



# SUMMARY OF FINANCIAL RESULTS

For The Year 2022 | March 30, 2023

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## Harel Insurance Investments and Financial Services

### Assets Under Management (AUM)

Harel  
Finance  
Holdings

Harel  
Pension and  
Provident

### Insurance

Harel  
Insurance  
Company

EMI - Ezer Mortgage  
Insurance Company

ICI  
Israel Credit Insurance  
Company

Interasco Societe  
Anonyme General  
Insurance Company

Turk Nippon Sigorta

### Credit

Hamatzpen Shutaphim  
Laderech

Harel 60+

Sale Law Guarantee and  
Bridge Financing Activity

### Other

Yedidim  
Pension  
Arrangements  
Insurance  
Agency

Madanes  
Insurance  
Agency

Veritas  
Insurance  
Agencies

Israel  
Infrastructure  
Fund



# THE BIG PICTURE

Data at December 31, 2022 | **NIS billions**

About

**6.4**

**MARKET CAP**

At March 28, 2023

About

**37.5**

**TOTAL EARNED PREMIUMS**

gross benefit contributions  
and amounts received for  
investment contracts

About

**132%**

**SOLVENCY RATIO**

At June 30, 2022

About

**363**

**ASSETS UNDER MANAGEMENT**

About

**8.3**

**EQUITY ATTRIBUTED TO SHAREHOLDERS**

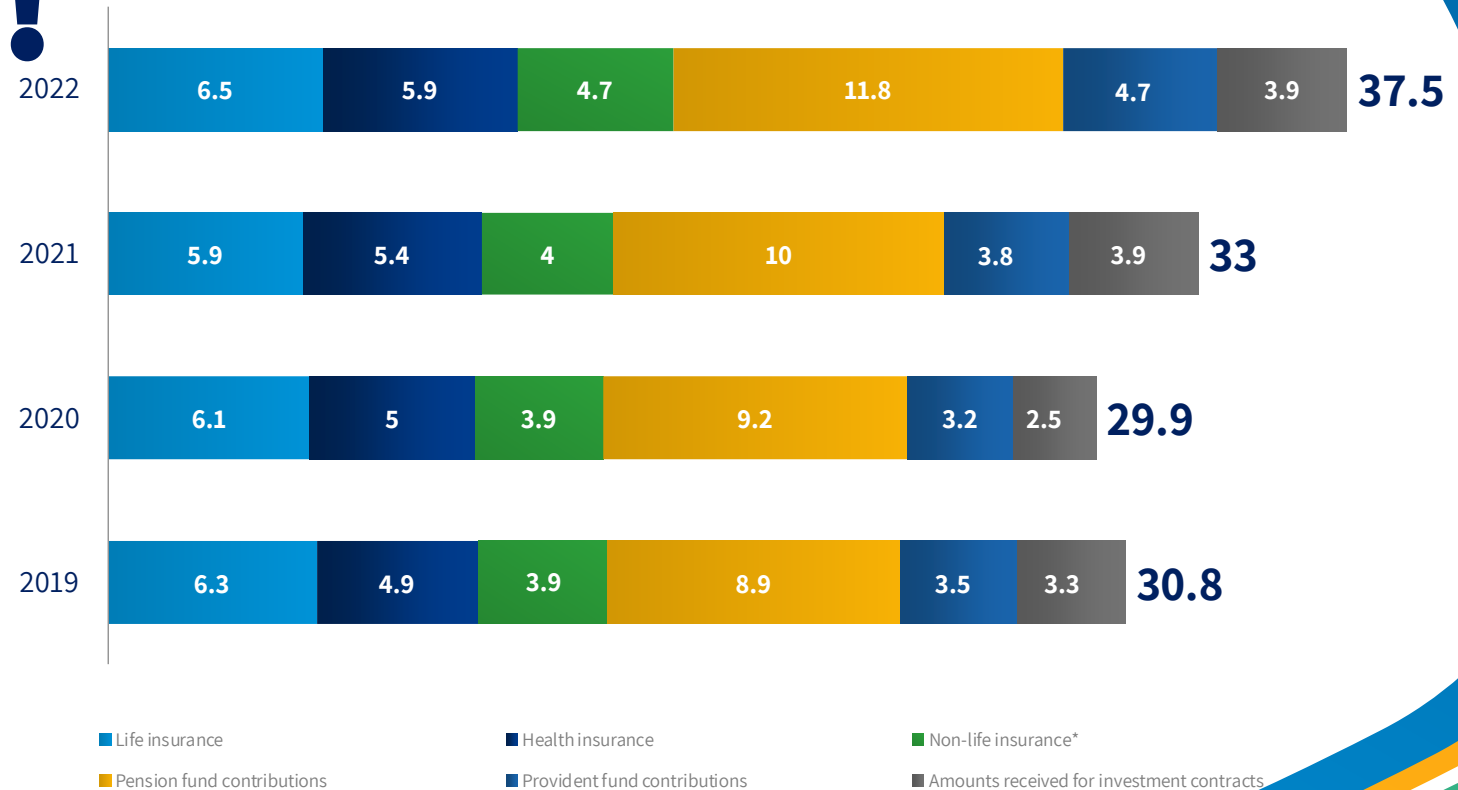
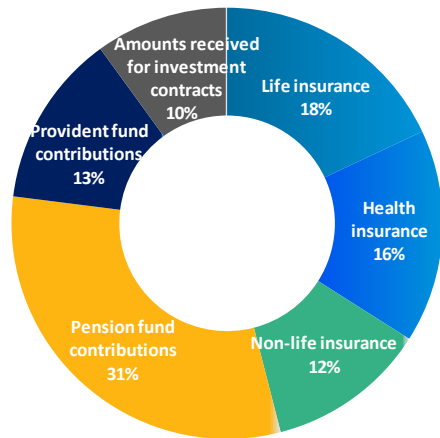
About

**(1%)**

**RETURN ON EQUITY**

# HAREL IS NUMBER 1!

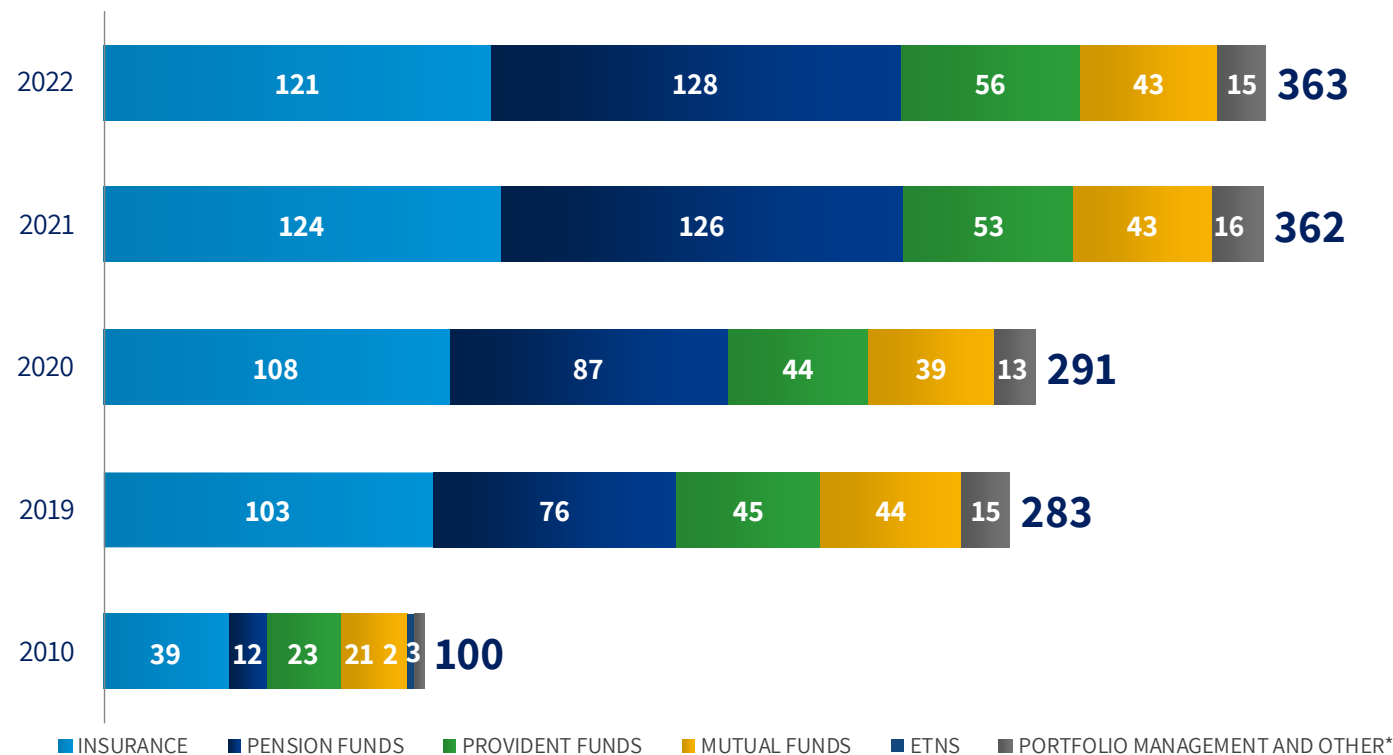
In gross earned premiums,  
benefit contributions  
and amounts received for  
investment contracts  
(NIS billions)



\*Including results of overseas insurance segment

# Increase of 263%

in AUM and nostro assets  
since 2010  
(NIS billions)

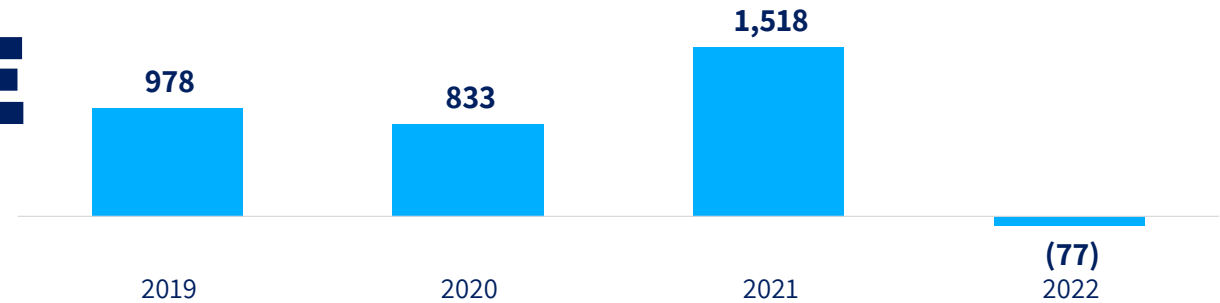


\*The data includes financial assets issued by the group and managed in portfolios

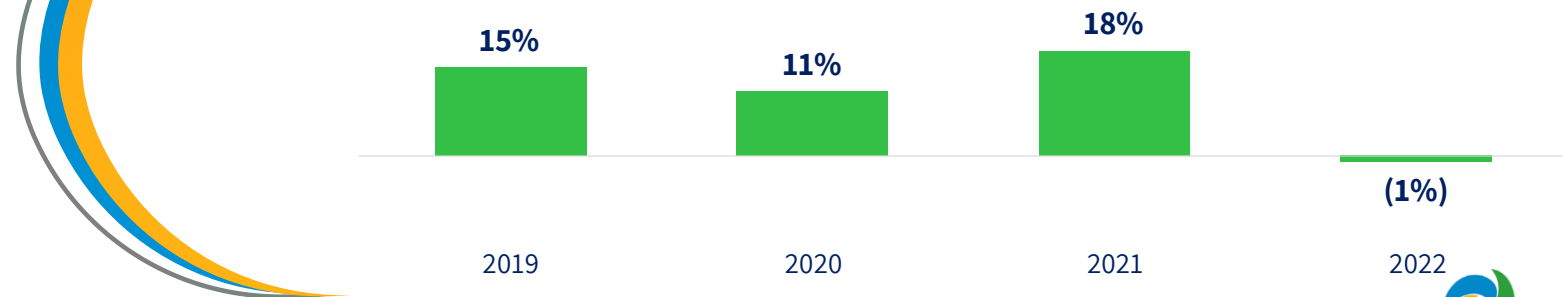
# COMPREHENSIVE INCOME (LOSS)

After tax (NIS millions)  
and return on equity (In Annual Terms)

## Comprehensive Income (Loss) After Tax

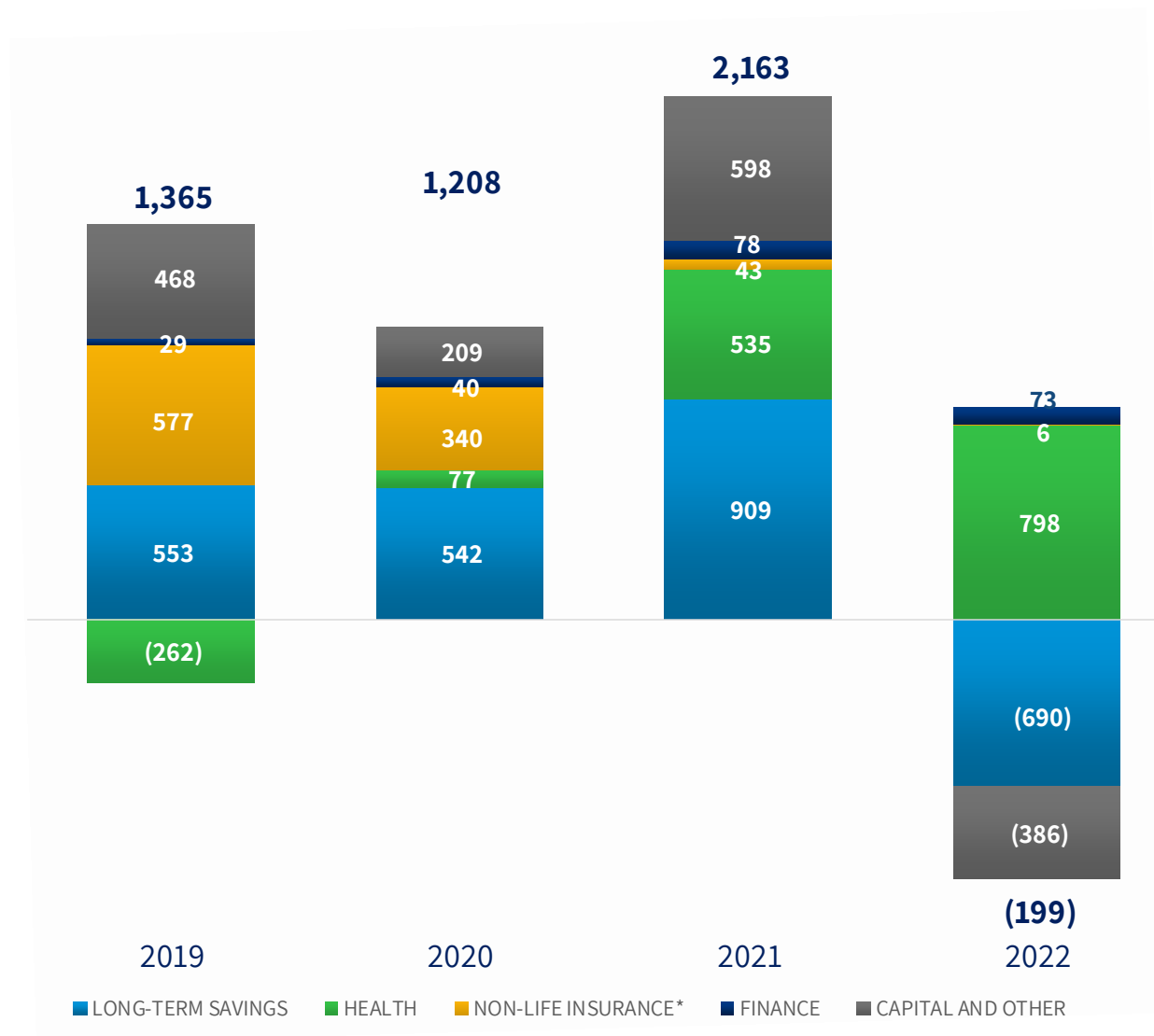


## Return on Equity



# OPERATING SEGMENTS

Comprehensive Income  
(Loss) before tax  
(NIS millions)

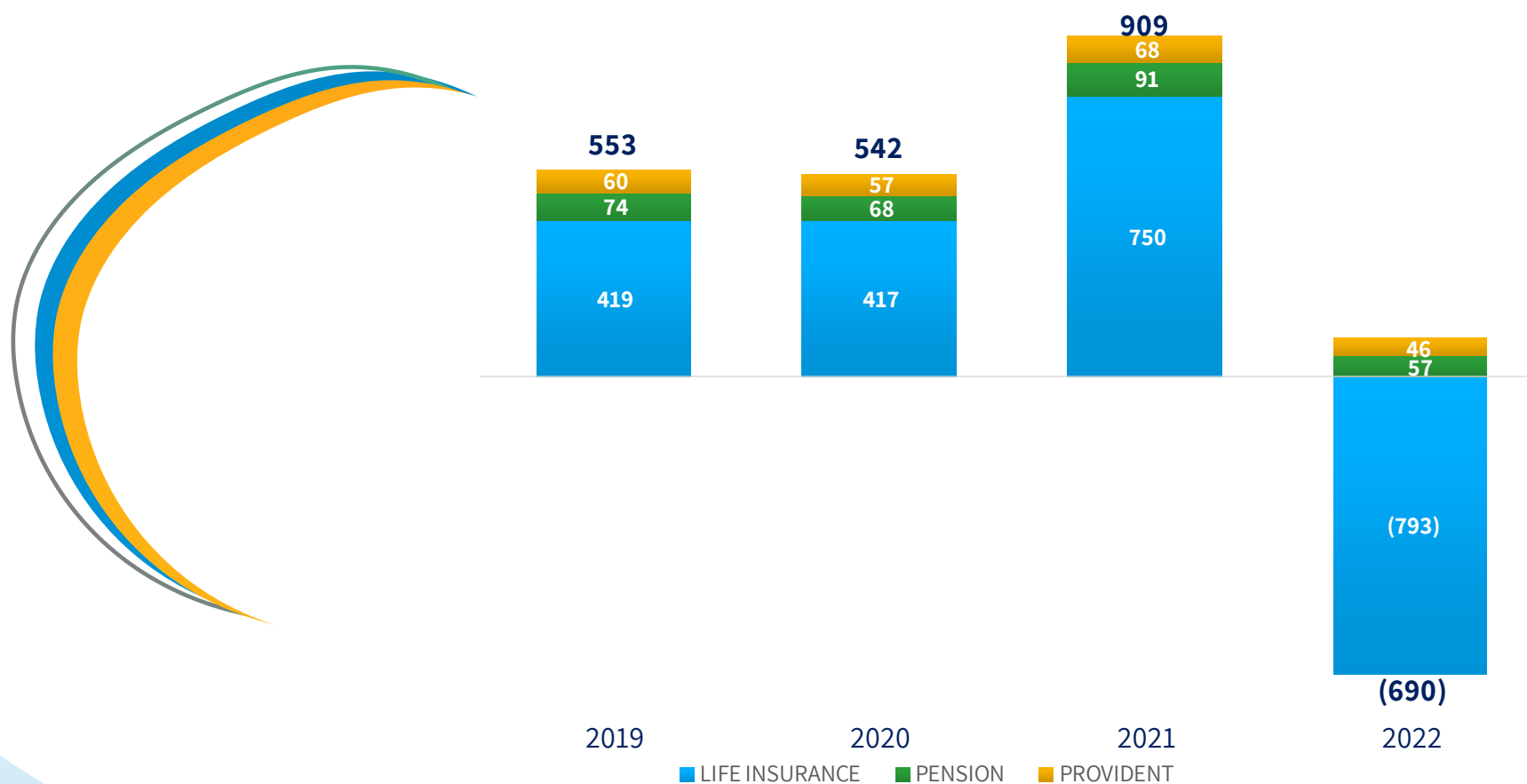


\*Including results of overseas insurance segment



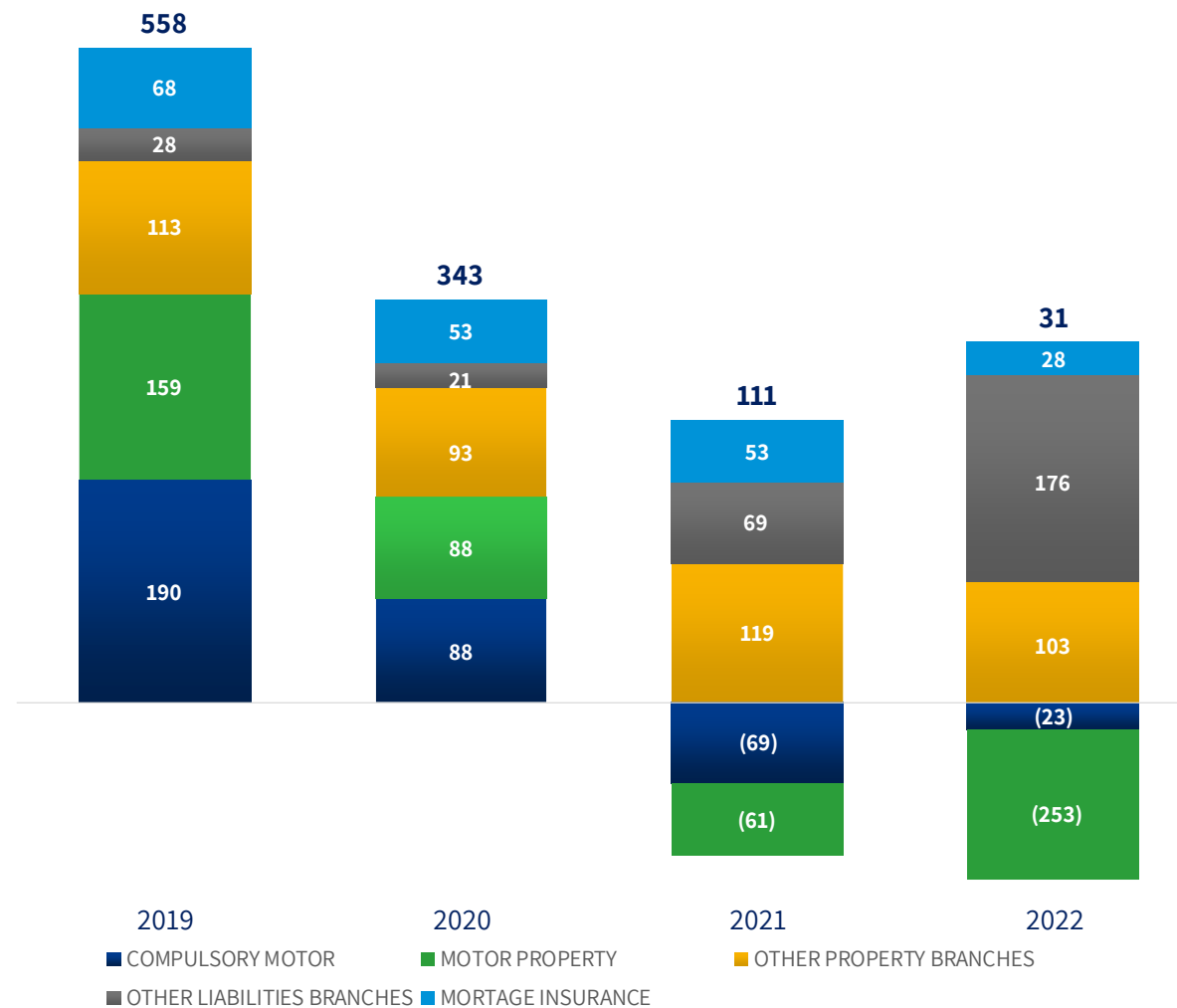
# LIFE INSURANCE AND LONG-TERM SAVINGS SEGMENT

Comprehensive Income (Loss) before tax (NIS millions)



# NON-LIFE INSURANCE SEGMENT

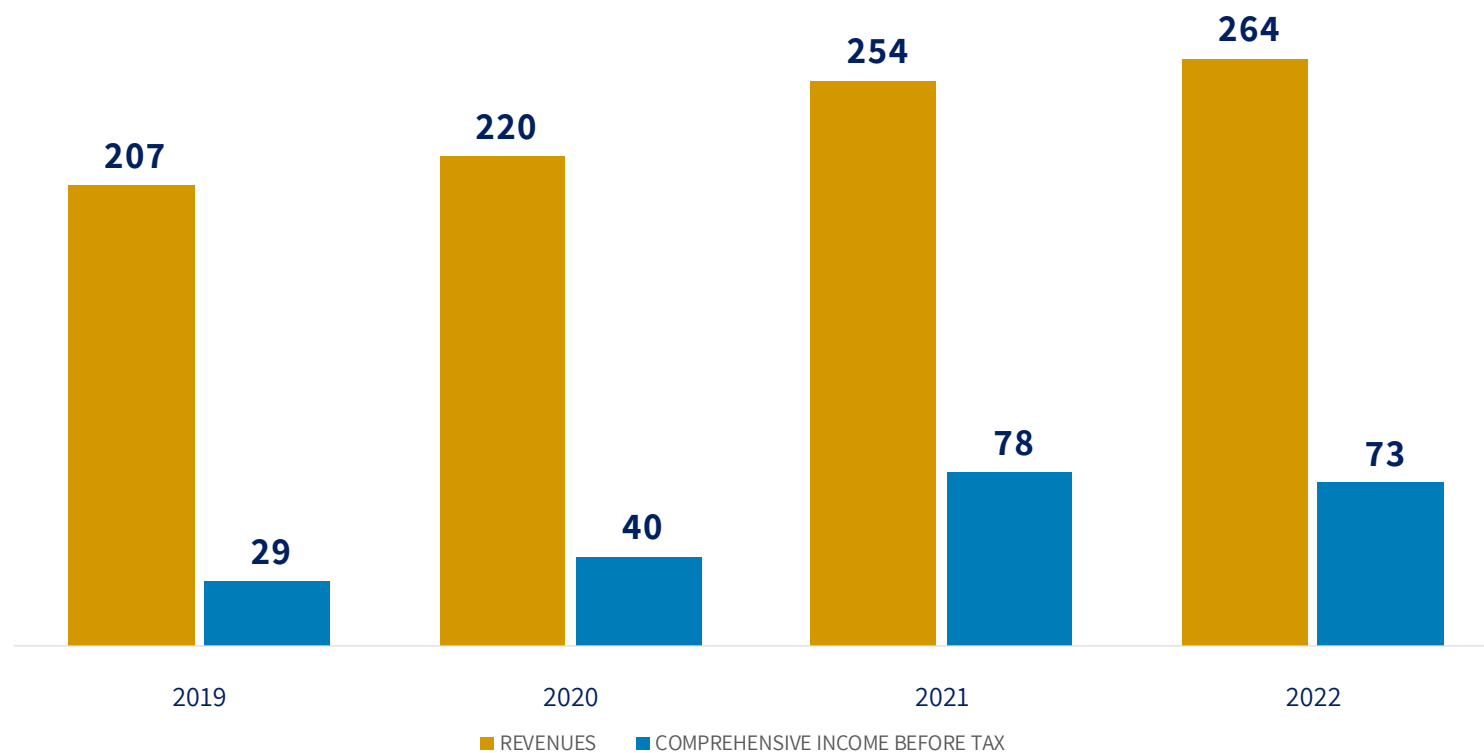
Comprehensive Income  
(Loss) before tax  
(NIS millions)



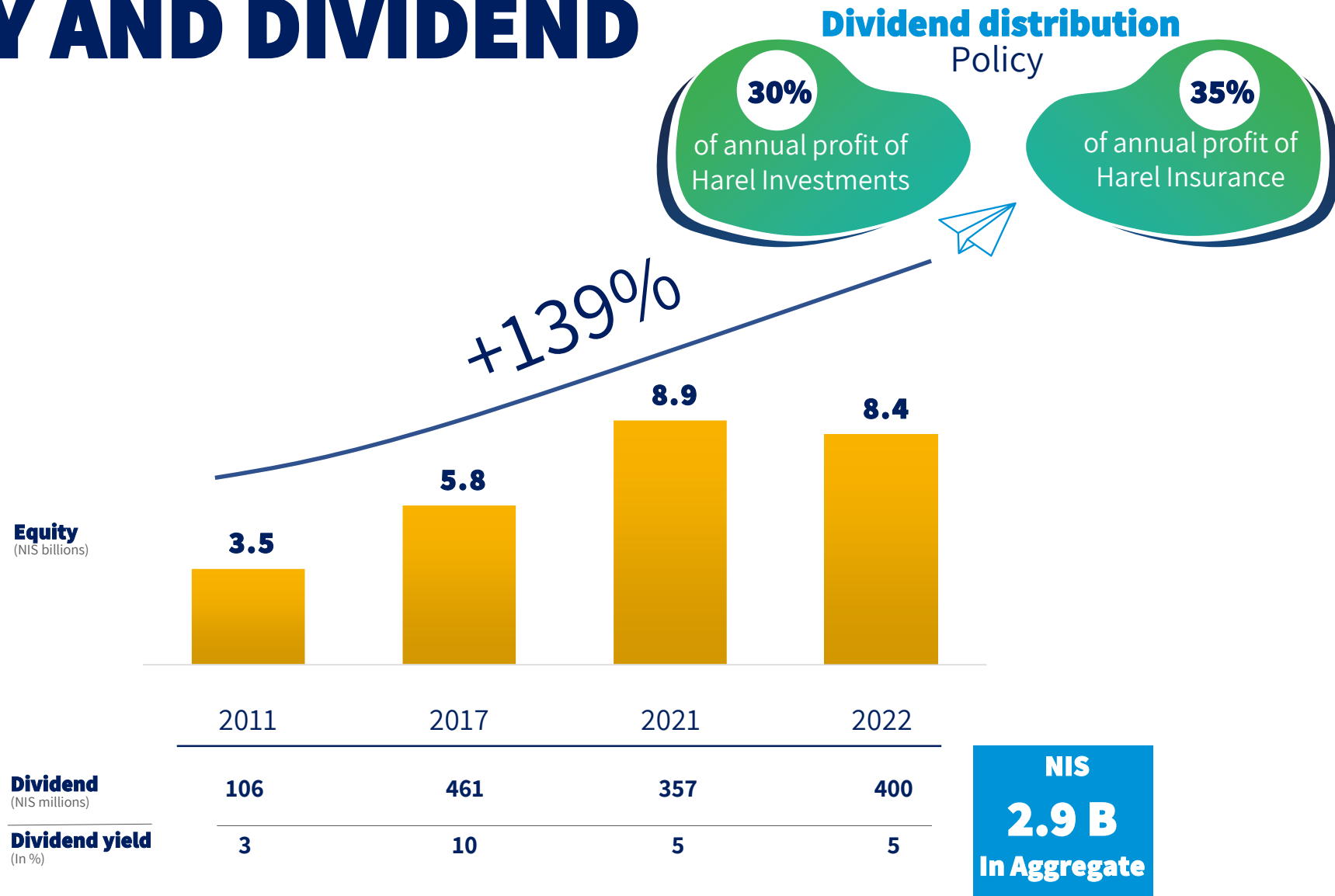
\*Non-life insurance segment, not including results of overseas insurance segment

# FINANCIAL SERVICES SEGMENT

(NIS millions)



# EQUITY AND DIVIDEND



# HAREL INSURANCE CAPITAL SURPLUS

(NIS billions)

Harel Insurance is governed by a Solvency II based economic solvency regime

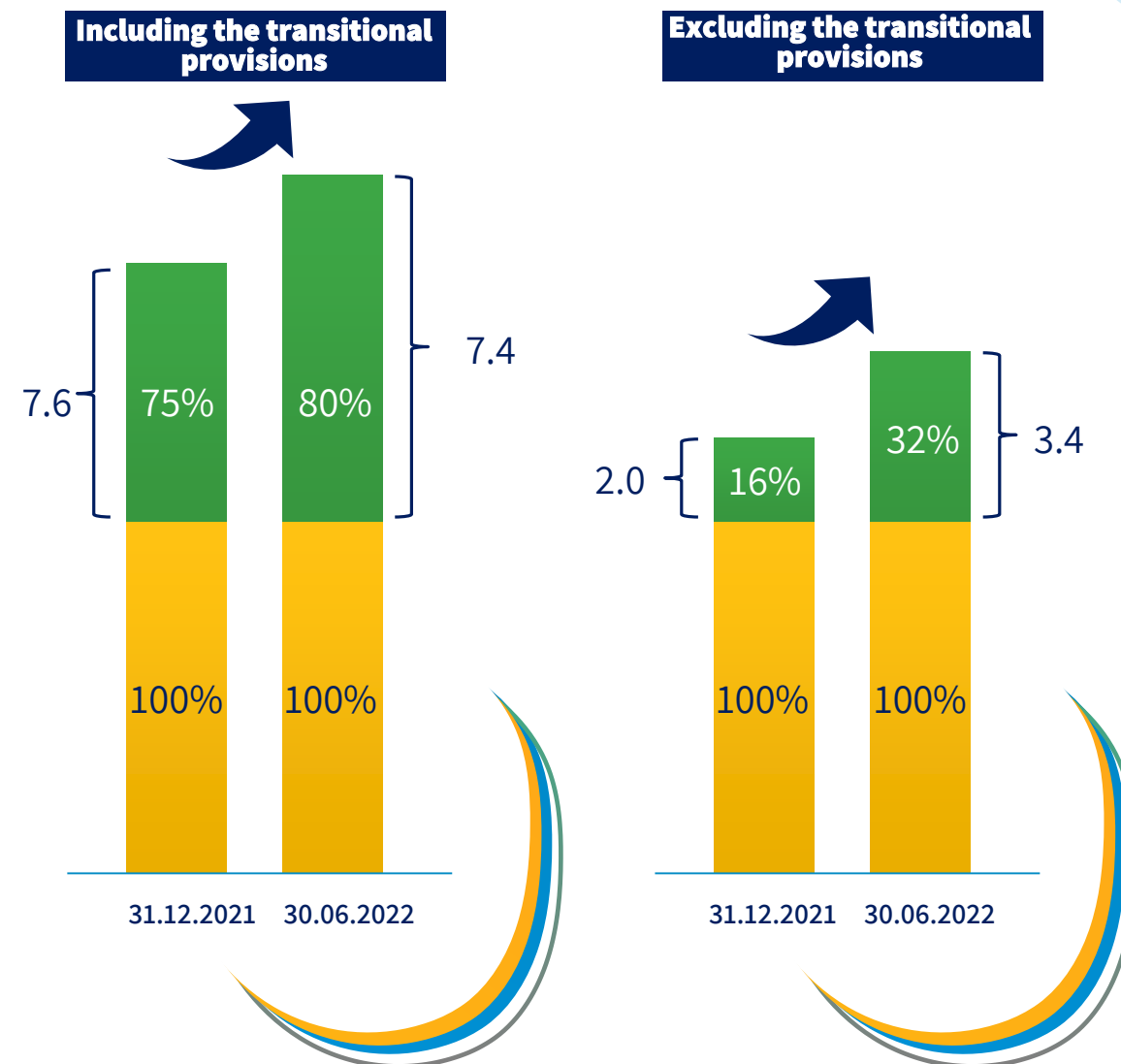
In accordance with the Commissioner's directives, the economic solvency ratio at June 30, 2022, was published on November 28, 2022

The capital surplus of Harel Insurance at June 30, 2022, including the transitional provisions, is NIS 7.4 billion and 180%. This represents an increase of 5% compared with December 31, 2021, when the ratio was 175%

The capital surplus of Harel Insurance at June 30, 2022, excluding the transitional provisions, is NIS 3.4 billion and 132%. This represents an increase of 16% compared with December 31, 2021, when the ratio was 116%

The model in its current format is extremely sensitive to changes in market and other variables, such as changes in the interest rate, changes in investment profits, revised actuarial assumptions and changes relating to the activity of Harel Insurance

In December 2022, the Board of Directors of Harel Insurance approved the distribution of a dividend in the amount of NIS 900 million that was paid in February 2023. Had this dividend distribution been reflected in the calculation of the economic solvency ratio at June 30, 2022, the solvency ratio of Harel Insurance (including and excluding the transitional provisions) would have been reduced by 9%



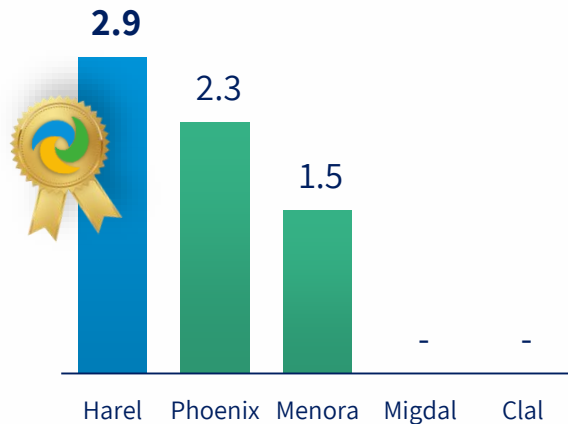
# Financial Results | Solvency and Future Economic Profit

Leading the Insurance Sector

June 2022\*

## Future Potential Dividend Distribution

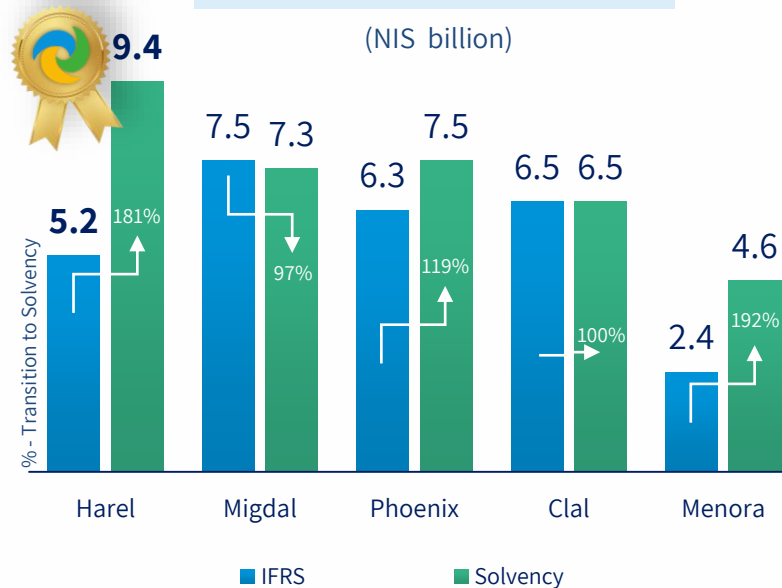
(Over BOD Target)  
(NIS billion)



**Harel has a higher future potential dividend distribution as of 30.06.2022\*\***

## Basic Tier 1 Capital

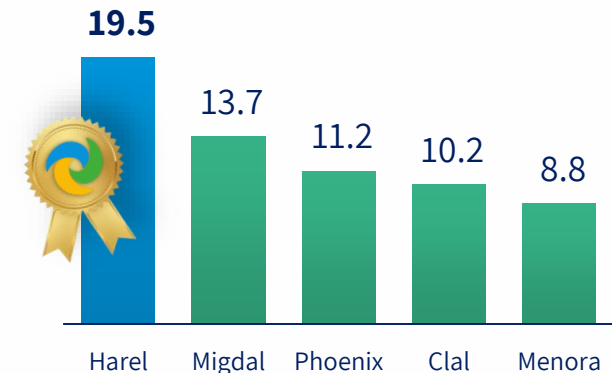
(NIS billion)



**Harel is leading with the highest Basic Tier 1 Capital as of 30.06.2022**

## Value in Force

(NIS billion)



**Harel is leading the insurance market with the highest VIF**

\* source: [EY InsurTool](#). The data presented regarding the other companies were not reviewed independently by the Company, and the Company is therefore not responsible for their correctness

\*\* As noted in Slide no. 13, In December 2022, the Board of Directors of Harel Insurance approved the distribution of a dividend in the amount of NIS 900 million that was paid in February 2023



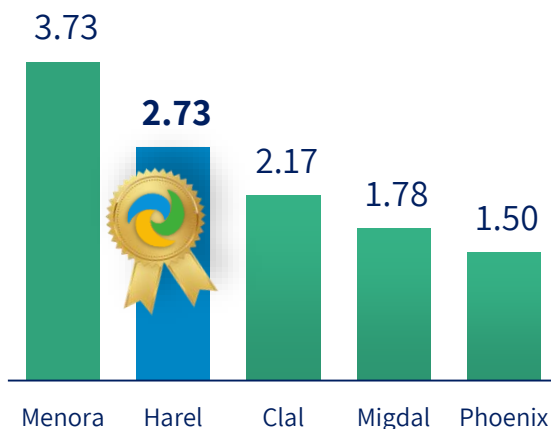
# Financial Results | Solvency and Future Economic Profit

Leading the Insurance Sector

December 2021\*

## VNB to New Business Premiums

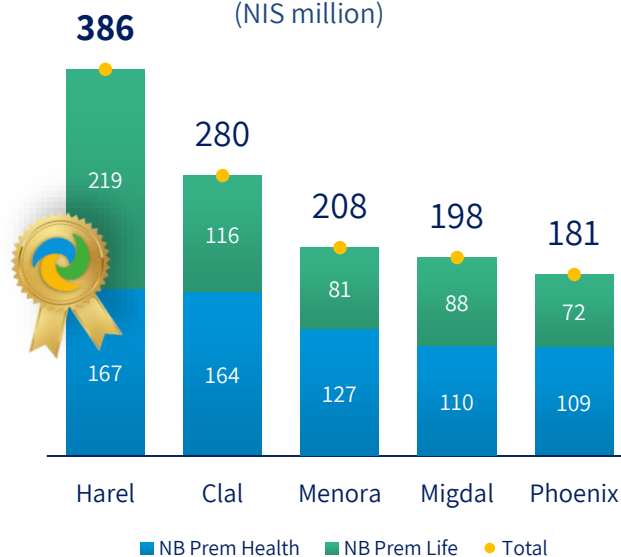
(NIS billion)



**Harel demonstrates the second best VNB margin**

## New Business Annualized Premiums

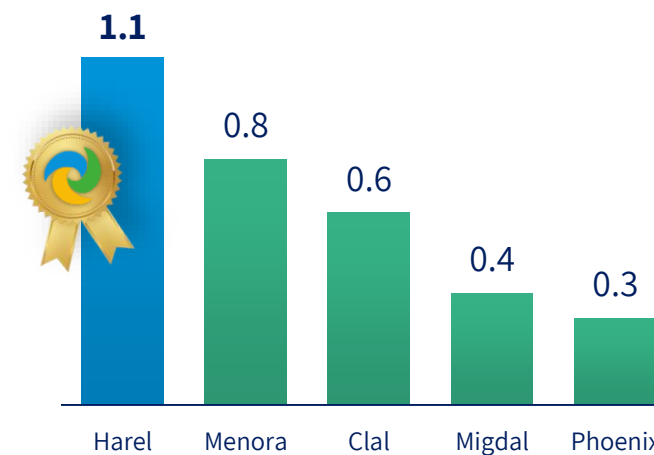
(NIS million)



**Harel is leading the insurance market with NIS 386 Million New Business Annualized Premiums**

## Value of New Business

(NIS billion)



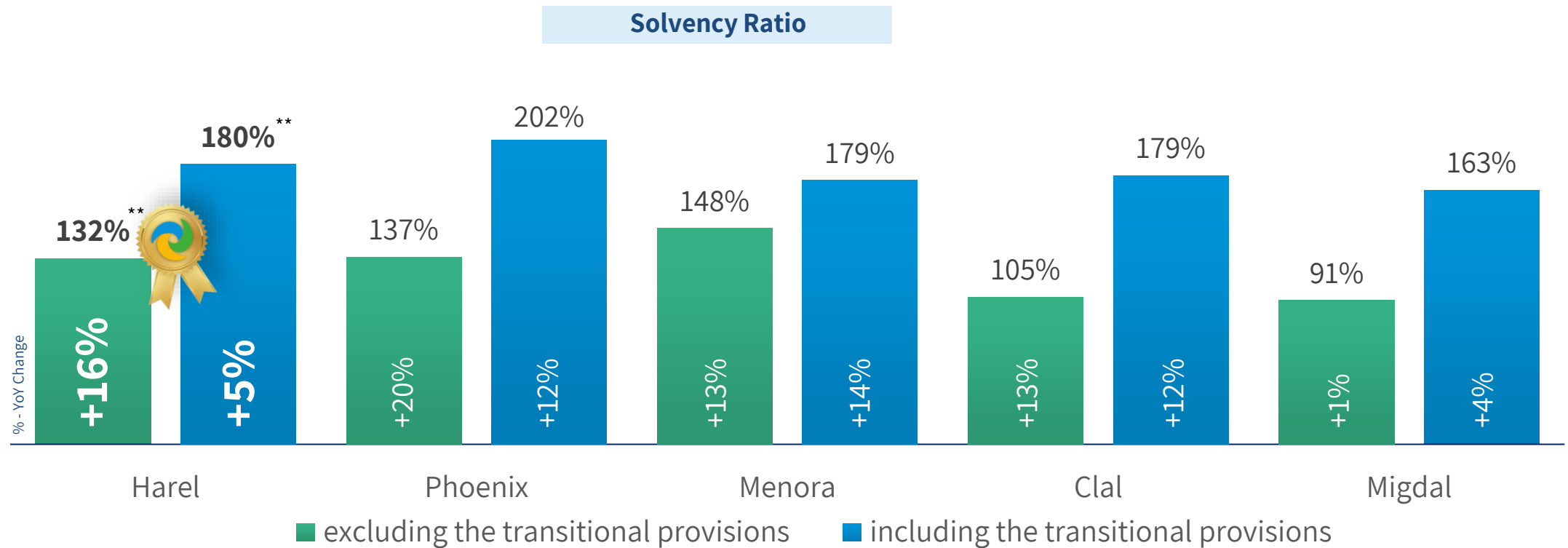
**Harel is leading the insurance market with NIS 1.1 Billion VNB**

\* source: [EY InsurTool](#). The data presented regarding the other companies were not reviewed independently by the Company, and the Company is therefore not responsible for their correctness

# Financial Results | Solvency and Future Economic Profit

Leading the Insurance Sector

June 2022\*




\* source: [EY InsurTool](#). The data presented regarding the other companies were not reviewed independently by the Company, and the Company is therefore not responsible for their correctness

\*\* As noted in Slide no. 13, In December 2022, the Board of Directors of Harel Insurance approved the distribution of a dividend in the amount of NIS 900 million that was paid in February 2023



# OUR GLOBAL PARTNERS





Concluding  
**2022**

**Looking forward to the continuation of  
Harel's journey**

Q4 | 2022

# The largest insurance company in Israel



In gross earned premiums, benefits and amounts for investment agreements, as of 30.9.22 \*



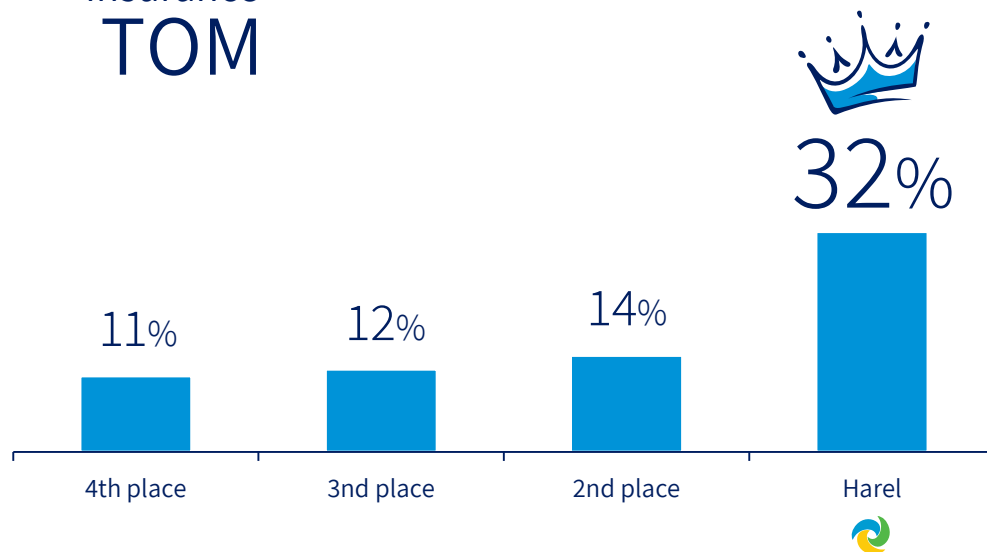
# The strongest insurance and savings brand in Israel

**First**  
in the Globes brand  
index among all  
insurance and  
pension companies  
and in 71st place in  
the general ranking

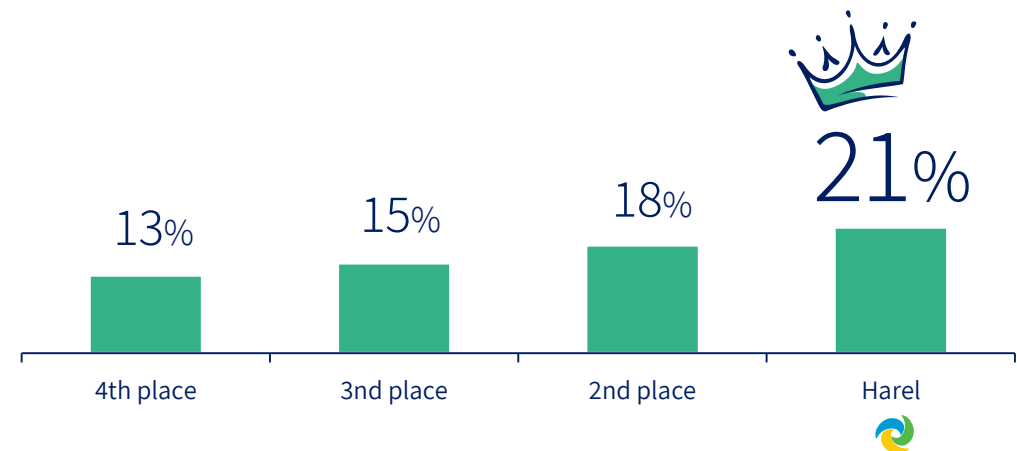


**GLOBES**

Insurance  
TOM



Pension  
TOM



**Health**

Insurance





# The largest health insurance company in Israel

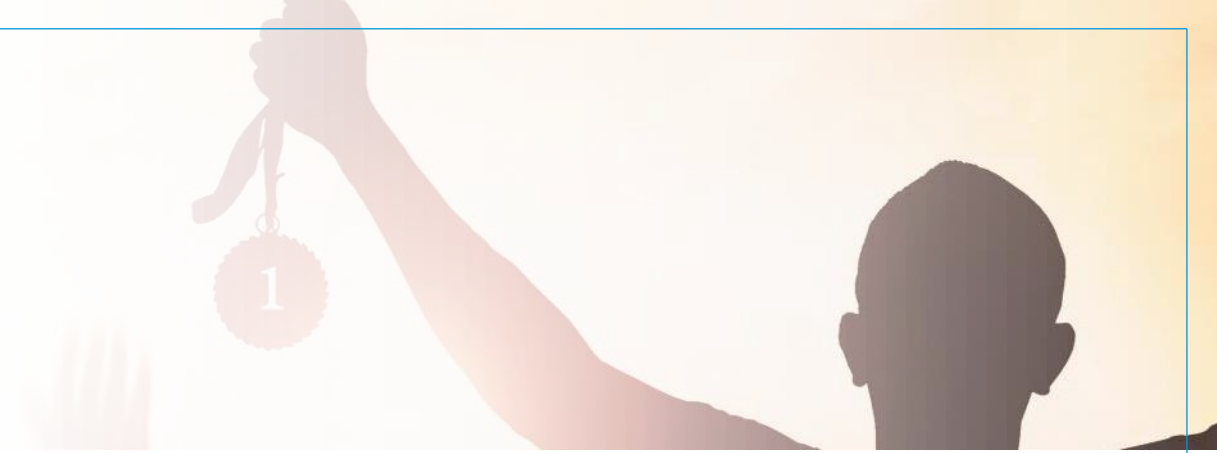
We've handled  
**500** thousand  
health insurance claims

We've paid over  
**1.5** Billions of NIS  
for health insurance claims in  
Israel and abroad



# The largest

# health insurance company in Israel



## “Harel at your side”



Professional center for assistance upon a suspicion or discovery of a serious illness.

We've upgraded the professional center included as part of the conditions of the “Ma'anakit Zahav” cover

**Harel's compensation worth more!**

## Insurance add-on Doctor's home visit

Medical service provided by a doctor, at home or at the insured's location, including prescribing medications and lab tests



## Innovation in Travel Insurance



Upgrades and improvements to the travel insurance app

Digital update of travel dates and passenger names

Full digital underwriting process, including saving the offer

Extending the time frame for purchasing the insurance up to 180 days before the travel date

Easing the underwriting conditions

Easing the extreme sports definition

# The largest

# health insurance company in Israel

## Launching new personal accident insurance

A policy that  
complies with the  
new regulatory  
guidelines

Harel is the only  
large insurance  
company to launch a  
new personal  
accident policy

## Launching new life insurance add-ons

Additional coverage in case  
of death or disability as a  
result of an accident

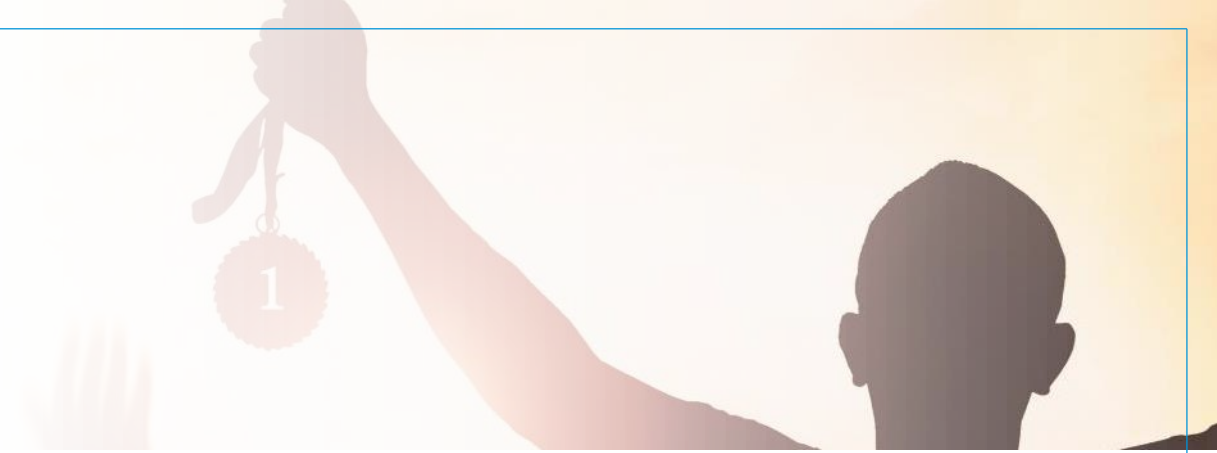
Add-ons complying  
with the new  
regulatory guidelines

Harel is the only large  
insurance company  
that launched these  
add-ons

## Extended sign up to Ma'anakit Sartan cover until the age of 69

## A winning collaboration between Harel and Marpet

Great benefits for Harel  
health insurance insureds  
in the health services for  
pets



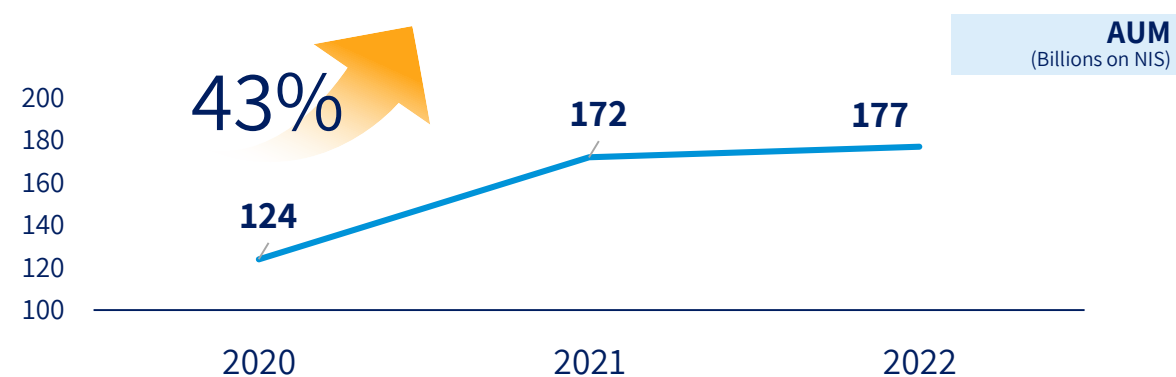
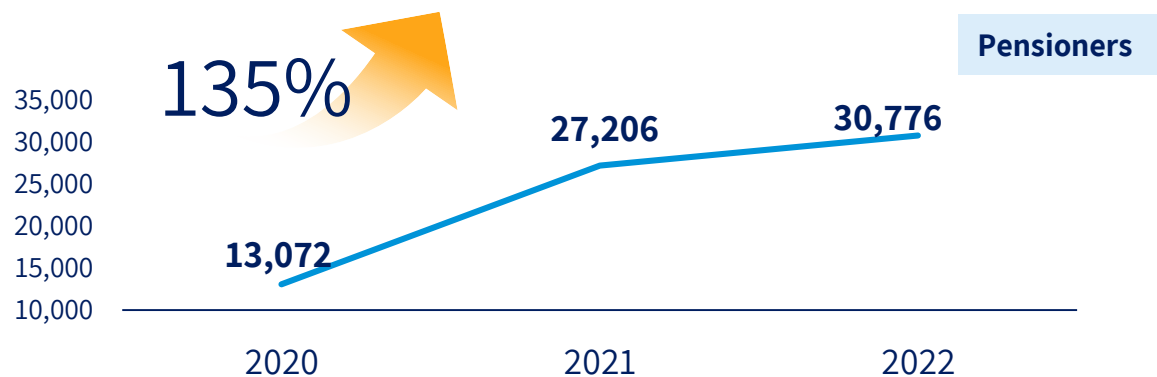
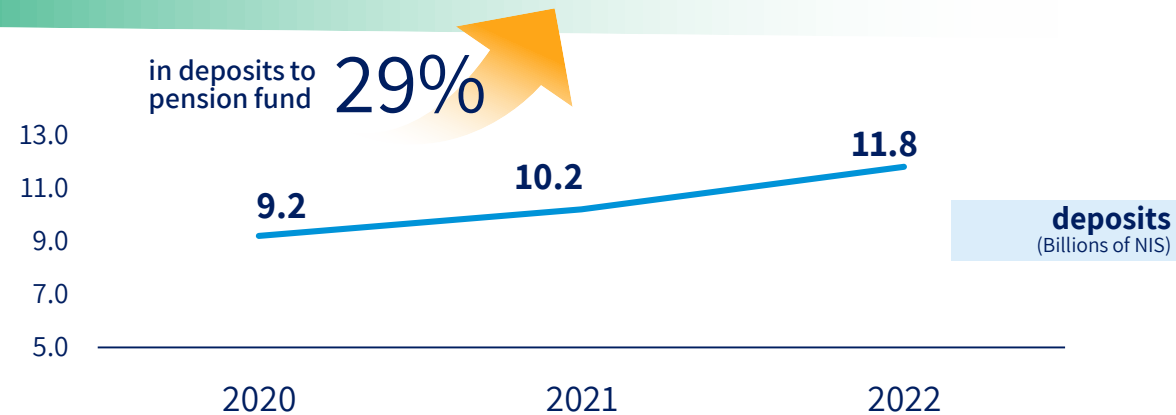
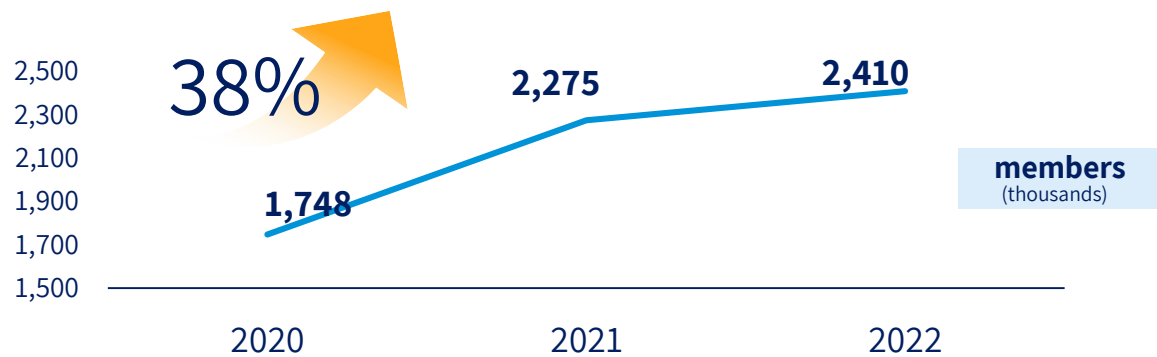


A person is running on a paved road that stretches into the distance. The scene is set during sunset or sunrise, with a warm, golden light illuminating the sky and the road. The runner is in mid-stride, with one leg forward and arms pumping. The background shows a clear sky with a few clouds and some vegetation on the right side of the road. A semi-transparent blue and orange banner is overlaid on the image, containing the text 'Pension and Savings'.

# **Pension** and Savings

# The power in large numbers

Growing in pension and provident funds



Total members, pensioners and AUS in the Harel Pension and Provident Fund Ltd.  
Including pension funds, provident funds and training funds.





## Upgrading the supplementary umbrella insurance for the pension fund

We increased the insured salary ceiling to NIS 40,000 and added extensions to the existing coverages (franchise, developing disability and long-term care)

## Monthly income from insurance policies including pension policies

Now both Migvan & Inded investment policies allow withdrawals either as a lump sum or a monthly income

## New S&P 500 index investment track in Migvan savings policy and More Premium pension policy

After the track was added to the pension fund, the provident funds, the investment provident fund, the training fund and launching Harel Index investment policy, it was also added to the insurance policies

# Growing

in pension and

**provident funds**



## Lama-ze? Kama-ze?\*

Harel and Globes collaborated in a financial education project for children

\*Why is it, how much is it?



## New alternative investment funds "Harel Alternative"

For the first time in Israel, Harel Group allows high net worth individuals to invest alongside it in non-marketable investments in real estate, non-marketable credit and private equity

CO-INVEST  
credit

CO-INVEST  
Real estate

CO-INVEST  
Private Equity

## Avalama?\* Podcast

Harel's economic podcast won first place for the best organizational-commercial podcast of the year of Geektime

\* But why?



# Growing

Growing in pension

**provident funds**



A man and a woman are running outdoors at sunset. The man is in the foreground, wearing a grey tank top and dark shorts, smiling. The woman is slightly behind him, wearing a grey sports bra and leggings, also smiling. The background shows a warm sunset sky and a blurred structure, possibly a bridge or a modern building.

**Committed to leading the way**

# General Insurance



# General Insurance

We've handled

**151** thousand  
**general insurance  
claims**

We've paid over

**3.2** Billions of NIS  
**on general insurance  
claims**

# First place

## In general insurance premiums



### Home insurance interface in a click

A new digital interface for agents: efficient and friendly, saves time and enables purchase from anywhere at any time.

### Adding home insurance to Harel car insureds



**Cost effective** | Exemption from deductible in the first year for new customers in Harel with home insurance

**Targeted** | showing potential customers in the "What the customer needs?" application for agents

**Fast** | Short and easy sale process for home insurance for agents and sales representatives

### Electric vehicle policy

Electric vehicle policy with new coverages and extensions – extended road services package rider, coverage for a home electric charging station.

### Bumpers Extra cover

New coverage that allows repair or replacement of a car bumper, without limiting the value of the car up to the ceiling in the policy





# Credit



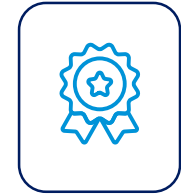
## Diversification of profit sources



### Harel acquires Isracard



Harel acquires Isracard for a sum of no less than NIS 3.3 billion



The acquisition is subject to regulatory approvals



Implementation of the company's strategy to diversify sources of profit and continue building the credit segment



Financing the transaction using approximately NIS 2 billion from available funds and the rest through new debt

# Mortgages

A strong back for a long journey



**Mortgage**  
**+60**  
by Harel

Reverse mortgage for the ages of 60+

Reverse mortgage on the  
basis of the existing house

**Mortgage**   
by Harel Insurance and Finance

# Mortgages\*

A strong back for a long journey

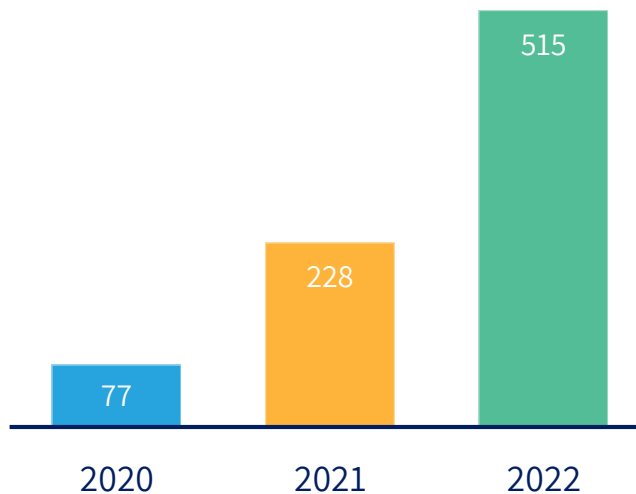
Reverse mortgage  
portfolio

**Mortgage**  
**+60** by  
Harel

Indexed  
average  
APR 4.9%

Average  
age 71

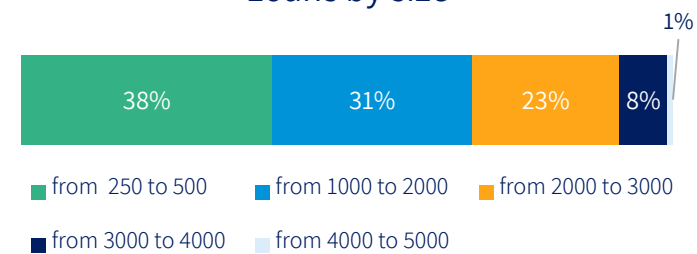
Portfolio size in millions of NIS



LTV- 24%



Loans by size



HAREL

\* Including reversed mortgages only.

TheMarker

TheMarker | שוק ההון

## משכנתא הפוכה: מי יכול לקחת - והאם זה משתלם?



מיכאל רוקוורגר  
התראות במייל  
06 באוקטובר 2021

הבנק הבינלאומי והראל חתמו על הסכם שיתוף פעולה ביניהם – ויציעו משכנתא הפוכה ללקוחות מבוגרים ■ כיצד נולד הצורך במשכנתא הפוכה, מהי הריבית הנגבית, איך מתבצע סילוק ההלוואה – ומה השוני בין המשכנתא הפוכה המשוקת בידי חברות הביטוח לזו של הבנקים?

**גלובס**

## "בתוך כמה שנים משכנתא הפוכה תהפוך למוצר צריכה כופולרי"

משכנתא הפוכה, שכשמה כן היא: מאפשרת קבלת הלוואה במומון בתמורה לשעבוד בית המגורים של הלווה • "מדובר בפתרון פיננסי לבני הגיל השלישי שחווים צורך כלכלי ומחזיקים בנכס משלהם", אומר קובי קלמן, מנכ"ל משכנתא הראל +60, מי שאחראי על התחום בקבוצת הראל ביטוח ופיננסים • הוא אף מסביר איך מתנהל התהליך, השקיפות שעליה מקפידים במסגרתו וכיצד מוודאים כי המוצר אכן מתאים ללווה הפוטנציאלי



יובל ניסני 07.06.2021

## הראל מרחיבה את פעילות האשראי ומשיקה פיילוט למתן משכנתאות

אחרי הכניסה לתחום המשכנתאות, עם מחזורים של מאות מיליוני שקלים במודל של "משכנתא הפוכה", כעת מתחילה חברת הביטוח הראל לשווק משכנתאות רגילות

וואלה! כסף / 31/08/2022

**כלכליסט**

24/7 באזור שוק כלכליסט

## הראל נכנסת למגרש של הבנקים ותציע משכנתאות

חברת הביטוח משיקה פיילוט שבמסגרתו תעניק משכנתאות רגילות באמצעות החברה-הבת הראל +60. זו מתמחה במשכנתאות הפוכות, וכבר העמידה הלוואות בכחצי מיליארד שקל. כמו יתר חברות הביטוח, הראל שואפת להקטין את התלות בשוק ההון

אלמוג עזר 06:00, 05.09.22





**The good** and  
the persistent  
**Win.**

