



Summary of Financial Results

Q1.2024

May 29, 2024

Harel Group, the Board of Directors, Management and employees support the defense forces and stand with the families of the hostages, hoping and praying for their safe and speedy return home.

We offer our condolences to the bereaved families and feel the pain of their terrible loss in the horrific terror attack on October 7.

At this time, Harel Group expresses its resounding faith in the resilience of the State of Israel and the strength of the Israeli economy. As a leading Israeli company, we will continue to support and contribute to our country and society, from a position of solidarity and national responsibility. Together we will overcome the challenges facing us and continue to build a better future for all of us in Israel.

Agenda

Key messages

Strategy

Financial overview

Appendix

Largest insurance and finance group in Israel

Premiums and Deposits*

NIS B

Q1.24 **9.9**
Q1.23 **9.2**

Shareholders' Equity

NIS B

Q1.24 **8.7**
Q1.23 **8.4**

AUM

NIS B

Q1.24 **453**
Q1.23 **377**

S&P Maalot

iAA+/Stable

Harel Insurance

Midroog

Aa1.il stable

Harel Insurance

Aa2.il stable

Harel Investments

Maala CSR

Platinum Plus

Harel Investments

Comprehensive Income

NIS M

Q1.24 **233**
Q1.23 **33**

ROE

Q1.24 **11%**
Q1.23 **2%**

Solvency Capital Ratio

Including transitional measures

31.12.23 **168%**
30.06.23 **167%**

Largest Insurance and Financial Group in Israel – in terms of gross premiums earned and contributions to pension funds and provident funds and amounts received for investment contracts as of 31.12.2023

*Gross premiums earned and contributions to pension funds and provident funds and amounts received for investment contracts

Key Messages Q1.24

Continuous growth in quarterly profit

Q1.24 profit was **NIS 233 M** compared with NIS 33 M in Q1.23 supported by underwriting improvement in all segments, despite War impact of NIS 34 M before tax, and by higher nostro returns

Improvement in all segments

NIS 178 M underwriting improvement in insurance, NIS 16 M improvement in AM and NIS 6 M improvement in credit – reflecting ongoing strategy implementation

Positive real Nostro return

Positive real Nostro return of **0.8%** in Q1.24 compared with negative real return of (0.1%) in Q1.23

Growth in premiums, deposits and AUM

With premiums and deposits* of **NIS 9.9 B**, **AUM of NIS 453 B** as of 31.03.2024, up 6% from YE2023.

Increase in Solvency Capital Ratio

Solvency Capital Ratio without transitional measures **increased to 138%** as of 31.12.2023, compared with 126% as of 30.06.2023 largely due to increase of interest rate curve

*Gross premiums earned and contributions to pension funds and provident funds and amounts received for investment contracts
Underwriting profit in Life, Health, Non-life segments and profit in Equity segment are calculated assuming 3% real return, excluding special effects. See Appendix for full list of assumptions

Agenda

Key messages

Strategy

Financial overview

Appendix

Strategic Focus

**Improving
Profitability**

and

**Diversifying
Revenues**

Leveraging scale for material and permanent
improvement of insurance profitability and revenue
diversification

Strategy Implementation

#1 Operational Excellence



Improving insurance profitability

#2 Leveraging Existing Customers



Continue growing in profitable products

#3 Revenue Diversification

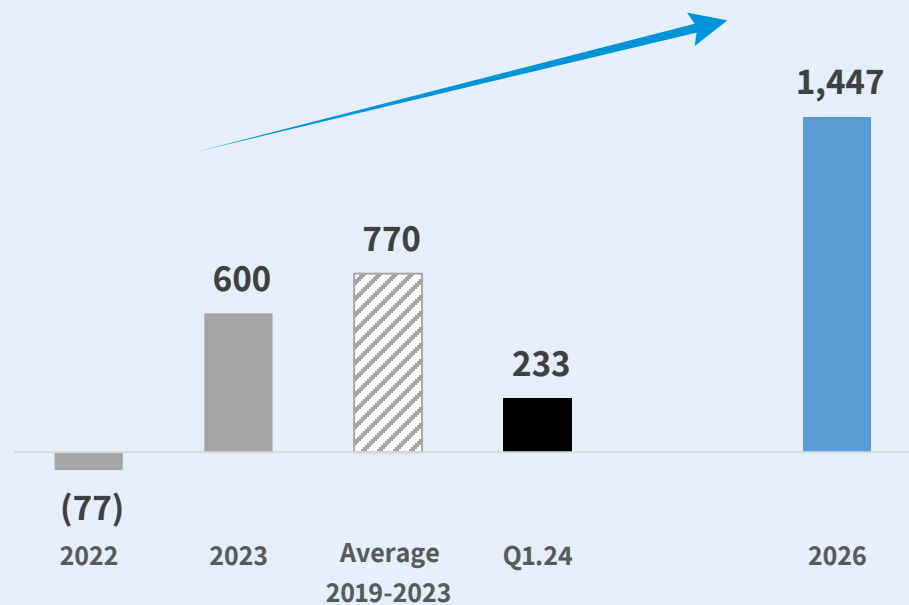


Expanding non-insurance activities

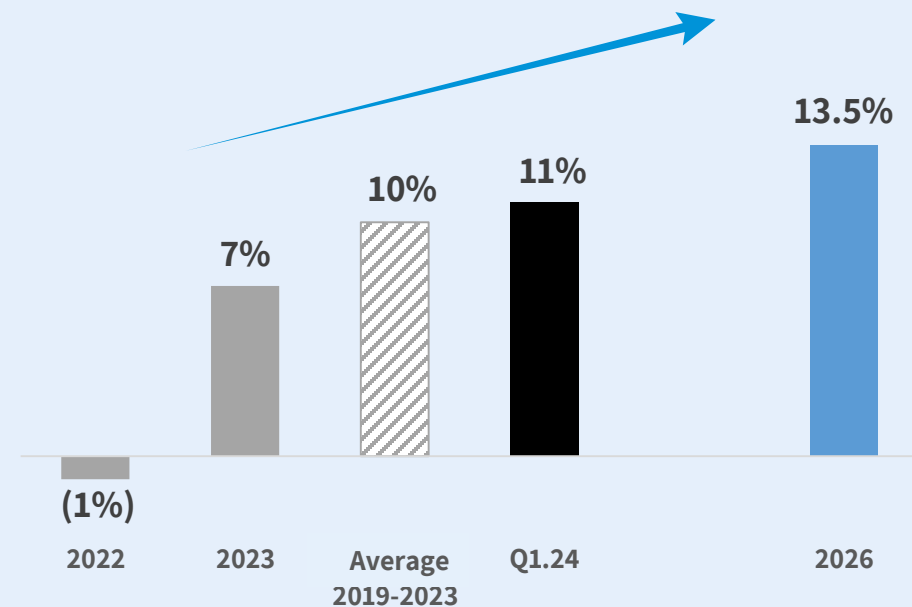
Our targets:

Harel 2026

Comprehensive income NIS M after tax



ROE

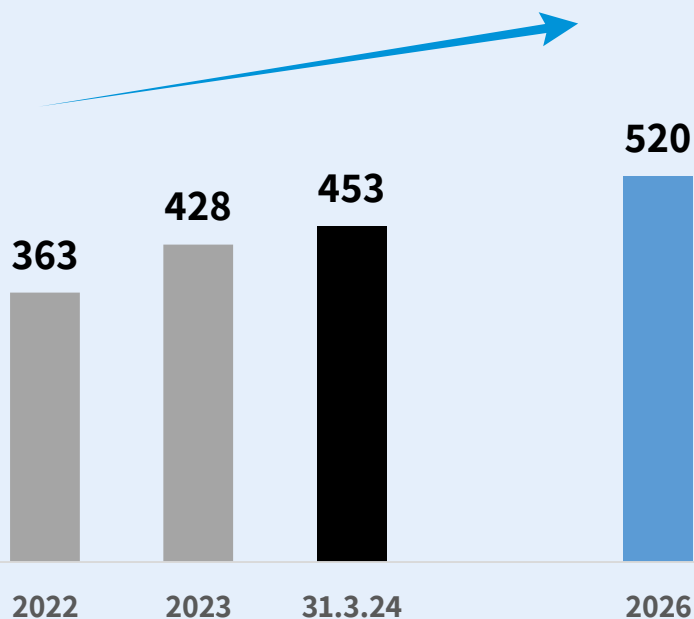


Key forecast assumptions: Real Nostro return of 3.0%, change in CPI 3.0%, implementation of strategic plan to improve profitability and diversify revenues. Premium growth is consistent with industry growth assuming that Harel's share is maintained. Q1.24 and 2026 premiums do not include Group LTC premiums for Clalit HMO contract Increase in AUM reflects the past deposits development (continuous growth in pension and provident funds). Fees include 124 M variable fees in 2026, in 2022-2023 and in Q1.24 variable fees were not collected. Dividend inline with existing policy. Assumed tax rate is 34.746%. Actual performance may differ from forecast, due to changes in capital market returns, marco data including growth and inflation, regulatory changes and other variables.

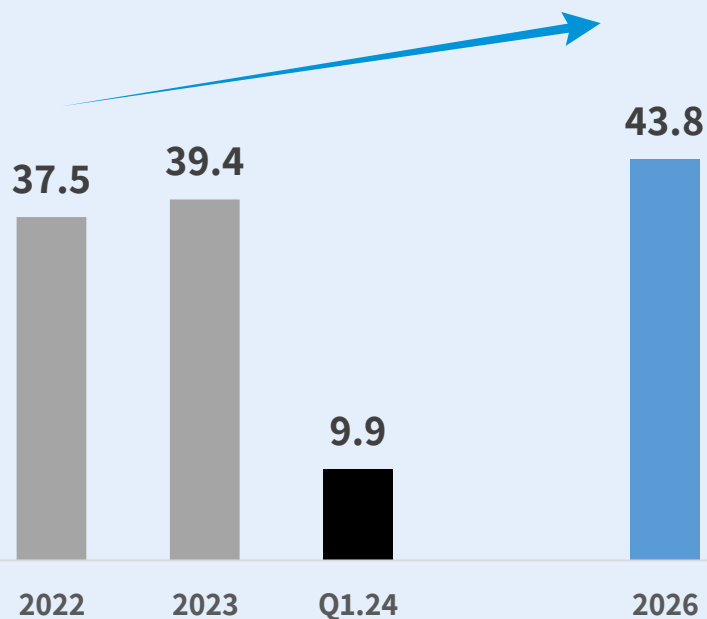
Our targets:

Harel 2026

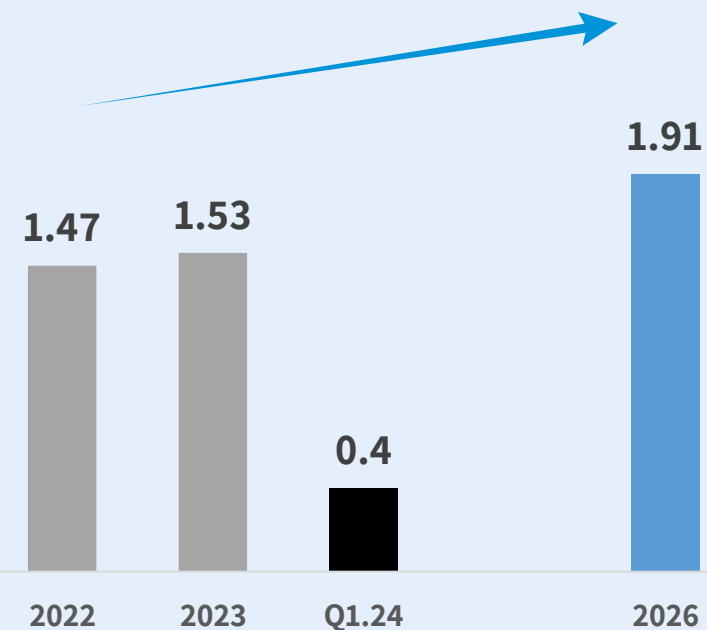
AUM NIS B



Premiums and Deposits* NIS B



Fee Income NIS B



Key forecast assumptions: Real Nostro return of 3.0%, change in CPI 3.0%, implementation of strategic plan to improve profitability and diversify revenues. Premium growth is consistent with industry growth assuming that Harel's share is maintained. Q1.24 and 2026 premiums do not include Group LTC premiums for Clalit HMO contract Increase in AUM reflects the past deposits development (continuous growth in pension and provident funds). Fees include 124 M variable fees in 2026, in 2022-2023 and in Q1.24 variable fees were not collected. Dividend inline with existing policy. Assumed tax rate is 34.746%. Actual performance may differ from forecast, due to changes in capital market returns, marco data including growth and inflation, regulatory changes and other variables.

*Gross premiums earned and contributions to pension funds and provident funds and amounts received for investment contracts

Agenda

Key messages

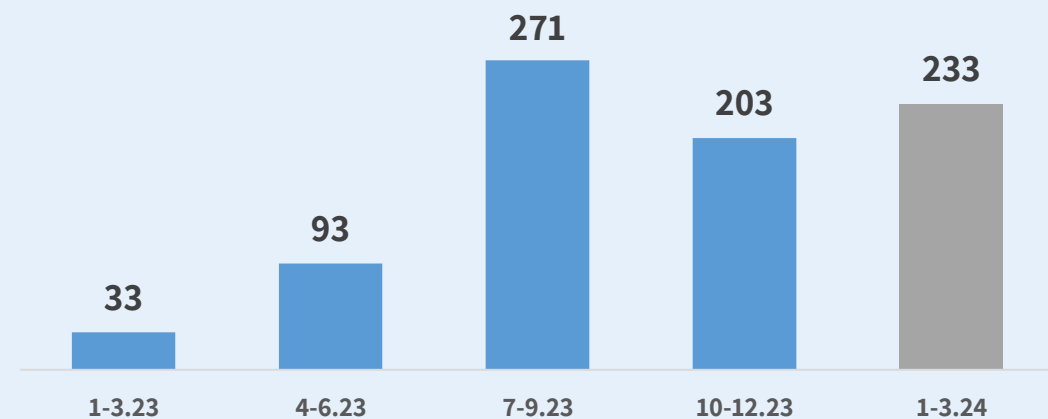
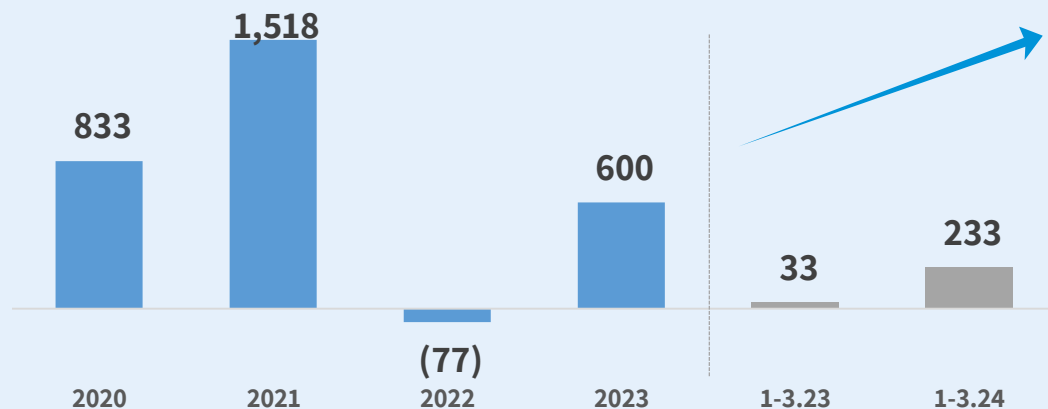
Strategy

Financial overview

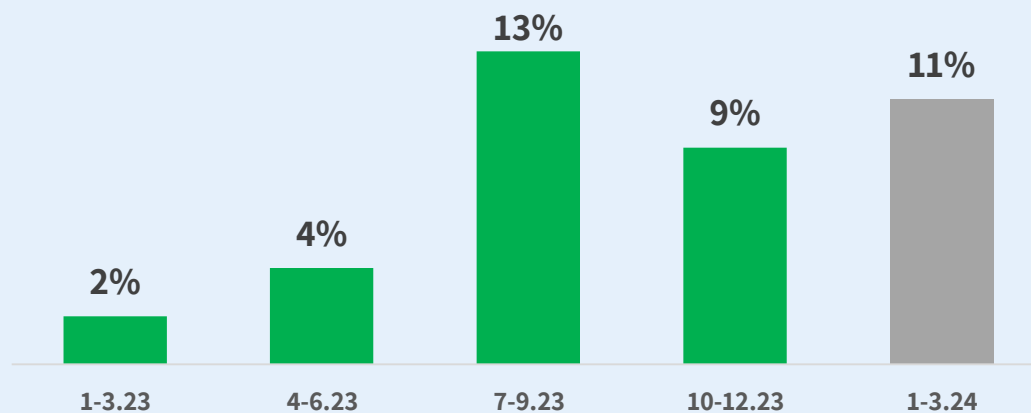
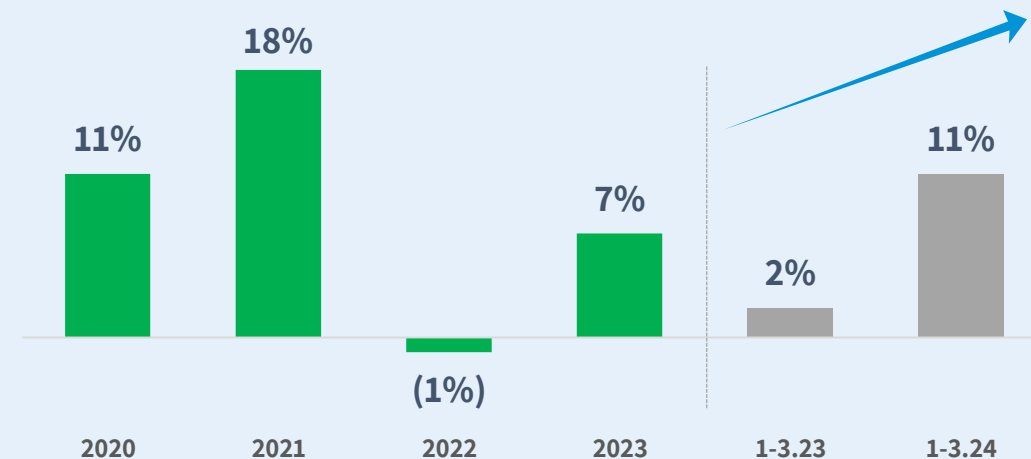
Appendix

Q1.2024: Continuous growth in quarterly profit

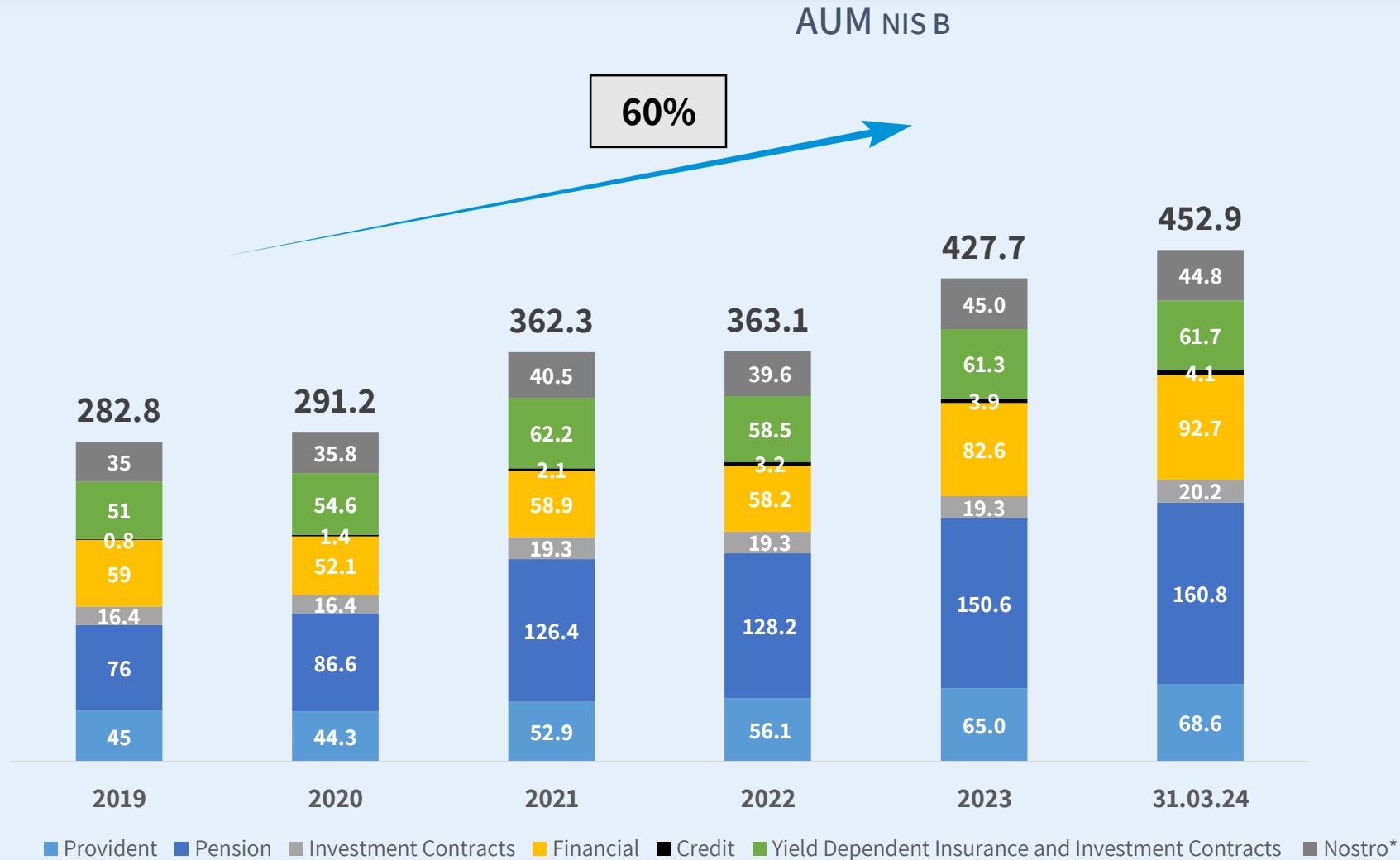
Comprehensive Income attributed to shareholders
NIS M after tax



ROE



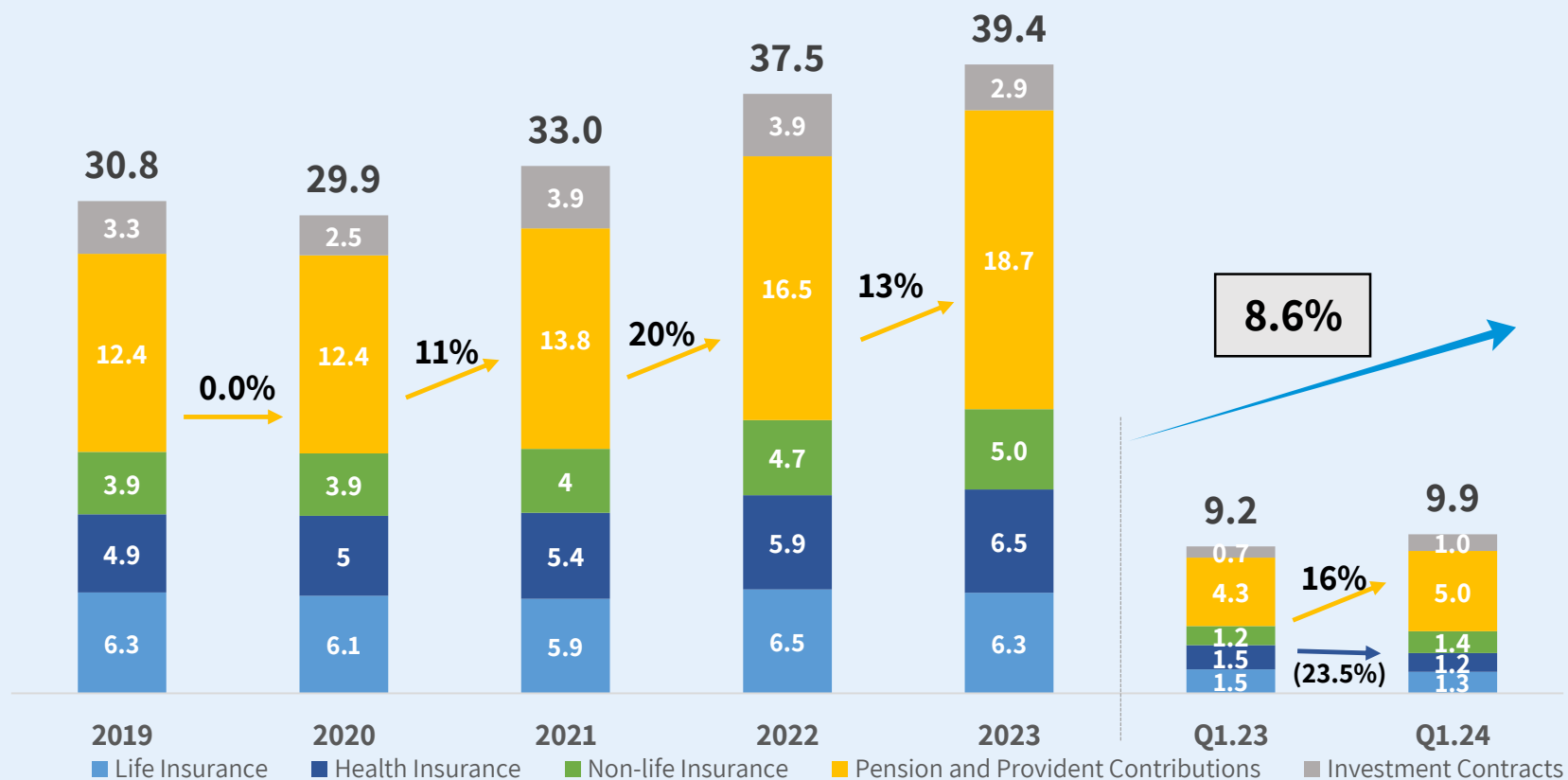
Q1.24: Growth in AUM



*Nostro includes certificates of deposit issued by Harel Finance. Of this amount, the Nostro of Harel Insurance is NIS 35.1 B
 Managed assets in customers' portfolios included under financial services, comprise financial assets issued by the Group and managed in portfolios

Q1.24: Leading in premiums and deposits

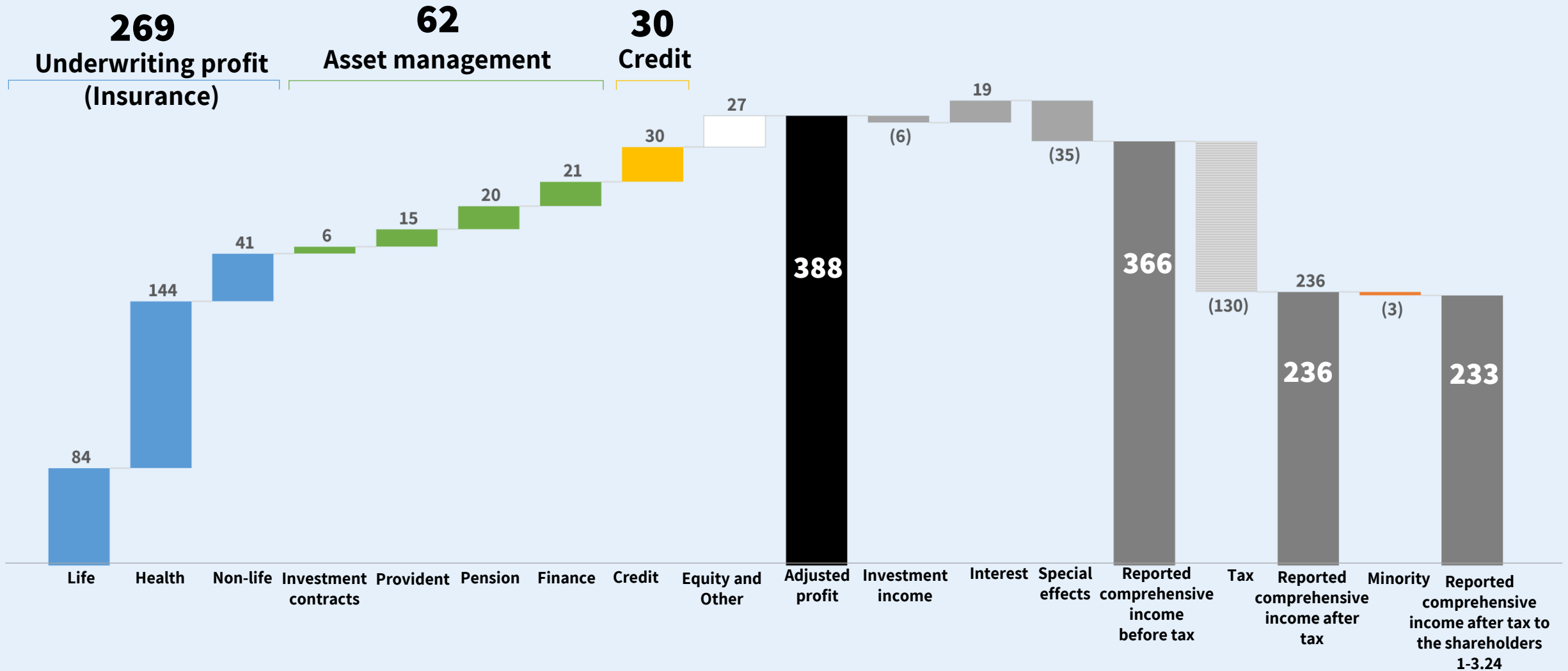
Premiums and deposits* NIS B



Pension and Provident fund contributions- substantial growth engine

Decline in Long term care premiums is driven by termination of Clalit HMO insurance transaction

Composition of comprehensive income Q1.2024 NIS M



Underwriting profit in Life, Health, Non-life segments and profit in Equity segment are calculated assuming 3% real return, excluding special effects. See Appendix for full list of assumptions

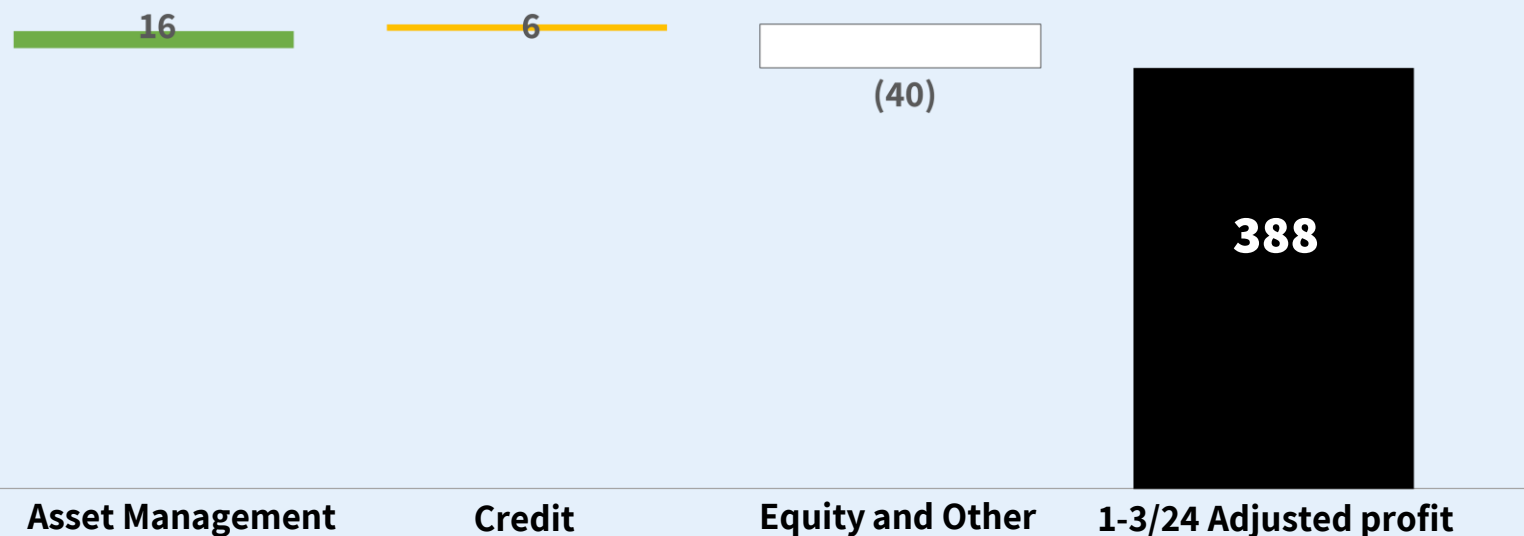
Q1.24: Growth in adjusted profit vs Q1.23

Underwriting Improvement Q1.24 vs Q1.23

NIS M	1-3/24	1-3/23	change
Health	144	8	136
Life	84	80	4
Non-life	41	3	38
Total	269	91	178

Change in adjusted profit in Q1.24 vs Q1.23 NIS M before tax

Profit growth in all segments, despite War impact of NIS 34 M



1-3/23 Adjusted profit	Underwriting Profit (Insurance)	Asset Management	Credit	Equity and Other	1-3/24 Adjusted profit
1-3/24	269	62	30	27	388
1-3/23	91	46	24	67	228

Underwriting profit in Life, Health, Non-life segments and profit in Equity segment are calculated assuming 3% real return, excluding special effects. See Appendix for full list of assumptions

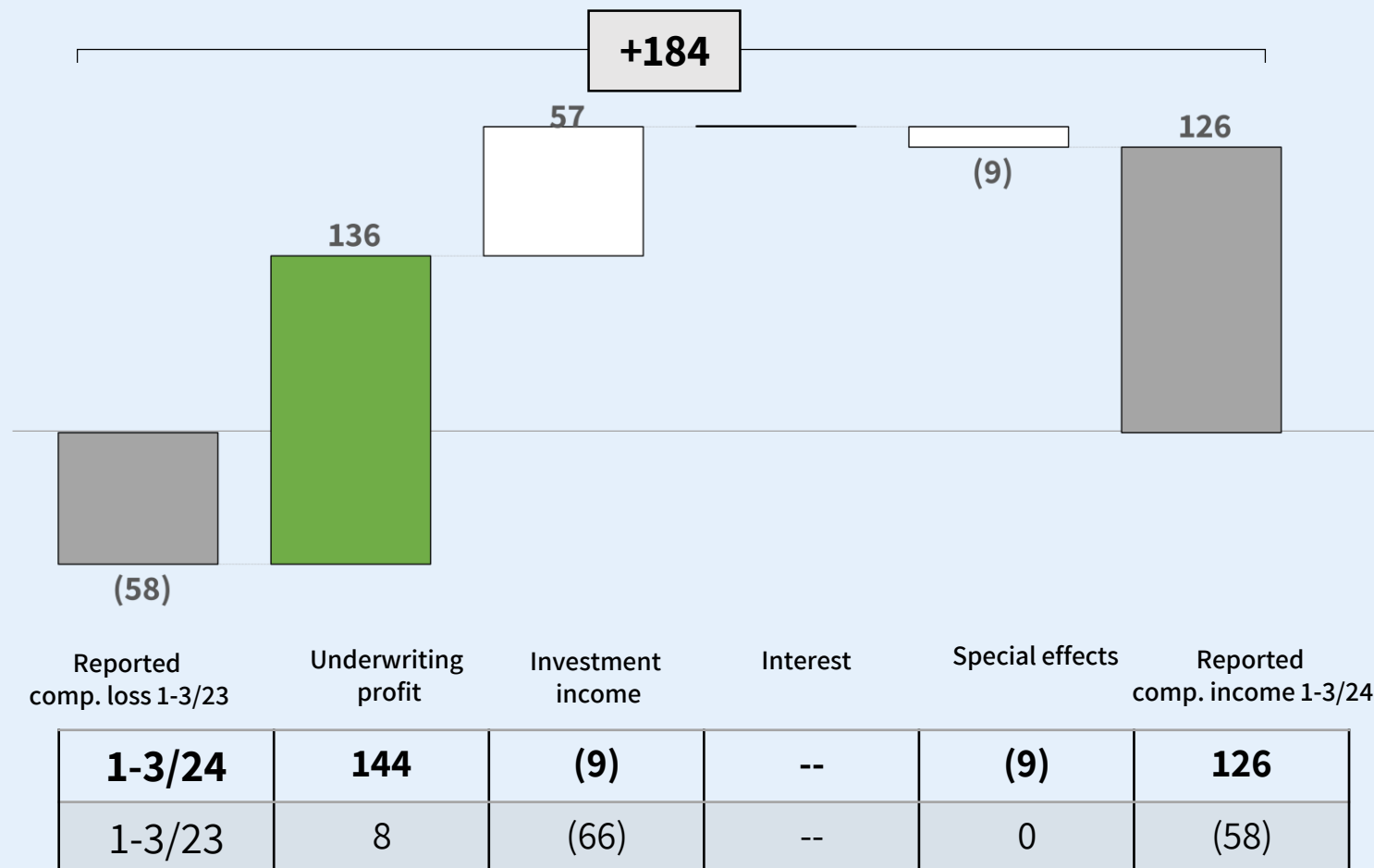
Underwriting improvement and termination of Group LTC transaction

Change in Comprehensive Income before tax:

- Underwriting improvement especially in group LTC and long-term health
- Positive impact of investment income due to positive real Nostro returns in Q1.24 compared with negative real returns in Q1.23
- The results reflect the termination of the group LTC insurance transaction with Clalit HMO members
- Accordingly, Group LTC premiums declined, yet Health LT and ST premiums increased:

Premiums (NIS M)	Q1.24	Q1.23	%
Group LTC	60	470	(87%)
Health LT and ST	925	879	+5%

Health: Change in comprehensive income Q1.24 vs Q1.23 NIS M before tax



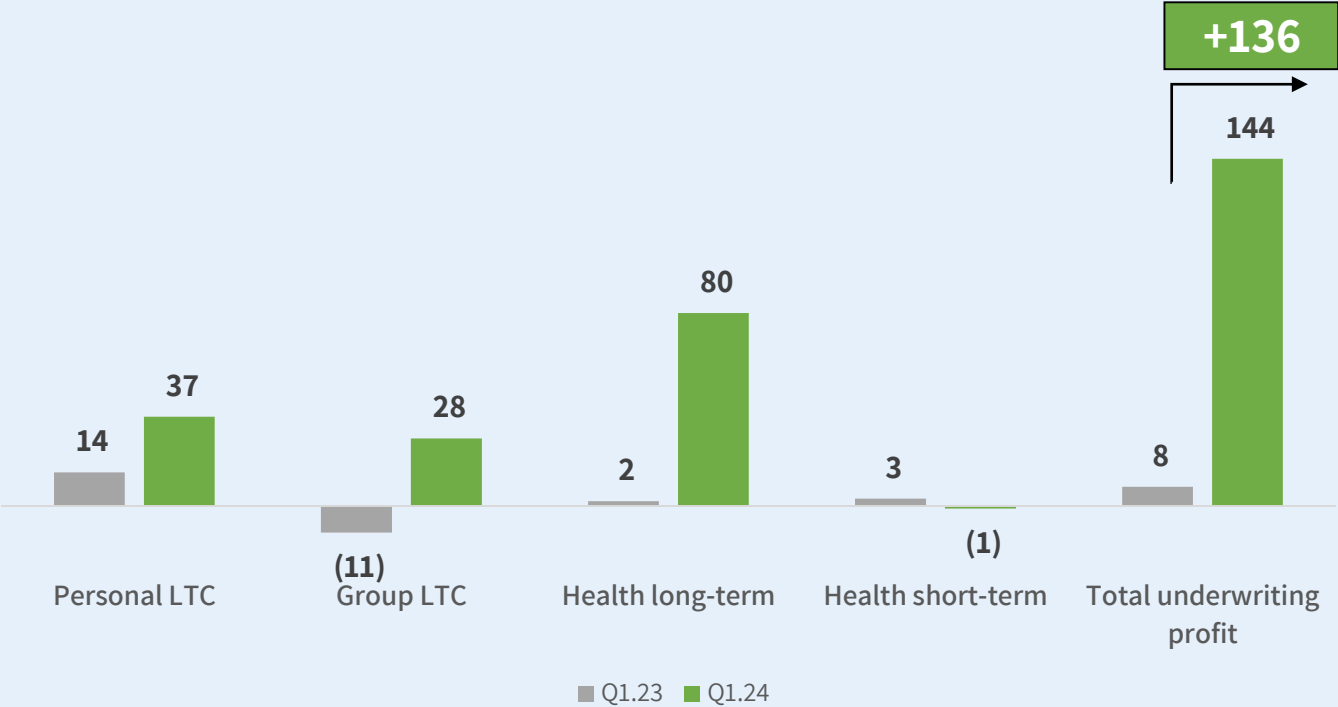
Underwriting profit in Life, Health, Non-life segments and profit in Equity segment are calculated assuming 3% real return, excluding special effects. See Appendix for full list of assumptions

Improvement in LT Health and in Long-Term Care

NIS 136 M underwriting improvement:

- **LTC Personal and Group:** Decrease in insurance liabilities (decrease in IBNR reserve) due to reducing the time period from occurrence of an insurance event until a claim is filed
- **Long-term health:** Underwriting improvement in transplants cover, ambulatory care and in personal accidents, due to a decrease in the number of claims and claim amounts paid. This was partially offset by increase in claims in accidents cover due to the War amounting to NIS 4 M

Health: Breakdown of underwriting profit NIS M



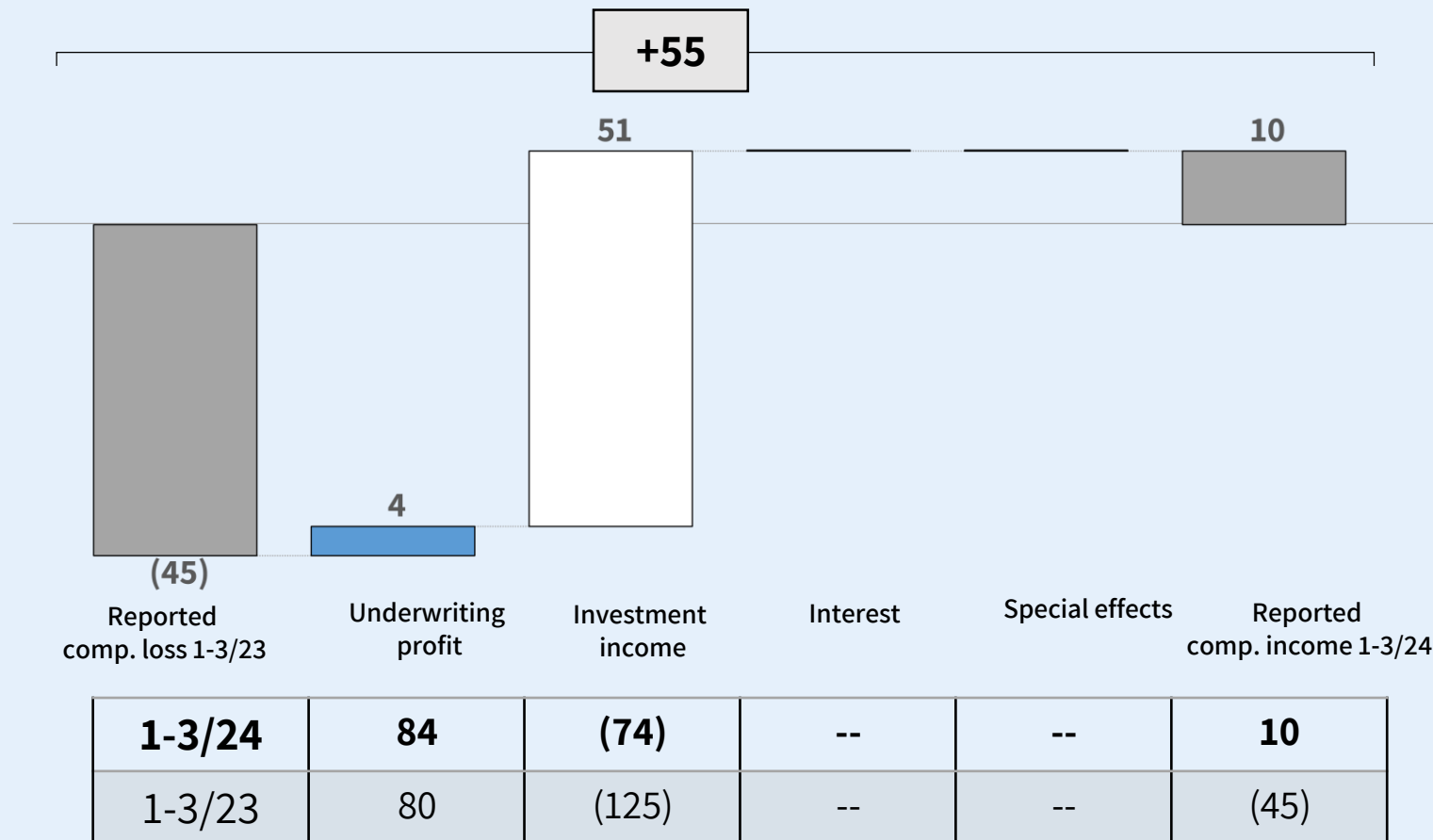
Underwriting profit in Life, Health, Non-life segments and profit in Equity segment are calculated assuming 3% real return, excluding special effects. See Appendix for full list of assumptions

Positive impact of investment income and underwriting improvement

Change in Comprehensive Income before tax:

- Positive impact of investment income due to positive real Nostro returns in Q1.24 compared with negative real returns in Q1.23
- Increase in claims due to the War partially offset the underwriting improvement due to activity growth in risk products

Life: Change in comprehensive income Q1.24 vs Q1.23 NIS M before tax



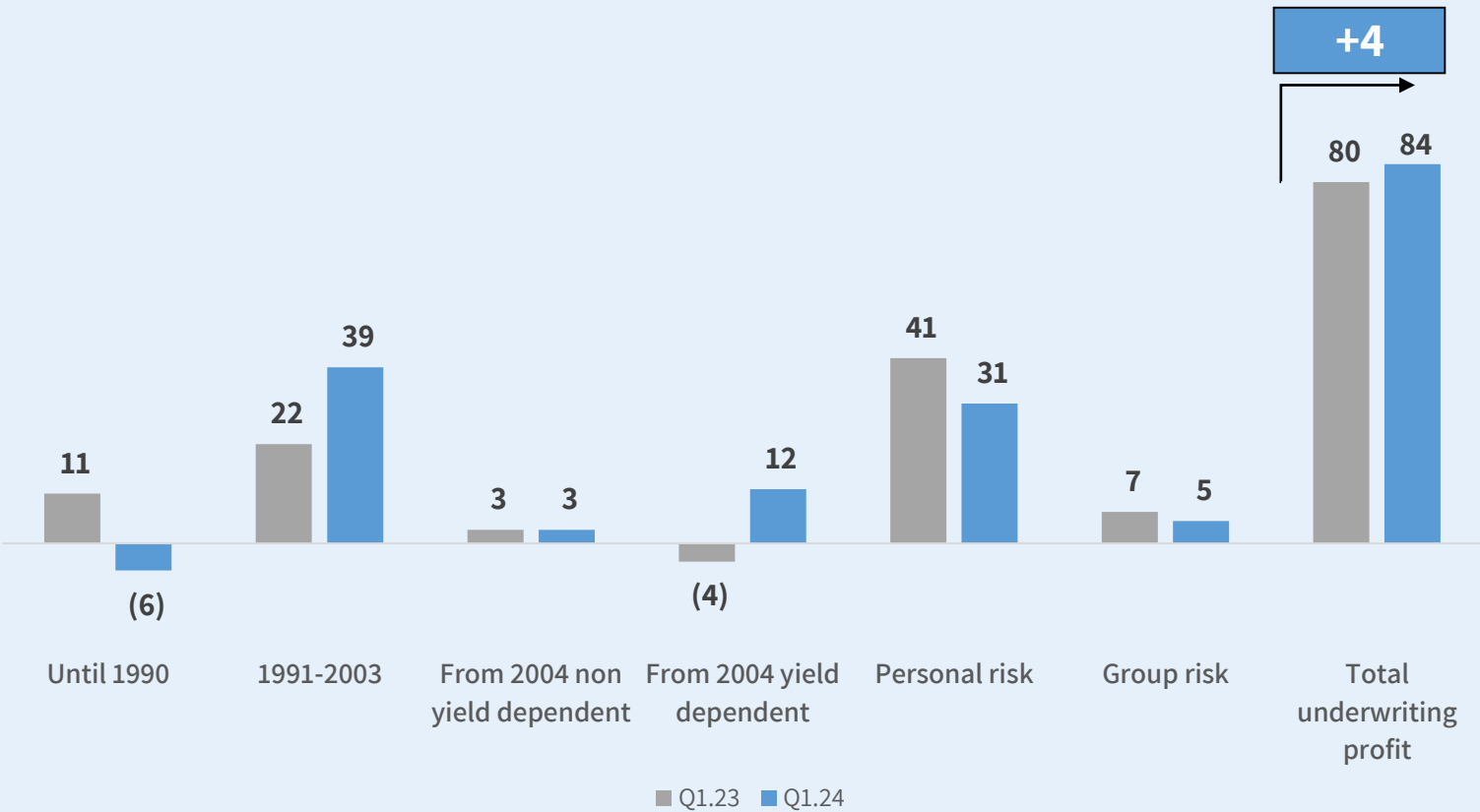
Underwriting profit in Life, Health, Non-life segments and profit in Equity segment are calculated assuming 3% real return, excluding special effects. See Appendix for full list of assumptions

Higher profitability in risk products despite the War impact

NIS 4 M underwriting improvement:

- NIS 30 M increase in claims due to the War (personal and group) offset the underwriting improvement due to continuous activity growth in risk and critical illness products

Life: Breakdown of underwriting profit NIS M



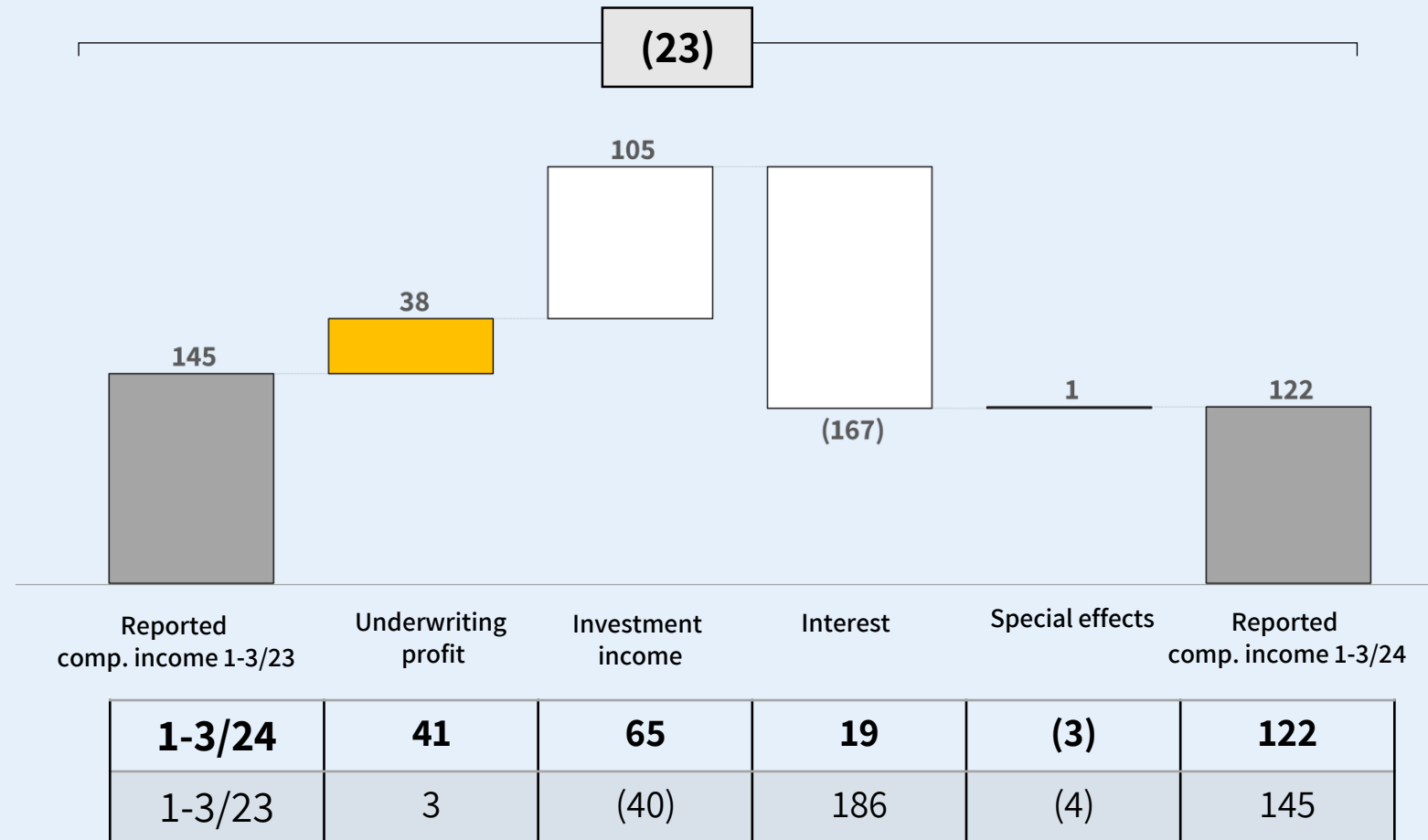
Underwriting profit in Life, Health, Non-life segments and profit in Equity segment are calculated assuming 3% real return, excluding special effects. See Appendix for full list of assumptions

Growth in underwriting profit, lower interest rate impact

Change in Comprehensive Income before tax

- Underwriting improvement across most segments
- Positive impact of investment income due to positive real Nostro returns in Q1.24 compared with negative real returns in Q1.23
- Lower interest rate impact in Q1.24 compared with Q1.23, leading to decline in comprehensive income in Q1.24 compared with Q1.23

Non-life: Change in comprehensive income Q1.24 vs Q1.23 NIS M before tax



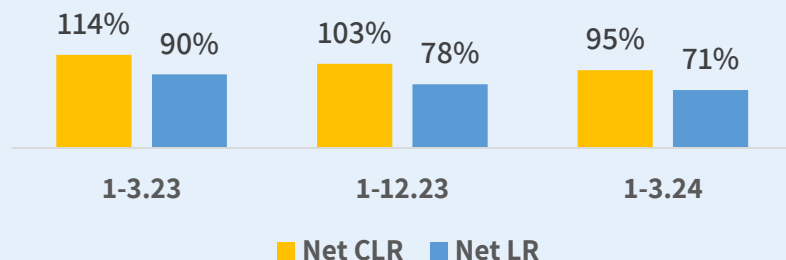
Underwriting profit in Life, Health, Non-life segments and profit in Equity segment are calculated assuming 3% real return, excluding special effects. See Appendix for full list of assumptions

Underwriting improvement, particularly in motor property

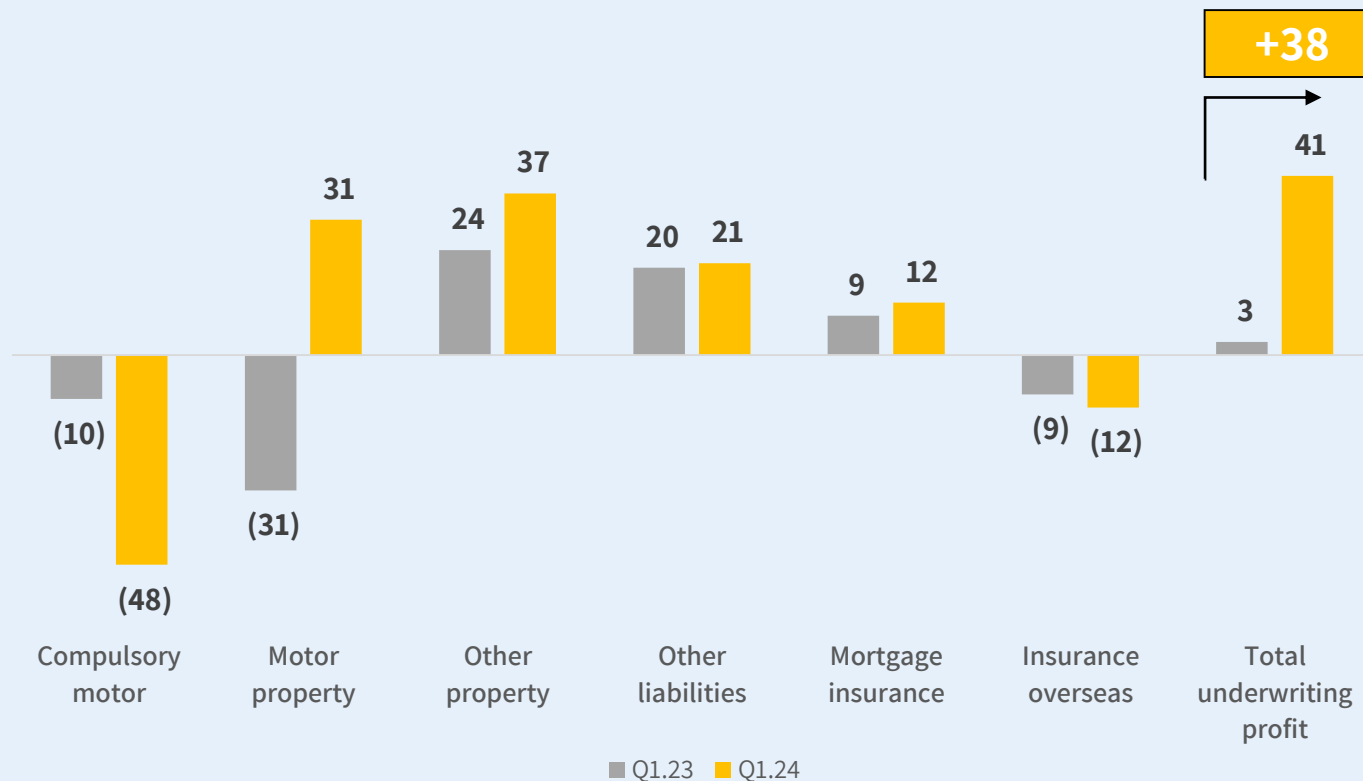
NIS 38 M underwriting improvement:

- **Compulsory motor:** decline in underwriting profitability due to negative developments in previous years, partially offset by continuous decline in average cost of claim
- **Motor property:** Increase in average premium and decline in average cost of claim
- **Other property:** Underwriting improvement in property loss due to activity growth

Continuous improvement in Net Loss Ratio in motor property



Non-life: Breakdown of underwriting profit NIS M



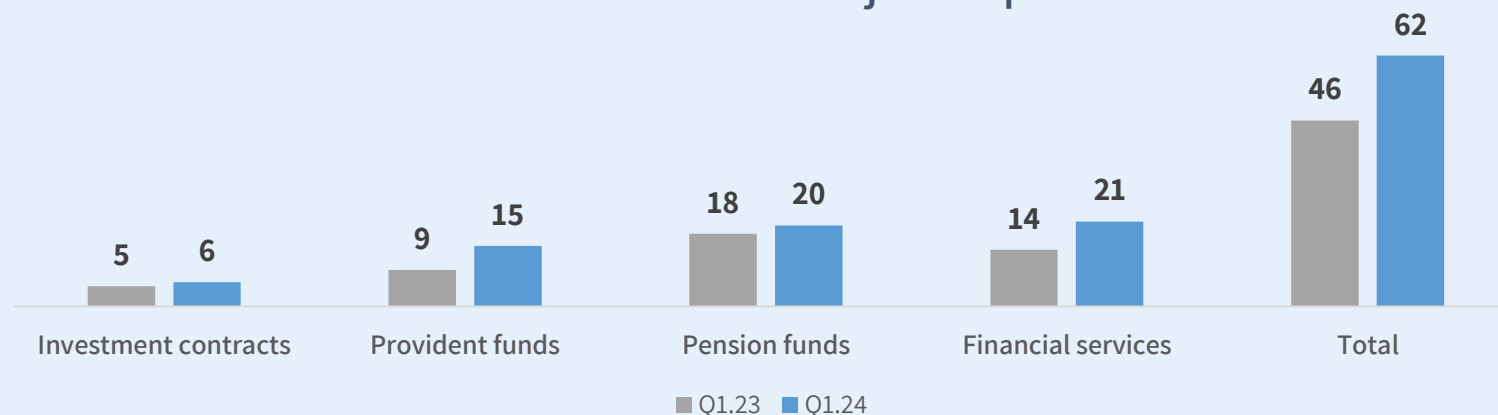
Underwriting profit in Life, Health, Non-life segments and profit in Equity segment are calculated assuming 3% real return, excluding special effects. See Appendix for full list of assumptions

Continuous growth in AUM and profitability

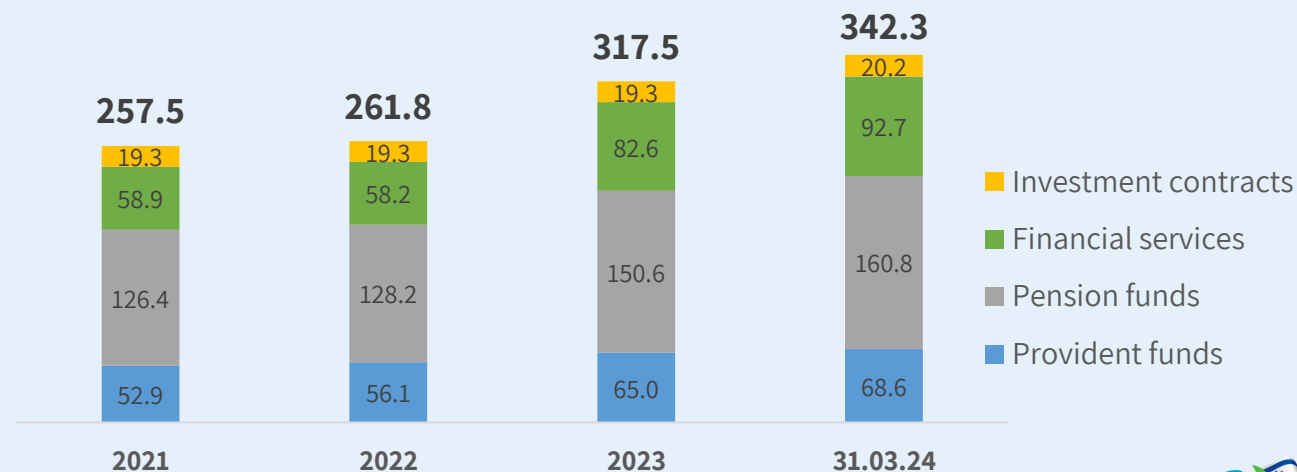
Change in adjusted profit*:

- **Pension and Provident:** increase in management fees driven by increase in AUM
 - Total AUM in **Pension Funds** amounted to **NIS 161 B**, up 6.8% from YE2023
 - Total AUM in **Provident Funds** amounted to **NIS 69 B**, up 5.5% from YE2023
- **Financial Services by Harel Finance Investment House:**
 - **50% increase in profit from financial services** due to higher capital market returns and continuous inflows into Money market funds, while improving their profitability
 - Total AUM in **Mutual Funds and Portfolio Management** amounted to **NIS 93 B**, up **12%** from YE2023

AM: Breakdown of adjusted profit NIS M before tax



AUM NIS B



*Adjusted profit includes special effects, which 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.
Total special effects attributed to pension and provident was NIS 4.2 in Q1.24

Diverse and growing credit activity

Change in Comprehensive Income:

- The increase in comprehensive income in Q1.24 compared with Q1.23 is due to activity growth and higher financial margin

The credit segment consists of the following:

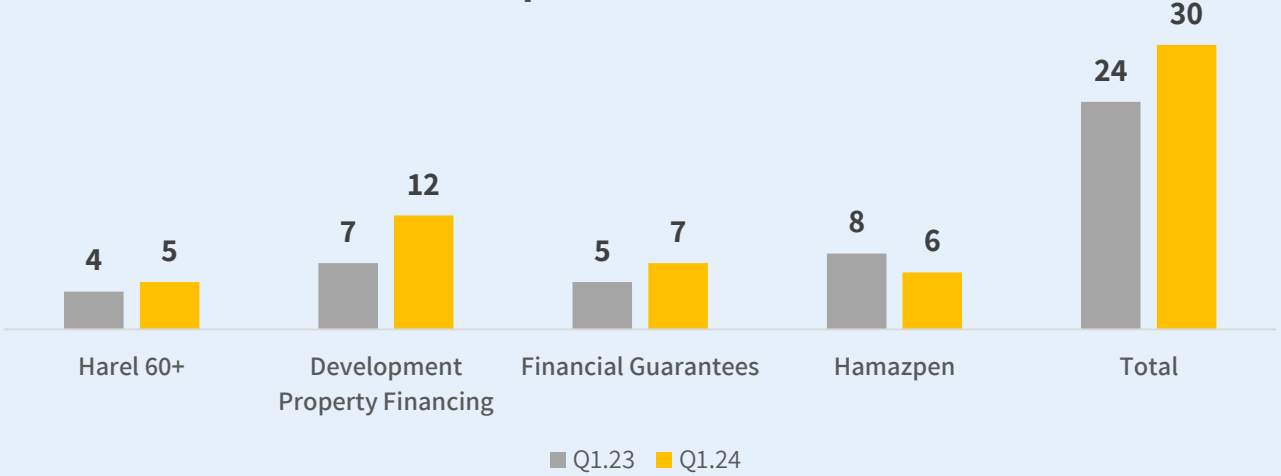
Hamazpen: loans to medium sized businesses

Development property financing

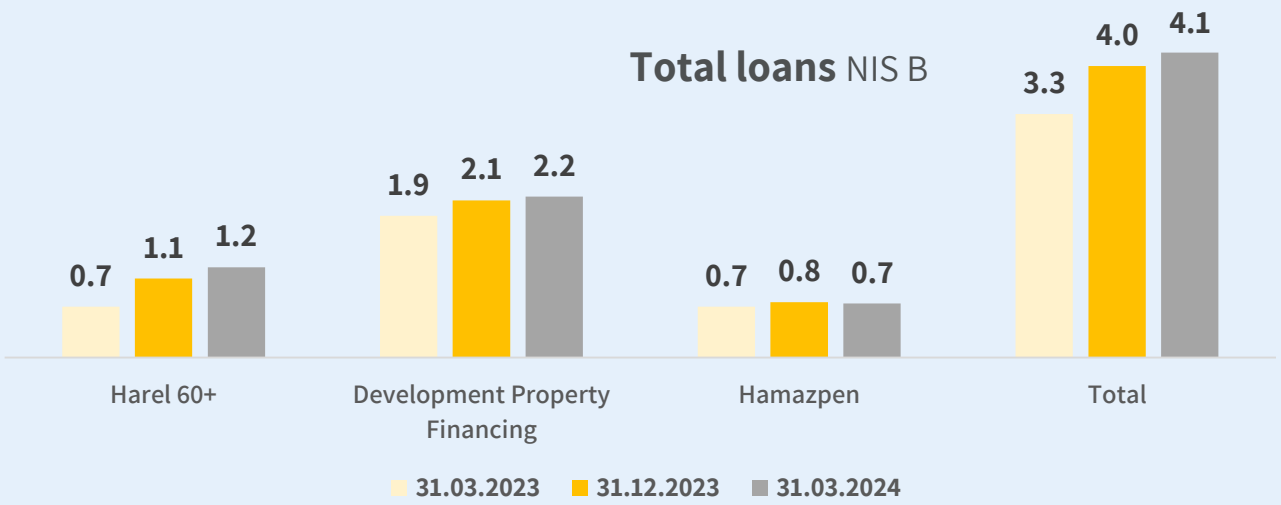
Financial guarantees and operation of mortgage loans insured by third parties

Harel 60+: Mortgages and “Reverse” Mortgages – loans to borrowers above 60 with collateral

Comprehensive income NIS M before tax

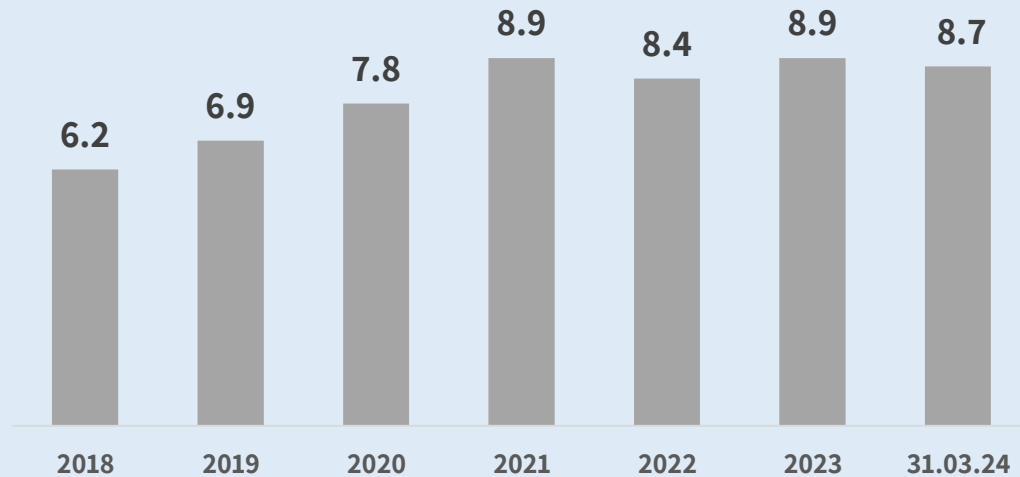


Total loans NIS B



Harel Investments: Financial stability and consistent dividend policy

Shareholders' Equity NIS B

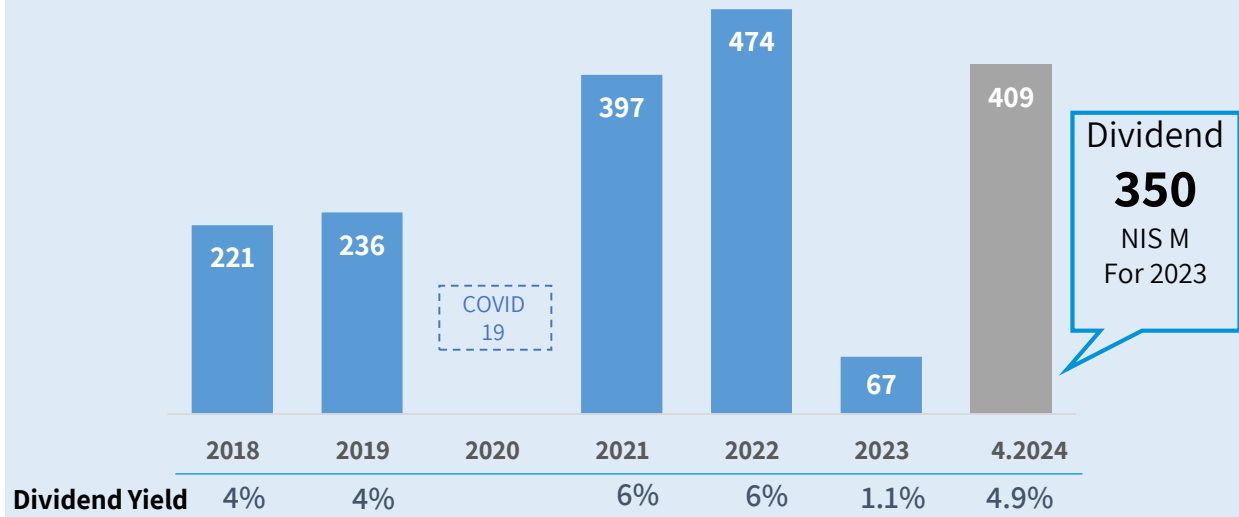


Dividend Policy

>35%
Harel Insurance*

>30%
Harel Investments

Dividend in Harel Investments including share repurchase NIS M



Share repurchase: In 2021-2024 Harel executed 2 share repurchase plans, each of NIS 100 M. In January 2024 another NIS 100 M plan was approved, of which NIS 41 M was implemented.

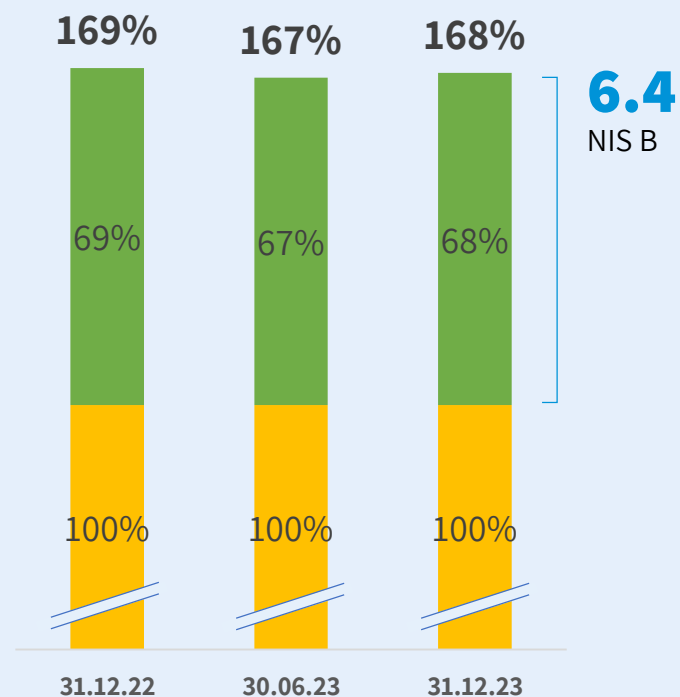
*Dividend payout from annual comprehensive income based on Harel Insurance financial statements, as long as the company is compliant with minimum solvency ratio for dividend distribution. Dividends paid include share repurchases of the following amounts: NIS 7 m in 2018, NIS 40 m in 2021, NIS 74 m in 2022, NIS 67 m in 2023 and NIS 40 m in 2024. At 28.3.2024 the Company announced a NIS 350 M dividend.

Harel Insurance: Increase in Solvency Capital Ratio

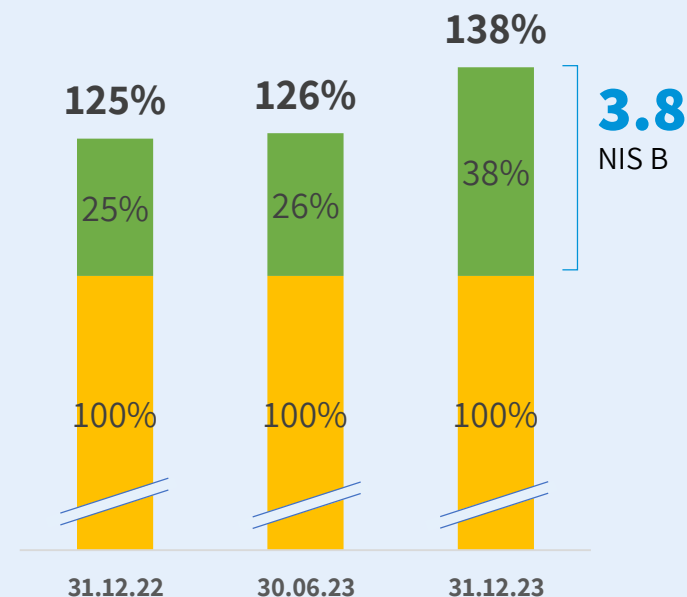
- The Solvency Capital Ratio of Harel Insurance at December 31, 2023 **without transitional measures increased to 138%** and capital surplus is NIS 3.8 B, compared with 126% at June 30, 2023.
- The Solvency Capital Ratio of Harel Insurance at December 31, 2023 **with transitional measures is 168%** and capital surplus is NIS 6.4 B, compared with 167% at June 30, 2023.
- The Solvency Capital Ratio with transitional measures at 31.12.2023, was affected, among other things, by the following*:
 - NIS 450 M dividend distribution in June 2023
 - Material increase in non CPI linked risk free interest curve, reducing the value of some of insurance liabilities

Solvency Capital Ratio at Harel Insurance

With transitional measures



Without transitional measures



*The capital position of Harel Insurance is affected by the Company's ongoing business development, changes in market variables, revised demographic and operating assumptions, ongoing model updates, revised regulatory assumptions and capital activity. For information about the key changes during the course of 2023 compared with comparison figures, see Section 2 in the Solvency Ratio Report
In June 2023, the minimum solvency ratio was updated to 110% from 105% excluding transitional measures and 135% including transitional measures

To Summarize

Solid history and fundamentals

Almost 90 years of experience with stable family ownership and long term view, leading brand, committed and professional management, employees and agents

Strategy implementation

In Q1.24 we continued to pursue a material and permanent improvement in underwriting profitability while leveraging our leading market position. We also continue to explore investment opportunities to diversify revenues

Digital tools

We continue to invest in digital tools to achieve accuracy, strengthen managerial tools and controls in claims management and to increase the use of automation and digitation

Underwriting improvement

In Q1.24, strategy implementation led to NIS 178 M underwriting improvement in insurance, following NIS 785 M underwriting improvement in 2023

2026 targets

2026: NIS 1.5 B comprehensive Income and 13.5% ROE, reflecting additional permanent improvement of NIS 500 M after tax

Agenda

Key messages

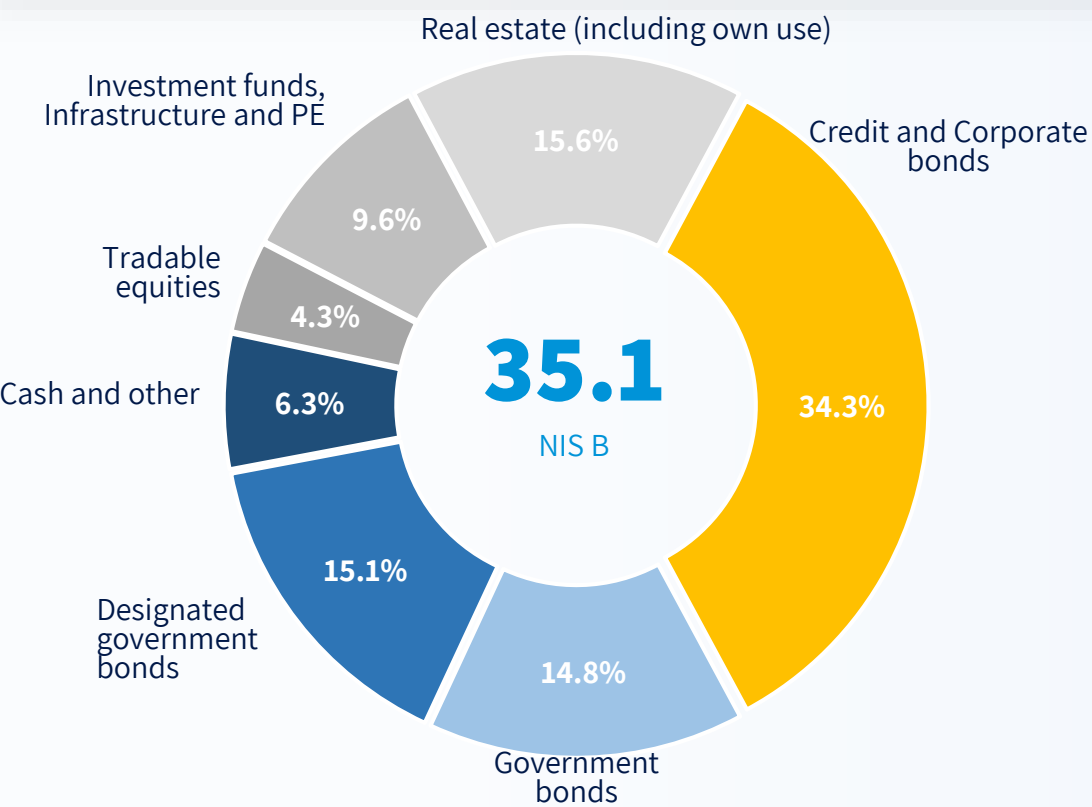
Strategy

Financial overview

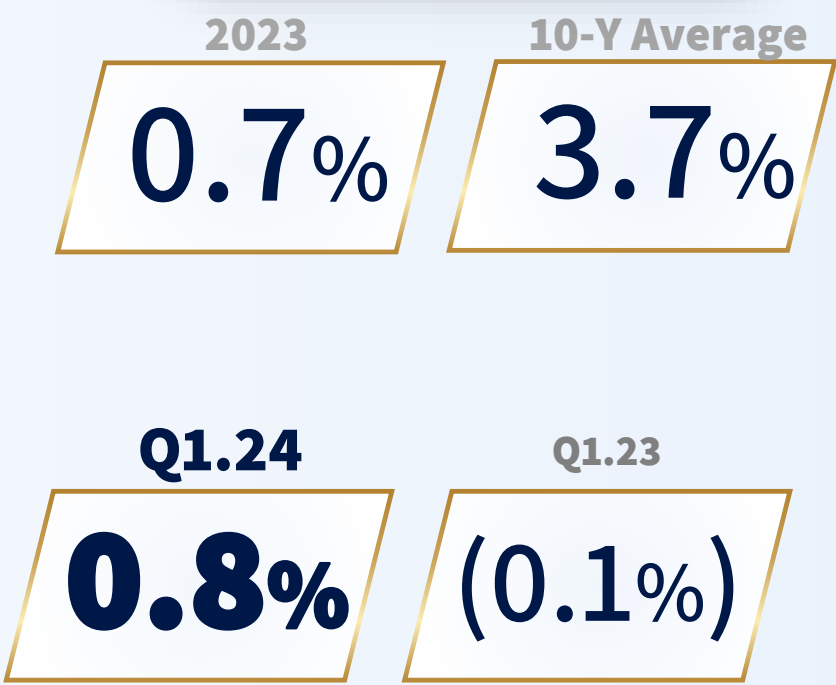
Appendix

Harel Insurance: Positive real Nostro return

Breakdown of Nostro portfolio by asset classes (31.03.2024)



Real Nostro return



Calculation Principles

Insurance

Life Insurance
Health Insurance
Non-life Insurance

Underwriting Profit: profit from the above insurance operations and presented assuming 3% real investment return, excluding special effects.

In Life segment, the profit includes financial margin in yield guaranteed policies, including a 3% yield assumption on the free portion of the portfolio, variable fees in profit participating portfolio, based on the above return assumption and fixed management fees

Special effects: Profit or loss outside of normal course of company's business, including actuarial changes, excess cost amortization, interest rate impact and others as stipulated in the Company's Financial Statements

Investment Income: the difference between the assumed 3% real return and actual return. In addition, investment income includes adjustment of variable fees as calculated based on the 3% return assumption compared with variable fees as collected

Asset Management

Pension Funds
Provident Funds
Finance
Investment Contracts

In line with actual performance, excluding special effects

Credit and Other

Hamazpen
Development Property Financing
Harel 60+
Financial Guarantees
Agencies
Equity

In line with actual performance, excluding special effects

Our Global Partners





Thank You

For further information:

<https://pr.harel-group.co.il/>



This presentation was prepared solely for the purpose of convenience and brevity and it contains partial information in relation to the Company's results in the periods specified therein. This presentation should not be construed as an offer to purchase the Company's securities or an invitation to accept such offers, and it is intended solely to provide information as part of the explanations provided about the Company. The presentation is not a recommendation or opinion to invest in the Company's securities. The presentation does not replace the need to peruse the reports published by the Company (including the Company's financial statements), that include complete information about the Company.

In any case of a contradiction between the information in the presentation and the detailed information in the Company's reports, the information in the Company's reports shall prevail.

This presentation contains forward-looking information, as this term is defined in the Securities Law, 1968. Among other things, this information may include forecasts, goals, evaluations and assessment relating to future events or matters (including risk factors typical of the Group's activity as well as developments in the economic environment and external factors affecting the Company's activity), the materialization of which is uncertain and is not within the Group's control. Such information is based on the subjective assessment of the Company's management at the date of this presentation and it is subject to the reservations and clarifications detailed therein.



Harel presents

Society, Community and Environment

Harel Volunteers

Investment and involvement in the community is an integral part of our DNA, corporate culture and values.

We are committed to increasing our value and social actions for as many beneficiaries as possible, alongside integrating and developing the field with the help of the employees and creating a sense of meaning for them.

At the beginning of 2023, we launched a new project called "Harel Volunteers", in which the employees can choose their own way to volunteer,

With the goal of reaching 100% volunteers in the organization

“Harel Volunteers” in numbers:

68%

The volunteer
rate in 2023

33%

The volunteer rate in
2024 until 30/4/24

Harel Volunteers



The Sandwich project: an annual project of daily supply of sandwiches throughout the year to 2 schools (for over a decade)



February 2024 | On the occasion of Women's Day, approximately 300 care and pampering packages were packed for women in the reserves, women hospitalized and women at risk



Tu BiShvat activity of employees together with Special in Uniform

Harel Volunteers



March 2024 | 400 Purim baskets for evacuee children from Kiryat Shmona



April 2024 | 500 food baskets for Passover for evacuated families



April 2024 | Establishing of a garden in memory of the late Tomer Morad

HAREL HEROES הרצל

Harel announced Harel HEROES - Israelis for the world

An initiative that aims to empower and put at the center a variety of inspiring stories from Israeli society that happen abroad, across various fields including sports, unique rescue missions and personal victories.

Harel HEROES' vision emphasizes Harel's commitment to cherishing people who in their work embody the values of Israeli society of perseverance, excellence and achievement.

HAREL HEROES **הראל** Heroes



Personal sponsorship for the marathoner Geshao Ayala, record holder and champion of Israel

Harel HEROES' support for Ayala emphasizes Harel's dedication to the aspirations and efforts of extraordinary people in Israeli society and this is how we will continue to do and encourage Israeli success stories.



Sponsorship of the mountaineer Ran Kraus, who will conquer Mount Everest.

Harel accompanied Kraus during the training, in which he broke the Israeli record for climbing the stairs of a building, a record that was broken in the Beit M.E.A building. In addition, Harel gives Kraus a security envelope of travel insurance abroad together with the "Harel 669" team, Harel's unique rescue team, which has been operating for over 20 years in emergency missions around the world.



Collaboration

Between the Harel Insurance and Finance Group
and the Fresh Paint Group

The Harel Insurance and Finance Group joins the Fresh Paint Group for the sake of cooperation, which will begin this year and continue over the next three years.

As part of the cooperation, Harel will provide primary sponsorship for the annual fresh paint fair during the three years of the agreement, and other joint actions aimed at promoting and strengthening the field of art and culture in Israel will be examined.

The fair that is expected to take place during the month of July will be the opening shot for this cooperation and we anticipate additional activities throughout the year to help realize and bring to full potential the connection between the two groups.

