

Press Release

May 29, 2025

Financial Statements | Q1 2025

Comprehensive income after tax was NIS 543 M and ROE was 22%

Underwriting profit from insurance business was NIS 543 M before tax

In Q1.25, the CSM release to profit was NIS 400 M and the Company estimates that NIS 5.6 B (34%) is expected to be released to profit over the next five years

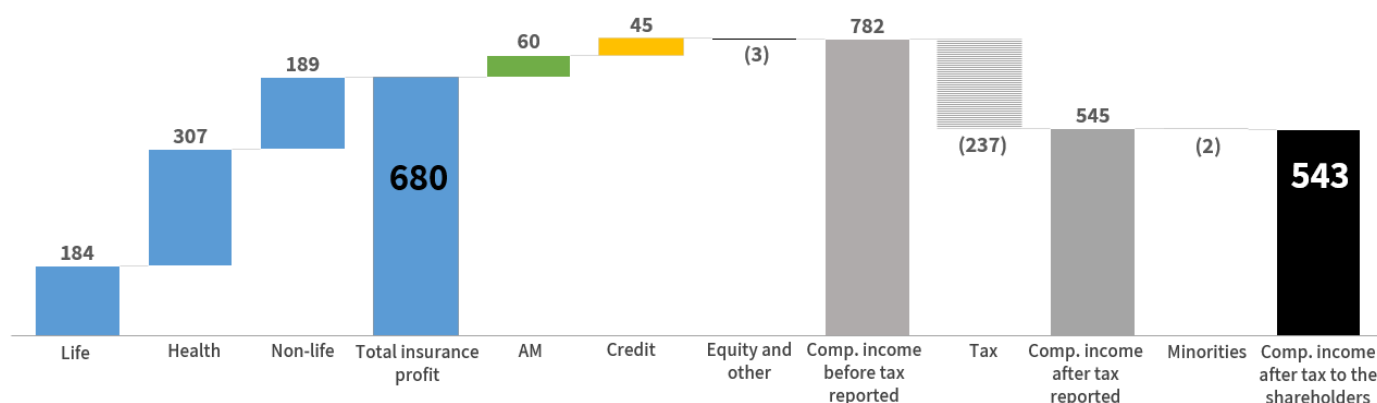
For the first time, at the end of Q1 2025 equity surpassed the NIS 10 B threshold, reaching NIS 10.4 B, AUM amounted to NIS 514 B

Key emphases:

- In Q1 2025, **comprehensive income after tax was NIS 543 M**, reflecting 22% ROE, compared with comprehensive income after tax of NIS 264 M in Q1.24 2024, **106% increase**.
- **Profit from insurance business grew by 186% and amounted to NIS 680 M**, compared with NIS 238 M in the corresponding quarter in 2024.
- In Q1 2025, **underwriting profit before tax grew by 16% to NIS 543 M**, compared with NIS 467 M in Q1.24.
- Despite the NIS 400 M CSM release to profit in Q1.25, the Contractual Service Margin (CSM) amounted to **NIS 16.5 B**, similar to the balance at 31.12.2024. This reflects substantial value creation from new business.
- Gross earned premiums, benefit contributions and amounts received for investment contracts continued to increase in Q1 2025, **growing by 7% to NIS 10.7 B**, compared with the corresponding quarter in 2024.
- AUM amounted to NIS 514 B as of 31.3.2025
- For the first time, the Group's equity surpassed the NIS 10 B threshold and amounted to NIS 10.4 B.

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



	Q1.25	Q1.24	Change
Underwriting profit	543	467	76
Net investment and financing income (loss)	178	(186)	364
Operating expenses	(41)	(43)	2
Total profit from insurance business	680	238	442

Results according to the Group's operating segments:

Insurance business:

In Q1, 2025, the Company's underwriting profit from insurance business was NIS 680 M, compared with NIS 238 M in the corresponding quarter in 2024. This is principally due to net investment and financing income of NIS 178 M, mainly due to the effect of the increase in the interest rate curve, compared with net investment and financing losses of NIS 186 M in the corresponding quarter in 2024.

Health insurance:

- Comprehensive income before tax in health insurance was NIS 307 M in Q1 2025, compared with NIS 8 M in the corresponding quarter in 2024.
- Underwriting profit in health insurance was NIS 216 M in Q1 2025, compared with NIS 228 M in the corresponding quarter in 2024. Approximately NIS 270 M of the profit in Q1 2025 originated in the release of the CSM and RA.

Life insurance:

- Comprehensive income before tax in life insurance was NIS 184 million in Q1 2025, compared with NIS 91 M in the corresponding quarter in 2024.
- Underwriting profit in life insurance was NIS 258 M in Q1 2025, an improvement of NIS 44 M over the corresponding quarter in 2024 in which underwriting profit was NIS 214 M. Approximately NIS 212 M of the Q1 2025 profit originated in the release of CSM and RA.

Non-life insurance:

- Comprehensive income before tax in non-life insurance was NIS 189 M in Q1 2025, compared with NIS 139 M in the corresponding quarter in 2024.

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- **Underwriting profit in non-life insurance was NIS 69 M** in Q1 2025, an improvement of NIS 44 M over the corresponding quarter in 2024 in which underwriting profit was NIS 25 M.

Asset management:

Comprehensive income from the asset management segment was NIS 60 M in Q1 2025, compared with NIS 57 M in the corresponding quarter in 2024.

At March 31, 2025, AUM in the asset management segment increased to **NIS 391 B** compared with NIS 388 B at December 31, 2024.

Pension and provident:

- **Comprehensive income before tax in pension and provident was NIS 29 M** in Q1 2025, as against NIS 30 M in the corresponding quarter in 2024.
- AUM in the Group's pension funds and provident funds increased to NIS 187 B and NIS 75 B, respectively, at March 31, 2025, compared with NIS 185 B and NIS 75 B, respectively at December 31, 2024.

Financial services - through Harel Finance Investment House:

- **Comprehensive income before tax from financial services activity was NIS 23 M** in Q1 2025, compared with NIS 22 M in the corresponding quarter in 2024.
- **The volume of assets managed by Harel Finance** at March 31, 2025, **was NIS 107 B**, compared with NIS 106 B at December 31, 2024.

Credit:

- Activity covered by the credit segment comprises the following: **real-estate backed credit:** development property project financing; "Harel 60+" which provides credit for mortgages and reverse mortgages - loans to borrowers aged 60 or more with a lien on their home, and from this quarter Gamla Harel, the acquisition of which was completed in December 2024; **credit for medium businesses:** through Hamazpen, and **financial guarantees:** providing financial guarantees and development and operating services for mortgage portfolios insured by third parties and other financial guarantees; and from this quarter credit insurance in the residential mortgage sector through EMI (previously, the results of EMI's activity were included within the non-life insurance segment).
- Comprehensive income before tax in the credit segment was NIS 45 M in Q1 2025, as against NIS 97 M in the corresponding quarter in 2024. **After adjustment for the effect of the change in the fair value of the assets, profit in the credit segment was NIS 50 M in Q1 2025, compared with NIS 38 M in the corresponding quarter last year.**
- **The volume of the credit portfolio was NIS 6.5 B at March 31, 2025**, compared with NIS 4.4 B on March 31, 2024.

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Addendum: Financial data for the Group

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

	Q1.25	Q1.24	Change	2024
Life insurance	1,094	1,205	-9.2%	5,007
Health insurance	1,404	1,299	8.1%	5,348
Non-life insurance*	1,377	1,365	0.1%	5,446
Total earned premiums, gross	3,875	3,869	-	15,801
Pension benefit contributions	4,084	3,569	14.4%	15,817
Provident benefit contributions	1,794	1,441	24.5%	6,525
Amounts received for investment contracts	909	1,047	-13.2%	4,216
Total	10,662	9,926	7.4%	42,359

*Including the insurance companies overseas segment

Comprehensive income (loss) before tax by segment

	Q1.25	Q1.24	2024
Life insurance	192	96	783
Provident	11	14	55
Pension	18	16	91
Total long-term savings	221	126	929
Health insurance	307	8	662
Non-life insurance	188	149	543
Insurance companies overseas	1	(10)	(53)
Financial services	23	22	105
Credit	45	97	249
Equity and other	(3)	19	(52)
Total	782	411	2,383

AUM

	March 31, 2025	March 31, 2024	December 31, 2024
Yield-dependent insurance contracts and investment contracts	86.0	82.6	86.5
Pension funds	187.4	160.8	184.9
Provident funds and education funds	75.1	68.6	75.4
Mutual funds	89.3	72.9	87.9
Portfolio management and other*	17.6	17.8	18.0
Total for insureds and members	455.4	402.7	452.7
Nostro**	58.3	48.9	58.8
Total	513.7	451.6	511.5

* Including financial assets issued by the Group and managed in portfolios in the amount of NIS 5.4 B, NIS 4.2 B, and NIS 6.1 B at March 31, 2025, March 31, 2024 and December 31, 2024, respectively

** Including certificates of deposit issued by Harel Finance in the amount of NIS 18.2 B, NIS 8.2 B and NIS 17.3 B at March 31, 2025, March 31, 2024 and December 31, 2024, respectively, to cover liabilities in respect of bonds and short sales of securities and derivatives