210.24 0.00 SUMMARY OF FINANCIAL RESULTS FOR THE YEAR 2020 | MARCH 21, 2021

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LARGEST INSURANCE **COMPANY IN ISRAEL***

About **6.8**

Market cap (at March 17, 2021)



PLATINUM PLUS RATING FROM MAALA CSR **6 YEARS IN A ROW**



OVER 3 MILLION **CLIENTS**



AA RATING HAREL INVESTMENTS **AA+ RATING HAREL INSURANCE**

About **291** Assets Under Management (AUM) (at December 31, 2020)



DATA CORRECT TO DECEMBER 31, 2020

(NIS BILLION)

About 29.9

Total earned premiums, gross, benefit contributions and amounts received for investment contracts

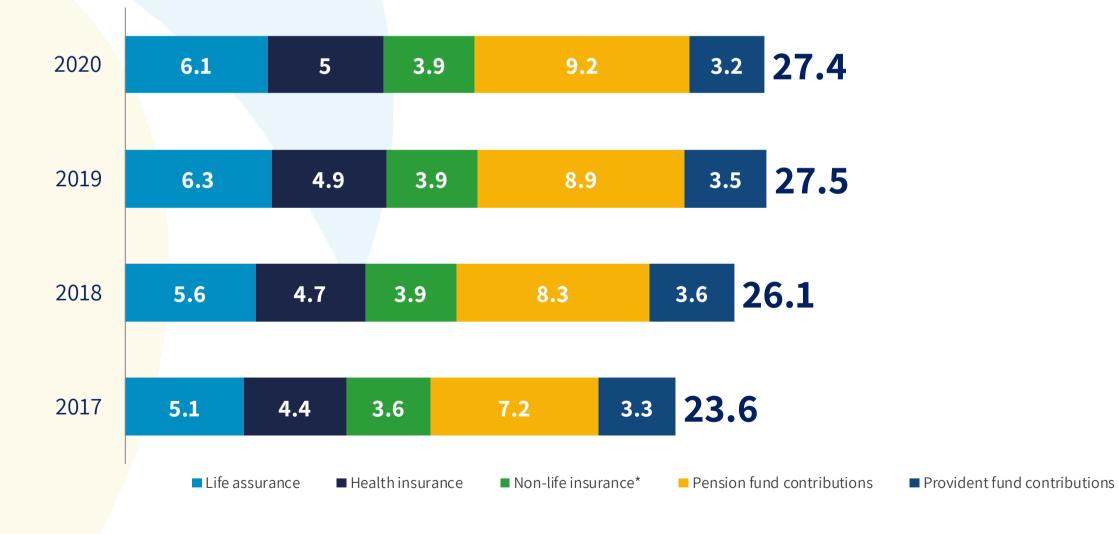
About **170%**

Solvency ratio – in accordance with the transitional Provisions (at December 31, 2019)

About **7.74**

Equity attributed to shareholders

DESPITE THE COVID-19 CRISIS... HAREL - 1ST IN GROSS PREMIUMS EARNEDAND BENEFIT CONTRIBUTIONS (NIS BILLION)

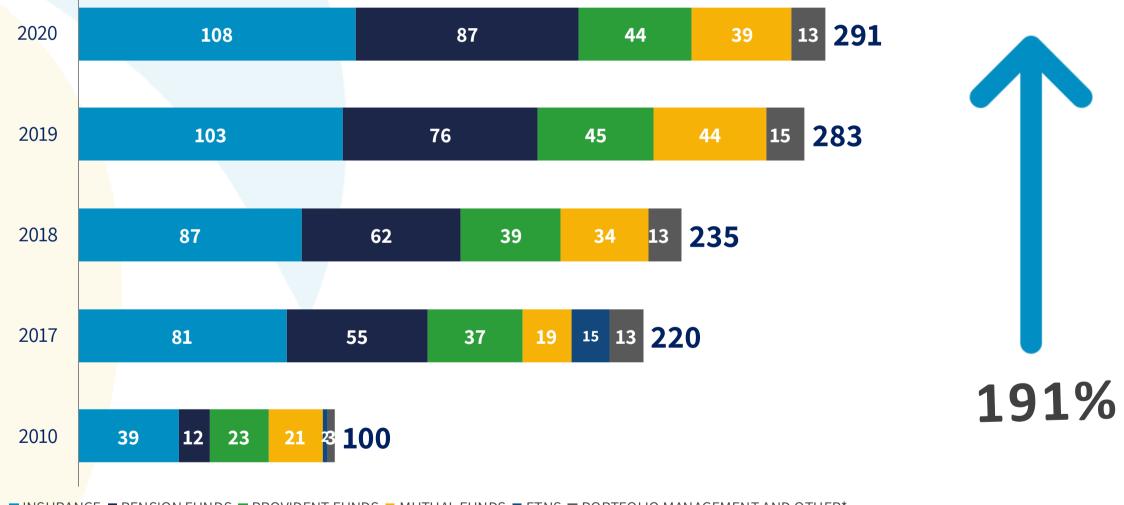




* Including results for the insurance companies overseas segment

4

191% INCREASE IN AUM AND NOSTRO ASSETS OVER THE LAST TEN YEARS (NIS BILLION)

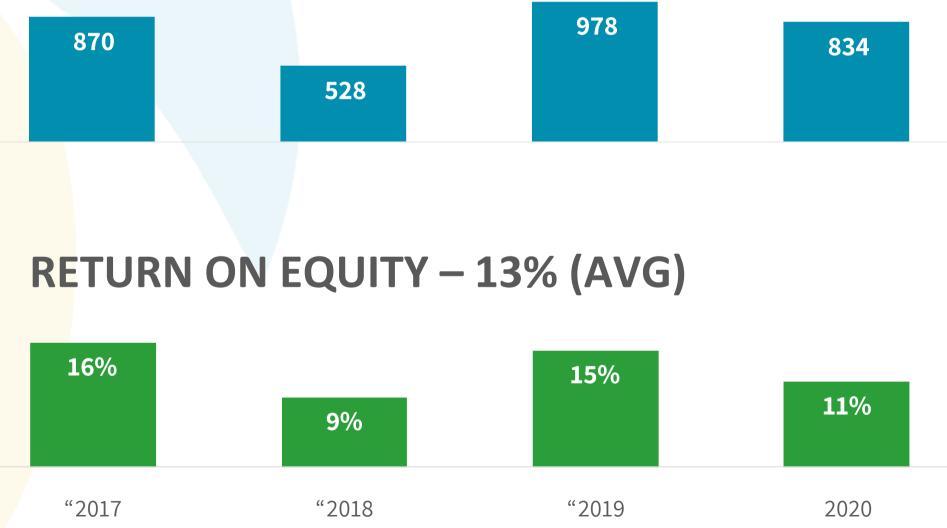




■ INSURANCE ■ PENSION FUNDS ■ PROVIDENT FUNDS ■ MUTUAL FUNDS ■ ETNS ■ PORTFOLIO MANAGEMENT AND OTHER*

COMPREHENSIVE INCOME AFTER TAX AND ROE (IN ANNUAL TERMS) (NIS MILLION)

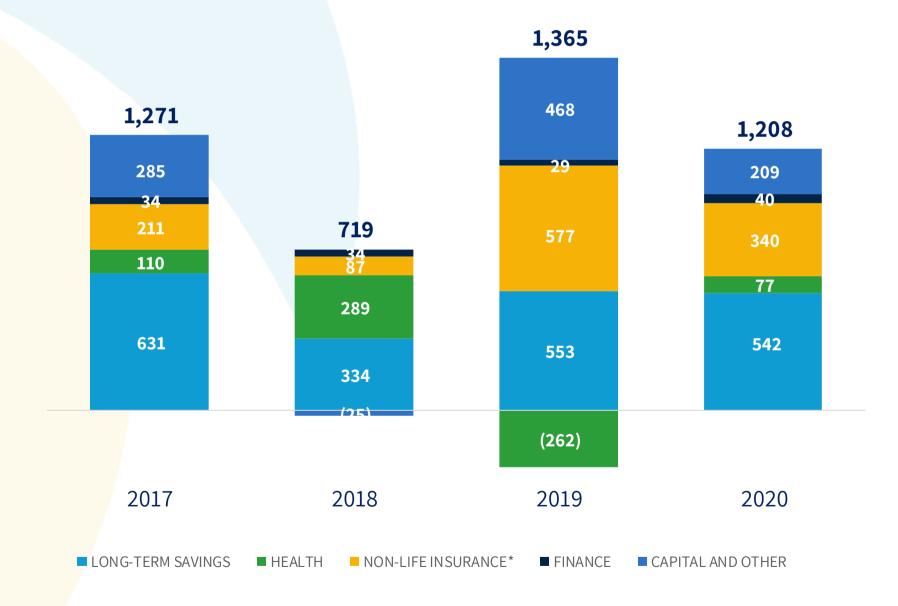
COMPREHENSIVE INCOME AFTER TAX





* Based on the circular published on March 29, 2020, in connection with an assessment of the adequacy of the reserves, the grouping level was changed so that the LAT can be calculated for the entire life assurance segment together. The provisions of the circular entered into force in Q1 2020 by way of retrospective application. The implication of the change is that the Company has no LAT reserve in the life assurance segment. The data presented above are after application of the circular

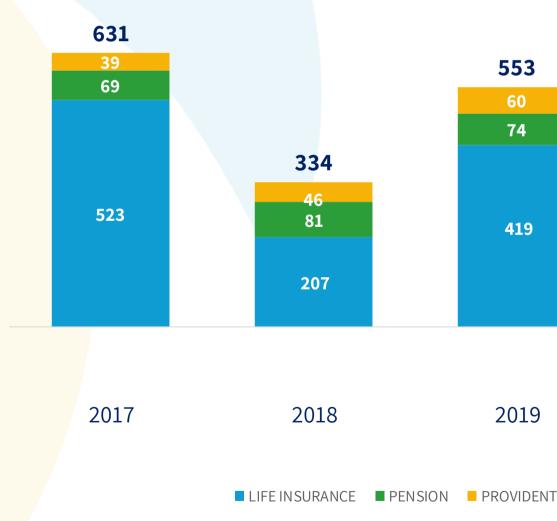
OPERATING SEGMENTS COMPREHENSIVE INCOME BEFORE TAX (NIS MILLION)





LIFE INSURANCE AND LONG-TERM SAVINGS SEGMENT COMPREHENSIVE INCOME BEFORE TAX

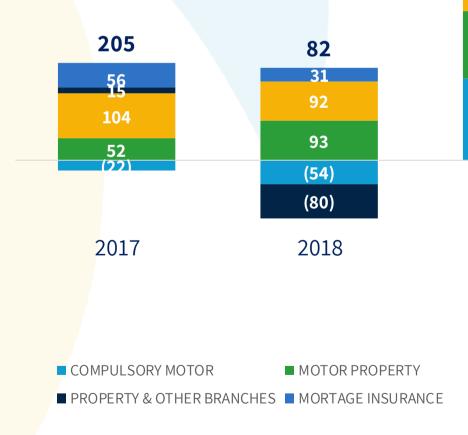
(NIS MILLION)



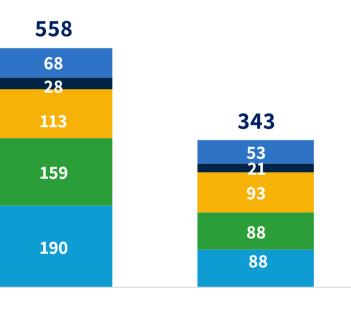




NON-LIFE INSURANCE SEGMENT* COMPREHENSIVE INCOME BEFORE TAX (NIS MILLION)



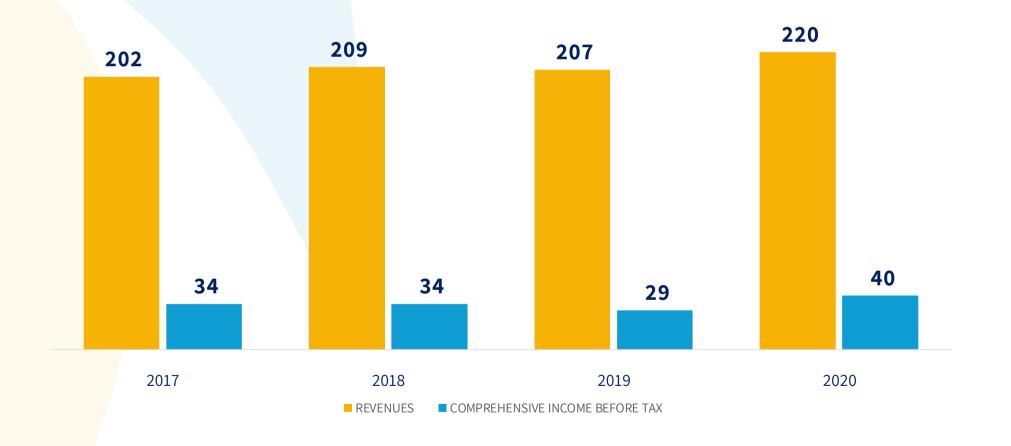






LIABILITIES & OTHER BRANCHES

FINANCIAL SERVICES SEGMENT (NIS MILLION)



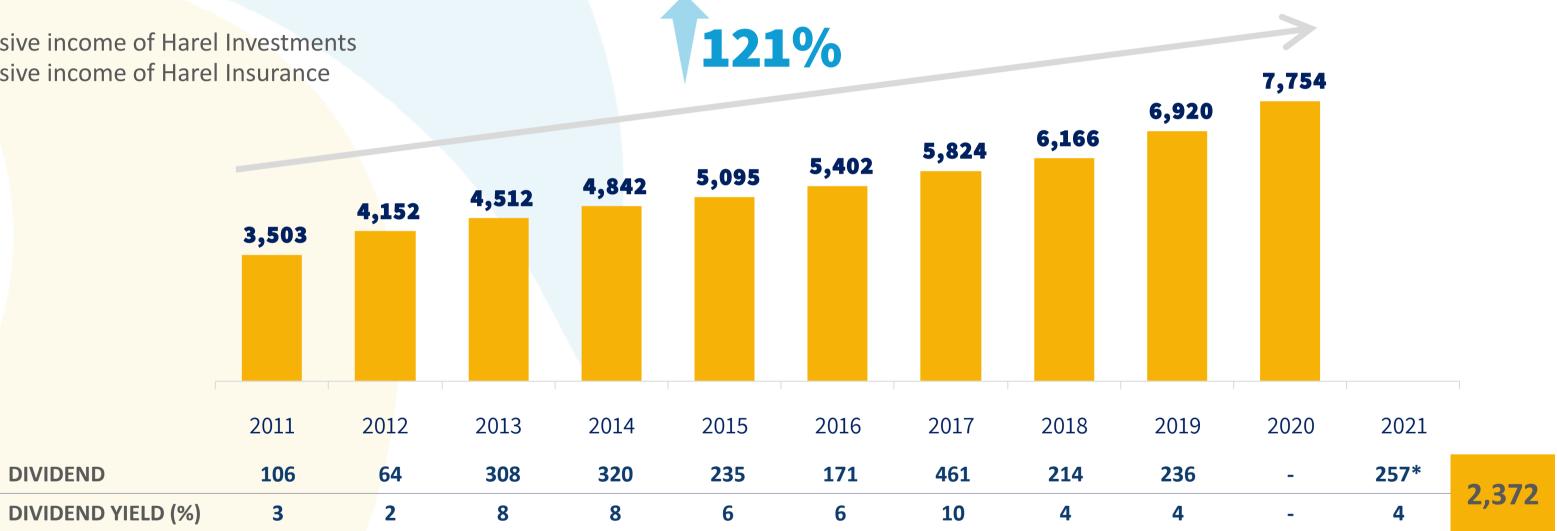


EQUITY AND DIVIDEND (NIS MILLION)

DIVIDEND DISTRIBUTION POLICY

30% of annual comprehensive income of Harel Investments 35% of annual comprehensive income of Harel Insurance





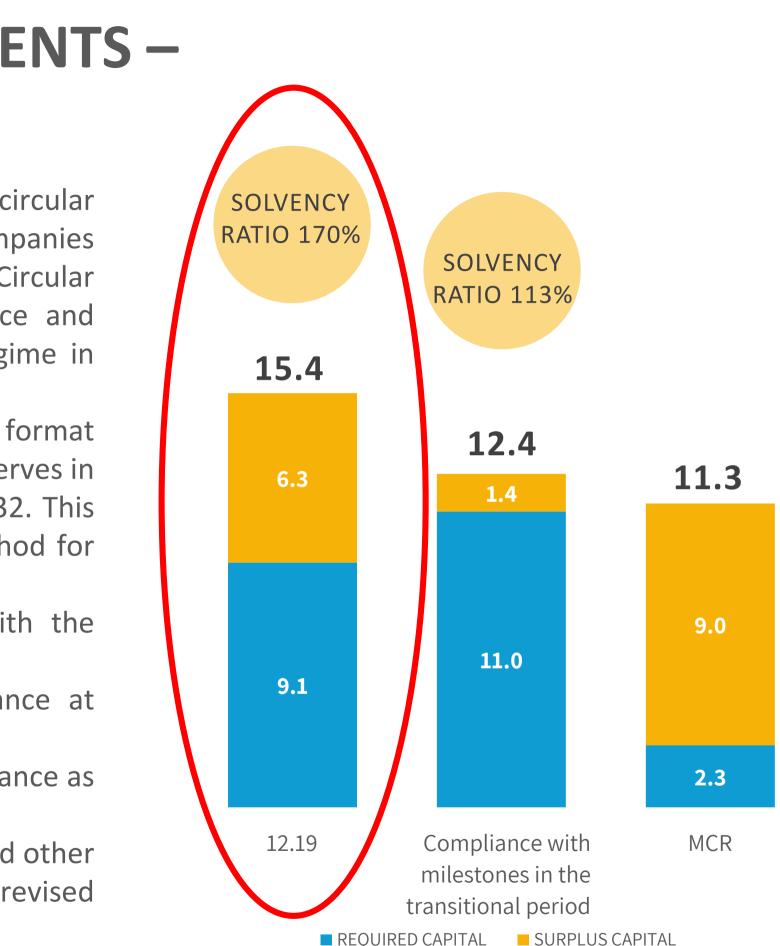


* On January 27, 2021, the Board of Directors of Harel approved the distribution of a cash dividend in the amount of NIS 107 million. The dividend was paid on February 11, 2021 On March 21, 2021, the Board of Directors of Harel approved an additional distribution of a cash dividend in the amount of NIS 150 million

HAREL INSURANCE CAPITAL REQUIREMENTS – SOLVENCY (NIS BILLION)

- On October 14, 2020, the Commissioner published an amendment to the circular concerning implementation of an economic solvency regime for insurance companies based on Solvency II ("the New Solvency Circular"). The New Solvency Circular includes adjustments and updates made by the Capital Market, Insurance and Savings Authority with the purpose of adapting the economic solvency regime in Israel to the Solvency II Directive and its updates
- In the New Solvency Circular the transitional provisions were adapted to the format set out in the European Directive, with an option to gradually increase the reserves in respect of long-term insurance products that were sold in the past, until 2032. This method of calculation for the Transitional Period replaces the previous method for the Transitional Period that was applied in prior periods
- The calculation at December 31, 2019 was published, in accordance with the instructions, at the end of October 2020
- Based on the transitional provisions, the capital surplus of Harel Insurance at December 31, 2019, is NIS 6.3 billion
- Without applying the transitional provisions, the capital surplus of Harel Insurance as at December 31, 2019, (in terms of SCR of 100%), is NIS 1.4 billion
- 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





MATERIAL EVENTS IN THE REPORTING PERIOD OUTBREAK AND SPREAD OF COVID-19 WORLDWIDE IN 2020



COVID-19 CRISIS – THE GROUP'S ONGOING ACTIVITY



Limiting work in the Company's offices in accordance with the instructions and recommendations published by the Ministry of Health from time to time, while deploying and adapting work methods to working from home and taking stringent care to continue to provide normal, ongoing service to the Group's customers and agents



At the date of publication of the report, most of the Company's employees have returned to regular activity in the Company's offices, taking care to comply with the social distancing rules intended to prevent COVID-19 contagion



EFFECT ON THE GROUP'S SALES

A slight decrease in the sale of new policies in the long-term savings sectors compared with the volume of sales typical of these sectors in the corresponding period last year



In the health and life sectors there was a rapid recovery followed by a significant increase in the volume of sales relative to the corresponding period last year. This was partially attributable to the integration of remote sales technologies







Sales in the motor insurance, homeowners and business premises sectors were not affected and even increased compared with the corresponding period last year. The most significant increase was recorded in the sale of Harel Switch motor insurance, which includes a variable payment component based on vehicle usage

As a result of the almost total cessation of flights abroad, in part of the Reporting Period the Company did not sell travel insurance policies. During Q3 2020, the Company resumed the sale of travel insurance while excluding several destinations with high morbidity levels. Notably, the decrease in the volume of sales of these policies does not materially affect the Company's results. At this stage, the Company is unable to estimate the scope of the impact of the COVID-19 crisis on future sales

HAREL AN ANCHOR OF STABILITY





OUR GLOBAL PARTNERS





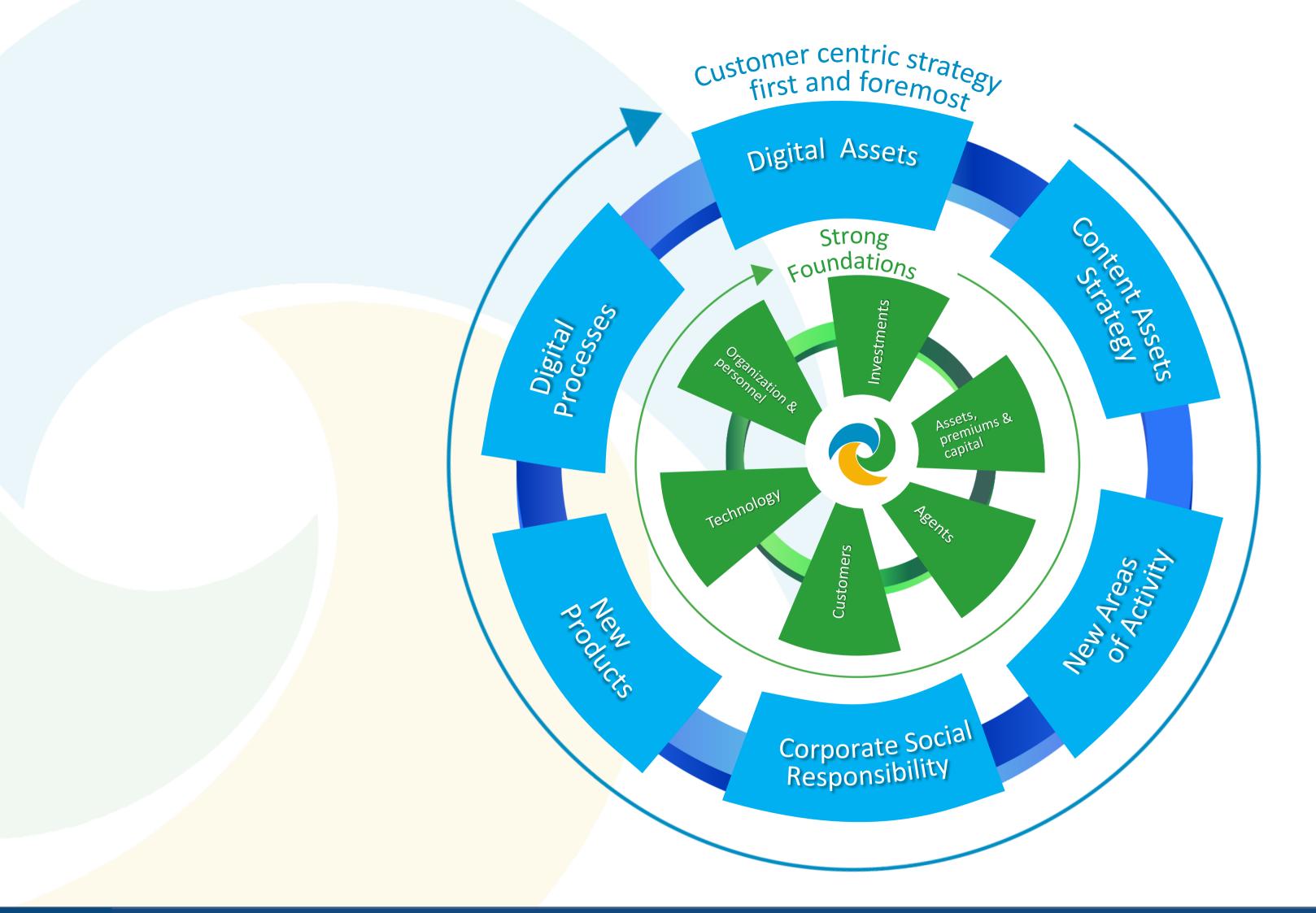














STRONG FOUNDATIONS

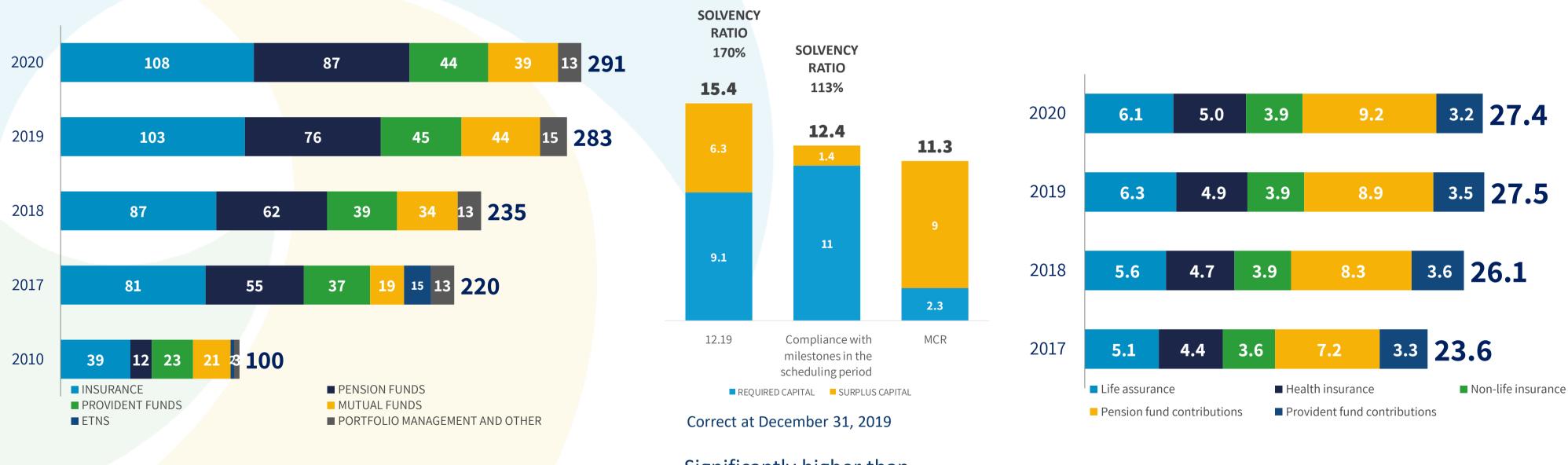


STRONG FOUNDATIONS

ASSETS, PREMIUMS AND CAPITAL

ASSETS, PREMIUMS & CAPITAL

Growth of assets, highest in premiums, capital surplus



191% increase in assets in past decade

Significantly higher than required capital surplus





Impressive business diversification

STRONG FOUNDATIONS

INVESTMENTS

Leading a syndication network

Diversifying the alternative investment portfolio – allocating an additional \$100M (USD)

HAREL SETS UP 3 BILLION SHEKEL SYNDICATION DEPARTMENT

This is the first syndication department to be set up by a financial institution on the lines of the big banks Syndication enables signing on deals in large sums and splitting the risk with additional lenders

additional lenders.

Harel currently organizes and • Participation in organizing joint company's presence and capabilities manages four active loans on its debt with a banking corporation in the area of non-traded credit, in own behalf and on behalf of four partners, in partnership with banks site project in Tel Aviv. Harel's Realization of the department's 2 billion shekels. In recent months | million shekels (credit and sale | have exposure to additional loans Harel has been leading a number of guarantees). The project includes and strengthen the advantages of credit deals in syndication totaling the construction of 230 residential the non-traded credit horizon in 3 billion shekels, including:

Investment Division has set up a of borrowers against Microsoft corporation of funding totaling 400 department which will be engaged **House**, totaling 830 million shekels, million shekels in a water and waste in syndication and the funding of | Harel having a 50% share. The | water purification plant, aimed at complex credit in an amount of up | balance will be funded by members. | raising the waste water purification to 3 billion shekels. The department • Organizing 850 million shekels to tertiary level and the production is managed by Liran Sharabi, in debt for funding the acquisition of unlimited irrigation quality waste who has until now managed the of Gav-Yam shares by Arnon water. division's analysis department. Frankel. Harel's share is 300 Itzik Tawill, manager of the This is the first department to be set | million shekels via funding of a | Investment Division Credit and up by a financial institution on the private company owned by Frankel Real Estate Department: "The new lines of the big banks. Syndication and will receive as surety a charge department will increase Harel's enables signing on deals in large on the acquired shares. The balance existing activity in the area of sums and splitting the risk with | will be provided by institutions via | organization and underwriting of the syndication department.

and financial institutions, totaling | share in the financing is 900 | goals will enable Harel members to apartments and a hotel.

The credit section of Harel's | • Organizing the debt for a number | • Joint organization with a banking

loans, with the aim of deepening the the long term savings products".

Harel Insurance earmarks \$100 million for startup investments

The Israeli insurance company's nine investments in young companies have so far yielded it 300% returns







Expanding our investments in non-marketable assets

Harel buys 40% of Beit Aurec in Ramat Gan

Harel is paying NIS 100 million for half the stake held by the Morris Kahn family office.

Tidhar, Harel partner on real estate investment

The companies will jointly buy and develop in income-producing real estate to the tune of billions of shekels.

ORGANIZATION & PERSONNEL



Reinforcing Senior Management

Tomer Goldberg – head of Strategic Investments

Abed Hasdia – VP Innovation and Business Development

Ilan Rokach & Ron Alkon – Head of Investments at Harel Finance



Strengthening the Customer Service Group

Advanced service strategy tailored to the customers' needs

Concentration and consolidation of all customer handling systems

Service centers, service processes and digital methods





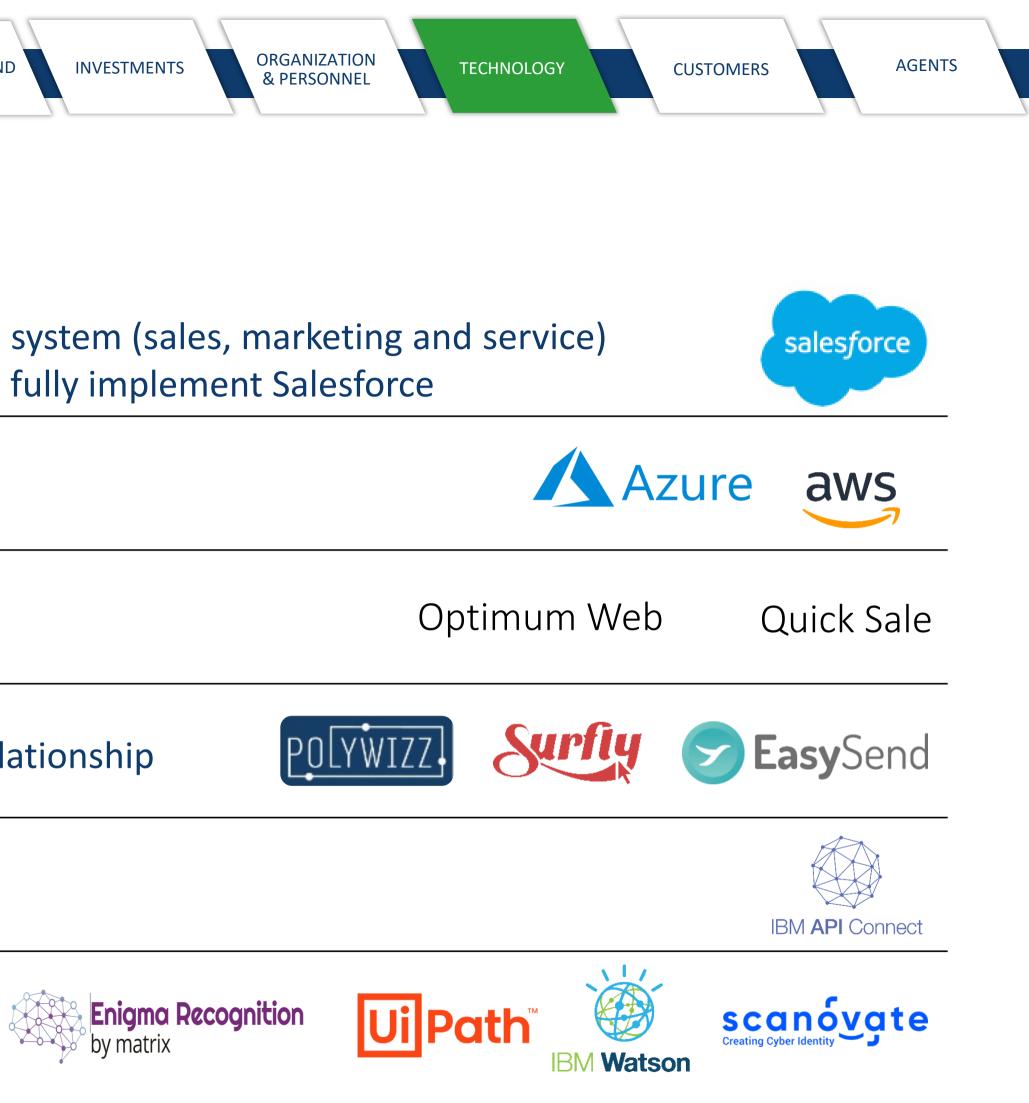


Establishing a Digital Strategy Group

Digital transformation and strategy; focus on customer experience; directing the advertising and marketing; product development; innovation and management of the company's

TECHNOLOGY

- Implementation of the world's most advanced CRM system (sales, marketing and service) Harel is the first company in Israel to assimilate the fully implement Salesforce
- 2 Further of transition to the cloud
- **3** Accessibility systems for agents
- 4 Systems supporting the customer / agent / Harel relationship
- **5** New distribution infrastructures
- 6 Automation systems and operating processes





STRONG FOUNDATIONS

CUSTOMERS

3.34 MILLION CUSTOMERS (2% GROWTH)

WON SELECTED TENDERS:





RAFAEL





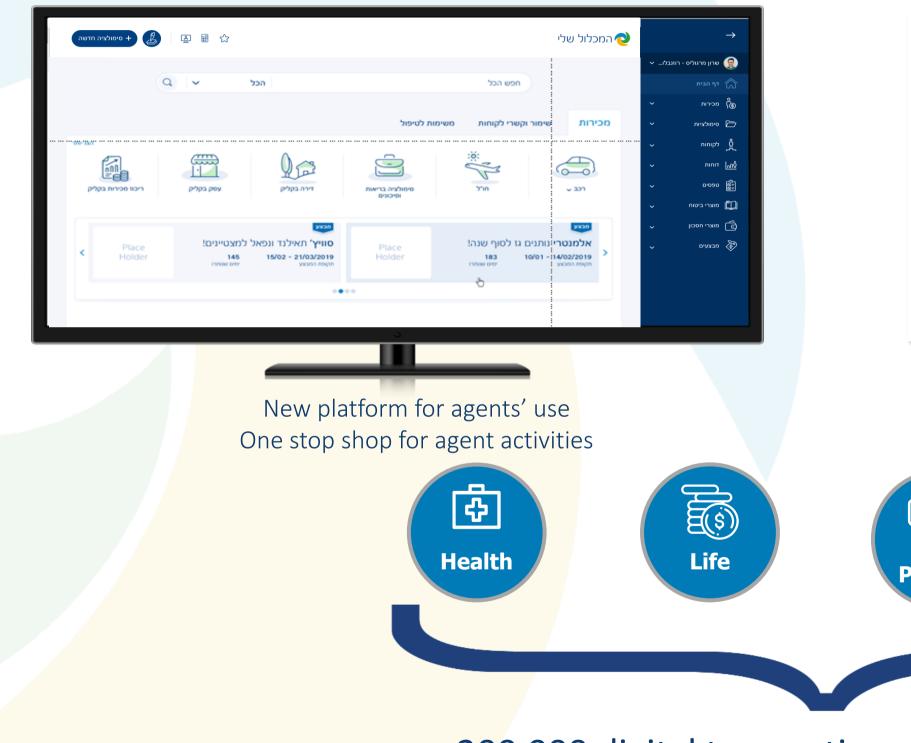






STRONG FOUNDATIONS

AGENTS



200,000 digital transactions by agents in 2020

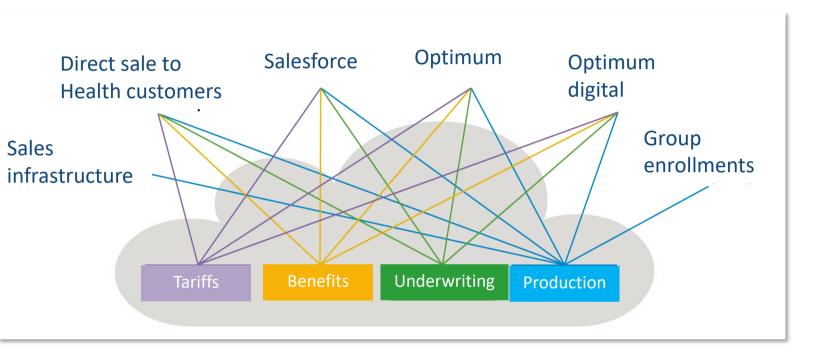
ASSETS,

PREMIUMS AND

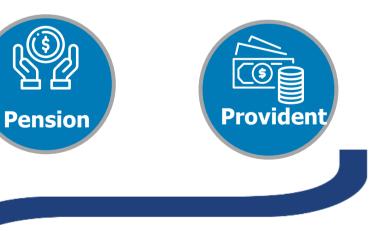
CAPITAL







Optimum WEB digital sales system for agents





DIGITAL ASSETS

NEW AREAS OF ACTIVITY

DIGITAL ASSETS

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LAUNCHING THE "ELLA" BOT

Based on IBM's Watson system, Ella is a chatbot that uses AI in customer service



HAREL SWITCH APP

PPD = PAY PER DRIVE

Car insurance billing the customer according to their usage patterns. Using Big Data, we can tailor the insurance to the customer's behavior. We've added assistive services such as calling a taxi after an accident, clear documentation of an accident's results, calling a friend for help, locating a parked car, and more.







HAREL TRAVEL INSURANCE APP

- Full digital enrollment process
- When receiving a designated link from an agent, the customer is connected to the agent
- Benefits plan: "travel more earn more"
- Payment by the "bit" app at no cost to customer
- Policy details
- Cancellation and extension of policy
- Notice of hospitalization
- Request for medical advice
- Locating a doctor in relevant country

NEW AREAS OF ACTIVITY

EMBARKING ON NEW AREAS OF ACTIVITY DURING THE COVID-19 PANDEMIC:



HAREL 60+ LTD.

Setting up a designated company to meet the needs of the Third Age. First product launched – 60+ mortgage: Providing reverse mortgage loans to borrowers aged 60 or more in return for a pledge on their apartments.



HAMAZPEN LTD.

Providing innovative financing solutions for quality small and medium business entrepreneurs, including providing mezzanine loans. Hamzpen's activity is based on a full business analysis of the entrepreneur and its various activities, as well as project financing and monitoring his business over time.





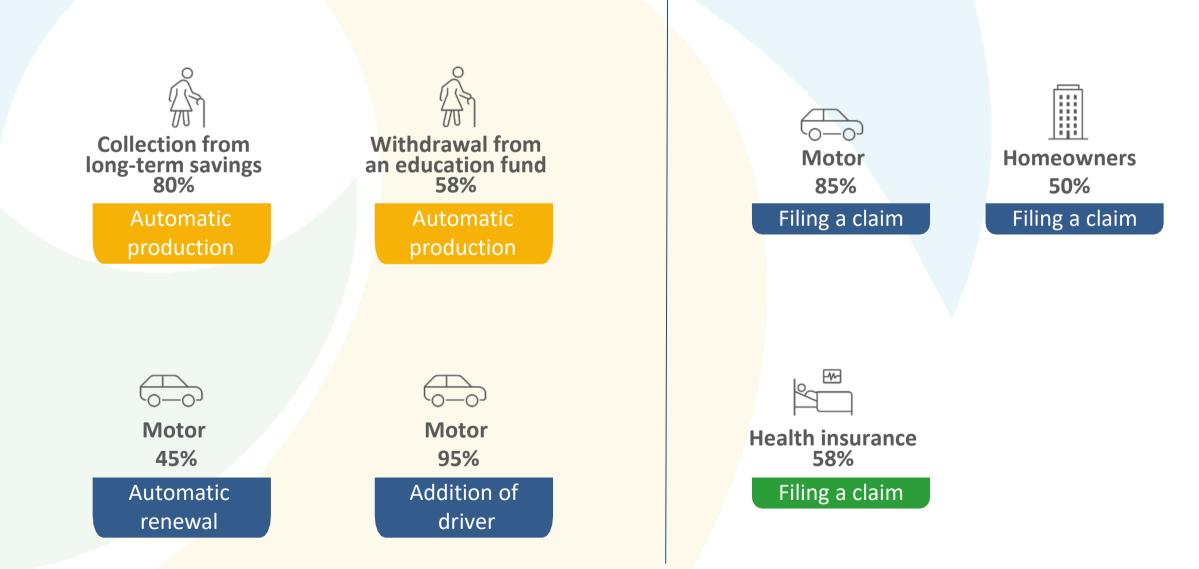
DIGITAL ASSETS

CLAIMS

NEW AREAS OF ACTIVITY

DIGITAL PROCESSES

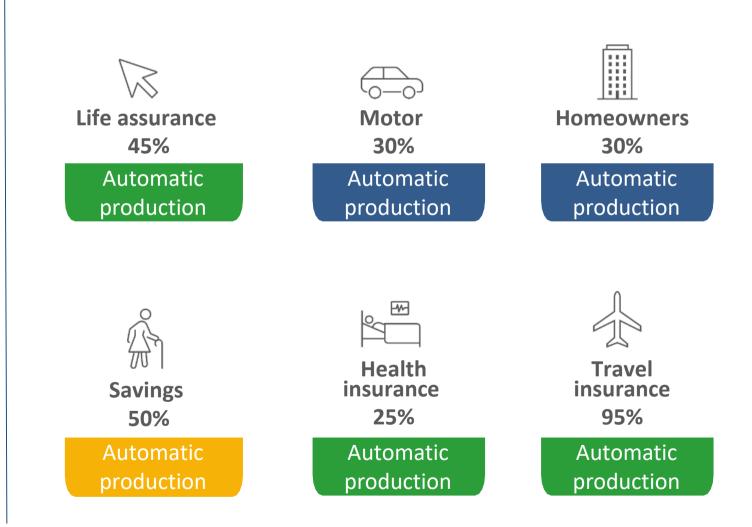
DEPOSIT / WITHDRAWAL / RENEWAL











DIGITAL ASSETS

NEW AREAS OF ACTIVITY

CONTENT ASSET STRATEGY

Telegram

FIRST COMPANY WITH **A TELEGRAM CHANNEL**

FIRST COMPANY TO LAUNCH A PODCAST





















TO BE CONTINUED...



DIGITAL ASSETS

NEW AREAS OF ACTIVITY

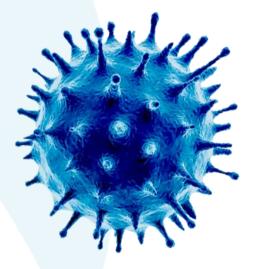
CORPORATE RESPONSIBILITY

CUSTOMER CENTRIC STRATEGY-

FIRST AND FOREMOST



Eleventh year in a row listed in the Ministry of Environmental Protection's voluntary carbon footprint mechanism



Rapid response to COVID-19: adapted volunteering work, additional grant for employees on unpaid leave, payment to suppliers brought forward, customers







Chosen as one of the 500 leading, most influential companies in the world for accessibility

NEW AREAS OF ACTIVITY

CORPORATE RESPONSIBILITY



RECEIVED PLATINUM PLUS RANKING FOR SIXTH YEAR IN A ROW



CONTRIBUTING TO THE COMMUNITY



:הראל ביטוח ופיננסים למען ילדי וראייטי כ-300 עובדי החברה התנדבו ביום ההתרמה השנתי העובדים התנדבו לטובת גיוס כספים בערב ההתרמה באמצעות חיבור מהבית

קבוצת הראל ביטוח ופיננסים נמנית על נותני החסות הראשיים לאירוע ההתרמה של ארגון "וראייטי ישראל", אשר התקיים אתמול (ד'). אירוע ההתרמה עמד בסימן "טקס פרסי האוסקר" אשר במסגרתו הוענקו פרסים לאנשים פורצי דרך, שתורמים רבות לקידומם ולשילובם של אנשים עם מוגבלות בחברה הישראלית.

את האירוע הנחו לירון וייצמן, נועה רוזין וטילטיל (לירון צילום: ורדי כהנא אורפלי) והשתתפו בו אליעד נחום, רותם כהן, מירי מסיקה, חנן בן-ארי ומשתתפי "הישרדות" ו"המירוץ למיליון".

> מהראל נמסר כי התרומה המשמעותית של החברה למען ילדי וראייטי מתבצעת במסגרת הפעילות הקהילתית והאחריות התאגידית של



קבוצת הראל.

לדברי גדעון המבורגר, נשיא קבוצת הראל ביטוח ופיננסים, חבר הנהלת וראייטי ויו"ר כבוד של וראייטי ישראל: "הראל חרטה על דגלה את המחויבות החברתית והאחריות התאגידית והינה מעורבת, תומכת בעמותות מתחומים שונים ותורמת גדעון המבורגר / להן וכן מעודדת את עובדיה למעורבות חברתית ולתרומה פעילה בקהילה. אנו גאים בתרומה המשמעותית של הראל

לאירוע ההתרמה של וראייטי שמסתכמת ב-400 אלף שקלים ובהירתמותם של כ-300 עובדי הראל, בסיוע לגיוס תרומות מהציבור למען ילדי וראייטי ישראל".

DIGITAL ASSETS NEW AREAS OF ACTIVITY

NEW PRODUCTS



SPECIALIST NETWORK -**EXPANDED TO 700 DOCTORS**



TRAVEL INSURANCE CHAT BOT



PERSONAL MEDICINE ONLINE



NEW SAVINGS POLICY – HAREL INDEX







LAUNCH OF WOMEN'S HEALTH **CENTER AT RAPHAEL HOSPITAL**



TESTING FOR COVID-19 AT HOME WITHIN 48 HOURS



כיסוי משלים לניתוחים וטיפולים מחליפי ניתוח בישראל

UPGRADE COMBINED WITH SUPPLEMENTARY MEDICAL SERVICES

