

Press Release

March 26, 2026

Harel Investments Financial Statements | 2025 full year

Comprehensive income in 2025 grew by 82% to NIS 3 B and ROE was 27%

The increase in annual profit is attributable to an underwriting improvement of NIS 554 M in insurance business, together with higher profits on asset management and credit activity and due to increase in investments and finance income

Comprehensive income in 2025 exceeded the Company's profit targets for 2026 thanks to the ongoing improvement of results

Comprehensive income in Q4 2025 grew by 161% to NIS 782 M and ROE was 26%

The accumulated profit balance (CSM) increased by NIS 800 M in 2025 to NIS 17.2 B thanks to the business focus on growth products¹

The Company has updated the targets of its strategic plan for 2028: core profits after tax of NIS 3.1-3.3 B – NIS 700-900 M higher than core profits in 2025; ROE target of 22%-23%

The Company's Board of Directors approved an update to its dividend policy according to which the dividend distribution rate will increase to at least 40% on a semi-annual basis. The Board also approved the distribution of a cash dividend of NIS 530 M

¹ Life insurance risk products, medical expenses, and critical illness products.

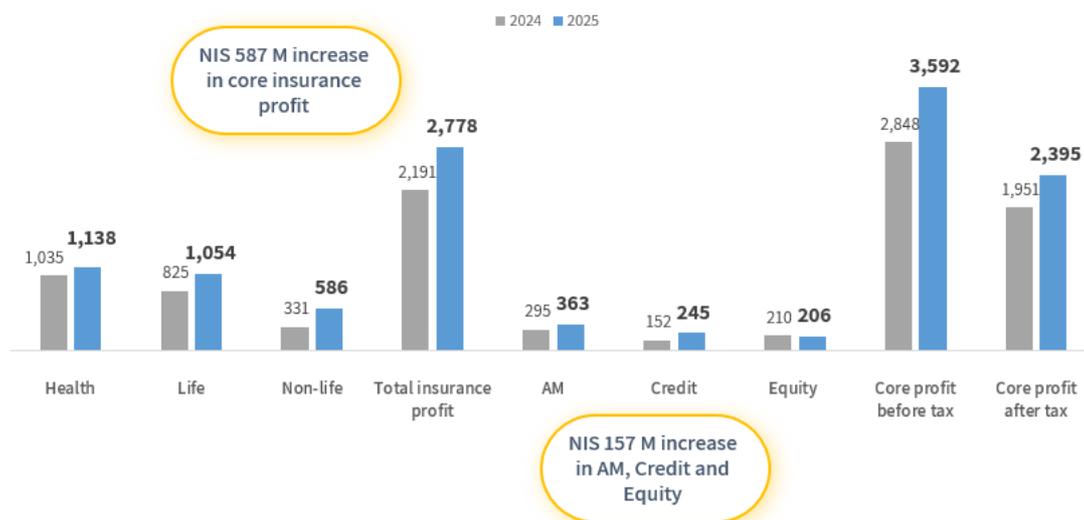
Core profit is calculated on the basis of a nominal risk-free interest rate at the beginning of the period plus a margin of 2% above the risk-free interest rate curve plus an illiquidity premium, as applicable, and without any special effects during the Company's normal course of business.

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Key results in 2025:

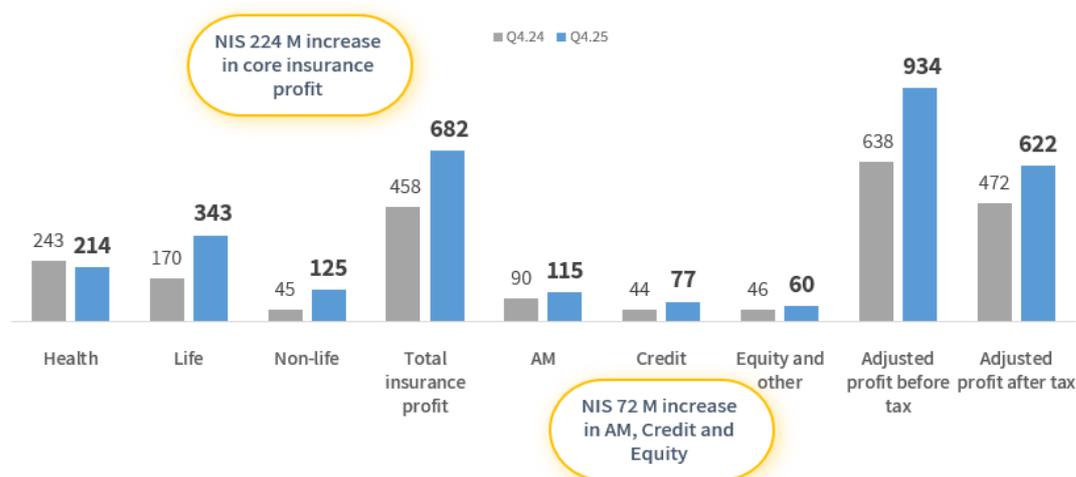
- In 2025, **comprehensive income increased by 82% to NIS 2,954 M**, compared with NIS 1,619 M in the corresponding period last year.
- ROE in 2025 increased to 27% compared with 17% in the corresponding period last year.
- Core profit before tax in 2025 was NIS 3.6 B while the excess investment spread together with special effects amounted to NIS 844 M. Core profit from insurance business was NIS 2.8 B, reflecting an increase of NIS 587 M over 2024. Core profit from asset management, credit and equity was NIS 814 M, an increase of NIS 157 M. Core profit after tax in 2025 was NIS 2,395 M and adjusted ROE was 22%.
- The increased income is attributable to the growth of underwriting profit in all the Company's insurance segments, an increase in underwriting profit in the pension insurance sectors (pension and provident), financial services and credit sectors, and also to a positive contribution of investment and finance income.
- Profit from insurance business in **2025 grew by 97% to NIS 3.76 B**, compared with NIS 1.91 B in the corresponding period last year.
- **The Group continues to increase its future profit balance thanks to the increase of new sales of growth products (life risk products, medical expenses and critical illness products):** Despite the release of a CSM balance of NIS 1.62 B in 2025, future profit balance at December 31, 2025, continued to increase, amounting to NIS 17.2 B at December 31, 2025 compared with NIS 16.4 B at December 31, 2024. This is confirmation of the creation of significant added value from new business due to the business focus on risk products.
- Continuing growth of earned premiums, gross, benefit contributions and amounts received for investment contracts **to NIS 45.7 B in 2025, growth of 7.6%** compared with the corresponding period last year.
- At December 31, 2025, AUM increased to NIS 582 B.
- The Group's equity at December 31, 2025 increased to NIS 12.2 B.

Change in core profit in 2025 compared with 2024:



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Change in core profit in Q4 2025 compared with Q4 2024:



Increase in the accumulated profit balance (CSM) in life and health insurance due to the business focus on growth products: life insurance risk products, medical expenses and critical illness products



Key results according to the Group's operating segments in 2025:

Health insurance:

- In 2025, **comprehensive income before tax in health insurance was NIS 1.4 B**, an improvement of NIS 744 M compared with the corresponding period last year.
- Underwriting profit in 2025 was NIS 978 M**, compared with NIS 881 M in the corresponding period last year.

Life insurance:

- In 2025, **comprehensive income before tax in life insurance was NIS 1.22 B**, compared with NIS 756 M in the corresponding period last year.

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- **Underwriting profit in 2025 was NIS 919 M**, compared with NIS 705 M in the corresponding period last year. The improvement in underwriting profit in the Reporting Period is attributable to the ongoing growth of activity in risk products.

Non-life insurance:

- In 2025, **comprehensive income before tax in non-life insurance was NIS 1.14 B**, up NIS 598 M over the corresponding period last year.
- **Underwriting profit in 2025 was NIS 417 M**, up NIS 243 M over the corresponding period last year.
- The significant improvement in comprehensive income in non-life insurance in the period is mainly attributable to improvement in the motor property and compulsory motor lines of business.

Pension insurance (Pension and Provident funds):

Comprehensive income before tax from the pension insurance sector was NIS 171 M in 2025, compared with NIS 146 M in the corresponding period last year. Results were affected by an increase in management fees driven by the growth of AUM.

At December 31, 2025, AUM in the pension insurance segment increased to **NIS 307 B** compared with NIS 260 B at December 31, 2024.

Financial services (finance and investment contracts):

Comprehensive income before tax **from the financial services sector was NIS 180 M** in 2025, compared with NIS 132 M in the corresponding period last year. Of this, the profit of Harel Finance was NIS 150 M, compared with NIS 105 M in the corresponding period last year.

At December 31, 2025, the volume of AUM in the financial services sector was **NIS 144 B**.

Credit

- In 2025, **comprehensive income**, after adjustment for the effect of changes in the fair value of financial assets, **was NIS 238 M**, compared with NIS 152 M in the corresponding period last year.
- **The credit portfolio amounted to NIS 7.1 B at December 31, 2025**, compared with NIS 6.1 B at December 31, 2024, mainly due to the growth of the mortgage portfolio of Harel 60+.

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Addendum: Financial data for the Group

Gross earned premiums, benefit contributions and amounts received for investment contracts

	2025	2024	Change	Q4.25	Q4.24	Change
Life insurance	4,673	5,007	-6.7%	1,066	1,136	-6.2%
Growth products* (life risks)	1,481	1,382	7.2%	396	355	11.5%
Products in Runoff* (savings products)	3,192	3,625	-11.9%	670	781	-14.2%
Health insurance	5,906	5,440	8.6%	1,524	1,411	8%
Growth products* (medical expenses, critical illness, personal accident and long-term health)	4,867	4,401	10.6%	1,253	1,140	9.9%
Products in Runoff* (personal lines and group long-term care)	1,039	1,039	-	271	271	-
Non-life insurance**	5,583	5,472	2%	1,444	1,422	1.5%
Total earned premiums, gross	16,162	15,919	1.5%	4,034	3,969	1.6%
Pension benefit contributions	17,546	15,817	10.9%	4,576	4,252	7.6%
Provident benefit contributions	8,649	6,525	32.6%	3,098	2,036	52.2%
Amounts received for investment contracts	3,344	4,216	-20.7%	973	1,003	-3%
Total	45,701	42,477	7.6%	12,681	11,260	12.6%

* **Growth products** - business that the Group continues to market; **Products in Runoff** - business that the Group no longer markets

** Including the insurance companies overseas segment

Comprehensive income (loss) before tax by segment

	2025	2024	Q4.25	Q4.24
Life insurance	1,218	756	426	457
Health insurance	1,406	662	248	(282)
Non-life insurance	1,141	543	283	129
Provident	66	55	22	16
Pension	105	91	28	29
Total pension insurance*	171	146	50	45
Insurance companies overseas	(9)	(53)	(10)	(20)
Financial services*	180	132	61	42
Credit **	231	249	71	65
Equity	98	(52)	48	(23)
Total	4,436	2,383	1,177	413

* From December 31, 2025, the Group first began to present pension and provident activity as a reportable segment. Up to this date, this activity was presented within the life insurance and long-term savings segment. Furthermore, from December 31, 2025, in addition to the activity of Harel Finance, the financial services segment also includes the Group's activity in the management of investment contracts. Prior to this date, this activity was presented within the life insurance and long-term savings segment. The comparative figures for 2024 and Q4 were readjusted.

** Results in the Reporting Period include a **negative** effect in respect of the change in fair value of financial assets of NIS 7 M (in the corresponding period last year, there was a **positive** effect of NIS 97 M).

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AUM

	December 31, 2025	December 31, 2024
Yield-dependent [unit-linked] insurance contracts and investment contracts	93.4	86.5
Pension funds	218.7	184.8
Provident funds and education funds	88.1	75.4
Mutual funds	101.4	87.9
Portfolio management and other*	19.2	18.0
Total for insureds and members	520.8	452.6
Nostro**	61.2	60.3
Total	582	512.9

* Including financial assets issued by the Group and managed in portfolios in the amount of NIS 5.5 B and NIS 6.1 B at December 31, 2025 and December 31, 2024, respectively

** Including certificates of deposit issued by Harel Finance in the amount of NIS 16 B and NIS 17.3 B at December 31, 2025 and December 31, 2024, respectively, to cover liabilities in respect of bonds and short sales of securities and derivatives