



Harel Insurance Investments and Financial Services Ltd. has published its financial statements for the first nine months and third quarter of 2022:

**Premiums grew by 15% to NIS 9.4 billion in Q3 2022; there was a loss of NIS 249 million in the quarter**

**The economic solvency ratio of Harel Insurance in the first half of 2022 rose by 16% to 132% at June 30, 2022; the capital surplus is NIS 3.4 billion**

Key data in the report:

- **Premiums earned, gross, benefit contributions and amounts received for investment contracts amounted to NIS 28.2 billion in the first nine months of 2022, a 21% increase over the corresponding period last year**
- **The higher interest rates reduced the insurance liabilities by NIS 1.4 billion**
- **At September 30, 2022, Harel's equity was NIS 8.2 billion, after a dividend distribution and repurchase of shares in the amount of NIS 355 million**
- **The capital surplus of Harel Insurance as at June 30, 2022, before the transitional provisions (in terms of 100% SCR), is NIS 3.4 billion. The economic solvency ratio of Harel Insurance (before the transitional provisions) at June 30, 2022, increased by 16% to 132%**
- **The Group's AUM at September 30, 2022 was NIS 354 billion. Immediately prior to publication of the financial statements, AUM increased to NIS 366 billion.**

Harel Insurance Investments and Financial Services Ltd. has published its financial statements for the first nine months and third quarter of 2022:

The comprehensive loss in Q3 2022 was NIS 249 million, as against comprehensive profit of NIS 380 million in the corresponding quarter in 2021. Comprehensive loss in the first nine months of 2022 was NIS 359 million, as against comprehensive profit of NIS 940 million in the corresponding period last year. The Company's results were significantly affected by negative yields in the capital market and by a deterioration of underwriting in

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the motor property (CASCO) line of business and in the medications and ambulatory coverages in the health sector. In contrast, rising interest rates reduced the insurance liabilities.

**Total earned premiums, gross, benefit contributions and amounts received for investment contracts in the first nine months of 2022**, increased by 21% to NIS.28.2 billion, compared with NIS 23.3 billion in the corresponding period last year.

**Gross earned premiums, benefit contributions and amounts received for investment contracts**, increased by 15% to NIS 9.4 billion in Q3 2022, compared with NIS 8.2 billion in the corresponding quarter in 2021.

**At September 30, 2022, equity attributed to the Company's shareholders** was NIS 8.2 billion, this after a dividend distribution and repurchase of shares in the amount of NIS 355 million.

**The Group's AUM at September 30, 2022** was NIS 354 billion. Immediately prior to publication of the financial statements, AUM increased to NIS 366 billion.

**Michel Siboni, Chairman of Harel Insurance and CEO of Harel Group** noted that: "The third quarter was characterized by a loss mainly due to the capital market yields, however at the same time, we managed to significantly increase premiums by 15% in the third quarter and by 21% in the first nine months of the year. Additionally, we recorded a 16% increase in the economic solvency ratio of Harel Insurance in the first half of 2022, reaching 132% at June 30, 2022. These figures attest to the Group's strength and our potential for growth in generating economic profits to be distributed as a dividend by Harel Insurance".

**Nir Cohen, CEO of Harel Insurance**, commented: "Harel continues to demonstrate growth in all areas of activity, while at the same time continuing to assimilate new technologies that will allow for improvement in all operating systems in forthcoming years".

### Allocation by segment:

#### Health insurance

**Comprehensive profit before tax in the health insurance segment** was NIS 368 million in the first nine months of 2022, compared with NIS 291 million in the corresponding period last year.

**There was a comprehensive loss before tax** of NIS 23 million in the health insurance segment in Q3 2022, as against comprehensive profit before tax of NIS 304 million in the corresponding quarter in 2021.

The loss in Q3 2022 is mainly attributable to yields in the capital market that were lower than in the corresponding quarter in 2021.

#### Long-term savings

**There was a comprehensive loss before tax in long-term savings activity (life assurance, pensions, provident and education funds)** of NIS 684 million in the first nine months of 2022, compared with comprehensive profit before tax of NIS 542 million in the corresponding period last year.

**Comprehensive loss before tax in long-term savings activity (life assurance, pensions, provident and education funds)** was NIS 238 million in Q3 2022, as against comprehensive profit before tax of NIS 138 million in the corresponding quarter in 2021.

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#### Pension funds

**Comprehensive profit before tax from pension fund management** was NIS 45 million **in the first nine months of 2022**, as against NIS 63 million before tax in the corresponding period last year.

**Comprehensive profit before tax from pension fund management** was NIS 14 million in **Q3 2022**, as against NIS 26 million in the corresponding quarter in 2021.

**AUM in the Group's pension funds** increased by 24% to NIS 123 billion **at September 30, 2022**, compared with NIS 99 billion at the same date in 2021.

#### Provident funds and education funds

**Comprehensive profit before tax** from provident funds and education funds was NIS 32 million **in the first nine months of 2022**, as against NIS 48 million in the corresponding period last year.

**Comprehensive profit before tax** in provident funds and education funds was NIS 12 million in **Q3 2022**, as against NIS 14 million in the corresponding quarter in 2021.

**AUM in the Group's provident funds and education funds** increased by 17% to NIS 54 billion at September 30, 2022, compared with NIS 46 billion at the same date in 2021.

#### Life assurance

**There was a comprehensive loss before tax in** life assurance of NIS 761 million in the **first nine months of 2022**, as against comprehensive profit before tax of NIS 431 million in the corresponding period last year.

**Comprehensive loss before tax in life assurance** was NIS 264 million in **Q3 2022**, as against comprehensive profit of NIS 98 million in the corresponding quarter in 2021.

#### Non-life insurance

**Comprehensive profit before tax in life assurance** was NIS 34 million in the **first nine months of 2022**, as against NIS 106 million in the corresponding period last year.

**There was a comprehensive loss before tax in** life assurance of NIS 3 million in **Q3 2022**, as against comprehensive profit of NIS 21 million in the corresponding quarter in 2021.

#### Harel Finance

**Comprehensive profit before tax in the capital market and financial services segment** was NIS 48 million in the **first nine months of 2022**, as against NIS 54 million in the corresponding period last year.

**Comprehensive profit before tax** in the capital market and financial services segment was NIS 18 million in **Q3 2022**, as against NIS 19 million in the corresponding quarter in 2021.

**AUM in the capital market and financial services segment, managed by Harel Finance Investment House**, was NIS 57 billion at **September 30, 2022**, compared with NIS 56 billion at the same date in 2021.

#### Equity

**At September 30, 2022, equity attributed to the Company's shareholders** was NIS 8.2 billion, this after a dividend distribution and repurchase of shares in the amount of NIS 355 million.

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Based on the transitional provisions, **the capital surplus of Harel Insurance at June 30, 2022**, is NIS 7.4 billion. In accordance with the directives, a report on economic solvency as at June 30, 2022, was published on November 29, 2022. At that date, the economic solvency was 180%, representing a 5% increase compared with the ratio of 175% at December 31, 2021.

**The capital surplus of Harel Insurance as at June 30, 2022**, before the transitional provisions (in terms of 100% SCR), is NIS 3.4 billion. The economic solvency ratio before the transitional provisions (in terms of 100% SCR) at June 30, 2022, increased by 16% to 132%, compared with 116% at December 31, 2021.

For additional information:

Lital Istamati: [litalis@harel-ins.co.il](mailto:litalis@harel-ins.co.il) mobile: 052-6682348

Dotan Peleg: [Dotanp@harel-ins.co.il](mailto:Dotanp@harel-ins.co.il) 052-6875505