



# Financial Statements

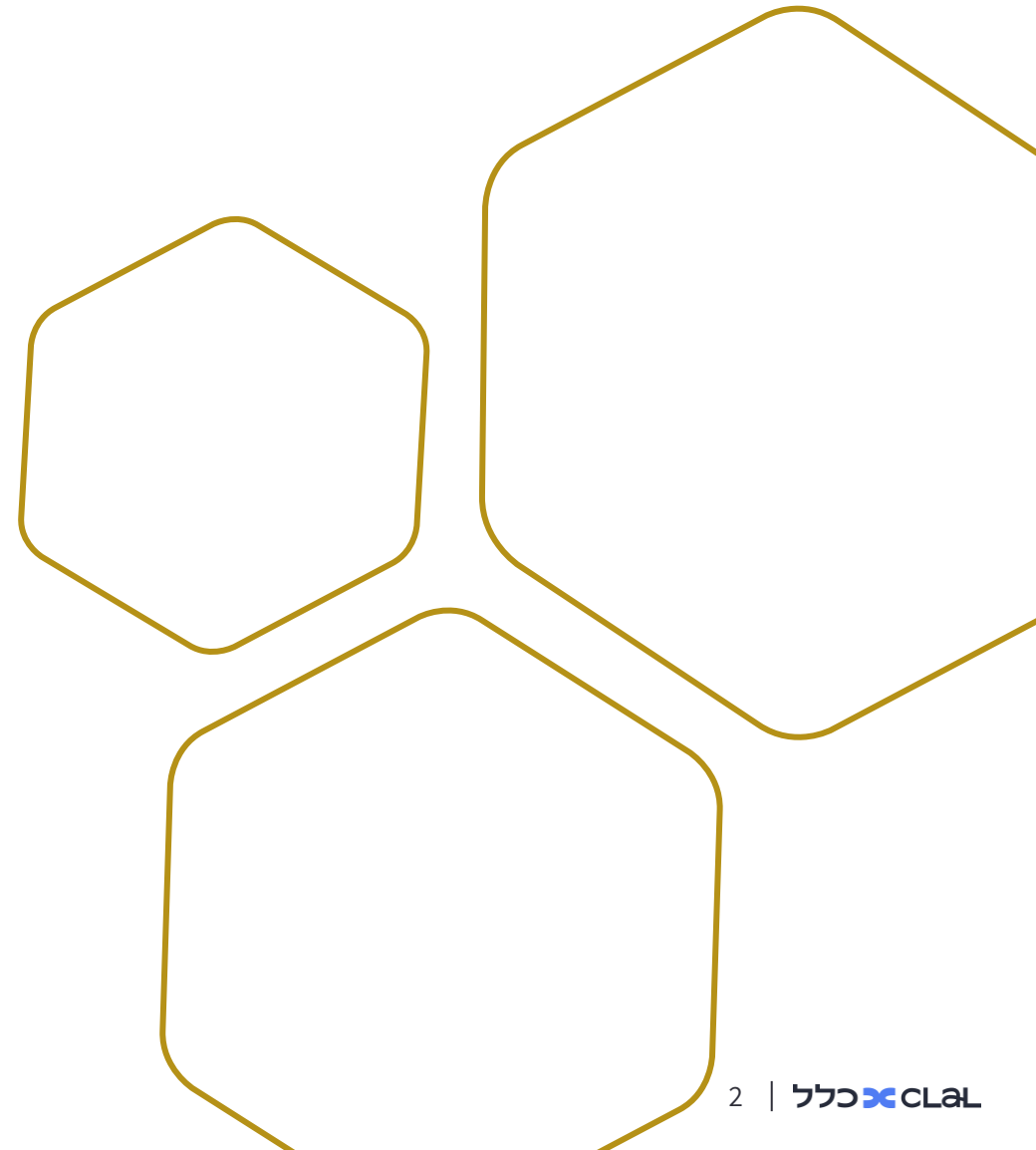
September 2024

# Waiver

This presentation contains only partial information regarding the Company's results for the January to September 2024 period and was prepared for summary and convenience purposes only. The presentation cannot be in lieu of reviewing the reports published by the Company for the public (including its financial statements), which include the complete information about the Company, before making a decision to invest in the Company's securities. In the event of any discrepancy between that stated in the presentation and that stated in the Company's official reports, that stated in the said reports will prevail.

Any forward-looking forecast and/or statement (as forward-looking information is defined in the Israel Securities Law, 1968) provided, if any, by way of this presentation, is based on the Company's management's assessment according to its discretion, and involves uncertainty, including factors that are beyond the Company's control, each of which or a combination of them, as well as materialization of any of the risk factors typical of the Company's operations, may lead to the said forecasts and/or assessments not materializing or materializing in a significantly different manner than expected.

This presentation does not constitute an offer to acquire securities of the Company, or an invitation to receive such offers, and is intended for the provision of information only, as part of providing explanations about the Company.



## Introduction

In this difficult, painful period for the people of Israel, our hearts go out to the families whose lives have suddenly altered, to the hostages who have yet to come home, and to all our heroic soldiers who have been serving in the IDF and security forces for over a year, with determination and courage, to protect all of us.

During this period of uncertainty - with Israeli society facing complex and unbearably painful security and social challenges - we, as a leading institutional entity in the Israeli economy, feel obliged to show national responsibility: to continue to serve as an anchor of stability and social responsibility, to stand by our employees, our customers and our shareholders, and to be part of the economic infrastructure which supports Israeli society and its resilience.

We hope to be facing a calmer period, in which we can invest all our resources in accelerated economic growth and the affected regions.





**01 Key Points**

02 Operating Results - Highlights

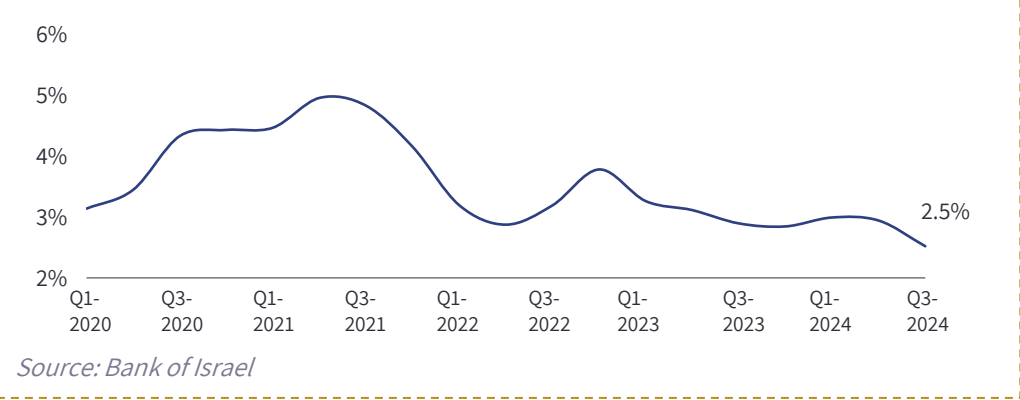
03 Details of Changes in Income by Segment

# The Israeli Economy

## Robust Macroeconomic Data

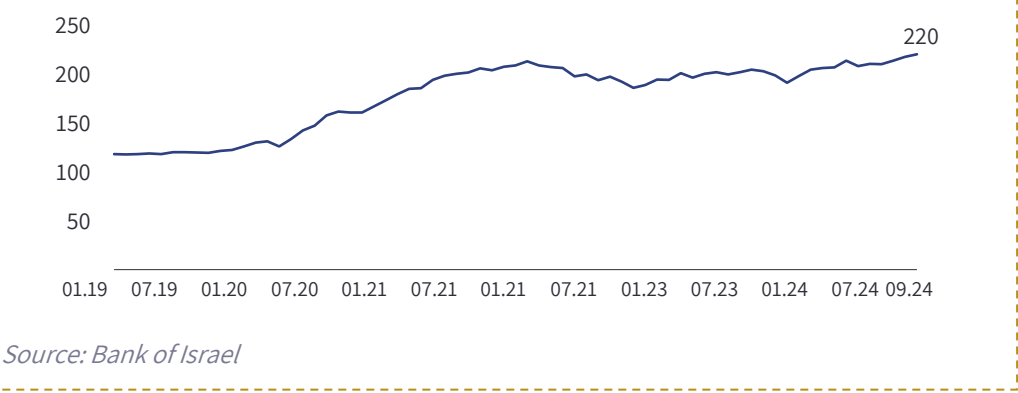
### Unemployment rate (% , ages 25-64)

The unemployment rate in Israel is at record lows, at approx. 2.5%



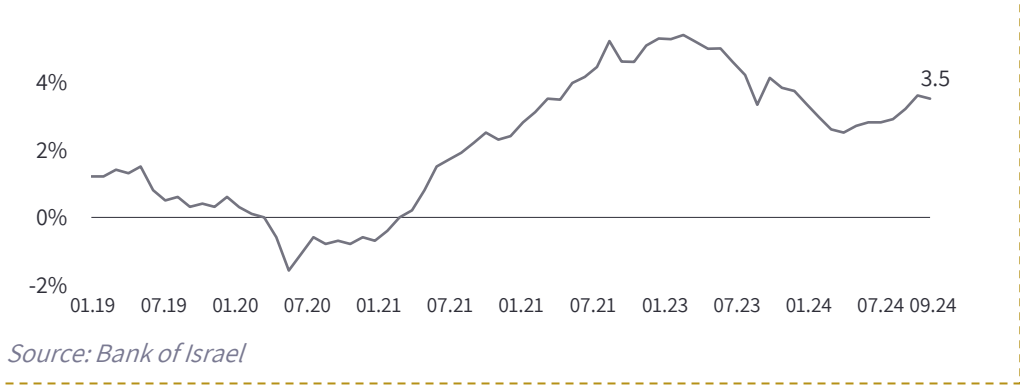
### Foreign exchange balances (USD billion)

Foreign currency balances are at a record high and may support the Bank of Israel in stabilizing the exchange rate if needed



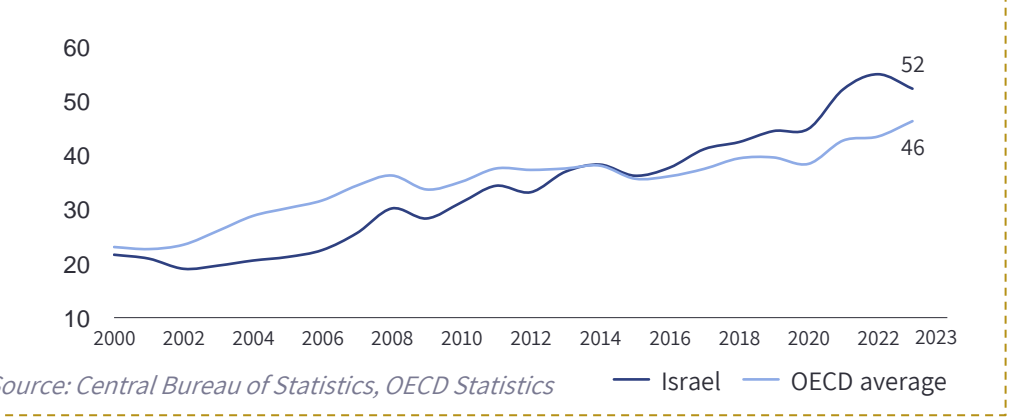
### Inflation index

The annual inflation rate stands at 3.5%, which is expected to subside to 2.8% in 2025 according to the Bank of Israel's inflation forecast



### GDP per capita (USD thousand)

The Israeli economy enjoys high GDP per capita compared to the OECD average

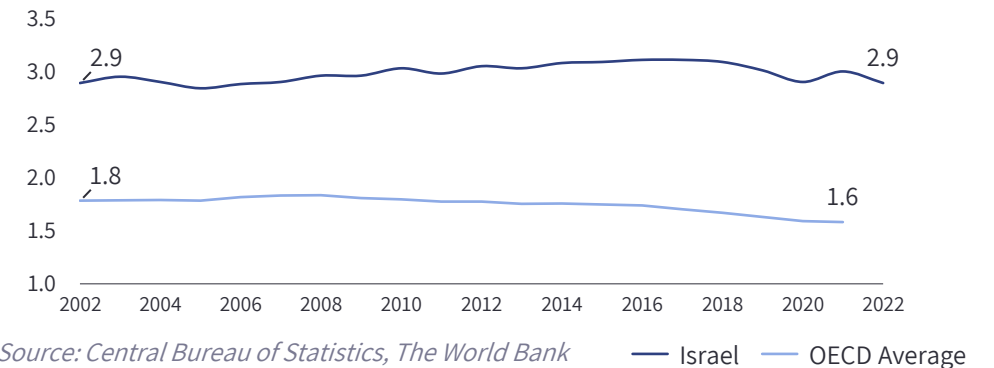


# The Israeli Insurance and Credit Market

## Key Drivers

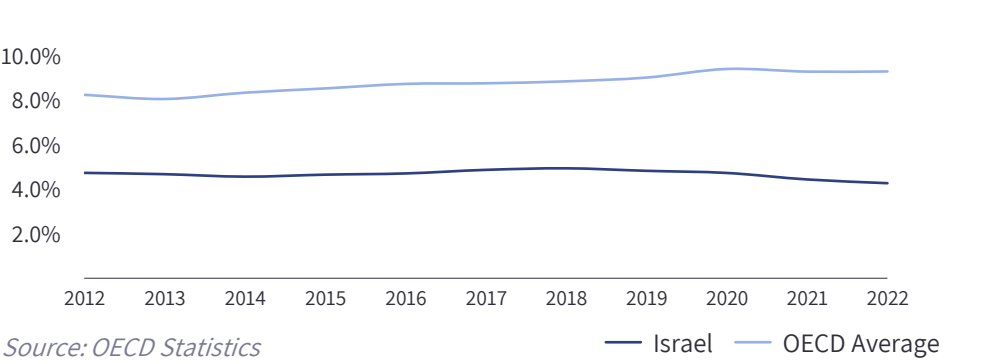
### Fertility rate, average no. of children per woman

This is a significant growth engine for the insurance, savings and credit subsegments. In the past twenty years, Israel's fertility rate has been approx. 90% higher than the average fertility rate of OECD countries.



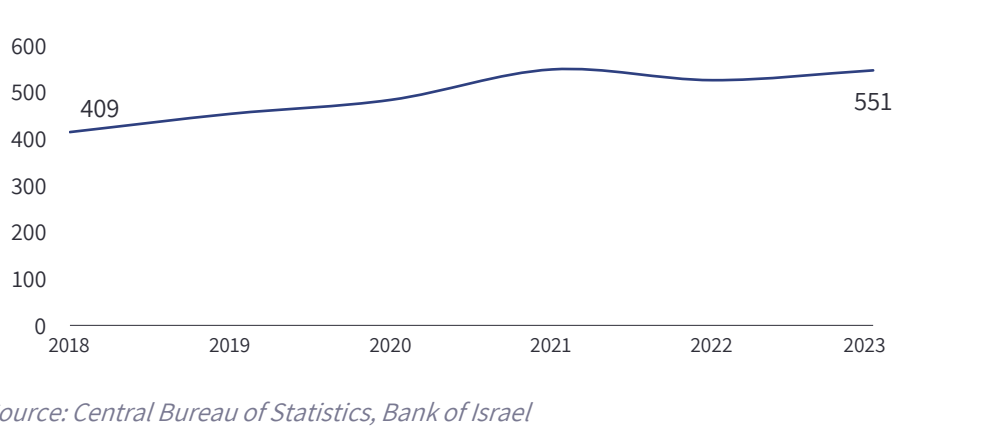
### Penetration rate - insurance products (%)

Reflects the development level of the insurance sector in Israel; calculated as total premiums of the insurance market divided by GDP of that year. The Israeli insurance market has significant growth potential.



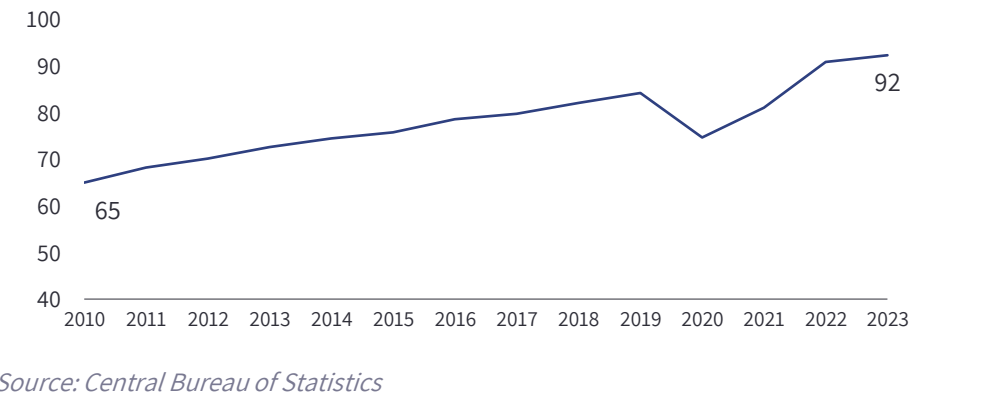
### Average savings per capita (NIS thousand)

Growth engine of Long-Term Savings subsegment. One can see an average annual growth rate of approx. 8% during the past five years.



### Expenditure for private consumption per capita (NIS thousand)

This is a significant growth engine in the credit card industry. One can see a growth rate of approx. 50% per decade, with an average annual growth rate of approx. 2.7% per annum.



## The First Nine Months of 2024 Reflect the Realization of the Group's Strategy

In 2023, Clal Holdings Group completed the acquisition of credit card company Max, and it is currently benefiting from two significant pillars - the Insurance and Long-Term Savings Segment and the Credit Cards Segment. Thus, Clal Holdings is accelerating its change from a legacy insurance company with a significant bias towards traditional long-term savings and long-term care products, to a financial holding group with diversified sources of non-cash income and profit.

The improvement in the income presented by the Company arises from a significant increase in income from business activity, both in Insurance and Savings and in Credit Cards domains. It is apparent that Max group is well incorporated in Clal Holdings Group in its capacity as a leading institutional entity in Israel, and that its strong results contribute significantly to the Group's growth.

# Group Results - Highlights

19.8

NIS billion

Premiums

With added contributions towards  
benefits and investment contracts

361

NIS billion

Assets under  
management

271

NIS million

Comprehensive income,  
Q3-2024

Attributable to shareholders

591

NIS million

Comprehensive income,  
January to September 2024

Attributable to shareholders

AA-   Aa1   Aa3

S&P Maalot -   Midroog,   Midroog,  
Clal Holdings   Clal   Clal  
Insurance   Max

The Company's rating

\*126%

Clal Insurance –  
solvency ratio

As of June 30, 2024  
Net of Transitional Provisions

100

NIS million

Declared dividend

With respect to the profits of 2023

9.2

NIS billion

Shareholders equity

Attributable to shareholders

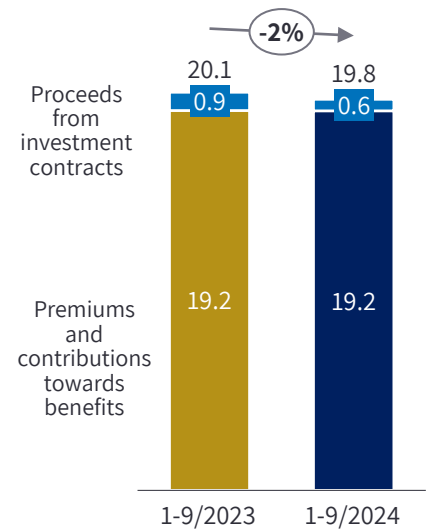
\* There is an outline under which, as from Economic Solvency Ratio Report as of December 31, 2024, the ratio calculation may include a stochastic model for part of the insurance liabilities flows (including variable management fees), subject to an audit carried out by the Capital Market, Insurance and Savings Authority. The effect of this outline is estimated at an additional rate of approx. 17%, without taking into account the Transitional Provisions, and with an additional rate of approx. 9%, taking into account the Transitional Provisions.



# Main Trends

## Continued Improvement Across the Company's KPIs

Growth in Core Activity  
(Pension, P&C And Life) Against  
a Run-Off in Executive  
Insurance

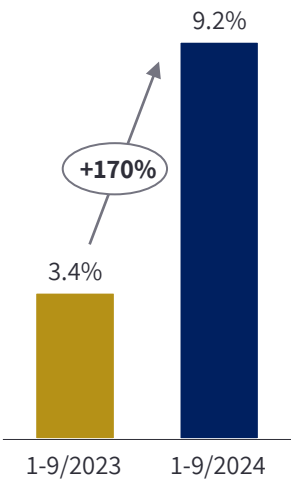


**Premiums** (NIS billion)

With added contributions towards  
benefits and investment contracts

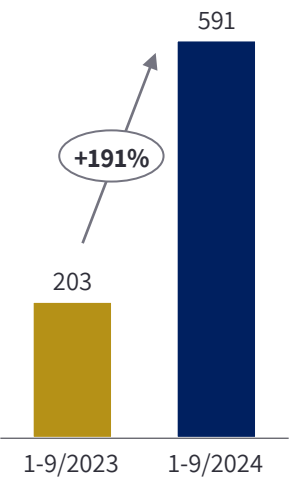


**Assets under  
management** (NIS billion)



**Return on equity** (%)

Attributable to shareholders



**Comprehensive income,  
after tax** (NIS million)

Attributable to shareholders

## Key trends



**Comprehensive income after tax in the reporting period of approx. NIS 591 million**, compared to an income of NIS 203 million last year



**Comprehensive income after tax in Q3 of approx. NIS 271 million**, compared to an income of NIS 151 million last year



**Significant increase in underwriting income in Insurance and Savings**, mainly in the Property and Casualty Segment and in the Health Insurance Segment



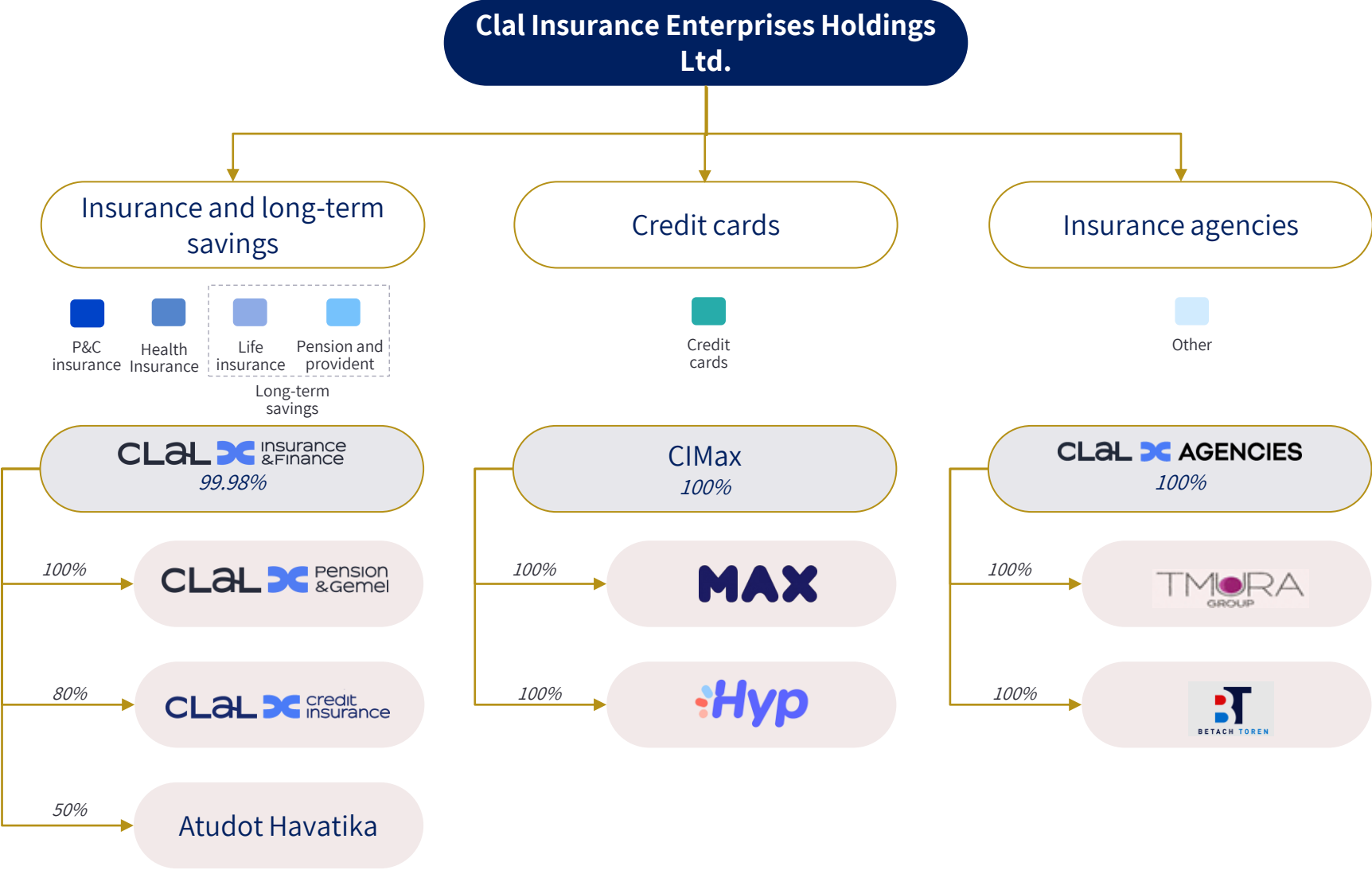
**Continued growth in profitability in the Credit Cards Segment**; the value of Max's individual credit portfolio exceeded the NIS 10 billion mark for the first time ever

**Economic Solvency Ratio in Clal Insurance of 126% as of June 30, 2024**, compared to a ratio of 109% as of December 31, 2023

**A dividend distribution was declared in Clal Insurance and Clal Holdings for the first time in over a decade**, totaling NIS 100 million

# Structure of main holdings

Diversified activity in the fields of insurance and long-term savings, credit cards and insurance agencies



Classification of operating segments

# Operating Segments



## P&C Insurance

comprises five subsegments: Liability - Compulsory Motor and Other Liability (which mainly includes third-party liability insurance products); Property - Motor Property, Credit Insurance and Other Property (including remaining property subsegments other than motor and liability as well as other insurance subsegments, such as guarantees).



## Health Insurance

comprises the Group's activity in the Health Insurance subsegments. The segment includes LTC (individual and collective) and Illnesses and Hospitalization (which includes medical expenses, surgeries and transplants, personal accidents and travel).



## Long-Term Savings

includes the Group's activity in the life insurance, pension funds and provident funds subsegments. The segment includes long-term savings as well as insurance coverage of various risks such as death and disability insurance



## Credit Cards

includes credit cards operating results, divided into two main areas of activity: issuance and acquiring.



## Other

Mostly includes own agencies and investment in Michlol



## Activity that is not assigned to segments

consists of the Group's headquarters, which mainly consists of capital, liabilities (including finance expenses for Max's acquisition) and assets outside the insurance or credit card businesses, and amortization of Max's excess cost



01 Key Points

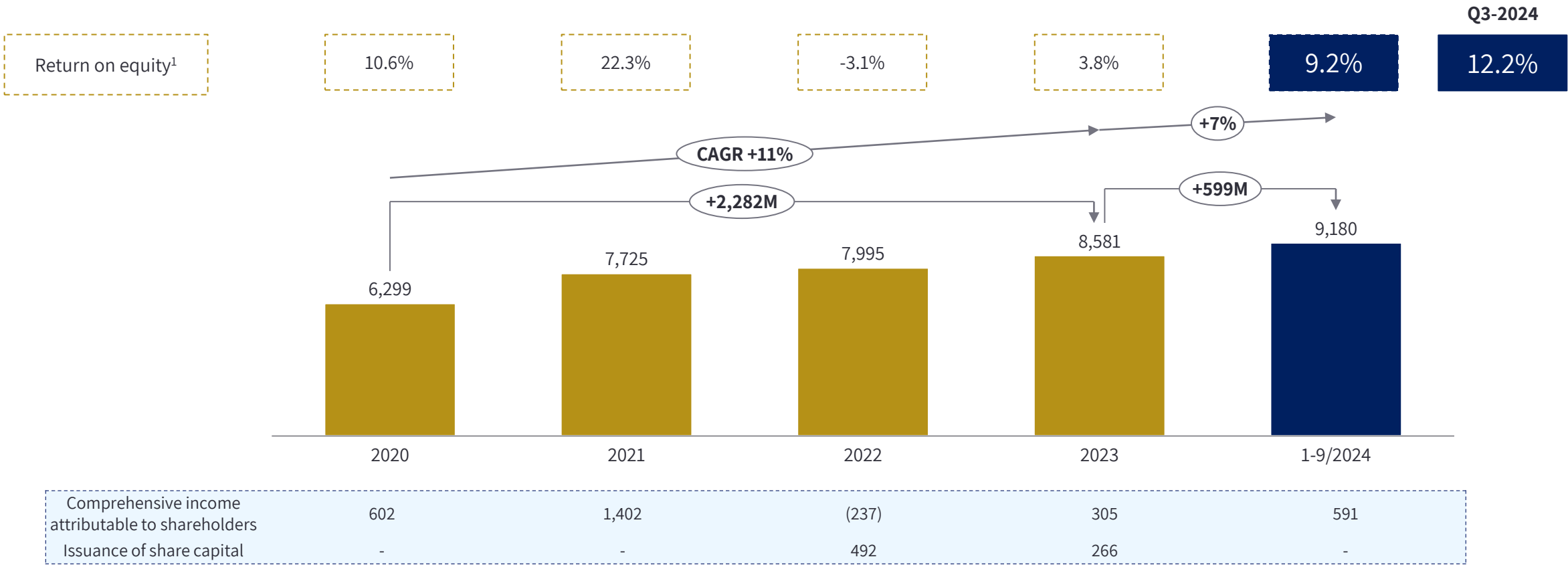
**02 Operating Results - Highlights**

03 Details of Changes in Income by Segment

# Shareholders' equity

Return on equity of approx. 9.2% in the reporting period and approx. 12.2% in Q3

NIS million



1. Return on equity, annualized

## Main dividend distributions in the Group in respect of the 2023 profits

**CLaL**  Insurance Enterprises  
Holdings LTD.

**NIS 100M to its shareholders**

**CLaL**  Insurance  
& Finance

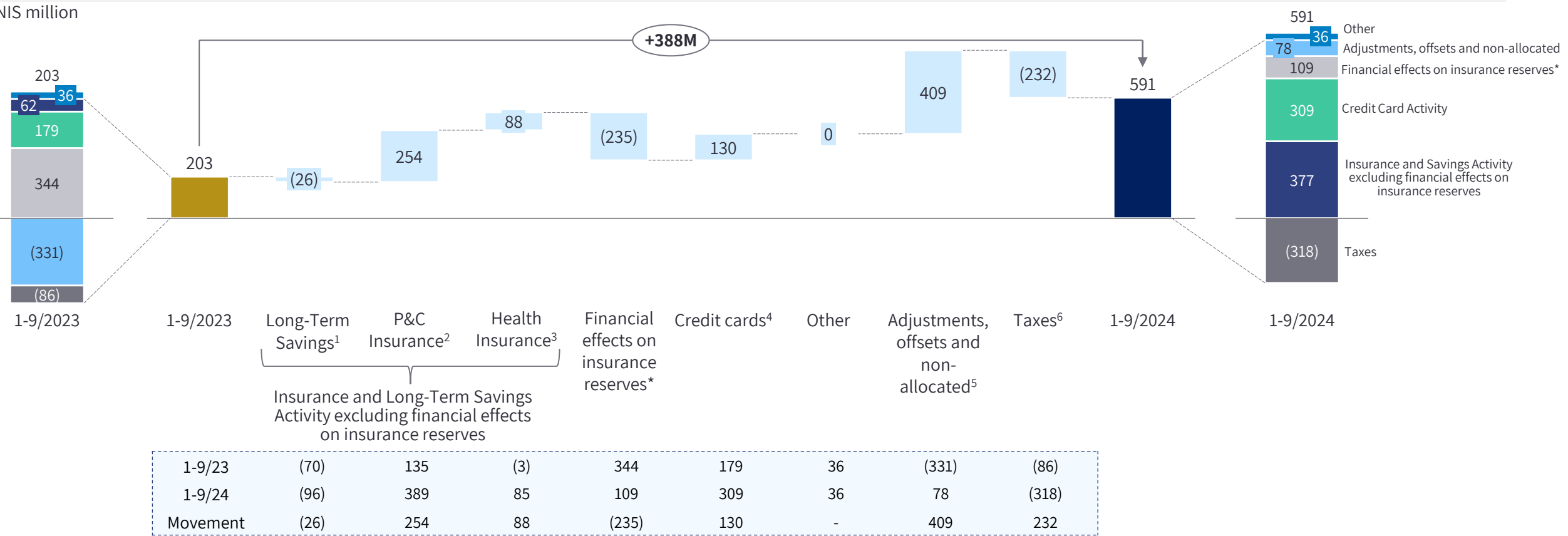
**NIS 100M to Clal Holdings**

**MAX**

**NIS 62M to Clal Holdings**

# Post-Tax Comprehensive Income, by Operating Segment -January-September 2024

The Company made a post-tax profit of approx. NIS 591 million, while diversifying its sources of income and increasing its income from business activity



- 1 The decrease in income arises from an increase in reserve of approx. NIS 59 million due to revision of the mortality tables, net of the effects of revising the pension uptake rate on retirement.

2 The increase in income arises mostly from substantial improvement in underwriting income.

3 The increase in income arises from breaking even to underwriting income compared to underwriting loss in the corresponding period last year in the individual insurance subsegments and from an increase in investment income.
- 4 The results of Max and Milo, as well as of companies under their control, were consolidated under the Company's results as from Q2-2023.

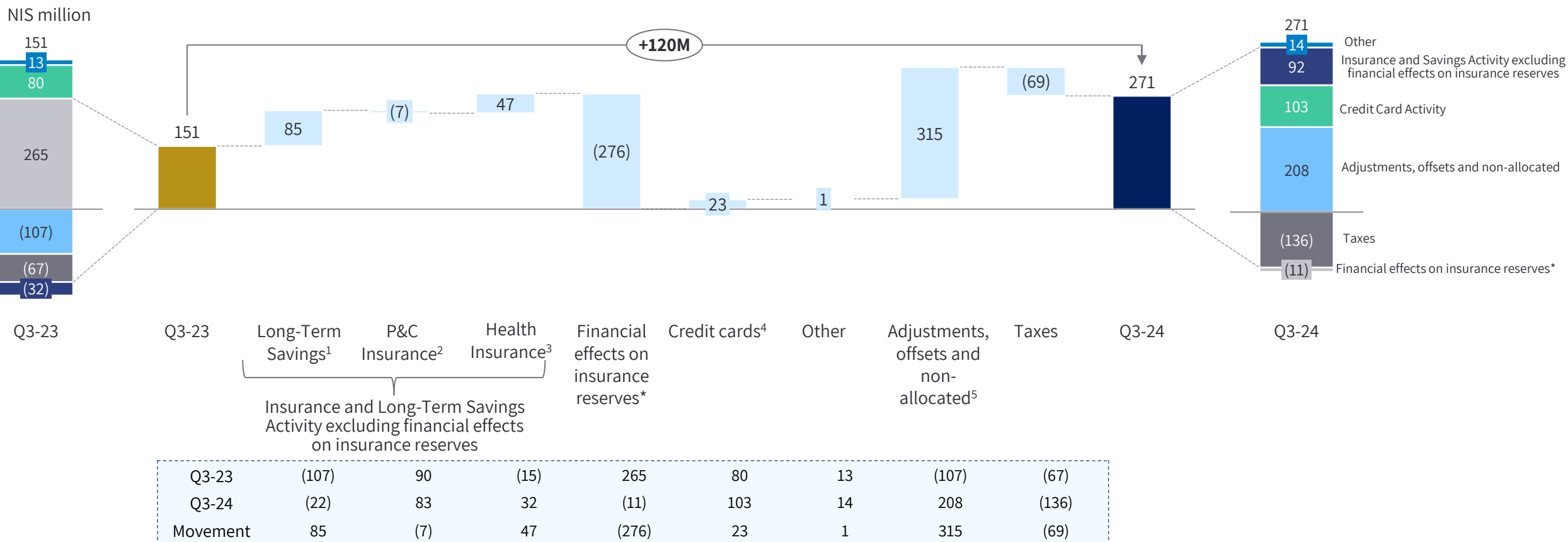
5 The higher income is mainly due to investment income totaling approx. NIS 348 million compared to investment income totaling approx. NIS 82 million last year. Additionally, last year, a one-off provision of approx. NIS 220 million was recorded with respect to Max's acquisition..

6 Including a one-off increase of approx. NIS 18 million in tax expenses.



# Post-tax Comprehensive Income, by Operating Segment - Q3-2024

The Company made a post-tax profit of approx. NIS 271 million, an approx. NIS 120 million increase compared to the corresponding quarter



- 1 The increase in income arises mainly from an increase in investment income.
- 2 In the current quarter there was a significant underwriting improvement. The decrease in income arises from a NIS 39 million reduction in insurance liability in the Sale Law guarantee subsegment in the corresponding quarter last year.
- 3 The increase in income arises mostly from substantial improvement in underwriting income in the individual subsegments and from an increase in investment income.

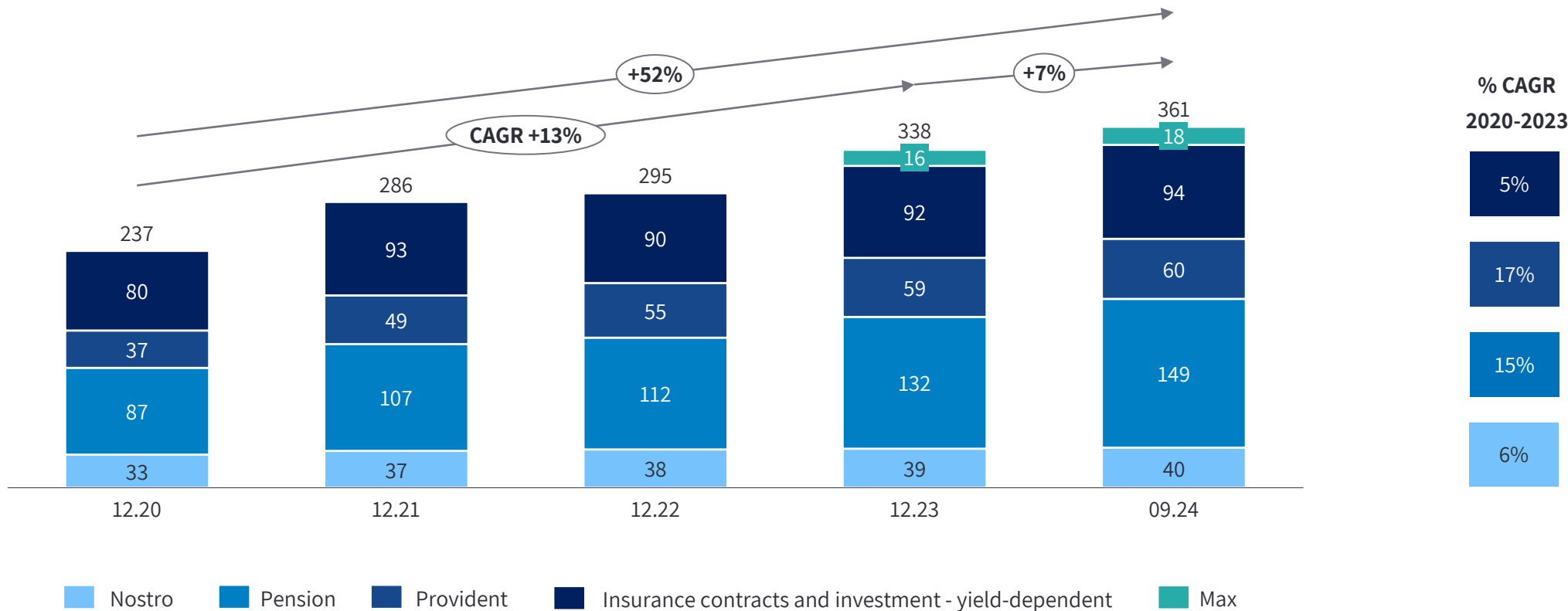
- 4 Increase in income despite less transactions abroad due to the war
- 5 The higher income is mainly due to investment income totaling approx. NIS 311 million compared to investment losses totaling approx. NIS 32 million last year.

\* Mostly the effects of the change in the interest rate curve on the insurance reserves

# Assets Under Management

Growth of Approx. 52% in Assets Under Management Since December 2020

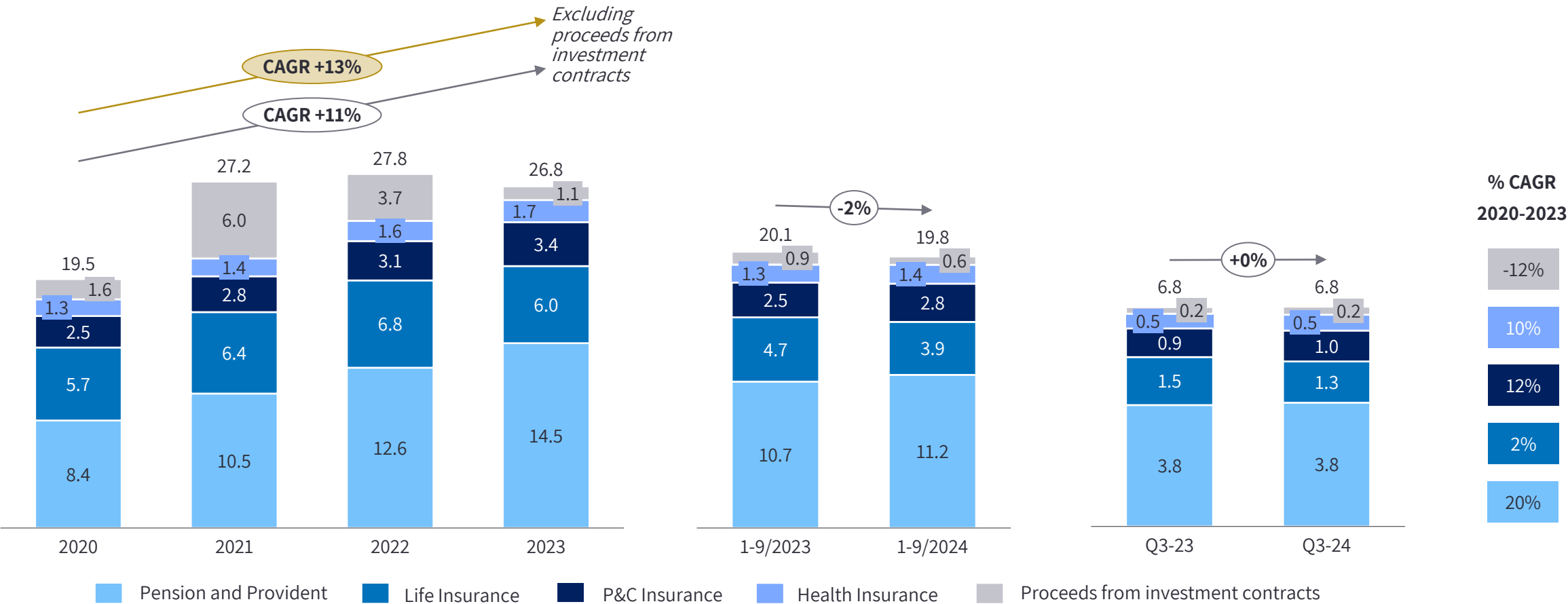
NIS billion



# Scope of the Insurance and Long-Term Savings Activity

## Strong Growth in Core Activity (Pension, P&C And Life) Against a Run-Off in Executive Insurance

Premiums earned, gross, contributions towards benefits and proceeds in respect of investment contracts, NIS billion

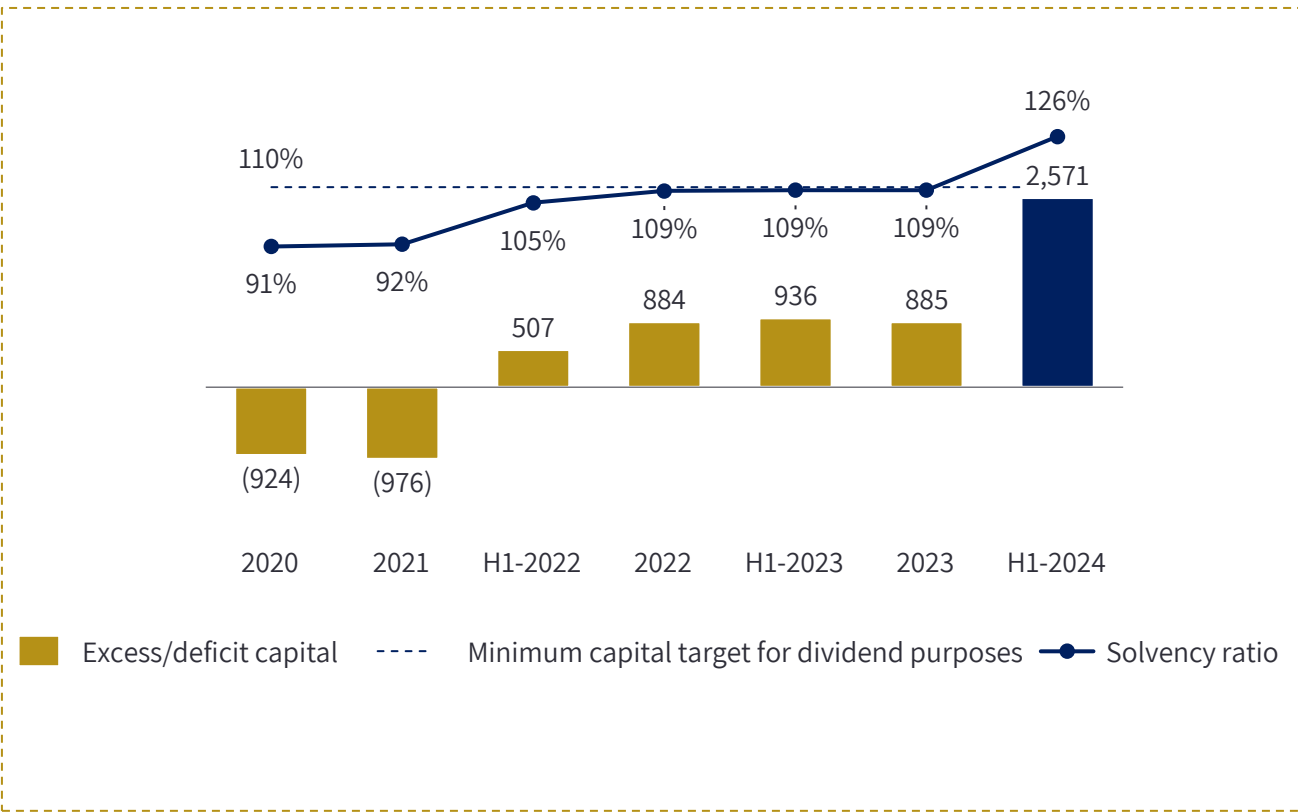


# Compliance with Solvency Requirements and Management's Policy - Clal Insurance

A Solvency ratio of 126% as of June 30, 2024, and taking into account the Transitional Provisions - 162%

## Excess/deficit capital for solvency and solvency ratio purposes\* (NIS million, %)

## Dividend distribution policy



In June 2023, the Board of Directors of the Company 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 the Company's compliance with a minimum capital target of 110%

In accordance with this policy, a dividend distribution was approved in the amount of approx. NIS 100 million, which represents approx. 45% of the Company's comprehensive income in 2023

## The Company's rating

**AA+**

S&P Maalot  
Clal Insurance  
rating;

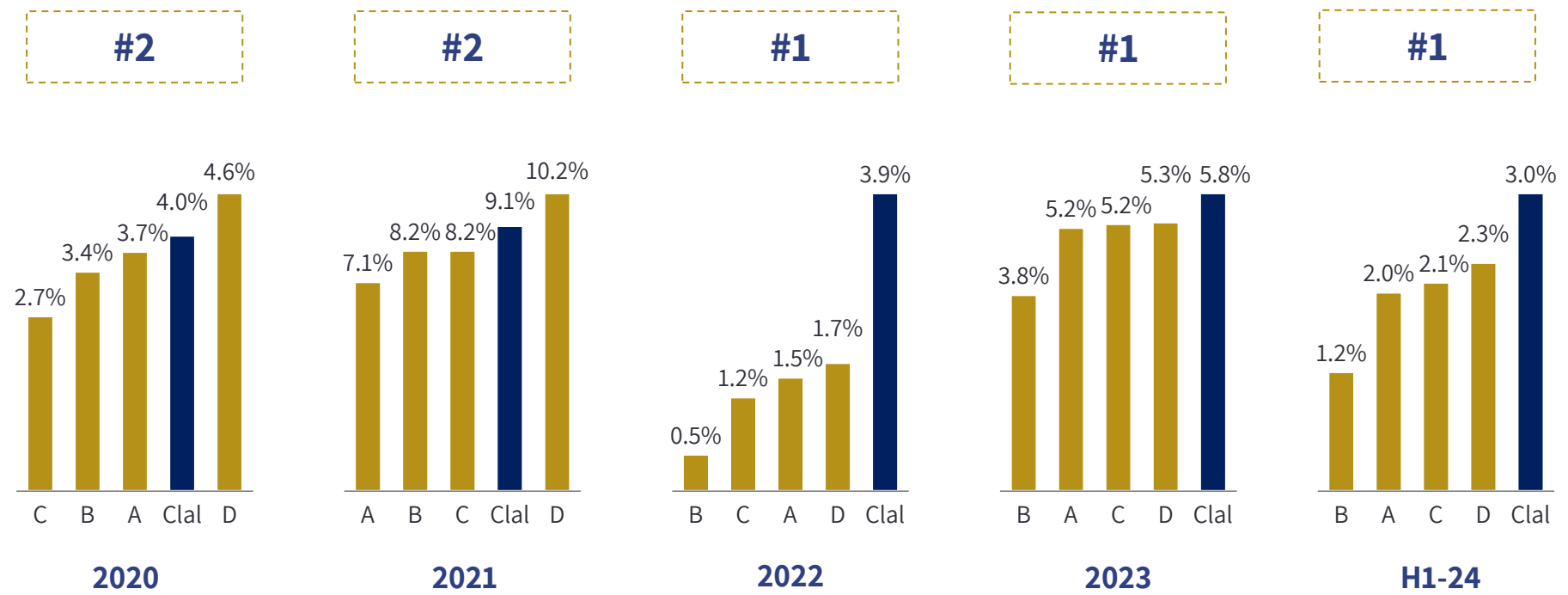
**Aa1**

Midroog  
Clal Insurance  
rating

\* There is an outline under which, as from Economic Solvency Ratio Report as of December 31, 2024, the ratio calculation may include a stochastic model for part of the insurance liabilities flows (including variable management fees), subject to an audit carried out by the Capital Market, Insurance and Savings Authority. The effect of this outline is estimated at an additional rate of approx. 17%, without taking into account the Transitional Provisions, and with an additional rate of approx. 9%, taking into account the Transitional Provisions.

# Returns on Own (Nostro) Assets\*

Compared to Leading Competitors, Clal Leads in Returns on Nostro Assets and Has Been Ranked First in Recent Years



\* Compared to the five major insurance companies; net of revalued own-use real estate properties



01 Key Points

02 Operating Results - Highlights

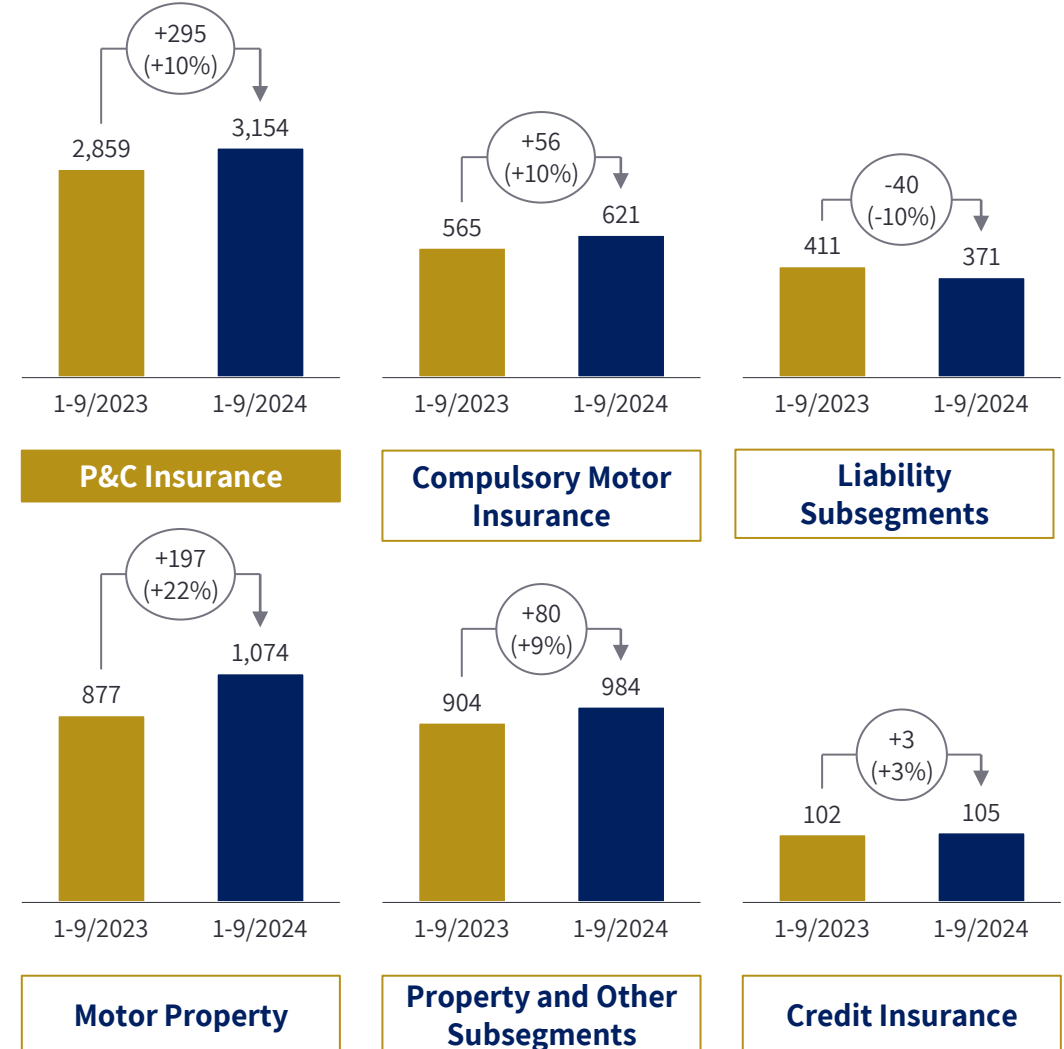
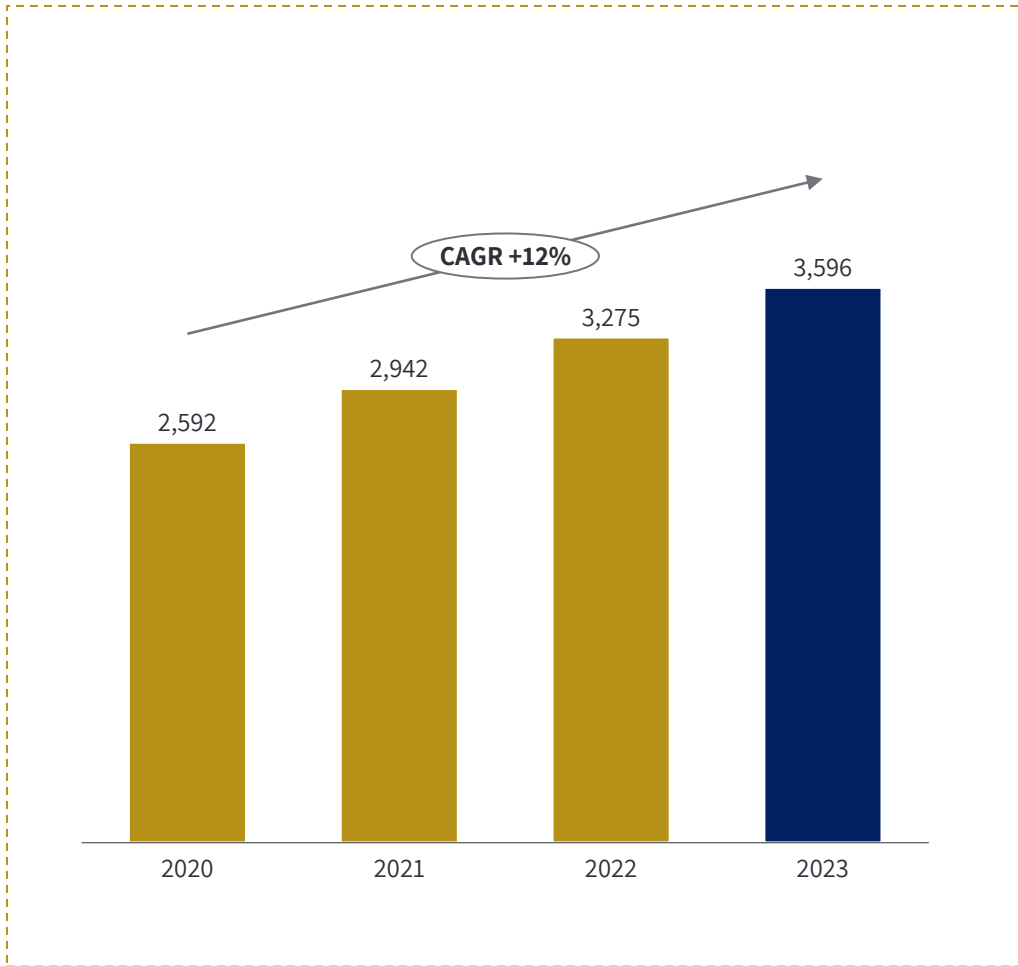
**03 Details of Changes in Income by Segment**

# P&C Insurance

Strong Growth of Approx. 10% in Gross Premiums, Mainly in the Property Subsegments, While Continuing to Improve Liabilities

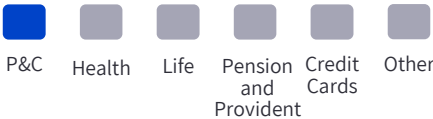
P&C Health Life Pension and Provident Credit Cards Other

Premiums, gross, NIS million

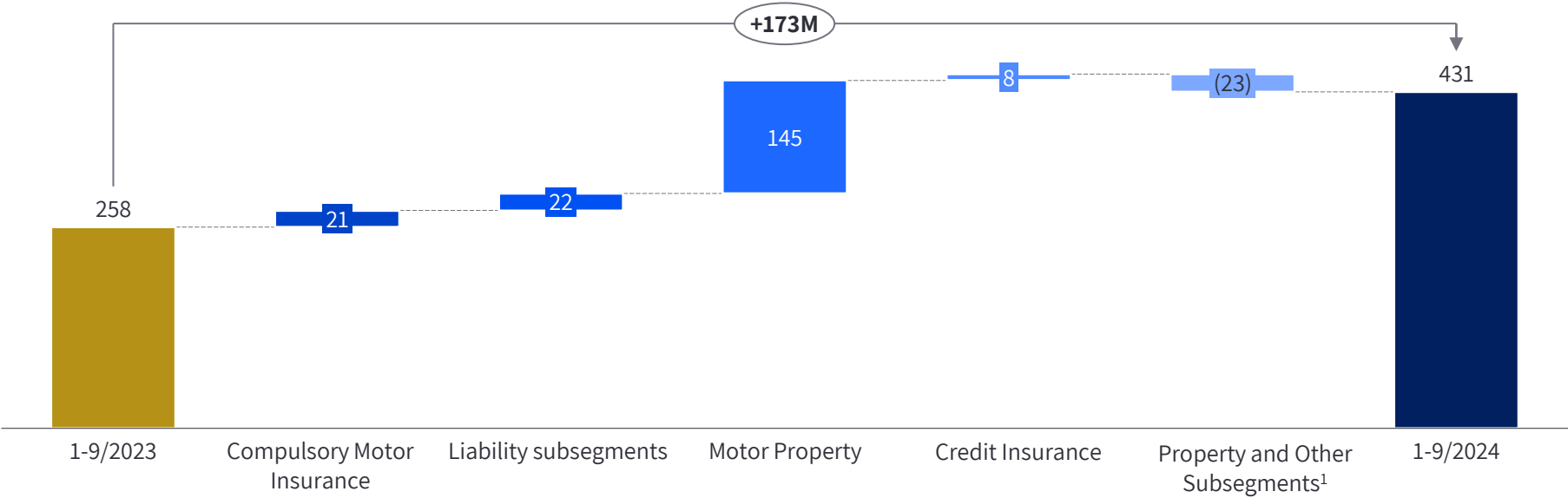


# P&C Insurance

Increase of Approx. NIS 173 Million in Comprehensive Income, While Substantially Improving the Underwriting Income



Comprehensive income, before tax, by operating segment, NIS million



1-9/23	67	92	(64)	30	133
1-9/24	88	114	81	38	110
Movement	21	22	145	8	(23)

1. The lower income arises mostly from a decrease of approx. NIS 39 million in insurance liabilities in the Sale Law Guarantee Subsegment, which was carried out last year

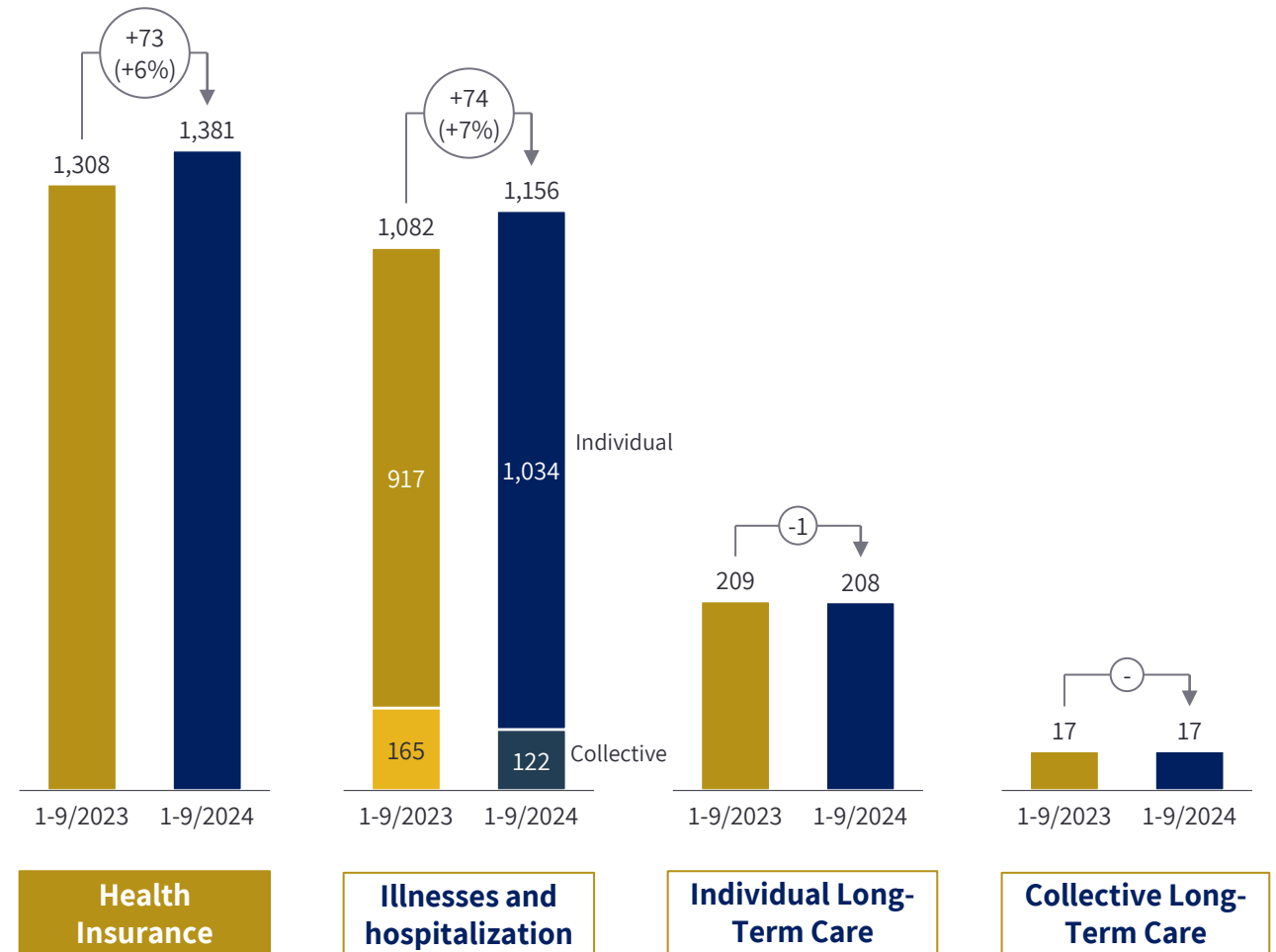
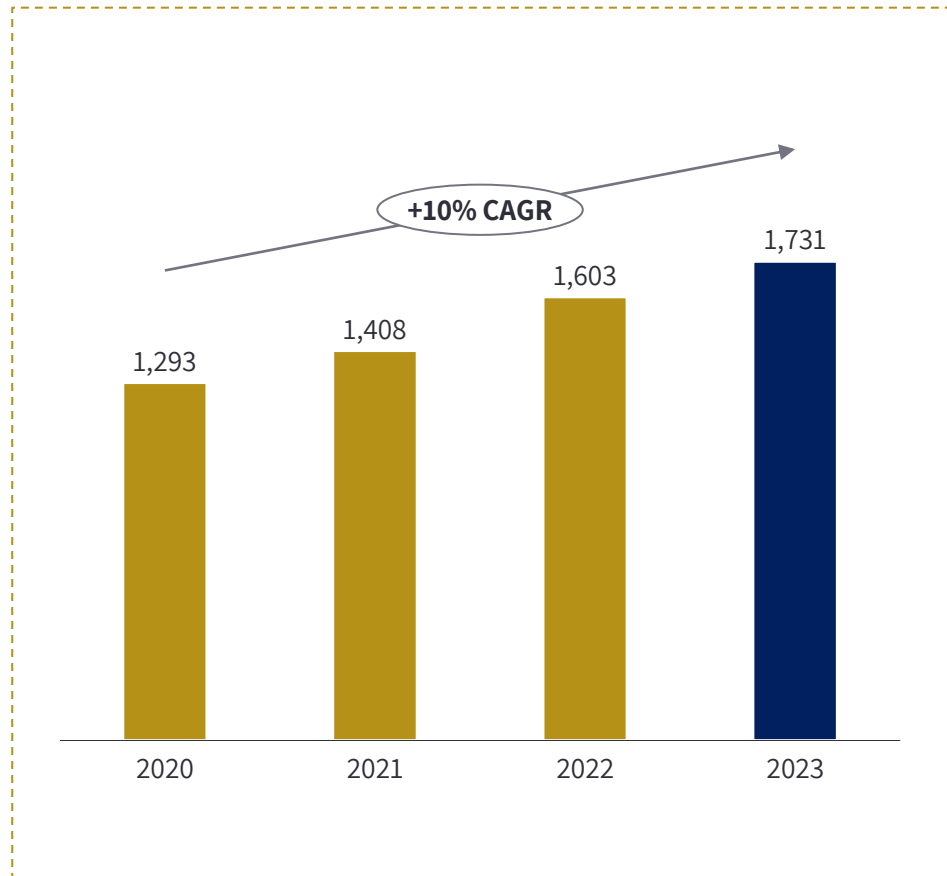


# Health Insurance

## Growth in the Individual Illnesses and Hospitalization Subsegment Compared to a Run-Off in the Long-Term Care Subsegments

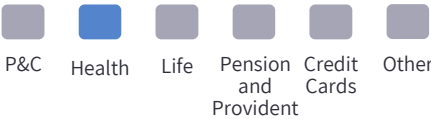
P&C Health Life Pension and Provident Credit Cards Other

### Premiums, gross, NIS million

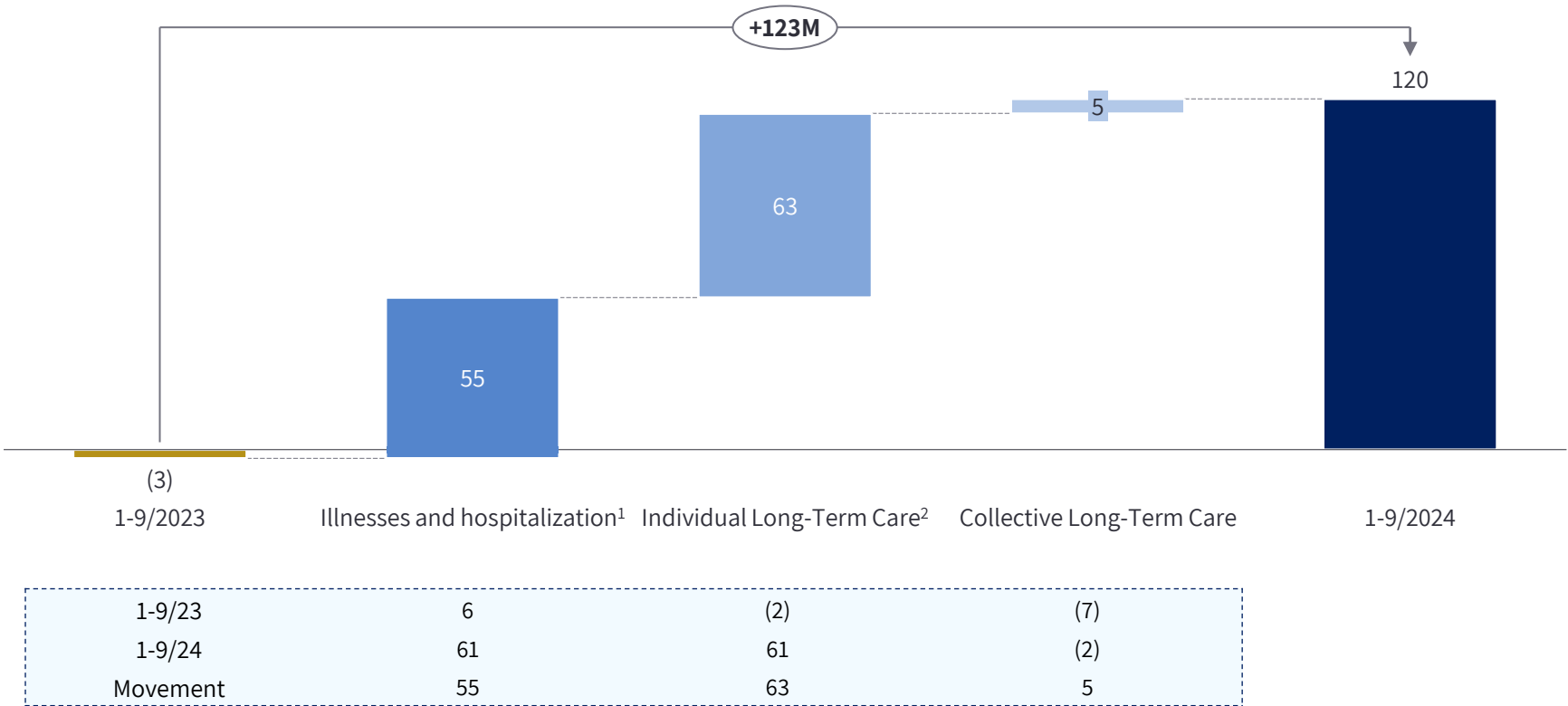


# Health Insurance

Increase in Comprehensive Income as a Result of Underwriting Improvement in the Individual Insurance Subsegments and the Release of Reserves in the Long-Term Care Subsegment Due to the Increase in Interest



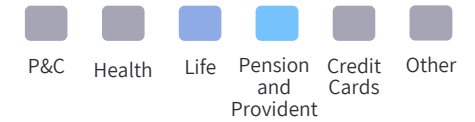
Comprehensive income, before tax, by operating segment, NIS million



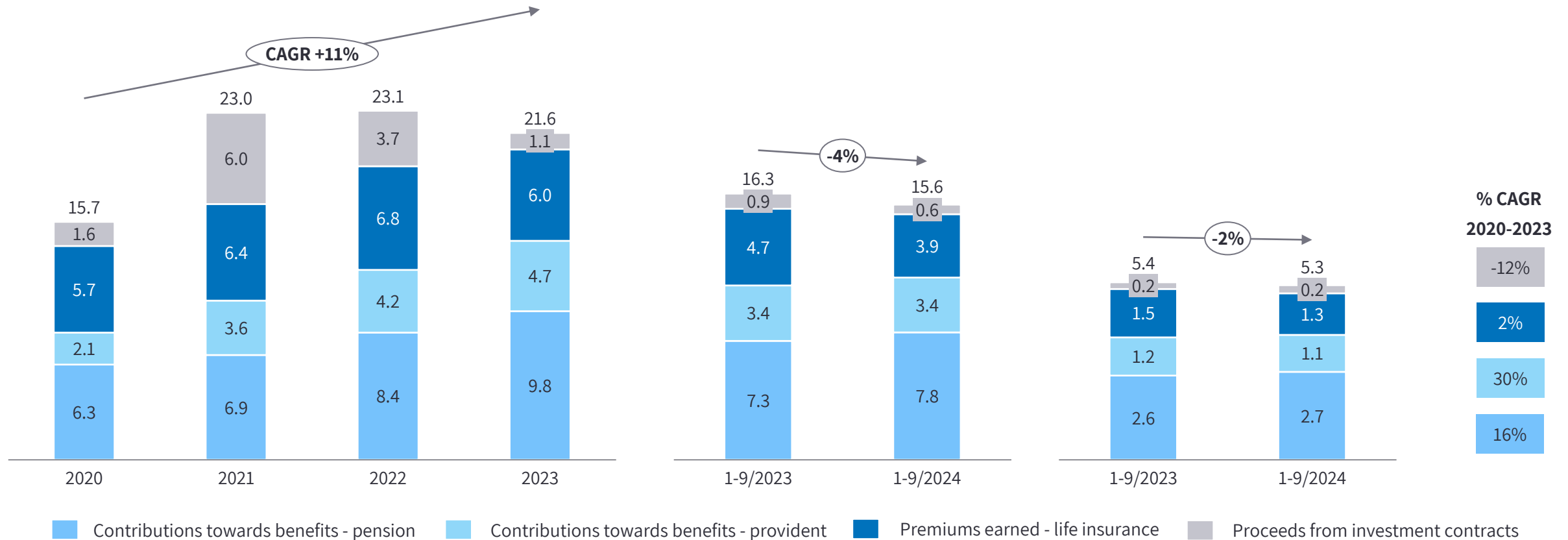
1. The increase in income arises from improvement in underwriting income  
2. The increase in income arises from a decrease of approx. NIS 35 million before tax in the liability due to the interest rate effect and from an increase in investment income

# Long-Term Savings

Growth in Pension Contributions Towards Benefits, Alongside Continued Run-Off in Life Insurance (Executive Insurance)



Premiums earned, gross, contributions towards benefits and proceeds in respect of investment contracts, NIS billion

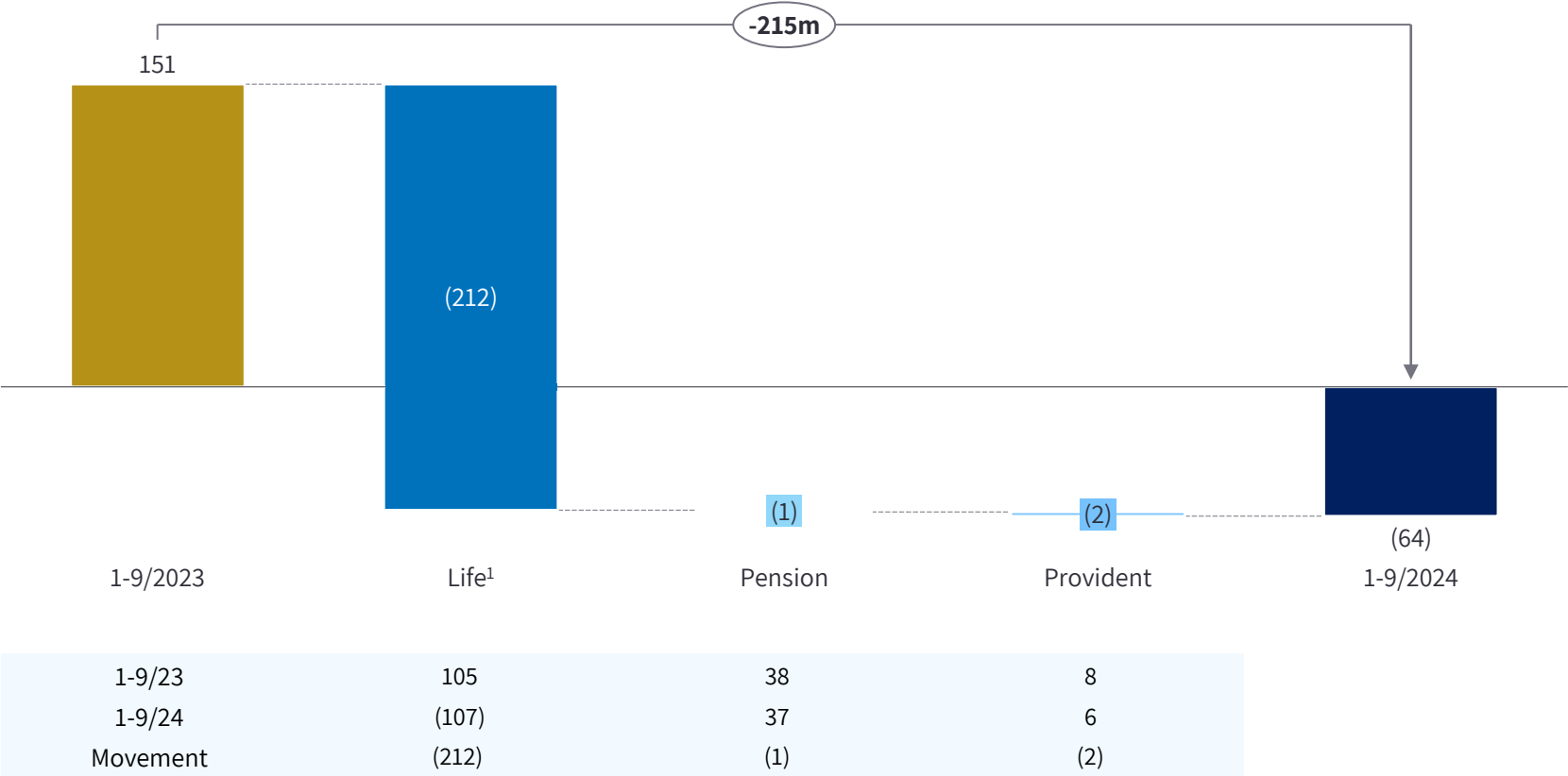


# Long-Term Savings

## Decrease in Income from Life Insurance Mainly Due to a Decrease in Interest Rate Effects Compared to Last Year



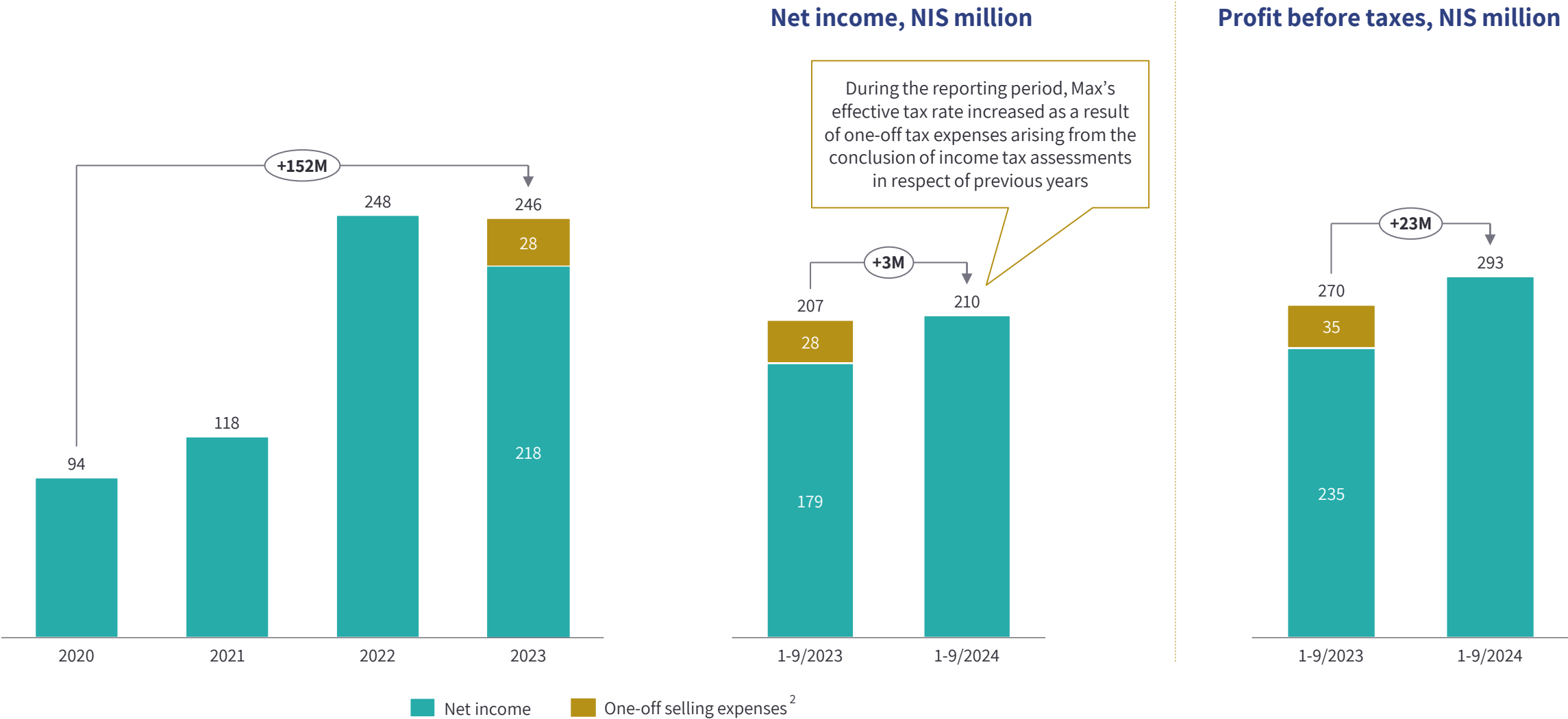
Comprehensive income before tax, by operating segment, NIS million



1. The decrease in income arises mainly from a pre-tax decrease of approx. NIS 33 million in the liability due to the interest rate effect, compared to a decrease of approx. NIS 221 million in the liability due to the interest rate effect in the corresponding period last year, as well as from an approx. NIS 59 million increase in the reserve, after tax, due to a revision of mortality tables net of the effects of the revision of the pension uptake rate on retirement

# Credit Cards - Max's Results<sup>1</sup>

## Increase in Income Despite the Iron Swords War

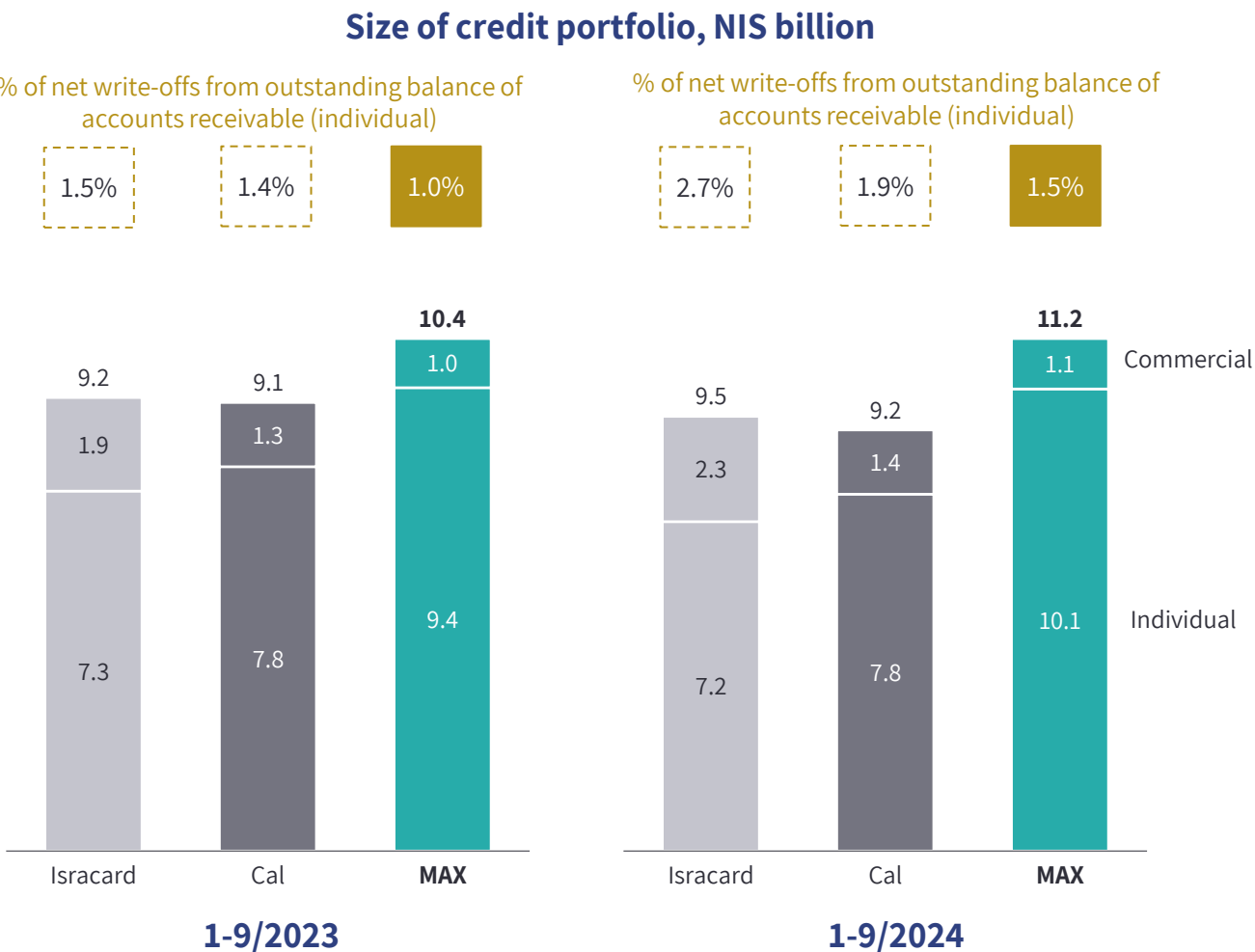
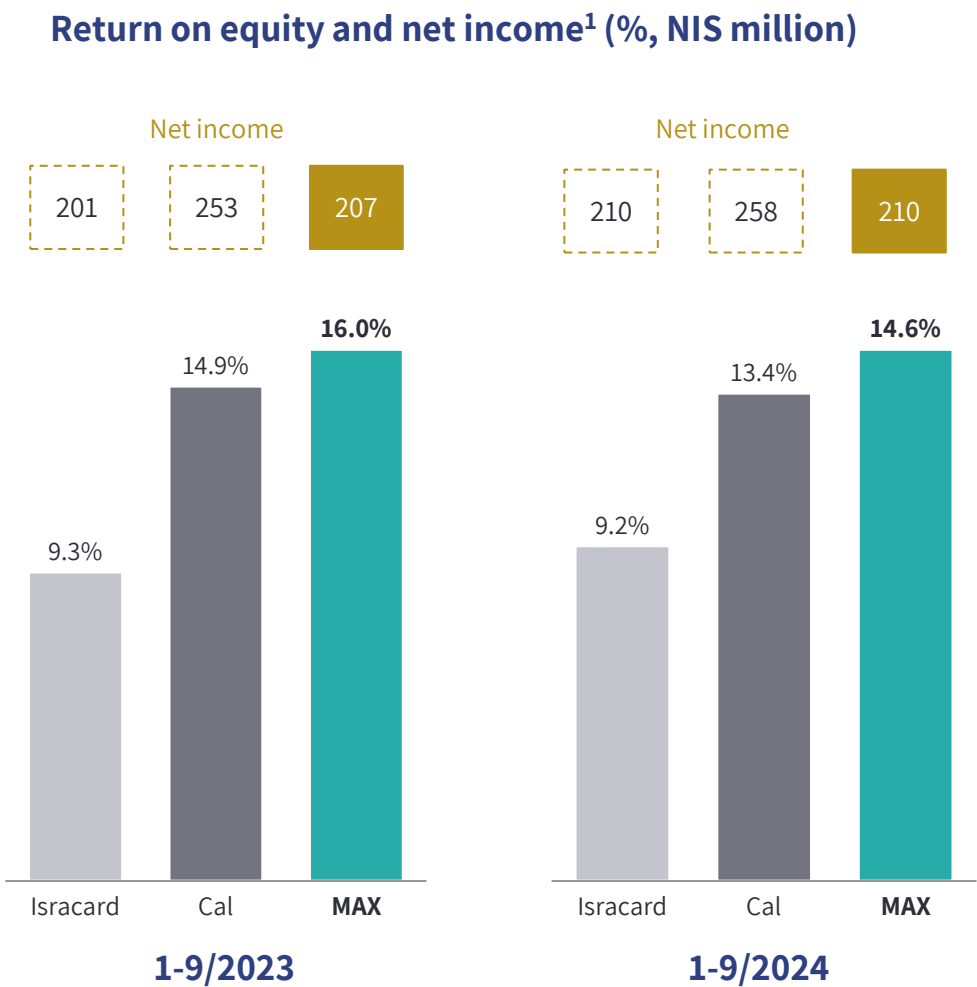
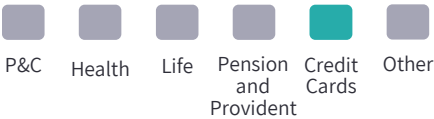


1. The results of Max were consolidated under the segment as from April 1, 2023

2. One-off selling expenses arising from the completion Clal Holdings' acquisition transaction

# Credit Cards - Max's Results vs. the Competition

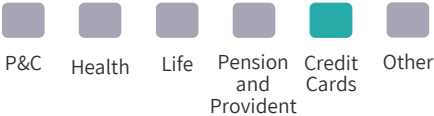
## Max Leads in Return on Equity, Credit Portfolio Size and Quality



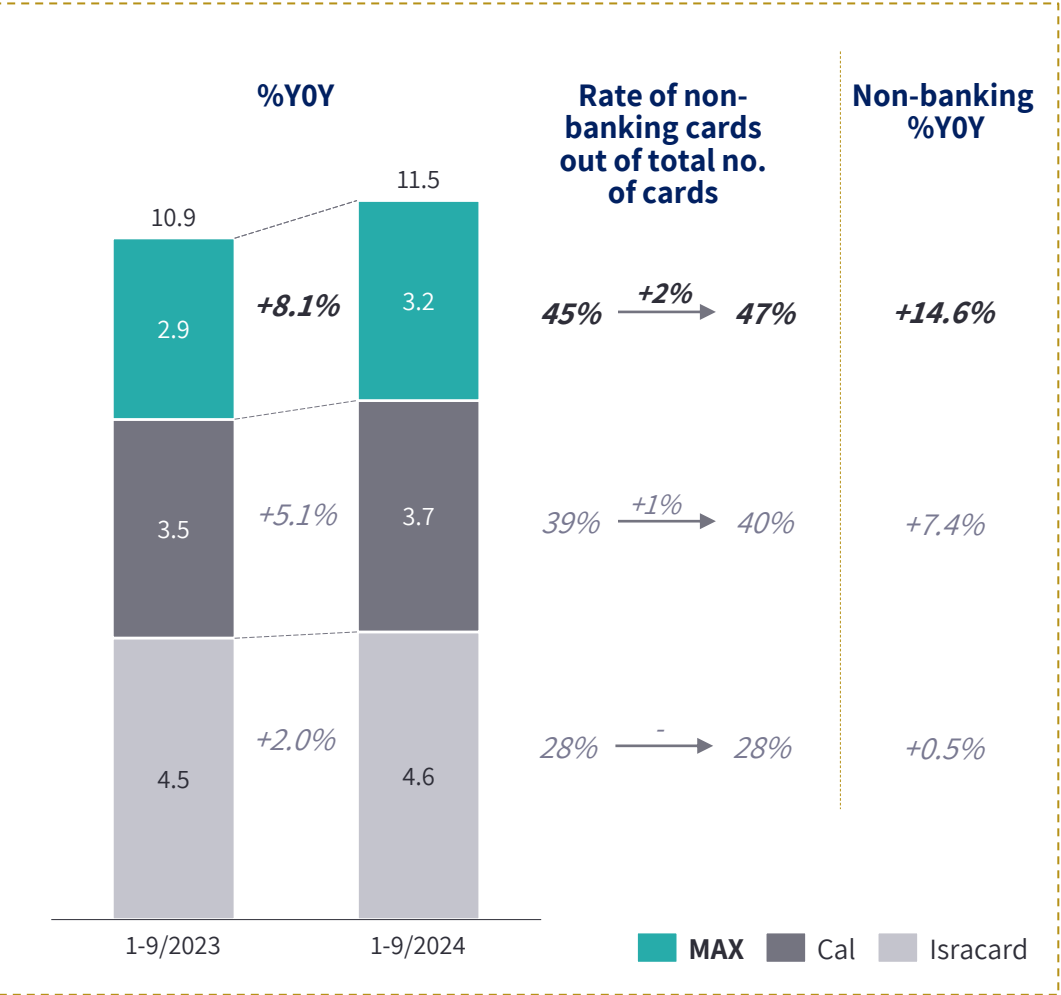
1. Net of one-off effects

# Credit Cards - Max's Results vs. the Competition

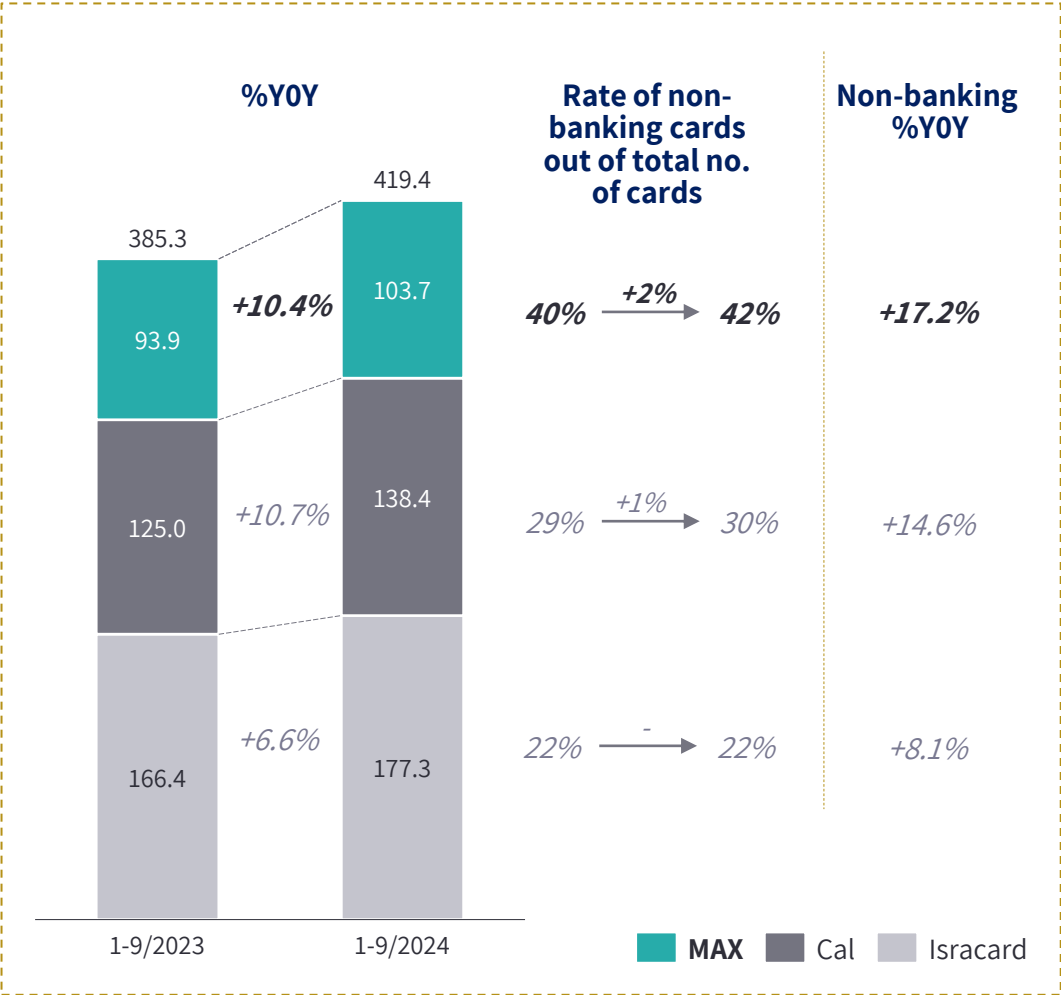
## Realization of Growth Strategy in Non-Banking Cards



No. of active cards, millions of units



Issuance turnover, NIS billion

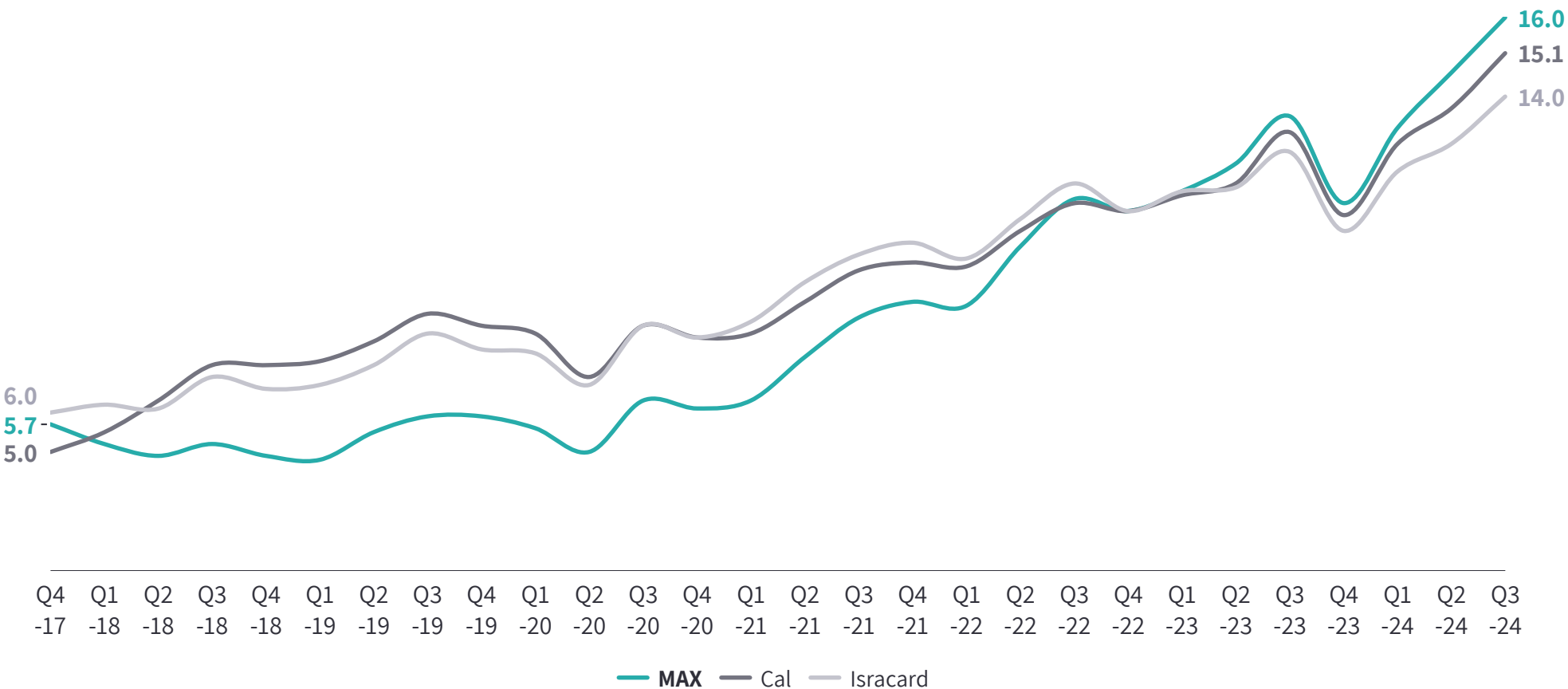


# Credit Cards - Max's Results vs. the Competition

## Realization of Growth Strategy in Non-Banking Cards

- P&C
- Health
- Life
- Pension and Provident
- Credit Cards
- Other

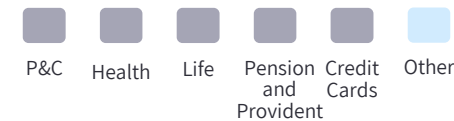
Issuing Turnover - Non-Bank Cards, NIS Billion



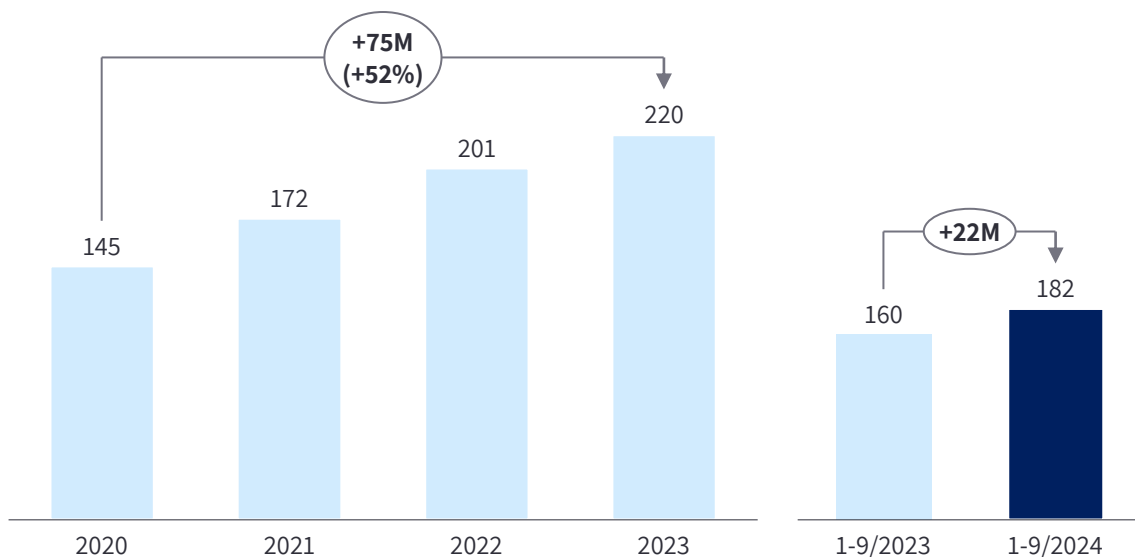


## Other Segment

Growth of Approx. 53% in Comprehensive Income in the Past Three Years,  
Mostly in Respect of Own Agencies



### Income from fees and commissions, NIS million



### Comprehensive income, before tax, NIS million

