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Condensed Financial Statements

as of March 31, 2024

MIGDAL INSURANCE AND FINANCIAL HOLDINGS LTD.

MIGDAL

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MIGDAL INSURANCE AND FINANCIAL HOLDINGS LTD.
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Board of Directors
Report on the State of Corporate Affairs

Chapter 1 – Board of Directors Report on the State of Corporate Affairs

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Board of Directors Report on the State of Corporate Affairs for the Period Ended March 31, 2024

The Board of Directors' Report reviews the main changes in the activities of Migdal Insurance and Finance Holding Ltd. and its subsidiaries ("**the Company**" and "**Migdal Group**", respectively) for the three months ended March 31, 2024 (" **the reported quarter** ").

The report was prepared, among other things, in accordance with the 1968 Securities Law ("**Securities Law**") and its regulations; and in relation to the group's insurance, pensions and provident fund business, the Board of Directors' Report was prepared, among other things, in accordance with the Supervision of Insurance Business (Details of Account) Regulations, 5758-1998, and the circulars of the Commissioner of Capital Markets, Insurance and Savings ("**the Commissioner**"). The report was prepared assuming that the reader also has before them the full periodic report for 2023 from March 20, 2024 as published on March 21, 2024 (Reference No. 2024-01-029619) ("**the Periodic Report**"), which is included in this report by way of reference.

1. Group description

1.1. Overview

The Company is a public company whose shares are traded on the Tel Aviv Stock Exchange Ltd. The Company, through its subsidiaries (hereinafter: "**the Group**"), operates mainly in the fields of insurance, pensions, provident funds and financial services.

As of shortly before the report publication date, Mr. Shlomo Eliahu, who jointly with Ms. Chaya Eliahu holds 64.28% of the Company's issued and outstanding share capital, through private companies controlled by him (Eliahu Issues (Eliahu Hanpakot) Ltd., holding 58.13% of the Company's issued and outstanding share capital, and Gan Ha'Ir Project Ltd., holding 6.15% of the Company's issued and outstanding share capital), is the ultimate controlling shareholder of the Company. For details, see Note 1.B to the financial statements and section 2.2 in the Description of Corporate Affairs chapter in the Periodic Report.

1.2. Main developments in the Group in the reported quarter until the report issue date

1.2.1. Effect of the economic environment and interest curve volatility

The Group's operating results are significantly affected by the capital markets, including by interest rates, which have implications for yields of financial assets managed by the Group, and for Group revenues from the financial margin and variable management fees in yield-dependent insurance policies. Migdal Insurance Ltd. ("**Migdal Insurance**") is exposed to higher inflation, since most of the insurance liabilities in non-yield-dependent insurance policies are linked to the CPI. Moreover, as collection of variable management fees in the profit sharing portfolio depends on the real yield achieved, higher inflation may impact Group revenues from management fees.

In the reported quarter, the interest rate curve continued to rise due to the continued rise in inflation and the expected moderation in future interest rate cuts, and at the same time there was an increase in the yield to maturity of government bonds. On the other hand, there was a decrease in the yields to maturity of corporate bonds due to a decrease in risk margin versus the government bonds yield. Stock prices in Israel and abroad registered increases.

In the reported quarter, the impact of the "**Iron Swords War**" ("**the War**") on the financial markets was not substantial, but the volatility in the financial markets, including the exchange rates, remained high, as did the state's risk premium.

Regarding the effect of the change in the interest rate curve on the insurance reserves, see section 1.2.2 below.

After the balance sheet date, the rise in the risk-free interest rate curve continued, resulting in losses in the tradable nostro investment portfolio. On the other hand, the aforementioned increase in the risk-free interest rate curve led to a decrease in the insurance liabilities which partially offset said investment losses, and this in light of the fact that the additional interest rate increase will lead to a limited release of insurance liabilities which is subject to regulatory restrictions.

At the same time, it is not possible to assess further developments in the markets and the interest rate curve and their effect on the results of the second quarter of 2024; therefore, the foregoing does not in any way constitute an assessment of the expected financial results of the Company for the second quarter of 2024.

It should be noted that the rise of the aforementioned risk-free interest rate curve has a positive effect on the Company's solvency ratio. For more details regarding the sensitivity of the solvency ratio to changes in the interest rate curve, see the solvency ratio report as of December 31, 2023 attached to the financial statements.

For more information about Company sensitivity to market risk – change in interest rate and inflation, see Note 37.B.1(a) to the financial statements for 2023.

For more information, including developments in the economic environment subsequent to the reporting date, see section 3.1 below and Note 9 to the financial statement.

1.2.2. Effect of various actuarial assumptions in operating segments of Migdal Insurance

In life insurance, following the increase in the interest rate curve, net of the decrease in spreads on the linked bonds, the expected return on the existing and expected asset portfolio increased[1]. Consequently, assumptions with regard to discount rates used to calculate provisions for pension payments, including change in the discount factor K[2] have been revised, resulting in a decrease in life insurance reserves and an increase in comprehensive income in the reported quarter. For details see section 2.4 below and Note 9 to the financial statements.

In non-life insurance, the effect of the change in the interest rate curve over the short and medium terms, as well as the illiquidity premium and allocation of excess fair value of assets over their book value, resulted in an increase in retained insurance liabilities, mainly in the compulsory auto insurance sector, and in a decrease in comprehensive income for the reported quarter. For details see section 2.7 below and Note 9 to the financial statements.

1.2.3. Implementation of economic solvency regime of insurance company, based on Solvency II

Migdal Insurance is subject to an economic solvency regime based on Solvency II, pursuant to implementation provisions issued in the Solvency Circular. This report provides data from the solvency ratio report of Migdal Insurance as of December 31, 2023. This report was calculated and prepared in conformity with the Supervisor's directives with regard to economic solvency regime of insurance company, based on Solvency II, and was approved by the Board of Directors of Migdal Insurance. For details see section 3.2 below and Note 6 to the financial statements.

1 Including effect of change on reserve with respect to Migdal Batuach plan. For more information, see Note 9 to the financial statements.

2 The provision for additional reserve for pensions is made gradually, using the discount factor K. For more information, see Note 9 to the financial statements.

1.2.4. Effect of the War on the Group

By virtue of its activity, the Group is exposed to volatility in the financial markets, a slowdown in activity in the Israeli economy and other risks arising from the War. For details see section 2.4.10 in the Description of Corporate Affairs chapter in the Periodic Report.

Currently, there is still significant uncertainty with regard to the War's development, scope and duration. Therefore, the full impact of the War on the Group and its results cannot be assessed at this time.

For developments in the economic environment subsequent to the report date, see section 3.1 below.

For the effect of the War on the solvency ratio of Migdal Insurance as of December 31, 2023, see section 3.2 below.

The War affects Migdal Group on multiple levels. Below are assessments with regard to effect of the War through soon prior to the report issue date.

(a) **Business continuity**

Group companies ensured that during the reported quarter and as of the date of this report, operating and business processes are fully maintained, as is their ability to continue providing high-quality service to agents, insured parties and customers.

(b) **Results of insurance underwriting**

In Migdal Insurance's estimation, the increase in the scope of its exposure as a result of the War, in its operating segments in the reported quarter, is not material. For further details regarding the effect of the War on underwriting results, see section 2.4.10 (b) in the Description of Corporate Affairs chapter in the Periodic Report.

(c) **Effects of the capital market, including changes to interest curve, on assets under management and insurance obligations**

In the reported quarter, the impact of the War on the financial markets was not substantial, but the volatility in the markets, including the exchange rates, remained high, as did the state's risk premium. For an analysis of the Company's financial results in the reported quarter, see section 2.3 below.

For effects subsequent to the balance sheet date, see Note 9 to the financial statements and section 3.1 below.

(d) **Liquidity, financial standing and financing sources**

It should be noted that in the reported period and thereafter, the War had no material impact on Group liquidity. In addition, as of the balance sheet date and the publication date of this report, the Group meets the financial covenants for its obligations.

(e) **Risk management; financial services (Migdal Capital Markets); insurance agencies**

In the reported quarter, there was no substantial change in the above topics, as the case may be, in relation to that stated in the Periodic Report.

For details about regulatory directives following the War, see section 27.4 in the Description of Corporate Affairs chapter in the Periodic Report.

The foregoing is based on information available to the Company as of the report issue date. Note also that Group results are mostly affected by events external to the Group, including capital market volatility and changes to the interest curve. Therefore, sharp volatility of the financial markets and the interest curve due to the War, or due to other events, may result in significant increase or decrease in the aforementioned data.

Assessments regarding the aforementioned implications on Group operations, including potential implications of the War, its development and the security situation, after the balance sheet date, on economic activity and in general, are uncertain and their materialization, or the extent of such materialization, is beyond the control of Group companies, constituting "forward-looking information" as defined in the Securities Law. These assessments are based, inter alia, on information on this matter available to the Company and to Group companies, on potential scenarios reviewed by the Company and Group companies, at their discretion, including with regard to the regulating entities' directives and the conduct in the sectors in which the Group operates. Such assessments and scenarios may fail to materialize, in whole or in part, or may materialize differently, or even materially differently than anticipated.

1.2.5. Taxation

For details regarding the increase in the VAT rate on transactions from 17% to 18% and a corresponding increase in the rate of profit tax and payroll tax on financial institutions, starting in 2025 and its effect on the company, see Note 9 to the financial statements.

1.2.6. Approval of dividend distribution by the Company

On May 23, 2024, the Company Board of Directors approved a dividend distribution of NIS 25 million, payable from dividends received from the subsidiary, Migdal Capital Markets (1965) Ltd., to the Company shareholders, subject to the approval of the Company's General Meeting. For details, see the Company's immediate report from May 23, 2024 (Reference No. 2024-01-051214), as well as Note 9 to the financial statements.

2. The Board's explanations on the state of corporate affairs

2.1. Analysis of financial position and operating results

Below is an analysis of the Company's comprehensive income sources (NIS in millions):

	1-3/2024	1-3/2023	Differenc	2023
Underwriting Income				
Life insurance and long term savings	89	81	8	265
Health insurance	0	6	(5)	11
Non-life insurance	(2)	(27)	25	6
Financial services	22	14	8	53
Program Management	38	29	8	105
Total underwriting income (loss)	**147**	**103**	**44**	**440**
Investment Income				
Life insurance and long term savings	(87)	(186)	100	(718)
Health insurance	33	(35)	68	(103)
Non-life insurance	23	(29)	52	(57)
Capital and others	(6)	(26)	20	(53)
Total investment gain (loss)	**(36)**	**(276)**	**240**	**(931)**
Special effects				
Life insurance and long term savings	67	339	(272)	1,314
Health insurance	0	(0)	0	(37)
Non-life insurance	(8)	19	(27)	(8)
Capital and others	-	-	-	27
Total income (loss) due to special effects	**59**	**358**	**(300)**	**1,296**
Income (loss) from operating segments, agencies and other				
Life insurance and long term savings	69	234	(165)	860
Health insurance	34	(29)	63	(130)
Non-life insurance	14	(36)	50	(58)
Financial services	22	14	8	53
Program Management	38	29	8	105
Capital and others	(6)	(26)	20	(26)
Comprehensive income before tax	**170**	**185**	**(16)**	**805**
Tax benefit (taxes on income)	(61)	(46)	(15)	(252)
Comprehensive income after tax	**109**	**139**	**(30)**	**553**
Total return on equity, annualized	**5.1%**	**6.9%**		**6.8%**

In each reported period, the Group reviews its comprehensive income sources, as follows:

(a) Income from insurance operations from the major business lines of the Group, including investment revenues based on real return assumptions (fixed for all reported periods), which Migdal Insurance has determined to be between 2% and 4.5% in the various operating segments, without any special effects (hereinafter: "**underwriting income**"). This benchmark is commonly used in the industry for review of business results, subject to the aforementioned return assumptions. **In life insurance** – Underwriting income includes variable management fees in the profit-participating portfolio in 1992-2003 and a financial margin in guaranteed return insurance policies, calculated based on the aforementioned return assumptions, as well as all fixed management fees recognized in the reported quarter. **For health insurance and non-life insurance** – Underwriting income includes investment revenues based on the aforementioned real return assumptions.

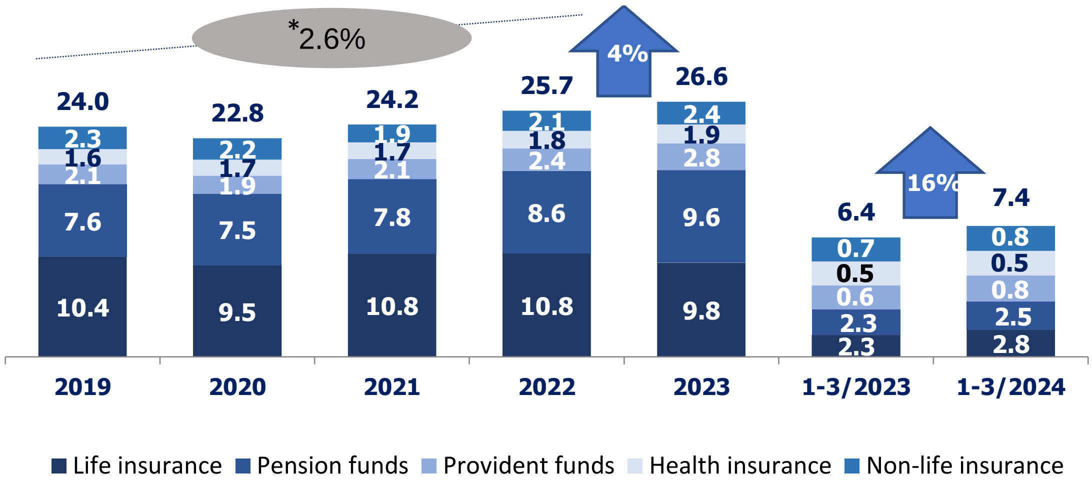
(b) Excess / shortfall in investment gain, beyond the aforementioned return assumptions (hereinafter: "**investment income**").Investment income includes: Excess / shortfall in variable management fees in the profit-participating portfolio compared to variable management fees calculated based on return assumptions and included in underwriting income, revenues from excess / shortfall in investments beyond the real returns in the various operating segments, as well as investment revenues held against equity, net of financing expenses.

(c) Special effects, including effect of changes in the interest rate curve (hereinafter: "**Income due to Special Effects**").

Total comprehensive Income is calculated based on generally accepted accounting principles. However, the income source mix is not based on generally accepted accounting principles, and is no substitute for information provided on the financial statements.

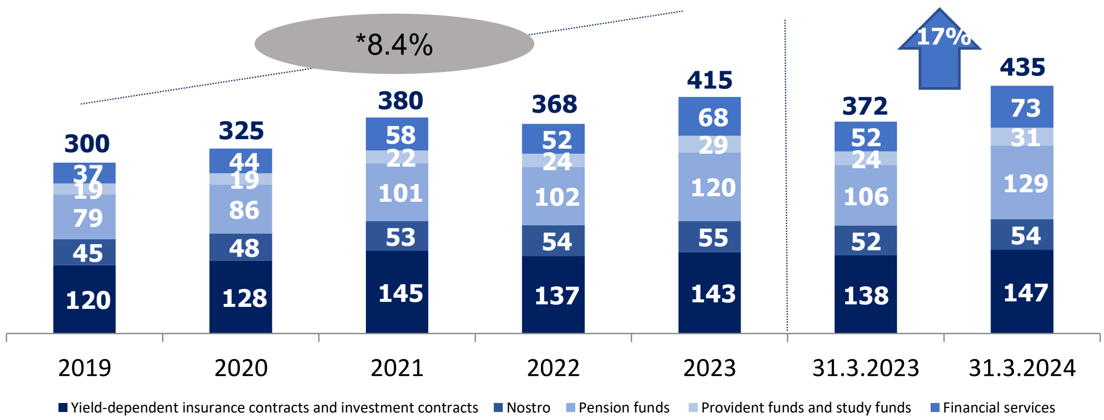
2.2. Development of scope of Group operations in the reported quarter

In the reported quarter, there was an increase in premiums compared to the corresponding quarter last year, which was reflected in all operating segments. In life insurance, the increase in premiums was affected by an increase in one-time premiums for insurance contracts and one-time receipts for investment contracts, whereas, there was a decrease in current premiums. Below is the development of premiums, receipts in respect of investment contracts and contributions for the Group (NIS in billions):



* Average annual growth

Below is development of total assets under management for the Group (NIS in billions):

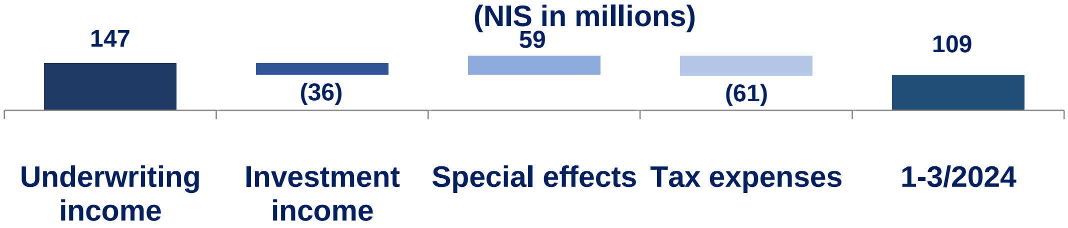


* Average annual growth

The increase in the volume of assets under management as of March 31, 2024 compared to March 31, 2023 was influenced by the positive returns recorded in the past 12 months, including in the reported quarter, in the capital markets, and by an increase in net accumulation in pension and provident funds. There was also an increase in assets under management at Migdal Capital Markets, primarily due to an increase in capital raisings and to capital market returns.

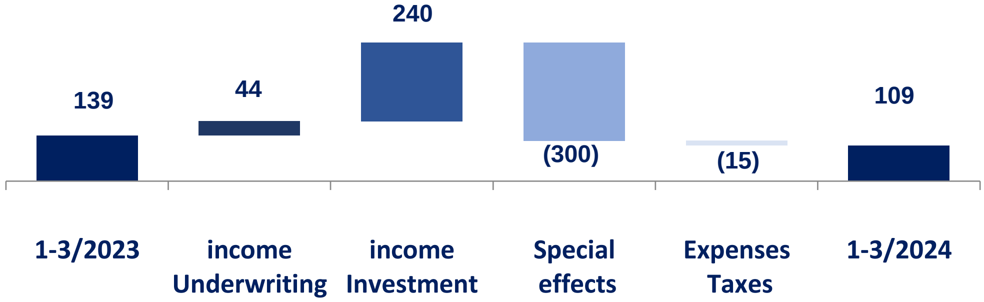
2.3. Description of development of operating results in the reported quarter

Composition of comprehensive income in the reported quarter (NIS in millions)



	income Underwriting	income Investment	Special effects	Expenses Taxes	Comprehensive income (after tax)
1-3/2024	**147**	**(36)**	**59**	**(61)**	**109**
1-3/2023	103	(276)	358	(46)	139
Difference	**44**	**240**	**(300)**	**(15)**	**(30)**
2023	440	(931)	1,296	(252)	553

Change in comprehensive income components compared to the corresponding quarter last year (NIS in millions)



Underwriting income - In the reported quarter, there was an increase in the underwriting income from the Group's operating segments, which was concentrated in life insurance, and general insurance, as well as in other operating segments, which mainly include the operating results of the insurance agencies in the Group, due to an increase in commission income.

In addition, there was an increase in profit in the financial services sector, mainly due to an increase in management fees in the mutual funds.

Investment profit - In the reported quarter, there was a significant reduction in the excess investment loss compared to the corresponding quarter last year which was mainly due to higher returns achieved by the Group. Negative investment loss in the reported quarter was primarily due to non-collection of variable management fees in the profit-participating portfolio.

Profit-participating life insurance policies marketed up to 2004 achieved a positive real return in the reported quarter. However, due to a negative real return that accrued since the start of 2022, no variable management fees were recognized, but rather only fixed management fees. Migdal Insurance will not be able to record variable management fees until a cumulative positive real return is achieved to cover the investment loss accumulated by insurance policyholders. Estimated management fees that will not be collected due to the negative real return, until a cumulative positive return is achieved, amounted to NIS 0.5 billion before tax as of March 31, 2024 (compared to NIS 1 billion before tax as of December 31, 2023). After the reporting date until shortly before the publication of this report, there were declines in the financial markets which increased the estimate of the variable management fees that will not be collected to NIS 0.7 billion.

The nostro investment portfolio, including designated bonds, posted an investment gain of NIS 652 million, compared to NIS 745 million in the corresponding quarter last year.

Note that Group operations and results are significantly affected by changes in capital markets, including changes in interest rates, which has implications for insurance obligations and for financial asset portfolios managed by the Group, and consequently on the management fees and financial margin from investments.

Special effects - In life insurance, the effect of the increase in the interest rate curve, including the change in K, and the offsetting of the decrease in the spreads of the linked bonds, led mainly to a decrease in reserves and an increase in comprehensive income. In contrast, in non-life insurance, reserves increased and comprehensive income decreased, due to a change in the interest rate curve over the short and medium terms, as well as the illiquidity premium.

In the corresponding quarter last year in life insurance, the effect of the increase in the interest rate curve, coupled with the change in the discount factor K, led to a decrease in reserves and an increase in comprehensive income. Additionally, in non-life insurance, there was a decrease in reserves and an increase in comprehensive income, as a result of the rise in the interest rate curve, net of the effect of the attribution adjustment of a portion of the excess fair value of the non-tradable assets over their book value. For more information see Note 9 to the financial statements.

For more information about the development of results in the reported quarter, see under operating segments below.

For details regarding the developments in the capital markets in Israel and around the world, in the reported quarter and after the reporting date, see also section 3.1 below.

2.4. Life insurance and long-term savings sector

2.4.1. Operating results in Reported Quarter

Development in scope of operations

Life insurance - In the reported quarter, premiums (including receipts for investment contracts) totaled NIS 2,821 million, compared to NIS 2,282 million in the corresponding quarter last year, an increase of 24% compared to the corresponding quarter last year.

Current premiums (including current receipts for investment contracts) totaled NIS 1,672 million, compared to NIS 1,846 million in the corresponding quarter last year, a decrease of 9% compared to the corresponding quarter last year. One-time premiums for insurance contracts and one-time receipts for investment contracts totaled NIS 1,150 million compared to NIS 436 million in the corresponding quarter last year, an increase of 163% compared to the corresponding quarter last year.

Pension funds – Contributions[3] totaled NIS 2,544 million compared to NIS 2,272 million in the corresponding quarter last year, an increase of 12% compared to the corresponding quarter last year.

Provident funds – Contributions amounted to NIS 774 million compared to NIS 596 million in the corresponding quarter last year, an increase of 30% compared to the corresponding quarter last year.

In addition, during the reported quarter there was an increase in pension and provident fund sales compared to the corresponding quarter last year.

Redemptions and portability transfers - In the reported quarter, there was continued increase in net negative portability transfer and in redemptions in individual savings and managers life insurance policies. By contrast, in the pension sector there was a net positive portability transfer compared to a net negative portability transfer in the corresponding quarter last year. In addition, in the provident fund sector there was an increase in net positive portability transfer compared to the corresponding quarter last year.

Redemptions in life insurance – The redemption rate (including portability transfers) from the average reserve (annualized) in the reported quarter was 5.5%, compared to 4.4% in the corresponding quarter last year.

In the Group's new pension funds, a net transfer of funds to the Group was recorded[4] in the amount of NIS 1,418 million compared to net negative fund transfers from the Group in the corresponding quarter last year, in the amount of NIS 236 million. Fund transfers to the Group's pension funds amounted to NIS 3,366 million (compared to NIS 1,617 million in the corresponding quarter last year), while fund transfers from the Group's pension funds to other funds totaled NIS 1,948 million (compared to NIS 1,853 million in the corresponding quarter last year).

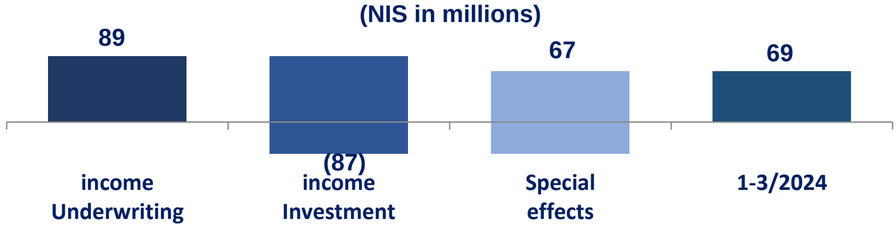
The Group's provident funds recorded an increase in net money transfers to the Group compared to the corresponding quarter last year, which amounted to NIS 648 million compared to NIS 628 million in the corresponding quarter last year. The fund transfers to the Group's provident funds amounted to NIS 1,304 million (compared to NIS 994 million in the corresponding quarter last year), whereas, the transfers of funds from the Group's provident funds to other funds amounted to NIS 656 million (compared to NIS 366 million in the corresponding quarter last year).

3 Contributions to pension and provident funds do not include fund transfers due to transfer of fund members to funds.

4 Fund transfers include internal transfers within the Group.

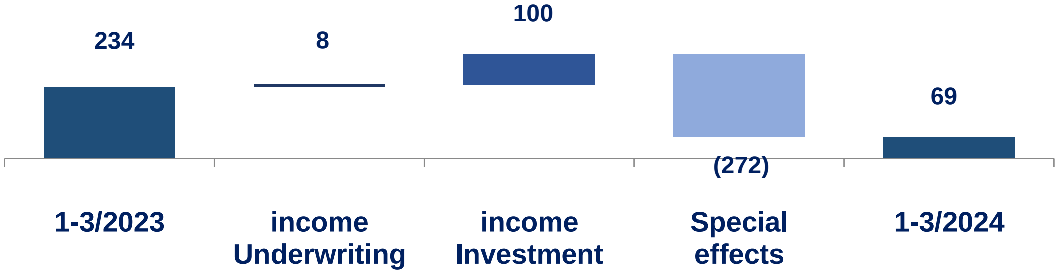
Development of comprehensive income in the reported quarter

Composition of comprehensive income in the long-term savings sector in the reported quarter (NIS in millions)



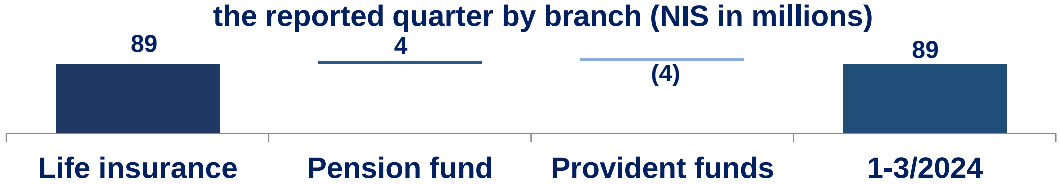
	income Underwriting	income Investment	Special effects	Comprehensive income (before tax)
1-3/2024	**89**	**(87)**	**67**	**69**
1-3/2023	81	(186)	339	234
Difference	**8**	**100**	**(272)**	**(165)**
2023	265	(718)	1,314	860

Change in long-term savings income components compared to the corresponding quarter last year (NIS in millions)



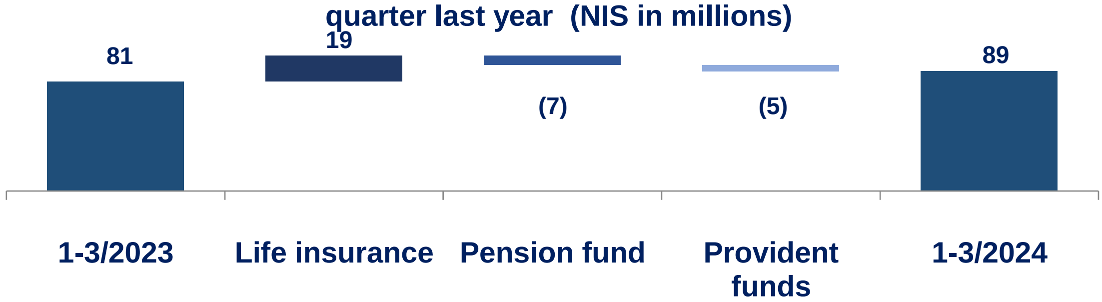
Below is analysis of underwriting income by sector in the Reported Quarter:

Composition of underwriting income in the long-term savings sector in the reported quarter by branch (NIS in millions)



	Life insurance	Pension fund	Provident funds	Total
1-3/2024	**89**	**4**	**(4)**	**89**
1-3/2023	70	10	1	81
Difference	**19**	**(7)**	**(5)**	**8**
2023	240	31	(6)	265

Change in underwriting income by branch compared to the corresponding quarter last year (NIS in millions)



Underwriting income - The increase in underwriting income in the reported quarter, **in life insurance**, compared to the corresponding quarter last year, was affected by an increase in profit from risk, mainly due to a decrease in loss in respect of loss of working capacity and disabilities coupled with an increase in fixed management fees. **In pension and provident funds**, underwriting income decreased, primarily due to an increase in general and administrative expenses, plus an increase in amortization of deferred acquisition expenses.

Investment income – In the reported quarter, investment loss decreased compared to the corresponding quarter last year. Investment loss in the Reported Quarter was primarily due to non-collection of variable management fee in the profit-sharing portfolio. On the other hand, investment profits were recorded in the nostro life insurance portfolio.

Special effects - In the reported quarter, the effect of the increase in the interest rate curve net of the decrease in the spreads of linked bonds mainly led to a decrease in reserves and an increase in the comprehensive income before tax in life insurance in the amount of NIS 67 million. In the corresponding quarter last year, the effect of the rise in the interest rate curve and the increase in spreads on the linked bonds, as well as the change in the discount factor K, led to a decrease in reserves and an increase in the comprehensive income before tax, in life insurance, in the amount of NIS 339 million. For more information see Note 9 to the financial statements.

2.5. Additional details regarding the development of profit in life insurance

Weighted returns in profit-participating insurance policies (Fund J) (in percent):

	Insurance policies issued in 1992-2003			Insurance policies issued in 2004 and thereafter		
	1-3/2024	**1-3/2023**	**2023**	**1-3/2024**	**1-3/2023**	**2023**
Positive (negative) real return, gross	4.1%	0.7%	5.5%	4.0%	0.6%	5.1%
Positive (negative) real return, net	3.9%	0.6%	4.9%	3.7%	0.3%	3.9%
Positive (negative) nominal return, gross	4.4%	1.8%	9.0%	4.3%	1.7%	8.6%
Positive (negative) nominal return, net	4.2%	1.7%	8.4%	4.0%	1.4%	7.4%

Investment gain (loss) charged to policyholders of profit-participating insurance policies and the management fees – Below is information about estimated amounts of investment gain (loss) charged to life insurance policyholders and profit-participating investment contracts, and management fees calculated per the Commissioner's directives, based on quarterly returns and balances of insurance reserves in the Company's business reports (NIS in millions):

	1-3/2024	**1-3/2023**	**2023**
Investment gain (loss) charged to policyholders after management fee	5,606	1,992	10,364
Management fees	265	253	1,030

2.6. Health insurance sector

2.6.1. Operating results in Reported Quarter

Development in scope of operations

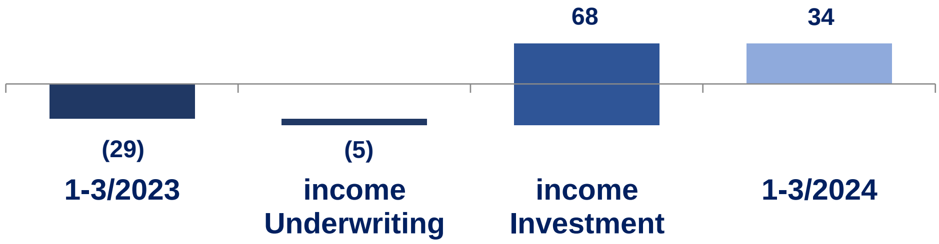
In the reported quarter, premiums totaled NIS 494 million compared to NIS 473 million in the corresponding quarter last year, an increase of 4% compared to the corresponding quarter last year. The increase in premiums in the reported quarter compared to the corresponding quarter last year, occurred in most individual insurances, as well as in collective insurances. It should be noted that the decrease in foreign travel premiums compared to the corresponding quarter last year, is due to the War.

Composition of comprehensive income

Composition of comprehensive income in the health insurance sector in the reported quarter (NIS in millions)

	Underwriting income	Investment income	Special effects	Comprehensive income (before tax)
1-3/2024	**0**	**33**	**0**	**34**
1-3/2023	6	(35)	(0)	(29)
Difference	**(5)**	**68**	**0**	**63**
2023	11	(103)	(37)	(130)

Change in health insurance income components compared to the corresponding quarter last year (NIS in millions)



Underwriting income - In the reported quarter, there was a decrease in underwriting income compared to the corresponding quarter last year, which was mainly concentrated in long-term care insurance as well as medical expenses insurance due to an increase in claims.

Investment income – In the reported quarter, an investment gain was recognized, compared to an investment loss in the corresponding quarter last year, primarily due to higher real returns in the reported quarter.

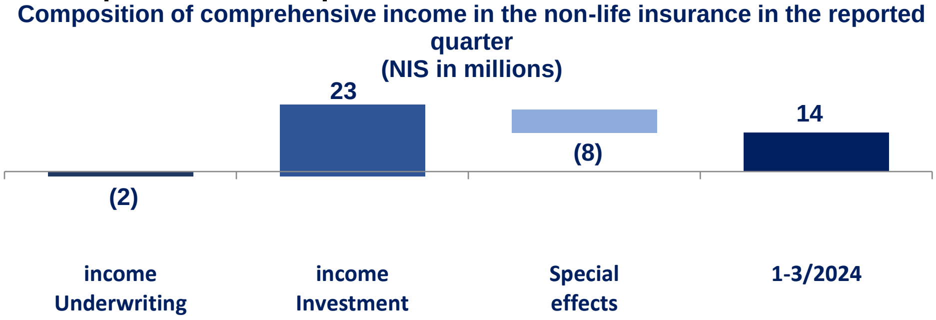
2.7. Non-life insurance sector

2.7.1. Operating results in Reported Quarter

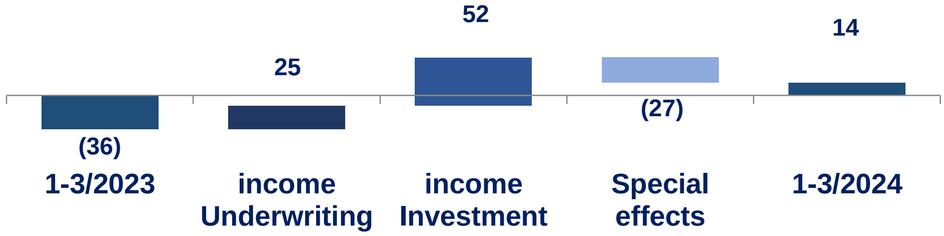
Development in scope of operations

In the reported quarter, gross premiums totaled NIS 784 million compared to NIS 744 million in the corresponding quarter last year, an increase of 5% compared to the corresponding quarter last year. The increase in premiums was mainly due to an increase in the average premium in the automotive sectors.

Composition of comprehensive income



	income Underwriting	income Investment	Special effects	Comprehensive income (before tax)
1-3/2024	**(2)**	**23**	**(8)**	**14**
1-3/2023	(27)	(29)	19	(36)
Difference	**25**	**52**	**(27)**	**50**
2023	6	(57)	(8)	(58)



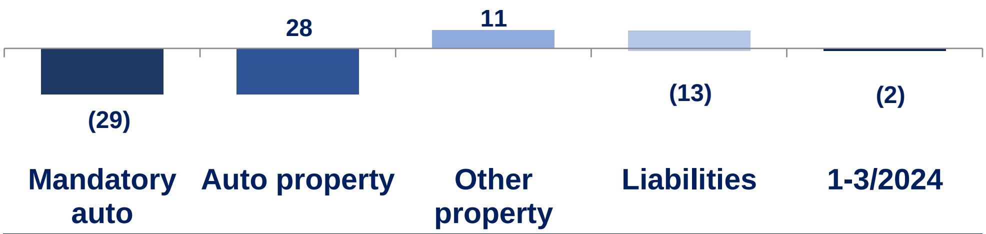
Underwriting income - In the reported quarter, there was a reduction in the underwriting loss compared to the corresponding quarter last year, mainly due to a shift to underwriting profit in the property vehicle industry; for details by industry, see below.

Investment income – An investment gain was recognized in the reported quarter, compared to an investment loss in the corresponding quarter last year, primarily due to higher real returns in the reported quarter.

Special effects - In the reported quarter, the change in the interest rate curve, the effect of the illiquidity premium and the allocation of excess fair value of assets over their book value, resulted in an increase in retained insurance liabilities and a decrease in comprehensive income before tax totaling NIS 8 million, mainly in the mandatory auto sector. In the corresponding quarter last year, the increase in the risk-free interest rate curve for the short and medium term, net of the effect of the attribution adjustment of a portion of the excess fair value of the non-marketable assets over their book value, led to a decrease in insurance liabilities and an increase in comprehensive income, mainly in the mandatory auto sector, in the amount of NIS 19 million, on retention before tax.

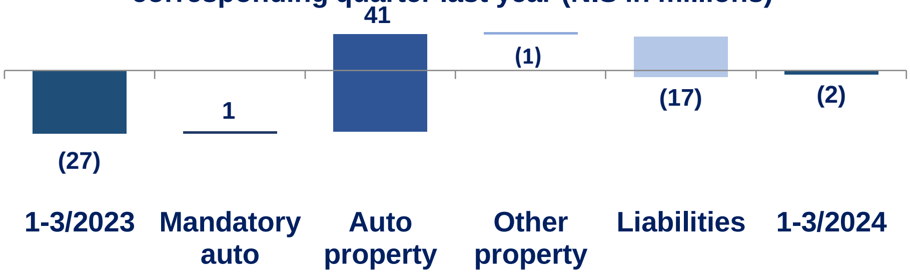
Below is an analysis of underwriting income by sector in the reported quarter:

Composition of underwriting income in the non-life insurance sector in the reported quarter by branch (NIS in millions)



	Mandatory auto	Auto property	Other property	Liabilities	Total
1-3/2024	**(29)**	**28**	**11**	**(13)**	**(2)**
1-3/2023	(30)	(13)	12	4	(27)
Difference	**1**	**41**	**(1)**	**(17)**	**25**
2023	(74)	(13)	55	38	6

Change in underwriting income by branch compared to the corresponding quarter last year (NIS in millions)



In the mandatory auto sector - The underwriting loss remained at a similar level to the underwriting loss in the corresponding quarter last year, stemming mainly from a loss in the current underwriting year.

In the property auto sector – A transition to underwriting income in the reported quarter, compared to underwriting loss in the corresponding quarter last year. The aforementioned profit was affected by an increase in the average premium as well as a positive development in claims experience.

In other property sectors – Underwriting income remained similar to that in the corresponding quarter last year.

In the liability branches - An underwriting loss was recorded compared to an underwriting profit in the corresponding quarter last year, which was mainly due to an increase in the loss in the current underwriting year in the third party and employer liability branches, as well as to a positive development that occurred in the corresponding quarter last year in respect of previous underwriting years.

	Auto property sector			Property sectors (other than auto)		
	1-3/2024	**1-3/2023**	**2023**	**1-3/2024**	**1-3/2023**	**2023**
Claim rate, gross	69.6	93.4	78.9	32.2	107.6	53.7
Claim rate, on retention	70.0	93.3	79.2	37.4	44.7	35.0
Claim and expense rate, gross	88.0	111.7	103.3	59.0	131.8	81.4
Claim and expense rate, on	88.6	111.8	103.8	82.9	83.5	79.7

The decrease in the rate of gross claims in the property vehicle sector in the reported quarter compared to the corresponding quarter last year is mainly due to the increase in the average premium.

2.8. Financial services sector

Managed assets - On March 31, 2024, managed assets amounted to NIS 73 billion compared to NIS 52 billion on March 31, 2023 and compared to NIS 68 billion on December 31, 2023.

Operating results in reported quarter

In the reported quarter, revenues totaled NIS 74 million compared to NIS 61 million in the corresponding quarter last year. The increase in revenues was mainly concentrated in the mutual funds sector due to an increase in fixed management fees, stemming primarily from an increase in managed assets as well as an increase in variable management fees. In addition, there was an increase in market making activity due to an increase in the volume of turnovers compared to the corresponding quarter last year.

Comprehensive income amounted to NIS 22 million compared to NIS 14 million in the corresponding quarter last year. The increase in profit was mainly influenced by the increase in revenues as mentioned above, and was partly offset by an increase in variable expenses.

2.9. Key balance sheet items on the financial statements

The volume of assets for yield-dependent contracts as of March 31, 2024 amounted to NIS 147 billion, compared to NIS 143 billion on December 31, 2023, an increase of 3%. The increase in the volume of assets compared to December 31, 2023 was mainly influenced by the investment gains in the capital markets.

The balance of premium for collection as of March 31, 2024 amounted to NIS 730 million, compared to NIS 588 million as of December 31, 2023 and NIS 930 million as of March 31, 2023. The increase in the balance of premium for collection compared to the end of December 2023 was mainly due to an increase in the volume of premiums in non-life insurance, while the decrease compared to the end of March 2023, was mainly concentrated in life insurance and was due to advancing the regular premium collection process during the fourth quarter of 2023.

The capital balance as of March 31, 2024 amounted to NIS 8,710 million compared to NIS 8,599 million as of December 31, 2023. The change in capital results from comprehensive income of NIS 109 million in the reported quarter.

For more information about the results of the calculation in conformity with the new Solvency II Directive, see section 3.2 below and Note 6 to the financial statements.

The balance of cash and cash equivalents amounted to NIS 21.4 billion as of March 31, 2024, compared to NIS 19.5 billion on December 31, 2023. The increase was primarily due to cash flows provided by net operating activities, (mostly affected by timing of purchase / sale of financial investments), partially offset by cash flows used for financing activities (REPO settlement). For more information see the cash flow statement in the Company's financial statements.

2.10. Financing sources

NIS in millions	31/3/2024	31/3/2023	31/12/2023
Financial liabilities	**6,402**	**8,383**	**7,359**
Long-term loans (mainly Tier 2 capital)	5,835	5,175	5,832
Short term loans (1)	-	904	928
Other)2)	567	2,304	599

(1) During the reported quarter, the repo liability was paid in full.

(2) The balance mainly includes derivatives reflecting the liability created as of the balance sheet date, mainly in respect of exposure to foreign exchange and foreign stocks.

3. Trends, events and developments in the Group's operations and business environment

3.1. Macroeconomic environment

Below is a summary description of trends, events and developments in the Group's macro-economic environment that have or are expected to have an effect on the Group[5].

Developments in the economy and in the labor market

The Group operates in the Israeli economy and its economic and geo-political situation has implications for its sales in many areas, on insurance claims and on costs associated with its operations. The level of employment and wages in the Israeli economy mostly affects the Group's life insurance and long-term savings business.

Global environment – In the reported quarter, global economic activity showed improvement, with the US in particular presenting stronger growth and China seeing some recovery. On the other hand, economic weakness persists in the Eurozone, especially in Germany.

The Israeli economy – In the reported quarter, the indicators for economic activity and employment indicate a continued gradual recovery, following the sharp decline that occurred in the fourth quarter of 2023 with the outbreak of the War, but there is great variation between the branches of the economy. The expansion of activity was mainly due to a recovery in demand, but the limitation on supply remains high in several branches. As mentioned, the level of activity reflects an appreciable recovery, but is lower than the prevailing level of activity on the eve of the War.

According to an initial estimate of the Central Bureau of Statistics for the first quarter of 2024[6], in the reported quarter the gross domestic product increased by 14.1% (in annual terms), compared to the fourth quarter of 2023 in which GDP contracted following the outbreak of the War, falling 1.4% below the corresponding quarter last year and compared to a 2% increase in 2023. The increase in GDP in the reported quarter compared to the previous quarter reflects a significant growth in private consumption and investments in fixed assets, following major declines in the fourth quarter of 2023 and a decrease in exports of goods and services, contrasted with an increase in imports. Private consumption and investments in fixed assets are affected by the security situation and have not returned to their level from before the outbreak of the War. Public consumption continued to grow in this quarter following a significant increase in the fourth quarter of 2023, with the level of public consumption thus remaining high. The per capita domestic product decreased by 3.1% in the reported quarter compared to the corresponding quarter last year, following a decrease of 0.2% in the whole of 2023.

The labor market – in the reported quarter there was a decrease in the unemployment rate as broadly defined[7], from 7.5% in December 2023, which was affected by the War, to 5.3% in March 2024. The labor market recovered against the background of an increase in demand for workers and alongside the easing of the labor supply limit due to the reduction of reserve servants.

In the months of January-February 2024, there was a 5% increase in the average real salary (at constant prices) compared to the corresponding period last year.

Capital market

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5 The review is based, inter alia, on publications by the Bank of Israel and by the Central Bureau of Statistics.

6 According to the national accounts estimate for the first quarter of 2024 published on May 16, 2024.

7 The unemployment rate, as broadly defined, includes those unemployed, those employed but temporarily absent from work for the full week for economic reasons, non-participants in the workforce who stopped working due to termination or closure of their workplace in the past two years, and those who gave up on searching for a job.

Insurance companies, pension and provident funds and companies involved in financial services invest a significant part of their asset portfolio in capital markets. Returns of various asset classes on the capital markets have material implications for both returns achieved on behalf of Group customers and on Group income.

In the reported quarter, inflation moderating in many countries, but in most it remained higher than the central bank targets. In the US and the Eurozone, the central banks left interest rates unchanged and are signaling that the downward path of the interest rate will be slower and more gradual in the future.

In January 2024, the Bank of Israel lowered its interest rate by 0.25% to 4.5%, in view of the more moderate inflation and stabilization of financial markets, including the foreign currency market. However, subsequently, against the background of an increase in the level of risk in the economy due to the heightened geopolitical uncertainty and a rise in inflation expectations for the coming year, no further interest rate cuts were made.

In February 2024, Moody's rating agency announced that it was lowering the credit rating for the State of Israel's debt, from A1 to A2 with a negative outlook. As explained by the rating agency, the lower credit rating and change to negative outlook reflected primarily the uncertainty regarding the economic implications of the War, when and how the War would end and the change in the fiscal situation. In May 2024, Moody's left the rating unchanged, including the negative outlook.

In the local capital market and abroad, there were price increases in the stock indices in the reported quarter. On the other hand, declines were recorded in the prices of Israeli government bonds, particularly long-term bonds. Corporate bonds saw price increases due to a decrease in the risk margin compared to government bonds.

Below are key trends in the major investment avenues and their implications:

Change in capital market benchmarks	1-3.2024
Inflation (known CPI)	0.3%
Inflation (CPI for)	1.0%
NIS-denominated government debentures bearing	(1.0%)
CPI-linked government debentures (real)	(0.8%)
Corporate debentures (real)	1.5%
Tel Aviv 35 Index (real)	6.8%
Tel Aviv 125 Index (real)	8.0%
MSCI Index (nominal)	7.8%
NASDAQ 100 Index (nominal)	8.5%
S&P 500 Index	10.2%
USD exchange rate (nominal)	1.5%

Interest rates – In March 2024, the monetary interest rate in Israel stood at 4.5%, after the Bank of Israel lowered interest rates in the reported quarter, compared to 4.75% in December 2023.

Government bonds – in the reported quarter, there were increases in the yields to maturity of the shekel and linked bonds in all ranges, against the background of heightened inflation expectations and the expectation for postponement of interest-rate cuts.

Corporate bonds – in the reported quarter, there was a decrease in the yields to maturity of the shekel and linked corporate bonds, which was affected by the decrease in the risk margin versus government bonds.

Changes in expected inflation and interest rates resulted in changes to inherent returns in the financial asset portfolios held by insurance companies, including the asset portfolios held against profit-sharing insurance policies, from which insurance companies derive investment gain.

Interest rates have an effect on future returns upon refinancing assets against liabilities, as well as the inherent value of the life insurance portfolio, and future returns on policyholder funds. Moreover, higher inflation affects the reduction of real returns in policyholder portfolios, and therefore a derivative effect on variable management fees which Migdal Insurance may collect, and the financial margin in its nostro portfolio.

Developments in the economic environment subsequent to the reporting date

After the balance sheet date, a mixed trend was recorded in the stock indices in Israel and around the world, with volatility and a decrease in bond prices in most ranges. The consumer price index for the month of April 2024 rose by about 0.8%.

The War also had effects globally, due to increased geopolitical tensions in the Middle East. However, its effect on global financial markets is moderate. Moreover, the level of geopolitical uncertainty has increased, as reflected in the relatively high level of risk premium of the economy.

In April 2024, the S&P international credit rating agency announced the downgrading of Israel's rating from AA- to A+ and maintained the rating outlook at negative. The downgrade was implemented against the background of the worsening conflict between Israel and Iran and the geopolitical risks that Israel has been facing since the outbreak of the War. The agency likewise noted at the time that a credit rating downgrade may be implemented if the military conflict expands substantially, increasing the security and geopolitical risks that Israel faces, as well as if the effect of the military conflict on economic growth, the fiscal situation and the balance of payments of Israel proves to be more significant than the company anticipated at the time of the publication of the announcement. In April 2024, the Fitch international credit rating agency left Israel's credit rating at A+, but changed the rating outlook from stable to negative.

It should be noted that economic activity in Israel is subject to a degree of uncertainty, including with respect to the duration and nature of the War and the potential for further escalation and expansion to other fronts, and with respect to budget decisions the Government will make in addressing the security and civil needs arising from the War. Different development affecting the War's duration and scope may have material effects on economic developments. The expansion of the War to additional fronts may result in additional harm to growth as well as disruptions in normal economic activity, further undermining market stability and causing inflationary pressures.

3.2. Capital, Solvency II-based economic solvency regime of insurance companies, and dividends

3.2.1. Solvency ratio report

On November 23, 2024, Migdal Insurance issued its solvency ratio report as of December 31, 2023, as approved by the Board of Directors of Migdal Insurance. For details, see the publication on the Migdal Insurance website at the link: https://www.migdal.co.il/about/economic-solvency-reports.

The economic solvency ratio as of December 31, 2023 was calculated in conformity with the Commissioner's directives on the Solvency II-based economic solvency of insurers, as included in the provisions of Insurance Circular 2020-1-15 "Amendment to the Consolidated Circular with respect to the provisions for the implementation of a solvency regime" ("**the Solvency Circular**").

Below is data regarding the solvency ratio and capital threshold for Migdal Insurance (NIS in millions):

	December 31, 2023	December 31, 2022
	Audited*	**Audited***
Equity with respect to the capital solvency requirement	16,466	17,748
Capital required for solvency	13,416	12,393
Retained earnings	3,050	5,355
Solvency ratio (in %)	123%	143%
Effect of material capital transactions in the period from calculation date to publication date of the solvency ratio report		
Equity instruments issued (redeemed)	-	(1,895)
(Deviation from quantitative limits) / elimination of deviation from quantitative limits	-	607
Shareholder equity with respect to capital required for solvency	16,466	16,460
Retained earnings	3,050	4,067
Economic solvency ratio (in %)	123%	133%

* The term "audited" refers to an audit conducted in conformity with International Standard on Assurance Engagements 3400 (ISAE 3400) "Examination of prospective financial information."

For details regarding the economic solvency ratio without applying the transition provisions for the phase-in period and regarding limitations applicable to the Company regarding dividend distribution, see sections 3.2.4 and-3.2.5 below.

Minimum capital requirement (MCR) (NIS in millions):

	December 31, 2023	December 31, 2022
	Audited	**Audited**
Minimum capital requirement (MCR)	3,354	3,098
Shareholder equity with respect to MCR	11,508	12,171

Key changes with respect to solvency as of December 31, 2023, compared to December 31, 2022:

The solvency ratio of Migdal Insurance decreased from 133% on December 31, 2022, to 123% on December 31, 2023, in light of a significant decrease in the amount of the deduction and in parallel with the increase in the solvency ratio without the transition provisions from 72% to 78%.

The main factors that affected the decrease in the amount of the deduction, and accordingly the decrease in the solvency ratio, were a significant decrease in the amount of the deduction during the phase-in period (NIS 6.7 billion in 2023 instead of NIS 8.5 billion in 2022), which was due to linear exhaustion (passage of a year in the phase-in period), and the effect of the increase in the risk-free interest rate on the amount of the deduction during the phase-in period.

Below is a breakdown of other main factors that affected the solvency ratio (with and without the transition provisions):

(a) A significant increase in the risk-free interest rate curve during the year 2023 had a substantial positive effect on the solvency ratio of Migdal Insurance without taking into account the phase-in provisions, and to a lesser extent on the solvency ratio (taking into account the transition provisions), in light of the effect of the interest rate increase on the reduction of the deduction amount during the phase-in period as stated above.

(b) In 2023, there was a significant increase in the number of cancellations (including outgoing portability transfers) of managers insurance policies. Migdal Insurance estimates that this increase in the number of cancellations in managers insurance policies was influenced, among other things, by the setting of a deposit limit for managers insurance, as described in section 2.4.9 in the Description of Corporate Affairs chapter in the Periodic Report. Accordingly, Migdal Insurance updated the cancellation rate assumptions in the managers insurance policies, which are used to calculate actuarial estimates in the financial statements and solvency calculations. The actual cancellations, including the aforementioned updates to the cancellation assumptions, reduced the economic capital of Migdal Insurance and had a material negative effect on its solvency ratio.

(c) A study conducted by Migdal Insurance regarding benefit take-up rates and the development of retirement ages had a positive effect on economic capital. On the other hand, model and actuarial assumption updates, including updating of expense assumptions, had a negative impact on the economic capital. In aggregate, these changes had an immaterial negative effect on Migdal Insurance's solvency ratio.

(d) The release of capital and risk margin (**RM**) requirements for existing businesses had a positive effect on economic capital. On the other hand, lower than expected current underwriting profitability for these existing businesses, including the effects of the War, partially offset this positive effect.

(e) In July 2023, Migdal Insurance issued, through Migdal Capital Raising, Tier II capital, amounting to NIS 660 million.

Consequences of the War:

As a direct result of the War, there was an immaterial increase in life and health insurance claim payments during the fourth quarter of 2023.

Also, the War led to sharp fluctuations in the financial markets in Israel and in the risk-free interest rate curve in the fourth quarter of 2023. Some of these fluctuations have opposite effects on the solvency ratio of Migdal Insurance, so that in the aggregate it is not possible to determine with certainty whether the War had a direct and substantial effect on the solvency ratio in 2023.

It should be noted that, as stated above in this report, there is significant uncertainty regarding the further development of the War, its scope and duration. Fluctuations in the financial markets and in the interest-rate curve continued to occur also in the period between the date of calculation of Migdal Insurance's solvency ratio as of December 31, 2023 and the date of publication of the solvency ratio report. Accordingly, there is significant uncertainty regarding the future effects of the War on Migdal Insurance's solvency ratio.

3.2.2. Update on use of economic scenario generators to calculate the solvency ratio of Migdal Insurance

As of the report publication date, Migdal Insurance has completed the calculation of its economic solvency ratio, based on the application of economic scenario generators, including completion of tests and control processes for accuracy, robustness and market compatibility, as customary for companies abroad that apply stochastic models to calculate the economic solvency ratio ("**the model**" or "**the stochastic model**").

The stochastic model is used to calculate the optimal actuarial estimate of asymmetric insurance liability flows (including future variable management fees), whose value is not fully included in the current model for calculating the economic solvency ratio. In both the existing model and the stochastic model, the return that serves as a basis for the calculation is a risk-free return. However, unlike the existing model, the calculation of the flows in the stochastic model takes into account the volatility in the returns of the relevant assets according to their composition and characteristics, including the investment avenues, durations and exposure to the index and foreign exchange rates. For the purpose of building the stochastic model, Migdal Insurance chose economic models suitable for the types of assets. These models were calibrated by relevant historical market data. In choosing, calibrating and testing these economic models, Migdal Insurance was assisted by international consulting companies. Also, the independent auditors reviewed the calculation and internal control process.

Migdal Insurance believes that incorporation of the Stochastic Model has an effect on the estimated economic solvency ratio, adding 9% and 10% to the economic solvency ratio as of June 31, 2023, without accounting for and after accounting for the transition provisions. It is noted that this figure is not audited or reviewed, and is also sensitive to changes in the interest-rate curve and in other financial and demographic assumptions, hence the effect of the stochastic model may differ, even materially, upon actual application.

Given the notice issued by the Capital Market, Insurance and Savings Authority ("**the Capital Market Authority**") to Migdal Insurance on November 12, 2023, regarding the Authority's intention to conduct an audit on the implementation of the stochastic model, Migdal Insurance has decided to defer initial implementation of the model until such audit has been completed and any material findings therein have been addressed. Subject to the foregoing with regard to audit by the Authority, and in conformity with assessment by Migdal Insurance, the Model would be initially implemented in 2024.

3.2.3. Capital policy of Migdal Insurance

On May 26, 2021, the Board of Directors of Migdal Insurance reviewed and set its capital policy, whereby Migdal Insurance would strive to maintain a solvency ratio ranging between 155% and 175%. Furthermore, the Board of Directors of Migdal Insurance set the minimum solvency ratio target at 140%. These targets are for the solvency ratio, accounting for the deduction during the phase-in period, through 2032. In conformity with the capital policy, the solvency ratio of Migdal Insurance without accounting for the transition provisions, would be gradually built up, in line with these targets, by end of 2032.

On March 20, 2024, the Board of Directors of Migdal Insurance reviewed the capital policy again, leaving unchanged the solvency ratio range in which Migdal Insurance would strive to operate, at between 155% and 175%. Moreover, considering the risk factors characterizing Migdal Insurance operations, including their inherent volatility and its impact on the solvency ratio, and to support the achievement of Migdal Insurance's long-term targets and the measures included in the strategic plan (see details in section 4 of the Board of Directors report of Migdal Insurance for 2023), the Board of Directors of Migdal Insurance decided to revise the minimum solvency ratio target in the coming years, so as to match the pace of gradual build-up of capital at Migdal Insurance and to support high-quality, stable, long-term growth of the solvency ratio. Consequently, the Board of Directors of Migdal Insurance revised the minimum solvency ratio target to 115%, to gradually increase to 140% by end of the phase-out period (by end of 2032). These targets are for the solvency ratio, accounting for the deduction during the phase-in period. In conformity with the capital policy, the solvency ratio of Migdal Insurance without accounting for the transition provisions, would be gradually built up, in line with these targets, by end of 2032.

3.2.4. Restrictions on dividend distribution at Migdal Insurance

According to the letter issued by the Commissioner in October 2017, an insurer may only distribute dividends if, after such distribution, its solvency ratio (pursuant to the Solvency Circular) is at least 100%, calculated without accounting for the transition provisions and subject to the target solvency ratio determined by the Board of Directors. This ratio is calculated without the relief provided with respect to original difference attributable to acquisition of provident funds and management companies. The aforementioned letter also stipulates reporting provisions to the Supervisor. As of December 31, 2023, Migdal Insurance is not in compliance with the requirements for dividend distribution.

3.2.5. Solvency ratio without application of the transition provisions for the phase-in period and without adjustment of equities scenario

Below is data excluding application of transition provisions for the phase-out period and excluding adjustment of equities scenario (NIS in millions):

	December 31, 2023	December 31, 2022
	Audited	**Audited**
Equity with respect to solvency capital requirement[1)]	12,070	11,940
Solvency Capital Requirement (SCR)	15,486	14,998
Excess (shortfall)	(3,416)	(3,057)
Economic solvency ratio (in %)	78%	80%
Effect of material capital transactions in the period from calculation date to publication date of the solvency ratio report		
Shareholder equity	-	11,940
Equity instruments issued (redeemed)	-	(1,895)
Deviation from quantitative limits / elimination of deviation from quantitative limits	-	805
Shareholder equity with respect to capital required for solvency	12,070	10,850
Excess (shortfall)	(3,416)	(4,148)
Economic solvency ratio (in %)	78%	72%

(1) This amount does not include the deduction of 35% of the original difference at a management company, amounting to NIS 64 million on June 31, 2023.

The data contained in this section, including in the economic solvency ratio report, the recognized equity and the solvency capital requirement, and Migdal Insurance's estimates regarding the potential impact of using the stochastic model on the calculation of the solvency ratio (if and to the extent it is implemented), are based, among other things, on forecasts, assessments and estimates for future events whose realization is uncertain and beyond Migdal Insurance's control, and which may actually materialize differently than predicted, among other things with reference to actuarial assumptions (including mortality rates, including mortality tables published by the Commissioner from time to time, morbidity, recovery, cancellations, expenses, benefit take-up, the rate of release of the risk margin and underwriting profit rate), regulatory directives and guidelines regarding the economic solvency ratio, including specific directives to be issued to Migdal Insurance, assumptions regarding future management operations, risk-free interest rates, capital market returns, future income and damage in catastrophe scenarios. Accordingly, these data should be considered "forward-looking information," as defined in the Securities Law, which may not materialize, in whole or in part, or may materialize in a different way, including in a fundamentally different way.

4. Substantial changes in regulatory and legislative arrangements

The Group's areas of activity are subject to frequent changes in legislative arrangements. Some of the essential legislative arrangements published in the reported quarter, starting from January 2024 until the date of publication of the Periodic Report, were included in the Periodic Report. This chapter presents fundamental changes in the legislative arrangements that were published from the date of publication of the Periodic Report to the date of publication of this report.

4.1. Legislative arrangements relating to institutional bodies and general directives

A call for proposals regarding the reduction of regulatory arbitrage in short- and medium-term investment and savings instruments – on April 18, 2024, a call for proposals was published regarding the reduction of regulatory arbitrage in short- and medium-term investment and savings instruments (savings policies, investment provident funds and mutual funds), the main points of which are:

The establishment of a team led by the Director General of the Ministry of Finance and with the participation of representatives of the Capital Market Authority, the Securities Authority, the Tax Authority, the Chief Economist Division, the Accountant General Division and the Budget Division of the Ministry of Finance, whose goals are to examine the existing regulatory framework for short- and medium-term investment instruments and to map the regulatory and taxation gaps therein well as formulate recommendations on the appropriate regulatory framework, including legislative amendments and required regulatory provisions.

Since these are preliminary stages of the work of the inter-ministerial team and since the recommendations of the team have not yet been published, it is not possible for the Company to assess at this stage the degree of materiality and impact of the team's recommendations, if and to the extent there will be any, on Migdal Insurance.

4.2. Legislative arrangements relating to the life insurance and long-term savings sector

Circular on Investment Routes and List of Investment Routes – Further to section 6.4.4 in the Description of Corporate Affairs chapter in the Periodic Report, in April 2024, an amendment was issued to the Investment Routes List Circular, which includes an updated list of investment routes that an institutional body may manage as well as the regulatory investment policy that is required to be implemented in each route. Below are details of the main changes in the list of investment routes in relation to the circular published in December 2022: (1) adding an investment route "Halacha for existing pension recipients"; (2) cancellation of the "flexible intern" route in light of the Capital Market Authority's intention to examine the issue of the general route on a market-wide basis; (3) Updating the wording of the standard investment policy of the "Credit and Bonds" route; (4) Adding combined bond and share routes (up to 25% shares) in savings products that are not required to be paid out as an annuity (continuing education fund, investment provident fund and life insurance policy that is not insurance fund); (5) Updating the wording of the standard investment policy of index-tracking routes, including setting a minimum and maximum rate of the route's total assets (at least 10% and no more than 50%), for the three main indices in the route.

4.3. Legislative arrangements in the health insurance sector

Regarding the government's decisions and the legislative arrangements included in the framework of Economic Plan Law and the Capital Market Authority's reform in the health insurance sector, see section 9.3 in the Description of Corporate Affairs chapter in the Periodic Report.

In the Company's estimation, the implementation of the various reforms in the health insurance sector may affect, in a way that cannot be assessed at this stage, the scope and mix of products sold by Migdal Insurance.

4.4. Legislative arrangements in the non-life insurance sector

4.4.1. Circular on the submission of insurance plans in the property auto branch

Further to section 12.2.3 in the Description of Corporate Affairs chapter in the Periodic Report, on May 15, 2024, the Commissioner published the final version of the Circular on the Submission of Insurance Plans in the Property Auto Branch, the main points of which are: (a) updating the wording of the disclosure to the insured in the insurance plan, so that it relates to the rules for reduction of insurance payouts in the event of damage reduction. The reduction rules will be submitted to the Commissioner for approval in an application to introduce an insurance plan and will take into account the parameters detailed in the circular. (b) In cases where the insured chooses to repair his vehicle other than at an agreement garage and he meets the conditions detailed in the circular, the insurance company will deduct a deductible, as if the insured repaired his vehicle at an agreement garage; (c) An insurance plan may not include compensation for constructive total loss, except for types of cases that were submitted by the insurance company to the Capital Market Authority in the application to introduce the insurance plan and the Capital Market Authority did not object to them.

The provisions of the circular will apply to property auto insurance plans marketed starting from September 1, 2024.

4.4.2. Amendment to the provisions of the Consolidated Circular, Title 6, Part 2 – Provisions in the property auto branch

On May 15, 2024, the Commissioner published an amendment to the provisions of the Consolidated Circular, Title 6, Part 2 – Provisions in the property auto branch on the way insurance companies work with appraisers and garages. In accordance with the provisions of the amendment, the lists of external appraisers will be abolished, and it has been established that each insurance company will use a dynamic and wide database of appraisers, and a random selection mechanism. In addition, provisions were laid down with the aim of encouraging an increase in the number of existing agreement garages by establishing guidelines for including a garage as an agreement garage (to be called henceforth "agreed garages") and regulating the agreement between the insurance companies and the garages that perform repairs on their behalf, in accordance with the ways of compensation in the policy.

The amendment is effective from May 1, 2025, subject to the publication by that date of professional "market price" directives in accordance with section 153 of the Licensing of Services and Professions in the Automotive Industry Law, 2016. Also, transition provisions were included in the amendment for the first year from the effective date of the amendment.

In view of the proximity of the date of publication of the provisions detailed in section 4.4 to the date of publication of this report, the Company cannot fully assess the effects of the implementation of the aforementioned instructions on the activities of Migdal Insurance.

4.5. Additional regulatory aspects

4.5.1. On April 18, 2024, Migdal Insurance received a decision by the Capital Market Authority to impose a financial sanction on Migdal Insurance in the amount of NIS 250,000 for violating the reporting and documentation instructions according to the Law on the Prohibition of Money Laundering, 2000, in relation to the period between July 2018 and June 2019. For more information see Note 8F to the financial statements and an immediate report dated April 21, 2024 (Reference No. 2024-01-039751).

4.5.2. On May 15, 2024, Migdal Insurance received a notice from the Capital Market Authority regarding its intention to impose a financial sanction on Migdal Insurance for failure to report to the Commissioner, in contravention of the provisions of the consolidated circular. For more information see Note 8F to the financial statements.

5. Report regarding exposure to market risks and management thereof

Migdal Holdings

During the reported quarter, there were no substantial changes in exposure to market risks and their management in relation to that described in the Board of Directors' Report for 2023.

Migdal Capital Markets

During the reported quarter, there were no substantial changes in market risks and their management in relation to that described in the Board of Directors' Report for 2023.

6. Corporate governance aspects

6.1. Ruling on the motion to certify a derivative claim against the Company's controlling shareholder

In connection with a motion filed by a Company shareholder with the Tel Aviv District Court to certify a derivative claim of the Company against Mr. Eliahu, the controlling shareholder of the Company, on the grounds that Mr. Eliahu's conduct constitutes a violation of the duty of care and duty of trust in his role as a director of the Company and Migdal Insurance, a violation of the duty of fairness as a controlling shareholder of the Company and the negation of the directors' independent discretion, which he claims caused damage to the Company, as set out in section 41.1 in the Description of Corporate Affairs chapter in the Periodic Report and in Note 39.1.f.2 to the financial statements for 2023 - a judgment was issued on May 8, 2024 by the Tel Aviv District Court , in which the court denied the certification motion. For more information, see immediate report issued by the Company, dated May 9, 2024 (Reference No. 2024-01-046099), included herein by way of reference, and Note 8F to the financial statements.

6.2. Changes to composition of the Company Board of Directors

6.2.1. On February 5, 2024, Dr. Keren Bar-Chava, who served as a director of the Company and of Migdal Insurance, announced her resignation from all her positions with Migdal Group. This resignation took effect on the same day. For details regarding the background to the resignation, see section 41.4 of the in the Description of Corporate Affairs chapter in the Periodic Report.

6.2.2. On March 14, 2024, the annual General Meeting of the Company resolved to re-appoint incumbent directors of the Company (other than external directors), Mr. Hanan Melcer, Mr. Shlomo Eliahu, Dr. Gavriel Picker, Mr. Carmi Gilon, Mr. Avraham Dotan and Mr. Ron Tor (serving as independent director of the Company), for an additional term in office, until the next annual General Meeting. The annual General Meeting also approved re-appointment of Mr. Hanan Melcer as Chairman of the Company Board of Directors. For more information see Company's immediate reports from February 21, 2024 (Reference No. 2024-01-018438), and dated March 14, 2024 (Reference No. 2024-01-026316), included herein by way of reference.

6.3. Changes to composition of the Board of Directors of Migdal Insurance

6.3.1. On January 24, 2024, the Company Board of Directors, in its capacity as General Meeting of Migdal Insurance, appointed Mr. Benny Maman to be an additional independent director of Migdal Insurance, subject to receiving a no objection notice from the Commissioner to this appointment, which was received on February 13, 2024, as stated in the immediate report by the Company dated

February 14, 2024 (Reference No. 2024-01-016116), included herein by way of reference.

6.3.2. On January 30, 2024, the Board of Directors of Migdal Insurance resolved to appoint a committee to locate relevant candidates to serve as independent directors of Migdal Insurance.

6.3.3. On February 5, 2024, Dr. Keren Bar Chava, who served as a director in Migdal Insurance and the Company, announced her resignation from all her positions in the Migdal Group. This resignation took effect on the same day. For details see section 6.2.16.2.1 above.

6.3.4. On February 19, 2024, the annual General Meeting of Migdal Insurance resolved to re-appoint incumbent directors of Migdal Insurance (other than independent directors), Mr. Avraham Dotan and Mr. Gad Nussbaum, to a further term in office until the next annual General Meeting. On that date, incumbent directors Mr. Aryeh Mintkevich and Mr. Carmi Gilon concluded their term in office. Therefore, as of this date, the Board of Directors of Migdal Insurance consists of 7 directors, of which 4 are independent directors.

On February 19, 2024, shortly before the Company Board meeting, Migdal Insurance received a letter from the Commissioner, addressed to the Chairman of the Board of Directors of Migdal Insurance, with regard to the composition of the Board of Directors of Migdal Insurance. In his letter, the Commissioner raised various allegations against Migdal Insurance's conduct and ordered it to forward to him detailed comments on the final composition of the Board of Directors, the number of Board members and its manner of compliance with statutory provisions, including the required expertise. On February 22, 2024, the Chairman of the Board of Directors of **Migdal Insurance replied** to the Commissioner's letter, stating that Migdal Insurance operates with full transparency regarding its intentions for the composition of the Board of Directors of Migdal Insurance, that the Commissioner was presented with a staffing plan for the Board of Directors of Migdal Insurance, and that these lie within the authority of the General Meeting of Migdal Insurance, that the seven-member Board of Directors meets the specialization requirements as stipulated in the statutory provisions, that the majority of the board (four directors) consists of independent directors (including three women), and that, to strengthen the board, the Company intends to expand the Migdal Insurance board to nine members, the intention being that one of the additional candidates should be a woman, and all subject to finding suitable candidates and to approval by the Company in its capacity as a special General Meeting of Migdal Insurance. On May 15, 2024, the Commissioner sent a letter to the Chairman of the Board of Directors of Migdal Insurance ("**Board of Directors' Composition Letter**"), stating, among other things, that despite his letter of February 19, 2024, the General Meeting did not renew the tenure of Mr. Carmi Gilon and Mr. Aryeh Mintkevich as directors of Migdal Insurance, and that he sees this conduct as a direct continuation of the distinct managerial instability that exists at Migdal Insurance. In his letter, the Commissioner reviewed Migdal Insurance's response of February 22, 2024, noting that he had not yet been apprised of the changes made and expected to be made in the composition of Migdal Insurance's Board of Directors, and referred to the fact that according to the legal arrangement, Migdal Insurance's Board of Directors must determine its composition, including the desired number of Board members, adding that deficient implementation of the provisions of the law could harm the objectives of the Supervision of Financial Services (Insurance) Law, 1981 (" **Supervision Law** "), including maintaining the proper management of Migdal Insurance. As part of the Board of Directors' Composition Letter, the Commissioner announced that a review of Migdal Insurance's requests to change the composition of the Board of

Directors would be carried out by the Commissioner only after receiving detailed comments from Migdal Insurance by May 30, 2024, regarding the final composition of the Board of Directors of Migdal Insurance, the number of Board members, and its manner of compliance with the various legal provisions.

The Company disputes the Commissioner's allegations in the Board of Directors' Composition Letter and reserves all its rights and claims. Without detracting from the foregoing, the Company's position, among other things, is that the current Board of Migdal Insurance is an independent board, whose composition complies with the various legal provisions, as well as the provisions of expertise required by law and that, as set out in the reply letter dated February 22, 2024, even after the appointment of additional directors to Migdal Insurance, to the extent that they are appointed, Migdal Insurance will comply with all the provisions of the law and the Commissioner concerning the composition of the Board of Directors that apply to it. For details, see sections 41.2.2 (i) and 41.4 in the Description of Corporate Affairs chapter in the Periodic Report and immediate reports by the Company from February 20, 2024 (Reference No. 2024-01-017901) and May 16, 2024 (Reference No. 2024-01- 047818), included herein by way of reference.

6.4. Motions for certification of a derivative claim against the Company and against Mr. Shlomo Eliahu

On May 9, 2024, a ruling was issued on the motion for certification of a derivative claim against the controlling shareholder, which was filed on November 22, 2020, wherein the court denied the motion for certification of the claim as a derivative action. For more details about this proceeding, see note 8F. to the financial statements. Further to that stated in section 41.1 in the Description of Corporate Affairs chapter in the Periodic Report, regarding another motion, filed on March 15, 2023, for certification of a derivative claim against the Company and Mr. Shlomo Eliahu, on March 27, 2024, the Company submitted its response to the certification motion, in which the court was asked to deny the certification motion based, among other things, on the independent committee's report adopted by the Company's Board of Directors, and the petitioner's response to the Company's reply was also submitted. For more details regarding procedural motions submitted as part of this proceeding, see note 8F. to the financial statements.

6.5. Details regarding implementation of an equity compensation plan in the Group

Further to that stated in section 32.6.2 in the Description of Corporate Affairs chapter in the Periodic Report, regarding the approval of an equity compensation plan in the Group and the allocation of options under the compensation plan, on May 23, 2024, the Company's Board of Directors, in accordance with the authority given to it, and after approval by the Company's compensation committee, decided to accelerate the vesting date of the second option tranche allocated to an officer at the Company and at Migdal Insurance (out of a total of 567,874 options allocated in three annual tranches), due to the officer's expected retirement on reaching retirement age after a long term of office, and following a decision to further postpone the actual date of termination of the employment relationship. Calculation of the number of options is based on the period during which an employee-employer relationship will exist with the officer out of the total vesting period of the second tranche of options to which the officer is entitled. The acceleration complies with the terms of the compensation policy and the terms of the equity compensation plan adopted by the Company and by Migdal Insurance. For details, see Note 9G to the financial statements, and an immediate report issued by the Company, dated May 23, 2024 (Reference No. 2024-01-051223), included herein by way of reference.

On the same date, May 23, 2024, the Company's Board of Directors, following approval by the compensation committee, approved an additional allocation of 721,968 options for an office holder at Migdal Insurance (not a director or CEO) who will also be serving as an office holder at the Company, in accordance with the Company's compensation plan and under the same conditions detailed in the private offer report from May 2023. For details, see Note 9G to the financial statements as well as an immediate report by the Company on a private offer that is not material or unusual, from May 23, 2024 (Reference No. 2024-01-051244), included herein by way of reference.

6.6. Changes in senior officers

6.6.1. Changes in senior officers

(a) **In January 2024, Ms. Tali Kassif, company secretary and secretary of** Migdal Insurance, announced her intention to retire on reaching retirement age. The end date of her term of service as company secretary and secretary of Migdal Insurance is set for June 2024. Regarding an organizational change following the aforesaid, see section 32.3 in the Description of Corporate Affairs chapter in the Periodic Report.

(b) On February 19, 2024, Mr. Tal Cohen, CFO of the Company and Manager of the Finance and Resources Division of Migdal Insurance, announced his intention to step down from his position. Furthermore, on February 19, 2024, the Board of Directors of the Company and the Board of Directors of Migdal Insurance approved the appointment of Mr. David Saban as CFO of the Company and Manager of the Finance Division of Migdal Insurance, replacing Mr. Cohen, subject to receiving a no objection notice from the Commissioner. On April 18, 2024, a notice of no objection to the appointment was received from the Commissioner, stating that Mr. Saban would be allowed to sign the financial statements of Migdal Insurance starting with the reports for the third quarter of 2024, after working in parallel with Mr. Tal Cohen, the current CFO of the Company and of Migdal Insurance. For details, see the Company's immediate reports from February 20, 2024 (Reference No. 2024-01-017892) and April 21, 2024 (Reference No. 2024-01-039757), included herein by way of reference.

6.6.2. Changes to officers of Migdal Insurance

(a) On January 31, 2024, the Board of Directors of Migdal Insurance approved the appointment of Mr. David Santori as appointed life insurance actuary at Migdal Insurance, which came into effect on April 18, 2024, after receiving a notice of no objection from the Commissioner to the said appointment, subject to being accompanied by another actuary for one year from the date the appointment takes effect.

(b) In January 2024, Ms. Anat Atlas, Manager of the Business Development, Data and Digital Division of Migdal Insurance, announced her wish to conclude her term in office as of January 31, 2024. Regarding an organizational change following the aforesaid, see section 32.3 in the Description of Corporate Affairs chapter in the Periodic Report.

(c) Regarding the notice given by Ms. Tali Kassif, Company secretary and secretary of Migdal Insurance, of her wish to retire on reaching retirement age; the notice given by Mr. Tal Cohen, Manager of the Finance and Resources Division of Migdal Insurance, of his intention to conclude his term in office; and appointment of Mr. David Saban to be Manager of the Finance Division of Migdal Insurance, replacing Mr. Cohen, see section 6.6 above.

6.7. Letters from the Capital Market Authority

Further to that stated in section 41.3 in the Description of Corporate Affairs chapter in the Periodic Report, regarding inquiries from the Capital Market Authority in which allegations were made regarding the stability and proper management of Migdal Insurance and its corporate governance, regarding directives given by the Commissioner after written and oral discussions between the Capital Market Authority and the Company and Migdal

Insurance ("**Commissioner's directives**"), and regarding a petition filed by the Company against the Commissioner's directives, for which a hearing was held on February 12, 2024. At the hearing, after the parties' claims and court's comments were heard, the Company announced that it was willing not to insist on the remedies sought in the petition, other than reversal of the directive regarding separation of the seat of the Chairman of the Company's Board of Directors from that of all other officers of Migdal Insurance ("**Seat Separation Directive**"), without derogating from its claims in principle and without prejudice to the Company's option to apply to the Commissioner in future regarding the length of time all the other Commissioner's directives would be in effect. After the hearing, and following the court's request that the Commissioner state whether he insists on his directive regarding separation of the seat, the Commissioner announced that he insists on the aforesaid directive, along with the other Commissioner's directives, and that he agrees to review said directive a year after his decision becomes effective (i.e., August 31, 2024).

On February 14, 2024, the Court handed down a verdict, ruling on the question as to whether, under the circumstances, there was cause to intervene in the Supervisor's Seat Separation Directive. In this verdict, the Court ruled that the appeal was accepted, in the sense that the Seat Separation Directive was reversed because inter alia under the circumstances, there was no sufficient factual basis established that would justify this directive, and would sufficiently establish a link between the directive and the deficiency found as part of the Supervisor's resolution. Furthermore, the petition with respect to all the other Commissioner's directives, regarding which the Company announced, during the hearing of the petition and after hearing the court's comments, that it no longer insisted on the remedies in respect thereof – was rejected, and the Court noted the Company's announcement that this would not derogate from the Company's option to apply to the Commissioner in future, regarding the effective duration of said directives, with the Court expressing no opinion in this regard. For more information see immediate reports by the Company dated August 30, 2023 (Reference No. 2023-01-100662), September 10, 2023 (Reference No. 2023-01-104970), September 26, 2023 (Reference No. 2023-01-109452 and 2023-01-109503), February 13, 2024 (Reference No. 2024-01-015759) and February 15, 2024 (Reference No. 2024-01-016485), included herein by way of reference.

Further to that stated in section 41.2.2(d) in the Description of Corporate Affairs chapter in the Periodic Report, regarding the Commissioner's notice of July 28, 2023, concerning his intention to oppose the appointment of Mr. Yossi Ben Baruch, the company's CEO, as a director of Migdal Insurance ("**pre-hearing letter**"), on May 15, 2024, the Commissioner sent another letter to Mr. Ben Baruch. As part of this letter, the Commissioner stated, among other things, that, after examining Mr. Ben Baruch's claims at the hearing and based on the Commissioner's claims in the pre-hearing letter and developments that have taken place at Migdal Insurance since the hearing, and further to that stated in the Board of Director's Composition Letter (see section 6.3.4 above) regarding the lack of accurate and relevant information about the expected composition of the Board of Directors of Migdal Insurance, it is not possible, at this time, to continue discussing the request to confirm the tenure of Mr. Ben Baruch as a director of Migdal Insurance. The Commissioner stated that according to the Supervision Law, he must take into account various considerations, listing them in his letter. According to the Commissioner, examining the composition of the Board of Directors is one of the main considerations in examining suitability for the position and it is not possible to continue discussing the request to confirm the tenure of Mr. Ben Baruch as a director of Migdal Insurance until receiving accurate and relevant information regarding the expected composition of the Board of Directors, his expertise and compliance with the provisions of the law. Information that Migdal Insurance was asked to transfer to the Commissioner as specified in section 6.3.4 above regarding the Board of Directors' Composition Letter. For details, see Section 41.2.2 (d) in Chapter A of the Periodic Report and immediate reports of the Company from

July 30, 2023 (Reference No. 2023-01-086409) and May 16, 2024 (Reference No. 2024-01-047818), included herein by way of reference.

The Company disputes the alleged assertions of the Commissioner in the letter examining the request for approval of appointment and it reserves all its rights and claims. Without detracting from the foregoing, the Company's position, among other things, regarding the candidate, is that from the very start the Company chose him to serve as a director at Migdal Insurance in light of his skills, experience, expertise and expected contribution to Migdal Insurance's Board of Directors, believing that he meets all that is required by law for his appointment as a director as stated, and that there is no conflict of interest between him and Migdal Insurance. In another letter received by Migdal Insurance from the Commissioner on May 15, 2024, the Commissioner notified that the Capital Market Authority intends to conduct an audit at Migdal Insurance regarding corporate governance, to be carried out by employees of the Capital Market Authority and an external auditor, pursuant to the Commissioner's authority under sections 50(a) and 97 of the Supervision Law.

7. Effectiveness of internal control over financial reporting and disclosure

Management, supervised by the Board of Directors, has reviewed and assessed internal control over financial reporting and disclosure and the effectiveness there of. The assessment includes: entity-level controls (ELC), controls over the closing and preparation of reports, general controls over IT systems and controls over highly material processes (conducted by Migdal Insurance).

In addition to the managers' declarations and the report concerning the effectiveness of controls, which are required as per the Securities Regulations, also enclosed are declarations, reports and disclosures with regard to internal controls at the consolidated institutional entities which are subject to the Commissioner's directives. These are attached in Chapters 4 and 5 of this report.

Information required pursuant to the Commissioner's circular

The institutional entities in the Group adopted the internal control model of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which constitutes a well-defined and recognized framework for assessment of internal control.

7.1. Controls and procedures with regard to disclosure

Management of the Group's institutional entities, together with CEOs and CFOs thereof, respectively, have assessed, as of the end of the reported period, the effectiveness of controls and procedures with regard to disclosure by said institutional entities on their financial statements. Based on this assessment, the CEOs and CFOs of Group institutional entities have concluded, respectively, that, as of the end of this period, controls and procedures with regard to disclosure are effective in recording, processing, summarizing and reporting information which the institutional entities are required to disclose on the annual report, pursuant to statutory provisions and to reporting provisions stipulated by the Supervisor of the Capital Market, Insurance and Savings and in a timely manner, as stipulated by said provisions.

7.2. Internal control over financial reporting

In the reporting period ended March 31, 2024, no change occurred in internal controls over financial reporting at the Group's institutional entities that had a material effect, or could reasonably be expected to have a material effect on internal controls over financial reporting at these institutional entities. The financial statements of Group institutional entities include the declarations, reports and disclosures required with regard to the relevant processes.

The Board of Directors wishes to thank the management of Group companies, Group employees and agents for their contribution to Group achievements.

Prof. Hanan Melcer, Justice (Retired) Chairman of the Board of Directors	**Yossi Ben Baruch** CEO

May 23, 2024

Consolidated financial statements

Migdal Insurance and Financial Holdings Ltd.

Condensed Consolidated Interim Financial Statements

as of March 31, 2024

Unaudited

Migdal Insurance and Financial Holdings Ltd.

Consolidated Financial Statements as of March 31, 2024

Unaudited

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Auditors' Review Report to the Shareholders of Migdal Insurance and Financial Holdings Ltd.

Introduction

We have reviewed the accompanying financial information of Migdal Insurance and Finance Holdings Ltd. and its subsidiaries (hereinafter – the Group), comprising the condensed consolidated statement of financial position as of March 31, 2024 and the condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended. The Board of Directors and Management are responsible for the preparation and presentation of the financial information for this interim period, in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970, relating to insurance holding companies, as described in Note 2.A. Our responsibility is to express a conclusion on the financial information for this interim period based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements (Israel) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," of the Institute of Certified Public Accountants in Israel. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and the review report of other accountants, nothing has come to our attention that causes us to believe that the aforementioned financial information is not prepared, in all material respects, in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970, relating to insurance holding companies, as described in Note 2.A. to the financial information.

Comment

Without qualifying our abovementioned conclusion, we draw attention to that stated in Note 8 to the financial statements regarding exposure to contingent liabilities.

Tel Aviv,	Somekh Chaikin	Kost, Forer, Gabbay & Kasierer
March 23, 2024	Independent Auditor	Independent Auditor

Joint Auditors

Condensed Consolidated Interim Statements of Financial Position

	March 31		December 31
	2024	2023	2023
	Unaudited		Audited
	NIS in thousands		
Assets			
Intangible assets	1,604,953	1,472,401	1,570,616
Deferred tax assets	8,647	10,478	16,582
Deferred acquisition costs	2,283,529	2,172,468	2,204,801
Fixed assets	1,314,434	1,266,085	1,325,239
Investments in associates	20,060	22,708	19,097
Investment property for yield-dependent contracts	9,119,133	8,376,763	8,972,287
Investment property – other	1,127,769	958,710	1,090,537
Re-insurance assets	1,550,036	1,519,538	1,548,933
Current tax assets	199,588	154,766	62,837
Other accounts receivable	1,645,973	3,543,991	1,121,125
Premium receivable	730,042	929,912	588,292
Financial investments for yield-dependent contracts	117,375,89	110,934,06	116,891,05
Other financial investments:			
Negotiable debt instruments	15,681,155	14,503,205	16,032,719
Non-negotiable debt instruments	27,496,480	26,988,862	27,065,496
Shares	283,918	230,619	258,555
Others	6,614,414	5,572,506	6,588,765
Total other financial investments	50,075,967	47,295,192	49,945,535
Cash and cash equivalents for yield-dependent contracts	19,062,040	15,742,171	16,580,074
Other cash and cash equivalents	2,316,354	3,004,150	2,922,734
Total assets	208,434,41	197,403,40	204,859,74
Total assets for yield-dependent contracts in a consolidated insurance company	146,847,84 3	137,506,81 2	143,126,39 2

The attached notes form an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Financial Position

	March 31		December 31
	2024	2023	2023
	Unaudited		Audited
	NIS in thousands		
Equity and liabilities			
Equity			
Share capital	110,629	110,629	110,629
Share premium	273,735	273,735	273,735
Capital reserves	(65,519)	2,889	(78,784)
Retained earnings	8,380,448	7,839,694	8,283,142
Total equity attributable to equity holders of the Company	8,699,293	8,226,947	8,588,722
Non-controlling interest	10,887	8,957	9,870
Total equity	8,710,180	8,235,904	8,598,592
Liabilities			
Liabilities with respect to non yield-dependent insurance	44,487,003	42,558,472	43,656,181
Liabilities with respect to insurance contracts and yield-	144,942,07	134,287,79	140,210,40
Deferred tax liabilities	329,157	283,659	293,995
Liabilities with respect to employee benefits, net	314,181	292,192	300,501
Current tax liabilities	6,939	3,805	5,335
Other accounts payable	3,242,897	3,358,739	4,435,243
Financial liabilities	6,401,984	8,382,839	7,359,493
Total liabilities	199,724,23	189,167,49	196,261,15
Total equity and liabilities	208,434,41	197,403,40	204,859,74

The attached notes form an integral part of the condensed consolidated interim financial statements.

March 23, 2024			
Certification Date of Financial Statements	Professor Hanan Melcer Justice (Retired) Chairman of the Board of Directors	Yossi Ben Baruch CEO	Tal Cohen CFO

Condensed Consolidated Interim Income Statements

	Three months ended March 31		Year ended December 31
	2024	2023	2023
	Unaudited		Audited
	NIS in thousands		
Earned premiums, gross	3,022,110	3,074,625	12,574,699
Premiums earned by re-insurers	260,533	226,631	878,336
Earned premiums on retention	2,761,577	2,847,994	11,696,363
Investment gain, net and financing revenues	6,639,174	2,973,201	14,546,309
Management fee revenues	472,622	434,325	1,775,869
Commission revenues	114,364	115,360	388,564
Other revenues	19,012	17,846	72,966
Total revenues	10,006,74	6,388,726	28,480,071
Payments and changes in liabilities in respect of insurance contracts and investment contracts, gross	9,098,400	5,657,323	24,761,243
Share of re-insurers in insurance payments and change in liabilities with respect to insurance contracts	125,492	221,932	692,533
Payments and changes in liabilities in respect of insurance contracts and investment contracts on retention	8,972,908	5,435,391	24,068,710
Commissions, marketing expenses and other acquisition	500,023	482,238	2,009,225
General and administrative expenses	319,483	285,589	1,246,032
Other expenses	4,041	4,598	26,312
Financing expenses	65,262	68,070	262,013
Total expenses	9,861,717	6,275,886	27,612,292
Share of income (loss) of equity accounted investees	769	513	(2,281)
Income before taxes on income	145,801	113,353	865,498
Taxes on income	49,844	21,756	276,770
Income for the period	95,957	91,597	588,728
Attributable to:			
Company shareholders	94,940	90,991	587,178
Non-controlling interest	1,017	606	1,550
Income for the period	95,957	91,597	588,728
Basic and diluted earnings per share attributable to the Company's shareholders (in NIS)	0.10	0.09	0.56

The attached notes form an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Comprehensive Income

	Three months ended March 31		Year ended December 31,
	2024	2023	2023
	Unaudited		Audited
	NIS in thousands		
Income for the period	95,957	91,597	588,728
Other comprehensive income (loss)			
Other comprehensive income (loss) items which, after initial recognition in comprehensive income, were or will be transferred to profit and loss			
Net change in fair value of financial available-for-sale assets charged to other comprehensive income	(116,100)	(45,149)	(534,404)
Net change in fair value of financial available-for-sale assets transferred to income statement	137,228	112,203	423,140
Loss from impairment of financial assets available for sale that were transferred to income statement	2,634	4,842	17,239
Foreign currency translation differences for foreign operations	194	340	361
Tax effect on available-for-sale financial assets	(11,109)	(24,312)	32,306
Tax effect on other comprehensive income items	(63)	(116)	(124)
Total other comprehensive income (loss) for the period, which after initial recognition in comprehensive income, was or will be transferred to profit and loss, net of tax	12,784	47,808	(61,482)
Other comprehensive income (loss) items not to be transferred to the income statement			
Actuarial gain (loss) with respect to a defined benefit plan	-	-	(3,555)
Revaluation with respect to revaluation of fixed assets	-	-	36,148
Tax effect	20	-	(7,201)
Other comprehensive income for the period, not to be transferred to profit and loss, net of tax	20	-	25,392
Other comprehensive income (loss), net of tax	12,804	47,808	(36,090)
Comprehensive income for the period	108,761	139,405	552,638
Attributable to:			
Company shareholders	107,744	138,799	551,119
Non-controlling interest	1,017	606	1,519
Comprehensive income for the period	108,761	139,405	552,638

The attached notes form an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Changes in Equity

	Attributable to equity holders of the Company											
			Capital reserves									
	Share capital	Share premium	Available-for-sale financial assets	Revaluation of investment upon achieving control	Transactions with non-controlling interest	Share-based payment	Translation of foreign operations	Revaluation	Retained earnings	Total	Non-controlling interest	Total equity
	NIS in thousands											
Balance as of January 1, 2024 (Audited)	110,629	273,735	(526,549)	6,989	(1,735)	6,455	(756)	436,812	8,283,142	8,588,722	9,870	8,598,592
Income for the period	-	-	-	-	-	-	-	-	94,940	94,940	1,017	95,957
Other comprehensive income, net of tax	-	-	12,653	-	-	-	131	-	20	12,804	-	12,804
Total comprehensive income	-	-	12,653	-	-	-	131	-	94,960	107,744	1,017	108,761
Share-based payment	-	-	-	-	-	2,827	-	-	-	2,827	-	2,827
Transfer from revaluation reserve in respect of depreciation on revalued fixed assets	-	-	-	-	-	-	-	(2,346)	2,346	-	-	-
Balance as of March 31, 2024 (Unaudited)	110,629	273,735	(513,896)	6,989	(1,735)	9,282	(625)	434,466	8,380,448	8,699,293	10,887	8,710,180

Condensed Consolidated Interim Statements of Changes in Equity

	Attributable to equity holders of the Company											
			Capital reserves									
	Share capital	Share premium	Available-for-sale financial assets	Revaluation of investment upon achieving control	Trans-actions with non-controlling interest	Share-based payment	Translation of foreign operations	Revaluation	Retained earnings	Total	Non-controlling interest	Total equity
	NIS in thousands											
Balance as of January 1, 2023 (Audited)	110,629	273,735	(464,830)	6,989	(1,735)	-	(993)	417,779	7,746,574	8,088,148	8,351	8,096,499
Income for the period	-	-	-	-	-	-	-	-	90,991	90,991	606	91,597
Other comprehensive income, net of tax	-	-	47,584	-	-	-	224	-	-	47,808	-	47,808
Total comprehensive income	-	-	47,584	-	-	-	224	-	90,991	138,799	606	139,405
Transfer from revaluation reserve in respect of depreciation on revalued fixed assets	-	-	-	-	-	-	-	(2,129)	2,129	-	-	-
Balance as of March 31, 2023 (Unaudited)	110,629	273,735	(417,246)	6,989	(1,735)	-	(769)	415,650	7,839,694	8,226,947	8,957	8,235,904

The attached notes form an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Changes in Equity

	Attributable to equity holders of the Company											
			Capital reserves									
	Share capital	Share premium	Available-for-sale financial assets	Revaluation of investment upon achieving control	Trans-actions with non-controlling interest	Share-based payment	Translation of foreign operations	Revaluation	Retained earnings	Total	Non-controlling interest	Total equity
	NIS in thousands											
Balance as of January 1, 2023												
(Audited)	110,629	273,735	(464,830)	6,989	(1,735)	-	(993)	417,779	7,746,574	8,088,148	8,351	8,096,499
Income for the period	-	-	-	-	-	-	-	-	587,178	587,178	1,550	588,728
Other comprehensive income (loss), net of tax	-	-	(61,719)	-	-	-	237	27,660	(2,237)	(36,059)	(31)	(36,090)
Comprehensive income (loss)	-	-	(61,719)	-	-	-	237	27,660	584,941	551,119	1,519	552,638
Share-based payment	-	-	-	-	-	6,455	-	-	-	6,455	-	6,455
Transfer from revaluation reserve in respect of depreciation on revalued fixed assets	-	-	-	-	-	-	-	(8,627)	8,627	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(57,000)	(57,000)	-	(57,000)
Balance as of December 31, 2023												
(Audited)	110,629	273,735	(526,549)	6,989	(1,735)	6,455	(756)	436,812	8,283,142	8,588,722	9,870	8,598,592

The attached notes form an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

		Three months ended March 31		Year ended December 31
		2024	2023	2023
		Unaudited		Audited
	Appendix	NIS in thousands		
Cash flow provided by current operations	A	2,795,393	1,907,329	2,442,957
Cash flow provided by investment operations				
Proceeds from realized investment in an associate, net of transaction costs		-	5,777	7,087
Investment in fixed assets		(9,041)	(8,978)	(38,106)
Investment in intangible assets		(56,798)	(59,701)	(254,002)
Dividends received from associates		-	50	888
Proceeds from realized fixed assets		41	84	100
Net cash used in investment operations		(65,798)	(62,768)	(284,033)
Cash flows provided by financing operations				
Repurchase agreement (REPO) with respect to non yield-dependent insurance contracts and investment contracts, net		(901,684)	(9,855)	(9,855)
Proceeds from issuance of debentures		-	-	659,682
Bond issuance expenses		-	-	(5,631)
Principal repayment – liability with respect to lease		(7,832)	(5,724)	(32,680)
Redemption of debentures		-	(1,902,809)	(1,902,809)
Change in short-term borrowing from banking corporations and others, net		(4)	(96)	(94)
Dividends		-	-	(57,000)
Net cash used in financing operations		(909,520)	(1,918,484)	(1,348,387)
Effect of exchange rate fluctuations on cash and cash-equivalents held		55,511	73,532	(54,441)
Increase (decrease) in cash and cash equivalents		1,875,586	(391)	756,096
Cash and cash equivalents – balance at start of period	B	19,502,808	18,746,712	18,746,712
Cash and cash equivalent balance at end of period	C	21,378,394	18,746,321	19,502,808

The attached notes form an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

Appendix A – Cash flows from operating activities before income tax [1]

	Three months ended March 31		Year ended December 31
	2024	2023	2023
	Unaudited		Audited
	NIS in thousands		
Income for the period	95,957	91,597	588,728
Items not involving cash flow			
Company share of net results of investees	(769)	(513)	2,281
Net gain from financial investments for yield-dependent insurance contracts and investment contracts	(5,723,000)	(2,368,729)	(10,250,407)
Net loss (gain) from other financial investments			
Negotiable debt instruments	(51,977)	(134,501)	(372,655)
Non-negotiable debt instruments	(420,305)	(614,857)	(2,191,871)
Shares	1,244	5,378	(11,437)
Other investments	(113,223)	116,458	(113,644)
Financing expenses with respect to financial and other	9,327	6,959	46,695
Loss (gain) from realization			
Intangible assets	-	69	8,774
Fixed assets	(2)	(63)	3
Change in fair value of investment property for yield-dependent contracts	(196)	-	(153,981)
Change in fair value of other investment property	-	(550)	(11,348)
Depreciation and amortization			
Fixed assets	21,209	18,848	80,893
Intangible assets	29,774	25,621	109,801
Change in liabilities with respect to yield-dependent insurance contracts and investment contracts	4,731,671	1,258,511	7,181,125
Change in liabilities with respect to non yield dependent insurance contracts and investment contracts:	830,822	679,387	1,777,096
Share-based payment transactions	2,827	-	6,455
Change in re-insurance assets	(1,103)	(117,875)	(147,270)
Change in deferred acquisition cost	(78,728)	(52,534)	(84,867)
Taxes on income	49,844	21,756	276,770
Changes tin other balance sheet items			
Financial investments and investment property for yield-dependent contracts			
Acquisition of investment property	(146,650)	(241,748)	(692,411)
Net sales (acquisitions) of financial investments	3,998,437	159,126	(3,021,319)
Financial investments and other investment property			
Acquisition of investment property	(37,232)	(39,856)	(160,885)
Net sales (acquisitions) of financial investments	178,880	867,553	(1,886,181)
Premium receivable	(141,750)	(165,392)	176,228
Other accounts receivable	(524,848)	399,217	2,820,884
Other accounts payable	(1,147,630)	1,129,855	2,326,240
Liabilities with respect to employee benefits, net	13,680	5,337	10,091
Total adjustments required to present cash flow provided by current operations	1,480,302	957,457	(4,274,940)
Cash paid and received during the period for			
Interest paid	(78,972)	(113,761)	(267,929)
Interest received[2]	464,214	450,596	3,056,053
Net taxes paid	(153,046)	(71,069)	(178,983)
Dividends received from financial investments	986,938	592,509	3,520,028
Net cash provided by operating activities	2,795,393	1,907,329	2,442,957

(1) The cash flows from operating activities include net purchases and sales of financial investments and investment real estate, mainly provided by activities in respect of insurance contracts and investment contracts.

(2) Not including interest received on current accounts and deposits for the three months ended March 31, 2024, and March 31, 2023 and for the year ended December 31, 2023 in the amount of 224,431, 175,936 and 850,461, respectively.

Condensed Consolidated Interim Statements of Cash Flows

The attached notes form an integral part of the condensed consolidated interim financial statements.

	Three months ended March 31		Year ended December 31
	2024	2023	2023
	Unaudited		Audited
	NIS in thousands		
Appendix B – Cash and cash equivalents at start of period			
Cash and cash equivalents for yield-dependent contracts	16,580,074	14,715,486	14,715,486
Other cash and cash equivalents	2,922,734	4,031,226	4,031,226
	19,502,808	18,746,712	18,746,712
Appendix C – Cash and cash equivalents at end of period			
Cash and cash equivalents for yield-dependent contracts	19,062,040	15,742,171	16,580,074
Other cash and cash equivalents	2,316,354	3,004,150	2,922,734
	21,378,394	18,746,321	19,502,808
Appendix D – Material operations not involving cash flows			
Acquisition of fixed assets, intangible assets and investment property against accounts payable	41,145	35,601	40,626
Recognition of right-to-use asset against lease liability	7,895	8,360	56,675
Debenture swap by way of exchange purchase offer	-	-	503,027

The attached notes form an integral part of the condensed consolidated interim financial statements.

Note 1 – Overview

a. Reporting entity

Migdal Insurance and Financial Holdings Ltd. ("the Company") is a company resident and incorporated in Israel, whose official address is 4 Ef'al Street, Kiryat Aryeh, Petach Tikva. The Company's condensed consolidated interim financial statements as of March 31, 2024 include those of the Company and its subsidiaries (hereinafter jointly: "the Group") and investments in associates. The Group is primarily engaged in insurance, pension, provident funds and financial services. The Company's securities are listed for trading on the Tel Aviv Stock Exchange.

b. Control over the Company

Mr. Shlomo Eliahu, who holds jointly with Ms. Chaya Eliahu 64.28% of the Company's issued and outstanding share capital, through private companies controlled by him (Eliahu Issuance Ltd. and Gan Ha'Ir Project Ltd.), is the ultimate controlling shareholder of the Company.

As of the report date, Eliahu Issuances Ltd. and Gan Ha'Ir Project Ltd. own 58.13% and 6.15% of the Company's issued and outstanding share capital, respectively.

c. Impact of Iron Swords War on the Company

On October 7, 2023, the Iron Swords War broke out between Israel and the terror organization Hamas in Gaza (hereinafter: "the War"). Group operations expose it to fluctuations on the financial markets, to economic slow-down in Israel and to other risk arising from the War.

Further to that stated in Note 1.C to the Company's consolidated financial statements as of and for the year ended December 31, 2023, there were no material changes during the reporting period having to do with the effects of the War on the Company's financial results. Currently, there is significant uncertainty with regard to the War's development, scope and duration. Therefore, the full impact of the War on the Group and its results cannot be assessed at this time.

Note 2 – Measurement basis of financial statements

a. Preparation format of condensed consolidated interim financial statements

The consolidated interim financial statements of the Company are prepared in accordance with the provisions of the Securities Regulations (Periodic and Immediate Reports), 1970. Pursuant to these provisions, data in the financial statements relating to a consolidated subsidiary which meets the definition of insurer, as defined in the Securities Regulations (Preparation of Annual Financial Statements), 2010, (hereinafter – "report preparation regulations"), are prepared pursuant to the requirements stipulated by the Commissioner, in conformity with the Supervision of Financial Services (Insurance) Law, 1981.

In conformity with requirements stipulated by the Commissioner, initial application of IFRS 17 "Insurance Contracts" and of IFRS 9 "Financial Instruments" has been postponed to January 1, 2025 (in lieu of the initial application date of January 1, 2023 stipulated in the standard itself). Therefore, in periods prior to initial application in Israel, data in the financial statements with respect to the aforementioned subsidiary continue to be prepared in conformity with IFRS 4 "Insurance Contracts" and in conformity with IAS 39 "Financial Instruments" (IAS 39 from 2017) – the standards replaced by IFRS 17 and IFRS 9, respectively.

In other issues, including in relation to the data in the financial statements that do not refer to the aforementioned subsidiary, the consolidated interim financial statements are prepared in accordance with IAS 34 - "Financial Reporting for Interim Periods." In light of this, and in accordance with the provisions of the report preparation regulations in conjunction with Accounting Staff Position Paper No. 10-99: "Applicable Issues in the Application of IFRS 17" published by the Securities Authority staff, as of January 1, 2023, the Company's consolidated financial statements are not fully compliant with IFRS standards.

Also, these reports were prepared in accordance with the disclosure instructions as per Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970, insofar as these regulations apply to a corporation that consolidates an insurance company. The condensed financial statements should be read together with the Company's consolidated financial statements as of and for the year ended December 31, 2023 (hereinafter – "the Annual Reports").

Note 2 – The basis for preparing the financial statements (cont.)

b. Use of estimates and judgment

In preparing the condensed consolidated interim financial statements in accordance with that stated above, the Company's management is required to use judgment, assessments, estimates and assumptions that affect the implementation of the policy and the amounts of assets and liabilities, income and expenses. It should be clarified that the actual results may differ from these estimates.

The discretion of the management, when implementing the group's accounting policy and the main assumptions used in the estimates involving uncertainty, are consistent with those used in preparing the annual reports.
Regarding the update of the assumptions and the discount interest rates used to calculate the provisions for the benefit and to calculate the adequacy of reserves, see Note 9.A.

Note 3 – Significant accounting policies

The accounting policy applied in the preparation of these condensed consolidated interim financial statements is consistent with the one applied in the preparation of the consolidated annual reports, with the exception of that detailed below.

a. Disclosure of new IFRS standards in the period prior to their adoption

For details regarding IFRS 17, Insurance Contracts, and IFRS 9, Financial Instruments, see Note 10.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18 Presentation and Disclosure in Financial Statements (hereinafter: "the new standard"), which replaces IAS 1 Presentation of Financial Statements (hereinafter: "IAS 1").

The purpose of the new standard is to improve comparability and transparency in financial statements.

The new standard will include existing requirements of IAS 1 and new requirements for presentation in the income statement, including the presentation of totals and subtotals required in accordance with the new standard, disclosure of management-defined performance measures, and new requirements for the grouping and splitting of financial information.

The new standard does not change the provisions for the recognition and measurement of items in the financial statements. However, since items in the income statement will have to be classified into one of five categories (operating activity, investment activity, financing activity, income taxes and discontinued activity) it may change the structure of the Company's income statement. Also, the publication of the new standard caused minor amendments to additional accounting standards, among them IAS 7 - Statement of Cash Flows and IAS 34 - Financial Reporting for Interim Periods.

The new standard will be applied retroactively starting with annual periods commencing on or after January 1, 2027. Early application is possible while providing disclosure.

The Company is examining the effect of the new standard, including the effect of amendments to additional accounting standards as a result of the new standard, on the consolidated financial statements.

Note 3 – Significant accounting policies (cont.)

b. Details on the rates of change that occurred in the consumer price index and the representative exchange rate of the US dollar

	Consumer Price Index		Official USD exchange rate
	CPI in lieu	Known CPI	
	%		
Three months ended			
March 31, 2024	1.0	0.3	1.5
March 31, 2023	1.2	1.1	2.7
Year ended December 31, 2023	2.9	3.3	3.1

Note 4 – Seasonality

a. Life and health insurance

Revenues from life and health insurance premiums are not subject to seasonality. At the same time, due to the fact that the provisions for life insurance benefit from tax benefits, a considerable part of the new sales takes place mainly at the end of the year.

b. Non-life insurance

Gross premium revenues in non-life insurance are subject to seasonality, primarily due to auto insurance for employee collectives and business car fleets, which are typically renewed in January, and due to various merchant insurance policies, which are typically renewed in January or in April. The effect of this seasonality on the reported profit is neutralized through the provision for unearned premium.

Other expense components, such as claims, and other revenue components, such as investment revenues, are not subject to distinct seasonality, and thus are not subject to seasonality in profit. It should be noted, however, that a severe winter season may cause an increase in claims, primarily in the property auto sector, in the first and fourth quarters of the year, resulting in a decrease in the reported profit.

Note 5 – Operating segments

a. Overview

The Operating Segments note includes multiple segments that constitute strategic business units of the Group. These business units include diverse products and are separately managed for resource allocation and performance evaluation. The products underlying each segment are similar in nature, distribution, customer mix, nature of the supervisory environment as well as long-term economic and demographic attributes arising from exposure to insurance risk of similar attributes. Furthermore, results of the investment portfolio held against insurance obligations may have significant impact on profitability.

Each segment's results include items directly attributable or reasonably attributable to the segment.

Accounting principles applied in segment reporting match the generally accepted accounting principles adopted for preparation and presentation of the Group's consolidated financial statements.

Between segments there are inter-company transactions that include, inter alia, interest, calculated pursuant to statutory provisions.

Note 5 – Operating segments (cont.)

a. Overview (cont.)

Migdal Insurance allocates assets not measured at fair value in conformity with statutory provisions regarding asset allocation in LAT calculation, and as per Migdal Insurance procedures. For more information, see Note 37.B.3.b)(4) to the annual financial statements. Therefore, such allocation may affect the measurement of investment revenues for the different segments.

Subordinated notes used for the capital requirements of Migdal Insurance and the financing expenses in respect thereof are assigned to the column "Not attributed to operating segments".

1. Life insurance and long term savings segment

   The life insurance and long-term savings segment includes the life insurance, pension and provident fund sectors and is primarily focused on long-term savings (as part of diverse insurance policies, pension funds and provident funds, including continuing education funds), as well as insurance coverages for different risks such as: death, disability, loss of earning capacity, etc.

   Pursuant to the Commissioner's directives, the life insurance and long-term savings segment is divided into life insurance, pension funds and provident funds.

2. Health insurance segment

   The health insurance segment accounts for all Group operations involving health insurance – including nursing insurance, medical expense insurance, surgery, implants, dental and so forth.

3. Non-life insurance segment

   The non-life insurance segment includes the property and liability sectors. Pursuant to the Commissioner's directives, the non-life insurance segment is divided into the following: mandatory auto, property auto, other property sectors and other liability sectors.

   - Mandatory auto sector

     The mandatory auto sector is focused on coverage whose acquisition by the owner of the vehicle or the driver is compulsory by law and it provides a coverage for bodily injuries (to the driver of the vehicle, the passengers in the vehicle or to the pedestrians), as a result of the use of the motor vehicle.

   - Auto property sector

     The auto property sector is focused on the property damage coverage for the insured vehicle and property damages that the insured vehicle may cause to third parties.

   - Other liability sectors

     The liability branches are intended for the coverage of the policyholders' liabilities for any damage that they may cause to third parties. These sectors include: third party liability, employers' liability, professional liability and product liability, ship hull and airplane hull.

   - Property and other sectors

     Other non-life insurance sectors, other than auto and liability, include: property loss, merchant comprehensive, home comprehensive, mortgage banking, personal accident, cargo in transit, engineering insurance and other risk.

Note 5 – Operating segments (cont.)

a. Overview (cont.)

4. Financial services segment

   This segment primarily consists of financial asset management services and investment marketing (primarily mutual fund management and portfolio management).

5. Other operating segments

   Other operating segments include results from operations of insurance agencies.

6. Operations not attributed to operating segments

   These activities include part of the Group headquarters which is not attributable to the operating segments, activities related to/allied with Group activities, and holding of assets and liabilities against the capital of Migdal Insurance.

Note 5 – Operating segments (cont.)

b. Reportable segment

	Three months ended March 31, 2024							
	Life insurance and long term savings	Healthcare	Non-life insurance	Financial services	Other operating segments	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited							
	NIS in thousands							
Earned premiums, gross	1,931,609	494,377	596,124	-	-	-	-	3,022,110
Premiums earned by re-insurers	70,042	44,575	145,916	-	-	-	-	260,533
Earned premiums on retention	1,861,567	449,802	450,208	-	-	-	-	2,761,577
Investment gain, net and financing revenues	6,371,150	172,375	47,655	1,077	2,974	63,720	(19,777)	6,639,174
Management fee revenues	406,255	-	-	66,367	-	-	-	472,622
Commission revenues	13,588	7,866	24,725	859	109,995	-	(42,669)*)	114,364
Other revenues	-	-	29	5,759	12,099	5,773	(4,648)	19,012
Total revenues	8,652,560	630,043	522,617	74,062	125,068	69,493	(67,094)	10,006,749
Payments and changes in liabilities in respect of insurance contracts and investment contracts, gross	8,182,500	459,387	460,450	-	-	-	(3,937)	9,098,400
Share of re-insurers in insurance payments and change in liabilities with respect to insurance contracts	34,653	26,853	63,986	-	-	-	-	125,492
Payments and changes in liabilities in respect of insurance contracts and investment contracts on retention	8,147,847	432,534	396,464	-	-	-	(3,937)	8,972,908
Commissions, marketing expenses and other acquisition expenses	233,614	137,491	106,373	18,297	43,569	1,277	(40,598)	500,023
General and administrative expenses	181,414	24,592	18,149	33,946	42,539	22,829	(3,986)	319,483
Other expenses	705	-	-	225	587	2,524	-	4,041
Financing expenses	13,704	909	3,992	48	1,018	62,471	(16,880)	65,262
Total expenses	8,577,284	595,526	524,978	52,516	87,713	89,101	(65,401)	9,861,717
Share of profit of equity accounted investees	257	-	101	-	411	-	-	769
Pre-tax income (loss)	75,533	34,517	(2,260)	21,546	37,766	(19,608)	(1,693)	145,801
Other comprehensive income (loss) before taxes on income	(6,609)	(718)	15,882	-	40	15,361	-	23,956
Total comprehensive income (loss) for the period, before taxes on income	68,924	33,799	13,622	21,546	37,806	(4,247)	(1,693)	169,757
Liabilities with respect to insurance contracts and yield-dependent investment contracts	141,542,329	3,399,747	-	-	-	-	-	144,942,076
Liabilities with respect to non yield-dependent insurance contracts and investment contracts:	35,174,443	3,145,991	6,166,569	-	-	-	-	44,487,003

*) Due to commission revenues received by Group-owned agencies from life insurance and long-term savings operations, amounting to NIS 32,434 thousand, in health insurance, amounting to NIS 4,714 thousand, in non-life insurance, amounting to NIS 5,452 thousand and in financial services, amounting to NIS 69 thousand.

Note 5 – Operating segments (cont.)

b. Reportable segment (cont.)

	Three months ended March 31, 2023							
	Life insurance and long term savings	Healthcare	Non-life insurance	Financial services	Other operating segments	Not attributed to operating segments	Adjustments and offsets	Total
	Unaudited							
	NIS in thousands							
Earned premiums, gross	2,060,664	473,209	540,752	-	-	-	-	3,074,625
Premiums earned by re-insurers	51,420	47,287	127,924	-	-	-	-	226,631
Earned premiums on retention	2,009,244	425,922	412,828	-	-	-	-	2,847,994
Investment gain, net and financing revenues	2,870,135	60,596	31,157	1,441	280	33,278	(23,686)	2,973,201
Management fee revenues	380,755	-	-	53,570	-	-	-	434,325
Commission revenues	15,853	13,215	20,367	890	102,371	-	(37,336)*)	115,360
Other revenues	-	-	64	4,717	11,755	5,928	(4,618)	17,846
Total revenues	5,275,987	499,733	464,416	60,618	114,406	39,206	(65,640)	6,388,726
Payments and changes in liabilities in respect of insurance contracts and investment contracts, gross	4,683,831	411,614	565,782	-	-	-	(3,904)	5,657,323
Share of re-insurers in insurance payments and change in liabilities with respect to insurance contracts	28,247	28,780	164,905	-	-	-	-	221,932
Payments and changes in liabilities in respect of insurance contracts and investment contracts on retention	4,655,584	382,834	400,877	-	-	-	(3,904)	5,435,391
Commissions, marketing expenses and other acquisition expenses	237,793	131,887	90,315	17,432	42,214	547	(37,950)	482,238
General and administrative expenses	160,759	21,035	16,433	29,394	41,994	19,842	(3,868)	285,589
Other expenses	805	-	369	248	506	2,670	-	4,598
Financing expenses	10,768	619	4,854	32	549	72,360	(21,112)	68,070
Total expenses	5,065,709	536,375	512,848	47,106	85,263	95,419	(66,834)	6,275,886
Share of income (loss) of equity accounted investees	(357)	-	588	-	281	1	-	513
Pre-tax income (loss)	209,921	(36,642)	(47,844)	13,512	29,424	(56,212)	1,194	113,353
Other comprehensive income before taxes on income	24,322	7,357	11,419	-	13	29,125	-	72,236
Total comprehensive income (loss) for the period, before taxes on income	234,243	(29,285)	(36,425)	13,512	29,437	(27,087)	1,194	185,589
Liabilities with respect to insurance contracts and yield-dependent investment contracts	131,238,038	3,049,753	-	-	-	-	-	134,287,791
Liabilities with respect to non yield-dependent insurance contracts and investment contracts:	34,078,075	2,688,405	5,791,992	-	-	-	-	42,558,472

*) Due to commission revenues received by Group-owned agencies from life insurance and long-term savings operations, amounting to NIS 27,250 thousand, in health insurance, amounting to NIS 6,047 thousand, in non-life insurance, amounting to NIS 3,991 thousand and in financial services, amounting to NIS 48 thousand.

Note 5 – Operating segments (cont.)

b. Reportable segment (cont.)

	Life insurance and long term savings	Healthcare	Non-life insurance	Financial services	Other operating segments	Not attributed to operating segments	Adjustments and offsets	Total
	Year ended December 31, 2023							
	Audited							
	NIS in thousands							
Earned premiums, gross	8,367,162	1,949,632	2,257,905	-	-	-	-	12,574,699
Premiums earned by re-insurers	147,065	166,454	564,817	-	-	-	-	878,336
Earned premiums on retention	8,220,097	1,783,178	1,693,088	-	-	-	-	11,696,363
Investment gain, net and financing revenues	13,801,302	350,222	194,398	6,068	6,079	295,092	(106,852)	14,546,309
Management fee revenues	1,554,158	-	-	221,711	-	-	-	1,775,869
Commission revenues	21,438	32,130	100,839	5,751	388,189	-	(159,783)*)	388,564
Other revenues	11	-	157	18,569	49,695	23,368	(18,834)	72,966
Total revenues	23,597,006	2,165,530	1,988,482	252,099	443,963	318,460	(285,469)	28,480,071
Payments and changes in liabilities in respect of insurance contracts and investment contracts, gross	21,116,444	1,770,963	1,889,591	-	-	-	(15,755)	24,761,243
Share of re-insurers in insurance payments and change in liabilities with respect to insurance contracts	139,648	130,195	422,690	-	-	-	-	692,533
Payments and changes in liabilities in respect of insurance contracts and investment contracts on retention	20,976,796	1,640,768	1,466,901	-	-	-	(15,755)	24,068,710
Commissions, marketing expenses and other acquisition expenses	923,491	534,439	473,256	66,507	166,397	-	(154,865)	2,009,225
General and administrative expenses	677,996	90,630	72,355	132,024	169,888	119,265	(16,126)	1,246,032
Other expenses	3,223	-	8,380	1,029	1,844	12,064	(228)	26,312
Financing expenses	69,924	4,264	16,753	160	1,827	265,752	(96,667)	262,013
Total expenses	22,651,430	2,270,101	2,037,645	199,720	339,956	397,081	(283,641)	27,612,292
Share of income (loss) of equity accounted investees	(3,946)	-	781	-	883	1	-	(2,281)
Pre-tax income (loss)	941,630	(104,571)	(48,382)	52,379	104,890	(78,620)	(1,828)	865,498
Other comprehensive income (loss) before taxes on income	(81,375)	(25,029)	(9,930)	155	421	54,687	-	(61,071)
Total comprehensive income (loss) for the period, before taxes on income	860,255	(129,600)	(58,312)	52,534	105,311	(23,933)	(1,828)	804,427
Liabilities with respect to insurance contracts and yield-dependent investment contracts	136,918,092	3,292,313	-	-	-	-	-	140,210,405
Liabilities with respect to non yield-dependent insurance contracts and investment contracts:	34,715,310	3,053,433	5,887,438	-	-	-	-	43,656,181

*) Due to commission revenues received by Group-owned agencies from life insurance and long-term savings operations, amounting to NIS 118,329 thousand, in health insurance, amounting to NIS 22,859 thousand, in non-life insurance, amounting to NIS 16,125 thousand and in financial services, amounting to NIS 2,470 thousand.

Note 5 – Operating segments (cont.)

C.1. Additional information about life insurance and long-term savings sector

	Three months ended March 31, 2024			
	Life insurance	Pension fund	Provident funds	Total
	Unaudited			
	NIS in thousands			
Earned premiums, gross	1,931,609	-	-	1,931,609
Premiums earned by re-insurers	70,042	-	-	70,042
Earned premiums on retention	1,861,567	-	-	1,861,567
Investment gain, net and financing revenues	6,367,712	2,662	776	6,371,150
Management fee revenues	264,907	102,202	39,146	406,255
Commission revenues	13,588	-	-	13,588
Total revenues	8,507,774	104,864	39,922	8,652,560
Payments and changes in liabilities in respect of insurance contracts and investment contracts, gross	8,182,500	-	-	8,182,500
Share of re-insurers in insurance payments and change in liabilities with respect to insurance contracts	34,653	-	-	34,653
Payments and changes in liabilities in respect of insurance contracts and investment contracts on retention	8,147,847	-	-	8,147,847
Commissions, marketing expenses and other acquisition expenses	171,586	41,432	20,596	233,614
General and administrative	102,618	57,023	21,773	181,414
Other expenses	-	-	705	705
Financing expenses	13,702	-	2	13,704
Total expenses	8,435,753	98,455	43,076	8,577,284
Share of profit of equity accounted investees	257	-	-	257
Income (loss) before taxes on	72,278	6,409	(3,154)	75,533
Other comprehensive loss before taxes on income	(6,316)	(226)	(67)	(6,609)
Total comprehensive income (loss) for the period, before taxes on income	65,962	6,183	(3,221)	68,924

Note 5 – Operating segments (cont.)

C.1. Additional information about life insurance and long-term savings sector (cont.)

	Three months ended March 31, 2023			
	Life insurance	Pension fund	Provident funds	Total
	Unaudited			
	NIS in thousands			
Earned premiums, gross	2,060,664	-	-	2,060,664
Premiums earned by re-insurers	51,420	-	-	51,420
Earned premiums on retention	2,009,244	-	-	2,009,244
Investment gain, net and financing revenues	2,869,437	475	223	2,870,135
Management fee revenues	253,338	94,886	32,531	380,755
Commission revenues	15,853	-	-	15,853
Total revenues	5,147,872	95,361	32,754	5,275,987
Payments and changes in liabilities in respect of insurance contracts and investment contracts, gross	4,683,831	-	-	4,683,831
Share of re-insurers in insurance payments and change in liabilities with respect to insurance contracts	28,247	-	-	28,247
Payments and changes in liabilities in respect of insurance contracts and investment contracts on retention	4,655,584	-	-	4,655,584
Commissions, marketing expenses and other acquisition expenses	187,374	35,283	15,136	237,793
General and administrative	95,752	49,140	15,867	160,759
Other expenses	-	-	805	805
Financing expenses	10,765	3	-	10,768
Total expenses	4,949,475	84,426	31,808	5,065,709
Share of loss of equity accounted investees	(357)	-	-	(357)
Income before taxes on income	198,040	10,935	946	209,921
Other comprehensive income before	23,761	426	135	24,322
Total comprehensive income for the period before taxes on income	221,801	11,361	1,081	234,243

Note 5 – Operating segments (cont.)

C.1. Additional information about life insurance and long-term savings sector (cont.)

	Year ended December 31, 2023			
	Life insurance	Pension fund	Provident funds	Total
	Audited			
	NIS in thousands			
Earned premiums, gross	8,367,162	-	-	8,367,162
Premiums earned by re-insurers	147,065	-	-	147,065
Earned premiums on retention	8,220,097	-	-	8,220,097
Investment gain, net and financing revenues	13,797,771	2,666	865	13,801,302
Management fee revenues	1,029,684	386,351	138,123	1,554,158
Commission revenues	21,438	-	-	21,438
Other revenues	11	-	-	11
Total revenues	23,069,001	389,017	138,988	23,597,006
Payments and changes in liabilities in respect of insurance contracts and investment contracts, gross	21,116,444	-	-	21,116,444
Share of re-insurers in insurance payments and change in liabilities with respect to insurance contracts	139,648	-	-	139,648
Payments and changes in liabilities in respect of insurance contracts and investment contracts on retention	20,976,796	-	-	20,976,796
Commissions, marketing expenses and other acquisition expenses	705,048	147,571	70,872	923,491
General and administrative	400,057	207,806	70,133	677,996
Other expenses	1	-	3,222	3,223
Financing expenses	69,910	13	1	69,924
Total expenses	22,151,812	355,390	144,228	22,651,430
Share of loss of equity accounted investees	(3,946)	-	-	(3,946)
Income (loss) before taxes on	913,243	33,627	(5,240)	941,630
Other comprehensive income before taxes on income	(86,682)	4,071	1,236	(81,375)
Total comprehensive income (loss) for the period, before taxes on income	826,561	37,698	(4,004)	860,255

Note 5 – Operating segments (cont.)

C.2. Additional information on life insurance

	Three months ended March 31, 2024						
	Insurance policies including a savings component (including riders) by insurance policy issuance date				Insurance policies with no savings component		
			Since 2004		Risk sold as single insurance policy		
	Until 1990 *)	Through 2003	Non yield-dependent	Yield-dependent	Individual	Group	Total
	Unaudited						
	NIS in thousands						
Gross premiums	59,248	577,172	-	1,102,922	186,926	5,341	1,931,609
Receipts with respect to investment contracts charged directly to insurance reserves	-	-	298,026	591,567	-	-	889,593
Financial margin including management fee	41,829	129,831	(10,232)	138,207	-	-	299,635
Payments and changes in liabilities in respect of insurance contracts, gross	584,300	3,974,110	7,750	3,196,757	125,318	8,555	7,896,790
Payments and changes in liabilities in respect of investment contracts	-	21	13,075	272,614	-	-	285,710
Total comprehensive income (loss) from life insurance business	(24,387)	43,267	(19,478)	55,003	13,569	(2,012)	65,962

Remarks

1. Products issued through 1990 (and increases with respect there to) were mostly guaranteed return products, mostly backed by designated debentures.
2. The financial margin does not include additional Company revenues that are collected as a percentage of the premium, and is calculated before the deduction of investment management expenses.
   The financial margin for guaranteed return insurance policies is based on actual investment revenues for the reported year, net of the product of the guaranteed annual return rate multiplied by the annual average reserve in the various insurance funds. In this regard, investment income also includes the fair value change of available-for-sale financial assets that is recognized in the statement of comprehensive income.
   For yield-dependent contracts, the financial margin is the sum of fixed and variable management fees, calculated based on the average return and balance of insurance reserves.

Note 5 – Operating segments (cont.)

C.2. Additional data regarding life insurance (cont.)

	Three months ended March 31, 2023						
	Insurance policies including a savings component (including riders) by insurance policy issuance date				Insurance policies with no savings component		
			Since 2004		Risk sold as single insurance policy		
	Through 1990	Through 2003	Non yield-dependent	Yield-dependent	Individual	Group	Total
	Unaudited						
	NIS in thousands						
Gross premiums	65,253	601,084	-	1,206,824	182,311	5,192	2,060,664
Receipts with respect to investment contracts charged directly to insurance reserves	-	-	32,843	188,743	-	-	221,586
Financial margin including management fee	(44,901)	115,511	(11,433)	125,026	-	-	184,203
Payments and changes in liabilities in respect of insurance contracts, gross	565,731	1,960,717	(5,001)	1,940,277	111,366	9,630	4,582,720
Payments and changes in liabilities in respect of investment contracts	-	19	13,278	87,814	-	-	101,111
Total comprehensive income (loss) from life insurance business	126,816	84,229	(5,515)	(8,390)	23,556	1,105	221,801

Remarks

1. Products issued through 1990 (and increases with respect there to) were mostly guaranteed return products, mostly backed by designated debentures.
2. The financial margin does not include additional revenues of the Company that are collected as a percentage of the premium, and is calculated before deduction of investment management expenses.
   The financial margin for guaranteed return insurance policies is based on actual investment revenues for the reported year, net of the product of the guaranteed annual return rate multiplied by the annual average reserve in the various insurance funds. In this regard, investment income also includes the fair value change of available-for-sale financial assets that is recognized in the statement of comprehensive income.
   For yield-dependent contracts, the financial margin is the sum of fixed and variable management fees, calculated based on the average return and balance of insurance reserves.

Note 5 – Operating segments (cont.)

C.2. Additional data regarding life insurance (cont.)

	Year ended December 31, 2023						
	Insurance policies including a savings component (including riders) by insurance policy issuance date				Insurance policies with no savings component		
			Since 2004		Risk sold as single insurance policy		
	Through 1990	Through 2003	Non yield-dependent	Yield-dependent	Individual	Group	Total
	Audited						
	NIS in thousands						
Gross premiums	252,483	2,382,347	-	4,969,441	741,852	21,039	8,367,162
Receipts with respect to investment contracts charged directly to insurance reserves	-	-	174,823	1,280,663	-	-	1,455,486
Financial margin including management fee	(171,236)	478,304	(7,962)	509,424	-	-	808,530
Payments and changes in liabilities in respect of insurance contracts, gross	2,188,424	8,608,576	(24,655)	9,331,682	524,882	34,940	20,663,849
Payments and changes in liabilities in respect of investment contracts	-	71	9,543	442,981	-	-	452,595
Total comprehensive income (loss) from life insurance business	301,170	765,727	28,781	(294,220)	31,902	(6,799)	826,561

Remarks

1. Products issued through 1990 (and increases with respect there to) were mostly guaranteed return products, mostly backed by designated debentures.
2. The financial margin does not include additional Company revenues that are collected as a percentage of the premium, and is calculated before the deduction of investment management expenses.
   The financial margin for guaranteed return insurance policies is based on actual investment revenues for the reported year, net of the product of the guaranteed annual return rate multiplied by the annual average reserve in the various insurance funds. In this regard, investment income also includes the fair value change of available-for-sale financial assets that is recognized in the statement of comprehensive income.
   For yield-dependent contracts, the financial margin is the sum of fixed and variable management fees, calculated based on the average return and balance of insurance reserves.

Note 5 – Operating segments (cont.)

C.3. Additional data regarding health insurance

	Three months ended March 31, 2024				
	Nursing		Other *)		
	Individual	Group	Long-term	Short-term	Total
	Unaudited				
	NIS in thousands				
Gross premiums	119,915	927	368,705	4,954	494,501
Payments and changes in liabilities in respect of insurance contracts, gross	211,727	403	245,544	1,713	459,387
Total comprehensive income (loss) from health insurance business	31,057	802	2,043	(103)	33,799

*) The most material coverage included in other medical insurance for the long-term is medical expenses, and for the short-term – overseas travel.
Of which, individual premiums amounting to NIS 313.914 thousand, and collective premiums amounting to NIS 59,745 thousand.

	Three months ended March 31, 2023				
	Nursing		Other *)		
	Individual	Group	Long-term	Short-term	Total
	Unaudited				
	NIS in thousands				
Gross premiums	119,361	468	347,331	7,186	474,346
Payments and changes in liabilities in respect of insurance contracts, gross	166,702	2,004	240,907	2,001	411,614
Total comprehensive income (loss) from health insurance business	(11,966)	(1,309)	(16,835)	825	(29,285)

*) The most material coverage included in other medical insurance for the long-term is medical expenses, and for the short-term – overseas travel.
Of which, individual premiums amounting to NIS 302.364 thousand, and collective premiums amounting to NIS 52,153 thousand.

Note 5 – Operating segments (cont.)

C.3. Additional data regarding health insurance

	Year ended December 31, 2023				
	Nursing		Other *)		
	Individual	Group	Long-term	Short-term	Total
	Audited				
	NIS in thousands				
Gross premiums	481,546	3,457	1,432,496	32,908	1,950,407
Payments and changes in liabilities in respect of insurance contracts, gross	747,395	7,572	1,000,659	15,337	1,770,963
Total comprehensive income (loss) from health insurance business	(80,019)	(3,489)	(46,494)	402	(129,600)

*) The most material coverage included in other medical insurance for the long-term is medical expenses, and for the short-term – overseas travel.
Of which, individual premiums amounting to NIS 1,241,535 thousand, and collective premiums amounting to NIS 223,869 thousand.

Note 5 – Operating segments (cont.)

d. Additional information for non-life insurance segment

	Three months ended March 31, 2024				
	Mandatory auto	Auto property	Property and other sectors *)	Other liability sectors *)	Total
	Unaudited				
	NIS in thousands				
Gross premiums	144,167	308,913	197,008	133,998	784,086
Reinsurance Premium	1,393	2,908	118,974	23,140	146,415
Premiums on retention	142,774	306,005	78,034	110,858	637,671
Change in un-earned premium balance on retention	(42,365)	(95,683)	(20,586)	(28,829)	(187,463)
Earned premiums on retention	100,409	210,322	57,448	82,029	450,208
Investment gain, net and financing revenues	26,395	4,646	2,677	13,937	47,655
Commission revenues	-	-	20,699	4,026	24,725
Other revenues	17	3	-	9	29
Total revenues	126,821	214,971	80,824	100,001	522,617
Payments and changes in liabilities in respect of insurance contracts, gross	144,362	147,620	56,076	112,392	460,450
Share of re-insurers in insurance payments and change in liabilities with respect to insurance contracts	1,926	363	34,584	27,113	63,986
Payments and changes in liabilities in respect of insurance contracts on retention	142,436	147,257	21,492	85,279	396,464
Commissions, marketing expenses and other acquisition expenses	8,101	33,859	42,192	22,221	106,373
General and administrative expenses	3,737	5,283	4,652	4,477	18,149
Financing expenses	1,426	327	1,265	974	3,992
Total expenses	155,700	186,726	69,601	112,951	524,978
Share of profit of equity accounted investees	58	10	3	30	101
Income (loss) before taxes on income	(28,821)	28,255	11,226	(12,920)	(2,260)
Other comprehensive income before taxes on income	9,083	1,571	512	4,716	15,882
Total comprehensive income (loss) for the period, before taxes on income	(19,738)	29,826	11,738	(8,204)	13,622
Liabilities with respect to insurance contracts, gross as of March 31, 2024	2,478,881	649,035	661,541	2,377,112	6,166,569
Liabilities with respect to insurance contracts, on retention as of March 31, 2024	2,388,399	645,299	216,335	1,655,184	4,905,217

*) Property and other sectors primarily include results of home comprehensive, merchant comprehensive, cargo in transit and engineering insurance sectors, with operations in respect thereof accounting for 99% of total premiums in these sectors.

Other liability sectors primarily include results of employer liability, third party liability and professional liability insurance sectors, with operations in respect thereof accounting for 86% of total premiums in these sectors.

Note 5 – Operating segments (cont.)

d. Additional information regarding non-life insurance segment (cont.)

	Three months ended March 31, 2023				
	Mandatory auto	Auto property	Property and other sectors *)	Other liability sectors *)	Total
	Unaudited				
	NIS in thousands				
Gross premiums	147,984	264,503	203,009	128,254	743,750
Reinsurance Premium	1,216	2,721	133,099	24,171	161,207
Premiums on retention	146,768	261,782	69,910	104,083	582,543
Change in un-earned premium balance on retention	(40,407)	(90,284)	(13,581)	(25,443)	(169,715)
Earned premiums on retention	106,361	171,498	56,329	78,640	412,828
Investment gain, net and financing revenues	15,005	3,097	3,237	9,818	31,157
Commission revenues	-	-	16,536	3,831	20,367
Other revenues	33	7	2	22	64
Total revenues	121,399	174,602	76,104	92,311	464,416
Payments and changes in liabilities in respect of insurance contracts, gross	143,633	161,518	170,757	89,874	565,782
Share of re-insurers in insurance payments and change in liabilities with respect to insurance contracts	4,961	1,532	145,560	12,852	164,905
Payments and changes in liabilities in respect of insurance contracts on retention	138,672	159,986	25,197	77,022	400,877
Commissions, marketing expenses and other acquisition expenses	8,757	27,211	33,983	20,364	90,315
General and administrative expenses	3,603	4,517	4,393	3,920	16,433
Other expenses	93	166	44	66	369
Financing expenses	1,371	292	2,294	897	4,854
Total expenses	152,496	192,172	65,911	102,269	512,848
Share of profit of equity accounted investees	305	63	21	199	588
Income (loss) before taxes on income	(30,792)	(17,507)	10,214	(9,759)	(47,844)
Other comprehensive income before taxes on income	5,919	1,218	409	3,873	11,419
Total comprehensive income (loss) for the period, before taxes on income	(24,873)	(16,289)	10,623	(5,886)	(36,425)
Liabilities with respect to insurance contracts, gross as of March 31, 2023	2,350,348	589,626	654,619	2,197,399	5,791,992
Liabilities with respect to insurance contracts, on retention as of March 31, 2023	2,258,779	585,873	193,319	1,498,234	4,536,205

*) Property and other sectors primarily include results of home comprehensive, merchant comprehensive, cargo in transit and engineering insurance sectors, with operations in respect thereof accounting for 99% of total premiums in these sectors.

Other liability sectors primarily include results of employer liability, third party liability and professional liability insurance sectors, with operations in respect thereof accounting for 84% of total premiums in these sectors.

Note 5 – Operating segments (cont.)

d. Additional information regarding non-life insurance segment (cont.)

	Year ended December 31, 2023				
	Mandatory auto	Auto property	Property and other sectors *)	Other liability sectors *)	Total
	Audited				
	NIS in thousands				
Gross premiums	366,745	836,047	724,381	444,825	2,371,998
Reinsurance Premium	6,245	7,546	483,342	114,428	611,561
Premiums on retention	360,500	828,501	241,039	330,397	1,760,437
Change in un-earned premium balance on retention	16,359	(66,797)	(10,129)	(6,782)	(67,349)
Earned premiums on retention	376,859	761,704	230,910	323,615	1,693,088
Investment gain, net and financing revenues	96,713	18,973	13,073	65,639	194,398
Commission revenues	-	-	84,291	16,548	100,839
Other revenues	81	16	5	55	157
Total revenues	473,653	780,693	328,279	405,857	1,988,482
Payments and changes in liabilities in respect of insurance contracts, gross	512,395	606,504	363,914	406,778	1,889,591
Share of re-insurers in insurance payments and change in liabilities with respect to insurance contracts	11,832	3,403	283,073	124,382	422,690
Payments and changes in liabilities in respect of insurance contracts on retention	500,563	603,101	80,841	282,396	1,466,901
Commissions, marketing expenses and other acquisition expenses	48,199	168,696	166,225	90,136	473,256
General and administrative expenses	14,629	19,087	21,164	17,475	72,355
Other expenses	241	7,787	148	204	8,380
Financing expenses	5,623	1,181	6,107	3,842	16,753
Total expenses	569,255	799,852	274,485	394,053	2,037,645
Share of profit of equity accounted investees	400	78	31	272	781
Income (loss) before taxes on income	(95,202)	(19,081)	53,825	12,076	(48,382)
Other comprehensive income before taxes on income	(5,092)	(995)	(389)	(3,454)	(9,930)
Total comprehensive income (loss) for the period, before taxes on income	(100,294)	(20,076)	53,436	8,622	(58,312)
Liabilities with respect to insurance contracts, gross as of December 31, 2023	2,388,615	554,711	650,794	2,293,318	5,887,438
Liabilities with respect to insurance contracts, on retention as of December 31, 2023	2,298,975	551,881	192,659	1,583,569	4,627,084

*) Property and other sectors primarily include results of home comprehensive, merchant comprehensive, cargo in transit and engineering insurance sectors, with operations in respect thereof accounting for 98% of total premiums in these sectors.

Other liability sectors primarily include results of employer liability, third party liability and professional liability insurance sectors, with operations in respect thereof accounting for 86% of total premiums in these sectors.

Note 6 – Capital management and requirements of Group companies

a. The policy of Migdal Insurance is to maintain a robust capital base, with the aim of preserving the Company's ability to continue its operations so it can generate returns for its shareholders, and with a view to supporting future business activities.

b. Group companies, as institutional entities, are subject to capital requirements established by the Commissioner of Capital Markets, Insurance and Savings ("the Commissioner").

c. Regulatory capital regime applicable to Migdal Insurance

Migdal Insurance is subject to an economic solvency regime based on Solvency II, in conformity with application provisions dated June 2017 and revised in October 2020 ("Solvency Circular").

Risk-based solvency ratio

The risk-based solvency ratio is the ratio of economic shareholder equity of the insurance company to capital required for solvency.

Economic shareholder equity is the sum of equity arising from the economic balance sheet (see below) and debt instruments that include loss-absorption provisions (hybrid Tier I capital instrument, Tier II capital instrument, hybrid Tier II capital and hybrid Tier III capital).

Items on the economic balance sheet are calculated based on economic value, with insurance liabilities calculated based on best estimate of all future cash flows expected from current businesses, with no conservative margins and with the addition of risk margin.

The solvency capital requirement (SCR) is designed to estimate the exposure of economic shareholder equity to a series of scenarios stipulated in the Solvency Circular, reflecting insurance risk, market and credit risk, as well as operating risk.

The Solvency Circular includes, inter alia, transition provisions with regard to compliance with capital requirements. Migdal Insurance has elected the option of increasing economic capital by deduction from insurance reserves, which would gradually decrease by 2032 (hereinafter: "Deduction During the Phase-in Period").

d. Solvency ratio and capital policy of Migdal Insurance

1. According to the solvency ratio report as of December 31, 2023, approved on May 23, 2024, Migdal Insurance has excess capital, taking into account the transition provisions during the phase-in period. For more information see section 3.2.1 of the Board of Directors Report.

   It should be emphasized that the forecasts and assumptions used as a basis for preparing the economic solvency ratio report as of December 31, 2023, are primarily based on past experience, as emerges from periodically-conducted actuarial studies. Given the reforms in the capital, insurance and savings market and changes in the economic environment, past data may not necessarily reflect future results. The calculation is sometimes based on assumptions with regard to future events, on management actions and on future evolution pattern of the risk margin, which may not materialize or may materialize differently from the assumptions underlying the calculation. Furthermore, actual results may materially differ from the calculation, because the integrated scenarios of events may materialize materially differently from the assumptions underlying the calculation.

Note 6 – Capital management and requirements of Group companies (cont.)

d. Solvency ratio and capital policy of Migdal Insurance (cont.)

2. Capital management policy at Migdal Insurance

Migdal Insurance's policy is to maintain a solid capital base in order to ensure its solvency and its ability to meet its obligations to the insured parties, to preserve Migdal Insurance's ability to continue its business activities, and to be able to generate a return for its shareholders. Being an institutional body, the Company is subject to capital requirements established by the Commissioner.

On May 26, 2021, the Board of Directors of Migdal Insurance set capital policy, whereby Migdal Insurance would strive to maintain a solvency ratio ranging between 155%-175%. Furthermore, the Board of Directors of Migdal Insurance set the minimum solvency ratio target at 140%. These targets are for the solvency ratio, accounting for the Deduction During the Phase-in Period, through 2032.

The solvency ratio of Migdal Insurance, without taking into consideration the transition provisions, will be gradually built up, in line with these targets, by end of 2032.

On March 20, 2024, the Board of Directors of Migdal Insurance reviewed the capital policy, maintaining unchanged the solvency ratio range in which Migdal Insurance would strive to operate, at between 155%-175%. Moreover, considering the risk factors typical for Migdal Insurance operations, including inherent volatility therein and the impact thereof on the solvency ratio, and in support of achievement of Migdal Insurance's long-term targets and the measures included in the strategic plan, the Board of Directors of Migdal Insurance resolved to revise the minimum solvency ratio target in the coming years, so as to match the pace of gradual build-up of capital at Migdal Insurance and to support high-quality, stable, long-term growth of the solvency ratio.

Consequently, the Board of Directors of Migdal Insurance revised the minimum solvency ratio target to 115%, to gradually increase to 140% by end of the phase-in period (by end of 2032). These targets are for the solvency ratio, accounting for the Deduction During the Phase-in Period. In conformity with the capital policy, the solvency ratio of Migdal Insurance without accounting for the transition provisions, would be gradually built up, in line with these targets, by end of 2032.

3. Solvency ratio with regard to dividend distribution

According to the letter issued by the Commissioner in October 2017 ("the Letter"), insurers may only distribute dividends if, after such distribution, its solvency ratio (pursuant to the Solvency Circular) would be at least 100%, calculated excluding transitional provisions and subject to the target solvency ratio specified by the Board of Directors.

This ratio would be calculated without the relief provided with respect to original difference attributable to acquisition of provident funds and management companies. The letter also stipulates reporting provisions to the Commissioner.

According to the solvency ratio report as of December 31, 2023, Migdal Insurance's solvency ratio with regard to dividend distribution, i.e., without taking into consideration the transition provisions, is under 100%.

For more information see section 3.2 of the Board of Directors Report.

e. Capital requirements of management companies

Capital requirements of management companies in the Group include capital requirements based on the scope of assets under management and on annual expenses, with minimum initial capital of NIS 10 million. As of the date of this report, this company meets capital regulations requirements.

Subsidiaries that manage mutual funds and investment portfolios are required to maintain minimum capital as directed by the Israeli Securities Authority. As of the report date, these subsidiaries are in compliance with said requirements.

Note 7 – Financial instruments

a. Assets for yield-dependent contracts

1. A breakdown of the assets held against insurance and investment contracts, presented at fair value through profit or loss:

	March 31		December 31
	2024	2023	2023
	Unaudited		Audited
	NIS in thousands		
Investment property	9,119,133	8,376,763	8,972,287
Financial investments			
Negotiable debt instruments	25,822,464	26,900,455	26,397,493
Non-negotiable debt assets *)	17,302,430	17,311,702	17,195,281
Shares	28,849,811	24,439,675	25,981,430
Other financial investments	45,401,187	42,282,236	47,316,852
Total financial investments	117,375,892	110,934,068	116,891,056
Cash and cash equivalents	19,062,040	15,742,171	16,580,074
Other	1,290,778	2,453,810	682,975
Total assets for yield-dependent contracts	146,847,843	137,506,812	143,126,392
*) Of which, debt instruments measured at amortized cost	21,285	32,422	28,415
Fair value of debt instruments measured at amortized cost	22,254	35,092	29,731

2. Fair value of financial assets by hierarchy level

The tables below show an analysis of assets held against insurance and investment contracts, presented at fair value through profit or loss. The different levels were defined as follows:

- Level 1 - Fair value measured using quoted (unadjusted) prices in an active market for identical instruments.
- Level 2 - Fair value measured using inputs observable directly or indirectly, that are not included in Level 1 above.
- Level 3 - Fair value measured using inputs that are not based on observable market inputs.

For financial instruments measured at recurring fair value, the Company evaluates at the end of each reported period whether transfers have been made between the different levels of the fair value hierarchy.

During the reported periods there were no substantial transfers between level 1 and level 2.

Note 7 – Financial instruments (cont.)

a. Assets for yield-dependent contracts (cont.)

2. Fair value of financial assets by hierarchy level (cont.)

	March 31, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS in thousands			
Financial investments				
Negotiable debt instruments	20,759,31	5,063,153	-	25,822,464
Non-negotiable debt instruments	-	11,245,20	6,035,944	17,281,145
Shares	23,868,40	-	4,981,411	28,849,811
Other financial investments	18,447,61	1,197,457	25,756,11	45,401,187
Total financial investments	63,075,32	17,505,81	36,773,47	117,354,6

	March 31, 2023			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS in thousands			
Financial investments				
Negotiable debt instruments	21,328,65	5,571,804	-	26,900,455
Non-negotiable debt instruments	-	10,381,47	6,897,801	17,279,280
Shares	19,372,36	-	5,067,307	24,439,675
Other financial investments	18,484,79	982,148	22,815,29	42,282,236
Total financial investments	59,185,80	16,935,43	34,780,40	110,901,64

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS in thousands			
Financial investments				
Negotiable debt instruments	21,367,78	5,029,711	-	26,397,493
Non-negotiable debt instruments	-	10,880,68	6,286,184	17,166,866
Shares	21,327,98	-	4,653,449	25,981,430
Other financial investments	18,929,26	2,876,971	25,510,61	47,316,852
Total financial investments	61,625,03	18,787,36	36,450,24	116,862,64

Note 7 – Financial instruments (cont.)

a. Assets for yield-dependent contracts (cont.)

2. Fair value of financial assets by hierarchy level (cont.)

Assets measured at fair value at level 3

	Fair value measurement at reporting date			
	Financial assets measured at fair value on the			
	Non-negotiable debt instruments	Shares	Other financial investments	Total
	Unaudited			
	NIS in thousands			
Balance as of January 1, 2024	6,286,184	4,653,449	25,510,612	36,450,245
Total gain recognized:				
In profit and loss *)	174,355	54,566	828,236	1,057,157
Interest and dividends received	(83,972)	(69,265)	(544,810)	(698,047)
Investments	9,261	342,661	591,859	943,781
Disposals	(79,894)	-	(629,780)	(709,674)
Redemptions	(269,990)	-	-	(269,990)
Balance as of March 31, 2024	6,035,944	4,981,411	25,756,117	36,773,472
*)Of which				
Total unrealized gain for the period in respect of financial assets held as of March 31, 2024	168,711	54,566	763,666	986,943

	Fair value measurement at reporting date			
	Financial assets measured at fair value on the			
	Non-negotiable debt instruments	Shares	Other financial investments	Total
	Unaudited			
	NIS in thousands			
Balance as of January 1, 2023	6,751,267	4,869,736	20,921,038	32,542,041
Total gain recognized:				
In profit and loss *)	333,437	173,672	1,007,117	1,514,226
Interest and dividends received	(106,576)	(5,681)	(308,011)	(420,268)
Investments	257,079	58,824	1,195,154	1,511,057
Disposals	-	(29,244)	-	(29,244)
Redemptions	(337,406)	-	-	(337,406)
Balance as of March 31, 2023	6,897,801	5,067,307	22,815,298	34,780,406
*)Of which				
Total unrealized gain for the period in respect of financial assets held as of March 31, 2023	320,332	173,567	1,007,117	1,501,016

Note 7 – Financial instruments (cont.)

a. Assets for yield-dependent contracts (cont.)

2. Fair value of financial assets by hierarchy level (cont.)

Assets measured at fair value at level 3 (cont.)

	Fair value measurement at reporting date			
	Financial assets measured at fair value on the			
	Non-negotiable debt instruments	Shares	Other financial investments	Total
	Audited			
	NIS in thousands			
Balance as of January 1, 2023	6,751,267	4,869,736	20,921,038	32,542,041
Total gain (loss) recognized:				
In profit and loss *)	692,534	(339,453)	2,093,285	2,446,366
Interest and dividends received	(419,525)	(149,869)	(1,805,095)	(2,374,489)
Investments	659,823	397,677	4,705,689	5,763,189
Disposals	(6,123)	(124,642)	(404,305)	(535,070)
Redemptions	(1,500,693)	-	-	(1,500,693)
Transfers to Level 3	108,901 **)	-	-	108,901
Balance as of December 31, 2023	6,286,184	4,653,449	25,510,612	36,450,245
*) Of which				
Total unrealized gain (loss) for the period in respect of financial assets held as of December 31, 2023	627,605	(352,662)	2,070,898	2,345,841

**) Transfers to Level 3 are due to securities for which publication of observable inputs has been discontinued.

Note 7 – Financial instruments (cont.)

b. Other financial investments

1. Non-negotiable debt instruments

	March 31		December 31	March 31		December 31
	2024	2023	2023	2024	2023	2023
	Carrying amount			Fair value		
	Unaudited		Audited	Unaudited		Audited
	NIS in thousands			NIS in thousands		
Government bonds – designated bonds *)	25,429,095	24,876,434	24,898,529	30,132,404	30,431,677	30,010,292
Other non-convertible debt instruments						
Presented as loans and receivables, except for bank deposits	1,754,084	1,765,067	1,810,709	1,738,745	1,749,440	1,788,865
Deposits with banks	313,301	347,361	356,258	363,210	409,101	408,244
Total other non-convertible debt instruments	2,067,385	2,112,428	2,166,967	2,101,955	2,158,541	2,197,109
Total non-negotiable debt instruments	27,496,480	26,988,862	27,065,496	32,234,359	32,590,218	32,207,401
Impairment charged to income statement	28,207	37,993	35,963			

*) The fair value of designated bonds was calculated based on contractual maturity date.

Note 7 – Financial instruments (cont.)

b. Other financial investments (cont.)

2. Fair value of financial assets by hierarchy level

The tables below show an analysis of the financial instruments presented at fair value. The carrying amount of cash and cash equivalents, premium receivable and other accounts receivable closely approximates the fair value thereof.

During the reported periods there were no substantial transfers between level 1 and level 2.

	March 31, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS in thousands			
Negotiable debt instruments	14,148,86	1,532,292	-	15,681,155
Non-negotiable debt	-	-	-	-
Shares	43,011	-	240,907	283,918
Others	1,818,559	254,024	4,541,831	6,614,414
Total other financial	16,010,43	1,786,316	4,782,738	22,579,487

	March 31, 2023			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS in thousands			
Negotiable debt instruments	12,939,28	1,563,922	-	14,503,205
Non-negotiable debt	-	-	-	-
Shares	6,512	-	224,107	230,619
Others	1,182,815	379,671	4,010,020	5,572,506
Total other financial	14,128,61	1,943,593	4,234,127	20,306,330

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS in thousands			
Negotiable debt instruments	14,760,60	1,272,114	-	16,032,71
Non-negotiable debt	-	-	-	-
Shares	14,225	-	244,330	258,555
Others	1,651,097	455,006	4,482,662	6,588,765
Total other financial	16,425,92	1,727,120	4,726,992	22,880,03

Note 7 – Financial instruments (cont.)

b. Other financial investments (cont.)

2. Fair value of financial assets by hierarchy level (cont.)

Assets measured at fair value at level 3

	Fair value measurement at reporting date			
	Financial assets at fair value through profit or loss and available for sale financial assets			
	Non-negotiable debt instruments	Shares	Other financial investments	Total
	Unaudited			
	NIS in thousands			
Balance as of January 1, 2024	-	244,330	4,482,662	4,726,992
Total gain (loss) recognized:				
Income statement *)	-	(2,033)	137,776	135,743
under Other Comprehensive	-	(5,406)	(465)	(5,871)
Interest and dividends	-	(36)	(131,211)	(131,247)
Investments	-	4,052	53,103	57,155
Disposals	-	-	(34)	(34)
Balance as of March 31, 2024	-	240,907	4,541,831	4,782,738
*) Of which Total unrealized gain (loss) for the period in profit and loss with respect to financial assets held as of March 31, 2024	-	(2,033)	145,698	143,665

	Fair value measurement at reporting date			
	Financial assets at fair value through profit or loss and available for sale financial assets			
	Non-negotiable debt instruments	Shares	Other financial investments	Total
	Unaudited			
	NIS in thousands			
Balance as of January 1, 2023	-	229,709	3,711,169	3,940,878
Total gain (loss) recognized:				
Income statement *)	-	55	66,388	66,443
under Other Comprehensive Income	-	(14,979)	129,477	114,498
Interest and dividends	-	-	(73,097)	(73,097)
Investments	-	9,322	176,083	185,405
Redemptions	-	-	-	-
Balance as of March 31, 2023	-	224,107	4,010,020	4,234,127
*) Of which Total unrealized gain for the period in profit and loss with respect to financial assets held as of March 31, 2023	-	55	66,388	66,443

Note 7 – Financial instruments (cont.)

b. Other financial investments (cont.)

2. Fair value of financial assets by hierarchy level (cont.)

Assets measured at fair value at level 3 (cont.)

	Fair value measurement at reporting date			
	Financial assets at fair value through profit or loss and available for sale financial assets			
	Non-negotiable debt instruments	Shares	Other financial investments	Total
	Audited			
	NIS in thousands			
Balance as of January 1, 2023	-	229,709	3,711,169	3,940,87
Total gain (loss) recognized:				
Income statement *)	-	14,497	380,057	394,554
under Other Comprehensive Income	-	(22,225)	21,641	(584)
Interest and dividends received	-	(4,644)	(416,961)	(421,605)
Investments	-	38,536	829,481	868,017
Disposals	-	(11,543)	(42,725)	(54,268)
Balance as of December 31, 2023	-	244,330	4,482,662	4,726,99

*) Of which

Total unrealized gain for the period in profit and loss with respect to financial assets held as of December 31, 2023	-	11,848	377,202	389,050

Note 7 – Financial instruments (cont.)

c. Financial liabilities

1. Breakdown of financial liabilities

	March 31		December 31	March 31		December 31
	2024	2023	2023	2024	2023	2023
	Carrying amount			Fair value		
	Unaudited		Audited	Unaudited		Audited
	NIS in thousands			NIS in thousands		
a) Financial liabilities presented at amortized cost						
Loans from banks	1	3	5	1	3	5
Loans from non-banking corporations	-	1,723	-	-	1,586	-
Subordinated notes ("bonds") *)	5,834,854	5,173,211	5,832,309	5,730,019	4,951,864	5,728,590
Buy-back obligation (REPO)	-	904,241	927,679	-	911,388	921,023
Total – financial liabilities presented at amortized cost	5,834,855	6,079,178	6,759,993	5,730,020	5,864,841	6,649,618
b) Financial liabilities measured at fair value through profit or loss						
Derivatives held for yield-dependent contracts	276,640	2,050,550	310,755	276,640	2,050,550	310,755
Derivatives held for non yield-dependent	85,083	71,902	94,228	85,083	71,902	94,228
Short selling	68,482	69,148	56,997	68,482	69,148	56,997
Total financial liabilities measured at fair value	430,205	2,191,600	461,980	430,205	2,191,600	461,980
Total	6,265,060	8,270,778	7,221,973	6,160,225	8,056,441	7,111,598
Liability with respect to lease	136,924	112,061	137,520			
Total financial liabilities	6,401,984	8,382,839	7,359,493			

*) The fair value of negotiable bonds, provided for disclosure purposes only, is determined based on their price at the close of trading as of the reporting date.

Note 7 – Financial instruments (cont.)

c. Financial liabilities (cont.)

2. Fair value of financial liabilities by level

The table below shows an analysis of financial liabilities presented at fair value through profit and loss.
The carrying amount of other accounts payable closely approximates the fair value thereof.

	March 31, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS in thousands			
Derivatives	5,701	356,022	-	361,723
Short selling	68,482	-	-	68,482
Total financial liabilities	74,183	356,022	-	430,205

	March 31, 2023			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS in thousands			
Derivatives	32,529	2,087,438	2,485	2,122,452
Short selling	69,148	-	-	69,148
Total financial liabilities	101,677	2,087,438	2,485	2,191,600

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS in thousands			
Derivatives	3,191	401,792	-	404,983
Short selling	56,997	-	-	56,997
Total financial liabilities	60,188	401,792	-	461,980

d. Assessment techniques

The fair value of investments actively traded on regulated financial markets is determined using market prices on the report date. For investments with no active market, the fair value is determined using a valuation method. These methods include methods based on recent transactions executed at market conditions, reference to current market value of another essentially similar instrument, discounted cash flow or other valuation methods.

Interest rates used in determining fair value

The fair value of non-negotiable debt assets measured at fair value through profit or loss and of non-negotiable financial debt assets for which fair value information is provided for explanatory purposes only, is determined by discounting their expected cash flows. Discount rates are mainly based on yields of government bonds and spreads of corporate bonds, as measured on the Tel Aviv Stock Exchange. Price quotes and interest rates used for discounting are set by a company awarded a tender that was issued by the Ministry of Finance, for setting up and operating a database of price quotes and interest rates for institutional entities.

Note 8 – Contingent liabilities

a. Legal and other proceedings – overview

Sections (b) through (f) below include details of legal and other proceedings against the Company and/or subsidiaries. Section (b) below describes pending certification motions, including lawsuits certified as class actions ("Class Action Proceedings"); Section (c) below describes Class Action Proceedings concluded during the reported period and up to the report issue date; Section (d) below describes other legal proceedings and other material lawsuits; Section (e) below presents a summary of data on lawsuits; and Section (f) below describes additional legal proceedings and other proceedings, Supervision of Insurance Regulations, events and developments in which the Company and/or its subsidiaries are subject to exposure.

In recent years, there has been significant increase in scope of Class Action Proceedings brought against the Company and/or subsidiaries thereof. This is part of the overall increase in motions for approval of class action status, and part of the increase in such motions brought against companies in the same line of business as the subsidiaries. This trend materially increases the potential loss exposure of the Company and/or the subsidiaries, in case of a Class Action Proceeding brought against the Company and/or subsidiaries should prevail. Class Action Proceedings are in various stages of litigation, from a hearing of the certification motion, to the stage when a claim has been certified as a class action and is litigated as such. Some of the Class Action Proceedings are in appeal proceedings.

Class Action Proceedings may be brought for various causes listed in the statute in this regard including, for an insurer, any matter between the company and the customer, whether or not they have signed a contract. The statute stipulates processes and limitations with regard to settlement agreements in Class Action Proceedings, which make it more challenging to reach settlement in Class Action Proceedings, including inter alia the right conferred on the Attorney General and others, to file their objection to the settlement agreement, as well as appointment of a reviewer with regard to the settlement agreement. The scope of Class Action Proceedings is determined upon granting class action status, and depends on the causes of claim approved and the remedy approved for such causes.

In legal proceedings or in motions for class action status, in which management believes, based inter alia on the opinion of legal counsel, that it is more likely than not (i.e. probability higher than 50%) that the alleged claims would prevail and the proceeding would be allowed (or, in case of motion for class action status, the Court would grant such motion), the financial statements include provisions to cover the estimated exposure by the Company and/or subsidiaries.

In class certification motions granted by the Court, the financial statements include provisions to cover the exposure estimated by the Company and/or its subsidiaries, where, in management's assessment, based inter alia on legal opinions it received, that it is more likely than not that the plaintiff's claims will be accepted in the actual lawsuit, in the course of being litigated as a class action. In cases where the Court has granted class action status, and the plaintiff has filed an appeal seeking to expand the judgment handed down, the financial statements include provisions to cover the estimated exposure of the Company and/or subsidiaries in the appeal, if management believes, based inter alia on the opinion of legal counsel, that it is more likely than not that alleged claims in the appeal would prevail.

In cases where, in any of the proceedings there is willingness to reach a settlement, a provision is included amounting to the willingness to reach a settlement, even in cases where, as noted above, a revision would not have been included on the financial statements were it not for the settlement or willingness to reach a settlement. In cases where, as noted above, a provision is required on the financial statements and there is willingness to reach a settlement, a provision is included on the financial statements to cover the estimated exposure by the Company and/or subsidiaries or the amount of the willingness to reach a settlement, whichever is higher. In cases where a settlement agreement has been approved, the financial statements include a provision equal to the estimated cost of the settlement, as estimated by the Company and/or subsidiaries.

Note 8 – Contingent liabilities (cont.)

a. Legal and other proceedings – overview (cont.)

In legal and other proceedings, as set forth in this Note, in which management believes, based inter alia on the opinion of legal counsel, that the foregoing does not apply, and in proceedings in initial stages, as set forth in sections 29, 31 and 3336 in the table below, where the likely outcome of proceedings cannot be assessed, no provision is included in the financial statements.

Management believes, based inter alia on the opinion of legal counsel, that the financial statements include adequate provisions, where such provisions are required to cover the exposure estimated by the Company and/or its subsidiaries, or a provision equal to the willingness of the Company and/or its subsidiaries to reach a settlement, as the case may be.

b. Class Action Proceedings – pending motions for approval of class action status and lawsuits granted class action status

Below are details of motions for approval of class action status and lawsuits granted class action status, pending against the Company and/or subsidiaries thereof, in chronological order by filing date:

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
1	1/2008 Tel Aviv District	Insured in life insurance policy v. Migdal Insurance and other insurance companies	Unlawful charging of a premium component termed "sub-annual," with respect to certain components and/or coverages in the insurance policy, and in an amount exceeding the permitted amount. The relief includes a motion seeking an order to reimburse the amount unlawfully charged to class members as sub-annual charges, as well as a mandatory injunction ordering the defendants to amend their practice.	Anyone charged a sub-annual component, under circumstances and in amounts exceeding those permitted.	In July 2016, the Court ruled, granting class action status with regard to anyone charged a sub-annual component with respect to the savings component in MEORAV insurance policies, or with respect to a policy factor component or with respect to insurance policies in health, disability, severe illness and nursing care insurance. In December 2016, Migdal Insurance and the other defendants filed a motion for leave to appeal this ruling to the Supreme Court. In May 2018, the Supreme Court granted the motion for leave to appeal, and reversed the District Court ruling with regard to granting class action status. In June 2018, a motion was filed for another hearing of this case. In July 2019, the Supreme Court ordered another hearing before a panel of 7 Supreme Court justices. In February 2020, the Attorney General's position was submitted, whereby insofar as the Regulator's interpretation of its directives is possible, according to generally accepted interpretation rules, it would be given preferential weight, unless other considerations required reducing its weight. Note that the Regulator's position in the litigation was that there was no reason not to charge the sub-annual component with respect to collection components.	About NIS 2,300 million. NIS 827 million is attributed to Migdal Insurance.

1 The filing date of claims and motions is the date when the original claim and motion were filed, and the court is the court where the proceeding was originally filed.

2 References to laws are by their full name, but without the year of legislation.

3 The class which the plaintiff seeks to represent, as requested in the certification motion initially filed in the proceeding – the class used as a basis for estimating the claim amount in the statement of claim, unless otherwise indicated.

4 The amount estimated by the plaintiff in the original claim. Unless otherwise indicated, amounts are approximate.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
1	(cont.)				In July 2021, the Supreme Court handed down a ruling in the additional hearing, revoking the ruling on the motion for leave to appeal, and ruling that the Regulator's position should not be given priority, and its standing is equal to any other administrative authority. Accordingly, it was ruled that the judgment handed down by the District Court would be reinstated, and the certification motion and class action lawsuit would be litigated on the merits. In May 2023, the parties accepted the Court recommendation and launched a mediation proceeding. The parties have filed their primary evidentiary certification. And the case was scheduled for evidentiary hearings. During the first quarter of 2024, contacts began between the attorneys for the lead plaintiffs and the attorneys for the defendants, following referral by the mediator in the case.	

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
2	4/2011 District Court – Central	Insured in life insurance policy v. Migdal Insurance and other insurance companies	Charging for "policy factor", which often is a significant share of the payable premium, without contractual consent and without providing proper disclosure. The relief sought includes payment of compensation/ restitution equal to the amount of "policy factor" actually charged to class members, plus the return they were denied for this amount, as well as a mandatory injunction ordering the defendants to cease charging these amounts.	Anyone who is and/or was insured by the defendants and was charged any amount for "Other management fee" and/or "policy factor".	In June 2015, the settlement agreement was filed, stipulating an agreed monetary reimbursement of NIS 100 million in total, with Migdal Insurance's share being NIS 44.5 million. As for the future, the parties agreed on a 25% discount from the amount for policy factor actually charged. The agreed legal fee is NIS 43 million plus VAT, with Migdal Insurance's share being NIS 44.5%. In November 2016, a ruling was issued, rejecting the settlement agreement and partially accepting the motion for class action status with respect to charging for policy factor, starting seven years prior to filing of the lawsuit (April 2004), for those insured under life Insurance policies combined with savings originated between 1982-2003, whose accrued savings were impacted due to charging for policy factor. The reliefs sought, as defined in the framework of the certification of the claim as a class action, include: adjustment of the accrued savings of the insured parties by the amount of additional savings they would have accrued had the policy factor not been charged, or compensation in this amount to the insured parties, as well as discontinuation of the charging of the policy factor henceforth. In May 2017, Migdal Insurance and the other sued insurance companies filed a motion for leave to appeal the aforementioned District Court decision to the Supreme Court. In February 2019, Migdal and the other defendants withdrew their motion for leave to appeal, while maintaining their claims, and the case was remanded to the District Court. At the end of the evidence phase, the parties resorted to a mediation procedure. In Settlement 2022, the Court ruled that the minimum threshold for settlement should be 40%.	NIS 1,470 million (for a 7 year period), of which NIS 522 million are attributed to Migdal Insurance.[5]

[5] According to the amended statement of claim filed by the petitioner, after the claim was certified as a class action.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
2	(cont).				In June 2023, the other defendants filed a motion for approval of a settlement agreement, with highlights including restitution at 42% of total charging for policy factor which, allegedly, should have been transferred to savings and was not transferred, starting from seven years prior to filing the motion for approval. The parties to the settlement agreement are divided as to revaluation of the restitution amounts (the plaintiffs consider that these should be revalued by adding the return on savings in the insurance policy, while the other defendants maintain that these should be revalued by linkage to the CPI, or at least by way of linkage plus interest). The parties agreed that the Court should rule on this matter. The parties further agreed to reduce future charging for policy factor by 50%. The parties to the agreement agreed on payment of fees and compensation, as common in court rulings. In June 2023, Migdal Insurance filed a notice, whereby it did not sign the settlement agreement due to specific circumstances that require, according to Migdal Insurance, certain adjustments to the settlement agreement. In a hearing held in July 2023, the parties reached an agreement, validated as a ruling, whereby the parties would seek a party with legal expertise ("the Deciding Party"), to conclusively decide whether, given the wording of two non-standard insurance policies of Migdal Insurance ("the unique policies"), these should be made subject to the settlement agreement signed by the other defendants, and at what rate, after which a settlement agreement with the necessary adjustments would be signed. On August 1, 2023, the Deciding Party issued its decision, with the following implications for the settlement agreement with regard to the two unique policies: (1) For one insurance policy type, restitution would be at 23.1% (rather than 42%) and the reduction of future charges would be at 27.5% (rather than 50%); (2) For the other insurance policy type, restitution would be at 36.4% (rather than 42%) and the reduction of future charges would be at 43.3% (rather than 50%)	

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
2	(cont.)				On August 21, 2023, the settlement agreement signed between Migdal Insurance and the representative plaintiff was submitted for the approval of the District Court, which includes the settlement as mentioned in relation to the two unique policies, while with regard to the other policies, what is stated in the settlement agreement signed with the other defendants will apply as detailed above. According to the estimate, the settlement agreement includes a nominal restitution amount of NIS 120 to 147 million. It is clarified that this estimate does not include the returns in respect of the amounts charged, some of which are subject to supplementary ruling by the court, as well as compensation for the representative plaintiff and legal fees for the latter's attorneys, which are also subject to court approval. These amounts also exclude the reduction of future charges. On May 5, 2024, the Attorney General submitted her position regarding the settlement agreement, the main points being: the absence of objection to the amount of the restitution rate to the class members for the past (42%), including the individual restitution rates (which are lower than 42%) in relation to the unique policies of Migdal Insurance, and this subject to the court awarding restitution that includes actual policy returns, also from 2013 onwards (with the Attorney General's opinion being that there is no room for the ruling on this issue to be in the format agreed upon in the settlement agreement, that is, in the format of a ruling under section 79a of the Courts Law); the absence of objection regarding the manner of future regulation and the continued reduced collection of the policy factor, with the Attorney General leaving this to the discretion of the court. However, the Attorney General believes that the reduction in the cost of the policy factor should be directed to savings only (and not in proportion to the risk and savings component of the policy, as proposed in the settlement agreement); objections and comments to other components of the settlement agreement, including in relation to the fees to be paid to the plaintiffs' counsel and the manner of implementation of the settlement agreement. On June 23, 2024, a court hearing will be held in which the position of the Attorney General will be discussed, as mentioned.	

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
3	5/2013 Tel Aviv District	Insured parties in health insurance policies vs. Migdal Insurance and other insurance companies	Non-payment of linkage differentials and interest since the insurance event occurrence date, or alternatively, payment of interest differentials with respect to insurance payout from 30 days after filing the claim through the payment date. The relief sought is payment of linkage differentials and interest not lawfully paid.	Any eligible party (insured party, beneficiary or third party) who received, in the 7 years prior to filing the lawsuit and/or who would receive by the ruling issue date, any insurance payout without lawful interest and linkage.	In August 2015, a ruling was handed down, denying the class action certification motion with regard to linkage differentials, and allowing the certification motion with respect to interest claimed from 30 days after filing of the claim to the payment date of insurance payout (and not from the delivery date of the last document required by the insurer to resolve liability), with respect to a period from 3 years prior to the filing of the lawsuit to the date of said ruling, except with respect to insurance payout paid pursuant to a court ruling. The defendants filed a motion for leave to appeal to the Supreme Court. At a hearing held in August 2016, they withdrew their motion for leave to appeal, while maintaining their claims. On February 28, 2021, a partial judgment was handed down in this lawsuit, whereby the class action lawsuit brought against the defendants was allowed (hereinafter: "the Judgment"), with respect to any eligible party (insured party, beneficiary or third party) who received from the defendants, other than pursuant to a judgment in their case, in the period starting 3 years prior to the filing of the lawsuit and ending on the Judgment issue date, insurance payout without the addition of lawful interest (hereinafter: "Class Members"). Note that the Judgment stipulates the principles to be used in calculating eligibility of Class Members for interest differentials. It was further stipulated that an expert shall be appointed for calculating and realizing the restitution. The Judgment also stipulated the amounts for expenses and legal fees payable to the class representatives and their attorneys, in amounts that are not material. The compensation for the class representatives and their attorneys would be determined in the final judgment.	NIS 503 million, of which NIS 120 million attributed to Migdal Insurance[6].

6 According to the amended statement of claim filed pursuant to the approval decision.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
3	(cont.)				In May 2021, Migdal Insurance and other defendants filed a motion for leave to appeal and a motion for stay of execution of the Judgment. In November 2022, the Supreme Court denied the motion for leave to appeal, while maintaining the defendants' right to reiterate their claims in appeal of the final judgment. In January 2023, the Court appointed an expert for this case, in conformity with the Judgment. It should be noted that another lawsuit and class certification motion was filed against Migdal Insurance, citing the same cause for claim, with respect to another group of plaintiffs, relating to a period subsequent to the approval decision date. In view of the courts decision in the Judgment, expanding the group of class members until the Judgment issue date (in lieu of the ruling in the approval decision, as noted above), it is likely that this additional lawsuit and the motion to certify it as a class action will be obviated, as it was filed to begin with for the sake of caution only, in case the court would rule otherwise with regard to the class members. In this regard, see 13 in this Note below.	

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
4	7/2014 District - Central	Associations and organizations for the elderly v. Migdal Makefet and four other pension fund management companies	Use in bad faith of the right stipulated in the Bylaws, to increase the management fee to the maximum rate permitted, upon retirement of the member and failure to give advance notice prior to retirement. The relief sought includes a mandatory injunction for restitution to retirees or to the pension fund of excess management fees that were and/or will be unlawfully charged to them; alternatively, restitution to the pension fund of all management fees charged to retirees and a just and fair division of the funds unlawfully charged to retirees, to all pension fund members; prohibiting the respondents from increasing the management fees for any insured party shortly before their retirement; ruling that the existing provision in the defendant's bylaws, allowing them to increase the management fees from time to time is, (allegedly) an unfair term in a uniform contract, and ordering its removal or amendment to eliminate the alleged unfairness.	Any member of a new comprehensive pension fund of the defendants, eligible and/or to become eligible to receive an old age pension.	In March 2022, the District Court granted the motion for approval against Makefet and the other defendants. The Court ruled that the class definition would be as sought in the motion for approval, to include any member of a new comprehensive pension fund of any of the defendants, eligible and/or to become eligible to receive an old age pension. The causes of claim approved are: breach of good faith duty, breach of fiduciary duty and breach of proactive disclosure duty. The issues for discussion in the class action lawsuit include: should the defendants have notified the members in advance of the management fee they would be charged during retirement, and if so, what is the damage caused by not providing such notice. In July 2022, Migdal Makefet filed a statement of defense, following which preliminary proceedings were conducted. In January 2024, the parties accepted the Court recommendation and launched a mediation proceeding.	NIS 48 million "at least, without quantification of other relief measures at this stage", as well as compensation with respect to the future, for all defendants.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
5	9/2015 District Court – Central	Insured in a long-term care policy v. Migdal Insurance and other insurance companies	Breach of terms and conditions of insurance policy, by taking an interpretive stance with regard to scoring of the "sphincter control" component when reviewing eligibility of the insured party for long-term care insurance payout, only if this condition is due to urological or gastroenterological illness, whereas allegedly, this component should also be scored in cases of functional incontinence, and failure to comply with mandatory disclosure prior to purchase of the insurance policy in this regard. The relief sought includes requiring the defendants to pay compensation.	Anyone insured under nursing care insurance, and in case of an insurance event, did not receive the appropriate scoring for the "sphincter control" component, due to the aforementioned interpretation.	In April 2020, a ruling was handed down, partially granting the motion for approval, against Migdal Insurance and three other insurance companies. The approval of the lawsuit refers to anyone insured by Migdal Insurance and by the other companies, against which conduct of the class action was approved, who suffered loss of voluntary control over bowel or urine movement, due to a combination of deficiency in sphincter control, which does not amount to organic loss of control, with poor function, and notwithstanding this, did not receive from the aforementioned insurance companies a score for "sphincter control", during review of their claim for long-term care insurance payout, such that this harmed their rights to receive insurance payout, in the period from September 2012 to the class action certification date. In June 2020, an amended statement of claim was filed, in conformity with the class action certification decision. The parties to this proceeding, other than Migdal Insurance, launched a mediation proceeding. Migdal Insurance would hold direct negotiations with the plaintiff to consider how to conclude the proceeding with regard to the former, after the mediation proceedings conducted by the other defendants.	Tens or hundreds of millions of NIS.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
6	9/2015 Tel Aviv District	Member in a pension fund v. Migdal Insurance and pension fund management companies	Allegedly, the defendants pay commissions to insurance agents which are derived from the management fee, thus creating a conflict of interest in insurance agent operations, and resulting in the member paying a management fee which is higher than appropriate. The relief sought includes declaratory relief, whereby the defendants are required to change their agreement with the agents to make it compatible with the law; restitution of all management fee over-charging; and any other relief deemed appropriate and just by the Court, under the circumstances.	Members of provident funds of the management companies, who were charged a management fee including commission payment to agents that is derived from the management fee amount.	In November 2022, the Tel Aviv District Court denied the class certification motion, ruling inter alia that the prevailing practice during the period relevant to the certification motion, and prior to Amendment No. 20 to the Supervision of Financial Services Law (Provident Funds), 2005, was not prohibited by law. In January 2023, Migdal Insurance received a statement of appeal to the Supreme Court. In January 2023, Migdal Insurance filed its response to the appeal.	Apparently, NIS 2 billion for all of the defendants.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
7	1/2016 District Court – Central	Insured party v. Migdal Insurance	Harm to insured parties' rights, in applying Amendment No. 3 to the Supervision of Financial Services Law (Provident Funds) (hereinafter: "Amendment 3 to the Provident Funds Law"). This, allegedly, was because the defendant failed to grant to insured parties, who held a lump-sum insurance policy prior to Amendment 3 to the Provident Funds Law coming into effect, the pension annuity factors they had in an earlier pension insurance policy they owned (hereinafter: "Earlier Pension Insurance Policy"). The plaintiff seeks to establish their claim based *inter alia* on the decision of the Central District Court to approve the class action in Class Action 10-03-48006, Granit v. Clal Insurance ("Granit Case").	Anyone who had, prior to the effective start date of Amendment 3 to Provident Fund Law, both a lump-sum insurance policy of the defendant and a pension insurance policy (of the defendant or of another insurance company), which following the aforementioned amendment, was not assigned a pension annuity factor in their lump-sum insurance policy,	The motion for approval of class action status is currently being reviewed. In May 2017, the Court ruled that the proceeding should be referred to the Labor Court. The plaintiff filed a motion for leave to appeal this ruling to the Supreme Court, which motion was denied. In February 2018, the Labor Court denied the plaintiff's motion for approval of class action status, citing the Granit Case, and ruling that the conduct of Migdal Insurance with insured parties thereof should be separately reviewed. In April 2018, the Attorney General, who had submitted his position in the Granit Case, announced his decision not to appear in this case. In May 2020, after the plaintiff filed their summation in this case, and prior to Migdal Insurance filing its summation, the Court ordered a stay of proceedings in this case, pending a ruling on the Granit Case. In September 2021, the Granit class action lawsuit was denied, it being ruled inter alia that the defendant is not required to grant a guaranteed pension annuity factor to insured parties in a lump-sum retirement insurance policy which does not include symmetrical contributions to a pension insurance policy.	NIS 50 million per year. The aggregate damage would be the product of the annual damage and the relevant number of years to be specified in the judgment.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
7	(cont.)		The relief sought includes ordering the defendant to assign to the lump-sum insurance policies of their insured parties the pension annuity factor they had prior to Amendment 3 to the Provident Funds Law in the Earlier Pension Insurance Policy with the preferred pension annuity factor; alternatively, to require the defendant to allow the plaintiff and other class members to contribute their entire pension savings, retroactively from the effective date of Amendment 3 to the Provident Funds Law and henceforth, to the Earlier Pension Insurance Policy; alternatively, to require the defendant to compensate the plaintiff and other class members in the amount of alleged damage to the pension rights of class members, equal to the defendant's enrichment at the expense of class members, due to its aforementioned policy; and for insured parties already retired since January 1, 2008 and receiving a pension lower than they were entitled to, as alleged by the plaintiff, based on the preferred pension annuity factor – to order the defendant to reimburse these insured parties for the difference between the pension they were entitled to, based on the preferred pension annuity factor and the actual pension paid to them.	or was assigned a pension annuity factor in their lump-sum insurance policy that is inferior to the pension annuity factor in their Earlier Pension Insurance Policy.	In January 2022, the Granit Case was appealed to the Supreme Court. The Court ordered a stay of proceedings in this case, pending a ruling by the Supreme Court in the Granit Case appeal. In May 2023, a decision was handed down in the Granit Case appeal, dismissing the appeal after the appellant retracted the appeal. In March 2024, the petitioner filed a motion with the court to schedule a hearing of the case in order to settle the hearing in two groups that he claims still have reason to hear their matter, even after the decision in the Granit case. The court scheduled the case for a hearing in June 2024.	

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
8	1/2017 District Court – Central	Two insureds in mandatory car insurance v. Migdal Insurance and other insurance companies	Allegedly, Migdal Insurance does not disclose to insured parties that, based on common practice at Migdal Insurance (as well as at other insurance companies), they are entitled to a reduction in the premium they pay, upon reaching an age and/or driving experience as customary at Migdal Insurance. The relief sought includes requiring Migdal Insurance to restitute to class members the excess premium unlawfully charged due to the aforementioned practice; and a mandatory injunction requiring Migdal Insurance to change its aforementioned practice.	Insured parties by Migdal Insurance in mandatory auto, third party and comprehensive insurance, in the seven years prior to filing the lawsuit, which during the insurance period reached the age and/or driving experience that confers, by law and by common practice at Migdal Insurance, a reduction in premium, which Migdal Insurance failed to treat them lawfully and by said common practice, and which consequently did not receive the premium reduction.	The motion for approval of class action status is currently being reviewed. In March 2022, the petitioners filed a motion for stay of proceedings, following the denial of a similar motion against another insurance company, and this until a ruling on an appeal to be filed by them in the certification motion that was denied in that proceeding. The motion for stay of proceedings was accepted. In March 2024, the appeal filed in the parallel proceeding was denied. The case was scheduled for a hearing in June 2024 regarding the consequences of the judgment given in the appeal in the aforementioned parallel proceeding. In May 2024, the court's decision was given, after the parties presented their arguments in writing regarding the aforementioned parallel proceeding, according to which it is suggested that the parties to the proceeding come to terms with each other before the aforementioned hearing in order to reach an agreement regarding the possible departure from this proceeding and what is involved in it, where if they do not reach an agreement as stated, it will be possible to leave the dispute regarding the issue of expenses to the court's discretion.	NIS 62 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
9	2/2017 District Court – Central	A registered association acting on behalf of the elderly v. Migdal Makefet	Allegedly, Migdal Makefet charged pension fund and provident fund members a payment for "direct expenses in respect of conducting transactions in provident fund assets" ("Direct Expenses"), in contravention of provisions of the Bylaws and in contravention of its contractual and pre-contractual representations to members. Thus, allegedly, Migdal Makefet is in breach of the contract between Migdal Makefet and members, and is also in breach of statutory provisions.	Anyone who has a right of any kind in the funds found in the pension fund under the management of Migdal Makefet from July 2013 onwards, as well as anyone who previously had a right in such funds; as well as anyone who has a right, of any kind, to the funds in the provident fund under the management of Migdal Makefet in the seven years preceding the filing of the certification motion and thereafter, and anyone who previously had a right to such funds.	The motion for approval of class action status is currently being reviewed. In March 2018, the case was referred to the Tel Aviv District Labor Court. In July 2018, the Court asked an expert for their opinion, as to whether his positions stated in the other cases also apply to this case. In November 2018, the Commissioner responded, referring to the position he submitted in a parallel case. In May 2019, the District Court certified a class action against other insurance companies, in respect of the allegation of unlawful collection of direct expenses from insureds in individual insurance policies ("savings policies"). The plaintiffs in the Concurrent Proceeding against other companies, filed a motion for leave to appeal the aforementioned approval ruling. In September 2020, the court ordered a stay of proceedings in this case, pending a ruling on the motion for leave to appeal in the parallel proceeding.	NIS 287 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
9	(cont.)		The remedies sought: (a) An injunction whereby the practice by Migdal Makefet is unlawful, as it is in breach of the contract – the Bylaws between Migdal Makefet and members; (b) To require Migdal Makefet to restitute to each class member the total amount charged to and/or deducted from their account, with respect to any kind of expense regarding direct expenses with respect to conducting transactions in provident fund assets; (c) Alternatively, to require Migdal Makefet to restitute to pension fund and provident fund assets all of the Direct Expenses unlawfully charged, and to fairly and justly distribute these; (d) To instruct Migdal Makefet to henceforth clearly and explicitly present, on all enrollment forms and Bylaws, that in addition to management fee, a further amount would be charged and/or deducted with respect to Direct Expenses, and to indicate the maximum rate to be charged.		In June 2023, the Supreme Court ruled on the Concurrent Proceeding, allowing the appeal, ruling that insurance companies were allowed to impose on members the cost of investment management expenses which they incurred, and instructed that the motion for approval in the Concurrent Proceeding be denied. See also Claims C(3) and C(4) in this Note below.	

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
10	12/2017 District Court – Jerusalem	Applicants who requested to be accepted for insurance v. Migdal Insurance, other insurance companies, Maccabi Health Fund and Clalit Health Services	Refusal to insure the petitioners and others on the autistic spectrum in long-term care insurance; setting impossible and unreasonable conditions for them, with no explanation or justification of such conduct; failure to provide a detailed, dignifying answer to an insurance applicant about the refusal and detailed justification thereof, and such refusal is not based on relevant statistical, actuarial or medical data, all allegedly in contravention of stipulations in the Equal Rights for Persons with Disabilities Law (hereinafter: "Equality Law"), 1998, and the Equal Rights for Persons with Disabilities Regulations (Notice of Insurer Regarding the Provision of Different Treatment to Individual or Regarding Refusal of Insurance), 2016 ("Equality Regulations").	Persons with autism who applied for nursing care insurance with any of the defendants and unlawfully received from defendants different, discriminatory treatment and/or who did not receive a detailed response with regard to providing such different treatment, in the seven years prior to filing the motion for approval.	In February 2023, at a hearing, the Court informed the plaintiff inter alia that the Court did not accept their arguments. In February 2023, a ruling was handed down denying the motion for approval. In April 2023, the plaintiffs filed an appeal of this ruling with the Supreme Court. In January 2024, Migdal Insurance filed its response to the appeal.	The plaintiffs allege that personal damage they incurred amounts to tens of thousands of NIS per applicant. The total damage amount for all class members cannot be accurately estimated at this point, but this amount is within the authority of the District Court.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
10	(cont.)		Main reliefs sought in the claim: declaratory injunction, whereby the respondents are in breach of the Equality Law and Regulations; mandatory injunction ordering the respondents to cease discriminating against class members, to set clear operating procedures for individual, unbiased treatment of persons with disabilities, pursuant to provisions of the Equality Law; mandatory injunction for the respondents to comply with statutory provisions and with the ruling in principle by the Commissioner, which stipulate a standard procedure for refusal to insure; mandatory injunction ordering the respondents to retroactively insure the class members found competent to obtain long-term care insurance, after an equitable underwriting process in conformity with the aforementioned procedures; compensation for class members pursuant to Section 19.51(b) of the Equality Law regarding compensation without proof of damage, and if necessary, even compensation for non-monetary damage; compensation of class members for monetary damage.			

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
11	1/2019 District Court – Tel Aviv	Insured party v. Migdal Insurance	The lawsuit alleges that rejecting a claim on a personal accident insurance policy, in case of hospitalization in a rehabilitative hospital, based on definition in the insurance policy of the term Hospital to exclude a rehabilitative hospital, is unlawful. The plaintiff claims that this is a restriction of the coverage, which was misleading in its presentation and/or not worded properly.	The class which the plaintiff seeks to represent includes customers of Migdal who purchased a personal accident insurance policy, whose claim component regarding compensation for hospitalization days was denied based on the claim that Hospital, as defined in the insurance policy, is a medical facility recognized by the competent authorities in Israel or overseas as a general hospital only, which is not a rehabilitative facility and/or a mental health institution and/or a convalescence facility and/or a nursing care facility.	In February 2021, a decision was handed down ordering the certification of a class action lawsuit, as follows: Class members: Parties insured by Migdal who purchased health insurance of the type providing personal accident coverage, whose claim component regarding compensation for hospitalization days was denied based on the claim that a "hospital," as defined in the insurance policy, is a medical facility recognized by the competent authorities in Israel or overseas as a general hospital only, which is not a rehabilitation facility and/or a mental health institution and/or a convalescence facility and/or a nursing care facility, in the three years prior to filing of the class certification motion. The causes of claim approved for the class action: breach of provisions of Section 3 of the Insurance Contract Law; breach of provisions of the Capital Market, Insurance and Savings Authority's circular, concerning "Proper disclosure to insured party upon enrollment in a health insurance policy"; breach of insurance contract.	Currently estimated at NIS 24 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
11	(cont.)				Relief sought: Payment of insurance payout for hospitalization days that qualify for compensation, regardless of the facility at which the insured party was hospitalized; removal of definition of "hospital" from the insurance policy, or amending it pursuant to statutory provisions; and a declaratory judgment whereby Migdal Insurance was in breach of statutory provisions. In April 2021, Migdal Insurance filed a motion for leave to appeal the approval ruling to the Supreme Court. In January 2022, the proceedings were suspended, pending a ruling on the motion for leave to appeal. In July 2022, the Attorney General filed their position in this case, whereby definition of Hospital in insurance policies, which Migdal Insurance relied upon when denying the insurance claims, is a restriction of liability pursuant to the insurance policy. According to the Attorney General, this restriction was not properly emphasized in the applicable legislation, and therefore Migdal Insurance may not rely on it. In July 2022, Migdal Insurance filed an agreed motion to withdraw the motion for leave to appeal, which was accepted without award of expenses. The parties have launched a mediation proceeding. In April 2023, a settlement agreement was submitted for approval by the Tel Aviv District Court, including monetary restitution amounting to NIS 3.6 million, provisions which regulate future practice by Migdal Insurance, and payment of compensation to the plaintiff and legal fees to the plaintiff's attorney, in immaterial amounts. The Court ordered the settlement agreement be made public.	

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount
12	5/2019 District Court – Tel Aviv	Insured in a life insurance policy v. Migdal Insurance	The lawsuit alleges that for insurance policies that include a profit-sharing formula which includes an RM formula, Migdal Insurance does not make in full the payments required by the insurance policy and by statutory provisions, including the full share of insured parties in profits from insurance policies, and also alleges breach of disclosure and reporting duties to insured parties with respect to the insurance policy and their rights pursuant there to. In the motion, the plaintiff relies on a ruling approving class action against another insurance company, with regard to insurance policies provided by that company, for similar causes. A similar lawsuit was also filed against another insurance company.	The class which the plaintiff seeks to represent includes all those who are or were insured by Migdal Insurance, who received payment pursuant to a profit-sharing life insurance policy which includes the RM formula.	A response has been filed to the motion for class action status. The motion for approval of class action status is currently being reviewed. In August 2020, the plaintiff filed a motion seeking to combine the hearing of this lawsuit and another lawsuit they have filed against another insurance company. The insurance companies, including Migdal Insurance, objected to this motion inter alia due to the difference between proceedings and between lawsuits. Migdal Insurance has filed its response to this motion. In May 2021, the Court ruled that the lawsuits would be heard by the same panel of judges. The panel to which the cases were assigned, ruled that the proceedings would be suspended pending a ruling by the Supreme Court in appeals of the class action lawsuit approved against another insurance company. In September 2021, the other insurance company informed the Court that a judgment has been handed down in the appeal. The appeal by the plaintiff in that proceeding was denied, and the motion for leave to appeal by the insurance company, which focused on the class definition and on the statute of limitations, was partially accepted. In March 2022, the petitioner filed a motion to withdraw the certification motion set forth in section 14 of this table below. In February 2024, the court ordered the consolidation of this certification motion with the one set forth in section 14 of this table above, and the filing of an amended, consolidated statement of claim and certification motion.	NIS 692 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
13	6/2019 District Court – Tel Aviv	Third party of an insured in a car insurance policy v. Migdal Insurance and other insurance companies	The lawsuit alleges that Migdal Insurance does not pay interest on insurance payout after 30 days have elapsed since filing the claim. This is a follow-on lawsuit to the one set forth in 3 above ("the First Lawsuit"), which was filed, according to the petitioner, for the sake of caution alone, in case the court denied the petitioner's motion to expand the class, pending a judgment in that case.	Anyone who received and/or will receive, in the period from August 31, 2015 (after the date of the ruling on approval in the First Lawsuit), through the date of the judgment in this lawsuit, insurance payout from Migdal Insurance, with no interest added to such insurance payout by law.	A response to the motion for class action status has yet to be submitted. In February 2021, a partial judgment was handed down in the First Lawsuit, accepting the lawsuit, including the motion by the plaintiffs to expand class members, pending a judgment, as requested by the plaintiff in this lawsuit. Consequently, it is likely that litigating this lawsuit and the motion for class action status for it would be obviated. In November 2022, the Supreme Court denied the motion for leave to appeal, filed in lawsuit no. 3 above, while maintaining the right of Migdal Insurance and the other defendants to re-state their claims in the motion for leave to appeal, in any appeal that would be filed of the final judgment in the class action lawsuit. For more information about the First Lawsuit and the partial judgment, see Lawsuit no. 3 above in this section.	NIS 90 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
14	6/2019 District Labor Court – Tel Aviv	Insured party in disability income insurance policy v. Migdal Insurance	The lawsuit alleges that Migdal Insurance unlawfully deducts from insurance payouts paid for profit-participating insurance policies that include coverage for disability and/or waiver of premium payment, amounts in respect of "nominal interest" starting from the 25th installment. A similar lawsuit was also filed against another insurance company.	Anyone insured, or who were insured, in profit-participating life insurance policies, that include a mechanism for linkage of insurance payout and/or premium waiver to returns on the investment portfolio starting from the 25th installment, who received from Migdal Insurance insurance payouts and/or a premium payment waiver for savings riders, for a period longer than 24 months, and deducted interest from these returns, starting from the 25th month, except for anyone insured, or who were insured, where the insurance policies covering them stated accurately and with special emphasis, in the section regarding linkage, the interest rate to be deducted, provided that the words "used to calculate the monthly compensation" do not appear.	A response has been filed to the motion for class action status. The motion for approval of class action status is currently being reviewed. In November 2020, the motion by the petitioner, who filed another class certification motion against Migdal Insurance, set out in section 12 above in this table, seeking to transfer the hearing of this class action lawsuit to a panel of judges hearing the lawsuit he had filed – was granted. Accordingly, the hearing of the lawsuit will take place at the Tel Aviv District Court. In March 2022, the petitioner in the certification motion appearing in section 12 above, filed a motion to withdraw the certification motion. Migdal Insurance and the plaintiff responded to the motion for withdrawal. In February 2024, the Court ordered the consolidation of this certification motion and the one detailed in section 12 of this table above, and the filing of an amended consolidated statement of claim and certification motion.	NIS 1.5 billion.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
15	2/2020 District Labor Court – Tel Aviv	An insured under a life insurance policy v. Migdal Insurance	The lawsuit alleges that Migdal Insurance has increased the management fee for the plaintiff beyond the rate agreed with them, unilaterally and without consent, and that Migdal Insurance should restitute the management fee over charged. In the motion, the plaintiff noted that a motion for approval with respect to an identical practice is pending against another insurance company, whereby a settlement agreement was submitted for Court approval, in which the other insurance company committed to return the management fee rate for class members to the rate originally agreed with them, and to restitute to class members 67.5% of total management fee which the insurance company over charged. The main alleged causes of claim are: contractual causes of breach of contract and breach of duty of good faith in fulfilling a contract, unlawful enrichment, breach of fiduciary duty, deception and breach of statutory duty.	All Migdal Insurance customers in managers insurance policies, who were charged management fees at a higher rate than prescribed in the insurance policy and/or in the insurance details sheet and/or in contravention of the directives of the Commissioner of Capital Markets, Insurance and Savings (or any other relevant competent authority) and/or in contravention of the Insurance Contract Law (or any other relevant statutory provisions).	The motion for approval of class action status is currently being reviewed. A response to the motion for approval has been filed. The case is scheduled for evidentiary hearings. In January 2023, a revised motion for approval was filed. The parties conducted a mediation proceeding which was unsuccessful.	Not estimated by the plaintiff.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
15	(cont.)		The primary relief sought in this lawsuit is monetary relief in restitution of all funds charged by Migdal to class members with respect to management fees charged beyond those set forth in the insurance policy and/or in contravention of directives by the competent authority and/or in contravention with statutory provisions.			

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
16	4/2020 Haifa District	An insured in a car insurance policy (compulsory and property damage) v. Migdal Insurance and other insurance companies	The lawsuit alleges that the defendants, in contravention of their statutory duty, avoid reducing the premium in auto insurance policies (mandatory and property), even though the risk to which defendants are exposed has materially decreased, allegedly, due to travel restrictions imposed due to the COVID outbreak in Israel, which resulted in a dramatic drop in mileage traveled, from March 8, 2020 through the full and complete lifting of said travel restrictions ("the Effective Period"). The main alleged causes of claim are: unlawful enrichment, breach of provisions of the Insurance Contract Law, contractual causes of breach of good faith in contract fulfillment, tort of breach of statutory duty and tort of negligence. Main remedies sought: restitution of the excess premium charged class members by the defendants in the Effective Period; a mandatory injunction ordering defendants to adjust the charged premium to match the actual risk to which the defendants are exposed in the Effective Period, and/or a declaratory judgment stating that significantly reduced use of the vehicle, under circumstances similar to the events that are the subject of the lawsuit, requires premium adjustment (reduction).	Anyone insured by one or more of the defendants, by mandatory, comprehensive and/or third party insurance, during all or part of the Effective Period.	In April 2020, three motions for approval of class action status were filed against Migdal Insurance and other insurance companies, making similar allegations. The motion was scheduled for hearing by the Tel Aviv District Court, by the same judging panel hearing the two other motions. One motion for approval with respect to auto insurance (with respect to Migdal Insurance) was rejected. The two remaining motions were combined and re-submitted in April 2021. In January 2023, a pre-trial hearing was held during which the court suggested that the parties in this case seek mediation. The defendants informed the Court that they had no interest in mediation. This proceeding is in the summation stage.	NIS 125 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
17	5/2020 District Court – Tel Aviv	A member of a continuing education fund v. Migdal Makefet and other management companies	The motion for approval alleges that the defendants classify some of the contributions on behalf of members as taxable contributions, even though they are not and/or the recording thereof is in error. The alleged causes for claim are inter alia: Breach of fund Bylaws; Breach of good faith; Breach of the Supervision of Financial Services Law (Provident Funds), the Wage Protection Law, the Income Tax Ordinance; Breach of statutory obligation; Unlawful enrichment; Negligence; Breach of autonomy; Stealing; and the Consumer Protection Law. Main remedies: to order the defendants to stop the unlawful denial of tax benefit; to order refund and/or payment, as set forth in the lawsuit, to all class members and/or to the public; to order the defendants to revise their annual reports that include erroneous classification of provisions.	All customers of the defendants, past and present, for whom the defendants manage(d) a study fund, where the defendants unlawfully classified the contributions made on their behalf as taxable and/or which the recording thereof is in error (whether or not tax has actually been deducted with respect there to).	A response to the motion for approval has been filed. Migdal Makefet filed a motion for leave to file a third party notice against the Tax Authority. In June 2020, the Court ruled that the way in which the motion had been filed, against 14 different defendants, with 34 different plaintiffs and with different factual allegations, seems a priori to be unreasonable and inefficient. In August 2021, the Tax Authority filed its response to the third party notice, whereby it accepted the defendants' position with respect to interpretation of the statute regarding classification of taxable contributions to a study fund, noting that the defendants are but a conduit for transfer of funds to the Tax Authority. According to the Tax Authority, the key allegation in this proceeding is against guidelines stipulated by the Tax Authority as to application of statutory provisions regarding determination of the cap for tax benefit, and therefore the Tax Authority should be included as defendant in this proceeding,	Cannot be estimated.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
17	(cont.)				being a "Required Party", rather than as a third party. In January 2022, the Court ruled that the Tax Authority should be included as defendant in this case, and recommended that the parties seek mediation. In August 2022, the Tax Authority filed its response to the motion filed against it, in the motion for approval, whereby the Tax Authority believed that the motion for approval of class action status should be denied. The parties are in mediation.	

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
18	5/2020 Tel Aviv Regional Labor Court	An insured in a managers insurance policy v. Migdal Insurance	The certification motion alleges that Migdal deducted from employer contributions amounts higher than the lawfully permitted rate for the purchase of life insurance coverage, and purchased for the insured, non-life insurance coverages, which are not allowed to be purchased with employer contributions, and this with respect to insured parties whose insurance policies were issued between August 1999 and December 2003 (hereinafter: "the relevant period"). The alleged causes for claim are inter alia: Breach of statutory obligation (Income Tax Regulations); Unlawful enrichment.	All parties insured by the defendant, whose insurance fund was opened in the Applicable Period, where Migdal deducted for insurance coverage an amount in excess of 10% of employer's contributions out of said contributions, from seven years prior to filing of this motion, to the date when Migdal would discontinue such unlawful charging, or through approval of class action status, whichever is sooner.	The motion for approval of class action status is currently being reviewed. In July 2021, the Commissioner filed their position statement in this case, supporting Migdal Insurance's position with regard to purchase of death risk coverage out of employer contributions. The position statement noted that it is forbidden to purchase any other insurance coverage (such as loss of earning capacity) out of the contributions, unless the employee has consented to this after the start of 2004, pursuant to Regulation 45 of the Income Tax Regulations as worded on January 1, 2004. The Commissioner also asked the Court to consider further hearing of this class action proceeding, given the Commissioner's intention to conduct an extensive supervisory proceeding in this matter. In December 2021, the Commissioner sent to Migdal Insurance a notice of request for information with regard to charging for insurance coverage in conformity with limits pursuant to Regulation 45 of the Income Tax Regulations, which also includes provisions with respect to restitution, should it emerge that the Company acted not in conformity with rules prescribed in this notice (hereinafter: "the Request"). The Request stipulated that Migdal Insurance should provide to the Supervisor a detailed outline for the sequence of steps it would take for restitution of amounts unlawfully charged.	Cannot be estimated.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount
18	(cont.)		The main remedies sought in this lawsuit are: Mandatory injunctions ordering Migdal to transfer the overcharged funds to the savings account of class members managed by Migdal in insurance fund(s) in their names, or to the bank account of class members or their heirs, plus the returns accrued in the fund from the deposit date of each overpayment until the date of their reimbursement, and to henceforth stop charging more than prescribed in the Income Tax Regulations (Rules for Approval and Management of Provident Funds), 1964 (hereinafter: "Income Tax Regulations").	Excluding such insured parties who asked to be subject to provisions of Regulation 45 of the Income Tax Regulations.	In March 2022, Migdal Insurance submitted to the Capital Market Authority its position with respect to the Request, and held a meeting on this matter with the Capital Market Authority. The Authority has yet to comment on Migdal Insurance's position, as aforesaid. In this regard, see section F(6) in this Note below. In January 2024, a ruling was handed down, partially granting the motion for approval, against Migdal Insurance. The approval refers to any insured party who contracted with the defendant to purchase retirement insurance in the Applicable Period, and which, in the seven years prior to filing this proceeding, had funds contributed on their behalf for pension pay or severance pay, designated for purchase of disability insurance. Moreover, the plaintiff's claim with regard to death risk coverage was denied (including the claim whereby, in insurance policies purchased in the Applicable Period, only 1.3% of salary could be designated for purchase of death risk coverage). With regard to these denied claims, the plaintiffs filed, in January 2024, a motion for leave to appeal to the National Labor Court. The National Labor Court ruled that this motion for leave to appeal would be heard as an appeal. The proceeding with the District Court is suspended pending a ruling on this appeal.	

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
19	6/2020 Central District Court	A member of the pension fund v. Migdal Insurance and Migdal Makefet and other insurance companies	The certification motion alleges that in loan agreements linked to the CPI, the defendants adopted an improper practice which allegedly constitutes an unfair term in a contract, due to a unilateral linkage mechanism – whereby when the CPI is lower upon actual payment on account of the loan (hereinafter: "the New CPI") compared to the CPI known at loan origination (hereinafter: "the Base CPI"), the member is not credited for the difference, whereas in the reverse situation (where the New CPI is higher than the Base CPI), the actual payment is increased by the percentage change in the New CPI compared to the Base CPI. The alleged causes for claim are inter alia: Unfair term in a uniform contract pursuant to the Uniform Contract Law, 1982; and unlawful enrichment. Main reliefs sought in the claim: Declaratory injunction, whereby the defendants' action with regard to CPI-linked loan agreements, as described above, is unlawful; mandatory injunction ordering the defendants to establish a two-way linkage mechanism, so as to allow borrowers to benefit from a lower New CPI compared to the Base CPI in CPI-linked loans; and compensation for damage incurred by class members. As alleged in the motion for approval, there are motions for approval pending against two other insurance companies which raise common questions of fact and law, as set forth in the motion for approval.	All customers of the defendants who obtained CPI-linked loans of any type, which stipulated an unfair term whereby a decrease in CPI, compared to the Base CPI, would not be credited to the customer.	A response to the motion for approval has been filed. The motion for approval of class action status is currently being reviewed. The parties conducted a mediation proceeding which was unsuccessful. The Attorney General announced that he does not think that the State has to submit a position statement in this case. The Commissioner of Capital Markets, Insurance and Savings submitted a position statement, whereby the question of whether this is an unfair term, is a legal question within the court's jurisdiction, and to the extent the court allows the lawsuit, the restitution should be made out of the members' funds. In April 2023, the Court ruled that hearing of this case should be remanded to the Labor Court. In December 2023, at a hearing, the Court suggested a settlement outline for the parties to conclude this proceeding.	Over NIS 3 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
20	7/2020 District Court – Central	Insured in a health and disability insurance policy v. Migdal Insurance and other insurance companies	The certification motion alleges that in cases where the insurance policies stipulate that an event / injury / illness or any materialized risk resulting from and/or linked to an existing medical condition of the insured party at the time of purchasing the insurance policy, are not covered by the insurance policy (hereinafter: "Exclusion"), the defendants unlawfully charged premiums, by not reducing the premiums for those policies in line with the risk reduction stemming from the Exclusion. Alleged causes of claim: Violation of the Equal Rights for Persons with Disabilities Law, 1998; and the Prohibition of Discrimination in Products, Services and Entry into Places of Entertainment and Public Places Law, 2000; lack of good faith; violation of the Supervision of Financial Services Law (Insurance), 1981; breach of statutory duty; tort of negligence; and unlawful enrichment. The relief sought includes: Restitution of excess premium allegedly charged; Mandatory injunction instructing the defendants to remedy their operations and to reduce the premium where the Exclusion applies.	Anyone insured in the period from 7 years prior to filing the lawsuit to the date of approval of class action status, by one or more of the defendants, in insurance policies including disability, nursing care, life, personal accident, health (including severe illness, surgery in Israel or overseas, implants in Israel or overseas, medications, ambulatory service or any other medical coverage) which includes the Exclusion.	The motion for approval of class action status is currently being reviewed. A response to the motion for approval has been filed. In January 2022, the defendant filed their response to the motion. In August 2022, Migdal Insurance and the other defendants filed their arguments.	NIS 228 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
21	3/2021 District Court – Tel Aviv	Insured parties in health insurance policies v. Migdal Insurance and other insurance companies	The certification motion alleges that the defendants are in breach of insurance contract terms, by refusing to fund the plaintiffs' expenses for the purchase of cannabis for medical use, even though cannabis for medical use has been approved for medical indications in several Western countries, to which the insurance contract terms make reference. The alleged causes for claim are inter alia: Breach of contract; Lack of good faith; Unlawful enrichment; Negligence. The relief sought includes: Declaratory injunction whereby the defendants should restitute to parties insured with coverage for medications not included in the Healthcare Basket, for expenses with respect to purchase of cannabis for medical use, and monetary relief requiring the defendants to restitute to class members the value of economic impact caused by deficiencies in their conduct and breach of the insurance contract.	The class represented in this motion for approval includes anyone insured by the defendants in insurance with coverage for medications not included in the Healthcare Basket, who have not been reimbursed for expenses incurred for purchase of cannabis for medical use.	A response to the motion for approval has been filed. In March 2022, the Court suggested that the parties seek mediation. The parties have launched a mediation proceeding.	NIS 79 million for all the defendants.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
22	4/2021 District Court – Tel Aviv	Member of a continuing education fund v. Migdal Insurance and versus institutional bodies, banks and credit card companies	The certification motion mainly alleges that when the defendants' customers browse their account / personal area on the defendants' websites or apps - private, personal and confidential information of the defendants' customers is conveyed to third parties, without the explicit consent of the customers and with serious, unprecedented harm to their right to privacy and to the defendants' obligations by law. The alleged causes for claim are inter alia: Breach of privacy; Breach of fiduciary duty and duty of confidentiality; Unlawful enrichment; Lack of good faith in fulfilling a contract and breach of contract; Misleading; Negligence; Breach of statutory obligation; Breach of autonomy. The relief sought includes: Instructing the defendants to cease providing and/or sharing and/or exposing in any other way information about the defendants' customers and their activity in their accounts, to any third party and in particular, to Google; to act lawfully to safeguard and protect the privacy of their customers; and to compensate class members for damage incurred thereby.	Any person who used and/or is using the defendants' digital services in the 7 years prior to filing the motion, who had their private and/or personal and/or confidential information provided to any third party.	A response to the motion for approval has been filed. In November 2022, at a hearing, the Court suggested that the parties seek mediation. The mediation proceeding was unsuccessful. The evidence phase in the case is over.	Total damage for class members was not estimated. Plaintiffs claim this would be millions of NIS, and in any case at least NIS 2.5 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
23	7/2021 District Court – Tel Aviv	Insured parties in managers insurance policies v. Migdal Insurance and other insurance companies	The certification motion mainly alleges that upon receiving a pension, the defendants deduct from the monthly return accrued in respect of the outstanding balance, annual interest of 2.5% (or any other rate), unlawfully and with no contractual support in terms and conditions of the insurance policy. The alleged causes for claim are inter alia: Breach of contract; Breach of statutory obligation; Breach of enhanced duties of the defendants in their capacity as insurance companies; Breach of disclosure duty; Unlawful enrichment; Unfair term in uniform contract. The relief sought includes: Declaratory injunction whereby such deduction of interest from the monthly return is in breach of insurance policies issued by the defendants, breach of statutory obligation, unlawful enrichment etc.; Mandatory injunction instructing the defendants to amend this breach henceforth; Restitution of all amounts unlawfully deducted for class members out of the monthly return, plus linkage and interest, as from the deduction date through the actual restitution date, for the seven years prior to filing the motion. Monetary damage incurred by the plaintiff was estimated at NIS 1,000.	Anyone insured by the defendants, who purchased from the defendants a life insurance policy with savings accrual, issued between 1991 and 2004, who had interest deducted and/or to be deducted at a rate not specified in the insurance policy, based on a provision in the insurance policy, whereby the monthly pension amount would vary "monthly, based on investment results net of interest used to calculate the monthly pension and applicable provisions for this matter in the insurance program" and/or any other, similar provision.	A response to the motion for approval has been filed. It is noted that two lawsuits and class certification motions in similar matters were filed against Migdal Insurance; see items 12 and 14 in the table above. In June 2023, Migdal Insurance and the other companies filed a motion to withdraw the comment on the response, and filed their response to the motion and their comment on the response to the motion. In March 2024, the motion to withdraw the response to the reply was denied.	Total damage for class members was not estimated. Plaintiffs claim this would be at least NIS 2.5 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
24	8/2021 District Court – Central	An insured party under a property vehicle policy v. Migdal Insurance	The motion alleges that Migdal Insurance does not pay insured parties, who purchased a non-standard insurance policy and whose car was damaged in an accident and incurred impairment damage, an insurance payout with respect to impairment, claiming that the insurance policy does not indemnify for such damage. Main causes for claim: Breach of the Insurance Contract Law, 1981; breach of duty of good faith in fulfillment of contracts; unfair condition in uniform contract; breach of statutory duty; unlawful enrichment. The primary relief sought in this lawsuit is: Mandatory injunction instructing payment for impairment to insured parties in insurance policies subject of this motion, and payment for impairment damage incurred by class members. Monetary damage incurred by the plaintiff was estimated at NIS 20,061. It is requested to add interest and linkage to this amount.	Any insured party or third party (and heirs thereof) who, in the three years prior to filing the motion for approval through approval of class action status, did not receive payment for impairment of their vehicle in an insurance event covered by a non-standard insurance policy issued by Migdal Insurance.	In August 2023, a settlement agreement was filed for Court approval, including payment of compensation to class members in a non-material amount, as well as payment of restitution and legal fees in a non-material amount. In October 2023, the Court ordered that the settlement agreement be made public.	Total damage incurred by class members was not estimated. The plaintiff claims this would be many millions of NIS.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
25	5/2022 District Court – Central	Insured party in home insurance policy v. Migdal Insurance	The certification motion alleges that Migdal Insurance chooses to send to customers insurance payouts or funds paid, by check – in breach of provisions in the Institutional Entities Circular 2016-9-9 regarding claim clarification and settlement and handling of public inquiries, whereby funds are to be sent to customers by bank transfer or by credit card.	Customers of Migdal Insurance who received funds from Migdal Insurance by check and not by credit card / bank transfer. Subclass 1: Customers who cashed their checks and incurred damage. Subclass 2: Customers who did not cash their checks.	A response to the motion for approval has yet to be filed. The parties have launched a mediation proceeding.	Total damage for class members was estimated by the plaintiff to be at least NIS 3 million.
26	8/2022 District Court – Central	Insured in a health insurance policy v. Migdal Insurance	The certification motion alleges that advertising by Migdal Insurance promised a full discount to the youngest child in a family of four or more children, up to legal maturity; and that the plaintiff relied on this advertising, and only after contracting, Migdal Insurance informed the plaintiff that the discount would be given to the oldest child.	The class represented in the motion for approval includes all customers of Migdal Insurance in health insurance policies exposed, directly or indirectly, to advertising by Migdal Insurance indicating "Fourth child and thereafter – free of charge" and contracted with Migdal Insurance allegedly in accordance with the offer represented therein.	A response to the motion for approval has been filed. The case is scheduled for evidentiary hearings.	Total damage for class members was estimated by the plaintiff to be at least NIS 5.5 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
27	9/2022 Central District	Insured in a health insurance policy v. Migdal Insurance	The motion alleges that Migdal Insurance does not compensate parties insured thereby for one half of the actual surgery cost at a private hospital, but rather pays based on the Ministry of Health price list; and alleges that Migdal Insurance does not reimburse insured parties for the deductible amount they paid for the surgery, allegedly in contravention of terms and conditions of the insurance policy.	Classes represented in this motion: 1. Anyone insured by Migdal Insurance, past or present, who purchased from Migdal Insurance health insurance policies (individual or collective) that include compensation provisions identical or similar to those set forth in the petitioner's insurance policy, who suffered an insurance event funded by their HMO through Form 17 (or corresponding form), as of the start of marketing of the insurance policies until discontinuation of the alleged breach of insurance contract by Migdal Insurance and/or until a final and conclusive ruling in the class action lawsuit.	A response to the motion for approval has been filed. The plaintiff has filed their comment on the response to the motion for approval. Evidence hearings were held and the case was scheduled for submission of summations.	Total damage for class members was estimated by the plaintiff to be at least NIS 2.5 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
27	(cont.)			2. Anyone insured by Migdal Insurance, past or present, who purchased from Migdal Insurance health insurance policies (individual or collective) that include compensation provisions identical or similar to those set forth in the plaintiff's insurance policy, who suffered an insurance event funded by their HMO through Form 17 (or corresponding form), for which the insured party paid a deductible, that was not reimbursed to them as claimed by Migdal Insurance, as of the start of marketing of the insurance policies until discontinuation of the alleged breach of insurance contract by Migdal Insurance and/or until a final and conclusive ruling in the class action lawsuit.		

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
28	9/2022 District Court – Tel Aviv	Insured parties in health insurance policies v. Migdal Insurance and other insurance companies	The motion alleges unlawful discrimination by Migdal Insurance and other defendants towards male insured parties in their insurance policies, merely due to their gender. Allegedly, the defendants preclude men who pay an additional premium for an ambulatory services rider, from receiving reimbursement for expenses incurred for their baby, claiming that only women are entitled to reimbursement for expenses related to pregnancy, birth and caring for the newborn baby.	The class represented in this motion includes all those insured by the defendants in health insurance, whose insurance policy (or riders) include coverage for services related to pregnancy, birth and caring for the newborn baby, who were denied such coverage for being men and/or for using a surrogate for pregnancy and birth, and all those insured by the defendants in health insurance, or anyone who sought to obtain health insurance from one or more of the defendants, and was exposed to the defendants' discriminatory policy with respect to providing coverage for services related to pregnancy, birth and caring for the newborn baby to women only, and therefore incurred damage due inter alia to humiliation and being disrespected by such discrimination.	A response to the motion for approval has been filed.	Total damage for class members was estimated by the plaintiff to be at least NIS 2.5 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
29	6/2023 District Court – Central	Insured in a mortgage policy v. Migdal Insurance	The certification motion alleges that Migdal Insurance automatically renews the mortgage insurance policy, without informing the customer and without obtaining the customer's consent, with new terms and conditions that include a higher premium. Allegedly, the premium is increased beyond the increase in CPI reflecting inter alia termination of the benefit extended to the insured party during the first year.	The class represented in this motion: all customers of the defendant for whom the defendant has renewed their home insurance policy, increasing the premium beyond the increase in CPI, including by way of bonus insurance, without informing them as required by law and/or without obtaining their consent as required by law, subject to the statute of limitations.	A response to the motion for approval has yet to be filed. The parties are in mediation.	Total damage for class members was estimated by the plaintiff to be at least NIS 2.5 million.
30	7/2023 District Labor Court – Tel Aviv	A pension fund member v. Migdal Makefet	The motion for approval alleges that Migdal Makefet usually has some members sign in advance, upon enrollment in pension funds managed by Migdal Makefet, an agreement to extend the insurance that allows for automatic deduction of the cost of risk from the accrued pension savings balance, for a total period of up to 24 months, which allegedly is in contravention of statutory provisions.	The classes represented in this motion: anyone for whom the defendant has deducted the cost of risk from the accrued pension savings balance in contravention of statutory provisions, during the past 7 years.	A response to the certification motion was submitted.	Total damage for class members was estimated by the plaintiff to be at least NIS 4 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
31	9/2023 District Court – Tel Aviv	Insured in car insurance v. Migdal Insurance and other insurance companies	The motion for approval alleges that in case of a malfunction that requires lifting a car for towing, for cars with front wheel drive or all wheel drive, hybrid, electric or computer-powered, Migdal Insurance refuses to provide this service and demands additional payment.	The class represented in this certification motion: all consumers who hold or have held service riders from the respondent in the past 7 years, whose car requires lifting for towing when the car is disabled (requiring towing to the garage).	A response to the motion for approval has yet to be filed.	The total damage incurred by class members is estimated by the plaintiff on aggregate for all insurance companies named in the motion for approval at NIS 80 million.
32	11/2023 District Court – Tel Aviv	Insured in car insurance v. Migdal Insurance and other insurance companies	The motion alleges that an extreme event, such as the Iron Swords war, a sharp decrease in risk is expected for insurance companies providing life, health and non-life insurance policies, which was not accounted for when setting the premium upon purchasing the insurance. Therefore, the plaintiffs allege that premium should be restituted, in whole or in part, for insurance policies where risk components have significantly decreased (and may even not exist).	The class represented in the motion: "Those insured by various insurance policies of the defendants, due to the sudden attack on Saturday, October 7, 2023, where any of the defendants did not and will not provide to insured parties all of the services and/or insurance coverage through the end of the war – in a state of emergency due to laws and emergency regulations, which change frequently" (as worded in the motion). The motion lists multiple sub-classes.	A response to the motion for approval has been filed.	Total damage alleged for class members, for all defendants, was estimated by the plaintiff to be at least NIS 2.5 million. For one of the subclasses defined in the certification motions – those drafted by Tzav 8, alleged damages for all defendants were estimated at NIS 10 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
33	2/2024	Insured in car insurance v. Migdal Insurance	The motion for approval alleges that upon payment of insurance payouts for a comprehensive auto insurance policy, in case of total loss, Migdal Insurance deducts amounts with respect to "deduction variables" or "special variables", even though these were not indicated to the insured party in the pre-contract stage, in contravention of the circular "Auto property insurance – insurance payout in case of total loss".	Anyone who has received or will receive insurance payout pursuant to a comprehensive auto insurance policy signed with Migdal Insurance, including through Defendant no. 1 (an insurance agency), in case of "total loss" or "deemed total loss" at a reduced amount due to "deduction variables" or "special variables", where such variables were not presented to them in the pre-contract stage, during the past 3 years and through the approval date of class action status.	A response to the motion for approval has yet to be filed.	Total damage alleged for class members was estimated by the plaintiff to be at least NIS 2.5 million.
34	4/2024	Former pension fund member v. Migdal Makefet	The certification motion alleges that in cases where the employer makes retroactive deposits, Migdal Makefet deducts from the contributions or pension savings funds of members in pension funds under its management, the cost of the insurance coverage for cases of loss of working capacity or death, retroactively, without thereby conferring on these members any insurance right, and without Migdal Makefet bearing any risk. Allegedly, this is contrary to the provisions of the law, including the Supervision of Financial Services Regulations (Provident Funds) (Insurance Coverages in a Provident Fund), 2013, and the pension bylaws.	All those who have been or are members of the pension funds under the management of Migdal Makefet, and the latter has deducted money from their pension provisions or pension savings for the purpose of purchasing insurance coverage in violation of the law, during the last 7 years.	A response to the motion for approval has yet to be filed.	Total damage alleged for class members was estimated by the plaintiff to be at least NIS 2.5 million.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
35	4/2024	Insured in life and health insurance v. Migdal Insurance	The certification motion alleges that Migdal Insurance's website does not include accessibility adjustments for people with disabilities for proper browsing on the website, in a way that violates the provisions of the Equal Rights for People with Disabilities Law, 1998 and the Equal Rights for People with Disabilities Regulations (Service Accessibility Adjustments), 2013.	Any person with a disability who might need the information found on Migdal Insurance's website, who browsed and/or requested to browse directly or through another on Migdal Insurance's website, using a computer and/or mobile phone, whether he used any service owned and/or maintained and/or operated by Migdal Insurance and/or anyone on its behalf, and whose possibility to browse Migdal Insurance's website, as mentioned, was prevented or partially enabled. This, since Migdal Insurance failed to provide accessibility adjustments to the Internet services as per IS 5568 Part 1 and IS 5568 Part 2, at the AA level, and subject to the provisions in Article C of the Equal Rights for Persons with Disabilities Regulations (Service Accessibility Adaptations), 2013, from the inception of the regulations until the conclusion of this legal proceeding.	A response to the motion for approval has yet to be filed.	The damages claimed by the class members were estimated at NIS 2,500,000.

Note 8 – Contingent liabilities (cont.)

b. Class action proceedings – pending class certification motions and claims certified as class actions (cont.)

No.	Date and court[1]	The parties	Key allegations, causes and remedies[2]	Class[3]	Details	Claim amount[4]
36	5/2024	Petitioner v. Migdal Insurance and other insurance companies	The certification motion alleges the existence of discrimination in the provision of services or products in foreign travel insurance policies, which do not include insurance coverage against "mental illnesses" (the terminology as recorded in the certification motion).	The number of class members in whose name the certification motion is being filed is "estimated at 600,000 people with mental disabilities and mentally ill".	A response to the motion for approval has yet to be filed. At this initial stage, Migdal Insurance is studying the certification motion and claim; however, with regard to the requested remedy of punitive damages, as mentioned, it should be noted right now that Migdal Insurance's position is that it is baseless.	Financial compensation for the petitioner and class members totaling NIS 250,000, and punitive damages totaling NIS 26 billion.
37	5/2024	Petitioner v. Migdal Insurance and other insurance companies	The certification motion alleges the existence of discrimination in the provision of services or products in foreign travel insurance policies, which do not include insurance coverage against "mental illnesses" (the terminology as recorded in the certification motion).	The number of class members in whose name the certification motion is being filed is "estimated at 600,000 people with mental disabilities and mentally ill".	A response to the motion for approval has yet to be filed. At this initial stage, Migdal Insurance is studying the certification motion and claim; however, with regard to the requested remedy of punitive damages, as mentioned, it should be noted right now that Migdal Insurance's position is that it is baseless.	Financial compensation for the petitioner and class members totaling NIS 250,000, and punitive damages totaling NIS 26 billion.

Note 8 – Contingent liabilities (cont.)

c. Class action proceedings concluded during the reported period up to the report issue date

No.	Date and Court	The parties	Key allegations	Amount	Details
1	5/2016 District Court – Central	Insured parties vs. Migdal Insurance	Allegedly, Migdal Insurance arbitrarily distributes premium monies it receives, in contravention of instructions it receives, and in contravention of agreements and statutory provisions; Migdal Insurance transfers some of the overcharged amounts to another insurance program which the insured party has not requested; Migdal Insurance charges the insured parties a premium for non-existing risk and makes retroactive adjustments to statements it provides, while misleading the insured parties; and Migdal Insurance avoids including test mechanisms that may alert to potential errors and prevent unlawful charging. Main reliefs sought: (a) Compensation to class members for monetary and non-monetary damage caused to them; (b) Require Migdal Insurance to adjust the premium charged to what should have been charged, and require Migdal Insurance to amend the statements; (c) Require Migdal Insurance to restitute premiums unlawfully received in excess of those agreed, and to restitute profits derived and management fees in respect of overcharged amounts; (d) Declare that Migdal Insurance unlawfully charged amounts and must act to change the existing situation; (e) Mandatory injunction with regard to changes to operating procedures and systems and with regard to wording of insurance policies.	Not estimated by the plaintiff.	As recommended by the Court, the parties conducted a mediation proceeding, reached a settlement agreement and filed it, in February 2022, for Court approval. In this agreement, the parties agreed for Migdal Insurance to apply some tests to retirement insurance policies, in order to identify in as much as possible any deficiencies in insurance policies of class members, and correction of any such deficiencies, all as set forth in the settlement agreement. The parties agreed inter alia to test for overcharging between the actual and agreed premium rates, as well as test for under payment by the employer for the disability component. In November 2022, the Attorney General filed a position statement, whereby the settlement agreement should not be approved as it currently stands. In November 2022, the Court resolved to appoint a reviewer for the settlement agreement. In July 2023, the reviewer filed their report. The parties and the reviewer made comments and suggestions for amendment of the settlement agreement, most recently in December 2023, with an amended settlement agreement enclosed. In January 2024, a judgment was handed down approving the amended settlement agreement. Migdal Insurance will act in conformity with the settlement agreement.

Note 8 – Contingent liabilities (cont.)

c. Class action proceedings concluded during the reported period up to the report issue date (cont.)

No.	Date and Court	The parties	Key allegations	Amount	Details
2	7/2019 District Court – Tel Aviv	Third party damaged by insured party in auto insurance policy vs. Migdal Insurance	The lawsuit alleges that when a third party chooses to exercise their right not to repair the damaged vehicle, Migdal Insurance arbitrarily and uniformly deducts the salvage value from amounts specified in the appraiser report with respect to parts damaged so as to require replacement, which were not actually replaced, without presenting a counter report by an appraiser on behalf of Migdal Insurance, even though there is no salvage value.	NIS 11.5 million.	As recommended by the Court, the parties conducted a mediation proceeding. In May 2023, a settlement agreement was filed, whereby Migdal Insurance would pay NIS 1.1 million to class members, plus attorney fees, compensation and expenses in an immaterial amount. The parties further agreed that in future, Migdal would enclose with its position statements the appraiser reports with regard to deduction of salvage value, to be prepared in conformity with provisions of the circular regarding claim elaboration and settlement. In October 2023, the Attorney General's position statement with respect to the settlement agreement was received, suggesting that monetary restitution to class members be made by bank transfer, or by the same means of payment used by the insured party to pay the Company. In January 2024, a judgment was handed down approving the settlement agreement. Migdal Insurance will act in conformity with the settlement agreement.

Note 8 – Contingent liabilities (cont.)

c. Class action proceedings concluded during the reported period up to the report issue date (cont.)

No.	Date and Court	The parties	Key allegations	Amount	Details
3	10/2016 District Labor Court – Jerusalem	An insured member of a continuing education fund v. Migdal Makefet	Alleged charging of investment management expenses, with no contractual provision on this matter in the Bylaws. The relief sought includes restitution of all investment management expenses / commissions charged to class members in the seven years prior to filing the lawsuit, plus NIS-denominated interest by law; and to instruct Migdal Makefet to avoid any deduction from class member accounts with respect to investment management expenses / commissions.	NIS 94 million.	In June 2023, the judgment of the Supreme Court was issued in a parallel proceeding, in which an appeal by four insurance companies against the decision of the District Court that approved the conduct of class actions against the insurance companies on the grounds of unlawful collection of investment management expenses from insureds in individual insurance policies was considered. The Supreme Court accepted the appeal and ruled that the insurance companies were entitled to impose the cost of investment management expenses on the insured, and ordered the dismissal of the certification motion. The parties filed additional summations with regard to impact of the Supreme Court judgment in the Concurrent Proceeding on this proceeding. In March 2024, an agreed motion to withdraw the certification motion was filed with the court, asking the court to reject the claim and certification motion, and to order that individual claims by the plaintiffs be denied, with no order for costs, which was approved by the court. See also Claims in (9) above and 4 in this section.

Note 8 – Contingent liabilities (cont.)

c. Class action proceedings concluded during the reported period up to the report issue date (cont.)

No.	Date and Court	The parties	Key allegations	Amount	Details
4	12/2016 District Labor Court – Tel Aviv	Insured in the managers insurance policy v. Migdal Insurance	Alleged charging of investment management expenses, with no contractual provision allowing this in insurance policies. The relief sought includes restitution of all investment management expenses charged to class members in the seven years prior to filing the lawsuit, plus NIS-denominated interest by law; and to instruct Migdal Insurance to avoid any deduction from class member accounts with respect to investment management expenses.	NIS 567 million.	In June 2023, the judgment of the Supreme Court was issued in a parallel proceeding, in which an appeal by four insurance companies against the decision of the District Court that approved the conduct of class actions against the insurance companies on the grounds of unlawful collection of investment management expenses from insureds in individual insurance policies was discussed. The Supreme Court accepted the appeal and ruled that the insurance companies were entitled to impose the cost of investment management expenses on the insured, and ordered the dismissal of the certification motion. The parties filed additional claims with regard to impact of the Supreme Court judgment in the Concurrent Proceeding on this proceeding. In March 2024, an agreed motion to withdraw the certification motion was filed with the court, asking the court to strike the claim and certification motion, and to order the dismissal of the individual claims of the plaintiffs, with no order for costs, which was approved by the court. See also Claims in (9) above and 3 in this section.

Note 8 – Contingent liabilities (cont.)

d. Other legal proceedings

No.	Date and Court	The parties	Key allegations	Amount	Details
1	10/2018 Tel Aviv District	Dirot Yukra Ltd. v. Migdal Insurance Migdal Makefet Pension and Provident Funds Migdal Real Estate Holdings and Pel-Hamagen House Ltd.	Alleged non-compliance with contractual obligation and damage caused to the plaintiff at Kanyon HaZahav in Rishon Le-Zion, which is 75% owned by Migdal Insurance and Migdal Makefet, in partnership with Dirot Yukra, which owns a 25% interest in Kanyon HaZahav. According to Dirot Yukra, the failure to comply with contractual obligations resulted in failure of the Golden Market venture to create a culinary leisure area at the mall. Previously, Dirot Yukra filed another lawsuit seeking declaratory injunctions with regard to the food court. Eventually, on May 3, 2018, the Court ruled that the claim would be rejected and charged expenses to the plaintiff amounting to NIS 7,500.	NIS 800 million.	Statement of defense filed in January 2019. In November 2019, Migdal Insurance filed a monetary lawsuit against the plaintiff, Dirot Yukra, in the amount of NIS 60 million. According to Migdal Insurance, Dirot Yukra was in breach of its obligations pursuant to a set of contracts signed by the parties, by not realizing in full the increased construction rights approved, and thus not constructing and leasing floor -1 at the mall as a typical commerce floor, pursuant to the construction permit granted in 2015, and since expired. Accordingly, the amount to have been invested by Migdal Insurance in the mall was not invested and did not yield the returns as reflected in the amount claimed in the lawsuit. The defendant was in breach of its obligations, in the way it managed the Golden Market project at the mall, thus causing the loss of return. Migdal Insurance also filed a motion seeking to combine this hearing with that of the lawsuit pending against Migdal Insurance. The parties conducted a mediation proceeding which was unsuccessful. In October 2021, the Court ruled that experts should be appointed to review data in this case, compared to the construction permit and planning actions conducted. In 2022, the parties held discussions with the experts. Evidence-in-chief affidavits were filed and evidentiary hearings were held. The case was scheduled for submission of summations.

Note 8 – Contingent liabilities (cont.)

e. Summary of legal claims

1) The table below shows a summary of amounts claimed in pending class certification motions, claims certified as class actions, and other material claims, as specified by the plaintiffs in the pleadings filed by them. Note that the amount claimed may not necessarily be a quantification of the exposure as estimated by the Company and/or subsidiaries, since these are assessments by the plaintiffs which would be elaborated in the legal proceeding. Also note that the table below does not include any concluded proceedings.

Type	Number of claims	Amount claimed (NIS in thousands)(1)
Claims certified as class actions	6	1,540,778
Amount indicated refers to the Group	5	1,540,778
Claim amount not indicated	1	-
Pending motions to certify class actions	30	32,262,130
Amount indicated refers to the Group	8	2,988,825
Claim refers to multiple companies, no specific amount attributed to the Group	5	29,273,305
Claim amount not indicated	17	-
Other material claims	1	800,000
Amount indicated refers to the Group	1	800,000

(1) All amounts are NIS in thousands and approximate, as of the filing date of motions or claims, as the case may be.

2) The total provision with respect to class action lawsuits and other material claims, filed against the Group, as listed in the summary table in section 1 above amounts to NIS 411 million (as of December 31, 2023: NIS 381 million).

3) Total provisions for all proceedings brought against the Group, including class action lawsuits and other material claims, including for proceedings as set forth in section F. below, amount to NIS 419 million (as of December 31, 2023: NIS 384 million).

Note 8 – Contingent liabilities (cont.)

f. Other legal proceedings and other proceedings, Supervision of Insurance Directives, events and developments which involve exposure of the Company and/or its subsidiaries

Below are descriptions of other legal proceedings and other proceedings ongoing against the Company and/or subsidiaries:

1) During the year 2023, a number of letters were received from the Commissioner, which were addressed to the members of the Company's Board of Directors and to the members of Migdal Insurance's Board of Directors, in which, among other things, the Commissioner ordered, by virtue of his authority according to section 65 of the Supervision of Financial Services (Insurance) Law, 1981 (" Supervision of Insurance Law"), to act to correct the defects alleged in the letters, and which concerned, among other things, the Commissioner's claims regarding harm to the independence of Migdal Insurance's Board of Directors to perform its duties, in particular regarding the appointment of the CEO of Migdal Insurance and the formulation of a strategy for Migdal Insurance, and the involvement of the Company's representatives in these issues. The Company responded to the Commissioner's letters, and in April and May 2023, discussions were held with the Capital Market, Insurance and Savings Authority, wherein representatives of the Company and of Migdal Insurance stated their claims, orally and in writing, with respect to the content of the Commissioner's letters ("Hearing Proceeding"). For details regarding the Commissioner's letters and the Company's and Migdal Insurance's responses, see the Company's immediate reports from January 17, 2023 (Reference No. 2023-01-007405), February 16, 2023 (Reference No. 2023-01-018111) and March 15, 2023 (Reference No. 2023-01-027276).

   On July 28, 2023, the Commissioner's letter was received in which it was stated that after examining all the claims of the Company and Migdal Insurance, the Commissioner decided to order Migdal Insurance, by virtue of his authority under section 65 of the Insurance Supervision Law, to take a series of steps, until October 1, 2023, the main ones being as follows ("Commissioner's directives"): (1) to appoint a chairman of the board of directors with appropriate background and experience; (2) to stipulate in the Migdal Insurance bylaws that the term of office of the chairman of the board of directors shall not be less than three years. The letter clarifies that Migdal Insurance's Board of Directors may appoint another Board Chairman, pursuant to its authority under the chapter "Board of Directors of an Institutional Entity" in the Consolidated Circular, but that the General Meeting of Migdal Insurance may not resolve to terminate the office of any director serving as Chairman of the Board of Directors sooner than three years after their appointment as Chairman. The letter notes, with respect to the appointment of a regular Chairman of Migdal Insurance, that according to the Commissioner's position, the continued instability at Migdal Insurance, as reflected inter alia by the frequent replacement of the Chairman of the Board of Directors at Migdal Insurance, and the fact that a regular Chairman has yet to be appointed since November 15, 2022, has harmed the managerial stability and proper management of Migdal Insurance; (3) The number of independent directors at Migdal Insurance shall be one third plus one, pending another directive by the Commissioner on this matter, and this directive shall be anchored in the bylaws of Migdal Insurance; **(4) Migdal Insurance must forward for the approval of the Capital Market Authority a procedure for the transfer of information between Migdal Insurance and the shareholders, and a procedure for a controlling shareholder.**

   The Commissioner also ordered Migdal Insurance to separate the seat of the Chairman of the Company's Board of Directors from the seat of the other officers at Migdal Insurance by August 31, 2023 ("the directive regarding seat separation").

Note 8 – Contingent liabilities (cont.)

f. Other legal proceedings and other proceedings, directives of the Insurance Commissioner, events and developments which involve exposure against the Company and/or subsidiaries thereof (cont.)

The Commissioner stated in his letter, among other things, that in his view, the conduct of the Company's Board Chairman was flawed in light of his involvement in the appointment process of Migdal Insurance's CEO, which, he believes, harmed the proper management of Migdal Insurance and the effectiveness of the appointment process.

On August 30, 2023, after dialogue between the Company and the Commissioner failed to reach agreements, the Company filed a petition with the Jerusalem District Court (sitting as a Court for Administrative Affairs) seeking an injunction to reverse the Commissioner's directives. As part of decisions given by the court on September 24, 2023, in interim motions filed by the Company, the court ordered, among other things, to extend the deadline for compliance with the Commissioner's directives until November 1, 2023, which, in the commissioner's letters, was set for October 1, 2023.

In accordance with the foregoing, the Commissioner's directives regarding seat separation, updating of Migdal Insurance's bylaws and procedures for a controlling shareholder and the transfer of information were implemented. The aforementioned documents were forwarded for approval by the Capital Market Authority.

For more information about the petition filed, see immediate reports by the Company dated August 30, 2023 (Reference No. 2023-01-100338 and 2023-01-100662), September 10, 2023 (Reference No. 2023-01-104970), September 26, 2023 (Reference No. 2023-01-109452 and 2023-01-109503).

On February 12, 2024, a hearing of the petition took place, and after hearing the parties' claims and court's comments, the Company announced that it was willing not to insist on the reliefs sought in the petition, save reversal of the directive regarding seat separation, without derogating from its claims in principle and without prejudice to the Company's option to apply to the Commissioner in future with respect to the length of time all the other Commissioner's directives would remain in force. After the hearing, and following the court's request that the Commissioner state whether he insists on his directive regarding separation of the seat, the Commissioner announced that he insists on the aforesaid directive, along with the other Commissioner's directives, and that he agrees to review said directive a year after his decision becomes effective (i.e., August 31, 2024).

On February 14, 2024, the Court handed down a judgment, ruling on the question as to whether, under the circumstances, there was cause to intervene in the Commissioner's Seat Separation Directive. In this judgment, the Court ruled that the appeal was accepted, in the sense that the Seat Separation Directive was reversed because inter alia under the circumstances, there was no sufficient factual basis established that would justify this directive, and would sufficiently establish a link between the directive and the deficiency found as part of the Commissioner's resolution. Furthermore, the petition with respect to all the other Commissioner's directives, regarding which the Company announced, during the hearing of the petition and after hearing the court's comments, that it no longer insisted on the remedies in respect thereof – was rejected, and the Court noted the Company's announcement that this would not derogate from the Company's option to apply to the Commissioner in future, regarding the effective duration of said directives, with the Court expressing no opinion in this regard.

For more information about the hearing of the appeal and the Court's judgment, see immediate reports by the Company dated February 13, 2024 (reference no. 2024-01-015759) and February 15, 2024 (reference no. 2024-01-016485).

Note 8 – Contingent liabilities (cont.)

f. Other legal proceedings and other proceedings, directives of the Insurance Commissioner, events and developments which involve exposure against the Company and/or subsidiaries thereof (cont.)

2) On July 28, 2023, a further notice was received from the Commissioner, regarding his intention to object to the appointment of Mr. Yossi Ben Baruch, Company CEO, as a director of Migdal Insurance, further to the resolution by the Company's Board of Directors, sitting as a General Meeting of Migdal Insurance on May 30, 2023, with regard to said appointment. In his announcement, the Commissioner states, among other things, that his position stems from a fear of what he perceives as harm to the independence of the Migdal Insurance Board of Directors for various reasons that were listed. Mr. Ben Baruch presented his arguments to the Authority. On May 15, 2024, the Commissioner sent another letter to Mr. Ben Baruch, stating, among other things, that after examining Mr. Ben Baruch's arguments at the hearing and based on the Commissioner's contentions in his letter of July 28, 2023, and the developments that have taken place at Migdal Insurance since the hearing, and further to that stated in the letter concerning the Board's composition (see below), regarding the lack of accurate and relevant information as to the expected composition of Migdal Insurance's Board of Directors, it is not possible, at this time, to continue discussing the request to confirm the tenure of Mr. Ben Baruch as a director of Migdal Insurance. The Commissioner stated that according to the Supervision Law, he must take into account various considerations, listing them in his letter. According to the Commissioner, examining the composition of the board of directors is one of the main considerations in examining suitability for the position, and it is not possible to continue discussing the request to approve the tenure of Mr. Ben Baruch as a director of Migdal Insurance until receiving accurate and relevant information regarding the expected composition of the Board of Directors, his expertise and compliance with the provisions of the law. The Company disputes the alleged assertions of the Commissioner in his aforementioned letter of May 15, 2024, and reserves all its rights and claims.

   For more details, see the Company's immediate reports from July 30, 2023 (Reference No. 2023-01-086409) and May 16, 2024 (Reference No. 2024-01-047818).

Note 8 – Contingent liabilities (cont.)

f. Other legal proceedings and other proceedings, directives of the Insurance Commissioner, events and developments which involve exposure against the Company and/or subsidiaries thereof (cont.)

3) On February 19, 2024, the annual General Meeting of Migdal Insurance resolved to re-appoint incumbent directors of Migdal Insurance, Mr. Avraham Dotan and Mr. Gad Nussbaum, to a further term in office. On that date, incumbent Board members Mr. Aryeh Mintkevich and Mr. Carmi Gilon concluded their term in office. Thus, as of this date, the Board of Directors of Migdal Insurance consists of seven Board members, of which four are independent directors. On February 19, 2024, shortly before the Board meeting, Migdal Insurance received a letter from the Commissioner, addressed to the Board Chairman of Migdal Insurance, with regard to the composition of Migdal Insurance's Board of Directors. In his letter, the Commissioner raised various allegations against Migdal Insurance's conduct and ordered it to send him detailed comments regarding the final composition of the Board of Directors, the number of Board members and its manner of compliance with provisions of the law, including the required expertise. On February 22, 2024, the Chairman of the Board of Directors of Migdal Insurance replied to said Commissioner's letter, stating that Migdal Insurance operates with full transparency regarding its intentions for the composition of Migdal Insurance's Board of Directors; that the Commissioner was presented with a staffing plan for the Board of Directors of Migdal Insurance; and that these are within the authority of the General Meeting of Migdal Insurance; that the seven-member Board of Directors meets the specialization requirements as stipulated in the provisions of the law; that the majority of the Board of Directors (four directors) consists of independent directors; and that, to strengthen the Board of Directors, the Company intends to expand the Migdal Insurance Board of Directors to nine members, with the intention that one of the additional candidates should be a woman; all subject to finding suitable candidates and conditional on the approval of the Company, acting in its role as a special general meeting of Migdal Insurance. On May 15, 2024, the Commissioner sent a letter to the Chairman of the Board of Directors of Migdal Insurance ("Letter Concerning BOD Composition") in which he stated, among other things, that despite his letter of February 19, 2024, the General Meeting did not renew the tenure of Mr. Carmi Gilon and Mr. Aryeh Mintkevich as directors of Migdal Insurance, and saw this conduct as a direct continuation of the distinct managerial instability existing in Migdal Insurance. In his letter, the Commissioner reviewed Migdal Insurance's response dated February 22, 2024, and noted that he had not yet been apprised of the changes made and expected to be made in the composition of Migdal Insurance's Board of Directors, and referred to the fact that according to the legislative arrangement, Migdal Insurance's Board of Directors was required to determine its composition, including the desired number of Board members, stating that inadequate implementation of the provisions of the law could harm the objectives of the Supervision of Insurance Law, which includes maintaining the proper management of Migdal Insurance. As part of the Letter Concerning BOD Composition, the Commissioner announced that Migdal Insurance's requests to change the Board of Directors' composition would be reviewed by the Commissioner only after receipt of detailed comments from Migdal Insurance by May 30, 2024, regarding the final composition of Migdal Insurance's Board of Directors, the number of Board members and its manner of compliance with the various legal provisions. The Company disputes the alleged assertions made by the Commissioner in his letter and reserves all its rights and claims.

For more details, see the Company's immediate reports from February 20, 2024 (Reference No. 2024-01-017901) and May 16, 2024 (Reference No. 2024-01-047818).

Note 8 – Contingent liabilities (cont.)

f. Other legal proceedings and other proceedings, directives of the Insurance Commissioner, events and developments which involve exposure against the Company and/or subsidiaries thereof (cont.)

4) Proceedings instituted under Sections 198 and 198a of the Companies Law, 1999 ("Companies Law"), due to the conduct of the Company's controlling shareholder.

Further to a request submitted by a Company shareholder on August 23, 2020, to file a lawsuit against the controlling shareholder of the Company, a motion was filed on November 22, 2020, with the Tel Aviv District Court (Economic Department), against the Company and its controlling shareholder Mr. Shlomo Eliahu, to certify the lawsuit, which was attached to the motion, as a derivative action of the Company against him, under section 198 of the Companies Law ("first derivative action certification motion").

The First Motion to Approve Derivative Lawsuit alleges that Mr. Eliahu's conduct, as set forth in the Commissioner's letter dated July 14, 2020, and as set forth in the draft corporate governance audit report with regard to Migdal Insurance Ltd., issued by the Commissioner on November 4, 2020 (see immediate reports by the Company dated July 15, 2020 (reference no. 2020-01-068140) and dated November 5, 2020 (reference no. 2020-01-110437), constitutes breach of fiduciary duty in his capacity as Board member of the Company and Migdal Insurance, breach of duty of care, breach of duty of fairness as controlling shareholder of the Company and causing and assisting in breach of fiduciary duty by Board members of the Company and Migdal Insurance, resulting in the Company incurring damage amounting to NIS 332.8 million.

On September 30, 2020, the Company Board of Directors resolved to established an independent committee, to review and discuss allegations made in the aforementioned motion, to consist of the following: Committee Chairman – Honorable Justice (Retired) Yoram Danziger, Prof. Roni Ofer and Ms. Linda Ben-Shoshan (who served as external Board member of the Company) (see immediate report by the Company dated October 1, 2020 (Reference No. 2020-01097966).

On June 14, 2021, the independent committee submitted its report ("the Committee Report"), in which it recommended that the Company Board of Directors reject the request made by the petitioner in the certification motion. The Committee Report includes, inter alia, rejection of the petitioner's allegations, both factually and in terms of legal argument, concluding (based on the opinion of the independent economic advisor to the Committee) that the economic opinion enclosed with the certification motion, regarding the damage allegedly caused to the Company, suffers from material flaws that go to the essence.

Note 8 – Contingent liabilities (cont.)

f. Other legal proceedings and other proceedings, directives of the Insurance Commissioner, events and developments which involve exposure against the Company and/or subsidiaries thereof (cont.)

On July 6, 2021, the Company's Board of Directors discussed the Committee Report and resolved to adopt the Committee's recommendation, for all the reasons cited in the Committee Report, whereby no factual or legal basis was found for the petitioner's allegations, including the allegation of sustained damage caused to the Company, and therefore resolved to reject the petitioner's request for the Company to file a lawsuit against Mr. Shlomo Eliahu.

On July 27, 2021, the Company filed its response to the certification motion, in which it rejected the petitioner's request to file a lawsuit against Mr. Shlomo Eliahu, based on the Committee Report. For details, see the Company's immediate reports from June 15, 2021 (Reference No. 2021-01-101082) and July 7, 2021 (Reference No. 2021-01-113121). The plaintiff responded to this response, and filed an additional opinion to the opinion filed by the Company.

On December 20, 2021, the State and the Commissioner announced that at this time, they did not see fit to take a position. The Commissioner maintained the right to make claims with regard to confidentiality of documents between the Commissioner and the supervised entity.

Further to Mr. Shlomo Eliahu's request, and in conformity with the letter of indemnification issued to him, the Audit Committee approved interim payment for expert fee expenses in connection with the aforementioned lawsuit, including deliberations of the independent committee, up to the deductible amount in the officer liability insurance policy (USD 150 thousand). The interim payment is subject to mandatory reimbursement should the liability be imposed for causes other than those covered by the letter of indemnification.

On May 9, 2024, a ruling was issued on the first derivative action certification motion, in which the court denied the certification motion. The court stated in its ruling, among other things, that the petitioner met the prima facie burden required at the hearing stage of the certification motion to prove Mr. Eliahu's involvement in the management of the Company's day-to-day affairs, including the replacement of senior officers in the Company and Migdal Insurance. It was also ruled, among other things, that when Mr. Eliahu exercises his inherent power as a controlling shareholder within the framework of the Company's current activities, his proprietary right should be given greater weight, and accordingly, judicial intervention in his activities as a controlling shareholder of the Company should be reduced, based on the premise that the actions of the controlling shareholder directly and significantly affect his personal good, and that the Company's interest aligns with his interest as the largest and main shareholder in the Company (where there is no discriminatory or exploitative use of the power of control for the controlling shareholder's personal interest). In addition, the judgment held, among other things, that Migdal Insurance is subject to close supervision in real time by the Commissioner of Capital Markets, Insurance and Savings who exercised his powers, including in relation to the termination of the tenure of senior officers at Migdal Insurance. In regards to the petitioner's causes of action based on Mr. Eliahu's duties as a director and not as a controlling shareholder, the court ruled that there is no basis for the certification motion. The court found that Mr. Eliahu exercised independent judgment and that from the perspective of a sole director there is no fault in his activities, when not even a prima facie foundation was laid that the frequency of replacement of officers was tainted by a conflict of interest or was done in bad faith or not in the best interest of the Company.

Note 8 – Contingent liabilities (cont.)

f. Other legal proceedings and other proceedings, directives of the Insurance Commissioner, events and developments which involve exposure against the Company and/or subsidiaries thereof (cont.)

5) On March 15, 2023, Migdal Insurance received another motion for certification of a derivative lawsuit, pursuant to provisions of section 198 of the Companies Law, 1999, against the Company and Mr. Shlomo Eliahu, the controlling shareholder of the Company, filed with the Economic Department of the Tel Aviv District Court, by a Company shareholder ("the Petitioner" and "second certification motion," respectively). This motion was filed by the same Plaintiff and their attorney who had filed the First Motion to Approve Derivative Lawsuit, as set forth in section F.2 in this Note.

In the second certification motion, the court was asked to approve filing a lawsuit against Mr. Eliahu, and to order Mr. Eliahu to pay the Company NIS 487,110 thousand, alleging that over a two year period, from November 20, 2020 to November 15, 2022 ("the Period"), Mr. Eliahu caused damage to the Company.

The Plaintiff alleges inter alia that Mr. Eliahu's involvement in Migdal Insurance resulted in management instability at Migdal Insurance. Thus, the Plaintiff alleges, Mr. Eliahu was in breach of the duty of fairness, as a controlling shareholders of the Company and Migdal Insurance. Moreover, the Plaintiff alleges, Mr. Eliahu impacted the independent judgment of Board members, thus causing Board members to be in breach of their fiduciary duty. The Plaintiff further alleges that Mr. Eliahu's involvement in ongoing management of Migdal Insurance, in their capacity as Board member and Chairman of the Company Board of Directors (when holding this position) constituted breach of fiduciary duty and duty of care. Further allegations include breach of statutory duties and negligence.

In this regard, see the Company's immediate report from March 16, 2023 (Reference No. 2023-01-027711).

On March 19, 2023, the Court asked the parties for their position on combining the Second Motion for Approval and the First Motion to Approve Derivative Lawsuit. The parties objected to combining these cases. On May 1, 2023, the Court ruled that hearings of these two motions would not be combined.

On July 10, 2023, the Company Board of Directors resolved to appoint an independent committee, to review and discuss matters alleged in the Motion for Approval. On July 13, 2023, the Company's Board of Directors resolved that the committee's composition would be as follows: Committee Chairman – Professor Yoram Danziger (retired Supreme Court justice), Professor Roni Ofer and Dr. Assaf Eckstein ("the Committee").

Note 8 – Contingent liabilities (cont.)

f. Other legal proceedings and other proceedings, directives of the Insurance Commissioner, events and developments which involve exposure against the Company and/or subsidiaries thereof (cont.)

On October 23, 2023, the Committee filed a detailed report, including its recommendations to the Company Board of Directors, as to whether the Company has an appropriate cause for claim against the controlling shareholder of the Company, with respect to allegations made in the additional motion, or with respect to allegations arising there from ("the Report" or "the Committee Report"). The Report elaborated the Committee's findings, based on which the Committee concluded that there was no basis for allegations made in the motion for approval of derivative lawsuit, neither factual nor legal. The Committee Report also noted that beyond the comments with regard to alleged lack of evidence for existence of a cause for claim against Mr. Eliahu, the Committee also considered the Company's best interest with regard to viability of filing and litigating a derivative lawsuit, and concluded that there was no place to file a lawsuit against Mr. Eliahu. On November 7 and 9, 2023, the Company Board of Directors discussed the Committee Report and all findings therein, and resolved to adopt the Committee's recommendation, for the reasons cited in the Committee Report. On January 4, 2024, the Company filed its response to the certification motion, requesting that the court deny the certification motion, based, inter alia, on the Committee Report. For details about the Committee and the report it submitted, see the Company's immediate reports from July 11, 2023 (Reference No. 2023-01-078231), July 13, 2023 (Reference No. 2023-01-079836), October 24, 2023 (Reference No. 2023- 01-118338) and November 12, 2023 (Reference No. 2023-01-123315). On March 13, 2024, the petitioner filed a response to the Company's reply.

On March 27, 2024, the Company submitted a list of motions, requesting that at the pre-trial hearing a hearing be held on the motion filed by it, on May 1, 2023, to dismiss the certification motion outright, and alternatively to stay proceedings (a motion whose hearing was delayed by the court's decision for reasons detailed in the decision and related, inter alia, to the overlap between the legal arguments in this case and in the first motion). Also, the Company asked for leave to submit a written motion to strike sections and appendices from the petitioner's response to the respondents' answers to the certification motion, and alternatively to grant the right of supplemental reply to the petitioner's response. On the same day, the petitioner submitted a list of motions which included a summary of a discovery motion according to section 198a of the Companies Law. On April 10, 2024, the Company submitted a response to the list of motions, in which the court was asked not to grant the petitioner leave to file the discovery motion.

On May 22, 2024, the Company submitted a notice, in which it advised that it intends to request, during the pre-trial hearing scheduled for June 3, 2024, to dismiss the second certification motion outright due to estoppel by record or estoppel by cause of action, or alternatively to stay the motion. This, in view of the decisions made in the judgment that denied the first derivative action certification motion, which in the Company's view makes it unnecessary to hold a hearing on the second certification motion. For an elaboration on the said judgment, see section 8(f)(4) above.

Further to the request by Mr. Shlomo Eliahu, and in conformity with the letter of indemnification awarded to Mr. Eliahu on September 22, 2022 by the General Meeting of Company shareholders, with respect to their office as Board member of the Company, on February 12, 2024, the Audit Committee approved an interim payment with respect to Mr. Eliahu's legal defense expenses with regard to the aforementioned lawsuit, amounting up to NIS 120 thousand (plus VAT). The interim payment is subject to mandatory reimbursement should the liability be imposed for causes other than those covered by the letter of indemnification.

Note 8 – Contingent liabilities (cont.)

f. Other legal proceedings and other proceedings, directives of the Insurance Commissioner, events and developments which involve exposure against the Company and/or subsidiaries thereof (cont.)

6) The Company and/or its subsidiaries have exposure to other claims or complaints on various grounds, other than claims for insurance coverage of insurance cases pursuant to an insurance policy issued by Migdal Insurance, by customers, past customers and third parties, with a cumulative amount in respect of filed claims of NIS 18 million (as of December 31, 2023: NIS 19 million), beyond the general exposures described in this Note, including in section F.10 of this Note.

7) On December 21, 2021, the Commissioner sent to Migdal Insurance a notice of request for information with regard to charging for insurance coverage in conformity with limits pursuant to Regulation 45 of the Income Tax Regulations (Rules for Approval and Management of Provident Funds), 1964, which also includes provisions for making restitution, should it emerge that the Company acted not in conformity with rules prescribed in this notice. In this regard, see elaboration in section 8(b)(18) above.

8) On September 28, 2023, the Capital Market, Insurance and Savings Authority notified Migdal Insurance that the Financial Sanctions Committee of the Capital Market Authority ("the Committee" or "the Sanctions Committee") received a request to impose financial sanctions on Migdal Insurance for alleged violation of provisions under Section 7 of the Prohibition on Money Laundering Order, 2000, following an audit conducted at Migdal Insurance with respect to the period from July 2018 to June 2019. The aforementioned notice alleges breach of various reporting duties by Migdal Insurance, pursuant to the Prohibition on Money Laundering Order, 2000, (mandatory identification, reporting and record-keeping by insurers, insurance agents and management companies, to prevent money laundering and terrorism financing), 2017 ("the Order"), and alleges that Migdal Insurance failed to maintain documentation of the control process for identifying unusual activity by its customers, as required under Section 17(d) of the Order. In February 2024, Migdal Insurance filed its written response to the Sanctions Committee, claiming inter alia that imposing a monetary sanction was un-warranted under the circumstances, and also made its claims on this matter at a discussion with the Committee. On April 18, 2024, Migdal Insurance received the Committee's decision to impose a financial sanction of NIS 250 thousand. Migdal Insurance has been acting for a long time, after the audit period, to prevent the recurrence of the violations detailed in the audit and to improve the internal processes within the framework of the obligations imposed on it by virtue of the Order.

9) On May 15, 2024, Migdal Insurance received the Authority's notice regarding its intention to impose a financial sanction on Migdal Insurance for failure to report to the Commissioner, in accordance with the provisions of Chapter 1, Part 3, Title 5 of the consolidated circular regarding "embezzlement and fraud". The background to the financial sanction is comprehensive and thorough inspections carried out by Migdal Insurance due to anonymous inquiries regarding the alleged conduct of a Migdal Insurance employee in the field of car insurance claims and appraisals, which did not reveal any actions amounting to embezzlement or fraud. The allegations raised by the Authority in its notice, concern the obligation to report to the Commissioner which, according to the Authority, arose for Migdal Insurance already at the time the inspections began. Migdal Insurance's position is that, under the circumstances, it had no reporting obligation under the circular's provisions. The amount of the financial sanction indicated in the notice is NIS 970 thousand, consisting of a sanction due to the initial violation of the reporting directive and a continuing violation. In the Authority's notice, Migdal Insurance was given the opportunity to present its arguments on the subject, including regarding the fulfillment of criteria and considerations for reducing the financial sanction. Migdal Insurance intends to present its arguments to the Commissioner.

Note 8 – Contingent liabilities (cont.)

f. Other legal proceedings and other proceedings, directives of the Insurance Commissioner, events and developments which involve exposure against the Company and/or subsidiaries thereof (cont.)

10) The Commissioner issues, from time to time, position papers, principles for formulating insurance programs, appropriate and inappropriate practices documents and so forth, including documents or draft documents applicable to Group operations, which may affect the rights of insured parties and/or members, and may result in exposure by the Group in certain cases, both with respect to its operations prior to such documents becoming effective, and with respect to the future.

    It is not possible to anticipate whether and to what extent insurers have exposure to allegations related to or arising from such directives, which may be raised inter alia thorough litigation provisions set forth in the Class Actions Law. Such implications may also arise from circulars issued by the Commissioner, typically with future effectiveness.

    Complaints are brought against the Group from time to time, including complaints filed with the Commissioner, regarding rights of insured parties and/or members pursuant to insurance programs and/or funds and/or by law. Such complaints are handled regularly by the Group's Public Complaints Unit. Sometimes, rulings or draft rulings by the Commissioner on such complaints are issued for a group of insured parties.

    The Commissioner also conducts from time to time, including due to complaints by insured parties, audits of institutional entities of the Group and/or sends them requests for information on various matters related to management of the institutional entities, management of rights of insured parties and members thereof, as well as audits related to application of regulatory provisions and/or implementation of lessons learned in past audits, including inter alia requiring changes to be made to various products, issuing directives to make restitutions and/or guidelines or directives with respect to correction of deficiencies or measures taken by the institutional entities, including funds restitution to members and to insured parties. Based on audit findings on information provided, the Commissioner may occasionally impose monetary sanctions pursuant to the Enforcement Authorization Law.

Note 8 – Contingent liabilities (cont.)

f. Other legal proceedings and other proceedings, directives of the Insurance Commissioner, events and developments which involve exposure against the Company and/or subsidiaries thereof (cont.)

11) There is general exposure which cannot be assessed or quantified, due inter alia to the complexity of services provided by the Group to its insured parties. The complexity of such arrangements embodies, inter alia, the potential for interpretive and other arguments arising from information gaps between the Group and third parties in respect of insurance contracts, with regard to a long list of commercial and regulatory terms and conditions. This exposure is primarily reflected with respect to pension savings and long-term insurance products, including health insurance, in which the Group operates, which feature longevity and high complexity, in particular given the various legislative arrangements with respect to product management and to taxation, including with respect to setting tariffs, payment of contributions by employers and insureds, splitting and assignment thereof to various policy components, investment management, employment status of the insured, payment of insured's contributions, and so forth. It should be noted that the Supervision of Financial Services Regulations (Provident Funds) (Payments to Provident Funds), 2014 ("Payment Regulations"), which gradually became effective as from February 1, 2016, were intended to mitigate this complexity, through the regulation of an automated flow of information among all parties involved, with regard to the manner of executing contributions and attributing them to provident fund account components, including with respect to taxation.

It should also be noted that Group products that are managed over years, have exposure to changes in policy, in regulation and in judicial trends, including in court adjudication. Such changes are implemented by computer systems, which are frequently modified and adapted. The complexity of these changes, and applying changes over many years, results in increased operating exposure. Accepting new interpretation of insurance policies and long term pension products may sometimes affect the Group's future profitability in respect of the current portfolio, in addition to exposure arising from requirements to compensate customers with respect to past operations. The types of claims to be made in this area cannot be anticipated, nor the exposure arising from such claims with respect to the insurance contract raised inter alia thorough litigation provisions set forth in the Class Actions Law.

Moreover, the field of insurance in which Group companies are engaged involves an extensive range of details and circumstances, and therefore is associated with inherent unquantifiable risk of occurrence of a human- or computer-related error or string of errors, both in structured work processes and in individual treatment of a customer, which may have far-reaching implications both in terms of expanded scope of applicability to many customers or cases, and in terms of the applicable monetary scope for an individual customer. Institutional entities of the Group regularly handle improvement of rights of insured parties, with regard to product management by institutional entities, based on gaps discovered from time to time.

The Company and subsidiaries have exposure to claims and lawsuits involving contract law and fulfilling insurance obligations pursuant to the insurance policy, deficient advice, breach of fiduciary duty, conflict of interest, duty of care, negligence as part of professional liability of professional entities of the Group, including Group agencies and similar claims arising from services provided by Group companies, and from time to time, circumstances and events may occur that give rise to concern about such claims. The Group obtains professional liability insurance policies, including as required by legislation, and as required, reports to such insurance policy or policies for coverage for indebtedness arising from professional liability that may be covered by obtaining insurance. The potential exposure amounts exceed the coverage amounts, and receiving actual coverage upon occurrence of an insurance event is uncertain.

For other general exposures, see Note 37.A to the annual financial statements.

Note 9 – Material events during and after the reporting period

a. Changes to key estimates and assumptions used to calculate insurance reserves

	Three months ended March 31		Year ended December 31
	2024	2023	2023
	Unaudited		Audited
	NIS in millions		
Life insurance (1)			
Increase (decrease) in supplementary reserve for pensions with respect to change in discount rate (1A)	23	(261)	(479)
Increase (decrease) in reserves for pensions following a change in expected future revenues due to change in interest rate (1) (Kb)	(78)	(57)	(508)
Total increase (decrease) in provisions for pensions due to change in interest rate	(55)	(318)	(987)
Change to assumptions regarding pension	-	-	(570)
Total additional reserve for pensions	(55)	(318)	(1,557)
Increase (decrease) in Migdal Batuach reserve (1C)	(12)	(21)	(29)
Total increase in profit before tax	(67)	(339)	(1,586)
Total increase in profit after tax	(44)	(223)	(1,044)

1. Life insurance

Effect of changes on the interest rate curve

In recent years, there have been changes that have affected key actuarial assumptions used as a basis for calculating reserves, including: an increase in life expectancy, an increase in benefit redemption rates, a shift to age-adjusted investment routes, changes in interest rates, fluctuations in the estimated rates of return on the portfolio of assets held against insurance liabilities and changes in the taxation arrangements intended to bring about the withdrawal of social savings by way of a benefit. All of these have led to changes in obligations for benefit payments.

a) Migdal Insurance uses return assumptions based on the current and expected portfolio, for estimating future returns as part of setting the reserve for pensions.

In the three months ended March 31, 2024, due to the decrease in spreads on the linked bonds offset by the increase in the risk-free interest rate curve, the expected return on the current and expected asset portfolio decreased. Consequently, the assumptions regarding discount rates used to calculate the pension provisions were revised, leading to an increase in the reserves. In the corresponding period last year, the reserve decreased due to an increase in the risk-free interest rate and the increase in the spreads on the linked bonds.

For more details regarding the increase in the interest rate curve, see section 9.B below.

Note 9 – Material events during and after the reporting period (cont.)

a. Changes to key estimates and assumptions used to calculate the insurance reserves (cont.)

1. Life insurance (cont.)

Effect of changes on the interest rate curve (cont.)

b) The additional reserve for pensions us accumulated gradually with respect to funds accrued in insurance policies, concurrently with recognition of income from management fees, over the remaining term until the insured party reaches retirement age. For premiums expected to be received from insurance policies, the provision will accumulate from the time they are received until retirement age.

Gradual provision buildup is done using the K factor, derived from future revenues, as noted (hereinafter: "K factor"). This factor is taken into account in calculating the accumulation of the supplement to the reserve for the payment of annuity. The higher the Factor K, the lower the liability to make up the additional reserve for pensions recognized on the financial statements, and the higher the amount deferred and to be recognized in future.

In accordance with the Commissioner's directives, two separate K values are determined. One value of Factor K is determined for liabilities with respect to profit-sharing insurance policies, and the other – with respect to guaranteed-return insurance policies. The change in the K rate of profit-participating policies is due to the change in the profit forecast derived from the change in the risk-free interest rates.

As of March 31, 2024, December 31, 2023, and March 31, 2023, the K value that Migdal Insurance uses for profit-participating policies is 0.97%, 0.95%, and 0.77%, respectively. As of March 31, 2024, the Company has reached the K value cap. The supplementary reserve for the benefit in respect of guaranteed return policies stands at its full amount (the K value that Migdal Insurance used for guaranteed return policies as of March 31, 2024, December 31, 2023 and March 31, 2023 is 0%).

In the three months ended March 31, 2024, the K value in the profit-participating policies increased as a result of the increase in the risk-free interest rate curve, the effect of investment profits in the participating portfolio, and the offset of a decrease in the illiquidity premium.

In the corresponding period last year, the K value in the profit-participating policies increased as a result of the increase in the risk-free interest rate curve and in the illiquidity premium, coupled with the effect of investment profits in the participating portfolio.

c) The "Migdal Batuach" insurance plan is a profit-participating plan that includes a commitment to a linked minimum return subject to achieving a duration exceeding 20 years. For this commitment, the company maintains a reserve based, among other things, on risk-free interest rates.

2. Health insurance

Migdal Insurance periodically tests the adequacy of liabilities (LAT) in accordance with the LAT Circular.

Following the liability adequacy test, Migdal Insurance found that as of March 31, 2024, December 31, 2023, and March 31, 2023, there was no need to supplement the LAT reserve, so that the reserve balance was reduced to zero.

Note 9 – Material events during and after the reporting period (cont.)

a. Changes to key estimates and assumptions used to calculate the insurance reserves (cont.)

3. Non-life insurance

In the compulsory vehicle, employer liability and third party liability sectors, Migdal Insurance capitalizes the future claim payments according to a risk-free interest curve while adjusting it to the non-liquid nature of the insurance liabilities, and taking into account the manner of revaluation of the assets held against these liabilities, and this in accordance with best practice principles. The change in the risk-free interest rate curve for the short and medium term and in the excess fair value of assets over their book value, in the three months ended March 31, 2024, resulted in an increase in insurance liabilities amounting to NIS 8 million before tax, as detailed below:

	Three months ended March 31		Year ended December 31
	2024	2023	2023
	Unaudited		Audited
	NIS in millions		
Change in discount rate	7	(30)	(13)
Change in excess fair value of assets over their book value	1	11	22
Total before tax	8	(19)	9

b. Further to that stated in Note 1.C, in February 2024, the credit rating agency Moody's downgraded Israel's debt rating from A1 to A2 with negative outlook. As explained by the rating agency, the lower credit rating and the rating outlook downgrade to "negative" mainly reflected the uncertainty over the economic implications of the War, when and how the War would end and the change in the fiscal situation.

In addition, after the reporting date, in April 2024, the international credit rating company S&P announced the downgrading of Israel's rating from AA- to A+ and maintained the rating outlook at negative. The downgrade was implemented against the background of the worsening conflict between Israel and Iran and the geopolitical risks that Israel has been facing since the outbreak of the war. The company also stated at the time that there might be a credit rating downgrade if the military conflict expands substantially, increasing the security and geopolitical risks faced by Israel, and if the impact of the military conflict on economic growth, the fiscal situation and the balance of payments of Israel turns out to be more significant than the company currently anticipates.

Also, after the reporting date, in April 2024, the international credit rating company Fitch reaffirmed Israel's credit rating at A+, but changed the rating outlook from stable to negative.

Group operations expose it to fluctuations on the financial markets, to economic slow-down in Israel and to other risk arising from the War.

During the reporting period, profit-participating life insurance policies marketed up to 2004 achieved positive real returns. However, due to the cumulative negative real return recorded by profit-participating life insurance policies marketed up to 2004, Migdal Insurance did not record variable management fees since the start of 2022, but rather only fixed management fees.

Note 9 – Material events during and after the reporting period (cont.)

Migdal Insurance will not be able to collect variable management fees until positive real return is achieved to cover the investment losses accumulated by the insurance policyholders. The estimated variable management fees that will not be collected, due to the negative real return, until a cumulative positive return is achieved, amounted, as of March 31, 2024 and as of shortly before the publication date of this report, to NIS 0.5 billion and NIS 0.7 billion, respectively.

After the balance sheet date, the rise in the risk-free interest rate curve continued, resulting in losses to the nostro tradable investment portfolio. On the other hand, the aforementioned increase in the risk-free interest rate curve led to a decrease in Migdal Insurance's insurance liabilities, which partially offset the said investment losses, and this in light of the fact that the additional interest rate increase will lead to a limited release of the insurance liability, which is subject to regulatory restrictions. For more details regarding a sensitivity analysis of interest rate changes, see Note 37.B.1)a. to the Company's consolidated financial statements as of December 31, 2023.

At the same time, it is not possible to assess further developments in the markets and the interest rate curve and their effect on the results of the second quarter of 2024; therefore, the foregoing does not in any way constitute an assessment of the expected financial results of the Company for the second quarter of 2024.

c. On February 19, 2024, Mr. Tal Cohen, CFO of the Company and Manager, Finance Division of Migdal Insurance, announced his intention to conclude his term in office. Furthermore, on February 19, 2024, the Board of Directors of the Company and the Board of Directors of Migdal Insurance approved the appointment of Mr. David Saban as CFO of the Company and Manager of the Finance Division of Migdal Insurance, replacing Mr. Cohen, subject to no objection from the Commissioner of Capital Markets, Insurance and Savings. On April 18, 2024, a notice was received from the Capital Market, Insurance and Savings Authority regarding the Commissioner's non-objection to the appointment of Mr. Saban as the CFO at Migdal Insurance, stipulating that Mr. Saban would be entitled to sign the financial statements of Migdal Insurance starting with the reports for the third quarter of 2024, after parallel work with Mr. Tal Cohen, the current CFO of the Company and of Migdal Insurance.

d. In March 2024, the Knesset plenum approved an amendment to the Value Added Tax Order (Tax Rate for Non-Profits and Financial Institutions), 2024 ("the Order"), stipulating that as of January 1, 2025, the payroll tax rate for financial institutions would be 18% of payroll, and the capital gain tax would be 18% of earnings.

The deferred tax balances included in the financial statements as of March 31, 2024 take into account the effects resulting from the increase in tax rates as mentioned above. The effect of the change in tax rates is immaterial.

e. After the reporting date, on January 31, 2024, the board of directors of Migdal Insurance decided to appoint Mr. David Santori to the position of appointed actuary in the field of life insurance. The Commissioner's notice of no objection to the said appointment was received on April 18, 2024, subject to the accompaniment of another actuary for one year from the date the appointment came into effect.

Note 9 – Material events during and after the reporting period (cont.)

f. After the date of the report, on May 23, 2024, the Company's board of directors approved the distribution of a dividend in the amount of NIS 25 million, originating from the dividend from the subsidiary, Migdal Capital Markets (1965) Ltd., to the Company's shareholders, subject to the approval of the Company's general meeting.

g. Further to that stated in Note 33 to the Company's consolidated financial statements as of December 31, 2023, on May 23, 2024, the Company's board of directors approved, following the approval of the Compensation Committee, an additional allocation of 721,968 options to an office holder at Migdal Insurance (who is not a CEO or a director), who will be serving as an office holder also in the Company, in accordance with the Company's equity compensation plan, the compensation policy of the Company and the institutional bodies in the Group, and under the same conditions detailed in the private offer report from May 2023. The allocation constitutes 0.07% of the issued and outstanding capital of the Company and of the voting rights, after the allocation, assuming the exercise of all the allocated options is in accordance with the compensation plan. Notwithstanding the foregoing, the assumption of full exercise of the options into an equal number of shares is only theoretical, due to application of the Net Exercise mechanism, reflecting the award of fewer exercise shares, which indicates only the monetary benefit amount inherent in the options. The options will vest in three equal tranches over a period of three years, subject to compliance with the performance conditions detailed in Note 33, where the exercise price is NIS 5.04 for the first option tranche (reflecting a 5% premium on the closing price of the company's stock on the stock exchange in the thirty trading days preceding the decision), NIS 5.28 for the second option tranche (reflecting a 10% premium) and NIS 5.52 for the third option tranche (reflecting a 15% premium). The value of the additional options granted as measured at the time they were granted is immaterial.

In addition, on May 23, 2024, the Company's Board of Directors, in accordance with the authority given to it, and following the approval of the Compensation Committee, decided to accelerate the vesting date of the second option tranche allocated to an office holder serving in the Company and Migdal Insurance (out of a total of 567,874 options allocated in three annual tranches), and this due to said office holder's expected retirement upon reaching retirement age after a long tenure, and after it was decided to further postpone the date of actual termination of employment relationship, from the date set in the board of directors' decision of January 31, 2024, to December 31, 2024. In its aforesaid decision, the board of directors approved the acceleration of the vesting date of 141,969 options, which constitute a proportional part of the second tranche of the office holder's options, so that it will reflect the period in which an employee-employer relationship will exist between the office holder and the Company and Migdal Insurance out of the total vesting period of the second tranche (i.e. 18 months out of 24 months). The acceleration complies with the terms of the compensation policy and the terms of the equity compensation plan adopted by the Company and Migdal Insurance. Total fair value of accelerated vesting options not yet recognized as an expense, as measured at the time they were granted, is immaterial.

Note 10 – Application of IFRS 17 and IFRS 9 in subsidiaries that meet the definition of an insurer, in accordance with the Securities Regulations (Preparation of Annual Financial Statements), 2010

Further to that stated in Note 2 to the annual reports, below is an update regarding Migdal Insurance's preparations for the implementation of IFRS 17 and IFRS 9.

As part of the process of adopting the standards, Migdal Insurance completed the implementation and assimilation of computerized information systems which are necessary for the implementation of the instructions. In addition, Migdal Insurance has so far met all the required milestones in the project according to the roadmap. Migdal Insurance is currently preparing to perform the second QIS to examine the effects of the first implementation of IFRS 17 and IFRS 9, which must be submitted to the Capital Market Authority as stipulated in the roadmap by July 31, 2024.

For the purpose of the preparation of the insurance companies in Israel for the adoption of IFRS 17, the Commissioner published an appendix to the draft insurance circular regarding "Professional issues concerning the implementation of IFRS 17 in Israel" (hereinafter: "Professional Issues Circular").

It should be noted that on April 15, 2024, the Commissioner published draft 8 of a professional issues circular that includes, among other things, a detailed set of principles for calculating the fair value for the transition date. Migdal Insurance responded to the Commissioner's draft and the discussions on the subject have not yet been exhausted. Accordingly, Migdal Insurance is still examining the manner in which it will apply IFRS 17 regarding various matters discussed in the Commissioner's draft (including: the method of determining the risk margin for non-financial risk (RA) and the reliable profit rate that will be taken into account, the method of determining the fair value when applying the fair value approach at the time of the transition (see below) - which may also affect the reliefs that Migdal Insurance will choose at the time of the transition, and various other issues), and as a result the effects of the transition to IFRS 17 on equity as of the time of the transition.

It should be emphasized that everything detailed below in connection with the accounting policy is correct as of the date of this report.

Note 10 – Implementation of IFRS 17 and IFRS 9 in subsidiaries that meet the definition of an insurer pursuant to the Securities Regulations (Preparation of Annual Financial Statements), 2010 (cont.)

a. IFRS 17 – Main changes in the accounting policy

Below are the main requirements and the accounting policy chosen by Migdal Insurance:

Measurement model

The standard includes three models for measuring the liability for insurance contracts:

1. General model - GMM model

   This model is the default model of the standard. The liability for groups of insurance contracts must be measured at initial recognition as the present value of the expected cash flows from the insurance contracts discounted at the current interest rate plus an explicit risk adjustment for the non-financial risks (RA). The predicted profit inherent in the insurance contracts derived from the aforementioned calculations will be recognized as a liability (contractual service margin - CSM) which will be recognized in profit and loss over the coverage period, according to the coverage units provided during the period. To the extent there is a predicted loss, a loss component will be created, which will be recognized immediately.

   In reinsurance contracts held, the contractual service margin can be an asset or liability, representing the forecast net cost or the forecast net profit, respectively. To the extent that the reinsurance contract exists when recognizing a loss component for a group of insurance contracts covered by it, the Company will recognize an immediate profit for the reinsurance contract (loss recovery component) against the adjustment of the contractual service margin.

   Migdal Insurance products measured under the GMM model are the long-term health products and in the life sector - risk and disability which are sold separately, as well as contracts that include savings with guaranteed returns. Also, all reinsurance in the life and health sector will be measured under the GMM model.

2. Variable fee approach - VFA model

   This model is an approach adapted to the GMM model, applying to contracts with direct participation features (insurance contracts that include a promise by the Company to provide the insured with an investment return based on underlying items. In other words, the contract includes a significant investment-related service).

   In accordance with the VFA model, the cash flows for maintaining the contract consist of the obligation to pay the insured an amount equal to the fair value of the underlying items less the variable fee for the service. A change in the obligation to pay the insured an amount equal to the fair value of the underlying items is directly credited to financing expenses for insurance contracts. Unlike the GMM model, the contractual service margin (CSM) is also adjusted for financial changes that affect the variable fee.

   Migdal Insurance expects that the insurance contracts that include yield-dependent savings will meet this definition in the application of IFRS 17 and will be measured according to the VFA model.

Note 10 – Implementation of IFRS 17 and IFRS 9 in subsidiaries that meet the definition of an insurer pursuant to the Securities Regulations (Preparation of Annual Financial Statements), 2010 (cont.)

a. IFRS 17 – Main changes in the accounting policy (cont.)

3. Premium allocation approach - PAA model

This model is a simplification of the general model which can be applied for certain groups of insurance contracts for which it provides a measurement that is a reasonable approximation to the measurement according to the general model. The implementation of this model will be carried out at Migdal Insurance mainly in the elementary insurance portfolios (including elementary reinsurance contracts), where the coverage period of most contracts is up to one year.

For groups of insurance contracts under the PAA model, the standard allows cash flows to purchase any insurance to be recognized as expenses when these costs are incurred, provided that the coverage period of each contract in the group does not exceed one year. The company chose not to implement this alternative.

The liability for claims that have arisen is calculated according to the same principles as of the GMM model. The standard allows not to discount the cash flows for claims that arose if the cash flows are expected to be paid or received within a year or less from the date the claims arose. The Company does not apply the aforementioned relief.

The measurement of insurance contracts under the PAA model is similar to the measurement of elementary insurance contracts in accordance with the Company's existing policy under IFRS 4, with certain adjustments.

IFRS 17 requires the grouping of insurance contracts into groups for recognition and measurement.

First, Migdal Insurance must identify portfolios of insurance contracts. A portfolio consists of contracts subject to similar risks and managed together. After identifying a portfolio, Migdal Insurance divides it into the following groups based on the expected profitability at the time of initial recognition:

- A group of contracts that are onerous at initial recognition;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- A group of the remaining contracts in the portfolio.

The Company does not expect the second group to be material.

IFRS 17 provides that contracts issued more than one year apart should not be included in the same group, so that each underwriting year is assigned to a separate group of insurance contracts.

The lowest unit of measurement for the purposes of IFRS 17 is the insurance contract with all the insurance coverages included in it. Also, in certain cases where a series of policies reflect in their economic essence one insurance contract, Migdal Insurance will recognize and measure the aforementioned policies as one insurance contract.

Contract boundaries

For insurance contracts, cash flows are within the boundary of the contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide the policyholder with services.

In determining the contract boundaries of insurance contracts, the Company examines each contract separately and considers all the substantive obligations and rights, whether they arise from a contract, law or regulation, while disregarding terms that have no commercial substance.

Note 10 – Implementation of IFRS 17 and IFRS 9 in subsidiaries that meet the definition of an insurer pursuant to the Securities Regulations (Preparation of Annual Financial Statements), 2010 (cont.)

a. IFRS 17 – Main changes in the accounting policy (cont.)

Grouping level

Below are the contract boundaries of material policies identified:

1. Individual health insurance policies issued from 2016 onwards

   Although this concerns a policy that is renewed every two years, it cannot be said that the Company has a practical ability to reassess the risks of the portfolio and accordingly set a new price that fully reflects those risks. Accordingly, the periods after the fixed renewal date will be included within the boundary of the contract.

2. Life insurance policies with a savings component that do not include a guaranteed annuity factor at the time the policy is issued

   Life insurance policies that include a savings component up to retirement age plus disability and/or risk coverage are insurance contracts that generally also provide additional insurability coverage for the benefit coverage (hereinafter: "annuity option"). The annuity option is not included within the boundary of the contract, as the Company has the practical ability to re-evaluate the risks of the contract and determine an annuity factor that reflects those risks. After its exercise, the annuity option will be recognized as a new insurance contract in accordance with the recognition rules of the standard.

3. Reinsurance contracts held

   Pursuant to the accounting policy applied under IFRS 4, the measurement of the reinsurance contracts is only for the underlying contracts transferred to the reinsurer as of the balance sheet date. In accordance with IFRS 17, apart from these cash flows, the reinsurance contract boundary may also include cash flows for underlying contracts that the company expects to sell (and deliver to the reinsurer) during the contract period, to the extent the Company and the reinsurer do not have the right to cancel or reprice the commitment to deliver those expected future contracts.

The RA reflects the compensation the Company requires for bearing the uncertainty about the amount and timing of cash flows arising from non-financial risks, including insurance risk and other non-financial risks such as cancellation risk and expense risk.

The Company adjusts the estimate of the present value of the future cash flows for this amount, which is separately expressed in the total amount of the company's liabilities.

IFRS 17 does not specify the estimation techniques used to determine the risk adjustment for non-financial risk.

As indicated above, in light of the publication of a draft Professional Issues Circular on April 15, 2024, the Company is still examining the manner in which it will implement the method of determining the risk margin for non-financial risk (RA) and the confidence interval rate that will be taken into account.

Coverage units and manner of release of contractual service margin (CSM)

CSM represents the liability for the unrealized profit relating to future services. As per the standard,
the CSM will be recognized in profit and loss over the coverage period in a pattern that reflects the insurance service provided by the Company in connection with the contracts included in the group of insurance contracts. This pattern is determined on the basis of the coverage units provided during the period in relation to the coverage units expected to be provided in the future in connection with the group of insurance contracts.

The number of coverage units in the group is the quantity of insurance contract services provided by the contracts in the group, determined by considering for each contract the quantity of the benefits provided under a contract and its expected coverage period.

Note 10 – Implementation of IFRS 17 and IFRS 9 in subsidiaries that meet the definition of an insurer pursuant to the Securities Regulations (Preparation of Annual Financial Statements), 2010 (cont.)

a. IFRS 17 – Main changes in the accounting policy (cont.)

Risk adjustment for non-financial risk (RA)

Discount rate curves

Migdal Insurance will determine the discount rate curves for the needs of IFRS 17 in accordance with the "BOTTOM-UP" approach, which is the default approach according to the Commissioner's draft.

Transitional instructions

IFRS 17 must be applied retrospectively (hereinafter: "full retrospective application") unless this is impractical, in which case you can choose an adjusted retrospective application approach or a fair value approach for the transition date.

Migdal Insurance will implement the full retroactive application approach for the elementary insurance portfolios.

According to Migdal Insurance's position, it is impractical to retroactively apply IFRS 17 to groups of life and health insurance contracts; therefore, in most of the life and health portfolios, Migdal Insurance is expected to use the fair value approach as of the transition date.

b. IFRS 9 -Main changes in the accounting policy
Classification and measurement

Financial assets

In applying IFRS 9, Migdal Insurance will classify financial assets according to their subsequent measurement at reduced cost, at fair value through other comprehensive income or at fair value through profit or loss, based on the entity's business model for managing the financial assets, as well as the characteristics of the financial asset's projected cash flow.

The implementation of IFRS 9 will affect the classification and measurement of the company's financial assets as follows:

Participating portfolio

The basic items of insurance contracts that include profit-participating savings will be measured at fair value through profit or loss, similar to what is currently done under IAS 39.

- Investments in capital instruments will be measured at fair value through profit or loss past measurement at fair value through capital fund under IAS 39.
- Derivatives will be measured at fair value through profit or loss similar to IAS 39.
- Investments in debt instruments that do not meet the principal and interest test will be classified at fair value through profit or loss.
- The rest of the debt assets in the nostro portfolio, including the Hetz bonds, are expected to be designated for fair value through profit or loss in order to avoid an accounting mismatch with liabilities for insurance contracts, or they are managed at fair value and thus will be measured at fair value through profit and loss (this includes the assets held against the equity and other liabilities that are not insurance liabilities).

Financial liabilities

The classification and measurement of financial liabilities will be left unchanged in the company.

Appendix to the Condensed Consolidated Interim Financial Statements as of March 31, 2024

Appendix – Listing of assets for other financial investments of a consolidated insurance company

Breakdown of financial investments

	March 31, 2024			
	Stated at fair value through income statement	Available for sale	Loans and accounts receivable	Total
	Unaudited			
	NIS in thousands			
Negotiable debt instruments	1,005,766	14,671,989	-	15,677,755
Non-negotiable debt instruments	-	-	27,495,533	27,495,533
Shares	-	283,918	-	283,918
Others	190,499	6,338,821	-	6,529,320
Total other financial investments	1,196,265	21,294,728	27,495,533	49,986,526

	March 31, 2023			
	Stated at fair value through income statement	Available for sale	Loans and accounts receivable	Total
	Unaudited			
	NIS in thousands			
Negotiable debt instruments	909,563	13,584,354	-	14,493,917
Non-negotiable debt instruments	-	-	26,988,086	26,988,086
Shares	-	230,619	-	230,619
Others	324,723	5,168,144	-	5,492,867
Total other financial investments	1,234,286	18,983,117	26,988,086	47,205,489

	December 31, 2023			
	Stated at fair value through income statement	Available for sale	Loans and accounts receivable	Total
	Audited			
	NIS in thousands			
Negotiable debt instruments	914,446	15,114,906	-	16,029,352
Non-negotiable debt instruments	-	-	27,064,566	27,064,566
Shares	-	258,555	-	258,555
Others	401,764	6,123,918	-	6,525,682
Total other financial investments	1,316,210	21,497,379	27,064,566	49,878,155

Appendix – Listing of assets for other financial investments of a consolidated insurance company (cont.)

1. Negotiable debt instruments

	March 31		December 31	March 31		December 31
	2024	2023	2023	2024	2023	2023
	Carrying amount			Amortized cost *)		
	Unaudited		Audited	Unaudited		Audited
	NIS in thousands			NIS in thousands		
Government bonds	9,662,092	9,177,211	10,030,058	11,097,234	10,259,058	11,341,852
Other non-convertible debt instruments	6,015,663	5,316,706	5,999,294	6,132,233	5,583,776	6,185,572
Negotiable debt instruments	15,677,755	14,493,917	16,029,352	17,229,467	15,842,834	17,527,424
Impairment charged to income statement (cumulative)	192	36,106	202			

*) Minus provisions for impairment.

2. Shares

	March 31		December 31	March 31		December 31
	2024	2023	2023	2024	2023	2023
	Carrying amount			Cost*)		
	Unaudited		Audited	Unaudited		Audited
	NIS in thousands			NIS in thousands		
Negotiable shares	43,011	6,512	14,225	41,709	6,512	12,584
Non-negotiable shares	240,907	224,107	244,330	181,728	152,276	180,258
Total shares	283,918	230,619	258,555	223,437	158,788	192,842
Impairment charged to income statement (cumulative)	30,400	34,828	29,866			

*) Minus provisions for impairment.

Appendix to the Condensed Consolidated Interim Financial Statements as of March 31, 2024

Appendix – Listing of assets for other financial investments of a consolidated insurance company (cont.)

3. Others

	March 31		December 31,	March 31		December 31
	2024	2023	2023	2024	2023	2023
	Carrying amount			Cost*)		
	Unaudited		Audited	Unaudited		Audited
	NIS in thousands			NIS in thousands		
Negotiable financial investments	1,744,326	1,112,203	1,599,091	1,450,811	1,029,032	1,392,293
Non-negotiable financial investments	4,784,994	4,380,664	4,926,591	4,052,674	3,485,317	4,063,198
Total other financial investments	6,529,320	5,492,867	6,525,682	5,503,485	4,514,349	5,455,491
Impairment charged to income statement (cumulative)	1,159,319	1,150,217	1,176,478			

*) Minus provisions for impairment.

Other financial investments primarily include investments in ETFs, mutual funds, equity funds, hedge funds, financial derivatives, forward contracts, options and structured products.

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Somekh Chaikin
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March 23, 2024

Migdal Insurance and Financial Holdings Ltd. ("the Company")
4 Ef'al Street, Kiryat Aryeh, Petach Tikva

Dear Sir/Madam,

Re: Letter of consent regarding the draft shelf prospectus of Migdal Insurance and Financial Holdings Ltd.
scheduled to be published in May 2024

We hereby inform you of our consent to inclusion (including by way of reference) of our reports listed below with respect to the aforementioned Shelf Prospectus:

1. Independent Auditor's Report dated March 20, 2024 with regard to the Company's financial statements as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023.

2. Independent Auditor's report dated March 20, 2024 regarding audit of internal controls over financial reporting at the Company as of December 31, 2023.

3. Special report by the Independent Auditor dated March 20, 2024 regarding separate financial information in accordance with Regulation 9c of the Securities Regulations (Periodic and Immediate Reports), 1970 as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023.

4. The review report dated May 23, 2024 on the Company's condensed consolidated report as of March 31, 2024 and the condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months then ended.

Somekh Chaikin Independent Auditor	Kost, Forer, Gabbay & Kasierer Independent Auditor

Joint Auditors

Report and certifications with regard to effectiveness of internal control over financial reporting and disclosure

Quarterly Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure, pursuant to Regulation 38c(a)

Management, supervised by the Board of Directors of Migdal Insurance and Financial Holdings Ltd. ("the Corporation") is responsible to set and maintain proper internal control over financial reporting and disclosure by the corporation.

For this matter, management consists of:

1. Yossi Ben Baruch, CEO
2. Tal Cohen, CFO
3. David Gilead, Risk Officer;
4. Tamir Solomon, Internal Auditor;
5. Noam Hauslich, Legal Counsel and Enforcement Officer;
6. Tali Kassif, Corporate Secretary;

Internal control over financial reporting and disclosure includes controls and procedures existing in the Company, which were planned by, or under the supervision of, the CEO and the most senior financial officer, or by whoever fulfills those functions in practice, under the supervision of the Board of Directors of the Company, and were designed to provide reasonable assurance as to the reliability of the financial reporting and the preparation of the reports in accordance with the provisions of the law, and to ensure that information that the Company is required to disclose in the reports it published in accordance with the provisions of the law is collected, processed, summarized and reported on the date and in the format laid down in law.

Internal control includes, inter alia, controls and procedures designed to ensure that information which the corporation is required to disclose, is collected and submitted to corporate management, including to the general manager and to the most senior financial officer, or to those acting in said capacities, so as to enable decisions to be made at the appropriate time with regard to the required disclosure.

Due to structural limitations, internal control over financial reporting and disclosure is not designed to provide absolute certainty that misrepresentation of omission of information on the reports would be avoided or discovered.

Migdal Insurance Company Ltd., a subsidiary of the Corporation, is an institutional entity, which is subject to directives of the Supervisor of Capital Market, Insurance and Savings at the Ministry of Finance with regard to assessment of effectiveness of internal control over financial reporting.

With respect to internal control in the aforementioned subsidiary, the Company implements the following directives: Institutional Entities Circular 2009-9-10 on “Management’s Responsibility for Internal Control over Financial Reporting,” Institutional Entities Circular 2010-9-7 on “Internal Control over Financial Reporting – Statements, Reports and Disclosures” and the amendments to said circulars.

In the annual report on the effectiveness of internal control over financial reporting and disclosure attached to the annual report for the period ended December 31, 2023 (hereinafter - the Most Recent Annual Report on Internal Control), the internal control was found to be effective.

As of the report date, no event or matter has been brought to the attention of the Board of Directors and Management that could change the assessment of the effectiveness of internal control, as presented in the Most Recent Annual Report on Internal Control;

As of the report date, based on the Most Recent Annual Report on Internal Control, and based on information brought to the attention of the Management and Board of Directors as stated above, the internal control is effective.

Certification by Management
Certification by CEO

I, Yossi Ben Baruch, certify as follows:

(1) I have reviewed the quarterly report of Migdal Insurance and Financial Holdings Ltd. (hereinafter – the Company) for the first quarter of 2024 (hereinafter - the Reports).

(2) To the best of my knowledge, the Reports do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period of the Reports.

(3) To the best of my knowledge, the financial statements and other financial information included in the Reports reflect fairly, in all material respects, the financial position, results of operations and cash flows of the Company as of the dates and for the periods presented in the Reports.

(4) I have disclosed the following to the Independent Auditor of the Company, to the Board of Directors and to the Audit and the Financial Statements Review Committees of the Company, based on my most recent assessment of the internal control over financial reporting and disclosure:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure which are reasonably likely to adversely affect the Company's ability to collect, process, summarize or report financial information, in a way that could cast doubt on the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law; and –

(b) Any fraud, whether or not material, that involves the CEO or anyone directly subordinate to the CEO, or that involves other employees having a significant role in the Company's internal control over financial reporting and disclosure.

(5) I, alone or together with others in the Company:

(a) Established controls and procedures, or ensured the establishment and maintaining of controls and procedures under my supervision, designed to ensure that material information relating to the Company, including its subsidiaries as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in the Company and in the subsidiaries, particularly during the period of preparation of the Reports; and –

(b) Established controls and procedures, or ensured the establishment and maintaining of controls and procedures under my supervision, designed to provide reasonable assurance as to the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles.

(c) I was not informed of any event or matter that occurred in the period between the date of the last report (quarterly or periodic, as applicable) and the date of this report, that would change the conclusion of the Board of Directors and Management concerning the effectiveness of internal control over the Company's financial reporting and disclosure.

The foregoing shall not derogate from my responsibility or that of any other person pursuant to all statutory provisions.

Date: May 23, 2024

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Yossi Ben Baruch, CEO

Certification by Management
Certification by most senior financial officer

I, Tal Cohen, certify as follows:

(1) I have reviewed the interim financial statements and other financial information included in the reports for the interim period of Migdal Insurance and Financial Holdings Ltd. (hereinafter – the "Company") for the first quarter of 2024 (hereinafter – the "Reports" or the "Reports for the Interim Period").

(2) To the best of my knowledge, the interim financial statements and other financial information included in the Reports for the Interim Period do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period of the Reports.

(3) To the best of my knowledge, the financial statements and other financial information included in the Reports for the Interim Period reflect fairly, in all material respects, the financial position, results of operations and cash flows of the Company as of the dates and for the periods presented in the Reports.

(4) I have disclosed the following to the Independent Auditor of the Company, to the Board of Directors and to the Audit and the Financial Statements Review Committees of the Company, based on my most recent assessment of the internal control over financial reporting and disclosure:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure, insofar as relevant to the interim financial statements and other financial information included in the Reports for the Interim Period, which are reasonably likely to adversely affect the Company's ability to collect, process, summarize or report financial information, in a way that could cast doubt on the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law; and –

(b) Any fraud, whether or not material, that involves the CEO or anyone directly subordinate to the CEO, or that involves other employees having a significant role in the Company's internal control over financial reporting and disclosure.

(5) I, alone or together with others in the Company:

(a) Established controls and procedures, or ensured the establishment and maintaining of controls and procedures under my supervision, designed to ensure that material information relating to the Company, including its subsidiaries as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in the Company and in the subsidiaries, particularly during the period of preparation of the Reports; and –

(b) Established controls and procedures, or ensured the establishment and maintaining of controls and procedures under my supervision, designed to provide reasonable assurance as to the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;

(c) I have not been informed of any event or matter that occurred in the period between the date of the last report (quarterly or periodic, as applicable) and the date of this report, with respect to the interim financial statements and any other financial information included in the Reports for the Interim Period, that would, in my opinion, change the conclusion of the Board of Directors andManagement concerning the effectiveness of internal control over the Company's financial reporting and disclosure.

The foregoing shall not derogate from my responsibility or that of any other person pursuant to all statutory provisions.

Date: May 23, 2024

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Tal Cohen, CFO

Statements on Disclosure Controls and Procedures for the Financial Statements of Migdal Insurance Company Ltd.

Certification

I, Ronen Agassi, certify as follows:

1. I have reviewed the quarterly report of Migdal Insurance Company Ltd. (hereinafter – the "**Insurance Company**") for the quarter ended March 31, 2024 (hereinafter – the "**Report**") .
2. To the best of my knowledge, the Report is free of any misrepresentation of material fact and is not lacking any representation of material fact required for the representations made therein, under the circumstances in which they were made, to not be misleading in reference to the period covered by the Report.
3. To the best of my knowledge, the financial statements and other financial information included in the Report reflect fairly, in all material respects, the financial position, results of operations and cash flows of the Insurance Company as of the dates and for the periods presented in the Report.
4. I and others at the Insurance Company providing this certification, are responsible for establishing and maintaining controls and procedures with respect to disclosure[1] and internal control over financial reporting[1] of the Insurance Company; and furthermore:
   (a) We have set such controls and procedures, or caused these controls and procedures to be determined under our supervision, for the purpose of ensuring that material information relating to the Insurance Company, including subsidiaries thereof, is made known to us by others at the Insurance Company and in those entities, particularly during the Report preparation period;
   (b) We have established internal control over financial reporting, or supervised the establishment of internal control over financial reporting, designed to provide reasonable assurance as to the reliability of the financial reporting and the preparation of the financial statements in accordance with the directives of the Capital Market, Insurance and Savings Commissioner under the Control of Financial Services (Insurance) Law, 1981;
   (c) We have evaluated the effectiveness of the Insurance Company's disclosure controls and procedures and have presented our conclusions about the effectiveness of the disclosure controls and procedures in this Report, as of the end of the period covered by this Report based on our evaluation; and

[1]As defined in the Institutional Entities Circular on Internal Control over Financial Reporting – Statements, Reports and Disclosures.

Migdal Insurance Company Ltd.

(d) We have disclosed in the report any change in the internal control of the Insurance Company over financial reporting which occurred in the quarter, that materially affected, or that is reasonably likely to materially affect, the internal control of the Insurance Company over financial reporting. And –

5. I and others at the Insurance Company who are declaring this certification, have disclosed, based on our most recent evaluation of the internal controls over financial reporting, to the Management Company's independent auditors, the Board of Directors and the Financial Statements Review Committee of the Insurance Company ("Balance Sheet Committee"), based on our most current assessment of internal control over financial reporting:

(a) All significant deficiencies and material weaknesses in the determination or operation of internal control over financial reporting which are reasonably likely to impair the Insurance Company's ability to record, process, summarize and report financial information; and –

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Insurance Company's internal controls over financial reporting.

The foregoing shall not derogate from my responsibility or that of any other person pursuant to all statutory provisions.

March 23, 2024

Ronen Agassi, CEO

Migdal Insurance Company Ltd.

Certification

I, Tal Cohen, certify as follows:

1. I have reviewed the quarterly report of Migdal Insurance Company Ltd. (hereinafter – the "**Insurance Company**") for the quarter ended March 31, 2024 (hereinafter – the "**Report**").
2. To the best of my knowledge, the Report is free of any misrepresentation of material fact and is not lacking any representation of material fact required for the representations made therein, under the circumstances in which they were made, to not be misleading in reference to the period covered by the Report.
3. To the best of my knowledge, the financial statements and other financial information included in the Report reflect fairly, in all material respects, the financial position, results of operations and cash flows of the Insurance Company as of the dates and for the periods presented in the Report.
4. I and others at the Insurance Company providing this certification, are responsible for establishing and maintaining controls and procedures with respect to disclosure and internal control over financial reporting[1] of the Insurance Company; and furthermore:
   (a) We have set such controls and procedures, or caused these controls and procedures to be determined under our supervision, for the purpose of ensuring that material information relating to the Insurance Company, including subsidiaries thereof, is made known to us by others at the Insurance Company and in those entities, particularly during the Report preparation period;
   (b) We have established internal control over financial reporting, or supervised the establishment of internal control over financial reporting, designed to provide reasonable assurance as to the reliability of the financial reporting and the preparation of the financial statements in accordance with the directives of the Capital Market, Insurance and Savings Commissioner under the Control of Financial Services (Insurance) Law, 1981;
   (c) We have evaluated the effectiveness of the Insurance Company's disclosure controls and procedures and have presented our conclusions about the effectiveness of the disclosure controls and procedures in this Report, as of the end of the period covered by this Report based on our evaluation; and

[1] As defined in the Institutional Entities Circular on Internal Control over Financial Reporting – Statements, Reports and Disclosures.

Migdal Insurance Company Ltd.

(d) We have disclosed in the report any change in the internal control of the Insurance Company over financial reporting which occurred in the quarter, that materially affected, or that is reasonably likely to materially affect, the internal control of the Insurance Company over financial reporting. And –

5. I and others at the Insurance Company who are declaring this certification, have disclosed, based on our most recent evaluation of the internal controls over financial reporting, to the Management Company's independent auditors, the Board of Directors and the Financial Statements Review Committee of the Insurance Company ("Balance Sheet Committee"), based on our most current assessment of internal control over financial reporting:

   (a) All significant deficiencies and material weaknesses in the determination or operation of internal control over financial reporting which are reasonably likely to impair the Insurance Company's ability to record, process, summarize and report financial information; and –

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Insurance Company's internal controls over financial reporting.

The foregoing shall not derogate from my responsibility or that of any other person pursuant to all statutory provisions.

March 23, 2024

Tal Cohen, CFO