

Financial Results

Q1 | 2024

Forward Looking Information

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Ronen Agassi

CEO of Migdal Insurance



Yossi Ben Baruch

CEO of Migdal Holdings

“In the first quarter of 2024 we saw continued growth in sales and current premiums across all lines of business, with improved underwriting profit in most the Group’s operations.

In the general insurance sector, we are reaping the fruits of our previous efforts. We were able to improve the underwriting results, mainly due to the transition to underwriting profit in vehicle property insurance and to an increase in premiums, primarily as a result of the rise of the average premium in the vehicle insurance sectors.

We take great pride in our Company's robust and diverse investments, including in the various branches of the real estate sector, with emphasis on logistics and housing. In recent months, we have expanded our investment portfolio into new areas, including by participating in the acquisition of controlling core in 'Celcom.'

We are on track with Migdal’s strategic plan for the coming years, as presented in the previous quarter, and remain committed to achieving the goals that we have set for the Group”.



Migdal

Insurance & Finance

The Rating of Migdal Insurance (Aa2.il by Midroog)



90

Insurance Years

435

Billion NIS

AUM

8.7

Billion NIS

Equity

4,600

Employees

2.5

million

Customers

3,300

Agents

- The data relating to agents, employees and customers are for the end of 2003.

Executive Summary



Results

- **Comprehensive income in the quarter totaled NIS 109 million**, compared to NIS 139 million in the corresponding quarter last year.
- The comprehensive income in the quarter stemmed mainly from an increase in the underwriting profit in most of the Group's areas of activity.
- The decrease in comprehensive income compared to the corresponding quarter in 2023 was due to the reduced effect of changes in the interest rate on insurance liabilities. The aforementioned decrease was partially offset by increasing in gains on investments.



Underwriting Profit

- **The underwriting profit in the quarter totaled NIS 147**, compared to an underwriting profit of NIS 103 in the corresponding quarter last year.
- Underwriting profit improved across most of the Company's lines of business, most notably in general insurance and life insurance.



Growth

- **Increase in sales and premiums, investment contracts and contributions** across all lines of business.
- **Continued net positive mobility** in provident funds and pension funds.
- **40% increase in AUM at Migdal Capital Markets** compared to the corresponding quarter last year, to a total of NIS 73 billion.
- **Launch of various innovative tracks** in most products and **continued investment upswing**.
- **Launch of new health products** in accordance with the reform.



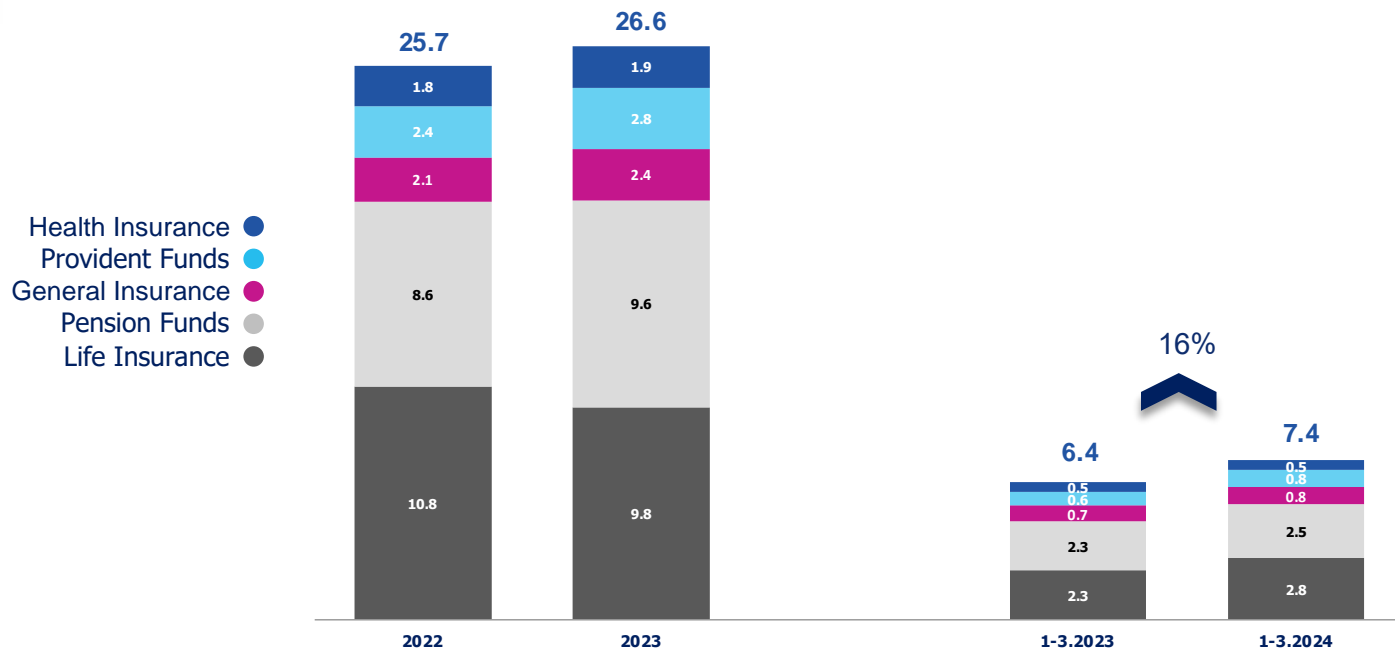
Investments

- In the quarter, the contribution of investments improved by NIS 240 million compared to the corresponding quarter last year, due to the higher returns.
- The estimated management fees that would not be collected due to negative real return, until cumulative positive return is achieved, **amounted to NIS 0.5 billion as of 31.3.2024 NIS** (compared to NIS 1.0 billion as of 31.12.2023). After the Balance Sheet date, price drops in the financial markets increased the lost aforementioned amount to NIS 0.6 billion (as of shortly before the report's publication).



Continued Increase in Premiums and Contributions

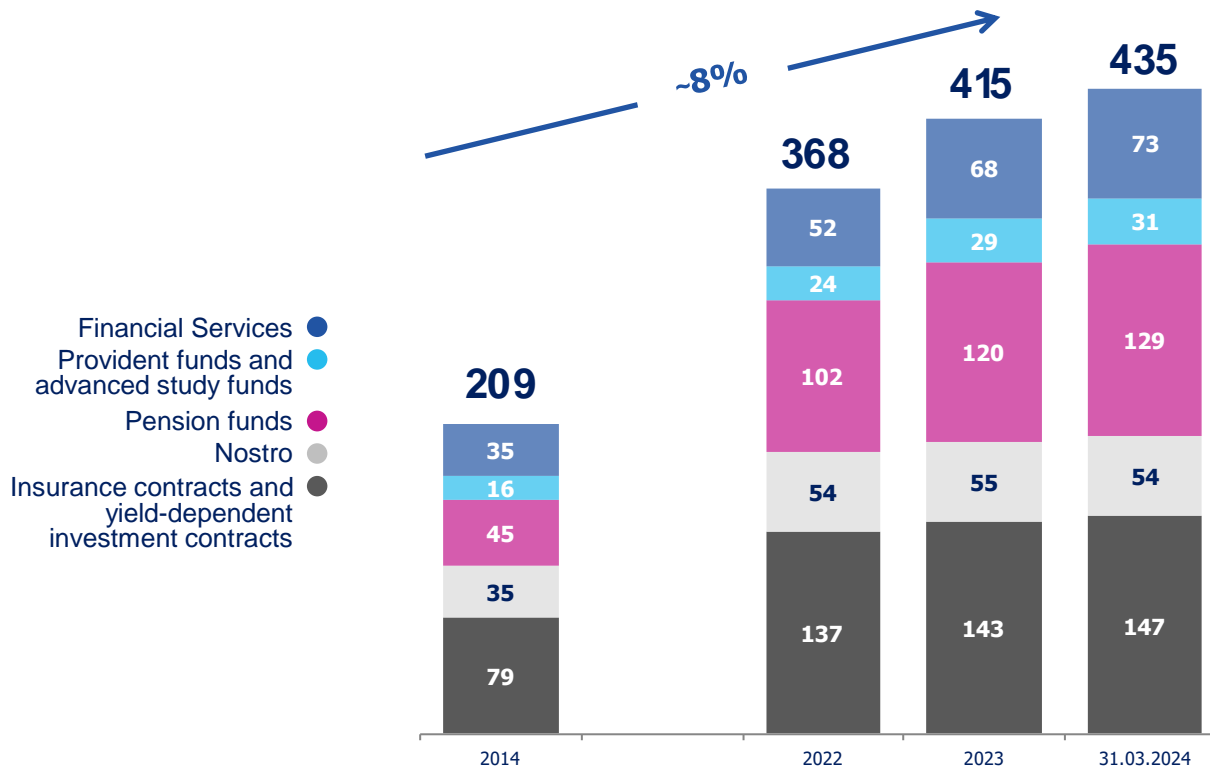
Gross premiums, receipts on investment contracts and contributions (in NIS billions)





AUM Doubled Over the Past Decade

17% increase compared to corresponding quarter last year



*In NIS billions

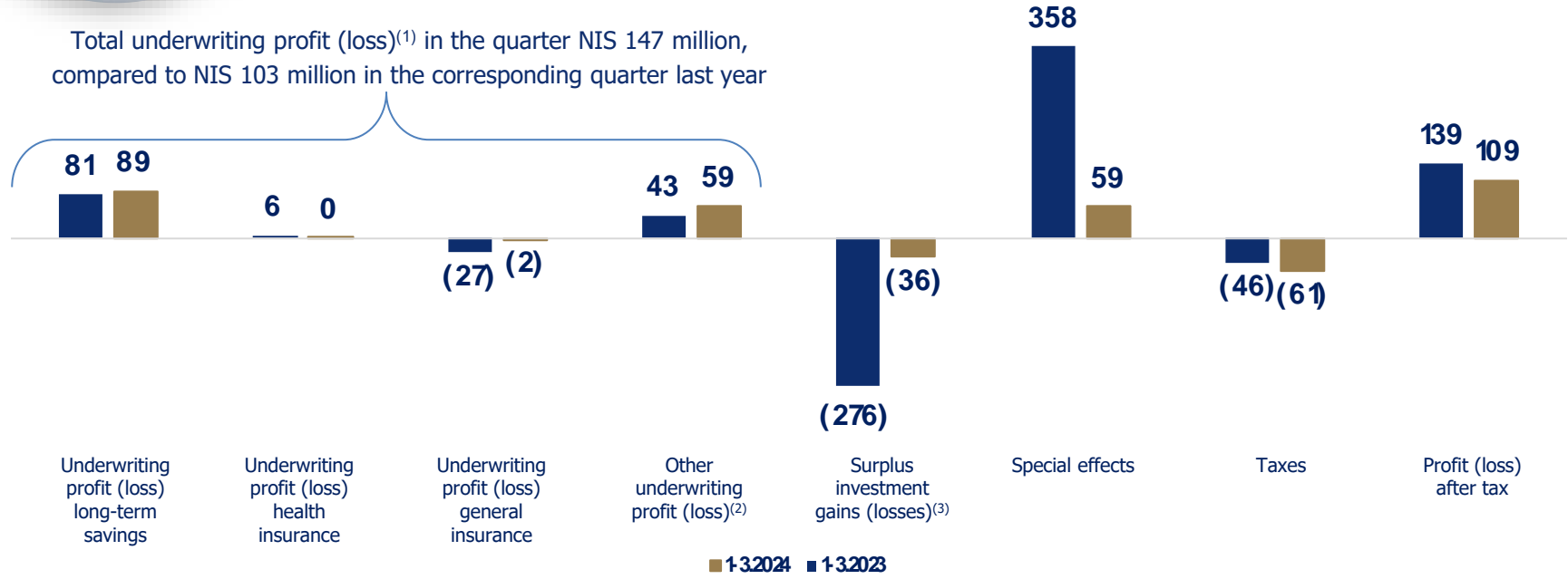


Principal Business Results in the Current Quarter and the Corresponding Quarter Last Year

(In NIS millions)



Total underwriting profit (loss)⁽¹⁾ in the quarter NIS 147 million, compared to NIS 103 million in the corresponding quarter last year

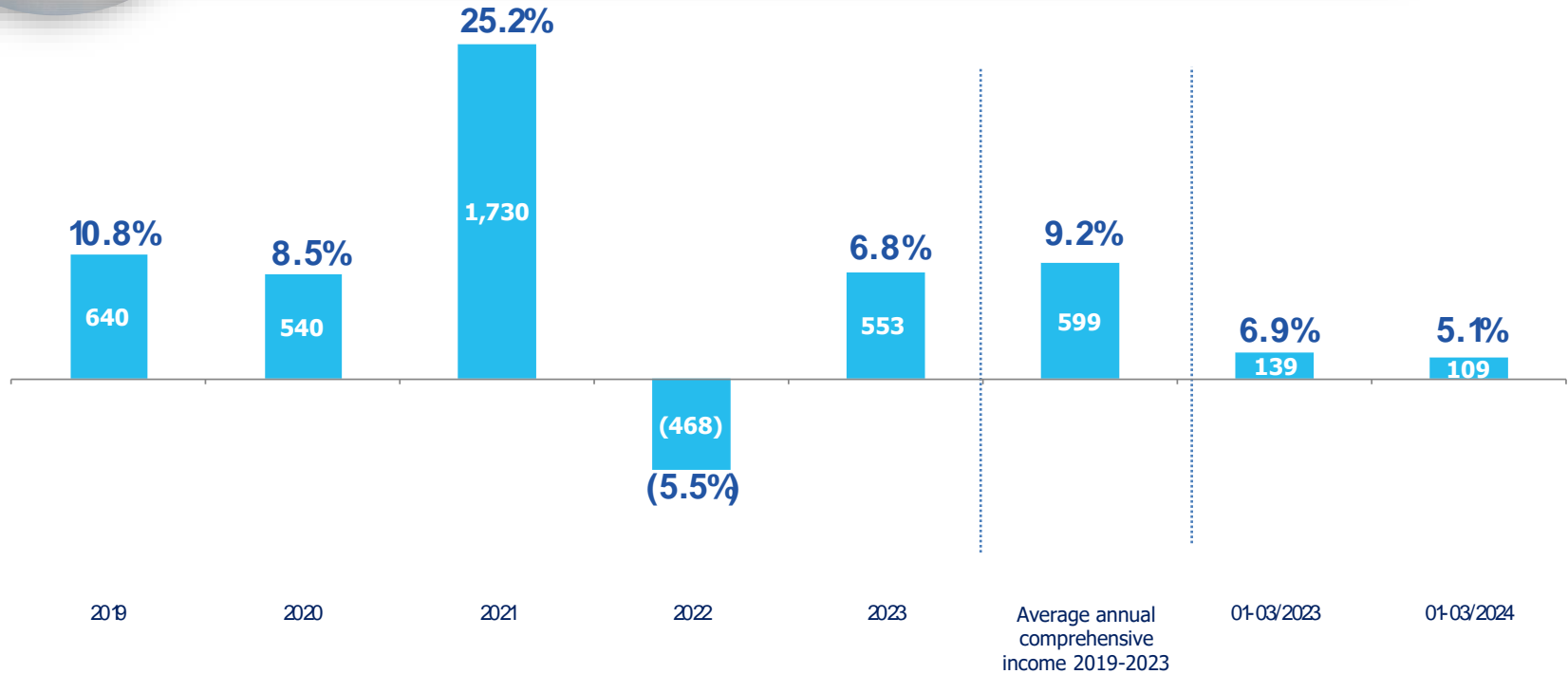


1) Profit from insurance activity in the main lines of business of the Group, including income from investments based on real return assumptions (constant in all reporting periods) set by Migdal Insurance, in the range of 2%-4.5% a year in the various areas of activity, excluding any special effects.
 2) Other underwriting profit - profit from the activity of agencies and financial services.
 3) Excess/shortage of profit on investments in relation to the aforesaid return assumptions.



Comprehensive Income and Return on Capital

Return on capital (annualized) in the quarter

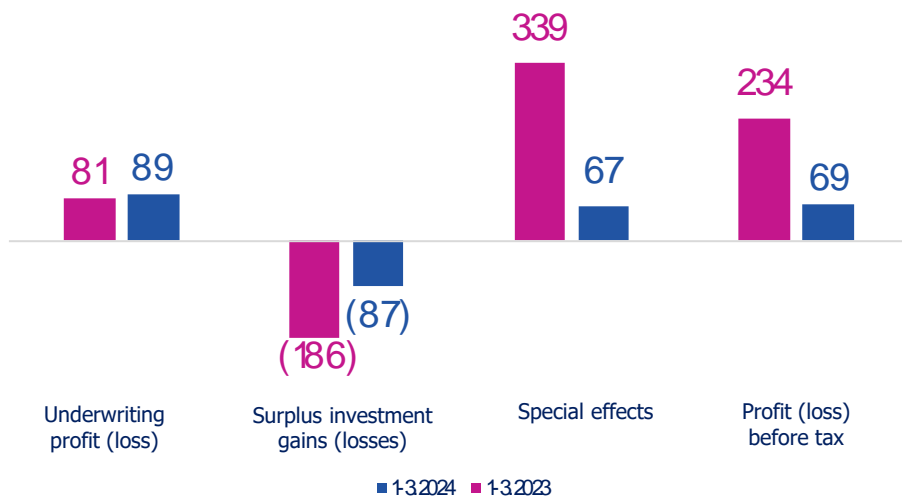


Income in NIS millions and annualized return, after retroactive application of the figures for 2019 due to regulatory circular.

Long-Term Savings

Sources of Comprehensive Income (Loss) Before Tax (in NIS millions)

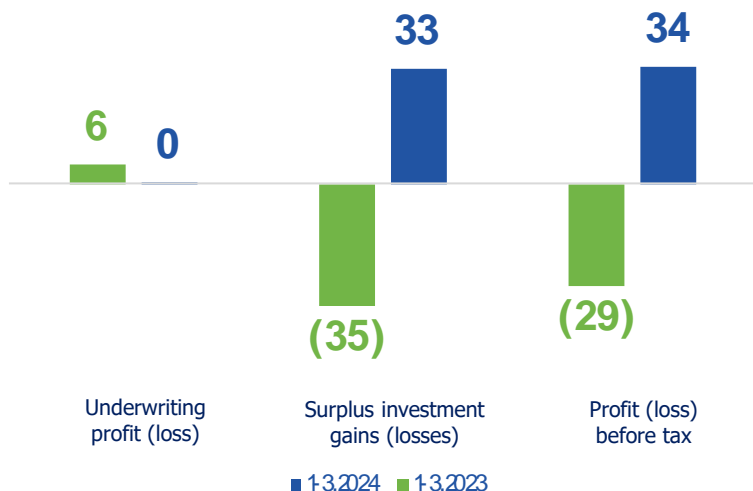
- The increase in the underwriting profit was due mainly to an increase in the fixed management fees and an increase in risk profit, mainly as a result of the reduced loss in loss of working capacity and disability insurance.
- An increase of 31% in new sales in pension and 23% in new sales in provident funds.
- Continued net positive mobility in provident funds and pension funds in the reported period.



Health Insurance

Sources of Comprehensive Income (Loss) Before Tax (in NIS millions)

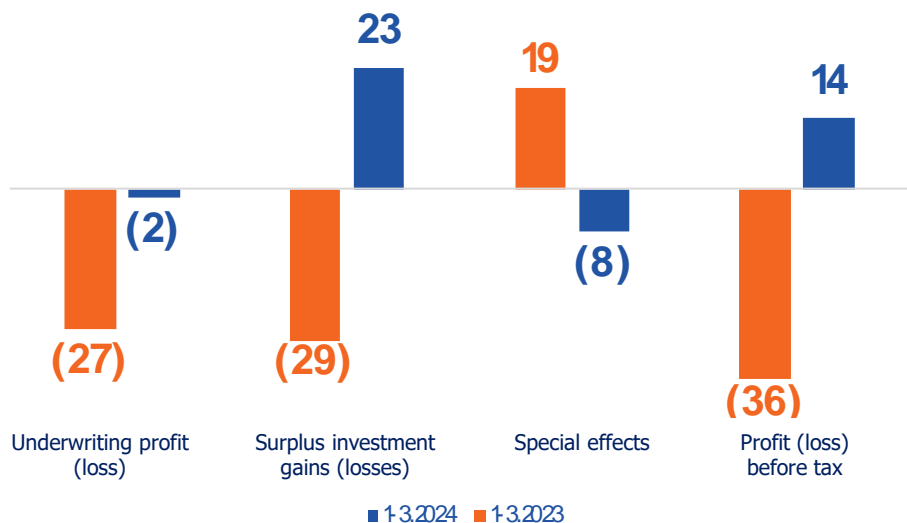
- The decrease in the underwriting profit was due mainly to an increase in claims.
- A 4% increase in premiums.
- During the quarter, the Company launched new health insurance products in accordance with the reform.



General Insurance

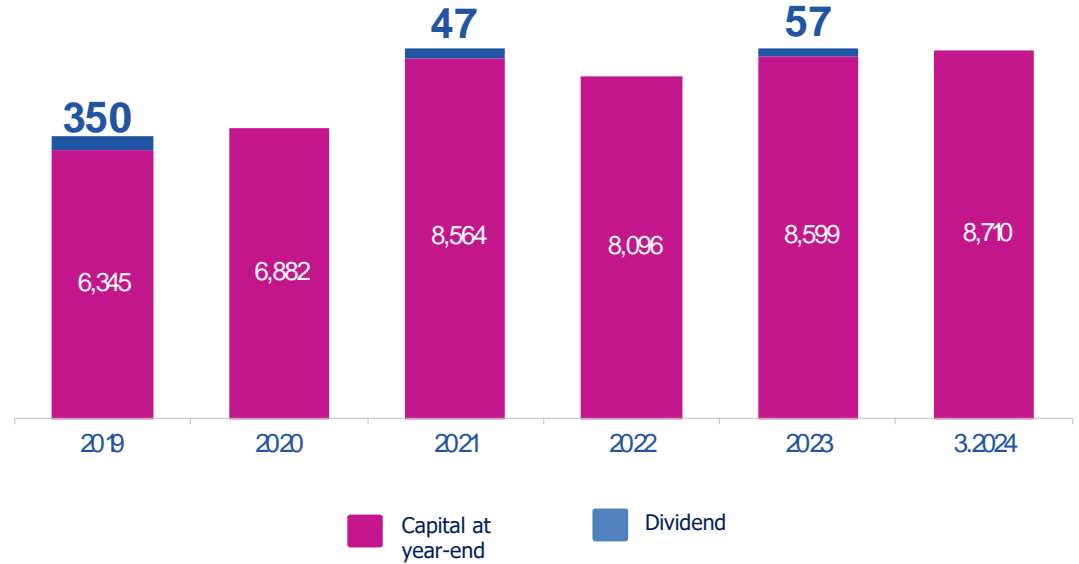
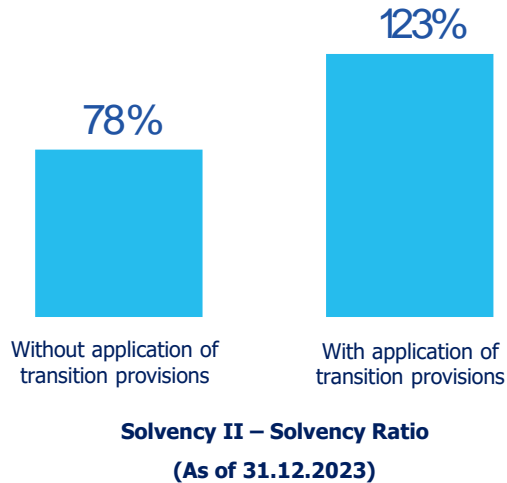
Sources of Comprehensive Income (Loss) Before Tax (in NIS millions)

- Underwriting improvement, mainly due to the transition to underwriting profit in vehicle property insurance.
- A 5% increase in premiums stemming primarily from the increase in average premiums in the vehicle insurance sectors.



Capital and Dividend Distribution

(in NIS millions)



On May 23, 2024, the Board of Directors of the Company approved a dividend distribution of NIS 25 million to the Company's shareholders, deriving from a dividend from Migdal Capital Markets.



Thank You

