**Harel Insurance Investments and Financial Services reports record second quarter 2026 results; comprehensive income up 30% to NIS 1.024 billion, ROE 37%**

TEL AVIV, Israel, August 26, 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 second quarter and first half 2026 results.

**Highlights:**

- Comprehensive income after tax in the second quarter was NIS 1.024 billion, 30% increase compared with the corresponding quarter last year; ROE was 37%.
- The increase in comprehensive income was driven by higher investment income and growth in core profits, primarily attributable to a 68% increase in core profits from the asset management, credit and equity segments, reflecting continuous growth in assets under management (AUM) and in the credit portfolio.
- Comprehensive income after tax in the first half was NIS 1.59 billion, 19% increase compared with the corresponding period last year; ROE was 27%.
- Continuous growth in value creation in life and health insurance: Contractual Service Margin (CSM) from new sales in the first half increased by 23% to NIS 992 million.
- Total CSM as of June 30$^{th}$, 2026, continued to grow and amounted to NIS 17.7 billion.
- Total premiums, contributions and amounts received for investment contracts grew by 18% to NIS 25.5 billion in the first half, AUM amounted to NIS 638 billion as of June 30$^{th}$, 2026, 10% increase from YE 2025 and 17% increase in the last twelve months.
- The Company's Board decided on dividend policy update to quarterly distribution instead of semi- annual. At the same time, the Company has announced a distribution of NIS 400 million dividend; Since the beginning of the year, total dividends and buyback amounted to about NIS 1.5 billion.

**Business performance overview:**

- In 2Q.26 core profits after tax increased by 17% to NIS 637 million, compared with NIS 546 million in the corresponding quarter last year.
- In 1H.26 core profits after tax increased by 6% to NIS 1.2 billion, compared with NIS 1.13 billion in the corresponding period last year.

**Insurance:**

- In 2Q.26 core profits before tax from insurance activity were NIS 699 million, compared with NIS 675 million in the corresponding quarter last year. Core profits are calculated based on an annual margin of 2% and excluding special effects.
- In 1H.26 core profits before tax from insurance activity were NIS 1.32 billion, compared with NIS 1.36 billion in the corresponding period last year. The change was mostly due to a decline in core profits in life and health in 1Q.26 due to statistical increase in the claims amounts in life insurance products, partially offset by improvement in core profit in non-life insurance.
- 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 June 30$^{th}$, 2026 continued to increase and amounted to NIS 17.7 billion.
- The future value from new sales (CSM new business) in 1H.26 amounted to NIS 992 million and was 23% higher than the future value of sales in the corresponding period last year. In addition, CSM new business in 1H.26 was higher than the NIS 830 million CSM released to profit in this period. This is confirmation of the significant value creation from new sales due to the business focus on risk products.

**Asset management and credit:**

- Core profits from asset management in 2Q.26 were NIS 131 million, up 58% 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 498 billion, increase of NIS 48 billion since YE 2025.
- Core profits from the credit segment in 2Q.26 increased by 32% to NIS 79 million, compared with NIS 60 million in the corresponding quarter last year, thanks to the continuous growth of credit activity. The credit portfolio continued to grow and amounted to NIS 8.8 billion, increase of NIS 2.3 billion in the past 12 months.

**Overview of business segments performance**

**Health insurance:**

- In 2Q.26, comprehensive income before tax was NIS 389 million, an improvement of NIS 143 million over the corresponding quarter last year . In 1H.26 comprehensive income before tax was NIS 716 million, an improvement of NIS 163 million over the corresponding period last year.
- Underwriting profit in 2Q.26 was NIS 228 million, compared with NIS 267 million in the corresponding quarter last year. Underwriting profit in 1H.26 was NIS 420 million, compared with NIS 483 million in the corresponding period last year.

**Life insurance:**

- In 2Q.26, comprehensive income before tax was NIS 503 million, an improvement of NIS 139 million over the corresponding quarter last year. In 1H.26 comprehensive income before tax was NIS 527 million, compared with NIS 548 million over the corresponding period last year.
- Underwriting profit in 2Q.26 was NIS 207 million, an improvement of NIS 37 million over the corresponding quarter last year. Underwriting profit in 1H.26 was NIS 385 million, compared with NIS 428 million in the corresponding period last year.

**Non-life insurance:**

- In 2Q.26, comprehensive income before tax was NIS 294 million, compared with NIS 392 corresponding quarter last year. In 1H.26 comprehensive income before tax was NIS 599 million, increase of NIS 19 million compared with corresponding period last year.
- Underwriting profit in 2Q.26 was NIS 126 million, increase of NIS 4 million compared with the corresponding quarter last year. Underwriting profit in 1H.26 was NIS 251 million, NIS 38 million increase compared with the corresponding period last year.

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

- In 2Q.26, comprehensive income before tax from pension and provident was NIS 70 million, compared with NIS 41 million in the corresponding period last year. In 1H.26, comprehensive income before tax was NIS 112 million, compared with NIS 70 million in the corresponding period last year. Results were affected by an increase in management fees driven by the growth of AUM.
- In 2Q.26 comprehensive income before tax from financial services (mutual funds, ETFs) and investment contracts was NIS 57 million, compared with NIS 37 million in the corresponding quarter last year. Of this, the profit of Harel Finance was NIS 49 million, compared with NIS 30 million in the corresponding quarter last year. In 1H.26 comprehensive income before tax

from financial services (mutual funds, ETFs) and investment contracts was NIS 108 million, compared with NIS 68 million in the corresponding period last year. Of this, the profit of Harel Finance was NIS 93 million, compared with NIS 53 million in the corresponding period last year.
- As of June 30th, 2026, total assets under management in the asset management segment amounted to NIS 498 billion.

**Credit:**

- In 2Q.26, core profit of the credit segment was NIS 79 million, compared with NIS 60 million in the corresponding quarter last year. In 1H.26 core profit of the credit segment was NIS 140 million compared with NIS 111 million in the corresponding period last year. Profitability was supported by the continuing growth of the credit portfolio in development property finance, mortgages and credit for medium businesses.
- The credit portfolio amounted to NIS 8.8 billion as of June 30th, 2026, compared with NIS 6.5 billion as of June 30th, 2025, an increase of NIS 2.3 billion.

**Conference Call information**

Harel Insurance Investments will hold a conference call for analysts and investors **in Hebrew** on August 26th 2026 at 1 pm (Israel); 11 am (UK); dial in details: https://www.veidan-conferencing.com/harel . 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

**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 638 billion (USD 212 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.

**Contact:**

Lena Schwartz, Head of Investor Relations
+972-3-7543691
lenasc@harel-ins.co.il

# Addendum: Financial data for the Group

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

| | 6M.26 | 6M.25 | change | Q2.26 | Q2.25 | change |
|---|---|---|---|---|---|---|
| **Life insurance** | **2,464** | **2,564** | -3.9% | **1,412** | **1,470** | -3.9% |
| Growth products* (life risks) | 774 | 727 | 6.5% | 391 | 367 | 6.5% |
| Runoff products* (profit participating and yield guaranteed life savings) | 1,690 | 1,837 | -8.0% | 1,021 | 1,103 | -7.4% |
| **Health insurance** | **3,023** | **2,861** | 5.7% | **1,526** | **1,457** | 4.7% |
| Growth products* (medical expenses, critical illness, personal accidents) | 2,504 | 2,354 | 6.4% | 1,267 | 1,198 | 5.8% |
| Runoff products* (personal and group long-term care) | 519 | 507 | 2.4% | 259 | 259 | - |
| **Non-life insurance**** | **2,539** | **2,765** | -8.2% | **1,262** | **1,372** | -0.8% |
| **Total earned premiums, gross** | **8,026** | **8,190** | -2.0% | **4,200** | **4,299** | -2.3% |
| **Pension benefit contributions** | **8,961** | **8,401** | 6.7% | **4,529** | **4,317** | 4.9% |
| **Provident benefit contributions** | **6,220** | **3,501** | 77.7% | **2,972** | **1,707** | 74.1% |
| **Amounts received for investment contracts** | **2,293** | **1,525** | 15.5% | **1,173** | **616** | 90.4% |
| **Total** | **25,500** | **21,617** | **18.0%** | **12,874** | **10,939** | **17.7%** |

* 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

| | 6M.26 | 6M.25 | change | Q2.26 | Q2.25 | change |
|---|---|---|---|---|---|---|
| **Life insurance** | **527** | **548** | **-3.8%** | **503** | **364** | **38.2%** |
| **Health insurance** | **716** | **553** | **29.5%** | **389** | **246** | **58.1%** |
| **Non-life insurance** | **599** | **580** | **3.3%** | **294** | **392** | **-25.0%** |
| Provident | 43 | 25 | 72.0% | 26 | 14 | 85.7% |
| Pension | 69 | 45 | 53.3% | 44 | 27 | 62.9% |
| **Total pension insurance** | **112** | **70** | **60.0%** | **70** | **41** | **70.7%** |
| **Insurance companies overseas** | **(15)** | **4** | **-475.0%** | **(10)** | **3** | **-433.3%** |
| **Financial services** | **108** | **68** | **58.8%** | **57** | **37** | **54.0%** |
| **Credit** | **138** | **104** | **32.7%** | **82** | **59** | **39.0%** |
| **Equity** | **245** | **74** | **231.1%** | **207** | **77** | **168.8%** |
| **Total** | **2,430** | **2,001** | **21.4%** | **1,592** | **1,219** | **30.6%** |

## AUM

| | June 30, 2026 | June 30, 2025 | December 31, 2025 |
|---|---|---|---|
| Yield-dependent [unit-linked] insurance contracts and investment contracts | 98.1 | 89.3 | 93.4 |
| Pension funds | 236.7 | 199.3 | 218.7 |
| Provident funds and education funds | 103.4 | 78.8 | 88.1 |
| Mutual funds | 112.1 | 94.7 | 101.4 |
| Portfolio management and other* | 21.0 | 18.0 | 19.2 |
| **Total for insureds and planholders** | **571.3** | **480.1** | **520.8** |
| Nostro** | 67.0 | 63.3 | 61.2 |
| **Total** | **638.3** | **543.4** | **582.0** |

* Including financial assets issued by the Group and managed in portfolios in the amount of NIS 6.3 billion, NIS 5.2 billion, and NIS 5.5 billion at June 30, 2026, June 30, 2025 and December 31, 2025, respectively
** Including certificates of deposit issued by Harel Finance in the amount of NIS 20.4 billion, NIS 19 billion and NIS 16 billion at June 30, 2026, June 30, 2025 and December 31, 2025, respectively, to cover liabilities in respect of bonds and short sales of securities and derivatives