



# Investor Presentation

Q1.2026

27.05.2026



# Agenda

Key messages

Results overview

Strategy

Appendix



# Key messages



**Profitability:** Q1.26 profit was NIS 562M, up 3.5% QoQ, driven by increase in profit in non-life, asset management, credit and investment gains, partially offset by decline in profit in life



## **Growth:**

1. Continue to generate substantial value from new business: Q1.26 new CSM reached NIS 516 M, 26% higher than the new CSM in Q1.25 and higher than the CSM release in Q1.26, which amounted to NIS 411 M. CSM balance continued to grow, reaching NIS 17.5 B as of as of March 31, 2026
2. Premiums and AUM: 18.2% growth in premiums and deposits\*, continuous growth in AUM, amounting to NIS 595 B as of March 31, 2026 and to NIS 630 B, close to publication date

# Largest insurance and finance group in Israel

## Comprehensive Income

To shareholders, NIS M

Q1.26

**562**

↑ 3.5% QoQ

## ROE

Q1.26

**18.5%**

22% Q1.25

## Shareholders' Equity

NIS B

31.3.26

**12.2**

10.4 31.3.25

Expected to join

**MSCI Israel**

Effective 29.5.2026

S&P Maalot

**A-/Stable**

**iAAA/Stable**

Harel Insurance

Midroog

**Aaa.il stable**

Harel Insurance

**Aa2.il stable**

Harel Investments

Maala CSR

**Platinum Plus**

Harel Investments

## Premiums and Deposits\*

NIS B

Q1.26

**12.6**

↑ 18.2% QoQ

## AUM

NIS B

31.3.26

**595**

↑ 2.2% vs 31.12.25

## Solvency Capital Ratio

Including transitional measures

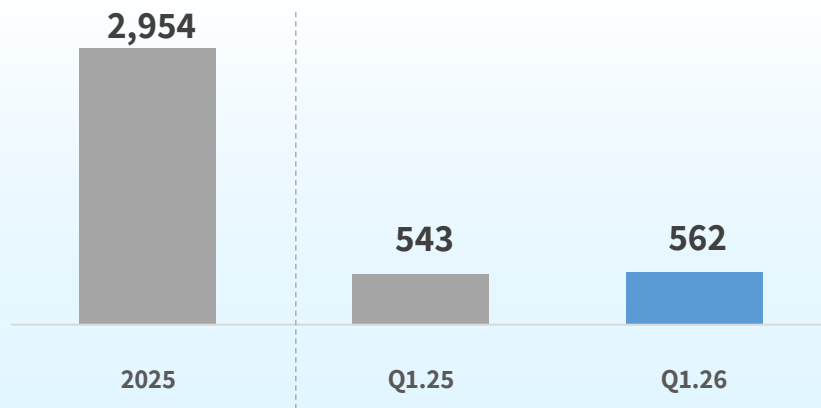
31.12.25

**165%**

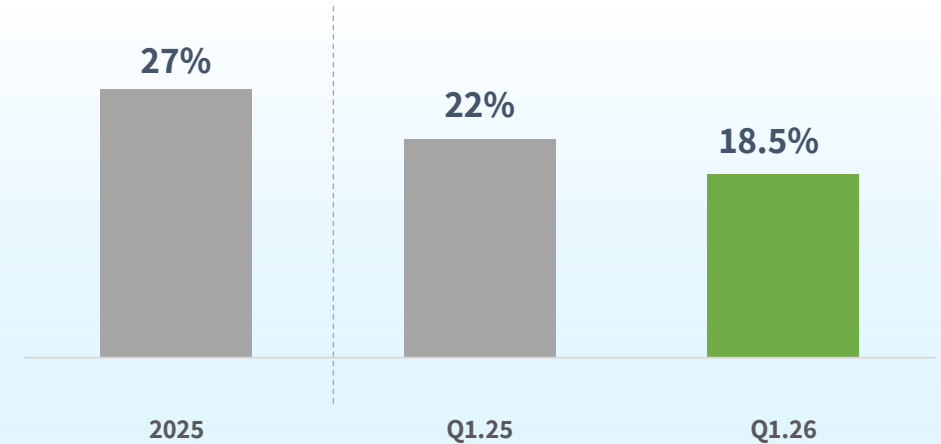
\*Gross premiums earned and contributions to pension funds and provident funds and amounts received for investments contracts

# Comprehensive income, core profits and ROE

Comprehensive income attributed to shareholders  
NIS M after tax



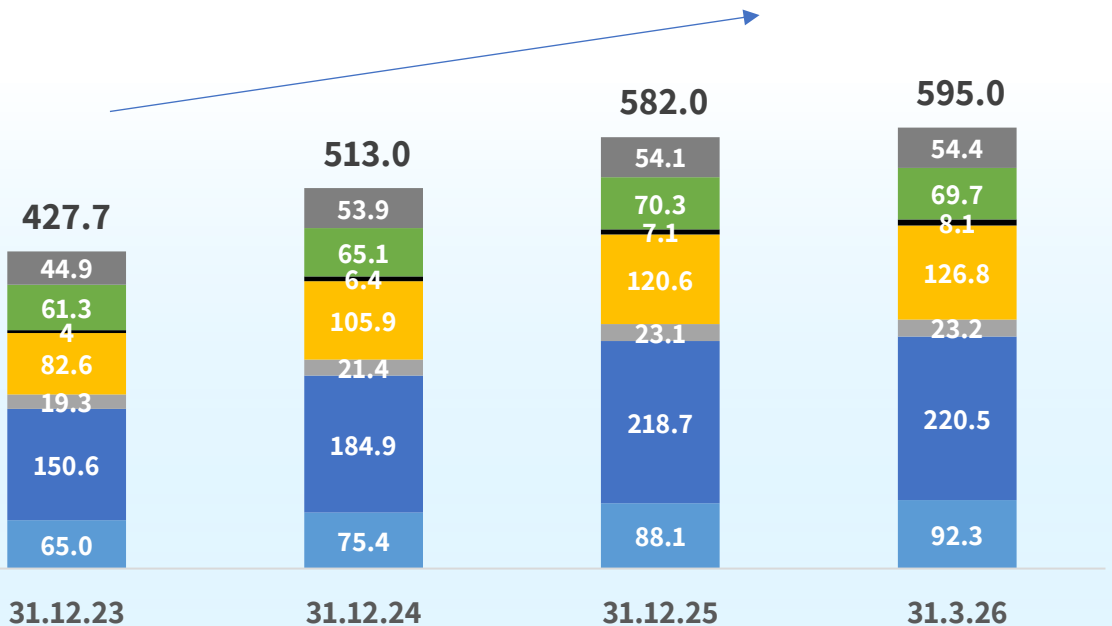
ROE



# Continuous growth in premiums and in AUM

AUM NIS B

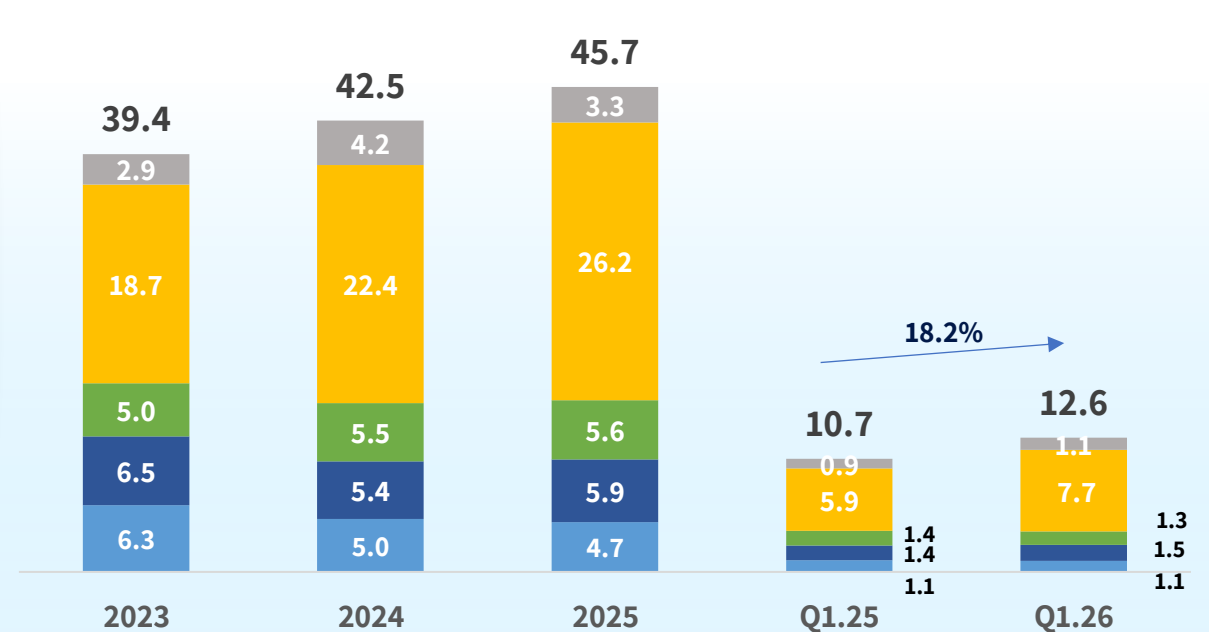
**CAGR 2020-2025: 14.9%**



- Nostro\*
- Credit
- Investment Contracts
- Provident
- Yield Dependent Insurance and Investment Contracts
- Financial
- Pension

Premiums and deposits\*\* NIS B

**CAGR 2020-2025: 8.8%**

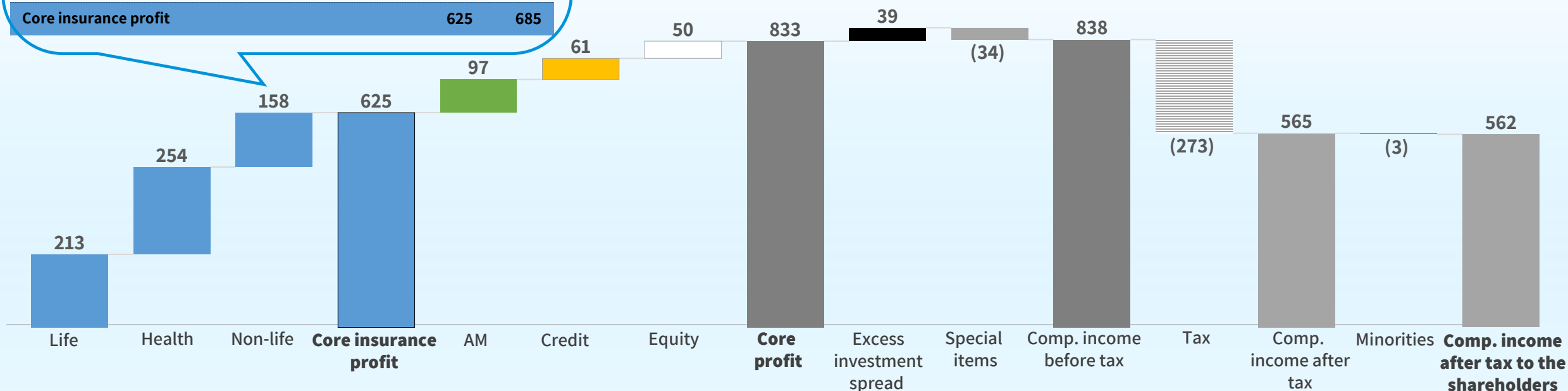


- Life Insurance
- Health Insurance
- Pension and Provident Contributions
- Non-life Insurance
- Investment Contracts

\*Nostro includes certificates of deposit issued by Harel Finance. Of this amount, the Nostro of Harel Insurance is NIS 39.2 B  
 Managed assets in customers' portfolios included under financial services, include financial assets issued by the Group and managed in portfolios  
 \*\*Gross premiums earned and contributions to pension funds and provident funds and amounts received for investment contracts

# Comprehensive income by business lines Q1.2026 NIS M

NIS M	Q1.26	Q1.25
CSM release	411	400
RA release	71	82
Other*	(119)	34
Reinsurance	26	(42)
Non-life, net	125	91
<b>Underwriting profit (insurance service result)</b>	<b>514**</b>	<b>565</b>
<b>Adjusted investments and finance income, net</b>	<b>154</b>	<b>164</b>
<b>Operating expenses</b>	<b>(43)</b>	<b>(44)</b>
<b>Core insurance profit</b>	<b>625</b>	<b>685</b>

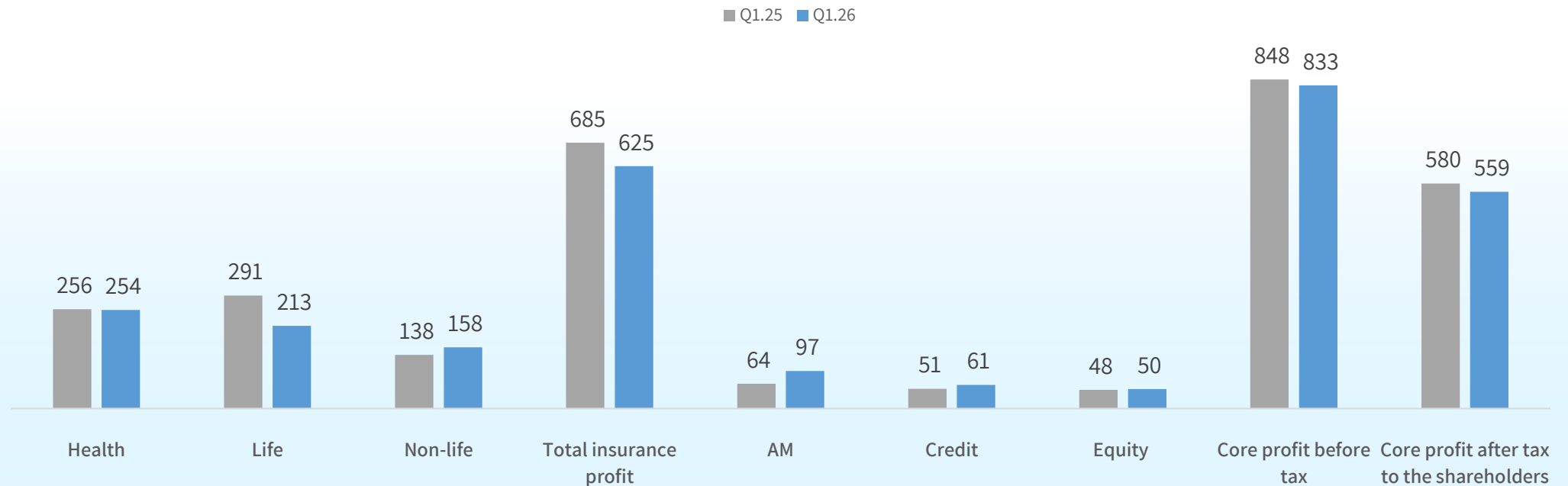


\*Other: Includes experience adjustments (A/E - actual vs expected) and changes in loss component (LC)

\*\*Underwriting profit in Q1.26 is calculated excluding the impact of Operation "Roaring Lion" on travel insurance, NIS 19 M which is included in special items

# Increase in non-life, AM and credit core profits in Q1.26

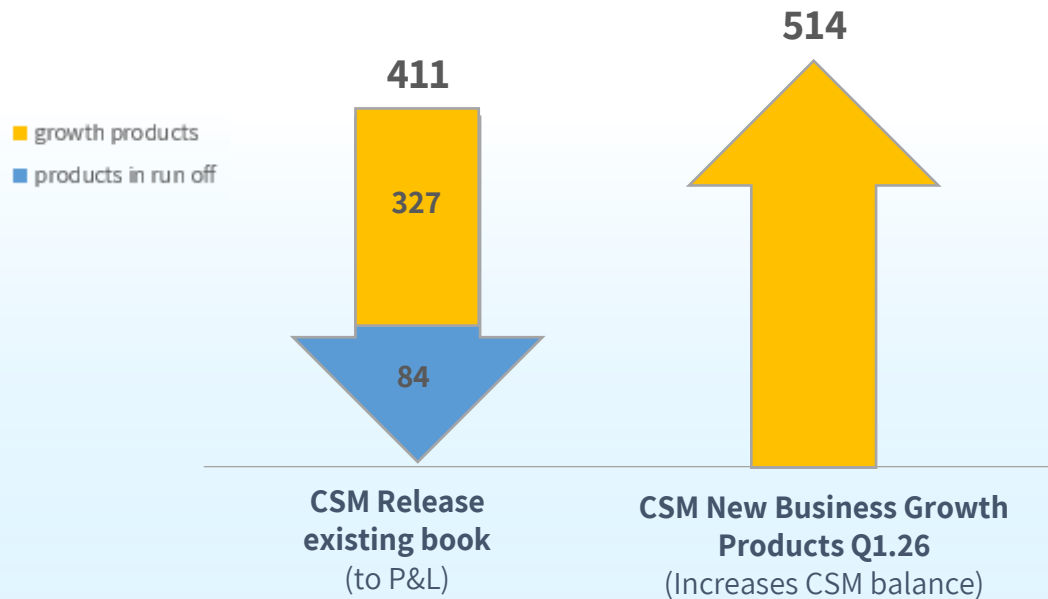
Core profit by business lines Q1.26 vs Q1.25 NIS M



NIS 45 M increase  
in AM, Credit and  
Equity

# Growth in new business in Q1.26 continues to fuel long term value creation

CSM new business in Q1.26 is higher than the CSM release NIS M



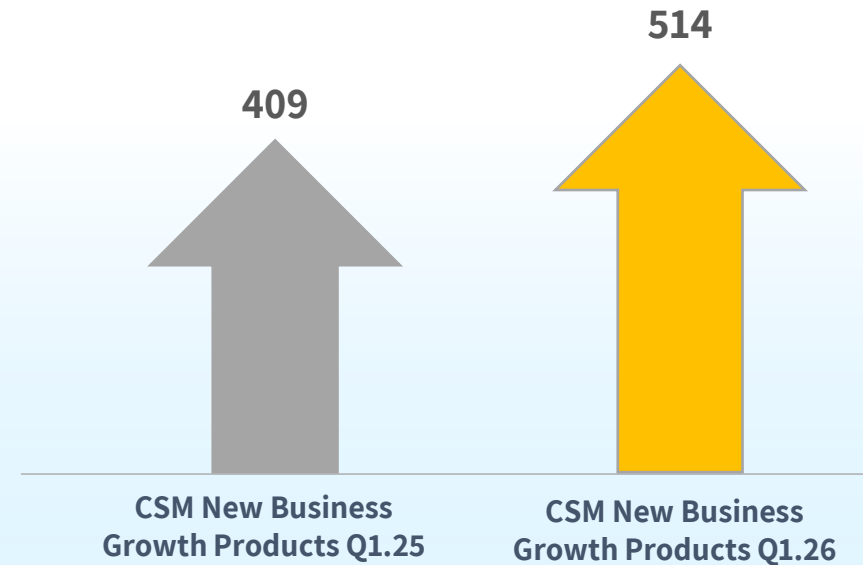
CSM new business to CSM release – growth products

**157%**

CSM new business to CSM release

**125%**

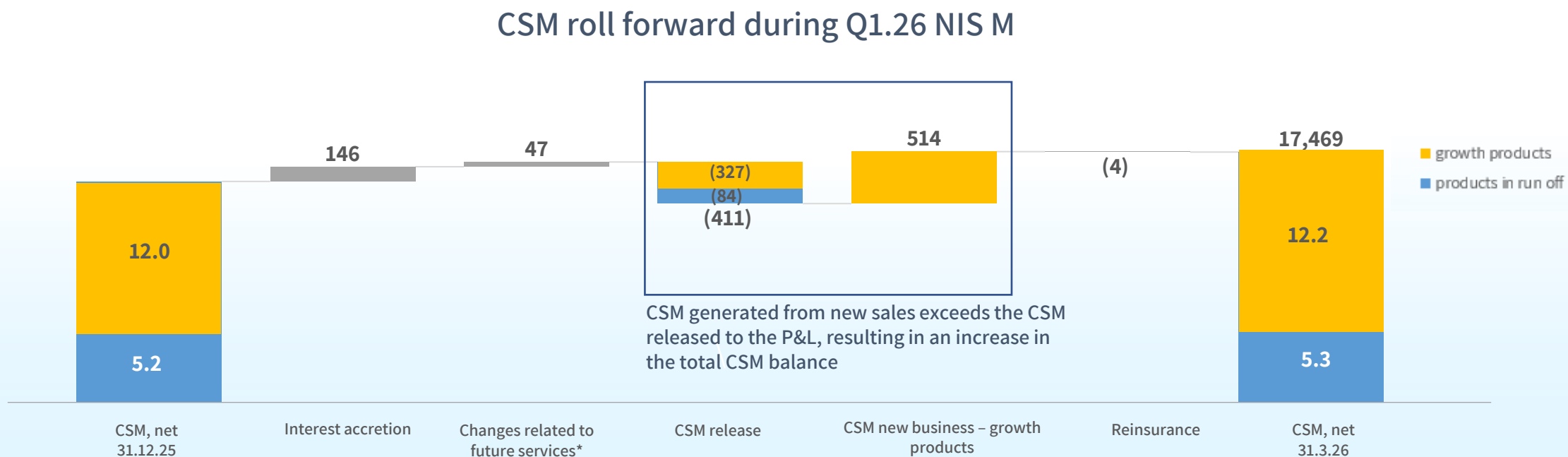
.. **and** higher than CSM new business in Q1.25 NIS M



CSM new business growth rate

**26%**

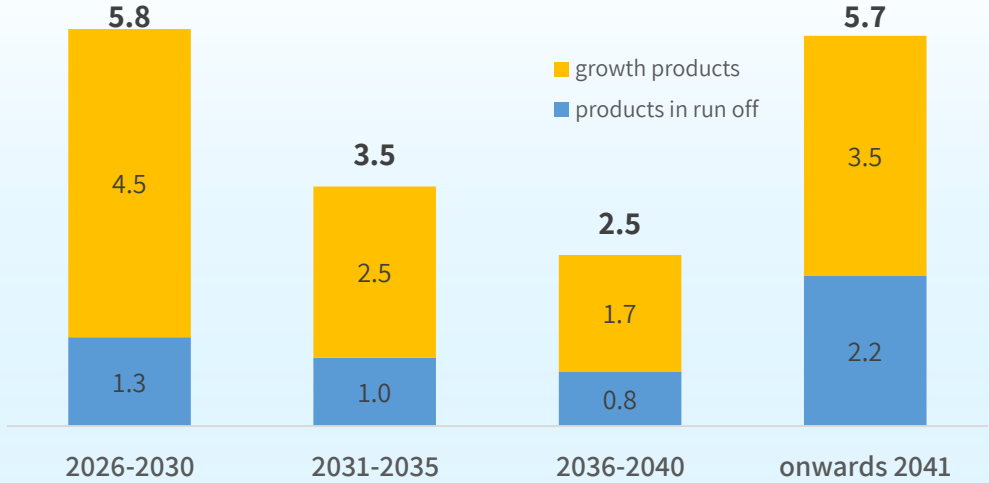
# Increase in net CSM balance, thanks to increase in sales of growth products in life and health



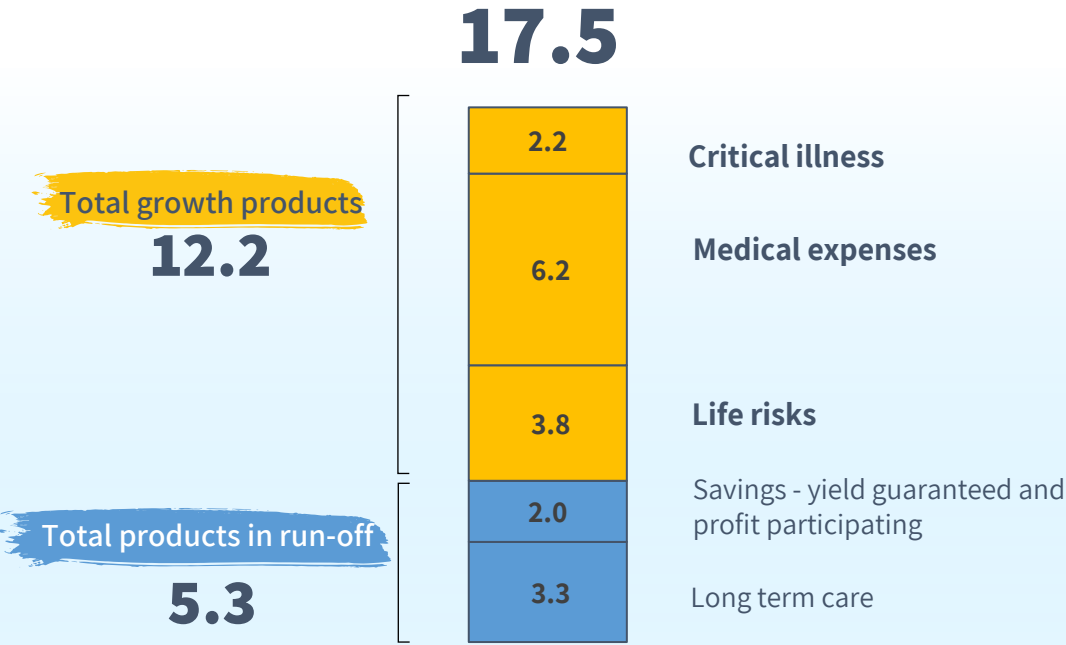
<p>CSM new business to CSM release</p> <p><b>125%</b></p>	<p>CSM new business to CSM release – growth products</p> <p><b>157%</b></p>
-----------------------------------------------------------	-----------------------------------------------------------------------------

# Growth products comprise most of the CSM balance, third of the CSM balance to be released to profit in 5 years

About 33% of the CSM balance is expected to be released to profit in the next 5 years NIS B



Net CSM from growth products summed to NIS 12.2 B  
 CSM net of reinsurance from life and health insurance as of 31.3.26 NIS B



# Agenda

Key messages

**Results overview**

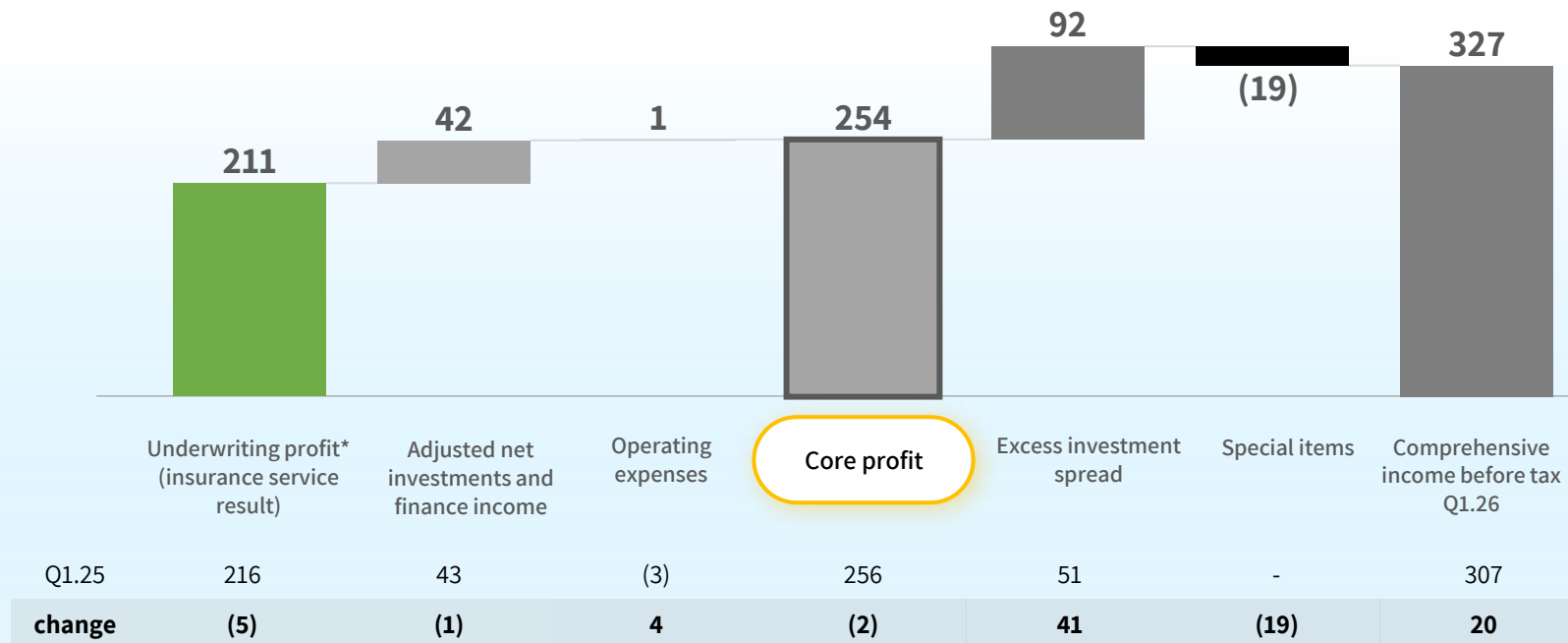
Strategy

Appendix



# Increase in comprehensive profit in Q1.26, positive impact of yield curve increase

Health and LTC: Comprehensive income Q1.26 NIS M before tax



\*Underwriting profit is presented excluding the impact of operation "Roaring Lion" in travel insurance, which is included in special items

# Lower travel insurance activity impacted the decline in underwriting profit

**Medical expenses:** Results in Q1.26 were positively impacted by continued activity growth, leading to higher CSM release. In addition, group medical expenses results were impacted, among others, by premium growth following adjustments and renewals

**Health short term:** results were mostly affected by lower activity in travel insurance resulting from operation “Roaring Lion”, with a total impact of about NIS 19 M

**Group long-term care:** Underwriting results in Q1.26 were impacted by a decrease in CSM release related to a group long-term care insurance contract with Clalit Health Services members, which ended on December 31, 2023. This contract has been in run-off since January 1, 2024, and is expected to be fully exhausted by the end of 2028

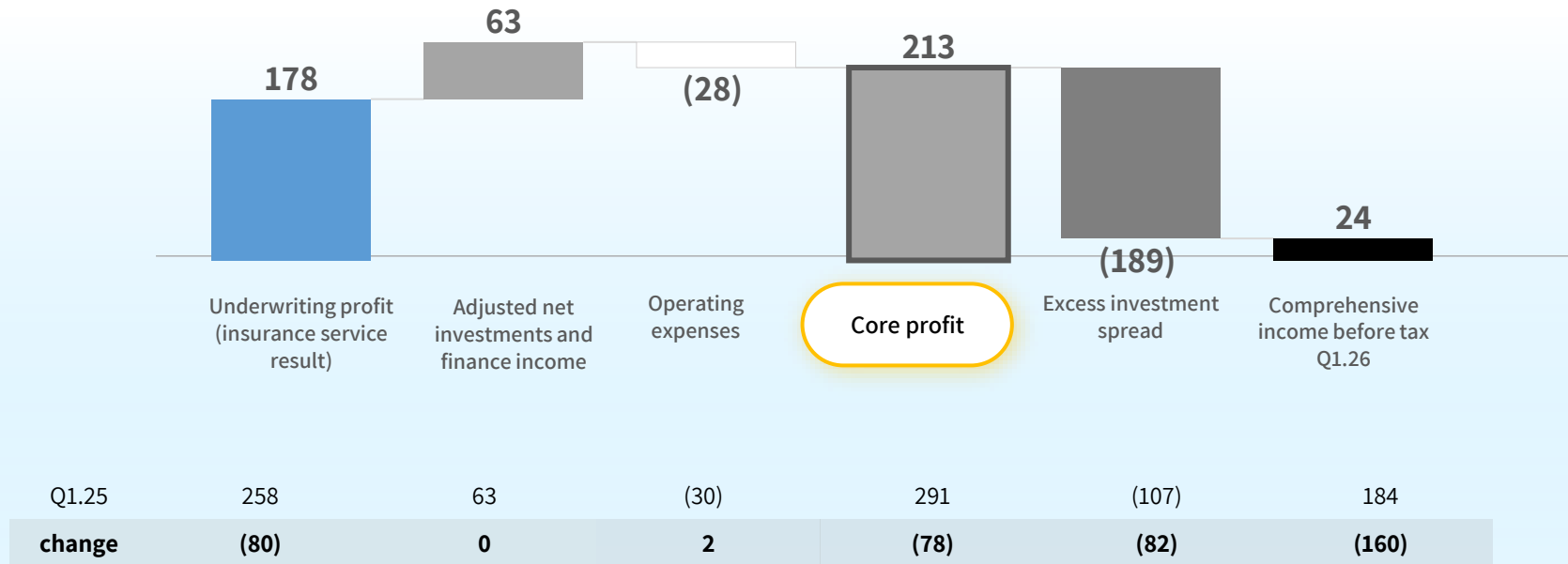
Health and LTC: Breakdown of underwriting profit NIS M



\*The underwriting profit includes the impact of operation “Roaring Lion” in travel insurance

# Decline in Q1.26 comprehensive profit is driven by higher yield curve and lower underwriting profit

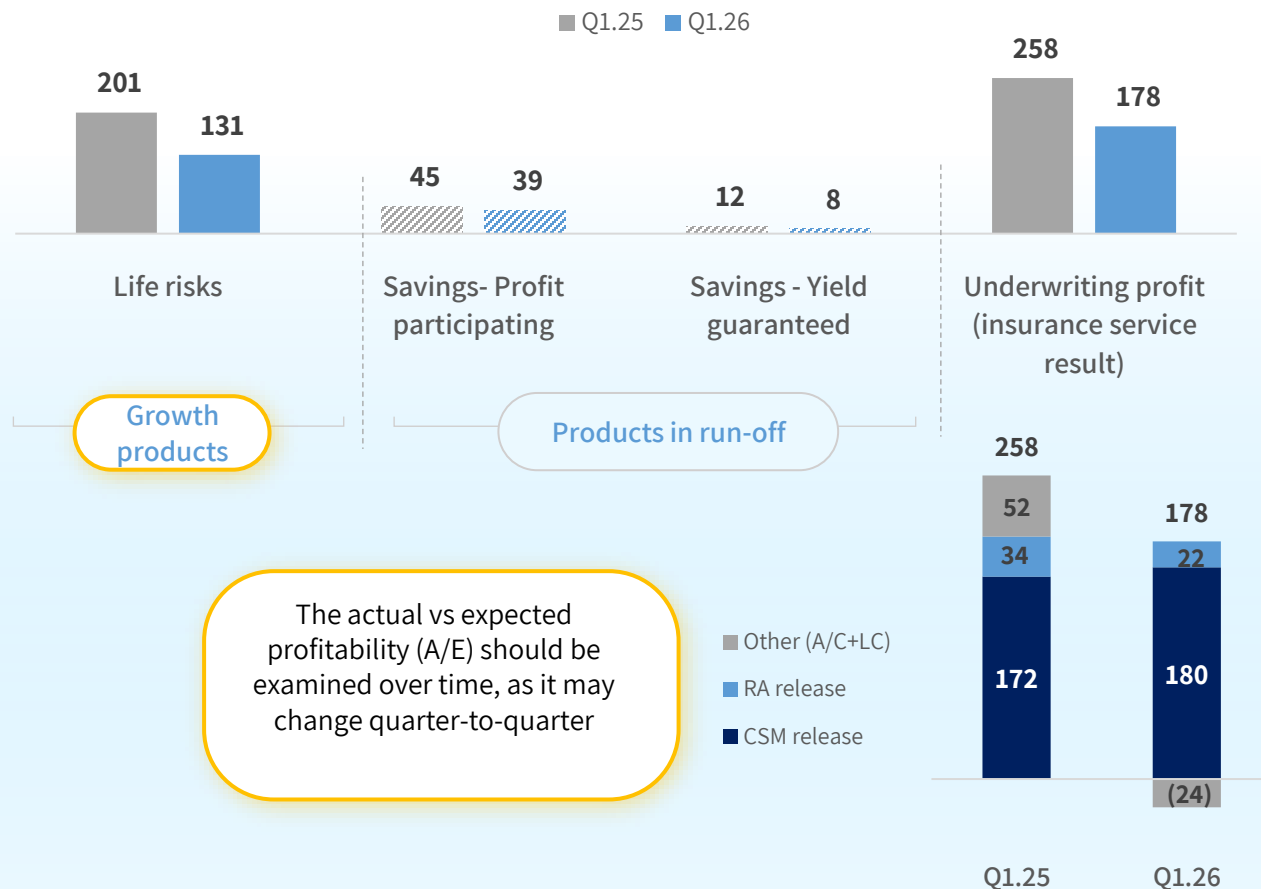
Life: Comprehensive income Q1.26 NIS M before tax



# Underwriting profit decline due to a statistical increase in life risk claims

- Underwriting results in Q1.26 were positively impacted by continued growth in life risk products, leading to higher CSM release
- In addition, underwriting results in the reporting period were affected by missing profitability versus experience (A/E) in risk of death coverage, due to a statistical increase in claims driven by several exceptional claims
- In Q1.25, underwriting results were positively impacted by underwriting improvement versus experience (A/E) in working disability coverage

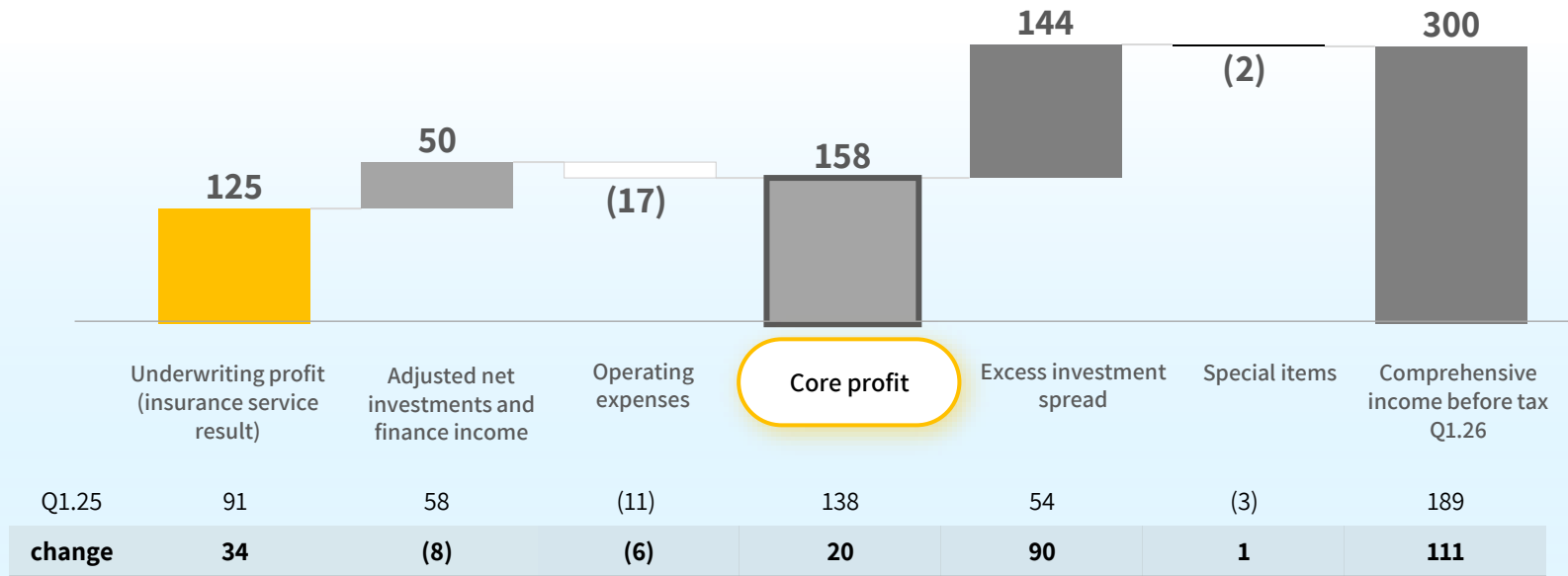
Life: Breakdown of underwriting profit NIS M



The actual vs expected profitability (A/E) should be examined over time, as it may change quarter-to-quarter

# Increase in underwriting and in comprehensive profit in Q1.26

Non-life: Comprehensive income Q1.26 NIS M before tax



	Q1.26	Q1.25	change
Property and liabilities	160	105	55
Motor property	58	41	17
Compulsory motor	87	42	45
Insurance overseas	(5)	1	(6)
<b>Total</b>	<b>300</b>	<b>189</b>	<b>111</b>

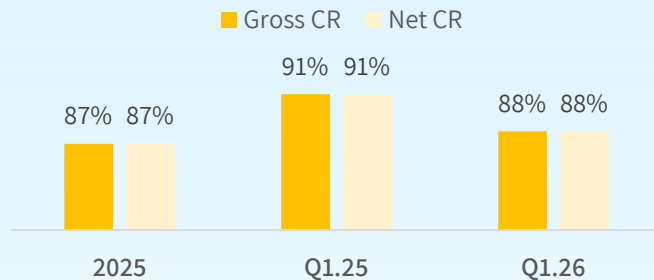
# Improvement in underwriting profit in non-life in Q1.26, mostly in motor

**Compulsory motor:** Results in Q1.26 were mostly impacted by a positive development in reinsurance in respect of prior years claims

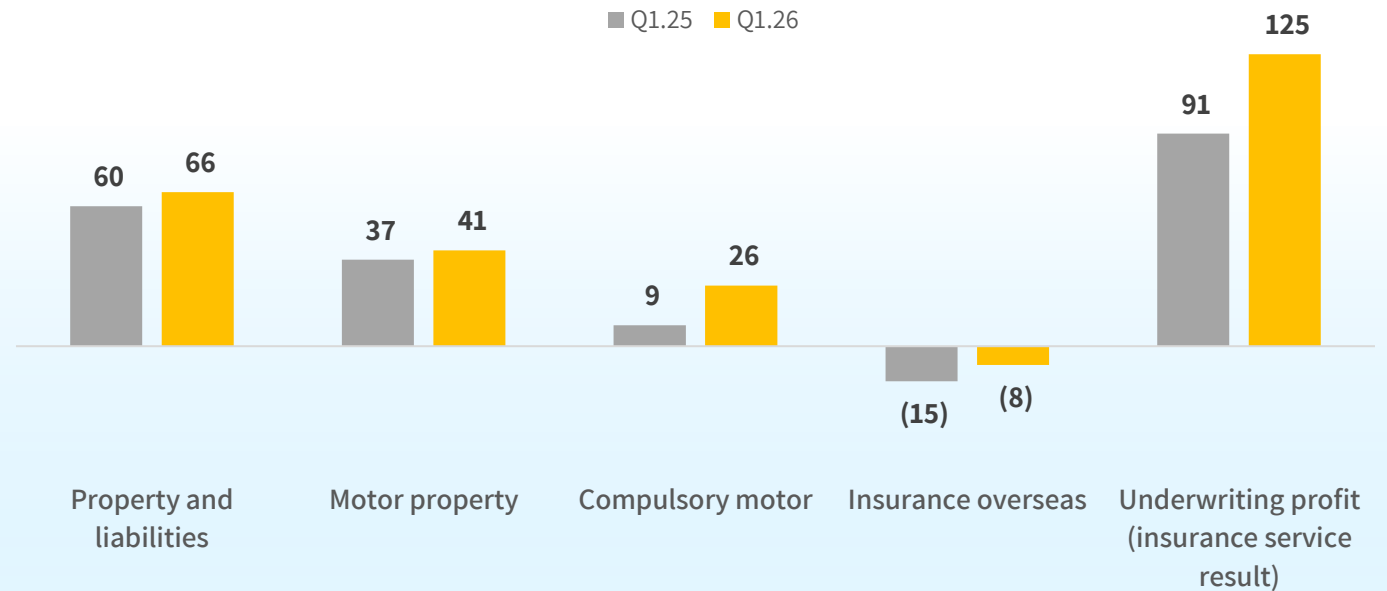
**Motor property:** Improvement in underwriting results thanks to lower claims amount and frequency, partly offset by increase in severity

### Combined Ratio Gross and Net in motor property

Reflects the ratio between insurance service expenses and insurance service revenues, gross and net of reinsurance-related income and expenses



### Non-life: Breakdown of underwriting profit NIS M



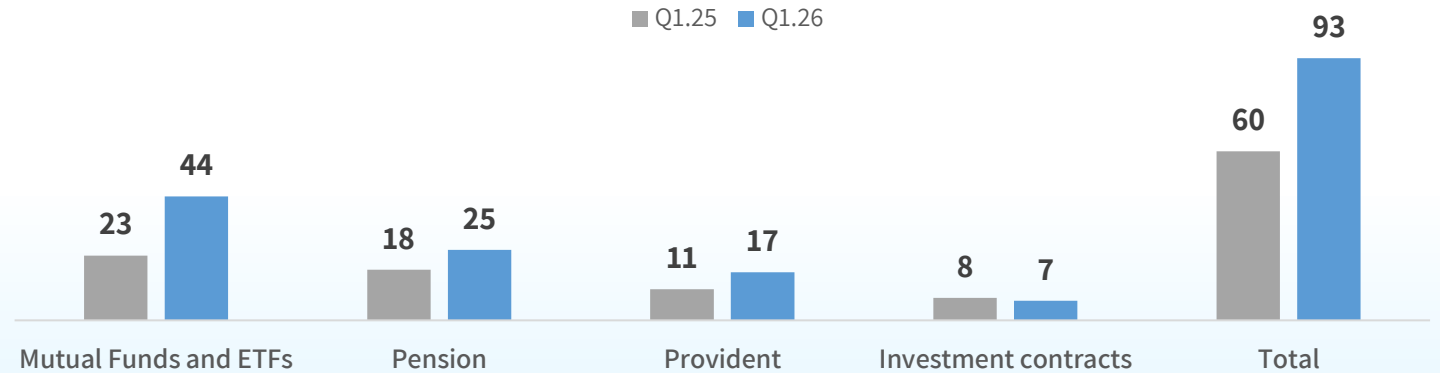
# AUM growth continues, increase in comprehensive profit

**Pension and provident:** Results were affected by an increase in management fees driven by AUM growth, partially offset by an increase in marketing and other acquisition costs

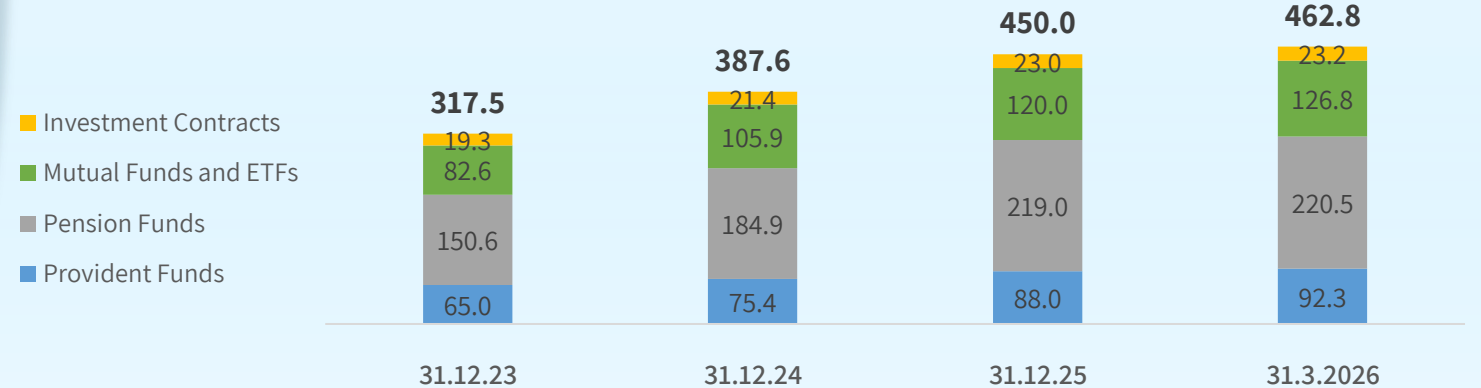
**Financial services by Harel Finance Investment House:**

**Increase in profit before tax** in light of the positive trend in the capital markets. Additionally, the results were affected by increased profitability in the mutual funds as a result of AUM growth

AM: Breakdown of comprehensive income NIS M before tax



AUM\* NIS B



\*Assets under management presented in this section include assets related to asset management segment only. For all assets managed by the group see slide 6

# Continue to scale the credit activity, focus on mortgages

Profitability in the quarter was affected by continuous growth in the credit portfolio in mortgages, development property financing and in credit to medium businesses

The profitability in mortgages was impacted by increase in G&A expenses, to support activity expansion

Additionally, Q1.26 and Q1.25 profit was affected by changes in the fair value of the financial assets in Harel 60+ and in development property finance and by amortization of excess cost in Gamla

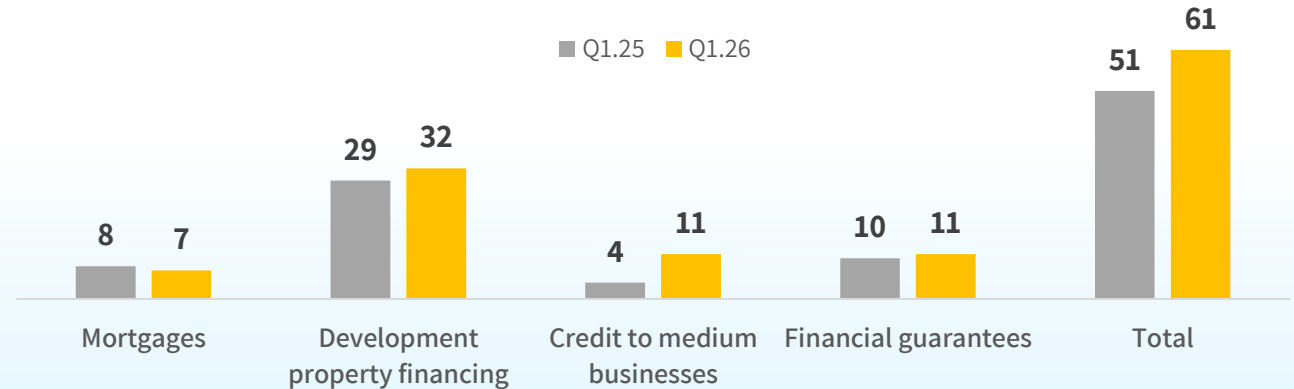
**After adjustment for the effect of changes in fair value, profit in the credit segment increased to NIS 61 M in Q1.26 compared with NIS 51 M in Q1.25**

**Total loans grew to NIS 8.1 B**

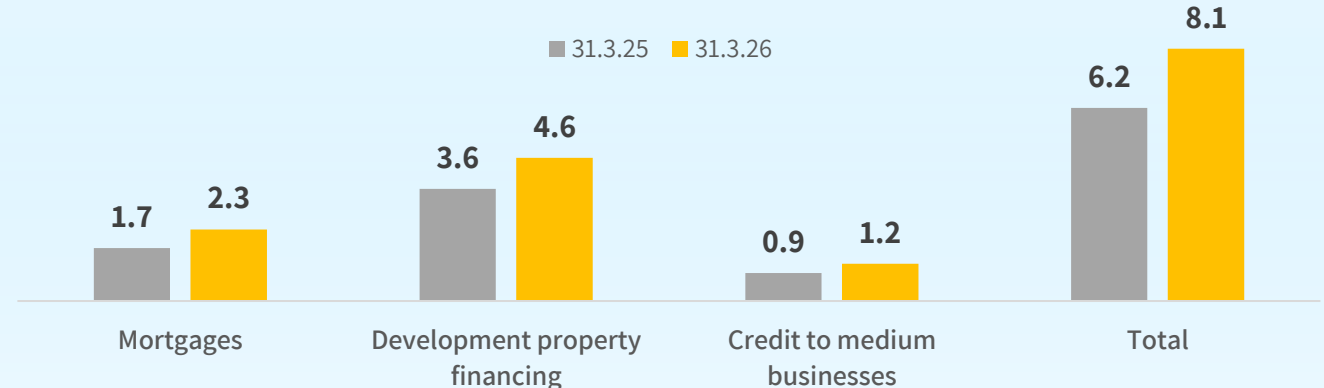
**The credit sector includes the following activities:**

1. **Mortgages:** Mortgages and reverse mortgages by Harel 60+
2. **Development property financing:** In Harel Insurance and by Gamla Harel
3. **Credit for medium businesses:** Hamazpen
4. **Financial guarantees:** Guarantees for mortgage portfolios, additional financial guarantees and EMI, which provides credit insurance for residential mortgages

Comprehensive income excluding the impact of changes in fair value NIS M before tax



Total loans NIS B



# Harel Investments: financial resilience

## Dividend Policy:

> **45%**

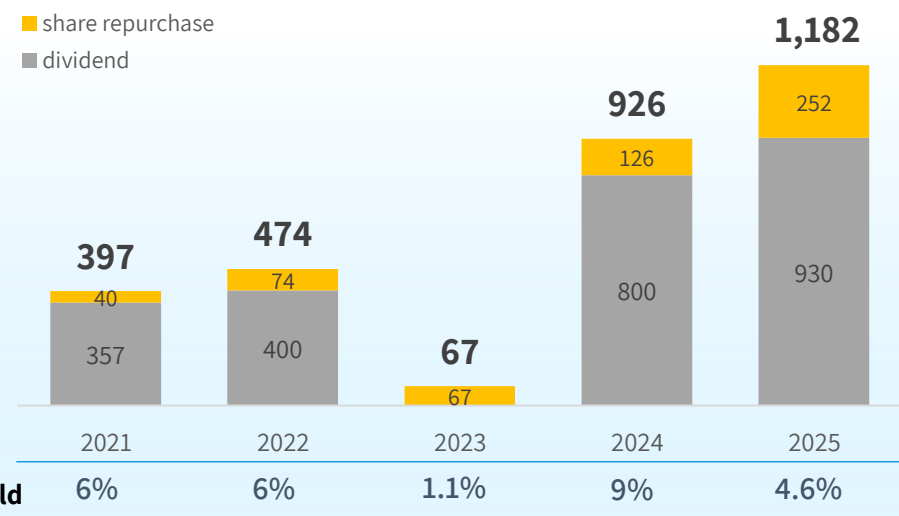
**Harel Insurance \***

> **40%**

**Harel Investments**

Harel Investments dividend policy: dividend payout at least 40%, distributed semi annually

## Dividend in Harel Investments including share repurchase NIS M

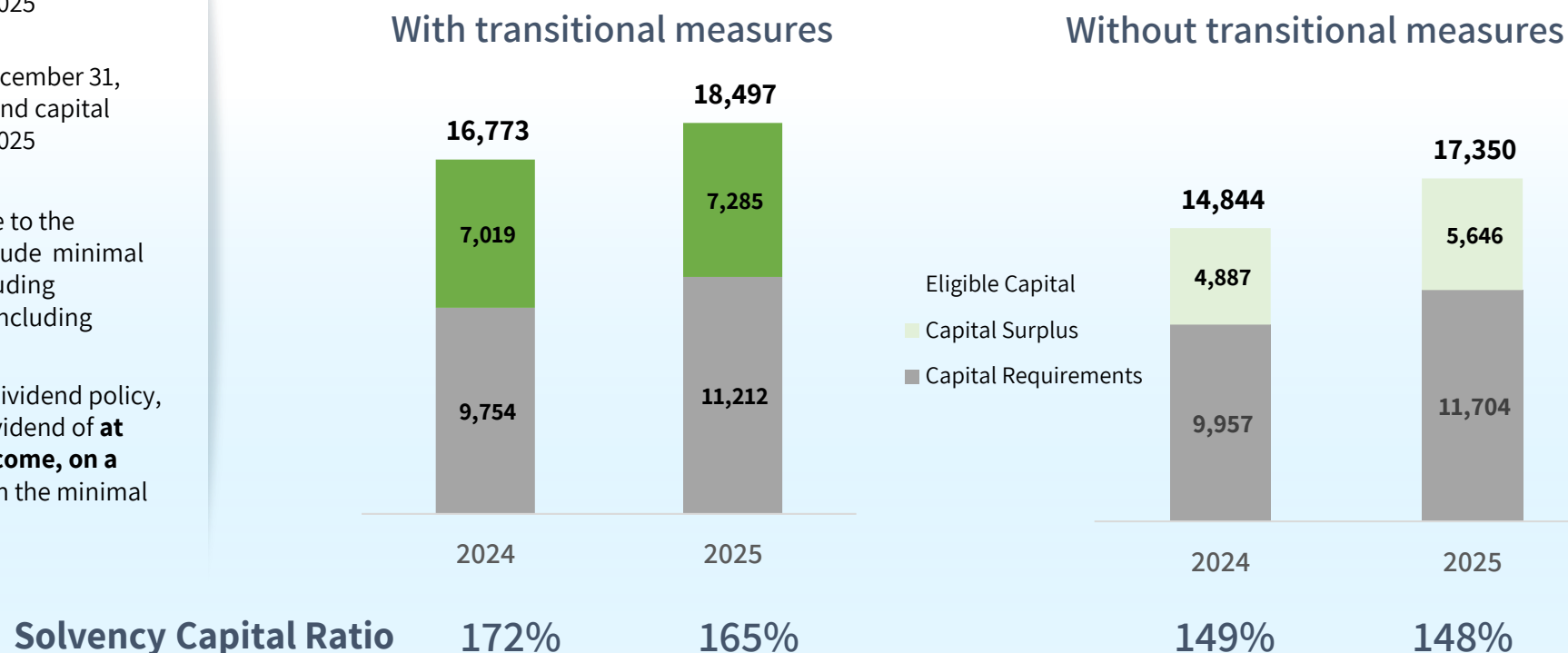


\*Dividend payout from annual comprehensive income based of Harel Insurance annual financial statements, subject to the Company's compliance with minimal target solvency ratio  
In March 2026, the minimum solvency ratio was updated to 118% from 115% excluding transitional measures. The minimum solvency ratio is 135% including transitional measures

# Harel Insurance: Solvency Capital Ratio is 165% as of 31.12.25

- Solvency Capital Ratio of Harel Insurance as of December 31, 2025 **without transitional measures was 148%**, and capital surplus was NIS 5.6 B, increase of NIS 0.7 B in 2025
- Solvency Capital Ratio of Harel Insurance at December 31, 2025 **with transitional measures was 165%**, and capital surplus was NIS 7.3 B, increase of NIS 0.3 B in 2025
- Harel Insurance Board has approved an update to the thresholds for dividend distribution, which include minimal target solvency ratio, **from 115% to 118%** excluding transitional measures. Minimal solvency ratio including transitional measures is **135%**
- In addition, the Board has approved updated dividend policy, under which, Harel Insurance will distribute dividend of **at least 45% from its annual comprehensive income, on a semi-annual basis**, subject to compliance with the minimal threshold for dividend distribution

## Solvency Capital Ratio at Harel Insurance



# Agenda

Key messages

Results overview

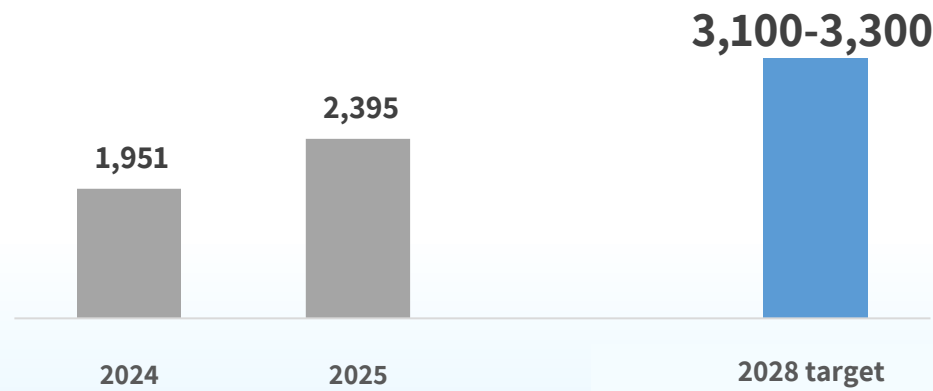
**Strategy**

Appendix

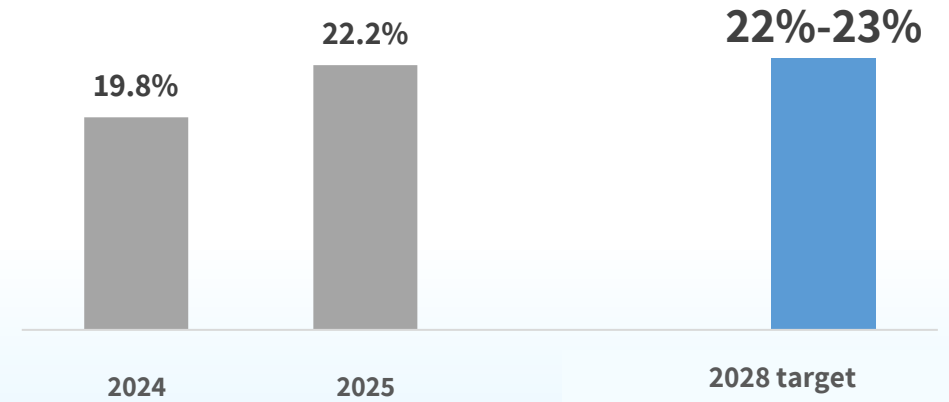


# Reminder: 2028 targets

### Core profit NIS M after tax

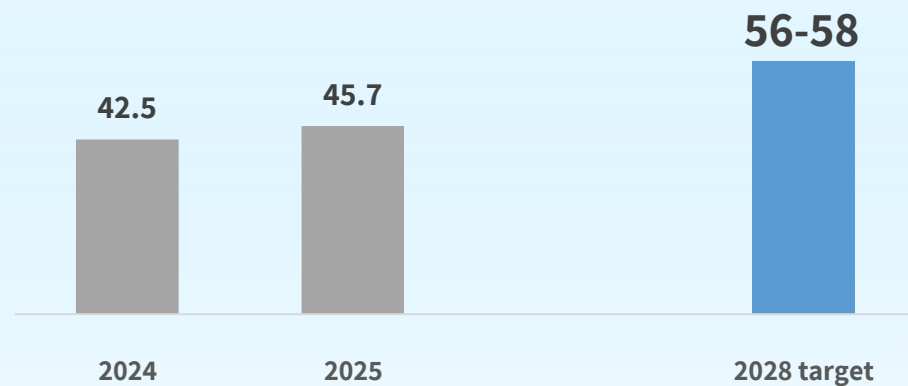


### Adjusted ROE



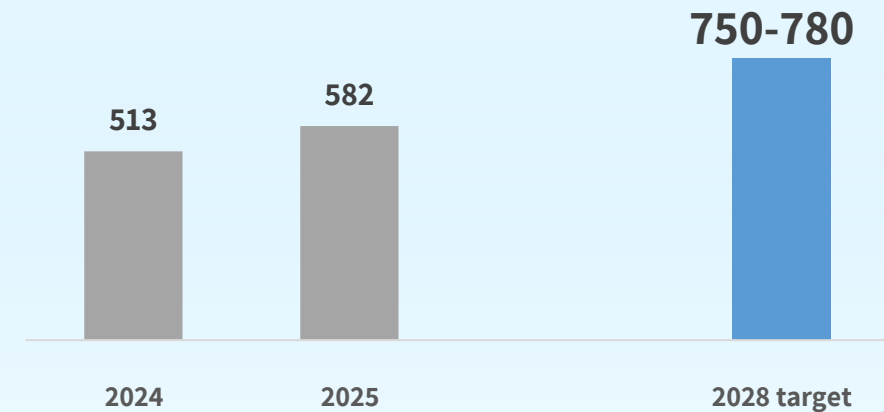
### Premiums and deposits NIS B

Gross premiums earned, contributions to pension and provident funds and amounts received for investment contracts



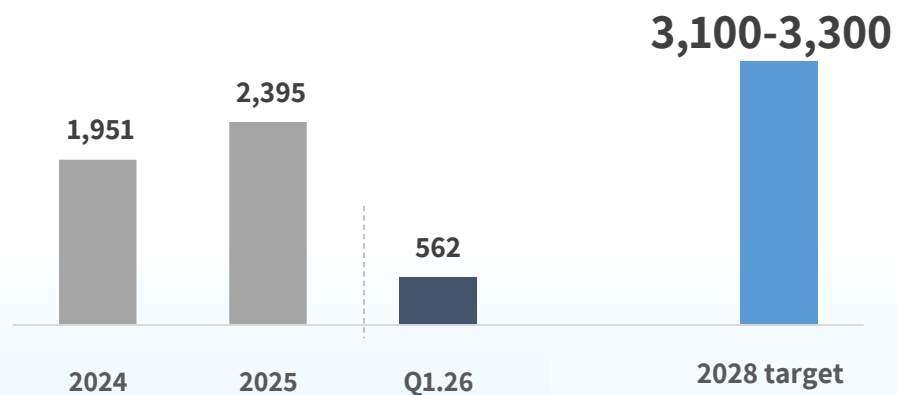
### AUM NIS B

Pension, provident, financial services, credit, nostro, investment contracts and yield dependent insurance and investment contracts assets

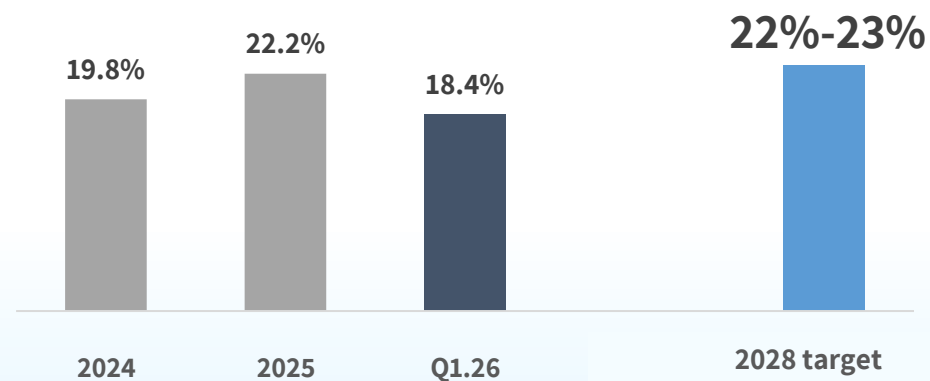


# Strategy implementation

Core profit NIS M after tax

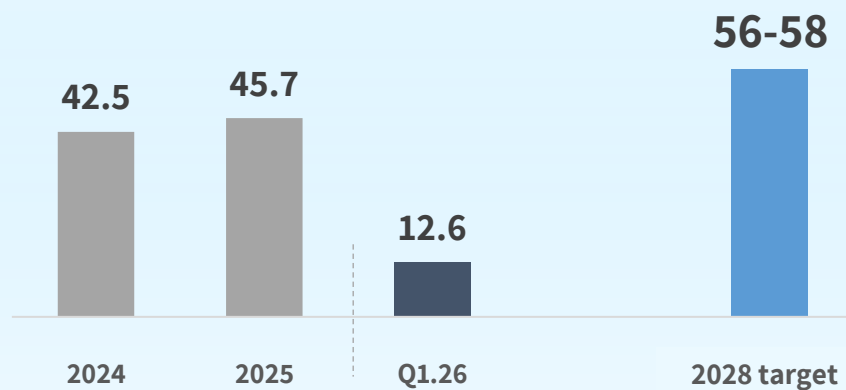


Adjusted ROE



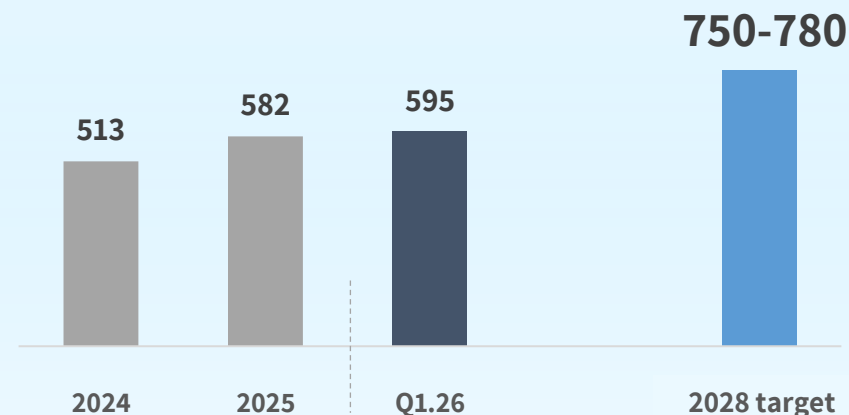
Premiums and deposits NIS B

Gross premiums earned, contributions to pension and provident funds and amounts received for investments contracts



AUM NIS B

Pension, provident, financial services, credit, nostro, investment contracts and yield dependent insurance and investment contracts assets



# Harel 2028



## Harel benefits from solid fundamentals of Israeli economy

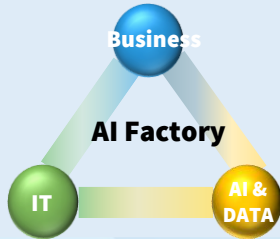
- Substantial activity across all insurance business lines, pension, provident, financial services and credit
- Focused on maintaining leading market positions in products with high potential for substantial profitable growth

Technology



## Smart growth

- Leading insurance brand, strong track record and high-quality workforce
- Extensive distribution channels with efficient sales platform
- Quality underwriting based on robust data



## Accelerating strategic delivery by AI implementation

- Accuracy and operational processes enhancement in claims and underwriting
- Increasing productivity in operations and service
- Leveraging service quality to sales

Driving smart growth in our most profitable insurance products by leveraging market leadership and continuing to grow profitability in asset management and credit — while maintaining financial strength and efficient capital management



# Thank You

For more information:

<https://pr.harel-group.co.il/>

# Agenda

Key messages

Results overview

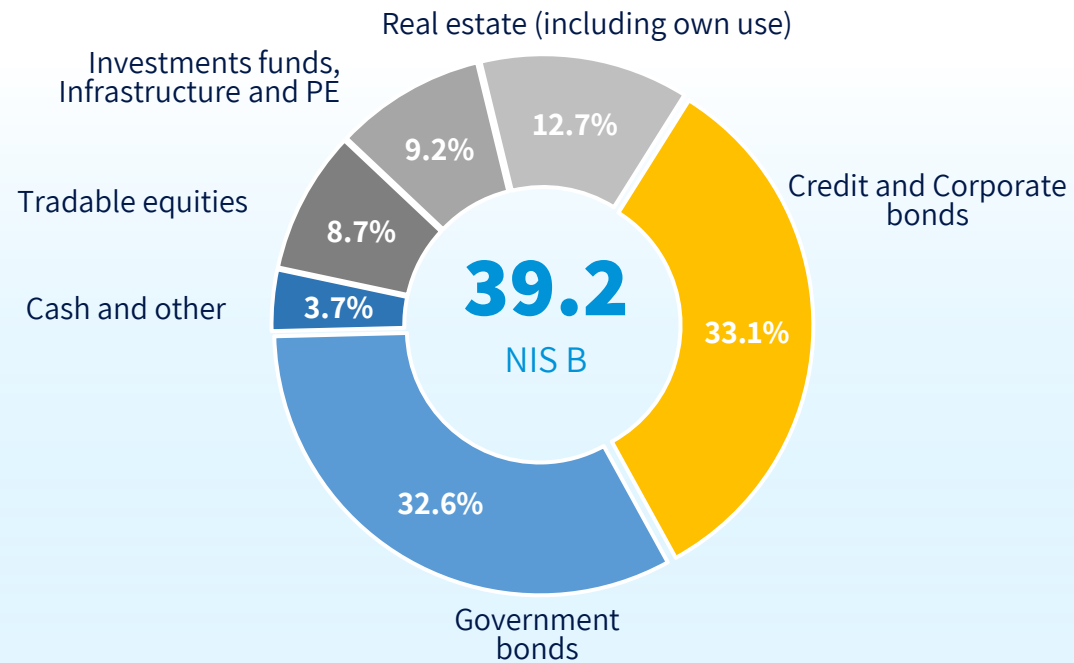
Strategy

**Appendix**

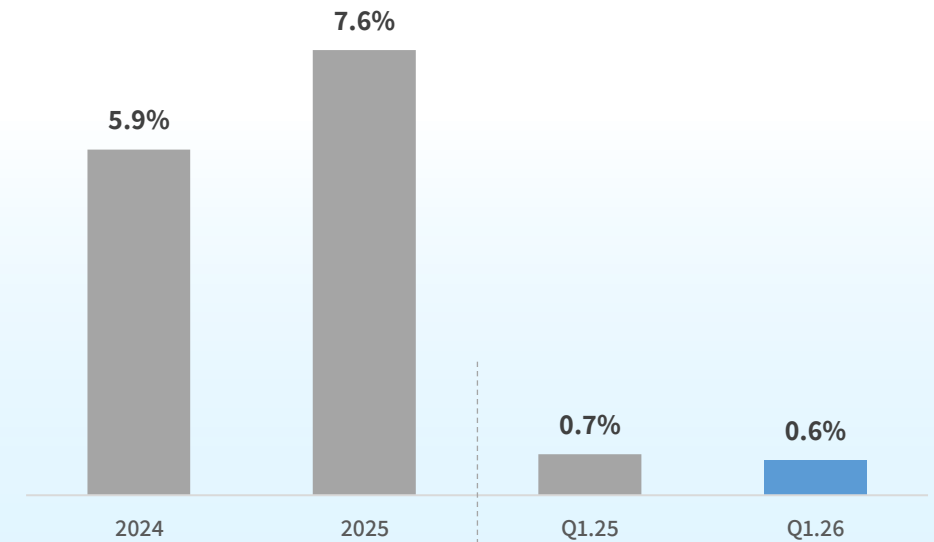


# Harel Insurance: Nostro portfolio breakdown and return

Breakdown of Nostro portfolio by asset classes (31.3.2026)



Nominal Nostro return



# A decrease in interest rate is expected to have a positive impact on the profit

Insurance contract groups under IFRS 17 include portfolios at asset position with positive Best Estimate (life risks, medical expenses, critical illness)\* and portfolios at liability position with negative Best Estimate (long-term care, profit participating and yield guaranteed life insurance)\*

- A decline in the interest rate curve increases the liability-position portfolios but also the portfolios in asset position
- Additionally, under IFRS 17, the decrease of the interest rate curve also leads to an increase in the value of financial assets, most of which are presented at fair value on the balance sheet

It means, that the positive impact of the increase in the fair value of financial assets and positive impact on insurance portfolios in asset position, is partially offset by negative impact of a decline of the interest rate curve on insurance portfolios in liability position

The change in sensitivity compared to 2024 is driven by extending assets duration and by the growth in insurance portfolios in asset position, resulting from sales

## Impact of interest rate curve on comprehensive income (loss)\* after tax NIS M

	IFRS17	
	As of 31.12.25	As of 31.12.24
<b>Impact of 1% increase</b>		
Comprehensive income (loss)	(628)	(400)
<b>Impact of 1% decrease</b>		
Comprehensive income (loss)	653	357

The estimate does not consider the impact of interest rate changes on equities and other equity-like assets, rather reflects solely the impact on debt assets

# Composition of financial debt – consolidated and solo NIS M

Financial Liabilities Harel Investments Consolidated	31.12.2025	31.3.2026
<b>Harel Investments Solo</b>	<b>1,067</b>	<b>1,058</b>
Harel Insurance Tier 2	5,162	5,163
Harel Insurance Tier 1	591	585
Credit Linked Notes	176	85
<b>Total Harel Insurance</b>	<b>5,929</b>	<b>5,833</b>
Credit Segment (Gamla and Hamazpen)	1,946	2,065
Pension, Provident and other	615	858
<b>Total subsidiaries</b>	<b>2,561</b>	<b>2,923</b>
Harel Finance traded deposit*	12,975	14,113
Bank debt Harel Finance Nostro	77	53
<b>Total debt Harel Finance</b>	<b>13,052</b>	<b>14,166</b>
<b>Total financial liabilities (BS)</b>	<b>22,609</b>	<b>23,980</b>
<b>Financial Liabilities at fair value (BS)</b>	<b>3,309</b>	<b>4,502</b>

Financial Liabilities Harel Investments Solo	31.12.2025	31.3.2026
<b>Financial liabilities</b>	<b>(1,067)</b>	<b>(1,058)</b>
Tradable debt assets	962	916
Non tradable debt assets	36	35
Equities	573	821
Other financial investments	492	452
Cash and cash equivalents	146	174
<b>Total cash and financial investments</b>	<b>2,209</b>	<b>2,398</b>
<b>Net financial debt (cash surplus)</b>	<b>1,142</b>	<b>1,340</b>

\*The bonds issued by a special purpose company (SPC) of Harel Finance, which is a wholly-owned subsidiary of the Company, are fully backed by parallel bank deposits (back-to-back) in Israeli banks with a local iIAAA rating assigned by S&P Maalot and Moody's Midroog

# Definitions

- **Core Profit Calculation Principles:** (a) The adjusted profit from investments and financing, net, is calculated based on the nominal risk-free interest rate at the beginning of the period, with the addition of a 2% spread, which reflects the composition of the Company's nostro investment portfolio (the spread is above the risk-free interest rate curve ("the yield curve"), plus an illiquidity premium, as applicable); and (b) excluding special items that are not part of the Company's ordinary course of business, together with unusual impacts resulting from the amortization of excess cost arising from business combinations, and unusual expenses incurred in connection with the implementation of the strategic plan ("special items")
- **Core Profit from Insurance Activities:** Presented in accordance with the principles described above
- **Asset Management:** Presented based on actual results, excluding special items
- **Credit:** Profit is presented based on the actual reported results of the activities included in the credit segment, excluding the impact of changes in excess fair value.
- **Equity:** Profit includes investment income from the capital activities and is calculated based on the nominal risk-free interest rate at the beginning of the period with the addition of a 2% spread (the spread is above the risk-free interest rate curve, plus an illiquidity premium, as applicable). Excluding special items as described above
- **Adjusted Investments and Finance Income, Net:** Calculated based on the nominal risk-free interest rate with the addition of a 2% spread (the spread is above the risk-free yield curve, plus an illiquidity premium, as applicable)
- **Excess Investment Spread:** The difference between the reported Investments and Finance income, net, and the adjusted Investments and Finance income, net
- **Adjusted Return on Equity:** Core profit for the period divided by the average adjusted equity for the period.
- **Growth products:** life risks, medical expenses and critical illness – products the Company continues to market, **Run-off products:** Savings products in life insurance (yield guaranteed and profit participating) , LTC – products the Company no longer markets
- **Strategic Plan assumptions:** Core profits are calculated based on a nominal risk-free interest rate at the beginning of the period, with the addition of a 2% spread above the risk-free interest rate curve, plus an illiquidity premium where applicable, and excluding any special items outside the company's ordinary course of business. The continued execution of the strategic plan focuses in particular on improvements and changes that may result from the implementation of AI-based technologies and capabilities, as well as revenues diversification with an emphasis on expanding credit and financial services activities. Premium growth is consistent with industry growth assuming that Harel's share is maintained. Increase in AUM reflects the past deposits development (continuous growth in pension and provident funds). Dividends are in accordance with policy. The assumed tax rate is 34.746%. Actual performance may differ from forecast, due to changes in capital market returns, macro data including growth and inflation, regulatory changes and other variables.

# Our Global Partners





## Legal disclaimer and forward looking statement

This presentation was prepared solely for the purpose of convenience and brevity and it contains partial information in relation to the Company's results in the periods specified therein. This presentation should not be construed as an offer to purchase the Company's securities or an invitation to accept such offers, and it is intended solely to provide information as part of the explanations provided about the Company. The presentation is not a recommendation or opinion to invest in the Company's securities. The presentation does not replace the need to peruse the reports published by the Company (including the Company's financial statements), that include complete information about the Company.

In any case of a contradiction between the information in the presentation and the detailed information in the Company's reports, the information in the Company's reports shall prevail.

This presentation contains forward-looking information, as this term is defined in the Securities Law, 1968. Among other things, this information may include forecasts, goals, evaluations and assessment relating to future events or matters (including growth factors typical of the Group's activity as well as developments in the economic environment and external factors affecting the Company's activity), the materialization of which is uncertain and is not within the Group's control. Such information is based on the subjective assessment of the Company's management at the date of this presentation and it is subject to the reservations and clarifications detailed therein.