

## **Harel Insurance Investments and Financial Services reports first quarter 2026 results with strong momentum continues**

TEL AVIV, Israel, May 27, 2026 – Harel Insurance Investments and Financial Services, a leading Israeli insurance and financial group (TASE: HARL, "Harel Insurance Investments", "the Group" or "the Company") today reported its first quarter 2026 results.

### **Highlights:**

- Comprehensive income after tax in the quarter was NIS 562 million, a 3.5% increase compared with the corresponding quarter last year; ROE was 18.5%.
- New sales of life and health products continued to grow, generating new Contractual Service Margin (CSM) NIS 514 million in 1Q.26, up 26% compared with the CSM created from new sales in the corresponding quarter last year
- Total CSM as of March 31<sup>st</sup>, 2026, continued to grow and amounted to NIS 17.5 billion.
- Total premiums, contributions and amounts received for investment contracts grew by 18.2% to NIS 12.6 billion in the first quarter, AUM increased to NIS 595 billion as of March 31, 2026 and to about NIS 630 billion close to the financial results publication date.

### **Business performance overview:**

- Comprehensive income after tax in 1Q.26 amounted to NIS 562 million, 3.5% increase compared to NIS 543 million in the corresponding quarter last year. The increase is driven by increase in profits from asset management and credit activity and the growth of investment and financing income, which was partially offset by decrease in profits from life insurance. ROE was 18.5%.

### **Insurance:**

- Core profit before tax from insurance activity was NIS 625 million, compared with NIS 685 million in the corresponding quarter last year. The change was due to a statistical increase in the claim amounts in life insurance products, partially offset by improvement in core profit in non-life insurance, mainly in the motor segments. Core profits are calculated based on an annual margin of 2% and excluding special effects.
- The Group continues to increase its outstanding future profit (CSM) thanks to the increase of new sales of growth products (life risk products, medical expenses and critical illness products): CSM as of March 31, 2026 continued to increase and amounted to NIS 17.5 billion.
- The future value from new sales (CSM new business) in 1Q.26 amounted to NIS 514 million and was 26% higher than the future value of sales in the corresponding quarter last year. In addition, CSM new business in 1Q.26 was higher than the NIS 411 million CSM release to profit in this quarter. This is confirmation of the significant value creation from new sales due to the business focus on risk products.
- The solvency ratio of Harel Insurance as of December 31, 2025, was 165%, including the transition provisions, and 149% without the transition provisions.

### **Asset management and credit:**

- Core profit from asset management was NIS 97 million, up 52% compared with the corresponding quarter last year, thanks to continuing growth of assets under management and management fees. Asset management segment comprises the pension and provident sectors as well as mutual funds, ETFs and investment contracts, with total assets of NIS 463 billion.
- Core profit from the credit segment, after adjustment for the effects of changes in fair value, was NIS 61 million, up 20% compared with the corresponding quarter last year, thanks to the

continuous growth of credit activity, and specifically of mortgages. The credit portfolio amounted to NIS 8.1 billion.

### **Overview of business segments performance**

#### **Health insurance:**

- In 1Q.26, comprehensive income before tax was NIS 327 million, an improvement of NIS 20 million over the corresponding quarter last year .
- Underwriting profit in 1Q.26 was NIS 192 million, compared with NIS 216 million in the corresponding quarter last year.

#### **Life insurance:**

- In 1Q.26, comprehensive income before tax was NIS 24 million, compared with NIS 184 million in the corresponding quarter last year.
- In 1Q.26, underwriting profit was NIS 178 million, compared with NIS 258 million in the corresponding quarter last year.

#### **Non-life insurance:**

- In 1Q.26, comprehensive income before tax in non-life insurance was NIS 305 million, an improvement of NIS 117 million over the corresponding quarter last year.
- Underwriting profit in 1Q.26 was NIS 125 million, an improvement of NIS 34 million over the corresponding quarter last year.
- The improvement in comprehensive income in non-life insurance in the period is mainly attributable to an improvement in the compulsory motor, motor property and liabilities lines of business.

#### **Asset management (pension, provident, financial services and investment contracts):**

- In 1Q.26, comprehensive income before tax from pension and provident was NIS 42 million, compared with NIS 29 million in the corresponding period last year. Results were affected by an increase in management fees driven by the growth of AUM.
- In 1Q.26 comprehensive income before tax from financial services (mutual funds, ETFs) and investment contracts was NIS 51 million, compared with NIS 31 million in the corresponding quarter last year. Of this, the profit of Harel Finance was NIS 44 million, compared with NIS 23 million in the corresponding quarter last year.
- As of March 31, 2026, total assets under management in asset management segment amounted to NIS 463 billion.

#### **Credit:**

- In 1Q.26, comprehensive income, after adjustment for the effect of changes in the fair value of financial assets, was NIS 61 million, compared with NIS 51 million in the corresponding quarter last year. Profitability was supported by the continuing growth of the credit portfolio in the mortgage sector, in development property finance and credit for medium businesses.
- The credit portfolio amounted to NIS 8.1 billion as of March 31, 2026, compared with NIS 6.2 billion as of March 31, 2025, an increase of NIS 1.9 billion.

## **Conference Call information**

Harel Insurance Investments will hold a conference call for analysts and investors **in Hebrew** on May 27<sup>th</sup> 2026 at 1 pm (Israel); 11 am (UK); dial in details <https://www.veidan-conferencing.com/harel#/registration>. At this date and prior to the conference call, an Investor presentation (including an English version) will be available on the Israeli Securities Authority reporting website (MAGNA), and on the Company's Investor Relation website: <https://pr.harel-group.co.il/>

This press release, the Investors' presentation and the conference call for analysts and investors are not exhaustive and do not replace the latest financial reports containing all information including forward-looking statements, as defined in the Israeli securities Law, and set out in the aforementioned reports, and the need to review such financial reports.

For more information, please visit Harel's Investors' relation website or contact us at [investor.relations@harel-ins.co.il](mailto:investor.relations@harel-ins.co.il)

## **About Harel Insurance Investments**

Harel Insurance Investments and Financial Services Ltd. is a leading Israel-based insurance, financial services and asset management group, traded on the Tel Aviv Stock Exchange (TASE: HARL). The company is Israeli largest insurer, engaged in health, life and non-life insurance, as well as in asset management – pension funds, provident funds and financial services such as mutual funds, ETFs and portfolio management, and credit activities. With assets under management of about NIS 630 billion (USD 218.5 billion), annual premiums and deposits inflows of NIS 45.7 billion (USD 15.2 billion) and leading market shares across its business segments, Harel is well positioned to benefit the growing Israeli economy by leveraging its diversified business model, strong capital position, and long-standing expertise to deliver sustainable growth and resilient profitability. With a broad customer base, advanced digital capabilities, and a disciplined investment approach, Harel continues to strengthen its leadership position while creating long-term value for its stakeholders.

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## Addendum: Financial data for the Group

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

	Q1.26	Q1.25	Change	2025
<b>Life insurance</b>	<b>1,052</b>	<b>1,094</b>	-3.8%	<b>4,673</b>
Growth products* (life risks)	383	360	6.4%	1,481
Runoff products* (savings products)	669	734	-8.9%	3,192
<b>Health insurance</b>	<b>1,497</b>	<b>1,404</b>	6.6%	<b>5,906</b>
Growth products* (medical expenses, critical illness, personal accident and long-term health)	1,237	1,156	7.0%	4,867
Runoff products* (personal lines and group long-term care)	260	248	4.8%	1,039
<b>Non-life insurance**</b>	<b>1,277</b>	<b>1,393</b>	-8.3%	<b>5,583</b>
<b>Total earned premiums, gross</b>	<b>3,826</b>	<b>3,891</b>	-1.7%	<b>16,162</b>
<b>Pension benefit contributions</b>	<b>4,432</b>	<b>4,084</b>	8.5%	<b>17,546</b>
<b>Provident benefit contributions</b>	<b>3,248</b>	<b>1,794</b>	81.0%	<b>8,649</b>
<b>Amounts received for investment contracts</b>	<b>1,120</b>	<b>909</b>	23.2%	<b>3,344</b>
<b>Total</b>	<b>12,626</b>	<b>10,678</b>	18.2%	<b>45,701</b>

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

\*\*Including the insurance companies overseas segment

### Comprehensive income (loss) before tax by segment

	Q1.26	Q1.25	2025
<b>Life insurance</b>	<b>24</b>	<b>184</b>	<b>1,218</b>
<b>Health insurance</b>	<b>327</b>	<b>307</b>	<b>1,406</b>
<b>Non-life insurance</b>	<b>305</b>	<b>188</b>	<b>1,141</b>
Provident	17	11	66
Pension	25	18	105
<b>Total pension insurance*</b>	<b>42</b>	<b>29</b>	<b>171</b>
<b>Insurance companies overseas</b>	<b>(5)</b>	<b>1</b>	<b>(9)</b>
<b>Financial services*</b>	<b>51</b>	<b>31</b>	<b>180</b>
<b>Credit **</b>	<b>56</b>	<b>45</b>	<b>231</b>
<b>Equity</b>	<b>38</b>	<b>(3)</b>	<b>98</b>
<b>Total</b>	<b>838</b>	<b>782</b>	<b>4,436</b>

\* As of December 31, 2025, the Group began to present pension and provident activity as a reportable segment. Prior 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. Until this date, this activity was presented within the life insurance and long-term savings segment

\* Results in 1Q.26 include a **negative** effect in respect of the change in fair value of financial assets and special effects resulting from the amortization of surplus costs of NIS 5 million (in the corresponding quarter last year, there was a **negative** effect of NIS 6 million)

## AUM

	March 31, 2026	March 31, 2025	December 31, 2025
Yield-dependent [unit-linked] insurance contracts and investment contracts	92.9	86.0	93.4
Pension funds	220.5	187.4	218.7
Provident funds and education funds	92.3	75.1	88.1
Mutual funds	107.0	89.3	101.4
Portfolio management and other*	19.8	17.6	19.2
<b>Total for insureds and planholders</b>	<b>532.5</b>	<b>455.4</b>	<b>520.8</b>
Nostro**	62.5	59.9	61.2
<b>Total</b>	<b>595.0</b>	<b>515.3</b>	<b>582.0</b>

\* Including financial assets issued by the Group and managed in portfolios in the amount of NIS 5.7 billion, NIS 5.4 billion, and NIS 5.5 billion at March 31, 2026, March 31, 2025 and December 31, 2025, respectively

\*\* Including certificates of deposit issued by Harel Finance in the amount of NIS 17.2 billion, NIS 17.1 billion and NIS 16 billion at March 31, 2026, March 31, 2025 and December 31, 2025, respectively, to cover liabilities in respect of bonds and short sales of securities and derivatives