



# Financial Statements

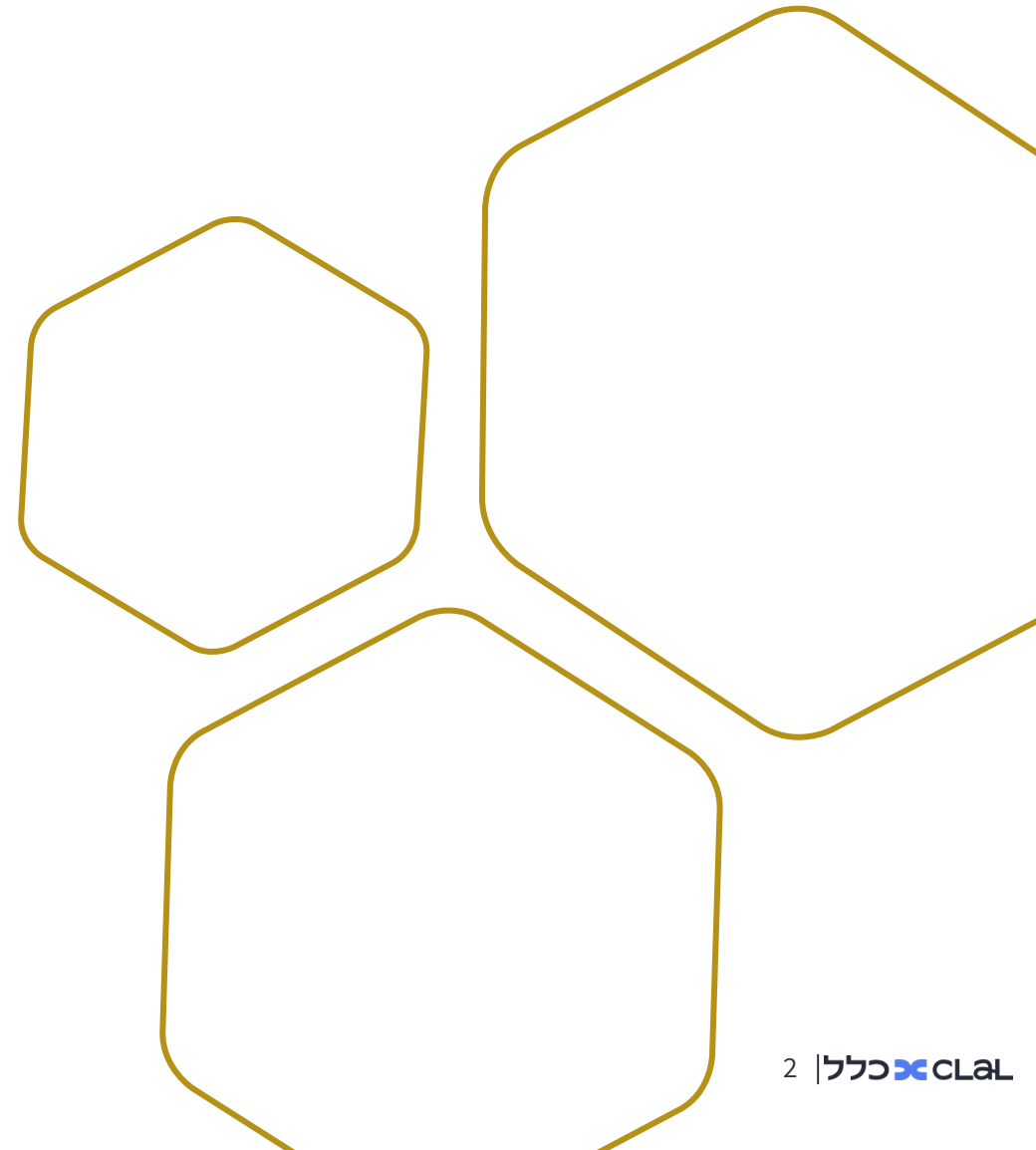
March 2025

# Waiver

This presentation contains only partial information regarding the Company's results for the January to March 2025 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 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

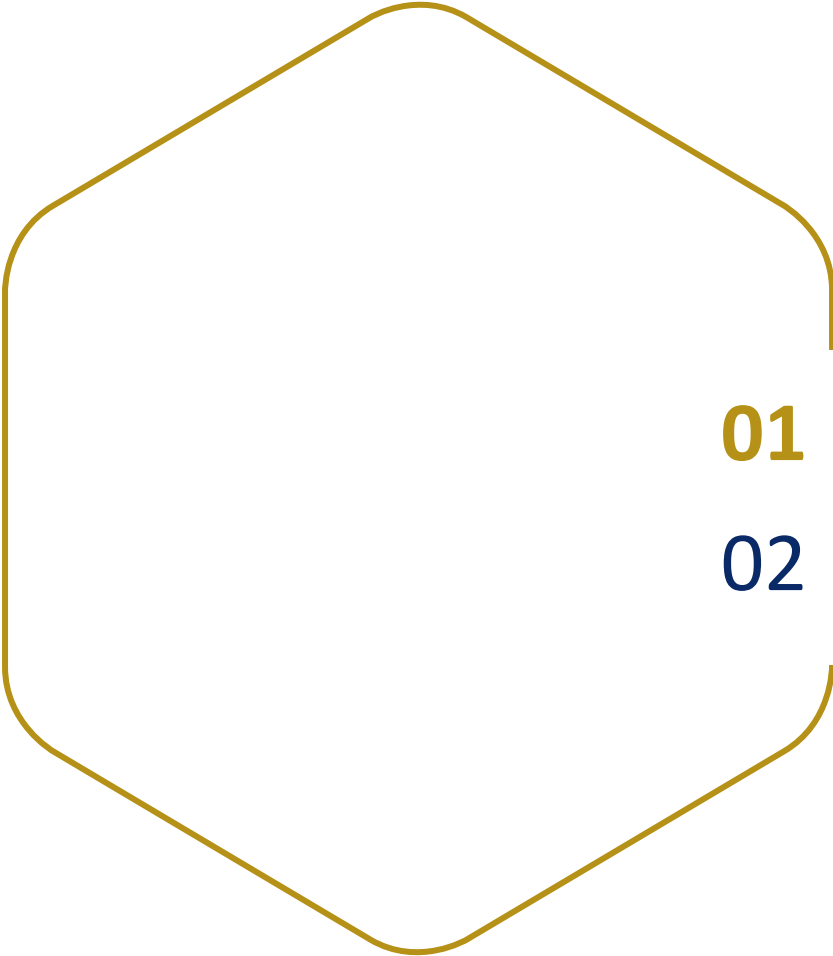
During this complex period, when Israeli society faces multiple challenges, we at Clal Group continue to act with a deep sense of responsibility and belief in the power of a stable economy to bring about change.

Despite the difficulties and turmoil, the Israeli economy continues to show exceptional resilience. The strength of Israel's financial system, its capital market, its business entrepreneurship and its social fabric – have proven time and again the economy's ability to recover, adapt and even grow out of a crisis.

In such an environment, Clal is proud to serve as a central pillar of Israel's economic infrastructure – a stable, profitable and responsible entity, committed not only to achieving returns, but also to contributing to the economy, society and to boosting the public's trust.

We hope for the swift return of the hostages, for the wellbeing of the security forces and military, and for peaceful days of recovery, which will allow us to focus our resources and efforts on the momentum of renewed growth and continued realization of the tremendous potential inherent in Israel's economy.





**01 Key Points**

**02 Operating Results - Highlights**

# Clal Holdings – One of Israel’s Fastest Growing, Leading Financial Groups

| Established Leader<br>in the Israeli<br>Financial Sector | Robust<br>Financials                                         | Stable<br>Growth in the<br>Insurance<br>Activity           | Key Player in<br>the Credit Card<br>Sector                   | Standard of<br>Excellence                                                |
|----------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------|
| <b>1987</b><br>Founded                                   | <b>NIS 409M</b><br>Comprehensive income<br>Q1/2025           | <b>57%</b><br>Increase in AUM<br>(2020-3/2025)             | <b>3.3M</b><br>Active cards                                  | <b>AA-</b><br>S&P Maalot<br>Clal Holdings                                |
| <b>TA-35</b><br>flagship index                           | <b>NIS 9.1B</b><br>Shareholders' equity                      | <b>NIS 27B</b><br>Premiums <sup>1</sup> , 2024             | <b>NIS 12B</b><br>Credit portfolio                           | <b>Aa3</b> <b>Aa1</b><br>Midroog      Midroog<br>Max      Clal Insurance |
| <b>NIS 373B</b><br>Assets under<br>management (AUM)      | <b>NIS 200M</b><br>Dividend distribution                     | <b>37%</b><br>Growth in premiums <sup>1</sup><br>2020-2024 | <b>14.2%</b><br>Highest growth rate in non-<br>banking cards | <b>IFRS 17</b><br>International Accounting<br>Standard                   |
|                                                          | <b>128%</b><br>solvency ratio <sup>2</sup><br>Clal Insurance |                                                            |                                                              | <b>AAA Platinum+</b><br>Maala rating (ESG)                               |

1. Including contributions towards benefits and receipts  
2. After dividend distribution

# The Israeli Economy

## Strong foundations

### Young & Growing Population

Fast growing population

2%

Average annual growth (past 5 years)

Young population

50%

of the total population is under 29

Pension contribution rate

20.8%

Highest rate globally

### Robust Economic System

GDP per capita - 2024 (USD thousand)

55

Above the OECD average

Real GDP growth forecast for 2025

3.2%

Positive trajectory

Unemployment rate

2.6%

Below the OECD average

### Tech nation powerhouse

Technology companies

9,000

R&D investments as a percentage of GDP

6%

Highest worldwide

New startups

600

Each year

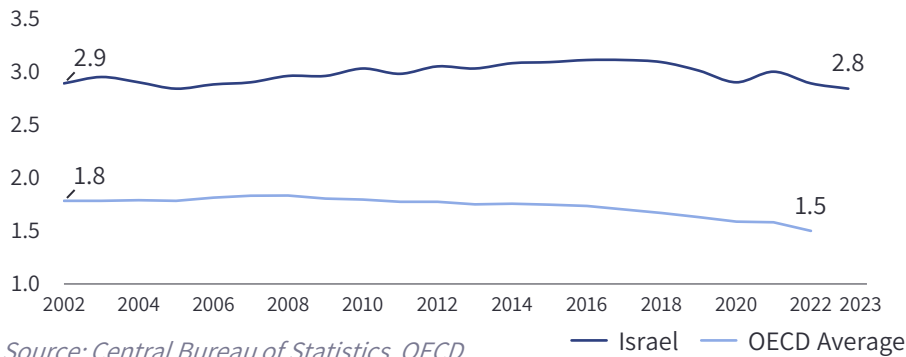
Source: Bank of Israel, Central Bureau of Statistics, Ministry of Economy and Industry, IMF

# The Israeli Insurance and Credit Market

## Key Drivers

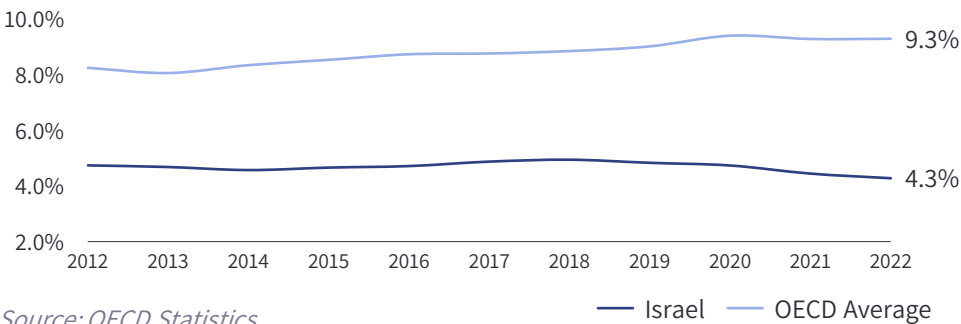
### Fertility rate, average no. of children per woman

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.



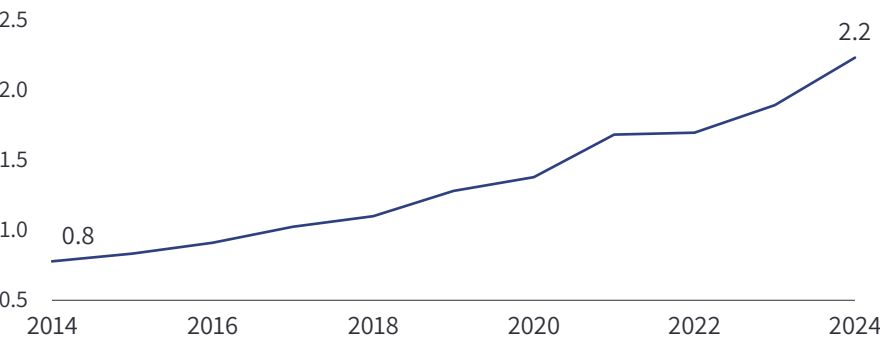
### Penetration rate - insurance products (%)

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.



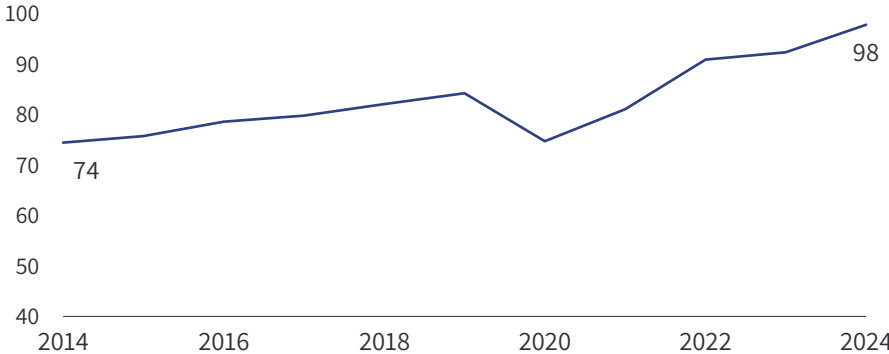
### Public's long-term savings assets (NIS billion)

Continued substantial growth in assets under management by institutional entities - including pension funds, provident funds, education funds and executive insurance.



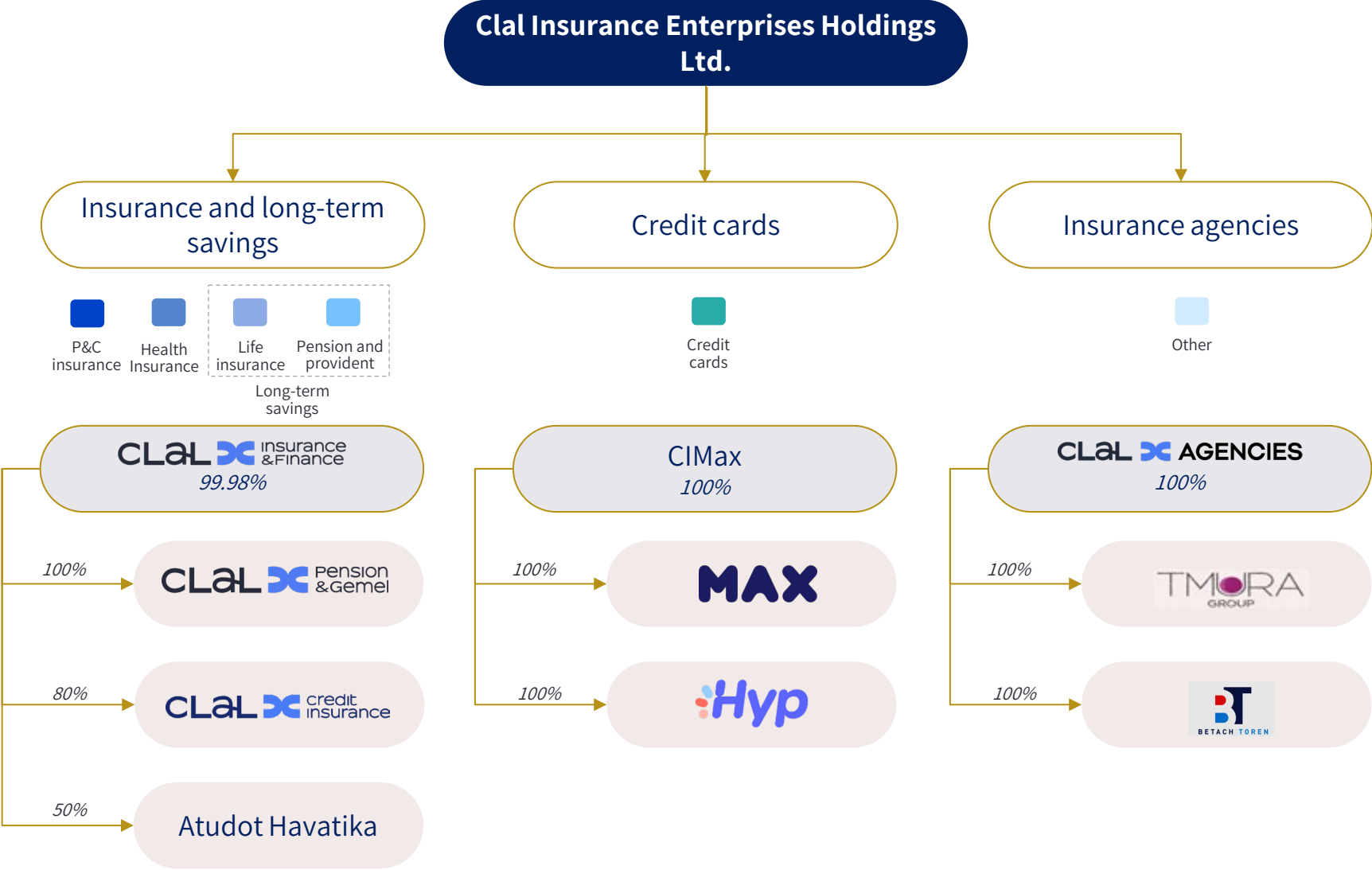
### Private consumption spending per capita (NIS thousand)

This is a significant growth engine in the credit card industry. Approx. 30% in growth in a decade



# 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

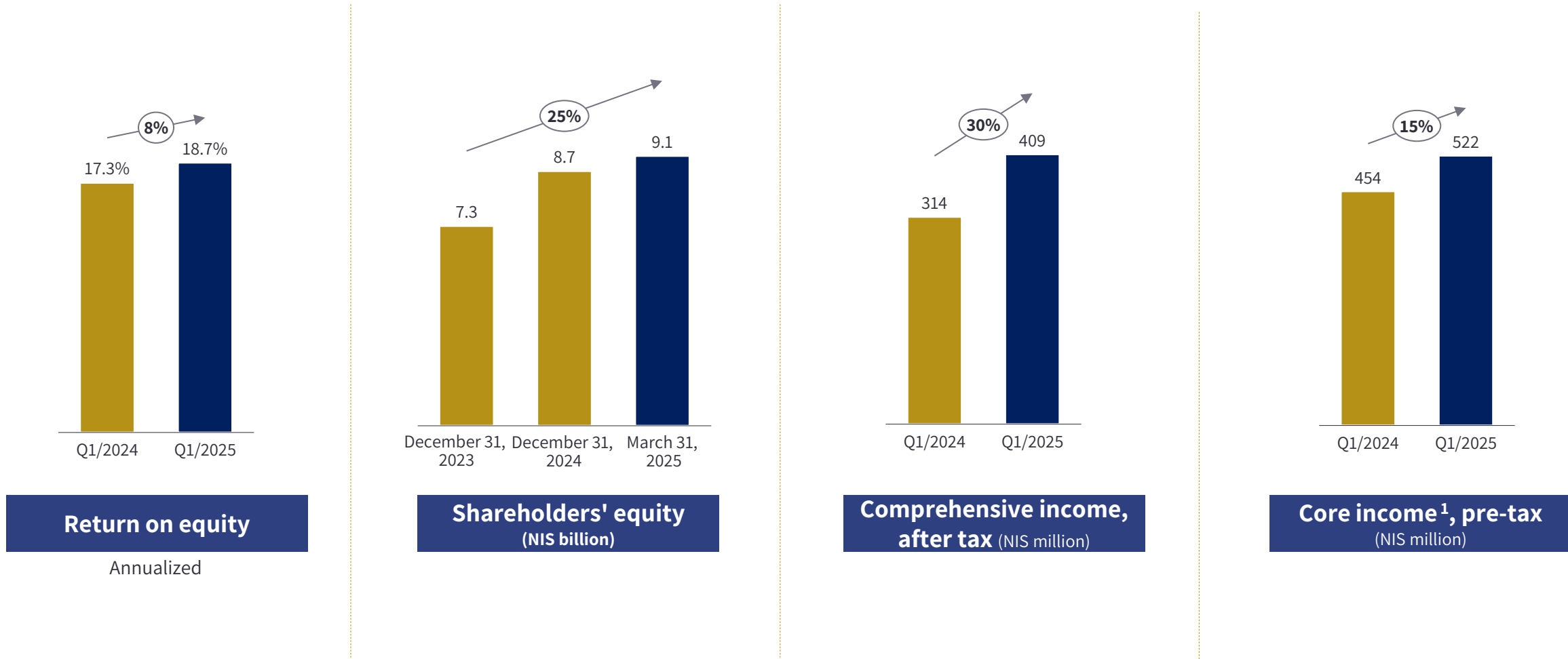
## Continued Implementation of the Group's Strategy

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 Company presents higher earnings arising from a significant increase in income from business activity, both in Insurance and Savings and in the Credit Cards Segment. 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.

In 2024, the Company distributed its first dividend after more than a decade. Now, the Company has declared a dividend of approx. NIS 300 million from Clal Insurance, of which Clal Holdings will distribute approx. NIS 200 million to its shareholders.

# Improvement Across the Company's KPIs



1. Core income includes insurance underwriting income, income from savings management (investment contracts, pension and provident), credit cards and agencies, and the Group's finance expenses. Income also includes the addition of an annual spread of 2.25% over risk-free interest rate plus weighted illiquidity premium on the investment portfolio against non-yield-dependent insurance liabilities without a Hetz Bond component and a nominal risk-free interest rate plus an annual spread of 2.25% on the investment portfolio against the Company's equity and financial liabilities.

## Key trends in Q1/2025



**Comprehensive income after tax in the reporting period of approx. NIS 409 million**, compared to an income of NIS 314 million in the corresponding quarter last year



**Underwriting income from insurance and savings of approx. NIS 252 million before tax**, compared to NIS 203 million last year, an increase of approx. 25% due to improvement across all insurance subsegments.



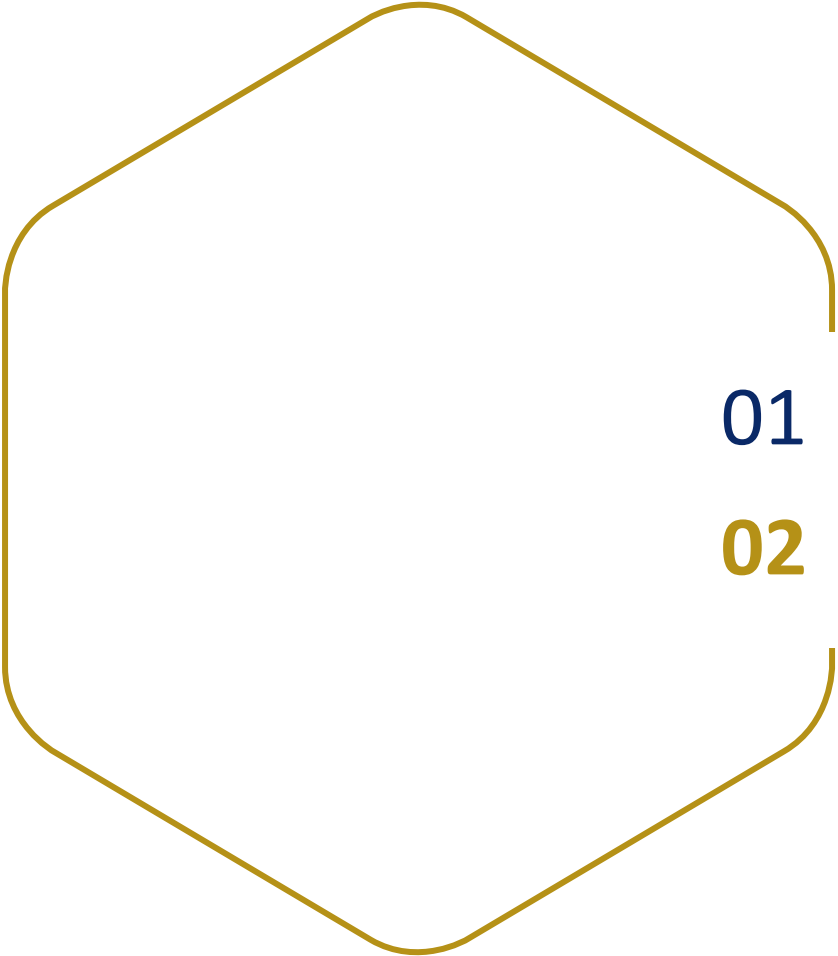
**Continued growth in the profitability of the Credit Card Segment** - Max's profit reached approx. NIS 79 million after tax, compared to NIS 58 million last year, an increase of approx. 36%.



**Distribution of dividends by Clal Insurance and Clal Holdings** of NIS 300 million and NIS 200 million, respectively.



**Economic Solvency Ratio in Clal Insurance stood at 128% as of December 31, 2024**, after dividend distribution, compared to a ratio of 109% as of December 31, 2023.



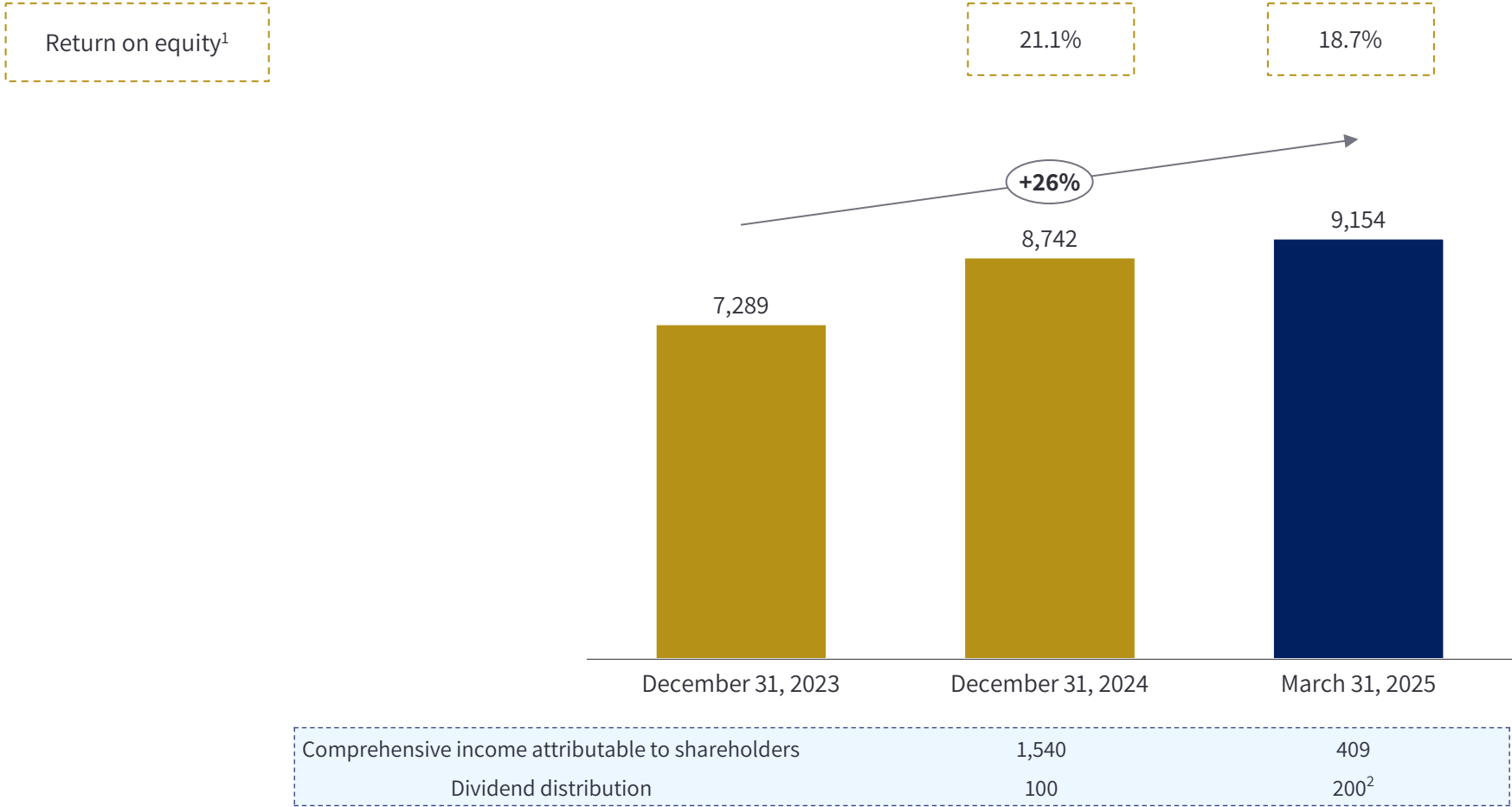
01 Key Points

02 Operating Results - Highlights

# Shareholders' equity

Return on equity of approx. 18.7% in Q1/2025

NIS million



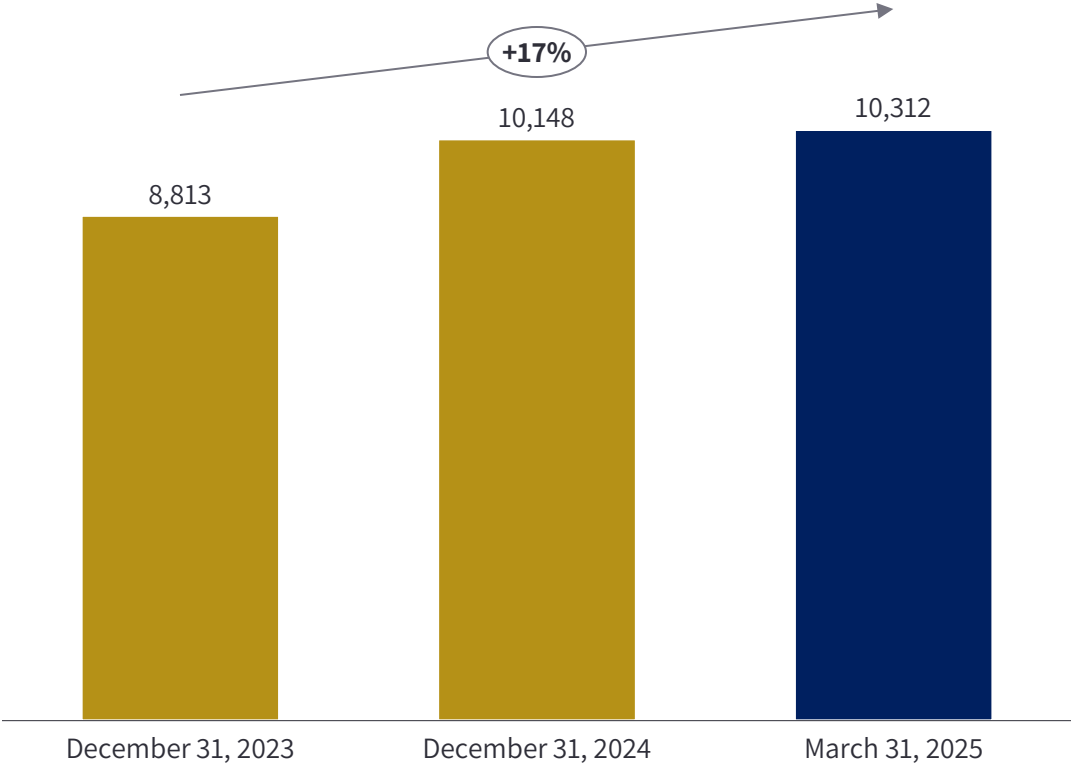
1. Return on equity, annualized

2. A NIS 200 million dividend was declared subsequent to the balance sheet date (with no effect on equity as of March 31, 2025)

# Contractual service margins (CSM)

an increase of approx. NIS 1.5 billion in contractual service margin from the end of 2023

NIS million

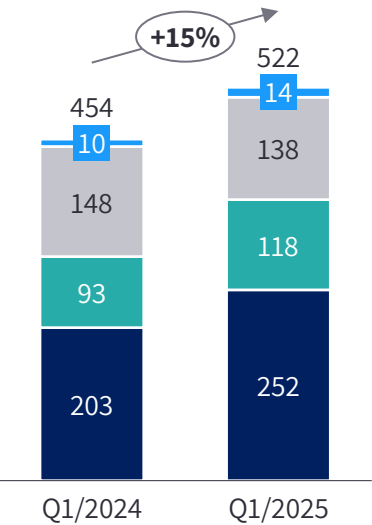


# Comprehensive income after tax

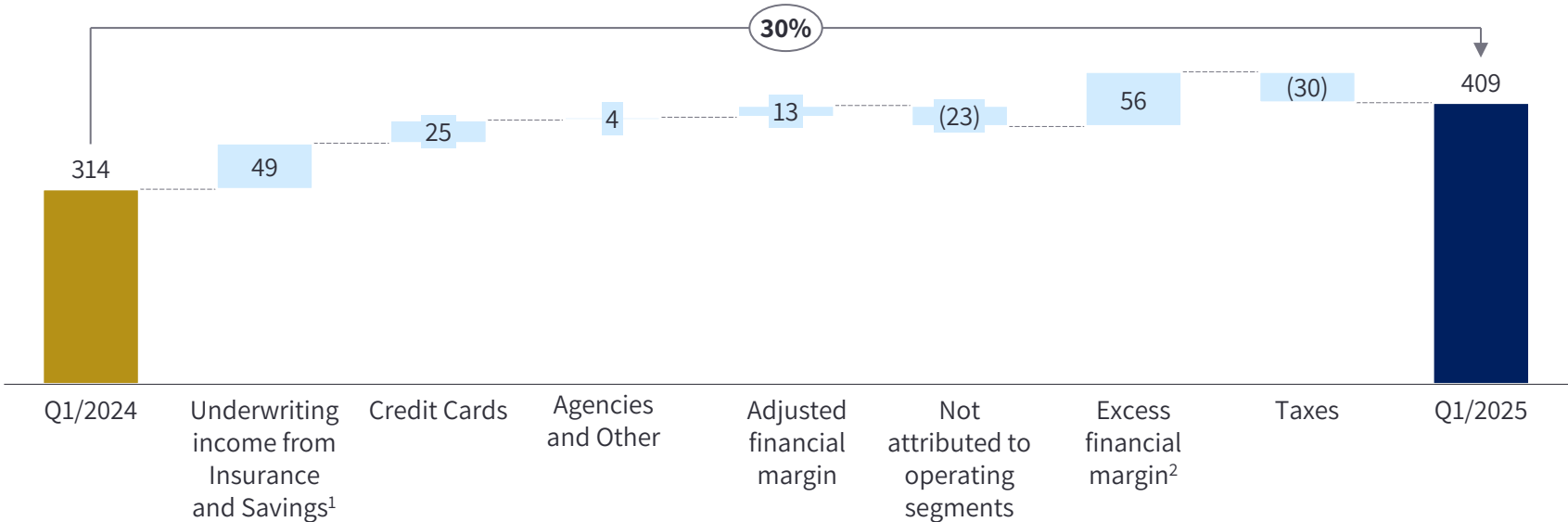
The Company earned approx. NIS 409 million after tax, resulting from growth in the core business and excess financial margin

NIS million

## Pre-tax core income



- Underwriting income from Insurance and Savings
- Credit Cards
- Adjusted financial margin and not attributed to operating segments
- Agencies and Other



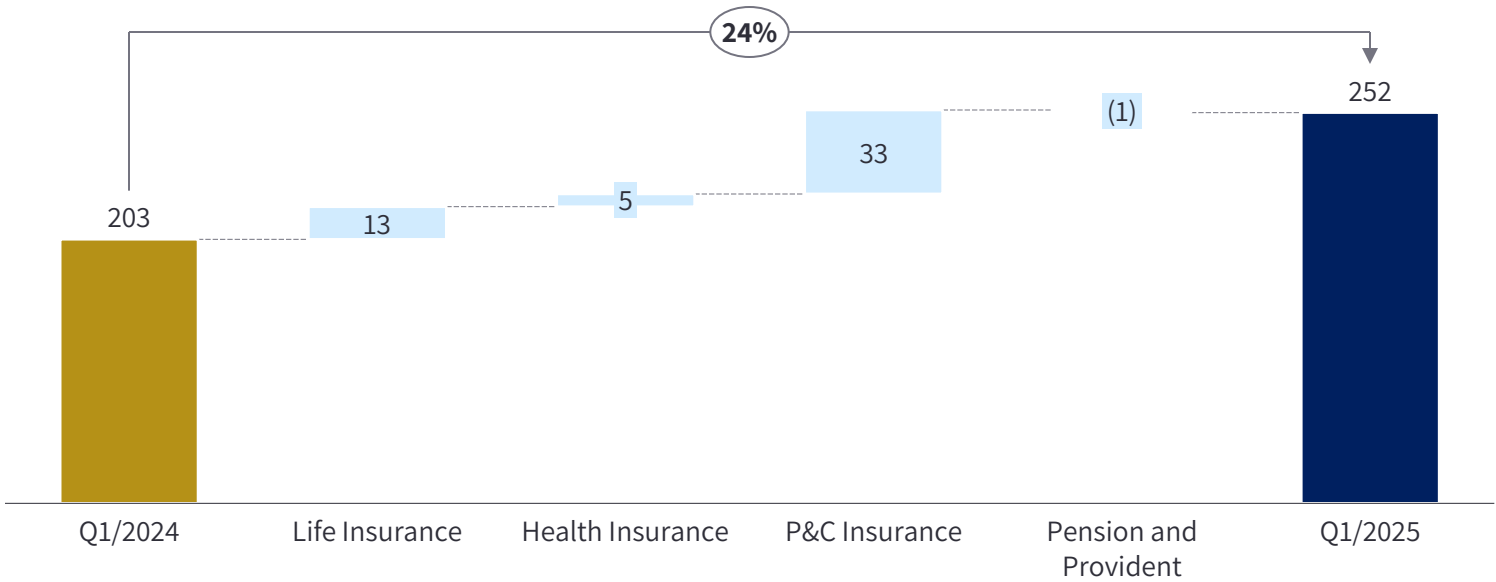
|          |     |     |    |     |      |    |       |
|----------|-----|-----|----|-----|------|----|-------|
| Q1/2024  | 202 | 93  | 10 | 219 | (70) | 27 | (164) |
| Q1/2025  | 252 | 118 | 14 | 232 | (94) | 83 | (196) |
| Movement | 49  | 25  | 4  | 13  | (23) | 56 | (30)  |

- The growth stems from an increase in underwriting income across all insurance subsegments, mainly property and casualty insurance, as detailed in the following page
- The increase in excess financial margin is mainly due to the effect of the increase in the interest rate curve

# Underwriting income from insurance and savings before tax

## Increase in underwriting income across all insurance subsegments

NIS million

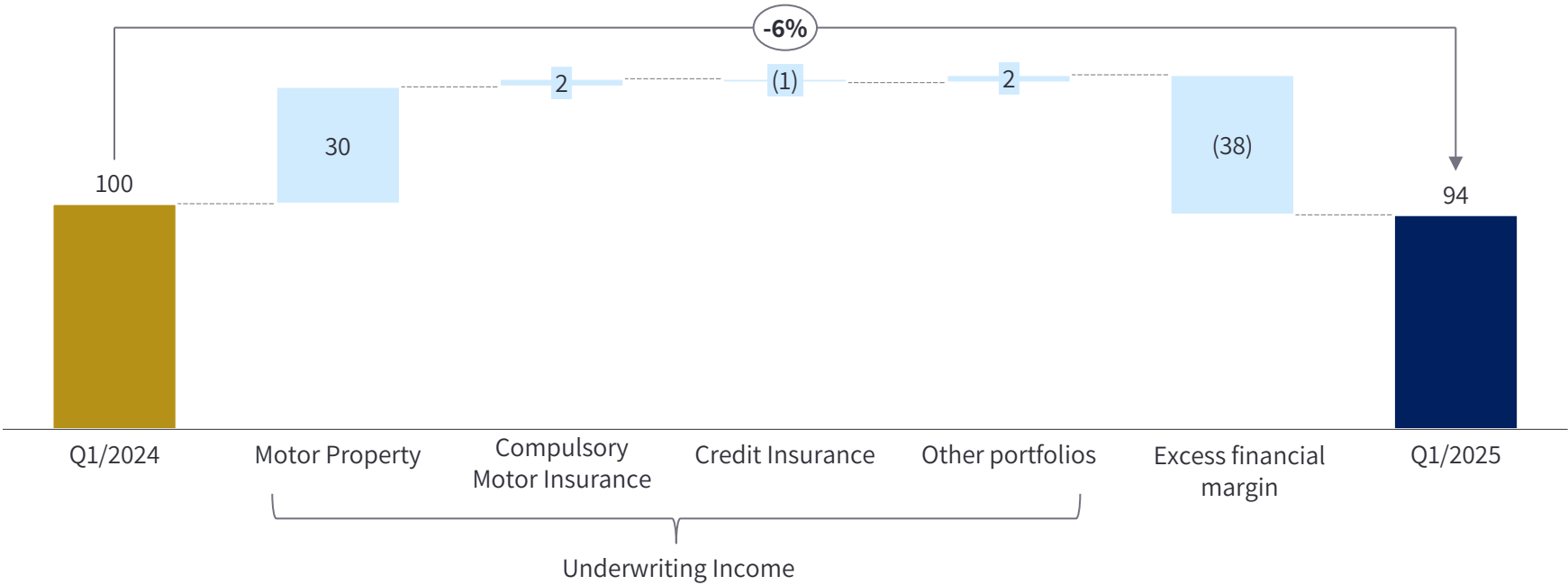


|          |    |    |    |     |
|----------|----|----|----|-----|
| Q1/2024  | 67 | 80 | 38 | 18  |
| Q1/2025  | 78 | 85 | 71 | 17  |
| Movement | 13 | 5  | 33 | (1) |

# Property and Casualty Insurance – Comprehensive Income Before Tax

Increase in underwriting income alongside a decrease in excess financial margin due to capital market returns

NIS million

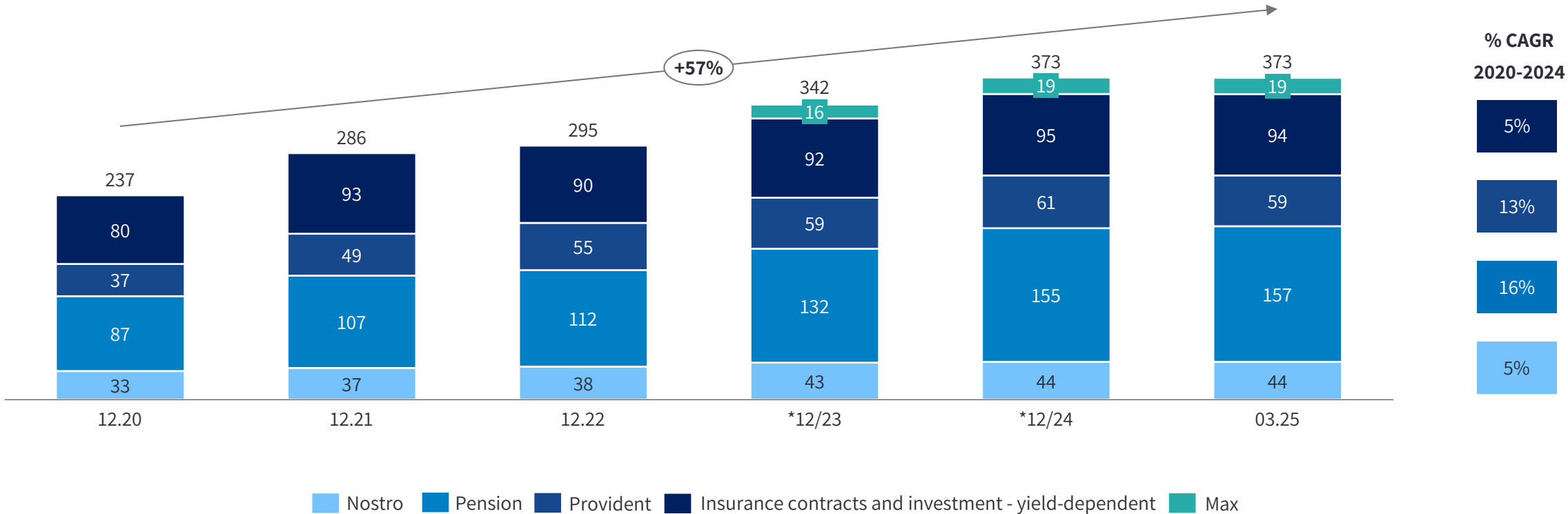


|          |    |   |     |    |      |
|----------|----|---|-----|----|------|
| Q1/2024  | 3  | 3 | 8   | 24 | 62   |
| Q1/2025  | 33 | 5 | 7   | 26 | 24   |
| Movement | 30 | 2 | (1) | 2  | (38) |

# Assets Under Management

## Growth of Approx. 57% in Assets Under Management Since December 2020

NIS billion

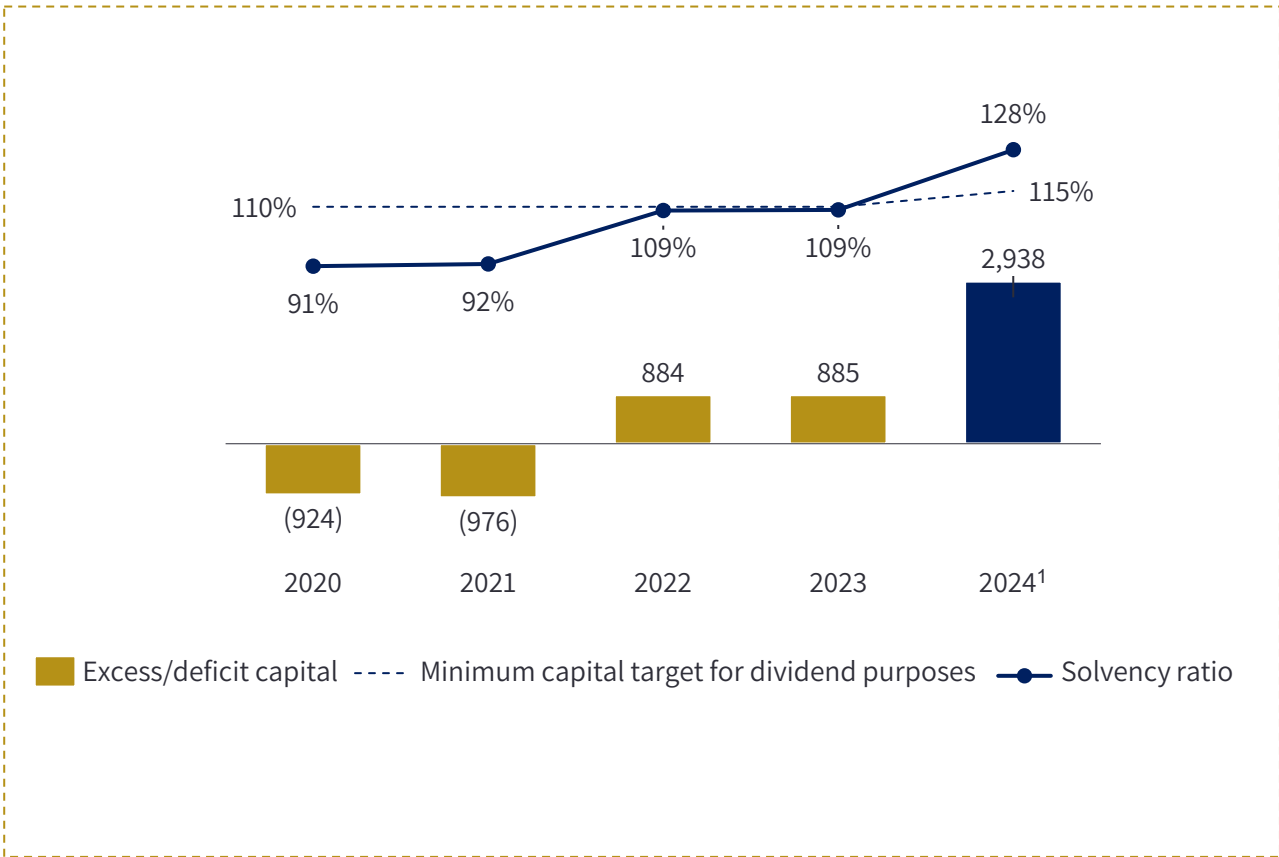


\* In Nostro, approx. NIS 4 billion was added for revaluation of illiquid debt assets (mainly designated bonds), in accordance with the first-time application of IFRS 9

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

A Solvency ratio of 128% as of December 31, 2024, and taking into account the Transitional Provisions - 158%

## 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



In May 2025, the minimum capital target after dividend distribution was revised to 115%



In accordance with this policy, a dividend of approx. NIS 300 million was distributed by Clal Insurance for 2024

### The Company's rating

**AA+**

S&P Maalot  
Clal Insurance  
rating

**Aa1**

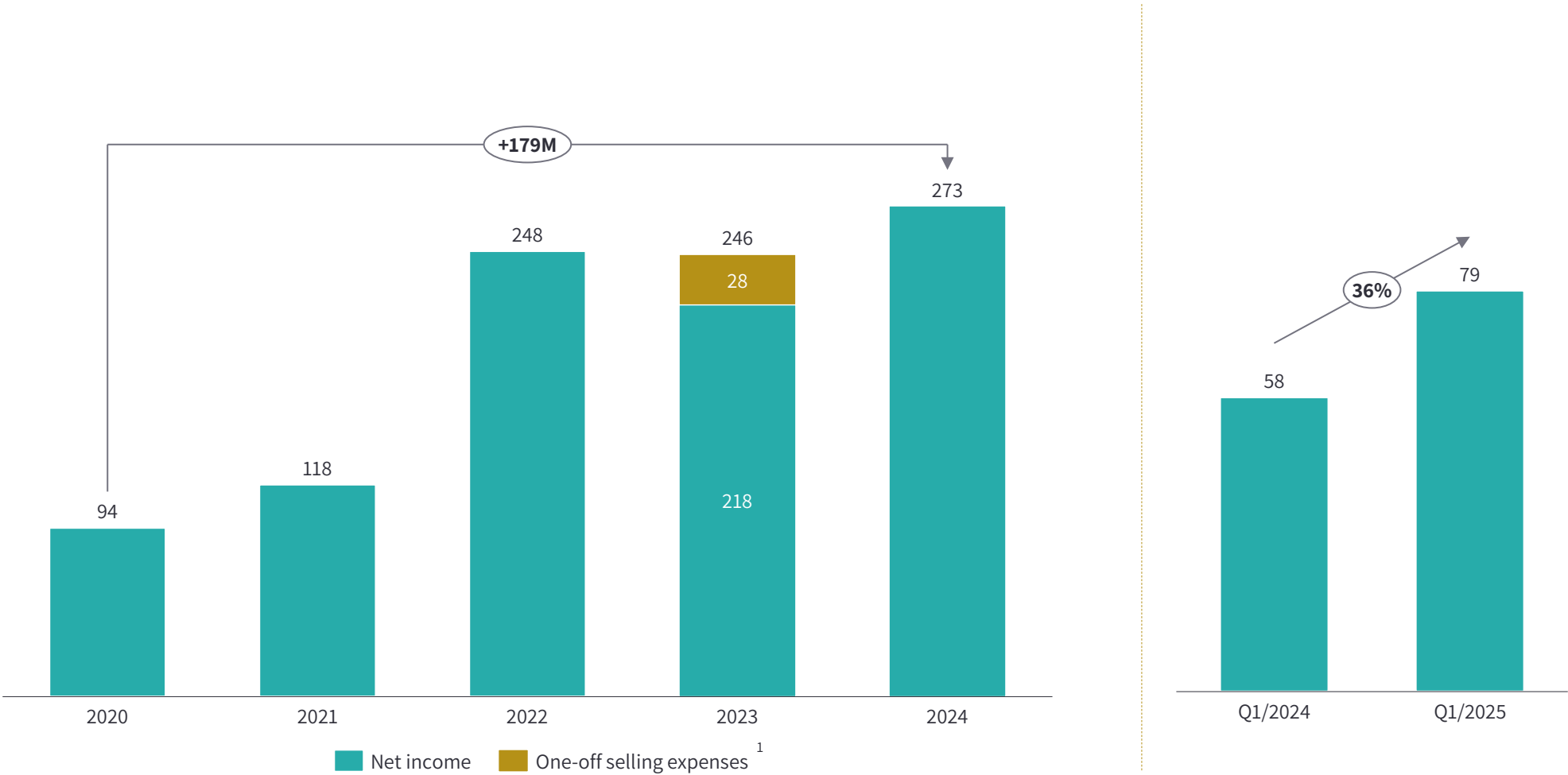
Midroog  
Clal Insurance  
rating

1. The data for the year 2024 presented take into account the dividend distribution

# Credit cards – Max’s net income

Post-tax profit of approx. NIS 79 million in Q1/2025 represents a 36% increase over the previous quarter

NIS million

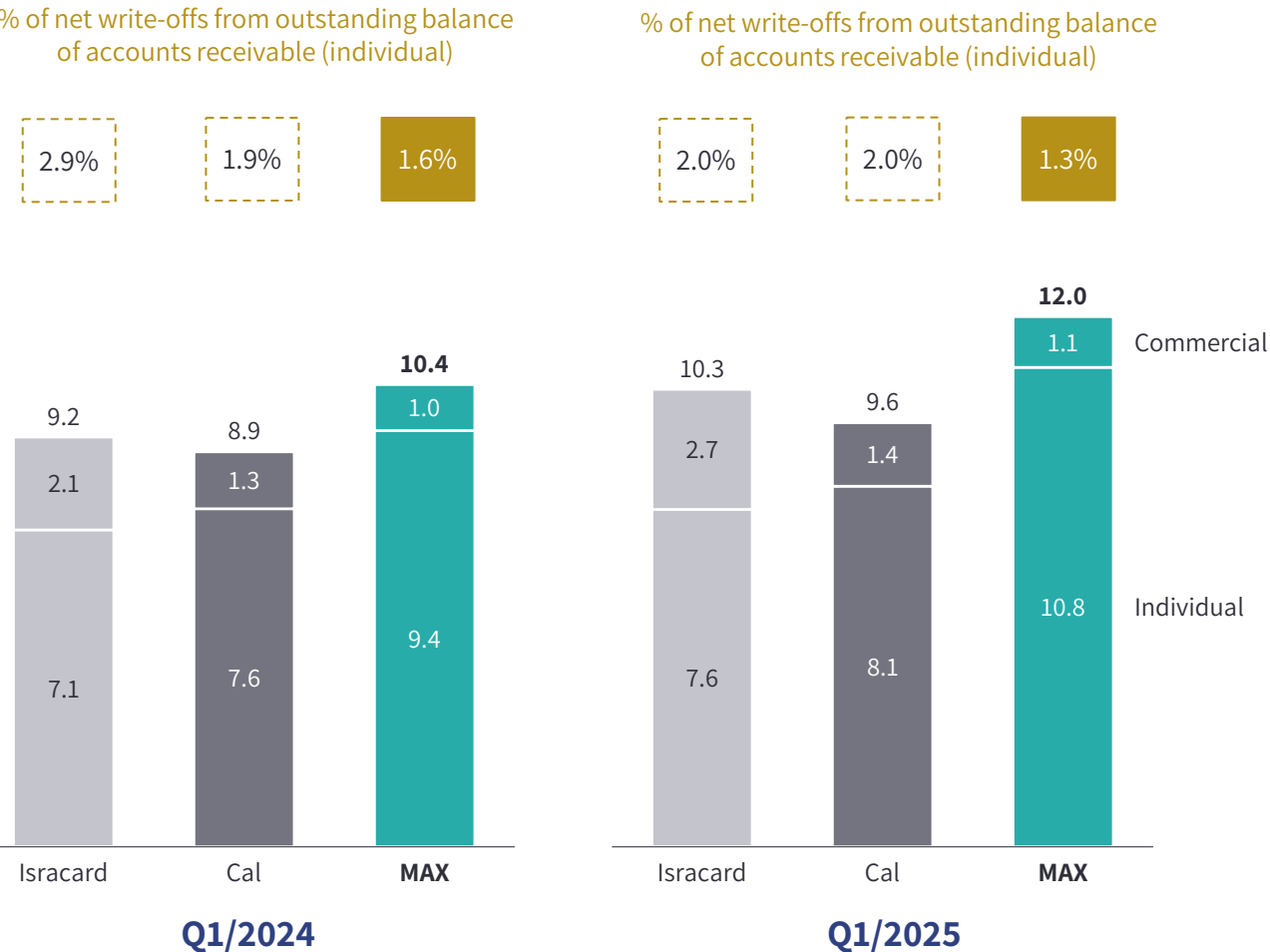


1. One-off selling expenses arising from the completion Clal Holdings’ acquisition transaction

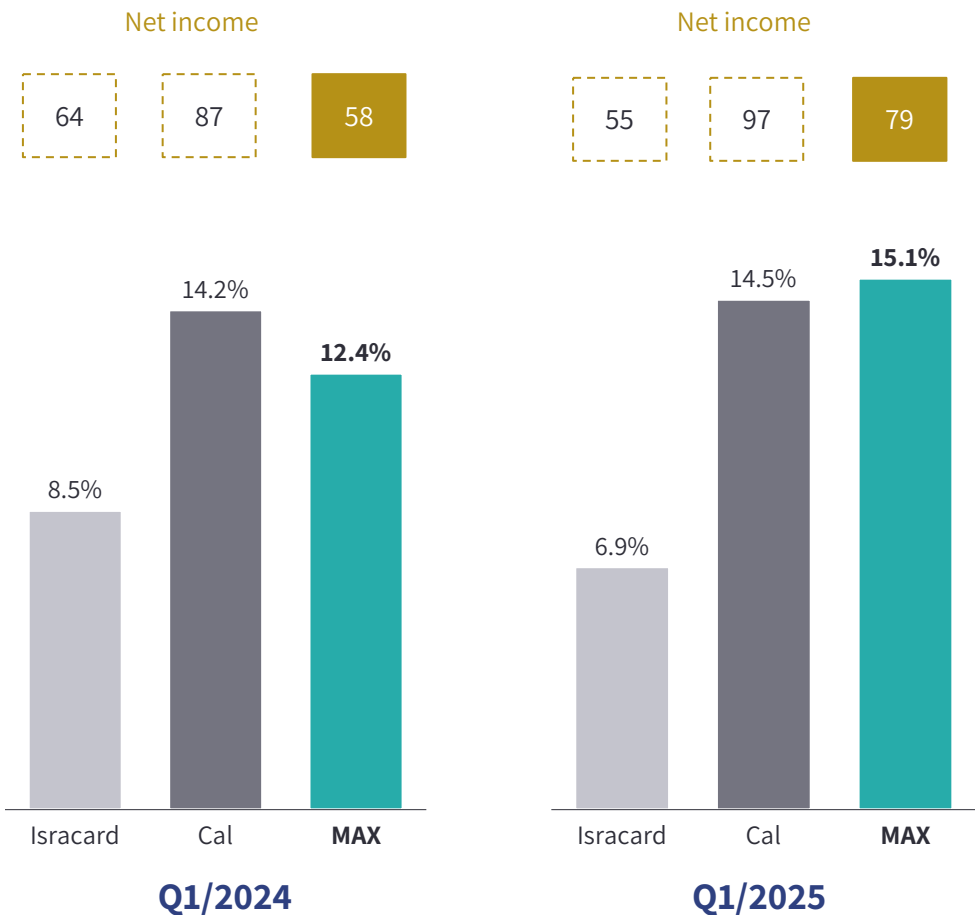
# Credit Cards - Max's Results vs. the Competition

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

### Size of credit portfolio, NIS billion



### Return on equity and net income<sup>1</sup> (% , NIS million)

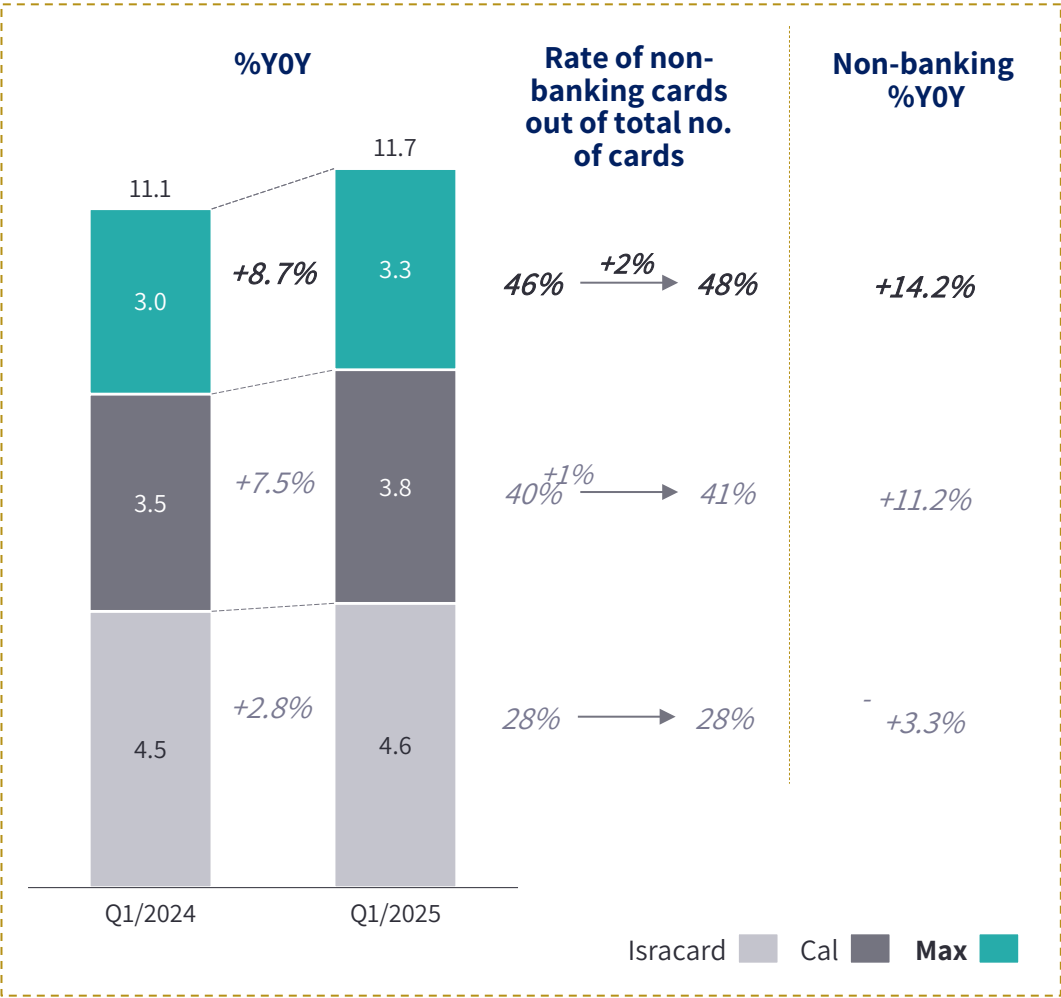


1. Net of one-off effects

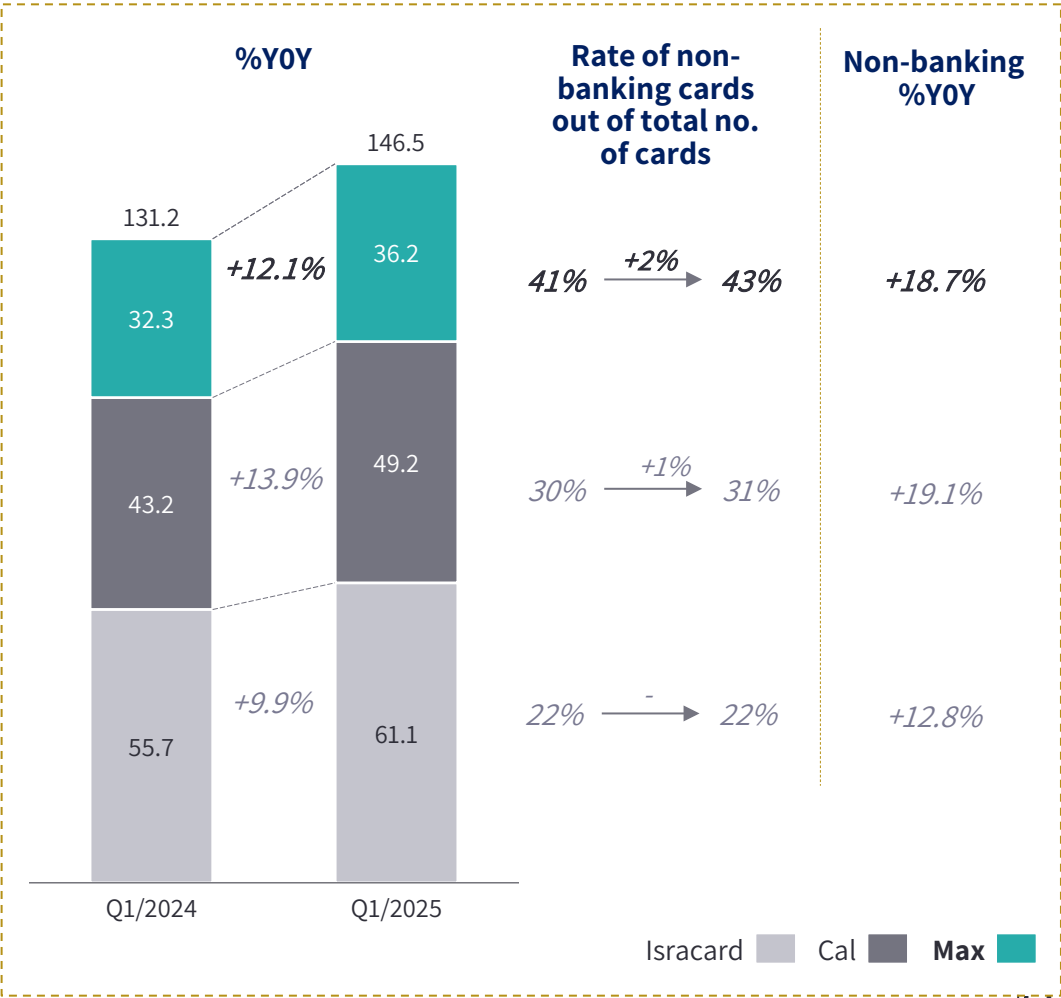
# Credit Cards - Max's Results vs. the Competition

## Realization of Growth Strategy in Non-Banking Cards

No. of active cards, millions of units



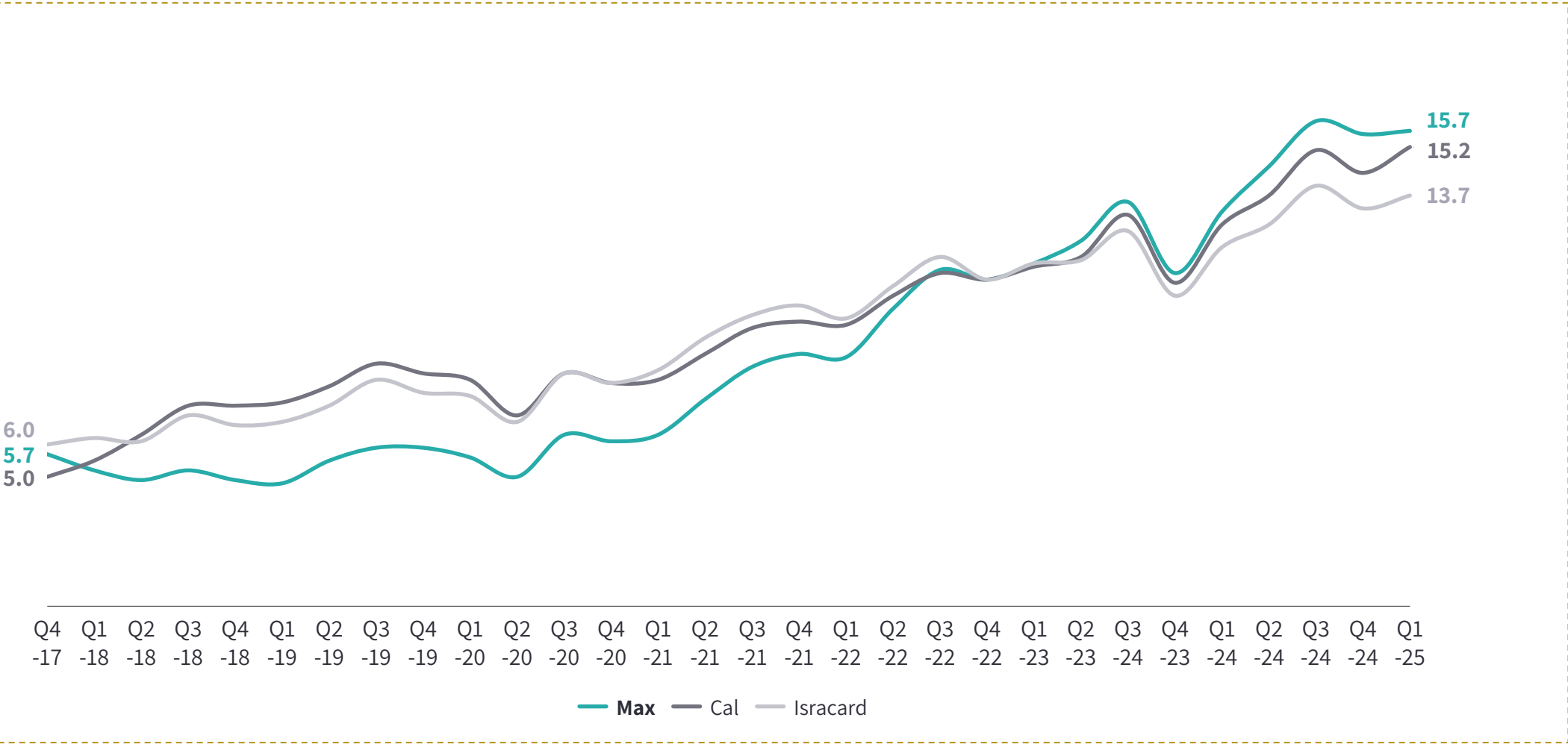
Issuance turnover, NIS billion



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

## Realization of Growth Strategy in Non-Banking Cards

Issuing Turnover - Non-Bank Cards, NIS Billion



## Joining the TA-35 Index - TASE's Flagship Index

Clal Insurance and Finance joined the TA-35 index a month ago, a significant event in the Company's growth trajectory and an expression of our financial robustness. It is the outcome of strategic work focused on improving the Company's core business, diversifying its sources of income and profit, while executing a significant, strategic transaction - MAX's acquisition - and consistently championing impressive financial results.

