's capital needs, and balances used in Max's operating activities issued by the Company.

Following is a table providing a breakdown of the net financial debt (the table includes the following companies: the Company, CIMax Holdings Ltd., and Clal Agency Holdings (1998) Ltd. as stated above, and does not include Clal Insurance and Max, which are subject to Regulatory Restrictions in addition to the distribution restrictions set out in the Companies Law, 1999):

NIS million	As of March 31, 2026	As of December 31, 2025
<b>Financial assets</b>		
Cash and cash equivalents	634	67
Other financial investments, mainly money market fund and Israeli T-Bills by the Company	207	241
Bonds (Series O) - Clal Capital Raising (market value)	580	575
<b>Total assets</b>	<b>1,421</b>	<b>883</b>
Less current maturities		
Current financial liabilities	21	32
<b>Financial assets less current maturities</b>	<b>1,400</b>	<b>851</b>
<b>Non-current financial liabilities</b>		
Non-current financial liabilities: Bonds issued by the Company - liability component	1,482	1,537
<b>Total liabilities</b>	<b>1,482</b>	<b>1,537</b>
<b>Net financial debt</b>	<b>81</b>	<b>686</b>
<b>Unutilized credit facility*)</b>	<b>250</b>	<b>250</b>

\*) In June 2025, the credit facility was renewed by one year until June 2026, without material modification of terms. For further details, see Note 16(i) in the Annual Financial Statements. As of the report date and its approval date, the abovementioned credit facility has not been utilized.

#### 2.4.2.2 The Company's financing characteristics

- A. In its capacity as a holding company, the Company assesses the value of its assets against its liabilities in the context of funding and liquidity; it also assesses whether it has liquid means which are reasonably accessible to allow it to conduct its activities.
- B. The Company's activity (investments, general and administrative expenses, debt service and dividends) is normally funded by dividends it receives, from investees, capital raising, loans from banking corporations and proceeds from disposal of assets.
- C. For details regarding key financial movements in the Company (on a separate basis), see the data on cash flow attributable to the Company itself (on a separate basis).
- D. For details regarding the Company's distributable profits, adjusted to reflect the Company's capital requirements, and regarding capital and capital requirements in the consolidated institutional entities and other Group companies, see Note 23 to the Annual Financial Statements.

### 2.4.2.3 Dedicated disclosure for the Company's bond holders

#### A. Data on bonds

Series / issuance date	Bonds (Series A)	Bonds (Series A) (expansion)	Bonds (Series A) (second expansion)	Bonds (Series B) (convertible bonds)	Bonds (Series C)	Bonds (Series C) (expansion)
Issuance date	February 2023	June 2023	August 2023	February 2023	December 2023	July 2025
Par value on issuance date (in NIS)	249,100,000	250,000,000	400,000,000	150,000,000	500,000,000	350,000,000
Par value as of March 31, 2026 (in NIS)	152,131,060	152,680,000	244,289,000	149,989,800	500,000,000	350,000,000
Carrying amount as of March 31, 2026 (in NIS)	Approx. NIS 152 million	Approx. NIS 151 million	Approx. NIS 243 million	Approx. NIS 88 million **)	Approx. NIS 508 million	Approx. NIS 361 million
Market value as of March 31, 2026*)	Approx. NIS 153 million	Approx. NIS 154 million	Approx. NIS 246 million	Approx. NIS 225 million	Approx. NIS 526 million	Approx. NIS 368 million
Interest type	Fixed, non-linked			Fixed, non-linked	Fixed, non-linked	
Nominal interest rate	4.7%			2.8%	5.25%	
Interest payable as of March 31, 2026	Approx. NIS 1 million	Approx. NIS 1 million	Approx. NIS 1 million	Approx. NIS 0.2 million	Approx. NIS 11 million	Approx. NIS 8 million
Effective interest rate on issuance date	4.9%	5.6%	5.3%	4.9%	5.5%	5.0%
Listed on the TASE	Yes			Yes	Yes	
Principal payment dates	February 28, 2028			February 28, 2028	The principal shall be repaid in three installments in each of the years 2029-2031	
Interest payment dates	The interest shall be paid in a single annual installment on February 28 of each of the years 2024-2028			The interest shall be paid in a single annual installment on February 28 of each of the years 2024-2028	The interest will be paid in two semi-annual installments, on November 1 and May 1 of each of the years 2024-2031	
Are the notes convertible	No			Yes	No	
Linkage base and terms	Notes (principal and interest) are not linked to the CPI and/or to any currency			Notes (principal and interest) are not linked to the CPI and/or to any currency	Notes (principal and interest) are not linked to the CPI and/or to any currency	
Pledged assets	None			None	None	

Series / issuance date	Bonds (Series A)	Bonds (Series A) (second expansion)	Bonds (Series B) (convertible bonds)	Bonds (Series C)	Bonds (Series C) (expansion)
Company's right to execute early redemption or forced conversion	The Company may execute full or partial early redemption of its notes no more than once a quarter. Payment to note holders in respect of early redemption shall amount to the higher of: A. Market value; B. Outstanding par value; C. Balance of cash flow (principal and interest) discounted using the return on government bonds plus a 1% interest.		The Company may execute full early redemption of its notes starting 30 days from their listing on the stock exchange, and no later than 180 after such a listing. The payment to note holders in respect of early redemption shall be the outstanding par value of the notes (principal and accrued interest) plus One-time early redemption fee of 2% of the outstanding par value. The Company does not have the right to execute a forced conversion of the notes.		The Company may execute full or partial early redemption of its notes no more than once a quarter. Payment to note holders in respect of early redemption shall amount to the higher of: A. Market value; B. Outstanding par value; C. Balance of cash flow (principal and interest) discounted using the return on government bonds plus a 1% interest.
Series' materiality	The series is material as this term is defined in Regulation 10(b)13(a) of the Securities Regulations (Periodic and Immediate Reports), 1970		The series is material as this term is defined in Regulation 10(b)13(a) of the Securities Regulations (Periodic and Immediate Reports), 1970		The series is material as this term is defined in Regulation 10(b)13(a) of the Securities Regulations (Periodic and Immediate Reports), 1970
A cross-default clause is in place ***)	Yes		Yes		Yes

\*) The market value includes interest accrued as of March 31 2026.

\*\*) Of which approx. NIS 8 million represents the equity component presented under equity.

\*\*\*) For further details, see Section 8.1.14 to the deeds of trust of Bonds (Series A) and (Series B) which were attached to the shelf offering report of February 9, 2023 and Section 8.1.14 to the Trust Deed (Series C) attached to the shelf offering report dated December 4, 2023.

**B. Details regarding the conversion component in Bonds (Series B)**

Criterion	Bonds (Series B) (convertible bonds)
Details of the security into which the bonds may be converted	The bonds are convertible into ordinary shares of the Company
Conversion ratio	At the issuance date, the conversion ratio was as follows: Every NIS 85 p.v. of the bonds will be convertible into one ordinary share of the Company Subsequent to the reporting date, in April 2026, after the Company's dividend distribution, the conversion ratio has changed such that every NIS 80.28 p.v. of Bonds will be convertible into one ordinary Company share (instead of the previous conversion rate under which every NIS 81.93 p.v. of Bonds were convertible into one ordinary Company share).
Key terms of conversion, including conditions precedent for the execution of a conversion and any distribution adjustments	The bonds are convertible on each day on which trading takes place on the Stock Exchange through February 18, 2028; If during the conversion right period the Company will distribute bonus shares and/or dividend and/or offer shares by way of offering rights, the number of shares arising from the conversion will be adjusted. For further details, see Section 6.3.3 to the deed of trust attached to the shelf offering report of February 9, 2023.

**C. Details regarding rating**

	Bonds (Series A)	Bonds (Series B) (convertible bonds)	Bonds (Series C)
Rating agency	Maalot	Maalot	Maalot
Rating on issuance date	ILAA-	ILAA-	ILAA-
Current rating	ILAA-	ILAA-	ILAA-

The trustee for Notes (Series A, Series B and Series C) is Hermetic Trust (1975) Ltd. The names of the individuals in charge of the notes are Adv. Dan Avnon and/or Adv. Meirav Ofer, Tel: 073-2171000, Fax: 03-5271451, email: [hermetic@hermetic.co.il](mailto:hermetic@hermetic.co.il), postal address: Champion Tower, 13th Floor, 30 Derech Sheshet HaYamim, Bnei Brak.

**D. Contractual restrictions and financial covenants**

As part of the trust deed of the Bonds (Series A, Series B and Series C), The Company undertook not to place a floating charge on all of its assets as long as the Bonds (Series A, Series B and Series C) are not repaid in full, unless it has obtained the bond holders' consent in advance or placed a floating charge of the same rank in favor of the bond holders, pari passu. Furthermore, with respect to the expansion of the Bonds (Series A, Series B and Series C), the Company assumed restrictions on dividend distribution; it also undertook to comply with financial covenants whereby its shareholders' equity will not fall below NIS 2.96 billion (as part of Series A and Series B) or NIS 3.15 billion (as part of Series C), and its net financial debt to total assets ratio will not exceed 50%.

In accordance with the deeds of trust, if changes are made to a parameter used to calculate any of the financial covenants detailed in the deeds of trust as a result of changes to generally accepted accounting principles applicable through that date (hereinafter - the "Old Standards"), and the effect of the abovementioned changes on the parameter used to calculate the financial covenants is non-negligible (as defined in the deeds of trust) - starting on the first-time application date of the accounting principles, the relevant financial covenant will be proportionally adjusted to the change arising from the application of the accounting principles. The abovementioned revised financial covenant will apply as from the first-time application date of the accounting principles.

For further details, see Section 6.3.1 to the deeds of trust of Bonds (Series A) and (Series B) which were attached to the shelf offering report of February 9, 2023 and Section 6.3.1 to the Trust Deed (Series C) attached to the shelf offering report dated December 4, 2023 and updated by an immediate report dated June 25, 2025.

In addition, an adjustment mechanism was set whereby the interest rate will increase as a result of failure to comply with any of the financial covenants.

The financial covenants will be adjusted if - as a result of the first-time application of accounting standards - they will undergo a change, whose effect is not negligible. For further details, see Section 6.3 to the deeds of trust of Bonds (Series A) and (Series B) which were attached to the shelf offering report of February 9, 2023 and Section 6.3 to the Trust Deed (Series C) attached to the shelf offering report dated December 4, 2023.

An adjustment mechanism was also set whereby the interest rate will increase if the Company's rating will be downgraded. For further details, see Section 6.4 to the deeds of trust of Bonds (Series A) and (Series B) which were attached to the shelf offering report of February 9, 2023 and Section 6.4 to the Trust Deed (Series C) attached to the shelf offering report dated December 4, 2023.

As of the reporting date, the Company complies with the covenants described above. As of March 31, 2026, the net financial debt ratio is approx. 1%, and shareholders' equity amounts to approx. NIS 10.9 billion. In addition, as of the reporting date and the publication date of this report, and during the period starting on the notes' issuance date, the Company has complied and continues to comply with all the conditions and undertakings as per the deeds of trusts, and no circumstances have arisen which establish grounds for immediate repayment of the notes. Furthermore, the Company did not receive notice from the trustee for the notes regarding its failure to comply with the conditions and undertakings as per the deeds of trusts.

The key points of the deeds of trust of Bonds (Series A and Series B), which were signed between the Company and the trustee, are attached to the shelf offering report of February 9, 2023, and the key points of the trust deed of Bonds (Series C) are attached to the shelf offering report of December 4, 2023, and the full texts of the deeds of trust are available for perusal by appointment at the Company's registered office on any business day during normal working hours.

### **E. Issuance and early redemption of bonds issued by the Company**

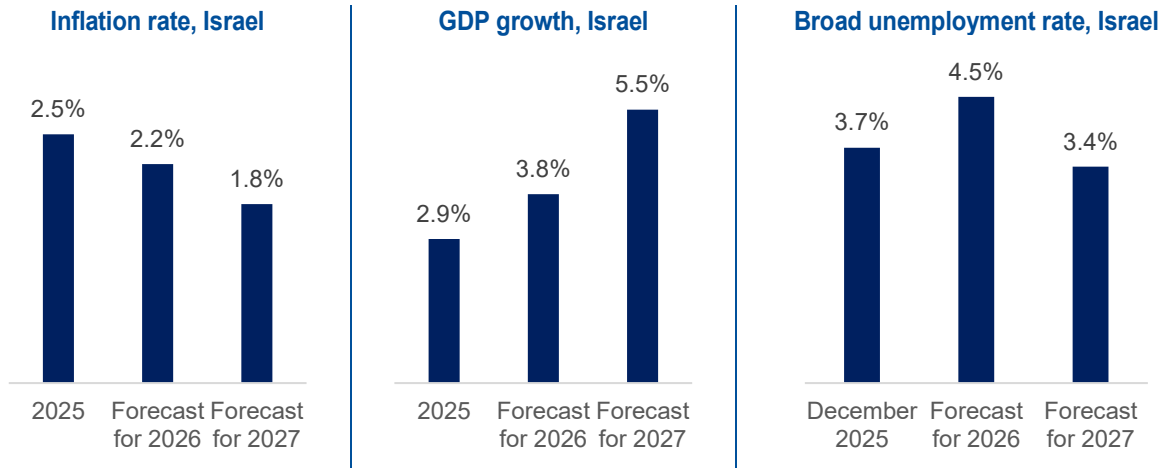
Subsequent to the reporting date, on April 16, 2026, the Company issued approx. NIS 605 million p.v. in Bonds (Series D) to the public, pursuant to the Company's shelf offering report dated April 14, 2026, published under the Company's shelf prospectus. The issuance expenses amounted to approx. NIS 5 million; the effective interest rate is 4.7%, and net proceeds of the issuance amounted to approx. NIS 600 million. The proceeds of the issuance were first used for full early redemption of the Company's outstanding Bonds (Series A), and the balance will be used for the Company's current needs, as decided by the Board of Directors from time to time. Subsequent to the reporting date, on May 7, 2026, the Company redeemed, by way of early redemption, the full outstanding balance of Bonds (Series A) totaling NIS 549 million in par value. For further details, see Note 5 to the Consolidated Interim Financial Statements.

#### **Conversion of Bonds (Series B) into shares**

During the Reporting Period, approx. NIS 57 million in p.v. of Bonds (Series B) (convertible bonds) was converted, in exchange for the issuance of approx. NIS 1 million of the Company's share capital. The Company generated a conversion premium totaling approx. NIS 56 million.

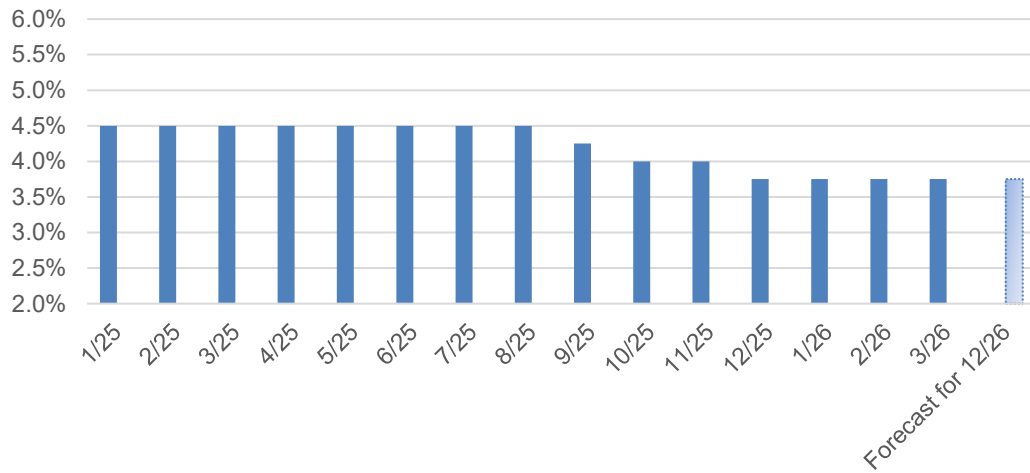
### 3. Developments and Material Changes in the Macroeconomic Environment in the Reporting Period

#### 3.1 Key economic data:



\* Forecast data in accordance with the Bank of Israel Research Department's forecast, March 2026

#### Fed interest rate, USA



\* The December 2026 data represents the consensus of forecasts according to Bloomberg, May 7, 2026

**3.2 Following are key trends and material changes in the macroeconomic environment in the Reporting Period and thereafter:**

As from October 7, 2023, Israel has been in a state of war; for further details, see Section 2.1(g) above.

<b>Criterion</b>	<b>Data for the period</b>
<b>Development in the market and employment in Israel</b>	<p>In 2025, GDP grew by approx. 2.9%; in accordance with the macroeconomic forecast of the Bank of Israel's Research Department (March 2026), GDP is expected to grow by 3.8% in 2026 and by 5.5% in 2027.</p> <p>As of March 2026, the budget deficit amounted to 4.2% of GDP, compared to 4.7% of GDP in February 2026. In accordance with the Bank of Israel's forecast, the government budget deficit in 2026 and 2027 is expected to amount to 5.3% of GDP and 4.4% of GDP, with the debt to GDP ratio expected to increase to 70.5% of GDP in 2026, and 70.5% of GDP in 2027. The job market - upon the outbreak of the War, the broad unemployment rate (a data which includes - in addition to those unemployed - also those who are temporarily absent due to economic reasons, such as expense for unpaid leave) increased sharply from 4.2% to 9.7% in October 2023; however since then the broad unemployment rate declined to 3.9% in March 2026. In accordance with the Bank of Israel's forecast, the broad unemployment rate (annualized average) is expected to stand at approx. 4.5% in 2026 and 3.4% in 2027.</p> <p>According to the Central Bureau of Statistics' estimates for February 2026, the average wage of a salaried employee (all employees) continues to rise, up 5% compared to February 2025. The average wage for a salaried employee in current PPPs was NIS 14,344.</p> <p>The housing market - house prices declined by approx. 1.7% in the past year.</p> <p>In March 2026, rating agency Fitch reiterated the State of Israel's rating at A, with a negative outlook (which remained unchanged). The rating agency highlighted as a positive factor the financial resilience of Israel's economy during wartime, the Bank of Israel's high foreign currency reserves and Israel's energy independence, which curbs inflation.</p> <p>In the opinion of the rating agency, a protracted war with Iran will result in a debt-to-GDP ratio of approx. 72.5% in 2027.</p>
<b>Inflation data</b>	In the first quarter inflation increased by 0.3%; in the past year inflation increased by 1.9%.
<b>Foreign exchange rates</b>	Since the beginning of the year, the NIS has appreciated by approx. 0.8% against the USD.
<b>Development in interest rates and returns</b>	In January 2026, the Monetary Committee decided to cut the interest rate by 0.25% to 4%. During the following months, the committee decided to leave the interest rate unchanged in light of the uncertainty on the back of the security situation. At the most recent interest rate committee meeting held in May 2026, the Bank of Israel lowered the interest rate by 0.25% to 3.75%, and accompanied the move on a hawkish note with respect to the continuation of the policy in the coming months.

**Developments in capital markets in Israel and across the world (in terms of local currency)**

In %	1-3	For the year	
<b>Share indices in Israel</b>	<b>2026</b>	<b>2025</b>	<b>2025</b>
TA 35	<b>12.9</b>	1.0	51.6
TA 90	<b>(1.9)</b>	(0.6)	46.6
TA 125	<b>9.6</b>	0.8	51.0
TA Growth	<b>0.2</b>	(0.2)	24.0
<b>Bond indices in Israel</b>			
General	<b>(0.2)</b>	0.4	6.3
Tel Bond-CPI Linked	<b>(0.1)</b>	0.4	6.6
Tel Bond-Shekel	<b>(0.1)</b>	0.4	6.5
CPI-Linked Government Bonds	<b>(1.2)</b>	(0.6)	4.7
Government - NIS	<b>0.5</b>	0.9	6.9
<b>Share indices across the world</b>			
Dow Jones	<b>(4.0)</b>	(1.9)	13.2
NASDAQ	<b>(7.6)</b>	(11.5)	20.3
Nikkei Tokyo	<b>1.4</b>	(10.7)	26.2
CAC Paris	<b>(4.1)</b>	5.6	10.4
FTSE London	<b>2.5</b>	5.0	21.5
DAX Frankfurt	<b>(7.4)</b>	11.3	23.0
MSCI AC	<b>(6.2)</b>	(1.3)	19.9
S&P 500	<b>(5.7)</b>	(5.5)	17.1

For details regarding the effects on the financial results, see Section 2 above and Note 5 to the Consolidated Interim Financial Statements.

**Global economic developments**

The first quarter of 2026 was marked by uncertainty across financial markets and global economy, driven mainly by geopolitical escalation in the Middle East and the outbreak of the war between the United States and Israel against Iran. These developments triggered a surge in energy, gas, and fertilizer prices, alongside heightened concerns regarding supply chain disruptions. Tariffs have also returned to the forefront following an intervention by the Supreme Court in the Trump administration's trade policy, to which the administration replied by levying temporary alternative tariffs. Due to the increase in energy prices, inflationary pressures resurfaced, which resulted in slumps in bond markets and a shift in central banks' position, effectively suspending expectations of interest rate cuts in the near-term.

**United States** - 2026 started with substantial trade-related volatility, following a Supreme Court ruling whereby President Trump's use of the Emergency Powers Act to impose tariffs was unconstitutional. In response, the administration levied temporary global tariffs with immediate effect, which were increased to a maximum of 15%. Inflation is proven to be sticky and even accelerating due to energy prices and the effect of tariffs; the PCE core inflation gauge increased to an annual rate of 3.1%. The Fed left the interest rate without change, noting that the Middle East conflict introduces uncertainty to the economy. The US economy grew by 1.4% in the fourth quarter of 2025. It is noted that the unemployment rate has risen and stands at 4.4%.

**Europe** - Contrary to previous assessments, in the first quarter of 2026 the European Central Bank (hereinafter - the "ECB") left the interest rate without change at 2.0%. Headline inflation increased again to 1.9% and core inflation has accelerated to 2.4%. The ECB even signaled its willingness to take action in view of the war's expected inflationary effects and the surge in natural gas prices in Europe. The European economy still grew at a slow rate of 0.3% in the fourth quarter and by 1.3% throughout 2025, annualized.

**China** - Current activity data published at the beginning of 2026 indicated a certain recovery, which was better than expected, with a 6.3% increase in industrial production and a 2.8% increase in retail sales. However, macro data still indicate considerable internal challenges; the unemployment rate increased to 5.3% and house sales plummeted by 21.8%. The growth rate stood at 4.5% in the fourth quarter of 2025 and at 5.0% for the full year, a rate consistent with the government's targets.

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#### 4. Restrictions on and supervision of the corporation's business

In this chapter, we will review in a condensed form laws, regulations, circulars and very material position papers, or drafts of laws, regulations, circulars and very material position papers, that apply to the activity of the Group's institutional entities, and which are material to the Group's activity, as published by the Knesset, the government or the Commissioner of the Capital Market, Insurance and Savings, as the case may be, subsequent to the publication date of the Annual Financial Statements.

We will also review - in a condensed form - laws, regulations, Proper Conduct of Banking Business Directives (hereinafter - "**PCBB**") and very material position papers, or drafts of laws, regulations, PCBBs and very material position papers, that apply to the activities of issuance, acquiring and processing of payment cards and credit to private individuals and businesses (hereinafter - "**Max's Activity**"), and which are material to the Group's activity, as published by the Knesset, the government or the Banking Supervision Department, as the case may be, subsequent to the publication date of the Annual Financial Statements.

##### 4.1 General

###### 4.1.1 Increasing retail banking competition in the banking system

Further to the publication of the Interim Report of the Taskforce for Assessing the Measures to Increase Retail Banking Competition in the Banking System (hereinafter – the "**Interministerial Taskforce**"), which was appointed to examine steps to remove barriers to the entry of additional players into the banking system, in June 2025 the Banking Supervision Department published a draft roadmap under which it is proposed to adopt the recommendation of the Interministerial Taskforce regarding the expansion of the implementation of the supervisory proportionality approach. Further thereto, in February 2026, a draft new Proper Conduct of Banking Business Directive was published, entitled Supervisory Framework for Small and New, under which it is proposed to replace the Proper Conduct of Banking Business Directive entitled New and Newly Established Banking Corporations with a new directive, the highlights of which are the proposal to apply to the banking system a supervisory and regulatory policy that will be proportionate to the scope of the banks' activities. For this purpose, 3 supervisory tiers were defined (up to NIS 15 billion; between NIS 15 and 50 billion; and above NIS 50 billion). In addition, a preparation period for new banks (up to 3 years) was defined, the purpose of which is to enable a bank to comply with the required regulation in accordance with its size. The proportionality in the regulation will be reflected, among other things, in requirements on capital and liquidity, corporate governance and risk management, credit, investments and securities activity, and the following risks - financial risks, operational risks, technology and cyber risks, and bank–customer relations risks. Furthermore, and under the abovementioned Supervisor Framework for Small and New Banks, in February 2026 the Banking Supervision Department published a draft for public comments regarding amendments to the Reporting to the Public Directives of small and new banks.

Further to the publication of the final report of the Interministerial Taskforce, in March 2026, the Economic Plan Law for 2026 was enacted (hereinafter - the "**2026 Economic Plan Law**"), which included several legislative amendments aimed at promoting competition in the banking system and implementing the recommendations of the Interministerial Taskforce, the key points of which are:

- Setting three licensing levels<sup>2</sup> - a micro bank (with asset value of up to 2.5% of the total asset value of all Israeli banks, unless determined otherwise and no more than 5%), a small bank (with asset value of up to 5% of the total asset value of all Israeli banks, which is not controlled by a large bank) and a large bank (with asset value higher than 5% of the total asset value of all Israeli banks).
- Raising the mandatory threshold for obtaining a holding permit in a small bank from 5% to 10%.
- Holding companies which control institutional entities will be allowed to concurrently control a micro bank; however, a merger between a micro bank (and its controlling shareholder) and the holding company (and an entity it controls) will only be allowed if the Competition Commissioner issues a special approval, except under extraordinary instances listed in the law.
- Providing regulatory expedients to small banks and new banks by exempting them from the requirement to provide certain banking services, such as – expedients/exemption from fair disclosure rules for a limited period and requirements arising from the "Switch at a Click" and "Open Banking" reforms, and non-applicability of the Officer Salary Law for 7 years, providing new banks with the option of offsetting losses accrued in their first years of activity from income in later years.

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2. Which differ from the supervisory tiers.

- Expanding the areas of activity in which banks are permitted to engage and vesting in the Banking Supervision Department the power to expand a small bank's permitted areas of activity, beyond those set by law.
- Extending and reinforcing the protections and directives applicable to credit card companies which operate the issuance of bank cards as per the Law for Promoting Competition and Minimizing Market Concentration - it is proposed that a bank with a broad scope of activity (a bank whose assets under management do not exceed 20% of total assets under management by all banks in Israel) will not operate more than 40% of the new payment cards it issues through a single operating company (as opposed to the current 52% limit).

**The Company believes that the provisions on promoting competition in the banking system as per the 2026 Economic Plan Law may increase competition in the financial and banking system and bring about structural changes in the markets relevant to the Group's activity.**

**The Company's assessments regarding these ramifications constitute forward-looking information, which is based on the Company's assessments and assumptions as of this date; actual results may be materially different from those predicted, and depend, among other things, on the final wording of the Banking Supervision Department's Directives regarding the Supervisor Framework for Small and New Banks, the manner of implementation of the directives on promoting competition in the banking system, and the behavior of market players.**

#### **4.1.2 Increasing competition in the guarantee provision market**

In March 2026, the 2026 Economic Plan Law was published and included, among other things, an amendment to various legal provisions pertaining to the provision of a bank guarantee, such that one will also be able to provide a guarantee issued by non-bank guarantee providers, including insurers, in order to increase competition in the guarantee market. It is also suggested to task the ministers with the assessment and promotion of similar amendments to secondary legislation within their remit and to determine that such assessment will be carried out in any future regulation.

**The Company believes that the provisions regarding the promotion of competition in the guarantee provision market as per the 2026 Economic Plan Law may increase competition in the financial system in this area.**

**The Company's assessments regarding these ramifications constitute forward-looking information, which is based on the Company's assessments and assumptions as of this date; actual results may be materially different from those predicted, and depend, among other things, on the manner of implementation of the directives, and the behavior of market players.**

#### **4.1.3 Credit Data Law**

In May 2026, the Knesset's Economic Affairs Committee approved the second and third readings of amendments to the provisions of the Credit Data Law, focusing on two aspects:

1. Improvement of the Central Credit Register – it is proposed to establish provisions regulating the operation of the register, including provisions regarding the correction of defects; to establish provisions expanding the uses of information obtained from the register, in order to enable the development of the credit market in Israel, including expanding the ability of credit bureaus to use non-identified information for the purpose of developing models, expanding the use that credit providers may make of credit reports, and expanding the credit indication mechanism so that it provides a more detailed assessment of the customer's repayment capacity; as well as additional provisions required in light of lessons learned from the operation of the register.
2. Establishing a credit bureau for corporations - it is proposed to amend the provisions of the Credit Data Law such that it will be possible to set up a Central Credit Register for businesses. which will give credit providers access to corporations' data, while adapting the scope of the law's provisions to the type of database and revising those provisions such that they reflect the distinction between this register and the register for private individuals, in terms of information sources, types of credit data, the register's objectives, etc. In addition to credit providers' ability to use the register's data, it is also proposed to allow the Bank of Israel to use identified data regarding corporations and those affiliated therewith to fulfill its functions, in accordance with directives to be set by the Bank of Israel regarding this matter.

**At this stage, the implications of the bill regarding the Credit Data Law cannot be assessed. However, should the above suggestions be issued as final directives, this may require Clal Insurance to make substantial operational preparations.**

#### 4.1.4 *The Contracts Law (General Part) (Amendment No. 3), 2025*

In January 2026, an amendment to the Contracts Law (General Part) was published, the principal provision of which is that a business contract will be interpreted according to its wording, as opposed to the interpretation rule previously set forth in the law, which provides that a contract will be interpreted both according to its wording and according to the circumstances of the matter. According to the amendment, business contracts are entered into between parties whose annual turnover exceeds NIS 4 million, or contracts in transactions with a value exceeding NIS 15 million. Another condition to the contract's being a business contract is that both parties relied on legal advice when they prepared the contract. Exceptions to the definition of a "business contract" are ones constituting a standard contract and contracts to which the state is a party.

In addition to the above, it is proposed to determine that the rule regarding interpretation will not apply if interpretation according to the wording of the contract would lead to a result which is unacceptable under the circumstances of the matter, or if there are conflicting provisions in the contract and therefore it is impossible to interpret it according to its wording.

It was also prescribed that the parties will be able add a notwithstanding clause in connection with this rule regarding interpretation, and add an expressed provision in the contract, both with the regard to another interpretation rule that they wish to apply to the contract, and with regard to specifying the evidence that will be acceptable for the purpose of interpreting the contract.

To date, the Company is unable to assess the effects of the amendment.

## 4.2 *Long-Term Savings*

### 4.2.1 *Digital pension advice by a banking corporation*

In March 2026, on the back of another campaign against Iran - Operation Lion's Roar, Non-Enforcement Position - Pension Advice by a Banking Corporation Outside the Bank Branches to Existing Customers in the Pension Advice Segment was published, pursuant to which the Authority will not take enforcement measures against banking corporations that provide pension advice via digital means or by telephone to existing clients, who meet the conditions set forth in the position, in the pension advice segment, for as long as a special home front situation is in effect or until April 15, 2026, whichever is earlier.

## 4.3 *Property and Casualty Insurance*

### 4.3.1 *Draft decision - Payment of Reduced Insurance Benefits to Third Parties Due to Differences in Spare Part Prices*

In May 2026, a draft decision entitled Payment of Reduced Insurance Benefits to Third Parties Due to Differences in Spare Part Prices was published.

The draft prohibits insurance companies from deducting amounts specified in the vehicle appraisal from the insurance benefits paid for any duly proven damage under motor property insurance, unless such deduction is based on a counter-appraisal, with an emphasis on spare parts prices.

Furthermore, the draft stipulates that an insurance company which previously made a deduction contrary to the draft decision should reimburse the third party for the difference from the actual cost of the damage. In addition, provisions for reporting to the Commissioner were set regarding cases in which reductions were made.

The above in the draft decision will not apply to third-party claimants which are leasing companies, car rental companies or corporations with which the insurance company has a damage reduction agreement.

The Company believes that insofar as the Commissioner's decision is accepted and becomes binding, it is not expected to affect the Company's business results.

**The information regarding the draft decision constitutes forward-looking information, based on information in the Company's possession on the report date. Actual results may vary from the estimated results and depend, among other things, on the wording of the final decision, insofar as it is published.**

## 4.4 Max's Activity

### 4.4.1 *Prohibition on Money Laundering Law, 2000, and Prohibition of Financing of Terrorism Law, 2005*

On April 30, 2026, the Banking Supervision Department published a revision to Proper Conduct of Banking Business Directive 411 - Management of Prohibition on Money Laundering and Prohibition on Financing of Terrorism Risks. The revision includes several adjustments to the Regulation of Engagement in Payment Services and Payment Initiation Law, 2024 and the international standards. Those adjustments expand the reporting and authentication requirements and set certain expedients – including the use of an identifier instead of an account number, the expansion of payment services activities, reliefs for payment companies and specific populations, and the regulation of opening accounts for specific types of entities. Max is studying the revision and works to implement it.

### 4.4.2 *Payment Services Law and regulations promulgated thereunder*

On March 22, 2026, a revised version of the Payment Services Regulations (Exemption from the Provisions of the Law) (Amendment No. 2) (Amendment), 2026, was published. As described in the Company's Annual Report for 2025, the amendment retain the existing exclusion of gift vouchers/cards, which are not designated for a particular payer (unidentified), including digital cards, from certain provisions of the Payment Services Law, 2019, and set new consumer provisions to such means of payment and their operation, including requirements pertaining to the validity of certain means of payment, reminders to be sent and provisions pertaining to the cancellation of a transaction.

Max believes that the abovementioned revision has no material effect on its activity.

### 4.4.3 *Designation of a Concentration Group*

In May 2026, the Competition Commissioner stipulated, pursuant to her power under the Economic Competition Law, 1988, that the five largest banking groups jointly constitute a concentration group in the retail banking services sector, and imposed on the members of the group directives regarding deposits. A review conducted by the Israel Competition Authority concluded that conditions in the retail banking services sector are conducive to very little competition and that effectively competition is very limited. The key directives of the Commissioner are:

1. Prohibition of discrimination with regard to deposit interest rates and a transparency requirement for banks.
2. A requirement that banks will proactively contact customers on the deposit renewal or repayment date, provide them with quotes as to interest rates on deposits and money market funds, and allow them to acquire such deposits and money market funds on the repayment or renewal date through a simple and convenient process.
3. A prohibition on a bank with a broad scope of activity from unreasonably refusing to enter into an engagement with deposit aggregators, and a prohibition on discriminating against them compared to similar customers.
4. Obliging both the transferor and the transferee banking corporations to take all necessary measures to enable the customer to transfer the deposit to the transferee bank or to another regulated financial entity using an online channel, in a convenient, reliable, and secure manner, and free of charge - alongside a prohibition on hindering the transferee bank from transferring the deposit or money market fund for the customer.

In order to allow time to file appeals and to prepare for the implementation of the directives, they will enter into effect on May 6, 2027.

At that date, the Bank of Israel published its position regarding the abovementioned announcement by the Competition Commissioner, according to which the Bank of Israel attaches great importance to promoting competition and fairness in the financial system and has, over the years, advanced significant reforms in this area. The Bank of Israel's position is that, under the circumstances, declaring the banks a concentration group is an extreme and disproportionate step, which may deter investors from operating in Israel and is not expected to contribute in any meaningful way to improving the welfare of bank customers.

Max is studying the resolution and at this stage is unable to assess its effect.

## 5. Exposure to Market Risks and Management Thereof

In accordance with the Securities Regulations (Periodic and Immediate Reports), 1970, Disclosure on exposure to, and management of, market risks relates to exposures of the Company and its consolidated companies, except for Mivtachim in Israel.

There were no material changes in the Company's exposure to market risks and their management during the Reporting Period compared to the Annual Financial Statements. Regarding the replacement of debt subsequent to the reporting date, see 2.1(E) above. The replacement did not have an effect on the exposure to market risks.

### Linkage bases report as of March 31, 2026

In NIS million	NIS		Foreign currency				Other non-monetary items	Credit card company in Israel	Israeli insurance company	Total
	Non-linked	CPI-linked	USD	EUR	GBP	Other				
Cash and cash equivalents in respect of yield-dependent contracts	-	-	-	-	-	-	-	-	4,264	4,264
Other cash and cash equivalents	790	-	12	-	-	-	-	768	2,106	3,676
Financial investments for yield-dependent contracts	-	-	-	-	-	-	-	-	95,538	95,538
Other financial investments measured at fair value	137	-	-	-	-	-	77	5	45,224	45,443
Other financial investments measured at depreciated cost	-	-	-	-	-	-	-	-	2,279	2,279
Receivables for credit card transactions, net	-	-	-	-	-	-	-	19,332	-	19,332
Receivables and debit balances	103	12	-	-	-	-	5	72	744	937
Current tax assets	-	2	-	-	-	-	-	48	46	96
Insurance contract assets	-	-	-	-	-	-	-	-	3,108	3,108
Reinsurance contract assets	-	-	-	-	-	-	-	-	2,539	2,539
Investments in equity-accounted investees	-	-	-	-	-	-	166	-	41	207
Investment property in respect of yield-dependent contracts	-	-	-	-	-	-	-	-	3,974	3,974
Investment property - other	-	-	-	-	-	-	-	-	1,524	1,524
Property, plant and equipment	-	-	-	-	-	-	17	126	158	301
Intangible assets and goodwill	-	-	-	-	-	-	871	246	1,076	2,194
Costs of obtaining investment management service contracts	-	-	-	-	-	-	7	-	834	841
Deferred tax assets	-	-	-	-	-	-	11	105	6	122
Right-of-use asset	-	-	-	-	-	-	80	186	355	622
<b>Total assets</b>	<b>1,030</b>	<b>14</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,236</b>	<b>20,888</b>	<b>163,817</b>	<b>186,997</b>

In NIS million	NIS		Foreign currency				Other non-monetary items	Credit card company in Israel	Israeli insurance company	Total
	Non-linked	CPI-linked	USD	EUR	GBP	Other				
<b>Liabilities</b>										
Loans and credit	1,487	-	-	-	-	-	-	8,268	7,845	17,599
Liabilities for derivative instruments	-	-	-	-	-	-	-	-	471	471
Payables and credit balances	537	-	-	-	-	-	5	436	1,996	2,973
Payables for credit card transactions	-	-	-	-	-	-	-	9,747	-	9,747
Current tax liabilities	2	-	-	-	-	-	-	8	5	15
Liabilities for of yield-dependent investment contracts	-	-	-	-	-	-	-	-	14,027	14,027
Liabilities for non-yield-dependent investment contracts	-	-	-	-	-	-	-	-	2,446	2,446
Total liabilities for insurance contracts	-	-	-	-	-	-	-	-	127,074	127,074
Liabilities for reinsurance contracts	-	-	-	-	-	-	-	-	60	60
Liabilities for employee benefits, net	19	-	-	-	-	-	-	25	52	96
Deferred tax liability	-	-	-	-	-	-	8	-	748	756
Lease liabilities	-	96	-	-	-	-	-	185	442	723
<b>Total liabilities</b>	<b>2,045</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>18,669</b>	<b>155,164</b>	<b>175,987</b>
<b>Total exposure</b>	<b>(1,015)</b>	<b>(82)</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,223</b>	<b>2,219</b>	<b>8,653</b>	<b>11,009</b>

## 6. Risk Review for Max

For an extensive description of Max's risks and their management, see the 2025 Annual Financial Statements.

### General description of the risks and their management

Max is engaged in a wide range of financial activities that involve the taking of risks, including: credit risk, market risk and liquidity risk. These risks are associated with other risks, such as operational risks, including information security and cybersecurity risk, strategic risk, regulatory risk, compliance and money laundering risks, legal risk, reputational risk, model risks and macroeconomic risk inherent in the business activities. Intelligent and in-depth risk management encompassing all areas of Max's activity is part of Max's strategy and a necessary condition for the fulfillment of its long-term goals. Leading principles in risk management are: Corporate governance based on three lines of defense, formulating a risk appetite and risk management policy papers and revising them from time to time, preparing to address stress scenarios, mapping risks in new products, implementing a risk management culture, monitoring and control processes, putting in place orderly reporting processes, investigating default events, alongside the Code of Ethics.

For additional information regarding the risks, see Pillar 3 - Disclosure of Additional Information regarding Risks, which was posted on Max's website.

### Credit risk

In accordance with Proper Conduct of Banking Business Directive No. 311 (hereinafter - "**Directive 311**") regarding the management of credit risks, the risk is defined as a risk that a borrower or a counterparty of Max will fail to meet its obligations to Max, as they were agreed upon.

Max operates according to a credit policy, which is approved by the Board of Directors once a year, and which constitutes one of the main pillars through which Max's credit strategy and risk appetite are reflected. The credit policy stipulates, among other things, the principles for provision of credit, including guidelines for the marketing of credit, the methods of control and the management of the credit risks and restrictions on the provision of credit, in order to manage and mitigate the portfolio's credit risk in accordance with the risk appetite.

As a leading company in its area of activity, Max developed a professional function that implements an informed and efficient risk management processes in its business activities in the field of credit, in accordance with the customers' needs.

In accordance with its strategy, Max operates to expand its private credit portfolio, while maintaining a high level of diversification. Among other things, Max defines the mix of credit products, the growth rate and the offers made to customers in accordance with internal economic parameters, and developments in macroeconomic indicators.

Economic activity in Israel declined due to Operation Lion's Roar. However, the partial opening of the economy at a relatively early stage of the operation has led to a recovery in transaction turnovers, and upon the entering into effect of the ceasefire, normal activity resumed in most sectors.

Max's management continues to monitor developments on an ongoing basis and to assess their potential impact on the Israeli economy, on its business operations, and on its customers. Max continues to carefully manage and monitor credit risk, from which it emerges that despite the ongoing uncertainty in the geopolitical environment, no material deterioration in credit risk is evident.

**The assessments presented in this chapter constitute forward-looking information which is based on Max's assessments in accordance with the information available to it on the report publication date. These assessments are uncertain and actual results may vary materially from those assessed, including, among other things, in view of developments which vary materially from those assessed and macroeconomic and geopolitical uncertainty.**

### Credit risk in respect of credit to private individuals

The underwriting process for private customers is documented and is carried out mainly through a modeled process based on statistical credit scoring models, as described above, combined with business rules, alongside manual underwriting.

Max has in place control and monitoring processes that routinely monitor the development of the scores assigned to customers in the models, and monitors the portfolio's risk profile on an ongoing basis.

Among other things, the credit is managed based on constraints derived from Max's risk appetite and credit policy.

The three main products in the credit portfolio for private customers are:

### **Solo Loans (“all-purpose loan”)**

Solo loans are advanced to private customers based on a structured underwriting process in accordance with the customer's level of risk and the restrictions set by Max. These loans are not secured by any collateral of any kind. Review of the existing solo loan portfolio and the flow of new loan applications is carried out on an ongoing basis and monitored using predefined risk indicators, which are adapted periodically to changes in the borrowers' characteristic and macroeconomic developments.

### **Car loans**

Car loans to private individuals are advanced based on a structured underwriting process and in accordance with the restrictions placed by Max. Financed vehicles are pledged in favor of Max and a review of data regarding the development of the portfolio and monitoring of the risk indicators are conducted on an ongoing basis. Alongside the risk arising from the repayment capacity of each customer, the car loan activity also entails risks associated with the collateral - operational risks such as inappropriate lien execution, failure to receive an insurance policy with a lien clause in favor of Max, etc., and the risk inherent in the decrease in the value of the collateral (and an increase in exposure).

### **Revolving credit**

Short-term credit which allows private individuals to set up monthly billing, with any amount that exceeds the set billing amount, “revolves” to the next month and bears interest. This product has a risk level that depends, among other things, on the monthly repayment rate out of the outstanding credit balance.

### **Marketing of credit to private individuals**

Max defined a policy and work processes suitable for marketing of credit to customers, while modifying the offer in accordance with the customer's needs and characteristics. The process of marketing the credit and its approval is implemented in accordance with the principles set out in Max's Code of Ethics, which reflects the core principles adopted by Max: partnership, fairness, customer experience, initiative and excellence.

The marketing process also includes a strict assessment of the conduct risk while ensuring that the credit matches the customer's needs and maintaining transparency and fairness. This activity is backed by supportive work processes, emphasizing, among other things, provision of full disclosure regarding all credit products at the time of sale.

### **Commercial credit**

Credit risk to merchants arises mainly from exposure related to credit products that Max offers to its customers according to their needs. Max offers a range of credit products to business customers, mainly loans with various periods, and facilities for business credit card purchases, alongside autonomous guarantees to merchants aimed at securing payments for merchants in the form of working capital, investment in their businesses and other needs.

#### Underwriting commercial credit

This credit is advanced to small and micro merchants and limited liability companies, mostly small- to mid-sized. Max operates based on a tight credit policy that integrates internal restrictions on underwriting and on the management of the credit activity. To date, most of the credit to merchants is advanced to merchants, which use Max as their acquirer. In those cases, funds from acquiring may be used to settle the debt, and this mitigates the credit risk and reduces the rate of losses from such credit. The rate of credit loss provisions in respect of this credit, which is based on historical loss rates. Alongside its activity with acquirer customers, Max also operates with non-acquirer customers, offering credit products used in activity with acquirer customers, with an emphasis on products such as short-term credit for financing supplier purchases backed by a policy from an external insurance company, secured credit, and credit provided as part of the state-guaranteed fund.

### **Troubled credit**

Max has set procedures for identifying troubled credit and for classifying debts as troubled. In accordance with these procedures, Max classifies all of its troubled debts and off-balance sheet credit items as: Troubled accruing credit and troubled non-accruing credit.

In recent years, regulation is characterized with pro-consumer regulations, that affect Max's ability to receive repayments from its customers; in recent years, there has also been a deterioration in private borrowers' repayment capacity. Those changes are reflected in the number of bankruptcy applications, receivership orders applications, receivership orders issued, bankruptcy orders, and discharge orders. Max takes action to achieve optimal and efficient collection of debts in order to reduce the amounts of debts written-off.

**Analysis of credit quality, troubled credit risk and non-performing assets:**

	March 31, 2026				March 31, 2025				December 31, 2025			
	Commercial	Private individuals	Others	Total	Commercial	Private individuals	Others	Total	Commercial	Private individuals	Others	Total
<b>In NIS million</b>	<b>Unaudited</b>								<b>Audited</b>			
Credit risk with credit performance rating (1)												
On-balance-sheet credit risk	1,569	15,087	2,512	19,168	1,419	13,929	2,487	17,835	1,486	14,969	2,694	19,149
Off-balance-sheet credit risk	805	25,765	15,881	42,451	684	26,361	13,944	40,989	781	25,204	15,113	41,098
<b>Total credit risk in credit performance rating</b>	<b>2,374</b>	<b>40,852</b>	<b>18,393</b>	<b>61,619</b>	<b>2,103</b>	<b>40,290</b>	<b>16,431</b>	<b>58,824</b>	<b>2,267</b>	<b>40,173</b>	<b>17,807</b>	<b>60,247</b>
Credit risk not in credit performance rating (2)												
Non-troubled	29	580	-	609	12	435	-	447	13	521	-	534
Troubled accruing	21	451	-	472	36	381	-	417	27	441	-	468
Troubled non-accruing	27	169	-	196	29	151	-	180	28	159	-	187
<b>Total on-balance sheet credit risk</b>	<b>77</b>	<b>1,200</b>	<b>-</b>	<b>1,277</b>	<b>77</b>	<b>967</b>	<b>-</b>	<b>1,044</b>	<b>68</b>	<b>1,121</b>	<b>-</b>	<b>1,189</b>
Off-balance-sheet credit risk	3	28	-	31	2	31	-	33	2	36	-	38
<b>Total credit risk not in credit performance rating</b>	<b>80</b>	<b>1,228</b>	<b>-</b>	<b>1,308</b>	<b>79</b>	<b>998</b>	<b>-</b>	<b>1,077</b>	<b>70</b>	<b>1,157</b>	<b>-</b>	<b>1,227</b>
<b>Overall credit risk incl. of the public</b>	<b>2,454</b>	<b>42,080</b>	<b>18,393</b>	<b>62,927</b>	<b>2,182</b>	<b>41,288</b>	<b>16,431</b>	<b>59,901</b>	<b>2,337</b>	<b>41,330</b>	<b>17,807</b>	<b>61,474</b>
Additional information on total non-performing assets:												
Non-accruing debts	27	169	-	196	29	151	-	180	28	159	-	187
<b>Total non-performing assets</b>	<b>27</b>	<b>169</b>	<b>-</b>	<b>196</b>	<b>29</b>	<b>151</b>	<b>-</b>	<b>180</b>	<b>28</b>	<b>159</b>	<b>-</b>	<b>187</b>

(1) Credit risk whose credit rating at the report date matches the credit ratings for granting new credit in accordance with Max's policy.

(2) Credit which is not rated "performance" is credit for Max's customers whom, as of the Report Date, Max had decided not to provide with additional credit.

Comment: Credit risk is stated before the effect of credit loss provision and the effect of collateral which is deductible for the purpose of indebtedness of a borrower or group of borrowers.

**Changes in non-accruing debts for receivables for credit card transactions**

	For the three-month period ended March 31						For the year ended December 31		
	2026			2025			2025		
	Private			Private			Private		
	Commercial	individuals	Total	Commercial	individuals	Total	Commercial	individuals	Total
<b>In NIS million</b>	<b>Unaudited</b>								
Outstanding balance of non-accruing debts as of the beginning of period	28	159	187	28	158	186	28	158	186
Loans classified as non-accruing during the period	6	107	113	7	87	94	28	380	408
Non-accruing debts written-off from the books of accounts	(6)	(55)	(61)	(5)	(60)	(65)	(22)	(217)	(239)
Repaid non-accruing debts	(1)	(42)	(43)	(1)	(34)	(35)	(6)	(162)	(168)
<b>Balance of non-accruing as of end of the period</b>	<b>27</b>	<b>169</b>	<b>196</b>	<b>29</b>	<b>151</b>	<b>180</b>	<b>28</b>	<b>159</b>	<b>187</b>

**Indicators of analysis of credit quality, expenses and credit loss provisions:**

	As of March 31, 2026		
	Commercial	Private individuals	Total *
	%		
<b>Credit quality analysis</b>			
Rate of non-accruing receivable balance of receivables for credit card transactions	1.64	1.04	1.09
Rate of non-accruing or 90 days or more in arrears receivable balance of receivables for credit card transactions	1.64	1.04	1.09
Rate of troubled credit out of receivables for credit card transactions	2.92	3.81	3.72
Rate of credit not in credit performance rating of the balance of receivables for credit card transactions	4.56	7.12	6.89
<b>Analysis of credit loss expenses for the Reporting Period</b>			
Rate of expenses in respect of credit losses out of the average balance of receivables for credit card transactions	1.50	1.21	1.24
Rate of net write-offs of the average balance of receivables for credit card transactions	1.25	0.94	0.97
<b>Analysis of credit loss provision</b>			
Rate of balance of credit loss provision of the balance of receivables for credit card transactions	3.16	1.88	2.00
Rate of balance of provision for credit losses of the balance of non-accruing receivables for credit card transactions	192.59	181.07	182.65
Rate of the balance of provision for credit losses of outstanding receivables which are non-accruing or in arrears of 90 days or more for credit card transactions	192.59	181.07	182.65
Rate of net write-offs of the balance of provision for credit losses for receivables for credit card transactions	38.46	49.67	48.04

\* The balance of receivables for credit card transactions does not include other accounts receivable.

	As of March 31, 2025		
	Commercial	Private Individuals	Total *
	%		
<b><u>Credit quality analysis</u></b>			
Rate of non-accruing receivable balance of receivables for credit card transactions	1.94	1.01	1.10
Rate of non-accruing or 90 days or more in arrears receivable balance of receivables for credit card transactions	1.94	1.01	1.10
Rate of troubled credit out of receivables for credit card transactions	4.34	3.57	3.64
Rate of credit not in credit performance rating of the balance of receivables for credit card transactions	5.15	6.49	6.37
<b><u>Analysis of credit loss expenses for the Reporting Period</u></b>			
Rate of expenses in respect of credit losses out of the average balance of receivables for credit card transactions	-	1.23	1.12
Rate of net write-offs of the average balance of receivables for credit card transactions	1.11	1.33	1.31
<b><u>Analysis of credit loss provision</u></b>			
Rate of balance of credit loss provision of the balance of receivables for credit card transactions	3.88	2.03	2.20
Rate of balance of provision for credit losses of the balance of non-accruing receivables for credit card transactions	200.00	200.66	200.56
Rate of the balance of provision for credit losses of outstanding receivables which are non-accruing or in arrears of 90 days or more for credit card transactions	200.00	200.66	200.56
Rate of net write-offs of the balance of provision for credit losses for receivables for credit card transactions	27.59	66.01	59.83

\* The balance of receivables for credit card transactions does not include other accounts receivable.

	As of December 31, 2025		
	Commercial	Private individuals	Total *
	%		
<b><u>Credit quality analysis</u></b>			
Rate of non-accruing receivable balance of receivables for credit card transactions	1.80	0.99	1.06
Rate of non-accruing or 90 days or more in arrears receivable balance of receivables for credit card transactions	1.80	0.99	1.06
Rate of troubled credit out of receivables for credit card transactions	3.54	3.73	3.71
Rate of credit not in credit performance rating of the balance of receivables for credit card transactions	4.38	6.97	6.74
<b><u>Analysis of credit loss expenses for the Reporting Period</u></b>			
Rate of expenses in respect of credit losses out of the average balance of receivables for credit card transactions	0.54	1.05	1.01
Rate of net write-offs of the average balance of receivables for credit card transactions	1.21	1.15	1.15
<b><u>Analysis of credit loss provision</u></b>			
Rate of balance of credit loss provision of the balance of receivables for credit card transactions	3.28	1.82	1.95
Rate of balance of provision for credit losses of the balance of non-accruing receivables for credit card transactions	182.14	184.28	183.96
Rate of the balance of provision for credit losses of outstanding receivables which are non-accruing or in arrears of 90 days or more for credit card transactions	182.14	184.28	183.96
Rate of net write-offs of the balance of provision for credit losses for receivables for credit card transactions	35.29	59.73	56.10

\* The balance of receivables for credit card transactions does not include other accounts receivable.

### **Credit Exposure to Foreign Financial Institutions**

Max has an immaterial exposure involving global organizations Visa and Mastercard in respect of the balance of transactions executed by tourists in Israel, net of the balance of transactions executed by Israelis abroad, in respect of which Max has not yet been credited by the global organizations. In the first quarter of 2026, there was no material change in Max's exposure to foreign financial institutions.

For further details regarding the credit risk, see Pillar 3 - Disclosure of Additional Information regarding Risks, which was posted on Max's website.

### **Market risks**

Proper Conduct of Banking Business Directive 339, Management or Market Risks, defines market risk as the risk of loss in on-balance sheet and off-balance sheet positions as a result of a change in the fair value of a financial instrument due to change in market conditions (changes in price levels in various markets, interest rates and foreign exchange rates, inflation rates, prices of shares and commodities).

Max has a policy for the management of market risks, which is approved by Max's management and Board of Directors. The policy paper includes a reference to the risk appetite limits, and the hedging processes in respect of the different exposures and is validated from time to time. Max also monitors and tracks all financial risks; the exposure amounts and the results of these sensitivity analyses are discussed by the Financial Risks Management Forum headed by Max's CEO.

### Exposure to interest rate risk

Proper Conduct of Banking Business Directive No. 333 regarding management of interest rate risk defines the interest rate risk as the risk to earnings or capital arising from fluctuating interest rates. Changes in interest rates affect Max's income by changing its net interest revenue (including changes in non-interest revenues/expenses). Changes in interest rates also affect the value of Max's assets, liabilities and off-balance sheet instruments, since the present value of future cash flows (and in some cases, the cash flows themselves) changes when interest rates change.

Max's exposure to changes in interest rates arises from a number of sources:

- Gap risk - arises from a discrepancies in the timing of maturity of portfolio instruments and describes the risk arising from the timing of interest rate shifts in the instruments. The degree of the gap risk depends on whether the shifts in interest rates occur consistently along the yield curve (parallel risk) or vary by timing of maturity (non-parallel risk).
- Basis risk - refers to the effect of relative interest rate changes for financial instruments with similar maturities, which are priced based on different interest rate benchmarks.
- Option risk - arises from positions derived from options or from optional components embedded in assets, liabilities or off-balance sheet items, where Max can change the level and timing of its cash flows. Option risk can also be categorized as a risk arising from an automatic option or a behavioral option.

### Derivative financial instruments

Generally, it is Max's policy to use derivative financial instruments for economic hedges only.

Following are the fair value data of financial instruments and the effect of changes in interest rates on the fair value:

1. Net book balance, net and fair value of the financial instruments of Max and its consolidated companies, except for non-monetary items:

In NIS million	As of March 31, 2026				
	NIS		Foreign currency *		
	Non-linked	CPI-linked	USD	Other	Total
Net book balance	1,401	233	8	55	1,697
Financial assets	16,375	3,345	104	78	19,902
Financial liabilities	15,010	3,106	97	23	18,236
<b>Net fair value of financial instruments</b>	<b>1,365</b>	<b>239</b>	<b>7</b>	<b>55</b>	<b>1,666</b>

In NIS million	As of March 31, 2025				
	NIS		Foreign currency *		
	Non-linked	CPI-linked	USD	Other	Total
Net book balance	1,167	392	75	49	1,683
Financial assets	16,180	1,908	165	63	18,316
Financial liabilities	15,041	1,521	90	14	16,666
<b>Net fair value of financial instruments</b>	<b>1,139</b>	<b>387</b>	<b>75</b>	<b>49</b>	<b>1,650</b>

In NIS million	As of December 31, 2025				
	NIS		Foreign currency *		
	Non-linked	CPI-linked	USD	Other	Total
Net book balance	1,487	57	28	52	1,624
Financial assets	16,585	3,016	113	75	19,789
Financial liabilities	15,136	2,973	85	23	18,217
<b>Net fair value of financial instruments</b>	<b>1,449</b>	<b>43</b>	<b>28</b>	<b>52</b>	<b>1,572</b>

\* Including foreign-currency linked NIS.

2. Effect of hypothetical changes in interest rates on the net fair value of Max's financial instruments, excluding non-monetary items:

In NIS million	As of March 31, 2026				
	NIS		Foreign currency **		
	Non-linked	CPI-linked	USD	Other	Total
<b>Simultaneous changes</b>					
Simultaneous increase of 1%	4	(10)	*	*	(6)
Simultaneous decrease of 1%	(4)	10	*	*	6
<b>Non-simultaneous changes</b>					
Steepening	*	(5)	*	*	(5)
Flattening	1	2	*	*	3
Short-term interest rate increase	3	(5)	*	*	(2)
Short-term interest rate decrease	(3)	7	*	*	4

In NIS million	As of March 31, 2025				
	NIS		Foreign currency **		
	Non-linked	CPI-linked	USD	Other	Total
<b>Simultaneous changes</b>					
Simultaneous increase of 1%	7	(14)	*	*	(7)
Simultaneous decrease of 1%	(7)	14	*	*	7
<b>Non-simultaneous changes</b>					
Steepening	3	(5)	*	*	(2)
Flattening	(3)	1	*	*	(2)
Short-term interest rate increase	(4)	(8)	*	*	(12)
Short-term interest rate decrease	4	8	*	*	12

In NIS million	As of December 31, 2025				
	NIS		Foreign currency **		
	Non-linked	CPI-linked	USD	Other	Total
<b>Simultaneous changes</b>					
Simultaneous increase of 1%	5	(3)	*	*	2
Simultaneous decrease of 1%	(5)	3	*	*	(2)
<b>Non-simultaneous changes</b>					
Steepening	*	(5)	*	*	(5)
Flattening	1	3	*	*	4
Short-term interest rate increase	3	(1)	*	*	2
Short-term interest rate decrease	(3)	3	*	*	-

\* An amount lower than NIS 1 million.

\*\* Including foreign-currency linked NIS.

3. Effect of scenarios of interest rate changes on net interest revenues and noninterest finance income:

In NIS million	As of March 31, 2026	
	Interest revenues	Total
<b>Simultaneous changes</b>		
Simultaneous increase of 1%	42	42
Simultaneous decrease of 1%	(42)	(42)

In NIS million	As of March 31, 2025	
	Interest revenues	Total
<b>Simultaneous changes</b>		
Simultaneous increase of 1%	37	37
Simultaneous decrease of 1%	(37)	(37)

In NIS million	As of December 31, 2025	
	Interest revenues	Total
<b>Simultaneous changes</b>		
Simultaneous increase of 1%	44	44
Simultaneous decrease of 1%	(44)	(44)

4. Total exposure of Max and its consolidated companies to changes in interest rates:

In NIS million	As of March 31, 2026						
	On demand and up to one month	More than one month and up to 3 months	More than 3 months and up to one year	Over one year to 3 years	Over 3 years and up to 5 years	Over 5 years	No repayment term
Financial assets	13,839	1,419	1,643	1,324	1,400	202	75
Financial liabilities	11,880	1,452	1,673	1,647	1,008	576	-
Exposure to interest rate changes	1,959	(33)	(30)	(323)	392	(374)	75
<b>Further details on exposure to interest rate changes by linkage basis:</b>							
Non-linked NIS	1,931	(30)	(110)	(343)	(23)	(135)	75
CPI-linked NIS	3	(3)	37	23	418	(239)	-
Foreign currency (including linked to foreign currency)	25	-	43	(3)	(3)	-	*

	As of March 31, 2026			As of December 31, 2025		
	Total fair value	Internal rate of return	Effective average duration	Total fair value	Internal rate of return	Effective average duration
	In NIS million	In %	Years	In NIS million	In %	Years
Financial assets	19,902	7.62	0.47	19,789	8.05	0.44
Financial liabilities	18,236	3.09	0.46	18,217	3.32	0.44
Exposure to interest rate changes	1,666	4.53	0.01	1,572	4.73	-
<b>Further details on exposure to interest rate changes by linkage basis:</b>						
Non-linked NIS	1,365	5.15	(0.17)	1,449	5.41	(0.18)
CPI-linked NIS	239	1.80	0.83	43	1.36	0.93
Foreign currency (including linked to foreign currency)	62	(0.94)	(0.06)	80	(1.14)	(0.05)

\* An amount lower than NIS 1 million.

### Foreign exchange rate risk

The exposure to the foreign exchange rate risk is reflected in a loss as a result of changes in exchange rates as part of Max's routine business activities. Max's exposure to the foreign exchange rate risk arises from currency exposure as a result of the effect of changes in exchange rate on foreign-currency denominated assets and liabilities in Max's balance sheets, mainly the USD and the EUR. The currency exposure is a by-product of Max's routine business activities; it does not involve a deliberate exposure by Max in order to increase income.

### CPI risk

Max's exposure to the risk in connection with the CPI is reflected in a loss it may incur as a result of changes therein.

Max has an exposure arising from CPI-linked activities, mainly due to interest-bearing credit linked to the Consumer Price Index.

### Liquidity and financial risk

In accordance with Proper Conduct of Banking Business Directive 342 regarding liquidity risk management, the liquidity risk is defined as a risk to Max's income and stability stemming from its inability to meet its liquidity needs.

Max has a number of activities that affect its liquidity:

- Cash flows from core activities, i.e. - issuance, acquiring and credit activities.
- Cash flow in respect of sources, including: raising and repayment of bonds and loans from banks and the capital market.
- Timing differences between the inflows arising from payments from customers, and the outflows from amounts credited to merchants in respect of the acquiring activities.
- Changes in Max's cash flows arising from the behavior of Max's customers or from a significant change in other players in the financial and non-financial system.

### Financing

Max uses diverse funding sources, in order to diversify the risk.

Max's sources of financing include: Equity, banking sources, including long-term loans and holding secured credit facilities with several banks, which are utilized in accordance with Max's needs, which change from time to time, and raising liquid and illiquid securities through various financial instruments for various periods.

In November 2025, Midroog Ltd. rating agency (hereinafter - “**Midroog**”) reiterated Max's issuer rating at Aa3.il (rating outlook: stable), the rating of Bonds issued by Max (Series E) at Aa3.il (rating outlook: stable), and the rating of Max's Subordinated Notes (Series D and F) at A1.il (hyb) (rating outlook: stable). In addition, Midroog reiterated the rating of the Commercial Papers issued by Max (Series 1, 2 and 5) at P-1.il.

In March 2026, Midroog assigned a P-1.il rating to Commercial Papers (Series 6), and on March 27, 2026, Max completed an issuance of Commercial Papers (Series 6) to the public.

In the Reporting Period, Max fulfilled its obligations and met all the conditions in connection with the financing agreements to which it is a party.

Max also monitors the effect of the macroeconomic and geopolitical conditions, and if the State of Israel's credit rating is downgraded again, the supply of sources of financing in the economy may be smaller and Max's exposure to the liquidity risk will increase. Max believes that such deterioration scenarios may affect the cost of the sources available to Max, but it expects that it will still have sufficient sources of financing to maintain its business activities.

**These assessments constitute forward-looking information based on Max's assessments and the information available to it on the report publication date. Actual effects may substantively vary from those assessed, due to, among other things, the macroeconomic and geopolitical situation and actual market conditions.**

### Operational risk

Proper Conduct of Banking Business Directive No. 350 regarding operational risks defines an operational risk as “the risk of a loss as a result of the inadequacy or failure of internal processes, personnel, and systems, or as a result of external events. This definition includes legal risk, but does not include strategic risk and reputational risk”. There are situations where other risks materialize, such as: credit risk, compliance risk, and reputational risk are caused as a result of an operational failure.

Max is exposed to operational risks as part of its activities, such as:

#### Issuing activity:

- Solutions for financial institutions - includes joint credit card issuing and processing with banks, for their customers.
- Private customers – the activity includes the sale and marketing of non-bank credit cards, consumer credit, and other products.

#### Acquiring activity:

- The acquiring activity includes acquiring services (ensuring payment against vouchers of transactions carried out with credit cards in consideration of a fee collected from merchants), ancillary services and complementary products, as well as loans, voucher factoring, advancement of payments and guarantees for which interest and fees are collected from merchants.

Max is exposed to fraud risk, both in Israel and abroad, involving the credit cards it issues. Exposure to risks on the issuing side arises, among other things, from the loss or theft of a credit card, misuse of a card by a party other than the card holder, including in online transactions, and risks arising from fraudulent activity involving social engineering, such as identity theft and various types of phishing schemes. On the acquiring side, risk exposure lies in the risk that a merchant will fail to deliver the goods it committed to provide, which may lead customers to file complaints of “failure to deliver,” alongside additional risks such as unauthorized use of credit card details, disguised activity by prohibited industries, etc.

In recent years, digital transformation processes have accelerated and the adoption of new technologies has become rapid and widespread. On the one hand, these processes enable to develop and improve accessibility of products and services for Max's customers, as well as the advancement and implementation of advanced control measures; on the other hand, they expand the scope of potential risks and increase the inherent risk in this activity.

In addition, operational risks are naturally present in all of Max's processes, and arise, among other things, from actions carried out by Max's employees across the various units, from the use of various technologies and from various IT systems.

### Information technology risk

Information technology risk is the risk of impairment to Max's proper operations, to customer service, and of losses arising from malfunctions or mechanical failures in Max's systems and infrastructure, resulting from inadequate maintenance of Max's systems or those of service providers, as well as from incomplete processes for promoting and implementing technological innovation, innovative products, and projects. For further details regarding IT risk, see the Risk Review chapter in the Report of the Board of Directors and Management for 2025 and Pillar 3 - Report on Additional Information on Risks published on Max's website.

In May 2026, Proper Conduct of Banking Business Directive 364 (Management of Information Technology (IT), Information Security, and Cyber Protection Risks) came into effect. Max was prepared for the full implementation of this directive.

**Cloud computing risks** - Max operates in accordance with Proper Conduct of Banking Business Directive 362. With the aim of enabling the realization of the business benefits of using cloud computing services, Max conducts ongoing assessments of operational risks and regulatory guidelines and operates in accordance with its established cloud policy paper.

### Information security and cyber risk

Cybersecurity risk is defined as the potential for damage resulting from an occurrence of a cyber event, taking into account its probability and its severity of its impact. A cyber incident is an event during which the Company's IT and/or computer-embedded systems and infrastructures are attacked by, or on behalf of, opponents (whether external or internal to Max), and such attack may result in the materialization of the cyber risk.

The cybersecurity threat landscape is intensifying and is characterized by increasingly sophisticated attacks of various types and by the growing severity of their potential impact. In addition, the cyber threat landscape continues to expand due to technological advancements, the widening of the attack surface resulting from the transition to cloud services, the use of AI capabilities, and the growth of digital banking ("bank in your pocket"). This development enables reliance on and technological support from third-party providers as an integral part of the supply chain, but at the same time introduces inherent risks, including fraud, data leakage, injection of malicious code, and impairment of business continuity. These changes have caused a significant increase in the cyber threats domain, such as phishing attacks, DDoS attacks, ransomware attacks, VPN attacks (VPNs), AI-based attacks, supply chain attacks, etc., aimed at political gains (by state actors) or financial gain (by criminal elements) for the attackers.

In its capacity as a financial organization, Max is an attractive target for various attackers according to the corresponding threat map. The IT systems, communication networks, and external suppliers, as well as the IT systems which serve Max's customers and employees are a target for cyber attacks aimed at inflicting damage to Max's services, steal information or impair its database.

Max's business activities rely - to a large extent - on technology-based systems. Therefore, the availability of the systems, the reliability of the data, and maintaining the confidentiality of the data are essential for an orderly business activity. Furthermore, Max views business and customer information stored on its systems and on its suppliers' systems as a key asset, and invests many efforts and resources in implementing advanced information security control and defense mechanisms and processes. For further details regarding information security and cybersecurity risk, see the Risk Review chapter in the Report of the Board of Directors and Management for 2025 and Pillar 3 - Report on Additional Information on Risks published on Max's website.

Following Operation Lion's Roar there has been an escalation in cyberattacks against Israel by many attackers (mainly Iranian). The attacks were primarily influence operations with no material effect.

### Strategic risk

Strategic risk is the risk of adversely affecting Max's income, capital, reputation or position as a result of erroneous business decisions, inappropriate implementation of decisions or lack of response to industry-specific, economic, regulatory and technological changes.

The strategic risks are affected by three main environments:

- External environment - risks arising from changes in the political, economic and social environment.
- Competition environment - risks arising from changes in the competition environment in which Max operates.
- Internal environment - risks arising from decisions, processes or actions Max has taken or avoided taking.

As part of the assessment of strategic risks, the effects of various market trends and the competitive environment on Max's activity are examined. In recent years, and in light of several regulatory developments, the operating environment has become more competitive, richer, and more diverse. Max monitors these developments on an ongoing basis. For further details regarding strategic risk, see the Risk Review chapter in the Report of the Board of Directors and Management for 2025 and Pillar 3 - Report on Additional Information on Risks published on Max's website.

### Regulatory risk

Regulatory risk is the risk of loss or risk of a material strategic change in Max's activity due to the effect of future expected regulation, including legislation and/or directives issued by various regulators. Max is exposed to a regulatory risk with respect to all of its areas of activity.

In the financial services segment, and in payments in particular, multiple significant regulators operate, and reforms and regulatory changes are being implemented that may reshape the industry and affect Max's business. These regulatory changes were designed, among other things, to encourage competition in the field by reducing entry barriers and cutting costs to for customers, while advancing transparency and consumer fairness.

These changes create new business opportunities and promote innovation, while concurrently expanding regulatory gaps between different market participants and leading to a lack of uniformity in market regulation.

Regulatory changes may increase competition in the financial and banking system and bring about structural changes in the markets relevant to Max's Activity.

For more information regarding the legislative amendments concerning the promotion of competition in the banking sector and other regulatory revisions relevant for Max's activity, see Corporate Governance, Section 4 above.

### Compliance risk

Compliance risk is the risk of a legal or regulatory sanction being imposed, and/or a material financial loss and/or a reputational damage incurred by Max as a result of failing to comply with the laws or regulations. According to Proper Conduct of Banking Business Directive No. 308 on compliance, Max is required to mitigate all compliance risks arising from all the laws, regulations, guidance and circulars applicable to its activities.

**Money laundering and financing of terrorism risk** - The money laundering and/or financing of terrorism risk is the risk that the organization and its employees' fail to comply with the provisions of the law and regulation and the work processes for the implementation of the provisions at Max and consequently the imposition of a sanction and/or financial sanction and criminal liability on Max and its officers and adverse effect on Max's reputation.

### Legal risk

The risk arising from an activity of Max regarding which there is a concern that it is not in line with legal provisions (whether primary or secondary legislation), directives and guidance issued by competent authorities, regulation, or case law, a risk arising from legal proceedings conducted against Max, and the risk arising from a concern that Max will breach regulatory or other contractual obligations. Legal risk is also defined as a deficient legal opinion, including drawing up agreements that do not adequately protect Max's compliance with its regulatory obligations, or failure to give appropriate guidance due to changes in legislation, regulatory directives, case law, or Max's contractual obligations.

In 2025, Max became a reporting corporation and, as a result, is subject to the direct oversight of the Israel Securities Authority with respect to all obligations arising therefrom, including, among other things, public reporting requirements.

**Privacy Protection Risk** - Max's operations involve the collection and processing of personal information, including information of a sensitive nature, as defined in the Privacy Protection Law, 1981 (hereinafter – the "**Privacy Protection Law**"), regarding Max's customers, employees, and suppliers. This activity is subject to stringent and evolving regulation, in Israel and globally, including Amendment 13 to the Privacy Protection Law, which entered into effect in August 2025, the guidelines of the Privacy Protection Authority, and regulatory provisions applicable to financial entities in this context. Non-compliance with regulatory requirements in this area, or operational or organizational failures relating to personal information, may expose Max to administrative enforcement proceedings, substantial financial sanctions, civil claims, and harm to customer trust. Max is working to mitigate this risk.

### Reputational risk

Reputational risk is the potential that negative publicity (whether accurate or not), adverse public perception, heightened discourse in the media and on social networks regarding Max's activities, market rumors, or social protest relating to the conduct of Max and its employees, will cause reputational damage to Max and/or Max Group. Such harm may result in material damage, including loss of customers, a decline in revenues, exposure to legal claims, and difficulties in recruiting and retaining employees. Reputational risk is an inherent and cross-cutting risk embedded across all areas of Max's operations, including its products, services, internal processes, and business partnerships. The risk may materialize as a result of intentional actions or inadvertent errors.

Max views its reputation as a substantive asset of high importance, focuses on the proactive identification of potential reputational exposures, and avoids activities that may pose a risk of reputational damage.

### Model risk

Model risk is the potential for negative effects as a result of decisions or actions (including reporting) based on incorrect or misused model outputs. Materialization of this risk may lead to financial loss, flawed business and strategic decision-making, or reputational damage with broad implications, which may arise, among other things, from a mismatch between the model and the business reality, use not in accordance with its intended purpose, as well as errors in the model's calculations and data in its implementation.

The use of models in decision-making processes has been growing in recent years, and accordingly the model risk management system at Max is compatible with this direction as appropriate and required.

Max implements Proper Conduct of Banking Business Directive 369 – "Model Risk Management," as of its effective date in August 2025.

### Environmental risks

Environmental risks are financial risks arising from exposure to activities that have the potential to cause environmental harm or to be affected by such harm ("environmental harm" – events or processes such as air pollution, soil contamination, water scarcity, desertification, loss of biodiversity, deforestation, and earthquakes).

The climate risk is an evolving risk arising, among other things, from the impact of the materialization of environmental risks and from regulatory developments, developments in the business environment, and technological developments relating to the adaptation to climate change.

Environmental and climate risks may directly and indirectly affect Max's financial stability, business activity, and customers.

In June 2026, Proper Conduct of Banking Business Directive 345 - Principles for the Effective Management of Climate-Related Financial Risks - will enter into effect; Max has made preparation for full application of this directive.

### Macroeconomic risk

Macroeconomic risk is the risk that the income and capital of Max may be adversely affected by a deterioration in the macroeconomic environment in Israel and across the world. Max's business strategy and capital planning include assumptions, that are derived, among other things, from the macroeconomic environment, and Max assesses and evaluates the effect of the changes in the macroeconomic environment on its business results, including the effect on credit risk, market risk and liquidity risk, as well as capital planning.

Regarding the effects of the War of Revival, the ceasefire agreement signed, and Operation Lion's Roar see the chapter War of Revival, Operation Rising Lion and Operation Lion's Roar in the Report of the Board of Directors and Management for 2025. For more information regarding Operation Lion's Roar see Section 2G. Explanation and Analysis of Max's Results and Business Position in the Report of the Board of Directors for this quarter.

## 7. Disclosure regarding Financial Reporting of the Corporation

### 7.1. Reporting Critical Accounting Estimates

For details on the use of estimates and judgments in the preparation of financial statements, see Note 2(b) to the Consolidated Interim Financial Statements.

### 7.2. Contingent liabilities

The independent auditors' report to the shareholders' of the Company includes an emphasis of matter paragraph regarding that which is stated in Note 9 to the Financial Statements regarding exposure to contingent liabilities.

### 7.3. Internal Control over Financial Reporting and Disclosure

#### 7.3.1. Securities Regulations

In December 2009, the **Securities Regulations (Periodic and Immediate Reports (Amendment No. 3), 2009** were published, which concern the corporation's internal control over financial reporting and disclosure function; their aim is to improve the quality of financial reporting and disclosure in reporting corporations.

An amendment of July 7, 2011 prescribes that a corporation that consolidates a banking corporation or an institutional entity or carries out proportionate consolidation of a banking corporation or an institutional entity, may opt to implement - only with regard to the internal control in that banking corporation or institutional entity - the format of assessing the effectiveness of internal control prescribed in the other laws applicable thereto in that respect, if such a format is in place regarding the quarterly report.

Accordingly, in addition to the officers' statements and the report on the effectiveness of internal control provided in the quarterly report, disclosure and officers' statements are attached in connection with the internal control in the consolidated institutional entities, to which the Commissioner's instructions and officers' statements apply in relation to the internal control in the consolidated credit card company to which the directives of the Banking Supervision Department apply regarding the assessment of the effectiveness of internal control on financial reporting.

#### 7.3.2. Commissioner's Directives regarding Internal Control over Financial Reporting and Disclosure

In recent years, the Commissioner published a number of circulars (hereinafter - the "**Commissioner's Circulars**"), which are designed to implement the requirements of Section 302 and Section 404 of the SOX Act in insurance companies, in management companies of pension and provident funds, and in pension and provident funds (hereinafter - the "**Institutional Entities**").

Accordingly, Clal Insurance and the consolidated institutional entities included the information in accordance with the provisions of the law and the reporting provisions on the dates as set in those directives.

#### 7.3.3. Section 302 and 404 of the SOX Act - Management's Responsibility for Internal Control over Financial Reporting and Disclosure

According to the Commissioner's circulars, which are based on Section 302 and Section 404 of the SOX Act, and as detailed in previous Reports of the Board of Directors of Clal Insurance, Clal Insurance has worked continuously to implement the required procedure in accordance with the said provisions, which includes an assessment of the work processes and the internal controls being implemented, in accordance with the stages and the dates set in the circulars. As part of this process, Clal Insurance adopted the internal control model of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) - the Committee of Sponsoring Organization of the Treadway Commission - which is a generally accepted framework for assessment of internal controls.

The management of Clal Insurance (the institutional entity), in collaboration with its CEO, Deputy CEO and Head of the Finance Division, have evaluated the effectiveness of Clal Insurance's disclosure controls and procedures as of the end of the Reporting Period. Based on this assessment, the CEO, Deputy CEO and Head of the Finance Division of Clal Insurance concluded that, as of the end of this period, the controls and procedures as to Clal Insurance's disclosure are sufficiently effective for recording, processing, summarizing, and reporting the information that Clal Insurance is required to disclose in its quarterly report in accordance with the provisions of the law and the reporting provisions set by the Commissioner, and on the date set out in these provisions.

During the quarter ending March 31, 2026, no changes took place in the internal control over financial reporting of the Group's institutional entity that had a material effect, or is expected to have a material effect, on the institutional entity's internal control over financial reporting.

### **7.3.4. Management's Responsibility for Internal Control over Financial Reporting (SOX Act 404)**

The Banking Supervision Department's directives impose the requirements of Sections 302 and 404 of the SOX Act on credit card companies.

These sections, set by the SEC and Public Company Accounting Oversight Board, have established provisions with regard to the abovementioned sections, on management's responsibility for instating and maintaining disclosure controls and procedures and for exercising internal control over financial reporting and the opinion of the independent auditors on the audit of internal control over financial reporting.

Among other things, the Banking Supervision Department's directives prescribe that banking corporations shall apply the provisions of Sections 302 and 404 and the SEC directives issued thereunder. In addition, adequate internal control requires an auditing function that follows a predefined, recognized framework, and the model of COSO (Committee of Sponsoring Organizations of the Treadway Commission) meets these requirements and can be used to evaluate the internal controls.

Max It Finance Ltd. (hereinafter - "**Max**") implements the provision in accordance with the Banking Supervision Department's directives as stated above.

### **7.3.5. Evaluation of disclosure controls and procedures**

Max's management, with the cooperation of its CEO and Chief Accountant, have evaluated the effectiveness of Max's disclosure controls and procedures as of the end of the Reporting Period. Based on this evaluation, the CEO and the Chief Accountant have concluded that, as of the end of the Reporting Period, Max's disclosure controls and procedures are effective for the purpose of recording, processing, summarizing and reporting the information that the Company is required to disclose in its quarterly financial statements pursuant to the Banking Supervision Department's Reporting to the Public Directives and as of the date prescribed by the Directives.

#### **Internal controls over financial reporting:**

During the first quarter ended March 31, 2026, no changes took place in Max's internal control over financial reporting that had a material effect, or is expected to have a material effect, on the Company's internal control over financial reporting.

Officers' Statements on the Effectiveness of Internal Control over Financial Reporting and Disclosure, with respect to the relevant processes, in accordance with the Commissioner's Circulars are attached to the report.

**The Board of Directors wishes to thank the employees, managers and agents of Group companies for their contribution to the Group's achievements.**

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**Haim Samet**  
Chairman of the Board

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**Yoram Naveh**  
CEO

Tel Aviv, May 28, 2026

Clal Insurance Enterprises  
Holdings Ltd.

# Condensed Consolidated Interim Financial Statements

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as of March 31, 2026  
(Unaudited)



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## Review Report of the Independent Auditors for the Shareholders of Clal Insurance Enterprises Holdings Ltd.

### Introduction

We have reviewed the accompanying financial information of Clal Insurance Enterprises Holdings Ltd. and its subsidiaries (hereinafter - the "**Group**"), including the condensed consolidated statement of financial position as of March 31, 2026 and the condensed consolidated statements of profit and loss, comprehensive income, changes in equity and cash flows for the three-month period then ended. The Board of Directors and management are responsible for the preparation and presentation of financial information for this interim period in accordance with the Israel Securities Regulations (Periodic and Immediate Reports), 1970, which pertain to holding companies of insurers and credit card companies, as described in Note 2(a) to the Financial Information. Our responsibility is to express a conclusion regarding the financial information for this interim period based on our review.

We did not review the condensed interim financial information of the equity-accounted investee, the investment in which amounted to approx. NIS 129 million as of March 31, 2026, and the Group's share in the income of which amounted to approx. NIS 4 million for the three-month period then ended. The condensed interim financial information of the company was audited by other independent auditors, whose review report was furnished to us, and our conclusion, insofar as it relates to financial information in respect of the company, is based on the review report of the other independent auditors.

### Review scope

We performed our review pursuant to Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of inquiries, mostly of persons responsible for financial and accounting issues, and of applying analytical and other review procedures. A review is substantially smaller in scope than an audit performed pursuant to generally accepted auditing standards in Israel and, as a result, does not enable us to obtain assurance that we would become aware of all significant matters that may be identified in an audit. Consequently, we are not expressing an audit opinion.

### Conclusion

Based on our review and the review report of other independent auditors, nothing has come to our attention that causes us to believe that the abovementioned financial information does not comply, in all material respects, with the Israel Securities Regulations (Periodic and Immediate Reports), 1970, which pertain to holding companies of insurers and credit card companies, as described in Note 2(a) to the financial information.

### Emphasis of matter

Without qualifying the above conclusion, we draw attention to that which is stated in Note 9 to the consolidated interim financial statements regarding exposure to contingent liabilities.

Tel Aviv,  
May 28, 2026

Somekh Chaikin  
Certified Public Accountants

Kost Forer Gabbay & Kasierer  
Certified Public Accountants

Joint Independent Auditors

**Consolidated Interim Statements of Financial Position**

In NIS million	Note	As of March 31		As of December 31
		2026	2025	2025
		Unaudited		Audited
<b>Assets</b>				
Cash and cash equivalents in respect of yield-dependent contracts		4,264	4,985	4,269
Other cash and cash equivalents		3,676	1,848	4,060
Financial investments in respect of yield-dependent contracts measured at fair value	5	95,538	86,330	97,717
Other financial investments measured at fair value	5	45,443	41,675	44,396
Other financial investments measured at depreciated cost	5	2,279	2,328	2,285
Receivables for credit card transactions, net	10	19,332	17,852	19,252
Receivables and debit balances		937	1,553	624
Current tax assets		96	18	147
Insurance contract assets		3,108	2,624	3,276
Reinsurance contract assets		2,539	2,609	2,603
Investments in equity-accounted investees		207	194	211
Investment property in respect of yield-dependent contracts		3,974	3,944	3,956
Investment property - other		1,524	1,528	1,515
Property, plant and equipment		301	301	303
Intangible assets and goodwill		2,194	2,199	2,195
Costs of obtaining investment management service contracts		841	794	793
Deferred tax assets		122	164	114
Right-of-use assets		622	666	641
<b>Total assets</b>		<b>186,997</b>	171,611	188,358
<b>Total assets for yield-dependent contracts</b>		<b>104,136</b>	96,133	106,032

The attached notes to the consolidated interim financial statements are an integral part thereof.

**Consolidated Interim Statements of Financial Position (cont.)**

In NIS million	Note	As of March 31		As of December 31
		2026	2025	2025
		Unaudited		Audited
<b>Liabilities</b>				
Loans and credit	5	17,599	13,870	16,567
Liabilities for derivative instruments	5	471	929	879
Payables and credit balances		2,973	1,655	3,429
Payables for credit card transactions	11	9,747	9,933	9,947
Current tax liability		15	67	19
Liabilities for yield-dependent investment contracts		14,027	12,251	13,575
Liabilities for non-yield-dependent investment contracts		2,446	2,520	2,459
Total liabilities in respect of insurance contracts		127,074	119,870	128,933
Liabilities for reinsurance contracts		60	62	61
Liability for employee benefits, net		96	90	94
Deferred tax liabilities		756	363	738
Lease liabilities		723	770	744
<b>Total liabilities</b>		<b>175,987</b>	<b>162,380</b>	<b>177,445</b>
<b>Equity</b>				
Share capital		169	167	168
Share premium		2,490	2,426	2,434
Capital reserves		123	140	124
Surplus		8,140	6,421	8,102
<b>Total equity attributable to the Company's shareholders</b>		<b>10,922</b>	<b>9,154</b>	<b>10,827</b>
Non-controlling interests		87	77	86
<b>Total equity</b>		<b>11,009</b>	<b>9,231</b>	<b>10,913</b>
<b>Total liabilities and equity</b>		<b>186,997</b>	<b>171,611</b>	<b>188,358</b>

The attached notes to the consolidated interim financial statements are an integral part thereof.

May 28, 2026

Approval date of the financial statements

**Haim Samet**  
Chairman of the Board of Directors

**Yoram Naveh**  
CEO

**Eran Czerninski**  
Executive VP  
Finance Division Director

**Consolidated Interim Statements of Profit and Loss**

In NIS million	Note	For the three-month period ended March 31		For the year ended December 31
		2026	2025	2025
		Unaudited		Audited
Revenues from insurance services		2,233	2,178	8,837
Expenses from insurance services		(1,753)	(1,817)	(6,852)
<b>Income from insurance services before reinsurance policies held</b>		<b>479</b>	<b>361</b>	<b>1,985</b>
Reinsurance expenses		(324)	(350)	(1,314)
Reinsurance revenues		160	225	627
<b>Revenues (expenses), net from reinsurance contracts held</b>		<b>(163)</b>	<b>(124)</b>	<b>(687)</b>
<b>Income from insurance services</b>	7	<b>316</b>	<b>236</b>	<b>1,298</b>
<b>Investment income (losses), net from assets held against insurance contracts and yield-dependent investment contracts</b>		<b>1,193</b>	<b>151</b>	<b>14,167</b>
<b>Other investment income (losses), net:</b>				
Interest revenues calculated using the effective interest method		31	40	186
Other investment income (losses), net		(92)	96	3,420
Share in earnings (losses) of equity-accounted investees closely related to the investing activity		-	(1)	4
<b>Total income (losses) from other investments, net</b>		<b>(62)</b>	<b>135</b>	<b>3,609</b>
<b>Total investment income (losses), net</b>		<b>1,131</b>	<b>285</b>	<b>17,776</b>
Finance expenses (income), net arising from insurance contracts		600	(51)	13,916
Finance income (expenses), net arising from reinsurance contracts		9	1	156
Decrease (increase) in liabilities for investment contracts due to the yield component		(154)	(36)	(1,879)
<b>Income (loss) from investments and financing, net</b>	8	<b>387</b>	<b>302</b>	<b>2,137</b>
<b>Income (loss), net from insurance and investment</b>		<b>703</b>	<b>538</b>	<b>3,435</b>
Investment income (losses), net and finance income which are not from a consolidated insurance company		311	354	1,494
Revenues from credit card transactions		414	409	1,740
Revenues from management fees		226	205	850
Revenues from fees and commissions of insurance agencies		45	49	190
Credit loss expenses		(55)	(46)	(169)
Credit card processing		(251)	(255)	(1,271)
Payments to banks		(62)	(61)	(251)
Other operating expenses		(456)	(388)	(1,766)
Other revenues (expenses), net		(12)	(11)	(17)
Other finance expenses		(206)	(194)	(863)
Share in earnings (losses) of equity-accounted investees not closely related to the investing activity		5	5	17
<b>Profit before income tax</b>		<b>662</b>	<b>605</b>	<b>3,389</b>
Income tax		224	197	1,104
<b>Income for the period</b>		<b>438</b>	<b>408</b>	<b>2,285</b>
Attributable to:				
Company's shareholders		437	407	2,278
Non-controlling interests		1	1	7
<b>Income for the period</b>		<b>438</b>	<b>408</b>	<b>2,285</b>
<b>Earnings per share attributable to the Company's shareholders:</b>				
Basic earnings per share (in NIS)		5.44	5.12	28.56
Diluted earnings per share (in NIS)		5.23	4.96	27.47
<b>No. of shares used to calculate earnings per share (in thousand):</b>				
Basic		80,233	79,494	79,747
Diluted		83,422	82,127	82,899

The attached notes to the consolidated interim financial statements are an integral part thereof.

**Consolidated Interim Statements of Comprehensive Income**

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
In NIS million	Unaudited		Audited
<b>Income for the period</b>	<b>438</b>	408	2,285
<b>Other comprehensive income:</b>			
<b>Other comprehensive income items that, subsequent to initial recognition in comprehensive income, were or will be carried to profit and loss:</b>			
Foreign currency translation differences in respect of foreign operations carried to capital reserve	(1)	3	(12)
Tax (tax benefit) for items of other comprehensive income carried or to be carried to profit and loss	-	1	(3)
<b>Other comprehensive income (loss) items that, subsequent to initial recognition in comprehensive income, were or will be carried to profit and loss, net of tax</b>	<b>(1)</b>	<b>2</b>	<b>(9)</b>
<b>Items of other comprehensive income not transferred to profit and loss:</b>			
Actuarial gains (losses) from a defined benefit plan	-	-	(3)
Tax (tax benefit) for items of other comprehensive income not transferred to profit and loss	-	-	(1)
<b>Other comprehensive income (loss) not transferred to profit and loss, net of tax</b>	<b>-</b>	<b>-</b>	<b>(2)</b>
<b>Other comprehensive income (loss) for the period</b>	<b>(1)</b>	<b>2</b>	<b>(11)</b>
<b>Total comprehensive income for the period</b>	<b>437</b>	<b>410</b>	<b>2,273</b>
<b>Attributable to:</b>			
Company's shareholders	<b>436</b>	409	2,266
Non-controlling interests	<b>1</b>	1	7
<b>Total comprehensive income for the period</b>	<b>437</b>	<b>410</b>	<b>2,273</b>

The attached notes to the consolidated interim financial statements are an integral part thereof.

## Consolidated Interim Statements of Changes in Equity

In NIS million	Attributable to Company's shareholders							Non-controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Other capital reserves	Capital reserve from transactions with non-controlling interests	Retained earnings	Total		
<b>For the three-month period ended March 31, 2026 (unaudited)</b>									
<b>Balance as of January 1, 2026</b>	<b>168</b>	<b>2,434</b>	<b>(12)</b>	<b>180</b>	<b>(45)</b>	<b>8,102</b>	<b>10,827</b>	<b>86</b>	<b>10,913</b>
<b>Income for the period</b>	-	-	-	-	-	<b>437</b>	<b>437</b>	<b>1</b>	<b>438</b>
<b>Other comprehensive income (loss) items:</b>									
Foreign currency translation differences in respect of foreign operations carried to capital reserve	-	-	(1)	-	-	-	(1)	-	(1)
Actuarial gains from a defined benefit plan	-	-	-	-	-	-	-	-	-
Tax benefit (tax) for comprehensive income (loss) items	-	-	-	-	-	-	-	-	-
<b>Other comprehensive income (loss) for the period, net of tax</b>	-	-	(1)	-	-	-	(1)	-	(1)
<b>Total comprehensive income (loss) for the period</b>	-	-	(1)	-	-	<b>437</b>	<b>436</b>	<b>1</b>	<b>437</b>
<b>Transactions with shareholders carried directly to equity:</b>									
Share-based payments	-	-	-	-	-	<b>2</b>	<b>2</b>	-	<b>2</b>
Bonds converted into shares	<b>1</b>	<b>56</b>	-	-	-	-	<b>57</b>	-	<b>57</b>
Dividends to Company shareholders	-	-	-	-	-	(400)	(400)	-	(400)
<b>Balance as of March 31, 2026</b>	<b>169</b>	<b>2,490</b>	<b>(12)</b>	<b>180</b>	<b>(45)</b>	<b>8,140</b>	<b>10,922</b>	<b>87</b>	<b>11,009</b>

The attached notes to the consolidated interim financial statements are an integral part thereof.

In NIS million	Attributable to Company's shareholders							Non-controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Other capital reserves	Capital reserve from transactions with non-controlling interests	Retained earnings	Total		
<b>For the three-month period ended March 31, 2025 (unaudited)</b>									
<b>Balance as of January 1, 2025</b>	167	2,423	(2)	180	(40)	6,014	8,742	76	8,818
<b>Income for the period</b>	-	-	-	-	-	407	407	1	408
<b>Other comprehensive income (loss) items:</b>									
Foreign currency translation differences in respect of foreign operations carried to capital reserve	-	-	3	-	-	-	3	-	3
Actuarial gains from a defined benefit plan	-	-	-	-	-	-	-	-	-
Tax benefit (tax) for comprehensive income (loss) items	-	-	(1)	-	-	-	(1)	-	(1)
<b>Other comprehensive income (loss) for the period, net of tax</b>	-	-	2	-	-	-	2	-	2
<b>Total comprehensive income for the period</b>	-	-	2	-	-	407	409	1	410
<b>Transactions with shareholders carried directly to equity:</b>									
Exercise and expiry of options for senior employees	-	3	-	-	-	(3)	-	-	-
Share-based payments	-	-	-	-	-	3	3	-	3
<b>Balance as of March 31, 2025</b>	167	2,426	-	180	(40)	6,421	9,154	77	9,231

The attached notes to the consolidated interim financial statements are an integral part thereof.

In NIS million	Attributable to Company's shareholders							Non-controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Other capital reserves	Capital reserve from transactions with non-controlling interests	Retained earnings	Total		
<b>For the year ended December 31, 2025 (audited):</b>									
<b>Balance as of January 1, 2025</b>	167	2,423	(2)	180	(40)	6,014	8,742	76	8,818
<b>Income for the period</b>	-	-	-	-	-	2,278	2,278	7	2,285
<b>Other comprehensive income (loss) items:</b>									
Foreign currency translation differences in respect of foreign operations carried to capital reserve	-	-	(12)	-	-	-	(12)	-	(12)
Actuarial gains from a defined benefit plan	-	-	-	-	-	(3)	(3)	-	(3)
Tax benefit (tax) for comprehensive income (loss) items	-	-	3	-	-	1	3	-	3
<b>Other comprehensive income (loss) for the period, net of tax</b>	-	-	(9)	-	-	(2)	(11)	-	(11)
<b>Total comprehensive income for the period</b>	-	-	(9)	-	-	2,275	2,266	7	2,273
<b>Transactions with shareholders carried directly to equity:</b>									
Exercise and expiry of options for senior employees	1	11	-	-	-	(11)	-	-	-
Share-based payments	-	-	-	-	-	23	23	-	23
Dividends to Company shareholders	-	-	-	-	-	(200)	(200)	-	(200)
Dividend to non-controlling interests	-	-	-	-	-	-	-	(3)	(3)
Acquisition of non-controlling interests	-	-	-	-	(5)	-	(5)	5	-
<b>Balance as of December 31, 2025</b>	168	2,434	(12)	180	(45)	8,102	10,827	86	10,913

The attached notes to the consolidated interim financial statements are an integral part thereof.

## Consolidated Interim Statements of Cash Flow

In NIS million	Appendix	For the three-month period ended March 31		For the year ended December 31
		2026	2025	2025
		Unaudited		Audited
<b>Cash flows from operating activities</b>				
Before income tax	(a)	(585)	792	3,272
Income tax received (paid), net		(167)	(105)	(759)
<b>Net cash provided by (used for) operating activities</b>		<b>(752)</b>	<b>687</b>	<b>2,513</b>
<b>Cash flows provided by investing activities</b>				
Consideration on disposal of investments in other investees		<b>23</b>	-	-
Credit provided to card holders and merchants, net		(289)	(455)	(1,910)
Proceeds from the disposal of an investment in financial assets by companies other than insurance and finance companies		<b>141</b>	46	56
Investment in financial assets by companies other than insurance and finance companies		(134)	(2)	(90)
Dividend received from equity-accounted investees		-	1	1
Investments in shares and loans in investees		(15)	-	(1)
Investment in property, plant, and equipment		(13)	(5)	(63)
Investment in intangible assets		(91)	(72)	(340)
<b>Net cash used for investing activities</b>		<b>(378)</b>	<b>(487)</b>	<b>(2,347)</b>
<b>Cash flows provided by financing activities</b>				
Credit from banking corporations, net		(24)	(449)	384
Proceeds from the issue of subordinated notes and bonds (see Note 5)		<b>923</b>	154	2,264
Costs of issuing and exchanging subordinated notes and bonds		(8)	-	(14)
Repayment of subordinated notes		-	-	(854)
Repayment of lease liability		(24)	(23)	(105)
Interest paid on bonds, subordinated notes, and credit from banking corporations		(135)	(136)	(270)
Dividend paid		-	-	(203)
<b>Net cash provided by (used for) financing activities</b>		<b>732</b>	<b>(453)</b>	<b>1,202</b>
Effect of exchange rate fluctuations on balance of cash and cash equivalents		<b>9</b>	17	(107)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(389)</b>	<b>(236)</b>	<b>1,261</b>
Cash and cash equivalents as of the beginning of the period	(b)	<b>8,329</b>	7,069	7,069
<b>Cash and cash equivalents at the end of the period</b>	(c)	<b>7,940</b>	6,833	8,329

The attached notes to the consolidated interim financial statements are an integral part thereof.

In NIS million	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
<b>(a) Cash flows from operating activities before income tax <sup>1) 2)</sup></b>			
Income for the period	438	408	2,285
<b>Items not involving cash flows</b>			
The Company's share in profits of equity-accounted investees	(5)	(4)	(21)
Change in liabilities in respect of non-yield-dependent investment contracts	(13)	(3)	(63)
Change in liabilities in respect of yield-dependent investment contracts	453	(286)	1,038
Change in costs of obtaining investment management service contracts	(48)	(30)	(51)
Depreciation of property, plant, and equipment and right-of-use asset	34	29	154
Amortization of intangible assets	92	85	361
Credit loss expenses	55	46	169
Amortization of excess cost for credit card receivables	(4)	(7)	(27)
Interest and linkage differences accrued for subordinated notes and a lease liability	107	79	348
Accrued interest and revaluation of liabilities to banking and other corporations	122	115	614
Interest paid in Max	(131)	(132)	(506)
Change in fair value of investment property in respect of yield-dependent contracts	4	(6)	1
Changes in fair value of other investment property	1	(3)	(6)
Share-based payment transactions	2	3	23
Losses (gains), net on financial investments and derivatives for yield-dependent contracts measured at fair value	(747)	72	(12,366)
Losses (gains), net on other financial investments and derivatives measured at fair value	282	123	(2,309)
Losses (gains), net on other financial investments measured at amortized cost	55	45	(45)
Income tax	224	197	1,104
<b>Financial investments, derivatives and investment property in respect of insurance contracts and yield-dependent investment contracts:</b>			
Acquisition of investment property	(22)	(14)	(64)
Proceeds from sale of investment property	-	-	32
Acquisitions of financial investments and derivatives, net	2,507	2,664	4,269
<b>Financial investments, derivatives and other investment property:</b>			
Acquisition of investment property	(12)	(5)	(27)
Proceeds from sale of investment property	-	-	19
Proceeds from sales (acquisitions), net of financial investments and derivatives	(1,204)	(518)	(562)

1) Cash flows from operating activities include cash flows in respect of acquisition and sale of financial investments and investment property arising from insurance contracts and investment contracts activities.

2) Cash flows from operating activities include cash flows in respect of dividend and interest received, as described in Appendix D.

The attached notes to the consolidated interim financial statements are an integral part thereof.

In NIS million	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
<b>(a) Cash flows from operating activities before income tax (cont.)</b>			
<b>Changes in other items in the statement of financial position, net</b>			
Securities held for trading by consolidated companies which are not insurance companies	30	(18)	(67)
Receivables for credit card transactions, net	159	419	370
Receivables and debit balances	(313)	(912)	44
Reinsurance contract assets, net	62	56	61
Payables and credit balances	(827)	(19)	1,663
Payables for credit card transactions	(200)	226	240
Liabilities for insurance contracts, net	(1,690)	(1,819)	6,592
Liabilities for employee benefits, net	2	1	2
<b>Total cash Flows from operating activities before income tax</b>	<b>(585)</b>	<b>792</b>	<b>3,272</b>
<b>(b) Cash and cash equivalents at the beginning of the period:</b>			
Cash and cash equivalents in respect of yield-dependent contracts	4,269	4,451	4,451
Other cash and cash equivalents	4,060	2,617	2,617
Balance of cash and cash equivalents at the beginning of the period	8,329	7,069	7,069
<b>(c) Cash and cash equivalents at end of the period:</b>			
Cash and cash equivalents in respect of yield-dependent contracts	4,264	4,985	4,269
Other cash and cash equivalents	3,676	1,848	4,060
Balance of cash and cash equivalents as of the end of the period	7,940	6,833	8,329
<b>(d) Cash flows for interest and dividend received, included in operating activity:</b>			
Interest received	515	242	1,936
Dividend received	110	130	767
<b>Included in investing activity by Max:</b>			
Interest received	345	324	1,359
<b>(e) Transactions not involving cash flows:</b>			
Payables - unpaid declared dividend	400	-	-
Conversion of bonds into shares	57	-	-
Payables - purchase of insurance portfolios	-	-	4

The attached notes to the consolidated interim financial statements are an integral part thereof.

## Notes to financial statements

### NOTE 1 - GENERAL

#### A. The reporting entity

Clal Insurance Enterprises Holdings Ltd. (hereinafter - the "**Company**") is an Israeli resident company incorporated in Israel, whose official address is 36 Raoul Wallenberg Street, Tel Aviv. The securities of the Company are listed for trading on the Tel Aviv Stock Exchange Ltd.

Clal Insurance Enterprises Holdings Ltd. (hereinafter - the "**Company**") is a holding company. Its main holdings are mainly in the insurance, pension, provident and finance domains, as well as in the credit card domain.

The consolidated financial statements as of March 31, 2026 (hereinafter - the "**Financial Statements**") include those of the Company and its subsidiaries (hereinafter, jointly - the "**Group**"), as well as the Group's interests in joint ventures and associates.

The Group operates mainly in the insurance and finance industries, including pension, provident and holding insurance agencies, as well as credit card transactions, which include issuance, acquiring and processing of payment cards, providing payments solutions and financial products, including credit to private and business customers.

#### B. Below is a description of developments in the reporting period for the control of and holdings in the Company and in Clal Insurance

As of the report publication date, the Company does not have a control core. For further details, see Note 1 to the Consolidated Financial Statements for 2025.

#### C. Implications

As of the reporting date, the Company is unable to assess the full effect of the events detailed in Note 1 to the Consolidated Financial Statements for 2025, among other things, due to the fact that the Company is the controlling shareholder of Clal Insurance and in view of the restrictions imposed under the Outline for Exercising Means Of Control in Clal Insurance, which significantly limit the extent of the Company's influence over the conduct of Clal Insurance and the appointment of officers in Clal, and the Company is still evaluating its implications and applicability over time. This uncertainty also applies in view of additional changes that are taking place in the Company and that may occur in the future, due to its holdings structure, the fact that it is a company without a control core with a substantial shareholder, and due to the fact that the provisions of the Supervision Law for insurers without a controlling shareholder do not apply to it, and due to the different corporate structure of the large insurance companies in Israel compared with the standard structure in banks, according to which the insurance companies, including Clal Insurance, are private companies which are controlled by a holding company, including the Company, which is a publicly-traded company without a control core, and due to the effective impact of the holders of non-controlling interests on the conduct of the Company under the above circumstances.

Furthermore, the set of changes and events described in Note 1 to the Consolidated Financial Statements for 2025, if they continue, may and will affect, among other things, the reputation of the Company and the Group companies. It is noted that a future transfer of control of the Company to a third party may affect clauses in certain agreements of Group companies with third parties (including reinsurers) and may require, once circumstances involving such change of control exist, negotiations with such third parties for the agreements to remain in effect.

**D. Definitions - In these financial statements:**

<b>The Group</b>	- The Company and its consolidated companies.
<b>Consolidated companies/ subsidiaries</b>	- Companies, including a partnership, whose financial statements are fully consolidated, directly or indirectly, with the financial statements of the Company.
<b>Investees</b>	- Consolidated companies and companies, including a partnership or joint venture, the Company's investment in which is included, directly or indirectly, in the financial statements based on the equity method.
<b>Joint arrangements</b>	- Arrangements in which the Group has joint control, which was achieved by a contractual agreement, which requires unanimous consent with regard to the activities that have a significant effect on the arrangement's returns. Investment in joint arrangements is classified as joint operations or joint ventures, based on the rights and obligations of the parties to the arrangement. Joint ventures are all joint arrangements, which are incorporated as a separate entity, where the Group has rights to the net assets of the joint arrangement.
<b>Associates</b>	- Associates are entities in which the Group has significant influence over the financial and operating policies, but is not a controlling shareholder therein, and the Company's investment in which is presented in the Company's consolidated financial statements based on the equity method.
<b>Interested parties</b>	- As defined in Section (1) of the definition of an "interested party" in a company in Section 1 of the Securities Law, 1968.
<b>Related party</b>	- As defined in IAS 24 (2009), Related Party Disclosures.
<b>The Commissioner</b>	- The Commissioner of the Capital Market, Insurance and Savings.
<b>The Supervision Law</b>	- Financial Services Supervision Law (Insurance), 1981 and amendments thereto.
<b>Investment Rules Regulations</b>	- Supervision of Financial Services Regulations (Provident Funds) (Investment Rules Applicable to Institutional Entities), 2012, and the Commissioner's guidance thereunder.
<b>Economic Solvency Regime</b>	- As defined in Insurance Circular 2020-1-15 and its amendments.
<b>Yield-dependent contracts</b>	- Insurance contracts and investment contracts in life and long-term care health insurance, in which the insurer's liabilities for the savings or risk component are mostly linked to the yields on the investment portfolio (participating policies), in assets for yield-dependent contracts.
<b>Assets for yield-dependent contracts</b>	- Assets held against liabilities arising from yield-dependent contracts.
<b>Designated/Hetz bonds</b>	- CPI-linked government bonds, which the government issued to the insurance companies, and which back guaranteed return policies.
<b>Gross premiums</b>	- Premiums including fees and credit fees.

## NOTE 2 - BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

### A. Financial reporting framework

The Condensed Consolidated Interim Financial Statements of the Group were prepared in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970, (hereinafter - the “**Regulations**”), which refer to holding companies of insurers and credit-card companies. According to these directives, the Group’s data in the Condensed Consolidated Interim Financial Statements, excluding Max, are prepared in accordance with IAS 34 - Interim Financial Reporting (hereinafter - “**IAS 34**”), and in accordance with the disclosure requirements set by the Commissioner of the Capital Market, Insurance and Savings in accordance with the Financial Services Supervision Law (Insurance), 1981 with respect to Clal Insurance. Max’s data in the Condensed Consolidated Interim Financial Statements are prepared in accordance with the Banking Supervision Department’s directives and guidance. These directives basically adopt US GAAP.

The accounting policies applied to the financial statements have been applied consistently across all the periods presented, unless stated otherwise.

The Condensed Consolidated Interim Financial Statements were approved for publication by the Company’s Board of Directors on May 28, 2026.

### B. Use of estimates and judgments

The preparation of the Condensed Consolidated Interim Financial Statements in accordance with IFRS and in accordance with the provisions of Chapter D to the Securities Regulations (Periodic and Immediate Reports), 1970 requires that the Group’s management use judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. It is clarified that the actual results may differ from those estimates.

Except for that which is detailed below and stated in Note 3A, the judgment of management, when applying the Group’s accounting policies and the principal assumptions used in assessments that involve uncertainty, are consistent with those used in the annual financial statements.

For more information regarding significant judgements and estimates in insurance and reinsurance contracts applied by the Group, see Note 20.F to the Consolidated Financial Statements for 2025.

For the effects of changes in models and key assumptions on the contractual service margin (CSM), see Note 4 on additional information regarding insurance contracts, reinsurance contracts and investment contracts by main portfolio groups.

### Interest rates

Following are the interest rates, including the illiquidity premium with the appropriate weights, divided into main time bands, used by the Group to determine the discount rates and the return in measuring the insurance contracts and reinsurance contracts (the aggregation of portfolios is done in accordance with the illiquidity premium weights applied):

	As of March 31, 2026							
	Unaudited							
	1 year	3 years	5 years	10 years	15 years	25 years	40 years	60 years
	(%)							
Policies with a non-yield-dependent savings component and annuity policies (weighted at 100%)	2.32	2.23	2.26	2.42	2.54	2.69	2.78	2.83
Policies that include a yield-dependent savings component which include variable management fees, individual long-term care and compulsory motor (weighted at 80%)	2.25	2.16	2.20	2.36	2.48	2.62	2.71	2.76
Policies that include a yield-dependent savings component which only include fixed management fees (weighted at 60%)	2.19	2.10	2.13	2.29	2.41	2.56	2.65	2.70
Remaining insurance portfolios (weighted at 50%)	2.15	2.06	2.10	2.26	2.38	2.52	2.61	2.66

	As of March 31, 2025							
	Unaudited							
	1 year	3 years	5 years	10 years	15 years	25 years	40 years	60 years
	(%)							
Policies with a non-yield-dependent savings component and annuity policies (weighted at 100%)	2.45	2.39	2.44	2.55	2.61	2.66	2.74	2.83
Policies that include a yield-dependent savings component which include variable management fees, individual long-term care and compulsory motor (weighted at 80%)	2.36	2.30	2.35	2.46	2.52	2.57	2.65	2.74
Policies that include a yield-dependent savings component which only include fixed management fees (weighted at 60%)	2.28	2.22	2.27	2.38	2.43	2.48	2.57	2.65
Remaining insurance portfolios (weighted at 50%)	2.24	2.17	2.22	2.33	2.39	2.44	2.53	2.61

	As of December 31, 2025							
	Audited							
	1 year	3 years	5 years	10 years	15 years	25 years	40 years	60 years
	(%)							
Policies with a non-yield-dependent savings component and annuity policies (weighted at 100%)	2.43	2.09	2.08	2.16	2.25	2.43	2.60	2.71
Policies that include a yield-dependent savings component which include variable management fees, individual long-term care, compulsory motor and liability (weighted at 80%)	2.36	2.02	2.01	2.09	2.18	2.37	2.53	2.64
Policies that include a yield-dependent savings component which only include fixed management fees (weighted at 60%)	2.29	1.95	1.94	2.03	2.12	2.30	2.47	2.57
Remaining insurance portfolios (weighted at 50%)	2.26	1.92	1.91	1.99	2.08	2.26	2.43	2.54

In %	March 31, 2026	March 31, 2025	December 31, 2025
	Unaudited		Audited
Illiquidity premium rate	0.33	0.43	0.43

**C. Details of rates of change in the consumer price index and in the representative exchange rates of the EUR, USD, and GBP:**

	In lieu CPI	Known CPI	EUR representative exchange rate	USD representative exchange rate	GBP representative exchange rate
	%				
For the three-month period ended					
<b>March 31, 2026</b>	<b>0.3</b>	<b>(0.1)</b>	<b>(2.9)</b>	<b>(0.8)</b>	<b>(2.4)</b>
March 31, 2025	1.1	0.3	5.9	1.9	5.2
For the year ended December 31, 2025	2.6	2.4	(1.3)	(12.5)	(6.2)
			EUR representative exchange rate	USD representative exchange rate	GBP representative exchange rate
<b>As of March 31, 2026</b>			<b>3.636</b>	<b>3.165</b>	<b>4.187</b>
As of March 31, 2025			4.022	3.718	4.811
As of December 31, 2025			3.746	3.190	4.290

### NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

Except as specified in Section A below, the Group's accounting policies in these Condensed Consolidated Interim Financial Statements are the same as the accounting policies applied to the Annual Financial Statements. Following is a description of the main changes to the accounting policy in these Condensed Consolidated Interim Financial Statements and their effect:

#### A. Initial application of amendments to existing accounting standards by Group companies implementing IFRSs

##### (1) Amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures

On May 30, 2024, the International Accounting Standards Board (hereinafter - "IASB") published amendments to IFRS 9 Financial Instruments (hereinafter - "IFRS 9") and IFRS 7 Financial Instruments: Disclosures (hereinafter - "IFRS 7"), which amend certain aspects of classification and measurement of financial instruments.

The amendments address the following topics:

- Clarify the timing of recognition and derecognition of financial instruments and add an exception regarding the timing of derecognition of financial liabilities settled through an electronic cash transfer system;
- Classification of financial assets –
  - Revision to the application guidance on how an entity can assess whether contractual cash flows of a financial asset are solely payments of principal and interest (SPPI) when the contractual terms of the asset include contingent features (for example, linkage to ESG indicators), and relevant examples;
  - Clarification as to when financial instruments are contractually linked and when they constitute non-recourse financial assets, for the purpose of determining whether they include solely payments of principal and interest (SPPI);
- Revision to the disclosure requirements for financial instruments with contingent features, which are not directly related to changes in the instrument's basic risks/costs; and revision to the disclosure requirements for investments in equity instruments measured at fair value through other comprehensive income (FVOCI).

The Group adopted the amendments as of January 1, 2026. The amendment to IFRS 9 has been applied retrospectively without restatement of comparative figures. When applying the Amendment to IFRS 7, the Group did not provide disclosures for periods prior to the amendment's initial application date. The application of the amendments did not have a material effect on these Condensed Consolidated Interim Financial Statements.

#### B. Initial application of new accounting standards, revised accounting standards and Banking Supervision Department's Directives in the credit card company – Max

During the reporting period, no new accounting standards or Banking Supervision Department directives were applied except for a revision to Directive 206 of the Banking Supervision Department, which applies as from January 1, 2026 - Capital Measurement and Adequacy - Operational Risk - for which a disclosure was included under Note 6 below - Capital Management and Requirements - pursuant to the Banking Supervision Department Directives.

**C. New accounting standards and new directives of the Banking Supervision Department in the period prior to their application in the credit card company – Max**

ASU	Publication requirement	Effective date and transitional provisions	Implications
<p><b>ASU 2025-11 — Interim Reporting (Topic 270): Narrow-Scope Improvements</b></p>	<p>In December 2025, the Financial Accounting Standards Board (hereinafter - “FASB”) published ASU 2025-11 regarding the improvement and clarification of interim reporting guidance under Topic 270 (hereinafter - the “ASU”).</p> <p>The ASU clarifies the scope of the interim reporting guidance and refines the disclosure requirements applicable to interim reporting periods.</p> <p>The ASU does not make material changes to the interim reporting requirements; rather, it is mainly designed to clarify and organize the existing guidance. The ASU’s highlights include, among other things:</p> <ul style="list-style-type: none"> <li>• Setting alternatives and requirements regarding the format and content of interim financial statements and the notes thereto;</li> <li>• Adding a comprehensive list of the interim disclosure requirements, which are derived from other ASC topics; and</li> <li>• Adopting a principle requiring entities to disclose events and changes which occurred subsequent to the most recent annual reporting period and have a material effect on the entity.</li> </ul>	<p>The ASU’s provisions will apply to publicly-traded entities effective for interim reporting periods in fiscal years commencing subsequent to December 15, 2027. Early adoption is permitted. Upon initial application, the ASU may be applied early and at adoption date, shall be applied prospectively or retrospectively to all or some of the comparative periods presented.</p>	<p>Max is examining the effect of the new provisions on its financial statements.</p>

## NOTE 4 - SEGMENT REPORTING

### A. General

The Group has following operating segments:

#### 1. Life Insurance and Long-Term Savings

The Long-Term Savings Segment comprises life insurance, related coverages (riders), investment contracts, and management of pension funds and provident funds. The segment comprises long-term savings (under various types of insurance policies, pension funds and provident funds, including advanced education funds), and insurance coverages for various risks, such as: death, disability, permanent health, and health insurance sold as riders to life insurance policies, etc. According to the Commissioner's Directives, the Long-Term Savings Segment is described in accordance with the following subsegments: Provident, Pension and Life Insurance and Insurance Contracts.

#### 2. Health Insurance

The Health Insurance Segment comprises the Group's activity in the Health Insurance Subsegments. The segment comprises insurance for long-term care, insurance for medical expenses, medications, surgery, transplants, personal accidents (Long-Term Health Subsegment), travel, etc.

#### 3. Property and Casualty Insurance

The P&C Insurance Segment comprises the Liability and Property Subsegments, Credit Insurance, Personal Accidents Insurance and Other.

#### 4. Credit Cards Segment

Includes the credit card company's operating results, divided into two main subsegments: Issuing and Acquiring.

##### Issuing Subsegment

The Issuing Subsegment focuses on 2 main activities:

1. Solutions for financial institutions - joint credit card issuing and processing with banks, for their customers (B2B2C) (hereinafter - "**bank payment cards**").
2. Private customers - sale and marketing of non-bank credit cards, consumer credit and other products directly to private customers, i.e., consumers (B2C), including through joint loyalty programs.

As part of the Issuing Subsegment, Max issues payment cards to its customers, which are used as a means of payment for transactions and cash withdrawal by merchants in Israel and worldwide that accept the brands issued by the Company. Max's revenues from card holders is from fees and commissions collected from the card holders and issuer fees collected from the credit card companies (as acquiring companies) as well as from global organizations (acquirers outside Israel). In addition, interest is collected from Max customers for transactions and credit products provided by Max.

##### Acquiring Subsegment

This subsegment includes mainly the following activities:

1. Acquiring services - Payment guarantees against vouchers of transactions carried out using credit cards in exchange for a fee collected from the merchant.
2. Related services and complementary products to the acquiring services.
3. Financial solutions - Products and services offered to merchants, such as loans, voucher factoring, early payments and guarantees, in respect of which interest, fees and commissions are collected from the merchants.

In addition, the Credit Card Segment will include the operating results of Hyp Payment Solutions Ltd. (hereinafter - "**Hyp**"), which provides payment solutions to e-commerce websites and merchants, used for payment by credit cards and other means of payment, and provides credit card reconciliation services through a system that enables monitoring merchants' business activity with credit card companies and factoring companies. Hyp also provides a bookkeeping management and digital invoice generation system;

## 5. Other

Includes operating segments which do not meet the quantitative thresholds for reporting, mainly in respect of the insurance agencies.

## 6. Non-segmented activity

This activity includes the Group's headquarters, which is mainly the capital, the liabilities not in the insurance business and the assets held against them by Clal Insurance rather than by the credit card company's business, as well as the Company's separate balances and results.

## B. Seasonality

### 1. Life Insurance and Long-Term Savings Segment

As a rule, revenues from life insurance premiums and revenues from management fees from an investment contract, pension funds and provident funds are not characterized by seasonality; therefore, claims are not subject to seasonality either.

However, since the tax year ends in December, there is a certain effect of seasonality in that month in terms of payment of premiums/contributions towards benefits for pension saving products, since significant amounts are deposited in this month by salaried employees and self-employed persons, who make contributions independently outside their payroll in order to fully utilize the tax benefits, and also by employers that pay outstanding debts in respect of the relevant tax year or make one-off contributions, normally in respect of severance pay-related debts. Furthermore, the amounts of premiums/contributions towards benefits may be higher in certain months, which vary from one year to another, mainly due to one-off payments made by employers to employees, and in respect of which contributions towards benefits are made.

### 2. Property and Casualty Insurance Segment

As a general rule, revenues earned from insurance services in the Property and Casualty Insurance Segment are not affected by significant seasonality. However, the premium income in the first quarter of the year are higher than premium income in the other quarters, mainly due to renewal of insurance agreements of business policyholders and large car fleets at the beginning of the calendar year, which reflects a certain degree of seasonality. The effect of this seasonality on the reported income is adjusted through the liability for remaining coverage.

There is no significant seasonality in other components of expenses, such as claims and in other revenue components, such as investment revenues. However, it should be noted that during the winter season - in the first quarter or fourth quarter of the year, or both - there is sometimes an increase in claims, mainly in the Property Insurance Subsegment, and consequently the reported profit for the period decreases.

## C. Operating segment reporting

In NIS million	Long-Term Savings														
	Provident			Pension			Investment contracts			Life Insurance			Total		
	For the three-month period ended March 31	For the year ended December 31	For the three-month period ended March 31	For the year ended December 31	For the three-month period ended March 31	For the year ended December 31	For the three-month period ended March 31	For the year ended December 31	For the three-month period ended March 31	For the year ended December 31	For the three-month period ended March 31	For the year ended December 31	For the three-month period ended March 31	For the year ended December 31	
	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	2025
Unaudited		Audited	Unaudited	Audited		Unaudited	Audited		Unaudited	Audited		Unaudited	Audited		
Revenues from insurance services	-	-	-	-	-	-	-	-	-	776	705	2,927	776	705	2,927
Expenses from insurance services	-	-	-	-	-	-	-	-	-	(660)	(626)	(2,544)	(660)	(626)	(2,544)
<b>Income from insurance services before reinsurance policies held</b>	-	-	-	-	-	-	-	-	-	<b>116</b>	79	384	<b>116</b>	79	384
Reinsurance expenses	-	-	-	-	-	-	-	-	-	(45)	(47)	(178)	(45)	(47)	(178)
Reinsurance revenues	-	-	-	-	-	-	-	-	-	<b>35</b>	47	170	<b>35</b>	47	170
<b>Revenues/expenses, net from reinsurance contracts held</b>	-	-	-	-	-	-	-	-	-	(10)	-	(8)	(10)	-	(8)
<b>Income (loss) from insurance services</b>	-	-	-	-	-	-	-	-	-	<b>106</b>	79	375	<b>106</b>	79	375
<b>Investment income (losses), net from assets held against insurance contracts and yield-dependent investment contracts</b>	-	-	-	-	-	-	<b>124</b>	(5)	1,689	<b>1,049</b>	153	12,263	<b>1,172</b>	148	13,952
<b>Income (losses) from other investments, net:</b>															
Interest revenues calculated using the effective interest method	31	40	186	-	-	-	-	-	-	-	-	-	31	40	186
Other investment income (losses), net	2	2	16	1	1	12	-	-	-	(274)	(95)	1,811	(271)	(92)	1,840
Share in earnings (losses) of equity-accounted investees closely related to the investing activity	-	-	-	-	-	3	-	-	-	-	(1)	(1)	-	(1)	1
<b>Total income (losses) from other investments, net</b>	<b>32</b>	<b>42</b>	<b>202</b>	<b>1</b>	<b>1</b>	<b>15</b>	-	-	-	(274)	(96)	1,810	(241)	(53)	2,027
<b>Total investment income (losses), net</b>	<b>32</b>	<b>42</b>	<b>202</b>	<b>1</b>	<b>1</b>	<b>15</b>	<b>124</b>	(5)	1,689	<b>775</b>	57	14,073	<b>932</b>	95	15,979
Finance expenses (income), net arising from insurance contracts	-	-	-	-	-	-	-	-	-	566	(79)	13,311	566	(79)	13,311
Finance income (expenses), net arising from reinsurance contracts	-	-	-	-	-	-	-	-	-	(3)	(6)	6	(3)	(6)	6
Decrease (increase) in liabilities for investment contracts due to the yield component	(30)	(41)	(191)	-	-	-	(124)	5	(1,689)	-	-	-	(154)	(36)	(1,879)
<b>Income (loss) from investments and financing, net</b>	<b>2</b>	<b>2</b>	<b>12</b>	<b>1</b>	<b>1</b>	<b>15</b>	-	-	-	<b>206</b>	130	768	<b>209</b>	132	795
<b>Income (loss), net from insurance and investment, net</b>	<b>2</b>	<b>2</b>	<b>12</b>	<b>1</b>	<b>1</b>	<b>15</b>	-	-	-	<b>313</b>	209	1,144	<b>315</b>	211	1,170
Revenues from credit card transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenues from management fees	83	75	308	116	105	440	27	25	101	-	-	-	226	204	848
Revenues from fees and commissions of insurance agencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit loss expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit card processing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments to banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating expenses	(83)	(72)	(310)	(100)	(89)	(385)	(31)	(26)	(108)	(15)	-	(40)	(229)	(187)	(843)
Other revenues (expenses), net	(1)	(1)	(5)	(1)	(1)	(5)	-	-	-	-	-	-	(1)	(2)	(10)
Other finance expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share in earnings (losses) of equity-accounted investees not closely related to the investing activity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Income (loss) before tax</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>17</b>	<b>15</b>	<b>65</b>	(4)	(1)	(7)	<b>297</b>	209	1,104	<b>311</b>	226	1,166
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	1	(8)	-	1	(8)
<b>Comprehensive income (loss) before taxes</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>17</b>	<b>15</b>	<b>65</b>	(4)	(1)	(7)	<b>297</b>	210	1,096	<b>311</b>	227	1,158
<b>Total segment assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>136,462</b>	127,270	137,965
<b>Total segment assets for yield-dependent contracts</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>102,563</b>	94,868	104,519
<b>Total segment liabilities</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>133,282</b>	124,031	135,776

	Health Insurance		P&C Insurance			Credit cards			Other Operating Segments		
	For the three-month period ended March 31		For the year ended December 31		For the three-month period ended March 31		For the year ended December 31		For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025		2026	2025	2025		2026	2025	2025
	Unaudited		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Audited
<b>In NIS million</b>											
Revenues from insurance services	536	516	2,052	920	956	3,858	-	-	-	-	-
Expenses from insurance services	(435)	(413)	(1,640)	(659)	(778)	(2,668)	-	-	-	-	-
<b>Income from insurance services before reinsurance policies held</b>	<b>101</b>	103	411	<b>262</b>	178	1,190	-	-	-	-	-
Reinsurance expenses	(21)	(14)	(65)	(258)	(289)	(1,071)	-	-	-	-	-
Reinsurance revenues	14	(5)	34	112	183	423	-	-	-	-	-
<b>Revenues/expenses, net from reinsurance contracts held</b>	<b>(8)</b>	(19)	(31)	(146)	(106)	(648)	-	-	-	-	-
<b>Income (loss) from insurance services</b>	<b>94</b>	85	380	<b>116</b>	72	542	-	-	-	-	-
<b>Investment income (losses), net from assets held against insurance contracts and yield-dependent investment contracts</b>	<b>21</b>	3	215	-	-	-	-	-	-	-	-
<b>Income (losses) from other investments, net:</b>											
Interest revenues calculated using the effective interest method	-	-	-	-	-	-	-	-	-	-	-
Other investment income (losses), net	6	36	290	33	36	267	-	-	-	-	-
Share in earnings (losses) of equity-accounted investees closely related to the investing activity	-	-	-	-	(1)	(1)	-	-	-	-	-
<b>Total income (losses) from other investments, net</b>	<b>6</b>	36	290	<b>33</b>	35	266	-	-	-	-	-
<b>Total investment income (losses), net</b>	<b>27</b>	39	505	<b>33</b>	35	266	-	-	-	-	-
Finance expenses (income), net arising from insurance contracts	32	11	332	2	17	274	-	-	-	-	-
Finance income (expenses), net arising from reinsurance contracts	11	-	40	1	7	110	-	-	-	-	-
Decrease (increase) in liabilities for investment contracts due to the yield component	-	-	-	-	-	-	-	-	-	-	-
<b>Income (loss) from investments and financing, net</b>	<b>6</b>	29	212	<b>32</b>	25	102	-	-	-	-	-
<b>Income (loss), net from insurance and investment</b>	<b>100</b>	113	593	<b>148</b>	97	644	-	-	-	-	-
Investment income, net and finance income which are not from a consolidated insurance company	-	-	-	-	-	-	332	328	1,397	-	-
Revenues from credit card transactions	-	-	-	-	-	-	414	409	1,740	-	-
Revenues from management fees	-	-	-	-	-	-	-	-	-	-	-
Revenues from fees and commissions of insurance agencies	-	-	-	-	-	-	6	9	27	59	60
Credit loss expenses	-	-	-	-	-	-	(55)	(46)	(169)	-	-
Credit card processing	-	-	-	-	-	-	(251)	(255)	(1,271)	-	-
Payments to banks	-	-	-	-	-	-	(62)	(61)	(251)	-	-
Other operating expenses	(7)	-	(19)	(12)	(2)	(40)	(149)	(142)	(631)	(47)	(48)
Other revenues (expenses), net	-	-	-	-	-	-	-	-	30	(3)	(2)
Other finance expenses	-	-	-	-	(1)	(1)	(122)	(125)	(557)	-	(1)
Share in earnings (losses) of equity-accounted investees not closely related to the investing activity	-	-	-	-	-	-	1	1	1	4	4
<b>Income (loss) before tax</b>	<b>93</b>	113	574	<b>135</b>	94	603	<b>114</b>	118	316	<b>14</b>	14
Other comprehensive income (loss)	-	-	(1)	-	1	(4)	-	-	(1)	-	-
<b>Comprehensive income (loss) before taxes</b>	<b>93</b>	113	573	<b>135</b>	95	600	<b>114</b>	118	315	<b>14</b>	14
<b>Total segment assets</b>	<b>7,170</b>	6,790	7,185	<b>7,666</b>	8,001	8,334	<b>21,100</b>	19,443	20,953	<b>476</b>	434
<b>Total segment assets for yield-dependent contracts</b>	<b>1,573</b>	1,265	1,513	-	-	-	-	-	-	-	-
<b>Total segment liabilities</b>	<b>6,875</b>	6,457	7,059	<b>7,061</b>	7,039	7,169	<b>18,696</b>	17,625	18,638	<b>197</b>	195

	Non-segmented		Adjustments and offsets				Total		
	For the three-month period ended March 31	For the year ended December 31	For the three-month period ended March 31	For the year ended December 31	For the three-month period ended March 31	For the year ended December 31	For the three-month period ended March 31	For the year ended December 31	
	2026	2025	2025	2026	2025	2025	2026	2025	2025
In NIS million	Unaudited	Audited	Unaudited	Audited	Audited	Unaudited	Audited	Audited	
Revenues from insurance services	-	-	-	-	-	-	2,233	2,178	8,837
Expenses from insurance services	-	-	-	-	-	-	(1,753)	(1,817)	(6,852)
<b>Income from insurance services before reinsurance policies held</b>	-	-	-	-	-	-	479	361	1,985
Reinsurance expenses	-	-	-	-	-	-	(324)	(350)	(1,314)
Reinsurance revenues	-	-	-	-	-	-	160	225	627
<b>Revenues/expenses, net from reinsurance contracts held</b>	-	-	-	-	-	-	(163)	(124)	(687)
<b>Income (loss) from insurance services</b>	-	-	-	-	-	-	316	236	1,298
<b>Investment income (losses), net from assets held against insurance contracts and yield-dependent investment contracts</b>	-	-	-	-	-	-	1,193	151	14,167
<b>Income (losses) from other investments, net:</b>									
Interest revenues calculated using the effective interest method	-	-	-	-	-	-	31	40	186
Other investment income (losses), net	140	115	1,023	-	-	-	(92)	96	3,420
Share in earnings (losses) of equity-accounted investees closely related to the investing activity	-	1	3	-	-	-	-	(1)	4
<b>Total income (losses) from other investments, net</b>	140	116	1,026	-	-	-	(62)	135	3,609
<b>Total investment income (losses), net</b>	140	116	1,026	-	-	-	1,131	285	17,776
Finance expenses (income), net arising from insurance contracts	-	-	-	-	-	(2)	600	(51)	13,916
Finance income (expenses), net arising from reinsurance contracts	-	-	-	-	-	-	9	1	156
Decrease (increase) in liabilities for investment contracts due to the yield component	-	-	-	-	-	-	(154)	(36)	(1,879)
<b>Income (loss) from investments and financing, net</b>	140	116	1,026	-	-	2	387	302	2,137
<b>Income (loss), net from insurance and investment</b>	140	116	1,026	-	-	2	703	538	3,435
Investment income, net and finance income which are not from a consolidated insurance company	(27)	20	67	5	7	28	311	354	1,494
Revenues from credit card transactions	-	-	-	-	-	-	414	409	1,740
Revenues from management fees	-	-	-	-	-	1	226	205	850
Revenues from fees and commissions of insurance agencies	-	-	-	(21)	(20)	(80)	45	49	190
Credit loss expenses	-	-	-	-	-	-	(55)	(46)	(169)
Credit card processing	-	-	-	-	-	-	(251)	(255)	(1,271)
Payments to banks	-	-	-	-	-	-	(62)	(61)	(251)
Other operating expenses	(32)	(28)	(120)	19	20	76	(456)	(388)	(1,766)
Other revenues (expenses), net	(1)	-	-	(7)	(7)	(27)	(12)	(11)	(17)
Other finance expenses	(84)	(68)	(304)	-	-	-	(206)	(194)	(863)
Share in earnings (losses) of equity-accounted investees not closely related to the investing activity	-	-	-	-	-	-	5	5	17
<b>Income (loss) before tax</b>	(3)	40	670	(3)	1	-	662	605	3,389
Other comprehensive income (loss)	-	2	(2)	-	-	-	(1)	3	(15)
<b>Comprehensive income (loss) before taxes</b>	(3)	42	667	(3)	1	-	661	608	3,374
<b>Total segment assets</b>	13,633	9,657	12,970	490	17	493	186,997	171,611	188,358
<b>Total segment assets for yield-dependent contracts</b>	-	-	-	-	-	-	104,136	96,133	106,032
<b>Total segment liabilities</b>	10,128	7,642	8,862	(252)	(611)	(250)	175,987	162,380	177,445

**D. Additional information regarding investment contracts and insurance contracts included in the Life Insurance Subsegment**

**Additional information regarding investment contracts**

In NIS million	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
Proceeds from investment contracts*	849	413	1,794
Annualized proceeds for investment contracts - new business	12	9	34
*Of which: One-off proceeds for investment contracts	774	329	1,469

## Additional information regarding life insurance contracts

### Details of the results by main portfolio groups

	Policies with a non-yield-dependent savings component			Policies with a yield-dependent savings component			Policies without a savings component			Total		
	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	2025
<b>In NIS million</b>	<b>Unaudited</b>		<b>Audited</b>	<b>Unaudited</b>		<b>Audited</b>	<b>Unaudited</b>		<b>Audited</b>	<b>Unaudited</b>		<b>Audited</b>
Revenues from insurance services	<b>148</b>	133	550	<b>278</b>	253	1,069	<b>350</b>	320	1,309	<b>776</b>	705	2,927
Expenses from insurance services <sup>1)</sup>	(130)	(118)	(467)	(218)	(202)	(876)	(312)	(306)	(1,200)	(660)	(626)	(2,544)
<b>Income from insurance services before reinsurance policies held</b>	<b>18</b>	15	83	<b>61</b>	50	192	<b>38</b>	14	109	<b>116</b>	79	384
Reinsurance expenses	-	(1)	(2)	(15)	(19)	(79)	(29)	(28)	(96)	(45)	(47)	(178)
Reinsurance revenues	-	-	2	<b>12</b>	22	89	<b>22</b>	25	79	<b>35</b>	47	170
<b>Revenues (expenses), net from reinsurance contracts held</b>	-	-	(1)	(2)	3	10	(8)	(2)	(17)	(10)	-	(8)
<b>Income (loss) from insurance services</b>	<b>18</b>	14	82	<b>58</b>	53	202	<b>30</b>	12	92	<b>106</b>	79	375
Total investment income (losses), net	(268)	(110)	1,615	<b>1,037</b>	164	12,340	<b>7</b>	3	118	<b>775</b>	57	14,073
Finance expenses (income), net arising from insurance contracts	(511)	(251)	1,593	<b>996</b>	138	11,714	<b>81</b>	34	3	<b>566</b>	(79)	13,311
Finance income (expenses), net arising from reinsurance contracts	-	-	-	(2)	(3)	5	(1)	(3)	1	(3)	(6)	6
<b>Income (loss) from investments and financing, net</b>	<b>243</b>	141	22	<b>38</b>	23	631	(75)	(34)	116	<b>206</b>	130	768
<b>Income (loss), net from insurance and investment</b>	<b>261</b>	155	104	<b>97</b>	76	832	(45)	(22)	208	<b>313</b>	209	1,144
Other operating expenses	(1)	-	(2)	(7)	-	(20)	(8)	-	(17)	(15)	-	(40)
<b>Income (loss) before tax</b>	<b>260</b>	155	101	<b>90</b>	76	812	(53)	(22)	190	<b>297</b>	209	1,104
Other comprehensive income (loss)	-	1	(2)	-	-	(4)	-	-	(2)	-	1	(8)
<b>Total comprehensive income before income tax</b>	<b>260</b>	156	100	<b>90</b>	77	808	(53)	(22)	189	<b>297</b>	210	1,096
<sup>1)</sup> Of which:												
Claims and expenses of other insurance service incurred	<b>130</b>	116	482	<b>213</b>	198	829	<b>289</b>	262	1,046	<b>631</b>	575	2,357
Changes relating to past service - adjustment for liabilities for incurred claims	-	2	(15)	<b>3</b>	3	38	(11)	13	25	(8)	18	48

Details of assets and liabilities by main portfolio groups (cont.)

In NIS million	Policies with a non-yield-dependent savings component		Policies with a yield-dependent savings component			Policies without a savings component			Total			
	For the three-month period ended March 31		For the year ended December 31		For the three-month period ended March 31		For the year ended December 31		For the three-month period ended March 31		For the year ended December 31	
	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Audited	
<b>Liabilities, net for insurance contracts according the remaining coverage and incurred claims:</b>												
Liabilities, net for remaining coverage, excluding loss component	25,774	25,715	26,623	85,356	78,534	86,029	(1,571)	(1,251)	(1,580)	109,559	102,997	111,072
Loss component (LC)	-	-	-	13	9	12	12	4	11	25	13	23
Liabilities, net for incurred claims (LIC)	18	27	20	1,419	1,374	1,454	1,404	1,253	1,387	2,842	2,654	2,860
<b>Total<sup>2)</sup></b>	<b>25,793</b>	<b>25,741</b>	<b>26,643</b>	<b>86,789</b>	<b>79,916</b>	<b>87,494</b>	<b>(155)</b>	<b>6</b>	<b>(182)</b>	<b>112,426</b>	<b>105,664</b>	<b>113,956</b>
Balances of accounts receivable and payable, net <sup>1)</sup>										194	305	221
<b>Total liabilities, net for insurance contracts</b>										<b>112,621</b>	<b>105,968</b>	<b>114,177</b>
<b>Liabilities, net for insurance contracts, by measurement components:</b>												
Best estimates (BE) of the present value of the future cash flows.	24,993	24,865	25,790	82,041	75,368	82,834	(1,516)	(1,136)	(1,563)	105,518	99,097	107,061
Risk adjustment (RA) for non-financial risk	176	166	181	639	607	646	178	151	186	993	923	1,013
Contractual service margin (CSM)	624	711	672	4,108	3,941	4,015	1,183	991	1,195	5,915	5,643	5,882
<b>Total<sup>2)</sup></b>	<b>25,793</b>	<b>25,741</b>	<b>26,643</b>	<b>86,789</b>	<b>79,916</b>	<b>87,494</b>	<b>(155)</b>	<b>6</b>	<b>(182)</b>	<b>112,426</b>	<b>105,664</b>	<b>113,956</b>
Balances of accounts receivable and payable, net <sup>1)</sup>										194	305	221
<b>Total liabilities, net for insurance contracts</b>										<b>112,621</b>	<b>105,968</b>	<b>114,177</b>
<sup>2)</sup> Of which: Total insurance contract assets	-	-	-	-	-	-	(997)	(797)	(1,025)	(997)	(797)	(1,025)
<b>Composition of balances of accounts receivable and payable, net: <sup>1)</sup></b>												
Premiums collectible										(77)	(105)	(88)
Payables for claims, policyholders and insurance service expenses										272	374	306
Prepaid premium										3	6	5
Other										(3)	30	(3)
<b>Total balances of accounts receivable and payable, net</b>										<b>194</b>	<b>305</b>	<b>221</b>
Assets, net for reinsurance contracts	4	4	5	351	286	349	305	234	301	661	524	655
Balances of other receivables and payables and reinsurance deposits										(632)	(510)	(635)
<b>Total net balances for reinsurance</b>										<b>29</b>	<b>14</b>	<b>20</b>

## Additional information

	Policies with a non-yield-dependent savings component			Policies with a yield-dependent savings component			Policies without a savings component			Total		
	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	2025
In NIS million	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited
Gross premiums for insurance contracts net of reimbursement of premiums <sup>1)</sup>	23	( <sup>27</sup>	103	694	( <sup>770</sup>	2,919	296	281	1,154	1,013	1,078	4,177
Of which: Savings component	20	( <sup>25</sup>	69	625	( <sup>706</sup>	2,702	-	-	-	645	731	2,771
Variable management fees	-	-	-	96	-	707	-	-	-	96	-	707
Fixed management fees on accrual	-	-	-	131	123	506	-	-	-	131	123	506
Annualized premium for insurance contracts - new business	-	-	-	2	2	7	34	34	145	37	36	152
One-off premium for insurance contracts	-	-	-	49	45	137	-	-	-	49	45	137
Acquisition expenses for insurance contracts	-	-	-	2	2	1	47	55	219	49	57	220

\*) Reclassified

1) Gross premiums net of premium refunds are calculated on a billing-date basis.

The Company holds reinsurance contracts and investments whose results are attributed to more than one column in the tables above according to the Company's internal allocation models. Investment revenues is allocated according to liability ratios, and reinsurance contract results are allocated according to the attribution of secondary coverage to the covered gross portfolios.

## E. Additional information regarding insurance contracts included in the Health Insurance Segment

Details of the results by main portfolio groups

	Long-term care						Health Insurance - other						Total					
	Private individuals			Collective			Medical expenses and disabilities - individual			Medical expenses and disabilities - collective					Other (a)			
	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31	For the year ended December 31				
	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	2025
Unaudited		Audited	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited	
In NIS million																		
Revenues from insurance services	80	79	296	10	13	43	173	156	643	40	31	129	233	237	940	536	516	2,052
Expenses from insurance services 1)	(80)	(60)	(251)	(6)	(10)	(36)	(136)	(125)	(492)	(38)	(35)	(140)	(175)	(183)	(720)	(435)	(413)	(1,640)
<b>Income from insurance services before reinsurance policies held</b>	<b>1</b>	<b>20</b>	<b>44</b>	<b>4</b>	<b>2</b>	<b>7</b>	<b>36</b>	<b>32</b>	<b>151</b>	<b>2</b>	<b>(5)</b>	<b>(10)</b>	<b>58</b>	<b>54</b>	<b>220</b>	<b>101</b>	<b>103</b>	<b>411</b>
Reinsurance expenses	(11)	(9)	(35)	-	-	-	(3)	(4)	(16)	-	-	-	(7)	(1)	(14)	(21)	(14)	(65)
Reinsurance revenues	9	3	23	-	-	-	1	(3)	9	-	-	-	4	(4)	2	14	(5)	34
<b>Revenues (expenses), net from reinsurance contracts held</b>	<b>(3)</b>	<b>(6)</b>	<b>(13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>(8)</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>(5)</b>	<b>(12)</b>	<b>(8)</b>	<b>(19)</b>	<b>(31)</b>
<b>Income (loss) from insurance services</b>	<b>(2)</b>	<b>14</b>	<b>32</b>	<b>4</b>	<b>2</b>	<b>7</b>	<b>35</b>	<b>24</b>	<b>144</b>	<b>2</b>	<b>(5)</b>	<b>(10)</b>	<b>55</b>	<b>50</b>	<b>209</b>	<b>94</b>	<b>85</b>	<b>380</b>
<b>Total investment income (losses), net</b>	<b>27</b>	<b>37</b>	<b>479</b>	<b>-</b>	<b>1</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>27</b>	<b>39</b>	<b>505</b>
Finance expenses (income), net arising from insurance contracts	(158)	(95)	502	(5)	(3)	9	75	41	(45)	2	-	2	117	67	(135)	32	11	332
Finance income (expenses), net arising from reinsurance contracts	6	(3)	43	-	-	1	2	1	(2)	-	-	-	3	2	(2)	11	-	40
<b>Income (loss) from investments and financing, net</b>	<b>191</b>	<b>130</b>	<b>20</b>	<b>5</b>	<b>4</b>	<b>8</b>	<b>(74)</b>	<b>(40)</b>	<b>43</b>	<b>(2)</b>	<b>-</b>	<b>2</b>	<b>(114)</b>	<b>(65)</b>	<b>139</b>	<b>6</b>	<b>29</b>	<b>212</b>
<b>Income (loss), net from insurance and investment</b>	<b>189</b>	<b>143</b>	<b>51</b>	<b>10</b>	<b>7</b>	<b>15</b>	<b>(39)</b>	<b>(16)</b>	<b>187</b>	<b>-</b>	<b>(5)</b>	<b>(8)</b>	<b>(59)</b>	<b>(15)</b>	<b>348</b>	<b>100</b>	<b>113</b>	<b>593</b>
Other operating expenses	(1)	-	(2)	-	-	(1)	(2)	-	(6)	(1)	-	(3)	(3)	-	(7)	(7)	-	(19)
<b>Income (loss) before tax</b>	<b>188</b>	<b>143</b>	<b>49</b>	<b>10</b>	<b>7</b>	<b>14</b>	<b>(41)</b>	<b>(16)</b>	<b>181</b>	<b>(1)</b>	<b>(5)</b>	<b>(11)</b>	<b>(62)</b>	<b>(16)</b>	<b>340</b>	<b>93</b>	<b>113</b>	<b>574</b>
Other comprehensive income (loss)	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)
<b>Total comprehensive income before income tax</b>	<b>188</b>	<b>143</b>	<b>49</b>	<b>10</b>	<b>7</b>	<b>14</b>	<b>(41)</b>	<b>(16)</b>	<b>181</b>	<b>(1)</b>	<b>(5)</b>	<b>(11)</b>	<b>(62)</b>	<b>(16)</b>	<b>340</b>	<b>93</b>	<b>113</b>	<b>573</b>
<b>1) Of which</b>																		
Claims and expenses of other insurance service incurred	74	62	217	8	9	31	119	116	453	33	35	123	136	144	*572	370	365	*1,396
Changes relating to past service - adjustment for liabilities for incurred claims	6	(3)	35	(2)	2	-	11	6	22	4	3	18	6	7	*11	25	14	*86

\* Reclassified

## Details of assets and liabilities by main portfolio groups

	Long-term care						Health Insurance - other						Total					
	Private individuals			Collective			Medical expenses and disabilities - individual			Medical expenses and disabilities - collective						Other (a)		
	Balance as of March 31		Balance as of December 31	Balance as of March 31		Balance as of December 31	Balance as of March 31		Balance as of December 31	Balance as of March 31		Balance as of December 31	Balance as of March 31		Balance as of December 31			
	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	2025
Unaudited		Audited	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited	
<b>In NIS million</b>																		
<b>Liabilities, net for insurance contracts according to the remaining coverage and incurred claims:</b>																		
Liabilities, net for remaining coverage, excluding loss component																		
	5,784	5,413	5,955	(10)	9	-	(683)	(589)	(739)	(17)	1	(9)	(1,841)	(1,616)	(1,921)	3,233	3,218	3,285
Loss component (LC)	-	-	-	4	-	5	1	-	1	-	2	-	11	4	10	16	6	16
Liabilities, net for incurred claims (LIC)	621	526	597	128	163	135	157	143	154	46	42	45	300	292	303	1,252	1,166	1,235
<b>Liabilities, net for insurance contracts 1)</b>	<b>6,404</b>	<b>5,940</b>	<b>6,551</b>	<b>122</b>	<b>172</b>	<b>140</b>	<b>(525)</b>	<b>(447)</b>	<b>(584)</b>	<b>29</b>	<b>45</b>	<b>36</b>	<b>(1,530)</b>	<b>(1,321)</b>	<b>(1,608)</b>	<b>4,501</b>	<b>4,389</b>	<b>4,535</b>
Balances of accounts receivable and payable, net 2)																98	69	93
<b>Total liabilities, net for insurance contracts</b>																<b>4,599</b>	<b>4,459</b>	<b>4,628</b>
<b>Liabilities, net for insurance contracts, by measurement components:</b>																		
<b>Contracts not measured according to the PAA model:</b>																		
Best estimates (BE) of the present value of the future cash flows.																		
	4,267	3,425	4,379	121	160	138	(2,378)	(2,120)	(2,436)	(22)	45	(10)	(3,701)	(3,565)	(3,805)	(1,714)	(2,055)	(1,734)
Risk adjustment (RA) for non-financial risk	775	845	803	1	2	1	300	247	309	6	-	5	341	309	349	1,423	1,404	1,467
Contractual service margin (CSM)	1,363	1,670	1,369	-	10	-	1,553	1,427	1,543	46	-	41	1,776	1,875	1,788	4,737	4,982	4,742
<b>Contracts not measured according to the PAA model</b>	<b>6,404</b>	<b>5,940</b>	<b>6,551</b>	<b>122</b>	<b>172</b>	<b>140</b>	<b>(525)</b>	<b>(447)</b>	<b>(584)</b>	<b>29</b>	<b>45</b>	<b>36</b>	<b>(1,585)</b>	<b>(1,380)</b>	<b>(1,667)</b>	<b>4,446</b>	<b>4,330</b>	<b>4,476</b>
Balances of accounts receivable and payable, net 2)																101	72	102
<b>Total contracts not measured according to the PAA model</b>																<b>4,547</b>	<b>4,402</b>	<b>4,578</b>
Contracts measured according to the PAA model													55	59	59	55	59	59
Balances of accounts receivable and payable, net 2)																(3)	(3)	(9)
<b>Total liabilities, net for insurance contracts</b>																<b>4,599</b>	<b>4,459</b>	<b>4,628</b>
1) Of which: Insurance contract assets																		
	-	-	-	-	-	-	(525)	(447)	(584)	-	-	-	(1,585)	(1,380)	(1,667)	(2,110)	(1,767)	(2,251)
2) Balances of accounts receivable and payable, net																		
Premiums collectible																(78)	(88)	(85)
Prepaid premium																2	7	3
Payables for claims																155	138	158
Other																19	12	17
<b>Total balances of accounts receivable and payable, net</b>																<b>98</b>	<b>69</b>	<b>93</b>
Assets, net for reinsurance contracts	442	406	442	2	3	-	(36)	(40)	(37)	-	-	-	(6)	(7)	(10)	402	362	395
Balances of accounts receivable and payable, net																(114)	(103)	(108)
<b>Total net balances for reinsurance</b>																<b>288</b>	<b>259</b>	<b>287</b>

**Additional information**

	Long-term care						Health Insurance - other						Total					
	Private individuals			Collective			Medical expenses and disabilities - individual			Medical expenses and disabilities - collective					Other (a)			
	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31			
	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	2025
<b>In NIS million</b>	<b>Unaudited</b>		<b>Audited</b>	<b>Unaudited</b>		<b>Audited</b>	<b>Unaudited</b>		<b>Audited</b>	<b>Unaudited</b>		<b>Audited</b>	<b>Unaudited</b>		<b>Audited</b>	<b>Unaudited</b>		<b>Audited</b>
Gross premiums for insurance contracts net of reimbursement of premiums (b)	<b>68</b>	69	276	<b>6</b>	6	24	<b>171</b>	167	646	<b>34</b>	32	128	<b>216</b>	207	899	<b>494</b>	481	1,973
Annualized premium for insurance contracts - new business	-	-	-	-	-	-	<b>15</b>	14	51	-	-	-	<b>30</b>	32	108	<b>45</b>	46	158
Acquisition expenses for insurance contracts	-	-	-	-	-	-	<b>23</b>	23	92	<b>6</b>	1	9	<b>51</b>	55	217	<b>79</b>	79	319

(a) Other health including critical illness, travel, and personal accidents.

(b) Gross premiums net of premium refunds are calculated on a billing-date basis.

The Company holds reinsurance contracts and investments whose results are attributed to more than one column in the tables above according to the Company's internal allocation models. Investment revenues is allocated according to liability ratios, and reinsurance contract results are allocated according to the attribution of secondary coverage to the covered gross portfolios.

F. Additional information regarding insurance contracts included in the Property and Casualty Segment

Details of the results by main portfolio groups

In NIS million	Compulsory motor		Motor property		Other(*)			Total				
	For the three-month period ended March 31	For the year ended December 31	For the three-month period ended March 31	For the year ended December 31	For the three-month period ended March 31	For the year ended December 31	For the three-month period ended March 31	For the year ended December 31				
	2026 Unaudited	2025 Audited	2025 Unaudited	2026 Audited	2025 Unaudited	2025 Audited	2026 Unaudited	2025 Audited				
Revenues from insurance services	190	193	789	293	320	1,266	438	444	1,803	920	956	3,858
Expenses from insurance services <sup>1)</sup>	(182)	(183)	(815)	(249)	(282)	(1,105)	(228)	(313)	(748)	(659)	(778)	(2,668)
<b>Income from insurance services before reinsurance policies held</b>	<b>8</b>	<b>9</b>	<b>(26)</b>	<b>44</b>	<b>37</b>	<b>161</b>	<b>210</b>	<b>132</b>	<b>1,055</b>	<b>262</b>	<b>178</b>	<b>1,190</b>
Reinsurance expenses	(11)	(26)	(75)	(4)	(3)	(10)	(243)	(260)	(986)	(258)	(289)	(1,071)
Reinsurance revenues	12	22	91	2	(1)	-	99	162	331	112	183	423
<b>Revenues (expenses), net from reinsurance contracts held</b>	<b>-</b>	<b>(4)</b>	<b>16</b>	<b>(2)</b>	<b>(4)</b>	<b>(9)</b>	<b>(144)</b>	<b>(98)</b>	<b>(655)</b>	<b>(146)</b>	<b>(106)</b>	<b>(648)</b>
<b>Income (loss) from insurance services</b>	<b>8</b>	<b>5</b>	<b>(10)</b>	<b>42</b>	<b>33</b>	<b>152</b>	<b>66</b>	<b>34</b>	<b>401</b>	<b>116</b>	<b>72</b>	<b>542</b>
<b>Total investment income (losses), net</b>	<b>12</b>	<b>13</b>	<b>94</b>	<b>3</b>	<b>4</b>	<b>25</b>	<b>17</b>	<b>19</b>	<b>147</b>	<b>33</b>	<b>35</b>	<b>266</b>
Finance expenses (income), net arising from insurance contracts	-	7	127	2	2	14	1	8	133	2	17	274
Finance income (expenses), net arising from reinsurance contracts	(1)	2	39	-	-	1	2	5	71	1	7	110
<b>Income (loss) from investments and financing, net</b>	<b>12</b>	<b>8</b>	<b>6</b>	<b>1</b>	<b>2</b>	<b>11</b>	<b>18</b>	<b>16</b>	<b>85</b>	<b>32</b>	<b>25</b>	<b>102</b>
<b>Income (loss), net from insurance and investment</b>	<b>21</b>	<b>13</b>	<b>(4)</b>	<b>43</b>	<b>35</b>	<b>163</b>	<b>84</b>	<b>50</b>	<b>485</b>	<b>148</b>	<b>97</b>	<b>644</b>
Other operating expenses	(3)	-	(10)	(3)	(1)	(9)	(6)	(1)	(21)	(12)	(2)	(40)
Other revenues (expenses), net	-	-	-	-	-	-	-	-	-	-	-	-
Other finance expenses	-	-	-	-	-	-	-	(1)	(1)	-	(1)	(1)
<b>Income (loss) before tax</b>	<b>18</b>	<b>13</b>	<b>(14)</b>	<b>40</b>	<b>34</b>	<b>153</b>	<b>78</b>	<b>48</b>	<b>464</b>	<b>135</b>	<b>94</b>	<b>603</b>
Other comprehensive income (loss)	-	-	(1)	-	-	-	-	1	(2)	-	1	(4)
<b>Total comprehensive income before income tax</b>	<b>18</b>	<b>13</b>	<b>(15)</b>	<b>40</b>	<b>34</b>	<b>153</b>	<b>78</b>	<b>48</b>	<b>462</b>	<b>135</b>	<b>95</b>	<b>600</b>
<b>Of which <sup>(1)</sup></b>												
Claims and expenses of other insurance service incurred	178	177	803	186	222	829	195	289	737	560	687	2,369
Changes relating to past service - adjustment for liabilities for incurred claims	(16)	(14)	(97)	(3)	(9)	(16)	(38)	(42)	(286)	(57)	(65)	(399)

## Details of assets and liabilities by main portfolio groups

	Compulsory motor			Motor property			Other(*)			Total		
	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	2025
<b>In NIS million</b>	<b>Unaudited</b>		<b>Audited</b>	<b>Unaudited</b>		<b>Audited</b>	<b>Unaudited</b>		<b>Audited</b>	<b>Unaudited</b>		<b>Audited</b>
<b>Liabilities, net for insurance contracts:</b>												
Liabilities, net for remaining coverage (LRC):												
Liabilities, net for remaining coverage, excluding loss component	291	316	275	420	468	404	1,036	871	963	1,747	1,655	1,642
Loss component (LC)	14	7	19	-	-	-	-	-	-	14	7	19
<b>Total liabilities, net for remaining coverage</b>	<b>305</b>	<b>323</b>	<b>295</b>	<b>420</b>	<b>468</b>	<b>404</b>	<b>1,036</b>	<b>871</b>	<b>963</b>	<b>1,761</b>	<b>1,663</b>	<b>1,661</b>
<b>Liabilities, net for incurred claims (LIC):</b>												
Best estimates (BE) of the present value of future cash flows for contracts according to the PAA model	2,587	2,438	2,609	312	316	331	2,577	2,687	2,601	5,476	5,441	5,541
Risk adjustment (RA) for non-financial risk for contracts according to the PAA model	85	82	86	10	10	11	116	114	117	212	206	214
<b>Total liabilities, net for incurred claims (LIC)</b>	<b>2,672</b>	<b>2,519</b>	<b>2,695</b>	<b>323</b>	<b>327</b>	<b>341</b>	<b>2,694</b>	<b>2,801</b>	<b>2,718</b>	<b>5,688</b>	<b>5,647</b>	<b>5,755</b>
<b>Total</b>	<b>2,977</b>	<b>2,842</b>	<b>2,990</b>	<b>743</b>	<b>795</b>	<b>745</b>	<b>3,730</b>	<b>3,672</b>	<b>3,681</b>	<b>7,449</b>	<b>7,310</b>	<b>7,416</b>
Balances of accounts receivable and payable, net 1)										(703)	(573)	(564)
<b>Total liabilities, net for insurance contracts</b>										<b>6,746</b>	<b>6,737</b>	<b>6,852</b>
<b>Composition of balances of accounts receivable and payable, net <sup>1)</sup></b>												
Premiums collectible										(751)	(674)	(682)
Payables for claims										9	5	16
Prepaid premium										60	59	91
Other										(20)	37	12
<b>Total balances of accounts receivable and payable, net</b>										<b>-</b>	<b>-</b>	<b>(564)</b>
Assets, net for reinsurance contracts	749	885	808	10	16	11	2,247	2,105	2,206	3,006	3,006	3,025
Balances of accounts receivable and payable, net										(844)	(738)	(790)
<b>Total net balances for reinsurance</b>										<b>2,162</b>	<b>2,268</b>	<b>2,235</b>

## Additional information

	Compulsory motor			Motor property			Other(*)			Total		
	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025	2026	2025	2025	2026	2025	2025	2026	2025	2025
In NIS million	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited
Gross premiums net of reimbursement of premiums (a)	<b>205</b>	238	794	<b>313</b>	363	1,230	<b>521</b>	471	1,923	<b>1,039</b>	1,072	3,948
Acquisition expenses for insurance contracts	<b>24</b>	25	99	<b>69</b>	75	283	<b>81</b>	80	311	<b>175</b>	180	693

(\*) Other property and casualty insurance includes the other P&C insurance subsegments, which are not compulsory motor and motor property insurance, and it consists mainly of the results of insurance groups of businesses, contractors, apartments, guarantees and credit insurance, for which the activity constitutes 94% of the total revenues from insurance services in these subsegments; last year - 92% and 93% in 2025.

(a) Gross premiums net of premium refunds are calculated on a billing-date basis.

The Company holds reinsurance contracts and investments whose results are attributed to more than one column in the tables above according to the Company's internal allocation models. Investment revenues is allocated according to liability ratios, and reinsurance contract results are allocated according to the attribution of secondary coverage to the covered gross portfolios.

**NOTE 5 - FINANCIAL INVESTMENTS AND DERIVATIVE INSTRUMENTS****A. Financial investments held against yield-dependent contracts - breakdown of financial investments by asset type**

In NIS million	As of March 31,	As of March 31,	As of December
	2026	2025	31, 2025
	Unaudited		Audited
<b>Debt instruments:</b>			
<u>Illiquid debt instruments:</u>			
Deposits with banks and financial institutions	1,067	-	548
Illiquid corporate bonds	621	702	633
Loans (including investees)	6,302	6,654	6,506
Total illiquid debt instruments	7,990	7,356	7,687
<u>Liquid debt instruments:</u>			
Government bonds	12,610	10,634	12,516
Liquid corporate bonds	14,183	15,309	14,442
Total liquid debt instruments	26,793	25,943	26,958
Total debt instruments	34,783	33,299	34,645
<b>Equity instruments:</b>			
<u>Illiquid equity instruments:</u>			
Illiquid shares	2,464	2,441	2,460
<u>Liquid equity instruments:</u>			
Liquid shares	22,061	17,040	22,291
Total equity instruments	24,525	19,481	24,751
<b>Other investments:</b>			
Other investments <sup>(1)</sup>	34,421	32,946	35,136
Derivative instruments <sup>(2)</sup>	1,809	604	3,185
Total other financial investments	36,230	33,550	38,321
<b>Total financial investments</b>	<b>95,538</b>	<b>86,330</b>	<b>97,717</b>
<b>Financial liabilities presented at fair value through profit or loss:</b>	<b>1,466</b>	<b>1,053</b>	<b>1,419</b>
<b>Liabilities for derivative instruments <sup>(2)</sup></b>	<b>394</b>	<b>671</b>	<b>860</b>

1) Other investments mainly include investments in ETNs, participation certificates in mutual funds, investment funds, and structured products.

2) Derivative instruments mainly comprise futures and options.

**B. Other financial investments (not in respect of yield-dependent contracts)**

**B.1. Breakdown of financial investments by asset type**

In NIS million	As of March 31, 2026		
	Financial investments measured at fair value through profit or loss	Other financial investments measured at depreciated cost	Total
	Unaudited		
<b>Debt instruments:</b>			
<u>Illiquid debt instruments:</u>			
Deposits with banks and financial institutions	714	22	736
Treasury deposits	-	2,174	2,174
Designated bonds	19,471	-	19,471
Illiquid corporate bonds	228	9	237
Loans (including investees)	9,450	74	9,524
<b>Total illiquid debt instruments</b>	<b>29,863</b>	<b>2,279</b>	<b>32,142</b>
<u>Liquid debt instruments:</u>			
Government bonds	4,412	-	4,412
Liquid corporate bonds	2,558	-	2,558
<b>Total liquid debt instruments</b>	<b>6,970</b>	<b>-</b>	<b>6,970</b>
<b>Total debt instruments</b>	<b>36,833</b>	<b>2,279</b>	<b>39,112</b>
<b>Equity instruments:</b>			
<u>Illiquid equity instruments:</u>			
Illiquid shares	779	-	779
<u>Liquid equity instruments:</u>			
Liquid shares	1,399	-	1,399
<b>Total equity instruments</b>	<b>2,178</b>	<b>-</b>	<b>2,178</b>
<b>Other investments:</b>			
Other investments <sup>(1)</sup>	6,048	-	6,048
Derivative instruments <sup>(2)</sup>	384	-	384
<b>Total other financial investments</b>	<b>6,432</b>	<b>-</b>	<b>6,432</b>
<b>Total financial investments</b>	<b>45,443</b>	<b>2,279</b>	<b>47,722</b>
<b>Financial liabilities presented at fair value through profit or loss:</b>	<b>581</b>	<b>-</b>	<b>581</b>
<b>Liabilities for derivative instruments <sup>(2)</sup></b>	<b>77</b>	<b>-</b>	<b>77</b>

1. Other investments mainly include investments in ETNs, participation certificates in mutual funds, investment funds, and structured products.
2. Derivative instruments mainly comprise futures and options.

In NIS million	As of March 31, 2025		
	Financial investments measured at fair value through profit or loss	Other financial investments measured at depreciated cost	Total
	Unaudited		
<b>Debt instruments:</b>			
<u>Illiquid debt instruments:</u>			
Deposits with banks and financial institutions	386	20	406
Treasury deposits	-	2,216	2,216
Designated bonds	19,384	-	19,384
Illiquid corporate bonds	237	22	259
Loans (including investees)	7,980	70	8,050
<b>Total illiquid debt instruments</b>	<b>27,987</b>	<b>2,328</b>	<b>30,315</b>
<u>Liquid debt instruments:</u>			
Government bonds	3,274	-	3,274
Liquid corporate bonds	2,650	-	2,650
<b>Total liquid debt instruments</b>	<b>5,924</b>	<b>-</b>	<b>5,924</b>
<b>Total debt instruments</b>	<b>33,911</b>	<b>2,328</b>	<b>36,239</b>
<b>Equity instruments:</b>			
<u>Illiquid equity instruments:</u>			
Illiquid shares	842	-	842
<u>Liquid equity instruments:</u>			
Liquid shares	993	-	993
<b>Total equity instruments</b>	<b>1,835</b>	<b>-</b>	<b>1,835</b>
<b>Other investments:</b>			
Other investments <sup>(1)</sup>	5,823	-	5,823
Derivative instruments <sup>(2)</sup>	106	-	106
<b>Total other financial investments</b>	<b>5,929</b>	<b>-</b>	<b>5,929</b>
<b>Total financial investments</b>	<b>41,675</b>	<b>2,328</b>	<b>44,003</b>
<b>Financial liabilities presented at fair value through profit or loss:</b>	<b>204</b>	<b>-</b>	<b>204</b>
<b>Liabilities for derivative instruments <sup>(2)</sup></b>	<b>258</b>	<b>-</b>	<b>258</b>

1. Other investments mainly include investments in ETNs, participation certificates in mutual funds, investment funds, and structured products.
2. Derivative instruments mainly comprise futures and options.

In NIS million	As of December 31, 2025		
	Financial investments measured at fair value through profit or loss	Other financial investments measured at depreciated cost	Total
<b>Audited</b>			
<b>Debt instruments:</b>			
<u>Illiquid debt instruments:</u>			
Deposits with banks and financial institutions	568	20	588
Treasury deposits	-	2,169	2,169
Designated bonds	19,755	-	19,755
Illiquid corporate bonds	231	22	253
Loans (including investees)	9,359	73	9,432
<b>Total illiquid debt instruments</b>	<b>29,913</b>	<b>2,285</b>	<b>32,198</b>
<u>Liquid debt instruments:</u>			
Government bonds	3,662	-	3,662
Liquid corporate bonds	2,484	-	2,484
<b>Total liquid debt instruments</b>	<b>6,146</b>	<b>-</b>	<b>6,146</b>
<b>Total debt instruments</b>	<b>36,059</b>	<b>2,285</b>	<b>38,344</b>
<b>Equity instruments:</b>			
<u>Illiquid equity instruments:</u>			
Illiquid shares	781	-	781
<u>Liquid equity instruments:</u>			
Liquid shares	1,306	-	1,306
<b>Total equity instruments</b>	<b>2,087</b>	<b>-</b>	<b>2,087</b>
<b>Other investments:</b>			
Other investments <sup>(1)</sup>	5,908	-	5,908
Derivative instruments <sup>(2)</sup>	342	-	342
<b>Total other financial investments</b>	<b>6,250</b>	<b>-</b>	<b>6,250</b>
<b>Total financial investments</b>	<b>44,396</b>	<b>2,285</b>	<b>46,681</b>
<b>Financial liabilities presented at fair value through profit or loss:</b>	<b>427</b>	<b>-</b>	<b>427</b>
<b>Liabilities for derivative instruments <sup>(2)</sup></b>	<b>18</b>	<b>-</b>	<b>18</b>

1. Other investments mainly include investments in ETFs, participation certificates in mutual funds, investment funds, and structured products.

2. Derivative instruments mainly comprise futures and options.

**C. Financial instruments held against yield-dependent contracts**

**C.1. Fair value of financial instruments by level**

In NIS million	As of March 31, 2026			
	Level 1	Level 2	Level 3	Total
	Unaudited			
Financial investments:				
Illiquid debt instruments	-	-	7,990	7,990
Liquid debt instruments	23,476	3,317	-	26,793
Capital instruments	21,592	469	2,464	24,525
Other financial investments	17,959	2,662	15,609	36,230
<b>Total financial assets</b>	<b>63,027</b>	<b>6,448</b>	<b>26,063</b>	<b>95,538</b>
Of which for derivatives	133	1,651	25	1,809

During the period there were no material transfers between Level 1 and Level 2

In NIS million	As of March 31, 2025			
	Level 1	Level 2	Level 3	Total
	Unaudited			
Financial investments:				
Illiquid debt instruments	-	7,337	19	7,356
Liquid debt instruments	21,590	4,352	-	25,943
Capital instruments	16,652	388	2,441	19,481
Other financial investments	16,118	2,520	14,913	33,550
<b>Total financial assets</b>	<b>54,360</b>	<b>14,597</b>	<b>17,373</b>	<b>86,330</b>
Of which for derivatives	91	503	10	604

During the period there were no material transfers between Level 1 and Level 2

In NIS million	As of December 31, 2025			
	Level 1	Level 2	Level 3	Total
	Audited			
Financial investments:				
Illiquid debt instruments	-	7,665	22	7,687
Liquid debt instruments	23,499	3,459	-	26,958
Capital instruments	22,000	291	2,460	24,751
Other financial investments	18,905	4,973	14,443	38,321
<b>Total financial assets</b>	<b>64,404</b>	<b>16,388</b>	<b>16,925</b>	<b>97,717</b>
Of which for derivatives	130	3,041	13	3,184

During the period there were no material transfers between Level 1 and Level 2

### C.2. Level 3 financial instruments measured at fair value held against yield-dependent contracts

<b>In NIS million</b>	<b>As of March 31, 2026</b>			
	<b>Financial assets</b>			<b>Total</b>
	<b>Illiquid debt instruments</b>	<b>Equity instruments</b>	<b>Other investments</b>	
	<b>Unaudited</b>			
Balance as of January 1, 2026	22	2,460	14,443	16,925
Total realized gains (losses):				
In profit and loss <sup>(1)</sup>	(5)	(21)	176	150
Purchases	809	42	621	1,472
Sales	-	(12)	(515)	(527)
Redemptions	(416)	-	-	(416)
Interest and dividend received	(72)	(5)	(20)	(97)
Transfers to Level 3 <sup>(2)</sup>	7,652	-	904	8,556
<b>Balance as of March 31, 2026</b>	<b>7,990</b>	<b>2,464</b>	<b>15,609</b>	<b>26,063</b>
<b>Total gains (losses) for the period included in profit or loss in respect of financial assets held as of March 31, 2026</b>	<b>(4)</b>	<b>(10)</b>	<b>182</b>	<b>168</b>

1. Recognized under investment income (losses), net from assets held against insurance contracts and yield-dependent investment contracts
2. The fair value of illiquid debt assets was transferred from Level 2 to Level 3, see Note 5(e).

<b>In NIS million</b>	<b>As of March 31, 2025</b>			
	<b>Financial assets</b>			<b>Total</b>
	<b>Illiquid debt instruments</b>	<b>Equity instruments</b>	<b>Other investments</b>	
	<b>Unaudited</b>			
Balance as of January 1, 2025	18	2,288	14,483	16,789
Total realized gains (losses):				
In profit and loss <sup>(1)</sup>	1	64	503	568
Purchases	-	93	536	629
Sales	-	-	(598)	(598)
Interest and dividend received	-	(4)	(11)	(15)
<b>Balance as of March 31, 2025</b>	<b>19</b>	<b>2,441</b>	<b>14,913</b>	<b>17,373</b>
<b>Total gains (losses) for the period included in profit or loss in respect of financial assets held as of March 31, 2025</b>	<b>1</b>	<b>64</b>	<b>507</b>	<b>572</b>

1. Recognized under investment income (losses), net from assets held against insurance contracts and yield-dependent investment contracts

In NIS million	As of December 31, 2025			
	Financial assets			Total
	Illiquid debt instruments	Equity instruments	Other investments	
	Audited			
Balance as of January 1, 2025	18	2,288	14,483	16,789
Total realized gains (losses):				
In profit and loss <sup>(1)</sup>	2	(20)	(388)	(406)
Purchases	2	297	2,428	2,727
Sales	-	(47)	(2,055)	(2,102)
Interest and dividend received	-	(58)	(25)	(83)
<b>Balance as of December 31, 2025</b>	<b>22</b>	<b>2,460</b>	<b>14,443</b>	<b>16,925</b>
<b>Total income (losses) for the period included in profit or loss in respect of financial assets held as of December 31, 2025</b>	<b>2</b>	<b>(16)</b>	<b>(387)</b>	<b>(401)</b>

1. Recognized under investment income (losses), net from assets held against insurance contracts and yield-dependent investment contracts

**D. Other financial instruments not held against yield-dependent contracts**

**D.1. Fair value of financial instruments by level**

In NIS million	As of March 31, 2026			
	Level 1	Level 2	Level 3	Total
	Unaudited			
<b>Financial assets:</b>				
Illiquid debt instruments, excluding designated bonds	-	-	10,392	10,392
Designated bonds	-	-	19,471	19,471
Liquid debt instruments	6,873	97	-	6,970
Capital instruments	1,359	40	779	2,178
Other investments	1,292	374	4,766	6,432
<b>Total financial assets</b>	<b>9,524</b>	<b>511</b>	<b>35,408</b>	<b>45,443</b>
<b>Of which for derivatives</b>	<b>3</b>	<b>374</b>	<b>7</b>	<b>384</b>

During the period there were no material transfers between Level 1 and Level 2

In NIS million	As of March 31, 2025			
	Level 1	Level 2	Level 3	Total
	Unaudited			
<b>Financial assets:</b>				
Illiquid debt instruments, excluding designated bonds	-	5,192	3,411	8,603
Designated bonds	-	-	19,384	19,384
Liquid debt instruments	5,843	81	-	5,924
Capital instruments	960	33	842	1,835
Other investments	701	123	5,105	5,929
<b>Total financial assets</b>	<b>7,504</b>	<b>5,429</b>	<b>28,742</b>	<b>41,675</b>
<b>Of which for derivatives</b>	<b>8</b>	<b>94</b>	<b>4</b>	<b>106</b>

During the period there were no material transfers between Level 1 and Level 2.

In NIS million	As of December 31, 2025			
	Level 1	Level 2	Level 3	Total
	Audited			
<b>Financial assets:</b>				
Illiquid debt instruments, excluding designated bonds	-	5,835	4,323	10,158
Designated bonds	-	-	19,755	19,755
Liquid debt instruments	6,122	24	-	6,146
Capital instruments	1,276	30	781	2,087
Other investments	1,137	358	4,755	6,250
<b>Total financial assets</b>	<b>8,535</b>	<b>6,247</b>	<b>29,614</b>	<b>44,396</b>
<b>Of which for derivatives</b>	<b>4</b>	<b>330</b>	<b>5</b>	<b>339</b>

During the period there were no material transfers between Level 1 and Level 2.

**D.2 Level 3 financial instruments measured at fair value held against non-yield-dependent contracts**

In NIS million	As of March 31, 2026				
	Illiquid debt instruments, excluding designated bonds	Designated bonds	Equity instruments	Other investments	Total
	Unaudited				
Balance as of January 1, 2026	4,323	19,755	781	4,755	29,614
<b>Total income (losses) recognized:</b>					
In profit and loss <sup>(1)</sup>	55	(284)	(16)	12	(233)
Purchases	1,129	23	20	132	1,304
Sales	-	-	(4)	(154)	(158)
Redemptions	(869)	(23)	-	-	(892)
Interest and dividend received	(85)	-	(2)	(1)	(88)
Transfers to Level 3 <sup>(2)</sup>	5,839	-	-	22	5,861
<b>Balance as of March 31, 2026</b>	<b>10,392</b>	<b>19,471</b>	<b>779</b>	<b>4,766</b>	<b>35,408</b>
<b>Total gains (losses) for the period included in profit or loss in respect of financial assets held as of March 31, 2026</b>	<b>53</b>	<b>(284)</b>	<b>(16)</b>	<b>8</b>	<b>(239)</b>

1. Recognized under "Investment income (losses), net"

2. The fair value of illiquid debt assets was transferred from Level 2 to Level 3, see Note 5(e).

In NIS million	As of March 31, 2025				
	Illiquid debt instruments, excluding designated bonds	Designated bonds	Equity instruments	Other investments	Total
	Unaudited				
Balance as of January 1, 2025	3,163	18,680	801	5,004	27,648
<b>Total income (losses) recognized:</b>					
In profit and loss <sup>(1)</sup>	42	(146)	26	176	98
Purchases	282	908	19	148	1,357
Sales	-	-	-	(222)	(222)
Redemptions	(57)	(58)	-	-	(115)
Interest and dividend received	(19)	-	(4)	(1)	(24)
<b>Balance as of March 31, 2025</b>	<b>3,411</b>	<b>19,384</b>	<b>842</b>	<b>5,105</b>	<b>28,742</b>
<b>Total gains (losses) for the period included in profit or loss in respect of financial assets held as of March 31, 2025</b>	<b>42</b>	<b>(146)</b>	<b>26</b>	<b>176</b>	<b>98</b>

1. Recognized under Investment income (losses), net

In NIS million	As of December 31, 2025				
	Illiquid debt instruments, excluding designated bonds	Designated bonds	Equity instruments	Other investments	Total
					Audited
Balance as of January 1, 2025	3,163	18,680	801	5,004	27,648
<b>Total income (losses) recognized:</b>					
In profit and loss <sup>(1)</sup>	454	1,179	(7)	(123)	1,503
Purchases	1,102	1,867	48	566	3,583
Sales	-	-	(18)	(686)	(704)
Redemptions	(297)	(1,217)	-	-	(1,514)
Interest and dividend received	(99)	(754)	(43)	(6)	(902)
<b>Balance as of December 31, 2025</b>	<b>4,323</b>	<b>19,755</b>	<b>781</b>	<b>4,755</b>	<b>29,614</b>
<b>Total income (losses) for the period included in profit or loss in respect of financial assets held as of December 31, 2025</b>	<b>454</b>	<b>1,130</b>	<b>(5)</b>	<b>(137)</b>	<b>1,442</b>

1. Recognized under Investment income (losses), net

**D.3. Financial instruments measured at fair value for disclosure purposes only**

In NIS million	As of March 31, 2026	
	Carrying value	Fair value (Level 3)
	Unaudited	
<b>Financial assets:</b>		
Other financial investments measured at depreciated cost:		
<b>Illiquid debt instruments:</b>		
Deposits with banks and financial institutions	22	22
Treasury deposits	2,174	2,678
Illiquid corporate bonds	9	9
Loans (including investees)	74	71
<b>Total illiquid debt instruments</b>	<b>2,279</b>	<b>2,780</b>
<b>Total financial assets</b>	<b>2,279</b>	<b>2,780</b>

In NIS million	As of March 31, 2025	
	Carrying value	Fair value (Level 2)
	Unaudited	
<b>Financial assets:</b>		
Other financial investments measured at depreciated cost:		
<b>Illiquid debt instruments:</b>		
Deposits with banks and financial institutions	20	20
Treasury deposits	2,216	2,707
Illiquid corporate bonds	22	22
Loans (including investees)	70	69
<b>Total illiquid debt instruments</b>	<b>2,328</b>	<b>2,818</b>
<b>Total financial assets</b>	<b>2,328</b>	<b>2,818</b>

In NIS million	As of December 31, 2025	
	Carrying value	Fair value (Level 2)
	Audited	
<b>Financial assets:</b>		
Other financial investments measured at depreciated cost:		
<b>Illiquid debt instruments:</b>		
Deposits with banks and financial institutions	20	20
Treasury deposits	2,169	2,665
Illiquid corporate bonds	22	23
Loans (including investees)	73	72
<b>Total illiquid debt instruments</b>	<b>2,285</b>	<b>2,780</b>
<b>Total financial assets</b>	<b>2,285</b>	<b>2,780</b>

### E. Additional information regarding the fair value of financial instruments

The different fair value levels were defined as follows:

- Level 1 - fair value measured using quoted prices (unadjusted) in an active market for identical instruments.
- Level 2 - fair value measured using observable inputs, either directly or indirectly, that are not included in Level 1 above.
- Level 3 - fair value measured using inputs that are not based on observable market inputs.

#### Valuation techniques

The fair value of investments traded actively in regulated financial markets is determined based on market prices as of the reporting date.

With respect to investments for which there is no active market. Fair value is determined using valuation techniques. Such techniques include using transactions which were recently made at fair market value, reference to the current market value of another instrument which is substantially the same, discounted cash flows, or other valuation methods.

#### Illiquid debt assets (excluding designated bonds)

The quoted prices and interest rates used for discounting purposes are determined by a company which won the tender, published by the Ministry of Finance, for the setting up and operating a database of quoted prices and interest rates for institutional entities.

On March 2, 2025, the Capital Markets, Insurance and Savings Authority published a press release in which it announced that it selected Ness Fair Value Ltd. as a supplier for the revaluation of illiquid debt assets of the institutional entities.

Ness Fair Value Ltd. (hereinafter - "**Ness**") replaced Fair Spread Ltd., which has carried out the revaluation from 2011 covering non-complex illiquid debt assets, which are issued only in Israel. Under the new tender, the winning bidder will revalue all illiquid debt assets - issued both in and outside Israel - including complex debt assets. Furthermore, and in order to encourage trading through the trading platform for institutional entities (TASE-UP platform) Ness Fair Value Ltd. is responsible for providing specific prices for investment instruments traded in this system, provided that these investment instruments are held by institutional entities. Ness Fair Value Ltd.'s preparations were completed at the beginning of January 2026.

As of January 6, 2026, the revaluation of illiquid debt assets is made by Ness.

The fair value of illiquid debt assets, which are measured at fair value through profit and loss, and the fair value of illiquid financial debt assets, for which fair value information is provided solely for disclosure purposes, is determined by discounting the estimated expected cash flows from those assets. Discount rates are determined based on the risk-free interest rate plus a credit risk premium and an illiquidity premium.

The risk-free interest rate curve is based primarily on government bond yields; the spread (for credit risk and illiquidity) is estimated using economic models based on data regarding the issuer, such as the debt instrument issuer's share price, the spreads on the issuer's liquid bonds, the issuer's balance sheet details, or the issued instrument's credit rating.

The above spread is a significant unobservable input, and therefore the Company has transferred the illiquid debt assets quoted by Ness from Level 2 to Level 3 in the fair value hierarchy.

#### Designated bonds

Designated Hetz bonds (hereinafter – "**Hetz Bonds**") are illiquid and non-transferable bonds, which are issued (and repaid) by virtue of a series of agreements signed between the insurance companies and the State of Israel, and allocated at a certain rate of the insurance liabilities for insurance contracts, which include a guaranteed return savings component for the policyholder.

The Company calculates the fair value in accordance with the indirect approach, according to which the fair value calculation is based on the amortized cost of Hetz Bonds plus the excess value arising from the difference between the nominal interest on Hetz Bonds and the risk-free interest rate curve plus the illiquidity premium used in the financial statements. The estimated cash flows of Hetz Bonds are based on expected cash flows in respect of insurance liabilities and therefore include assumptions regarding non-observable inputs, such as cancellation rate, annuity takeup rate, retirement age, etc.

**Investment in illiquid shares**

The fair value of shares for which there is no quoted market price, is determined by the discounted cash flow model. The valuation requires the Company to make certain assumptions regarding non-observable inputs included in the model.

**Other investments**

Composed mainly of investments in ETNs, participation certificates in mutual funds, investment funds and structured products, whose fair value is based on NAV (net asset value), which is mostly provided by independent third parties (mainly investment managers).

The following tables provide qualitative and quantitative information regarding significant non-observable data used in level 3 fair value measurements:

**Financial instruments held against yield-dependent contracts**

Financial instrument	Valuation technique	March 31, 2026			December 31, 2025		Sensitivity of fair value to change in inputs	Interactions between significant non-observable inputs and fair other non-observable inputs
		Significant non-observable inputs	Fair value (in NIS million)	Range (weighted average)	Fair value (in NIS million)	Range (weighted average)		
Capital instruments	Discounted cash flows	Growth rate	2,464		2,460		A significant increase in the growth rate will lead to a significant increase in fair value	There were no significant interactions between the non-observable inputs
		Discount rate					A significant increase in the discount rate will lead to a significant decrease in fair value	
Other investments	Discounted cash flows	Net asset value (NAV) reports	14,471		14,267		N/A	N/A

Financial instruments held against non-yield-dependent liabilities

Financial instrument	Valuation technique	March 31, 2026			December 31, 2025		Sensitivity of fair value to change in inputs	Interactions between significant non-observable inputs and fair other non-observable inputs
		Significant non-observable inputs	Fair value (in NIS million)	Range (weighted average)	Fair value (in NIS million)	Range (weighted average)		
Hetz bonds	Discounted cash flows	Discount rate	19,471	2.21%-2.67%	19,755	2.06%-2.67%		There were no significant interactions between the non-observable inputs
		Actuarial assumptions		Based on an actuarial model		Based on an actuarial model		
Reverse mortgage	Discounted cash flows	Discount rate	4,503	2.89%-5.63%	4,323	3.23%-5.64%	A significant increase in the discount rate will lead to a significant decrease in fair value	There were no significant interactions between the non-observable inputs
		Early redemptions						
Capital instruments	Discounted cash flows	Growth rate	772		775		A significant increase in the growth rate will lead to a significant increase in fair value	There were no significant interactions between the non-observable inputs
		Discount rate						
Other investments	Discounted cash flows	Net asset value (NAV) reports	4,668		4,675	N/A	N/A	

**F. Receivables for credit card transactions - for Max**

	March 31, 2026				
	On- balance sheet balances	Fair value			Total
		Level 1	Level 2	Level 3	
<b>In NIS million</b>					
					<b>Unaudited</b>
Receivables for credit card transactions	<b>19,190</b>	-	-	<b>19,119</b>	<b>19,119</b>

	March 31, 2025				
	On- balance sheet balances	Fair value			Total
		Level 1	Level 2	Level 3	
<b>In NIS million</b>					
					<b>Unaudited</b>
Receivables for credit card transactions	17,735	-	-	17,655	17,655

	December 31, 2025				
	On- balance sheet balances	Fair value			Total
		Level 1	Level 2	Level 3	
<b>In NIS million</b>					
					<b>Unaudited</b>
Receivables for credit card transactions	19,115	-	-	19,028	19,028

G. Loans and credit

1. Composition of fair value

In NIS million	Comment	As of March 31, 2026		As of March 31, 2025		As of December 31, 2025	
		Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
		Unaudited				Audited	
Financial liabilities presented at fair value through profit and loss:							
Liability for derivative financial instruments *)		471	471	929	929	879	879
Repo liability *)		2,047	2,047	1,257	1,257	1,846	1,846
Total financial liabilities presented at fair value through profit and loss		2,518	2,518	2,186	2,186	2,724	2,724
Financial liabilities presented at amortized cost:							
The Company:							
Bonds (Series A) - Liquid bonds	A	546	553	889	897	564	577
Bonds (Series B) - Liquid convertible bonds - Par value component	A	88	225	142	163	147	343
Bonds (Series C) - Liquid bonds	A	869	894	507	516	858	894
Subsidiaries:							
Loans in CIMax and its subsidiaries, excluding Max		5	5	11	11	6	6
Liquid subordinated notes in Clal Insurance **)	B	5,865	5,833	4,627	4,366	5,276	5,302
Credit from banking corporations in Max		6,359	6,360	5,544	5,544	6,383	6,389
Bonds and subordinated notes at Max	C	1,918	1,926	940	950	1,619	1,633
Total financial liabilities presented at amortized cost		15,649	15,796	12,661	12,448	14,854	15,144
Less interest payable in respect of bonds and subordinated notes presented in payables and credit balances line item		97	97	48	48	132	132
<b>Total financial liabilities</b>		<b>18,070</b>	<b>18,217</b>	<b>14,799</b>	<b>14,586</b>	<b>17,445</b>	<b>17,736</b>
*) Of which in respect of yield-dependent financial liabilities.		1,860	1,860	1,724	1,724	2,278	2,278
***) Of which Tier 2 capital in Clal Insurance		4,644	4,595	4,627	4,366	4,683	4,687

A. Bonds issued by the Company

Issuance of Bonds (Series D) and full early redemption of Bonds (Series A)

Subsequent to the reporting date, on April 16, 2026, the Company issued approx. NIS 605 million p.v. in Bonds (Series D) to the public, pursuant to the Company's shelf offering report dated April 14, 2026, published under the Company's shelf prospectus. The issuance expenses amounted to approx. NIS 5 million; the effective interest rate is 4.7%, and net proceeds of the issuance amounted to approx. NIS 600 million. The proceeds of the issuance were first used for full early redemption of the Company's outstanding Bonds (Series A), and the balance will be used for the Company's current needs, as decided by the Board of Directors from time to time. Subsequent to the reporting date, on May 7, 2026, the Company redeemed, by way of early redemption, the full outstanding balance of Bonds (Series A) totaling NIS 549 million in par value.

Rating

Subsequent to the reporting date, in April 2026, the rating agency S&P Maalot announced the assignment of an iIAA- rating with a stable outlook to Bonds (Series D) totaling up to NIS 605 million p.v. issued by the Company.

Conversion of Bonds (Series B) into shares

During the Reporting Period, approx. NIS 57 million p.v. of Bonds (Series B) (convertible bonds) was converted, in exchange for the issuance of approx. NIS 1 million of the Company's share capital. The Company generated a conversion premium totaling approx. NIS 56 million.

**B. Debt raising by Clal Insurance Capital Raising Ltd. a subsidiary of Clal Insurance (hereinafter - “Clal Capital Raising”)****Bonds (Series O)**

On January 22, 2026, Clal Capital Raising issued to the public approx. NIS 591 million p.v. in Notes (Series O), by way of expansion of an existing series. The proceeds of the offering amounted to approx. NIS 622 million and were recognized as Additional Tier 1 capital of Clal Insurance, subject to restrictions on the maximum rate of Tier 1 capital, in accordance with the provisions of the law.

The proceeds from the abovementioned issuance of notes was deposited by the Company with deferred deposits under repayment and interest terms identical to those of the notes. Pursuant to the agreement with Clal Capital Raising, the Company bore all issuance expenses.

**Rating**

In January 2026, rating S&P Maalot and Midroog announced the assignment of an A+ and A1 rating with a stable outlook (respectively), to notes - Additional Tier 1 capital (Series O) - totaling up to NIS 600 million p.v. issued by Clal Capital Raising.

**C. Debt raising - by Max**

On March 27, 2026, Max completed a public offering of Commercial Papers (Series 6), totaling approx. NIS 300 million in par value. The Commercial Papers (Series 6) were issued to the public at an interest rate of 0.06% above the Bank of Israel Interest, for a period of one year with no renewal option.

Subsequent to the reporting date, on April 23, 2026, Max repaid the full amount of the principal and interest in respect of Commercial Papers (Series 5) totaling approx. NIS 207 million in par value, in accordance with their terms.

**Rating**

In March 2026, Midroog assigned a P-1.il rating to Commercial Papers (Series 6), which Max issued to the public on March 27, 2026.

**D. Committed credit facilities****1. Credit facility for the Company**

Further to Note 16(i)(1) to the Consolidated Financial Statements as of 2025, in June 2025, an Israeli banking corporation approved a credit facility to the Company totaling up to NIS 250 million for the purpose of providing it with another liquidity buffer, for one further year through June 2026. At the date of the report and at the date of the approval thereof, the Company has not utilized the aforesaid credit facility.

**2. Credit facility for Max**

Further to the information regarding a credit facility to Max, as detailed in Note 16(i)(2) to the 2025 Consolidated Financial Statements. During the reporting period and until the reporting period and the report's approval date, Max extended the secured credit facilities with no material modification of terms - compared to the existing facilities - with the various banks.

**2. Fair value of financial liabilities, by level**

The following table presents an analysis of financial liabilities measured at fair value from time to time, using a valuation method according to the different hierarchy levels. For details regarding the hierarchy levels, see Section E above.

In NIS million	As of March 31, 2026		
	Level 1	Level 2	Total
	Unaudited		
Derivatives	32	439	471
Repo liability	-	2,047	2,047
<b>Total financial liabilities</b>	<b>32</b>	<b>2,486</b>	<b>2,518</b>

In NIS million	As of March 31, 2025		
	Level 1	Level 2	Total
	Unaudited		
Derivatives	33	896	929
Repo liability	-	1,257	1,257
<b>Total financial liabilities</b>	<b>33</b>	<b>2,153</b>	<b>2,186</b>

In NIS million	As of December 31, 2025		
	Level 1	Level 2	Total
	Audited		
Derivatives	8	870	879
Repo liability	-	1,846	1,846
<b>Total financial liabilities</b>	<b>8</b>	<b>2,716</b>	<b>2,724</b>

H. Financial liabilities in Max by level

In NIS million	March 31, 2026				
	On-balance sheet balances	Fair value			
		Level 1	Level 2	Level 3	Total
Unaudited					
<b>Financial liabilities</b>					
Credit from banking corporations	6,359	-	6,360	-	6,360
Payables for credit card transactions	9,693	-	-	9,647	9,647
Bonds and subordinated notes	1,918	820	1,104	-	1,924
Other financial liabilities	278	-	1	277	278
<b>Total financial liabilities</b>	<b>18,248</b>	<b>820</b>	<b>7,465</b>	<b>9,924</b>	<b>18,209</b>

In NIS million	March 31, 2025				
	On-balance sheet balances	Fair value			
		Level 1	Level 2	Level 3	Total
Unaudited					
<b>Financial liabilities</b>					
Credit from banking corporations	5,544	-	5,544	-	5,544
Payables for credit card transactions	9,903	-	-	9,847	9,847
Bonds and subordinated notes	940	-	950	-	950
Other financial liabilities	294	-	1	293	294
<b>Total financial liabilities</b>	<b>16,681</b>	<b>-</b>	<b>6,495</b>	<b>10,140</b>	<b>16,635</b>

In NIS million	December 31, 2025				
	On-balance sheet balances	Fair value			
		Level 1	Level 2	Level 3	Total
Audited					
<b>Financial liabilities</b>					
Credit from banking corporations	6,383	-	6,389	-	6,389
Payables for credit card transactions	9,911	-	-	9,856	9,856
Bonds and subordinated notes	1,619	518	1,115	-	1,633
Other financial liabilities	311	-	1	310	311

In NIS million	December 31, 2025				
	On- balance sheet balances	Fair value			
		Level 1	Level 2	Level 3	Total
<b>Total financial liabilities</b>	18,224	518	7,505	10,166	18,189

**NOTE 6 - CAPITAL MANAGEMENT AND REQUIREMENTS****A. Share capital**

	Ordinary shares *)		
	March 31, 2026	March 31, 2025	December 31, 2025
	In thousands of shares of NIS 1 p.v.		
Issued and paid-up share capital as of January 1	80,047	79,437	79,437
Issuance of shares **)	1	-	1
Conversion of bonds into shares ***)	696	-	-
Exercise of options for senior employees	-	86	609
Issued and paid-up share capital as of	80,744	79,523	80,047
Authorized capital	100,000	100,000	100,000

\*) The shares are listed on the Tel Aviv Stock Exchange (TASE). The holders of ordinary shares have the right to receive dividends as declared from time to time, voting rights at general meetings of the Company according to one vote per share, rights in the event of liquidation of the Company and the right to appoint directors for the Company.

\*\*) For details regarding the exercise of restricted shares allocated to the Company's CEO, see Note 31.A.2 to the Annual Financial Statements.

\*\*\*) Conversion of Bonds (Series B) into shares, see Note 5(g) above.

**B. Approval of the dividend distribution by the Company**

Further to Note 23(c) to the Annual Financial Statements, in September 2024, the Company's Board of Directors approved a dividend distribution policy. This policy was approved, among other things, further to the approval of a dividend distribution policy in the Company's key subsidiaries - Clal Insurance and Max (see Section c below).

In accordance with the approved policy, the Company will distribute an annual dividend at a rate, which will not fall below 50% of the dividend received in that year from the Company's subsidiaries.

This policy should not be viewed as an undertaking by the Company to distribute dividends, and that any actual distribution shall be individually subject to the Board of Directors' approval, at its sole discretion; the Board of Directors may decide on actual distribution at different rates, or not to distribute any dividend. Furthermore, the execution of any actual distribution shall be subject to compliance with the provisions of laws applicable to any dividend distribution and to compliance with the financial covenants the Company has undertaken and/or will undertake in the future as to the condition that the distribution shall not adversely affect the Company's cash flows and the Company's need for cash to finance its activities, including future investments, as shall be from time to time, and/or its expected and/or planned future activities.

The Company's Board of Director may review the dividend distribution policy from time to time and decide, at any given time, taking into account business considerations and the legal and regulatory provisions applicable to the Company, to change the dividend distribution policy, including the rate of dividend to be distributed.

Further to the above, on March 25, 2026, on approval of the Company's financial statements as of December 31, 2025, the Board of Directors approved a dividend distribution, totaling approx. NIS 400 million, which constitutes approx. 61% of the dividends declared and/or distributed in the Company's subsidiaries as of the approval date of the approval date of the financial statements. The dividend was paid subsequent to the reporting date, on April 23, 2026.

**C. Dividends and capital management and requirements in the Group companies**

Further to Note 23(c), (e) and (f) of the Annual Financial Statements, the possibility of distributing dividends by the Company is affected by the ability of investees to distribute dividends, subject to their capital requirements and liquidity needs. Below is a description of the capital requirements of Clal Insurance and Max and details of the distribution of dividends by them.

## 1. Dividends and management of requirements in consolidated insurance companies

### A. Solvency II-based economic solvency regime applicable to the Group's insurance companies

The Group's insurance companies are subject to the Solvency II-based Economic Solvency Regime in accordance with the implementation provisions of the Economic Solvency Regime.

In accordance with the Consolidated Circular, the Economic Solvency Ratio Report in respect of the December 31 and June 30 data of each year shall be included in the first periodic report published after the calculation date.

On May 28, 2026, Clal Insurance approved its Economic Solvency Ratio Report as of December 31, 2025.

The calculation made by Clal Insurance as of December 31, 2025 was audited by Clal Insurance's independent auditors. The audit held in accordance International Standard on Assurance Engagement (ISAE) 3400 – The Examination of Prospective Financial Information.

In accordance with the Solvency Ratio Report as of December 31, 2025, Clal Insurance has excess capital, both when calculation is made having no regard to the transitional provisions and when it is made taking into account the transitional provisions.

The calculation is sometimes based on assumptions regarding future events and steps taken by management, that will not necessarily materialize or will materialize in a manner different than the assumptions used in the calculation. Furthermore, actual results may substantively vary from the calculation, since the combined scenarios of events may materialize in a manner that is materially different than the assumptions made in the calculation.

For further details, see Section 2.4 to the Report of the Board of Directors and the Economic Solvency Ratio Report as of December 31, 2025 attached to this report.

### B. Capital target and dividend distribution policy of Clal Insurance

Further to Note 23(c)2 to the Consolidated Annual Financial Statements of 2025, in June 2023, the Board of Directors of Clal Insurance approved a policy for the distribution of a dividend at a rate of 30%-50% of Clal Insurance's comprehensive income. The distribution is subject to Clal Insurance's compliance with a minimum capital target pursuant to the economic solvency ratio regime, post-distribution, at a rate of 110%, without taking into account the transitional provisions, and at a rate of 135%, taking into consideration the provisions for the transitional period.

On May 28, 2025, Clal Insurance revised the minimum capital target, such that subsequent to the dividend distribution, the solvency ratio will be at least 115% compared to 110%, without taking into account the transitional provisions.

This revision was made further to the Capital Management Policy approved in June 2021, according to which the target range for the economic solvency ratio of Clal Insurance will be 150%-170%. In addition, the minimum economic solvency ratio target for prudential purposes is set at 135%. These targets relate to a solvency ratio taking into account the Deduction during the Transitional Period until the end of 2032 and thereafter.

It is noted that in February 2025, the Commissioner issued a letter regarding capital targets, which clarifies the appropriate practices for setting the capital targets.

This policy should not be viewed as an undertaking by Clal Insurance to distribute dividends, and that any actual distribution shall be individually subject to the Board of Directors' approval, at its sole discretion; the Board of Directors may decide on actual distribution at different rates, or not to distribute any dividend. Furthermore, the execution of any actual distribution shall be subject to compliance with the provisions of laws applicable to any dividend distribution and to compliance with the financial covenants Clal Insurance has undertaken and/or will undertake in the future as to the condition that the distribution shall not adversely affect Clal Insurance's cash flows and Clal Insurance's need for cash to finance its activities, as shall be from time to time, including future investments.

The Board of Directors of Clal Insurance may review the dividend distribution policy from time to time and decide, at any given time, taking into account business considerations and the legal and regulatory provisions applicable to Clal Insurance, to change the dividend distribution policy, including the rate of dividend to be distributed.

Further to the above, on March 25, 2026, upon the approval of Clal Insurance's financial statements as of December 31, 2025, Clal Insurance's Board approved a dividend distribution of NIS 600 million, which constitutes approx. 30% of Clal Insurance's 2025 comprehensive income in accordance with the Annual Financial Statements having examined all aspects, including Clal Insurance's compliance with the economic solvency ratio targets detailed above. The dividend was paid on March 29, 2026.

## 2. Dividends and management of capital requirements in Max

### A. Dividend distribution policy and dividend distribution in Max

The dividend distribution by Max is subject to the directives of the Banking Supervision Department, including compliance with capital adequacy restrictions under the Basel directives. A dividend distribution is permitted subject to the provisions of the Companies Law, 1999, which stipulates, among other things, that Max may make a distribution out of its earnings, provided that there are no reasonable concerns that the distribution will prevent Max from fulfilling its existing and future undertakings, when they fall due.

Dividend distribution by Max is subject to the restrictions of the Companies Law as well as the Banking Supervision Department's directives, according to which no dividend shall be distributed in the following cases:

1. When cumulative retained earnings less negative differences included in accumulated other comprehensive income is not positive or when the proposed distribution amount will lead to negative retained earnings.
2. One of more of the last calendar years ended in a loss or comprehensive loss or when the cumulative result in the three quarters ended at the end of the interim period regarding which the last financial report was published shows a loss or comprehensive loss.
3. Max may not comply with the capital target requirements.

Notwithstanding the above, in certain cases Max may distribute dividends also under the above circumstances, if it receives prior written consent from the Banking Supervision Department for the distribution, and up to the maximum amount approved, as aforesaid.

On June 30, 2024, Max's Board of Directors set, for the first time, a dividend distribution policy. According to the approved policy, as from 2024 Max will be able to distribute every year dividends at a total amount of up to 30% of Max's net income for the year, which preceded the distribution year, in accordance with its consolidated financial statements. It is clarified that by setting the policy Max does not undertake to distribute a dividend on a certain date or rate, any distribution shall be subject to the full discretion of Max's Board of Directors and require the individual approval of the Board of Directors of Max, subject, among other things, to compliance with all the restrictions applicable to Max under the law and under directives of the Banking Supervision Department.

Under the issuance of Bonds (Series E) in July 2025, Max undertook, as is generally acceptable, not to distribute dividends under certain circumstances, such as non-compliance with the financial covenants it undertook to comply with, the establishment of grounds for immediate repayment, or breach of any of its material undertakings, all as detailed in the deed of trust.

On March 10, 2026, Max's Board of Directors approved the distribution of a dividend in the amount of NIS 56 million, which constitutes approx. 30% of Max's net income for 2025. The dividend was paid on March 19, 2026.

## B. Capital adequacy and leverage pursuant to the Banking Supervision Department directives applicable to credit card companies

### 1. Capital adequacy, as per the Banking Supervision Department's directives (\*)

In NIS million	As of March 31 2026	As of March 31 2025	As of December 31 2025
	Unaudited		Audited
<b>1. Capital for capital ratio calculation purposes:</b>			
CET1 capital, after regulatory capital adjustments and deductions	2,274	2,142	2,252
Tier 2 capital	634	466	630
<b>Total overall capital</b>	<b>2,908</b>	2,608	2,882
<b>2. Balance of risk-weighted assets:</b>			
Credit risk - standardized approach	18,634	17,297	18,302
Market risks - standardized approach	62	124	80
Operational risk - standardized approach **	3,083	3,454	3,704
<b>Total balance of risk-weighted assets</b>	<b>21,779</b>	20,875	22,086
<b>In %</b>			
<b>3. Ratio of capital to risk-weighted components:</b>			
Ratio of CET1 capital to risk-weighted components	10.4	10.3	10.2
Ratio of total capital to risk-weighted components	13.4	12.5	13.0
Minimum CET 1 capital requirement by the Banking Supervision Department	8.0	8.0	8.0
Minimum total capital ratio set by the Banking Supervision Department	11.5	11.5	11.5

\* Calculated in accordance with Proper Conduct of Banking Business Directives Nos. 201-211, "Capital Adequacy and Measurement", and Proper Conduct of Banking Business Directive No. 472 "Merchant Acquirers and Acquiring Payment Card Transactions", which came into effect on September 1, 2016.

\*\* On January 1, 2026 Proper Conduct of Banking Business Directive No. 206, Capital Measurement and Adequacy - Operational Risk, which adopted the revised directives of the Basel Committee regarding the calculation of capital requirements in respect of operational risk, took effect. The new directive redefines the business indicator components that serve as the basis for calculating the capital requirements in respect of the operational risk, and sets marginal coefficients to be multiplied by the business indicator in accordance with the ranges of the business indicator. Furthermore, the new directive stipulates that the business indicator will be multiplied by an internal loss multiplier, which will be based on the banking corporation's historical operating losses. It was further stipulated that a banking corporation, whose business indicator is lower than NIS 5 billion, is not required to use loss data in its calculation of the capital requirements, and its internal loss multiplier will stand at 1; this condition is also met with respect to Max; therefore, its internal loss multiplier is 1. The application of the new directive improved Max's capital ratios by approx. 0.3%.

### 2. Capital adequacy target in Max

As part of the process of adopting the provision of Basel III in Israel, on March 28, 2012, the Banking Supervision Department published a letter of instruction on the minimum core capital ratio in accordance with the Basel III framework, requiring banks and credit card companies to comply with a Common Equity Tier 1 capital ratio of 9% and a total capital ratio of 12.5% until January 1, 2015.

On May 2, 2016, the Banking Supervision Department issued Proper Conduct of Banking Business Directive No. 472, Merchant Acquirers and Acquiring Payment Card Transactions. The directive includes expedients to acquirers with an accounts receivable balance higher than NIS 2 billion in respect of the capital requirements under Proper Conduct of Banking Business Directives 201-211. Despite that which is stated in Section 40 to Proper Conduct of Banking Business Directive No. 201, the Common Equity Tier 1 capital ratio shall not fall below 8%, and the total capital ratio shall not fall below 11.5%. The Directive came into effect on June 1, 2016 and applies to Max as an "acquirer" ("prudential payments service provider").

In accordance with Max's risk profile, on March 10, 2026 Max's Board of Directors approved Max's CET1 capital ratio internal target at 9% instead of 9.25% as was the case through June 2024. The revised internal target is 100 basis points (1 percentage point) higher than the minimum CET 1 capital ratio set by the Banking Supervision Department. Max intends to hold a safety buffer above the revised internal target. The internal target for total capital ratio has not changed and stands at 12%.

### 3. Capital components for the calculation of capital ratio in Max

In NIS million	As of March	As of March	As of
	31, 2026	31, 2025	December 31, 2025
	Unaudited		Audited
<b>1. CET1 capital</b>			
Equity	2,275	2,140	2,250
Net of goodwill	*	*	*
<b>Total CET1 capital</b>	<b>2,274</b>	<b>2,139</b>	<b>2,249</b>
Regulatory adjustments:			
Adjustments for current expected credit losses - CET1 capital	-	3	3
<b>Total CET1 capital, after regulatory capital deductions</b>	<b>2,274</b>	<b>2,142</b>	<b>2,252</b>
<b>2. Tier 2 capital</b>			
Tier 2 capital: Instruments	400	250	400
Tier 2 capital: Provisions	234	216	230
<b>Total Tier 2 capital</b>	<b>634</b>	<b>466</b>	<b>630</b>
<b>Total overall capital</b>	<b>2,908</b>	<b>2,608</b>	<b>2,882</b>

\* An amount lower than NIS 1 million.

### 4. Effect of adjustments for current expected credit losses on the CET1 capital ratio in Max

In %	As of March	As of March	As of
	31, 2026	31, 2025	December 31, 2025
	Unaudited		Audited
<b>Ratio of capital to risk-weighted components</b>			
Ratio of CET1 capital to risk-weighted components, before the effect of adjustments for current expected credit losses	10.4	10.2	10.2
Effect of adjustments for current expected credit losses	-	0.01	0.01
<b>Ratio of CET1 capital to risk-weighted components</b>	<b>10.4</b>	<b>10.3</b>	<b>10.2</b>

### 5. Leverage ratio in Max pursuant to the Banking Supervision Department directives

As from April 1, 2015, Max has been implementing Proper Conduct of Banking Business Directive No. 218 on leverage ratio (hereinafter - the "Directive"). The directive sets a simple, transparent and non-risk based leverage ratio to serve as a supplementary and reliable measure for risk-based capital requirements with the purpose of limiting excess leverage in banking corporations. The leverage ratio is expressed as a percentage, and is defined as the ratio between capital measurement and exposure measurement. The capital for the purpose of measuring the leverage ratio is Tier 1 capital as defined in Proper Conduct of Banking Business Directive No. 202. Max's total exposure is the sum of the on-balance sheet exposures and off-balance-sheet items. As a rule, the measurement is consistent with the accounting values, and no risk-weighting is applied. In addition, unless specifically permitted to do so under the Directive, Max may not use physical or financial collateral, guarantees or other credit risk mitigation techniques to reduce the exposure measurement. On-balance sheet assets deducted from Tier 1 capital (in accordance with Directive No. 202) are deducted from the exposure measurement. Pursuant to the Directive, Max calculates the exposures for off-balance-sheet items by converting the sum of the items by credit conversion coefficients, as stipulated in Proper Conduct of Banking Business Directive No. 203.

Pursuant to the Directive, acquirers shall have a consolidated leverage ratio of no less than 5%.

In the circulars published in recent years by the Banking Supervision Department amending the directive, it extended the term of an expedient set as a Temporary Order in November 2020, as part of adjustments to Proper Conduct of Banking Business Directives addressing the Covid-19 crisis, according to which the leverage ratio shall not fall below 4.5% on a consolidated basis. According to the last circular, dated September 14, 2025, against the background of a review conducted by the Banking Supervision Department to amend the directive and a review of the leverage ratio and its mix, the above relief was extended as a temporary order until June 30, 2027, provided that the leverage ratio does not fall below that as of December 31, 2026 or the minimum leverage ratio applicable to the banking corporation prior to the temporary order, whichever is lower.

Following is the leverage ratio calculated in accordance with Proper Conduct of Banking Business Directive No. 218:

	As of March 31, 2026	As of March 31, 2025	As of December 31, 2025
<b>In NIS million</b>	<b>Unaudited</b>		<b>Audited</b>
<b>Consolidated data:</b>			
Tier 1 capital	<b>2,274</b>	2,142	2,252
Total exposures	<b>25,728</b>	23,975	25,486
	<b>In %</b>		
Leverage ratio	<b>8.8</b>	8.9	8.8
Minimum total leverage ratio set by the Banking Supervision Department *	<b>4.5</b>	4.5	4.5

\* In accordance with the Temporary Order as stated above.

**NOTE 7 - INCOME (LOSS) FROM INSURANCE SERVICES AND REINSURANCE**

In NIS million	For the three-month period ended March 31, 2026			
	Life Insurance	Health Insurance	P&C Insurance	Total
	Unaudited			
<b>Revenues from insurance services</b>				
<b>Contracts to which the Premium Allocation Approach (PAA) was not applied:</b>				
<b>Amounts relating to changes in liability for remaining coverage (LRC):</b>				
Contractual service margin (CSM) amount recognized in profit or loss for services provided	128	118	-	247
Change in risk adjustment (RA) for non-financial risk resulting from past risks	14	13	-	27
Claims and other expected insurance service expenses incurred	604	357	-	961
Experience adjustments arising from premiums received	(4)	-	-	(5)
Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows	33	33	-	66
<b>Total contracts to which the Premium Allocation Approach (PAA) was not applied</b>	<b>776</b>	<b>520</b>	<b>-</b>	<b>1,296</b>
<b>Contracts to which the Premium Allocation Approach (PAA) was applied</b>	<b>-</b>	<b>16</b>	<b>920</b>	<b>937</b>
<b>Total revenues from insurance services</b>	<b>776</b>	<b>536</b>	<b>920</b>	<b>2,233</b>
<b>Expenses from insurance services</b>				
Claims and expenses of other insurance service incurred	631	370	560	1,561
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	(8)	25	(57)	(40)
Losses (reversal of losses) for groups of onerous insurance contracts	3	1	(5)	(1)
Amortization of insurance acquisition cash flows	33	39	161	234
<b>Total expenses from insurance services</b>	<b>660</b>	<b>435</b>	<b>659</b>	<b>1,753</b>
<b>Income from insurance services before reinsurance policies held</b>	<b>116</b>	<b>101</b>	<b>262</b>	<b>479</b>
<b>Revenues (expenses), net for reinsurance contracts held</b>				
Reinsurance expenses:				
<b>Contracts to which the Premium Allocation Approach (PAA) was not applied:</b>				
<b>Amounts relating to changes in assets for remaining coverage (ARC):</b>				
Contractual service margin (CSM) amount recognized in profit or loss for services received	6	6	-	12
Change in risk adjustment (RA) for non-financial risk resulting from past risks	2	1	-	3
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	39	13	-	52
Experience adjustments arising from premiums paid	(4)	1	-	(3)
<b>Total contracts to which the Premium Allocation Approach (PAA) was not applied</b>	<b>44</b>	<b>21</b>	<b>-</b>	<b>65</b>
<b>Contracts to which the Premium Allocation Approach (PAA) was applied</b>	<b>1</b>	<b>-</b>	<b>258</b>	<b>259</b>
<b>Total reinsurance expenses</b>	<b>45</b>	<b>21</b>	<b>258</b>	<b>324</b>
<b>Reinsurance revenues:</b>				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	49	14	136	200
Changes relating to past service - adjustment for assets for incurred claims	(15)	(1)	(25)	(41)
Recoveries of losses (reversal of losses) for groups of onerous underlying insurance contracts	-	-	1	1
<b>Total reinsurance revenues</b>	<b>35</b>	<b>14</b>	<b>112</b>	<b>160</b>
<b>Total revenues (expenses), net for reinsurance contracts held</b>	<b>(10)</b>	<b>(8)</b>	<b>(146)</b>	<b>(163)</b>
<b>Income from insurance services</b>	<b>106</b>	<b>94</b>	<b>116</b>	<b>316</b>

In NIS million	For the three-month period ended March 31, 2025			
	Life Insurance	Health Insurance	P&C Insurance	Total
	Unaudited			
<b>Revenues from insurance services</b>				
<b>Contracts to which the Premium Allocation Approach (PAA) was not applied:</b>				
<b>Amounts relating to changes in liability for remaining coverage (LRC):</b>				
Contractual service margin (CSM) amount recognized in profit or loss for services provided	106	120	-	226
Change in risk adjustment (RA) for non-financial risk resulting from past risks	11	12	-	23
Claims and other expected insurance service expenses incurred	562	332	-	894
Experience adjustments arising from premiums received	(3)	(4)	-	(7)
Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows	29	27	-	56
<b>Total contracts to which the Premium Allocation Approach (PAA) was not applied</b>	<b>705</b>	<b>487</b>	<b>-</b>	<b>1,192</b>
<b>Contracts to which the Premium Allocation Approach (PAA) was applied</b>	<b>-</b>	<b>29</b>	<b>956</b>	<b>985</b>
<b>Total revenues from insurance services</b>	<b>705</b>	<b>516</b>	<b>956</b>	<b>2,178</b>
<b>Expenses from insurance services</b>				
Claims and expenses of other insurance service incurred	575	365	*687	1,627
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	18	14	*(65)	(33)
Losses (reversal of losses) for groups of onerous insurance contracts	4	(3)	(2)	(1)
Amortization of insurance acquisition cash flows	29	37	158	224
<b>Total expenses from insurance services</b>	<b>626</b>	<b>413</b>	<b>778</b>	<b>1,817</b>
<b>Income from insurance services before reinsurance policies held</b>	<b>79</b>	<b>103</b>	<b>178</b>	<b>361</b>
<b>Revenues (expenses), net for reinsurance contracts held</b>				
<b>Reinsurance expenses:</b>				
<b>Contracts to which the Premium Allocation Approach (PAA) was not applied:</b>				
<b>Amounts relating to changes in assets for remaining coverage (ARC):</b>				
Contractual service margin (CSM) amount recognized in profit or loss for services received	4	4	-	8
Change in risk adjustment (RA) for non-financial risk resulting from past risks	-	1	-	1
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	42	8	-	50
Experience adjustments arising from premiums paid	-	1	-	1
<b>Total contracts to which the Premium Allocation Approach (PAA) was not applied</b>	<b>46</b>	<b>14</b>	<b>-</b>	<b>60</b>
<b>Contracts to which the Premium Allocation Approach (PAA) was applied</b>	<b>1</b>	<b>-</b>	<b>289</b>	<b>290</b>
<b>Total reinsurance expenses</b>	<b>47</b>	<b>14</b>	<b>289</b>	<b>350</b>
<b>Reinsurance revenues:</b>				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	51	7	*198	256
Changes relating to past service - adjustment for assets for incurred claims	(4)	(12)	*(14)	(30)
Recoveries of losses (reversal of losses) for groups of onerous underlying insurance contracts	-	-	(1)	(1)
<b>Total reinsurance revenues</b>	<b>47</b>	<b>(5)</b>	<b>183</b>	<b>225</b>
<b>Total revenues (expenses), net for reinsurance contracts held</b>	<b>-</b>	<b>(19)</b>	<b>(106)</b>	<b>(124)</b>
<b>Income from insurance services</b>	<b>79</b>	<b>85</b>	<b>72</b>	<b>236</b>

\* Reclassified.

In NIS million	For the year ended December 31, 2025			
	Life Insurance	Health Insurance	P&C Insurance	Total
	Audited			
<b>Revenues from insurance services</b>				
<b>Contracts to which the Premium Allocation Approach (PAA) was not applied:</b>				
<b>Amounts relating to changes in liability for remaining coverage (LRC):</b>				
Contractual service margin (CSM) amount recognized in profit or loss for services provided	499	443	-	941
Change in risk adjustment (RA) for non-financial risk resulting from past risks	50	48	-	99
Claims and other expected insurance service expenses incurred	2,275	1,330	-	3,606
Experience adjustments arising from premiums received	(19)	(6)	-	(25)
Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows	122	110	-	232
<b>Total contracts to which the Premium Allocation Approach (PAA) was not applied</b>	<b>2,927</b>	<b>1,926</b>		<b>4,853</b>
<b>Contracts to which the Premium Allocation Approach (PAA) was applied</b>	<b>-</b>	<b>126</b>	<b>3,858</b>	<b>3,984</b>
<b>Total revenues from insurance services</b>	<b>2,927</b>	<b>2,052</b>	<b>3,858</b>	<b>8,837</b>
<b>Expenses from insurance services</b>				
Claims and expenses of other insurance service incurred	2,357	1,396	2,369	6,121
Changes relating to past service - adjustment for liabilities for incurred claims (LIC)	48	86	(399)	(265)
Losses (reversal of losses) for groups of onerous insurance contracts	17	9	10	36
Amortization of insurance acquisition cash flows	122	149	689	960
<b>Total expenses from insurance services</b>	<b>2,544</b>	<b>1,640</b>	<b>2,668</b>	<b>6,852</b>
<b>Income from insurance services before reinsurance policies held</b>	<b>384</b>	<b>411</b>	<b>1,190</b>	<b>1,985</b>
<b>Revenues (expenses), net for reinsurance contracts held</b>				
<b>Reinsurance expenses:</b>				
<b>Contracts to which the Premium Allocation Approach (PAA) was not applied:</b>				
<b>Amounts relating to changes in assets for remaining coverage (ARC):</b>				
Contractual service margin (CSM) amount recognized in profit or loss for services received	24	16	-	40
Change in risk adjustment (RA) for non-financial risk resulting from past risks	5	4	-	9
Recoveries of claims for underlying insurance contracts and other expected insurance services expenses incurred	158	50	-	208
Experience adjustments arising from premiums paid	(13)	(6)	-	(18)
<b>Total contracts to which the Premium Allocation Approach (PAA) was not applied</b>	<b>174</b>	<b>64</b>		<b>238</b>
<b>Contracts to which the Premium Allocation Approach (PAA) was applied</b>	<b>4</b>	<b>1</b>	<b>1,071</b>	<b>1,076</b>
<b>Total reinsurance expenses</b>	<b>178</b>	<b>65</b>	<b>1,071</b>	<b>1,314</b>
<b>Reinsurance revenues:</b>				
Recoveries of claims for underlying insurance contracts and other insurance services expenses incurred	167	49	514	730
Changes relating to past service - adjustment for assets for incurred claims	2	(16)	(91)	(105)
Recoveries of losses (reversal of losses) for groups of onerous underlying insurance contracts	1	1	(1)	1
<b>Total reinsurance revenues</b>	<b>170</b>	<b>34</b>	<b>423</b>	<b>627</b>
<b>Total revenues (expenses), net for reinsurance contracts held</b>	<b>(8)</b>	<b>(31)</b>	<b>(648)</b>	<b>(687)</b>
<b>Income from insurance services</b>	<b>375</b>	<b>380</b>	<b>542</b>	<b>1,298</b>

**NOTE 8 - INCOME (LOSS) FROM INVESTMENTS AND FINANCE, NET**

**A. Income (loss) from investments and financing, net, by operating segments**

In NIS million	For the three-month period ended March 31, 2026				
	Life Insurance and Long-Term Savings	Health Insurance	P&C Insurance	Other	Total
	Unaudited				
<b>Investment income (losses), net:</b>					
Investment income (losses), net from assets held against insurance contracts and yield-dependent investment contracts	1,172	21	-	-	1,193
<b>Income (losses) from other investments, net:</b>					
Interest revenues calculated using the effective interest method	31	-	-	-	31
Other investment income (losses), net	(271)	6	33	140	(92)
Share in income (losses) of equity-accounted investees closely related to the investing activity	-	-	-	-	-
<b>Total income (losses) from other investments, net</b>	<b>(241)</b>	<b>6</b>	<b>33</b>	<b>140</b>	<b>(62)</b>
<b>Total investment income (losses), net recognized in the statement of income</b>	<b>932</b>	<b>27</b>	<b>33</b>	<b>140</b>	<b>1,131</b>
Investment income(losses), net recognized in other comprehensive income	-	-	-	-	(1)
<b>Total investment income (losses), net</b>	<b>931</b>	<b>27</b>	<b>33</b>	<b>140</b>	<b>1,130</b>
<b>Finance expenses, net arising from insurance contracts:</b>					
Change in liabilities in respect of insurance contracts arising from changes in the fair value of underlying items of VFA contracts	989	-	-	-	989
Effects of the risk mitigation option for VFA contracts	4	-	-	-	4
Interest accrued	129	48	37	-	215
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	(553)	(14)	(35)	-	(602)
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF charged to CSM	(4)	(3)	-	-	(7)
<b>Total finance expenses, net arising from insurance contracts recognized in profit or loss</b>	<b>566</b>	<b>32</b>	<b>2</b>	<b>-</b>	<b>600</b>
<b>Finance income, net arising from reinsurance contracts:</b>					
Interest accrued	-	2	14	-	17
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	(3)	9	(13)	-	(7)
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF charged to CSM	-	-	-	-	-
<b>Total finance income, net arising from reinsurance contracts recognized in the Statement of Income</b>	<b>(3)</b>	<b>11</b>	<b>1</b>	<b>-</b>	<b>9</b>
Decrease (increase) in liabilities for investment contracts due to the yield component	(154)				(154)
<b>Total net investment and finance income*</b>	<b>209</b>	<b>6</b>	<b>31</b>	<b>140</b>	<b>386</b>
* Represented by:					
Amounts recognized in profit or loss	209	6	32	140	387
Amounts recognized in other comprehensive income	-	-	-	-	(1)

In NIS million	For the three-month period ended March 31, 2025				
	Life Insurance and Long-Term Savings	Health Insurance	P&C Insurance	Other	Total
	Unaudited				
<b>Investment income (losses), net:</b>					
<b>Investment income (losses), net from assets held against insurance contracts and yield-dependent investment contracts</b>	148	3	-	-	151
<b>Income (losses) from other investments, net:</b>					
Interest revenues calculated using the effective interest method	40	-	-	-	40
Other investment income (losses), net	(92)	36	36	115	96
Share in income (losses) of equity-accounted investees closely related to the investing activity	(1)	-	(1)	1	(1)
<b>Total income (losses) from other investments, net</b>	<b>(53)</b>	<b>36</b>	<b>35</b>	<b>116</b>	<b>135</b>
<b>Total investment income (losses), net recognized in the statement of income</b>	<b>95</b>	<b>39</b>	<b>35</b>	<b>116</b>	<b>285</b>
Investment income(losses), net recognized in other comprehensive income	1	-	1	1	3
<b>Total investment income (losses), net</b>	<b>96</b>	<b>39</b>	<b>35</b>	<b>117</b>	<b>288</b>
<b>Finance expenses, net arising from insurance contracts:</b>					
Change in liabilities in respect of insurance contracts arising from changes in the fair value of underlying items of VFA contacts	130	-	-	-	130
Effects of the risk mitigation option for VFA contracts	2	-	-	-	2
Interest accrued	148	50	26	-	224
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	(357)	(45)	(9)	-	(411)
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF charged to CSM	(2)	6	-	-	4
<b>Total finance expenses, net arising from insurance contracts recognized in profit or loss</b>	<b>(79)</b>	<b>11</b>	<b>17</b>	<b>-</b>	<b>(51)</b>
<b>Finance income, net arising from reinsurance contracts:</b>					
Interest accrued	(2)	2	11	-	11
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	(4)	(2)	(5)	-	(11)
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF charged to CSM	-	-	-	-	-
<b>Total finance income, net arising from reinsurance contracts recognized in the Statement of Income</b>	<b>(6)</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>1</b>
<b>Decrease (increase) in liabilities for investment contracts due to the yield component</b>	<b>(36)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36)</b>
<b>Total net investment and finance income*</b>	<b>133</b>	<b>29</b>	<b>26</b>	<b>117</b>	<b>305</b>
<b>* Represented by:</b>					
<b>Amounts recognized in profit or loss</b>	<b>132</b>	<b>29</b>	<b>25</b>	<b>116</b>	<b>302</b>
<b>Amounts recognized in other comprehensive income</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>3</b>

In NIS million	For the year ended December 31, 2025				
	Life Insurance and Long-Term Savings	Health Insurance	P&C Insurance	Other	Total
	Audited				
<b>Investment income (losses), net:</b>					
<b>Investment income (losses), net from assets held against insurance contracts and yield-dependent investment contracts</b>	13,952	215	-	-	14,167
<b>Income (losses) from other investments, net:</b>					
Interest revenues calculated using the effective interest method	186	-	-	-	186
Other investment income (losses), net	1,840	290	267	1,023	3,420
Share in income (losses) of equity-accounted investees closely related to the investing activity	1	-	(1)	3	4
<b>Total income (losses) from other investments, net</b>	<b>2,027</b>	<b>290</b>	<b>266</b>	<b>1,026</b>	<b>3,609</b>
<b>Total investment income (losses), net recognized in the statement of income</b>	<b>15,979</b>	<b>505</b>	<b>266</b>	<b>1,026</b>	<b>17,776</b>
Investment income(losses), net recognized in other comprehensive income	(8)	(1)	(4)	(2)	(14)
<b>Total investment income (losses), net</b>	<b>15,971</b>	<b>504</b>	<b>263</b>	<b>1,024</b>	<b>17,762</b>
<b>Finance expenses, net arising from insurance contracts:</b>					
Change in liabilities in respect of insurance contracts arising from changes in the fair value of underlying items of VFA contracts	11,475	-	-	(2)	11,473
Effects of the risk mitigation option for VFA contracts	71	-	-	-	71
Interest accrued	589	204	131	-	924
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	1,183	125	143	-	1,451
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF charged to CSM	(6)	4	-	-	(2)
<b>Total finance expenses, net arising from insurance contracts recognized in profit or loss</b>	<b>13,311</b>	<b>332</b>	<b>274</b>	<b>(2)</b>	<b>13,916</b>
<b>Finance income, net arising from reinsurance contracts:</b>					
Interest accrued	(22)	7	51	-	37
Effects of changes in interest rates and other financial assumptions (including inflation assumptions)	25	33	59	-	117
Effect of the difference between discounting with the current rate and discounting with the original rate of the changes in FCF charged to CSM	3	-	-	-	2
<b>Total finance income, net arising from reinsurance contracts recognized in the Statement of Income</b>	<b>6</b>	<b>40</b>	<b>110</b>	<b>-</b>	<b>156</b>
<b>Decrease (increase) in liabilities for investment contracts due to the yield component</b>	<b>(1,879)</b>				<b>(1,879)</b>
<b>Total net investment and finance income*</b>	<b>787</b>	<b>212</b>	<b>99</b>	<b>1,026</b>	<b>2,123</b>
<b>* Represented by:</b>					
<b>Amounts recognized in profit or loss</b>	<b>795</b>	<b>212</b>	<b>102</b>	<b>1,028</b>	<b>2,137</b>
<b>Amounts recognized in other comprehensive income</b>	<b>(8)</b>	<b>(1)</b>	<b>(4)</b>	<b>(2)</b>	<b>(14)</b>

## NOTE 9 - CONTINGENT LIABILITIES AND CLAIMS

### 1. Preamble - Claims not in the Ordinary Course of Business

Following are details regarding legal actions not in the ordinary course of business, as follows: material claims<sup>1</sup> which may be derivative actions, actions whose filing as class actions has been certified; pending motions for certification of material claims as class actions; material and immaterial class actions which were concluded during the reporting period and until its signing and other material claims against the Group companies (hereinafter - "**Claims not in the Ordinary Course of Business**" or "**Claims**").

The following claimed amounts are presented in amounts that are correct as of the date of their filing, and as detailed by the plaintiffs, unless noted otherwise.

It is noted, as a general rule, that the exposure to financial demands, either specific or general, is subject to the laws of prescription. The prescription periods in respect of Claims for insurance benefits in the insurance products vary according to the type of product and the event in respect of which the claim of prescription has been raised. The exposure due to prescription is especially intense in those insurance sectors with "long-tail claims" and long-term insurance policies, in Life Insurance and Health Insurance, in which Clal Insurance operates. In legal actions not pertaining to insurance benefits, the prescription period is pursuant to what is prescribed in the Prescription Law, 1985. In February 2024, in view of the Iron Swords War, an amendment to the prescription period was approved, primarily stating that the period from October 7, 2023 to April 6, 2024 will not be taken into account in the calculation of the prescription period required by law, subject to the established exceptions. The period of time required to investigate the claim, which on occasions may be long, particularly in class actions, extends the period in respect of which refund or compensation need to be effected, as part of the prescription period.

#### 1.1 General details regarding class actions

As part of a general trend in those markets in which the Group operates, a significant number of class action certification motions have been filed in past years against the Group companies, and as a result, there has been an increase in the number of actions filed against the Group companies that have been recognized as class actions by the courts. This trend, which is the result, among others, of the enactment of the Class Actions Law, 2006 (hereinafter - the "**Law**"), the growing number of legal actions and the approach of the courts, substantially increases the Company's potential of exposure to losses due to rulings against the Group's members in class actions filed against them. However, there was a decline in the total number of class certification motions filed against Group companies in the reporting year. The Group cannot assess whether this trend will continue in the coming years.

A class action lawsuit, as it is defined in the Law, is a lawsuit managed on behalf of an anonymous class of persons, who have not granted power of attorney in advance to the lead plaintiff for that purpose, and which raises material questions of fact or law that are common to all the class members, under which a motion to certify is first heard. Only if the class action certification motion is granted will the claim be defined as a "class action", and the plaintiff will then become a "class plaintiff".

It is noted that the scope and content of the hearing regarding a class action on its merits, is affected by the ruling approving a motion to certify. A certification ruling usually relates to both the causes of action that have been approved and those that have not; the reliefs that have been approved and those that have not; etc.

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1. It is noted that, in general, in this note, a claim is considered material and described according to a qualitative or quantitative assessment that the Company makes when receiving the claim. With respect to the quantitative assessment, insofar as the actual exposure amount, net of tax, crosses the Group's materiality threshold for the purpose of profit – assuming the claim is deemed justified and without taking into account the claim's odds or the amount specified therein on their merits. The Group's said materiality threshold is calculated based on the projected comprehensive loss from the claim, divided by the average annual comprehensive income or comprehensive loss in the last three years, calculated using the last 12 quarters for which reviewed or audited financial statements were published; it is clarified that the profit/loss attributable to the event and the profit/loss in each quarter are calculated according to their absolute value. The above classification is made as of the date of filing the lawsuit. However, as legal proceedings can extend and unfold, sometimes over years, a claim which was not considered material at the time of filing may subsequently become material, in which case disclosure will be made with respect to it at a later date. In addition, a claim may be considered material for the purpose of such a disclosure if the Company is unable to assess the total exposure. Notwithstanding the foregoing, it is noted that, due to the absence of comprehensive income or comprehensive loss data for 12 quarters calculated in accordance with the reporting standards, during 2026 - the materiality thresholds will be calculated based on quarterly data for which reports have been published in accordance with IFRSs. From the date on which the Company publishes results in accordance with the reporting standards - for 12 consecutive quarters - the calculation will again be performed based on the most recent 12 quarters, as stated above.

The motions to certify claims as class actions detailed below, are currently in the various stages of procedural adjudication, some have been approved and some are undergoing appeal proceedings.

### **1.2 Additional exposures**

It is noted that in addition to the legal proceedings, from time to time there are potential exposures which cannot currently be evaluated or quantified, in respect of commercial disputes or warnings pertaining to the intention to file suits, including class actions and derivative actions on certain matters, or legal proceedings and specific inquiries that may develop into claims in the future, including class actions or third party notices against the Group's member companies, as well as exposure resulting from the complexity of the regulation applying to the activity of the Group's member companies.

The Group's member companies are unable to predict in advance whether a customer's claim which has been brought to the companies' attention will eventually lead to the filing of a class action lawsuit, or will lead to a sector-wide ruling or will have sector-wide implications, even in those cases in which the customer threatens to do so, and furthermore the Group's member companies cannot estimate the potential exposure that may be created in respect of the aforementioned claims, insofar as these may be adjudicated and found to be justified by a competent authority. For details, see Section 2.2.2 below.

The following are details of lawsuits outside the ordinary course of business, as detailed below, that had been brought against the Company and its consolidated companies, divided into Max and the consolidated companies in Max's statements (hereinafter - the "**Max Group Companies**") and the other Group companies.

## **2. Exposures against the Company and the consolidated companies, not including the Max Group Companies**

Following are details regarding material lawsuits that have been certified as class action lawsuits (Section 2.1.1), pending motions to certify material lawsuits as class actions (Section 2.1.2), and material class actions, material claims and motions to certify material claims as class actions that had concluded during the reporting period and until the report was signed (Section 2.1.3), exposures due to immaterial class actions or class actions that have not yet been filed, and exposure due to regulatory provisions (Section 2.2), additional exposures (including claims) (Section 2.3) which were all brought against the Company and/or the consolidated companies, except the Max Group Companies.

### **2.1. Class actions against the Company and the consolidated companies, with the exception of the Max Group Companies**

#### **2.1.1 Material claims whose filing as class actions was certified, against the Company and the consolidated companies, with the exception of the Max Group Companies**

Following are details of material claims which were certified as class actions and are at various stages of litigating the respective proceeding on its merits, including inquiry into the substantive claim before the court of first instance or the appellate court after the ruling to certify the claim or dismiss it has been rendered, or after a judgment that granted or dismissed the lawsuit has been rendered.

<b>1. Date and court</b>	5/2013 - District Court - Tel Aviv
<b>Defendants</b>	Clal Insurance and additional insurance companies
<b>Key claims and causes of action</b>	According to the plaintiff, the defendants are in breach of their duty to add linked interest as well as the lawful linkage differences in respect of the insurance benefits they pay. According to the plaintiffs, the date from which interest and linkage differences should be calculated is the insured event's occurrence date, until the actual payment date. Alternatively, linkage differences must be paid from the insured event's occurrence date and until the actual payment date, and interest must be paid starting 30 days from the date of submitting the insurance claim until the actual payment of insurance benefits.
<b>Key remedies</b>	Charge the defendants to pay the class members linkage differences and interest due to the underpayment. In addition and/or alternatively, the court is asked to order damages to the public, as it deems suitable.
<b>Represented class</b>	According to the ruling - all Entitled Parties who, during the period commencing three years prior to bringing the lawsuits (filed against Clal Insurance in May 2013) and ending on the day of rendering the Judgment, were paid insurance benefits from the defendants, not in accordance with a judgment in their case, without the lawful interest added to them.
<b>Status / further details</b>	<p>In August 2015, the District Court rendered its ruling to dismiss the motion to certify against the defendants with respect to the claim of non-payment of linkage differences, but accept the motion to certify against the defendants with respect to the claim of underpaying interest on insurance benefits.</p> <p>In February 2021, a partial judgment was rendered, in which the court determined that the class action was granted, and charged the defendants recovery of interest differentials to the class members, as detailed in the judgment (hereinafter - the "<b>Judgment</b>"). In accordance with the Judgment, it was found that the "day of filing an insurance claim," on which the 30-day race begins and after which linked interest must be added to the insurance benefits in accordance with the provisions of Section 28(a) of the Insurance Contract Law, 1981 (hereinafter - the "<b>Insurance Contract Law</b>"), is the date the insurance company or the insurance agent, whichever is earlier, first receive an inquiry indicating that the policyholder, a third party, or the beneficiary, wish to be paid the insurance benefits, without needing to attach any document.</p> <p>It was further determined that when the insurance benefits are calculated at their value on a date after the insured event's occurrence, interest will be added to them only from that date, and with respect to recovery of funds paid to service providers in a deferred payment – the interest differentials would be calculated starting from the actual payment date.</p> <p>It was also determined that for the purpose of implementing the Judgment and calculating the total damages to the class members in accordance with the principles set forth in the partial judgment, an expert must be appointed, and that the reward payable to the representative plaintiffs and their counsels' legal fees would be determined in the final judgment.</p> <p>In May 2021, the defendants filed an appeal, or, alternatively, a motion for leave to appeal the Judgment to the Supreme Court. In November 2022, the Supreme Court dismissed the motion for leave to appeal.</p> <p>The proceeding is currently being litigated before the District Court.</p> <p>The parties are conducting a mediation proceeding regarding this lawsuit. In September 2025, the parties informed the court that they were in the midst of drafting a settlement agreement. The court ruled that the parties would submit the settlement agreement by mid-May 2026.</p>
<b>Claimed amount</b>	<p>The plaintiff estimates the cumulative amount due to the First Class at NIS 518 million (if it is decided that the interest must be calculated from the insured event's occurrence date), or at NIS 210 million (if it is decided that the interest must be calculated starting 30 days from the date of filing the insurance claim to the insurance company).</p> <p>The plaintiff estimates the cumulative amount due to the Second Class (for which the motion to certify was denied) at an additional amount of NIS 490 million, due to linkage differences.</p>

<b>2. Date and court</b>	1/2008 - District Court - Tel Aviv
<b>Defendants</b>	Clal Insurance and additional insurance companies
<b>Key claims and causes of action</b>	According to the plaintiff, the defendants charge sub-annuals, a payment which is collected in life insurance policies in which the insurance rate is determined as an annual amount but the payment is made in several installments (hereinafter - " <b>Sub-Annuals</b> "), at an amount that exceeds the permitted amount, and they do so, allegedly, in several methods: collecting Sub-Annuals with respect to the "policy factor" component, collecting Sub-Annuals at a rate that exceeds the permitted rate in accordance with the Insurance Supervision circulars, collecting Sub-Annuals with respect to the savings component in life insurance policies, and collecting Sub-Annuals with respect to non-life insurance policies.
<b>Key remedies</b>	Refund of all the amounts the defendants had collected unlawfully, as well as a mandatory injunction ordering the defendants to change their modus operandi with respect to the matters specified in the lawsuit.
<b>Represented class</b>	According to the court's decision - anyone who entered into an insurance contract with the defendants or any of them and was charged Sub-Annuals with respect to the following components: with respect to the "mixed" life insurance savings component sold by Clal Insurance in the past, with respect to the "policy factor" (which is a fixed monthly amount which is added to the premium whose aim is to cover expenses), and with respect to health policies, permanent health policies, critical illness policies, permanent health policies, and long-term care policies.
<b>Status / further details</b>	<p>In July 2016, the court certified the lawsuit as a class action.</p> <p>The court rendered the ruling notwithstanding the Commissioner's position, which had been issued at the court's request, in which the Commissioner concurred with the insurance companies' position.</p> <p>In December 2016, the defendants filed a motion for leave to appeal against the ruling to certify the claim as a class action to the Supreme Court (hereinafter - "<b>MLA</b>"), and in May 2018, the Supreme Court accepted the MLA, heard it as an appeal, and rendered a judgment granting the appeal and dismissing the lawsuit accordingly.</p> <p>In June 2018, the plaintiffs moved to hold a further hearing of the judgment, with respect to some of the findings therein. In February 2020, a position was submitted to the Supreme Court on behalf of the Attorney General within the further hearing, according to which, the Attorney General believed that there was no justification to intervene with the ruling rendered in the judgment on the appeal, which was based on adopting the Capital Market Authority's interpretive position.</p> <p>In July 2021, a judgment was rendered in the petition for a further hearing, stating that the ruling that certified the lawsuit as a class action would be reinstated, such that the motion to certify would be granted and the case would be returned to the District Court to hear the class action lawsuit on its merits.</p> <p>The proceeding is currently being litigated before the District Court.</p> <p>The parties are conducting a mediation procedure.</p>
<b>Claimed amount</b>	The amount claimed from Clal Insurance was revised and set at approx. NIS 398.2 million.

<b>3. Date and court</b>	7/2014 - District Court - Central
<b>Defendants</b>	Clal Pension and Provident Funds Ltd. as well as against four other pension fund management companies.
<b>Key claims and causes of action</b>	According to the plaintiffs, the defendants raised the management fees it charged from pensioners in the pension funds they manage at the stage of paying the pension, to the maximum lawful management fees ceiling (0.5% of the accumulated balance), while taking advantage of the pensioners' position as a "captive audience," while active planholders paid significantly lower management fees, on average. It was further claimed that the defendants do not disclose to their planholders that when they become pensioners, the management fees they pay the defendants would immediately be raised to the maximum management fees.
<b>Key remedies</b>	To require the defendants to return the excess management fees unlawfully charged from the class members with interest and linkage; to require the defendants to lower the management fees charged to the pensioners, such that they do not exceed the management fees it charged before each one of them retired; to prohibit the defendants from raising the planholders' management fees immediately before they retire.
<b>Represented class</b>	According to the court's decision - anyone who is a planholder in a new comprehensive pension fund managed by one of the respondents and is entitled to be paid an old-age pension after they retire in the seven years prior to submitting the motion to certify and/or will be entitled to be paid an old-age pension in the future. It is noted that pension beneficiaries who retired in the latter half of 2018 will be given notice in accordance with the standard-conforming bylaws the regulator had published, that came into force starting in that year.
<b>Status / further details</b>	In March 2022, the District Court decided to grant the motion to certify against the defendants, with respect to whether the defendants had had to notify the planholders of the management fees they would be charged in the pension period in advance, and if so, what damage had been caused by the failure to provide such a notice. In January 2026, the parties submitted to the court a settlement agreement approval motion. As part of the settlement agreement, a mechanism was established for the payment of compensation to the class members, with differentiation based on the date on which they began receiving a retirement pension. Furthermore, under the settlement agreement, it was agreed to pay a compensation to the representative plaintiff and legal fees to his attorneys.
<b>Claimed amount</b>	At the motion filing date, the plaintiffs estimated the management fees the defendants collected unlawfully from current pensioners at NIS 48 million; the management fees to be unlawfully collected from current pensioners in the future by the defendants were estimated at NIS 152 million; and the management fees to be collected unlawfully from future pensioners in the future were estimated by the defendants at NIS 2,800 million. The said amounts are claimed with respect to all the defendants.
<b>4. Date and court</b>	9/2015 - District Court - Central
<b>Defendants</b>	Clal Insurance and three other insurance companies
<b>Key claims and causes of action</b>	According to the plaintiffs, when the defendants give a score for the "incontinence" function within examinations of claims for insurance benefits under long-term care policies, they apply an interpretation according to which, in order for a policyholder's claim due to "incontinence" to be recognized, it must be the result of a urological or gastroenterological illness or defect, rather than assigning the function a score even when the source of the policyholder's poor medical and functional condition due to which he or she suffers from "incontinence" may be an illness, accident, or health defect outside the domain of urology or gastroenterology.
<b>Key remedies</b>	To compel the defendants to compensate the class members in full for the damage caused to the latter due to the defendants' alleged breaches of the agreement, and to comply with the agreement from here on out, and alternatively, to award any other remedy as the court deems suitable under the circumstances.
<b>Represented class</b>	According to the court's decision, any policyholder of long-term care insurance who suffered a loss of bowel or bladder control, due to a combination of incontinence that does not amount to an organic loss of control with a poor functional condition, and regardless of the aforesaid did not receive from the insurance companies points for incontinence when examining their claim to receive long-term care insurance benefits, such that their rights to insurance benefits were jeopardized between September 8, 2012 and the motion certification date.
<b>Status / further details</b>	In April 2020, the court partially certified the lawsuit as a class action lawsuit against Clal Insurance and three other insurance companies. The causes of action for which the class action was certified were a breach of the long-term care insurance contract that resulted in non-payment of long-term care insurance benefits or underpayment of long-term care insurance benefits, due to the policyholders not being recognized as qualifying for a score on their incontinence. The proceeding is currently being litigated. In January 2026, the parties submitted a settlement agreement approval motion, the principal terms of which include partial compensation to potential class members in accordance with a mechanism detailed in the settlement agreement, and payment of a reward to the lead plaintiff and legal fees to his counsel.
<b>Claimed amount</b>	According to the plaintiffs, the damage cannot be estimated, but estimated it in the tens and even hundreds of millions of shekels.

<b>5. Date and court</b>	10/2016 - District Court - Central
<b>Defendants</b>	Clal Insurance
<b>Key claims and causes of action</b>	According to the plaintiff, within an engagement with a collective policy master policyholder (a health maintenance organization) for the sale of a collective long-term care insurance policy, Clal Insurance had committed to give the collective policyholders who enroll in the private policy a 20% discount on the premium, and did not do so (hereinafter - the " <b>Collective Policy</b> ").
<b>Key remedies</b>	Refund of the amounts by which the class members were overcharged.
<b>Represented class</b>	In accordance with the court's ruling – anyone who bought an individual long-term care insurance policy from Clal Insurance in which the eligibility period is lifetime compensation, between October 30, 2009, and December 31, 2018, while they were insured under the Collective Policy, and Clal Insurance did not give them a discount of at least 20% according to Clal Insurance's lowest prevailing rate at the time of purchase in respect of individual policies that are equivalent to the plan the policyholder had chosen, for a policyholder of comparable age and health condition, provided that it does not exceed the regulator-approved rate.
<b>Status / further details</b>	In January 2021, the court partially certified the motion to approve the class action. The lead plaintiff's motion to certify the lawsuit as a class action, including with respect to any group of policyholders who hold a private long-term care policy in which the period of eligibility for compensation is not for the policyholder's entire life, was denied. The causes of action for which the claim was certified as a class action lawsuit are a breach of the provisions of the Collective Policy and unjust enrichment, and the claimed remedy is restitution of the amounts by which the class members were overcharged. The proceeding is currently being litigated on the merits. In May 2025, the parties submitted a settlement agreement approval motion, in which mechanisms were set for granting or completing a discount to the relevant past and present policyholders, at rates agreed between the parties. Furthermore, under the settlement agreement, it was agreed to pay a compensation to the representative plaintiff and legal fees to his attorneys. The Court ordered to obtain the position of the Attorney General and the Commissioner.
<b>Claimed amount</b>	In the claim, the plaintiff estimated the alleged damage to all class members at NIS 52 million for alleged damage caused until the date of filing the motion, and NIS 126 million for the damage expected to be caused to the class members in the next 10 years.
<b>6. Date and court</b>	11/2019 - Regional Labor Court - Tel Aviv
<b>Defendants</b>	Clal Insurance
<b>Key claims and causes of action</b>	According to the plaintiff, Clal Insurance charged management fees in life insurance policies with an integrated profit-sharing savings component issued before January 12, 2004 (hereinafter - the " <b>Relevant Policies</b> "), at rates that deviate from the permissible limits, without a legal and/or contractual basis.
<b>Key remedies</b>	Remedy in the form of restitution of the management fees the class members were unlawfully charged, as well as a mandatory injunction ordering Clal Insurance to change its modus operandi with respect to the collection of management fees in the Relevant Policies from here on out.
<b>Represented class</b>	According to the Court's decision - anyone who was or is a policyholder of the respondent under a Relevant Policy in the period beginning seven years prior to the date of filing the lawsuit and ending on the day the lawsuit was certified as a class action lawsuit, and whom Clal Insurance charged Management Fees from premiums exceeding the permitted ceiling under the relevant regulations and/or in accordance with the provisions of the policy's provisions.
<b>Status / further details</b>	In June 2023, the Regional Labor Court decided to reject the claims that Clal Insurance charged management fees out of the accrued savings in violation of the law or contrary to the provisions of the policy, as well as the alternative claim that Clal Insurance charged management fees out of the accrued savings at a rate that exceeded the rate permitted by law; however, the Court decided to partially certify the lawsuit as a class action claiming that Clal Insurance collected management fees from policyholders insured under the relevant policies management fees out of premium contrary to the provisions of the policy. It is noted that these policies have been marketed since 1999 and up to 2023. The causes of action for which the lawsuit was certified as a class action lawsuit are: a breach of agreement, unjust enrichment, and a breach of statutory duty, including a breach of Clal Insurance's duties of trust and duties of care, and deception. In May 2025, the parties submitted a settlement agreement approval motion; the agreement focuses mainly on setting a mechanism for partial restitution of amounts in respect of some of the allegations included in the lawsuit regarding the management fees from the premium collected in the relevant policies during the period beginning 7 years prior to the lawsuit's filing date, and provisions regarding a future discount in the management fees to be collected from the relevant policies, which are still active. Furthermore, the settlement agreement stipulated provisions concerning the issuance of a notice to class members regarding the settlement agreement and payment of compensation and the plaintiff attorneys' legal fees. In July 2025, the court ruled that the Attorney General must submit her position regarding the settlement agreement.
<b>Claimed amount</b>	NIS 120 million

<b>7. Date and court</b>	5/2019 - Regional Labor Court - Tel Aviv
<b>Defendants</b>	Clal Insurance
<b>Key claims and causes of action</b>	According to the plaintiff, the defendant systematically reduces the permanent health insurance benefits it pays its policyholders under its participating permanent health insurance policies, by unlawfully deducting management fees and calculative interest.
<b>Key remedies</b>	Restitution in kind of the funds the class members were unlawfully denied, according to the plaintiff, and with respect to the premium release funds – crediting the policies' savings. The plaintiff also petitions to declare that certain provisions of the policies, in relation to the interest and management fees deduction from the yield to which the policyholders are entitled, are void.
<b>Represented class</b>	In accordance with the Regional Labor Court ruling – all current or former policyholders (holding participating Clal Insurance life insurance policies stipulating a mechanism for linking permanent health insurance benefits to the return on the investment portfolio, starting from the 25th payment) to whom the respondent paid and/or pays permanent health insurance benefits for a period exceeding 24 months, and for whom the respondent deducted and/or deducts the calculative interest from the return, starting from the payment for the 25th month.
<b>Status / further details</b>	In November 2024, the Regional Labor Court partially certified the lawsuit as class action, while allowing the claim regarding the unlawful deduction of the calculative interest rate as from May 28, 2016; the court dismissed the claim regarding unlawful deduction of management fees from the insurance benefits. The causes of action in respect of which the lawsuit was certified as a class action are alleged breach of Section 3 to the Insurance Contract Law, alleged breach of the duty to draft the insurance contract in a clear manner and include therein all relevant provisions, and alleged breach of the duty to act in good faith and unjust enrichment. In January 2025, Clal Insurance brought a motion for leave to appeal before the National Labor Court, and the movant filed an appeal solely on obsolescence. The National Court ordered the regulator to submit its position regarding the questions underlying the proceeding.
<b>Claimed amount</b>	The plaintiff estimated the total alleged damage to all class members at NIS 2.4 billion.

**2.1.2 Pending motions to certify material claims as class actions against the Company and the consolidated companies, with the exception of the Max Group Companies<sup>2</sup>**

<b>1. Date and court</b>	2/2020 District Court - Central
<b>Defendants</b>	Clal Insurance and another insurance company
<b>Key claims and causes of action</b>	According to the plaintiffs, due to "lack of knowledge" following the failure to present the personal accidents insurance policy (hereinafter - the " <b>Policy</b> ") to the students, to the policyholders, and to their relatives, and the Policy's non-publication, the policyholders have not been exercising their right to benefits under the Policy, and they are incurring damages.
<b>Key remedies</b>	Issue orders against the defendants and the Insurance Commissioner for the discovery of documents and data; order the extension of the prescription period; order the appointment of a committee that will include independent members and will be authorized to discuss and decide all personal claims under the Policy for three years, in respect of all cases before October 25, 2016 (hereinafter - the " <b>Committee</b> "), and will also be authorized to discuss the issue of the Policy's delivery; order a procedure for transferring the burden of evidence; issue a mandatory injunction ordering the defendants to compensate the plaintiffs in accordance with the Committee's ruling; award special damages to the plaintiffs and the counsels' legal fees.
<b>Represented class</b>	The motion classifies the plaintiffs into several subcategories, mainly including: Any student in a school or kindergarten in the State of Israel who had been insured under a personal accidents insurance policy by the defendants and did not receive a copy of the personal accidents insurance policy at their home, starting from the school year that started in September 2006, and/or any student whose cause of action against the insurance company has become invalid under the statute of limitations; In addition, the motion defines additional subcategories, comprising students who were born after October 25, 1995, and who, between the ages of 3 and 19 (while in the Israeli education system, from kindergarten and until their graduation from the 12th or 13th grade), suffered an accident that resulted in physical harm, and who were not paid insurance benefits in accordance with the Policy, divided into sub-categories according to the type of harm, as detailed in the motion; In addition, a subcategory comprising of people born in 1974 to 1995, whose members are people and/or their parents and/or heirs who were born and/or studied in Israel between 1974 and 1995 and who were injured or killed after 1992, and did not file insurance claims because they did not know about the Policy and its scope; and the subcategory of all policyholders – all students and all their parents, from September 1992 to September 18, 2016, divided into sub-categories according to the causes of harm, as detailed in the lawsuit.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed. In March 2025, a settlement agreement approval motion was submitted, which focused mainly on the publication of ads regarding the scope of the policy's coverage.
<b>Claimed amount</b>	The plaintiffs estimated the alleged damage against Clal Insurance at approx. NIS 1.4 billion, plus approx. NIS 1.5 billion in damage attributable to the two defendants due to breach of autonomy.

2. Including such motions which were denied and the ruling to deny them was appealed.

<b>2. Date and court</b>	3/2020 - Regional Labor Court - Tel Aviv
<b>Defendants</b>	Clal Insurance
<b>Key claims and causes of action</b>	According to the plaintiff, Clal Insurance systematically violates the provisions of the law by charging unlawful insurance premiums for “temporary risk” insurance (payment for insurance coverage when the regular deposits into a savings policy with combined insurance components are discontinued), by making excessive deductions out of the accrued savings amount and thus reducing the accrued savings, without informing the policyholders in advance of making the “temporary risk” insurance and of its terms and rates, and in breach of the duty to send the policyholders up-to-date insurance information sheets on time or at all.
<b>Key remedies</b>	(1) Reimbursement of all funds charged out of the accrual and/or otherwise in respect of the entire period following the termination of employment (except when the policyholder has asked to purchase the insurance coverages in writing). Alternatively, restitution of all funds collected for the period after 3 or 5 months from the termination of their employment, in accordance with the relevant statutory arrangement (hereinafter - the “ <b>Automatic Temporary Risk Period</b> ”), and in cases of higher insurance premiums, restitution of the excess insurance premiums in respect of the Automatic Temporary Risk Period as well; (2) a prohibition on making “temporary risk” insurances for a period exceeding the Automatic Temporary Risk Period, except when the policyholders request this in writing; (3) compelling Clal Insurance to return the excess insurance premiums paid by policyholders who were charged double insurance premiums (for the month they returned to work); (4) various provisions relating to future conduct (including a prohibition on increasing premiums, giving prior notice of the purchase of a temporary risk, etc.).
<b>Represented class</b>	The represented class for the purpose of the non-pecuniary remedies is all policyholders under provident funds or insurance plans within which employers and/or employees make contributions for permanent health insurance and/or insurance in case of death, or any other insurance risk. The represented class for the purpose of monetary reliefs are: (a) all the policyholders for whom funds were collected for permanent health insurance or insurance in case of death or any other insured event, out of the accrual funds or any other source, without prior notice; (b) alternatively, policyholders who were charged insurance premiums for periods that exceed the Automatic Temporary Risk Period, unless they agreed in advance; (c) policyholders who were charged higher insurance premiums than the insurance premiums they were charged when they were active policyholders and/or who were charged for new insurance policies that they did not have prior to the termination of their work; (d) policyholders who were charged double insurance premiums. According to the plaintiff, the lawsuit ought not to be subject to any prescription. Alternatively, the claim for pecuniary remedies is made for the period starting 7 years before the lawsuit was filed, i.e., 2020, until the lawsuit is certified as a class action.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed. In March 2025, a settlement agreement approval motion submitted; the agreement sets mechanisms for partial restitution of amounts in respect of some of the allegations included in the lawsuit regarding the duration of the collection of premiums for insurance coverage during the Temporary Risk Period and/or the rate of the insurance premium collected during the Temporary Risk Period. Furthermore, a mechanism was set for notifying policyholders who will enter the Automatic Temporary Risk Period, as detailed in the agreement. In addition, a mechanism was set for clarifying facts and reaching a decision through an expert regarding another allegation made in the statement of claim (pertaining to policyholders who were charged double insurance premiums); it was also agreed on payment of compensation and legal fees to the movant and their attorney. In September 2025, the Attorney General's position regarding the settlement agreement was filed. Further to the court's decision regarding the settlement agreement of May 2026, the parties filed a motion to approve an amended settlement agreement.
<b>Claimed amount</b>	The class action claimed amount was estimated conservatively, according to the plaintiff, at no less than NIS 7 million per year.

<b>3. Date and court</b>	4/2020 - District Court - Haifa
<b>Defendants</b>	Clal Insurance and 12 additional insurance companies
<b>Key claims and causes of action</b>	According to the plaintiffs, the respondents must be compelled to compensate the class members and fully remedy the harm they incurred due to the excess premiums they have been paying for motor insurance, due to the dramatically reduced use of vehicles during the Covid-19 pandemic and the significantly reduced risk level.
<b>Key remedies</b>	Compensate the class members, repair all the harm they suffered, issue a mandatory injunction ordering the adjustment of the collected amounts to the risk the respondents are actually exposed to during the effective period, and/or render a declaratory judgment stating that a material reduction in the use of vehicles, as had occurred, for example, during the effective period, calls for an adjustment (reduction) to the premium.
<b>Represented class</b>	Any policyholder of one or more of the respondents, under a compulsory motor insurance and/or comprehensive motor insurance and/or third party motor insurance policy, during the period commencing on March 8, 2020, and ending on the date of full and final removal of movement restrictions imposed on residents of Israel due to the coronavirus, or part of it.
<b>Status / further details</b>	In August 2025, the District Court's rendered its judgment, in which the motion to certify was denied. In November 2025, an appeal against the ruling was filed with the Supreme Court.
<b>Claimed amount</b>	The plaintiffs estimated the alleged damage against Clal Insurance in respect of the period from March 8, 2020, until April 30, 2020, at NIS 103 million, and jointly for all the respondents (except one), at approx. NIS 1.2 billion. Alternatively, for 8 of the defendant companies (that do not include Clal Insurance), it was claimed that the damage is approx. NIS 720,000 thousand. The movants note that the damage accrued further as the collection did not cease.
<b>4. Date and court</b>	7/2020 - District Court - Central
<b>Defendants</b>	Clal Insurance and 4 additional insurance companies
<b>Key claims and causes of action</b>	According to the plaintiffs, the defendants allegedly do not reduce the insurance premiums for policyholders for whom pre-existing condition exclusions were stipulated, even though the exclusions are claimed to lower the insurance risk, relative to the risk in insurance policies held by policyholders for whom no such exclusions were stipulated.
<b>Key remedies</b>	Compensation/refund of all the amounts the policyholders in the class were overcharged by, with linkage differences and interest as per the law, as well as a mandatory injunction ordering the defendants to change their modus operandi.
<b>Represented class</b>	Anyone who was a policyholder during the period beginning 7 years before the day of filing the claim and ending on the day of its certification as a class action, by one or more of the defendants, under an insurance policy for disability, long-term care, life, permanent health, personal accidents, health (including critical illness, surgeries in Israel or abroad, transplants in Israel or abroad, medications, ambulatory procedures or any other medical coverage) that contains an exclusion. For this purpose, an "exclusion" – a policy clause which stipulates that any event / injury / disease, or any risk that materializes and that stems from and/or is related to a pre-existing condition the policyholder had on the day the policy was obtained, are not covered under the policy.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
<b>Claimed amount</b>	The plaintiffs estimated that the total damage to all class members with respect to all the defendants totals NIS 1.9 billion, and they note that each defendants' share is in accordance with its market share of the Health and Life Insurance Subsegment, according to the Capital Market Commissioner's publications.
<b>5. Date and court</b>	4/2021 - District Court - Tel Aviv-Jaffa
<b>Defendants</b>	Clal Insurance and 14 additional companies
<b>Key claims and causes of action</b>	The lawsuit concerns the claim that the defendants are violating the provisions of the law by transferring their customers' personal and confidential information, without the customers' consent, to third parties (in particular, to Google and its advertising service), thus infringing on the customers' right to privacy and violating their lawful obligations.
<b>Key remedies</b>	The main remedies the plaintiffs are petitioning for are: to instruct the defendants to cease transferring information about their customers to third parties, to act in accordance with the law and guard and protect the customers' privacy, to disclose all the documents in their possession and that may aid in the investigation into the truthful, and to compensate the plaintiffs for the pecuniary and non-pecuniary damages they incurred.
<b>Represented class</b>	All the defendants' customers who used the digital services on the websites and apps operated by the defendants in the seven years before the lawsuit was filed, and about whom private and/or personal and/or confidential information was transferred to a third party.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
<b>Claimed amount</b>	The plaintiffs estimated the damage to all class members in millions of shekels, in the aggregate.

<b>6. Date and court</b>	7/2021 - District Court - Tel Aviv-Jaffa
<b>Defendants</b>	Clal Insurance and 6 additional companies
<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that when receiving an annuity from a profit-participating policy issued between 1991 and 2004, the defendants deduct annual interest at a rate of 2.5% (or any other rate) out of the monthly return accrued due to the lower cash surrender value, unlawfully and without any contractual basis under the terms of the policy.
<b>Key remedies</b>	The main remedies claimed in the lawsuit are a declaratory order according to which the interest deduction from the monthly return is a breach of the policies, and alternatively – a declaratory relief according to which this is a depriving condition in a standard contract and a motion to order its nullity, and to order a refund of the amounts deducted from the class members' monthly annuity, plus linkage differences and interest, starting seven years prior to the date of filing the lawsuit and until the final ruling on it is rendered, and to order the defendants to cease deducting interest out of the monthly return.
<b>Represented class</b>	The defendants' policyholders who purchased from them a life insurance policy that includes accrued savings and investment income participation, issued between 1991 and 2004, and from which interest was and/or will be deducted at a rate not specified in the policy, based on the provision in the policy, according to which the amount of the monthly pension will change "each month according to the results of the investments net of the interest according to which the amount of the monthly pension was calculated, and the appropriate provisions for this matter in the insurance plan" and/or any other similar provision.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed. The parties are conducting a mediation procedure to conclude the proceeding.
<b>Claimed amount</b>	The plaintiffs estimated the aggregate damage to all class members in an amount greatly exceeding NIS 2.5 million.
<b>7. Date and court</b>	10/2021 - District Court - Lod
<b>Defendants</b>	Clal Insurance and additional company
<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that the defendants unlawfully deny insurance claims by children with special needs in the framework of a long-term care insurance policy, even though, according to the plaintiffs, they meet the definition of an insured event by virtue of "mental frailty" according to the terms of the policy, without checking whether their condition falls under this definition.
<b>Key remedies</b>	The main remedies claimed in the lawsuit are full compensation to the class for all the harms they were caused and compelling the defendants to comply with the insurance agreements.
<b>Represented class</b>	All of the defendants' policyholders aged 21 and under (or their heirs), who have special needs and who are insured under a long-term care insurance policy sold by any of the defendants and who suffer from "mental frailty," who were not recognized by the defendants as being "mentally frail" and whose rights under the policy were denied, with respect to the past period and the future.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
<b>Claimed amount</b>	The plaintiffs estimated the total alleged damage to the class members against the two defendants, jointly, at approx. NIS 2.97 billion.

<b>8. Date and court</b>	07/2022 - District Court - Tel Aviv-Jaffa
<b>Defendants</b>	Clal Insurance
<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that Clal Insurance denies policyholders' insurance claims in private health insurance policies it had marketed until February 2016, which include a basic insurance tier, on the grounds of the claim being filed due to "preventive surgery" that does not meet the definition of the term "surgery" in the policy (hereinafter - the <b>"Basic Tier Policies"</b> ); as well as the allegation that Clal Insurance had marketed (for increased premiums) policies that allegedly offer wider coverage than the Basic Tier Policies and that include coverage for preventive surgeries, while this component is already covered by the Basic Tier Policies.
<b>Key remedies</b>	The main claimed remedies are a declaration that in Clal Insurance's health insurance policies that define a "surgery" as an "insured event," any medically necessary surgery is included, including a preventive surgery that is intended to prevent a disease, defect, or deformity in the policyholder and/or the harmful effect of the above; a declaration that denying policyholders' insurance claims for coverage in respect of a preventive surgery under a Basic Tier Health Insurance Policy violates the insurance contract; and an order that requires Clal Insurance to contact the policyholders under all Basic Tier Policies, and inform them that preventive surgeries are covered under the insurance coverage in the policy.
<b>Represented class</b>	The First Class the movant seeks to represent is any person who entered into a health insurance contract with Clal, which includes insurance coverage for "surgery," and whose claim due to a surgery was denied and/or will be denied on the grounds that it is a "preventive surgery" that is not covered by the policy, until a final and irreversible ruling is made in the class action lawsuit. The Second Class the movant wishes to represent is all former or current Clal policyholders who purchased private health insurance policies that expand the insurance coverage to include preventive surgery from Clal Insurance and/or from anyone on its behalf until February 1, 2016, and for which they paid excessive premiums from the date the extended policies were marketed and until the collection stops and/or until a final and irreversible ruling is made on the class action lawsuit.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed. The parties are conducting a mediation procedure to conclude the proceeding.
<b>Claimed amount</b>	The plaintiff estimated that the aggregate damage caused to the class members is over NIS 2.5 million.
<b>9. Date and court</b>	10/2022 - District Court - Lod
<b>Defendants</b>	Clal Insurance
<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that Clal Insurance's modus operandi is automatic renewal of home insurance policies while raising the insurance premiums from year to year, without obtaining the policyholder's consent.
<b>Key remedies</b>	The main remedies sought in the lawsuit are, inter alia, to issue a declaratory order according to which Clal Insurance acted unlawfully, to order Clal to refrain from automatic policy renewals and/or policy renewals at less favorable conditions, and to compensate the class members for the damage they incurred, with interest and linkage.
<b>Represented class</b>	The class the plaintiffs seek to represent is all of the respondent's customers, whose home insurance policy the respondent had extended without their consent, and/or all of the respondent's customers who were charged insurance premiums for a home insurance policy without their consent (including Clal Insurance's customers whose insurance premiums were raised without their consent when the policy was renewed), in the period starting 7 years before the claim was filed and to date.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
<b>Claimed amount</b>	The plaintiffs estimated that the aggregate damage caused to the class members exceeds NIS 3 million.

<b>10. Date and court</b>	11/2022 - Tel Aviv Regional Labor Court
<b>Defendants</b>	Clal Pension and Provident Funds
<b>Key claims and causes of action</b>	The lawsuit mainly concerns the allegation that Clal Pension and Provident Funds unlawfully charges insurance premiums due to insurance grace periods (a payment for insurance coverage when regular contributions to the pension fund are suspended) by making deductions out of the accrual, thereby reducing the accrual, without informing the planholders in advance and allowing them to exercise their right to waive the coverage, as well as that it refuses to return the insurance premiums when it learns that the planholder was insured by another pension fund.
<b>Key remedies</b>	The main remedies sought within the lawsuit are a refund of the insurance premiums paid by the class members during the insurance grace periods, and compelling Clal Pension and Provident Funds to notify planholders of the insurance grace period's commencement, the insurance premium rates, and the options available to them, in advance.
<b>Represented class</b>	The represented class is all planholders (past and present) whose pension fund, which is managed by Clal Pension and Provident Funds, became subject to an insurance grace period arrangement without them being notified in advance, and thereby denying their right to choose not to allow the said arrangement to take effect. With respect to monetary remedies, the represented class is all planholders who did not continue to make contributions to their pension funds after the insurance grace period had ended and did not seek to extend the insurance arrangement, as well as all the planholders who opened an additional pension fund and paid double insurance premiums, in the seven years prior to submitting the motion to certify and until a judgment is rendered in the lawsuit.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed. In February 2024, the Commissioner's position was submitted, which states, inter alia, that the extension of the insurance is activated automatically upon the cessation of contributions to the fund and that the management company must notify the planholder of the cessation of the planholder's deposits.
<b>Claimed amount</b>	As a conservative estimate, the class action claimed amount was estimated by the plaintiff at no less than NIS 2.5 million per year and at approx. NIS 17.5 million in total for the seven years preceding the date of filing the motion to certify.
<b>11. Date and court</b>	03/2023 - District Court - Tel Aviv
<b>Defendants</b>	Clal Insurance
<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that Clal Insurance has an improper and illegal practice whereby it partially repays the appraiser's fees to the injured parties, without justification, and without explaining why the fees were reduced.
<b>Key remedies</b>	The main remedies sought in the lawsuit are a monetary remedy according to the gap between the fees the class members paid the appraisers and the payment made to the class members as insurance benefits for this component (hereinafter - the " <b>Pecuniary Damage</b> "), as well as damages for non-pecuniary damage in the amount of 20% of the pecuniary damage to all class members.
<b>Represented class</b>	The represented class is any injured party, policyholder, or third party, who is entitled to be reimbursed by Clal Insurance for appraiser's fees the injured party paid to an appraiser in order to assess the damage to the injured party's vehicle, if Clal Insurance did not transfer the full amount the injured party paid for the appraiser's fees to the injured party.
<b>Status / further details</b>	In January 2026, a joint motion to withdraw was submitted to the court by the parties, including a notice that Clal Insurance will provide regarding the fee to be paid upon the appointment of a private appraiser. The withdrawal is subject to the court's approval.
<b>Claimed amount</b>	The plaintiff estimated that the aggregate damage the class members incurred exceeds NIS 2.5 million.

<b>12. Date and court</b>	03/2023 - District Court - Tel Aviv-Jaffa
<b>Defendants</b>	Clal Insurance
<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that the defendants refuse to finance the policyholders' medical cannabis purchase expenses, which, according to the plaintiffs, is contrary to the provisions of policies that offer coverage for pharmaceuticals that are not included in the Healthcare Services Basket, and the fact that medical cannabis has recognized medical uses in Western countries.
<b>Key remedies</b>	The main remedies sought in the lawsuit are, inter alia, a declaratory remedy stating that Clal Insurance must reimburse the policyholders for their medical cannabis purchase expenses; to order Clal Insurance to contact all their eligible policyholders in recent years and actively invite them to demand the indemnification they deserve; and also, to require Clal Insurance to reimburse all class members for the economic damage they suffered due to their improper conduct and due to a breach of the insurance contract.
<b>Represented class</b>	The class that the plaintiffs seek to represent is any policyholder of Clal Insurance under the Policies and who did not receive reimbursement for their medical cannabis purchase expenses.
<b>Status / further details</b>	In November 2025, the court determined that the case will be transferred for review and opinion by the regulator. In April 2026, the parties notified the court of their agreement to proceed to mediation in this matter.
<b>Claimed amount</b>	The plaintiffs estimated the total claimed amount for all class members at approx. NIS 13.5 million.
<b>13. Date and court</b>	05/2023 - Tel Aviv-Jaffa Regional Labor Court
<b>Defendants</b>	Clal Pension and Provident Funds
<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that when receiving a planholder's request for a disability annuity, the pension fund does not check whether the planholder requires long-term care and/or if the planholder's condition has deteriorated in a way that made the planholder require long-term care, and as a result, the fund does not pay eligible planholders the additional long-term disability annuity.
<b>Key remedies</b>	The main remedies sought in the lawsuit are to pay the class members the additional long-term care disability annuity; compensation and/or restitution for not making full contributions to the fund and for yield losses class members incurred as a result of the above non-payment; obligating the fund to give the fund's physicians accurate instructions in connection with examining conditions that require long-term care when reviewing requests for a disability annuity.
<b>Represented class</b>	The represented class includes planholders of Clal Pension and Clal Supplementary Pension funds who have disability insurance coverage, who are insured with a pension fund and are entitled to a disability annuity, and who, due to their medical condition on top of their permanent health, require long-term care, and the pension fund did not supplement monthly payments for policyholders who, in addition to having a disability pension is a patient requiring long-term care.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed. An amended motion for class certification was submitted in November 2024, in which similar allegations were made to the allegations in the original motion to certify. In May 2025, the regulator's position regarding the case was submitted.
<b>Claimed amount</b>	According to the plaintiff, the class action lawsuit amount cannot be estimated; however, for the purposes of the fee, it was put at no less than NIS 2.5 million per year and approx. NIS 18.75 million in total for the seven years preceding the date of filing the motion to certify.

<b>14. Date and court</b>	06/2023 - Regional Court - Haifa
<b>Defendants</b>	Clal Insurance
<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that following the economy-wide extension order regarding the increase in pension insurance contributions in 2016 (hereinafter - the " <b>Extension Order</b> "), which concerns an increase in the pension insurance contributions employers are required to make for their employees (hereinafter - the " <b>Increased Contributions</b> "), Clal Insurance opened new executive insurance policies (hereinafter - the " <b>Contribution Policies</b> ") for its policyholders who had had old executive insurance policies that had been issued before May 31, 2001 (hereinafter - the " <b>Old Policies</b> "), while the annuity conversion factors set for the Contribution Policies were not guaranteed and were less beneficial than the guaranteed annuity conversion factors in the Old Policies, and redirected the additional funds from the Increased Contributions into the Contribution Policies, without the policyholders' consent.
<b>Key remedies</b>	The remedy the plaintiff is petitioning for is to close the Contribution Policies and transfer the contributions made thereto, as well as future contributions originating from the Increased Contributions, to the Old Policies, or, alternatively, to set beneficial factors for the Contribution Policies, at the discretion of the court; to pay the people who are already being paid a pension out of the Contribution Policies the difference between the amounts they would have received if the Increased Contributions funds had all been deposited into the Old Policies (or the amounts they would receive due to beneficial factors, at the discretion of the court) and the amounts they actually received; to compel Clal Insurance to pay each of the class members NIS 500 in damages for non-pecuniary damage due to deception.
<b>Represented class</b>	The class the plaintiff seeks to represent is anyone for whom Clal Insurance had managed an executive insurance policy issued before May 31, 2001, and for whom, after June 30, 2016, it managed (in a new insurance policy) the funds received due to them for the Increased Contributions, or the beneficiaries or heirs of any such person.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed. In November 2025, the court sought the regulator's position with regard to the allegations made in the lawsuit.
<b>Claimed amount</b>	The plaintiff conservatively estimated the aggregate damage to all class members in millions of shekels.
<b>15. Date and court</b>	06/2023 - District Court - Tel Aviv-Jaffa
<b>Defendants</b>	Clal Insurance, Clal Pension and Provident Funds and 4 additional companies
<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that the defendants ought to have refrained from deducting tax out of the portion of the annuity equal to the annuity recipients' "recognized annuity" in the pension products they manage, and apply a tax exemption due to that component, which would have resulted in higher annuity payments to the class members.
<b>Key remedies</b>	Repayment of the funds deducted as tax out of the "recognized annuity" portion of the annuity to the class members.
<b>Represented class</b>	The class the plaintiff seeks to represent is any individual who is paid an annuity from one of the new pension funds and/or the provident funds and/or the insurance funds managed by any of the respondents, who was entitled to a tax exemption on their annuity in respect of their "recognized annuity" component, as this term is defined in the Income Tax Ordinance, and did not receive the above exemption, as of January 1, 2012, and thereafter.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed. At the same time as submitting the answer to the motion to certify the claim as a class action, the respondents submitted a motion for permission to send a third party notice to the Israel Tax Authority. In its response to the third party notice, the Israel Tax Authority rejected the arguments made therein and argued, among other things, that it should be added as a respondent to the proceeding rather than as a third party. In November 2025, the parties notified the court of their intention to submit for its approval an agreed settlement agreement.
<b>Claimed amount</b>	The plaintiff estimated the aggregate damage to all class members at approx. NIS 297 million, for all class members who are paid annuities from the defendants, without attributing a specific monetary remedy to each defendant.

<b>Date and court</b>	08/2023 - Central District Court - Lod
<b>Defendants</b>	Clal Insurance
<b>Key claims and causes of action</b>	The claim concerns the contention that in insurance policies marketed by Clal Insurance, in a plan of the type "self-defense" and/or any other marketing name, Clal Insurance was asked in the insurance registration form (the insurance offer) to insure its policyholders under an insurance plan that includes several forms of insurance coverage, including insurance coverage for perpetual disability due to accident, yet in practice it issued policyholders different and disability insurance coverage of the type "loss/impairment of functioning".
<b>Key remedies</b>	Provision of a mandatory injunction pursuant to which Clal Insurance is required to update the insurance policies with insurance coverage of the type perpetual disability due to accident, required to provide the class members with insurance coverage in respect of perpetual disability due to accident, and charged with special interest.
<b>Represented class</b>	All Clal Insurance policyholders with health-insurance policies within the "self-defense" plan, and/or any other marketing name, issued by Clal Insurance with insurance coverage of the type "loss/impairment of functioning" in contradiction of the statements in the insurance offer form, which noted insurance coverage of the type "accidental disability," as well as Clal Insurance policyholders with this policy who were denied their entitlement to receive insurance benefits for perpetual disability due to an accident event based on the argument that no such coverage exists in the policy.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
<b>Claimed amount</b>	The plaintiff estimated that the aggregate damage the class members incurred exceeds NIS 2.5 million.
<b>Date and court</b>	09/2023 - District Court - Tel Aviv
<b>Defendants</b>	Clal Insurance and 7 additional insurance companies
<b>Key claims and causes of action</b>	The claim concerns the contention that the defendants do not pay for insurance incidents and do not provide towing services to policyholders who purchase a towing rider in cases in which it is necessary to tow the insured vehicle using a towing lift, and that they charge these vehicle owners added payment, despite the fact that this matter is not expressed in the language of the riders.
<b>Key remedies</b>	The remedies sought are, among other matters, compensation in respect of reimbursement of premium payments, towing costs, and non-pecuniary damages ("pain and suffering") in the amount of NIS 3,000 per class member, and in addition, amendment of the language of the riders issued on behalf of the respondents.
<b>Represented class</b>	The class in the name of which the claim is filed is defined as the "the class of consumers who hold or held riders of respondents 1-8 in the last 7 years prior to the filing of the claim and in the period after the filing of this claim, until a judgment is rendered, whose vehicle necessitates the possibility or requires towing via lift when the vehicle is inoperable (requiring towing to an auto repair shop).
<b>Status / further details</b>	In November 2024, the court ordered a bifurcation of the proceedings by way of filing separate motions for certification; in January 2025, the applicants filed an appeal to the Supreme Court against the said decision. A judgment was handed down in June 2025 according to which the lawsuit against Clal Insurance and another company will continue to be heard before the District Court. The proceeding is at the stage of the motion to certify being reviewed.
<b>Claimed amount</b>	The plaintiff estimated the aggregate damage to all class members at approx. NIS 80 million.

<b>18. court</b>	<b>Date and court</b>	11/2023 - District Court - Tel Aviv
	<b>Defendants</b>	Clal Insurance and 7 additional insurance companies
	<b>Key claims and causes of action</b>	The lawsuit concerns the claim that when setting the price of premiums in life, health, and P&C insurance policies, "catastrophe events" such as a "surprise" war and/or other extreme or unexpected events that reduced the defendants' risk and exposure were not factored in; that in light of the Iron Swords War, the defendants are expected to experience a major reduction in the risk in policies in which the risk-weighted components had significantly decreased (and completely eliminated in some cases).
	<b>Key remedies</b>	The remedies sought are declaratory relief, a mandatory injunction, reimbursement or reduction of the premiums from the date of declaration of a state of emergency, and pecuniary and non-pecuniary monetary compensation.
	<b>Represented class</b>	The petitioners define five classes in the claim. (1) Policyholders some of whose policies contain a war exclusion that excludes insurance coverage of an insured event in wartime, but, in light of their call-up for reserve duty, the actuarial risk in connection with whom has decreased, and accordingly, action should be taken to reimburse and/or reduce the premium; (2) policyholders of the respondents, mainly in P&C insurance, who, due to the declaration of a state of emergency and the transition of government institutions, public entities, and dual-purpose entities to an emergency work format, will be unable, or able in a partial and limited manner, to exercise the insurance service and/or coverage; (3) policyholders of the respondents who, due to the declaration of a state of emergency and the transition of government institutions, public entities, and dual-purpose entities to an emergency work format, cannot receive services such as treatment and elective surgeries at public hospitals. (4) Policyholders in P&C insurance – property policies of the various types, vehicle, home - which, due to the state of emergency, their inherent risk decreased substantially; (5) policyholders of various policies in the area of business, the risk of which has significantly decreased due to the state of emergency.
	<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
	<b>Claimed amount</b>	The plaintiff estimated that the aggregate damage the class members incurred exceeds NIS 2.5 million. With regard to policyholders called up for reserve duty, it is argued that the estimated damage is in the amount of NIS 10.02 million (with respect to all of the defendants).
<b>19. court</b>	<b>Date and court</b>	12/2023 - Haifa Regional Labor Court
	<b>Defendants</b>	Clal Pension and Provident Funds
	<b>Key claims and causes of action</b>	The action involves the claim that the defendant unlawfully collects insurance premiums in the comprehensive pension fund under its management that are higher than those it was entitled to collect, while reducing the amount of the accrual of the fund's planholders: (a) when receiving retroactive contributions - insurance premiums are collected that are higher than the insurance premiums that the defendant should have collected; (b) as a result of attributing "insured income" that is higher than the planholder's salary when the rate of contribution for rewards was more than 11.5% of the planholder's salary and less than 13%; (c) as a result of collecting insurance premiums due to the portion of the planholder's income that exceeds the Monthly Contribution Cap for the pension fund stipulated in the law.
	<b>Key remedies</b>	Restitution of insurance premiums which were collected from the class members plus interest and linkage differences; A declaration on the nullity of provisions in the regulations which were in effect in the relevant years and a prohibition on the management company to carry out the actions mentioned in Sections (a) to (c) above.
	<b>Represented class</b>	The class the plaintiff seeks to represent is everyone who, during the 7 years that ended on the day the motion was submitted, was a planholder of the comprehensive pension fund of "Clal Pension," and from whom the respondent collected an insurance premium calculated on the basis of an amount greater than the maximum amount for this matter, according to the law and/or according to the fund's bylaws which were in effect on collection day, the lower of the two.
	<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed. The parties are conducting a mediation procedure on the matter.
	<b>Claimed amount</b>	The class action claimed amount was estimated conservatively, according to the plaintiff, at millions of shekels, without specifying an amount.

<b>20. court</b>	<b>Date and court</b>	01/2024 - District Court - Jerusalem
	<b>Defendants</b>	Clal Pension and Provident Funds
	<b>Key claims and causes of action</b>	The action involves the claim that the defendant raised the management fees in planholders' accounts in the products managed by it without sending them any notice in advance according to the law.
	<b>Key remedies</b>	Restitution of the all the amounts which were unlawfully collected from each of the class members together with the returns that said funds would have yielded in the accrued savings.
	<b>Represented class</b>	The class the plaintiff seeks to represent is all planholders of provident funds and/or advanced education funds and/or pension funds and/or any other instrument managed by the respondent (including savings instruments which were managed by those replaced by the respondent and anyone who was a planholder thereof during the relevant years) - including deceased planholders and/or their beneficiaries, for whom management fees were raised without being notified as required by law, during the period starting in January 2008 and ending in January 2017, with the exception of three price increases for which res judicata was granted in Class Action 15-03-59823.
	<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed. In November 2025, the parties notified the court of their agreement to proceed to mediation in this matter.
	<b>Claimed amount</b>	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

<b>21. court</b>	<b>Date and court</b>	01/2024 - Regional Court - Jerusalem
	<b>Defendants</b>	Clal Pension and Provident Funds
	<b>Key claims and causes of action</b>	The action involves the claim that the defendant charged management fees at a rate that exceeds the rate permitted by law, in the accounts of planholders with whom contact has been lost or in the accounts of deceased planholders.
	<b>Key remedies</b>	Restitution of the all the amounts which were unlawfully collected from each of the class members together with the returns that said funds would have yielded in the accrued savings.
	<b>Represented class</b>	The class the plaintiff seeks to represent is all planholders of provident funds and/or advanced education funds and/or pension funds and/or any other instrument managed by the respondent (including savings instruments managed by those replaced by the respondent and anyone who was a planholder thereof during the relevant period) - including deceased planholders and/or their beneficiaries, from whom management fees were collected at a rate higher than the maximum rate stipulated in Regulation 8 of the Supervision of Financial Services Regulations (Provident Funds) (Management Fees), 2012, during the period beginning on January 1, 2013, (the date of entry into force of the aforementioned regulations) and ending with a final and decisive ruling in the action.
	<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed. In February 2026, a decision was issued by the Labor Court allowing the regulator to submit a position regarding the interpretation of the regulations.
	<b>Claimed amount</b>	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

<b>22. court</b>	<b>Date and court</b>	07/2024 - District Court - Tel Aviv
	<b>Defendants</b>	Clal Insurance
	<b>Key claims and causes of action</b>	The lawsuit concerns the claim that the defendant pays the insurance benefits and/or refunds insurance premiums to its policyholders by sending checks by mail, allegedly in violation of the guidance of the Capital Market Commissioner, whereunder the funds should be delivered to the policyholders by way of bank transfer or by crediting their credit card. Furthermore, it is claimed that by acting as described above, Clal Insurance also breaches its obligation to pay policyholders the amounts due to them on time, and its obligation to pay interest and linkage differences in respect of the amounts of the checks through the date on which the funds are actually paid.
	<b>Key remedies</b>	Issuing a mandatory injunction, which will order Clal Insurance to voluntarily pay the class members the insurance benefits and/or refund the insurance premiums plus linkage and interest from the day on which they become entitled to such payments and until they are actually made; to issue a mandatory injunction ordering Clal Insurance to pay the insurance premiums and/or refund insurance premiums through the same means of payment they used to pay Clal Insurance; and to issue a mandatory injunction ordering Clal Insurance to voluntarily contact its policyholders, if it does not have the means of payment details, and allow the policyholders to select the means of payment through which they wish to use to receive the insurance benefits and/or the refunded insurance premiums.
	<b>Represented class</b>	Anyone who meets one or more of the following conditions: (1) Clal Insurance policyholders, who are entitled to insurance benefits and/or to a refund of insurance premiums and/or any type of refund, to whose registered address and/or their address as updated with Clal Insurance the latter mailed checks, which have not been cashed by the policyholders and/or checks, which were cashed but no interest and linkage differences were added to their amount; (2) Clal Insurance policyholders, whose bank account details or payment card details were held by Clal Insurance on the date on which the abovementioned checks were mailed and/or where Clal Insurance was able to obtain those details during the seven years, which preceded the filing of the lawsuit, or within the normative limit in accordance with the ruling of the honorable court, and through the date, which will be determined by the honorable court in its decision; and alternatively, to define the class in any other way it will deem appropriate.
	<b>Status / further details</b>	In March 2023, the parties submitted a settlement agreement approval motion; the agreement sets an outline for restitution to parties which Clal Insurance credited - through unredeemed checks - for insurance premiums and/or insurance benefits. In October 2025, the position of the Attorney General and the Commissioner was filed, which included several comments regarding the proposed settlement agreement. Further to the hearing held on the settlement agreement approval motion, in May 2026 the parties submitted amendments to the settlement agreement.
	<b>Claimed amount</b>	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.
<b>23. court</b>	<b>Date and court</b>	12/2024 - District Court - Central
	<b>Defendants</b>	Clal Insurance
	<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that Clal Insurance unlawfully denies health insurance policyholders' claims for reimbursement of expenses incurred for the medical procedure known as "imaging-guided injection," claiming that this medical procedure is not an event that qualifies for insurance coverage, as it neither meets the definition of "surgery" nor of "non-surgical alternative," as defined in the policy.
	<b>Key remedies</b>	Issuing a declaratory order stating that imaging-guided injections meet the policy's definition of "surgery," or, alternatively, the definition of a "non-surgical alternative," as defined in the movant's policy and in policies with identical and/or similar wording, and is not subject to the "injection" exclusion, in its various forms; as well as a declaratory order stating that Clal is estopped from invoking the "injection exclusion."
	<b>Represented class</b>	The class that the plaintiff seeks to represent consists of all Clal Insurance policyholders holding the same policy as the movant, and other Clal Insurance health insurance policies, of any kind, whose claims for insurance coverage due to any kind of imaging-guided injection Clal Insurance denied, and/or who were paid a lower compensation amount than the amount they are entitled to be paid for the procedure, in accordance with the provisions of their respective policies, subject to the prescription period, and until a final judgment on the lawsuit is handed down.
	<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
	<b>Claimed amount</b>	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

<b>24. court</b>	<b>Date and court</b>	02/2025 - District Court - Central
	<b>Defendants</b>	Clal Insurance
	<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that Clal Insurance unlawfully requires its policyholders to sign an overly broad, one-sided settlement document it has drafted, which severely prejudices its policyholders and denies their rights with respect to unrelated events, allegedly in contravention of the law, while continuing to collect the full premium in a manner that constitutes a breach of the insurance contract, thereby unjustly enriching itself at the expense of its customers.
	<b>Key remedies</b>	(A) A mandatory injunction to amend the settlement documents; (B) for the members of Class A – to pay each class member whose claim is deemed justified the compensation amount they are owed, with lawful interest and linkage differences, plus NIS 1,000 in damages for non-pecuniary damage; (C) for the members of Class B – to inform the policyholder that they may file a claim for an additional event, which shall be investigated in accordance with the policy's terms and conditions; to extend the lawful prescription period for any date, as required; and to pay each class member who files a claim which is deemed justified, the total compensation amount they are owed, plus lawful interest and linkage differences, while paying each class member NIS 100 in damages.
	<b>Represented class</b>	The classes that the plaintiff seeks to represent consist of: (a) any person who signed a release document in favor of the respondent, containing a provision that denies the right to compensation for an event which is unrelated to the event for which the release document was signed, resulting in the denial of a separate claim which is unrelated to the event for which the settlement document was signed (hereinafter – “ <b>Class A</b> ”); and (b) any of the respondent's policyholders who signed a release document containing a provision that denies their eligibility for compensation for an event which is unrelated to the event for which the release was signed, and who did not file another claim against the respondent (hereinafter – “ <b>Class B</b> ”).
	<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
	<b>Claimed amount</b>	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.
<b>25. court</b>	<b>Date and court</b>	02/2025 - Tel Aviv Regional Labor Court
	<b>Defendants</b>	Clal Pension and Provident Funds Ltd.
	<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that the defendant unlawfully charges to its planholders debts stemming from the failure on the part of these planholders' respective employers to make pension contributions by the deadlines required by law.
	<b>Key remedies</b>	Restitution of the funds unlawfully charged to the class members, plus linkage differences and interest; damages for non-pecuniary damage; restitution of the (alleged) enrichment funds in Clal Pension and Provident Funds' possession; a prohibition on Clal Pension and Provident Funds to charge to its planholders any debt stemming from failure on part of the respective planholder's employer; and an order compelling Clal Pension and Provident Funds to implement the provisions of Section 19A of the Wage Protection Law.
	<b>Represented class</b>	Anyone to whom the defendant charged and/or attempted to charge funds stemming from their respective employer's failures, from the date the defendant first implemented this policy, until the date this lawsuit is certified as a class action.
	<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed. In November 2025, the parties notified the court that they are conducting discussions between themselves, with the aim of reaching agreements that would obviate the need to continue the legal proceedings.
	<b>Claimed amount</b>	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

<b>26. Date and court</b>	04/2025 - Tel Aviv Regional Labor Court
<b>Defendants</b>	Clal Insurance
<b>Key claims and causes of action</b>	The lawsuit concerns the allegation whereby Clal's collection of management fees from monthly allowances paid to its policyholders is non-transparent, illegal and in breach of the terms of the policy. It was also claimed that the management fee amount increases during the allowance payment period, and that Clal Insurance conceals the amount and refuses to disclose it.
<b>Key remedies</b>	Restitution of the management fees collected unlawfully from class members, plus linkage differences and interest from the collection date through actual payment, and the issuance of a permanent injunction prohibiting Clal Insurance from collecting management fees from allowances it pays to its policyholders, or any other remedy in favor of the public.
<b>Represented class</b>	Anyone who received a monthly allowance from Clal Insurance, from which management fees were deducted, and anyone who is expected to receive such an allowance until the class action certification date, or until a judgment is rendered in the lawsuit or until Clal Insurance stops collecting management fees from allowances it pays, whichever is later.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
<b>Claimed amount</b>	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.
<b>27. Date and court</b>	06/2025 - Haifa Regional Labor Court
<b>Defendants</b>	Clal Insurance
<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that Clal allegedly sets the cost of insurance coverages such that their cumulative rate exceeds the limit of 35% of the contributions towards the retirement benefits component in the policy, by removing the permanent health insurance component from the calculation base where it is paid at the expense of the employer - allegedly in breach of statutory provisions. It was also alleged that Clal misleads class members in its presentation of the rate of insurance coverages' cost out of contributions towards retirement benefits.
<b>Key remedies</b>	(a) Compensate class members for the damage they incurred; (b) hand down a declaratory judgment according to which Clal Insurance acted unlawfully; (c) order Clal Insurance to change the way it conducts itself, including retroactively, regarding with respect to the manner in which data is presented in the Annual Financial Statements.
<b>Represented class</b>	All policyholders in Clal Insurance's provident funds and/or insurance funds (as defined by law), who were charged insurance premiums at a rate, which exceeds the limit set by law and/or in the policies/bylaws of the provident funds/insurance funds, and Clal Insurance policyholders, who were misled due to incorrect presentation of the percentage of insurance premiums out of the total contributions made into the policy.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
<b>Claimed amount</b>	The claimed amount was estimated by the plaintiff at more than NIS 3 million.

<b>28. court</b>	<b>Date and court</b>	07/2025 - District Court - Central
	<b>Defendants</b>	Clal Insurance
	<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that Clal charges its customers NIS 10 in "handling fees" due to a bounced payment, without having a contractual right to do so; it is also alleged that Clal charges excess amounts in respect of interest and linkage differences, including interest on arrears.
	<b>Key remedies</b>	Hand down a declaratory judgment according to which Clal Insurance acted unlawfully; order Clal Insurance not to charge handling fees without appropriate regulation; and order payment of compensation to class members with respect to the damage they incurred.
	<b>Represented class</b>	Customers charged by Clal Insurance "handling fees" (or any fee that reflects handling fees), in all insurance subsegments, under circumstances of a bounced payment by credit/other means of payment/ late payment/unsuccessful collection attempts and under other circumstances, or excess amounts in respect of interest and linkage differences, including interest on arrears.
	<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
	<b>Claimed amount</b>	The claimed amount was estimated by the plaintiff at more than NIS 3 million.
<b>29. court</b>	<b>Date and court</b>	11/2025 - District Court - Tel Aviv-Jaffa
	<b>Defendants</b>	Clal Insurance, Clal Pension and Provident Funds, Clal Credit, Clal Financial Management Ltd., CommBox Communication and Automation Ltd. (hereinafter - "CommBox")
	<b>Key claims and causes of action</b>	The subject of the claim concerns an allegation that the Group companies established and operate a digital customer service system that includes AI-based services and virtual service representatives, which was presented to customers as a service of the Group companies, but was in fact provided by CommBox without adequate disclosure to customers and without obtaining their informed consent, thereby exposing CommBox to personal and private information of the Group companies' customers. It was further alleged that, in operation of the service, CommBox was granted access to the Group companies' systems, was exposed to personal and private information regarding the Group's customers, collected and stored such information, and even transferred it to third parties and abroad, all as alleged, without sufficient supervision and control by the Group companies.
	<b>Key remedies</b>	(a) to order the defendants to cease their conduct that is the subject of the claim and to ensure disclosure to, and obtain informed consent from, the Company's customers regarding such conduct; (b) to order CommBox to delete all data and personal and private information obtained from the Company's customers and stored by it and/or by anyone on its behalf and/or any other third party to whom the data and information were transferred; (c) to prohibit CommBox from making any use of the data and information until their deletion; (d) to order CommBox to provide a detailed list of all third parties to whom it transferred information regarding the Company's customers; (e) to order the Company and CommBox to provide the plaintiff with detailed accounts regarding the profits derived as a result of their improper conduct; (f) accordingly, to order that the revenues and profits accrued to the defendants as a result of their improper conduct as aforesaid be transferred to the plaintiff and to the class members.
	<b>Represented class</b>	Any customer of the Company who alleges that his or her privacy was violated due to the acts and/or omissions of the respondents, among other things, by CommBox being exposed to personal and private information regarding him or her and/or collecting and storing such information and/or transferring the information to a third party and/or transferring the information abroad.
	<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
	<b>Claimed amount</b>	The claimed amount was estimated by the plaintiff at more than NIS 3 million.

<b>30. Date and court</b>	02/2026 - Tel Aviv-Jaffa Regional Labor Court
<b>Defendants</b>	Clal Pension and Provident Funds Ltd.
<b>Key claims and causes of action</b>	The subject of the claim concerns an allegation that the pension fund managed by the defendant charges the full monthly premium for the insurance coverage, including for a period preceding the date of joining or renewal of the insurance coverage during the month.
<b>Key remedies</b>	To order the defendants to grant compensation to the class members for damages caused to them due to the collection of insurance coverage costs in the pension fund contrary to law.
<b>Represented class</b>	All persons who were or are members of the pension fund managed by the respondent, a portion of whose pension contributions was allocated toward the purchase of insurance coverage for a period preceding the date on which it was permissible to charge for such coverage.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
<b>Claimed amount</b>	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

<b>31. Date and court</b>	04/2026 - District Court - Central
<b>Defendants</b>	Clal Insurance, Or Shai Migvan Pension Insurance Agency (2018) (hereinafter - the " <b>Agency</b> ")
<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that when they purchase the Company's travel insurance online, customers are directed to make a purchase through the Agency without their knowledge, and that the Agency through which the purchase was made sends marketing messages in the name of and on behalf of Clal Insurance, without obtaining the customers' consent and in breach of the provisions of the Spam Law.
<b>Key remedies</b>	(a) To order the defendants to cease violating the privacy of the class members and to refrain from sending unlawful promotional materials including by email, SMS and/or WhatsApp messages, without obtaining prior consent. (b) To order Clal Insurance to instruct the insurance agents/ agencies with whom it works, including the Agency, to refrain from sending advertisements promoting their business, without obtaining the prior, explicit, written consent of the recipients, as required by law. (c) To order Clal Insurance to ensure that those third parties and the Agency specify in all promotional materials sent to the addressees their contact information, a valid address for submitting an opt-out notice, the number of the database in which the addressee is listed, and their right to have their name removed from such database; (d) To award the class members an appropriate monetary remedy with respect to the defendants' violation of the law, and/or to award any other remedy to the entire class or a portion thereof, or to the public as a whole, as the Court may deem appropriate and at its discretion. (e) To order payment of compensation to the representing plaintiff and to set legal fees to the representing plaintiff's counsel.
<b>Represented class</b>	All addressees who were sent promotional materials as defined by law, whose details were passed on to third parties by Clal Insurance after they had requested an insurance quote from Clal Insurance, without obtaining their explicit consent, and/or who do not meet the legal requirements during the seven-year period preceding the motion to certify submission date.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
<b>Claimed amount</b>	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

<b>32. court</b>	<b>Date and court</b>	04/2026 - District Court - Central
	<b>Defendants</b>	Clal Insurance
	<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that Clal Insurance acts unlawfully when it dismisses permanent health insurance claims in cases where the policyholder is eligible to compensation from the National Insurance Institute and/or another insurer, based on an exclusion in the policy (hereinafter - the <b>"Entitlement Denial Exclusion"</b> ), including regarding the dismissal of the right to waiver of premiums. Furthermore, according to the movant, the right to waiver of premiums is not contingent upon the policyholder's entitlement to compensation due to the occurrence of the insured event and the Entitlement Denial Exclusion does not apply in this matter. In addition, the movant alleges that Clal Insurance unlawfully charges full premiums even when the insured is in a state of partial loss of earning capacity, and that in such a case, there is no justification for charging full insurance premiums.
	<b>Key remedies</b>	To compel Clal Insurance to compensate the class members for the damages they incurred due to its violations, and to refund the profits of its enrichment, including linkage differences and interest as provided by law from the date of collection through the actual payment day; to order the invalidation of the Entitlement Denial Exclusion both retrospectively and prospectively for all the policyholders; and to award compensation and legal fees to the movant their counsel.
	<b>Represented class</b>	All of Clal Insurance's policyholders insured under permanent health insurance and/or income protection insurance policies, regardless of whether they are expanded insurance plans which include an offset-cancellation clause or not, to whom the respondent did not pay insurance benefits for partial loss of earning capacity which it recognized due to the receipt of any amount from the National Insurance Institute and/or another insurance company, and/or continued to charge them full premiums despite acknowledging the occurrence of an insured event of partial loss of earning capacity, all within the prescription period and until a final judgment is rendered in the lawsuit.
	<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
	<b>Claimed amount</b>	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.
<b>33. court</b>	<b>Date and court</b>	05/2026 - District Court - Nazareth
	<b>Defendants</b>	Clal Insurance
	<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that Clal Insurance is purportedly refraining from paying interest and linkage differences thereon in respect of insurance benefits to its policyholders and third parties from the date on which grounds were established through the date of actual full payment, in violation of the law. It is noted that this lawsuit concerns the same grounds as the motion to certify a class action filed against Clal Insurance in 2013, see Section 2.1.1 (1) above.
	<b>Key remedies</b>	Restitution to each class member of any amount unlawfully deducted from the compensation amount paid to them, and ordering Clal Insurance to pay legal fees and compensation to the movant.
	<b>Represented class</b>	Anyone who received compensation from Clal Insurance for property damage by virtue of a comprehensive motor insurance policy over the past seven years without a legal proceeding, to whose compensation no interest and linkage differences were added in accordance with Section 28(a) to the Insurance Contract Law, 1981.
	<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed.
	<b>Claimed amount</b>	The claimed amount was estimated by the plaintiff at more than NIS 2.5 million.

**2.1.3 Material class actions, material claims and motions to certify material claims as class actions which were concluded during the reporting period and until the signing of the report against the Company and the consolidated companies, with the exception of the Max Group Companies<sup>3</sup>**

<b>1.</b>	<b>Date and court</b>	05/2022 - District Court - Central
	<b>Defendants</b>	Clal Insurance
	<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that in policies that cover surgeries in Israel that stipulate compensation for surgeries performed without financing from Clal Insurance, Clal Insurance refrains from compensating the policyholders for the cost of the implants and accessories used to perform the surgery (hereinafter - the " <b>First Cause</b> "), and also refrains from indemnifying the policyholders for the deductible amounts they had paid (hereinafter - the " <b>Second Cause</b> ").
	<b>Key remedies</b>	A judgment requiring Clal Insurance to include the cost of the implant and/or accessory in the calculation of the benefits owed to the class members from here on out, and compelling it to indemnify the class members for the deductible amounts they paid in connection with the various surgeries and to calculate the compensation accordingly, as well as requiring Clal Insurance to compensate each member of the sub-category with respect to the monetary remedies, at the rate of 50% (or another rate) of the cost of the implant borne by Clal Insurance and/or the deductible amount paid by the class member due to a surgery they had, with added linkage differences and interest, as per the law.
	<b>Represented class</b>	According to the court's decision - all Clal Insurance policyholders under the relevant policies, who had a surgical procedure in a private hospital and are eligible to compensation out of the amount Clal Insurance saved following the funding of the surgical procedure by the health maintenance organization over a period starting 3 years prior to the filing of the motion to certify and through the issuance of a judgment in the lawsuit, where compensation was calculated without including the implants component.
	<b>Status / further details</b>	In November 2024, the court decided to partially allow the motion, such that it allowed the first cause of action and dismissed the second cause of action. In February 2026, the court approved a settlement agreement, the principal terms of which include a compensation framework for the relevant policyholders in respect of the cost of implants, for past and future periods, at rates agreed between the parties. Furthermore, under the settlement agreement, it was agreed to pay a compensation to the representative plaintiff and legal fees to his attorney.
<b>2.</b>	<b>Date and court</b>	06/2024 - District Court - Haifa
	<b>Defendants</b>	Clal Insurance and 7 additional companies
	<b>Key claims and causes of action</b>	The lawsuit concerns the claim that installers of windshields, who operate on behalf of the defendants under the "windshield insurance" rider, do not calibrate the safety systems installed on the vehicle's front windshield when they dismantle the broken windshield and install the new (replacement) one, in violation of the provisions of the law; it is also claimed that the defendants did not inform the policyholders - when they purchased the riders - that the latter will not include the testing and calibration of the safety system when the front windshield is replaced.
	<b>Key remedies</b>	Declaratory relief whereby the calibration of the safety system is included in the policy / rider covering damage to the windshields; a mandatory injunction ordering the defendants to summon Class A to auto repair shops to test and/or calibrate the safety systems; refund the funds, which were collected from Class B members; paying a monetary compensation to all Class C members.
	<b>Represented class</b>	Three classes: A class of consumers who hold or held the riders/windshield insurance of the respondents in the 7 years preceding the filing of the lawsuit and when they had the windshield replaced under the rider, the safety system in their vehicle was not tested and/or not calibrated as part of the process of replacing the front windshield; a class of consumers who hold or held the riders/windshield insurance of the respondents in the 7 years preceding the filing of the lawsuit and when they had the windshield replaced under the rider, the installer on behalf of the defendants charged them for testing and/or calibrating the safety system; a class of consumers who own a vehicle equipped with a safety system, who purchased a rider/windshield insurance from the defendants in the 7 years preceding the filing of the lawsuit, and were not told when they purchased the rider that the coverage will not include testing and calibration of the safety system as part of the replacement of the front windshield.
	<b>Status / further details</b>	In February 2026, the court approved an agreed motion to withdraw the lawsuit.

3. Not including lawsuits that concluded in the reporting year, but which were reported as having been concluded in the Interim Financial Statements for 2025.

<b>3.</b>	<b>Date and court</b>	9/2020 - District Court - Central
	<b>Defendants</b>	Clal Insurance and another insurance company
	<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that the defendants acted contrary to the provisions of critical illness policies, and specifically – that they did not act in accordance with the terms of the policy that stipulate that after a first insured event has occurred, if the policyholder is still covered under the insurance policy, the insurance amount and the monthly premium amount will be reduced by 50%.
	<b>Key remedies</b>	The relief the plaintiffs petitioned for is damages to the class members due to past damages, as well as a declaratory relief and a mandatory injunction ordering the defendants to change their modus operandi.
	<b>Represented class</b>	All of the respondents' clients / policyholders who were covered under critical illness insurance and/or critical illness and serious medical events insurance and/or any other similar insurance by any other name, who experienced their first insured event, after which they were charged a higher premium than the agreed premium in breach of the terms of the insurance policy, in the 7 years before the motion was brought.
	<b>Status / further details</b>	In March 2026, a settlement agreement was submitted to the court, under which Clal Insurance must return a certain percentage of the insurance premiums to the class members, in accordance with the mechanism set forth in the settlement agreement, as well as notify the policyholders in the policies that the lawsuit concerns of the applicable insurance premiums and insurance benefits mechanism with respect to the future.
<b>4.</b>	<b>Date and court</b>	05/2023 - District Court (Economic Department) - Tel Aviv-Jaffa
	<b>Defendants</b>	Clal Holdings, Clal Insurance, Clal Pension and Provident Funds, Clal Sal Menayot Israel, Atudot – Pension Fund for Workers and Independent Workers Ltd. (a subsidiary of Clal Insurance (held at 50%)) (hereinafter - " <b>Atudot</b> "), officers of the Company, and members of investment committees.
	<b>Key claims and causes of action</b>	The lawsuit concerns the allegation of damage allegedly caused to planholders in provident funds, pension funds, life insurance, and savings policies managed by the Group companies, in light of the respondents' ruling to sell the Alrov Properties & Lodgings Ltd. (Hereinafter - " <b>Alrov</b> ") shares held by the Group companies, within the investment of the policyholders' and planholders' funds, to the Israel-Canada Company (T.R.) Ltd. (hereinafter - " <b>Israel Canada</b> "), due to a dispute between some of the respondents and Alrov's controlling shareholder, and despite the fact that at the time of signing the agreement, the Group companies allegedly had an offer from Mr. Alfred Akirov to purchase the Alrov shares at a price of at least 33% higher than the price Israel Canada paid for Alrov shares.
	<b>Key remedies</b>	Compensation for pecuniary damage, which the plaintiff claims reflects the damage caused to the class members.
	<b>Represented class</b>	The class the movant sought to represent is anyone who has been a planholder of the provident funds, pension funds, life insurance, and savings policies managed by the Group companies that held shares in Alrov on March 18, 2021.
	<b>Status / further details</b>	In July 2024, the Court allowed the respondents' request and ordered the dismissal in limine of the motion to certify against the Company and against the officers and members of the Investment Committee, who were added as respondents to the proceeding; the proceeding continued to be heard only against the other respondents. In March 2026, the court denied the motion to certify.

## 2.2 Details regarding exposure to immaterial class actions or claims that have not yet been filed and for additional expenses against the Company and the consolidated companies, with the exception of the Max Group Companies

2.2.1 In addition to the material class action lawsuits, described in Note 9 (2.1.1), the pending motions to certify material lawsuits as class actions, described in Note 9 (2.1.2), and the motions to certify material lawsuits as class actions which were dismissed in the reporting period, described in Note 9 (2.1.3), there are pending motions to certify class actions against the Company and its consolidated companies (except for the Max Group Companies) that, according to the Company's estimate, are immaterial,<sup>4</sup> and therefore there is no detailed description thereof in the financial statements. As of the date of the report, 3 lawsuits are litigated against the Company and/or its consolidated companies, as said above, not including Max, and the total amount specified by the plaintiffs in these lawsuits is approx. NIS 0 million<sup>5</sup> (compared to 6 lawsuits for approx. NIS 100 million as of December 31, 2025).

### 2.2.2 Insurance exposures

In addition to the aforementioned legal proceedings, potential exposure also exists, which at this stage can neither be evaluated nor quantified, to the filing of additional derivative claims or class actions against the Group companies, due to the complexity of the companies' products, which may result in disputes arising regarding the interpretation of provisions of the Law or an agreement, including, among other things, pertaining to contractual or commercial terms and conditions, or regulatory directives, including the option available to the Commissioner, under certain circumstances, to order an insurer to cease implementing an insurance plan, or to order it to make changes to an insurance plan, including with respect to policies which have already been marketed by the insurer, or regarding the manner of implementation of the provisions of the Law or an agreement, or the method of claims settlement agreement pursuant to an agreement, which apply to and impact the relationship between the Group companies and the customer and/or the relationship between the Company and third parties, including reinsurers.

This exposure is particularly heightened in the fields of Long-Term Savings and Long-Term Health Insurance, in which Clal Insurance operates, among other things, in view of the fact that in those spheres, some of these policies were issued decades ago, whereas today, in light of significant regulatory changes, and due to the development of both judicial rulings and the Commissioner's position, these policies may be interpreted differently when viewed retroactively, and different interpretative standards may be applied to them than those which were customary when they were drafted. Moreover, the policies in these aforementioned areas remain valid for decades, such that in those cases in which a customer's claim is accepted and new interpretation is attributed to the contents of the policy, there is also potential exposure to the fact that the future profitability of that particular company will be influenced due to the existing policy portfolio. This is in addition to compensation that may be awarded to customers in respect of past activity.

There is also exposure, which at this stage can neither be evaluated nor quantified, to errors in the methods used in the operation of products, chiefly in the areas of Long-Term Savings and Health Insurance. The insurance sector in which the Group companies operate is complex and rich in details, and the regulatory directives tend to change over the years, and it involves an inherent, unquantifiable risk of the occurrence of an error or a series of errors, mechanical or human errors, which may have a sector-wide impact. It is not possible to anticipate all the types of claims to be raised in this context and/or the exposure arising from these potential claims, among other things, via the procedural mechanism of class action lawsuits and/or industry-wide rulings made by the Commissioner and/or rulings by other regulators.

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4. See Footnote 1 above regarding the materiality threshold.

5. The aforementioned number of lawsuits includes one lawsuit in which Clal Insurance is a formal defendant and no remedies are sought against it. In addition, there is one action which was certified as a class action, in which the plaintiff did not specify the amount, but estimated it in tens of millions of NIS.

Such exposure is also the result of the complexity of the aforementioned products, which are characterized by extremely prolonged lifetime, and are subject to frequent, complex and material changes, including changes in regulatory and taxation directives. The complexity of those changes and their application over many years creates increased operational exposure, which is also due to the numerous different computer systems in the Group's institutional entities, and their limitations, in view of additions and/or changes to the basic wording of the products, and in light of multiple, frequent changes implemented over the product's lifetime, including by the regulatory authorities, the customers (the employees) and/or by the employers and/or by those acting on their behalf, in relation to insurance coverages and/or to savings deposits, including in the context of reporting to planholders, and the need to create direct contact with employers and operating entities.

This complexity and these changes have an impact, among other things, on the volume of contributions and the amounts involved, the various product components, the manner in which funds are attributed to employees (including due to discrepancies between the employer's reports, including through the employers' interface with the policy data), products and components and selected investment and insurance tracks, dates of payment appropriations, the identification of arrears in deposits and the handling of such cases, the employment, personal and underwriting status of customers, as well as operational considerations involving third parties outside the Group, which may affect customer rights. This complexity intensifies in view of the increasingly large number of parties operating with the Group's member companies in relation to the management and operation of the products, including, among other things, distributors, employers, customers and reinsurers, including in relation to the ongoing interface with them, and contradictory instructions that may be received from them or their representatives. The institutional entities that are members of the Group are engaged in a constant effort to study, identify and address issues that may arise due to the aforementioned complexities, both with regard to specific cases, and also in relation to customer and/or product types.

There is additional complexity regarding employer contributions that is related to the mechanism prescribed in the Wage Protection Law, 1958, according to which an amount owed by an employer to a provident fund, as this is defined in that law, in respect of the employee's rights or those of his replacement toward the provident fund, is deemed to have been paid on time unless the Regional Labor Court has determined that the delay in the collection of the debt was not the result of negligence on the part of the Fund, or occurred due to other justified circumstances, and subject to the right of indemnity available to the fund in relation to the employer, pursuant to the provisions of the law. Furthermore, pursuant to a circular relating to the manner of depositing payments into provident funds, the provident fund shall receive interest on arrears from an employer who has failed to transfer payments to the provident fund on time. There are various difficulties in the interpretation of the provisions of the Law and their implementation. The responsibility of the institutional entities in the Group for the collection of employers' debts to the said funds creates exposure in the event of defects occurring during the collection process.

Moreover, the institutional entities in the Group carry out a regular, routine process of data cleansing in the Long-Term Savings IT systems, in order to ensure that the record of the planholders' and policyholders' rights in the data systems is complete, accessible and retrievable, in view of the discrepancies that are discovered from time to time, including the issue of mechanization of the classification of the savings funds, pursuant to the various levels of the provisions of the regulation issued over the years, and which are in various stages of being addressed. The institutional entities in the Group are unable to estimate the scope, costs and the full ramifications of the aforementioned actions, or the scope of the future data cleansing discrepancies, which may also be the result of regulatory changes, as this is due, among other things, to the complexity of the products, the fact that they are long-term products, in view of the multiplicity of IT systems in this sphere and their limitations. The institutional entities in the Group update their insurance liabilities from time to time and as is required.

In this context, it should be noted that in December 2021, Clal Insurance received a letter outlining the implementation of regulatory restrictions regarding the collection of insurance coverage costs pursuant to the Income Tax Regulations (Rules for Approval and Management of Provident Funds), 1964, containing demands to refund amounts allegedly collected in breach of the restrictions set forth in the letter. The Company was engaged in discussions with the Authority regarding the implementation of the matters set forth in the letter. In November 2025, an additional letter was received from the Commissioner in this matter, reiterating the requirements to carry out the restitution as stated. At this stage there is no certainty regarding the full amount it may be required to refund due to the said letters - and it is unable to estimate the full implications arising from the requisite implementation of the directives.

There is also exposure, which at this stage can neither be evaluated nor quantified, to changes and to significant regulatory intervention in the various insurance and savings sectors, including, among other things, those which are intended for the direct or indirect reduction of insurance premiums and management fees, intervention in sales processes, involving the different use of diverse regulatory tools, which may have an impact on the contractual terms and conditions, the structure of the contractual engagement and the reciprocal relations among institutional entities, agents, employers and customers, in a manner that could influence the load and the operating expenses, profitability, retention of current products, including in relation to the specific sector business model and the existing product portfolio.

The Group is also exposed, in a manner that cannot be evaluated, to legal claims related to contract laws and the fulfillment of insurance liabilities as part of the insurance policy or implementation of the provident funds' bylaws, breach of fiduciary duty, conflicts of interest, professional negligence, and also including in respect of the manner of distribution and sale of the Group's products, via third parties, whose activities, either by action or omission, may be binding upon it.

### 2.2.3 Additional exposures

#### 2.2.3.1 Immaterial or yet unfiled claims

The exposure to currently unfiled legal actions against the Group's member companies is brought to their attention in a number of ways. This is done, among other things, by inquiries made by customers, employees, suppliers, non-profit organizations or anybody acting on their behalf to various functions in the companies, and especially the compliance officer responsible for public inquiries in the Group's member companies, via customer complaints to the Public Inquiries Unit in the regulator's office, and via legal actions (that are not class actions) filed with the court and also via position papers of the Commissioner.

Note that insofar as this concerns a customer complaint to the regulator's Public Inquiries Unit, in addition to the risk that the customer chooses to assert their allegations in a class action lawsuit as well, Group companies are also exposed to the risk that the regulator resolves the complaint by issuing an industry-wide ruling, which could apply to a broad category of customers and/or by publishing a position statement (or a draft ruling or position). For further details regarding industry-wide rulings and position papers, see Section 2.2.3.2 below.

Moreover, pursuant to the regulatory directives applying to institutional entities, as part of a circular on the adjudication and settlement of claims and addressing public inquiries, in cases in which a public inquiry indicates a systemic, significant defect, which could well be repeated in an institutional entity's regular conduct, that institutional entity must act to identify similar cases in which a similar defect has occurred, and insofar as similar cases are identified - it must develop insights and rectify the defects within a reasonable period of time. This amendment may expand the Group's exposure to the industry-wide implications in respect of the said defects.

#### 2.2.3.2 Exposure of the Group companies due to regulatory directives, audits and position papers

A. Furthermore and in general, in addition to the overall exposure to which the Group companies are exposed, in respect of future claims, as detailed in Note 9 (2.2.2) above, from time to time, including due to complaints of customers and suppliers, audits and requests for information, there is also exposure to warnings concerning the intention of a regulatory authority, to impose financial sanctions and/or directives on the supervised consolidated companies regarding amendment and/or refunding and/or taking of certain actions pertaining to past actions and/or change in behavior, among other things, with regard to a customer or a group of customers, and/or exposure in respect of industry-wide rulings, under which directives may be issued to pay out refunds to customers, or to provide other remedies in respect of the defects to which the warnings or rulings and/or position papers published by supervisory entities related, and whose status and degree of impact are not certain. The Group's member companies are also involved, from time to time, in hearing and/or discussion proceedings with supervisory authorities in relation to warnings and/or rulings, and enforcement powers are sometimes employed against them, including the imposition of financial sanctions.

The Group's member companies are examining the need to make provisions in the financial statements in respect of the aforesaid processes, based on the professional opinion of their legal counsel and/or are in the process of learning the ramifications of the said proceedings, as is deemed to be necessary and relevant.

- B. Following are details regarding positions or draft positions of the Commissioner or theoretical rulings that either have or may have an impact on the Group:

Pursuant to the financial statements of Atudot, a Clal Insurance (50%) investee, during 2017 an audit of the pension fund was conducted on behalf of the Commissioner focusing on the subject of planholders' rights. The report addressed key issues of the pension fund's activity, including: the subject of groups, the fund's regulations, management fees and management expenses, data cleansing, actuarial reporting and withdrawal of money from the fund. The Company was informed that on August 21, 2022, Atudot received the final audit report, which included directives and recommendations for the Board of Directors on a number of topics, among others: to examine the issue of actuarial bubbles and their ramifications (including their purpose, how to handle them, greater congruence between the average duration of the assets and liabilities in each actuarial bubble, etc.; finding solutions to the problem of funding sources to manage the fund in the future given the fact that it is a closed fund; optimization of the method of payment to planholders, expansion of the data cleansing process, together with certain recommendations for amendments to the regulations and expanding the notes, etc. Furthermore, the Commissioner recommended considering the possibility of adopting the redemption values formula prescribed in the Income Tax Regulations, in order to encourage the fund's planholders to realize the funds as an annuity rather than a capital withdrawal. The Company was informed, that with regard to a significant part of the recommendations, and particularly on issues pertaining to the actuarial bubbles, adapting the average duration of assets to liabilities and the redemption formula - it was determined in the audit report that Atudot's Board of Directors must develop a position on these matters, and that the recommendation is not binding - specifically with respect to the manner of treating those issues; and also that as of the approval date of the financial statements, discussions were being held with the Authority in order to reach an agreed model on actuarial bubbles, while a concrete plan of action was devised to address other issues which is being implemented by the Fund. In view of the aforementioned, Atudot is unable to evaluate the full implications of the audit report on its financial statements.

### 2.3. Existing or concluded material lawsuits outside the ordinary course of business or exposure to claims

Further to Note 45, Section 2.1.3(5) to the Company's 2024 Financial Statements regarding a motion to certify a class action filed in May 2011 alleging the collection of sums of money known as the "policy factor" and/or "other management fees" in combined life insurance and savings policies (hereinafter - "**policy factor**") without any contractual basis under the terms of the policy and without the policyholders' consent - which was certified as a class action in November 2016 - and regarding the settlement agreement reached in the lawsuit and approved by the court in August 2024 -

In April 2025, the parties filed with the Court an update regarding implementation and operational issues pertaining to the implementation of the settlement agreement. In September 2025, the court ruled on the motion for clarifications filed by the parties with the court, regarding a notice of updating on applicative and operational issues relating to the implementation of the settlement agreement and a motion for clarification regarding the implementation, in which it was determined, among other things, that: Under the abovementioned ruling, it was determined as follows: (a) with regard to the amounts to be paid subsequent to the reduction date (as defined in the settlement agreement) the Plaintiffs and Attorney General's position was allowed, according to which a return should be added through the actual refund date; (b) with regard to additional coverages purchased under the policy - the Plaintiffs and Attorney General's position was allowed, according to which the policy factor will only be added to the basic policy and should not be added to riders. Furthermore, it was determined that no pure savings riders would be added. This decision of the court dated September 21, 2025 has netting effects with respect to the financial implications of implementing the settlement agreement (hereinafter - the "**First Decision regarding Implementation**").

In October 2025, the plaintiffs filed a motion to provide instructions regarding the manner in which the first decision regarding the manner of implementation should be interpreted. In November 2025, the defendants filed their response to the motion for instructions, as well as a motion for an extension of time to implement the settlement agreement. In May 2026, a decision was handed down (hereinafter - the "**Additional Decision regarding**").

**Implementation**) with respect of the motion to set provisions, to the effect that the policy factor will be attributed to the savings in the policy, while taking into account pure savings riders. The Additional Decision regarding Implementation sets additional provisions regarding the schedules for the implementation of the settlement agreement and the manner of its implementation.

#### 2.4 Hyp's agreed ordinance with the Israel Competition Authority

In January 2024, Hyp Payment Solutions Ltd., a sub-subsiary of the Company (hereinafter - "**Hyp**"), received a data request and an inquiry to examine conduct raising concerns of a violation of the Economic Competition Law, 1988 (hereinafter - the "**Economic Competition Law**"), in connection with the interface of new acquirers with Hyp's systems. In April 2025, Hyp informed the Israel Competition Authority that it agrees to pay a total of NIS 11 million to the State Treasury, under an agreed order, in accordance with Section 50B to the Economic Competition Law. Subject to the approval of the consensual decree by the Competition Court and the payment of the said amount, and bearing in mind that the breach has stopped, it is the position of the Competition Commissioner, that they shall not take no enforcement measures against Hyp or anyone acting on its behalf, in respect of the breach, which - according to the Competition Commissioner's position - was committed by Hyp; the alleged breach entails an alleged refusal by Hyp to provide payment gateway services under reasonable terms to the acquirers of new payment cards, thereby - at the very least - delaying their authentication or discriminating between them and the existing acquirers, during the period between October 1, 2022 and March 31, 2024. It is clarified that the consensual decree or Hyp's signing the decree does not constitute any admission or agreement on behalf of Hyp, or anyone acting on its behalf, that they breached the Economic Competition Law, the Commissioner's decisions or any other law in any way. The consensual decree requires the approval of the Competition Court. In November 2025, the motion to certify the consensual decree was filed to the Competition Court.

#### 2.5 Summary of exposures to lawsuits against the Company and the consolidated companies, not including the Max Group Companies

- 2.5.1** Following are details of the overall amount of claims in both material and immaterial class actions which were certified to be filed as class actions, in pending class action certification motions and a derivative claim, as (nominally) stated by the plaintiffs in their claim as part of the pleadings filed against the Company and the consolidated companies, except companies of the Max Group. It is noted that in the State of Israel, filing class action lawsuits does not entail payment of a fee derived from the claimed amount; therefore the amounts of such claims may be significantly higher than the actual exposure for that exposure. In the majority of cases, the plaintiffs point out that the amount claimed by them is stated as an estimate alone, and the exact amount shall be decided upon as part of the legal proceeding. It is further noted that the aforementioned amount does not include claims for which the lead plaintiff did not state their amount (Section b(3) in the table below). Moreover, it is clarified that the claimed amount does not necessarily constitute quantification of the Company's actual exposure amount, which may eventually transpire to be lower or higher,<sup>6</sup> as on numerous occasions the plaintiffs refrain from stating the precise claimed amount or state that the amount exceeds NIS 2.5 million for the claim to be heard under the jurisdiction of the District Court, and the exposure due to these claims could be substantially higher than noted, and that the claimed amount usually relates to the period preceding the date of filing suit and does not include the following period.

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6. It should be noted further that the specified amounts do not include the amounts the plaintiffs claimed as the lead plaintiff's reward and their counsel's legal fees and they do not include an increase in the amounts of the lawsuit in respect of the period from the date it is brought, as applicable.

<u>Type of claim</u>	<u>No. of claims</u>	<u>Amount claimed in NIS million</u>
	<u>(Unaudited)</u>	
<b>A. Claims certified as class actions<sup>7</sup></b>		
1. An amount relating to the Company has been specified	5	3,981
2. The claim was filed against several parties and no specific amount was attributed to the Company	1	48
3. No claimed amount was provided <sup>8</sup>	3	-
<b>B. Pending motions to certify claims as class actions</b>		
1. An amount relating to the Company has been specified <sup>9</sup>	5	494
2. The claim was filed against several parties and no specific amount was attributed to the Company <sup>10</sup>	4	6,267
3. No claimed amount was provided / a potential range was detailed <sup>11</sup>	24	-
4. An annual amount was specified (and accordingly, the total amount depends on the period) <sup>12</sup>	1	13

In addition to that specified in Note 9(1) and 9(2) above, the Company and/or the consolidated companies are parties to other legal proceedings, in addition to the lawsuits outside the ordinary course of business, that are considered immaterial and are not class actions or derivative actions, and that mainly include lawsuits brought by customers, former customers, and various third parties, outside of regular lawsuits to exercise rights under insurance contracts or provident fund bylaws, at a total alleged amount of approx. NIS 13 million as of March 31, 2026 (approx. NIS 13 million as of December 31, 2025). The causes of action within these proceedings are many and varied.

- 2.5.2** Regarding the Company and the consolidated companies, except the Max Group Companies, in respect of the costs that may arise from the claims and exposures described in Note 9(1) and 9(2) above, provisions are made in the financial statements of the relevant consolidated companies, only if it is more likely than not - namely, with a probability exceeding 50% that a payment liability owing to past events may arise, and that it will be possible to quantify or estimate the liability amount within a reasonable range.

The amounts of the provisions made are based on assessment of the degree of risk in each of the claims, immediately prior to the date of publishing this report (apart from some of the claims which were filed during the last two quarters, and due to the preliminary state of their treatment it is not possible to estimate their chances of success). In relation to this matter, it should be noted that events occurring during the litigation process may require renewed assessment of this risk. Insofar as the Company has the right of indemnity from a third party, the Company acknowledges this right, if it is virtually certain that the indemnity will be obtained if the Company settles the liability.

The assessments of the Company and of the consolidated companies regarding the assessed risk in the claims being conducted are based on the opinions of their legal counsel and/or on the estimates of the relevant companies, including pertaining to the settlement agreement amounts, which the Company's and consolidated companies' management expect to be paid by them, more likely than not.

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7. Including a lawsuit that had been certified as a class action and in which a judgment was rendered in favor of granting the lawsuit.
  8. These lawsuits include a lawsuit that has been estimated in hundreds of millions of shekels, a lawsuit that has been estimated in tens of millions of shekels, and a lawsuit in which we serve as formal defendants.
  9. These lawsuits include a lawsuit in which the movants estimated the claimed damage against Clal Insurance due to the period from March 8, 2020, to April 30, 2020, at NIS 103 million, and noted that the damage will continue to accrue as long as the collection is not terminated.
  10. Including a lawsuit in which Clal Insurance was sued for approx. NIS 1,413 million attributed to it and, in addition, NIS 1,550 million attributed jointly to the two companies.
  11. Including lawsuits in which the plaintiff estimated the claimed amount at more than NIS 2.5 million - the threshold of the subject-matter jurisdiction of the District Court.
  12. The motion was brought in March 2020. According to the plaintiff, the lawsuit ought not to be subject to any prescription. Alternatively, the claim for pecuniary remedies is made for the period starting 7 years before the lawsuit was filed, and until the lawsuit is certified as a class action lawsuit.

It should be stressed that in the professional opinion of the attorneys in relation to the majority of motions to certify in which no provision was made, the attorneys' estimate relates to the chances of the class action certification motion being approved and does not relate to the odds of the claim itself, should it be certified as a class action. This is so, among other things, as the scope and content of the hearing on the claim itself, after it is certified as a class action, will be influenced by the court's ruling to certify the claim as a class action, which usually relates to both the causes of action that have been approved and those that have not; the reliefs that have been approved and those that have not; etc.

Many of the motions to certify lawsuits as class actions have been filed against the Group on various matters related to insurance contracts and the Group's ordinary course of business, for which the Group has allocated insurance reserves.

At this preliminary stage, it is impossible to assess the likelihood that the motions to certify class actions reported in Note 9(2.1.2) (29), (30), (31), (32) and (33) would be granted.

The provision in the financial statements with respect to the Company and the consolidated companies, excluding the Max Group Companies, as of March 31, 2026, for all the lawsuits and the exposures described in Sections 9 (1) and 9 (2) above, totals approx. NIS 625 million (approx. NIS 613 million as of December 31, 2025).

These amounts include provisions made in respect of past liabilities in accordance with the legal counsels' assessment, including all costs directly attributable to the insurance contracts.

### 3. Exposures against the Max Group Companies

During the regular course of business, material legal claims were filed against Max,<sup>13</sup> whose filing as class actions has been certified; pending motions for certification of material claims as class actions; material and immaterial class actions which were concluded during the reporting period and until its signing and other material claims.

With respect to Max,<sup>14</sup> the disclosure format is in accordance with the Banking Supervision Department's instructions, such that material lawsuits are disclosed. Regarding the provisions in the financial statements, the lawsuits filed against Max are classified into three categories, as follows:<sup>15</sup>

- Probable risk – the probability that the risk will materialize exceeds 70%. Provisions are made in the financial statements for lawsuits in this risk category.
- Reasonably possible risk – the probability that the risk will materialize ranges from 20% to 70%. No provisions were made in the financial statements due to lawsuits in this risk category.
- Remote risk – the probability that the risk exposures will materialize is less than or equal to 20 percent. No provisions were made in the financial statements due to lawsuits in this risk category.

The financial statements include adequate provisions for lawsuits, in accordance with the management's assessment and based on assessments by Max's external legal counsels, in accordance with the above.

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13. It is noted that, in general, in this note, a lawsuit against Max would be classified as material and described according to a qualitative or quantitative assessment carried out by Max. Regarding the quantitative assessment – a lawsuit shall be considered material insofar as the total actual exposure, net of tax and assuming the lawsuit is found to be justified and regardless of the lawsuit's chances or the propriety of the amount specified in it on their merits, may exceed 1% of Max's equity as of the reporting date, as detailed in the equity note in the Company's periodic report. Further to Section 10.3.6 of Chapter A of the Company's Annual Reports for 2025, regarding the guidelines and rules the Company has adopted for examining the nature of a specific event or matter for immediate reporting purposes under Regulation 36 of the Securities Regulations, and further to that stated in Note 9, Section 2, of the Company's financial statements, in connection with the description of contingent liabilities and lawsuits filed against the Company and its subsidiaries, and in light of the fact that the Company also fully consolidates Max's statements, which are prepared in accordance with the Banking Supervision Department's reporting directives – the Company wishes to clarify that the disclosure of lawsuits filed against Max in these statements does not necessarily indicate that the lawsuit is material for the purposes of the Company's immediate reports, as detailed above, and therefore, not all such lawsuits and/or development therein are disclosed in an immediate report.
  14. With respect to CIMax Group Companies other than Max or companies under its control, the provisions of Section 2.4.2 above shall apply with respect to the above in connection with the policy on accounting provisions.
  15. The risk assessments are based on the opinions of the legal advisors who handle the lawsuits and/or Max's estimate, including an estimate of the amounts of the expected settlement agreements, that Max's management anticipates will be concluded. In the first stages after the receipt of the claim, in a period of up to 4 quarters, it is not possible to assess the chances of the motions to certify the actions and therefore no provision is made for them.

The total exposure, as assessed by Max based on the assigned external counsels' risk assessment, as detailed below, due to lawsuits filed against Max on various issues, each of which exceeds NIS 1 million, and whose possibility of materializing is not remote, is at an immaterial amount (hereinafter - the "**Exposure to Non-Remote Lawsuits**")

It is further noted that in the State of Israel, filing a motion to certify a class action does not entail paying a fee that derives from the claimed amount, and therefore, the claimed amounts in non-remote lawsuits may greatly exceed the actual exposure. In the majority of cases, the plaintiffs point out that the amount claimed by them is stated as an estimate alone, and the exact amount shall be decided upon as part of the proceeding. Moreover, it is clarified that the amount claimed does not necessarily constitute quantification of the Company's actual exposure amount, as on numerous occasions the plaintiffs refrain from stating an exact claimed amount or state that the amount exceeds NIS 2.5 million for the claim to be heard under the jurisdiction of the District Court, and that the amount claimed usually relates to the period preceding the date of filing suit and does not include the following period nor does it relates to the exposure to legal expenses, legal fees and compensation for the plaintiff.

Following are details of material proceedings against Max as of the report publication date.

**3.1. Pending motions to certify material claims as class actions against Max Group Companies<sup>16</sup>**

<b>Date and court</b>	5/2019 - District Court - Tel Aviv-Jaffa
<b>Defendants</b>	Max
<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that Max is in breach of the provisions of its agreement with the plaintiff – a company that receives acquiring services from Max (or, alternatively, that Max is implementing its provisions unlawfully), as when a transaction is partially canceled, the acquiring fee refund for the relative share of the canceled transaction is lower than the transaction cancellation fee Max charge.
<b>Key remedies</b>	To refund the cancellation fee the class members were charged in contrast with the provisions of the agreements and/or as a result of unlawful implementation thereof.
<b>Represented class</b>	According to the Supreme Court's decision - all Max's customers who are merchants whose set of contracts with Max contains identical or similar clauses to those appearing in specific clauses of the acquiring agreement (as defined by the court) and in the cancellation fee rate chart, from whom Max charged a cancellation fee.
<b>Status / further details</b>	In April 2022, the District Court rendered its judgment, in which the motion to certify was denied. In July 2022, the plaintiff appealed the judgment to the Supreme Court. In August 2023, the Supreme Court rendered a judgment in favor of granting the appeal, and certified the lawsuit as a class action. Therefore, the case was returned to the District Court of Tel Aviv to hear the class action lawsuit on its merits.
<b>Claimed amount</b>	The plaintiff estimates the total claimed amount for all class members at approx. NIS 22 million as of the motion to certify stage.

16. Including such motions which were denied and the ruling to deny them was appealed.

<b>2. Date and court</b>	7/2018 - District Court - Tel Aviv-Jaffa
<b>Defendants</b>	Max and 2 additional companies
<b>Key claims and causes of action</b>	The lawsuit concerns the allegation that the defendants enabled the activity of companies engaged in direct marketing of transactions to the elderly for many years, despite knowing that these companies were acting unlawfully and taking advantage of the elderly.
<b>Key remedies</b>	To order the respondents to return all the funds from the elderly population's transactions with the direct marketing businesses (unless it is proven that the transactions were made lawfully), to return the fees they collected as a result of the transactions, to compensate the customers for the non-pecuniary damage they incurred, and to terminate the engagement with the relevant companies.
<b>Represented class</b>	The respondents' elderly customers and/or their heirs, whom the direct marketing companies charged in respect of products and/or services and/or club memberships and/or delivery charges they had ordered from the marketing companies and/or due to any other charge that they have not duly authorized and/or without being given adequate consideration in the seven years prior to the motion to certify.
<b>Status / further details</b>	In August 2022, the District Court rendered a judgment that denied the motion to certify. In November 2022, the plaintiffs filed an appeal against the ruling with the Supreme Court. In February 2026, the appeal was partially accepted, such that the cause of action concerning the duty of disclosure will be remanded to the District Court for adjudication on the merits. With respect to the cause of action concerning the violation of the provisions of the Payment Cards Law, it was decided to remand the hearing on the motion to certify to the District Court. On March 23, 2026, the defendants filed a motion for a further hearing with the Supreme Court.
<b>Claimed amount</b>	The plaintiffs estimate the total claimed amount for all class members at NIS 900 million.

<b>3. Date and court</b>	06/23 - District Court - Tel Aviv
<b>Defendants</b>	Max and Max IT Credit (a wholly owned Max subsidiary)
<b>Key claims and causes of action</b>	The motion to certify concerns the plaintiff's allegation that the defendants announce the end of the limited-time card fee exemption benefit only in the account statements, but not in a specific notice, which the plaintiff claims is contrary to the Banking Rules (Customer Service) (Full Disclosure and Delivery of Documents), 1992.
<b>Key remedies</b>	To refund of the excessive card fee charged after the benefit expiration date without duly notifying of the benefit's expiration. In addition, mandatory injunctions ordering the defendants to change their conduct and give the customers prior notice of the benefit's expiration, as per the law.
<b>Represented class</b>	The defendants' customers who were given a limited-time exemption from card fees benefit, and from whom the defendants started charging the card fees without notifying them in a specific notice and/or via text message (not within the monthly statements).
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed. On July 2025, a motion was filed to approve a settlement agreement. Following the Attorney General's comments on the settlement and an additional hearing held before the court, it was proposed to amend the settlement such that Max will compensate the class by way of payment to its active customers, alongside a contribution to a fund for financing class actions, as well as payment of an award and legal fees to counsel for the plaintiff. The settlement agreement is subject to the court's approval, which will not necessarily be granted.
<b>Claimed amount</b>	According to the plaintiff, the amounts may sum up to tens of millions of shekels, and therefore it estimates the lawsuit amount, at this stage, at over NIS 3 million.

<b>4. Date and court</b>	03/2024 - District Court - Tel Aviv
<b>Defendants</b>	Max and 1 other
<b>Key claims and causes of action</b>	The motion to certify involves the claim that Bank Leumi and Max raise the card fees for their customers without a proper update. It is argued that, according to the law, the defendants have the duty to notify of changes of this type, in an effective manner, in a separate and clear notice and/or in a prominent manner that will allow the notice regarding the increase in card fees (or collection of payments) to be distinguished from other current notices. All of the above is contrary to the duties of good faith and disclosure that apply to the defendants.
<b>Key remedies</b>	Compensation and/or restitution of the difference between the price that the customers originally paid and the amount which was actually charged, without them being duly notified of the increase in card fees. And, in addition, a mandatory injunction instructing the defendants to actively inform their customers of any increase in the price of the service, as part of a separate and clear notice on the website, including in the application.
<b>Represented class</b>	Any customer of the defendants, whose express consent was not given or who was not actively informed about the increase of the price of services involving the credit card prior to the increase in the price of the services, in the 7 years preceding the submission of the motion to certify and until the date of certification of the motion as a class action.
<b>Status / further details</b>	The proceeding is at the stage of the motion to certify being reviewed. In September 2025, a settlement agreement approval motion was filed, the key points of which are compensation by way of donations to combat soldiers, and payment of compensation and legal fees to the Plaintiff's counsel. The settlement agreement is subject to the court's approval, which will not necessarily be granted.
<b>Claimed amount</b>	The plaintiff estimates the claim amount at over NIS 2.5 million.

**5. Regarding a pending motion to certify a material claim as a class action lawsuit which was brought against the Company and against Max, see Note 9 Section (2.1.2.5) above.**

**3.2 Another material lawsuit outside the ordinary course of business brought against the Max Group Companies**

In December 2016, Max received a VAT assessment for the billing periods from January 2012 to August 2016 (hereinafter - the "**Assessment**"), which mainly concerned charging Max the full VAT for fees Max received due to transactions between holders of Max-issued credit cards and overseas merchants abroad; the Assessment also concerns the denial of an inputs tax deduction for inputs attributable to its operations in Eilat, according to the VAT authorities. In March 2017, Max appealed the Assessment, and in March 2018, it received the VAT Directorate's decision (hereinafter - the "**Directorate**") to dismiss Max's claims raised in the appeal and the revised VAT assessment (hereinafter - the "**Revised Assessment**").

In January 2019, Max appealed the ruling on the objection before the Tel Aviv District Court, and the hearing on the appeal was consolidated with the hearing on appeals by other credit card companies, on similar issues (hereinafter - the "**Consolidated Appeal**"). In the Directorate's response in the Consolidated Appeal, the Directorate held that it intends to reduce the relative portion attributed to Max's operations in Eilat from the Assessment charge, without this having any future ramifications.

In September 2021, Max received a VAT assessment for the billing periods from September 2016 to June 2020 (hereinafter - the "**Second Assessment**"). The Second Assessment addresses charging VAT for the fees whose taxability is discussed in the Consolidated Appeal, as well as additional fees. In January 2022, Max filed an objection to the Second Assessment.

In January 2023, the Directorate issued a ruling in which it rejected Max's objection to the Second Assessment. In June 2023, the Directorate withdrew the charge due to Max's activity in Eilat, and therefore, this charge under the Assessment was canceled. In July 2023, an arrangement was approved, according to which the court's determinations in the consolidated appeal will also apply to the appeal regarding the second assessment.

On August 6, 2025, a judgment was rendered, under which the District Court granted parts of the consolidated appeal and dismissed other parts thereof; the judgment stipulates that the VAT Directorate would issue amended assessments. The main points in the judgment, which concern Max, are as follows: With regard to the underlying transactions carried out with merchants located overseas - whether they are card-present transactions (transactions in which the card holder is physically present at the merchant's premises) or card-not-present transactions (transactions in which the card holder is not physically present at the merchant's premises) in certain industries, the interchange fee component should be charged zero-rate-VAT, whereas in the case of all other card-not-present transactions with overseas merchants, the interchange fee component will be charged full-rate-VAT. It was further stipulated that this arrangement will also apply to the foreign currency fee component. Max is still studying the effects of the judgment and will consider its steps accordingly. As of this report's publication date, the Supreme Court approved a joint motion by the Appellants and the Directorate to postpone the deadline allowing the filing of an appeal against the judgment.

In September 2025, Max received a VAT assessment for the billing period from July 2020 to March 2025 (hereinafter - the "**Third Assessment**"), which focused on issues related to the consolidated appeal. In January 2026, Max filed an objection to the Third Assessment.

Max revised the provisions for this matter from time to time.

Furthermore, Max believes that the effects of the judgment on its future earnings are immaterial.

In this context, it is noted that under the agreement for the acquisition of CIMax Holdings Ltd., which holds Max's entire share capital, it was stipulated that WP XII Financial Investment B.V. and other parties, which were the sellers under the Acquisition Agreement, will indemnify the Company by up to NIS 30 million in respect of the VAT assessment proceeding, all in accordance with the conditions and qualifications set out in the Acquisition Agreement. Clal is working to exercise the abovementioned indemnity.

Accordingly, the overall effect in respect of the VAT assessment proceeding on the Company's business results is expected to be net of the indemnity amount to be received.

**NOTE 10 - CREDIT RISK, RECEIVABLES FOR CREDIT CARD TRANSACTIONS AND CREDIT LOSS PROVISION****A. Credit and receivables for credit card transactions**

In NIS million	As of March 31, 2026	As of March 31, 2025	As of December 31, 2025
	Unaudited		Audited
<b>Credit risk without bank guarantees:</b>			
<b>Private individuals: <sup>(1)</sup></b>			
Of which: Receivables for credit card transactions <sup>(2)</sup>	4,013	4,082	3,999
Of which: Credit cards <sup>(2)(3)</sup>	12,257	10,775	12,069
<b>Private individuals - total</b>	<b>16,270</b>	<b>14,857</b>	<b>16,068</b>
<b>Commercial:</b>			
Of which: Receivables for credit card transactions <sup>(2)</sup>	383	351	356
Of which: Credit cards <sup>(2)(3)</sup>	1,260	1,138	1,193
<b>Commercial - total</b>	<b>1,643</b>	<b>1,489</b>	<b>1,549</b>
<b>Total credit risk without bank guarantees</b>	<b>17,913</b>	<b>16,346</b>	<b>17,617</b>
<b>Other accounts receivable:</b>			
Credit card companies and global organizations	375	409	391
Revenues receivable	47	49	64
Other	248	222	239
<b>Total receivables for credit card transactions</b>	<b>18,583</b>	<b>17,026</b>	<b>18,311</b>
Credit loss provision	(362)	(365)	(348)
<b>Total receivables for credit card transactions</b>	<b>18,221</b>	<b>16,661</b>	<b>17,963</b>
<b>Receivables for credit cards guaranteed by banks</b>	<b>1,111</b>	<b>1,191</b>	<b>1,289</b>
<b>Receivables for credit card transactions, net</b>	<b>19,332</b>	<b>17,852</b>	<b>19,252</b>

(1) Private individuals, as defined in the Reporting to the Public Directives - Report of the Board of Directors and Management, regarding Total Credit Risk by Market Sector on a Consolidated Basis.

(2) Receivables for credit cards - without a charge for interest, including balances for orderly transactions, transactions in payments at the expense of the merchant, and other transactions. The balance does not include debts from non-bank payment cards issued by Max, which were sold to several banks under transactions constituting a full and complete sale.

Credit - with interest, including credit transactions, revolving credit card transactions, direct credit, credit for non-card holders, and other transactions.

(3) Including vehicle-secured credit totaling NIS 4,814 million (December 31, 2025 - NIS 4,535 million, March 31, 2025 - NIS 3,638 million).

**B. Debts\* and off-balance-sheet credit instruments**

**1. Change in outstanding credit loss provision**

In NIS million	For the three months ended March 31, 2026					
	Credit loss provision					
	Credit risk without bank guarantees					
	Private individuals			Commercial		
	Receivables for credit cards	Credit <sup>(1)</sup>	Receivables for credit cards	Credit <sup>(1)</sup>	Others <sup>(2)</sup>	Total
	Unaudited					
Balance of credit loss provision as of December 31, 2025	21	283	4	50	6	364
Credit loss revenues (expenses)	3	46	-	6	-	55
Charge-offs	(6)	(49)	-	(6)	-	(61)
Collection of debts written off in previous years	1	16	-	1	-	18
Charge-offs, net	(5)	(33)	-	(5)	-	(43)
<b>Balance of credit loss provision as of March 30, 2026 <sup>(3)</sup></b>	<b>19</b>	<b>296</b>	<b>4</b>	<b>51</b>	<b>6</b>	<b>376</b>
Of which: <sup>(3)</sup>						
For off-balance sheet credit instruments	9	-	3	-	2	14
For deposits with banks and amounts receivable from banks	-	-	-	-	2	2

In NIS million	For the three months ended March 31, 2025					
	Credit loss provision					
	Credit risk without bank guarantees					
	Private individuals			Commercial		
	Receivables for credit cards	Credit <sup>(1)</sup>	Receivables for credit cards	Credit <sup>(1)</sup>	Others <sup>(2)</sup>	Total
	Unaudited					
Balance of credit loss provision as of December 31, 2024	22	296	4	60	6	388
Credit loss expenses	2	44	-	-	-	46
Charge-offs	(5)	(55)	(1)	(4)	-	(65)
Collection of debts written off in previous years	-	10	-	1	-	11
<b>Charge-offs, net</b>	<b>(5)</b>	<b>(45)</b>	<b>(1)</b>	<b>(3)</b>	<b>-</b>	<b>(54)</b>
<b>Balance of credit loss provision as of March 30, 2025 <sup>(3)</sup></b>	<b>19</b>	<b>295</b>	<b>3</b>	<b>57</b>	<b>6</b>	<b>380</b>
Of which: <sup>(3)</sup>						
For off-balance sheet credit instruments	11	-	2	-	2	15
For deposits with banks and amounts receivable from banks	-	-	-	-	2	2

\*) Receivables for credit card transactions, deposits with banks, and other debts.

(1) Interest-bearing credit. This credit includes credit transactions, revolving credit card transactions, credit for card holders, credit non-card holders and other transactions.

(2) Amounts receivable from banks, deposits with banks, credit card companies and global organizations, revenues receivable, and other accounts receivables.

2. Additional information on calculating the credit loss provision for debts and for the debts for which it was calculated

In NIS million	As of March 31, 2026					
	Private individuals			Commercial		
	Receivables for credit cards	Credit <sup>(1)</sup>	Receivables for credit cards	Credit <sup>(1)</sup>	Others <sup>(2)</sup>	Total
	Unaudited					
<b>Recorded outstanding debt:</b>						
Examined on a specific basis	2	77	87	759	-	925
Examined on a collective basis	4,011	12,180	296	501	2,631	19,619
<b>Total debts</b>	<b>4,013</b>	<b>12,257</b>	<b>383</b>	<b>1,260</b>	<b>2,631</b>	<b>20,544</b>
Of which:						
Non-accruing debts	17	152	3	24	-	196
Other troubled debts	8	443	1	20	-	472
<b>Total troubled debts</b>	<b>25</b>	<b>595</b>	<b>4</b>	<b>44</b>	<b>-</b>	<b>668</b>
<b>Credit loss provision in respect of debts:</b>						
Examined on a specific basis	-	1	-	26	-	27
Examined on a collective basis	10	295	1	25	4	335
<b>Total credit loss provision</b>	<b>10</b>	<b>296</b>	<b>1</b>	<b>51</b>	<b>4</b>	<b>362</b>
Of which: For non-accruing debts	4	59	1	14	-	78
Of which: For other troubled debts	-	28	-	4	-	32

In NIS million	As of March 31, 2025					
	Private individuals			Commercial		
	Receivables for credit cards	Credit <sup>(1)</sup>	Receivables for credit cards	Credit <sup>(1)</sup>	Others <sup>(2)</sup>	Total
	Unaudited					
<b>Recorded outstanding debt:</b>						
Examined on a specific basis	3	30	67	663	-	763
Examined on a collective basis	4,079	10,745	284	475	2,532	18,115
<b>Total debts</b>	<b>4,082</b>	<b>10,775</b>	<b>351</b>	<b>1,138</b>	<b>2,532</b>	<b>18,878</b>
Of which:						
Non-accruing debts	14	137	3	26	-	180
Other troubled debts	6	375	1	35	-	417
<b>Total troubled debts</b>	<b>20</b>	<b>512</b>	<b>4</b>	<b>61</b>	<b>-</b>	<b>597</b>
<b>Credit loss provision in respect of debts:</b>						
Examined on a specific basis	-	1	-	19	-	20
Examined on a collective basis	8	294	1	38	4	345
<b>Total credit loss provision</b>	<b>8</b>	<b>295</b>	<b>1</b>	<b>57</b>	<b>4</b>	<b>365</b>
Of which: For non-accruing debts	2	59	1	17	-	79
Of which: For other troubled debts	-	38	-	4	-	42

(1) Interest-bearing credit. This credit includes credit transactions, revolving credit card transactions, credit for card holders, credit non-card holders and other transactions.

(2) Amounts receivable from banks, deposits with banks, global credit card companies and organizations, revenues receivable, and other accounts receivables.

In NIS million	As of December 31, 2025					
	Private individuals			Commercial		
	Receivables for credit cards	Credit <sup>(1)</sup>	Receivables for credit cards	Credit <sup>(1)</sup>	Others <sup>(2)</sup>	Total
	Audited					
<b>Recorded outstanding debt:</b>						
Examined on a specific basis	1	66	67	699	-	833
Examined on a collective basis	3,998	12,003	289	494	2,753	19,537
<b>Total debts</b>	<b>3,999</b>	<b>12,069</b>	<b>356</b>	<b>1,193</b>	<b>2,753</b>	<b>20,370</b>
Of which:						
Non-accruing debts	17	142	3	25	-	187
Other troubled debts	8	433	1	26	-	468
<b>Total troubled debts</b>	<b>25</b>	<b>575</b>	<b>4</b>	<b>51</b>	<b>-</b>	<b>655</b>
<b>Credit loss provision in respect of debts:</b>						
Examined on a specific basis	-	1	-	24	-	25
Examined on a collective basis	10	282	1	26	4	323
<b>Total credit loss provision</b>	<b>10</b>	<b>283</b>	<b>1</b>	<b>50</b>	<b>4</b>	<b>348</b>
Of which: For non-accruing debts	3	56	1	16	-	76
Of which: For other troubled debts	-	39	-	5	-	44

- (1) Interest-bearing credit. This credit includes credit transactions, revolving credit card transactions, credit for card holders, credit non-card holders and other transactions.
- (2) Amounts receivable from banks, deposits with banks, global credit card companies and organizations, revenues receivable, and other accounts receivables.

3. Credit quality by credit granting year

In NIS million	As of March 31, 2026						Recorded outstanding debt of renewed loans	Total
	Recorded debt balance of fixed term credit							
	2026	2025	2024	2023	2022	Previous		
	Unaudited							
<u>Private individuals</u>								
Receivables for credit cards:								
Non-troubled credit	3,280	639	57	11	1	-	-	3,988
Troubled accruing credit	2	5	1	-	-	-	-	8
Non-accruing credit	15	2	-	-	-	-	-	17
<b>Total receivables for credit cards</b>	<b>3,297</b>	<b>646</b>	<b>58</b>	<b>11</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>4,013</b>
Charge-offs during the reporting period	-	(6)	-	-	-	-	-	(6)
<u>Credit:</u>								
Non-troubled credit	1,680	4,202	2,245	875	543	189	1,928	11,662
Troubled accruing credit	7	69	86	77	65	22	117	443
Non-accruing credit	60	23	16	7	4	2	40	152
<b>Total credit</b>	<b>1,747</b>	<b>4,294</b>	<b>2,347</b>	<b>959</b>	<b>612</b>	<b>213</b>	<b>2,085</b>	<b>12,257</b>
Charge-offs during the reporting period	-	(8)	(11)	(8)	(5)	(2)	(15)	(49)
<b>Total private individuals</b>	<b>5,044</b>	<b>4,940</b>	<b>2,405</b>	<b>970</b>	<b>613</b>	<b>213</b>	<b>2,085</b>	<b>16,270</b>
<u>Commercial</u>								
Receivables for credit cards:								
Non-troubled credit	347	28	2	2	-	-	-	379
Troubled accruing credit	1	-	-	-	-	-	-	1
Non-accruing credit	3	-	-	-	-	-	-	3
<b>Total receivables for credit cards</b>	<b>351</b>	<b>28</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>383</b>
<u>Credit:</u>								
Non-troubled credit	473	363	155	112	25	4	84	1,216
Troubled accruing credit	2	4	3	4	2	-	5	20
Non-accruing credit	2	5	8	6	-	1	2	24
<b>Total credit</b>	<b>477</b>	<b>372</b>	<b>166</b>	<b>122</b>	<b>27</b>	<b>5</b>	<b>91</b>	<b>1,260</b>
Charge-offs during the reporting period	-	(2)	(1)	(2)	-	-	(1)	(6)
<b>Commercial - total</b>	<b>828</b>	<b>400</b>	<b>168</b>	<b>124</b>	<b>27</b>	<b>5</b>	<b>91</b>	<b>1,643</b>
<b>Total debts</b>	<b>5,872</b>	<b>5,340</b>	<b>2,573</b>	<b>1,094</b>	<b>640</b>	<b>218</b>	<b>2,176</b>	<b>17,913</b>

As of March 31, 2026, there is no outstanding debt for renewed loans converted to fixed-term loans.

In NIS million	As of March 31, 2025						Recorded outstanding debt of renewed loans	Total
	Recorded debt balance of fixed term credit					Previous		
	2025	2024	2023	2022	2021			
	Unaudited							
<u>Private individuals</u>								
Receivables for credit cards:								
Non-troubled credit	3,425	572	51	14	1	-	-	4,062
Troubled accruing credit	2	3	1	-	-	-	-	6
Non-accruing credit	4	9	1	-	-	-	-	14
<b>Total receivables for credit cards</b>	<b>3,431</b>	<b>584</b>	<b>53</b>	<b>14</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>4,082</b>
Charge-offs during the reporting period	(11)	(6)	(1)	-	-	-	-	(18)
Credit:								
Non-troubled credit	1,609	3,690	1,550	1,018	402	81	1,913	10,263
Troubled accruing credit	6	52	82	87	36	9	103	375
Non-accruing credit	7	55	23	9	3	1	39	137
<b>Total credit</b>	<b>1,622</b>	<b>3,797</b>	<b>1,655</b>	<b>1,114</b>	<b>441</b>	<b>91</b>	<b>2,055</b>	<b>10,775</b>
Charge-offs during the reporting period	-	*(10)	*(15)	(10)	(3)	(1)	*(16)	(55)
<b>Total private individuals</b>	<b>5,053</b>	<b>4,381</b>	<b>1,708</b>	<b>1,128</b>	<b>442</b>	<b>91</b>	<b>2,055</b>	<b>14,857</b>
<u>Commercial</u>								
Receivables for credit cards:								
Non-troubled credit	312	25	5	1	-	1	-	344
Troubled accruing credit	1	-	-	-	-	-	-	1
Non-accruing credit	3	-	-	-	-	-	-	3
<b>Total receivables for credit cards</b>	<b>316</b>	<b>25</b>	<b>5</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>348</b>
Charge-offs during the reporting period								
Credit:								
Non-troubled credit	375	334	197	67	21	5	80	1,080
Troubled accruing credit	12	7	*9	1	2	-	4	35
Non-accruing credit	1	10	12	1	-	-	2	26
<b>Total credit</b>	<b>388</b>	<b>351</b>	<b>218</b>	<b>69</b>	<b>23</b>	<b>5</b>	<b>86</b>	<b>1,141</b>
Charge-offs during the reporting period	-	(1)	(1)	(1)	-	-	(1)	(4)
<b>Commercial - total</b>	<b>704</b>	<b>376</b>	<b>223</b>	<b>70</b>	<b>23</b>	<b>6</b>	<b>86</b>	<b>1,489</b>
<b>Total debts</b>	<b>5,757</b>	<b>4,757</b>	<b>1,931</b>	<b>1,198</b>	<b>465</b>	<b>97</b>	<b>2,141</b>	<b>16,346</b>

\*) Reclassified.

As of March 31, 2025, there is no outstanding debt for renewed loans converted to fixed-term loans.

In NIS million	As of December 31, 2025						Recorded outstanding debt of renewed loans	Total
	Recorded debt balance of fixed term credit							
	2025	2024	2023	2022	2021	Previous		
	Audited							
<u>Private individuals</u>								
Receivables for credit cards:								
Non-troubled credit	3,867	86	18	3	-	-	-	3,974
Troubled accruing credit	7	1	-	-	-	-	-	8
Non-accruing credit	15	2	-	-	-	-	-	17
<b>Total receivables for credit cards</b>	<b>3,889</b>	<b>89</b>	<b>18</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,999</b>
Charge-offs during the reporting period	(11)	(7)	-	-	-	-	-	(18)
<u>Credit:</u>								
Non-troubled credit	4,803	2,702	1,093	681	240	23	1,952	11,494
Troubled accruing credit	53	83	82	71	25	3	116	433
Non-accruing credit	61	22	12	5	1	1	40	142
<b>Total credit</b>	<b>4,917</b>	<b>2,807</b>	<b>1,187</b>	<b>757</b>	<b>266</b>	<b>27</b>	<b>2,108</b>	<b>12,069</b>
Charge-offs during the reporting period	(6)	(46)	(47)	(31)	(11)	(2)	(56)	(199)
<b>Total private individuals</b>	<b>8,806</b>	<b>2,896</b>	<b>1,205</b>	<b>760</b>	<b>266</b>	<b>27</b>	<b>2,108</b>	<b>16,068</b>
<u>Commercial</u>								
Receivables for credit cards:								
Non-troubled credit	346	4	2	-	-	-	-	352
Troubled accruing credit	1	-	-	-	-	-	-	1
Non-accruing credit	3	-	-	-	-	-	-	3
<b>Total receivables for credit cards</b>	<b>350</b>	<b>4</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>356</b>
Charge-offs during the reporting period	(1)	(1)	-	-	-	-	-	(2)
<u>Credit:</u>								
Non-troubled credit	677	204	132	34	9	-	87	1,143
Troubled accruing credit	8	5	6	2	-	-	5	26
Non-accruing credit	7	8	7	-	-	-	2	24
<b>Total credit</b>	<b>692</b>	<b>217</b>	<b>145</b>	<b>36</b>	<b>9</b>	<b>-</b>	<b>94</b>	<b>1,193</b>
Charge-offs during the reporting period	(2)	(4)	(7)	(2)	-	-	(3)	(18)
<b>Commercial - total</b>	<b>1,042</b>	<b>221</b>	<b>147</b>	<b>36</b>	<b>9</b>	<b>-</b>	<b>94</b>	<b>1,549</b>
<b>Total debts</b>	<b>9,848</b>	<b>3,117</b>	<b>1,352</b>	<b>796</b>	<b>275</b>	<b>27</b>	<b>2,202</b>	<b>17,617</b>

As of December 31, 2025, there is no outstanding debt for renewed loans converted to fixed-term loans.

C. Debts <sup>(1)</sup>

1. Credit quality and delinquency

In NIS million	As of March 31, 2026			
	Troubled <sup>(2)</sup>			
	Performing*	Non-accruing		Total
		Accruing	Unaudited	
<b>Private individuals</b>				
Receivables for credit cards	3,988	8	17	4,013
Credit <sup>(3)</sup>	11,662	443	152	12,257
<b>Commercial</b>				
Receivables for credit cards	379	1	3	383
Credit <sup>(3)</sup>	1,216	20	24	1,260
Other accounts receivables <sup>(4)</sup>	2,631	-	-	2,631
<b>Total debts</b>	<b>19,876</b>	<b>472</b>	<b>196</b>	<b>20,544</b>

In NIS million	As of March 31, 2025			
	Troubled <sup>(2)</sup>			
	Performing*	Non-accruing		Total
		Accruing	Unaudited	
<b>Private individuals</b>				
Receivables for credit cards	4,062	6	14	4,082
Credit <sup>(3)</sup>	10,263	375	137	10,775
<b>Commercial</b>				
Receivables for credit cards	347	1	3	351
Credit <sup>(3)</sup>	1,077	35	26	1,138
Other accounts receivables <sup>(4)</sup>	2,532	-	-	2,532
<b>Total debts</b>	<b>18,281</b>	<b>417</b>	<b>180</b>	<b>18,878</b>

In NIS million	As of December 31, 2025			
	Troubled <sup>(2)</sup>			
	Performing*	Non-accruing		Total
		Accruing	Audited	
<b>Private individuals</b>				
Receivables for credit cards <sup>(3)</sup>	3,974	8	17	3,999
Credit	11,494	433	142	12,069
<b>Commercial</b>				
Receivables for credit cards	352	1	3	356
Credit <sup>(3)</sup>	1,142	26	25	1,193
Other accounts receivables <sup>(4)</sup>	2,753	-	-	2,753
<b>Total debts</b>	<b>19,715</b>	<b>468</b>	<b>187</b>	<b>20,370</b>

\* Of which: debts with a credit rating as of the report date corresponding with the credit rating for new credit in accordance with Max's policy in the amount of NIS 19,168 million (March 31, 2025 - NIS 17,835 million, December 31, 2025 - NIS 19,149 million).

(1) Receivables for credit card transactions, deposits with banks, and other debts.

(2) Accruing and non-accruing debts.

(3) Including vehicle-secured credit totaling NIS 4,814 million (March 31, 2025 - NIS 3,638 million, March 31, 2025 - NIS 4,535 million).

(4) Amounts receivable from banks, deposits with banks, global credit card companies and organizations, revenues receivable, and other accounts receivables.

## 2. Additional information on non-accruing debts

### (a) Non-accruing debts and provision

In NIS million	As of March 31, 2026			
	Outstanding debts			
	Outstanding non-accruing debts for which there is a provision <sup>(1)</sup>	Outstanding provision	Total outstanding non-accruing debts <sup>(1)</sup>	Outstanding contractual principal for non-accruing debts
	Unaudited			
Private individuals				
Receivables for credit cards	17	4	17	17
Credit	152	59	152	152
Commercial				
Receivables for credit cards	3	1	3	3
Credit	24	14	24	24
<b>Total debts</b>	<b>196</b>	<b>78</b>	<b>196</b>	<b>196</b>

In NIS million	As of March 31, 2025			
	Outstanding debts			
	Outstanding non-accruing debts for which there is a provision <sup>(1)</sup>	Outstanding provision	Total outstanding non-accruing debts <sup>(1)</sup>	Outstanding contractual principal for non-accruing debts
	Unaudited			
Private individuals				
Receivables for credit cards	14	2	14	14
Credit	137	59	137	137
Commercial				
Receivables for credit cards	3	1	3	3
Credit	26	17	26	26
<b>Total debts</b>	<b>180</b>	<b>79</b>	<b>180</b>	<b>180</b>

In NIS million	As of December 31, 2025			
	Outstanding debts			
	Outstanding non-accruing debts for which there is a provision <sup>(1)</sup>	Outstanding provision	Total outstanding non-accruing debts <sup>(1)</sup>	Outstanding contractual principal for non-accruing debts
	Unaudited			
Private individuals				
Receivables for credit cards	17	3	17	17
Credit	142	56	142	142
Commercial				
Receivables for credit cards	3	1	3	3
Credit	25	16	25	25
<b>Total debts</b>	<b>187</b>	<b>76</b>	<b>187</b>	<b>187</b>

(1) Recorded outstanding debt

**3. Information regarding debts of financially distressed borrowers who underwent a change in terms and conditions**

A. The credit quality and extent of arrears of debts of borrowers with financial difficulties who underwent modification of terms

In NIS million	As of March 31, 2026	
	Recorded outstanding debt	
	Non-accruing interest revenues	Total
	Unaudited	
Private individuals		
Receivables for credit cards	8	8
Credit	59	59
Commercial		
Credit	9	9
<b>Total debts</b>	<b>76</b>	<b>76</b>

In NIS million	As of March 31, 2025	
	Recorded outstanding debt	
	Non-accruing interest revenues	Total
	Unaudited	
Private individuals		
Receivables for credit cards	6	6
Credit	56	56
Commercial		
Credit	8	8
<b>Total debts</b>	<b>70</b>	<b>70</b>

In NIS million	As of December 31, 2025	
	Recorded outstanding debt	
	Non-accruing interest revenues	Total
	Audited	
Private individuals		
Receivables for credit cards	7	7
Credit	58	58
Commercial		
Credit	10	10
<b>Total debts</b>	<b>75</b>	<b>75</b>

**B. The credit quality and extent of arrears of debts of borrowers with financial difficulties who underwent modification of terms during the reporting period**

<b>In NIS million</b>	<u>For the three-month period ended March 31, 2026</u>	
	<u>Recorded outstanding debt</u>	
	<u>Troubled</u>	
	<u>Non-accruing interest revenues</u>	<u>Total</u>
	<u>Unaudited</u>	
Private individuals		
Receivables for credit cards	1	1
Credit	11	11
Commercial		
Credit	1	1
<b>Total debts</b>	<b>13</b>	<b>13</b>

<b>In NIS million</b>	<u>For the three-month period ended March 31, 2025</u>	
	<u>Recorded outstanding debt</u>	
	<u>Troubled</u>	
	<u>Non-accruing interest revenues</u>	<u>Total</u>
	<u>Unaudited</u>	
Private individuals		
Receivables for credit cards	1	1
Credit	17	17
Commercial		
Credit	1	1
<b>Total debts</b>	<b>19</b>	<b>19</b>

**C. Debts of financially distressed borrowers who underwent changes of terms during the reporting period**

	Debts of financially distressed borrowers who underwent a change of terms during the three-month period ended March 31, 2026				
	Total		Type of change		
	Recorded outstanding debt	% of total	Waiver of interest	Extension of period	Extension of period and waiver of interest
	Unaudited				
	NIS million	%	NIS million		
Private individuals					
Receivables for credit cards	1	0.0	-	1	-
Credit	11	0.1	-	11	-
Commercial					
Credit	1	0.1	-	1	-
<b>Total debts</b>	<b>13</b>	<b>0.1</b>	<b>-</b>	<b>13</b>	<b>-</b>

	Financial effects of the change in terms and conditions during the three-month period ended March 31, 2026		Debts of financially distressed borrowers who defaulted following changes of terms during the three-month period ended March 31, 2026		
	Type of change		Total	Type of change	
	Average waiver of interest	Average extension of period	Recorded outstanding debt	Waiver of interest	Extension of period
	Unaudited				
	%	Months	NIS million		
Private individuals					
Receivables for credit cards	-	20	-	-	-
Credit	2.6	23	3	-	3
Commercial					
Credit	1.8	12	-	-	-
<b>Total debts</b>	<b>2.3</b>	<b>22</b>	<b>3</b>	<b>-</b>	<b>3</b>

	Debts of financially distressed borrowers who underwent a change of terms during the three-month period ended March 31, 2025				
	Total		Type of change		
	Recorded outstanding debt	% of total	Waiver of interest	Extension of period	Extension of period and waiver of interest
	Unaudited				
	NIS million	%	NIS million		
Private individuals					
Receivables for credit cards	1	0.0	-	1	-
Credit	17	0.2	1	11	5
Commercial					
Credit	1	0.1	-	1	-
<b>Total debts</b>	<b>19</b>	<b>0.1</b>	<b>1</b>	<b>13</b>	<b>5</b>

	Financial effects of the change in terms and conditions during the three-month period ended March 31, 2025		Debts of financially distressed borrowers who defaulted following changes of terms during the three-month period ended March 31, 2025		
	Type of change		Total	Type of change	
	Average waiver of interest	Average extension of period	Recorded outstanding debt	Waiver of interest	Extension of period
			Unaudited		
	%	Months	NIS million		
<b>Private individuals</b>					
Receivables for credit cards	-	32	-	-	-
Credit	2.2	32	4	1	3
<b>Commercial</b>					
Credit	2.1	20	-	-	-
<b>Total debts</b>	2.0	32	4	1	3

**NOTE 11 - PAYABLES FOR CREDIT CARD TRANSACTIONS**

In NIS million	As of March 31, 2026	As of March 31, 2025	As of December 31, 2025
		Unaudited	Audited
Merchants <sup>(1)</sup>	8,131	8,592	8,357
Liabilities for deposits <sup>(2)</sup>	344	240	268
Credit card companies	1,056	912	1,113
Prepaid revenues	54	30	36
Benefit plan for card holders <sup>(3)</sup>	94	95	88
Other <sup>(4)</sup>	68	64	85
<b>Total payables for credit card transactions</b>	<b>9,747</b>	<b>9,933</b>	<b>9,947</b>

(1) Net of balances for factoring credit card vouchers for merchants in the amount of NIS 1,562 million (December 31, 2025 - NIS 1,781 million, March 31, 2025 - NIS 1,614 million) and for early payments to merchants in the amount of NIS 257 million (December 31, 2025 - NIS 280 million, March 31, 2025 - NIS 265 million). These balances do not constitute a credit transaction but rather a settlement of a liability.

(2) Max's liabilities for deposits include liabilities in respect of interest-bearing balances and non-interest bearing balances. The balances are mostly held for private individuals and do not exceed NIS 1 million.

(3) As part of the operation of Max's customer loyalty programs, there is a liability towards card holders for their right to benefits according to the terms and conditions of the plans. The balance of the liability includes a provision based on the calculation of the expected future utilization rate of the benefits by the card holders.

(4) Mainly accrued expenses in respect of banks and loyalty programs.

**NOTE 12 - REVENUES FROM CREDIT CARD TRANSACTIONS**

In NIS million	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
<b>Revenues from merchants</b>			
Merchants fees and commissions	212	210	871
Other revenues	52	49	201
<b>Total revenues from merchants - gross</b>	<b>264</b>	259	1,072
Net of fees and commissions to other issuers	(102)	(98)	(414)
<b>Total revenues from merchants - net</b>	<b>162</b>	161	658
<b>Revenues from credit card holders</b>			
Issuer fees and commissions <sup>(1)</sup>	149	149	634
Service fees and commissions <sup>(2)</sup>	62	54	237
Fees and commissions from cross-border transactions <sup>(3)</sup>	41	45	211
<b>Total revenues for credit card holders</b>	<b>252</b>	248	1,082
<b>Total revenues from credit card transactions</b>	<b>414</b>	409	1,740

- (1) Revenues from issuer fees include an interchange fee in respect of transactions involving Israeli merchants and transactions involving overseas merchants.
- (2) Service fees include fees collected from Max's card holders in accordance with the fees and commissions price list, and processing fees collected from the banks with which the Company has processing agreements.
- (3) Revenues from cross-border transaction fees include foreign exchange fee in respect of transactions involving overseas merchants (with card present and card not present).

**NOTE 13 - ADDITIONAL EVENTS DURING AND SUBSEQUENT TO THE REPORTING PERIOD****A. Economic solvency ratio in Clal Insurance**

On May 28, 2026, Clal Insurance approved its Economic Solvency Ratio Report as of December 31, 2025. For further details, see Note 6 above.

**B. Debt raising by Clal Insurance Capital Raising Ltd. a subsidiary of Clal Insurance**

On January 22, 2026, Clal Capital Raising issued to the public approx. NIS 591 million p.v. in Notes (Series O), by way of expansion of an existing series. The proceeds of the offering amounted to approx. NIS 622 million and were recognized as Additional Tier 1 capital of Clal Insurance, subject to restrictions on the maximum rate of Tier 1 capital, in accordance with the provisions of the law. For further details, see Note 5 above.

**C. The Company's bonds****Issuance of Bonds (Series D) and full early redemption of Bonds (Series A)**

Subsequent to the reporting date, on April 16, 2026, the Company issued approx. NIS 605 million p.v. in Bonds (Series D) to the public, pursuant to the Company's shelf offering report dated April 14, 2026, published under the Company's shelf prospectus. The issuance expenses amounted to approx. NIS 5 million; the effective interest rate is 4.7%, and net proceeds of the issuance amounted to approx. NIS 600 million. The proceeds of the issuance were first used for full early redemption of the Company's outstanding Bonds (Series A), and the balance will be used for the Company's current needs, as decided by the Board of Directors from time to time. Subsequent to the reporting date, on May 7, 2026, the Company redeemed, by way of early redemption, the full outstanding balance of Bonds (Series A) totaling NIS 549 million in par value.

**Conversion of Bonds (Series B) into shares**

During the Reporting Period, approx. NIS 57 million in p.v. of Bonds (Series B) (convertible bonds) was converted, in exchange for the issuance of approx. NIS 1 million of the Company's share capital. The Company generated a conversion premium totaling approx. NIS 56 million.

For further details, see Note 5 above.

**D. Debt raising by Max**

On March 27, 2026, Max completed a public offering of Commercial Papers (Series 6), totaling approx. NIS 300 million in par value. The Commercial Papers (Series 6) were issued to the public at an interest rate of 0.06% above the Bank of Israel Interest, for a period of one year with no renewal option.

Subsequent to the reporting date, on April 23, 2026, Max repaid the full amount of the principal and interest in respect of Commercial Papers (Series 5) totaling approx. NIS 207 million in par value, in accordance with their terms. For further details, see Note 5 above.

**E. Collective agreement of the Group**

In May 2026, a collective agreement was signed between Tmura Insurance Agency (1987) Ltd., an insurance agency wholly-owned by the subsidiary Clal Agency Holdings (1998) Ltd., (hereinafter - "**Tmura**") and the National Labor Federation, effective from January 1, 2026 to December 31, 2029. Tmura believes that the increase in its expenses in each of the years of the agreement, is not expected to be material.

**F. Operation Lion's Roar**

Further to Note 36(i) to the Financial Statements for 2025, on February 28, 2026, the State of Israel and the United States launched a joint military operation in Iran, Operation Lion's Roar (hereinafter - the "**Operation**"), targeting Iran's missile systems and additional targets of the Iranian regime. In response, the Iranian regime began launching missiles and unmanned aerial vehicles toward the State of Israel and toward additional countries in the region. On March 1, 2026 the hostilities were also expanded to Lebanon following fire toward the State of Israel by the Hezbollah organization.

During the Operation, the economy's activity was limited, restricted by a prohibition on educational activities, gatherings, and attendance at workplaces, except for workplaces defined as essential to the economy. The scaling-up of activity started in mid-March 2026 and full-scale activity was gradually restored by the end of the operation in April 2026.

Subsequent to the reporting date, on April 8, 2026, it was reported that the United States and Iran announced that they reached understandings regarding a temporary ceasefire for a limited period brokered by international parties. The Israeli government announced that it had agreed to the ceasefire in coordination with the United States. According to the reports, the ceasefire does not fully apply to the conflict in Lebanon, and during the period fighting and localized strikes in Lebanon between the IDF and Hezbollah continued until a ceasefire was declared on this front as well on April 15, 2026.

### Israel's credit rating

The consequences of the fighting and security situation were reflected in the State of Israel's credit rating downgrades by global rating agencies.

In November 2025, the rating agency S&P upgraded Israel's rating outlook from "negative" to "stable" and reiterated its credit rating at A. In January 2026, Moody's revised the State of Israel's rating outlook from negative to stable and reiterated the existing credit rating at Baa1; in March 2026, the rating agency Fitch reiterated the State of Israel's rating at A with a negative outlook (which remained without change). As of the report publication date, there were no further changes in the State of Israel's credit rating.

### Effect on the financial statements

**Clal Insurance** – Due to the nature of its activity, Clal Insurance is exposed to changes in financial markets, a domestic economic slowdown, and other risks arising from the fighting. At this stage, there is uncertainty as to the development of the campaign, its scope and duration. Therefore, at this stage it is impossible to assess the full effect of the fighting and security situation on Clal Insurance and its results in the medium term; however, as of the report publication date, this effect is not expected to be material.

**Max** - The effect of Operation Lion's Roar on Max's first-quarter financial results was reflected in a decline in issuing and acquiring turnovers during the campaign; this decline occurred both in the domestic market - driven mainly by a slowdown in domestic economic activity due to Home Front Command restrictions - and, more notably, in overseas activity due to airspace closures. In addition, credit and credit card sales declined during the operation. The decline in activity volumes during the operation resulted in a decrease in Max's March 2026 revenues from interchange, acquiring, and overseas transaction fees. Subsequent to the Reporting Period, as the ceasefire took effect in early April 2026 and normal activity resumed, issuing and acquiring turnovers in Israel have improved.

During the Reporting Period, no higher-than-expected materialization of credit risk was observed among Max's customers, nor did it exceed its expected credit losses. However, there is still a certain degree of uncertainty regarding the full effects of the fighting and the security situation on the Israeli economy. Therefore, since the estimated provision for credit losses is based, among other things, on judgments and assessments, and involves uncertainty, there is still a high probability that future credit losses will vary from the current estimate. Max continuously assesses its credit portfolio's inherent risk including due to economic uncertainty and, in accordance with information accumulated and to be accumulated regarding borrowers' activity and financial position, revises its provision for credit losses.

- G.** In accordance with the Commissioner's approval, the terms of office of the independent directors of Clal Insurance - Ms. Rachel Adatto, Ms. Orly Sade Ben Ami and Mr. Gad Arbel - who were expected to terminate their tenures in May 2026, will continue for an additional period through December 1, 2026, since as of this date a committee has not yet been appointed to appoint directors in an insurer without a controlling shareholder and no alternative arrangement has been set regarding this matter (for information regarding the manner of appointing directors in the Company, see Note 1 to the Financial Statements for 2025).

### H. Changes in assumptions and estimates of insurance contracts and reinsurance contracts

In the reporting periods, the development of the contractual service margin is mainly affected by accrual of interest, recognition of new businesses, recognition of revenues from insurance services for the current period, and revisions to future cash flow forecasts, due to, among other things, demographic, operational, and financial assumptions and data revision.

In the reporting period ended March 31, 2026, the Company's contractual service margin (retention) increased primarily due to positive financial effects and new business, offset by the effect of contractual service margin released in respect of the current period and revisions to future cash flow forecasts mainly due to higher-than-expected policy lapses.

In the reporting period ended March 31, 2025, the Company's contractual service margin (retention) increased primarily due to positive financial effects, new business and revision to future cash flow forecasts, offset by the effect of contractual service margin released in respect of the current period.

In the year ended December 31, 2025, the Company's contractual service margin (retention) increased primarily due to positive financial effects and new business, offset by revisions to demographic and operational assumptions and the effect of contractual service margin released in respect of the current period.

Regarding the gross balances of the contractual service margin in respect of the Company's insurance contracts, see Note 4D and 4E - additional information regarding insurance contracts included in the Health Insurance Segment and Life Insurance Subsegment.

Furthermore, the effect of the changes in the risk-free interest rate curve and the illiquidity premium on insurance contract liabilities and reinsurance contract assets net of the effect of the designated bonds recognized in the statement of comprehensive income in the period ended March 31, 2026 totaled a loss of approx. NIS 200 million, while the corresponding period last year ended March 31, 2025 totaled an income of approx. NIS 160 million, and in the year ended December 31, 2025 - a loss of approx. NIS 50 million.

Remaining CSM (in NIS million):

<b>Life and Health Segment</b>	<b>Gross</b>	<b>Reinsurance</b>	<b>Retention</b>
December 31, 2024	10,465	(317)	10,148
March 31, 2025	10,625	(312)	10,313
December 31, 2025	10,624	(360)	10,264
<b>March 31, 2026</b>	<b>10,652</b>	<b>(359)</b>	<b>10,293</b>

## Appendix - Interest revenue and expense rates and analysis of the changes in Max's interest revenues and expenses

### Average balances and interest rates

	For the three months ended March 31, 2026			For the three months ended March 31, 2025		
	Average outstanding balance <sup>(1)</sup>	Interest revenues (expenses)	% of revenue (expense)	Average outstanding balance <sup>(1)</sup>	Interest revenues (expenses)	% of revenue (expense)
<b>In NIS million</b>						
<b>Interest-bearing assets</b>						
Credit to private individuals <sup>(2)</sup>	12,201	274	8.98	10,590	270	10.20
Commercial credit <sup>(2)(5)</sup>	3,661	51	5.57	3,461	51	5.89
<b>Total credit</b>	<b>15,862</b>	<b>325</b>	<b>8.20</b>	<b>14,051</b>	<b>321</b>	<b>9.14</b>
Deposits with banks	808	7	3.47	645	6	3.72
Other assets	151	1	2.65	72	1	5.56
<b>Total assets</b>	<b>16,821</b>	<b>333</b>	<b>7.92</b>	<b>14,768</b>	<b>328</b>	<b>8.88</b>
Non-interest-bearing receivables for credit card transactions	4,565			5,136		
Amounts receivable for credit card activity	1,214			1,169		
Other non-interest-bearing assets <sup>(3)</sup>	535			549		
<b>Total assets</b>	<b>23,135</b>			<b>21,622</b>		
<b>Interest bearing liabilities</b>						
Credit from banking corporations <sup>(6)</sup>	5,974	(101)	(6.76)	5,911	(111)	(7.51)
Bonds and subordinated notes	1,640	(17)	(4.15)	915	(13)	(5.68)
Other liabilities	13	(1)	(30.77)	16	-	-
<b>Total interest-bearing liabilities</b>	<b>7,627</b>	<b>(119)</b>	<b>(6.24)</b>	<b>6,842</b>	<b>(124)</b>	<b>(7.25)</b>
Payables for credit card transactions <sup>(5)</sup>	12,579			11,958		
Other non-interest bearing liabilities <sup>(7)</sup>	653			736		
<b>Total liabilities</b>	<b>20,859</b>			<b>19,536</b>		
<b>Total capital resources</b>	<b>2,276</b>			<b>2,086</b>		
<b>Total capital commitments and resources</b>	<b>23,135</b>			<b>21,622</b>		
<b>Interest rate spread</b>			<b>1.68</b>			<b>1.63</b>
<b>Net return on interest-bearing assets <sup>(4)</sup></b>	<b>16,821</b>	<b>214</b>	<b>5.09</b>	<b>14,768</b>	<b>204</b>	<b>5.53</b>

(1) Based on beginning-of-month balances.

(2) Before deducting the average on-balance sheet balance of credit loss provisions. Including debts that do not accrue interest revenues.

(3) Including derivatives, other non-interest-bearing assets, non-monetary assets, and less credit loss provision.

(4) Net return – interest revenues, net divided by total interest-bearing assets.

(5) Including average outstanding balance of early payments to merchants and factoring of credit card vouchers for merchants executed also through a subsidiary, for a total of NIS 2,435 million (March 31, 2025 - NIS 2,350 million). The average rate of revenue in the three-month period ended March 31, 2026 and March 31, 2025 excluding those balances is 7.8% and 8.6%, respectively.

(6) Calculation of the expense rate includes interest expenses in respect of the advanced payments by Bank Leumi and in respect of the sale of debts arising from transactions made with non-banking payment cards issued by Max in accordance with its existing agreements with several banks, whose on-balance sheet balance is offset from the balance of amounts receivable from banks in respect of credit card transactions, net, and from the balance of receivables for credit card transactions. After deducting these expenses, the average rate of expenses in respect of credit from banking corporations in the three-month period ended March 31, 2026 and March 31, 2025 is 5.2% and 6.0%, respectively.

(7) Including derivative instruments and non-monetary liabilities.

**Average balances and interest rates – additional information on interest-bearing assets and liabilities**

	For the three months ended March 31, 2026			For the three months ended March 31, 2025		
	Average outstanding balance <sup>(1)</sup>	Interest revenues (expenses)	% of revenue (expense) %	Average outstanding balance (1)	Interest revenues (expenses)	% of revenue (expense) %
<b>In NIS million</b>						
<b>Non-linked NIS</b>						
Total interest-bearing assets	13,579	299	8.81	13,026	303	9.30
Total interest-bearing liabilities	4,701	(103)	(8.76)	5,536	(112)	(8.09)
Interest rate spread			0.05			1.21
<b>CPI-linked NIS</b>						
Total interest-bearing assets	3,165	34	4.30	1,666	25	6.00
Total interest-bearing liabilities	2,926	(16)	(2.19)	1,306	(12)	(3.68)
Interest rate spread			2.11			2.32
<b>Foreign currency (including foreign-currency linked NIS)</b>						
Total interest-bearing assets	77	-	-	76	-	-
Total interest-bearing liabilities	-	-	-	-	-	-
Interest rate spread			-			-
<b>Total activity</b>						
Total interest-bearing assets	16,821	333	7.92	14,768	328	8.88
Total interest-bearing liabilities	7,627	(119)	(6.24)	6,842	(124)	(7.25)
Interest rate spread			1.68			1.63

(1) Based on beginning-of-month balances.

## Analysis of changes in interest revenues and expenses

For the three months ended March 31, 2026 compared to the three months ended March 31, 2025

In NIS million	Increase (decrease) due to change		
	Quantity	Price	Net change
<b>Interest-bearing assets</b>			
Credit to private individuals	36	(32)	4
Commercial credit	3	(3)	-
Total credit	39	(35)	4
Deposits with banks	1	-	1
Other assets	1	(1)	-
Total interest revenues	41	(36)	5
<b>Interest bearing liabilities</b>			
Credit from banking corporations	(1)	11	10
Bonds and subordinated notes	(8)	4	(4)
Other liabilities	-	(1)	(1)
Total interest revenues (expenses)	(9)	14	5
Total interest revenues, net	32	(22)	10

Clal Insurance Enterprises  
Holdings Ltd.

**Separate Financial Data  
from the Consolidated  
Interim Financial  
Statements Attributable  
to the Company**

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as of March 31, 2026

(Regulation 38D)

(Unaudited)



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with confidence

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To  
Shareholders of Clal Insurance Enterprises Holdings Ltd.

**Re: Special report of the independent auditors on Separate Financial Information in accordance with Regulation 38D to the Securities Regulations (Periodic and Immediate Reports), 1970**

**Introduction**

We have audited the Interim Separate Financial Information disclosed in accordance with Regulation 38D to the Securities Regulations (Periodic and Immediate Reports), 1970 of Clal Insurance Enterprises Holdings Ltd. (hereinafter – the “**Company**”) as of March 31, 2026 and for the three-month period ended on that date. The Interim Separate Financial Information is the responsibility of the Company's Board of Directors and management. Our responsibility is to express a conclusion regarding the Separate Interim Financial Information for this interim period based on our review.

**Scope of review**

We performed our review pursuant to Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of inquiries, mostly of persons responsible for financial and accounting issues, and of applying analytical and other review procedures. A review is substantially smaller in scope than an audit performed pursuant to generally accepted auditing standards in Israel and, as a result, does not enable us to obtain assurance that we would become aware of all significant matters that may be identified in an audit. Consequently, we are not expressing an audit opinion.

**Conclusion**

Based on our review and the review, nothing has come to our attention that causes us to believe that the abovementioned Interim Separate Financial Information does not comply, in all material respects, with the disclosure provisions of Chapter 38D of the Israel Securities Regulations (Periodic and Immediate Reports), 1970.

Tel Aviv,  
May 28, 2026

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Somekh Chaikin  
Certified Public Accountants

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Kost Forer Gabbay & Kasierer  
Certified Public Accountants

## Separate Financial Data from the Consolidated Interim Financial Statements Attributable to the Company

### Interim Data on Financial Position

In NIS million	As of March 31		As of December 31
	2026	2025	2025
	Unaudited		Audited
<b>Assets</b>			
Investment in investees	10,887	9,526	11,009
Loans and balances of investees	1,070	1,012	1,053
Receivables and debit balances	31	1	31
Other financial investments:			
Liquid debt assets	137	8	5
Shares	61	46	87
Other	9	64	150
Total other financial investments	207	118	241
Cash and cash equivalents	634	39	67
<b>Total assets</b>	<b>12,829</b>	<b>10,697</b>	<b>12,402</b>
<b>Equity</b>			
Share capital	169	167	168
Share premium	2,490	2,426	2,434
Capital reserves	123	141	124
Retained earnings	8,140	6,421	8,102
<b>Total equity</b>	<b>10,922</b>	<b>9,154</b>	<b>10,827</b>
<b>Liabilities</b>			
Payables and credit balances	424	18	36
Balances of investees	1	1	1
Financial liabilities	1,482	1,524	1,537
<b>Total liabilities</b>	<b>1,907</b>	<b>1,542</b>	<b>1,574</b>
<b>Total equity and liabilities</b>	<b>12,829</b>	<b>10,697</b>	<b>12,402</b>

The attached additional information is an integral part of the Company's Interim Separate Financial Information.

May 28, 2026

Approval date of the financial statements

**Haim Samet**  
Chairman of  
the Board

**Yoram Naveh**  
CEO

**Eran Czerninski**  
EVP  
Head of the Finance Division

**Interim Profit and Loss Data**

In NIS million	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
Company's share of income from investees, net of tax	479	403	2,217
Net investment income (losses) and finance income			
From investees	7	7	61
Other	(26)	20	68
Other revenues	-	-	30
<b>Total revenues</b>	<b>459</b>	<b>430</b>	<b>2,376</b>
General and administrative expenses	3	3	13
Finance expenses	20	20	86
<b>Total expenses</b>	<b>23</b>	<b>23</b>	<b>99</b>
Profit before income tax	437	407	2,278
Income tax expense (tax benefit)	-	-	-
<b>Income for the period</b>	<b>437</b>	<b>407</b>	<b>2,278</b>

The attached additional information is an integral part of the Company's Interim Separate Financial Information.

## Separate Financial Data from the Consolidated Interim Financial Statements Attributable to the Company

### Interim Comprehensive Income Data

In NIS million	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
Income for the period	437	407	2,278
Other comprehensive income (loss):			
Other comprehensive income items that, subsequent to initial recognition in comprehensive income, were or will be carried to profit and loss:			
Other comprehensive income (loss) in respect of investees which was transferred or will be transferred to profit and loss, net of tax	(1)	2	(9)
Other comprehensive income (loss) for the period carried or to be carried to profit and loss, before tax	(1)	2	(9)
Taxes (tax benefit) in respect of other components of comprehensive income (loss)	-	-	-
Other comprehensive income (loss) items that, subsequent to initial recognition in comprehensive income, were or will be carried to profit and loss, net of tax	(1)	2	(9)
Items of other comprehensive income not transferred to profit and loss:			
Other comprehensive income for investees not transferred to profit and loss, net of tax	-	-	(2)
Other comprehensive income (loss) for the period, not transferred to profit and loss, net of tax	-	-	(2)
Other comprehensive income (loss) for the period	(1)	2	(11)
<b>Total comprehensive income for the period</b>	<b>436</b>	<b>409</b>	<b>2,266</b>

The attached additional information is an integral part of the Company's Interim Separate Financial Information.

### Interim Cash Flow Data

In NIS million	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
<b>Cash flows from operating activities</b>			
Income for the period	437	407	2,278
Adjustments:			
Company's share in the profits (losses) of investees	(479)	(403)	(2,217)
Dividend from investees	600	-	313
Interest accrued on deposits with banks	(1)	-	(4)
Interest accrued in respect of capital note and notes of an investee	(4)	-	(30)
Accrued interest and deduction of issuance costs and discount for bonds	20	20	86
Loss (profit) from other financial investments	27	(20)	(65)
Income tax	-	-	-
<b>Total adjustments</b>	<b>164</b>	<b>(403)</b>	<b>(1,917)</b>
Changes in other items in the data on financial position, net:			
Change in receivables and debit balances	-	-	(29)
Change in payables and credit balances	(1)	-	1
<b>Total changes in other items in the data on financial position, net</b>	<b>(1)</b>	<b>-</b>	<b>(29)</b>
Cash received during the period for:			
Net cash provided by operating activity for transactions with investees	-	(1)	20
Interest received	1	-	4
<b>Net cash provided by operating activities</b>	<b>600</b>	<b>4</b>	<b>356</b>
<b>Cash flows provided by investing activities</b>			
Repayment of capital note - interest on the capital note to the investee	-	-	555
Investment in the note of an investee	-	-	(555)
Investment in investees	(11)	-	(10)
Investment in available-for-sale financial assets	(134)	(2)	(90)
Proceeds from sale of available-for-sale financial assets	141	46	56
<b>Net cash provided by (used for) investing activities</b>	<b>(4)</b>	<b>44</b>	<b>(45)</b>
<b>Cash flows provided by financing activities</b>			
Repayment of bonds	-	-	(350)
Interest paid on the bonds	(30)	(46)	(85)
Proceeds of bond issuance (less issuance expenses)	-	-	354
Dividend paid	-	-	(200)
<b>Net cash used for financing activities</b>	<b>(30)</b>	<b>(46)</b>	<b>(281)</b>
<b>Increase in cash and cash equivalents</b>	<b>566</b>	<b>2</b>	<b>30</b>
Cash and cash equivalents as of the beginning of the period	67	37	37
<b>Cash and cash equivalents at the end of the period</b>	<b>634</b>	<b>39</b>	<b>67</b>
<b>Activity which does not involve cash flow</b>			
Payables - unpaid declared dividend	400	-	-
Conversion of bonds into shares	57	-	-

### **Additional Information**

#### **1. General**

The Interim Separate Financial Information is presented in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970 and does not include all the information required under Regulation 9C and the Tenth Addendum to the Securities Regulation (Periodic and Immediate Reports), 1970, Separate Financial Information of the Corporation. This separate interim financial information should be read in conjunction with the separate financial information as of the date and year ended December 31, 2025 and in conjunction with the condensed consolidated interim financial statements as of March 31, 2026 (hereinafter - the "**Consolidated Interim Financial Statements**").

#### **2. Dividend distribution by the Company**

On March 25, 2026, on approval of the Company's financial statements as of December 31, 2025, the Board of Directors approved a dividend distribution, totaling approx. NIS 400 million, which constitutes approx. 61% of the dividends declared and/or distributed in the Company's subsidiaries as of the approval date of the approval date of the Annual Financial Statements. The dividend was paid subsequent to the reporting date, on April 23, 2026.

#### **3. The Company's bonds**

##### **Issuance of Bonds (Series D) and full early redemption of Bonds (Series A)**

Subsequent to the reporting date, on April 16, 2026, the Company issued approx. NIS 605 million p.v. in Bonds (Series D) to the public, pursuant to the Company's shelf offering report dated April 14, 2026, published under the Company's shelf prospectus. The issuance expenses amounted to approx. NIS 5 million; the effective interest rate is 4.7%, and net proceeds of the issuance amounted to approx. NIS 600 million. The proceeds of the issuance were first used for full early redemption of the Company's outstanding Bonds (Series A), and the balance will be used for the Company's current needs, as decided by the Board of Directors from time to time. Subsequent to the reporting date, on May 7, 2026, the Company redeemed, by way of early redemption, the full outstanding balance of Bonds (Series A) totaling NIS 549 million in par value.

##### **Conversion of Bonds (Series B) into shares**

During the Reporting Period, approx. NIS 57 million in p.v. of Bonds (Series B) (convertible bonds) was converted, in exchange for the issuance of approx. NIS 1 million of the Company's share capital. The Company generated a conversion premium totaling approx. NIS 56 million.

Clal Insurance Enterprises  
Holdings Ltd.

# Quarterly Report on the Effectiveness of the Internal Control

over Financial Reporting  
and Disclosure

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as of March 31, 2026

in accordance with  
Regulation 38C(a)



## Quarterly Report on the Effectiveness of the Internal Control over Financial Reporting and Disclosure in accordance with Regulation 38C(a)

Management, under the supervision of the Board of Directors of Clal Insurance Enterprises Holdings Ltd. (hereinafter - the "**Corporation**") is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure in the Corporation.

For this matter, the members of management are as follows:

1. Yoram Naveh - CEO of the Company and Clal Insurance;
2. Eran Czerninski - Head of the Finance Division (an officer in Clal Insurance and Clal Holdings);
3. Dror Biran - Legal Counsel (an officer in Clal Insurance and Clal Holdings);
4. Tomer David - Internal Auditor (an officer in Clal Insurance and Clal Holdings);
5. Barak Benski - Head of the Investment Division (an officer in Clal Insurance and Clal Holdings);
6. Avi Ben Noon - Chief Risk Officer (an officer in Clal Insurance and Clal Holdings);

Internal control over financial reporting and disclosure includes controls and procedures existing in the Corporation, which were planned or overseen by the CEO and the most senior financial officer or under their supervision, or by whoever fulfills these functions in practice, under the supervision of the Board of Directors of the Corporation, and were designed to provide reasonable assurance as to the reliability of the financial reporting and the preparation of the reports in accordance with the provisions of the law, and to ensure that information that the Corporation is required to disclose in the reports it publishes in accordance with the provisions of the law is collected, processed, summarized and reported on the date and in the format laid down in law.

Among other things, internal controls include controls and procedures planned to ensure that all information that the Corporation is required to disclose as aforesaid is collected and transferred to the Corporation's management, including the chief executive officer and the most senior financial officer, or the equivalent acting officers, in order to allow decision making on a timely basis with respect to the disclosure requirements.

Due to its inherent limitations, internal control over financial reporting and disclosure is not designed to provide absolute assurance that misstatements or omissions of information in the financial statements shall be prevented or detected.

Clal Insurance Company Ltd. (hereinafter - "**Clal Insurance**"), a subsidiary of the Corporation, is an institutional entity which is subject to the directives of the Commissioner of the Capital Market, Insurance and Savings in the Ministry of Finance regarding the assessment of the effectiveness of internal controls over financial reporting.

With respect to the internal controls of the said subsidiary, the Corporation implements the following directives: Institutional Entities Circular 2009-9-10 - Management's Responsibility for Internal Control over Financial Reporting; Institutional Entities Circular 2010-9-6 - Management's Responsibility for Internal Control over Financial Reporting - Amendment, and Institutional Entities Circular 2010-9-7 - Internal Control over Financial Reporting - Statements, Reports and Disclosures.

Max It Finance Ltd., a subsidiary of the Corporation, is a credit card company, which is subject to the directives of the Banking Supervision Department regarding the assessment of the effectiveness of internal control over financial reporting.

With respect to the internal control of the said subsidiary, the Corporation implements the following provisions: Proper Conduct of Banking Business Directive 309.

In the Annual Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure attached to the periodic report for the period ended December 31, 2025 (hereinafter - the "**Most Recent Annual Report Over Internal Control**"), the Board of Directors and management assessed the internal control in the corporation;

Based on the assessment of effectiveness that was performed by management under the supervision of the Board of Directors as detailed above, the Corporation's Board of Directors and management have concluded that the Corporation's internal control over financial reporting and disclosure as of December 31, 2025 is effective.

As of the report date, the Board of Directors and management have not been informed of any event or matter that may alter the assessment of the effectiveness of internal control, as presented in the Most Recent Annual Report Over Internal Control.

As of the report date, based on the Most Recent Annual Report over Internal Control and based on information brought to the attention of management and the Board of Directors as stated above, the internal control is effective.

## Certification by Officers

### Certification by the CEO

I, Yoram Naveh, hereby declare that:

1. I have reviewed quarterly report of Clal Insurance Enterprises Holdings Ltd. (hereinafter - the "**Corporation**") for the first quarter of 2026 (hereinafter – the "**Reports**");
2. To my knowledge, the Reports do not contain any misrepresentation of a material fact, nor do they omit any representation of a material fact necessary to ensure that the representations included therein shall not be misleading with respect to the reporting period, in light of the circumstances under which such representations were included;
3. To my knowledge, the financial statements and other financial information included in the Reports present fairly, in all material aspects, the Company's financial position, financial performance and cash flows of the Corporation as of the dates and for the periods covered by the Reports;
4. I have disclosed to the independent auditor of the Corporation, the Board of Directors, and the Board of Directors' balance sheet committee, based on my most recent evaluation of the internal control over financial reporting and disclosure, the following:
  - A. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure which could reasonably adversely affect the Corporation's ability to collect, process, summarize or report financial information so as to cast doubt on the reliability of financial reporting and the preparation of the financial statements in accordance with the statutory provisions; and -
  - B. any fraud, whether material or immaterial, involving the CEO, or anyone directly reporting to them, or any other employees who have a significant role in internal controls over financial reporting and disclosure thereof;
5. I, alone or together with others in the corporation:
  - A. I have established such controls and procedures, or ensured that such controls and procedures under my supervision be established and in place, designed to ensure that material information relating to the Corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in the Corporation and the consolidated companies, particularly during the Reports' preparation period; and -
  - B. I have established controls and procedures, or ensured that such controls and provisions under my supervision be established and in place, designed to ensure, in a reasonable manner, the reliability of financial reporting and preparation of financial statements in accordance with the statutory provisions, including in accordance with generally accepted accounting principles.
  - C. No event or matter has been brought to my attention during the period between the periodic report date and the date of this Report which alters the conclusion of the Board of Directors and Management in respect of the effectiveness of the internal control over the Corporation's financial reporting and disclosure.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

---

**Yoram Naveh**  
**CEO**  
**May 28, 2026**

## Certification by Officers

### Certification by the Most Senior Financial Officer

I, Eran Czerninski, hereby declare that:

1. I have reviewed the financial statements and other financial information included in the reports of Clal Insurance Enterprises Holdings Ltd. (hereinafter - the "**Corporation**") for the first quarter of 2026 (hereinafter - the "**Reports**");
2. To my knowledge, the Interim Financial Statements and the other financial information included in the reports for the interim periods do not contain any misrepresentation of a material fact, nor do they omit any representation of a material fact necessary to ensure that the representations included therein shall not be misleading with respect to the reporting period, in light of the circumstances under which such representations were included;
3. To my knowledge, the Interim Financial Statements and Other Financial Information included in the Interim Reports present fairly, in all material aspects, the Company's financial position, financial performance and cash flows of the Corporation as of the dates and for the periods covered by the Reports;
4. I have disclosed to the independent auditor of the Corporation, the Board of Directors, and the Board of Directors' balance sheet committee, based on my most recent evaluation of the internal control over financial reporting and disclosure, the following:
  - A. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure insofar as it relates to the Interim Financial Statements and Other Financial Information included in the Interim Reports, which could reasonably adversely affect the Corporation's ability to collect, process, summarize or report financial information so as to cast doubt on the reliability of financial reporting and the preparation of the financial statements in accordance with the statutory provisions; and -
  - B. any fraud, whether material or immaterial, involving the CEO, or anyone directly reporting to them, or any other employees who have a significant role in internal controls over financial reporting and disclosure thereof;
5. I, alone or together with others in the corporation -
  - A. I have established such controls and procedures, or ensured that such controls and procedures under my supervision be established and in place, designed to ensure that material information relating to the Corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in the Corporation and the consolidated companies, particularly during the Reports' preparation period; and -
  - B. I have established controls and procedures, or ensured that such controls and provisions under my supervision be established and in place, designed to ensure, in a reasonable manner, the reliability of financial reporting and preparation of financial statements in accordance with the statutory provisions, including in accordance with generally accepted accounting principles;
  - C. No event or matter has been brought to my attention during the period between the periodic report date and the date of this Report, relating to the Interim Financial Statements and to any other financial information included in the Interim Financial Statements, which may, in my opinion, change the conclusion of the Board of Directors and management regarding the effectiveness of internal controls over the corporation's financial reporting and disclosure.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

---

**Eran Czerninski**  
**EVP**  
**Head of the Finance Division**

**May 28, 2026**

**Statements regarding Controls and Procedures in respect of Disclosure in the Financial Statements of Clal Insurance Company Ltd.**

**Clal Insurance Company Ltd.**

**Certification**

I, Yoram Naveh, hereby declare that:

1. I have reviewed the quarterly report of Clal Insurance Company Ltd. (hereinafter - the "**Company**") for the quarter ended March 31, 2026 (hereinafter - the "**Report**").
2. To my knowledge, the Report does not contain any misrepresentation of a material fact, nor does it omit any representation of a material fact necessary to ensure that the representations included therein shall not be misleading with respect to the period covered by the Report, in light of the circumstances under which such representations were included.
3. To my knowledge, the quarterly financial statements and other financial information included in the Report present fairly, in all material aspects, the Company's financial position, financial performance and changes in equity and cash flows as of the dates and for the periods covered by the report.
4. I and others at the Company signing this certification are responsible for the establishment and implementation of controls and procedures regarding the Company's disclosure<sup>(1)</sup> and internal control over financial<sup>(1)</sup> reporting of the Company; and -
  - A. We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Company and its consolidated companies is brought to our attention by others in the Company and these companies, especially during the preparation of the Report;
  - B. We have established such internal controls over the financial reporting or have overseen the establishment of such controls over financial reporting, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the directives of the Commissioner of the Capital Market, Insurance and Savings;
  - C. We have evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions regarding the effectiveness of the disclosure controls and procedures as of the end of the reporting period according to our evaluation; and -
  - D. The Report discloses any change in the Company's internal control over financial reporting which occurred during the quarter and has materially affected, or is reasonably expected to affect, the Company's internal control over financial reporting. and -
5. I and others at the Company signing this certification have disclosed to the joint independent auditors, the Board of Directors, and the Board of Directors' balance sheet committee, based on our most recent evaluation of the internal control over financial reporting, the following:
  - A. All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting that may harm the Company's ability to record, process, summarize and report financial information; and -
  - B. any fraud, whether material or immaterial, involving management or other employees who have a significant role in the Company's internal controls over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

---

**Yoram Naveh**  
**CEO**

**May 28, 2026**

(1) As defined in the provisions of the Institutional Entities Circular titled "Internal Controls over Financial Reporting - Statements, Reports and Disclosures".

## Clal Insurance Company Ltd.

### Certification

I, Eran Czerninski, hereby declare that:

1. I have reviewed the quarterly report of Clal Insurance Company Ltd. (hereinafter - the "**Company**") for the quarter ended March 31, 2026 (hereinafter - the "**Report**").
2. To my knowledge, the Report does not contain any misrepresentation of a material fact, nor does it omit any representation of a material fact necessary to ensure that the representations included therein shall not be misleading with respect to the period covered by the Report, in light of the circumstances under which such representations were included.
3. To my knowledge, the financial statements and other financial information included in the Report present fairly, in all material aspects, the Company's financial position, financial performance and changes in equity and cash flows as of the dates and for the periods covered by the report.
4. I and others at the Company signing this certification are responsible for the establishment and implementation of controls and procedures regarding the Company's disclosure<sup>(1)</sup> and internal control over financial<sup>(1)</sup> reporting of the Company; and -
  - A. We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Company and its consolidated companies is brought to our attention by others in the Company and these companies, especially during the preparation of the Report;
  - B. We have established such internal controls over the financial reporting or have overseen the establishment of such controls over financial reporting, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the directives of the Commissioner of the Capital Market, Insurance and Savings;
  - C. We have evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions regarding the effectiveness of the disclosure controls and procedures as of the end of the reporting period according to our evaluation; and -
  - D. The Report discloses any change in the Company's internal control over financial reporting which occurred during the quarter and has materially affected, or is reasonably expected to affect, the Company's internal control over financial reporting. and -
5. I and others at the Company signing this certification have disclosed to the joint independent auditors, the Board of Directors, and the Board of Directors' balance sheet committee, based on our most recent evaluation of the internal control over financial reporting, the following:
  - A. All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting that may harm the Company's ability to record, process, summarize and report financial information; and -
  - B. any fraud, whether material or immaterial, involving management or other employees who have a significant role in the Company's internal controls over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

---

**Eran Czerninski**  
**EVP**  
**Head of the Finance Division**

**May 28, 2026**

(1) As defined in the provisions of the Institutional Entities Circular titled "Internal Controls over Financial Reporting - Statements, Reports and Disclosures".

**Max It Finance Ltd.**

**Certification**

I, Sagit Dotan, declare that:

1. I have reviewed the quarterly report of Max It Finance Ltd. (hereinafter - the "**Company**") for the quarter ended March 31, 2026 (hereinafter - the "**Report**").
2. To my knowledge, the Report does not contain any misrepresentation of a material fact, or omit a representation of a material fact, that is necessary in order for the representations included in it - under the circumstances in which such representations were included - to be misleading as to the reporting period.
3. To my knowledge, the financial statements and other financial information included in the report fairly represent, in all material aspects, the Company's financial position, financial performance, changes in equity and cash flows as of the dates and for the periods presented in the Report.
4. I and others at the Company signing this certification are responsible for the establishment and implementation of controls and procedures regarding the Company's disclosure<sup>(1)</sup> and internal control over financial<sup>(1)</sup> reporting of the Company, and:
  - A. We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Company and its consolidated corporations is brought to our attention by others in the Company and these corporations, especially during the preparation of the Report;
  - B. We have established such internal control over financial reporting or have caused such internal control to be established under our oversight, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements for external purposes have been prepared in accordance with the generally accepted accounting principles and the directives and guidance of the Banking Supervision Department, which adopts US GAAP, as detailed in Note 1 to the Company's financial statements.
  - C. We have evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions regarding the effectiveness of the disclosure controls and procedures as of the end of the reporting period according to our evaluation, and
  - D. The Report discloses any change in the Company's internal control over financial reporting which occurred during the quarter and has materially affected, or is reasonably expected to affect, the Company's internal control over financial reporting; and
5. I and others at the Company signing this certification have disclosed to the joint independent auditors, the Board of Directors, and the Board of Directors' audit committee, based on our most recent evaluation of the internal control over financial reporting, the following:
  - A. All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting that may harm the Company's ability to record, process, summarize and report financial information; and -
  - B. Any fraud, whether or not material, involving management or other employees who have a significant role in the Company's internal control over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

---

**Sagit Dotan**  
**CEO**

**May 28, 2026**

(1) As defined in the Reporting to the Public Directives regarding the Report of the Board of Directors and Management.

## Max It Finance Ltd.

### Certification

I, Sharon Gur, hereby declare that:

1. I have reviewed the quarterly report of Max It Finance Ltd. (hereinafter - the "**Company**") for the quarter ended March 31, 2026 (hereinafter - the "**Report**").
2. To my knowledge, the Report does not contain any misrepresentation of a material fact, or omit a representation of a material fact, that is necessary in order for the representations included in it - under the circumstances in which such representations were included - to be misleading as to the reporting period.
3. To my knowledge, the financial statements and other financial information included in the report fairly represent, in all material aspects, the Company's financial position, financial performance, changes in equity and cash flows as of the dates and for the periods presented in the Report.
4. I and others at the Company signing this certification are responsible for the establishment and implementation of controls and procedures regarding the Company's disclosure<sup>(1)</sup> and internal control over financial<sup>(1)</sup> reporting of the Company, and:
  - A. We have established such controls and procedures, or caused such controls and procedures to be established under our oversight, with the aim of ensuring that material information about the Company and its consolidated corporations is brought to our attention by others in the Company and these corporations, especially during the preparation of the Report;
  - B. We have established such internal control over financial reporting or have caused such internal control to be established under our oversight, with the aim of providing reasonable assurance as to the reliability of the financial reporting and that the financial statements for external purposes have been prepared in accordance with the generally accepted accounting principles and the directives and guidance of the Banking Supervision Department, which adopts US GAAP, as detailed in Note 1 to the Company's financial statements.
  - C. We have evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions regarding the effectiveness of the disclosure controls and procedures as of the end of the reporting period according to our evaluation, and
  - D. The Report discloses any change in the Company's internal control over financial reporting which occurred during the quarter and has materially affected, or is reasonably expected to affect, the Company's internal control over financial reporting; and
5. I and others at the Company signing this certification have disclosed to the joint independent auditors, the Board of Directors, and the Board of Directors' audit committee, based on our most recent evaluation of the internal control over financial reporting, the following:
  - A. All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting that may harm the Company's ability to record, process, summarize and report financial information; and -
  - B. Any fraud, whether or not material, involving management or other employees who have a significant role in the Company's internal control over financial reporting.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

---

**Sharon Gur**  
**CFO, Chief Accounting Officer**

**May 28, 2026**

(1) As defined in the Reporting to the Public Directives regarding the Report of the Board of Directors and Management.

# **Economic Solvency Ratio Report of Clal Insurance Company Ltd.**

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as of December 31, 2025



***Economic Solvency Ratio Report of  
Clal Insurance Company Ltd.  
As of December 31, 2025***

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with confidence

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To:  
**The Board of Directors of  
Clal Insurance Company Ltd.**

Dear Madam/Sir,

**Re: Examination of the Application of Certain Instructions of the Commissioner of the Capital Market, Insurance and Savings regarding the Solvency II-Based Economic Solvency Requirement of Clal Insurance Company Ltd. (hereinafter - the "Company") as of December 31, 2025**

We examined the capital required to maintain the solvency capital requirement (hereinafter - "**SCR**") and the economic capital of Clal Insurance Company Ltd. as of December 31, 2025 (hereinafter - the "**Information**"), included in the Company's Economic Solvency Ratio Report attached hereby (hereinafter - the "**Report**").

The Board of Directors and management bear the responsibility for the preparation and presentation of the Information drawn up in accordance with the directives of the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the "**Commissioner**") regarding Solvency II-based economic SCR of an insurance company as included in the Commissioner's Circular No. 2020-1-15 of October 14, 2020, and in accordance with the Commissioner's Directives regarding calculation of the Deduction during the Transitional Period in a Solvency II-based Economic Solvency Regime, under IFRS 17 as from April 10, 2025 (hereinafter - the "**Directives**").

The calculations, forecasts and assumptions on which the preparation of the Information was based fall under the responsibility of the Board of Directors and management.

We conducted our examination in accordance with International Standard on Assurance Engagements No. 3400 - The Examination of Prospective Financial Information, and in accordance with the Commissioner's Directives, as included in the Consolidated Circular, Chapter 7, Article 5, Part 1, Independent Auditor, which provides guidance as to audit of Economic Solvency Ratio Report.

We did not examine the appropriateness of the Deduction during the Transitional Period as of December 31, 2025, as presented in Section 1.4.3 to the Report, except for verifying that the Deduction Amount does not exceed the expected discounted amount of the risk margin and solvency capital requirement in respect of life and health insurance risks arising from existing businesses during the Transitional Period in accordance with the pattern of future development of the solvency capital requirement, which affects both the calculation of the expected capital release and the release of the expected risk margin as detailed in the provisions on calculation of risk margin.

Except for the abovementioned in connection with the appropriateness of the Deduction Amount during the Transitional Period, based on the examination of the evidence supporting the calculations, the forecasts and the assumptions, as referred to below, which were used by the Company's Board of Directors and management in the preparation of the information nothing came to our attention which caused us to believe that the forecasts and assumptions, as a whole, do not constitute a reasonable basis for the information in accordance with the Directives. Furthermore, in our opinion, the information, including the method employed to determine the assumptions and forecasts, was prepared and presented in all material respects in accordance with the Directives.



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It should be emphasized that the projections and assumptions are based mainly on past experience, as arising from actuarial studies conducted from time to time. In view of the reforms in the capital market, insurance and savings, and the changes in the economic environment, past data do not necessarily reflect future results. The information is sometimes based on assumptions regarding future events, steps taken by management, and the pattern of the future development of the risk margin, that will not necessarily materialize or will materialize in a manner different than the assumptions used in the information. Furthermore, actual results may materially vary from the information, since the combined scenarios of events may materialize in a manner that is materially different than the assumptions made in the information.

We draw attention to Section 1.5 - comments and clarifications regarding the solvency ratio, the uncertainty derived from regulatory changes and exposure to contingent liabilities, the effect of which on the solvency ratio cannot be estimated.

Tel Aviv,  
May 28, 2026

Somekh Chaikin                      Kost Forer Gabbay & Kasierer  
Certified Public Accountants      Certified Public Accountants  
Joint Independent Auditors

KPMG Somekh Chaikin is a registered partnership in Israel and a partner firm in the global KPMG network, which is comprised of independent firms affiliated with KPMG International Limited, a privately-owned limited liability British company KPMG International Limited

A member firm of Ernst & Young Global Limited

## 1. Overview and disclosure requirements

### 1.1 Solvency II-based Economic Solvency Regime

The information provided below was calculated in accordance with the provisions of Circular 2020-1-15 of the Commissioner of the Capital Market, Insurance and Savings (hereinafter - the “**Commissioner**”) - “Amendment to the Consolidated Circular, Application Provisions for Solvency II-Based Provisions of the Economic Solvency Regime for Insurance Companies” (hereinafter - the “**Provisions of the Economic Solvency Regime**”). The information was prepared and presented in accordance with the provisions of Chapter 1, Part 4, Section 5 in the Consolidated Circular, as updated in Circular 3-1-2025 (hereinafter - the “**Disclosure Provisions**”). The Solvency Circular sets a standard model for calculating the available own funds and solvency capital requirement, aiming to bring insurance companies to a situation where they have the capacity to absorb losses arising from the materialization of unexpected risks to which they are exposed. The solvency ratio is the ratio between an insurance company’s available own funds and its regulatory solvency capital requirement.

The available own funds for economic solvency regime purposes will be composed of Tier 1 capital and Tier 2 capital. Tier 1 Capital includes own funds calculated through assessing the value of an insurance company’s assets and liabilities in accordance with the circular’s provisions. Additional Tier 1 capital and Tier 2 capital include equity instruments with loss absorption mechanisms, including Subordinated Tier 2 capital, Hybrid Tier 2 capital and Tier 3 capital, which were issued prior to the circular’s effective date. The circular includes restrictions on the composition of own funds for SCR purposes (see below), such that the rate of components included in Tier 2 Capital shall not exceed 40% of the SCR (will not exceed 50% during the Transitional Period, as described below).

The eligible available capital should be compared to the capital requirement when there are two levels of capital requirements:

- Solvency capital requirement (hereinafter - “**SCR**”) for an insurance company’s solvency. The SCR is risk-sensitive, and is based on a forward-looking calculation of the effect of the various scenarios’ materialization, while taking into account the correlation of the various risk factors, based on the guidance of the Solvency Circular.
- Minimum capital requirement (hereinafter “**MCR**” or “**Minimum Capital Requirement**”). In accordance with the Provisions of the Economic Solvency Regime, the minimum capital requirement shall be equal to the highest of the amount of the minimum Tier 1 capital requirement from an insurance company under the Capital Regulations and an amount derived from insurance reserves and premiums (as defined in the Provisions of the Economic Solvency Regime), with a floor of 25% and a cap of 45% of the SCR.

The available capital and capital requirement are calculated using data and models for calculating the economic solvency ratio, which are based, among other things, on forecasts and assumptions that rely mainly on past experience. The calculations performed as part of the economic capital calculation and the capital requirements are highly complex.

With respect to the calculation of the solvency ratio as of December 31, 2025, an audit was carried out by the independent auditor in accordance with the Commissioner’s Directives.

The audit held in accordance International Standard on Assurance Engagement (ISAE) 3400 – “The Examination of Prospective Financial Information.”

#### Forward-looking information

The data included in this Economic Solvency Ratio Report, including the eligible own funds and solvency capital requirement are based, among other things, on forecasts, assessments, and estimates of future events, the materialization of which is uncertain and is not under the Company’s control, and which should be considered as “forward-looking information” as the term is defined in Section 32A to the Securities Law, 1968. Actual results may differ from the results reflected in this Economic Solvency Ratio Report, if such forecasts, assessments and estimates, either in whole or in part, fail to materialize or materialize in a manner different than anticipated, including, among other things, with respect to actuarial assumptions (including the rate of release of the risk margin, mortality rates, morbidity rates, recovery rates, lapses, expenses, uptake of pension benefits, and underwriting income rate), assumptions regarding future management actions, assumptions regarding the development pattern of the capital requirements and risk margin, risk-free interest rates, capital market returns, future revenue, and damage in catastrophe scenarios.

## 1.2 Disclosure and Reporting Provisions in connection with Economic Solvency Ratio Report

The Disclosure Circular stipulates, among other things, that the Economic Solvency Ratio Report as of December 31 and June 30 will be included in the first periodic report published after the calculation date, and posted on the Company's website on those dates. The Economic Solvency Ratio Report as of December 31 of each year shall be audited by the independent auditor as from the report as of December 31, 2018.

Furthermore, as part of the revision to the Consolidated Circular - The Independent Auditor Chapter - which was published on August 28, 2023, it was stipulated that a quarterly Economic Solvency Ratio Report<sup>1</sup> will be reviewed by the independent auditor. In addition, the circular includes provisions regarding the structure of the Economic Solvency Ratio Report, its approval by the relevant organs in the Company, the requirement that it will be audited by the Company's independent auditor, and the disclosure requirements in respect thereof.

In July 2025, the Commissioner published Revision to the Provisions of the Consolidated Circular - Reporting to the Commissioner of the Capital Market - Date of Reporting the Economic Solvency Ratio Report and the Solvency Reporting File, which stipulates that as from the Economic Solvency Ratio Report as of December 31, 2026 the publication date of the Economic Solvency Ratio Report will be synchronized with that of the financial statements.

## 1.3 Definitions

<b>The Company -</b>	Clal Insurance Company Ltd.
<b>The Commissioner -</b>	Commissioner of the Capital Market, Insurance and Savings Authority.
<b>Provisions of the Economic Solvency Regime -</b>	Insurance Circular 2020-1-15 "Amendment to the Consolidated Circular concerning Implementation of a Solvency II-Based Economic Solvency Regime for Insurance Companies" and related guidance by the Commissioner regarding the implementation of economic solvency regime.
<b>Eligible own funds/ economic capital -</b>	Total Tier 1 capital and Tier 2 capital of an insurance company, after deductions and amortization in accordance with the Provisions of the Economic Solvency Regime.
<b>Basic Tier 1 capital -</b>	Excess of assets over liabilities, estimated according to the provisions regarding economic balance sheet, comprising the following components: Issued and paid up ordinary share capital, premium paid upon the issuance of shares, retained earnings, capital reserves net of debit capital reserves, and the change in excess assets over liabilities arising from differences in the methods employed to measure the assets and liabilities according to the Directives (reconciliation reserve), net of: Unrecognized assets, buyback of ordinary shares, and dividend declared subsequent to the report date.
<b>Additional Tier 1 capital -</b>	The total of all of the above, when their value is measured according to the Provisions of the Economic Solvency Regime - perpetual capital note, non-cumulative preferred shares, Additional Tier 1 capital instrument, restricted Tier 1 capital instrument.
<b>Tier 2 capital -</b>	Tier 2 capital instruments, Subordinated Tier 2 capital, Hybrid Tier 2, and Hybrid Tier 3 capital instruments - valued in accordance with the Provisions of the Economic Solvency Regime.
<b>Solvency capital requirement (SCR) -</b>	The capital requirement from an insurance company to maintain its solvency, calculated in accordance with the Provisions of the Economic Solvency Regime.
<b>Basic solvency capital requirement (BSCR) -</b>	The capital requirement from an insurance company to maintain its solvency, calculated in accordance with the Provisions of the Provisions of the Economic Solvency Regime Directives, without taking into account the capital requirement due to operational risk, loss absorption adjustment due to deferred tax and capital requirement due to management companies.
<b>Symmetric Adjustment (SA) -</b>	Anti-cyclical component designed to adjust the capital requirement in respect of the shares risk to the changes in share prices, as detailed in Part C in the Provisions of the Economic Solvency Regime.

1. As defined in the Appendix to the Economic Solvency Regime, Part C, Chapter 1, Appendix B.

<b>Solvency ratio -</b>	The ratio between the eligible own funds and the solvency capital requirement.
<b>Best estimate -</b>	Expected future cash flows from insurance contracts and insurance contracts throughout their term, without conservatism margins and discounted by an adjusted risk-free interest.
<b>Risk margin -</b>	An amount added to the best estimate amount that reflects the total cost of capital that is expected to be required from another insurance company or reinsurer in order to assume the Company's insurance liabilities, calculated according to the Provisions of the Economic Solvency Regime.
<b>Risk adjustment (RA) in respect of non-financial risk-</b>	The compensation an entity requires for bearing the uncertainty regarding the amount and timing of the cash flows arising from non-financial risk as the entity fulfils insurance contracts in accordance with IFRS 17.
<b>Deduction during the Transitional Period</b>	The amount deducted from insurance reserves during the Transitional Period, calculated in accordance with the provisions of Section 4(c) to the Provisions of the Economic Solvency Regime. The Deduction will decrease gradually until 2032.
<b>Non-eligible asset -</b>	An asset held against non yield-dependent liabilities contrary to the Investment Rules Regulations, or contrary to the Commissioner's Directives, net of the tax reserve created in respect thereof.
<b>Minimum capital requirement (MCR) -</b>	Minimum Capital Requirement - the minimum capital requirement from an insurance company, calculated in accordance with the Provisions of the Economic Solvency Regime
<b>Expected profits in future premiums (EPIFP) -</b>	Expected Profits in Future Premiums - the expected profit in future premiums (retention) included in the insurance liabilities, in respect of premiums that have not yet been received through the report date.
<b>UFR -</b>	Ultimate Forward Rate - the latest forward interest rate derived from the expected long-term real interest rate and the long-term inflation expectations to which the adjusted interest rate curve converges, in accordance with the Provisions of the Economic Solvency Regime.
<b>Volatility adjustment (VA) -</b>	Volatility adjustment is an anti-cyclical component reflecting the margin implicit in a representative debt assets portfolio of insurance companies and added to the adjusted interest rate curve in accordance with Provisions of the Economic Solvency Regime.
<b>SLT long term health insurance -</b>	Health insurance that is conducted similarly to life insurance.
<b>Short-term health insurance (non-similar to life techniques - NSLT) -</b>	Health insurance that is conducted similarly to P&C insurance.
<b>Effect of diversification of risk-weighted components -</b>	The effect of diversification is the difference between a simple sum of the risk-weighted components and a sum that takes into account the partial correlation between them, the effect of diversification is the difference between a simple sum of the risk-weighted components and a sum that takes into account the partial correlation between them. The greater the diversification among operating segments in the portfolio and risk-weighted components, the greater the effect of diversification on the reduction of the overall risk.
<b>The Authority -</b>	The Capital Market, Insurance and Savings Authority.
<b>Investment Rules Regulations -</b>	Supervision of Financial Services Regulations (Provident Funds) (Investment Rules Applicable to Institutional Entities), 2012.
<b>Audited -</b>	The term refers to an audit held in accordance International Standard on Assurance Engagement (ISAE) 3400 – "The Examination of Prospective Financial Information".

## 1.4 Calculation methodology

### 1.4.1 General

The Provisions of the Economic Solvency Regime set guidance regarding an economic calculation of the eligible own funds and the solvency capital requirement. Set forth below are the key points of the provisions and the changes therein:

### 1.4.2 Economic balance sheet

In accordance with the Provisions of the Economic Solvency Regime, in general, the economic balance sheet line items are measured according to economic value, and specifically, the insurance liabilities are calculated based on the best estimate of all expected future cash flows from existing businesses, without conservatism margins. This is plus a risk margin, that reflects the total cost of capital that is expected to be required from another insurance company or reinsurer in order to assume the Company's insurance liabilities in the economic balance sheet. According to the provisions, the risk margin is calculated using the cost of capital method, at a rate of 6% per year of the expected capital requirement in respect of insurance risks over the life of the existing businesses, As stated below: The economic balance sheet is prepared based on the Company's separate financial statements plus investees, whose sole occupation is holding real estate interests, plus subsidiary insurance companies, whose data are consolidated with those of the insurance company, and - according to the guidance - does not include the economic value of the provident funds activity and pension funds activity under the insurance company. The economic balance sheet attributes zero value to deferred acquisition costs and intangible assets (excluding the investment in "Insurtech," as defined in the Solvency Circular, according to the approval that the Company has received from the Commissioner in that respect).

### 1.4.3 Increasing economic capital according to the Transitional Provisions

As aforesaid, the Company opted for the current alternative provided by the Transitional Provisions, whereby the economic capital may be increased by gradually deducting from the insurance reserves due to the Deduction Amount will be deducted gradually, until 2032 (hereinafter - the "**Deduction during the Transitional Period**" or the "**Deduction during the Transitional Period**"). The Deduction during the Transitional Period through December 31, 2024 was calculated in accordance with the principles set forth in the letter sent to insurance company managers - Principles for Calculating Deduction During the Transitional Period in a Solvency II-Based Economic Solvency Regime (hereinafter - the "**Letter of Principles**"). According to the Letter of Principles, the Deduction during the Transitional Period shall be calculated as the difference between insurance reserves (retention) as per the economic balance sheet including the risk margin attributed thereto (without adjusting the fair value of designated bonds) and the insurance reserves (retention) as per the Financial Statements (according to IFRS 4). This difference was calculated by dividing insurance policies issued through December 31, 2016 into homogeneous risk groups. This difference is deducted on a linear basis until December 31, 2032.

In accordance with the Deduction Revision Circular, the Deduction Rates which were set constitute the maximum rates, and the requirements as to the recalculation of the Deduction and the capping of the Deduction Amount by the Commissioner were cancelled. However, it was determined that the Company and the Board of Directors are required to periodically assess the appropriateness of the Deduction Amount, and ensure that its value is calculated in a prudent and conservative manner, while complying with the covenants set forth in the Commissioner's Letter of Principles.

On April 10, 2025, the Commissioner issued guidance regarding the calculation of the Deduction Amount after the application of IFRS 17 (starting from the Solvency Ratio Report as of June 30, 2025). In accordance with the guidance, the ratio between the calculated Deduction Amount as of December 31, 2024 and the amount of BE and RM components less the addition of the value of Hetz bonds (for a guaranteed return portfolio) should be calculated for each homogeneous risk group (hereinafter - the "**Deduction Rates**").

After the application of IFRS 17, the Deduction Amount will be determined by multiplying the Deduction Rates calculated as of December 31, 2024 for each homogeneous risk group, by the amount of the BE and RM components less the addition of the value of Hetz bonds (for a guaranteed return portfolio) as of the calculation date.

The maximum deduction for each reporting period will be equal to the Deduction Amount of all homogeneous risk groups, amortized, on a straight line basis, between December 31, 2019 and the end of 2032.

Regarding the Deduction Value during the Transitional Period as of December 31, 2025 - see Section 3.1.2 below.

### 1.4.4 Solvency capital requirement (SCR)

The calculation of the solvency capital requirement is based on an assessment of the economic own funds' exposure to the risk-weighted components set in the Provisions of the Economic Solvency Regime: life insurance risks, health insurance risks, property and casualty insurance risks, market risks and counterparty default risks. These risk-weighted components include sub-risk-weighted components with respect to specific risks to which the insurance company is exposed. The exposure assessment of the economic own funds to each risk-weighted sub-component is carried out based on a defined scenario set out in the Provisions of the Economic Solvency Regime. The determination of the solvency capital requirement is based on the sum of the capital requirements in respect of the risk-weighted components and risk-weighted sub-components, as stated above, in accordance with the partial correlations assigned to them. The calculation of the solvency capital requirements also includes calculation of the capital requirement components for operational risk and operational risk-weighted capital requirements in respect of management companies, net of the loss absorption adjustment due to deferred tax, as detailed by the Provisions of the Economic Solvency Regime.

The capital requirements in respect of each of the risks are calculated in accordance with the Company's exposure to that risk, taking into account the parameters set in the Directives. The capital requirement represents, in accordance with the Directives, the own funds that will allow the insurance company to absorb unexpected losses in the forthcoming year and meet its obligations to policyholders and beneficiaries on time, with a 99.5% certainty level.

The loss absorption adjustment with respect to deferred tax assets beyond the balance of the deferred tax reserve as per the economic balance sheet is limited to 5% of the basic solvency capital requirement (BSCR), provided that the following conditions are met:

- The insurance company is able to demonstrate to the Commissioner that it is probable that it will have future taxable income against which the tax assets may be utilized.
- Future income will arise only from property and casualty insurance or from Not Similar to Life Techniques (NSLT) health insurance.

It should be emphasized that the results of the models used in the calculation of the eligible own funds and the solvency capital requirement are highly sensitive to the forecasts and assumptions included therein, as well as to the manner by which the Provisions of the Economic Solvency Regime are implemented. The economic solvency ratio is highly sensitive to market variables and other variables, and accordingly may be volatile.

## 1.5 Comments and clarifications

### 1.5.1 General

The Economic Solvency Ratio Report includes, among other things, forecasts based on assumptions and parameters based on past experience, as they arise from actuarial studies conducted from time to time, and on Company's assessments regarding the future, to the extent that it has relevant and concrete information which can be relied upon. The information and studies are similar to those used as the basis for the Company's annual 2025 report. Any information or studies obtained subsequent to the publication date of the Company's Annual Report for 2025 were not taken into account.

This Solvency Ratio Report was prepared based on the conditions and the best estimate as they were known to the Company as of December 31, 2025.

It should also be emphasized that, among other things, in view of the reforms in the capital, insurance and savings market and the changes in the business and economic environment, past data are not necessarily indicative of future results, and the Company is unable to reliably assess these effects. The calculation is sometimes based on assumptions regarding future events and steps taken by management, that will not necessarily materialize or will materialize in a manner different than the assumptions used in the calculation. Furthermore, actual results may materially vary from the calculation, since the combined scenarios of events may materialize in a manner that is materially different than the assumptions of the model.

The model, in its present form, is highly sensitive to changes in market variables and other variables, and specifically changes in the interest rate curve; therefore, the solvency ratio reflected therefrom may be very volatile.

**1.5.2 Future effects of legislation and regulatory measures known as of the report's publication date and exposure to contingent liabilities**

1.5.2.1. The insurance sector has been subject to frequent changes in relevant legislation and frequent regulatory guidance. Legislation and regulatory measures affect the Company's profitability and its cash flows and consequently - its economic solvency ratio.

1.5.2.2. The calculation of the solvency ratio does not reflect all potential effects of the aforesaid legislation and regulatory measures and of other developments that are not yet reflected in practice in the data; this is since to date the Company is unable to assess their entire effect on its business results and solvency ratio.

1.5.2.3. For details regarding key regulatory changes, the future effect of which is highly uncertain, see, among other things, Sections: 2.5.2, 2.5.3, 2.5.4, 2.5.5, 2.5.6, 6.2, 7.1.1, 8.1.2.1, 8.1.2.2, 8.2 in the Company's Report on the Corporation's Business as of December 31, 2025, and in Section 4 to the Company's Report of the Board of Directors as of March 31, 2026.

1.5.2.4. In accordance with the Provisions of the Economic Solvency Regime, the value of contingent liabilities in the economic balance sheet is determined based on their value in the accounting balance sheet in accordance with the provisions of IAS 37; this measurement does not reflect their economic value. For information regarding the exposure to contingent liabilities and its measurement, see Note 38 to the Company's Consolidated Financial Statements for 2025 and Note 9 to the Consolidated Interim Financial Statements as of March 31, 2026, and immediate reports published as from that date. The settlement or extinguishment of these contingent liabilities may involve amounts, which are materially higher than their amounts as per the economic balance sheet. It is impossible to assess the effect of the uncertainty arising from the exposure to contingent liabilities described.

## 2. Economic solvency ratio and minimum capital requirement (MCR)

### 2.1 Solvency ratio

In NIS thousand	As of December 31, 2025 Audited(*)	As of December 31, 2024 Audited(*)
Own funds for SCR purposes - see Section 4	16,180,792	14,705,646
Solvency capital requirement (SCR) - see Section 5	9,892,508	9,623,568
Surplus	6,288,284	5,082,078
Economic solvency ratio (in %)	164%	153%

#### Effect of material equity transactions taken in the period between the calculation date and the publication date of the Economic Solvency Ratio Report:

Raising of capital instruments - see Section 10.3	614,897	500,000
Own funds for SCR purposes	16,795,689	15,205,646
Surplus	6,903,181	5,582,078
Solvency ratio (in %)	170%	158%

(\*) Any reference made in this report to the term "audited", shall be construed as an audit held in accordance with International Standard on Assurance Engagements No. 3400 - The Examination of Prospective Financial Information.

For details regarding the solvency ratio without applying the Transitional Provisions and regarding the target solvency ratio and restrictions applicable to the Company in connection with dividend distribution, see Section 10 below.

#### Key changes in the capital surplus and in the economic solvency ratio compared to last year (see also Section 8 below regarding excess capital movement):

- The effect of economic activity due to capital market returns and shifts in the risk-free interest rate curve offset against the capital requirements in respect thereof resulted in higher capital surplus and economic solvency ratio.
- The run-off of the risks arising from a previously sold insurance activity in the field of life and health insurance led to an increase in the economic capital and a decrease in the capital requirements and the risk margin (RM), and overall - to an increase in the capital surplus and solvency ratio.
- Operating profitability in Property and Casualty Insurance resulted in an increase in capital and solvency ratio.
- A revision of studies, specifically a study on the mortality of active policyholders in long-term care insurance, and a revision of the expense and lapse model resulted in a decrease in capital and solvency ratio.
- For details regarding a dividend declared subsequent to the reporting date resulting in a reduction in own funds for solvency capital requirement purposes, see Section 10.1 below.
- For details regarding issuance of Additional Tier 1 capital, which resulted in an increase in own funds for solvency capital requirement purposes, see Section 4 below.

#### Implications of The War of Revival (Formerly: "The Iron Swords War"), Operation Rising Lion and Operation Lion's Roar

For information regarding the consequences of the Iron Swords War, see Note 30(g) to the Company's Consolidated Financial Statements for 2025 and Note 10 to the Consolidated Interim Financial Statements as of March 31, 2026.

### 2.2 Minimum capital requirement (MCR)

In NIS thousand	As of December 31, 2025 Audited	As of December 31, 2024 Audited
Minimum capital requirement (MCR) - see Section 6.1.	2,473,127	2,405,892
Own funds for MCR purposes - see Section 6.2	12,261,172	10,975,011

### 3. Economic balance sheet

NIS thousand	Extension clause	As of December 31, 2025		As of December 31, 2024	
		Balance sheet according to accounting standards	Economic balance sheet	Balance sheet according to accounting standards(*)	Economic balance sheet(**)
		Audited	Audited	Audited	Audited
<b>Assets:</b>					
Cash and cash equivalents for yield-dependent contracts		4,269,274	4,269,274	4,451,179	4,451,179
Other cash and cash equivalents		3,032,132	3,032,132	1,752,135	1,752,135
Financial investments for yield-dependent contracts	6	97,716,994	97,716,994	88,801,636	88,801,636
Other financial investments:					
Deposits with banks and financial institutions	6	568,076	568,076	401,527	401,527
Designated bonds	7	19,755,422	20,210,397	18,680,004	19,153,651
Government bonds (excluding designated bonds)	6	3,562,314	3,562,314	3,269,115	3,269,115
Illiquid corporate bonds	6	259,539	259,539	284,635	284,635
Liquid corporate bonds	6	2,441,965	2,441,965	2,817,282	2,817,282
Illiquid shares	6	774,984	774,984	795,368	795,368
Liquid shares	6	1,218,565	1,218,565	939,976	939,976
Loans (including investees)	6	9,358,794	9,358,794	7,803,197	7,803,197
Other	6	5,907,995	5,907,995	5,794,262	5,794,262
<b>Total other financial investments</b>		<b>43,847,654</b>	<b>44,302,629</b>	<b>40,785,366</b>	<b>41,259,013</b>
Receivables and debit balances	13	473,776	473,776	558,421	558,421
Current tax assets		55,842	55,842	25,395	25,395
Insurance contract assets - see Section 3.2	1, 9, 10	3,276,263	5,931,999	2,653,036	5,170,521
Reinsurance assets - see Section 3.2	1	2,602,912	1,832,639	2,663,962	1,955,707
Investments in investees that are not insurance companies:					
Management companies	5	908,061	358,772	872,436	340,469
Other investees	5	72,875	75,869	71,728	72,525
<b>Total investments in non-insurance investees</b>		<b>980,936</b>	<b>434,641</b>	<b>944,164</b>	<b>412,994</b>
Investment property in respect of yield-dependent contracts		3,955,883	3,955,883	3,924,263	3,924,263
Investment property - other		1,514,778	1,514,778	1,516,807	1,516,807
Property, plant and equipment	8, 14	465,103	668,851	479,217	705,495
Intangible assets and goodwill	3	835,000	40,625	812,422	63,428
Costs of obtaining investment management service contracts	4	123,028	-	136,250	-
<b>Total assets</b>		<b>163,149,575</b>	<b>164,230,063</b>	<b>149,504,253</b>	<b>150,596,994</b>
<b>Of which: Risk adjustment (RA) / risk margin (RM)</b>		<b>466,444</b>	<b>3,201,022</b>	<b>351,533</b>	<b>2,843,415</b>
<b>Total assets for yield-dependent contracts</b>		<b>106,032,002</b>	<b>106,032,002</b>	<b>97,329,147</b>	<b>97,329,147</b>

3. **Economic Balance Sheet (cont.)**

NIS thousand	Extension clause	As of December 31, 2025		As of December 31, 2024	
		Balance sheet according to accounting standards	Economic balance sheet	Balance sheet according to accounting standards(*)	Economic balance sheet(**)
		Audited	Audited	Audited	Audited
<b>Equity:</b>					
Basic Tier 1 capital		8,276,861	11,307,379	6,620,996	10,388,393
<b>Total equity</b>		<b>8,276,861</b>	<b>11,307,379</b>	<b>6,620,996</b>	<b>10,388,393</b>
<b>Liabilities:</b>					
Loans and credit***	6, 12, 14	7,994,985	7,881,167	6,758,302	6,423,727
Liabilities for derivative instruments	6	878,661	878,661	527,741	527,741
Payables and credit balances	13	2,671,082	2,671,082	912,636	912,636
Liabilities for current taxes		4,931	4,931	382	382
Liabilities in respect of investment contracts - see Section 3.2	1, 9, 10	13,574,868	13,434,859	12,546,889	12,431,213
Liabilities for insurance contracts - see Section 3.2	1, 9, 10	128,942,856	127,147,713	121,718,018	119,067,870
Liabilities for reinsurance contracts - see Section 3.2	1	61,179	286,100	61,611	250,202
Deduction during the Transitional Period	2	-	(2,032,177)	-	(2,063,487)
Liabilities in respect of deferred taxes, net	11	699,207	2,605,403	318,316	2,618,955
Liability for employee benefits, net		44,945	44,945	39,362	39,362
<b>Total liabilities</b>		<b>154,872,714</b>	<b>152,922,684</b>	<b>142,883,257</b>	<b>140,208,601</b>
<b>Total equity and liabilities</b>		<b>163,149,575</b>	<b>164,230,063</b>	<b>149,504,253</b>	<b>150,596,994</b>
Of which: Risk adjustment (RA) / risk margin (RM)		<b>1,920,451</b>	<b>4,291,737</b>	<b>1,906,411</b>	<b>4,141,422</b>

\* The accounting balance sheet as of December 31, 2024 has been restated to reflect the effect of the application of the New Standards. For further information – see Note 31 to the Company's Consolidated Financial Statements as of December 31 2025.

\*\* The format of the economic balance sheet as of December 31, 2024 was revised in accordance with the provisions of the abovementioned circular of July 2025.

\*\*\* Including lease liabilities

**Main Changes in relation to previous year:**

For explanations regarding main changes in Tier 1 capital and significant effects on the economic solvency ratio's components, see Sections 2.1 and 3 below.

**3.1 Information regarding economic balance sheet**

The fair value of assets and liabilities in the economic balance sheet was calculated in accordance with the provisions included in the chapter addressing measurement of assets and liabilities for financial statements purposes in the Consolidated Circular (Chapter 1, Part 2 of Section 5) (hereinafter - the "**Measurement Chapter in the Consolidated Circular**"), except for items for which other provisions apply as per Part A of the Economic Solvency Regime, as follows:

### **3.1.1 Extension Clause 1 - Total liabilities in respect of insurance contracts and investment contracts**

The insurance liabilities were calculated based on a best estimate, on the basis of assumptions that are mainly a result of projecting to the future existing experience relating to past events, within the environment in which the Company operates, and without conservatism factors. The calculation of the insurance liabilities was carried out in accordance with the Provisions of the Economic Solvency Regime; generally, in relation to life and SLT health insurance liabilities, the calculation was carried out in accordance with EV calculation practice in Israel,<sup>2</sup> and in relation to property and casualty insurance, it was carried out based on the part in the Measurement Chapter in the Consolidated Circular, which refers to best estimate.

The measurement of the insurance liabilities in the economic balance sheet is carried out by discounting the projected cash flows, including future income, by a risk-free interest plus VAT and taking the UFR into consideration, on the basis of a best estimate that does not include conservatism margins, where the risk is reflected in the RM component, which is a separate liability.

The calculation of the liabilities in respect of life insurance contracts and long term health insurance (SLT) contracts was carried out by discounting the Company's estimated expected future cash flows using a model applied to information available in the Company's operational systems as to insurance coverages. The assumptions used in the model include, among other things, assumptions in respect of lapses, operating expenses, mortality and morbidity, and they are set based on past experience and other relevant studies.

The calculation of the liabilities does not include cash flows in respect of future sales; however, it does include an assumption that the Company will continue receiving premiums from existing businesses (excluding in respect of policies without an insurance risk, including investment contracts). Furthermore, the calculation assumes that the Company shall continue as a going concern, i.e., that the Company's structure will not change, and therefore, some of the fixed expenses in the future shall not be allocated to the current portfolio, but rather to a new business which is expected to be sold in the future.

It is likely that the actual cash flows will vary to some degree on another from the estimates made on a best estimate basis, even if the underlying parameters of the calculation will not change in any way. See also Section 1.6 above.

#### **3.1.1.1 Limitations and qualifications with regard to calculation of the best estimate**

- 3.1.1.1.1 Generally, the underlying assumptions of the models were formulated mainly on the basis of studies and analyses which are based on Company's experience over the past few years, which did not include extreme events. Therefore, there is a possibility of extreme scenarios, the probability of the occurrence of which is very low and cannot be estimated by the Company, and the effects of which cannot be estimated by the Company. Such events were not taken into account in the determination of the models' underlying assumptions.
- 3.1.1.1.2 Since the Company did not have sufficient data, when calculating the BE it did not check the level of correlation between demographic and operational assumptions and assumptions pertaining to market conditions (such as the interest rate), which may materially affect the BE.
- 3.1.1.1.3 The determination of the BE should be based on an estimation of the distribution of the potential BEs. With no available significant statistical data that can be used to evaluate the distribution of BE for all demographic and operational factors in life and health SLT, except for the estimated asymmetrical insurance liabilities (including imputing future variable management fees), for which the Company implements a stochastic model based on an economic scenario generator,<sup>3</sup> the Company used real assumptions of each and every parameter, according to the expected value of each relevant factor, without taking into account any correlation or dependency between the different assumptions, or between the assumptions and external economic parameters such as taxation, interest or employment levels in Israel.

2. In Israel, the calculation of the embedded value is made in accordance with the rules and principles set by the Commissioner, who adopted the rules and principles stipulated under a report of a joint committee of the insurance companies and the Commissioner, which was supported by Israeli and foreign consultants.

3. As defined in the provisions of Section B, Chapter 5 (Part 2, Section 2) of the Provisions of the Economic Solvency Regime.

3.1.1.1.4 In many cases, the future cash flows refer to periods of tens of years into the future. The underlying assumptions of the cash flows rely are based on studies, mainly in accordance with recent years' experience, and management's best knowledge. It is highly uncertain whether the underlying cash flow assumptions will, indeed, materialize.

3.1.1.1.5 In that context, it should be emphasized that the stress scenarios calculated as part of the solvency model (the standard model) and the correlations on which the model for capital requirements is based, were defined by the Commissioner, and do not reflect the Company's actual experience.

### 3.1.1.2 Assumptions underlying the insurance liabilities calculation

#### 3.1.1.2.1 Manner of determining the assumptions

The calculation's underlying assumptions were set in accordance with the Company's best estimates of relevant demographic and operational factors, and reflect the Company's expectations as to the future in respect of these factors. The demographic assumptions included in the calculation were taken from Company's internal studies, if any, and conclusions reached as a result of exercising professional judgment, based on relevant experience and the integration of information received from external sources, such as information from reinsurers and mortality and morbidity tables published by the Commissioner.

The operational assumptions (general and administrative expenses) were calculated in accordance with the results of the Company's internal pricing model applied to expenses relating to the relevant insurance liabilities, including: allocation of expenses to the various segments and activities (issuance, current management, investments, etc.) and assumptions regarding their future development (in accordance with the CPI, scope of premiums and assets under management, etc.).

Set forth below are the key assumptions on which the Company relied in the calculations:

#### 3.1.1.2.2 Economic assumptions

- Discount rate - adjusted risk-free interest rate curve for solvency. This curve is based on the yield to maturity of bonds of the Government of Israel (hereinafter - "**risk-free interest rate**"), up to the last liquidity point in the 10th year (hereinafter - "**LLP**"), with convergence in the long-term to a real fixed rate of 2.6% (UFR) plus a margin (VA), which is calculated by the Authority - all as set by the Commissioner.
- The yield on the assets backing the yield-dependent life insurance products is identical to the discount rate.
- Designated bonds - estimated in accordance with their fair value, which takes into account their interest rate and the best estimate as to the Company's future entitlement to purchase them.
- The inflation rate is set as the difference between the yield to maturity curve on NIS government bonds and the yield to maturity curve on linked government bonds. It is noted that the inflation assumption is relevant to products with amounts of insurance, premiums, and/or CPI-linked interest rates, and to expenses for claims and/or premiums that the Company assumes will change according to the rate of the CPI or another CPI-linked rate.

**3.1.1.2.3 Operational assumptions (for life and health insurance)**

- Insurance contract fulfillment expenses - the Company analyzed the expenses allocated in the financial statements to the relevant insurance segments, and allocated them to various products and coverage types and to various activities such as current operating of the coverages, investment management, handling claims, payment of pensions and more. The expenses study is revised periodically and the different types of expenses are carried to the future cash flow in relation to the relevant factors, such as the number of coverages, premiums, reserves or claims. The determination of the future expenses and their allocation to future cash flows include many assessments and judgments by the Company, which affect the amount of the liabilities.

**3.1.1.2.4 Demographic assumptions**

- Cancellations (discontinuation of premium payment, settlement of policies, withdrawals)
- Mortality of pensioners and planholders
- Morbidity (rate and length of claims) in long-term care, PHI and health products
- Takeup rates, retirement age distribution and pension tracks
- Real wage increase
- Conservation assumptions

**3.1.1.2.5 Assumptions underlying property and casualty insurance**

The cost of claims in respect of future damages and damages that had already occurred but claims for which have not yet been paid - based on the Company's past experience in the different subsegments in connection with the rate of claims, the amounts of claims, and the rate of claim payouts in long-tail subsegments.

**3.1.1.2.6 Classification of liabilities and insurance assets**

The insurance contracts were classified into liabilities or assets according to the estimate of the coverages and sub-coverages.

**3.1.2 Extension Clause 2 - Deduction during the Transitional Period**

As mentioned above, the Company calculated the Deduction Amount after applying IFRS 17, the Deduction Amount by multiplying the Deduction Rates calculated as of December 31, 2024 for each homogeneous risk group, by the amount of the BE and RM components less the addition of the value of Hetz bonds (for a guaranteed return portfolio) as of the calculation date.

The said Deduction is amortized on a straight line between December 31, 2019 and December 31, 2032, such that the amortized balance as of December 31, 2025 totaled approx. NIS 2,032 million (as of December 31, 2024, approx. NIS 2,063 million).

In accordance with the guidance, the Company assessed the need to reduce the value of the reduced Deduction balance, which is deducted to reflect the expected increase in the solvency ratio, calculated without the Deduction.

Accordingly, the Company did not deem it necessary to amortize the value of the amortized deduction balance as of December 31, 2025.

**3.1.3 Extension Clause 3 - Intangible assets and goodwill**

An insurance company shall assess the value of intangible assets at zero, except for investment in Insurtech as defined in the Solvency Circular, for which it obtained the Commissioner's approval, as required.

**3.1.4 Extension Clause 4 – Costs to Obtain an Investment Management Service Contract**

Valued at zero, consistently with the assessment of the insurance liabilities as described in Section (1) above.

### 3.1.5 Extension Clause 5 - Investment in investees that are not insurance companies

Non-insurance investees are valued in accordance with the adjusted equity method. That is to say, the proportionate share of the insurance company in the excess of assets over liabilities of the investee, without taking into consideration intangible assets. In management companies of pension and provident funds, 35% of the balance of the goodwill that has arisen upon acquisition was added to the economic value. The economic value of the investees does not include the profits implicit in those companies.

### 3.1.6 Extension Clause 6 - Financial assets and liabilities other than designated bonds and subordinated notes

Presented at fair value in the economic balance sheet in accordance with the principles set out in Note 2(e)g to the Company's annual financial statements.

### 3.1.7 Extension Clause 7 - Designated bonds

Estimated in accordance with their fair value, which takes into account their interest rate and the best estimate as to the Company's future entitlement to purchase them, based on the assumptions used in the calculation of the best estimate of the insurance liabilities in respect of which the Company is entitled to designated bonds.

### 3.1.8 Extension Clause 8 - Property, plant, and equipment

Assets for which there is an active market, revalued in accordance with the fair value. Assets for which there is no active market in the Company's opinion are valued at zero.

### 3.1.9 Extension Clause 9 - Risk margin

In addition to the insurance liabilities based on an best estimate, a component of the risk margin is calculated which reflects the total cost of capital that another insurance company would be expected to require in order to receive the insurance company's total insurance liabilities, calculated on the basis of an best estimate. The risk margin is calculated in accordance with the Commissioner's Directives, based on a capital cost rate of 6%, and is discounted at an adjusted risk-free interest rate, but excluding the VA component. The future capital requirement is calculated in accordance with the "risk factor method", by changing the capital requirement components calculated as of the reporting date in accordance with the projected development of the risk factors attributed thereto. These factors are designed to reflect the development of the standard model risks over time. The calculation does not take into account the capital requirement in respect of market risks.<sup>4</sup>

### 3.1.10 Extension Clause 10 - Contingent liabilities

As to the value of contingent liabilities in the economic balance sheet, see Section 1.5.2.4 above.

### 3.1.11 Extension Clause 11 - Liabilities in respect of deferred taxes, net

The calculation is based on the difference between the value attributed to assets and liabilities in the economic balance sheet, including in respect of the Deduction Amount, and the value attributed to those assets and liabilities for tax purposes, in accordance with the recognition, measurement and presentation provisions of IAS 12. Deferred tax assets may be recognized only if the Company shall meet the criteria included in the guidance, in addition to the criteria included in the abovementioned accounting standard.

### 3.1.12 Extension Clause 12 – Subordinated Notes

Revalued in accordance with risk-free interest plus the margin on issuance date, without recognizing changes in the Company's credit risk.

### 3.1.13 Extension Clause 13 - Other receivables and payables with average duration of less than one year

According to the guidance, the Company did not calculate fair value of items with average duration of less than one year.

### 3.1.14 Extension Clause 14 – Right-of-Use Assets and Lease Liability

Assets and liabilities accounted for according to IFRS 16 are revalued at fair value.

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4. In accordance with the guidance, it should be assumed that the acquiring company will select assets that will reduce the solvency capital requirement in respect of market risks.

### 3.2 Composition of liabilities in respect to insurance contracts and investment contracts

In NIS thousand	As of December 31, 2025			
	Best estimate (BE) of liabilities			Risk margin
	Gross	Reinsurance	Retention	(RM)
	<b>Audited</b>			
Liabilities for insurance contracts and non-yield-dependent investment contracts:				
Life insurance contracts	24,193,718	(3,609)	24,197,327	520,353
Long-term health insurance contracts (SLT)	(4,066,167)	(359,858)	(3,706,309)	5,114,520
P&C insurance contracts	6,646,548	2,614,254	4,032,294	25,736
Short-term health insurance contracts (NSLT)	94,347	(1)	94,348	1,825
<b>Total liabilities for insurance contracts and non-yield-dependent investment contracts</b>	<b>26,868,446</b>	<b>2,250,786</b>	<b>24,617,660</b>	<b>5,662,434</b>
Liabilities for yield-dependent insurance contracts - Life insurance and long-term health insurance contracts (SLT)	87,104,143	829,700	86,274,443	1,815,330
Investment contracts	13,434,859	-	13,434,859	14,995
<b>Total liabilities for insurance contracts and yield-dependent investment contracts</b>	<b>100,539,002</b>	<b>829,700</b>	<b>99,709,302</b>	<b>1,830,325</b>
<b>Total liabilities for insurance contracts and investment contracts</b>	<b>127,407,448</b>	<b>3,080,486</b>	<b>124,326,962</b>	<b>7,492,759</b>

In NIS thousand	As of December 31, 2024			
	Best estimate (BE) of liabilities			Risk margin
	Gross	Reinsurance	Retention	(RM)
	<b>Audited</b>			
Liabilities for insurance contracts and non-yield-dependent investment contracts:				
Life insurance contracts	24,119,615	(13,099)	24,132,714	517,399
Long-term health insurance contracts (SLT)	(4,040,095)	(297,057)	(3,743,038)	4,425,827
P&C insurance contracts	6,465,975	2,656,860	3,809,115	24,999
Short-term health insurance contracts (NSLT)	106,406	14	106,392	2,000
<b>Total liabilities for insurance contracts and non-yield-dependent investment contracts</b>	<b>26,651,901</b>	<b>2,346,718</b>	<b>24,305,183</b>	<b>4,970,225</b>
Liabilities for yield-dependent insurance contracts - Life insurance and long-term health insurance contracts (SLT)	80,334,348	625,949	79,708,399	2,002,047
Investment contracts	12,431,213	-	12,431,213	12,565
<b>Total liabilities for insurance contracts and yield-dependent investment contracts</b>	<b>92,765,561</b>	<b>625,949</b>	<b>92,139,612</b>	<b>2,014,612</b>
<b>Total liabilities for insurance contracts and investment contracts</b>	<b>119,417,462</b>	<b>2,972,667</b>	<b>116,444,795</b>	<b>6,984,837</b>

#### Main Changes in relation to previous year:

The decrease in the risk-free interest rate curve, the effective inflation rate, and positive returns in planholders' portfolios increased the Company's insurance liabilities. For more information regarding the changes, see Section 2.1 above.

4. *Own funds for SCR purposes*

In NIS thousand	As of December 31, 2025			
	Audited			
	Tier 1 capital			Total
Basic Tier 1 capital	Additional Tier 1 capital	Tier 2 capital		
Own funds	11,307,379	1,143,766	4,414,246	16,865,391
Deductions from Tier 1 capital (a)	(684,599)	-	-	(684,599)
Deductions (b)	-	-	-	-
Deviation from quantitative limitations (c)	-	-	-	-
Own funds for SCR purposes (d)	10,622,780	1,143,766	4,414,246	16,180,792
Of which - expected profits in future premiums (EPIFP) after tax	6,199,578	-	-	6,199,578

In NIS thousand	As of December 31, 2024			
	Audited			
	Tier 1 capital			Total
Basic Tier 1 capital	Additional Tier 1 capital	Tier 2 capital		
Own funds	10,388,393	462,901	4,211,813	15,063,107
Deductions from Tier 1 capital (a)	(357,461)	-	-	(357,461)
Deductions (b)	-	-	-	-
Deviation from quantitative limitations (c)	-	-	-	-
Own funds for SCR purposes (d)	10,030,932	462,901	4,211,813	14,705,646
Of which - expected profits in future premiums (EPIFP) after tax	6,222,834	-	-	6,222,834

**Main Changes in relation to previous year:**

**1. Basic Tier 1 capital:**

- Profitability in P&C Insurance and the run-off of current cost of capital (RM), plus financial effects offset by a decrease in the risk-free interest rate curve, resulted in higher Basic Tier 1 capital.
- The effects of actuarial studies and the revision to the expense model led to a lower Basic Tier 1 capital.

**2. Additional Tier 1 capital -**

In October 2025, Clal Capital Raising issued approx. NIS 594 million p.v. in Notes (Series O) to the public - which affected the own funds for SCR purposes.

- Amounts deducted from Tier 1 capital - in accordance with the definitions of "Basic Tier 1 capital" in Appendix B, Chapter 2, Part 2 of Section 5 in the Consolidated Circular - "Economic Solvency Regime" (hereinafter - the "**Economic Solvency Regime Appendix**"), these deductions include the amount of assets held against liabilities in respect of non-yield dependent insurance and investment contracts in breach of the Investment Rules Regulations, amount invested by the Company in purchasing Company ordinary shares, and the amount of dividend declared subsequent to the report date and through the publication of the report for the first time.
- Deductions - in accordance with the provisions of Chapter 6 in Part B - "Directives regarding Insurance Companies' Own Funds" to the Economic Solvency Regime Appendix.
- Deviation from quantitative limitations - in accordance with the provisions of Chapter 2 in Part B - "Directives regarding Insurance Companies' Own Funds" to the Economic Solvency Regime Appendix.
- Composition of own funds for SCR purposes -

<b>In NIS thousand</b>	<b>As of December 31,</b>	<b>As of December 31,</b>
	<b>2025</b>	<b>2024</b>
	<b>Audited</b>	<b>Audited</b>
<b>Tier 1 capital:</b>		
Basic Tier 1 capital net of deductions	<b>10,622,780</b>	10,030,932
Additional Tier 1 capital:		
Additional Tier 1 capital instruments	<b>1,143,766</b>	462,901
Less deduction due to deviation from quantitative limit	-	-
<b>Additional Tier 1 capital</b>	<b>1,143,766</b>	462,901
<b>Total Tier 1 capital</b>	<b>11,766,546</b>	10,493,833
<b>Tier 2 capital:</b>		
Additional Tier 1 capital not included in Tier 1	-	-
Tier 2 capital instruments	<b>4,414,246</b>	4,211,813
Less deduction due to deviation from quantitative limit	-	-
<b>Total Tier 2 capital</b>	<b>4,414,246</b>	4,211,813
<b>Total own funds for SCR purposes</b>	<b>16,180,792</b>	14,705,646

For an explanation regarding key changes compared with last year see Section 4 above.

#### **4.1 Composition of eligible capital**

The Provisions of the Economic Solvency Regime set guidance regarding the composition of the eligible own funds on an economic basis, whereunder the eligible own funds shall be the total of Tier 1 capital and Tier 2 capital, as defined above:

The rate of components included in Tier 1 capital, after amortization, shall not fall below 60% of the SCR and 80% of the MCR at any time.

The rate of components included in Tier 2 capital, after amortization shall not exceed 40% of the SCR and 20% of the MCR at any time, but under the Transitional Provisions, during the period through December 31, 2032, the Tier 2 capital shall not exceed 50% of SCR.

The rate of components included in Tier 2 capital, after amortization, shall not exceed 20% of the MCR at any time.

5. Solvency capital requirement (SCR)

In NIS thousand	As of December 31, 2025	As of December 31, 2024
	Audited	Audited
	<b>Capital requirement</b>	
<b>Basic solvency capital requirement (BSCR):</b>		
Capital requirement in respect of market risk-weighted component	6,851,474	7,112,731
Capital requirement in respect of counterparty risk-weighted component	356,448	320,626
Capital requirement in respect of underwriting risk-weighted component in life insurance	4,243,962	4,167,176
Capital requirement for underwriting risk-weighted component in health insurance (SLT+NSLT)	5,734,015	5,085,971
Capital requirement in respect of underwriting risk-weighted component in P&C insurance	1,203,524	1,136,628
<b>Total</b>	<b>18,389,423</b>	<b>17,823,132</b>
Effect of diversification of risk-weighted components	(6,007,617)	(5,750,306)
Capital requirement in respect of the intangible assets risk-weighted component	20,313	31,715
<b>Total basic solvency capital requirement (BSCR)</b>	<b>12,402,119</b>	<b>12,104,541</b>
Capital requirement in respect of operational risk	375,865	388,953
Loss absorption adjustment due to deferred tax asset	(3,161,739)	(3,122,196)
<b>Capital requirement in respect management companies:</b>		
Clal Pension and Provident Funds Ltd.	267,380	243,704
Atudot Pension Fund for Salaried Employees and Self Employed Ltd.	8,883	8,566
<b>Capital requirement in respect management companies</b>	<b>276,263</b>	<b>252,270</b>
<b>Total solvency capital requirement (SCR)</b>	<b>9,892,508</b>	<b>9,623,568</b>

**Key changes in solvency capital requirement compared to last year:**

- The increase in capital requirements due to the health underwriting risk-weighted component stems from higher turnovers and returns.
- The decrease in capital requirements due to the market risk component arises from the effect of interest rate cuts and a certain shift in the risk profile between the asset portfolios offset by the effect of the increase in assets under management.

5.1 Underlying principles of the calculation of solvency capital requirement (SCR)

- The Company operates as a going concern;
- Relates to risks arising from existing assets and businesses and from the property and casualty insurance and NSLT health insurance businesses that are expected to be signed within 12 months subsequent to the reporting date;
- With regard to existing businesses, it will only cover unexpected losses;
- Reflects the scope of own funds that will allow the insurance company to absorb unexpected losses and meet its obligations to policyholders and beneficiaries on time, and constitutes the VaR of Basic Tier 1 capital of the Company with 99.5% certainty over a 12-month period;
- Covers the following risk-weighted components: Life insurance, health insurance, property and casualty insurance, market risk, counterparty risk, operational risk, and controlled management companies;
- Takes into consideration risk mitigation means and methods in accordance with the guidance;
- The calculation of the scenarios is based on the estimated deviation from an estimated value of Basic Tier 1 capital, on the basis of the estimated deviation in the value of assets and liabilities in the economic balance sheet upon the materialization of the scenario. Specifically, in the life and SLT health risk-weighted components, the estimated results of the scenarios are based on the results of the models used to calculate best estimates, and subject to the limits and conditions as detailed above

**6. Minimum capital requirement (MCR)**

**6.1 Minimum capital requirement (MCR)**

In NIS thousand	As of December 31, 2025	As of December 31, 2024
	Audited	Audited
Minimum capital requirement according to MCR formula	<b>2,201,617</b>	2,088,014
Lower band (25% of solvency capital requirement in the Transitional Period)	<b>2,473,127</b>	2,405,892
Upper band (45% of solvency capital requirement in the Transitional Period)	<b>4,451,629</b>	4,330,606
Minimum capital requirement (MCR) <sup>5</sup>	<b>2,473,127</b>	2,405,892

**6.2 Own funds for MCR**

In NIS thousand	As of December 31, 2025		
	Audited		
	Tier 1 capital	Tier 2 capital	Total
Own funds for SCR purposes according to Section 4	11,766,546	4,414,246	16,180,792
Deviation from quantitative limitations due to minimum capital requirement *)		(3,919,620)	(3,919,620)
<b>Eligible own funds for MCR purposes</b>	<b>11,766,546</b>	<b>494,626</b>	<b>12,261,172</b>

In NIS thousand	As of December 31, 2024		
	Audited		
	Tier 1 capital	Tier 2 capital	Total
Own funds for SCR purposes according to Section 4	10,493,833	4,211,813	14,705,646
Deviation from quantitative limitations due to minimum capital requirement *)		(3,730,635)	(3,730,635)
<b>Eligible own funds for MCR purposes</b>	<b>10,493,833</b>	<b>481,178</b>	<b>10,975,011</b>

\*) In accordance with the provisions of Chapter 3 in Part B to the Economic Solvency Regime Appendix, Tier 2 capital shall not exceed 20% of MCR.

5. If this amount is lower than the Tier 1 capital according to Regulation 2 to the Capital Regulations, the minimum capital requirement will be the Tier 1 capital.

## Economic Solvency Ratio Report as of December 31, 2025

### 7. *Effect of applying the Transitional Provisions*

For a description of the Transitional Provisions applicable to the Company during the Transitional Period see Section 1.3 “Provisions during the Transitional Period” and Section 3.1.2 “Deduction During the Transitional Period” above.

**As of December 31, 2025**

	Audited			
	Including application of the Transitional Provisions	Effect of Deduction during the Transitional Period	Effect of a 50% rate Tier 2 capital during the Transitional Period	Excluding application of the Transitional Provisions
<b>NIS thousand</b>				
Total insurance liabilities, including risk margin (RM)	132,868,029	(2,032,178)	-	134,900,207
Basic Tier 1 capital	10,622,780	1,325,996	-	9,296,784
Own funds for SCR purposes	16,180,792	1,043,523	457,242	14,680,027
Solvency capital requirement (SCR)	9,892,508	(706,182)	-	10,598,690

**As of December 31, 2024**

	Audited			
	Including application of the Transitional Provisions	Effect of Deduction during the Transitional Period	Effect of a 50% rate Tier 2 capital during the Transitional Period	Excluding application of the Transitional Provisions
<b>NIS thousand</b>				
Total insurance liabilities, including risk margin (RM)	124,338,813	(2,063,487)	-	126,402,300
Basic Tier 1 capital	10,030,932	1,346,426	-	8,684,506
Own funds for SCR purposes	14,705,646	1,059,600	362,386	13,283,660
Solvency capital requirement (SCR)	9,623,568	(717,062)	-	10,340,630

**8. Report of Movements in Capital Surplus**

<b>In NIS thousand</b>	<b>Own funds for SCR purposes</b>	<b>Solvency capital requirement (SCR)</b>	<b>Capital surplus (deficit)</b>
<b>As of January 1, 2025</b>	<b>14,705,646</b>	<b>9,623,568</b>	<b>5,082,078</b>
Net of the Transitional Provisions	(1,421,986)	717,062	(2,139,048)
<b>As of January 1, 2025, without applying the Transitional Provisions</b>	<b>13,283,660</b>	<b>10,340,630</b>	<b>2,943,030</b>
The effect of operating activities (a)	(699,560)	(340,580)	(358,980)
Effect of economic activity (b)	1,449,169	330,984	1,118,185
New business (c)	459,998	264,985	195,013
Effect of the issuance of capital instruments (net of redemptions) and a declared dividend (d)	80,865	-	80,865
Effect of changes in deferred tax, Additional Tier 1 capital and Tier 2 capital	105,895	2,671	103,224
<b>As of December 31, 2025, without applying the Transitional Provisions</b>	<b>14,680,027</b>	<b>10,598,690</b>	<b>4,081,337</b>
Effect of the Transitional Provisions	1,500,765	(706,182)	2,206,947
<b>As of December 31, 2025</b>	<b>16,180,792</b>	<b>9,892,508</b>	<b>6,288,284</b>

(a) This section includes the effect of:

1. The projected cash flow implicit in the opening balance and which was expected to be released in the reporting year;
2. Deviations from demographic and operating assumptions in the reporting year;
3. Changes in regulatory rules;
4. Changes in demographic and operating assumptions compared with those used on the date of the previous report;
5. Model revisions;
6. New insurance contracts (P&C Insurance and NSLT health insurance) signed in the reporting year, and insurance portfolios in those subsegments, purchased or sold in the reporting year;
7. Investment in intangible assets;
8. Other changes not included in the other items.

(b) This section includes the effect of the current operating activity, including:

1. Changes in the value of investment assets;
2. Changes in capital requirement for market risk-weighted component, including change in the symmetric adjustment component (SA);
3. Effect of inflation;
4. Effect of changes in the risk-free interest rate curve on solvency.

(c) This item includes new insurance contracts (SLT life and health insurance) signed in the reporting year, and insurance portfolios in those subsegments, purchased or sold in the reporting year, including their effect on market risks, counterparty risk and operational risk.

(d) This item includes equity transactions, including issuance and redemption of Tier 1 capital (see Section 4.2) and Tier 2 capital instruments and a dividend declared subsequent to the date of the solvency ratio report as of December 31, 2025 (see Section 10.2) and through the approval date of the solvency ratio report as of December 31, 2025.

**Main effects reflected in the movements in the Company's capital surplus:**

Effect of economic activity - The excess returns for the period offset by the decrease in the risk-free interest rate curve had a positive effect on the Company's capital surplus.

The effect of operating activities -

- The positive effect of the risk run-off and the freed up capital arising from previously sold insurance activity
- Adverse effect due to revision of studies and the expense model in Health and Life Insurance, which was partially offset by positive underwriting effect in P&C Insurance.

The effect of new businesses' activity - new businesses sold in 2025 had a positive contribution to the Company's economic capital, while, on the other hand, giving rise to capital requirements.

**9. Sensitivity tests**

Following is a sensitivity analysis of the economic solvency ratio to various risk factors as of the report date. This analysis will reflect the effects of various risk factors both on own funds, including the quantitative restrictions that apply to own funds, and on the solvency capital requirement. The sensitivity tests only reflect direct effects, holding all other risk factors constant, and do not include secondary effects or derived changes on other risk factors.

It is noted that the sensitivity is not necessarily linear; i.e., sensitivity at other rates is not necessarily a simple extrapolation of the sensitivity test presented.

	<b>As of December 31, 2025</b>
	<b>Effect on the economic solvency ratio (in percentage points)</b>
A 50 basis points decrease in the risk-free interest rate curve	(11%)
A 25% decrease in the value of equity assets	(4%)
A 5% increase in morbidity rate	(11%)
A 5% decrease in mortality rates	(10%)
A 10% increase in lapses rates	(4%)

- The sensitivity tests were applied to the economic balance sheet in relation to assets and liabilities that are directly affected by the assumption being tested in each sensitivity test, as detailed above, and by recalculating the risk margin. In addition, effects on the Company's capital requirements were taken into account.
- As part of the sensitivity tests regarding interest rates and mortality rates, the sensitivity to the relevant scenario for the Company, out of an increase or a decrease, was examined.
- The interest rate sensitivity test reflects a 50 basis points decrease in the risk-free interest rate curve, up to the Last Liquidity Point (LLP), and thereafter, it is calculated according to the Smith-Wilson extrapolation with respect to the Ultimate Forward Rate (UFR), which is fixed according to the circular.
- It is noted that the effect of the sensitivity on the Deduction Amount in the relevant scenarios was not taken into account.
- The demographic sensitivity tests were applied to all of the Company's policies that are relevant to that sensitivity test.
- A 5% increase in the morbidity rate sensitivity test refers to the prevalence of claims and does not relate to the duration or severity of the claim.
- The sensitivity test for a decrease in the value of equity assets was applied to all stocks that are treated within the stock risk sub-component, including the effect of the symmetric adjustment (SA) to the capital requirements.
- The sensitivity tests do not include the effect of material equity transactions made in the period between the calculation date and the publication date of the Economic Solvency Ratio Report:

## **10. Restrictions on Dividend Distribution**

The Company's policy is to have a solid capital base to ensure its solvency and ability to meet its liabilities to policyholders, to preserve the Company's ability to continue its business activity and its ability to provide returns to its shareholders and support future business activity. In its capacity as an institutional entity, the Company is subject to the capital requirements set by the Commissioner.

### **10.1 Dividend**

According to the letter published by the Authority, in October 2017, (hereinafter - the "**Letter**") and clarifications thereto, an insurance company shall be entitled to distribute a dividend only if, following the distribution, the company has a solvency ratio - according to the Economic Solvency Circular - of at least 100%, calculated without taking into account the Transitional Provisions and subject to the solvency ratio target set by the Company's Board of Directors. The aforesaid ratio shall be calculated without the relief granted in respect of the original difference attributed to the acquisition of the provident funds and management companies. In addition, the letter set out provisions for reporting to the Commissioner.

### **10.2 Capital management and dividend distribution policies**

The Company's Capital Management Policy stipulates that the Company's economic solvency ratio shall be in the range of 150%-170%. In addition, the minimum economic solvency ratio target for prudential purposes is set at 135%. These targets relate to a solvency ratio taking into account the Deduction during the Transitional Period until the end of 2032 and thereafter.

In addition, the Board of Directors of the Company approved a policy for the distribution of a dividend at a rate of 30%-50% of the Company's comprehensive income. The distribution is subject to the Company's complying with a minimum capital target - in accordance with the economic solvency regime, without taking into account the Transitional Provisions - of 115%, post-distribution. The distribution is also subject to the Company's complying with its capital targets, taking into consideration the Transitional Provisions during and after the Transitional Period.

It is hereby clarified that this policy should not be viewed as an undertaking by the Company to distribute dividends.

On May 28, 2025, Clal Insurance's Board approved a dividend distribution totaling NIS 300 million, which constitutes approx. 46% of Clal Insurance's comprehensive income in 2024, having considered all aspects, including Clal Insurance's compliance with the economic solvency ratios detailed above. This dividend distribution was taken into account in the calculation of the solvency ratio as of December 31, 2024.

Furthermore, On March 25, 2026, upon approval of the Company's financial statements as of December 31, 2025, the Company's Board of Directors approved a dividend distribution, according to the Company's policy, totaling approx. NIS 600 million, representing approx. 30% of the Company's comprehensive income for 2025 according to the Consolidated Annual Financial Statements, after examining all aspects, including the Company's compliance with the economic solvency ratio targets above. This dividend distribution was taken into account in the calculation of the solvency ratio as of December 31, 2025.

10.3 Solvency ratio without applying the Transitional Provisions:

In NIS thousand	As of December 31, 2025	As of December 31, 2024
	Audited	Audited
Own funds for SCR purposes	14,680,027	13,283,660
Solvency capital requirement (SCR)	10,598,690	10,340,630
Surplus	4,081,337	2,943,030
<b>Economic solvency ratio (in %)</b>	<b>139%</b>	128%
Effect of material equity transactions taken in the period between the calculation date and the publication date of the solvency ratio report:		
Raising of capital instruments	614,897 <sup>(2)</sup>	(1)-
Own funds for SCR purposes	15,294,924	13,283,660
Surplus	4,696,234	2,943,030
<b>Economic solvency ratio (in %)</b>	<b>144%</b>	128%
<b>Capital surplus after equity transactions taken in the period between the calculation date and the publication date of the Economic Solvency Ratio Report, compared with the Board of Directors' target:</b>		
The Board of Directors' economic solvency ratio target (%)	115%	115%
Capital shortfall in relation to the target (NIS thousand)	3,106,431	1,391,935

1. In April 2025, Notes (Series 14) were issued for a total of approx. NIS 500 million. This issuance did not affect the capital surplus and economic solvency ratio as of December 31, 2024, since as of that date, there was an unutilized Tier 2 capital balance of approx. NIS 76 million in excess of the Tier 2 capital cap (40% of the capital requirements in a calculation without the Transitional Period).
2. In January 2026, Clal Capital Raising issued to the public approx. NIS 591 million p.v. in Notes (Series O), by way of expansion of an existing series. The proceeds of the offering amounted to approx. NIS 615 million and were recognized as Additional Tier 1 capital of Clal Insurance, subject to restrictions on the maximum rate of Tier 1 capital, in accordance with the provisions of the law.

**Material changes from the previous year:**

For an explanation of main changes, see Section 2.1 above.

May 28, 2026

Date

**Haim Samet**  
Chairman of  
the Board

**Yoram Naveh**  
CEO

**Eran Czerninski**  
Executive VP  
Head of the Finance Division

**Avi Ben Noon**  
Executive VP  
Chief Risk Officer

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