

Press Release

March 26, 2025

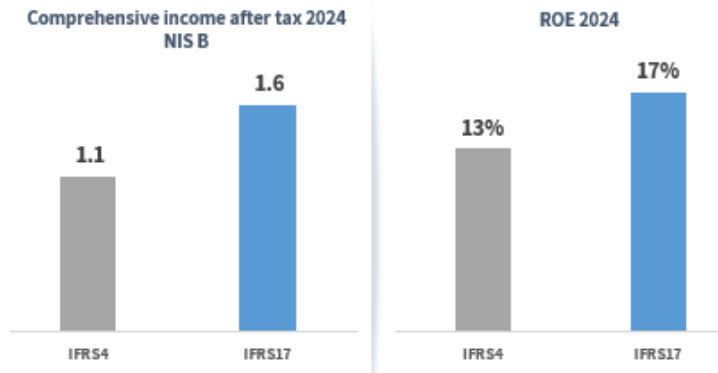
Annual Financial Statements | 2024

Harel has published for the first time 2024 full-year results according to IFRS 17, and accordingly, updated the targets for 2026 to reflect the IFRS 17 implementation:

Profit for 2024 according to IFRS 17 was NIS 1.6 B and ROE was 17%.

The CSM at December 31, 2024 was NIS 16.5 B, an increase of NIS 0.6 B during the course of 2024, reflecting the growth in accrued profits

Following is an extract of the data according to IFRS 17 compared with IFRS 4:

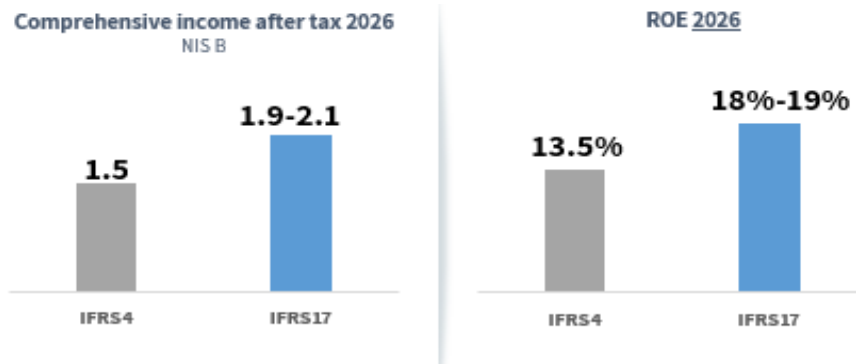


Subject to changes and adjustments which may arise within the application of IFRS17. IFRS 17 financial data have not been reviewed or audited

In accordance with the IFRS 17 implementation, the Company has updated its targets for 2026:

Comprehensive income after tax is expected to be NIS 1.9-2.1 B, reflecting ROE of

18%-19%. The revised targets reflect the effect of the application of IFRS 17 on the Company's results and the continuing implementation of the strategic plan, focusing on underwriting improvement and revenues diversification



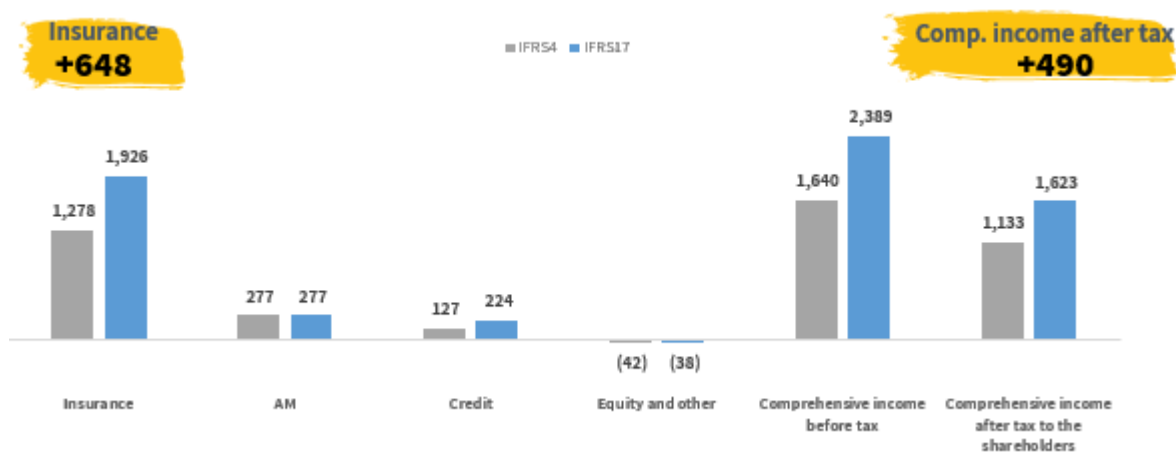
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Key emphases with respect to the transition to IFRS 17:

2024 full-year:

- Comprehensive income after tax in 2024 was NIS 1.6 B and ROE was 17% according to IFRS 17, compared with comprehensive income of NIS 1.1 B and ROE of 13% under IFRS 4.
- The Contractual Service Margin (CSM) balance at December 31, 2024 was NIS 16.5 B compared with NIS 15.9 B at January 1, 2024. The increase in the CSM balance in 2024 reflects growth in accrued profits.
- Approximately 67% of the CSM balance is attributable to risk products - personal lines risk, medical expenses and critical illness, sectors in which Harel continues to dominate the market while at the same time continuing to grow in recent years.
- Equity as of 31.12.2024 amounted to NIS 9.9 B.

Breakdown of comprehensive income by segment in 2024 according to IFRS 17 compared with IFRS 4:



Key emphases in the 2024 results according to IFRS 4:

- In 2024, comprehensive income after tax according to IFRS 4 increased by 89% to NIS 1,133 M, reflecting 13% ROE, compared with comprehensive income after tax of NIS 600 M in the corresponding period last year.
- The Company's Board of Directors approved additional amount of NIS 100 M to the share repurchase program (NIS 200 M together with the existing program).
- At December 31, 2024, Harel Investments had equity of NIS 9.1 B, this after the distribution of dividends in the amount of NIS 800 M and a share repurchase of NIS 126 M.
- Implementation of the strategic plan** continued, with the focus on improved profitability in insurance business, asset management and diversification of the sources of income, leading to **improved profit in all operating segments** in 2024 compared with the corresponding period last year: underwriting improvement of **NIS 173 M** in profit from insurance business to NIS 1,148 M (up 18%), improvement of **NIS 60 M** in asset management to NIS 293 M (up 26%), and an improvement of **NIS 24 M** in the credit segment to NIS 127 M (up 23%).
- In 2024, **earned premiums, gross, benefit contributions and amounts received for investment contracts** increased by **7.8% to NIS 42.5 B**, compared with the corresponding period last year. In Q4 2024 these **increased by 9.2% to NIS 11.2 B**, compared with the corresponding quarter last year.

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- Further growth of the Group's **AUM**, which at December 31, 2024, increased by 19% to **NIS 510 B** from the beginning of the year.
- In Q4 2024, **comprehensive income after tax increased to NIS 461 M**, reflecting 20% ROE, compared with comprehensive income after tax of NIS 203 M in the corresponding quarter last year.
- **The real Nostro yield in the period was positive, and higher than the yield in the corresponding period last year.** The negative effect of investment income (the difference between the real assumed yield of 3% and the yield actually attained) in the Reporting Period was NIS 82 M, compared with a negative effect of NIS 808 M in the corresponding quarter last year.

Results according to the Group's operating segments:

Insurance:

In the Reporting Period, the Company's underwriting profit from insurance business was NIS 1,148 M, compared with NIS 975 M in the corresponding period last year.

Health insurance:

- In 2024, **underwriting profit in health insurance increased by NIS 245 M compared with the corresponding period last year and amounted to NIS 631 M.**
- In 2024, **comprehensive income before tax in health insurance was NIS 473 M**, compared with NIS 129 M in the corresponding period last year.

Life insurance:

- In 2024, **underwriting profit in life insurance was NIS 244 M**, as against NIS 305 M in the corresponding period last year.
- In 2024, **comprehensive income before tax in life insurance was NIS 353 M**, compared with NIS 124 M in the corresponding period last year.

Non-life insurance:

- In 2024, **underwriting profit in non-life insurance was NIS 273 M**, as against NIS 284 M in the corresponding period last year.
- In 2024, **comprehensive income before tax in non-life insurance was NIS 476 M**, compared with NIS 274 M in the corresponding period last year.

Asset management:

Adjusted profit¹ from **asset management**, increased by 26% to **NIS 293 M** in 2024, compared with NIS 233 M in the corresponding period last year.

At December 31, 2024, AUM in the asset management segment **increased by 22% to NIS 387 B** compared with NIS 318 B at December 31, 2023.

Pension and provident:

¹ Special effects include extraordinary expenses that are not part of the normal course of business and after subtracting retained costs created in the course of business combinations. Special effects are attributed to the pension and provident sectors and amounted to NIS 16.5 M in 2024.

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- In 2024, **comprehensive income before tax in pension and provident increased by 30% to NIS 147 M**, compared with NIS 113 M in the corresponding period last year.
- **AUM in the Group's pension funds and provident funds increased to NIS 185 B and NIS 75 B**, respectively, at December 31, 2024, compared with NIS 151 B and NIS 65 B, respectively at December 31, 2023.

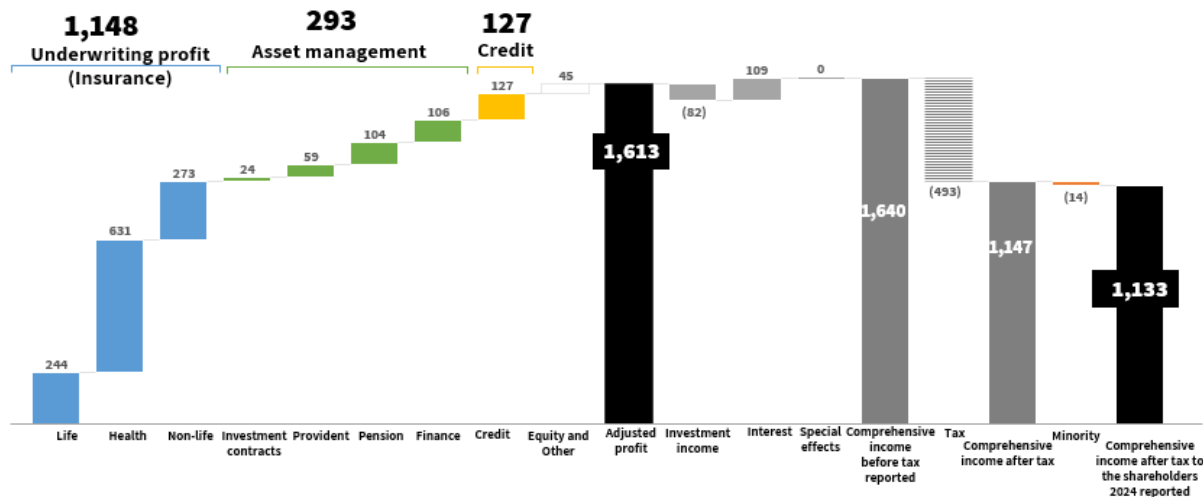
Financial services - through Harel Finance Investment House:

- In 2024, **comprehensive income before tax from financial services activity increased by 33% to NIS 106 M**, compared with NIS 80 M in the corresponding period last year.
- At December 31, 2024, the volume of assets managed by Harel Finance **increased by 28% to NIS 106 B**, compared with NIS 83 B at December 31, 2023.

Credit:

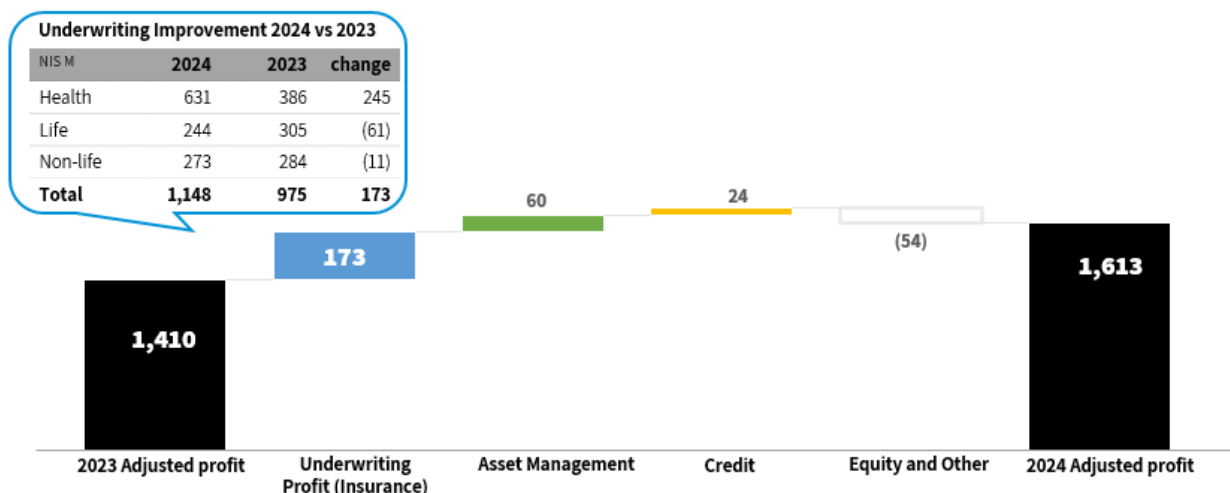
- The activity covered by the credit segment includes the following: Hamazpen; development property project financing; providing financial guarantees and development and operating services for mortgage portfolios insured by third parties; Harel 60+ that provides credit for mortgages and reverse mortgages - loans to borrowers aged 60 or more with a lien on their home.
In December 2024, the Company completed a transaction for the acquisition of all the shares of Gamla Harel Residential Real Estate Ltd.
- In 2024, **comprehensive income before tax in the credit segment increased by 23% to NIS 127 M**, compared with NIS 103 M in the corresponding period last year. The improved profit is partially attributable to the continuous growth of activity in the managed credit portfolio in each of the credit activities.
- **The portfolio grew by 53% to NIS 6.06 B**, compared with NIS 3.95 B at the end of 2023.

Information about the Company's sources of comprehensive income after tax in the Reporting Period (NIS M):



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Following is an analysis of the change in the Company's adjusted profit in the Reporting Period compared with the corresponding period last year (NIS M):



Addendum: Financial data for the Group:

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

	2024	2023	Change	Q4.24	Q4.23	Change
Life insurance	5,585	6,286	11.2%	1,289	1,392	-7.4%
Health insurance**	4,896	6,468	-24.3%	1,251	1,653	-24.3%
Non-life insurance*	5,445	5,018	8.5%	1,422	1,333	6.7%
Total earned premiums, gross	15,926	17,772	-10.4%	3,962	4,378	-9.5%
Pension benefit contributions	15,817	13,706	15.4%	4,252	3,669	15.9%
Provident benefit contributions	6,525	5,065	28.8%	2,036	1,546	31.7%
Amounts received for investment contracts	4,216	2,865	47.2%	1,003	714	40.5%
Total	42,484	39,408	7.8%	11,253	10,307	9.2%

* Including the insurance companies overseas segment

** The premium decrease is attributable to termination of the group long-term care agreement with Clalit HMO members under the old system and application of the new outline, from the beginning of 2024 for 12 months, in which the reserve fund bears full insurance risk. Consequently, from 2024, premiums are not recorded for the aforementioned agreement

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Comprehensive income (loss) before tax by segment

	2024	2023	Q4.24	Q4.23
Life insurance	353	124	246	15
Provident	55	40	16	11
Pension	92	73	30	17
Total long-term savings	500	237	292	43
Health insurance	473	129	186	73
Non-life insurance	527	279	149	73
Insurance companies overseas	(51)	(5)	(21)	7
Financial services	106	80	34	22
Credit	127	103	36	27
Equity and agencies	(42)	(2)	(16)	14
Total	1,640	821	660	259

AUM

	December 31, 2024	December 31, 2023
Yield-dependent insurance contracts and investment contracts	84.4	80.6
Pension funds	184.9	150.6
Provident funds and education funds	75.4	65.0
Mutual funds	87.9	67.7
Portfolio management and other*	18.0	14.9
Total for insureds and members	450.6	378.8
Nostro**	58.9	48.9
Total	509.5	427.7

* Including financial assets issued by the Group and managed in portfolios in the amount of NIS 6.1 B and NIS 4.2 B at December 31, 2024 and December 31, 2023, respectively

** Including certificates of deposit issued by Harel Finance in the amount of NIS 17.3 B and NIS 9.4 B at December 31, 2024 and December 31, 2023, respectively, against liabilities in respect of bonds and short sales of securities and derivatives